

International Development Committee

Oral evidence: The UK small island developing states strategy, HC 476

Tuesday 23 January 2024

Ordered by the House of Commons to be published on 23 January 2024.

[Watch the meeting](#)

Members present: Sarah Champion (Chair); Dr Rosena Allin-Khan; Theo Clarke; Chris Law; Nigel Mills; David Mundell; Mr Virendra Sharma.

Questions 122 - 198

Witness

I: Rt Hon Andrew Mitchell MP, Minister of State for Development and Africa, Foreign, Commonwealth and Development Office.

Examination of witness

Witness: Rt Hon Andrew Mitchell MP.

Chair: We will move on to the Committee's ongoing inquiry on the impact of climate change on small island developing states. We have the same Minister and the same Committee, but different questions. Again, this is something that the Committee is very passionate about. We were delighted that FCDO has its own strategy on this, and what we are looking at is whether what we find on the ground in terms of need matches the Government's strategy or whether there are areas that we could encourage you to look into and resource, or types of practice that we could encourage you to shift to or pivot on.

Q122 **Theo Clarke:** Witnesses have expressed concern that other pressing international issues will cause small island developing states to slip off the UK's radar. How will you ensure that the implementation of the SIDS strategy across Government is not buried by competing priorities?

Mr Mitchell: Nothing could be further from the truth than the idea that we would allow the SIDS strategy to fade into the background. We are absolutely committed. The White Paper to which I referred earlier has some very specific things to say about SIDS, and we want to ensure that they are more climate and economically resilient by 2030.

The Committee will be aware that two of the SIDS are in danger of disappearing, and the UK is driving reform. We will see, this year, the UN's fourth SIDS conference. We are absolutely committed to driving that conference forward. A new report from the UN conference on the difficulties that SIDS face is a matter of great importance to us. The UK is co-hosting a conference in February to listen to SIDS' concerns and create solutions.

We are establishing a Friends of SIDS group, which will include the UK, Australia, Canada, New Zealand and Ireland on the one hand, and Antigua, Barbuda, Fiji, Samoa, Jamaica, Barbados and Palau on the other. We are very committed to ensuring that this is the year in which we demonstrably see real progress on SIDS, because they do miss out; they only got 3.1% of ODA in 2021.

The UK co-leads a donor-SIDS taskforce at the OECD-DAC. There are some technical issues, with SIDS falling off a cliff edge when their income rises out of ODA, so the system is not quite right, but we are working flat out on that. There was a retreat last October at Wilton Park to progress issues affecting SIDS in the run-up to the conference taking place this year.

We are a thought leader on all of this and, indeed, have appointed a SIDS envoy, who does great work co-ordinating what we are doing across SIDS, many of which are very different. Under the GEF in Washington,



HOUSE OF COMMONS

we have also established a special climate change fund with a SIDS window addressing issues of adaptation.

I hope that that will give Ms Clarke some comfort that, in this year of all years, SIDS are front of house.

Q123 Chair: I was really shocked that one of the examples that we had was of the Seychelles, where three people bought large estates there in the same year, which pushed them out of ODA eligibility, even though there is an awful lot of poverty there. It is really good to hear that you are working on that. Particularly in places with very small populations, it takes only one or two billionaires buying an estate to mean that people who are desperately in need of support do not get anything.

Mr Mitchell: It is clear that the GNI per population formula does not really work in SIDS. We are very concerned at what is happening in Montserrat and are on the case. Montserrat is an island that faces agonising problems. I have flown around it and seen for myself the devastation caused to two-thirds of the island. Our Permanent Secretary in the Foreign Office was there just last week looking at this. For an island like that to be floated off ODA would clearly be wrong.

Q124 Theo Clarke: Thank you, Minister. I am pleased to hear your commitment to SIDS. What key performance indicators have the Government set to measure their progress on implementing the SIDS strategy?

Mr Mitchell: We are not so focused on key performance indicators. We are focused on what performance needs to be changed and enhanced, rather than where the indicators stand today. There are some extremely good examples of that, if I can just pluck a few out of the ether.

The £350 million Caribbean Infrastructure Fund, which was launched by David Cameron when he was Prime Minister, runs to 2027. We have spent something like £250 million per year on SIDS since 2018, £100 million of which is bilateral. Those are SIDS that are on the UN list, whereas some of the overseas territories are not.

In addition to that, something like £140 million of multilateral money is being spent through the multilateral development banks and, indeed, the Green Climate Fund, which is a very important fund that we may get on to, because we are getting significant change in that. The Caribbean Infrastructure Fund focuses on climate-resilient infrastructure such as ports, roads, sewage and energy.

Reverting to the point that the Chair made, it is worth making clear that the World Bank's IDA criteria do not quite fit. They have easier terms under IDA for small island states, and have made an exception of that since 1985, so they get grants on easier terms.



HOUSE OF COMMONS

These are all changes that are being made and inputs that are being delivered. We will see the results of those and be able to judge them in due course.

Q125 **Chair:** What are the outputs that you want to see?

Mr Mitchell: I want to ensure that the outputs that come out of the work on the SIDS mean that they are more climate-resilient and economically secure. The strategy that we have really focuses on the period between now and 2030 and is well illuminated in the White Paper.

Q126 **Chair:** That is the driver of the inputs to achieve those outputs.

Mr Mitchell: Yes.

Q127 **Theo Clarke:** Minister, the midpoint of the strategy falls this year in 2024. Would you consider providing the Committee with a report on the progress on the implementation of the strategy by 30 September this year?

Mr Mitchell: I cannot see why not. That is a rather good idea. If that is the wish of the Committee, we will do that.

Q128 **Theo Clarke:** We will commit you to that. Finally, looking at resources, how many staff are currently working in the FCDO's SIDS and small states hub?

