



International Relations and Defence Committee

Corrected oral evidence: International development priorities

Wednesday 18 June 2025

11 am

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Members present: Lord De Mauley (The Chair); Lord Alderdice; Baroness Blackstone; Lord Bruce of Bennachie; Baroness Coussins; Baroness Crawley; Baroness Fraser of Craigmaddie; Lord Grocott; Lord Houghton of Richmond; Baroness Morris of Bolton.

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Questions 1 - 15

Witnesses

I: The Rt Hon Baroness Chapman of Darlington, Minister of State, International Development, Latin America and Caribbean, Foreign, Commonwealth and Development Office; Nick Dyer, Second Permanent Under-Secretary, Foreign, Commonwealth and Development Office.

Examination of witnesses

Baroness Chapman of Darlington and Nick Dyer.

Q1 **The Chair:** Good morning. Thank you so much for coming to see us. You wanted to say a few words, did you, by way of introduction?

Baroness Chapman of Darlington: I can do. It is my first opportunity to come and meet everybody at this committee, so I am very pleased to be here. You probably know the landscape that we are now in with the cut to the official development assistance budget. We have gone from 0.5% to 0.3% in order to put additional resources into defence. It was a decision that I inherited but one that I very much support.

The global context has also changed. We have the United States making some decisions on its aid. I would contrast the way that we approached our budget reduction with the way that the Americans have, in that we are being much slower. We are being much more collaborative with our suppliers, partners and partner Governments. We are not walking away from programmes mid-contract. We are maintaining all our humanitarian support and trying to create some headroom this year in order to smooth out our spending.

We are also going to put more emphasis on our multilateral work, because, when you have much less to spend, you have to be much more ruthless about making sure that you get the impact. That takes you to investing in things, such as Gavi for vaccines, the Global Fund, the World Bank and IDA, where we can really get the biggest impact for our spend.

We also have to respond to what our partner countries have been telling us around their desire to work more in partnership with us, to move away from paternalism and dependency, and to have more control over their own destiny. What we have been hearing is that development should enable freedom, so there is an opportunity to reshape not just how we spend our money but the whole approach that we take.

That is where we are at the moment. I know that you will have lots of questions and will want to challenge us on the decisions that we have made already and our intentions, because we are still at the fairly early stages of this process. I look forward to hearing your questions and doing my best to answer them. I have Nick Dyer, Second Permanent Under-Secretary, alongside me, who has a vast amount of experience and will, I am sure, be able to help answer your questions.

The Chair: Thank you. Much in line with what you have just been saying, in light of UK official development assistance being reduced and projected to remain at historic lows, what is the Government's long-term strategy for development policy? Which priorities will guide this strategy?

Let me, if I may, come out with the whole question. The UK has much to offer our international development partners. Should the Government not seek to integrate a broader, values-driven UK offer, including aid, trade, diplomacy and innovation, which distinguishes it from other international

actors such as China and Russia? With aid budgets worldwide under pressure, what concrete plans do the Government have to leverage co-operation with others to maximise impact? You began to answer that, but perhaps you could expand.

Baroness Chapman of Darlington: If I am interpreting your question correctly, we probably have a similar mindset and approach to this. We have had to prioritise. I was very keen that we did not just salami slice, but that we took the opportunity to have a proper rethink and to listen to what our partner countries are telling us.

We have a piece of work that has been undertaken over the last six months, which Lord Collins has led, on our new approach to Africa. There was an interim statement to the House a couple of months ago, and there will be a proper launch in the autumn, but the strong messages from that are about wanting to work more in partnership and to have more control. It does not work everywhere, and there are some very fragile places where humanitarian work is going to be our main activity. In lots of other places, there is a desire to have more investment rather than aid, to build up policies and services within countries, so that there is a capability to deliver their own health services and educate their children. We want to respond positively to that.

That means that there is a very different way of working. As you hinted, it is about working more with the private sector and encouraging more investment from pension funds and other vehicles. We are working with the insurance industry as well to try to improve that. It also means that we need to look at the expertise that the UK has to offer, whether that is in financial services or training nurses. It could be the Met Office or the Land Registry. It could be about how to have a sustainable tax base for a country, so that public services can be planned, paid for and delivered, perhaps with support, by a country itself.

Those things are really in demand, and so the job that we have is to organise that in a way that makes it easier and more straightforward for countries to access. We have been calling it a centre of expertise approach, but I am not sure that that is the right way to describe it, because it privileges our knowledge over that of others. We are teasing that out at the moment, but it is about making sure that we are giving countries what they believe they need in order to move themselves to the next stage in their journey. It has to be bespoke and has to be what works in their context and on their terms, because, for it to be sustainable, they have to want it, to take ownership of it, and to want to deliver it after we have moved on to something else.

It is not a new set of principles or values, but the impetus and the urgency with which we have to shift to that approach has now become sharper because of our decisions on funding, but also because other countries are making those decisions. Also, partner countries are now at a stage, politically, where there is a real drive from their Governments that that is the way they want to work.

Q2 **Baroness Blackstone:** I wonder whether you could tell us what changes you expect the FCDO to have to make now as a result of the new approach to policy that you are introducing.

Baroness Chapman of Darlington: There will be changes. There are going to be changes anyway, because there is the FCDO 2030 thing, which Nick knows more about than I do. I am not responsible for HR in the department. More broadly, we are going to have to think about our expertise and capabilities, making sure that we do not destroy that because we have to make some savings. We must be really careful that we keep the capability and expertise that we have in development in the UK, which is one of our USPs internationally. At some point, the intention of the Government is to increase the spending again to 0.7%, and the Chancellor has set out conditions around that. When that happens, we want to have a foundation on which to build.

The other reason for wanting to maintain capability is that we have new countries now that want to be donors and to be active in development, such as Gulf states. What they do not have is that experience and knowledge about what works, how you assess value for money, how you operate in very fragile situations, how you partner with Governments in the long term, and how you work with civil society organisations in terms of localisation and with women's organisations. We have that knowledge, and it is something that, if we can partner with other Governments—we have development dialogue with the EU now that is just about to start—that is something that the UK can bring to planning and creating those programmes that other countries do not have to the same extent. We need to preserve that as best we can.

Having said that, when we have fewer programmes and are changing our emphasis from delivery in country, and having so much money to spend in country, to spending and thinking in a different way, we are going to have to look at where our resources are and make sure that there is an appropriate fit between what we have here in London, what we have in country, and what we do in the multilateral system. I do not know whether Nick wants to say a bit more about the internal process.

Nick Dyer: The only thing that I would add to that is that I would see three challenges going forward. One is how we deliver our priorities and build our capabilities in the right places.

