S.P. 29/26

St Helena Government

ST HELENA LEGISLATIVE COUNCIL

SELECT COMMITTEE 2

FOURTH REPORT
STRATEGIC ECONOMIC DEVELOPMENT DELIVERY PLAN 17TH APRIL 2026

LAID UPON THE TABLE 17 JULY 2026

Legislative Council of St Helena

Select Committee 2

Fourth Report

17 April 2026

STRATEGIC ECONOMIC DEVELOPMENT DELIVERY PLAN

Published 12 June 2026

SELECT COMMITTEE 2

Select Committee 2

As per the Select Committees (Establishment) Order 2022, Select Committee 2 (SC2) is appointed by the Governor to scrutinise sectors of Government activity. SC2 is responsible for after-the-event review and scrutiny of:

- Treasury, Infrastructure and Sustainable Development and
- Safety, Security and Home Affairs.

Current membership

Councillor Dr Corinda Essex (Chair)
Councillor Clint Beard (Member)
Councillor Derek Thomas (Member)

Powers

The Committee is one of two Select Committees established under Section 69 A of the St Helena, Ascension and Tristan da Cunha Constitution Order 2009 which is available to view on the sainthelena.gov.sh website.

Staff

The current Clerk of the Committee is Marita Bagley.

Contact Information

All correspondence should be addressed to the Clerk of SC2 at Marita.bagley@sainthelena.gov.sh or she can be contacted on 23179.

CONTENTS

INTRODUCTION

In view of the significant importance of the Sustainable Economic Development Strategy (SEDS), SC2 wished to scrutinise the extent to which its Delivery Plan is meeting its objectives after two years in operation. Due to the broad scope of the Strategy, it was not practicable to inquire into all its aspects simultaneously, so it was decided to focus upon one key area.

The sector of activity being scrutinised is that contained in the first bullet point in Annex 1 of the Sustainable Economic Development Delivery Plan relating to Investment which states:
"We will have an efficient and effective process for enabling investment on St Helena, which bring together cross-governmental teams to ensure potential investors have access to the information they need to contribute to the developing the island. We will have appropriate safeguards in place to ensure all investment is sustainable and that the needs of all residents are taken into account."

The themes explored were as follows: -

- **Theme 1** The processes and procedures for enabling investment on St Helena
- **Theme 2** Operation of the current Approved Investor Scheme (AIS)
- **Theme 3** The nature and effectiveness of the safeguards currently in place
- **Theme 4** How the needs of residents in relation to investment are identified, and the mechanisms in place to ensure these are considered
- **Theme 5** The extent to which the aim to have an efficient and effective process for enabling investment has been achieved

In preparation for the gathering of evidence, SC2 familiarised itself with the evidence listed in Annex 1 on page 16.

Prior to the hearing, SC2 went on radio and encouraged the public to provide evidence for the forthcoming inquiry if they wished to do so. No written evidence was received from the public, but oral feedback was received from several investors who wish to remain anonymous prior to the formal hearing. This anecdotal evidence highlighted considerable concern and frustration regarding the timeliness of processes and procedures; inadequate proactive facilitation of inquiries and perceived preferential treatment being accorded to some individuals/businesses. A number of the Recommendations contained within this Report should, if implemented, assist in overcoming the issues identified. It should be noted that the majority of the negative feedback did not relate specifically to the Trade and Investment team.

On Friday 17 April 2026 a live hearing took place at which oral evidence was taken from the following key witnesses: -

- The Minister for Economic Development, and Environment, Natural Resources & Planning, Mr Karl Thrower
- The Portfolio Director for Economic Development, Mr Damian Burns
- The Trade and Investment Manager, Mr Michael Ormrod

The Committee is very grateful to all those who contributed to the inquiry, both by supplying a substantial amount of essential information from its outset and by giving evidence at the live hearing.

REPORT

On Friday 17 April 2026, SC2 held a public hearing to scrutinise progress against the Sustainable Economic Development Strategy (SEDS) Delivery Plan, focusing on the first bullet point in Annex 1 of the Sustainable Economic Development Delivery Plan relating to Investment which states:
"We will have an efficient and effective process for enabling investment on St Helena, which bring together cross-governmental teams to ensure potential investors have access to the information they need to contribute to the developing the island. We will have appropriate safeguards in place to ensure all investment is sustainable and that the needs of all residents are taken into account."

The Chair, Hon. Dr Corinda Essex, emphasised that the purpose of the inquiry was to examine progress, challenges, and areas for improvement, rather than to attribute blame. She highlighted the importance of scrutiny in strengthening transparency, accountability, and public understanding.

Before the Committee commenced questioning the witnesses, the Chair asked the Portfolio Director to "...state the meaning of the terms 'investment' and 'investor' in the context of the Sustainable Economic Development Strategy". He replied, "... investment would be the injection of some sort of capital, in this context, into the island by an investor with a goal to achieving some sort of productive purpose with that capital, and an investor is the legal person or entity that undertakes the injection of that capital".

