

# Joint Committee on the National Security Strategy

## Oral evidence: Conflict, Stability and Security Fund annual report

Monday 1 February 2021

4 pm

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Members present: Margaret Beckett (The Chair); Lord Brennan; Sarah Champion; Richard Graham; Baroness Healy of Primrose Hill; Baroness Henig; Baroness Hodgson of Abinger; Lord King of Bridgewater; Lord Laming; Baroness Lane-Fox of Soho; Sir Edward Leigh; Baroness Neville-Jones; Lord Reid of Cardowan; Bob Stewart; Lord Strasburger.

Evidence Session No. 1

Virtual Proceeding

Questions 1 - 14

### Witnesses

[I:](#) Rt Hon Penny Mordaunt MP, Paymaster-General, Cabinet Office; Joelle Jenny, Director, Joint Funds Unit, Cabinet Office; David Quarrey, Acting National Security Adviser, Cabinet Office.

### Examination of witnesses

Penny Mordaunt MP, Joelle Jenny and David Quarrey.

Q1 **The Chair:** Minister and officials, welcome to our committee, and thank you very much indeed for giving us the pleasure of your company again so quickly. Welcome to Ms Jenny, who we have taken evidence from before, and to Mr Quarrey.

I will begin on the question of the latest annual report, which has just come out and covers the period of 2019-20. As you know, Minister, we were expecting this report in July 2020. This is not a rebuke, just an observation. The committee recognises that the impact of Covid on the general workings of government was bound to create some difficulties. We completely understand that.

However, it means that, since the expected publication date, we have seen the pandemic itself and the spending review in November, which made

quite a difference, for example to some of the funds that are available. Those have both changed the background to the report quite significantly. Did you not consider working into the report as published some reference to those events?

**Penny Mordaunt:** We have spoken about what we have done in the Covid response, in that we have used some of the work that the cross-government funds are doing and shifted it to help with the pandemic response. I very much recognise that the delays in providing information and the sequencing of work that is going on with regard to the integrated review do not help people to see the whole picture. We are trying to put out information that will be helpful to those scrutinising the work of the cross-government funds.

We have had all sorts of people seconded across Whitehall left, right and centre, for very understandable reasons. The volume of work that officials have been dealing with to reshape those funds, almost in real time as decisions are taken by Ministers, has been considerable. The main effort has been to ensure: that we are not having to salami slice programming; that we really understand what we need to do, if budgets are tight, to have locked in the benefits of particular work; and that it makes sense in terms of the bigger strategy which the Foreign Secretary will have spoken to you about. I recognise that it is not an ideal situation. We are always happy to take feedback and do whatever we can to provide people who are scrutinising us with the relevant information.

**The Chair:** We all recognise that. As I recall, the budget cut has been substantial, something like over a third of the funding that was provisionally available in advance. You spoke about shifting funds and so on to take account of the pandemic. Can you give us an indication of what moving funds involved and the nature and scale of those impacts?

**Penny Mordaunt:** There are two issues here. There is the immediate response. We can provide you with the figures on this. One example is our support for the overseas territories; about £15 million was moved there to provide PPE, ventilators and other equipment in the immediate aftermath. We have reflected the Covid situation in work that is going on for refugees. I think we have given the committee some examples of that, but there are others in other parts of the world. We have always been involved with activity to counter misinformation, but it has taken on a new dynamic with the misinformation about the pandemic. Those are the sorts of immediate activity.

Because of the economic impact, we have also shifted funds and are reprioritising money for future programming. That is what has taken up a great deal of officials' time. It shows the agility of how the cross-government funds work that we have been able to do that. That is ongoing, but you will be aware of the governance of that and the critical role the Foreign Office has played in it.

**The Chair:** In particular, have you had to drop any types of CSSF programmes to make way for that Covid-related spending that you spoke

about?

**Penny Mordaunt:** I think we can alleviate your concerns there. The work is critical, particularly with regard to this fund,. It was a priority in the balance of funding for the future between the prosperity fund and this fund, so it has seen that programming adapt. It has not been so much about a severe monetary hit in this financial year but about reprioritising that spending, or making use of where we had planned to spend, but because of non-Covid-related issues, such as the change in the US's position on Libya, we were not able to continue particular activities. We have also made use of those scenarios. The dramatic changes will be in our future programming.

**The Chair:** It strikes me that, with what is proposed for future funding, the committed programmes, the things you cannot change at all, will amount to a much bigger proportion of the budget.

Q2 **Bob Stewart:** Good afternoon, Minister. It is nice to see you. My question is about tracking misinformation from hostile state actors. You mentioned in your letter that CSSF funding would be used to help this sort of action. What does that involve?

**Penny Mordaunt:** From my briefing, I have been pushing for some additional lines to be able to give you, particularly with regard to particular states. I suspect there will be some things that I can follow up with the committee on and give you further information, with details of particular states, because I know you are interested in that.

I can give you other information about a large campaign that we did, Don't Feed the Beast, which you will no doubt be aware of. A lot of this has been about ensuring that the public and other organisations do not become unwilling participants in the spreading of misinformation. The evaluation from those campaigns has been very effective. One-fifth of the people involved in the evaluation were able to identify the campaign and had changed their behaviour because of it. This is really empowering members of the public to question whether the information they are being given is accurate. That is one of the successful campaigns we have organised.

