HOUSE OF COMMONS

Oral evidence: Foreign policy developments,
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Watch the meeting

Members present: Crispin Blunt (Chair); Mr John Baron; Ann Clwyd; Mike Gapes; Stephen Gethins; Mr Mark Hendrick; Daniel Kawczynski; Yasmin Qureshi; Andrew Rosindell; Nadhim Zahawi

Questions 1-31

Witnesses: **Rt Hon. Mr Philip Hammond MP,** Secretary of State, Foreign and Commonwealth Office, and **Sir Simon Gass KCMG CVO,** Director General, Political, Foreign and Commonwealth Office, gave evidence.

Q1 Chair: Welcome to the first evidence session of the Foreign Affairs Committee of the 2015 Parliament. Foreign Secretary, thank you for making yourself available to be our first witness. I invite you to lay out your view of the state of the world and Britain's interest in it to begin the session. I know this session is necessarily short, and we are very grateful to you for making yourself available to come back again in September.

Mr Hammond: Thank you. It is a pleasure to be here today, and it will be a pleasure to come back and have a fuller session in September. I appreciate that the Committee has only just been appointed, and I congratulate you, Chairman, on your election and all members on their appointment.

Our long-term strategic interest lies in strengthening the rules-based international system and our key foreign policy objective is to strengthen that system. To do that, we have to draw in the major emerging powers to show them that it is in their interest to work with the rules-based system, rather than to kick the traces over. We have to look eventually—this might be a long-term project—to draw Russia back in to the rules-based system. Over the next five years, I have no doubt that our priorities are going to be the renegotiation of our relationship with the European Union, the defeat of the military expression of violent extremist Islamism in Daesh and then continuing to undermine the narrative of violent extremist Islamism and the challenge of responding to Russia's more aggressive stance towards the international community and its major programme of rearmament.

Let me deal with those three things. On the EU renegotiation, the Committee is aware of the process. The Prime Minister set out his broad areas of concern, where he believes reform is necessary—incidentally, not only in Britain's interest, but in the interests of making the EU competitive, accountable and relevant to its citizens in the future—at the June European Council. Since then, we have agreed with our European colleagues that there will

be an official-level working group looking at some of the potential routes for resolving the issues that the Prime Minister identified, looking at the legal constraints and, perhaps, opportunities. That process will continue through the summer and into the autumn. We will continue our engagement with all EU counterparts.

I am pleased to be able to tell the Committee that all 27 member states have told me clearly and categorically that they want Britain to remain part of the European Union. Some have gone much further and said that a European Union without Britain in it would not be anything recognisable as the European Union they know, and they are prepared to work with us to try to ensure that the changes are made that will be necessary if Britain is going to be able to remain inside the European Union. That is the key. Because we have set the test not of a deal in a smoke-filled room with politicians but of a referendum where the British people will make the ultimate decision, our partners in Europe know that the offer they come up with—the package of reform that is agreed—has to be enough to satisfy the demands of the British people for change and the strong sense, I believe, in Britain that the European Union, the European project, has changed dramatically since they last made a democratic decision on this in 1975 and in many people's view not for the better.

It is about resetting the dial so the European Union better represents what the British people expect of a European structure: a focus on economic delivery, growth, jobs and prosperity, which will help us to defend our living standards in the face of a globalising world. If the EU can show it is organised to do that, it will have relevance not only to the people of Britain but to the people of all 28 countries of the European Union.

You know, Chair, that keeping Britain safe is always the first duty of any Government, and the immediate major challenge we face is that of Islamist-inspired terrorism, whether complex plots hatched in the ungoverned spaces of the Middle East or lone wolf attacks inspired by Daesh's online propaganda. Tackling ISIL/Daesh in Iraq and Syria remains the key to tackling that challenge. The Prime Minister described it as a generational struggle. The military defeat of ISIL in Iraq and Syria will not take a generation, but defeating the underlying ideology will be much more complex. The Prime Minister's speech yesterday outlined our need to emphasise and reinforce British values to make sure people feel empowered to speak up for British values. We must combat not only terrorism—violent expressions of Islamist extremism—but extremist ideology itself, because it creates the fertile ground in which violence and terrorism can take root.

We must address the challenge of Islamist extremism, currently represented by Daesh. If we defeat Daesh, I have no illusions; there will be other manifestations of Islamist extremism in the future. While we take on that challenge, we must not forget or sacrifice our ability to respond to a more conventional state-based threat to our security. We have to remember what Russia is and what it isn't. It is a major nuclear power with very large armed forces, but it has an economy that is smaller than the United Kingdom's; a declining, ageing population; and an economy that is severely structurally imbalanced, with a huge dependence on primary exports, massive corruption and huge state influence over the operation of the economy. That makes it a very challenging adversary. Over the coming years, it will, in my judgment, remain a very challenging adversary.

The Russians are also developing innovative, new capabilities. There is a tendency in the West to characterise Russia as a rather bureaucratic, clumsy opponent, but everything we

see tells us otherwise. The Russians have been extraordinarily agile in exploiting new technologies such as cyber, and blending those offensive capabilities and technologies into conventional capabilities to create what we call a full-spectrum offence capability. For example, they use deniable proxies to fight their wars for them, empowered by deniable cyber operations. We are being challenged to rethink the way we do defence, and we have to think about how we respond to an adversary in which all decision-making power is concentrated in the hands of one man. I have heard it said that Russia is a more centralised state today than it was under Leonid Brezhnev, when at least there was a Politburo that had to be consulted in some sense. That means it is a power that can make decisions very effectively, respond rapidly to changing situations and exploit opportunities rapidly.