THEME 1: INVESTMENT PROCESSES AND PROCEDURES

The Committee was informed that the Trade and Investment Team serves as the central point of contact for all investment enquiries, effectively undertaking the role that might otherwise be carried out by an external investment or development agency. Evidence provided during the hearing highlighted that the team not only supports investors through the initial stages of business development but also acts as a facilitator across government to help navigate administrative and regulatory processes. This includes coordinating engagement with property and land teams, planning and regulatory authorities, immigration services, financial institutions, and tax offices. The team also works with other sectors where relevant, including education, particularly in relation to workforce development and skills alignment. Officials emphasised that the approach is intended to be responsive and tailored, ensuring that investors are guided through the practical realities of establishing and operating a business on St Helena.

The Committee was pleased to hear that the Investor Engagement Process is deliberately interactive rather than transactional. This balanced approach—highlighting both opportunities and constraints—was presented as essential to managing expectations.

Officials explained that initial enquiries are generally acknowledged within 24 to 48 hours, with follow-up discussions arranged shortly afterwards through telephone or online meetings. Early engagement is used to better understand the investor's intentions, the nature of the proposed project, and the type of support required, allowing advice and guidance to be tailored to individual circumstances. Investors are also provided with practical information on establishing and operating a business on St Helena, including guidance on living conditions, regulatory requirements, and investment procedures. Importantly, officials stated that the process includes open discussion of local constraints and challenges, such as limited resources and market scale, in order to manage expectations realistically while still promoting opportunities for investment.

Officials explained that cross-government coordination arrangements have evolved over time Previously, an Investment Enabling Group met monthly to review all activity. This was discontinued due to inefficiency and replaced with a case-by-case approach, assembling only relevant expertise. In its place, SHG adopted a more flexible case-by-case model, whereby only the departments and expertise relevant to a particular investment proposal are engaged. While officials indicated that this has improved efficiency and responsiveness, the Committee concluded that coordination is now less formally structured and relies more heavily on officer judgement and discretion in determining which stakeholders need to be involved.

Officials explained that investors are required to provide detailed information throughout the engagement and application process, including identity and business details, the purpose and scale of the proposed investment, employment projections, land and infrastructure requirements, and any relevant social or environmental considerations. This information is recorded internally through a task-tracking system and shared across relevant departments to support coordination and decision-making. However, it was acknowledged during the hearing that SHG does not currently capture or monitor all investment activity across the island, with tracking largely limited to investors who engage directly with the Trade and Investment team or access incentives under the Approved Investor Scheme.

The Committee concluded that mechanisms for tracking all investment should be explored, although it was recognised that the current lack of data protection legislation presents challenges as to how such tracking can be undertaken without being inappropriately intrusive.

Evidence provided during the hearing indicated that applications under the Approved Investor Scheme (AIS) generally take between two and three months to process once all required information has been submitted. Officials stated that the process has become more streamlined over time, with efforts made to improve responsiveness and communication with investors. Where concerns arise regarding the service provided or delays experienced, investors may escalate matters through several channels, including the Portfolio Director, Chief Secretary, the responsible Minister, or through engagement with the Chamber of Commerce. The Committee considered that applicants should be made fully aware of these options from the initial stages of their engagement with SHG and was concerned that no formal appeal system exists.

Overall, the Committee concluded that the processes and procedures demonstrate a number of strengths, including a responsive and accessible approach to investor engagement, tailored support based on the needs of individual projects, and effective facilitation across government departments. However, several limitations were also identified. These included the absence of a fully formalised process framework, incomplete oversight of all investment activity taking place on the island, and a system that relies significantly on the knowledge, judgement, and discretion of individual officers. The latter presents a significant risk both to investors and SHG particularly when staff turnover levels are high.

THEME 2: THE APPROVED INVESTOR SCHEME (AIS)

The AIS, introduced in 2019, is SHG's primary financial incentive mechanism, offering customs duty concessions to qualifying investors. Applications are reviewed by the Approved Investment Committee, comprising senior officials and the relevant Minister.

Officials explained that applicants seeking approval under the Approved Investor Scheme are required to submit a range of supporting documentation, including an enquiry form, business plan, financial projections, and an itemised list of proposed capital imports. Financial assessments are generally considered over a minimum three-year period, although broader projections over a ten-year timeframe are also used to assess longer-term economic contribution. During the hearing, it was stated that applications are assessed using a weighted scoring matrix that considers the potential economic, environmental, and social impact of the investment. Officers then prepare a detailed assessment report, similar in format to an Executive Council paper, for consideration by the Approved Investment Committee.

The hearing outlined that applications under the Approved Investor Scheme may receive one of three levels of approval, depending on the assessed value and impact of the proposed investment. An "A Status" approval provides a full exemption from customs import duties on approved capital goods, while "B Status" allows for reduced duty rates. A "C Status" approval permits deferred payment arrangements, enabling investors to delay duty payments over an agreed period. Officials explained that the level of concession awarded is determined through the assessment process and reflects the projected economic, social, and environmental benefits of the investment proposal.

