BRITISH CHARTER CITIES

British Charter Cities

A proposal to redirect development aid towards leased cities under British administration.

26 min read · October 2026

The proposal

Britain should found productive cities overseas on long leases, with British governing authority defined by agreement with each host country. The development aid budget should be redirected to this purpose through a managed transition that begins in the first months in office. A humanitarian reserve for emergency relief would remain outside it.

The purpose is to create prosperous places through capable administration, infrastructure and enterprise, and to make Britain richer and stronger in doing so. Host countries would receive lease income, a growing share of success, employment and wider infrastructure benefits. Britain would earn returns on the assets it builds and secure supply relationships and commercial opportunities. It would accept responsibility for governing the leased area and building institutions capable of sustaining it.

This is a long-term international ambition within a wider programme of domestic renewal. Preparation can begin at modest scale. Construction should follow only after a willing host, a credible economic purpose, an enforceable constitutional settlement and a funded development plan have been secured.

The founding commitments

- Seek a long territorial lease accompanied by expressly agreed governing powers, rather than a conventional port concession alone.
- Redirect the development aid envelope over time as existing obligations conclude. Retain a defined humanitarian reserve for emergency relief.
- Invest so that Britain recovers value. Each city must show a positive expected return to the UK at appraisal or state its net cost openly and justify it on strategic grounds.
- Choose locations through comparative feasibility work and negotiation against published tests. No host is assumed or named in advance.
- Retain public participation in the value created by the city, including land value uplift, and give the host a share that grows with success.

- Develop a portfolio: a founding city in construction with two or three in preparation, each proceeding only when it meets the founding tests. Preserve the ability to pause expansion or conclude that no acceptable agreement is available.

1 National purpose and development doctrine

Britain has done this before. Our institutions of common law, accountable government and sound money travelled across the world, and the places that kept them are among the most prosperous on earth. Singapore and Hong Kong were built on them. Today Astana and Abu Dhabi bring English law into their financial centres because investors trust it above any alternative. [3, 4] The question for this century is whether Britain still has the confidence to found something new. This programme answers that it does.

Its contribution would combine commercial law and public administration with engineering, investment and access to international markets. It would give practical international expression to the ambition to conserve an inheritance, improve it and pass on more than we received. A new city is also a frontier for British capability: a place to deploy British energy, engineering and frontier technology at scale.

The intended gains are reciprocal. A host obtains infrastructure and institutional capacity that would otherwise be difficult to finance or assemble. Britain gains returns on public investment, opportunities for its people and enterprises and durable international relationships. Residents gain access to employment, reliable services and a predictable legal order. These outcomes must be designed together.

The development thesis

What has lifted countries out of poverty is economic growth combined with good governance. The great falls in poverty of the past half century came from growth in East Asia and elsewhere, not from aid transfers. Cross-country evidence has found little robust sign that aid raises growth, even after allowing for the fact that slow growth itself attracts aid. [2]

Aid can save lives but has rarely made countries rich. Emergency relief has a strong record and this programme keeps a reserve for it. Targeted health programmes such as vaccination, malaria prevention and HIV treatment have also saved many lives. What the programme redirects is the wider development budget intended to produce lasting economic progress, where decades of spending have delivered very little.

The alternative is to build the conditions for growth directly: secure property, trusted courts, dependable infrastructure and administration that does what it promises. Where those exist investment follows. Where they are absent no volume of grants will substitute for them.

Why cities

A city brings complementary investments into one place. Reliable electricity increases the value of industrial land. Competent courts make investment more credible. Housing and transport make employment accessible. Concentrating these elements can overcome coordination failures that leave individually attractive projects unbuilt. It also makes public responsibility visible, because an administration can be judged against the performance of an actual place.

Where value concentrates

A city should serve a valuable economic connection: a resource corridor reaching the sea, an expanding industrial region or a growing economy whose infrastructure and institutions constrain further investment. Transport and commercial services can create value by reducing the cost and uncertainty of exchange. An advantageous position can then support processing, repair, manufacturing and professional services.

A coastal location alone is insufficient. The programme must establish why customers would use the city and how it would compete with existing routes and centres. Its influence should rest on valuable services and trusted commitments. Charges must reward investment without making the city an expensive bottleneck for its customers.