We as a nation and as part of a western alliance in NATO have to think about how we deal with the challenge of our relatively cumbersome decision-making processes and our much broader need to get buy-in for any course of action from a wide range of actors—parliamentary opinion, media opinion, public opinion, civil society—in 28 countries across NATO, as against a single point of decision-making in Russia. So this is also a very big challenge for us, and it is not just a challenge of being ready with conventional forces; it is a challenge of thinking outside the box in responding to Russia's innovative approach to warfare.

Meanwhile, the prosperity agenda must remain at the heart of the FCO's work and our diplomacy. The Prime Minister and the Chancellor have said many times that you cannot be a strong country unless you have a strong economy; you cannot have a strong defence unless you have a strong economy to underpin it; and the Foreign Office is an important part of the agenda.

I have said many times and I will say it again today that the role of the Foreign Office, paid for by British taxpayers, must be to protect Britain's security, promote Britain's prosperity and project Britain's values around the world. If we do those three things successfully, we will deliver our obligations to the taxpayers who fund us.

We want to be a major player on the world stage. The Prime Minister has signalled clearly that Britain is not in retreat. We will play our role in keeping the world safe and supporting our own and our allies' prosperity. That means rebuilding the Foreign Office to deliver the best diplomatic service in the world, an activity that my predecessor started, ensuring that foreign policy is made in the Foreign Office building: the diplomatic skills base, the professional skills of diplomacy, reopening the Foreign Office language school, establishing the diplomatic academy, and ensuring that resources within the Foreign Office are aligned with our stated priorities. We can see some of the benefits coming through, as we play a role in resolving some of the major crises that the world faces, most recently taking a role in the Vienna talks to resolve the Iranian nuclear file.

We have in the UK an almost unrivalled asset set at our disposal. We are P5 members. We have world-class armed forces and recognised world-leading intelligence agencies. We have unrivalled soft power at our disposal through the benefits of language and culture, and we have many institutions around the world that have an unrivalled position and reach. We have a world-leading development programme. We are members of the EU, NATO and the Commonwealth. All of these overlapping circles of influence give Britain an opportunity to

play a really significant role for the good in the world—good in a moral sense and good in the sense of protecting our national interest—and we are determined to make the most of them.

The SDSR process is under way and the spending review is now officially under way with the starting gun fired today. Both will be challenging exercises; I have no doubt about that. I am clear that the Foreign Office will be able to deliver further efficiencies. I do not think that savings on the scale that are indicated by the fiscal trajectory can be delivered simply by cheeseparing across the piece. We have to look to make some strategic decisions about where we need to focus resource and where we have to downgrade. For me personally, I am clear that the crown jewel of the Foreign Office's capability is the network of international platforms: the embassies and missions around the world. We must seek to protect that sharp-end presence in addressing the need for further efficiencies, and we will look to do that over the coming months.

In that context, we should note that the response to the atrocity in Tunisia and the earthquake in Nepal has demonstrated people's increasing expectations of our consular services. The investment we are making in consular services, particularly crisis response, is very important in satisfying those. We are pleased with how our crisis capability responded to both crises, but clearly we can always do more and we always look to learn lessons.

Finally, what has changed between the last Government and this Government? The Government's priorities will have changed a little bit as a consequence of the end of coalition. Some of the ambitions that were tempered in the previous Government will now come to the fore. Renegotiation of our membership of the European Union will be a key priority that clearly would not have been able to be pursued in coalition.

The Government has already set out its commitment to giving our security agencies the capabilities they need to keep Britain safe and to legislate where necessary to do that. Most importantly is the signal being sent, I hope, very clearly that Britain wants in all areas to play its part in the world, to be seen as a reliable, consistent and capable ally and to do its share of the workload in delivering a world that is safer and more conducive to delivering our objectives for the British people—maintaining and promoting our prosperity, protecting our security and projecting our values.

Q2 Chair: Foreign Secretary, thank you very much indeed. Picking up your inheritance from your predecessor, do you think that the Foreign Office has yet achieved a strong enough role in directing UK foreign policy? Has the process of re-energising and putting a leadership of foreign policy making back into the Foreign Office been completed yet?

Mr Hammond: No, I think it is a work in progress. The architecture across Whitehall since 2010, with the creation of a National Security Council and a National Security Secretariat, makes it more complex. I think the arrangements are working well, but the Foreign Office is focusing resource and effort on rebuilding the core capabilities—the core competencies—that allow it to own that process. You own a process not by bidding for it but by consistently showing that you have the capabilities to do the work required.

Q3 Chair: Our predecessor Committee concluded that your budget could not be cut without affecting the Foreign Office's capacity. Since it is still a work in progress to improve the

office's capacity, could you share with us the challenge you have just been invited to take on by the Treasury? What scale of budget savings are they looking for you to find?

Mr Hammond: Past experience would suggest that initial pitching by the Treasury should be regarded as aspirational and a ranging shot, but it is clear that to deliver the overall fiscal trajectory, unprotected Departments will collectively have to make substantial savings—double-digit percentage savings. In the case of the Foreign Office, we make use within our activities of ODA budgets, which are protected and will grow, assuming the economy continues to grow as projected over coming years. The Chancellor has also created some additional protected funds around counter-terrorism and security activities, where the Foreign Office also plays a role, albeit a relatively small one, in terms of the cash budgets.