Mr Mitchell: I am not sure we can disaggregate that from our other work. Just like before, the voice of God has informed me it is eight.

Q129 **Theo Clarke:** How are you ensuring that the hub is sufficiently empowered and resourced to drive the implementation of the SIDS strategy across Government?

Mr Mitchell: We are informing officials that this is the strategy that the Government want delivered. If there is any difficulty in respect of the staffing and resources, they are immediately to say.

Q130 **Chris Law:** Good afternoon. How do you ensure that UK's partnerships are effective at building long-lasting capacity in small island developing states?

Mr Mitchell: How do we ensure that the thrust of our policy builds long-lasting and effective capacity? That is the aim of everything we do. There is a whole raft of things that we do to try to ensure that, when small island states are faced with climate or economic challenges, they are given the resilience and protection that they need to combat them.

Q131 **Chris Law:** That is not precisely true. Witnesses have told us that operating funding is done on annual cycles, which is not an effective way of building long-lasting capacity. I guess I am asking whether you will commit to making multi-year programmes the norm in the UK's partnerships with small island developing states.



HOUSE OF COMMONS

Mr Mitchell: For some of them, we do use multi-year funding. Some of the funds that we support are long-lasting ones. I am just looking to see whether I have a list of them. Some of the work we do goes out for many years, such as our work with the Green Climate Fund. The Prime Minister has just announced that we are putting \$2 billion of support into that.

The Green Climate Fund needs to be made more user-friendly, particularly for small island states and particularly around issues of adaptation, but there is no doubt at all that, if we can make sure the Green Climate Fund is swifter on its feet and invests in more small projects and more adaptation projects as well as very large projects and mitigation projects, it will make a very significant difference to small island states and their development.

Q132 **Chris Law:** My colleague Virendra is going to be asking you more questions on the Green Climate Fund. You said that some of your programmes are multi-year. Can you therefore make a commitment to make those that are not multi-year as well, so they are at least consistent as part of your overall strategy?

Mr Mitchell: What Mr Law is saying is an important aspect of international development. As the Committee well knows, international development is long-term. If you can produce more certain funding and funding over a number of years, multi-year funding, you get better bang for your buck. That is one of the reasons why we set up the star chamber, which is co-chaired by me and the Chief Secretary to the Treasury, to make sure that ODA funding is used to the best possible effect. Where we can, we will certainly do that.

Mr Law will appreciate that in some aspects of funding, such as the humanitarian spend, where we put aside £1 billion for 2024-25, we use an estimate because we do not know what humanitarian needs we will need to face. There has to be some flexibility for the budget, but, within that context, I take Mr Law's point. I agree with him that we need to be as long-term and stable in the funding we provide as we possibly can be.

Q133 **Chris Law:** FCDO has told us that the UK has delivered £3.2 billion in climate finance between 2021-22 and 2022-23. What is interesting is Oxfam has told us that, of that amount of money, less than 0.3% has been specifically provided to small island developing states. Can you tell us in absolute terms how much climate finance has been provided and whether that is likely to change in the short to medium-term future?

Mr Mitchell: It depends on the definition. I could write to the Committee and give you a breakdown of that by different definitions, but it depends very much on the definition that we apply.

Q134 **Chris Law:** I am assuming you are going to give me a similar answer to my next question, then. The UK's overall climate finance commitment during the same period is £11.6 billion. How much more climate finance do you plan to allocate to small island developing states over the



HOUSE OF COMMONS

remainder of this period? Would you be happy to put that in writing as well?

Mr Mitchell: Yes. On the subject of the £11.6 billion, which I set out in a Written Ministerial Statement, I would argue that in the period to 2026 the figure is nearer to £16 billion. We must remember that in that figure you have humanitarian work, the work that BII does on climate spend and a whole range of ICF spending. Again, I can set out for the Committee, in a useful way, the different breakdowns for that.

Chair: It would be extremely helpful if you could do that for the SIDS

Q135 **Mr Sharma:** The Green Climate Fund, of which the UK is a board member, released its new strategic plan in July 2023. How satisfied are you that the proposals to improve access to GCF resources will benefit SIDS?

Mr Mitchell: This is an absolutely key point. The Green Climate Fund is the biggest and most important climate fund that we have. We made the biggest commitment that we have ever made. Our Prime Minister made a \$2 billion commitment to it. As the Committee would expect, if we are deploying that amount of taxpayers' money, we need to be sure we will get bang for our buck and the reforms that we need.

The new head of it, Mafalda Duarte, is a very experienced chief executive. We strongly support the agenda which she has come in with, which is going to involve a refinement on the plan from the middle of last year. We are clear that, under the old dispensation, they were too slow. As I mentioned earlier, they tended to focus on big projects. They do not get approved quickly enough. They are often in mitigation.

When I saw her first, I said we were thinking of making a significant deployment of funding, but we needed to see these changes. I said to her that when I saw an adaptation project going ahead in Somalia—that is not a SIDS, but it is a very difficult country where you need to prioritise adaptation work and getting projects off the ground—I would know the GCF was delivering.

I want them to be far quicker off their feet. I want to see them focusing on joint work with other funders. I want to see them being able to do smaller projects and I want to see them doing more with the SIDS. As part of that, we are taking this year the co-chairmanship of the GCF. I hope very much that we will be able to advance all those things that I have said are important.

Q136 **Mr Sharma:** All UK international climate finance is official development assistance, which means that high-income SIDS are excluded. What obstacles remain to getting the OECD's Development Assistance Committee to use measures of vulnerability as the criteria for ODA access rather than solely GNI per capita?



Mr Mitchell: As Mr Sharma says—this is something we have already discussed a bit—the sharp point where the rubber hits the road is the SIDS. I mentioned Montserrat as an example of that difficulty, but there are others as well. If you look at Saint Helena, which is one of the most remote places on earth where British citizens live, we have spent a lot of effort and time on the work we are doing to make them more independent.