The second, speaking to the first question, is how we ensure that we are joining up our development and diplomacy work even more closely than we have done in the past. We went through the merger four and a half years ago. There are some really good examples of how that join-up has worked really well, one of which is Ukraine, but we just need to be a bit more systematic about that and ensure not only that our development people understand development, but that our diplomatic people understand development, and that our development people understand diplomacy and foreign policy. We just need to ensure that that capability cuts across the whole of the organisation.

The third point, in line with other government departments, is that our SR settlement gave us flat cash in terms of our admin budget over the next three years, which means that, in real terms, our resources will go down and we are going to have to manage within a smaller budget. As an organisation, we will get smaller.

The committee may well come on to this, but we have had these reviews that were commissioned by the Foreign Secretary, which underpinned a series of reforms that I and Olly Robbins, the other Perm Sec, want to drive through the organisation over the next three or four years. The core message that came out of those reviews is that, as an organisation, we have not kept up with the changing global landscape, that we are overstretched and under-invested in technology, and that we do not have the right capabilities. We have a reform programme that is trying to address all those issues at the same time as pivoting our development programme, so there is quite a lot of change coming in our direction.

Baroness Blackstone: Can I just pick up the issue about expertise? There is a lot of concern in the development world about a possible loss of expertise in the FCDO through going down from 0.5% to 0.3%. There must be ways in which you can do this by providing those people who have expertise in this area with the opportunity to take on head of mission posts in African countries where development is one of our main interests. There has been a tendency in the past for the Foreign Office never to do this. It gives all these head of mission posts to generalists. Are you thinking about moving away from that and using your development expertise in a slightly wider way?

Baroness Chapman of Darlington: My view, as somebody who has come into the department, is that the merger is nearly done but not finished. I was in Ethiopia recently, where the head of mission in Addis is a former DfID member of staff, so it is happening. It is really important that it continues to happen, because, as Nick says, development is not just the responsibility of people who are ex-DfID. He and Olly have tried to ban people saying that. It is the responsibility of everybody. Everyone needs to understand, and we do try to have that culture throughout the organisation. There are cultural differences that emerge from time to time, but that is starting to get better.

Nick Dyer: At the last count, there were 13 heads of mission who had come from the development side of the house. That is still quite small in terms of the overall proportion, but it is a growing number.

Baroness Blackstone: That is a start, but there are a lot of countries where development is probably the most important part of our work, particularly but not only in Africa.

Can I just ask you about the timelines for FCDO 2030? Do you have a timetable where there will perhaps be some intermediate report? How is Parliament going to be kept informed about it?

Nick Dyer: This is an internal Civil Service exercise. We have a lot to do. We are starting with the structure in London and trying to reset that. We are going through recruitment at the moment, and are advertising posts and jobs. We will look at the overseas network after that. There is a whole bunch of sequencing that will go on here.

Basically, it is a three-year programme. We are starting this year. The investments that we need to make in capability and in technology will be happening over the next year or so. The benefits of that will materialise, and we will have to make more staffing adjustments as a result.

It is quite a long, big exercise, and Olly and I both expect that, through the whole series of committee meetings that we have with you, with the International Development Committee and with the FAC, we will give regular updates on this, because we expect people to be really interested in it.

Baroness Blackstone: We have been able to see the reviews, for which we are very grateful, but are they going to be published and, if so, when?

Nick Dyer: The reviews were personal advice to the Foreign Secretary, so the expectation is not that we will publish them, in part because they have been overtaken by the cut to 0.3% and the changes that we are making with the 0.3% budget, as the Minister set out. Also, the FCDO 2030 programme has, basically, looked at the recommendations and incorporated them into that programme.

Baroness Blackstone: I have one final question and then I will shut up. Can you tell us what you are planning to do on measuring the impact of all these development-related changes in the 2030 programme?

Baroness Chapman of Darlington: If it is about 2030, that is definitely you.

Nick Dyer: If you talk to our staff, they will say that we are trying to do too much everywhere. You can measure how much more prioritised we are and whether Ministers are making difficult choices. The Minister would agree that she is making a lot of difficult choices and really prioritising on the aid side.

We need to be more modern as an organisation, so it is about how we deploy and use our technology. It is about investing in our capability, and we can show what types of capabilities we have and how that is going to change over time, because it will. On the development side, we need more private sector advisers in our organisations. We need to bring in different people, and will probably need fewer people who are going to be delivering programmes, because we are cutting our budget. There will be an adjustment to the shape of our capability.

We want to be a more open and diverse organisation, and we have measures in terms of our diversity as a baseline now and how that should look in the future. We have ways to measure each of the five elements that we have in that programme and whether we are making progress.

In terms of the impact on our development work, we already have mechanisms and ways of measuring that, and we just need to make sure that we are collecting that information as we pivot our programme. I would expect our development programme to look very different in three years' time from how it looked a year ago. It is going to fundamentally pivot.

Baroness Blackstone: That is good, and there will also be real clarity about what the outcomes are, which is where the measurement comes in.

Nick Dyer: On the development side, certainly, we have good ways of measuring what the impact of our development programmes is, and we will continue to invest in that and to ensure that we are collecting that information and making it available publicly.

Q3 **Baroness Crawley:** Thank you for being with us, Minister and Nick Dyer. Minister, you said that, basically, you are looking more at customising development programmes with partner countries and almost personalising them to the situation in each country, using the expertise that Baroness Blackstone was talking about. You mentioned the Gulf states as new arrivals on the scene and how they can learn from what you are doing with less money and your reform programme at the moment.

However, you did not mention China or Russia, which are not necessarily partners. I am sure that you are aware, but would you like to share with us the kind of approach that they are taking to African countries as opposed to our rethinking on all this?

Baroness Chapman of Darlington: We have had a very different approach to the one that China has taken. We are aware of anxieties around this, and they are well founded. We have seen some really bad examples of countries getting themselves into a really difficult position because they have become overdependent on a partnership with one particular country. That is not good for them, and many countries are now keen to get themselves out of it.

Particularly from speaking to Governments in Latin America, I know that they have watched this and are really keen to make sure that they do not end up in the same situation themselves. Countries now want to diversify their partnerships because they recognise that becoming dependent on one or two partners is not in their interests. That could be with us. They do not want to be dependent just on us either. They want to have agency. We see that reflected in the approaches that they make to us.

One thing that we hear a lot, though, is, "We would like to do more work with you, but sometimes you could make it a bit easier for us". We have to listen to that. We need to reflect on the length of time that it can take and on the barriers that they say we put up in the way that we work, and to try to make it easier and quicker.

BII is a really effective vehicle for getting money into countries. We need to be talking to it about trying to streamline the way that it works, to get it into trickier places, and to make that a possibility for countries in a way that it may not have been in the past. We have said that we will compete with China where we need to. That is an example of where we can offer an alternative.