Q4 Chair: But is it not rather frustrating, as the Secretary of State whose brains direct British policy overseas, that your budget is unprotected, yet the MOD's budget is now protected, as DFID's has been for some time? Are we not in a rather inconsistent position here?

Mr Hammond: First of all, I am delighted that the MOD's budget is now protected, as you would expect as a former Defence Secretary. But, not only that, there is no doubt in my mind that the most important measure by which our international partners—and indeed our adversaries—judge us is our willingness to invest in our defence. So although it is the MoD budget that has the privilege of protection, the benefits in projecting our foreign policy will very definitely be felt in the Foreign Office.

But, look, I do not want to detract from the fact that meeting requirements for further spending reductions will be very challenging. As I said earlier, I think the wrong way to do it would be to try to salami-slice in all areas of activity. I think we have got to make some clear evidence-based decisions about what it is that adds the core value that the Foreign Office is seeking to deliver. My initial assessment is that that is the network. It is the foreign network that really adds the value and it is that presence around the globe: more points of presence than, I think I am right in saying, any of our partners or comparators apart from the United States has, and we want to preserve that. We want to preserve the capability of it as well as the numerical strength of it.

Q5 Ann Clwyd: Foreign Secretary, one of the things that you mentioned was projecting British values around the world. An important British value, I am sure you will agree, is respect for human rights. Rumours abound that you intend to scale back drastically on the annual report on human rights. Is that true?

Mr Hammond: Yes. I don't think it is a rumour; I think Baroness Anelay published a written statement setting out what we intend to do.[1] The intention—it should not be seen as a cutback—is to make what has become a very lengthy document, which includes recital of a lot of material that is available elsewhere, a much punchier and more usable document. I think I am right in saying—someone will correct me if I am not—that Baroness Anelay has published a statement about our intentions in this regard.

[1] Correction by witness: The Foreign Secretary has written to the Committee following his appearance, making a correction. Here is the link to his letter: http://www.parliament.uk/documents/commons-committees/foreign-affairs/fsletter.pdf

Q6 Ann Clwyd: If she has, I do not know about it, so I do not know when it was published. How will this Committee, parliamentarians and the general public hold you to account on human rights unless you publish the details? The annual reports have been very useful for those with a particular interest in the subject—some people peruse them over weeks rather than days.

Mr Hammond: Yes, and I understand that. Having come to them afresh, my own take would be that what one gets is a very long text, repeating most of what was in the previous edition's very long text, and what the people who are specifically interested have to do is comb through it to see where there are subtle variations. I think what we are going to try to do is reduce the volume of material and get more to the point, drawing people's attention to the issues that need to have attention drawn to them, drawing out our conclusions about what is going on. The thing has become more and more wordy and, in our view, less and less user-friendly over the years. We want this to be a document that is not only used by a very small group of very committed NGOs and experts, but more accessible to people who more generally are interested in the issue and the countries.

Chair: Human rights have been a continuing preoccupation of predecessor Committees every year, and I think you can anticipate that this Committee will want to continue that work in whatever form you produce analysis out of the FCO on your human rights work.

Q7 Yasmin Qureshi: While obviously we do not know exactly what the budget will be for the Department, I think everyone is anticipating that there will be more cuts. In the light of the fact that we have a more volatile and more dangerous world, where often perhaps diplomacy and soft power is more effective than military options, would it not be appropriate to expand the budget and the work of the Foreign Office, so that we can have more diplomacy and more long-term alleviation of problems?

Mr Hammond: As the world has become more complex, many of the challenges we are facing have become less clear cut. If we think back to the days when the adversary was the Soviet Union and we knew where everybody stood, terrorism was a domestic issue. The world is much more complex now. What it demands is a much more nuanced response. I would not accept that military capability has become less important. I do not think that is the case at all. I think that the nature of the military capability that we need to be able to deploy is changing. The distinction between military capability, intelligence agency capability, diplomatic capability and what we do in capacity building through our development budgets and programmes is becoming more blurred at the edges. A lot more joined-up government is required to deliver this programme than was the case probably five or 10 years ago. Fortuitously, we created a National Security Council in 2010, in response to this emerging trend. That definitely gives us the ability to flex budgets across the whole spectrum, from respecting the restrictions around ODA at one end to respecting the restrictions on what the defence money that counts to the NATO 2% can be used for at the other end. There is an ability to use a number of budgets, including FCO budget, across the spectrum in a way that delivers most effectively.

It would be different in different countries. There are countries where you need a pretty hard-edged approach because there isn't a partner Government to work with—ungoverned space. There are other countries where we have a fragile but functioning Government, where working through diplomatic channels and providing technical support to

build capacity is the most effective way we can advance Britain's agenda. It is about having a proper balance, using our budgets flexibly and cross-Government working, which is absolutely the way we approach all of these things now through the National Security Council.

Chair: We turn now to the most pressing hard challenge that our country faces in terms of ISIL/Daesh. I call Nadhim Zahawi.

Q8 Nadhim Zahawi: Foreign Secretary, welcome. The Committee would really like to hear, in your words, what you think the FCO's role is in the UK Government's effort to meet the threat from ISIL. Obviously it is multi-pronged, or full spectrum, but what is specifically the FCO's role in this?