Officials advised that monitoring and compliance arrangements are maintained through ongoing engagement with approved investors throughout the life of their projects. The hearing highlighted that investment approvals may include bespoke conditions tailored to individual proposals, such as employment commitments or requirements relating to the use of imported capital assets. It was further explained that Approved Investor Scheme certificates may be revoked where conditions are not met, false information has been provided, or approved investments fail to materialise as anticipated, with provisions in place for the recovery of customs duties where applicable.

During the hearing, a number of limitations within the Approved Investor Scheme were acknowledged by officials. It was confirmed that no formal or comprehensive review of the scheme has been undertaken since its introduction, with assessments to date being largely informal and policy based. Officials also noted difficulties in measuring the wider economic impact of investments, particularly in relation to tax returns and long-term economic contribution. Concerns were raised regarding the absence of a formal appeals process for unsuccessful applicants, with current arrangements relying primarily on informal engagement and requests for clarification. In addition, the Committee heard that promotion of the scheme has generally been reactive, driven mainly by enquiries and occasional public communications, rather than through a sustained or proactive investment marketing strategy. Officials further acknowledged the challenge of assessing counterfactual outcomes, particularly determining whether certain investments would have proceeded in the absence of incentives provided under the scheme.

The Committee concluded that now that the Approved Investor Scheme has been in existence for 7 years it should be reviewed and, if necessary, revised to ensure that it is aligned with the current needs of St Helena. The Committee also shared the concerns expressed by the official witnesses regarding the current operation of the Scheme and considered that improvements in the areas identified require timely action.

Evidence presented during the hearing indicated that there have been 17 approvals under the Approved Investor Scheme over the past five years, with 12 projects approved since approximately 2023. Officials stated that around 11 of those businesses are currently operational and noted that the majority of approved investors are local residents, estimated at approximately 75 percent. It was further reported that the Scheme has facilitated an estimated £600,000 in imported capital goods, although officials clarified that this figure does not reflect the full value of wider investment activity. During discussions, emphasis was placed on the fact that many approved projects remain in development or establishment phases, and that the economic benefits associated with investment are expected to materialise over longer timeframes, often assessed over a ten-year period.

Overall, the hearing demonstrated that the Approved Investor Scheme is functioning as an active mechanism for facilitating investment on St Helena and has supported a number of projects and business developments. However, the Committee noted that the full economic value and long-term impact of the Scheme have not yet been comprehensively evidenced, particularly in relation to measurable fiscal returns and wider economic outcomes. It was also acknowledged that, despite operational adjustments and policy refinements over time, the Scheme itself has not undergone a formal review since its introduction. The Committee concluded that a comprehensive review should be undertaken without delay.

THEME 3: SAFEGUARDS

Officials advised that a number of due diligence measures are applied as part of the investment assessment process to safeguard SHG against financial and reputational risks. These measures include open-source background checks on investors and businesses, financial due diligence through the review of bank statements where appropriate, criminal record checks, and sanctions screening. However, during the hearing officials acknowledged that SHG has limited legal authority to compel detailed financial disclosure, meaning that assessments are often dependent on information voluntarily provided by applicants, as well as the availability of publicly accessible data and good faith engagement from investors. The Committee concluded that this situation is unsatisfactory and potentially exposes SHG to litigation.

The hearing highlighted that a range of legal and regulatory safeguards are in place to support the integrity of the Approved Investor Scheme and wider investment activity. Officials explained that AIS certificates may be revoked where investors fail to comply with conditions or where information provided is found to be false or misleading. In such circumstances, provisions exist for the recovery of customs duties that were previously exempted or reduced. Reference was also made to existing and proposed anti-money laundering legislation aimed at strengthening oversight of financial activity and reducing the risk of illicit investment. In addition, the Committee heard that a publicly accessible beneficial ownership register has been introduced to improve transparency regarding company ownership and deter inappropriate or unlawful business activity.

The Committee concluded that an appropriate and robust legal framework is essential to maximise the effectiveness of the Scheme and ensure that thorough due diligence checks can be undertaken. It was noted that some progress has been made in this regard, but there is still room for improvement

Officials explained that operational safeguards are also applied to manage and monitor investment activity on the island. Where investments involve government-owned land, leasehold agreements may include specific conditions governing the use and development of the property. The hearing also highlighted the role of planning and development controls, including oversight by the relevant planning authorities, in ensuring that projects comply with environmental and land use requirements. In addition, ongoing monitoring is undertaken to assess whether investors are operating in accordance with the commitments and business plans approved as part of the investment process.

The Committee heard that an internal audit undertaken during 2021/22 led to a number of improvements in the governance and administration of the Approved Investor Scheme. Officials explained that the audit resulted in strengthened governance arrangements, the introduction of clearer conflict-of-interest procedures, and improvements to documentation, record-keeping, and oversight processes. It was further stated that all recommendations arising from the audit were implemented within a six-month period.

