



Isle of Man
Government

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The Treasury

Statement by Hon Allan Bell Treasury, Minister, Isle of Man

Small States Forum, World Bank, Washington DC

11 October 2008

Mr. Chairman, ministers, and colleagues,

We are very pleased and flattered that the Small States Network has accepted the Isle of Man as its first Associate Member. I want to congratulate the people here who have made the network possible. To have a vehicle like this to facilitate South-South cooperation among small states and allow them collectively to punch above their individual weight is a tremendous initiative.

I appreciate the significant role played by the World Bank and the Commonwealth Secretariat in recognizing the special challenges faced by small states. It is admirable that the government of Malta proposed the creation of the network and continues to play such a significant role.

In the Isle of Man, we know only too well how hard it is to have one's voice heard in international arenas, but we are fortunate not to have to face many of the severe economic challenges faced by our counterparts in the South, some of whom we have got to know over the years through the Commonwealth Parliamentary Association.

I hope you will indulge me if I say a few words about our small island with a population of 81,000.

Over the past three decades, the Isle of Man has evolved from being primarily a popular tourist destination into being one of the world's leading small international financial centres. Five years ago we received high marks from the IMF for the way we manage the financial services sector, and the IMF has just completed its second evaluation of the Isle of Man – the results of which we await with inevitable trepidation tempered with hope and confidence. I am sure many of you know that feeling!

We see international cooperation as being essential for our prosperity and have developed excellent links with many jurisdictions over the years. Joining the Small States Network opens up new opportunities for partnership with nations in the developing world whose challenges we seek to understand better and to whose prosperity we hope we may contribute. For close to a year, we have been exploring an initiative with the secretariat of the Network, the Commonwealth Secretariat, the World Bank and others, that would leverage the experience we have in the Isle of Man along with that of many others to help strengthen financial management of small states in the South.

This initiative derives from discussions that followed the 2007 Small States Forum between the World Bank's Henry Chase, and my colleague, Tim Cullen, a board member of our Financial Supervision Commission, who is also on the faculty of the Business School at

Oxford University, but who spent most of his career at the World Bank where he was the Chief Spokesman for much of the 1990's.

Oxford University's Saïd Business School has agreed to work with the Small States Network, my own government and other partners to provide a world-class executive education programme for government officials working in the finance ministries, treasury departments, central banks and regulatory bodies of small states. This will bring together leading professors from Oxford, Harvard, and other universities, along with practitioners from small states and elsewhere, to engage with 25 officials each year for a two week highly participatory programme.

To support this programme, the Isle of Man government has committed one million pounds -- or close to two million dollars -- in new development assistance money over the next five years, representing approximately 50 per cent of the cost. We have had discussions on parallel funding from bilateral and multilateral sources to enable the 25 participants per year to be able to travel to the Isle of Man and complete this programme at no cost to them or their governments. So, during the first five years, well over 100 people will be able to benefit from this initiative.

The programme will include core modules that everyone will complete and others which will have a focus either on financial services or on financial sector reform according to the requirements of the small state in question.

Events in the financial markets over the past few months and days have brought into stark relief the need for all countries to have well run banking and financial sectors and to embrace sound regulation, so we believe this programme will be very timely.

As small states we are all also familiar with how difficult it is for us to negotiate with the big boys. To respond to this need, which was flagged up in discussions with the Commonwealth Secretariat, the programme will include a three-day customized version of the Oxford Programme on Negotiation.

Each day, there will be at least one session which will take the form of a practical forum led by experts from small states where best practice is to be found, and from bodies like the World Bank, IMF and BIS, as well as from our own Financial Supervision Commission. We will thus leverage not only our funding, but our expertise as well.

The programme will include topics such as sound regulatory practices, risk-based banking supervision, financial legislation, the scope for central bank collaboration among small states, improving the performance of government agencies in the financial sector, and so on. We will also include anti money laundering and the Stolen Assets Recovery or StAR initiative of the World Bank and the UN Office on Drugs and Crime.

I hope that, as a new member of the network we can explore with all of you the governance of this initiative so that it has maximum transparency and minimum bureaucracy. We hope some of you may be willing to join an international steering committee, which will, inter alia, make the ultimate selection of participants for what we hope will be a useful and popular programme.

I hope this short introduction to this initiative will serve as the basis for a dialogue with many of you in the months ahead.
