

Public Accounts Committee

Oral evidence: DFID's management of crises, HC 728

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Members present: Meg Hillier (Chair), Mr Richard Bacon, Deidre Brock, Caroline Flint, Kevin Foster, Nigel Mills, David Mowat, Stephen Phillips, John Pugh, Karin Smyth, Mrs Anne-Marie Trevelyan

Sir Amyas Morse, Comptroller and Auditor General, Adrian Jenner, Director of Parliamentary Relations, and Tom McDonald, Director, National Audit Office, and Richard Brown, Alternate Treasury Officer of Accounts, HM Treasury, were in attendance.

Witnesses: Sandrine Tiller, Programmes Adviser, Médecins Sans Frontières, Fergus Drake, Executive Director, Global Programmes, Save the Children, and Ben Webster, Head of Emergencies, British Red Cross, gave evidence.

Q1 Chair: Welcome to the Public Accounts Committee. We are here to discuss the National Audit Office Report on DFID's handling of crises, partly because we previously looked at the Ebola situation and produced a report on that last year or the year before. Therefore, we are quite interested in looking at how DFID spends its money overall, given that the budget has been going up, although it is now stabilising. We are delighted to have a pre-panel so that we can hear about what is happening on the ground from people right there at the front line.

The pre-panel is made up of: Ben Webster, who is the head of emergencies for British Red Cross; Sandrine Tiller, the programmes adviser for Médecins sans Frontières; and Fergus Drake, who is the executive director of global programmes for Save the Children and who had a big part to play in the Ebola crisis, which we may well touch on.

Before I pass over to Stephen Phillips, who will be leading on this, I want to ask you to lay out what funding, if any, you receive from DFID and/or any other Government sources. I will start with Ben Webster.

Ben Webster: Good afternoon and thank you for this opportunity. The Red Cross movement receives some core funding to the International Committee of the Red Cross, to the Federation and to British Red Cross. In terms of humanitarian response to crises, it will vary from disaster to disaster. Just to give a sense of the Ebola response, we have received £15.5 million, which is being channelled through the International Federation to the national societies in the region. In the Middle East, the movement has received significant funds. I am afraid that I can't give you an exact figure, because I don't have the ICRC figures. For the Nepal earthquake response, it was in the region of £5 million.

Q2 Chair: So you are a regular recipient of Government money through DFID?

Ben Webster: Absolutely.

Sandrine Tiller: I am Sandrine from Médecins sans Frontières. We don't take any funding from DFID or the UK Government.

Fergus Drake: Thank you for the opportunity to respond. Save the Children UK took about £108 million from DFID in 2015 of a £400 million turnover—that is in the context of a \$2.1 billion turnover for the Save the Children movement.

Q3 Chair: Does that include the Ebola crisis money? That was quite a big chunk, from memory.

Fergus Drake: Yes, indeed. The rough split is that about 40% of those funds is spent on humanitarian and 60% is spent on our longer-term programming.

Chair: Thank you very much indeed.

Q4 Stephen Phillips: Each of your organisations, as NGOs, deals with international crises, and DFID is one of the largest donors when it comes to international crises. I will start with you, Mr Drake, before coming back along the panel. In outline, what are DFID's strengths in this area and what are its weaknesses?

Fergus Drake: Well, that is a big picture question. As I have said, we work across 120 countries, and we work with a number of institutional donors globally. The strengths of DFID are that they are incredibly agile, innovative and thoughtful in their programming, both in terms of rapid onset emergencies and in some of their longer-term work in disaster risk response and resilience. Obviously, within the overall basket of 0.7%, we have been very supportive of an increase in humanitarian funding, which has happened over the last couple of years.

If you are asking where we think there could be slight improvements, as I said in my opening remarks, we spend 40% of our overall programming spend in the humanitarian

area, so although there has been an increase from 6% to 14% for DFID's spend in humanitarian response, we think that that could go higher to between 20% and 30%. As we discussed the last time I was in front of this Committee, there could be greater spend on early-warning systems. Slightly more work could be done in that area. One of the great learnings from Ebola was the strong interrelationship between HMG, NGOs on the ground and the private sector. There is some really powerful work there, but it could be taken to another level.

Q5 Stephen Phillips: I will ask the other two if they want to add anything. At the outset, although I am not formally required to do so, I declare for the record that my partner is currently employed as a consultant working within the Government of Rwanda under a contract managed by Oxford Policy Management and funded by DFID. That is on the record, so everybody is aware of it. Ms Tiller, do you want to add anything to what Mr Drake has said?

Sandrine Tiller: Although we don't take funding from DFID, we are still very engaged with DFID. DFID is a major player within the humanitarian aid system. I would say that behind all innovative new directions in the humanitarian system you can probably find DFID—it is very strong in terms of research and policy development.

Q6 Stephen Phillips: Would it be fair to say that you regard DFID as being at the sharp end, at the forefront, of the bodies that are funding international development across the world?

Sandrine Tiller: Yes, definitely. I didn't want to use the words "thought leader," because it is such a cliché, but I think that is where DFID is. That is how we approach DFID. It has had a lot of good behind-the-scenes influence in terms of humanitarian architecture—that is, how the system responds to crisis. In Syria, for example, its influence contributed to the establishment of an UNHCR office, and pushed the UN system to work cross-border in Syria. DFID played a good role in that, and it changed the dynamic of course because the UN was very much focused on sustaining—

Q7 Stephen Phillips: What about weaknesses? Are there any that MSF has specifically identified?

Sandrine Tiller: DFID is under pressure, and there is a trend in the UK of demonstrating more accountability and transparency. That often translates in practice as bureaucracy and a lot of layers and processes. So I think that one of the challenges for DFID is to stay streamlined and flexible.

DFID is in some ways insulated from the UK's foreign policy through its humanitarian policy, which supports independent, neutral and impartial humanitarian action, but obviously there is always tension between the foreign policy and humanitarian policy.

Q8 Stephen Phillips: Mr Webster, do you want to add anything to those two answers?

Ben Webster: In terms of positives, I would echo the comments about thought leadership and DFID's influencing role in a global arena. That is extremely positive. Colleagues based elsewhere are envious of DFID's ability to understand what the issues are and to have a really engaged conversation on specific contexts and issues. I also think that the country offices—the regional presence—are good and enable us to have conversations locally about the real concerns.

In terms of weaknesses, I think I would agree with Sandrine that there is an increasing trend towards politicisation of aid. The new aid strategy released towards the end of last year puts national interests in the very centre of DFID's strategy, and that is a concern to humanitarian agencies.

Q9 Stephen Phillips: For the purposes of this hearing, we are slightly more interested in capacity issues than policy.

Ben Webster: Sure. That is understood. In terms of capacity, there is a focus on value for money and sometimes that results in caps on staffing levels. If there is a desire to scale up and meet the needs on the ground, DFID has to utilise other avenues, such as the private sector or contractors. It is necessary to take a step back and look at the whole picture, determining what is the best value for money for those people at the end of the chain—the people we are seeking to serve.

Q10 Stephen Phillips: You mentioned as a strength DFID's presence in country offices and regionally. Of course, in places like Lebanon it has been required to work where it does not have country offices. Do you see that as giving rise to any issues?

Ben Webster: Any issues?

Stephen Phillips: As a result of the fact that there was no pre-existing presence in terms of an in-country office.

Ben Webster: Certainly the Report picks out the fact that it took a long time to understand the context and establish those relationships. I think where you have an existing country presence—say Nepal—a foundation of knowledge and experience is in place, and it certainly provides added value if DFID understands the context and has relationships in place.

Q11 Karin Smyth: Does the Department have the right balance between investing in preparedness and resilience and responding to a crisis when one happens?

Fergus Drake: Perhaps I can start. It has increased the amount of funds spent on programming, particularly disaster risk reduction; I think more could be spent in that area. Myriad very learned reports talk about, “If you get supplementary feeding into a drought or famine situation early on, it is far more cost-effective than if you have to completely restock a herd.” I think that is very important. And having their network and being able to look across the prism of challenges, from rapid onset climate change emergencies to some of the more political, intransigent ones, is really important. In some ways, the ongoing strong communication between FCO and DFID in that area has been really good.

Q12 Karin Smyth: So they got it right.

Fergus Drake: With the level of challenge that all of us face every day and that we see on our TV screens, “getting it right” is too strong, but in terms of being able to place people and funding where we can have the biggest impact, yes, I think we are moving in the right direction.

Q13 Karin Smyth: Are there other views about that balance?

Ben Webster: I would agree with the shift towards an increased focus on preparedness and resilience. That is to be encouraged. We can all make improvements in that area. Ideally, any humanitarian response is over and above the preparedness activities that have already happened. At the moment, there is a tendency to earmark funds for preparedness within a humanitarian response. However, if the focus is on preparing in advance to be truly on the front foot, any scaled up humanitarian response should be an exception to the rule, rather than the rule itself.

Sandrine Tiller: At MSF, we are not big fans of the term “resilience”. We have questions about that concept. We think that the humanitarian sector as a whole—DFID is in there—is skewed very much towards natural disasters and away from the most difficult places. That’s understandable, because it’s harder to work there. We are looking at places such as the Central African Republic or Yemen, where the number of humanitarian actors is very low. Look at the Philippines and Nepal—everybody and their brother is there. I don’t think we should get too swept away with the resilience concept. We should also focus on those very difficult places. We would argue for a slightly larger investment in the humanitarian side.

Q14 Karin Smyth: Mr Webster, you alluded to staff skills, and the Report looks at that. Do you think the Department has the right skills to respond to the increasing number of very severe crises we are now seeing? I would like to pick up Ms Tiller’s point about that balance.

Ben Webster: My engagement is primarily with DFID CHASE in the aftermath of a disaster. There are colleagues who work there who have a tremendous amount of

experience in the humanitarian sector. Quite a large number of them have been there for some years now, so it is possible to have that understanding in advance in peacetime before the disaster strikes. They understand the sector and the issues, so I think the core membership of DFID CHASE has the right skills, abilities and capabilities to respond.

To come back to Mr Phillips' point about operational issues rather than policy, I think policy issues sometimes have an impact on operations. Regardless of how good the people are in that system and how good the systems and structures are, sometimes there is a desire to be seen to be responding if political aspects come into the decision-making process. Even if you have extremely good, capable people, sometimes the decision is taken out of their hands.

Q15 Stephen Phillips: Have you seen an alteration in DFID's response and ability to respond to crises as a result of the aid review last year and what I think you would see as the intrusion of policy into humanitarian relief?

Ben Webster: I think it's too early to say. The new strategy was just released at the end of last year. The overall trend is towards increased overlap and integration between humanitarian principles, the political agenda and the use of military assets, which is an issue for humanitarian agencies as neutral, impartial actors in a conflict. The perception of UK aid is extremely important. We need to be able to maintain neutrality, independence and impartiality in those situations.

Q16 Karin Smyth: Mr Drake, can you discuss the question of DFID's balance of staff?