Mr Hammond: The FCO leads on our relations with foreign Governments. If we start in Iraq, we have the lead responsibility for encouraging the Iraqi Government to adopt the policy stance that we believe would be most conducive to long-term stability in Iraq. We work with partners in the Gulf. We have consistently encouraged partners in the Gulf to be supportive of the Iraqi Government and to reach out themselves to the Sunni constituency within Iraq to try to rally that constituency in support of what Prime Minister al-Abadi's Government is doing.

Beyond Iraq and Syria, of course, working with Governments and working to resolve the situation where there is ungoverned space is a key Foreign Office diplomatic role. We are working on the one hand with the Tunisians to ensure that they are building the capacity to respond to the challenge that their fragile democracy is now facing. On the other hand, we are supporting the UN-led process in Libya, for example, in the hope that we will be able to see the emergence of a Government that we can work with in Syria to secure our security equities.

Q9 Nadhim Zahawi: Thank you for that. What can the FCO do to bring about a more active contribution? I think that you know as well as I do that the military response is only one part; it is not the long-term solution. The Sunni Arab Muslim communities that are playing host to Daesh in Raqqa and Mosul need to be brought on board. That needs the co-operation of the regional powers. Foreign Minister Zarif said that the Iran deal brings about some hope of an "opportunity for regional and international co-operation", although over the weekend, and, I think, today, Secretary of State Kerry has voiced some concern about the statements of the Supreme Leader about Iran being "180 degrees" opposed to American policy in the region. What more can we do to get Saudi Arabia, Turkey and, of course, Iran to play a more positive role? The Iranian-backed militias should be under the command of Prime Minister al-Abadi, but they are not, clearly, on the ground. How do you see our role developing in that space to bring about co-operation so that the Sunni community feel that they can trust this process?

Mr Hammond: If you are talking specifically about Iraq, I would agree that the Iranian deal creates the possibility of an opening to a more constructive dialogue with Iran, which will be important in the context of what happens in Iraq, but we cannot bank that yet. Realistically, we have to accept the possibility that the short-term consequence of an Iranian nuclear deal that does not find favour with all hard-line factions in Iran may be a spike in Iranian unhelpful activity around the region.

In the medium-term, there is reason to be cautiously optimistic that, as Iran starts to see the benefits of a rapprochement with the international community, it will start to feel like a place that has a bit more of a stake in its region and in the world. Many countries in the world have instincts to do things, which are not necessarily helpful, in their region or more widely, but those are sometimes tempered by a recognition of their own self-interest in stability. For example, the more international trade you have, the less likely you are to want to see international trade routes disrupted, so I think there is reason for cautious optimism.

We will be looking for every opportunity to try to gently nudge Iran and the other powers in the region towards some kind of businesslike dialogue—we are not asking or expecting them to embrace one another enthusiastically—that recognises that although they have and will continue to have very substantial differences, there are, none the less, some areas where their interests align; rather as, while continuing to have substantial differences with Russia, we have been able to work together on the Iran nuclear file because our interests align on it, and we have worked constructively and pragmatically on that file.

Q10 Chair: Foreign Secretary, before I ask Daniel to put a further question on that, I just want to record our congratulations to you and Sir Simon—or rather, my congratulations as I am speaking on my own behalf rather than that of the Committee—on the Iran deal and the role that the office has played over a very long time. It is certainly my view that that is a signal achievement, and a very good start to this new Administration's diplomatic achievements.

Mr Hammond: Can I thank you? I should say that is not just the Department, but Sir Simon personally, who submitted himself to a diet of Sachertorte for more weeks than many of us would normally be prepared to tolerate to get this deal done. He played a very important role in the team that delivered this in Vienna.

Q11 Daniel Kawczynski: I would like to associate myself with the comments of the Chair.

The United Kingdom has played a unique role in bringing about the agreement. Both you and your officials ought to be congratulated on that. Having secured greater engagement with Iran, what are their perceptions of the spread of ISIS/Daesh in Iraq, their neighbour? If I can press you, what chances are there to engage with Iran more effectively to take this terrorist organisation on?

Mr Hammond: The one thing that we can say without any fear of contradiction is that Iran shares our concern, to put it mildly, about ISIL/Daesh. They see it as a mortal enemy that needs to be eradicated. We have a clear alignment of interest. We also have many other areas where our interests are not aligned and the trick is to ensure that we can work together to achieve a common objective while respecting the fact that there will be many other areas that we remain in dispute over. It requires some change in the way that Iran engages with the international community if that is to work. I have no doubt that there will be people in Iran who are looking to ensure that one of the consequences of this agreement is that we collectively are able to be more effective in our military response to Daesh. Simon, do you want to add anything?

Sir Simon Gass: The only thing I would add to what the Foreign Secretary has said is that some while ago I found myself talking to the Iranian Foreign Minister. We had a

conversation and at the end of it he corrected me slightly. I had said to him that, because of Daesh, we now had some common interests in the region. He corrected me and said, "We do not have common interests; we have common challenges." I think that is quite a good way of putting it.

He is right, of course, that Iranian interests in the region are often very substantially different from our own, but there are some common challenges. Of course, the approach that Iran is likely to take to combating Daesh is unlikely to be the same approach that we would take in several significant respects. I think the Chair has already referred to the control of Shi'a militias, for example.

As the Foreign Secretary has said, there is some potential for increasing our dialogue and for trying to find areas where we have a commonality of challenge, but I think we will always need to work carefully with Iran. I do not see any chance, as the Foreign Secretary has said, of us suddenly becoming great friends in the region.