Having said all of that, we do need to talk to China about development. It is really important that we co-operate and act together when we can. There are opportunities to work together with China, and we should not turn our faces against that, because we have a way of working that has led the way historically and we need to make sure that we continue to do that.

That is about listening to and understanding countries where we want to work, and making sure that we really get what it is that they are after. Where we can help them get that, we should. Where we think working with another country can be right as well, we should be really open to that, because, in a way, it is not about us. This is about getting the results for the countries that we are working with.

Q4 Lord Bruce of Bennachie: First of all, can I comment on 2030? David Cameron chaired the commission to deliver the SDGs, which stated that, by 2030, we would end absolute poverty and leave no one behind. Given the current situation, is that now abandoned? It does not seem achievable to me. That is just a comment, although I am happy to have a response.

On the soft power issue that comes out, we have had a defence review, the consequence of which is that you have had your budget cut.

Baroness Chapman of Darlington: That happened before the defence review.

Lord Bruce of Bennachie: The defence review, perfectly reasonably, concentrates on war preparedness and defence capacity, and does not really look at soft power. We see a letter to the Prime Minister this week from pretty senior people, including former directors of MI5, saying that we are making a terrible mistake, because resolving conflicts is much more costly than preventing them. They are very direct, because they provoke asylum and economic migration, all the things that roll up on our shores. How do we deploy soft power—and you are chair of the Soft Power Council—in ways that counteract that? How do we do it without the money?

Baroness Chapman of Darlington: The first thing to say is that soft power is not always about pound signs. We are really well placed. We have absolutely tonnes of soft power everywhere you look. The Premier League, the Met Office, the BBC, our museums, Kew Gardens and our devolved Administrations are amazing agents of soft power, but, in the past, they have not been pulled together to speak to each other about these issues. That is what the Soft Power Council is able to do. It is early

days, but I think it is going to be a successful initiative. There is a lot of enthusiasm from the business community as well, so I am quite optimistic about that. It does not rely on huge amounts of ODA spend.

The letter was really interesting, and I agreed with what it said. I took it as a warning letter. They used the word "could" quite a lot through the letter, and they are right to. These decisions could be detrimental, should we not go about them in the right way and apply ourselves to the changing development landscape.

I am really keen to make sure that we align our soft power approach, our trade approach, our development diplomacy and our political engagement in a way that we have never really done before, partly because we have not had to. In a 0.7% world, you could even have a climate programme going on through Defra, and a mission on the ground being unaware of what is happening, in two arms of the same Government. That is not a situation that we can tolerate, and we cannot afford it any more, so part of what we are doing is tidying that up and getting even just the whole of Whitehall aligned to single strategies. We need to take that approach to the whole country.

The letter was really good. It is a good warning. It is something that we are mindful of, and we are going to make sure that we do not fall into that trap.

Lord Bruce of Bennachie: I agree with you, and I have been saying for quite a long time that we need to join it up. I have had high commissioners say that they do not even know what the Government are doing in the country that they are operating in, so I get that; that is good. As for the idea that it can be done with no money, they are saying that conflict prevention does require some engagement.

Baroness Chapman of Darlington: There is money, though. We are still going to be spending billions on this. They are right to raise the issue, because it cannot be right that our only approach to defence and security is through giving the MoD money to spend on drones and tech. No one thinks that that is a fully rounded approach.

Q5 Lord Bruce of Bennachie: I need to declare an interest as an adviser to DAI and as co-chair of the All-Party Group on Aid Match. The other thing that I was going to ask about was what the split is likely to be, which you have already mentioned, between multilateral agencies and unilateral programmes or engagements. I take it that the joined-up approach that you are taking is a development of that.

The Government have indicated that they want to maintain commitment to the multilateral communities. As you will know, I have been, in one way or another, engaged with the sector for over 20 years. I completely support the role of the multilateral agencies, but it is very arm's length from a government point of view. We give them the money, and they deliver the programmes. Very often, I have found that the country that that money is spent in has no idea that the UK is involved, unless we

have a bilateral programme running alongside it.

I am slightly concerned, and there is concern. This is not a lobby, but I have declared my interest. To Baroness Blackstone's point, we have expertise that is rapidly disappearing, and leaving the sector altogether. Indeed, much of it has already gone. That means that building it back up could be very difficult. More to the point, it is just a realisation, if you like, that we cannot deliver what is wanted, unless we have the skills, the capability and some bilateral programmes.

Can you explain whether there will be any? How will you prioritise them? I appreciate that it is in hand, but, for example, is it sectoral, or is it country-specific? It would help a lot of people if they knew what the Government's priorities were. Is it poor countries or rapidly developing countries? How do the national interest and the poverty reduction strategy run together as opposed to apart? Is it possible to get some flavour of that?

Baroness Chapman of Darlington: There are about 25 questions in that.

Lord Bruce of Bennachie: I am sorry.

Baroness Chapman of Darlington: To your point about multilateral spend, how visible that is, and how much control we have over how that is spent, I am very mindful of this. We are working through at the moment how we use our roles of leadership in the multilateral space to the best effect. How do we use our governorship at the World Bank? How do we use our position at the UN? We are biggest funder of Gavi. How do we make sure that that is reflected in the decisions that those multilateral agencies then make?

We have to be much clearer in our own minds about what it is that we want. A lot of it is going to be about getting into the hardest places to operate. That is a priority for us because we are about poverty alleviation and the world's poorest, so we have to be able to do that. I think that we can, but we have to be better organised and to plan it. We have to make sure that all the Ministers have engagement, as well as parliamentarians, because there are a lot of people who are not Ministers but have a hell of a lot of engagement with these agencies. Everyone needs to know what the script is and what the UK Government are up to.

In terms of visibility, it is true that there will be programmes that we have funded happening in particular places that will not have a union jack on them. Generally, those Governments know who the big funders are of the Global Fund, Gavi or IDA. They do know. They notice and they watch like hawks what we are up to and where we are putting our money.

We have to make sure as well that we celebrate that, that we use that in our diplomatic efforts, that we talk about and highlight that, and that we are proud of that and of our teams in country. It goes back to the point that was made about our diplomatic teams also having sight of our

development activity, so that that can work in a far more joined-up way in the future.

Yes, there will be bilateral programming, although there will not be as much. There will be a smaller number of countries. There will be less money. Because of the way that our settlement has been agreed with the Treasury, we are able to give those teams certainty as to the funding that they will have over a three-year period, which gives them much more flexibility and the ability to plan and to contract in a different way. There is less money, but there is more certainty.

The other thing that I am keen to focus on, which we are going to be working through in more detail with our teams over the next few months, is how we as a Government balance our humanitarian, health and climate priorities. There are some countries where the team is going to say, "What I really think this country needs is some work with civil society and some work on education". The development director will say, "I want to focus on those things for this place".