Fergus Drake: Yes. Again, we work at the sharp end with these staff. They are incredibly experienced, and you have to get the balance right to create value for money in terms of the surge capacity that can flow into extremely intense aid environments. We find very experienced, knowledgeable staff who can do that. I would, however, say that in terms of the overall demand, the system is broken. As a sector we do not have enough skilled staff to be able to respond to the need resulting from the big ticket challenges at the moment, such as Syria and Ethiopia, but also the ones that are under the radar screen, like CAR and Yemen. That is where again DFID has been supporting some of the innovations—a global public good that we call the HLA, the Humanitarian Leadership Academy, which is a vision of training the next generation of humanitarian aid workers; 100,000 over the next five years. It is based in 10 regional centres, because obviously there is a life-saving window of 72 hours, and the best people to respond are people who are trained on the ground to do that.

Going back to my opening remark, that was a very strong example of DFID's thought leadership—to use the term. We need surge capability, but to invest in long-term solutions as well.

Q17 Karin Smyth: Why has that level of skill dried up or slowed? Has it dried up, or has demand increased and we cannot meet it?

Fergus Drake: It is the sheer scale. Last year it did feel like there was a perfect storm with regard to the Ebola ramp-up, Syria and our concerns across CAR, DRC and Yemen. It really is a very challenging humanitarian landscape out there at the moment.

Q18 Karin Smyth: Is that shortage of skills true across different countries that ordinarily would have supplied people or is it peculiar to the UK?

Fergus Drake: No. Our organisation does always find it difficult to get French speakers, and that is where, obviously, organisations like MSF and Action Contre La Faim can play a very strong role, particularly in responding to the needs that we have seen in western and central Africa over the last couple of years.

Q19 Karin Smyth: We are interested in how the Department can improve its response to more complex environments—for example, what we are now seeing in Syria.

Sandrine Tiller: One of the points we really wanted to make in this forum is the need for an understanding of what it means to work in conflict situations. We can see in northern Syria, for example, that a lot of the medical responders are actually diaspora organisations or national Syrian organisations that in their small place have brought together some doctors and are able to set up underground field medical clinics. It is very difficult for DFID to support those. We have actually lobbied DFID to look into trying to support those kind of actors directly, but they are small organisations. They may not have the right kind of accounting, and they do not have the bureaucracy to support a lot of the requirements. There are a lot of places like that—Yemen is another example, and Iraq as well. They are conflicts in middle-income countries where you have qualified staff on the ground. They can organise themselves and provide assistance, and they need some channel into the aid system. So we would really encourage DFID to look into that kind of funding.

For those of you who are familiar with that, the counter-terrorism legislation is a real concern for us, because it has had a chilling effect on responders in places like northern Syria. So a lot of agencies, maybe Muslim organisations and NGOs, have had a hard time doing bank transfers. There are a lot of problems in terms of the regulation of funds, especially in areas where there are proscribed groups—Somalia, Yemen and almost all of the big conflicts right now. We do not have the solution for DFID, but we would like to put that as a challenge.

Q20 Stephen Phillips: DFID's involvement in these crises seems to be on an upward curve—they seem to be lasting for longer. We now know for example that we are likely to be in Syria, and we have got the funding, for another five years. That has particular challenges for the Department, obviously, associated with it. I just wondered, from each of

you, since this is going to be the landscape in this Parliament, what you think DFID needs to plan to do to deal with these much longer engagements.

Ben Webster: From our perspective, it is important to invest in national humanitarian actors. Sandrine alluded to this but, as the Red Cross movement, we have 190 national organisations, Red Cross or Red Crescent, and if they are strong, independent bodies that are able to provide humanitarian assistance—and there are many other civil society organisations as well—

Q21 Stephen Phillips: I am just going to stop you there. Do you think that might help, for example, with the gaps where DFID doesn't have country offices when crises arise in those countries?

Ben Webster: Absolutely—if there is a strong local governance structure, if there is strong civil society, then there is absolutely less requirement for international assistance; to invest in those ahead of time, to make sure they are strong and resilient in times of crisis, is good value for money in my mind. So moving towards the world humanitarian summit in May, I think this will be a key agenda item to strengthen national humanitarian action, but DFID's structure needs to be suited to that way of working as well. At the moment quite a lot of money is channelled through multilaterals, because it is simple, and it is easier to do, rather than the more complex long-term work of building capacity at the local level.

Sandrine Tiller: Yes; we are in kind of dramatic times, and I will definitely echo what Fergus was saying. You know, we have the largest number of refugees since the second world war—up to 60 million—and the European migration crisis is another huge challenge for us, which, to be honest, we didn't expect we would have to be picking up. We expected the European Governments to do that. So I would say that, yes, it is good to be thinking about how DFID can tackle these issues.

I would argue, maybe—it is a sort of mirror image of the point that Ben was making—that we would really look to DFID to work on streamlining and improving UN agencies' performance. We have a lot of complaints—and we have been very public about it—about inefficiencies in how the UN works.

Q22 Stephen Phillips: Do you want to say something about the WHO?

Chair: You are on record very effectively in the DFID Committee report on that, so feel free to make a comment, but you can bear in mind that we are aware of what you have said.

Sandrine Tiller: I was thinking much more of UNHCR, where we have a situation—when you have a refugee crisis it is UNHCR that is the lead in the UN system, and there are a lot of, frankly, turf wars between UN agencies that impede effectiveness, that are very costly and that actually slow down the system.

Q23 Chair: How do you think DFID can help with that, given that we are talking to them later?

Sandrine Tiller: I think the multilateral aid review is a good start, but to be honest with you we have actually also lobbied DFID to take on challenges such as talking with the UNHCR, and UNICEF and other UN agencies, about how they work together.

Q24 Stephen Phillips: Are these structural problems, does MSF think, within the UN, or are they problems to do with the individuals themselves?

Sandrine Tiller: No, it's structural problems, because a lot of these UN agencies were set up in the '40s and they have defined mandates, but some of those then overlap. If you look at something like vaccination, there are various different agencies that are in charge of that—or vector control, which is the control of mosquitoes, for example. Even water and sanitation—UNICEF is in charge of that, and they are not a water specialist agency. So there are all kinds of anomalies like that, which mean that it is quite a lumbering system. It is hampered by its own structure. So we were very disappointed that Stephen O'Brien, the emergency relief co-ordinator, who I guess was nominated by the UK, was not really willing to look at UN reform in the context of the world humanitarian summit; but we would still argue that that should be in line.

Stephen Phillips: I have one more question after this, so, Mr Drake, maybe you could comment briefly on the same point.

Fergus Drake: I would agree with the comment that Ben made about an increased emphasis on national humanitarian actors and increased emphasis on cash transfers, which, when done right, can have a really strong impact on the overall market, as well as specific individual needs. I would agree with the comments made—I am not sure whether the same level of scrutiny that we rightfully get with regard to our reporting on value for money for the British taxpayer is given by the multilateral system. But I think, particularly in the Syria context, a growing focus on education in emergencies is absolutely vital. Again, DFID have been playing a very lead role in this area, but we are deeply concerned about a lost generation of children with regard to the child refugee crisis at the moment.

Q25 Stephen Phillips: Finally from me, on Ebola, MSF was much quicker off the mark than anybody else—except possibly me. What are the lessons that DFID can learn from the way in which the Ebola crisis manifested itself and the response to that, Ms Tiller?

Sandrine Tiller: Not to repeat our previous points, but maybe I will draw a bigger lens. Our critique was really not only of the UK or of DFID but of the way states responded, which was when there was a security threat to them. That is how we see it; this is what we've learned from Ebola. It is when it is knocking at the door here that the trigger for action will come.

Q26 Stephen Phillips: Or maybe when the media in-country forces a Government or the people of that country to think that it's knocking at the door, even if it isn't. Would that be fair?

Sandrine Tiller: Yes, obviously the media plays a role, but we really see this kind of security angle as becoming a trend, actually: "Is it a danger for us? Well, if it's a danger for the UK, then we should do something." So we actually interpret the reaction of states—European states, including the UK—as having had that as its source.

Q27 Stephen Phillips: In terms of the response—maybe I will ask Mr Drake as well, since you got so much public money out of it—what could DFID do to improve its response to similar crises in the future?

Fergus Drake: I think there are obviously deep learnings that have gone on across various organisations in terms of Ebola. To refer to the comment I made earlier, despite a slow start—and all the plaudits go to MSF for calling this out right at the very start—the amount of funding and people and the incredible courageous deployments that we saw was, in my view, our organisation's finest hour, and I think a very positive one for DFID as well.

The learnings going forward are, how can we capture the amount of cross-Government work? I saw a greater degree of collaboration in some of the meetings I was in between NHS, DFID, the Ministry of Defence and FCO, which was deeply impressive. I think there are a small core number of international NGOs that can put people on the ground quickly, but I think there is more that we can be doing in terms of relationships with the GlaxoSmithKlines, the Unilevers, the Reckitt Benckisers and others, so that we can have a UK humanitarian aid platform that can get the right mix of skills on the ground as quickly as possible for the next response, be it to Zika or to the next thing that's going to hit us.

Q28 Stephen Phillips: Can I just ask you a specific question? It might be said that it's ended up costing the British taxpayer a lot more because there was a lack of resilience built into the health systems in west Africa. Perhaps if money had been invested there in the first place, we wouldn't have needed to spend so much and we would have seen better value for money for the taxpayer overall. Is that something you would agree with?

Fergus Drake: I think it's a classic case of the counterfactual, but, yes, if more funds had been in some of those countries in west Africa, I think there would have been a more resilient health system to respond. But having said that, no one appreciated that Ebola was going to strike at the scale it did across those three countries.

Stephen Phillips: Except MSF.

Fergus Drake: I don't think even MSF predicted it was going to be there, but they found it early and called it out.

Q29 Stephen Phillips: Mr Webster, finally, do you want to add anything to any of that?

Ben Webster: Just to say that for me this amplifies the points about waiting for the media to pick up on something, or national interest to raise a flag about issues. DFID is leading the way in terms of risk-based analysis preparedness. That's what the thought leadership is showing—that you need to be doing a risk-based analysis and investing up-front. That's good, but it needs to be executed—it needs to be implemented—and that's where the investment needs to be.

Q30 Mr Bacon: I have just one question. I should declare an interest, in that I am a patron of a registered charity—Elizabeth's Legacy of Hope—that acts in a number of countries in Africa, and in at least one programme it has received a small amount of DFID match funding.

You said earlier that there was a challenge because of the increased politicisation of aid—the aligning of aid with national interests. There has also been a shift towards a greater proportion of expenditure going on humanitarian and emergency relief, compared with longer-term programmes, which is politically popular; a lot of people out there who pay taxes are more pleased to see their money going on humanitarian relief than on longer-term programmes that go on for a very long time. Isn't it naive to think that an aid programme will not have some connection with national interest? I am interested in all your responses.

Ben Webster: Absolutely there will be connections. What we do not know is what would have happened if there had not been those major responses to Ebola, for instance. It is crucial that there are major responses when it is necessary and required. If the British public—the taxpayers—understand that investing the money up front will save money in the long run and will be better for everybody, including us, that is absolutely in the national interest as well.

You are right that there is a desire for people to do things in an emergency. My concern is that the top-down approach of, "We need to be doing something now and to be seen to be doing something," undermines the operational teams on the ground who are doing the assessments and who have the risk-based analysis to say, "This is what is necessary and required," versus, "This is what we would like to do because it is in the national interest."