Q12 Daniel Kawczynski: With the prosperity agenda that you clearly outlined at the beginning of your speech, could I ask what would be the signal to British companies now for actively seeking contracts in Iran, particularly with regard to oil exploration? I have to say, as someone who represents a midlands seat, that it was a midlands automotive company that actually helped the Iranians to build their first state car decades ago. There are obviously many opportunities for British firms. At this early stage, what is your advice to British companies?

Mr Hammond: British companies will have noted very clearly the fact that the agreement that has been made will, if all goes according to plan, lead to the gradual relaxation of sanctions and, as importantly, the release of a significant value of Iranian frozen assets. Iran not only will get the benefit of regular cashflow from being able to engage in international trade, but will have the blocked assets, which amount to about $150 billion, released to it.

Sir Simon is briefing a UK business seminar on Friday about the opportunities for British business. Our European partners are already revving up to engage and we are determined. The Chancellor and the Business Secretary are absolutely at one with the Foreign Office that UK business will be up there with the best in seeking to be able to meet the requirements that Iran has for permitted imports, and to look at Iran's investment potential as the market opens up.

I am not so sure that it is going to be as much in the short term about exploration in the hydrocarbon sector as about renewing infrastructure to maintain and increase production levels. There is a lot of very ageing infrastructure and technology has moved on a long way during the period that Iran has been under sanctions. We would expect a significant amount of capital investment to go into Iran's hydrocarbons infrastructure.

Q13 Chair: Foreign Secretary, time constrains us. We will return to whether a gentle nudge is an adequate policy response, given the gravity of the threat that we face in the region, to try to get our partners—our potential partners—into a place to develop a policy that will put us in the best place to defeat Daesh. Let me now turn to—

Mr Hammond: Permit me a word on that. I think the point that I was trying to make—if I can remember the context in which I used that phrase—is that I do not think that it would be helpful for us to go in there with the sense that we are now banging heads together: "You and you; we want you to sit down and talk". It has to be much more subtle than that. It has to be about helping each side to see where there might be limited areas where they could work together. I am not a great believer in the grand bargain: "Now it's all right; sit down and have a big discussion about everything". That is unlikely to be productive, but there will be some areas where people who have quite significant differences can none the less have a limited—perhaps a relatively junior-level—channel of communication that delivers some practical benefit to both sides. You start to build in that way, I would suggest.

Chair: Obviously, given the scale of the importance of this, we will return to it in some detail over the course of this parliamentary Session.

Q14 Mr Baron: Foreign Secretary, I think that the Government have made it very clear that they want to put at least to a vote in the House the participation of military aircraft and personnel in Syria in airstrikes. There is a general concern that we seem to lack a strategy—or, if we have the strategy, that it is not having much effect—when it comes to the full spectrum response to Daesh, whether it is disrupting their financial flows and business interests, or whether it is taking them on when it comes to their prominence on social media. That is before you even get into Iraq and the failure of the Iraqi army to make significant progress, and, indeed, perhaps a more direct relationship with the Kurds in trying to combat Daesh. Putting all that to one side, can you tell us what you would hope to achieve from participation by UK aircraft in airstrikes in Syria, given that our contribution would be minimal compared with what the Americans are already putting in, even if you put aside the legalities and once you also take into account that air power without effective land forces is actually unlikely to succeed, as most military commentators would expect?

Mr Hammond: I think that the key to this is seeing Iraq and Syria as a single theatre with, at the moment, for our military operation, a limited set of permissions that stop at an artificial borderline. As far as the enemy is concerned, there is no borderline on the Iraq-Syria border, but we are operating on one side of it delivering lethal strike and, on the other side of it, delivering surveillance and reconnaissance only. I think that there are a number of points. On any logical assessment, that is militarily inefficient. A UK surveillance asset that could be armed over Syria is operating unarmed. If it acquires target information, it then has to task another asset belonging to another coalition partner to go and make the effective strike, if that is what is required. There is a simple efficiency logic about being able to conduct operations across both theatres.

More importantly, it is difficult to see how Daesh will be effectively, militarily defeated without being defeated in its home base around Ar Raqqa. This fight eventually has to go over the Iraqi border into Syria. At the moment, the UK's permissions are limited to Iraq.

Q15 Mr Baron: With respect, Foreign Secretary, just as you point to the border being slightly artificial, that is a slightly artificial answer in the sense that, without ground forces—there is an old adage in the military about boots on the ground—you do not really expect to defeat Daesh through airstrikes alone, do you?

Mr Hammond: There are ground forces. The Iraqi army is being slowly and painstakingly rebuilt. The Kurdish Peshmerga have proved effective in the defence of the KRG. The various Shi'a militias, about which we have already spoken, are playing a role in the battle. I am not suggesting that we have an optimally configured set of ground forces in the region, but I am equally clear that injecting western boots on the ground, as you put it, would not be the solution. That would not deliver us the solution we seek.

Mr Baron: Could I just put you right? First, I did not suggest western boots on the ground; I said "boots on the ground". Secondly, we are confining our remarks to Syria, not Iraq, when it comes to military intervention. Perhaps I could move us on to—

Chair: I think Stephen has a follow-up point.

Q16 Stephen Gethins: Building on John's point, what kind of long-term plan or analysis has been done for whatever you hope to achieve with airstrikes? It is a little bit worrying that you mention ground forces in terms of stabilisation, but of course we are talking about Syria, and obviously, one of the lessons we have had in recent years concerns taking military action without planning for what happens afterwards. What are your plans, and what was the analysis for the situation after military strikes?