Given that we have gone to the trouble of hiring people with expertise and knowledge in a particular context, and have asked them to understand that place, build relationships and get to grips with what is going to make a difference, if they are coming to us and saying, "This is going to make a difference", we should listen and try to enable them to deliver what they think is going to make the biggest impact, so we are working that through.

As a Minister, I cannot go to bed at night giving them absolute freedom to do what on earth they like, because, in the end, I am accountable for that. There is a balance, so we will be working through how that is going to work.

The Chair: Have you exhausted your questions for the moment?

Lord Bruce of Bennachie: I have for now.

Baroness Chapman of Darlington: He is going to come back.

Q6 **Baroness Coussins:** Minister, could you say how the FCDO is planning to track the consequences of the cuts in aid on programme delivery and outcomes, particularly in countries and sectors where the UK has historically played a leading role?

As well as that overarching question, could I ask you to illustrate your answer with particular reference to Colombia, which is one of the countries that fall within your overall responsibility for Latin America and which I know you are familiar with? I think you visited Colombia too. Perhaps you could also say whether it is still going to be a designated priority country.

As you know, in Colombia, where there is ongoing conflict at the same time as a peace process, development is intrinsically linked to peace, security and human rights. A huge difference can often be made by

targeting relatively small grants to grassroots communities. This is the issue that I wanted to raise in particular in relation to Colombia, because the UK embassy there has been playing a really positive role in making sure that that happens, for example by supporting indigenous communities that have been displaced by the conflict.

There are two problems, as far as I can see. One is that the small grants are for one year only, which does not encourage sustainability. Secondly, monitoring reports are required quarterly and in English only, which seems a bit onerous for a one-year grant and difficult for some communities to comply with.

Could I ask you to reassure me that these really valuable small grants, which I am sure are relevant to countries around the world, not just Colombia, will not be regarded as easy, low-hanging fruit to be cut, but will be carefully preserved, enhanced and improved to provide longer-term security over more than one year, and less onerous and less bureaucratic in the conditions that are applied to them?

Baroness Chapman of Darlington: You should not have favourite countries in this job, but Colombia is—and this is not just me either—the place that you visit and that really gets to you. It has definitely got to me. The biggest challenge that Colombia faces, as you say, is around security, serious organised crime, and the fragile nature of the ongoing peace process. We are penholders at the Security Council. You have met George Hodgson, our head of mission, who is exceptional in the way that he has been able to work with the Government in Colombia and to build those relationships and work with human rights defenders and, as you say, some of the indigenous communities there.

We cannot protect all the bilateral funding. At the moment, we are working through exactly how those decisions are going to be made. I am quite keen that we do not say, “This is our favourite country” or, “We like this”, but that we have a fair, transparent process by which we make those decisions. We are working through that at the moment. In all honesty, if you go from 0.5% to 0.3%, and you are spending north of £2 billion a year on asylum accommodation via the Home Office, as well as protecting Sudan, Gaza, Ukraine and the overseas territories, you do not have a lot to play with.

There is going to be a reduction in some of the programmes that you talked about, but I would say that the biggest contribution that we make in Colombia is around the support that we can offer, often through the Home Office. We have a lot of work that goes on with its intelligence and security services, and you do not need ODA to do that. Dan Jarvis, the Security Minister, has just returned from Colombia. He went to Ecuador and Colombia, looking at serious organised crime and what more we can do, recognising that much of the cocaine on the streets of the UK comes via that region, so there is a lot that we can still do.

ODA is not everything, and our commitment to Colombia is as strong as it has ever been, but the way that that is expressed in the future, as it has

been up to now as well, is through our strong diplomatic presence and putting really strong teams into Bogotá and keeping our focus there.

Just while we are on Colombia, my real worry about this is not our approach, because we are clear about that, but what approach the Americans now take. They are funding an awful lot of the security work there and have worked with agencies there for a very long time now. Initially, it looked like there was going to be a sudden withdrawal of that support. That has not happened in the way that we initially feared it might, but we are still working through what that is going to look like in the future. There are also elections coming up, so it has the potential to be quite a turbulent time in that region, and we need to retain a focus on that.

It is great to find parliamentarians who are interested in Latin America, so perhaps we could talk more about it as well.

Nick Dyer: Can I just pick up two further points? First, you asked how we will track the impact. We will be doing equality impact assessments of the changes to our budgets as they occur. All our teams will be doing those. We will be collating those and making them publicly available.

Secondly, you mentioned a really interesting point that I am thinking hard about, which is the proportionality of the expectations on our programme and project management. Our system was built for multiyear, multimillion-pound projects. As you say, in a world where we are going to have smaller projects, working with more local organisations, we need a more agile and simpler system. There is a question that I am going to be asking our teams to have a look at around proportionality, materiality, and how we make our systems a bit more functional for smaller programmes.

Q7 Lord Grocott: Just to pick up on part of a question that was asked earlier, what sort of assessment can be made now? I know that it is four or four and a half years, or however long it is, since the departments merged. When the overseas development department was established in 1997, it was a manifesto promise. It had a very energetic Secretary of State in Clare Short, and then Valerie Amos. It is fair to say that it developed a system that was pretty well admired and respected throughout the development world, if you like.

I know that everything has been coloured by the budget and Covid, and all the other things that have happened, but, if it does not sound too pompous, at an intellectual level, is it better or worse to have a separate Secretary of State and department for development? I am not asking you to commit yourself to saying, "Yes, we are going to re-establish it", but I am saying to you that, surely, that work needs to be done. It is part of the bigger clout of being part of the Foreign Office. Does that have advantages or is it better when you have focused staff specialists in the area, who develop a huge level of respect and expertise, much of which, as we have heard already, has perhaps been lost?

Baroness Chapman of Darlington: You are never pompous, Bruce. We stand on the shoulders of giants. You look at what Barbara Castle and Clare Short achieved, and you take this job really seriously as a consequence of that and because of the nature of the task that we undertake.

I genuinely think that, if we are talking about having an approach that integrates our political work, our diplomatic work and our spending on development, and we are talking about partnership, it is better to have a single department. We have to do the work that we have talked about around protecting expertise and capability, but, in 2025, it is better to have things more joined up and integrated, working to single strategies, and working together in teams in countries. That is better.

It is a work in progress and there are still issues that we need to overcome, which is hardly surprising, given the last few years and, I would say, the chaotic political leadership that has existed. I work very closely with David Lammy. He is keenly interested in this agenda as well, as is the Prime Minister, so I do not feel any need to argue for recreating another Whitehall department. I know that that is not what you were suggesting in any case. Partly, the level of money that we now have does not really allow for us to embark on that kind of project.

The attitude of UK taxpayers to this agenda has changed somewhat in recent years, and their concerns are around our ability to spend the money well. Part of what we have to do is prove that we are using everything that we can to get that money out of the system and to where it needs to be, having the impact that it should.