Sandrine Tiller: I agree. This is the way the world is going, for sure. A lot of countries around the world are discovering, "Oh, yes, we could use humanitarian aid to win hearts and minds." It is a classic. To be honest, DFID and the UK have really tried to make the difference between foreign policy and trying to keep some kind of firewall or some kind of

protection of the humanitarian space. I will give you an example. You will see on the website the list of funding given to Syria from DFID. One line is a little bit vague. I cannot remember how much it was but the line basically refers to funding cross-border initiatives—cross-border aid.

With the British Government having taken a particular line politically towards the Syrian Government, especially early on, the fact that they would also have aid coming through Damascus as well as aid coming cross-border is very innovative. The fact that they were able to have this discrete funding line—it is funding but, at the same time, it is discrete—shows that they were able to protect people receiving British aid from accusations of being part of a political game. It is just an example to show you the quite subtle approach that protects people from being accused of being a Trojan horse. One reason why we do not take funding from DFID, while respecting and engaging with DFID, is that we consider that our financial independence allows us to avoid accusations of being a Trojan horse.

Fergus Drake: I think you are right. There is always a political dimension to how taxpayer funds are spent by any Government Department. We are all looking forward to seeing the outworking of the new aid strategy. There are pluses for these different pots of money that have been allocated across to different Departments. As long as the same levels of scrutiny and principles that DFID works under are also embedded within the civil servants in Departments who are working very closely with those in DFID, it could be a sound strategy. Rest assured we will be very interested in how that pans out.

Q31 Chair: Thank you. I want to ask one final question of each of you, and please give a brief answer. We have talked about some of the challenges. Figure 4 in the Report struck us as really quite an indicative example of the challenges of longer-term humanitarian crises—movements of people and all the rest of it—rather than one-off situations. How can DFID improve what it does to tackle those longer-term issues?

Sandrine Tiller: I can give the example of South Sudan, which has been in crisis—it is one of the largest, longest aid recipients. It has been in the top five for the past 10 years. Before, of course, it was part of Sudan, but both Sudan and South Sudan are in the top five recipients of humanitarian aid. DFID has deployed a substantial team and a lot of attention, and there is a kind of cross-Government approach to South Sudan.

Our experience is that that is a great model for these kinds of protracted crisis. You have a team on the ground that is actively participating in debates and discussions, and we have had very positive feedback from that team in terms of upholding humanitarian principles and being pragmatic and flexible. You have an engagement of the FCO in terms of the peace process, or what should be the peace process. You have an upcoming deployment of troops for UNMISS—the peacekeeping operation—and you also have DFID looking at multilateral support for that. So that kind of package is quite a good model.

Fergus Drake: I would agree. I would say Ethiopia, having just come back from there prior to Christmas. Again, there are some deep concerns about drought this year and the 10

million people affected by it, but it is a very different narrative from 1984, in terms of how forward-leaning the Ethiopian Government has been in finding funds to respond, the quality and the size of the DFID office on the ground there and how closely they are working with the Ethiopian Government and all the humanitarian actors, as well as some of the areas we have been talking about in terms of early warning and some of the crisis modifiers.

Q32 Chair: Both of you have given examples of what is working. Are you saying that those models should be applied more widely?

Fergus Drake: Yes, and at greater scale. In some of our longer-term contracts, we are able to use 10% of those contracts to stop or slow down what we are doing and then respond to the current emergency. We would love that to be increased to 50% or 90%, so that we are able to be more agile in the programming funds we have to respond to an emergency that is happening right now.

Q33 Mr Bacon: Is there any good reason why those contracts cannot be tweaked in the way you suggest?

Chair: We could perhaps ask Mr Lowcock that—he is sitting behind you, looking forward to these questions.

Fergus Drake: Yes, I am sure you could.

Ben Webster: Continue with multi-year funding; that has been a good shift. As mentioned earlier, invest in national humanitarian actors. Lastly, it is a complex arena; humanitarian action is complex. There are many different pieces to the jigsaw, and it is important not to over-simplify it, so to have the flexibility and the agility to use different modalities in different situations is good.

Chair: Thank you very much for your time and your perspective. On behalf of the Committee, I pass on our thanks to your front-line staff who do heroic things day in, day out in very difficult situations. They are funded—some of them; by the sounds of it, not Médecins sans Frontières, though I have to say a lot of fundraising goes on in my constituency for MSF—by the British taxpayer one way or another, in part. It is really valuable and important humanitarian work you do, so thank you for that.

Examination of Witnesses

Witnesses: **Mark Lowcock**, Permanent Secretary, **Joy Hutcheon**, Director General for Corporate Performance, and **Lindy Cameron**, Acting Director General for Country Programmes, Department for International Development, gave evidence.

Chair: We are now on to our second panel, looking at the Department for International Development's response to crises, based on the National Audit Office's Report that I mentioned earlier. We acknowledge, of course, the Department's commitment to supporting those suffering because of conflict, natural disaster and disease and providing vital disaster relief, as well as helping to reduce poverty in volatile and unpredictable environments.

As I said to the previous witnesses, I want to pass on our thanks, Mr Lowcock, to those of your staff working on the ground for their considerable commitment and bravery in making change happen and preventing further disaster. Nevertheless, we are the Committee that watches value for money for the taxpayer. You are one of two permanent secretaries who is actually financially qualified—we like accountants on this Committee. So it is very important, of course, that the money is spent well, because every pound saved is a pound to spend on another crisis or another life—I do not need to tell you that, I hope.

The NAO Report is clear that you are doing some things very well: for example, your response to sudden and unexpected crises, working with other Government Departments and giving increasing attention to building communities' resilience to crises, which we touched on earlier. As ever, and what you would expect from this Committee, we will highlight what you need to improve.

As I mentioned earlier, that figure 4 stressed to us the different challenges that you are facing. There are some very long and entrenched difficulties. I was very struck as well by the 59.5 million people in 2014 alone forcibly displaced through conflict and disaster, which makes the whole challenge for how you deal with these things somewhat different and difficult. So we want to focus on how you are dealing with those issues, the long-term crises; how that has an impact on some of the other work on alleviating poverty and whether that causes difficulties in other areas of your work; and to ensure that you are getting value for money from the partners, some of whom we have just had before us, because we have to follow taxpayers' money.

I am pleased to welcome to our panel Mark Lowcock, the Permanent Secretary at the Department for International Development—welcome back, Mr Lowcock. Joy Hutcheon is Director-General for Corporate Performance at DFID, and Lindy Cameron the acting Director-General for Country Programmes—welcome to you both. I will hand straight over to Karin Smyth, who is leading on our questions today.

Q34 Karin Smyth: I have come from the health sector, Mr Lowcock, where people survive in their jobs for about two years, on average. I am fascinated by length of service in the Department and its various guises. Will you start us off with what in your view has really changed in how we respond to crises over that period of time?

Chair: Are you referring, Ms Smyth, to Mr Lowcock's 30-year service to the Department? I am just making it clear to him, because he might not have picked up on that.

Mark Lowcock: Thank you, Chair, for what you said. We will pass that on to our colleagues. I appreciate that.

The single biggest thing that has changed in the 30 years that I have been engaged myself in crises and response to wars and so on—my first job was on the war in northern Ethiopia in the late 1980s—and that has made the biggest difference to the difficulty of running a relief operation is that for the first 18 years or so there was an acceptance in conflict around the world that you did not go after the aid agencies. Then in 2003 terrorists bombed the United Nations in Baghdad. Since then, terrorists and other organisations, including combatants in wars, have thought it was okay to bomb the aid agencies, to kidnap and kill aid workers, and to attack those who are trying to bring help and relief to the victims of suffering.

The Report does a good job of exposing the fact that the Department has good skills and capability to respond to earthquakes, typhoons, hurricanes and even pandemics, and for protracted crises such as droughts and so on we have lots of experience and capability, but war zones in the modern world are much harder environments to operate in. That is the thing that we are finding to be the hardest and biggest change.

Q35 Karin Smyth: That leads on to my next question, which is for you and for Ms Hutcheon, I think. What constitutes success then for the Department?

Joy Hutcheon: Specifically in the humanitarian space, this refers back to the conversation about the balance between resilience and preparedness, and response. We have to respond to the disasters as they happen, but success for us would be in disasters—to some extent in natural disasters and in the stable protracted disasters—where we can be putting ourselves out of a job by doing preparedness better and building national capacity better. It is hard to see how we will put ourselves out of a job in the war zone crises, but we will have more capacity and more resources to devote to those crises if we can get ahead on resilience and preparedness. But that needs to be a sort of virtuous circle, so that as we improve national resilience, the crises will be less and we can recycle the effort.

Mark Lowcock: I think that is right. Obviously for each intervention we do, we set ourselves some objectives at the outset, which are well identified by example in the Report, and then we monitor whether we are achieving those objectives. But structurally, one of the big things that the Report does not pick up that we are investing a lot in at the moment is insurance-type mechanisms so that there is more automaticity of response when something bad happens, so you do not have a lot of pumped adrenaline and lots of people running around because they did not have the thing for the response worked out in advance. We do think in the non-war zone type of crises there is a lot of opportunity to improve the quality, impact and speed of response if you have more automaticity by using insurance-like mechanisms.

Q36 Karin Smyth: The Report is very complimentary about the work you do and how that is going, but what constitutes value for money in your view?

Mark Lowcock: Our approach to achieving value for money is: firstly, to be clear what it is we are trying to achieve in each situation; second, to be resourcing it adequately; thirdly to have the right skills, expertise and capability on it; fourthly, to have a monitoring, evaluation and review framework that picks up problems as they emerge; and the fifth thing, which is really crucial and touches on one of the points that your earlier witnesses were alluding to on looking after the money, is being aware that a lot of the time we are operating in places where fraud is a risk and diversion is a risk, and having a culture in the Department that is alert to that, with systems, investigatory capability and crucially an approach to loss recovery that minimises the scale of those problems. If we do all of those things well—I think this is what the Report says—we have an approach which is conducive to achieving value for money.

Joy Hutcheon: What I would add to that is the importance of knowing where the money is. We have done a lot of work on delivery chains and I am sure that you will want to ask us about that. Knowing how to articulate our results, so it is not always about quantum. The number of people you have reached with food relief is an interesting number, but you also actually also need to know the quality, the timeliness and the coverage of the people who have needed it. And then there is the counterfactual question, which is that in the humanitarian space you have also got to be assessing the cost of inaction at the same time as you are assessing the cost of action.

Q37 Karin Smyth: The Report talks about good lessons learnt in terms of the approach on individual programmes or interventions, but it does suggest that perhaps those lessons are not learnt across the piece. One of the things Mr Drake said in the earlier evidence about the Ebola crisis was how the response across Government in fact, including the health service and other parts, was very good. But the Report is not so complimentary about lessons learnt.

Mark Lowcock: I think that is a fair point. We need, particularly as the portfolio is much bigger than it used to be, to ensure that we are learning lessons across the whole portfolio. I do now have available to me for every month for the last year or so an aggregate assessment of the whole humanitarian portfolio—we are going to continue to do that on a monthly basis into the future. One thing we need to do is ensure we extract all the lessons from, say, Syria, Somalia or Sierra Leone and feed them into Yemen, Nepal and the Philippines so that we are picking up experience and putting it back into the system in a coherent and strategically effective way. I think that is a fair point that the Report makes.

Q38 Karin Smyth: We will come on to the staffing and skill mix a bit later, but in terms of the surge and the standard team, that is more difficult to do with that range of staff, so how will you factor that in?