Historical reference

Hong Kong shows the economic significance of a distinct jurisdiction, but its history is not a ready-made contractual model. The New Territories were leased for 99 years from 1898. Hong Kong Island and southern Kowloon had been ceded separately. A contemporary programme would require a freely negotiated settlement under applicable constitutional and international law. [1] Its ending also carries a lesson for this programme, addressed in section 4: the obligations Britain owes residents at expiry must be settled at the start.

2 What Britain gains

The test for this programme is not whether it beats traditional aid. It is whether it beats cancelling the budget and keeping the money. Public finances are under pressure and the case for spending abroad must show material benefit at home. This programme turns a budget that returns nothing into one that builds assets Britain owns.

A financial return

Aid transfers are spent and gone. City investment creates assets that earn: ground rents, land value capture, development receipts and equity in ports, utilities and terminals. Distributions return to the Exchequer under a published policy. The early decades will be a net cost and returns will be long term. Even modest recovery is better than none.

Better treatment in the public accounts

The government's debt rule is measured on public sector net financial liabilities. [9] Under that measure, financial assets such as loans and equity stakes are netted against liabilities. Grant spending is not. A fund that invests mainly through credibly valued equity and loans should therefore weigh far less on the fiscal rules than the same sum spent as aid.

Secure supply of critical materials

Copper, cobalt, lithium and other critical materials are essential to British industry, energy and defence. Too much of their processing runs through jurisdictions Britain does not trust. A city on the right corridor can host processing under British law, giving British firms a secure source and a stake in the value added.

This would complement the domestic production of rare earth magnets, lithium and other critical minerals set out in the advanced materials mission of Building British Industry.

Work for British enterprise

A city built on English law and British standards naturally draws on British lawyers, engineers, insurers, architects and the City's finance and insurance markets. Contracts should be competitively tendered. British firms will still hold a natural advantage in a system they know.

A capability Britain can sell

Planning, financing and administering a new city is a scarce skill. Each city builds British expertise that can be offered to other partners. That is a service with a market, not a one-off cost.

Influence through partnership

Partner countries want infrastructure and are offered it on terms set by others. A working British model, with Britain as partner and governor, offers a different choice and strengthens Britain's relationships across the regions where it operates.

3 Why British governance

British administration earns its place by supplying what imported courts cannot. Several states already bring English law into special zones without handing over government. Abu Dhabi applies English common law directly in its financial centre. [4] Astana's financial centre court applies English legal principles with judges drawn from the common law world. [3] These zones show the commercial value of trusted law. They also set the bar this programme must clear.

What courts alone cannot import

A commercial court resolves disputes between investors. It cannot make a city work. The limits to growth in many places lie elsewhere:

- **Policing and criminal justice** that protect people and property without favour or extortion.
- **Land administration** with secure title, honest registers and planning decisions taken on published rules.
- **Customs and border integrity**, so goods move at predictable cost without informal payments.
- **Regulation and licensing** that cannot be captured by a local elite or bought by a competitor.
- **Public services** delivered to a published standard and paid for from the city's own revenues.
- **Continuity across political cycles**, so rules made today still hold after the next election.

Where these are weak, a court zone sits inside a system that undermines it. British administration supplies them together, under one accountable authority, for a fixed term.

A tiered offer

Not every partner needs or will accept full governance. The programme should offer three levels of partnership, with the charter city as its defining goal.

TIER	WHAT BRITAIN PROVIDES	WHAT THE HOST RETAINS	WHERE IT FITS
Commercial court zone	Common law courts, judges, arbitration and commercial regulation	Government, policing, land, customs	Hosts with capable administration that lack investor trust in their courts
Administered zone	Courts plus land administration, customs and regulation	Policing, defence and wider government	Hosts willing to share economic administration but not public order
Charter city	Full governing authority for the lease term as set out in section 4	Underlying sovereignty and reserved powers	Hosts that need the whole package and will delegate it

The lower tiers are entry points, not substitutes. A host that refuses the charter city is still offered the tier that fits, and the programme continues to seek a founding city elsewhere.