The systems that were devised through DfID are some of the best in class that you are going to find in Whitehall around tracking where money is spent, assessing how well it is spent, looking at value for money, and amending spending mid-year to make sure that you get the outcome that you want. It is really impressive. We have to retain that and try to use some of that to persuade the public that this money is being spent to the very best effect. Then we can start to rebuild some of the support that has been lost for the UK's development presence around the world.

Q8 Lord Alderdice: I am wondering whether the Government are going to publish a comprehensive assessment of the overall impact of reducing ODA to 0.3% of GNI. I am keen to know whether you are expecting a publication. Let me say just a little bit about what I mean. There are, of course, as you have referred to already, numerical components to that: how much money, how many projects, the spread of projects, and so on.

There is another dimension of a comprehensive assessment, which is about the philosophy of development assistance. You have hinted that that is changing and has to change, which makes a lot of sense.

I am keen to know where we can read and understand more about what this philosophy of ODA is. You were implying that it was more than simply "salami slicing" or cutting stuff back. It seems to me that there

are some dilemmas about this. For example, you have spoken about how much experience our people have in various areas, but they have experience of a previous model or philosophy of ODA. They do not have experience of whatever is developing at all. How does that develop? Is it informed by any particular academic studies or other kinds of background work with various development organisations or whatever?

Another problem is that you have spoken about asking countries in which we are working what they want. What people want and what they need are often very different things. What Governments want and what their societies want are not necessarily the same thing. In fact, there is often quite a profound difference between what the Government want and what the society wants. I am wondering what thoughts are developing and how we can both understand and engage in that process of development of a different approach, which reflects both our straitened circumstances, to some extent, and a very different world with a very different set of drivers.

The overall question is this: are you going to publish a comprehensive review, on not just the facts and figures but where you see this new philosophy of ODA going, how one can understand and read about it, and how one can engage in the development of a new approach?

Baroness Chapman of Darlington: That is pretty much the question I wake up asking myself a lot of the time, because we are making decisions really quickly and a lot of them are driven by, "We have to create some headroom this year. What can we do? These replenishment dates are coming up. What are we going to do?" Behind it, there is an emerging theory of how development needs to work.

The first thing that I read when I was appointed was Minouche's review, and a lot of it comes from the principles that she was talking about there as well. These are debates and ideas that have been alive for quite some time in development, but have never had to be acted upon until now. I wonder whether we ought to be considering a Green Paper or some kind of long-form exercise where we lay all this out, so that Parliament and others can see the logic, the thinking and the theory around what we are doing.

There is an argument for that. I do not know how enthusiastic my colleagues will be about this, because that is quite an undertaking, but, as soon as we get through this initial phase, the responsibility is on us to be able to do that, so that we can be challenged on it and, I hope, rally support for it. We are going with the grain, by the way, and this is where a lot of the thinkers in the sector are, but we need to have a team UK approach to this. I do not think that this is going to work if it is just the Government doing their thing.

The Soft Power Council is designed to bring in partners who can work with us on soft power. The Government can have whatever soft power strategy they like, but what if the music industry is not interested? Everyone has to pull together.

We need to take a similar approach with development. When a country says to us, "We really want to work more in partnership with UK universities", we should not be leaving that to whichever university's chancellor happens to have been at a conference with a politician from that country, which is where we are at the moment. There are brilliant things happening all over the place, but no one really has a grip on any of it.

We should be saying to Viv Stern at Universities UK, "There is an opportunity in the Caribbean for some work on healthcare. Which universities would be interested in getting involved in that?" We have support for scholarships that we can pay for. We can try to cement that partnership and get programmes delivered in country, as well as requiring students to come here, because that improves access for more people. The Government can hold the ring on these things, but do not always have to be the lead in delivery, so there is a change of approach.

I absolutely recognise that, if you just go around asking Governments what they want, they will give you their list, which may not match up to the needs of society. We can all have opinions on that, and we get that. We do not just take it as read; otherwise that would take you to some very interesting places, where we would not want to be.

However, in more and more contexts, Governments are democratically elected. They are more stable. They are more representative. There is a long way to go, of course. If you are trying to improve health outcomes in a place, you can deliver a vaccination programme or a maternal health programme. It will make a difference, but then what? The best buy in all of this is to build the systems and the policies around healthcare in that place, so that it lasts. That can be around persuasion and saying, "If you invest in early years, girls' education or maternal health, we know that, from our experience in other places, these are the outcomes you can expect for your country, and we can work with you".

It is often the case that they like speaking to our health adviser from the FCDO, but they really want to talk to some midwives who have done it. That has a much bigger impact, and those relationships can last for years and years. It is a different way of working, which is more about making sure that interventions are more sustainable. Working with Governments can give you that impact.

It is about making sure that what we do has the biggest impact that it can. Also, you cannot go around saying, "We are not going to do paternalism" and then completely disregard what a Government's analysis shows that they need. We can challenge it and have a dialogue about it, and we definitely do that. That is why we have teams in post who are able to say, "You tell us this about your healthcare outcomes, but we know that your HIV rate is this". There is a conversation that can take place.

Lord Alderdice: I am grateful for your response. It is a very helpful one, and I hope that it becomes possible to take it forward. It will take some

time, because, at the moment, many of the organisations, including your own, are very preoccupied with reducing numbers of staff to fit the budgets that they now have. There is a bit of a challenge there, but I am encouraged, and I hope that it is possible for you to take forward what you described there.

It will have to face reality. One of the realities is that countries are not becoming more democratic. The number of countries that would qualify on any kind of liberal democratic scale now has been decreasing every year for the last 15 years, not increasing. There is a challenge there, but I welcome what you are saying in general principles.

Baroness Chapman of Darlington: I know that, but one of the things that we do is about democracy strengthening and trying to improve participation. One of the big things that Harriet Harman wants to do is to work on women's representation in politics, so there is work that we can do there as well. I am not saying that any of this is easy, and you cannot do this job without facing reality. This is the most real thing that I have ever done. If you are sitting in a tent on the border of Sudan and Chad, talking to women refugees, it is pretty bloody real, so I completely agree with you.

Q9 Baroness Blackstone: In your new circumstances with all the financial constraints that you have described, how are you going to protect programmes for the most marginalised people: those in extreme poverty, women and girls, particularly those who are in rural areas, and minority communities? It is sometimes said that, when there are financial constraints, small programmes should be abandoned because their administrative costs are too great, but to do that in respect of some of these groups would mean that we were not helping the poorest.

I was struck by the discussion about Colombia. I have been in some African countries and visited posts fairly recently, and they have all complained about the degree of intrusion, as they see it, from the Foreign Office, in terms of heavily bureaucratised systems taking ages to make decisions initially and then the reports back that are needed too frequently.