Mark Lowcock: As the Report says, we have roughly trebled the number of professional humanitarian emergency response people we have in the Department in the last three years or so, and we will have further hiring in that space because we know that this is going to be a bigger part of our business. We are also growing the externally contracted capability we have, partly through the wider public sector with much stronger collaboration through good working relations with the MOD and the wider health system and so on. But you are right that sometimes we could be faced with a crisis of the sort we had on Ebola where we had to put in literally hundreds of people, as part of a British collective effort where we asked thousands of public servants from across the public service to come and help solve the problem, and hundreds of people from the Department to do that, too.

We had never had to do anything on that scale before and lots of other things had to give. We certainly learnt some lessons on it. It is not our aspiration to be in that position very often, but what we need is an agility and flexibility in the organisation so that people understand that they may think they are coming into work today to work on an education programme in the DRC, but actually we need them to join the team on Ebola.

Q39 Karin Smyth: And learn the lessons and bring those lessons back into the team.

Mark Lowcock: Yes.

Q40 Karin Smyth: One of the other things the Report highlights is whether the Department is really clear on what the criteria are for where to go and how to respond.

Mark Lowcock: Maybe I could give you a couple of examples to illustrate what we do in practice. On Friday night at 8.30 pm, there was the earthquake in Taiwan. I got the first assessment—or the first that reached me, anyway—at 11 o'clock on Friday night. The assessment was that there was a very high probability that it would be a contained problem. It turned out, as you know, that lots of people were trapped and killed in a building, but the first assessment was that it is a country with a lot of capability, including search and rescue, and that it would be a contained problem. There was no request for help. That was Friday night. On Saturday morning, I had two further assessments that confirmed that the Taiwanese Government looked as though they would be able to deal with it, and that they were not requesting help.

Compare that with Typhoon Haiyan in the Philippines at the end of 2013. We could all see in advance that it would be a big typhoon. We sent a team to the Philippines to get there 24 hours before it hit, because we could see it was going to be a very big thing. Quickly, the Government of the Philippines launched an appeal with the UN—these things are always co-ordinated by the UN—and we quickly realised that we had to mobilise a big response. The criteria are: how big is it, where is it, how capable is the host Government and what can we offer?

Q41 Karin Smyth: You referred to the UN. You will have heard the previous evidence about working with other organisations. Do you have any comments about what was said earlier and how that interface works from your perspective?

Mark Lowcock: In respect of the UN?

Karin Smyth: I think we said the UNHCR in particular, didn't we?

Mark Lowcock: You heard reference to the multilateral aid review, which the Committee scrutinised me on before. It is about our overall effort to improve the multilateral agencies, which we continue to do. There are three things in particular that I am keen to make progress on with the UN on the humanitarian side. The first is getting them to work together better and compete less. We are using some of our funding to try to force that join-up. The second is about data quality. I have commissioned an independent review, which I have asked them to help and engage with, to look at all the data and information about where their costs fall so we have a much better understanding of what they spend money on and can have a proper dialogue about it. The third is that we give them multi-year funding, and we would like to pass on the benefit of that to their sub-agents.

Lindy Cameron: It is fair to say that we have seen the UN learn significant lessons over time, in terms of its response to natural disasters, for example. If you look at the progression from the tsunami, through Haiti to the kind of response we saw to Typhoon Haiyan in the Philippines, we have seen really significant improvements in the way that the UN has brought itself together as a system, organised itself through clusters and been able to co-ordinate. One of the things we rely on the UN to do is to assess what the total scope of the response needs to be. We have seen a trajectory of improvement.

We have also seen, in contexts like Syria, the critical role that they play. There is no agency other than UNHCR that could have helped, say, the Jordanian Government respond at the kind of scale it had to by building the camp in Zaatari. They play a unique role, but it is fair to say that we think there is more they could do—in particular, as Mark flagged up, in terms of their ability to work together as a system and ensure that the way their individual mandates incentivise them to perform is collectively effective. We have centralised some of the funding in a way that incentivises collective joint performance, rather than individual agency success.

Q42 Karin Smyth: Others might come back later on the criteria. Figure 4 in the document looks at the areas where you are currently involved. It's easy to get in, but it's not so easy to get out, is it? In what conditions do you consider withdrawing from a crisis, and how do you see that?

Mark Lowcock: It varies a lot from crisis to crisis. For example, when the earthquakes hit New Zealand and Japan in 2011, we sent a search and rescue team to both those countries. They were there just for a week or so, because we knew that we had some

capability that would be useful for a brief moment but that those countries would not need help with the longer term recovery. With the Philippines, we made an investment after Typhoon Haiyan to help them build up their national capability. The benefit of that was seen when Cyclone Melor struck in December last year and the Philippine Government were able to cope with it. It was slightly smaller than Haiyan, but it was nevertheless quite a big cyclone. We thought that the investment we made after Haiyan to build up national capacity was a good one.

It varies case by case. We know that in places such as the Horn of Africa there will be chronic food insecurity problems. The Governments of Kenya and Ethiopia cope with them better now than they used to, but we know that we have to be there for quite a long time into the future just to help deal with the fact that droughts will come around and that that will have an impact on growing populations.

It is hardest to make planning assumptions for the hot wars. We do not know the situation that we will be faced with in Syria next year. In 2011, we did not know the horrible way in which this conflict would play out. We also did not forecast what would happen in Yemen when the rebel group tried to overthrow the legitimate Government last year. We need to ensure that we do our planning for the future at the right time, rather than have too much scarce resource wrapped up in rather theoretical concepts when we are in the middle of dealing with a very hot crisis. We are trying to make judgments about when we can plan for what, according to the nature of the crisis.

Q43 Karin Smyth: How closely are you doing that with the Foreign Office?

Mark Lowcock: As the Report says, we have made some progress in joining up with the Foreign Office, which is most important in the wars or the places where there are UN peacekeeper operations, such as in South Sudan, which you heard about earlier. We have a common platform with the Foreign Office, which helps to join up all the operations. We share a lot of professional capability. There is a good understanding in each Ministry of our relative strengths and capabilities, so there is a bit less tussling and fighting than maybe I saw at earlier points in my career. There is a high degree of mutual respect. I do not think that cross-Government working is our biggest area for improvement. It is an issue on which we have made improvements.

Q44 Karin Smyth: Okay, that leads very neatly on to my next question. What are you most worried about?

Chair: Is it in figure 4, or is it something that we don't know about yet?

Mark Lowcock: The hardest sort of crisis to respond to would be a very easily transmissible deadly pandemic. As we saw with Ebola, it was easy to write a cheque but difficult to get the organisational capability mobilised to sort the problem out in the region. That is why we had to send thousands of public servants from this country, including 1,500

military, to be part of that. If we had a very virulent, deadly flu, for example, that would be a very hard thing for the world to deal with.

The second difficult category is when humanitarian space is not respected in wars and combatants think it is okay to bomb civilians and kill aid workers. That is just very difficult.

Q45 Karin Smyth: Given we have had worldwide flu epidemics over centuries, why do you pick out flu as a difficult area to respond to?

Mark Lowcock: Well, 1918 to 1920 was the last time there was a big flu epidemic, which obviously killed many people. Scientists are worried that there is a risk of very virulent outbreaks, which could be deadly. Because it is transmitted by people sneezing in each other's vicinity, in a globalised world in which people travel everywhere, it is just hard to contain the spread.

Q46 Karin Smyth: This is the last question from me. Where are you most worried about? It does not have to be on your current list.

Lindy Cameron: At the moment, we are worried about El Niño and the La Niña after-effects, which are affecting large swathes of the world in very differentiated ways. Regionally, I think it would be a combination of the Sahel and the Middle East.

Q47 Mr Bacon: Mr Lowcock, before we move on, I want to ask you about what you said about the United Nations. You were hoping to use your own funding to encourage greater co-operation and help reduce the number of turf wars in the UN. We heard about this from earlier witnesses as well. The UN Under-Secretary General for Humanitarian Affairs and Emergency Relief Co-Ordinator was a Minister in your Department until relatively recently. I was wondering if that fact has helped. One of the earlier witnesses mentioned that, and it didn't sound as if the attempts at reform were going as smoothly as they need to. I wonder if you could speak to that.

Mark Lowcock: His predecessor was also my Secretary of State previously. That is one of the key roles in bringing things together; the emergency relief co-ordinator has some levers and assets. For example, they have a revolving fund, to which we are the biggest contributor. You can put money in and then encourage the system to have a grown-up conversation about which agency is best placed to use it.

The fact remains that most of the agencies fund raise independently. They have 200 member states. They have a lot of authority and power, and internal incentives which make it hard to join them up. A comparison was drawn with our ability to have a different kind of conversation with say, Save the Children. It is not quite the same thing, because we are one

member state among many and we have already been found, as the report says, to be a rather demanding member state.

Q48 Mr Bacon: Given that you have raised that point, I was going to ask you about it, very briefly. The report says: “the Department was a well-regarded but demanding donor”. It goes on about the high transaction costs of complying with your demands. Then it goes on to say in paragraph 3.10: “Despite exercising this challenge—” this was the phrase that interests me—“the Department has not usually been able to identify how much of its funding benefits recipients”. On page 9, the second bullet point in paragraph 18 says: “For many of its interventions, the Department does not have a good understanding of how much of its funding benefits recipients and how much goes to meet costs partners incur in supporting the delivery of assistance”.

I was very surprised when I read that. I remember working in Sierra Leone a few years ago and being shown a pharmaceutical centre. I was told how, because of leakages and your personal concern you had chased down half a million pounds that had gone missing and even gone over to New York and prised it out of the sweaty palms of Tony Lake at UNICEF and insisted that we got it back. That you should have such a gap in your knowledge really surprised me. Why is that?

Mark Lowcock: There are two things here. The first is what I was referring to in answer to an earlier question. I have commissioned a study, which I have asked all the agency heads to participate in, to create much more transparency and openness about how the costs fall. I remain very frustrated about the difficulty of getting that data on a consistent basis.

The second thing is a different point. I think it is a bit misleading to think that the cost of the food you are providing is somehow worthy and the cost of the transport to get it there, or the security, or the monitoring and evaluation, is somehow unworthy. Without it you can’t get the food to anyone and you don’t know if you have value for money unless you do the whole package.

Q49 Mr Bacon: I understand that, but knowing the breakdown is surely valuable information.

Mark Lowcock: Yes, completely, and that is what I am chasing. That is exactly what I am chasing. I imagine you are going to encourage and support me in doing that, and we will become an even more demanding donor of the UN system. I think everybody benefits from this. All I am saying is that it is quite a long, hard road and not all the 200 member states are in the same place.

Q50 Mr Bacon: Have you ever said, “Unless you show us the costs, we won’t give you the money, because we are also being asked for the money for other uses”?

Mark Lowcock: You risk forcing yourself into an uncomfortable place if you say to UNICEF, which is supporting millions of children's education in crises around the world, "We are not going to give you any money unless you do this thing." That is not the best way to have the conversation. The conversation we are trying to have is, "It's in everybody's best interest to get value for money, for there to be better data. That's going to help you, Tony, get better value for money and use your money better". That is the conversation we need to have.

