

International Development Committee

Oral evidence: The global humanitarian system

HC 675

Monday 14 March 2016

Ordered by the House of Commons to be published on 14 March 2016.

Watch the meeting –[Parliament TV: Monday 14 March 2016](#)

Members present: Stephen Twigg (Chair); Fiona Bruce; Stephen Doughty; Mrs Helen Grant; Pauline Latham; Jeremy Lefroy; Wendy Morton; Albert Owen; Mr Virendra Sharma

Questions 47-83

Witnesses: ***Rt Hon Andrew Mitchell MP***, Former Secretary of State for International Development, and ***Rt Hon Clare Short***, Former Secretary of State for International Development, gave evidence.

Q47 Chair: Good afternoon. I am delighted to welcome our two witnesses this afternoon, two distinguished former Secretaries of State for International Development, Clare Short and Andrew Mitchell. This session was prompted by a letter that you wrote to us following a recent visit to the Middle East, and we thought we would take the opportunity to ask you both about that but also to explore some broader issues. The aim is to run this for about one hour and 20 minutes, so to finish at around 3.50. I will kick off with a question to both of you about your recent letter following your visit to the region, in particular the impact of anti-terror legislation on humanitarian organisations and, in particular, those that are Muslim charities. Can each of you say a little bit by way of introduction? You said in your letter that the flow of British taxpayer funding appears to be discriminating against Muslim charities. If you could give us any examples of this, that would be helpful for the Committee. Clare, would you like to go first?

Clare Short: We have a very important difficult situation that needs correcting. The Muslim community tend to be big givers. There are hundreds of millions of pounds donated mostly to Muslim charities, not exclusively by Muslims but overwhelmingly, and not working exclusively in the Muslim world, but predominantly doing so because of where the current crises are. Islamic Relief—which is the oldest and biggest charity, and the one that both of us know best because it was in Birmingham when we worked in Government—was listed in an Israeli Ministry of Defence list of questionable NGOs or something, and then the United Arab Emirates did the same. Suddenly Britain and DFID were pushing them away. As someone said to me, if Oxfam or something was criticised by a foreign Government, you would expect our Government to say, “What is it? There was no detail. What are you alleging?” and they would look into it and try to sort it, rather than say, “Some people do not like you so we will push you away”. That is not only

unjust, as they do extremely good work in very difficult situations and bring all this contribution from their communities, but, in terms of Britain's anti-terror approach, if we are alienating some of the best organisations, which the Muslim community is really proud of and we know have a really good quality record, it is very foolish. Someone who briefed us in the region when we went there up to the border with Syria said, "We are the real anti-terrorist workers. We bring hope and no one respects us."

This needs putting right. It could be put right. Since then, I believe that the contacts between Islamic Relief and DFID have reopened, and there is some sort of process at work, but starting with them and then going more broadly, the whole thing needs sorting out. Presumably we are going to come on to the banking question, which also needs sorting out. In terms of both fairness and respect for really high quality organisations that we ought to treasure and be proud of, and can employ people who live in the UK, who speak Arabic and are good at delivering in the region because they can make those kind of contacts, this is really something that has gone deeply wrong. It is very foolish and unfair.

Mr Mitchell: It is a pleasure, Mr Chairman, to be back in front of your Committee. We are really talking about the first of the three points we made in our letter. As Clare said, I am sure we are going to come on to the banking point and also what I would call the humanitarian jeopardy, which was our third point.

I agree with what Clare has said. Our joint experience, and certainly the view that we saw clearly when we were on the Syria/Turkey border, is that these Muslim charities are doing fantastic work. They can often get to places that others simply cannot reach. They are very heavily supported within the United Kingdom—£300 million has been donated from amongst British Muslims. We saw for ourselves the way this was going into extremely difficult and troubled places, keeping displaced people alive. We need to give this very strong support in Britain. Britain has been right in the front in terms of using our taxpayers' money to help dispossessed people. In a way, we are cutting off our nose to spite our face if we are not supporting those British charities that are best able to carry out this work.

I remember, from my time as Secretary of State—and I think you had the same experience, Clare—that sometimes some of these Muslim charities were less good at completing and filling in all the bureaucratic paperwork. My aim was to influence officials to help them to get it right so that we could achieve the end result that we all wanted to see. That is very important, and both Clare and I have had meetings with officials at Downing Street to try to make sure that progress is made on this. Although we have not yet had a full reply, we are hopeful of receiving a full reply before too much longer.