This question, in a way, has two prongs: first, protecting priorities for the most needy and, secondly, changing the approach to these smaller programmes so that they can continue. One aspect of the women and girls group is family planning, which many of the poorest communities do not have access to. They have large numbers of children, quite a few of whom die, and yet the population of poor, fragile African states is still exploding. You have huge numbers under the age of 18, many of whom cannot be employed.

Baroness Chapman of Darlington: One of the things that we can do, and are doing, which is part of the reason we want to give our teams security of funding over three years, is to enable them to work in that way. If we give them a one-year settlement and all the bureaucracy that you quite rightly remind us of, that gets passed down the chain. It means

that no one gets security. Things get less stable and less secure the further down the spending chain you get. That is one of our key reasons for doing that.

On the people most in need, that is why we want to prioritise—and have tried to protect as best we can—our humanitarian spend and our health spend. Those are principally the beneficiaries of that work. I should just say that, when I say “protect”, in a world where we have lost 40% of the budget, we have lost more than that because of our in-donor refugee costs in this country. It is not much less than half, so we are cutting health and humanitarian by less than that. We are trying to cut them by as little as we can, for the reasons that you have pointed to.

In every job that I have had up to now, protecting something would mean that it gets its increase in line with inflation. That is not where we are. In this situation, protection is making sure that it loses less than 40%. We are doing everything that we can to make sure that humanitarian and health are sustained.

We are also trying to work more smartly. We are trying to cut out duplication. It might be worth highlighting the process that we have just gone through with other departments. The Treasury—I think that this is the first time that this has ever happened—has allowed our team to do the negotiations with Defra, the Department of Health and DSIT about the ODA money that they spend. We now have the relationship with them where we are making sure that we can see what they are doing and what they are spending, trying to align that to a single strategy, and making sure that we take out the duplication.

There is an opportunity to work more efficiently and make sure that we still continue to get the good outcomes. It has been good as an exercise. It has been quite positive. It has been challenging, but the way that that has reset the relationships across Whitehall now means that there is an opportunity to do things in a more collaborative way between departments. On R&D, where we were spending half a billion a year, we are now working with Patrick Vallance on how we can streamline that and make sure that we do not lose the really good stuff.

The Government have just committed to spending an awful lot more money on science and research. It might not be spending ODA, but we can benefit from some of that. That might be a soft power thing, but it might also be agri-tech or things that are happening in health and vaccine development. There is an opportunity to now work in a slightly different way between departments, which is quite exciting.

Q10 Lord Houghton of Richmond: You mentioned earlier on that the spending review noted that the Government are committed to returning to spending 0.7% of GNI on ODA when the fiscal circumstances allow. The short question that I have is this: what are those fiscal circumstances, and when do you think they are coming about?

Can I put them in the wider context of government spending and fiscal

pressure? The committee has an interest in defence as well. We have just had an SDR, which is a very good one in principle and in recommendations, but the spectre of fiscal pressure, again, haunts every page that you turn. Again, it is the ambition for the end of the next Government to reach the sort of spending that is needed in order to deliver on the recommendations of the review.

Breaking that all down, in the balance of this Parliament, £350 billion is going to be spent on defence, but only £10 billion of that is new; £6 billion of that has to be found by internal efficiencies; and I am assuming that £4 billion of it has come from the cuts in your budget.

The wider contextual question is this: are the Government slightly living a delusion of a narrative that something is going to happen the far side of Never Never Land? Is the reality that a strategic shift has to be made, maybe in taxation, but maybe in significant strategic reallocation within government? Is that conversation and discussion being embraced yet?

Baroness Chapman of Darlington: I do the job that is put in front of me. I have been given 0.3% to spend. That is my task. I need to make decisions on that basis, and that basis alone. We do want to get back to spending 0.7%, but everything that I am being told tells me that that is unlikely to be by the end of this Parliament. I need to make decisions that keep capability for when that time comes, so that we are not a skeletal piece of government, and are capable of delivering when we have more money to spend and can spend it well, but also that we can deliver what we need to deliver now as efficiently as possible. That is my job.

The Chancellor's job is to make sure that the country gets to a position of growth and that we stop spending as much money as we are on housing asylum seekers in this country that ought to be spent on supporting women giving birth in Malawi without adequate healthcare. That is my bit of the forest that I am really keen that we do well.

Outside of that, there is a big reprioritisation task that this Government need to undertake. Our welfare budget is completely out of control. With the number of new applicants for PIP each day, the number of people who are excluded from the workplace because we have told them that they are too sick, and who are unable to get the operations or the mental health support that they need to enable them to live fulfilling lives, or the number of young boys not attending school and then dipping out of society when they leave school, we should all be panicking about that and doing everything that we can to prevent us having to spend any more on that in the future. That is going to be a very expensive problem to fix.

There has been a failure to invest in infrastructure, to plan our prison service properly, or to make sure that people get the operations that they need when they need them. There is a lot that this Government need to address in order to get to the place that you want us to be, where we can spend our money on the things that really are our political priorities, as well as the country's.

I do not know when that will happen, but I know enough about government to know that that is not a one-term prospect and that we need to move quickly, so that we are at a stage, when the next election comes—I know that this is a cross-party committee, and I am giving a bit of a party political broadcast here, but you asked how I see it—where we can say to the country, “Progress has been made. We are able to reallocate some of our spending and to shift the way that we work”.

That is the point at which the Government can say to the country, in good heart, “We are now going to be able to spend more on international development. It is something that we are able to do and that is in this country’s best interests to do”. Then the Government will be believed. At the moment, we would not be. Trust in politics, trust in this agenda, confidence in our ability to spend money, confidence in the aid sector, and confidence in other Governments, is so low.

We can all talk about our theories about the reasons why we have got to the place that we have, but that is where we are. We do not operate in the friendliest of landscapes in terms of the international development agenda, but we do have the capacity to change that.

I am really keen that we retain optimism, hope and energy in the way that we approach this, because so much good has come from international development led by the UK over the last 20 or 30 years, and so much good will continue to come from our role that we take in the world. We need to be proud of it. We need to tell people about it. We need to make our citizens feel proud of it as well, and I think they are.

When we say that we devised a vaccine that has saved millions of lives around the world, people understand now that that is good for UK jobs, as well as for health security. There are stories that we need to tell, which I do not think we have been telling properly and loudly enough. We need to now, and not just for political expedience, but there is a very big responsibility on us, as leaders in a democracy, to show that mainstream politics works.

You are going to ask me about fiscal rules or something now, are you not?

Lord Houghton of Richmond: You are close to convincing me that there is some recognition that the current narrative has a touch of delusion about it.

Baroness Chapman of Darlington: It depends on what you mean by “the current narrative”.