The example I gave of the wider or looser criteria used by the World Bank in supporting this work is very important. In respect of the work of the DAC and SIDS, I mentioned some of the structural things that we have set up, but that is work in progress.

Q137 **Chair:** Minister, we have had a number of meetings with overseas territories representatives who feel a little bit left out because they are not always seen as ODA-eligible. In this Committee's view, they do have some very real climate issues that they are trying to address. There are very real projects that BII could be funding. For example, we are going to see a geothermal energy project in Dominica. There are other countries that could support something like that. What are you doing to try to make sure the OTs, particularly the small islands, the little bits, are getting the support they need when they are not necessarily ODA eligible?

Mr Mitchell: First of all, on the BII point, the Chair is absolutely right: for BII to invest, there needs to be a certain critical mass. We asked them to look at this. BII, which is an ingenious and brilliant organisation—it is the best DFI in the world now—has responded positively to that.

I will just mention two things they have done. They have already invested \$10 million in the SEAF Caribbean SME Growth Fund in 2022. That is a small enterprise assistance fund. That in turn provides growth capital to SMEs throughout the English-speaking countries of the Caribbean common market. Secondly, they made a \$20 million investment into the second AFIG fund in 2016, which aims to invest in SMEs in sub-Saharan Africa across a range of key sectors. They have made an investment, for example, in Cabo Verde.

The amount of further BII investment in SIDS will depend on the availability of potential deals that meet both its development and financial viability requirements. This can take the form of direct investment by BII, within the constraints I mentioned, or, like the SEAF Growth Fund, it can be investment in a regional or thematic fund that itself makes small investments in specific businesses that potentially benefit the SIDS. That is specifically on the BII point.

I am not the Minister responsible for the OTs, but I am responsible for the ODA money that is spent where eligibility is available. One of the things we have been very hot on is the issue of dirty money, which is often money removed illegally from poorer countries.



HOUSE OF COMMONS

The particular focus of attention that I have had is on the open registers of beneficial ownership, where progress is much too slow. With the return to Government of David Cameron, who led the world through the G8 on issues of open registration for beneficial ownership, I am hopeful we can do more not just with the overseas territories but also with the Crown dependencies to clean up an area of great importance, which sometimes inadvertently harbours dirty money and money taken illegally. That is important work that is ongoing.

Q138 **Chair:** Why are you linking the two, Minister?

Mr Mitchell: Open registers span both the overseas territories and—

Q139 **Chair:** No, why are you linking access to climate finance to open registers?

Mr Mitchell: I was answering the question about money for the overseas territories. That is what I was trying to respond to. As you have seen, the work in the OECD DAC that we are doing and the other things I mentioned earlier in the session are all designed to recognise that small island states have special difficulties and special problems. The example I gave of BII shows how we are trying to recognise that and find ways of overcoming those problems.

Q140 **Nigel Mills:** It seems perfectly fair that, if a regime is complicit in dirty finance, we probably would not want to send them billions of pounds more money to see what happens to it.

Mr Mitchell: No, but we might, for example, be talking to a country about open registers. This was all laid out very starkly for all of us—it was a key moment—when we had the publication of the Paradise Papers and the Panama Papers. You can imagine that an island with which we were having ongoing discussions about open registers might also be the subject of an extreme weather event. It is possible that the two issues could collide.

Q141 **Nigel Mills:** I will just move you on to the Bridgetown Initiative. It is not entirely clear to us what the Government's view is. The Government seem to endorse it but not entirely. Could you just talk us through what the Government's view is?

Mr Mitchell: The Bridgetown agenda is one of the most important international agendas before us, driven by Mia Mottley, the charismatic Prime Minister of Barbados. It is about turning billions into trillions for international climate finance.

The two chapters in the international development White Paper are really important in driving that agenda forward because they show how to use statist money, which is money from the DFIs and the multilateral development banks, alongside the private sector and the \$60 trillion of pension funds, bringing them together to drive forward our ambitions on climate finance. Mia Mottley is championing that agenda. That work in the



HOUSE OF COMMONS

White Paper and the description I have just given is vital work to turn billions into trillions. It is one of the driving features of the merged Department within the Foreign Office, trying to ensure that we deliver on key aspects of the Bridgetown agenda.

The Bridgetown agenda started very much on island states. It has become much bigger than that. It is now being embraced by poor countries and organisations around the world to try to fulfil that promise of turning billions into trillions. You do not have to agree with every aspect of it, and we do not, but Britain has made a—

Q142 Nigel Mills: Which aspects do not you agree with?

Mr Mitchell: Off the top of my head I cannot think of any, but there are some aspects. There are some developing aspects that could move off into a different direction. On loss and damage, we have views about how that fund should develop.

The work of the Bridgetown agenda and the work that Britain has done on climate-resilient debt clauses, which we launched at Macron's Paris summit in April last year, is vital work. The climate-resilient debt clauses really matter to the SIDS. Those clauses say that, if there is an event where you need your liquidity to help your own citizens but the liquidity is also required to service debt and capital, you get a two-year holiday from having to service that debt and capital so you can use your liquidity in the way that I described.

UKEF, the British Government's export credit guarantee agency, is already deploying these clauses. They are a British-driven invention and they can make a remarkable difference to SIDS and, indeed, other countries at moments of great stress and tension.

Q143 Nigel Mills: I think they call it adopting zero-cost net-present-value-neutral natural disaster clauses. That is one we can tick off, is it not? You have talked us through mobilising private sector investment.