Clare Short: Can I just make a point on the taxpayers' money? It was DFID pulling back. It was not just because they were a Muslim charity or, indeed, based in Birmingham, that they became a big partner when I was at the Department for International Development. It was because they were willing to work with quality in really difficult areas, like on the Kashmir border with Azad Kashmir, for example, where there are refugees and it is all quite dangerous. I should say that because after 9/11, anything with "Islam" or "Muslim" in its title is sniffed at, I did ask our security services

to have a look at Islamic Relief and they said it was perfect. So that risk is not there, so you can be assured.

Chair: We will return to some of the humanitarian issues in a moment.

Mr Mitchell: It is worth adding to that point that when the Tories were in opposition we worked very closely with Islamic Relief. Indeed, they were there on the day set aside during the general election for focusing on international development. They were the charity that David Cameron and I went to visit.

Q48 Chair: We are going to move on to some of the humanitarian aspects of this in a moment, but on the banking issue both of you alluded to the question of the impact of legislation, particularly counter-terrorism legislation, on British banks. Can I ask you just to say a little more about that for the Committee in terms of what the key issues are that we should be addressing with regards to the banking system?

Clare Short: This has been going on for some time and it has intensified. The banks are cautious about Muslim organisations. They are cautious, for example, about any organisation working in Syria obviously. It seems to be that the Government has brought in strong legislation and then when the banks cut off some of these good organisations they do nothing. Then, if you are in a difficult region and you are having to procure food, blankets and tents on a regular basis—quite big contracts—and if banks keep withdrawing their services, you are in a lot of difficulty. You are working with one arm behind your back. Once it starts, and the Government does nothing, the reputation is smeared.

As Dr Hany, the founder of Islamic Relief, said, the Muslim charities are big and if you cannot get money moved around by banks, in the end people start moving cash and that is when things go wrong. Islamic Relief have just shared a briefing, which they circulated to all MPs. I did not know this, but they say that this has been discussed with the Government, the Government has done nothing and it has been going on for some time, but in Australia and New Zealand their Governments have some special exemption for humanitarian organisations because they might be going to places where you otherwise would ask why people are going there. I am sure we can do better. This is another really serious question.

Q49 Chair: We are going to come to that Australian exemption.

Mr Mitchell: Let us take this point head on. Of course, if you are a bank and you are concerned that you are going to run foul of the legislation, you have to take action. Banks are very easy targets on this. We have seen—I think I am right in saying, although I stand to be corrected—both Barclays and HSBC backing off from supporting Muslim organisations because of that. It is a matter of immense concern, not only for the reason that Dr Hany mentioned, which Clare has just quoted, but also because humanitarian actors do not take sides. It is a very important and fundamental principle of humanitarian relief. Those very brave people who are humanitarian actors, who are taking relief, help and support to those who are desperately in peril, do not take sides. The best example of this is the International Red Cross, but they are there purely to help the people whose help is relied upon.

It is therefore placing them in a position that one of them, when we were there, referred to as the Guantanamo Bay danger, which is that you are photographed and, in the

background, there is a known terrorist, or you are in your area and you are hoovered up because you are in the wrong place at the wrong time, and find yourselves somewhere you do not want to be. There is a real danger to some of these humanitarian actors that this terrorist legislation not only restricts their financing but places an added burden upon them, when they are doing dangerous and difficult work relieving people in very difficult circumstances. That too needs to be addressed and it was, I hope, reasonably clearly set out in our letter.

Q50 Stephen Doughty: Just to briefly follow up, I was with the Somali Deputy Prime Minister this morning discussing the issue of remittances. A number of us have been interested in that across the House. Is it your view that both the impact on remittances and on NGO financial flows has all been driven by the US regulation changes and banks' willingness or not to accept a degree of risk? Would it have happened if there had not been those changes in the US?

Clare Short: The drive came out of the US but the UK usually volunteers to follow pretty fast in any such initiative. It has been cumulatively more difficult. As you say, it has affected Somalia on remittances. If Australia and New Zealand can do something, we can do something about this. It is really important.

Mr Mitchell: It is both, in fact. It was in Somalia where Barclays backed off on remittances. Remittances are fantastically important. I do not know what the latest figures are but, when I was Secretary of State, I looked at the figure for remittances in Somaliland, and you had a total state budget, much of which was spent on security, of about £50 million. The annual remittancing per year was £400 million, so it shows you the absolute critical importance of having timely and good value cost remittancing able to take place across the international exchanges.