The fund may finance the lower tiers within three limits:

- **A cap.** Lower-tier partnerships take no more than a minority share of the fund, so the programme cannot drift into a conventional investment scheme.
- **The same test.** Each must show a positive expected return to the UK at appraisal or state its net cost openly, exactly as a charter city must.
- **A path upward.** Each is reviewed against progress towards a higher tier. A partnership that stalls is redesigned or wound down rather than renewed by default.

Lower-tier partnerships are reported separately and never presented as charter cities. Their purpose is to build trust, a track record and a pipeline of future founding cities.

4 The lease and governing settlement

Each city should be founded through a state-to-state agreement establishing the territorial lease, the jurisdiction Britain will exercise and the obligations owed to the host and residents. A land lease by itself does not transfer powers of government. The agreement and implementing legislation must establish those powers expressly in both legal systems.

Term and authority

A term of around a century is a negotiating proposition, long enough to support investment across generations. The precise duration, renewal process and arrangements at expiry would depend on the host and project. The host would retain underlying sovereignty while delegating specified governing authority for the agreed term. The legal status of the territory must be settled through specialist constitutional design rather than assumed to follow automatically from a lease.

The founding charter should assign responsibility for planning and land administration, taxation, commercial regulation, courts, policing, customs, residency and public services. It must distinguish powers exercised by the British administration from matters reserved to the host. External defence, foreign relations and access across the boundary need explicit treatment.

Lessons from earlier attempts

Privately promoted charter cities have struggled to survive changes of government. Honduras created special development zones with their own courts and regulation, then repealed the enabling law in 2022. In September 2024 its Supreme Court declared the framework unconstitutional. [7] Investors in the Próspera zone responded with an international arbitration claim of over US$10 billion. [8]

The danger is rarely that a host refuses at the outset. It is that a successor government or a domestic court unwinds the arrangement once the city exists. A treaty with Britain carries far more weight than a private concession: repudiating it would damage the host's trade, finance and security relationships and its standing with every other investor. That is a real deterrent but not a guarantee, and the settlement must be designed so that continuing remains the host's best choice.

A settlement that survives success

Once a city is built its assets are fixed and immovable, and bargaining power shifts towards the host. The more successful the city, the more there is to take. The settlement should therefore make continuation worth more to the host than seizure:

- **A host share that grows with success.** Lease payments are predictable from the start, and a participation in revenues and asset returns rises as the city prospers.
- **Value that cannot be seized.** Much of the city's worth rests on British courts, legal credibility and access to British finance and markets. A host that took control would gain the infrastructure but lose that premium as investors withdrew.
- **Growing host participation.** Host representatives sit on defined city bodies from the start, with a published path to a larger role, so the city is seen as a shared achievement rather than a foreign enclave.
- **Links to the wider relationship.** The treaty is tied to trade, investment and cooperation agreements, so walking away costs more than the city itself.
- **Constitutional entrenchment in the host.** The governing arrangements should be secured under the host's own constitutional procedures, not ordinary legislation that a later parliament or court can set aside.
- **Staged commitment.** Britain's exposure grows only as the arrangement proves durable.

Connecting infrastructure, local procurement and training should extend benefits beyond the boundary. The agreement should set affordable obligations in the early years and allow the host to share meaningfully in later prosperity without arbitrary changes to the terms.

Independent dispute resolution, specified remedies and procedures for serious breach should protect both parties. Periodic reviews should address agreed matters without routinely reopening the basic lease. Arrangements for public assets, private property, debts, pensions and ongoing contracts at expiry or early termination must be established before major investment.

Residents and landholders

The charter must provide enforceable rights, independent courts, a complaints mechanism and public financial disclosure. These rights arise from the charter itself and are enforced by the city's own courts, whatever the United Kingdom's position on international human rights conventions. A strong charter also helps in negotiation, because a host will rightly want written guarantees before delegating policing to another state.

Existing landholders and customary rights must be identified through due diligence, with lawful acquisition, compensation and remedies. Sparse population does not imply vacant ownership. Any relocation should require a defensible legal process and a funded resettlement plan.

British executive responsibility should coexist with defined local representation and a published route for its development as the city grows. Recruitment and worker mobility must allow residents to change employers without losing meaningful legal protection.