Mr Mitchell: There is \$60 trillion in pension funds. Pension fund managers want to invest it in good climate projects, but they have to be certain that they understand the risk and that there is a proportionate reward for those whose money they are managing. The statist funds, as I described them, have the ability to help de-risk, sometimes through concessional finance and guarantees, which we now use extensively and so forth. That is something that we are working flat out to drive forward.

Q144 Nigel Mills: Do you support redesigning the common framework and allowing debt-distressed middle-income countries to access it?

Mr Mitchell: The common framework, which is a G20 mechanism, is the right mechanism to use to try to reform the international debt system. We have to be careful, though. As members will remember, Make Poverty History focused on debt forgiveness. We have been very successful in debt forgiveness, but debt has been rising. It is not so much the



HOUSE OF COMMONS

traditional sources that previously provided debt. It is more debt to China or Middle East entities.

We have to be very careful about moral jeopardy in this. The common framework is the right mechanism to try to get an agreement. It is also one that drags in the private sector so that countries that are beset by this are given a proper deal.

Q145 **Nigel Mills:** It sounds like you might well support some sort of redesign. I think that is what you are saying.

Mr Mitchell: I accept that the common framework is what we have at the moment.

Q146 **Nigel Mills:** Do you support low-cost 50-year loans for vulnerable countries to invest in climate resilience, anti-fragility, pandemic preparedness, food and water security, renewable energy access and bridging the digital divide? I think that is what they have asked for. Do you support low-cost 50-year loans?

Mr Mitchell: I would not put it like that. What I would say is that through the multilateral banks—remember that Britain gives grants rather than loans through its ODA budget almost totally—I support the use of the international financial system to provide concessional finance. As I set out in a speech at Chatham House last year, it is totally wrong that our children can borrow housing finance at 3%, 4% or 5% for 40 years, but a country like Zambia could not borrow for more than seven years and was paying a much higher level of interest. That that is cockeyed and wrong.

Q147 **Nigel Mills:** I could keep reading you out the whole of the Bridgetown 2.0 agenda to make my point, if you want me to.

Mr Mitchell: Yes, but you are going to go through the whole of the—

Q148 **Nigel Mills:** Perhaps you could just write to us and say which bits you do not agree with. That might be more productive.

Mr Mitchell: It is not as simple as that. You are saying to me, “If I pick out this bit of the Bridgetown agenda, do you support it or not?” We strongly support the thrust of the Bridgetown agenda. Will we, in the end, want to see every part of it? Remember, it is not a static thing. It is an iterative process. Will we support everything in it? Probably not, no. The thrust of it and what it is seeking to do we strongly support.

Q149 **Chair:** To give the Minister some cover, this Committee met Mia Mottley recently, and she very much described it as a vision and a way forward. I think the Minister is saying that he accepts the spirit of it. The logistics will get worked out, but you are committed to the principles.

Mr Mitchell: We think the Bridgetown agenda is one of the most important issues, if not the most important issue, on the international agenda in the areas of work that I and the Committee do.



HOUSE OF COMMONS

Q150 Chris Law: At COP28 this year in Dubai, at which I had the privilege to represent the Committee, one of the early moderate successes was the loss and damage fund being agreed by all parties. It is our understanding that £60 million was pledged by the UK towards the new loss and damage fund. However, it has been drawn from the existing £11.6 billion climate finance commitment. In short, there is no new money. Can you tell us today whether the UK will commit to pledging new and additional finance to the loss and damage fund? If so, when that will be? If not, why not?

Mr Mitchell: I do not particularly like the title “loss and damage”. It should be remembered that it was made clear in Paris in 2015 that it is not about liability. We are where we are. The loss and damage fund, for precisely the reasons that Mr Law set out in his question, needs to be different. Otherwise, we will merely be robbing Peter to pay Paul. If it is going to come out of the ODA budget and if it is only going to come from the traditional donors, it is not going to be incremental. For loss and damage to have an impact, it must be incremental.

What does that mean? The reason we were willing to put money into loss and damage was in part to help it set up. Mr Law described the difference between the first £40 million and the £20 million. One is to help it set up and the other is a contribution to the fund. We were willing to do it because the UAE put in £100 million. The UAE is not a traditional donor. We thought we should support the thrust of it because the UAE was sending a signal that it was not just looking to traditional donors to fund loss and damage.

Loss and damage will only succeed, in my opinion, if it brings in a far wider set of donors and it seeks support from some sort of international levy and not from traditional ODA and development funding.

Q151 Chris Law: I am going to come to the international levy in a minute because it is really important. Are you saying, therefore, there is no new money on the table from the UK?

Mr Mitchell: I am saying we have put in the £60 million. That will come off our ODA budget, yes, because there is no other budget line at the moment.

Q152 Chris Law: That is fine. What has been interesting—you will know this; I have raised this in the Chamber—is that witnesses here have said that funds could come from those responsible for greenhouse gases, including fossil fuel companies. Would you agree with that?

Mr Mitchell: I am not going to get drawn on where it comes from. I am just trying to make the point to the Committee that it needs to be a different group of supporters for loss and damage and a different source of funding to the traditional ODA and development funds.

Q153 Chris Law: The last point for me was that, also at COP28, all parties agreed on the recommendation of grants, not loans. Do you commit to



HOUSE OF COMMONS

that funding taking the form of grants rather than loans?

Mr Mitchell: Mr Law is quite correct that there are other countries who score loans within ODA. We, by and large, do not. All of our funding, effectively, is grant funding.

Q154 **Chair:** Could I push you on this a little bit, Minister? You spoke about the £60 million divided into £40 million and £20 million, with the £20 million being for funding arrangements. FCDO put out a press release on 2 December saying that it has formed a fund for disaster risk financing and early warning systems. Were these interventions new or were they already part of the planned adaptation interventions and just repurposed, effectively?

Mr Mitchell: No, I stand to be corrected—if I am wrong, I will write to the Committee—but this is money that we have taken from our budget specifically to support the loss and damage fund.