Q51 Fiona Bruce: My question is about how to make the humanitarian system more transparent and accountable and perhaps better co-ordinated in the present environment. It is quite a long question but to set it in context, in the UN Secretary-General's report for the World Humanitarian Summit, he emphasises the need for greater transparency and more effective co-ordination in the humanitarian system. However, the Overseas Development Institute has suggested that the threat of counter-terrorism legislation is something that, as Mr Mitchell just mentioned, can impede transparent discussion between humanitarian actors. Do you think the UK Government can align their efforts to tackle terrorism with the goal of making the humanitarian system more transparent, accountable and better coordinated? If so, how?

Clare Short: The UK's role in the international humanitarian system has, in my time and in my knowledge, largely been—I am not up to date of all the detail of now—to work to make the international system work, which is a fine role for the UK. If you just do what you can do, big swathes of the world are not accommodated, whereas we are big enough and good enough at it to intervene in the system and make the whole system work more effectively. It is for us to go with that recommendation in the Secretary-General's report and favour more transparency.

However, you need to be smart about transparency. It can become a fashion. You can drown in figures that do not mean anything and do not create accountability, so we

need smart ways of doing it. The figures are out there and you get more co-ordination. This is big business as well as enormously noble and important, and there is competition. There are big, international NGOs competing with each other. It needs to be driven, as part of the reforms of the whole international system; the UK should support that and help to drive it, rather than just tidy up the UK's system and leave the rest.

Mr Mitchell: I agree with all of that. We had a good look in 2010 at the way Britain does emergency humanitarian relief, but it was quite a broad look and comes into the area that your Committee is currently exploring. We asked Paddy Ashdown to lead this work. I commend his report, if the Committee has a moment to look at it. It is outstandingly good and has been copied. It is not just a British report; it has been used by the international system because of its excellence.

In terms of your question, I completely agree on the point about co-ordination. I remember standing on the airport at Mogadishu and seeing a plane coming in from Saudi and saying to the co-ordinators who were there, "What is on that plane?" They said, "We do not know. The Saudis will not tell us." There needs to be more co-ordination across the system when people are helping in a humanitarian disaster. That can only be beneficial.

The other point I was going to make was that the legislation can be extremely difficult. There was a case in Somalia where some British relief aid supplied and paid for by DFID and the British taxpayer was confiscated or stolen by Al-Shabaab and related terrorist groups. There was some suggestion about the extent of liability of officials, actors and even the Secretary of State in those circumstances under the legislation.

Clare Short: Under the money-laundering and anti-terror?

Mr Mitchell: Yes.

Q52 Wendy Morton: Good afternoon. I would like to continue on the theme of the impact of anti-terror measures on working with local partners. Concern has been expressed about the negative impacts that counter-terrorism measures can have on relations with local communities. The vetting procedures required for working with local partners are often seen as invasive and accusatory. Did you see any evidence of this on your visit to the Turkey/Syria border and, if so, to what extent do you feel it is a problem?

Clare Short: We had a briefing meeting with a lot of the Syrian NGOs because the basic thing is that the UK NGOs are procuring and bringing stuff right up to the border, and then handing it over. It is Syrians who are doing the delivery inside. It was one of them, a doctor, who said, "We sometimes think we will end up in Guantanamo", which is shocking and outrageous, when they are trying to deliver to people.

Yes, there was this feeling that they were being accused; that they were suspect; that if they help people in areas controlled by groups that the West did not like they might get themselves into difficulty, and there was an attitude of, "We are doing it anyway", but some sort of resentment and hurt about that. It is worth being efficient and suspicion is not the way to make friends and influence people or deliver good humanitarian assistance. It came up repeatedly.

There was one OCHA fund, which delivered direct to Syrian NGOs that was spoken very well of. That is the other thing. You have all these competing funds and we should try to get away from that. That is how you get the transparency and the clarity, if all funds can be put into one bucket. OCHA was good at getting money to local Syrian NGOs but the UK NGOs had that constant problem of whether the banks will help them or smear them, and then how they are going to pay the people they procured things from.

Mr Mitchell: The point that the doctor who Clare referred to was making was that if he was photographed on a mobile phone standing next to someone who is a known terrorist, who knows what use that photograph could be made, and a twisting of the facts, when he was actually there completely in a humanitarian role.