With regard to specific states, I am quite limited in what I can talk about. David may have some additional things. If colleagues want more information at the end of this session, I am sure we can find a way to get that information to you in a slightly different format.

**Bob Stewart:** Thank you, Minister. My second question is in the same vein. Has CSSF funding been used, or is it being used, during the pandemic to support various countries and their healthcare systems? In your letter, I think you cited Palestinian camps in Lebanon. Are there any other examples that you can think of or have been briefed on where this has happened?

**Penny Mordaunt:** Yes, there are. There is quite a geographic spread, including even with our work with refugees. Jordan, for example, is another area where we have done a lot of work on that issue. As I mentioned with

regard to the wider Covid effort, our overseas territories have also been a beneficiary.

**Bob Stewart:** The last part of my question has been covered. The Chair kind of asked it at the end of her introduction. The Minister has already answered the question about what has been slipped, so I have finished my questioning.

Q3 **Sarah Champion:** Thank you, Minister, for your answers so far. I wonder if we could look at spending going forward. The Government have cut the ODA spend from 0.7% to 0.5%. Can you tell us how the cuts in ODA budget have specifically impacted on the CSSF programme? What percentage of the budget will be cut? Are there specific programmes that you are looking at cutting?

**Penny Mordaunt:** On discretionary spend, it is about 37%. We have prioritised work covered by this fund in comparison to the prosperity fund, for example. The baseline has gone into the Foreign Office on that front. It is not that the prosperity fund is not an important piece of work; it is largely in recognition of the critical nature of many of the activities that are covered by this fund and that those issues are likely to be further exacerbated by the Covid pandemic that we are having to endure.

It is also very well understood that we need to retain the flexibility. That is one of the key positives about having this type of funding and its unique ability to blend ODA and non-ODA finance. We recognise that that is quite a haircut, but it is for very understandable reasons. There has been a very methodical process, which is ongoing. Final figures are still to be locked in. The NSC has yet to give its final approval. There has been lot of engagement and deep work to understand not just where we should be putting the maximum effort and where we should be focusing, but how we lock in the gains made from existing programming.

It has been a massive piece of work. I have said that before, but I want to ensure that officials get credit for this, because they have been highly responsive to asks by Ministers. They have done a tremendous piece of work in reshaping this going forward. It is not settled yet. It is nearly there, but it still has a few hoops to jump through.

**Sarah Champion:** Your answer has raised a number of questions. You mentioned a cut of 37% to the discretionary. Does that mean that you are keeping the same level for the non-discretionary, for example the stuff that goes to the UN and peacekeepers? What are the cuts across the whole of CSSF? We were told that it was 40%. Is that accurate? Therefore, where are the rest of the savings to be found, broadly?

**Penny Mordaunt:** It is to be finalised, but David will be able to give you the final numbers, because we had a briefing sent to us just as the meeting was about to start. Within the cross-government funds, we have shifted funding that would originally have been allocated to the prosperity side into this fund. This fund has been prioritised by the Foreign Office because of the critical nature of the programming.

**David Quarrey:** As the Minister was saying, we are not fully through this exercise yet. The final allocations will need to be decided by the National Security Council. The First Secretary of State will take a meeting in the next few weeks, we expect, to do further work on those, building on all the work the Minister mentioned that has been done at official level. I would estimate, when the process is concluded, that the planned expenditure for next year will be a percentage reduction somewhere in the low 30s compared to the actual spend this year.

It is not only about the ODA reduction; it is also sometimes about naturally moving expenditure from the CSSF back on to departmental baselines, as well as adjustments in peacekeeping expenditures and things like that. You cannot point to it being all for one reason.

**Sarah Champion:** Thank you very much for that. I appreciate it. Minister, when are you looking to make those decisions and announcements? I know that, in FCDO, ambassadors were told last week that proposals were wanted within three weeks. Is it that sort of timescale or the beginning of the financial year? What is your plan?

**Penny Mordaunt:** It would be more the former than the latter, but the key issue is the National Security Council meeting and signing off the final proposals. There is further work still being done on programming, but people have been working at pace to do this. We are looking to secure that as swiftly as possible.

**Sarah Champion:** I feel for both Ministers and the civil servants having to make those decisions. You said earlier that you were not looking at salami slicing. By implication, that means that specific funds will have to be cut when you have a one-third reduction in budget. Do you know yet what they are likely to be, or the areas they are likely to be in?

**Penny Mordaunt:** We do not have a final list, but the process we have gone through, which Joelle has led on, has been very extensive. We have looked at the particular geographies and which parts of the world are in our strategic interests to focus on. We have looked at the priorities set by the Prime Minister and the National Security Council. Covid is one example, but there are others, such as a focus on girls' education. Although these perhaps sit more traditionally with other departments in ODA spend, even in these funds we have looked at those five key priorities for the Government and reflected them in our funding.