Q155 **Chair:** Of the £20 million, £5 million of that is aimed at SIDS under climate risk and early warning systems, which is to enable the least developed countries and small island developing states to prepare better for climate shocks and extreme weather. Early warning systems have been shown to be most effective when the people who are literally on the front line are involved in developing and delivering the programmes. Can you give us a commitment that those very same people will be involved in how this money is allocated, spent and delivered?

Mr Mitchell: If I have understood the question correctly, you are saying that localism works and should be strongly supported.

Chair: Yes, all the evidence shows that.

Mr Mitchell: Yes, this is something that Samantha Power, my colleague who runs USAID, is very strong on, and we very much agree. It says very clearly in the White Paper that we are very committed to partnership and localism. They are not necessarily quite the same thing, but localism is extremely important for driving forward our agenda.

Q156 **Chair:** Yes, particularly when it comes to climate adaptation and mitigation. This week the Government have accepted all of the recommendations in ICAI's Blue Planet Fund report. We are very grateful that the Minister did that. We are aware that Defra still has just over £18 million that it is looking to allocate. I am concerned—we have written to Defra about this—about making sure that money does go to the people who need it and want it and that it is lasting and sustainable, whatever it is they are commissioning.

Minister, is your Department working with them to make sure this localism agenda is delivered? The evidence we were hearing was that a lot of research facilities, for example, were going in and doing research in someone's country, but it was not lasting, was not sustainable and was



HOUSE OF COMMONS

not necessarily what they wanted. It was just that there was an opportunity to have some research, so why would you not?

Mr Mitchell: We are very lucky in the Foreign Office to have the services of my colleague Lord Richard Benyon, who also spent some of his time in Defra. On the specific point that you are making, we will write to you on that. It is a Defra point.

On the general point about ensuring this money is well spent in keeping with certain key principles, that is one of the great benefits of the ODA Committee, the star chamber committee to which I referred earlier. That is all about making sure that the quality of ODA is maintained and that there is strong control and Departments cannot go off and spend it less well as a result of the fact they are one removed from the Foreign Office, which holds this budget.

It is a very good point, but the ODA Committee helps with achieving that. Lord Benyon is an expert on blue funds and marine issues. You may rest assured that he will be keeping a very sharp eye on this.

Q157 **Chair:** They have £18 million of ODA to go to low-income countries and SIDS. You have allocated £5 million for early warning and adaptation. It would seem to make sense if you could utilise that and make sure the money is going where it is really needed. You have a very strong grasp of this and other Departments have shown that theirs is not so good.

Mr Mitchell: We will commission Lord Benyon to write specifically on this point.

Chair: I would be very grateful for that. Thank you.

Q158 **Dr Allin-Khan:** Minister, the Government have delayed the ban on the sale of diesel and petrol cars, announced new North Sea oil and gas licences and scrapped minimum energy sufficiency standards for rental properties. Is the Government's goal to support SIDS now being undercut by these domestic policies, which will make it harder for the UK to meet its net zero targets? I would just like to add that the Climate Change Committee made the argument that the UK has lost its clear global leadership position on climate action.

Mr Mitchell: Dr Allin-Khan is tempting me on to a domestic issue and a party-political one, but I should be very happy to give her—

Q159 **Dr Allin-Khan:** I believe the Climate Change Committee is cross-party, is it not? Indeed, they made that statement as a collective, did they not?

Mr Mitchell: Let me explain. We are one of the very few countries that has its climate commitments set in law. We have halved our emissions since 1990. By 2030, we are committed to reducing our emissions by 68%. The decision that the Prime Minister took was that we could lower the charges that hard-pressed working families are paying for their



HOUSE OF COMMONS

energy because we will meet those targets. I strongly support the decision of the Prime Minister to do that.

In respect of the oil licences and the North Sea, the energy-producing facilities that that oil and gas will fuel will be there for many years. We either import it or we produce it ourselves. Those facilities are still going to be used. The North Sea is depleting at a rate of 7% per annum. I strongly support the decision that the Government made. That does not in any way impugn, first of all, the very strong record that we have domestically on climate change and, secondly, the very strong aspirations to which we have signed up.

Q160 **Chair:** I am sorry. Could I just push you a little bit? I was counting up how many Prime Ministers ago it was. I think it was two Prime Ministers ago. Prime Minister Boris Johnson was very clear about reaching net zero. He was very clear that our funding should not be supporting the oil and gas industry. Because of that, we have been pushing FCDO and BII specifically because they do still fund oil and gas projects, which we have argued is against the Government's policy on that.

You can take the question as party-political or as trying to get some clarity. When the Government are no longer following their own policy on net zero, do they maintain their credibility internationally? When the ODA money is trying to support climate adaptation, climate mitigation, loss and damage, can we also have credibility on the international stage if we do not follow that policy? It seems like a bit of a dichotomy.

Mr Mitchell: The Government's commitments to delivering on net zero are not in any way impugned by the decisions that we took last year. We will reach net zero by the agreed time.

Q161 **Chair:** From a PR point of view, this is not a good look, Minister.

Mr Mitchell: The point is that we are going to meet net zero. The current Government are not going to worry about a bad look in terms of PR if it is not necessary for us to take this money from hard-pressed families to reach our net zero targets. I am not concerned about that. In respect of BII, I stand to be corrected, but it is not doing new oil and gas projects.

Chair: No, it is a transition.

Mr Mitchell: It is only running off other ones.

Q162 **Chair:** What they would not do was give us a timetable for getting out and how long that transition period would take.

Mr Mitchell: I have specifically told BII that, if it wishes to divest itself of any of these projects, it is under no compulsion politically to do so. It must make its own commercial decisions about whether it wants to do that, because otherwise assets that are owned by the taxpayer will be devalued for political reasons. It must do whatever it thinks is right commercially and economically.