Q51 Stephen Phillips: Mr Lowcock, this is a very good Report and I think you and the Department can rightly be very proud of your efforts, but I want to ask you some questions, principally about the effect of crises on development work and your resources and capacity. May I begin with the use of contractors?

As I understand the Report, you have a contract in place for humanitarian professionals—*[Interruption.]* Sorry, I am reminded that I need to make my declaration of interest again: for the record, although not formally required to do so, may I declare that my partner is currently employed as a consultant working within the Government of Rwanda under a contract managed by OPM and funded by DFID? All three of you now know that, along with everybody else.

You have a contract in place for humanitarian professionals to supplement your capacity within the Department. My first question is: why do you think you do not have that expertise in place in the Department? Why do we need to employ consultants at all?

Mark Lowcock: For two reasons. First, because it is not sensible for us to keep on a permanent basis inside the Department all the capabilities that we need to draw on from time to time. Contractors do things for us like run airports, run air transport systems or do bridges or disaster epidemiology. There are hundreds of people on a call-down arrangement who have the skillset, most of which we do not need at any one moment. We have about 45 people deployed at the moment, but we need to be able to access that skillset instantly.

Q52 Stephen Phillips: But you have got this wrong in the past, haven't you? You said in answer to an earlier question that you were growing this capacity within the Department.

Mark Lowcock: We are doing both things, Mr Phillips. We have grown the cadre of humanitarian advisers, who are the people who manage each operation for us and work out, "What we need here is an air transport capability. We can go to people to do that." We have those internal people, as well as capabilities outside that we use on a drawdown basis.

I did not give you the second reason why we need this external resource, which is the surge capacity. If we could not bring in extra resource for crises, we would have to reallocate our own staff and would be pulled around in too many different directions. We would not be able to deliver the 85% of the Department's business that is not emergency response.

Q53 Stephen Phillips: You are subject to accounting rules from the Treasury that limit your internal operating costs. Does that have a detrimental effect on how many people you can employ in this space?

Mark Lowcock: As I said, we have grown our capability in this space at the expense of other things. The total size of the Department has grown over the past few years. The agreement we have reached with the Treasury for the next few years will enable us to have more capability inside than we have at the moment.

Q54 Stephen Phillips: Was the limit on operating costs in the wrong place previously?

Mark Lowcock: The time when it was most out of sync, when I regret not working harder or flagging the issue more energetically, was in the 2007 to 2010 period, when we took a lot of cost out of the Department and were trying to do a lot more. From 2010, we have grown the capability in the Department. We are going to do that again, so I am not principally worried about the balance between the internal and the drawdown in the way that I have been at times in the past.

Q55 Stephen Phillips: Part of the problem with these contractors that the Report identifies is that they do not always—*[Interruption.]* Mr Bacon is starting the flu epidemic on his own. They do not always have a good knowledge of how DFID and Government work or how the countries to which they are deployed work. How do you compensate for that potential lack of effectiveness on the part of contractors?

Mark Lowcock: In a way, you could make the same critique about us, when we had to respond to a typhoon in the Philippines or when we had to start up in a region of the Middle East we had not been in for decades. There are some generic skills that you typically need for sudden onset emergencies, whatever the geography is. That is a lot of what we are buying from the contractors. If we get forced into a new region for a long time in a way that was not expected, we need to get better and to get up to speed faster. I accept that point in the Report; we need to work on that.

Q56 Stephen Phillips: I understand the need for agility, and that you do not always need some of these skills in the establishment, but for example, the Report says that you needed a specific person—I think a country director—in Lebanon, but you did not have one. You decided you needed one, but it took nine months to get the person in post and actually working.

Mark Lowcock: Yes, and that was at a time when we were dealing with lots of other crises. We were not exactly sure how things would pan out. I hope we are in a better place

on that now. Joy has just come back from Lebanon, so maybe we could tell you a bit about where we are on it.

Joy Hutcheon: I have just been out in Lebanon and Jordan looking at our scale-up needs for the next five years—the next SR period. On this particular post, there is a difference between establishing a presence very quickly for a few months in country and staffing up a team for several years. We got the staff we needed out into Lebanon quickly. At the same time, we were rapidly scaling up the total number of staff we had working on the Middle East. We have doubled that since 2013 and trebled it since 2010.

Chair: I am afraid we must now suspend the hearing for a Division. We will back here in eight to 10 minutes.

Sitting suspended for a Division in the House.

On resuming—

Chair: Joy, do you want to carry on, if you can remember where you were?

Q57 Stephen Phillips: Just to remind you, we were talking about consultants and I think you were telling us about the Lebanon. This is the point I am interested in: if we take the Lebanon as an example, you didn't have a country presence, as I understand it. You had to put consultants in. It took a long time to get the country director in place—nine months. That's a delay. There are associated consequences, and it is much more expensive to employ consultants for these posts than to use staff who are on the establishment of the Department, so I think we need to be persuaded that that delivers value for money.

Joy Hutcheon: When we need to go into somewhere where we do not have a presence, it is often very immediate and urgent and we get people there straight away. Those may be surge people from the contract, and, in the case of Lebanon, we did put some humanitarian advisers in. They may be short-term people from the Department who are ready to get up and leave their families and go for a few months, and then we try to sequence that. If the conclusion we reach is that we are going to be there for several years, as in Lebanon, we try to sequence that by recruiting a longer-term presence.

We have certainly learnt that there are some things—some processes—that we can improve, but at that point, you are very clear that you need to get the right person, because they are going to be there for a long time and they are going to move their family there. There are often lead times for doing that. We try to make sure that we are sequencing the temporary support and the people travelling out from the UK and that we have all the capability that we need while we are getting the longer-term people in.

We did get a permanent head for Lebanon in quite quickly. The deputy head was an extremely able member of staff whom we moved from Ethiopia and who needed to move his family. That took a little bit longer, but during that period, we were the one donor out of the whole community that the Government asked to lead on the Lebanon crisis response

plan. So we are confident that we managed the engagement with the Government in a way that gave them confidence.

Mark Lowcock: The business model is not that when something bad happens, we throw consultants at it, then kick our heels, and then send some staff. It is always a mix. From the outset, we had staff in Beirut as part of the team. Lindy was saying during the break that we also have in the contract a requirement to provide regional expertise, so we were buying some geography, if you like, in the way that we designed the last contract.

Q58 Stephen Phillips: In a sense, Mr Lowcock, that serves to highlight the other problem that I was asking you about. If you seek to buy in this expertise because you do not have a country office—I will come to this point with Ms Cameron in a minute—that in itself is a difficulty, because you have contactors going in who do not understand how Government work but have the relevant regional expertise. DFID staff understand how Government work but do not have the in-country expertise, or the relationships with the NGOs or the host Government.

Mark Lowcock: When we arrive somewhere for the first time, we have to do a whole bunch of things all at once—capture the geography, join up Government and have a delivery capability. What we find in practice is that, to do that well, you need a group of staff from the Department who can plug into the wider Department’s capabilities and expertise and work across Government. Then you need some dedicated expertise, whether it is to get the airport up and running, get the comms system working properly, do the logistics or the bridges, or whatever. Typically there, we will be using contractor staff.

Q59 Stephen Phillips: What is the correct mix between contractors and DFID staff?

Mark Lowcock: This is the key question. You have hit the nail on the head—that is the one we are wrestling with at the moment.

Q60 Stephen Phillips: The difficulty is that you have turned your face against a pre-agreed roster for surging DFID staff, haven’t you? What was the reason for that?

Mark Lowcock: We did not want people sitting on their hands waiting for the next crisis. We have designed the internal roster so that people are on lists but are being drawn off something else. Consultants are not our problem when they are not working for us, so they are callable down at no opportunity cost to us.

But I want to come back to the thing we are wrestling with, which you identified: how do you think through the right balance? There isn’t a perfect answer to that, but we are retendering the contract at the moment. Alongside growing our own internal capability, we are going to require the next contractor to have a much larger capability at our disposal and their expense, so that we can manage that balance more effectively into the future.

Q61 Stephen Phillips: How are you going to deal with the difficulties that that causes for security clearance of contractors?

Mark Lowcock: You are right that, depending on the role they are playing, we have to get some security clearance for them. We may just have to put larger numbers of people through the first level of security clearance, and that is one of the things that we will have to work out as we go through the process.

Q62 Stephen Phillips: It sounds as though it is a work in progress. When do you think you are going to be able to come to the Committee and say, “Actually, we have conducted all the assessments that we need to conduct. Now here is the perfect model.”?

Lindy Cameron: To answer your security clearance question, the Stabilisation Unit who use the other half of that contract hold a roster of security-cleared staff, precisely because the kinds of crises that they usually engage in are the kinds of crises in which we need staff to be able to work in a highly classified environment. So, in fact, we are able to use some of their draw-down expertise in balance with the CHASE draw-down expertise to ensure we have the right mix of humanitarian experts, who are less likely to need that security clearance, and conflict experts, for example, who may well need that experience. We have got that mixture available.

The answer to the question on the kinds of mixture is context specific. The answer is totally different in the Philippines than it is, for example, in Lebanon.

Q63 Stephen Phillips: But there must be a series of models, Ms Cameron. Depending on the nature of the crisis and the region to which you are deploying, you could have pre-formed plans—which sound as though they are not yet in place—as to the likely model or core of the model that we will be following.

Lindy Cameron: In a sense there are pre-formed ideas about what a good team looks like, for example, in response to a natural disaster.

Q64 Stephen Phillips: But are they in someone’s head or are they written down?

Lindy Cameron: They are part of the CHASE OT contract. That is exactly what we require as part of that contract—the ability to deploy a team leader and the right mix of staff for the disaster. The kind of staff you need for an earthquake are very different from those needed for a typhoon or for an Ebola-style epidemic. Part of the challenge of holding rosters is that you do not want to respond to the last crisis: you want to respond to the next one. That requires a level of agility, flexibility and decisions on the ground at the time.

It is fair to say that the kinds of staff we usually need in a prolonged crisis are the right mixture of DFID senior managers, DFID programme managers and humanitarian experts. DFID senior managers have both policy and cross-Government expertise. DFID programme managers are able to run programmes, not necessarily on the ground. For example, for Syria, we do quite a lot from London because it is easier to work with partners in London when we cannot have staff on the ground. Some of the humanitarian experts need that DFID expertise and some need the kind of technical skillsets we do not get in Government.

Q65 Stephen Phillips: I am not sure who is responsible for the tendering of the new contract but we heard from Save that there are a limited number of humanitarian professionals within this space. Obviously, DfID cannot pay the greatest rates that are available. I am sure that you are up there but we all know that the UN pays a lot more with a lot more benefits. How will you ensure that you have the relevant people available to you?

Mark Lowcock: So, the point made to you on capability is a global problem. One thing we are doing to deal with that is to invest in building skills for the future through the leadership academy that Fergus Drake was talking to you about. You are right that we have a value for money drive on what we are willing to pay. But we do have some advantages as we go out to the market. The first is that we have a reputation for being an effective organisation that people want to associate themselves with. Secondly, English is our language and that is the working language for everybody. Thirdly, we have a track record of managing these contracts well. People know that if they are getting into business with us, they have a professional client at the other end of it and if they do a good job, it will reflect well on them. We plan to drive a very hard bargain as we tender the next phase of this contract.