We have also looked at what makes sense, given the end cost of stopping certain activity. In some cases, that might be greater than the savings made. We have applied a common-sense approach to what the programmes enable us to lever in particular localities. It has been a very detailed piece of work. As I say, the final decisions on that are still to be taken, although a good deal of work has gone into looking at it.

Q4 **Richard Graham:** It is great to see you today, Paymaster-General. Thank you for this session. In the latest annual report, which noticed the CSSF budget increases, as well as decreases, for 2019-20, there was an extra

£7 million for the western Balkans. I am guessing that this was aligned to the terrorism and serious organised crime objectives. Would you like to say whether that is so, or whether the money was used for other things, such as the former Foreign Secretary's focus on media freedoms? Do you think the money has made a difference, and is it likely to be kept for the coming year or so?

**Penny Mordaunt:** The money mentioned there was for both those types of initiatives. It also included some media freedom work, but the lion's share was organised crime. David is probably best to give you the outcomes, but, yes, it was used on both and it was an increase.

**David Quarrey:** It is in a number of those areas: conflict prevention, organised crime, violent extremism, media freedom and supporting countries in that part of the world in their NATO accession process, which is an important strategic objective for the UK. In all these areas, it is quite difficult to point to immediate results, but these are high-value programmes. They are part of the mix for what will be a tough outcome next year. No decision has yet been made on the final laydown because of the process the Minister described that is under way in determining allocations for 2021-22.

**Richard Graham:** I think I am right in saying that the NATO accession issue has been resolved, has it not? I am guessing that it is more on the organised crime and security front that additional funds would be spent. Is that correct?

**David Quarrey:** It is also on extremism. One thing the CSSF does well is look at the different drivers of conflict and instability. The western Balkans is a good example of where we have had programming aimed at different factors that can drive instability, whether it is counterterrorism, extremism or organised crime, and the interplay between those issues. That is one area where the CSSF adds value.

**Richard Graham:** I can only encourage that continued focus, because they are more or less on the doorstep of Europe. They fit into the priority of the current Foreign Secretary for greater work on open societies.

Q5 **Lord Brennan:** Minister, thank you for coming to speak with us. I have two questions. The first is general. The budget for 2019-20 was not all spent. How much was not, and why not?

My second is a particular question about the Middle East and north Africa. The budget for 2018-19 was £40 million more in spend than 2019-20, which is very surprising, considering the situation in the Middle East. In north Africa in particular, we seem to be funding things in Egypt, Libya, Tunisia, Algeria and Morocco. The country I know best of those is Libya. It is basically chasing refugees and refugee traffickers, some of whom will be ISIS people wanting to get into Europe. If we cut that part of the budget again because of the spending review, surely this will have a very serious impact.

**Penny Mordaunt:** Joelle will be able to give you the full details on the first part of your question. Some of our programming was not possible, so even without the additional work we had to do because of the dramatic cut in ODA spend, within the last financial year there have been some shifts in where we have spent money and where we will not have spent money.

The reduction in spending on the Middle East and north Africa was largely because of the issue I alluded to earlier with regard to Libya. This is a particular slice of whole-of-government ODA spend. We tend to spend this blended ODA in certain parts of the world because of the nature of the work we are particularly focused on. With other ODA funding, we will be focused on the refugee situation, the Covid response in particular and parts of the world that also have these security issues. We have spent hundreds of millions on, for example, our support for refugees.

We have, as a Government, looked in very great detail at the organised crime activities in the Mediterranean, with potential threats coming not just from Libya and north Africa but from elsewhere in the Middle East. We are focused on those routes and the pressures on justice systems in particular parts of the world in order not to store up problems for the future, such as foreign fighters.

It is fair to say that those issues are also of grave concern to the Foreign Secretary, the Home Secretary and others. Without being able to give you the precise details, because the programming is not finalised, I can assure you that in that geography those are the key issues that impact most directly on our national security concerns. They are a priority when we are looking at allocating funding. We are not spending all that we were because of that issue in Libya.

**Joelle Jenny:** The region remains a high priority for the CSSF. As the Minister has explained, there may be fluctuation that is linked partly to the situation on the ground. That was very much the case in Libya, as well as in Syria. The investments have led to very measurable results. For example, the organised immigration crime task force has been active in the region to tackle some of the immigration challenges. In the case of Libya, the support to its counterterrorism and judicial investigative capabilities has enabled the evidence to support the extradition of one of the terrorists linked to the Manchester bombing in the UK. That sort of activity remains central to the focus of the fund in the Middle East and north Africa region. The fluctuation in overall amounts of money does not necessarily reflect the actual depth of the engagement across the region.

**Lord Brennan:** Thank you. I note in particular the sentiment, which I think we all agree with, that the issues we were talking about for north Africa definitely include a significant factor of national security.

Q6 **Lord King of Bridgwater:** The fund has now been going for five years. What has been the most significant strategic evidence of its success, particularly in national security terms?