HOUSE OF COMMONS

Chair: This is a rabbit hole down which a number of my colleagues are happy to jump, but perhaps we could do that another time, Minister.

Q163 **Dr Allin-Khan:** I just wanted to add to that. On the aforementioned policies that I stated, in its assessment of these measures, the Climate Change Committee concluded that they will make it harder for the UK to meet its 2030 and 2050 net zero targets. Are you saying that their assessment is wrong?

Mr Mitchell: The Committee can speak for itself. I am saying the Government are confident that we can and will reach the targets that we have embraced.

Q164 **Dr Allin-Khan:** You do not agree with the Committee that these will make it harder.

Mr Mitchell: I have not read the Committee's report. I am just telling you what the position of the Government is.

Q165 **Dr Allin-Khan:** Given the disproportionate impact that climate change has on women and girls living in SIDS, why does the SIDS strategy make no mention of gender?

Mr Mitchell: We are absolutely clear that gender is like the writing in a stick of Brighton rock: it runs through all our policies in the Foreign Office. We know perfectly well that girls suffer most from the impact of climate change due to displacement and in many other ways.

At COP28, the UK endorsed the gender-responsive just transitions partnership pledge. In 2021, we had a fund of £165 million to tackle climate change and gender inequality. It is a fundamental part of what we do to promote women's economic empowerment. There will be a conference at Wilton Park in March that will look specifically at roadblocks to achieving that.

Q166 **Dr Allin-Khan:** You are saying that there is a thread that runs through all programmes, not just gender-specific ones.

Mr Mitchell: The thing I was particularly impressed with when I came back into Government, into a merged Department, was that driving forward the interests of girls and women in everything we do in international development has been properly internalised by the merged Department. Dr Allin-Khan will know that I have not always been an avowed fan of the merger of the two Departments, but in that particular respect the merger has been successful.

Q167 **Dr Allin-Khan:** That is very reassuring. Just to add, will the Government consider adding the promotion of gender equality as an explicit investment criterion of the Blue Planet Fund?

Mr Mitchell: We will certainly consider it. Lord Benyon might answer that specific question in the letter that we are sending to the Committee anyway.



HOUSE OF COMMONS

Q168 **David Mundell:** Minister, will the Government commit to recognising formally the continuity of small island developing states' legal statehood, should all their inhabitable land disappear due to sea level rise?

Mr Mitchell: It is a very interesting question. We are considering the legal implications of sea level rise. The law of the sea does have an impact. We want to uphold the integrity and centrality of UNCLOS, the Convention on the Law of the Sea.

We have not yet reached a conclusion, but we are considering our position on whether baselines should remain ambulatory or not, which is the answer Mr Mundell may be looking for. We have not decided, but we are considering the matter.

Q169 **David Mundell:** Does that also apply to legal maritime zone boundaries? If the landmass changes, it could be argued that such boundaries should also change or should not change.

Mr Mitchell: The issue to which you are referring is whether or not, if an island disappears under the ocean, in international law that island still has rights. Does it have a seat at the United Nations, for example? There is an ongoing study on this subject by the International Law Commission. The Government await its results and recommendations with interest.

Q170 **David Mundell:** Yes, but there is another issue if the actual landmass were to change as well.

Mr Mitchell: You mean by contracting because of the rise in sea level.

David Mundell: Yes.

Mr Mitchell: We are considering our position on that. That is what I meant by baselines being ambulatory, which is legal terminology for what you and I are discussing.

Q171 **David Mundell:** Do you anticipate that the UK will have a position by the time of the fourth SIDS conference in May?

Mr Mitchell: That will depend a bit on the ongoing study by the International Law Commission. If it has not reported by then, I have no doubt that this will be a matter of important discussion. We are a SIDS champion. Britain is a SIDS champion. I hope I have explained in this session why that is a fair description of what we are trying to do and that it reflects our determination to stand up for so many of these SIDS, which have strong links with the United Kingdom and a shared history and heritage.

Q172 **Chair:** You are absolutely right to mention the question of whether, if the physical island goes, you are still recognised as a state and whether you still have a seat at a table, but it is also about things like fishing rights, for example.

Mr Mitchell: If you do not have the entity, you cannot assert fishing rights.



HOUSE OF COMMONS

Q173 **Chair:** Yes, exactly. For a lot of the SIDS that we are researching, fishing is one of their main income streams. It is also about that spiritual home and sense of identity. I hear everything that the Minister is saying. It would be fantastic if the UK were to lead very proactively on this debate because it really matters to a lot of countries that do not have as loud a voice as us and that should have as loud a voice as us.

If you could continue to be their advocate, that would be deeply appreciated. Could you update us on the Government's position? If we did show strong leadership and solidarity with the SIDS, others would follow internationally. It would be very impactful, Minister.

Mr Mitchell: We will definitely continue our leadership on these matters. You ask where the Government stand. You are talking about the legal implications of sea level rise. It is complicated. As I said, we want to uphold the integrity and centrality of UNCLOS. I cannot today tell you what the position is, but on leadership the answer is definitely yes.

Q174 **Chair:** That is fine. Lawyers are great at making money for themselves. This is about the philosophical leadership and the spiritual right of SIDS to have their own country and identity, even with climate change. We know we are looking at losing at least two SIDS by the end of the century. I would hate it if it was my home that I was wondering whether my children and grandchildren would ever be able to physically see, let alone go to. It is that philosophical leadership, not just lawyers making a decision and us accepting it or not.

Mr Mitchell: Yes, I completely agree both with the sentiment of what you are saying and the facts. There is no dispute about that. The problem is that, as part of the international system, we cannot dictate precisely what happens. That is why there are these inquiries going on and why lawyers, as you say, are making far too much money, etc.