Q66 Stephen Phillips: Can I just come back, Ms Cameron, to responding to crises where you do not have country offices? When the UN turns up somewhere where it does not have a presence, the staff who turn up spend the first week hiring drivers and finding accommodation, and the next week finding office accommodation and infrastructure. Is there some alternative model that the Department could use so that it has a ready capability that can be planted in countries where you need to respond to crises but do not have country offices?

Lindy Cameron: One of the great advantages we have is a network of embassies in almost every country in the world, and that is what we use as the platform for our response team. What we have already is a network to be able to respond from and that is the model we use but, as part of that contract, we also have the requirement to be able to respond quickly, which means that part of that team must think through what kinds of skills and responsibilities they need to take with them. It is very much dependent on context. For example, if you are responding to a natural disaster in somewhere like the Philippines, which has a reasonably robust infrastructure but is under threat as a result of a cyclone, you take a different set of kit than if you were going somewhere such as South Sudan, where

just the transport issues—getting things into country and then further on into the field—are huge. There is no one-size-fits-all model but there are definitely ways you can plan in advance for that by using the network we have.

Q67 Stephen Phillips: We have referred a number of times to CHASE—the Conflict, Humanitarian and Security Department. It is not a great acronym, if I might say so, because it sounds as though you are chasing the problem rather than actually dealing with it. Leaving that aside, is there some way in which that could be beefed up so that you have a ready model sitting in London? Therefore, when a crisis emerges and you do not have an in-country presence, you can literally lift it up in 48 hours and put it down, in an effective way, five to seven days later so that it is working on the ground having hit the ground running in-country?

Mark Lowcock: Yes, that is what we have, and we have just restructured the Department to put the person in charge of that group at a more senior level and beef up the management of it. We are growing the capability to do exactly that, but also, crucially, to plug into the rest of the public sector, because a lot of what we need to put on the ground in the kind of place we are dealing with comes from the MOD, the public health system or some other bit of Government. We are doing exactly what you describe.

Q68 Stephen Phillips: But let's look at Ebola as an example. If a similar crisis, whatever it might be—there are always unknown unknowns out there—were to emerge, you might have to go through a surge procedure again within the Department whereby you would have to surge staff from their existing roles to deal with that specific problem.

Mark Lowcock: That is an inevitable feature of not running a system where we have hundreds of people sitting around waiting for the great disaster to emerge. It would not be value for money to run it that way.

Q69 Stephen Phillips: I understand that point, but you are very reliant on the good will of your staff to volunteer in those circumstances, aren't you?

Mark Lowcock: You are exactly right: we are very reliant on the good will of people who work for the Department and, as we saw with Ebola, the good will, courage and bravery of thousands of other public servants. Sustaining that set of values is something we feel an enormous degree of responsibility for, and we do—

Q70 Stephen Phillips: There was a very high turnover of the staff who were surged on Ebola, according to the Report.

Mark Lowcock: Yes, because we were asking those people to work seven days a week; their families weren't with them. We had them on rotation, for reasons of managing

burn-out, giving people a breather and so on. We had a group of people there right at the beginning of the crisis who were doing work that it wasn't sensible to continue—

Q71 Stephen Phillips: The point that I want to put to you, Mr Lowcock, is that that good will might not be there next time if people found last time that it was interfering very badly with their family life, for example.

Mark Lowcock: We have to run the Department in a way that sustains good will. People get enormous personal and professional satisfaction, as thousands of public servants did, from going to somewhere like Sierra Leone and solving the problem. We have sustained very high levels of engagement in the staff of the Department, and it is our responsibility to make sure we sustain that.

Q72 Stephen Phillips: The Report also says—this is for Ms Hutcheon—that the HR department could not cope with that surge.

Joy Hutcheon: It is absolutely true that there are some things that the HR department could have done better and quicker.

Q73 Stephen Phillips: What are those?

Joy Hutcheon: And that is partly about the engagement between the HR department and the team in-country, so it's not just about HR, to be honest. We could have got some of the arrangements in place a little bit more quickly around allowances and those sorts of terms and conditions. That affected morale a bit, rather than actually affecting the operations. We should have got HR staff embedded in the crisis response team a bit more quickly than we did. One thing that we did not get right between HR and the crisis team, the response team, was providing resilience support.

Q74 Stephen Phillips: You brought partners of staff back from Sierra Leone.

Joy Hutcheon: Yes, we did.

Q75 Stephen Phillips: You put them up and gave them an accommodation allowance.

Joy Hutcheon: Yes, we did. No, it was the staff we were surging out where we could have got the allowances—

Q76 Stephen Phillips: Well, I'm interested at the moment in the ones who were brought back. Then you zeroed their accommodation allowance, didn't you?

Joy Hutcheon: After a period of time when they were back—

Q77 Stephen Phillips: What were they supposed to do?

Joy Hutcheon: They were all staff who had been—who have homes in London. They were London-based or they were UK-based.

Q78 Stephen Phillips: They were UK-based; I don't think they were London-based.

Joy Hutcheon: No. That's right: they were UK-based. After a period of time, we don't regard it as sensible to keep a member of staff whose base is the UK living in a hotel. There has to come a point where we say, "Actually, this isn't temporary. You're not going back. We need to make this more permanent."

Q79 Stephen Phillips: Some of them, for example, had to go and live with their parents, didn't they?

Joy Hutcheon: Well, they made a choice about whether to return to the home that they had been living in before they went to Sierra Leone or whether to live with their parents. Those are not comfortable decisions to take, but in terms of—

Q80 Stephen Phillips: They are not likely to encourage the good will on which the Department was relying and will rely in the future when it wants to surge staff within the Department.

Mark Lowcock: We have had other experiences since Ebola where we have had to ask people to move jobs and do difficult things at short notice. We have had to surge a lot more people in to deal with the Syria crisis. What we are not seeing is a disinclination of the staff of the Department to volunteer to do difficult things in hard places. What we are seeing is a very high degree of professional commitment and desire to be part of solving a bad problem.

Q81 Stephen Phillips: May I ask about the effect of the surge on your other programmes, which is the other limb of this? There were 252 staff on this occasion taken from across Government; I think it was 150-odd of your own staff within DFID. The Report says at paragraph 2.15 that this "is likely to have had an impact" on the Department's "other programmes". That is inevitably right, isn't it?

Mark Lowcock: Of course, absolutely.

Q82 Stephen Phillips: I think you said earlier—and I noted it down—some things had to give.

Mark Lowcock: Yes, completely, and I think the NAO team would like me to have gone through a big process to write down all the things that those people would have done on the days when they were, instead, doing Ebola. I concluded that that probably wasn't the best approach into this. What we did as a practical matter was to make sure that for the Government's top-level commitments on development during the last Parliament, where the Government made commitments to send 11 million girls and boys to school and provide water and sanitation for 60 million people, and lots of other commitments, we organised ourselves to guarantee that those commitments would still be delivered even though we were having to take people off, in some cases, those programmes, to work on Ebola. So the things that gave were a range of other things that were lower priority in the Department, not all of which I have run round the hundreds of people involved to ask them what they were and count them up. But we prioritised the things that had to give, and that is the approach I would intend to use—

Tom McDonald: Just to come in on that, I don't think we were keen for the Department to engage in a long bureaucratic exercise. I think what we were trying to do, as with the rest of the Report, was help the Department learn the right lessons from Ebola, and to see whether a similar surge like that in the future might be possible, because you did indeed understand what the effects were on the rest of the business. So it's not that we were, as I say, interested in a grand exercise, but what in fact did get delayed or stopped or let go; because there is a danger otherwise if you don't know what the impact is you might decide in a future crisis to do that again without knowing what the impact is on the rest of the business.

Mark Lowcock: My point—what I can assure you—is that the Government's other top priorities were sustained. In order to give you the answer to what were the very large number of other things that were pushed to the right, or delayed, or not done, I would have to do such a big exercise that I don't think it's value for money to do it. The bigger issues on the surge are the ones Mr Phillips was pursuing with Joy earlier, which is how do the people who work for us, who we rely on, feel about this whole experience? That is going to be the biggest determinant of whether we can keep doing this successfully in the future.

Q83 Stephen Phillips: Have you done an assessment with your staff as to what they feel about the surge?

Mark Lowcock: Yes, we have. We had a number of learning exercises, and a lot of the feedback that was picked up in the Report comes from some of those exercises. The overwhelming thing that people working in the Department have told us is that they were proud to be part of an effort that saved tens of thousands of lives in Sierra Leone and solved

this problem. The overwhelming experience is, even for the ones who weren't directly involved, they saw their colleagues doing a good thing, and they are up for contributing to that.

Stephen Phillips: The difficulty is this, Mr Lowcock—and it may be that it is simply not capable of being solved: if you have a crisis like this and you have to surge your staff away from other work which the Department is doing in terms of development, that deals with the crisis but the work they are being taken away from is not only important and valuable in its own right but may, for reasons we don't know, be preventing future crises. You may therefore end up in a position, because you don't have the capacity without surging from other posts within the Department—you may end up actually costing the taxpayer more money in the long term, because you are creating further problems as you kick the can down the road on other programmes.

Mark Lowcock: I completely understand that that is the worry and risk. All I am saying is that the only way we would be able to guarantee we could deal with an infinitely large crisis without affecting anything else is to have an infinitely large number of people sitting round waiting for that crisis. That would not be value for money, so the better approach is—and I would say Ebola, in terms of the scale of what we had to do, is very unusual—is to be generally agile and responsive and have a bit of flex, and know how you would organise yourself, and then to accept that you know some things have fallen away, because they have, because people were not sitting on their hands when they were taken off it.

Chair: Mr Lowcock, we are not disagreeing about what you are trying to do, but we have this point of disagreement. I am going to bring in the Comptroller and Auditor General on this point.

Sir Amyas Morse: Something is better than nothing. I am aware that there was a sort of unresolved debate on this when we were writing the Report. Just to say, however, understanding the common sense lessons is that you do not need to do a huge exercise, running around anywhere writing things down, but just to find out what those things that dropped were. It is not the biggest organisation in the world; it is possible to find these things out by asking a few intelligent questions and coming to a view on "What have we learnt about this?" We are not really suggesting more than that.

Mark Lowcock: May I make the suggestion, or offer, that if we can have a further conversation—

Sir Amyas Morse: Happy to do it.

Mark Lowcock: What it exactly is I would do to elicit that information—I would be delighted to, but I am worried about—

Sir Amyas Morse: No, we are not trying to get you to—

Chair: If I can reassure you, as a Committee we are very mindful in our reports and recommendations that we are not just creating tasks for the sake of tasks. One of our big issues though, constantly in this Committee, is data and information, because we can only make an assessment on whether something has been effective on that. I will hand back to Mr Phillips.

Q84 Stephen Phillips: I have some specific points that I want to come to at the end, but the Auditor General in some sense pre-empts me. It struck me that one of the recommendations that we might make is that you carry out some form of desktop exercise to see what capacities were lost as a result of the surge within the Department during the Ebola outbreak and what the future impacts of that might be—just to see if there are any lessons, on a desktop basis, that might be learnt from that. I wondered what your reaction to that potential recommendation is, Mr Lowcock.

Mark Lowcock: That is completely consistent with what we are doing at the moment on thinking about our future workforce requirements to deliver the aid strategy and other commitments made by the Government, a big element of which is crisis response and so on. I do not have any problem with what you have just articulated.