**Penny Mordaunt:** It is twofold. I am sure my colleagues, who deal with the programming on a day-to-day basis, will be able to give you lots of colour on this. There have been moments when it has been a complete gamechanger, when we have had to move very quickly in response to particular situations. One of those was in the aftermath of the Salisbury attack, where we had to counter disinformation about that. I would point to our programming in Ukraine and our work in Somalia, which has been of key importance, as I saw myself in my former roles as DfID Secretary of State and Minister for the Armed Forces. Those things have made a real, tangible difference.

One of the main benefits of this type of funding is that it is developing how we use ODA to best effect. It is a bit of a trailblazer for how we can, across government, get taxpayers' money to work harder for the taxpayer. Some of the innovation and partnership working that this fund has enabled will, I think, have real, lasting impact on broader ODA spending. That knowledge will be of great use, as we all have to tighten our belts at the moment. Getting the maximum return that we can for the money we spend, however we categorise it, will be fundamental.

I have seen Ukraine and Somalia for myself. The other one I would pull out is the work we have done on serious and organised crime in Colombia. That has been very important and impactful programming. I do not know whether David and Joelle would highlight other programmes.

**David Quarrey:** Minister, you have picked out some great examples. It was really striking, when I was UK ambassador to Israel, as somebody responsible at post for using CSSF funds, that none of my international colleagues had access to a cross-governmental tool like this that could spend both ODA and non-ODA, which was based on a proper cross-governmental strategy back in capital. It gives us advantage.

Its effect is often catalytic rather than strategic. It is often an enabler of work that will then be properly taken forward by other departments or in longer-term programmes. In all the examples the Minister gave, it has helped us move in a way in which Governments are rarely able to do, with agility, blending all kinds of different interests and putting issues that matter to people here at home, such as organised crime, at the heart of what we are doing internationally. Another example in Colombia brings in environmental issues, given the impact of environmental degradation on conflict and therefore on our security interests. That is really sophisticated strategic thinking, which the fund is developing.

**Lord King of Bridgwater:** Looking at the problems of the world that give us these challenges on security and other things, we know about climate change, but the one that nobody wants to talk about is population. It is a difficult issue to take up. I do not see it anywhere in your programme and planning. Does this programme address anywhere the issues about population? That is the other issue that threatens our security. It guarantees continuing mass migration of people and continuing poverty in many countries. Are we doing anything in that field?

**Penny Mordaunt:** We need to look at government ODA spending in the round. This fund is a nimble, innovative vehicle where we can blend ODA and non-ODA spending, working on a lot of security issues, primarily. Elsewhere, we spend a lot as a nation on aid programmes that are looking at a whole raft of issues that touch on the issue you raised, from reproductive health to education and access to information. Ensuring that girls have 12 years of quality education is one of our five priorities.

There is a great deal of other work. When I was DfID Secretary, I went to both the White House and the Vatican to try to get some allies to prevent child brides. There are all sorts of other things that do not help the economic empowerment of women and do not help to create secure and sustainable communities. There is a lot of evidence elsewhere in government, not in these funds, about how effective our programming has been on the number of children women are choosing to have. We can give you more information on that. It does not mean, just because it is not necessarily this money from this fund, that we are not doing it as a Government.

**Joelle Jenny:** Minister, you are absolutely right. The aspect about girls' education in particular is critical. It is not funded by the CSSF. The CSSF complements this work by making sure that, in conflict and in fragile countries, we do everything we can to understand the gendered impact of violence and support activities to empower women. This is also part of addressing the wider problem of overpopulation that you very rightly highlighted. The fund now puts a lot more emphasis on women, peace and security.

This is one thing that we have learned over time and where we have recognised that we could improve, and we are now working to have a strategy for the whole fund. In a number of regions, we now have regional strategies for women, peace and security in place. We support a number of initiatives, such as a network of Commonwealth mediator women, because we want to see women play a great role. As the Minister highlighted, that in turn contributes to the bigger picture on population issues.

Q7 **Baroness Neville-Jones:** Minister, thank you very much for coming to the committee. I have a couple of questions following on from Lord King's. You gave him a very interesting answer on the things you picked out as being some of the highlights of the programme.

I want to ask you how you go about assessing impact. It is a difficult thing to do, so I am not suggesting that this is easy, but I would like to know what technique you use. It is interesting. I read the report this morning and I would have been hard-pressed to have picked out the things that you picked out. The report is quite long on methodology and how you go about things. It tells the reader less about impact and result. You may not agree with me, but that is one of the things the reader would like to know. I would be interested in your comments on how you go about this difficult task of impact.

Perhaps I might give you the other question as well. We are awaiting the integrated review. As we know, there will be cuts to the CSSF budget. What impact will that have, in your view, on the contribution that it makes to our effort overall in foreign, defence and security policy?

**Penny Mordaunt:** You are right. It is our job, so we write, I hope, engaging annual reports, but we have to cover off the technical methodology and so forth. Actually, some of the power of this is lives saved, victims rescued—all that. It is quite difficult to talk about some of the things the fund does without causing difficulty for the individuals who have been positively impacted by them. It is sometimes difficult to tell those stories. As well as interventions that stop criminals, prevent crimes occurring and increase our security, we have to look at what this adds to our overall strategic aims and objectives, and what it helps us to do in particular parts of the world where we are very keen to make an impact and support our partners to deliver on their objectives.