Q175 **Chair:** They are also taking far too long.

Mr Mitchell: Everything to do with the law goes on far too long. That is a personal opinion, not a view of the Government. I completely understand your point. We will keep the Committee informed on that.

Q176 **Chair:** That would be appreciated. I just have a couple more questions. There was some debate over who would ask this question so I decided to take my Chair's responsibility seriously. Can you update us on the plans to relocate the FCDO office in Scotland?

Mr Mitchell: I can, yes. We are planning to move our joint HQ to a modern building in Glasgow as part of our levelling up commitment to deliver a total presence in Scotland of 1,500 roles. I should emphasise that Mr Mundell has made the point to me that we need to honour past commitments and that these need to be high-quality jobs. We completely agree.

As far as Abercrombie House is concerned, HMRC will be taking it over. We believe that moving to Glasgow, which is 20 minutes down the road



HOUSE OF COMMONS

or something like that, will maximise the use and value of the wider Government estate and reflects our strength of commitment to a Foreign Office presence in Scotland.

Q177 **Chair:** What about the people, though?

Mr Mitchell: Yes, this will mean there are more jobs. There are no planned redundancies as part of this move. As I said, HMRC will move in. This is an important point. We will continue to support the residents of East Kilbride to apply for Foreign Office jobs, showing their valued role in our work across the world.

Q178 **Chair:** You do not mean that existing staff employed in East Kilbride will have to reapply for their own jobs.

Mr Mitchell: No. There is an issue for some of them who have recently moved—there are not very many—close to Abercrombie House for quality of life and short commute reasons. We are sensitive about that. We will be looking at ways of helping that specific cohort, but it is a very small cohort.

The new building will be superior to Abercrombie House. I have great affection for Abercrombie House, which I first visited 14 or 15 years ago, and for the people who work there. They are very committed, very good, very able and highly valued by all of us. However, Abercrombie House has limitations. Some of those physical limitations, including the limitations on security and so forth, will be resolved by this move.

Q179 **Chair:** When we went there, they were still waiting for all the security infrastructure to be put in and for the IT system to be translated over. Has that happened or do they now have to wait until the new building before they get full access? That was having a real limit on who could work up there because of security clearance.

Mr Mitchell: That is correct. Some of the infrastructure that has been put in will be useful to HMRC, but the higher grade and quality of infrastructure, to which you are referring, will be more quickly and more easily put in their new home.

Q180 **Chair:** It has not gone in yet.

Mr Mitchell: The new home has not been identified publicly.

Q181 **Chair:** Has it gone into their current home?

Mr Mitchell: Some of it has, but not all of it. When I was there last year, I saw early evidence that they were advancing down that route, but, as I say, some of that will be of value to HMRC.

Q182 **Chris Law:** Given the debacle we had previously with HMRC buildings largely owned by offshore companies or estates, will Abercrombie House and the new building that they are going to both be Government-owned? Will they be publicly owned?



HOUSE OF COMMONS

Mr Mitchell: I suspect it will be leased.

Q183 **Chris Law:** It will be leased from a private company.

Mr Mitchell: We will try to find the best building for our staff to carry out the work we want them to do, and we will try to make sure we have the best financing arrangement to meet our requirements around value for money for the taxpayer.

Q184 **Chris Law:** Do we know what the increased costs are likely to be from the move from Abercrombie House to Glasgow? I would imagine it is going to be substantial, quite some amount.

Mr Mitchell: Across Government, I am not sure it will be. HMRC will be taking over Abercrombie House. All these matters will be published in due course. Our commitment is to look after our brilliant staff at Abercrombie House, most especially during the move and after the move, and to make sure the working environment and the quality of support available in the new building is the very best it can be.

Q185 **Chris Law:** There is one last question from me. You said you have not yet found a building in Glasgow. Do you have a timeframe under which you are hoping to make the decant to Glasgow from Abercrombie House?

Mr Mitchell: We are in the process of finding and delivering a new building. I am not sure, off the top of my head, how far that process has advanced, but it is advancing. We will do it all as expeditiously as we can.

Q186 **Chris Law:** Just to confirm something you said in your initial response, the office in Glasgow will be a joint headquarters of FCDO.

Mr Mitchell: Yes, the same arrangement that exists with Abercrombie House will exist with the new building. As I say, there will be more jobs and high-quality jobs available as a result of the move. One of the reasons for this move is levelling up the Department and the facilities and making sure we can honour the previous commitments that we have given about moving high-quality jobs to Scotland.

Q187 **Chris Law:** Therefore, for the people working in Glasgow, their jobs will be impacting on the UK's interests, aid and development right across the world.

Mr Mitchell: As they have done in the past, they will do so in the future with even more vigour and, I anticipate, success. Abercrombie House has been an enormous success and we hope that this new phase in the history of the joint HQ in Scotland will be one that will drive forward our ambitions in an even more effective way as a result of a better working environment.

Q188 **Chris Law:** Can I just ask one last question? This all sounds reasonable. What impact assessments have been made of the impact on the local economy of the move of these jobs? You have said that HMRC will be moving into Abercrombie House. Is it going to be like-for-like numbers?



HOUSE OF COMMONS

Will a lower number of people be working in Abercrombie House compared to before? That would have a negative impact locally.

Mr Mitchell: We expect this decision to provide better value for money and to continue to boost the economy of East Kilbride. HMRC has around 1,700 employees in Queensway House in East Kilbride, all of whom are expected to move to Abercrombie House.

Q189 **Chris Law:** Those are not new numbers. Those people are moving from one part of East Kilbride to another.

Mr Mitchell: Yes.

Q190 **Chris Law:** Essentially, there will be a net loss of 1,100 employees who live, work and spend their money in East Kilbride from the relocation to Glasgow.