Overall, the hearing indicated that the safeguards surrounding investment activity are broad and operate across several legal, regulatory, and administrative levels. However, the Committee noted that the effectiveness of these safeguards is influenced by the capacity and resources available to enforce them. Officials also acknowledged that due diligence mechanisms remain relatively limited in some areas, particularly where verification powers are constrained, and that aspects of monitoring and oversight continue to rely on informal engagement and reactive processes rather than fully structured systems.

THEME 4: COMMUNITY CONSIDERATIONS

The hearing highlighted that consideration of residents' needs is incorporated into the Approved Investor Scheme assessment framework through a range of evaluation criteria. Officials explained that investment proposals are assessed not only on their economic value, but also on their potential contribution to employment creation, social wellbeing, and environmental sustainability. The Committee was pleased to learn that consideration is also given to the extent to which projects support the local economy through the use of local goods and services, while avoiding outcomes that could lead to market dominance or monopolistic practices. These factors also form part of the broader assessment used to determine the overall benefit of a proposed investment to St Helena.

Officials advised that investment activity is guided by the priorities set out in the Sustainable Economic Development Strategy (SEDS), with particular emphasis placed on sectors considered capable of supporting long-term economic growth and diversification. These priority areas include tourism, agriculture, including high-value agricultural production, fisheries, digital infrastructure, and professional and financial services. The Committee heard that investment proposals aligned to these sectors are viewed as contributing more directly to the island's strategic economic objectives and future sustainability.

The hearing indicated that the needs and interests of residents are identified primarily through indirect mechanisms rather than formal public consultation processes. Officials explained that investment decisions are guided by the priorities established within the Sustainable Economic Development Strategy (SEDS), alongside engagement with stakeholders such as the Chamber of Commerce. The Committee also heard that Ministerial engagement, public interaction, and feedback received through routine government and community discussions help to inform understanding of local concerns and priorities when considering investment proposals. The Committee noted that direct engagement does not extend to Councillors who are elected representatives of the public.

The Committee identified a number of gaps in the extent to which residents are directly involved in investment-related decision-making. Evidence presented suggested that there is currently no formal mechanism for public consultation on proposed investments, particularly in relation to projects with wider community implications. It was also noted that structured feedback processes are limited, resulting in reliance on informal engagement and general stakeholder interaction. As a consequence, concerns were raised about the potential for decision-making to become overly centralised or perceived as top-down in nature, which the Committee concluded is a risk.

Overall, the hearing demonstrated that while the needs of residents are considered in principle through policy objectives and assessment criteria, the mechanisms for identifying and incorporating those needs remain largely indirect. The Committee concluded that community considerations are not yet systematically embedded within the investment process through formal consultation or structured feedback arrangements.

THEME 5: EFFICIENCY AND EFFECTIVENESS OF INVESTMENT PROCESSES

Evidence presented during the hearing suggested that the investment process has become more efficient in recent years, with officials highlighting relatively fast response times to investor enquiries and shorter processing periods for Approved Investor Scheme applications. The Committee also heard that the move toward a more flexible, case-by-case coordination model has improved responsiveness by involving only the departments relevant to a particular investment proposal, rather than relying on broader standing arrangements.

Evidence presented by officials suggested that the investment framework is operating with a degree of effectiveness, demonstrated by an active pipeline of prospective investments, a relatively high proportion of approved projects progressing to operational status, and continued engagement with investors following approval. Officials indicated that these factors reflect ongoing activity and sustained investor interest, although they also sit within a broader context of developing systems and evolving processes.

During the hearing, officials also highlighted a range of structural and external constraints affecting the delivery and outcomes of investment activity on St Helena and stated that the system is working "to the greatest extent reasonably possible". These included limited financial and human resource capacity within government, the inherent challenges of operating within a small market with constrained scale and demand, and the impact of external shocks such as the COVID-19 pandemic, which had affected the progress and viability of some early investment projects.

The hearing identified several strategic gaps within the current investment framework. Officials noted the absence of clear and measurable performance indicators, as well as the lack of a formalised evaluation framework to consistently assess outcomes and value for money. It was also acknowledged that investment promotion activity remains limited in its proactive reach, relying largely on reactive engagement rather than sustained marketing efforts. In addition, the Committee concluded that the long-term economic impact of the system remains uncertain and not yet fully evidenced. The Committee acknowledged the constraints identified but contends that a number of these can be mitigated without a requirement for additional resources.

The Committee recognised that the system has demonstrated ongoing improvements in its processes and delivery. However, the Committee noted that it is not yet fully evidence-driven, with limited systematic measurement of outcomes and impacts. It was also observed that the framework has not yet reached full strategic optimisation, particularly in terms of embedding consistent performance evaluation and long-term impact assessment across all investment activity

The Committee concluded that St Helena Government has established a functional and evolving investment framework, supported by the Approved Investor Scheme and the Trade and Investment team, which provides a structured mechanism for attracting and facilitating investment. Progress was evidenced in more streamlined processes, strengthened investor support, and the development of a multi-layered safeguards framework designed to manage risk and ensure compliance.