The evaluation is at many levels. There is a methodology, but it is also about what this adds to the whole picture as we go through the process of reallocating funds and focus. It has been very important that that plays into some very clear and focused objectives, specifically the five objectives the Prime Minister has set out with regard to ODA spending, but also that it feeds into the emerging work of the IR.

That brings me to your second question. I know it is difficult. This is not the order in which things normally happen. We normally have a spending review and then a security and defence review, and then there is a particular order to how we divvy up ODA. That has not happened, in part because of the unique set of circumstances that we face at the moment. Also, you will no doubt be aware that we are at a really quite giant reset moment in raising our ambition and the quality of how we do this across government. The committee has much more experience than I do, but we have all been through the process of the spending review, SDSR, et cetera, and we know that we have not got good outcomes.

The IR, although it is being held close at the moment, is, as I have said to the committee before, a really game-changing, quality piece of work. We recognise the need to have good consultation in that process. There will be more consultation going forward. It has been important that we have taken certain funding decisions when we have taken them. The ODA reset was a necessary decision because of the financial situation the country was facing. Similarly, giving defence confidence about its future spend was vital to giving people confidence about taking the step to build the future force that we all know we need. We have never really had the moment to make that fundamental change in our focus and programmes.

This is very pragmatic, but it is a good-quality piece of work. I cannot give you any more detail on the IR timetable, I am afraid. I will certainly request, as I am sure it is a standing request, that the committee is kept informed with those developments.

**Q8** **Baroness Hodgson of Abinger:** Welcome, Minister. I would like to go

back to what Joelle was talking about: the complementary work to girls' education and the steps that have been taken in the fund to mainstream its gendered approach to work. What practical impact is this having, for example in tackling gender-based violence and improving women's participation in decision-making?

**Penny Mordaunt:** If I start talking about this, I will be on for the next hour, because it was my privilege to work with many of the beneficiaries of this in my time at DfID and in defence. I do not know whether Joelle wants to particularly talk about this issue, because I know it is something she has done a lot on.

**Joelle Jenny:** I would be very happy to give a couple of examples. We have had a lot of programmes particularly across the eastern Europe and central Asia region, for example in Georgia and Moldova, that aim to empower women and give them a voice. We also have programmes that have enabled the setting up of shelters for women victims of domestic violence. I have already mentioned the work in other regions of the world, across the Commonwealth, to empower women mediators.

In the report, you will see one example, which touches upon Kenya, where women have taken it upon themselves to continue this work at the local level, with communities, to train groups of women in negotiation and peaceful dispute resolution. You see not only that those networks are effective, but that they then take the initiative of perpetuating that by training others. We have a number of such examples.

On Baroness Neville-Jones's question, as the Minister said we recognise that we need to do better on aggregating those stories into a more strategic understanding of the impact of the fund. The new monitoring and evaluation capabilities and strategy that we have put in place are beginning to give us an exciting ability to cross-reference impact between portfolios. I am very hopeful that, by the next report, we will be able to give you those stories and bring them even more fully to life.

**Baroness Hodgson of Abinger:** Bringing some of the stories to life is really powerful in showing how life-changing this work can be. I understand that you have new gender advisers for the CSSF. What specific impacts you have observed as a result of these? Is it too early to say yet?

**Joelle Jenny:** I appreciate that it is still partly at the level of process, although it is beginning to be at the level of impact. In terms of process, we have ring-fenced funding for women, peace and security. We have asked all the portfolios to focus and tell us what they are doing on women, peace and security. We have a number of regional strategies on women, peace and security. We are providing training to staff to think about and recognise the gendered aspects of conflict and violence. We will have a cross-fund strategy on this issue. I appreciate that this is a bit about the process, but it is relatively recent that we have those gender advisers. It is cascading into different programmes, such as the one I mentioned a moment earlier, across the EECAD—the Eastern Europe and Central Asia Directorate—and Africa regions.

**Baroness Hodgson of Abinger:** I would like to congratulate you on that. It is a terrific step forward. I have to declare an interest as co-chair of the All-Party Parliamentary Group on Women, Peace and Security. It is music to my ears.

**David Quarrey:** If I can abuse the process for a moment, I have another example to bring it to life. When I was the ambassador to Israel, we looked at what we could do with voices that were typically excluded from the Middle East peace process. One was women, and another was the more conservative religious voices. We ran a fantastic project to bring together ultra-Orthodox Jewish women with women from the quite conservative end of the Israeli-Arab community. In many cases, it was the first time each of them had met somebody from the other community. We created a space and stepped back. With a limited amount of CSSF funding, we enabled a different kind of dialogue in that situation, in a way that no other donor or participant was doing at the time. It was a really good example both of the gender dimension and of how CSSF can work in that kind of catalytic way. Sorry for leaping in.

**Baroness Hodgson of Abinger:** Thank you very much for leaping in. That is really inspirational to hear. Congratulations on the work.

Q9 **Baroness Henig:** Good afternoon, Minister. Thank you for your responses so far. I would like to ask you about governance arrangements. In the past, a National Security Council sub-committee, chaired by the Chancellor of the Duchy of Lancaster, was charged with overseeing the CSSF. I wonder what governance arrangements have replaced that sub-committee.