Residency, nationality and expiry

Hong Kong became an enduring British obligation partly because Britain had created a British nationality status for its residents. This programme must avoid that. The founding treaty should provide that:

- city residence creates no British nationality and no right to enter or settle in the United Kingdom
- long-term residents gain a defined route to host residency or citizenship, agreed before construction
- British nationals living in the city remain under the ordinary rules of British nationality law
- responsibility for every resident at expiry or early termination is settled in advance

A successful city will draw people from across its region, not only from the host country. Without these provisions they could be left with no clear right to remain anywhere, and the pressure would fall on Britain by default.

Britain must retain the agreed authority needed to govern while accepting accountability for its exercise. A prosperous city will become a settled society with interests extending beyond the original investment agreement.

5 Redirecting the aid budget

The funding settlement redirects the development aid budget to the charter cities programme over time, beginning in the first months in office. Existing commitments should be mapped and unwound sensibly, with spending transferred as obligations conclude or are lawfully renegotiated. The transition should protect orderly delivery and avoid abrupt abandonment of people dependent on programmes already under way.

Establish the real funding envelope

The baseline should be the funded aid settlement inherited when the policy is implemented. It should not assume restoration of an earlier percentage of national income. As a scale reference, Spending Review 2025 set departmental Official Development Assistance budgets of £8.9 billion for 2027/28 and

£9.4 billion for 2028/29. These figures exclude some spending outside departmental expenditure limits and are not a forecast of funds available to this proposal. [5]

The aid total spans several departments and includes substantial domestic spending. The Independent Commission for Aid Impact projected that around a fifth of the 2027/28 aid budget would support refugees and asylum seekers in the United Kingdom. [6] Removing the aid classification from a continuing domestic obligation does not release cash. Each transfer must identify the programme ending, the genuine saving or replacement funding approved elsewhere. Otherwise the fund would be financed partly by an undisclosed increase in total expenditure.

A humanitarian reserve

Emergency relief is not part of the redirection. A humanitarian reserve, sized to emergency response, remains outside the cities fund. It is set at each Spending Review on published criteria, so that disaster response never competes with city construction.

A managed transition

A future government should publish a commitment register covering bilateral programmes, multilateral subscriptions and replenishments, contracts, guarantees and departmental costs. Each entry should state its earliest lawful exit, financial consequences and proposed handover or closure. Existing asset holdings and investment institutions should be assessed separately. Their accumulated assets must not be treated as an immediately available annual budget.

The final destination is full redirection of the development budget, outside the humanitarian reserve.

Investment fund and spending discipline

Parliament should establish a British Charter Cities Fund with authority to carry resources forward between years, subject to Treasury arrangements and annual accountability. Building ports, utilities and institutions across several cities will absorb the full envelope over time. Spending will still arrive in waves: negotiation and studies are cheap, construction is not.

Money should therefore enter the fund as projects pass their approval stages rather than as aid commitments unwind. Released funds beyond what approved projects need return to the Exchequer or are held under a published cap. This keeps full redirection as the destination without creating an idle sum that tempts premature construction or weak agreements.

The fund should invest mainly through equity and loans in assets with credible revenues, which also improves its treatment under the fiscal rules (section 2). Grants should be limited to public goods and early development work. Equity, loans and guarantees require transparent valuation and published exposure limits. Returns should be available for reinvestment under the fund settlement, with distributions to the Exchequer governed by a published policy.

This is a proposed allocation of an existing budget, not proof that any city is affordable. Each business case must include operating costs, contingencies, liabilities and any defence or diplomatic costs outside the fund. Public support should not become an unlimited guarantee of private returns.

6 The economic model

Each city should begin with an identifiable source of demand and expand around it. Before major works, the programme should secure credible commitments from anchor customers and employers, test competing routes and price the full infrastructure required to serve them. Initial activity might include logistics, industrial processing or services supporting resource development, depending on the location.

A portfolio, not a single bet

The programme should be planned as a portfolio: a founding city in construction with two or three others in preparation. Each proceeds only when it passes the founding tests. This matches the pipeline to the funds released, spreads diplomatic and commercial risk and lets later cities learn from the first.