However, the Committee also noted that the system remains only partially mature. Key gaps persist in relation to the availability and use of robust performance data, the extent of community engagement within decision-making processes, and the level of strategic oversight and long-term evaluation of outcomes. Overall, while the ambition set out in the SEDS Delivery Plan has been partially achieved, the hearing indicated that further development is required to ensure the system delivers fully sustainable, transparent, and measurable economic impact.

RECOMMENDATIONS

1. In order to address the current lack of measurable evidence on the economic, social, and fiscal impact of the Approved Investor Scheme (AIS) and wider investment activity; facilitate improved evidence-based decision making; provide greater transparency and assist in the assessment of value for money, the following actions are recommended:

Rec. 1	Recommendation	Response
a)	Develop and implement a Monitoring and Evaluation (M&E) framework for all approved investments	
b)	Introduce key performance indicators (KPIs), including: • Jobs created (actual vs projected) • Business survival rates • Tax revenue generated over time • Local procurement levels	
c)	Require regular reporting from investors against agreed conditions	
d)	Produce an annual public report on investment outcomes	

2. Given that no full review has been undertaken since its introduction in 2019, the following actions are recommended to determine whether the AIS is still fit for purpose:

Rec. 2	Recommendation	Response
a)	Undertake a full policy review within 12 months covering: • Effectiveness of incentives • Uptake and sector distribution • Fiscal cost vs economic benefit	
b)	Assess the counterfactual scenario (investment without incentives)	
c)	Present findings to Executive Council with options for reform	
d)	Implement approved changes within 12 months after Executive Council decision	

The review should ensure improved scheme effectiveness, evidence-based policy refinement and stronger strategic alignment with SEDS.

3. It is recommended that in order to enhance protection against financial, legal, and reputational risks, due diligence measures should be strengthened and reliance on limited or informal verification methods reduced. Suggested actions are as follows:

Rec. 3	Recommendation	Response
a)	Introduce standardised due diligence protocols, for all investors including: • Verification of financial statements where possible • Enhanced background and sanctions check	
b)	Explore formal partnerships with: • Financial regulators • Relevant UK Government departments • External due diligence providers	
c)	Define clear thresholds for when enhanced due diligence is required	
d)	Ensure that an adequate Legislative framework is in place to protect SHG from potential litigation and enable enforcement of due diligence protocols	

These should reduce the risk of fraud or non-viable investments, create stronger regulatory credibility and provide greater assurance that concessions are justified.

---

4. Activities recommended to improve fairness, transparency, and accountability in decision-making, by establishment of a formal appeals process are:

Rec. 4	Recommendation	Response
a)	Amend requirements of the AIS to include a clear appeals process	
b)	Define: • Grounds for appeal • Timeframes • Independent review procedures	
c)	Provide written explanations for all refusals	

These actions would provide increased investor confidence, improved procedural fairness and reduce the risk of perceived bias or inconsistency.

---

5. In order to strengthen community engagement measures to ensure that investment decisions more directly reflect the needs and priorities of residents, the following actions should be undertaken:

Rec. 5	Recommendation	Response
a)	Develop a communication strategy to keep the public informed of investment matters both in relation to marketing potential opportunities and providing feedback	
b)	Introduce structured consultation mechanisms, such as: • Public consultations for significant investments • Stakeholder panels or advisory groups • Direct engagement with Councillors as district representatives	
c)	Incorporate community/social impact assessments into AIS evaluation	
d)	Establish feedback channels for residents on existing investments	

The expected outcomes are greater alignment between investment and community priorities; early identification of potential social impacts and increased public trust.

6. It is recommended that a proactive investment promotion strategy be developed in order to address the current limited and largely reactive approach to marketing the AIS and investment opportunities. Suggested actions are:

Rec. 6	Recommendation	Response
a)	Develop a formal investment promotion strategy, including: • Target sectors and investor profiles • Marketing channels (digital, press, international networks)	
b)	Regularly update: • Investment prospectus • Website content	
c)	Increase proactive outreach, including: • Media campaigns • Increased engagement with diaspora and external investors	
d)	Formalise cross-Government coordination structures to reduce reliance on informal coordination and ensure consistent, efficient handling of investment cases	
e)	Establish a formal coordination framework, including:	

	• Roles and responsibilities across departments • Standard operating procedures for investment cases	
f)	Introduce periodic cross-departmental review meetings for major projects	
g)	Develop a shared investment tracking system across government	

These actions would help to achieve increased investor interest and applications; better alignment with strategic sectors and enhanced international visibility. In addition, they would facilitate better information sharing, thus reducing the risk of delays and miscommunications and enabling processes and procedures to become more timely and streamlined.

7.In order to improve data collection, investment tracking and address gaps in visibility over total investment activity and outcomes, it is recommended that the following should be carried out:

Rec. 7	Recommendation	Response
a)	Expand tracking to include: • Non-AIS investments • Informal or independent business activity	
b)	Develop a centralised investment database	
c)	Integrate data across: • Tax • Customs • Business registration systems	

These measures would improve reporting capacity and enhance policy planning, facilitating more accurate understanding of economic activity.