**Penny Mordaunt:** I have had experience of that sub-committee, having sat on it in another role. Although it was clearly trying to do a good job and took particular decisions as to the funds' administration, it always felt slightly disjointed to me and almost artificial. The funds had been set up for a particular purpose and you were for ever trying to plug it back into the big strategic picture.

In part because of the reset that the Government have been undertaking through the IR, but also because of the decisions we have had to take on changes to the planned ODA budgets for future years, we have been through a very detailed process over the last few months. We have been taking our steer from the Foreign Office, as the strategic lead on many of these areas in Whitehall. We have worked through several rounds of meetings with the Foreign Secretary to arrive at the current shape of programming, discussing budgets, geographies, programming and our priorities within that. From that, we have looked at what would be a really effective way of managing this going forward.

A forum will be set up, but it will be chaired by the Foreign Secretary. The Cabinet Office will still be looking after this fund and the cross-government funds, but we will take much more of a strategic direction from the Foreign Secretary, who is working across all ODA spending within Whitehall, even though we have departments still being responsible for the governance and good stewardship of those funds.

A new structure will be set up. The precise timetable for that has yet to be set out, but we have been having discussions about the shape it will take. It will be a small group, but very focused on ensuring that we have the right oversight and strategic direction for those doing and designing the programming.

**Baroness Henig:** Does this mean that the Cabinet Office will continue to be the lead department, or will the Foreign Office have more say? How will that work?

**Penny Mordaunt:** It is a similar organogram to the one that went before. We had a group that was chaired by CDL with a number of key interested departments around the table. Now we are moving to a much more sensible structure. The funds themselves and the Minister closest to them in the Cabinet Office will sit alongside the Foreign Secretary at a meeting that they will chair. We still have that cross-government view. We are still there to ensure that all the creativity and innovation that can come from these funds is maximised across government. We will be strategically better plugged into the Foreign Office. I think that is right, having experienced directly the previous regime.

**Baroness Henig:** You are satisfied that that arrangement will give suitable accountability.

**Penny Mordaunt:** Yes, as long as it is clear who is responsible for what. That is right. There are clearly strategic decisions that need to be taken about where money is put and what partnerships are entered into. At the same time, there are more granular decisions about the evaluation, the return on investment, the due diligence, the safeguarding et cetera that need to be taken. As long as people are clear about who is responsible for what, I do not see any issue there.

**Baroness Henig:** There have been concerns about transparency in the past. This committee in 2017 described the objectives, operation and achievements of the fund as opaque. I know that since then more information has been forthcoming. There has been an annual report, publication of programme summaries and annual reviews. In the annual report, you mentioned that the NGO Publish What You Fund made a number of recommendations to improve the transparency of the fund. I wondered what steps you were taking to implement those recommendations.

**Penny Mordaunt:** There has been a major piece of work by the joint funds unit to implement those recommendations. Joelle is probably best placed to take you through that.

**Joelle Jenny:** We are publishing now the vast majority of the programme summaries, which give information on the programme, which objectives it delivers against, the budget and the implementing partner. All that information is now published and available. We also publish summaries of annual reviews. We strive to make as much of the information available as

possible. In the annual report you have all the data on spend—spend per department, et cetera.

However, we realise that we have had to delay the publication of the annual report this year. The other publication has equally been a bit of a challenge because of the disruption of Covid and the need to prioritise front-line delivery, supporting our teams at an extremely difficult time when they have had to reallocate resources and operate in very difficult environments. This year, there is some delay in the publication.

We also work on the back of Publish What You Fund with the department. You may have noticed that the CSSF per se was not assessed by Publish What You Fund, because it assessed each of the departments that spent money, including CSSF money. We are working very closely with the departments to support their transparency process and to help them to understand and meet the requirements that are expected across government. That is another aspect of our work that may be less visible but is equally important.

**Q10 The Chair:** I will make an observation, Minister, although I do not invite you to comment on it. Given the combination of what is happening with the funding and what has been said about the governance arrangements, I must admit that it somewhat seems to me that we are going back towards the conflict fund rather than the new concept of this fund.

There is one thing I will ask you. Under the new arrangements, will it be reported through to the National Security Council again, or will it be the Foreign Secretary who is the end point?

**Penny Mordaunt:** It will be the National Security Council. In effect, it is almost a subgroup. You could call it that. It is just chaired by the Foreign Secretary.

**Q11 Lord King of Bridgwater:** When David Lidington gave evidence to the previous committee, he talked about the high-risk nature of CSSF. He was talking in particular about dealing with Governments with doubtful internal human rights situations.

Can I take it a bit more widely? What about the personal risk? Is there the risk that you would have to cancel programmes, or is there risk to some of the people engaged in them?

**Penny Mordaunt:** It is both. We look at all aspects of this in great detail, including our own staff, the partners we work with and changing situations. At the moment, we have Covid travel restrictions that are impacting on all sorts of personnel. It is down at that level, but it is also ensuring that we understand the full consequences of a particular programme or activity that might be going on, and that we are not doing unintended harm by the work we are doing.