Build the city and its connections together

Commercial viability depends on the whole route to customers. Rail and road capacity, border procedures, shipping connections, energy and water can constrain throughput outside the leased area. The founding package must therefore include the necessary corridor agreements and identify who finances, operates and maintains each connection. Britain should avoid underwriting an entire regional transport system without defined limits.

A phased masterplan should reserve land for future growth while bringing forward a compact initial district. Utilities and housing should expand against demand, with sufficient resilience for essential services. A large ceremonial centre, speculative skyline or prestige airport should not precede the commercial activity that would sustain it.

Public money first, private capital alongside

Public investment should concentrate on what private investors will not fund at the outset: land, trunk infrastructure and the institutions of government. Terminals, industrial plant, commercial property and housing should draw private capital on competitive terms. This stretches the fund across more cities and tests whether each is genuinely investable.

Control costs from the start

Large public projects routinely overrun. Each city's estimates should be benchmarked against the outturn of comparable projects, not built up from optimistic unit costs. Published cost limits should apply at each stage, and the stopping rules in section 9 apply to serious overruns as well as to failure to agree.

Retain the value created by public action

The development authority should retain a substantial interest in land and lease development rights on transparent terms. Infrastructure and competent government will increase location value. Ground rents, development receipts and an agreed land value charge can help finance the city while preserving incentives to build. The exact mix should be tested against affordability and investment demand.

The host and British public should share in this uplift under the founding settlement. Early developers should receive a competitive return for capital and delivery risk, rather than permanent ownership of publicly created scarcity. Competitive tendering, beneficial ownership disclosure and independent valuation should govern land transactions.

Measure different returns separately

ACCOUNT	WHAT MUST BE ASSESSED
British public finances	Cash invested, recoveries, distributions, fiscal treatment and all explicit or contingent liabilities.
British strategic interest	Supply relationships, commercial opportunities and capabilities attributable to the programme.
Host and residents	Host receipts, jobs, household incomes, service access and benefits outside the city.
Commercial	Customer demand, operating income, capital costs and investor returns under adverse scenarios.

The British public finances account is the lead test. Strategic gains may justify some expenditure without a direct financial return, but their cost should be visible. A profitable terminal cannot be used as a proxy for the financial sustainability of the whole city. Private investor profits and British fiscal returns must be reported separately.

7 Choosing locations

Locations should combine an achievable agreement with a credible economic opportunity and manageable security obligations. The initial geographical preference is the Atlantic, with proximity to Britain desirable but subordinate to the quality of the project. This paper names no host. Countries are identified through feasibility work and confidential discussion, not announced in advance.

The most useful partner is a state unable to finance or assemble a major opportunity on acceptable terms, but stable enough to sustain a long agreement. Investment need alone is inadequate. The decisive political question is whether the host would accept the British jurisdiction proposed, with support extending beyond the incumbent administration.

Types of site

SITE TYPE	ECONOMIC BASIS	WHAT BRITISH GOVERNANCE ADDS	MAIN RISK
Corridor port	Gateway for a landlocked mining or agricultural interior	Customs integrity, processing under trusted law, secure title for industrial land	Competing ports and existing concessions along the route
Resource-boom economy	Rapid growth from new extraction revenues	Delivery capability and institutions the host cannot build fast enough	A wealthier host has less need for outside finance
Infrastructure-constrained coast	Growing economy held back by power, transport and administration	The whole package of infrastructure and governance together	Weak connections beyond the boundary and higher security costs

Existing concessions and corridor investment are a signal as well as a constraint. Where a route is already financed and operating, the programme must show what is still missing that only British governance supplies. It should complement existing partners rather than assume an unused corridor awaiting revival.

An illustrative city

Consider a corridor port on the Atlantic coast serving a mining interior. In its first ten years the programme would build a deepwater berth and rail link under a defined corridor agreement. It would add reliable power and water with a first district of processing plants, logistics yards, housing and a commercial court. The city administration would run land registration, customs, policing and licensing from day one. The host would receive lease payments and a rising share of revenues as throughput grows. British firms would design, finance and insure much of the build, and the processed output would supply British industry under long-term contracts.