Mr Hammond: The overall plan in Syria remains to see a political transition in the regime to a Government which has legitimacy and buy-in from the majority of groups in Syria, that can then take the fight to Daesh. That is the outcome that we seek. We recognise that it will not be easy to deliver. In the meantime, it is easy to challenge the efficacy of airstrikes, and I don't think that anyone—certainly in relation to this campaign—has suggested that airstrikes alone can finish off the enemy; they cannot, but they have arrested progress. Remember where we were in May last year: ISIL were speeding towards Baghdad, and they were stopped. They were forced to change their tactics on the ground, and forced to operate more as a terrorist organisation with a cellular structure than as a conventional military force. This was because of their vulnerability to airstrike and their lack of any counter-air capability.

There is no doubt that airstrikes have not only degraded their military capability, but prevented them from carrying out planned atrocities, degraded their ability to exploit economic infrastructure—oil infrastructure in particular—and had a debilitating effect on their occupation of that territory. That is not the same as saying that if we do a few more airstrikes, they will eventually surrender. Of course they won't. But just as, as John Baron said, no one believes that airstrikes alone could destroy ISIL on the ground, I do not think any sensible military commander would be prepared to clear that ground without having had the benefit of a pretty solid campaign of air-delivered degradation of ISIL's military capability before the boots on the ground went in.Otherwise they would get slaughtered.

Q17 Stephen Gethins: When you talk about boots on the ground in Syria, whose boots on the ground are you talking about?

Mr Hammond: We have a long-term strategy to train and equip a moderate Syrian opposition. I would be the first to recognise that that is proving a painstaking process, but that has to be the way that we go. There are two different dynamics in Syria: there is the battle between the Islamist fundamentalists and others, and then there is the battle between the

regime and its opponents. We have always been clear that in Syria we must not repeat the mistake that was made in Iraq of dismantling the entire structure and leaving nothing in its place, leaving a void. We need to secure political—

Q18 Chair: If the regime collapses, isn't that precisely what the effect might be?

Mr Hammond: Well, it depends on what you mean by regime collapse. If the institutions of the regime collapse, that is what the effect would be. That is not the desired outcome. The desired outcome is political change at the top of the regime to create a situation where the basic infrastructure of the state can be preserved, but with a political legitimacy that is shared by all the moderate major groups competing.

Q19 Chair: Isn't the British and American position around Assad running the risk that the forces and institutions of the regime would collapse if our policy were successful, leaving a void and making the task of taking on ISIL significantly harder than the challenge we face today?

Mr Hammond: Our political strategy is to work with other players, including the Russians and hopefully, in the post-nuclear deal world, increasingly the Iranians, to find a solution that allows a transition from the existing leadership to a new leadership, and eventually a transition to a democratic Syria where the regime has legitimacy. That is much to be preferred to a collapse of the regime. I recognise that with the pressure the regime is under, there is a risk of something else happening. That is our intention and our desired outcome, but clearly the regime is under pressure in a significant number of areas.

Q20 Ann Clwyd: Could the UK be doing more to harness the military capability of Kurdish forces in Iraq and Syria? Attached to that I remind you that I have asked you several times about the plight of the Yazidis, particularly Yazidi women, whom the PYD and the Kurdish Peshmerga were able to assist in a way that we failed to do.

Mr Hammond: Who failed to assist?

Ann Clwyd: I think we failed to assist the Yazidis.

Mr Hammond: We?

Ann Clwyd: Yes, we.

Mr Hammond: I think that is a little harsh. Last summer we delivered a considerable operation designed to rescue the Yazidis stranded on Mount Sinjar.

Ann Clwyd: Some of them.

Mr Hammond: We did intervene where we saw a specific intervention that could be helpful. You have asked me a number of times about the fate of Yazidi women who have been captured by ISIL. I'm afraid to say that we have little clarity about what has happened to Yazidi women and other women captured by ISIL. From what we do know, we cannot be very optimistic about their fate. We know that many women who have been captured have effectively been enslaved, abused and maybe killed.

Q21 Ann Clwyd: Can we not do more to use the military capacity of the Kurdish Peshmerga and the Peshmerga in Syria?

Mr Hammond: To be clear, we do not control the Peshmerga and the Kurds are very clear about what they will and will not do. They see the Peshmerga primarily as a force for defending Kurdish territory and for liberating Kurdish populations. What they are prepared to do beyond that in support of the wider objectives of the Government of Iraq and the liberation of Syria is limited. We can and we do work with them, we have very good relations with them, but they are quite frank about the limits on what activity they are prepared to engage in.

Chair: I want to turn now to Tunisia, after which I hope there will be time for colleagues to ask questions arising from your opening statement.

Q22 Mike Gapes: The attack and murder of 38 people in Sousse on 26 June did not lead to an immediate decision by the British Government to restrict travel advice. You changed the position on 9 July. Can you tell us the reasons for that?

Mr Hammond: Yes: intelligence. As we embedded ever more people with the Tunisian authorities and as they uncovered more of the picture around this attack, the picture we developed made us more concerned that a further attack targeting western interests was likely.

Q23 Mike Gapes: Who took that decision? Was it the National Security Council, the Foreign Office, or COBR?