8.It is recommended that the following actions be taken to strengthen post-approval monitoring and compliance in order to ensure that investors deliver on commitments made during application:

Rec. 6	Recommendation	Response
a)	Introduce structured post-approval monitoring schedules	
b)	Require periodic reporting on: • Employment • Output/outcome • Compliance with conditions	
c)	Establish clear enforcement protocols for non-compliance	

d)	Ensure the necessary legal provisions are in place to support enforcement	

These actions would enable enhanced tracking of outcomes and protection of public resources.

9. It is also recommended that strategic alignment with long term economic goals is strengthened to ensure that all investment directly supports the long-term priorities of the island. This would result in more targeted and impactful investment, making a stronger contribution to economic transformation and long-term sustainability.

Suggested actions to achieve this are:

Rec. 9	Recommendation	Response
a)	Regularly review and update priority sectors	
b)	Strengthen alignment between: • AIS approvals • SEDS objectives	
c)	Introduce strategic screening criteria for major investments	

Formal Minutes

Minutes of the meeting of SC2, held on the 12 June 2026 at The Councillors' Office Conference Room, Jamestown.

Members present:
Councilor Dr. Corinda Essex (Chair)
Councillor Derek Thomas (member)
Councillor Clint Beard (member)

Introduction read and agreed to.

Report and Conclusions read and agreed to.

Recommendations read and agreed to.

Annex 1 agreed to.

Resolved that the Report be the Fourth Report of SC2 to the Legislative Council.

Ordered, that the Chair make the Report to the Council.

Adjourned to a day and time fixed by the Chair.

..........C Essex..........
Chair

..........12th June, 2026
Date

WITNESSES

The following witnesses were called to the table. The transcript of the Live Hearing can be viewed on the website https://www.sainthelena.gov.sh/st-helena/government/legislative-council/scrutiny-committees/

Friday, 17th April 2026

The Minister for Economic Development and Environment, Natural Resources & Planning, Mr Karl Thrower
The Portfolio Director for Economic Development, Mr Damian Burns
The Trade and Investment Manager, for Economic Development, Mr Michael Ormrod

Annex 1: Written Evidence

- St Helena Island 10 Year Plan 2017 - 2027
- Sustainable Economic Development Plan 2018 – 2028
- Our (Ministers') Vision for St Helena 2022

The following documents were provided to SC2 by the Portfolio Director for Economic Development:

- Draft Tourism Strategy
- Policy Rents, Fees and Charges v2
- Annex B Saint Helena Coffee – A 10-year Developmental Strategy & Implementation Roadmap
- Draft Economic Development – Strategy and Delivery Plan 2026 2026-31 v4.0
- Economic Development – Risk Register October 2025
- FAM Paper 2.1 – Ageing Demographic
- FAM Paper 2.2 – Growth Strategy
- FAM Paper 2.4 – Fin Service & Company Reg Dev
- FAM Paper 2.4a – Fin Services Annex A SHIC-Sales Deck-New (5)
- FAM Paper 2.8 – Summary – Tourism Strategy
- FAM Paper 2.14 – Assets – Crown Estate

St Helena
Government

FAIRNESS INTEGRITY TEAMWORK

07.07.2026
Hon. Dr Corinda Essex
Chairperson of Select Committee 2 (SC2)
Legislative Council Office, Jamestown
St Helena Island

RE: **Response to SC2 - Strategic Economic Development Delivery Plan (Investment)**

Dear Dr Essex

Thank you for the Committee's report examining the processes for enabling investment on St Helena, and in particular the operation of the Approved Investor Scheme (AIS).
I welcome the Committee's thorough scrutiny of this area and the constructive recommendations put forward. The Committee's evidence gathering has been valuable in confirming the strengths of the current approach, a responsive, tailored investor engagement process, while also identifying genuine gaps, particularly around performance measurement, marketing, formal appeals, and the whether the Island is achieving value for money from the Scheme's underlying policy.
The Trade and Investment team, together with the Approved Investment Committee, has reviewed each recommendation in detail; our full response, with agreed actions and timeframes, is enclosed. In summary, the government is committed to:

- Formalising and expanding on the current programme monitoring framework and providing an annual report with an increased number of AIS investment outcomes;
- Undertaking a full policy review of the AIS programme within the coming year, with findings and potential reform options presented to Executive Council;
- Introducing a formal appeals process, including defined grounds, timeframes, and independent review; and
- Formalising post approval monitoring schedules and refreshing our investment promotion strategy.

I would like to thank the Committee for the constructive way this inquiry was conducted.