We have shown that this fund can adapt very quickly. When you are dealing with states that are high-risk partners and you are largely working with them either to save lives or to deal with a brewing conflict, for example to militate against worse happening, you can adapt, extract yourself or

reshape the programming quickly. That is something that the fund can do, and that we do well across all government spending.

I have been involved with programmes that have very rapidly reshaped or that we have cut activity from because of risk and wanting assurance. I would point to the programming we did in Myanmar after the Rohingya crisis, for example. We still wanted to engage and work with that state, but recognised the need to reshape. That is just a historical example. There will be other things that are not in the public domain, such as our work in the Middle East. We look at this at every level and a very clear process is gone through for any programming that we do, as well as the security and justice assessments, and all the due diligence that you would expect towards personnel.

**Lord King of Bridgwater:** Does that point about security and justice requirements block you from working in certain countries if they have a quite unacceptable human rights background?

**Penny Mordaunt:** With ODA spend, we work in some really awful places with awful track records. That is part of the reason why we need to be there. That work tends to be life-saving or, if we were not there, the populace would be in grave difficulty. There might be a conflict situation or approaching conflict situation that would be of huge damage to us or our interests if it escalated. People understand that you have to engage and find a way to get a good outcome or to nip a problem in the bud. We are getting better at understanding what is realistic and what the consequences of a particular course of action might be. Having these formal processes that we go through is a help in that situation.

**Lord King of Bridgwater:** Very specifically, have you had many casualties?

**Penny Mordaunt:** The risks to partner organisations or our own personnel are generally a lot wider. The most pressing risks are not really about danger to life or injury in that respect. We have many people deployed, including Armed Forces personnel. The trickier things to assess are the unintended consequences of particular programming. They are subtler things. We are quite used to taking decision and, to be frank, particularly on the defence side people are very focused on the objective. The risks they take are very well understood.

**Lord King of Bridgwater:** There is no roll of honour of people who have given their lives in service of this fund.

**Penny Mordaunt:** We have that information. It depends on those individuals, whom they have been employed by, what they are doing and, indeed, what information we can put in the public domain about some of them. I have to say, as someone who lost a colleague when I was working at DfID, I very much understand the risks people take to their personal security, even on low-risk programmes in certain parts of the world.

I know, having been through that experience and seen what, at the time, DfID, but also the Foreign Office, did for that family. As a Government, we take those issues very seriously indeed. Many of us are still involved in foundations that were set up in an individual's name. We work with a whole raft of personnel in very different positions, not only diplomats but others, as well as partner organisations. A lot of the programming involves local staff as well.

**Lord King of Bridgwater:** Your judgment would be that, with the care taken and the consideration of the circumstances, there has not been an unacceptable loss of life. There are always risks, obviously, in these programmes, but it is not mentioned in the report.

**Penny Mordaunt:** It sounds a very dry thing to say but, in my experience, if you have the right administration surrounding these decisions, you will end up taking the right decisions. There is always a degree of risk, but the processes we go through, particularly on this fund but also elsewhere in government, are very rigorous with regard to risk to the individual.

**Lord King of Bridgwater:** Your answer to me effectively is that you are satisfied that the procedures that exist have prevented an unacceptable loss of life and personal tragedy, which could otherwise flow from ill-conceived programmes.

**Penny Mordaunt:** Yes, we have a good risk management process and huge expertise. Just to emphasise the point, one thing we do very well as a country is understand risk. Whether it is finance or defence, we are good at this and we take it extremely seriously.

**Baroness Neville-Jones:** I recall that there is a roll of honour on the main staircase of the Foreign Office.

**Penny Mordaunt:** There is.

Q12 **Baroness Neville-Jones:** Minister, you mentioned Myanmar. Given what has just happened, what re-evaluation is there of the programmes we have there? There is Rohingya work and there are programmes with the Karen. How would you go about assessing the future of those programmes? This is an instance of the appetite for risk. It is not necessarily the risk to life, but it is certainly the risk to the value of the programmes. It would be interesting to know what processes you would go through to decide the future of operations, given that this situation is likely to last a bit of time, at any rate.

**Penny Mordaunt:** We have 16 projects in Myanmar, working towards stability in particularly the border regions, which have proved particularly contentious areas and where there is violence or discrimination. The FCDO will, in light of what has happened there, review that.

In terms of our programming, we will work with them to look at what either is viable going forward or makes sense in light of what has happened. Where we have done this in the past, even though we may have the spend stay the same, we have adapted programming.

I gave the example earlier of wider ODA issues in the wake of the Rohingya situation. What we did there was dial down our working with government and put that resource into the most effective communities, those in those border regions, shifting from large economic development programmes to supporting small businesses, and on the security side ensuring that the communities that were most at risk, and their civil society organisations, had greater protection. That is an example of the funding staying similar, but with just a shift to a more appropriate way of working.

The FCDO will be going through that process, but we will be engaged with it on that. It is too early to give a steer, I am afraid, on what that will look like.