Mr Hammond: I took the decision to change travel advice. Travel advice is determined in the Foreign Office. On any major or sensitive piece of travel advice I take the ultimate decision personally. In this case, I discussed it with the Prime Minister, because we were very conscious of the fact that this would have a significant impact on the Tunisian economy. We have made clear that we want to support Tunisia in every way possible, but we have to put the security and safety of our citizens as our No. 1 priority.

Q24 Mike Gapes: I understand that, but other European countries with their own people in Tunisia have not taken the same position. As I understand it, there are still tourists from France and Germany in Tunisia at this time. Why is it that we have intelligence that gives us the view that we need to evacuate all the British people—and maybe the Danes and Irish take the same view—but other countries do not?

Mr Hammond: I think the Spanish changed their travel advice ahead of us. A number of other countries have changed their travel advice: I know that Sweden has also changed its travel advice, and maybe the Netherlands. The simple answer is that Germany, which is the other country that has a significant amount of tourist traffic to Tunisia, has a team that only arrived in Tunisia yesterday to start doing the work that we started doing in the immediate aftermath of the attack.

We have developed a very clear picture. Through the joint terrorism assessment committee, our experts have looked at the threat and we get regular updates on the threat picture. We have to look at the scale of the threat and at the mitigation that is in place and

make a judgment on the balance of threat and mitigation, and whether or not we can continue to advise British tourists that it is sensible to travel to a particular destination. The decision we have taken is that it is not at the present time. We very much hope that a combination of action that the Tunisian Government are taking to deal with the network behind this attack, and action that the Tunisian Government are taking to reinforce preventive security, will allow us to revisit that decision in due course.

Q25 Mike Gapes: The Tunisian Government were obviously publicly and privately very disappointed by the decision. Clearly, it has terrible implications for their economy. Can you update us on the discussions that you have had with the Tunisians? I understand that your Minister, Mr Ellwood, had a meeting with Tunisian officials yesterday, is that correct?

Mr Hammond: Well, I had a meeting with the Tunisian Prime Minister yesterday and the Tunisian Foreign Minister in Brussels. He was invited to attend the Foreign Affairs Council in Brussels yesterday. Obviously, the Tunisians must be disappointed that we changed our travel advice, but I have to say that the Prime Minister very graciously said again in the Foreign Affairs Council yesterday why we had had to do that. He respected the decision that we had made and that Tunisia's response is not to sulk about it but to work with us to try to create the conditions in which we would be able to review that advice as soon as possible.

I would like to place on record that we have an extremely constructive relationship with the Tunisians, at political level and at working level in the security and intelligence agencies and the police. We have found them to be very willing to engage with our experts and very keen to build their capacity.

Q26 Mike Gapes: Have you given any consideration to giving assistance to the Tunisian Government to help them through this difficult time?

Mr Hammond: Yes, we are doing that at different levels. We are providing technical assistance to their security services, both to help them with the investigation into the Sousse attacks—as you would expect—but also to help them build their capacity more generally, to ensure that their detention and interrogation processes are fully compliant with human rights requirements, which in turn enables us to share intelligence with them. We have undertaken the use of some of our sophisticated assets to gather intelligence that will be of use in the ongoing investigation. We are also working with our EU partners on a package of economic support for Tunisia, recognising that the Tunisian economy has been significantly impacted. Federica Mogherini, the EU High Representative, announced yesterday that the EU is working towards a package of temporary increases in olive oil quotas to the EU, which will provide an immediate and welcome relief to the Tunisian fiscal and foreign exchange challenges that they are facing.

Chair: I hope you have another 10 minutes, Secretary of State, so that I can invite colleagues to range a little more widely.

Q27 Mr Hendrick: We have been talking for a good hour, but there has been no mention of a very important player—Israel. As far as the Iranian deal was concerned, Israel made it plain that it was not happy. I would be interested in the discussions you had following the deal when you went to Tel Aviv. Israel generally seems quite detached from being a constructive

partner with the international community. It only looks to the US. Having said that, its relations with President Obama in particular are very bad. How could Israel be persuaded to be more constructive in its international engagement? How ought the international community say to Israel that its activities—the settlements, and particularly Gaza—receive international condemnation?

Mr Hammond: I think Israel has heard that last message loudly and clearly, including regularly from us. This Government is a friend of Israel. We are a staunch supporter of Israel's right to live in peace and security and to defend itself, but we are also quite prepared to speak up when what Israel is doing is unacceptable. I and the Prime Minister have spoken out against the settlement policy, and we have consistently urged Israel to engage with the needs of the population in Gaza in a much more proactive way.

To answer your first question, yes, I went to Israel last Thursday and got a clear and distinctive message that Prime Minister Netanyahu was not pleased with the deal we signed in Vienna. I suggested to the Prime Minister, as I suggested in Parliament on Tuesday, that there was no realistically deliverable nuclear deal with Iran that Israel would have endorsed. The reality is that the Israelis still think there is a last chance of derailing the deal with lobbying action in the US. So long as we are in the 60-day window that Congress has to consider the deal, I think you will see Israel maintaining an implacably hostile position and lobbying very aggressively, mainly in the US but also elsewhere. Once that lobbying effort has failed, as I expect it will, I would expect the Israelis to be pragmatic, as they usually are, to engage and to make the best of what they see as a bad deal. That means making sure the commitments that Iran has entered into are delivered and that the delivery is properly policed and enforced. I hope in time that we can persuade the Israelis that the possibility of a dividend from greater Iranian engagement in the region can be positive.