Stephen Phillips: I have four specific points that I want to come to at the end, but otherwise I am done.

Q85 Mr Bacon: I would like to flog this horse a little more. You said that we made sure that the things that DFID really cared about were maintained and protected, notwithstanding the surge. You also said, in connection with that, that we prioritised what gave way. I do not understand how you could prioritise what gave way without knowing what it was. That is all. I think that is the point. Having some handle on what had to give should be basic—no one wants an encyclopaedia, but some handle on it.

Mark Lowcock: Maybe I did not express myself very well, Mr Bacon. What I was trying to say was that the prioritisation process made sure that the Government's top priorities were protected. What we did not do, and what you are talking about doing—I am open to ways in which we do it—is thinking about what was on that other list of things that haven't been exposed and therefore happened later or have not yet happened. I am open to trying to do that.

Q86 Chair: I wanted to touch on a couple of points. One is this issue around how you follow the tax pound when dealing with multilateral aid. On bilateral aid, the Report was quite positive; you have quite a lot of strength there and a reputation as a tough donor, which from the point of view of the Committee is not necessarily a bad thing. What about multilateral aid? We have made some recommendations on this before. Have you done a full analysis, comparing how you follow the pound in both situations? What does that analysis tell you, if you have done it?

Mark Lowcock: There is a very good figure in the Report—figure 7, I think—which gives examples of some of the results that we were trying to achieve on some of the humanitarian response. A lot of those are through multilateral programming, so we absolutely do have a conversation with the World Food Programme or UNICEF about the number of people whom they reach with their programmes and about the impact on regions. My point really is that the underlying data on some of the finances, the management information and the more disaggregated data I would like to be a lot better, because if we had better data we would drive value for money a lot better. That is basically what we are trying to do.

Q87 Chair: You talked earlier about trying to work with those agencies to get better data in a collaborative way, rather than in a tough cop way. Do you have any examples of where it has begun to work with those multilateral bodies? Take the UN, or another if you have a better example.

Mark Lowcock: This is not an example from the humanitarian space, but I have been asked questions here before about our procurement of commodities, such as bed nets, and we collaborate a lot with UN agencies in that space. Over the last three to four years the price of insecticide-treated bed nets has been halved through collaborative approaches on procurement. The price of antiretrovirals over the last 15 years has fallen by 99%, and that is because the purchasers have got together in a more effective way than used to be the case to exercise market power, essentially.

There are some areas on the humanitarian response where we can do some of that kind of thing. For example, one thing that sometimes happens where there is a big, sudden onset emergency is lots of agencies want to access civilian aircraft to fly supplies in and out and you can quickly get into a bidding war unless you are smart about it. We are very alive to that, and we collaborate in a way to try to manage those risks away.

Q88 Chair: That is one success story. Is there any scope—

Mark Lowcock: Maybe I can take that away, think about it and write to you with a few more examples. But my main point is that I am not at all happy with where we are or where the system is on that, which is why I think we need help from others and a lot more drive and energy on it, because I believe very strongly that we can create a lot more value if we invest more in this area.

Q89 Chair: You must have learnt lessons from the examples you have given of what is working. You have given some indication of that, so what is the biggest break in making that happen? Clearly you are doing the multi-donors and that is going to be challenging. Is it easier in some parts of the world than in others? Where are the opportunities?

Mark Lowcock: Sorry, I misunderstood your question, but I think I understand it now. The biggest thing that makes a difference is the mindset in the organisation you are talking about where the objective becomes shared. That is where you start to get a transformation on the approach and collaboration on it, and that is one of the reasons why we think the best way to get into this is in a co-operative mindset. Sometimes people brush you away if they think you are not serious, so, as the Report says, we are demanding, but the more we can co-operate and collaborate, the better we think we will do.

Chair: If you have got any more information on that—Caroline wants to come in on this point.

Q90 Caroline Flint: I think, like other colleagues, that it is a good Report and we are all proud of the contribution made by your Department and the other stakeholders who work with you. There has obviously been an increase in the number of crises that the Department has taken a role in. Choices clearly have to be made and colleagues have raised concerns about the impact on the Department's other work. How is the Department having an impact on other countries being able to step up and take more of a lead? Given that there has been an increase in the number of humanitarian crises that you have taken part in, are there examples of crises where we did not take part? If so, why was that?

Mark Lowcock: Let me give two or three examples of emergencies that we did not respond to to start with. There were floods in Tajikistan in the summer of last year that we did not respond to. There was a drought in Papua New Guinea two or three years ago that we did not respond to. The December cyclone in the Philippines we did not respond to. So there are examples of that.

On getting the burden shared more fairly, which I think is part of your other point, it is the case that a number of other countries' share of the aid budget on emergency response has grown as well: the Canadians and the US are in that category. To some degree that reflects the fact that on longer term developments—the number of people in the world living in the most extreme poverty, the number of children dying before their fifth birthday, women dying in childbirth and so on—the numbers have all come down a lot. So the remainder extreme poverty agenda is a bit smaller than it was 15 years ago and that creates space to respond to one or two other things.

In London last week we hosted a very important fundraising conference on Syria, and one of the objectives that the Prime Minister set us was to make a big contribution from the UK and use that to draw in much bigger contributions from the rest of the world. I think the Government were pleased with the progress made on fundraising: \$11 billion for the next several years, including more than doubling what was raised at the comparable conference at the beginning of last year for the current year. We are aware that taxpayers want to know that everyone else is playing their role as well, so investing in bringing other people to the table is something we are tasked with.

Q91 Chair: Okay, thank you. I wanted to touch on the aid strategy and the money that will now be spent through other Departments. Are you content that that is focusing on need and that you have enough sight on what is happening with money spent through other Departments?

Mark Lowcock: From my point of view, having other bits of Government engaged in the development agenda is a very good thing. Britain has a lot to offer beyond the narrow work of the Department when helping other countries progress. The Government have set in place a framework and some rules to ensure that aid is spent on what it is supposed to be spent on, within the confines of the relevant legislation. The Government have decided that DFID and the Treasury should have some oversight of value for money in the whole ODA budget, not just the budget that is voted by Parliament to DFID. Indeed, the piece of legislation that was put on the statute book last year—the 0.7% Bill—has a provision in it requiring the Development Secretary to have an overview of value for money for the whole of the 0.7%, not just the share that is voted to the Department. We have been given statutory responsibilities to think about the whole set of issues, which we will do.

Q92 Chair: You heard in our earlier questions that there is some concern about a bigger budget meaning that more politics comes into it and that the focus is maybe taken away from need. As the accounting officer for the 0.7%, regardless of where it is spent, are you content that the other Departments are focusing on need in the right way? You do not necessarily have a say in the direction of that money even though you are accountable for it.¹

Mark Lowcock: The Government have set different objectives for allocations to other Departments. Following Ebola, the Department of Health, through the creation of the Ross Fund, has been given, with us actually, a responsibility to invest a lot more in technologies, vaccines, drugs, diagnostics and so on to help deal with tropical diseases. That is an area where, working with the MRC and Wellcome, they have made comparative advances, so that makes sense to us. It is the same with BIS on the “Grand Challenges” fund. Our responsibility is to contribute to ensuring that the ODA rules are complied with, which the Government have stated is essential. The ONS supervises that and we have to report internationally on it. We then contribute to the value for money approach, which is what we are trying to do.

Q93 Deidre Brock: This is about cross-departmental working. Paragraph 3.18 states that DFID “used military assistance on 8 occasions since 2010, including 5 times in the last 2 years.” Was that down to circumstance or was a conscious decision made to start increasingly relying on that?

¹ Clarification from DFID: individual departmental accounting officers are accountable for all spend by their departments, including on Official Development Assistance, and that Mark Lowcock as accounting officer for DFID is accountable only for spend by DFID.

Mark Lowcock: I think there are a couple of things that have driven things in that direction. The first is the Ebola experience, because until we were able to agree that we would put military assets to work, unfortunately there wasn't enough other capability. The US had the same experience in Liberia. Civilian organisations on their own, the UN in particular, were just unable to cope. The world's militaries therefore had to be brought to bear. The other example is the one or two cases such as the airdrops on to Mount Sinjar in Iraq. Was it last summer?

Lindy Cameron: Two summers ago.

Mark Lowcock: Two summers ago. There was a need to try to reach some people who were in an insecure environment where using civilian contractors was unrealistic. Those are the two sorts of drivers. The UK military has a lot of capability, and we do have good working relations with them, so—

Q94 Deidre Brock: Have attitudes towards using that capability changed from before 2010?

Mark Lowcock: I don't think so. Going back to the 2005 Kashmir earthquake, military assets were brought to bear there. I remember in my first job, which I was asked about at the beginning of the sitting, in the Ethiopia-Eritrea war during the famine that we had an RAF Hercules airlift and airdrop operation for 18 months. It perhaps ebbs and flows a bit, but the military have always played an important role.

Q95 Deidre Brock: I just noticed that when we were talking about the politicisation of aid—I won't go down that route—Mr Webster from the Red Cross referred specifically to the use of military assets possibly contributing somewhat unhelpfully to perceptions of neutrality around the aid on offer. What are your thoughts on that? How do you combat it?

Mark Lowcock: I don't think anybody thinks it was a bad idea for us to bring the MOD capabilities in to solve the problem in Sierra Leone. It is not sensible to think that the operation could have been as successful as it was without the MOD capability. I understand the concerns people have about the primacy of international humanitarian law, and I talked earlier about how the mores have changed, particularly over the last 15 years, and some people think it is okay to kill and kidnap aid workers or to destroy aid supplies. There is a worry about that, and I understand that. The UK has consistently been a country that has tried to uphold the principles of international humanitarian law, and we need to go on doing that.

Lindy Cameron: Perhaps I can just add that we are also consistent with the Oslo guidelines, which are international guidelines on the use of military assets for humanitarian aid, and in fact they were reinforced in the recent strategic defence and security review. You will find the reference there.

Q96 David Mowat: As several colleagues have said, this is quite a positive Report. It is quite hard, though, to get a feel for the efficacy of your Department and whether it is really improving. How do you judge whether you are getting better; that you are better than you were three years ago, and that two years from now you will be even better? Obviously, the more efficient and effective you are, the more money you can put into things and all that goes with that. It is very clear that if someone gives you a great deal of money to spend, it is going to be spent—and you have managed that. What is harder to judge is how well it has been spent compared to how well it could have been spent. It has to be a process of improvement, and I am just interested to know how you judge yourself on that.

Mark Lowcock: You have heard a lot of areas of improvement that the Department has from your earlier witnesses and things set out in the Report. We agree with those—there are a whole range of things we want to improve on. The way we identify those things is by scrutiny of this sort, obviously, but also through our internal lesson-learning and review processes. We have a portfolio of interventions in humanitarian crisis response, and we have a system of aggregating the success of each intervention. I can track the overall score of the portfolio month by month, so I can look not just at every individual investment, and whether it is working or not, but at what the trends are—

Q97 David Mowat: So give me an example of how one of those in that portfolio would get a low score.

Mark Lowcock: Well, as it happens, the humanitarian portfolio performs quite well because we tend to set achievable objectives and then organise ourselves to deliver them.