Tests before selection

Comparative studies should assess:

- host consent and constitutional feasibility
- land and community rights
- independently tested demand
- competing infrastructure and concessions
- water, energy and climate resilience
- corridor access
- the cost of public administration and security

Discussions should remain conditional until the entire founding settlement can be assessed. A country may welcome development while refusing the governing lease. That is a legitimate outcome. The programme should offer the tier of partnership that fits (section 3) and continue to seek a charter city elsewhere.

8 Building the British delivery institution

A future government should propose a statutory British Charter Cities Authority to develop the programme, negotiate alongside ministers and oversee the city administrations. The authority should have a narrow mandate, published accounts and a board appointed for relevant delivery, legal, financial and regional expertise. Its creation would require a government mandate and legislation.

Clear responsibility

Ministers and Parliament should retain responsibility for treaties, the overall funding settlement, major liabilities and decisions to found additional cities. The authority should manage preparation and delivery within approved limits. Each city administration would exercise the powers assigned by its charter, accountable through the treaty, British implementing legislation and local institutions.

The fund should have distinct investment governance and independent risk scrutiny. Commercial operators should compete for contracts and concessions. Those awarding public contracts should not also adjudicate disputes or set regulatory decisions affecting their own investments. The detailed structure must separate executive, judicial and commercial functions while keeping ultimate public responsibility clear.

Recruit for the task

The founding team should recruit experienced city administrators, infrastructure engineers, commercial lawyers, public finance specialists and people who have delivered complex projects in the relevant region. British leadership can be combined with international recruitment and substantial local participation. Pay and appointment arrangements should support retention over the development period.

Competence cannot be inferred from the British name. The institution should demonstrate it through procurement performance, construction outcomes, reliable services and accessible justice. Training local staff and building British expertise should be explicit objectives, with succession plans that reduce dependence on a few founding individuals.

Security and diplomatic responsibility

The security settlement must specify local policing, host cooperation, maritime access and the handling of major disorder or external threats. Any British military role requires a separate decision, funded capability and a credible assessment of escalation risk. A city cannot be sold as a cheap strategic foothold while concealing an open-ended defence obligation.

The Foreign, Commonwealth and Development Office should lead the wider diplomatic relationship, supported by the authority's technical negotiating team. The programme should coordinate with allies and regional institutions where their investments or access rights matter. Existing partners and concession holders are parties to be understood, not obstacles that British funding can displace.

Accountability over decades

Annual reporting should consolidate public investment, related contracts, host payments, service performance and contingent liabilities. Independent audit and published procurement records should allow Parliament and residents to scrutinise decisions. Scheduled external reviews should recommend continuation, redesign or suspension of further investment, with reasons published.

9 Preparation and staged implementation

The immediate proposal is for a political party or think tank to adopt the programme and commission a bounded foundation study. It is not a request to authorise construction. Preparation should establish whether the intended lease and governing model can secure willing hosts and investable projects.

STAGE	WORK	CONDITION FOR PROCEEDING
Policy preparation	Develop the charter model, audit the aid envelope, compare site types and undertake preliminary diplomatic assessment.	A credible negotiating proposition and an affordable preparation budget.
Host negotiations	Seek conditional terms with a small number of willing partners. Investigate sites and land rights.	An achievable lease and jurisdiction with durable host support.
Founding agreement	Complete demand studies, infrastructure design, constitutional settlement, security arrangements and financing.	Treaty and legislation, a funded business case and independently reviewed downside exposure.

STAGE	WORK	CONDITION FOR PROCEEDING
Initial construction	Build essential connections, utilities and the first commercial and residential district.	Committed demand and demonstrated delivery before major expansion.
City expansion	Add capacity, services and districts in response to use and investment.	Evidence of financial and administrative sustainability.
Portfolio	Bring two or three further cities through preparation in parallel, reusing tested capabilities.	Each city passes the same founding tests on its own merits.

These are dependencies, not promised completion dates. Policy preparation can begin now. The audit of existing aid commitments can run alongside it, ready for redirection from the first months in office. Negotiation, land acquisition and infrastructure delivery will vary by location. The implementation plan should publish a realistic timetable once site investigations and host discussions provide a basis for one.

Success and stopping decisions

Preparation should set project-specific thresholds for committed customers, construction costs, minimum liquidity and maximum public exposure. During operation, reporting should track recurring revenues against operating and maintenance costs, private investment actually deployed, host receipts, employment and service quality. Announcements of investment should not count as money received.