Lord Houghton of Richmond: I mean the current narrative that the ambition might reach a place where it is affordable. You have also slightly reassured me—tell me if this was not your intention—that, dare I say, the scale of the welfare budget, which is out of control, is now an issue that the National Security Council would take as being a threat to the security of the country.

Baroness Chapman of Darlington: I do not know what the National Security Council would think, but my personal view is that having this many young people, particularly young men, as disengaged as they are is a threat to our society. We ought to be seriously worried about it. We need to look at the number of 13 and 14 year-olds not attending school. That is a threat. All people in positions of leadership in this Government ought to concern themselves with that, so we probably do agree.

Lord Houghton of Richmond: One of the themes of the defence review is that there should be an outreach to society about this. It is not just the job of the Ministry of Defence. It should form a fundamental part of a government narrative of outreach.

Baroness Chapman of Darlington: That is correct.

Q11 **Baroness Crawley:** As you will know, in March this year, Secretary of State Rubio said that approximately 82% of all US aid would be terminated. How are recent reductions in US aid affecting UK development programmes, particularly in areas where the UK and the US have historically co-funded those programmes or are strategically aligned on initiatives? Are there priority programmes, as you see them, that are particularly at risk as a result of this new policy from the Trump Administration?

Baroness Chapman of Darlington: It is very concerning. One of the things that I get asked is, "Can you backfill? Can you compensate for the withdrawal of USAID?" We cannot. We do not spend enough to be able to do that. What we can do is to work very closely in places where that has happened. In some places, the initial decisions have been moderated. While I was in Jordan, the USAID co-ordinator was told that she was out and that they were going to stop doing everything. That has not happened.

I do not know how to put this diplomatically, but the consideration of decisions is ongoing. It is recognised that the destabilisation that a withdrawal from Jordan would have led to, in the way that could have happened, would have been catastrophic, so there is an understanding of the importance of retaining some of this work.

Where I am most concerned at the moment is around health in Africa, and the distribution of drugs and HIV meds. The UK has a comparative advantage in health anyway, because of our vaccine development and our NHS. One of the reasons that we want to maintain our commitment to Gavi and the Global Fund is a recognition that there is a responsibility to take a leadership role in that multilateral work.

The best way to deliver many of these interventions at scale in the places that they are needed is to maintain our presence there. It would have been very wrong for us to withdraw from those organisations in order to preserve our bilateral programming. We could have done that. That option was considered, but the impact of that would have been utterly devastating, particularly in the context of the reductions in US aid.

Nick Dyer: Can I just add to that? We have been tracking very carefully what the impact has been at the country level in each of our posts. We have offered flexibilities to our programmes to ensure that we are protecting our suppliers and our programmes to the extent that we can.

The health impacts are large, particularly across Africa. Interestingly, one of the responses that we have also seen is not only, "What are other donors doing?" but, "What are Governments themselves doing?" Just recently, there have been occasions where Governments are stepping up and trying to fill some of the gaps in terms of support to purchase HIV/AIDS drugs. There are examples across Africa where that has happened.

Baroness Crawley: Can you give any examples?

Nick Dyer: Nigeria was a good example, where they provided additional health funding to fill some of the gap. It may not have been sufficient, but the reality is that there is a recognition that dependency is not a viable development strategy. The question is one of how you ensure, as the Minister said earlier, the long-term sustainability of investing in health systems. It has to be a partnership between the Government and outsiders, because, ultimately, the Government have the main responsibility to deliver that.

Q12 **Baroness Fraser of Craigmaddie:** I was going to ask you about the impact on global health from the cuts to US aid, but you have just happily covered that. This committee is looking into the strength or otherwise, and the long-term implications, of the US-UK relationship. The cuts to US aid were so dramatic in the announcements and, as you have said, Minister, have not always materialised in the way that the announcements might have indicated.

In the world of international development, how do you assess our relations with our US colleagues and partners? How does that sit in your prioritisation work? What is the depth of those relationships? Presumably, they go far deeper than government, into civil society, NGOs and all the rest of it. You mentioned Colombia and that what concerned you most was the intelligence support by the US. I wonder whether you could just tell us a bit about how you see that relationship.

Baroness Chapman of Darlington: You are right in that connections are deep, and we do have long-standing relationships at all levels. I am in a slightly frustrating situation at the moment, in that I do not know who is going to be my opposite number in the American system. I am waiting to find out. That goes for my Latin America role as well. I am very keen to speak to the Americans about Haiti, for example, and Colombia, and the work that we need to do in other parts of the world, not least Africa. We are in a situation where we are waiting for a bit of clarity to come. When it does, I am very enthusiastic about making those connections.

With a view to that, when I was at the World Bank spring meetings in Washington recently, although I was a bit trepidatious about it, we had a really good breakfast meeting with right-wing Republican thinkers on development. I was like, "Okay, well, let's see how this goes". Actually, it was really good.

It was a room full of people, many of whom had had experience of working in Africa. We do not agree on everything, and we did not quite get into sexual and reproductive health—I probably would not have found as much common ground there—but, certainly on education, nutrition, child development, a lot of these areas, they are really keen. They want to do the right thing. There is probably more of a moral, religious driver to it than I feel personally, but there was a commitment, and they want the US to be doing what they see as the right thing.

That was interesting. This really hard line, "America first—the rest of the world can go hang", is not what I heard at all. These are people who had worked in the first Trump Administration and had senior roles in the White House. Most of them are waiting for a call. As things start to settle down, we may find ourselves in a position where we can have that dialogue.

The question applies not just to the US. It applies to our reset with the EU. It applies to China. We have a very good relationship with Norway on development. It is a good partner of ours. Because there is less money, globally and generally, and everyone is making similar sorts of decisions, there is a need now to be much more co-ordinated and to have a structured dialogue around development. If we are focusing on health, it is no good if everybody then focuses on health. Who is going to lead on other areas where we can have some more complementarity?

It is difficult in political systems where Ministers come and go, and we all have our priorities, but there is a need for us to work in a more co-ordinated way than we had to previously.

Baroness Fraser of Cragmaddie: Previously, the second largest recipient of US aid was sub-Saharan Africa. Lord Collins is taking a new approach to Africa, but I wonder whether you could speak about what action the UK is taking, particularly in response to the really awful humanitarian situation in Sudan.

Baroness Chapman of Darlington: Sudan is one of the areas where the Prime Minister said he wanted to have support protected, so we are implementing that. Having been to the Chad-Sudan border, I can see why. The need there is vast.

Baroness Fraser of Cragmaddie: Does "protected" mean like you said earlier?

Baroness Chapman of Darlington: That is protected.

Baroness Fraser of Cragmaddie: So it is not reducing.

Baroness Chapman of Darlington: Yes, and that puts the pressure on everything else. That was a clear instruction from the Prime Minister, so that is what we have done. Also, because we want to protect our humanitarian work more widely, we would not have ended up a million miles away from that anyway.