**Baroness Neville-Jones:** Do you co-ordinate with other aid donors?

**Penny Mordaunt:** Yes, absolutely. In all our work, we are looking to get the most bang for taxpayers' money. We are not going to be duplicating work. We will be assessing how we can catalyse others to do things that we want them to do and that we care about. There is a great deal of that. There is much more emphasis on partnership working now. We are very keen, in both this fund and the prosperity fund, to lever in additional resources, as well as doing things that are good stand-alone programmes.

**Baroness Neville-Jones:** When you talk about partnering, does that mean that you look at what others are doing? Who are the main partners whose efforts you would look at, in order not to result in duplication?

**Penny Mordaunt:** In the first instance, it is primarily discussion with other partner nations.

**Baroness Neville-Jones:** Which are they?

**Penny Mordaunt:** There is a long list of them. We tend to have different focuses for different nations. We spoke about the gender advisers earlier. Key partners working in that space are Canada and the Nordic nations. There are particular interests and specialisms. Understanding their strategic interests is very important. Our personnel, but also the equipment and assets that we have, are quite often deployed, through discussions with other nations, to make best use of the budgets we have, whether it is these budgets or defence budgets.

Those are in the first instance, but we will work with academic institutions and traditional aid partners. We will be looking in the private sector at a whole raft of partners. Having our country offices input into that discussion and those decisions is a major strength of this fund. Wherever we are, we are looking to really lever the maximum we can for the nation and the things we care about.

**Baroness Neville-Jones:** That is very helpful. In general terms, do you assess the world as becoming higher risk to work in, with more autocratic regimes, more conflict and more instability? I just wonder how you assess that when it comes to putting people on the ground and the programmes you are running.

**Penny Mordaunt:** Conflict is one the main drivers of many of the issues we focus on when looking at ODA spend. We are getting into a much more complex world and the threats we are facing are becoming more complex. They are driving us to create new doctrine and new norms of operating. The challenges that social media and new technology present us are leading to a much more complex world. On balance, democracies and good things are still winning, but there are some major challenges.

For us as a nation, it is about understanding our offer and what we are good at. I have mentioned our ability to do high-risk things well. That is our expertise. We are known for being a real innovator in how we use ODA funding and have a good track record on that. The Foreign Secretary is really keen to build on that. The IR and the new forums that he is taking forward will strengthen our strategic overview and our situational awareness to a great degree, which has not been there in the past. Yes, there are some really complex, difficult challenges, which need us to have a very good understanding and take risk, but we are becoming fit for that challenge.

Q13 **Richard Graham:** Minister, I was interested in your comment earlier in answer to Lord King about our increasing ability to engage and work out where it will be practical for us to intervene with real outcomes. Myanmar is a good example of a difficult situation. The Westminster Foundation for Democracy, for example, as you will remember, wound down any parliamentary engagement with the emerging democracy there. We kept parliamentary officials on a programme until the current Speaker suspended that. How difficult is it to make that decision with this fund on whether to engage or withdraw?

**Penny Mordaunt:** If I can answer in this way, it is not the fund that makes the decision. How the fund is constituted gives Ministers choice. It can move very quickly, and either adapt or just be very creative in how it uses its component funding, which gives Ministers, and, as a consequence, partner organisations such as the Westminster Foundation for Democracy, more options. That is what you want from it. Difficult decisions have to be taken. What is in our long-term interests? What is a reputational risk? What is a physical risk? What is the right thing to do? Those are difficult and subtle decisions, but the way the cross-government funds work has given Ministers choice.

Q14 **Lord Reid of Cardowan:** Thank you, Minister, for your very full and comprehensive replies. Both in the report and today, some weight has been placed on the fight against international serious and organised crime. Since the report was published, we have heard of the reported loss, variously totalled as 150,000 to 400,000, of criminal records from the police database. Has any assessment at all been made, even if it is a preliminary estimate at this early stage, of what effect it will have on your work if we cannot recover those digital records?

**Penny Mordaunt:** I shall answer that question to the best of my ability. David may be able to give some more real-time information. I probably know as much as you about where we are on recovery.

A major focus of ODA spending over the last few years has been strengthening access to criminal records globally, including helping digitise criminal records in other parts of the world. It is recognised as a vital tool in what we are doing to combat serious organised crime, people trafficking and all that.

I have been informed that the particular records are in existence somewhere. We clearly contribute through our work to that national effort, but I am not the person in the operations seat, looking at the real-time impact on our work. One of the benefits of this work has been to create those records, not just in our geographic neighbourhood but globally. It has been a very important piece of our work.

**David Quarrey:** I am not aware of any impact from that loss on the work that the CSSF is doing, but we will check and come back to you on that.

**The Chair:** Thank you very much. That is extremely helpful. Can I say thank you very much indeed, Minister, for another extremely constructive session? We appreciate it and thank your officials, too. We are among the many eagerly anticipating the publication of the integrated review. Perhaps we may have the pleasure of your company again when it is finally published.

I particularly want to thank our officials, the clerks and the advisers to the committee for today's meeting. The timing was extremely tight from the publication of the report to this session. They must have really burned the midnight oil. Can I express the appreciation of the committee for that work, thank everyone for attending and bring the meeting to a close?