Q53 Wendy Morton: Can I follow on with a second question? Earlier this afternoon, you spoke about charities and people often being able to get to parts that other NGOs and governments cannot reach. I wanted to ask you whether you feel that the vetting procedures are compatible with the agenda to increase involvement of local actors in humanitarian response, as set out in the agenda for the World Humanitarian Summit.

Clare Short: I have not seen the agenda that is set out. What I would say in general is that, in these highly fraught situations, there is risk. We should name it. We should do everything we can to manage things properly, but also we should be open about the risks that have to be taken in order to operate effectively. If everyone is scared of their own shadow and that the media will be on our backs, nothing will get done. The UK system works through NGOs. We do not have civil servants on the ground. They get the money into the international system and make sure it works. It is then both the big traditional UK NGOs—the Red Cross and the Red Crescent—and the Muslim charities that do the on-the-ground delivery and they usually, in turn, get very local people, who know the village, who know the people and who speak the local language. If you do not speak the local language, you are not very good at distributing fairly, etc, so that is how the system needs to work and you need to have some trust running through it.

Mr Mitchell: I completely agree with that analysis. These are often extremely brave people who put themselves in harm's way to help their fellow citizens. These sorts of restrictions and difficulties we have been talking about this afternoon, Mr Chairman, are added problems to them, which we should do everything we can to dissolve.

Q54 Mrs Grant: Could I ask what the solution is to this? We have security, rightly, on one side; we have accusations, maybe unreasonable, on the other. Where is the balance and how can that be struck, so that we end up with a system that is fair, effective and reasonable?

Clare Short: The first thing is that to act on a smear with no detail is outrageous. If an accusation is made against any organisation, one should ask for detail and look into it. If it is a British organisation, the UK should be an intermediary in that process. If there is some evidence against the organisation, fair enough but, at the moment, we are in this “nudge, wink, anything Muslim is suspect” situation. That reverberates through the banks and then, if a bank refuses, everybody says, “There must be something in it”, and it is like a snowball rolling down the hill.

You are right that you cannot just say, “No one is ever doing anything wrong”, and there are organisations that have weak financial systems where money can go to the wrong places, not out of criminal intent but out of sloppy systems. All that needs to be spotted and put right, or organisations excluded. At the moment it is having “Muslim” or “Islamic” or something in the title of an organisation that makes you instantly suspect, and then smear stories and bank action following that makes life enormously difficult for good organisations. We can do better than that.

Mr Mitchell: That is what the Committee is going to report on, and you have Clare’s and my submission before you. You have the possible example of Australia and New Zealand, who may have found a way around this. At the very least, a report from this Select Committee is bound to prompt public discussion and hopefully, as a result of what you say, Government will listen and take notice and will make progress on this issue.

Q55 Albert Owen: On the counter-terrorism legislation, you both cited Australia and New Zealand; they have these exemptions for humanitarian activity. For the record, should this be built into UK legislation?

Clare Short: Personally I do not know the details of how it works. I was just very interested to hear of it and I thought we should explore it. If it works, let us go for it.

Mr Mitchell: There may be a better way, which perhaps this Committee could suggest.

Clare Short: The legislation will have the general sentiments that we would all applaud, and then it is how it is interpreted and applied. There is this danger that if anything sounds too Muslim, exclude it, and you create another injustice and another policy danger. That is where we are at the moment. I hope the Committee will look at the New Zealand and Australia example.

Q56 Albert Owen: I do not think either of you when you were Secretary of State were saying, “Leave it to the departmental Committee to come up with these ideas.”

Mr Mitchell: On the contrary—Mr Chairman, I was always enormously respectful.

Q57 Albert Owen: I jest. I am sure the current one, when she comes here, will say that she will listen to what we have to say and take it on board. That is what we need to do, but there are some great dangers that if there was exemption, and we amended the legislation, the assistance could fall into the wrong hands. How do you think we could work that out so that we are absolutely certain the assistance does not go into the wrong hands?

Clare Short: We are seen broadly, as a country, to leave the banks to it, to be harsh, be unfair and not mind. If that was adjusted and, if there were some organisations that needed to tighten up their systems, the Charity Commission and so on should come in and talk about how that should be done, whereas the actual leader of the Charity Commission at the moment tends to make blanket statements accusing Muslim organisations, which does not help either. If Britain, the Government and our agencies repositioned and were seen to be fair, trying to be helpful and talking to the banks about how to do this better, there would be a two-way communication and that would work much better. Organisations would see that they have friends in high places, rather than

that they are doing their best and constantly being undermined, which is the present position.