Yours sincerely,

Karl Thrower
Minister for Economic Development, and Environment, Natural Resources & Planning

The Castle, Jamestown, St Helena Island, STHL 1ZZ
T: (+290) 22470
E: info@sainthelena.gov.sh
W: www.sainthelena.gov.sh

DIRECTORATE
LOGO / OR DELETE

SC2 Fourth Report — SEDS Delivery Plan (Investment): Recommendations for Response

Recommendation 1: Monitoring & evaluation of investment impact

Address the current lack of measurable evidence on the economic, social, and fiscal impact of the Approved Investor Scheme (AIS) and wider investment activity; facilitate improved evidence-based decision making; provide greater transparency and assist in the assessment of value for money.

Item	Recommendation	SHG Response	Timeline
a	Develop and implement a Monitoring and Evaluation (M&E) framework for all approved investments	This recommendation is supported in principle, with agreed KPI monitoring to be approved by Minister for Economic Development.	Complete by March 2027
b	Introduce key performance indicators (KPIs), including: jobs created (actual vs projected); business survival rates; tax revenue generated over time; local procurement levels	This recommendation is partially supported. Some of these KPI's can be added to the M&E.	Complete by March 2027
c	Require regular reporting from investors against agreed conditions	This recommendation is supported however protocol is already in place. The AIC can request this information at any time from the Trade and Investment team.	Not Applicable
d	Produce an annual public report on investment outcomes	This recommendation is supported. The Trade and Investment team will provide an annual report on AIS investment outcomes, as long as it is general in nature (i.e. doesn't name individual businesses).	Complete June annually

Recommendation 2: Full policy review of the AIS

No full review of the AIS has been undertaken since its introduction in 2019; the following actions are recommended to determine whether the AIS is still fit for purpose

Item	Recommendation	SHG Response	Timeline
a	Undertake a full policy review within 12 months covering: effectiveness of incentives; uptake and sector distribution; fiscal cost vs economic benefit	This recommendation is supported. This will be undertaken by end of calendar year 2027.	Complete by December 2027
b	Assess the counterfactual scenario (investment without incentives)	This recommendation is not supported as there is no resonable methodology for making this assessment.	Not Applicable
c	Present findings to Executive Council with options for reform	This recommendation is supported and will be completed ready for presentation by AIC to Executive Council next financial year.	Complete by March 2028

d	Implement approved changes within 12 months after Executive Council decision	This recommendation is supported and will be completed within 12 months after the Executive Council decision.	within 12 months of Executive Council decision

Recommendation 3: Strengthen due diligence

Enhance protection against financial, legal, and reputational risks by strengthening due diligence measures and reducing reliance on limited or informal verification methods.

Item	Recommendation	SHG Response	Timeline
a	Introduce standardised due diligence protocols for all investors, including: verification of financial statements where possible; enhanced background and sanctions checks	There are standard due diligence protocols in place within the AIS process. However the AIC team will not pursue enhanced background and sanctions checks. If an applicant is coming to the Island with a view to set up a business, seeking immigration permits, and investing significant funds these checks would be normal operating procedure for other SHG portfolios or external parties, These include but not restricted to SHG departments (such as immigration), Judicial services, the Bank of Saint Helena, and potentially the Financial Services Regulator.	Not Applicable
b	Explore formal partnerships with: financial regulators; relevant UK Government departments; external due diligence providers	This recommendation is not supported by the AIC. Refer note 3a.	Not Applicable
c	Define clear thresholds for when enhanced due diligence is required	This recommendation is not supported by the AIC. Refer note 3a.	Not Applicable
d	Ensure an adequate legislative framework is in place to protect SHG from potential litigation and enable enforcement of due diligence protocols	This recommendation is not supported by the AIC. Refer note 3a.	Not Applicable

Recommendation 4: Establish a formal appeals process

Improve fairness, transparency, and accountability in decision-making by establishing a formal appeals process.

Item	Recommendation	SHG Response	Timeline
a	Amend requirements of the AIS to include a clear appeals process	This recommendation is supported and will be implemented by the trade and investment team within 12 months	Complete by July 2027

b	Define: grounds for appeal; timeframes; independent review procedures	This recommendation is supported and will be implemented by the trade and investment team within 12 months	Complete by July 2027
c	Provide written explanations for all refusals	This recommendation is supported and will be implemented by the trade and investment team within 12 months	Complete by July 2027

Recommendation 5: Strengthen community engagement

Strengthen community engagement measures to ensure that investment decisions more directly reflect the needs and priorities of residents.

Item	Recommendation	SHG Response	Timeline
a	Develop a communication strategy to keep the public informed of investment matters, both in relation to marketing potential opportunities and providing feedback	As per response 1d, SHG can report on AIS investment outcomes, as long as it is general in nature (i.e. doesn't name individual businesses). The Trade and Investment team already actively encourages marketing of opportunities between investors and potential local partners.	Not Applicable
b	Introduce structured consultation mechanisms, such as: public consultations for significant investments; stakeholder panels or advisory groups; direct engagement with Councillors as district representatives	This recommendation is out of scope for the AIS program and the recommendation is not supported.	Not Applicable
c	Incorporate community/social impact assessments into AIS evaluation	This is already part of the AIS process. Presentations to the AIC are via the Exco memo format and community and social impacts are considered.	Not Applicable
d	Establish feedback channels for residents on existing investments	As per response 1d, SHG can report on AIS investment outcomes, as long as it is general in nature (i.e. doesn't name individual businesses). The Trade and Investment team contact details will be included in the annual report.	Not Applicable

Recommendation 6: Proactive investment promotion & coordination

Develop a proactive investment promotion strategy to address the current limited and largely reactive approach to marketing the AIS and investment opportunities.