Failure to secure governing terms, a commercially credible location or acceptable security obligations should stop a founding commitment. So should costs that breach published limits without a funded case for continuing. Once residents and businesses are established, Britain must continue to discharge its obligations even if expansion is paused. A plan for a troubled city must protect essential services while allocating losses under the agreed contracts.

10 Legislation and questions to resolve

The programme requires an explicit legal and fiscal settlement. A future government should bring forward the legislation needed to establish the authority and fund, implement each founding treaty and redirect the budget. The legal work must cover host constitutional requirements as thoroughly as British enabling powers.

Aid law and international classification

Section 1 of the International Development Act 2002 permits development assistance where ministers are satisfied it is likely to contribute to poverty reduction. The OECD defines Official Development Assistance principally by its development and welfare objective, recipient eligibility and applicable financial rules. Particular city investments might qualify. British strategic benefit alone does not establish eligibility. [10, 11]

The programme should therefore distinguish its budget source from international aid classification. Parliament may choose to redirect former aid resources even where expenditure will not count as aid, subject to the necessary changes in domestic law. The International Development (Official Development Assistance Target) Act 2015 must be reviewed alongside the spending powers so that the new allocation does not leave contradictory statutory commitments. [12]

Financial and political tests

Each founding business case should compare the proposed jurisdiction with ordinary infrastructure investment, the lower tiers of partnership in section 3 and other plausible uses of the same public money. British governing authority must demonstrate additional value sufficient to justify its administrative costs and the concessions required to obtain it.

Before construction, the programme must publish capital and operating requirements, forecast revenues, host distributions, financing terms and sensitivity to lower demand, currency changes, delays and security costs. Any subsidy justified by development or strategic gains should be stated explicitly.

What remains open

The hosts, sites, lease durations, allocation of reserved powers, local representation, host revenue formula and construction timetable remain for negotiation and appraisal. The proposed institutional names and structures are recommendations for policy development.

The programme promises neither a hundred cities in ten years nor a particular financial return. It commits to founding productive cities under durable agreements, using a dedicated funding source and accountable institutions, and to stopping where the tests are not met.

Relationship to the wider manifesto

This programme sits alongside the priority of rebuilding productive capacity at home. Each city is a proving ground for British energy, engineering and frontier technology, and a market for the industries the wider manifesto seeks to build. Its distinctive contribution is the confidence to found new institutions and productive places whose benefits endure beyond the government that begins them.

Sources and evidence

Numbered references support factual and legal background. The programme design, proposed institutions and negotiating terms are policy recommendations. Alex Coppen's Restore article supplied the initial stimulus. Its cost and replication claims are not adopted here.

1. UK Parliament. Hong Kong written answer, 24 March 1986. Distinguishes ceded territory from the 99-year New Territories lease.
2. Raghuram Rajan and Arvind Subramanian. Aid and Growth: What Does the Cross-Country Evidence Really Show? 2005. Finds little robust evidence that aid raises or lowers growth.
3. AIFC Court. An introduction. Common law system based on the norms and principles of English law.
4. Clifford Chance. Open for business: the ADGM Courts, August 2016. English common law directly applicable in Abu Dhabi Global Market.
5. HM Treasury. Spending Review 2025, Table 5.11. Departmental aid settlement and its coverage.
6. Independent Commission for Aid Impact. Management of the ODA spending target: information note. Projects one-fifth of the 2027-28 aid budget spent on in-UK refugee and asylum costs.
7. El Economista. Report on the Próspera zone. Honduran Supreme Court ruling of 20 September 2024 against the ZEDE framework.

8. Chequeado. What is Próspera. Repeal of the ZEDE law and the US$10.775 billion arbitration claim.
9. Full Fact. Government tracker: fiscal rules. Debt rule measured on public sector net financial liabilities.
10. UK legislation. International Development Act 2002, section 1. Development assistance powers and poverty reduction.
11. OECD. Official development assistance: definition and coverage.
12. UK legislation. International Development (Official Development Assistance Target) Act 2015.

Initial stimulus: Alex Coppen, A Network State of 100 British Charter Cities Across The World, Restore magazine.