I fully understand why the Israelis are sceptical about this. They see Iran through the prism of a nation that has repeatedly denied Israel's right to exist and funds terrorist organisations that repeatedly attack Israeli citizens and Israeli interests. I understand their scepticism, but I said to Prime Minister Netanyahu that, frankly, the alternative approach to containing Iran, which we have been practising for the past decade, has not delivered a cessation of that Iranian behaviour. If we go on doing more of it, getting a different result is frankly not likely to happen. We need to do something different. We need to be prepared to take a little bit of risk in engaging more with Iran, and see if we can persuade Iran that it is in its interests to moderate—we will not totally change it—its behaviour in the region.

Q28 Andrew Rosindell: Thank you for your initial remarks and overview of the current foreign affairs situation with regard to our own approach to things. You mentioned the EU extensively and said that our partners in the EU felt that the EU would be unrecognisable if Britain were to leave. Surely that should be our goal, Foreign Secretary. If we want the EU to be fundamentally changed, as the Prime Minister has committed to, that should surely be an encouragement to us to be bold about the type of changes we want—more towards trade and co-operation and less of a political union. That is my first question.

My second question is this: you are the Foreign and Commonwealth Secretary, but I do not think the Commonwealth was mentioned once in your opening remarks. Do we still have the "C" in FCO that William Hague put back five years ago? Equally, for the British Overseas Territories that we govern, there are issues that need to be addressed.

Mr Hammond: Any one of them in particular?

Andrew Rosindell: Several of them have issues.

Mr Hammond: The record will show that I did mention the Commonwealth in my opening remarks. I said that it was one of the overlapping circles of influence that gave us a unique footprint in the world, but I absolutely take the point. The "C" is very firmly in FCO. As we head towards the Commonwealth Heads of Government meeting in Malta later this year and the election of a new secretary-general of the Commonwealth, it is an important moment to think about renewal of the Commonwealth and restating the purpose and direction of the Commonwealth going forward. It is an organisation, in my view, that is in need of some attention. It operates in a competitive environment for international organisations. It is unique among them, but it is at least arguable that in some respects, it has slightly lost sight of its proper direction and course. After the CHOGM meeting and the election of a new secretary-general, our plan is to seek to reinvigorate the Commonwealth and see a period in which the Commonwealth regroups and reasserts itself as a group of nations that have come together to achieve a specific set of objectives, distinct from what other international organisations do.

On the EU agenda, I said that all our partners in Europe have expressed to me a desire that Britain should remain part of the European Union. Some of them have gone much further and said that the European Union would be unrecognisable and the poorer for Britain not being a part of it. That, I think, is a reflection of what, in their eyes, is Britain's role in keeping the EU focused on a free trade, open market, outward-looking agenda.

An important part of our reform pitch is making sure that, going forward, the EU is just that—that it does not succumb to the temptation to become inward-looking, defensive and focused on how to protect our so-called social model when in fact the only real way to protect our standard of living is to be competitive in a globalising economy. That has to be the No. 1 challenge for the European Union, and that is at the heart of the renegotiation and restatement of the objectives of the Union that we are seeking.

Q29 Andrew Rosindell: And the overseas territories?

Mr Hammond: The overseas territories, of course, are an absolutely important part of our agenda—small in number and small in population, but we have a very solemn obligation and commitment, as spelled out in the White Paper on overseas territories that the previous Government published, of which we stand by every word.

Q30 Mr Baron: I am conscious that we need to get you away, but very briefly, there is a general concern—bringing us back to Syria, if I may—that there is a deficit of strategic analysis when it comes to our approach to Syria, which relies on ad hoc, short-term manoeuvres and does not take into account the bigger picture. Less than two years ago, we proposed to arm the rebels, hoping that we could contain those arms within friendly rebel forces and then bomb Assad. We are now proposing to almost swap sides and take on elements of those rebels. That is how it appears from the outside. This is a civil war and, in effect, the Executive have proposed to take both sides over a two-year period. Why can't we get this right? Does the Foreign Secretary understand that this sort of changing approach and lack of analysis does not inspire confidence generally, let alone in the House of Commons?

Mr Hammond: I think that is a gross misrepresentation of the situation. What has happened is that the situation on the ground has changed. When we were first looking at the situation in Syria, it was a civil war with opposition groups fighting a regime that was responding with ever more ruthless military means. What has happened in the meantime is that ISIL/Daesh has become a fact on the ground, controlling a significant area of territory. Daesh itself and other more extreme Islamist groups have become a much more important factor in the conflict on the ground, and that hugely complicates the situation. It was a relatively black and white thing at the beginning. There were bad regime people and there were good opposition people.

Q31 Mr Baron: With respect, Foreign Secretary, ISIL/Daesh, al-Nusra and al-Qaeda were on the rebels' side right at the beginning. Their scope may have changed, but they were there on the rebel side.

Mr Hammond: The holding of substantial territory and the establishing of something like civil governance in that territory is a new phenomenon in a hugely complicated situation. For the record, it is still our intention to train and arm moderate oppositionists. At no time was there a proposal in general terms to bomb Assad. There was a specific proposition to respond to the use of chemical weapons by the Assad regime in order to deter further use of chemical weapons: a crime against humanity.

Chair: Secretary of State, you may have the privilege of being slipped—I do not know—but we probably do not, so I thank you for this initial session with us. I am very grateful to you. We look forward to resuming on 9 September.