In terms of the solution in Sudan, we had a conference probably about six weeks ago now, where we tried to bring people together who had influence in Sudan. We did not agree a text at the end of it, but it was a useful exercise and we need to follow up and to sustain that interest and that pressure.

I am slightly concerned that, for good reason, there is a huge amount of focus on the Middle East, as well as Ukraine, but what is happening in Sudan is by far the biggest humanitarian crisis that the world sees at the moment, and the solutions are lacking. There are those with influence, and we ought to be—and we are—talking to them. When the Foreign Secretary visited, he was deeply moved by what he saw, and he is personally committed to the UK playing as full a part as we can in trying to help those who can resolve the situation in Sudan to do so. The impact on the wider region is really quite profound.

There is no quick answer; there never is in these circumstances, but we are doing what we can, whether that is through our aid, through our work multilaterally, or through our convening power. We are using that in the best way we know how to.

Q13 **Lord Grocott:** I certainly do not disagree with what you said about Sudan, but there is a pretty big humanitarian crisis in Gaza as well. I will keep it short, as I know that we are near the end of our time. What, if any, is the Government's assessment of the humanitarian aid, such as it is, that is going into Gaza at the moment at the behest of the Israeli Government and the Americans? Is it feasible? Is it working? How close does it get to being of any significant value whatsoever?

Baroness Chapman of Darlington: About 10% of the food need is being met at the moment. It is dire. The situation is horrific. The plan that the Israeli Government, with American contractors, are attempting to implement is failing badly. We have severely malnourished children who are susceptible to disease. There is every likelihood, if aid does not get in quickly, that we will be in a situation of famine probably in the autumn. We are working with the Egyptians and the Jordanians to medically evacuate children as and when we can. It is really difficult.

The only answer is to get aid in, but even the UN, when it can get some access, is now finding it difficult, because the desperation and the hunger that there is in the population there means that keeping order is very difficult. If I was starving and there was a truck of food, I would loot. Who would not, if you need to feed your child?

The situation is dire. We have been very clear with the Israeli Government about what we think about the plan that they have

attempted to implement. We said that it would fail. We take no pleasure in the fact that it is failing. It is noticeable that a succession of people who were tasked with leading the implementation of this have walked away because they do not think that it can work.

The only answer is to allow the agencies that know what they are doing to have the access that they need and to flood Gaza with the aid that is needed, because what is about to happen otherwise is unconscionable.

Q14 Baroness Morris of Bolton: Can I declare my interests? I am president of the Palestine British Business Council. I am also president of Medical Aid for Palestinians. Thank you so much for all your answers. They have been very thoughtful and very positive. In what you said is the spirit of optimism, hope and energy, I am going to ask you a specific question about the Palestinian economy, which is a vital component of any hope for a two-state solution and for lasting peace and security.

According to the World Bank, the events of the last 20 months have meant that households in the West Bank are now without a stable source of income. We have seen the economy of Gaza visibly crumbling before our eyes. This all leads to increased poverty and more need for aid. The most immediate concern for the economy is the Palestinian banking sector, and I know that this is a very specific question, so I am very happy, if you cannot answer it fully today, for you to write to the committee in the interests of time.

If the Israeli Foreign Minister carries out the threat to end the corresponding banking relations between Israeli and Palestinian banks, the system will be paralysed and the economy will be on its knees. That is not in anybody's interest at all. I wonder what we, our allies in the West and our friends in the Gulf might be able to do to help this. Could it be through the World Bank? Could it be through BII? It is so important that the economy does not crumble, because then all hope has gone.

Baroness Chapman of Darlington: You are right to remind us of this. I was in the West Bank three weeks ago, and you are absolutely right. I also met the Palestinian central bank lead and Finance Minister, and they are all saying the same thing. Hope is in increasingly short supply, but we remain committed to a two-state solution. Strengthening the Palestinian Authority is the best bet that we have in order to prepare for that when that time comes.

We have Michael Barber working with them to try to prepare and do the strengthening work that is needed, but all of that is up against an Israeli Government that do not seem to want to—

Baroness Morris of Bolton: Listen to anyone.

Baroness Chapman of Darlington: Yes, exactly. We have sanctioned Smotrich, who has made these comments that you allude to, and we have been clear about why we have done that, in line with our sanctions regime. He is not able to just do this on his own. If he wanted to do this, he would have to go through an Israeli process as well.

We are being clear about what we think of this, and it is not something that we want to see. We want to do what we can to make sure that this does not happen, but we are not in a great place, as you can see. Everyone is very worried about what is happening in Gaza now, but we ought to be equally concerned about what the future for the West Bank looks like as well.

Q15 Baroness Blackstone: Could I just ask a supplementary on the West Bank? I absolutely agree with you that helping to strengthen the Palestinian Authority is vital, but it is very hard to do that in a context where imports into the West Bank and into "Palestine" are entirely controlled by the Israeli Government, who make it impossible for them to import things that they really require to make their economy work. Engineering tools for their manufacturing are dismantled by Israeli customs, parts are taken out, and what is sent in is unusable.

Do we not have to take some more direct action with respect to the Israeli Government and their behaviour, if we are going to do anything that has any substantial impact on helping the Palestinian economy in the West Bank? I cannot tell you what is happening in Gaza. Presumably, virtually nothing works there now.

Baroness Chapman of Darlington: You are right in that the regulations around the movement of goods, but also people, are making life very difficult at the moment. When you say "direct action", I do not know how much more direct you can get than sanctioning two of their Ministers, but we are looking at all options.

Things are complex. Israel is an ally. We work with it, and will continue to. We want Israel to be safe, secure, successful and prosperous. We have historic ties and incredible people-to-people links that matter hugely to us. Right now, the Government of Israel are doing things that we profoundly disagree with. We make that case, we have done so publicly and privately, and we continue to do that.

We are taking steps that, very recently, would have been unimaginable for the UK Government to have taken, particularly around sanctions, but also restrictions on some exports. We are making direct and quite unusual choices, because these are very unusual circumstances, and we will continue to do what we can.

As a Minister, it is disheartening, frustrating and soul-destroying to see what is happening, to see what may be about to happen, to be saying to officials, "We must do more. We must do more. We must do more. What can we do? Give me options. We need to be able to do more", and yet to see the situation on the ground deteriorate as it is.

The pressure that we get from you as parliamentarians is welcome. It is generally well thought through, considered and based on experience, and is welcomed by the Government.

The Chair: Thank you very much. Earlier on, you were able to give us some fairly encouraging news, so it is sad to end on such a sombre but, I

guess, realistic note, particularly touching on a couple of the world's biggest current humanitarian disasters. Thank you for being able to cover such a broad range of topics for us. May we keep in touch? It is very important to us to be kept abreast and today has been very helpful. Thank you.