Q98 David Mowat: That is sort of it, isn't it? You set your own objectives—I guess you have to: there is no market benchmarking or anything like that—and achieve them, and you are scoring yourselves against that. I am just wondering how you, as the permanent secretary, are confident that you are getting better every year.

Mark Lowcock: There is independence in the way the assessments are done, I should say, but I am just trying to think of an example of a project that wasn't going very well in this space that we stopped or learnt from—

Lindy Cameron: For example, in Syria one of the things we have done is actually consolidate our humanitarian portfolio, so we started initially with quite a wide range of interventions using trusted partners or partners who had presence in the region. What we have done each year is then review the effectiveness, not just of each individual project or programme, but also look at the portfolio and, frankly, focus on the ones that are better performing, where we believe partners have got more expertise and capability on the basis of their demonstrated results. That is why we have seen that portfolio actually perform better and better over the years.

Q99 David Mowat: So sometimes you will say to a programme manager, in that case or some other case, “Well, I’m afraid that was not good, and you have to do better next time.”

Lindy Cameron: Absolutely.

David Mowat: You have enough to have that sort of dialogue.

Mark Lowcock: Yes, and we have a lot more requests for funding for things than we finance—

David Mowat: Quite. It is infinite—

Mark Lowcock: But even in any particular crisis we select the interventions which we think are going to deliver the best impact from the partners we have most confidence in. And we learn: if something goes wrong, that has playback into the future.

Q100 David Mowat: As people have said, the Report is positive. If things had been pretty mediocre, in terms of what you had achieved, how would that have been reflected in this Report? What would you have expected it to say that it did not say, given that you still would have spent the money, but you just wouldn’t have helped as many people as you have helped? How would we know that?

Mark Lowcock: I suppose that all the people the NAO talked to would have said, “DFID is a shower, they are rubbish at this”—

David Mowat: So it is third-party corroboration.

Mark Lowcock: There is third-party corroboration. We would not have been able to stand up the claims we have made about the number of people we have reached. We can document the fact that we have provided 20 million months’ worth of rations to people in Syria and we have provided 2.5 million medical consultations—

Q101 David Mowat: That’s right, so it is hard for me or anyone to say, “Well, it was 20 million. It should have been 21 million.” That is a hard thing.

Mark Lowcock: The Report says at figure 7 that at the outset we set out how many people we were trying to reach. The next column in the Report says how many we did reach, and in most cases—not in every case—we have exceeded the target.

Chair: Mr McDonald from the NAO has a comment.

Tom McDonald: In this context, the challenge for the Department in managing its own performance and the challenge for us in auditing it is to differentiate the impact of

external factors and internal ones. The Yemen case study that we did is a good example of where the Department's ambitions for what it hoped to achieve have not been met in reality. Largely, that is not down to shortcomings in programme management, but is down to the parties to the conflict, making it a very difficult programme to run successfully. We tried not to criticise the Department in those situations. Where we have made criticisms or given praise is in those areas where we have identified that the activity is in the Department's gift and where we can look at a procurement process or an HR deployment process and ask whether it is well run or not. In some of the case studies, it is very difficult to disaggregate those two approaches.

Q102 Chair: I am aware that time is marching on, but before I bring in Karin Smyth, I want to ask about the challenges of doing all of this and delivering aid when you do not have an in-country team. You have a group of people who are parachuted in, or however you do it—I don't mean literally parachuted—but you do not have a stable, secure, established DFID team. How do you make sure, first, that you measure what is working there; and secondly, that they have the basic resources they need? It must be much more challenging for them without the infrastructure in place.

Mark Lowcock: If I may start—

Chair: Please be quite brief, because I have to move on.

Mark Lowcock: There are some places—for example, northern Syria at the moment—where we are not going to advertise exactly who is where and what they are doing, or who we are supporting, for reasons of which you are all very aware; but we do have systems to assure ourselves of whether the things we are being told are happening are actually happening. The NAO lists some of the ways that we do that. We have third-party monitoring systems—we hire people whose only job is to triangulate for us what we are being told. We make greater use of satellite and mobile technology. In Yemen, for example, we have a programme that has been trying to look after a lot of the infrastructure—the dams and the clinics and so on. Not long ago, someone said to us, “We think you should check out whether that clinic that your partner claimed they built has in fact been built, because we don't think it has.” We had the satellite technology to check that and we got a ground-truth as well. There are a number of things that we try to do to triangulate.

We also do due diligence on our direct partners and we try to get some assurance about their due diligence for some of the groups that Sandrine was talking about. It is not perfect, and the NAO took delivery of the list of cases that we have identified where something has gone wrong.

Q103 Chair: We give you some credit for recognising where there have been problems. Perversely, that is a sign that things are working. On the point for support for the people on the ground where there is no infrastructure, how do they wade through such in

those circumstances, without that glue? It must make their job much harder, so how do you support them, Lindy?

Lindy Cameron: In countries where we have no UK staff, such as Syria, Yemen for the last year, and in the rural areas of other countries such as Somalia, there is a system where we work through others. Mark has described the list of ways in which we make sure that we deliver effectively. There are then areas where there is no DFID presence, because, as I said before, almost inevitably we have an embassy. For example, in Jordan and Lebanon, we worked extremely closely with the ambassadors in those countries to ensure that DFID staff were well integrated into their embassy teams. We also reinforced the team in London and use a different model in terms of what was done in country and what was done in London. So for example, the Syria crisis team probably does more of its programme management in London, remotely, than some other teams that are better established and have been working on a crisis for a number of years—for example, let's say, Somalia.

Q104 Karin Smyth: We have covered a lot of ground, but I don't think we have particularly looked at the delivery chain. At the beginning of the session, Ms Hutcheon, you said we might come back to it, so I want to give you the opportunity to do that. One of the things we see is that teams are not able to map out all your partners in the delivery chain, so could you tell us a bit about that?

Joy Hutcheon: We have been paying a lot of attention to this. We expect teams to be clear about not just who they are giving their funding to, but who that funding is being passed on to, and we are increasingly confident that we know the answers to those questions. Sometimes with UN partners it is not visible in their official reports, but they will always give us that information.

It is the last bit that is sometimes quite difficult—who the contractor is who is building the latrine in Somalia when our teams cannot get into Somalia and see that. One of the ways we are doing that is by trying to loop that into our remote monitoring and our third party monitoring—the sort of satellite technology that Mark is talking about. In Somalia, we have 43 Somalis who monitor programmes for us, and who are directed around the country and take pictures with their iPads—it is all geocoded. One of the things they'll be doing is just checking who the final contractor is and checking that it matches what we think is happening. We couldn't do this in Somalia, but in Nepal we opened a field office right at the epicentre of the earthquake, so that we had people there who were able to go out and do that ground-truthing. So we are trying to follow it down the chain, but we are also making sure that we are on the ground checking that that is actually what is happening.

Q105 Karin Smyth: So are there circumstances in which it is acceptable not to know who that aid is going to?

Joy Hutcheon: No, we are never happy not to know, but we recognise that there are some circumstances where it is difficult to find out and we have to make different kinds of efforts to find out.

Q106 Stephen Phillips: A few specific points from me, Mr Lowcock. You may not be able to answer these, but if you cannot, perhaps you'll write to us.

In the Blue Book—the spending review—we have your Department's spending for the next few years as a result of the spending review. Table 2.7 gives your department expenditure limit rising from £11.1 billion up to £14.2 billion by the end of the Parliament. Then there is a line—"of which cross-Government ODA funding"—which rises from £1.2 billion to £3.1 billion. Which other Departments are going to be spending that money?

Mark Lowcock: I will correct myself in writing if what I am about to say is wrong, but I think those are the conflict, security and stability fund, which a number of Departments can bid into, and the prosperity fund, which, for reasons I am not exactly sure about, the Treasury decided to put on our baseline before it is allocated out. But the answer to your question is that lots of Departments can bid into that, and there are governance structures for each, supervised by the National Security Council and the National Security Adviser.

Q107 Stephen Phillips: In terms of the OECD rules on the allocation of ODA funding, how are the negotiations going to get those changed, so that there is a wider basket of interventions that be used to count towards ODA?

Mark Lowcock: I am going next week for what should be the final negotiating session on the current round of changes, which include changes to what scores under "peace and security", so I will write to you the week after next telling you where we've got to. We are making a degree of progress, but we don't expect to sort out everything in that round. We expect there will need to be another round, but we will make some progress this round.

Q108 Stephen Phillips: You might need to write to me about this one, but in *O v. Secretary of State for International Development*, which was a case brought against the Secretary of State about a year ago in relation to Ethiopia—and that maybe others who are with you know better than I—you withdrew funding from the relevant project in Ethiopia. How much taxpayers' money was wasted on that project?

Mark Lowcock: I will write to you about that, Mr Phillips. My recollection is that the case was withdrawn—the Government won that case—

Q109 Stephen Phillips: No, no, the Government didn't win it; the case was withdrawn after you withdrew funding from the relevant project, I presume—although you

don't need to go into this—because you received legal advice that what you were doing was unlawful.

Mark Lowcock: I don't think that was the case, but I'll write to you.

Q110 Stephen Phillips: I am grateful for that.

Final question from me: the Comptroller and Auditor General of Sierra Leone—the Sir Amyas Morse of West Africa—is called Mrs Taylor-Pearce. She published a report after the Ebola outbreak, as she was required to do. The effect of that report was to indicate that more than 54 billion leone was drawn down from the Ebola accounts with no supporting documents. Some of that was British taxpayers' money, including 1.76 billion leone, which went to the construction of the facility in Kerry Town.

Chair: I am afraid I am not familiar with the currency. Do you have a rough idea of what that is in pounds?

Stephen Phillips: Others will know better than I do. I think 5,000 is a dollar. Anyway, there is probably British taxpayers' money in there. I wondered what steps the Department was taking to follow up with the Sierra Leonean Government potential corruption in the use of funding supplied by British taxpayers to deal with Ebola.

Mark Lowcock: We still have our programme of support to the Sierra Leonean Audit Office. We are keen to have that kind of thing exposed. I will need to look into the details of the case. The Sierra Leonean Government did do some of the work at Kerry Town to clear the ground, but most of the expenditure obviously was managed directly with us. What we were doing we were not putting through Sierra Leonean Government systems. Let me take that away.

Q111 Stephen Phillips: If there is no British taxpayer money here, so be it. What I am interested in is defending British taxpayers' money. When the Auditor General in Sierra Leone has said, "There is no paper trail here. This may well be fraud," and there is about £10 million overall, if there is any taxpayers' money in that sum, what steps is the Department taking to follow that up?

Mark Lowcock: I am interested in that as well, and I will pursue it.

Stephen Phillips: I am grateful.

Chair: Thank you to our witnesses. I am sorry that we were interrupted by the vote; that is what we are here to do. I thank you for coming and reiterate thanks, as you have heard from other Committee members, to the staff on the ground, who work courageously in very difficult situations. At the moment, as we see from the Report, they are working in very challenging situations. You can take that as a given, but it is worth reiterating.

Our report will be published at some point after the half-term recess. The uncorrected transcript will be on the website as usual in the next couple of days. If you have any corrections, please let us know. You have committed to write back to us on two or three things, Mr Lowcock. I am sure your efficient officials behind you have a record of that, as we have. We look forward to seeing you again at some point and we will be in touch. Thank you.