Item	Recommendation	SHG Response	Timeline
a	Develop a formal investment promotion strategy, including: target sectors and investor profiles; marketing channels (digital, press, international networks)	A promotion strategy is in place however is still limited in nature (website, and previous investment trade forums). Trade and Investment team will commit to review current promotion strategy, and present to Economic Development Minister within six months.	Complete by December 2027

b	Regularly update: investment prospectus; website content	Updates to investment prospectus occurs annually and website improvement relating to marketing investment opportunities is underway. Will be completed within financial year 2026/27.	Prospectus updates are annual however website improvements complete by March 2027
c	Increase proactive outreach, including: media campaigns; increased engagement with diaspora and external investors	This activity may be budget constrained however will be considered in line with 6a.	Complete by December 2027
d	Formalise cross-Government coordination structures to reduce reliance on informal coordination and ensure consistent, efficient handling of investment cases	Cross coordination is already in place as Trade and investment team directly communicate with all SHG portfolio's (and external parties e.g. BOSH) to improve efficiency and consistent handling on inward investment. These processes will be included in the operating procedures document as per 1e.	Complete by December 2027
e	Establish a formal coordination framework, including: roles and responsibilities across departments; standard operating procedures for investment cases	Roles and responsibilities for Trade and Investment team are in place. The team follows a process for handling inward investment and will provide a document outlining the operating procedures relating to investors utilising the approved investor scheme.	Complete by December 2027
f	Introduce periodic cross-departmental review meetings for major projects	This recommendation is not supported as is out of scope. Major projects have built in processes within SHG for reviewing progress and outcomes.	Not Applicable
g	Develop a shared investment tracking system across government	A tracking system is supported however the Trade and investment team has an internal investor tracker. This is not widely shared to avoid sharing business information that is commercial in confidence.	Not Applicable

Recommendation 7: Improve data collection & investment tracking

Improve data collection, investment tracking and address gaps in visibility over total investment activity and outcomes.

Item	Recommendation	SHG Response	Timeline
a	Expand tracking to include: non-AIS investments; informal or independent business activity	Out of scope and no internal mechanism for capturing this information. However if the Chamber of commerce would like to collect this detail from their members and share with SHG it may be tracked.	Not Applicable
b	Develop a centralised investment database	This recommendation is supported however an investment database already exists for those engaging SHG directly regarding investment opportunities.	Not Applicable

c	Integrate data across: tax; customs; business registration systems	Whilst this information would be very useful to the SHG treasury team, the recommendation is out of scope for the AIC and the SHG Trade and Investment team.	Not Applicable however referred to SHG Treasury team for consideration

Recommendation 8: Strengthen post-approval monitoring & compliance

Strengthen post-approval monitoring and compliance to ensure that investors deliver on commitments made during application.

Item	Recommendation	SHG Response	Timeline
a	Introduce structured post-approval monitoring schedules	Monitoring already occurs, however formalising the monitoring schedules will be introduced. This action will be completed during financial year 2026/27.	Complete by March 2027
b	Require periodic reporting on: employment; output/outcome; compliance with conditions	AIC already have the ability to request updates on all active approved investors in relation to compliance with conditions on the AIS certificate. Any reporting will be in line with recommendation 1d.	Not Applicable
c	Establish clear enforcement protocols for non-compliance	This recommendation is not required as enforcement protocols are already built into the AIS regulations.	Not Applicable
d	Ensure the necessary legal provisions are in place to support enforcement	This recommendation is not required as enforcement protocols are already built into the AIS regulations.	Not Applicable

Recommendation 9: Strengthen strategic alignment with long-term economic goals

Strengthen strategic alignment with long-term economic goals to ensure that all investment directly supports the long-term priorities of the island, resulting in more targeted and impactful investment.

Item	Recommendation	SHG Response	Timeline
a	Regularly review and update priority sectors	Reviewing priority sectors for investment already occurs and is the discretion of the Economic Development Minister.	As required by Minister for Economic Development
b	Strengthen alignment between: AIS approvals; SEDS objectives	This recommendation is supported however is already part of the AIS approval process. The Exco memo format utilised requires the AIC to consider applications versus SEDS and Investment policy objectives. The assessment matrix also requires SEDS objectives compliance to be scored.	Not applicable

c	Introduce strategic screening criteria for major investments	This recommendation is supported however no additional action is required as screening already exists within AIS regulations. Any investment over £1M goes to Exco for approval. Strategic screenings for major investments that aren't part of AIS would need to be on a case by case basis.	Not applicable