Mr Mitchell: There are no redundancies planned.

Q191 **Chris Law:** No, that is not my point. The 1,700 people working for HMRC are still going to be in East Kilbride. They are moving to a new building. There will be 1,100 people who are moving out of East Kilbride, certainly in terms of their occupation, to Glasgow. That will have a negative impact on local businesses at the very least, not to mention house prices and other parts of the economy.

Mr Mitchell: The vast majority live in the area. I would not have thought there would be an impact on the local economy.

Q192 **Chair:** The Committee plans to go up after Easter. We were incredibly impressed with the staff we met when we last went up there. We will report back, Minister.

Mr Mitchell: I am very glad indeed to hear that the Committee is going. Roughly a quarter of our approximately 880 staff based at Abercrombie House live in or close to East Kilbride, with the rest from a wider catchment area. I should just clarify that point. As I say, there will be more jobs coming to Scotland and to Glasgow as a result of this move.

Q193 **Chair:** There are two final questions about jobs, Minister. We were assured that one of the benefits of the merger was that former FCO staff and former DfID staff would be treated equally and could move comfortably between any jobs so that, if they wanted to become ambassadors or project leads, they could do so. There was also a big commitment around equal opportunities. I was quite surprised to see in the annual accounts that legacy Department is no longer recorded. I wonder why that decision has been made.

Mr Mitchell: What do you mean by "legacy Department"?

Q194 **Chair:** When we were asking the Permanent Secretaries about women at different points of their careers and whether ambassadors had come from a DfID background or an FCO background, we were told that their legacy Department was no longer recorded so they could not tell us where they



HOUSE OF COMMONS

had come from.

Our concern, Minister, which we keep on having reinforced by the sector, is that a lot of development staff have left and a lot of development staff are finding it more challenging to become ambassadors, for example, than if they had come from FCO. As the legacy Department is no longer recorded, it makes it impossible for us to scrutinise that. As that was one of the commitments in the merger, we are in a challenging position. What are your thoughts?

Mr Mitchell: First of all, there is a problem on capacity. To be blunt, people have left. That capacity is now being replaced, but, for example, when I got back there was no one working on results, which is clearly—I am trying to think of a diplomatic word—suboptimal. I will settle with “suboptimal”. There is an issue there, which we are addressing.

I remember very well at DfID discussing this issue about ambassadorships and it was absolutely clear that staff in DfID had no great desire to be ambassadors. The reason they were in DfID was to pursue development objectives and aspirations. As this is a staffing issue, if the Committee would care to write to the Permanent Secretary about it and copy me into the letter, I will make sure the Committee gets a full and detailed response.

Q195 **Chair:** That would be very appreciated. Under diversity more broadly, we were given an organogram showing the FCDO’s new organisational structure. I am not expecting you to see it from here. I do not know whether Committee members or a camera can see it from here. From there, you can see that it is very white. I have no idea whether that is accurate, but for an international-facing Department and a Department that represents our society, it seems somewhat odd. Particularly, I would imagine that a lot of people are drawn from London. It seems very odd that the people at the top are very white.

I have no idea in terms of other things. You might want to record LGBTQ+, for example, or people with disabilities. I do not know that. In terms of the optics of looking at that, can we do more to support people?

Mr Mitchell: Could that be added to your letter? You can ask for a breakdown of those two things.

My concerns about the structure have been about trying to make sure it works. I have not been so focused on people; I have been focused on functions. In the speech at Chatham House last April, I set out the progress that we needed to make. Having a Second Permanent Secretary in post—it is Nick Dyer, who is very experienced—and responsible for all of ODA and most of the ODA-related functions makes a huge difference. That has been my focus.

I am aware that the Foreign Office has got much better on gender than it was when I was in Government before. I know the commitment on LGBT and diversity is there. You are quite right to ask about success. If you



HOUSE OF COMMONS

write to the Permanent Secretary on that issue as well, probably in the same letter, we can make sure you get an answer.

Q196 Mr Sharma: I do not think that anybody is questioning why there are no diverse faces. It is not working. There must have been opportunities in the past and there will be opportunities in the future, when new jobs are created or when people have moved away or retired. On the basis of that, on merit, that should be looked at.

Mr Mitchell: Do you mean that it should be on merit or it should not be on merit?

Q197 Mr Sharma: It should be on merit. I am not saying that black faces should just be put in, but black faces should be considered seriously, on merit. That is how that impact could be made. That is the way that I look at it. When the question comes to you, I am sure you will respond to that.

Mr Mitchell: I know the Civil Service and the diplomatic corps think deeply about these matters. I know that is the case. Your letter will establish the extent of progress already made and the extent of the journey still to come.

Q198 Chair: It is just that we have done a report on racism in the aid sector. Some of the organisations that have addressed this and have tried to turn it around have used peer mentoring for people of colour, for example. They have very much looked at recruitment processes.

I will be blunt, Minister. The only reason I am here is because a woman MP suggested it to me. Before then, I did not even think about it because I did not see people like me. There may well be some structural reasons why people are not applying or feeling confident that they will be taken seriously when they go through that process.

You have had a little bit of time to get gender diversity there or thereabouts. Looking at this picture, we could perhaps dig down a little bit more because diversity is such a strength for any organisation.

Mr Mitchell: As I say, we have designed a letter of two parts to the Permanent Secretary, which you are going to copy me in on. I would want to defend the Foreign Office because I know there has been big progress on this in the last 10 years across Government and, certainly from my limited experience, in the Foreign Office.

Chair: As I said, I do not doubt that. I am just looking at some photos.

Mr Mitchell: That only tells part of the story.

Chair: It tells me who is at the very top. That is the story I am challenging right now. I hope you do too, Minister. Thank you very much.