Mr Mitchell: On the ground, I mentioned a situation in Somalia where precisely what Mr Owen mentioned happened. These are bound to be difficult and messy situations. You are operating in very difficult territory where you are trying to get food to people who are often starving or medicines to medical facilities that have run out of suppliers, and so forth. It is very difficult. We have to take a reasonable approach. There is a duty on the people who are operating in these areas to make sure that their money or material does not fall into the hands of terrorist organisations.

Clare Short: Terrorist organisations want to control access to food so it is difficult all the time.

Q58 Jeremy Lefroy: Thank you very much for your time this afternoon. One possibility, if changing legislation is too difficult and controversial, might be almost offering such organisations a kind of stress test and saying, “If we can have a look at how you operate and how your systems work, and we are sure of that, that gives us great confidence on the ground,” and almost giving them some kind of mark of approval that the systems are such that it is extremely unlikely that money would go astray. Do you think that that might be one way around it?

Clare Short: It would depend on the spirit with which that is done. If it is done to say, “We know there is a problem here. Let’s work together and find out, organisation by organisation, if you have a problem”, and there is some sort of follow up or help if it is technicalities and financial systems, it would be welcome. If it were another series of hurdles that only Muslim charities had to jump through, it would be a further cause of fear and resentment.

Mr Mitchell: Officials are pretty good at doing that when they consider which organisations should receive taxpayer support. That is understood. Clearly, the framing and interpretation of the law can make that more difficult and sometimes impractical.

Clare Short: My impression is that it is interpretation, not new legislation, that is required. I cannot say that with authority, but that is very much my feel of the situation.

Q59 Jeremy Lefroy: It might help banks. I have to declare that I myself have been involved in a charity that has had a bank account closed because I am a Member of Parliament, so Members of Parliament are also subject to these politically exposed tests, as they are called. It does apply across quite a wide range of actors. That kind of imprimatur might give banks a lot more confidence, whatever the organisation is, whether it is a Muslim charity or another charity operating in difficult circumstances.

Clare Short: I do not know whether you can talk to the Treasury Select Committee. They also ought to act on this. If there was a push back to the banks, they would be more careful. At the moment, why take any risk? Why not get rid of anyone who causes any trouble? There is no comeback on them, so what is going on is rather unfair and has all these destructive effects that we have discussed.

Q60 Stephen Doughty: Clearly the larger and more long established NGOs have very established financial and security processes in place to avoid some of the humanitarian jeopardy situations that you have talked about. Do you think DFID and other Government Departments should be doing more to proactively support NGOs, particularly some of the less experienced or smaller ones, to cope with these high-risk environments, to deal with everything from financial risk right through to the photo example? Do you think we could be doing more proactively to support them?

Mr Mitchell: DFID, in my experience, is very good indeed at dealing with the practicalities. However, there is no question, in my judgment, and clearly in Clare's judgment as well, that the current practice is hampering them achieving all that they can. That was undoubtedly true from our visit. We saw it and we felt sufficiently strong about it to write a very strong joint letter—and we are, after all, unlikely political bed fellows—to your Committee, upon which we both completely agreed. We think there is a serious need here that needs to be tackled.

Clare Short: I do not know this from first-hand experience, but it has been said to me that because of this tradition of Zakat, generosity and charitable giving, which is very strong in the Muslim community, there are a lot of charities. Some of them are very new and probably do not have the strongest systems. I do not think that is true of Islamic Relief or the big ones that we know so well. However, it is the job of the Charity Commission to offer—even if they cannot offer the service—some kind of advisory service. If there is something that is a bit weak as opposed to bad intent, it can advise on how to get support to put those things right, whereas, there has been this constant attack on Muslim charities coming from the head of the Charity Commission, which is very unhelpful and the wrong attitude.

Q61 Stephen Doughty: Do you think the Treasury could do more to help directly as well, aside from the Charity Commission?

Clare Short: Their job is to sort out the banks and stop them from being so unfair.

Chair: We are going to move now to some broader questions in the run up to the World Humanitarian Summit.

Q62 Jeremy Lefroy: Andrew, when you were Secretary of State—and you have already referred to this—you commissioned the Humanitarian Emergency Response Review. How far do you see the themes and conclusions of that report in the agenda for the World Humanitarian Summit this May?

Mr Mitchell: It has helped fashion the criteria, though my understanding and knowledge of that is fairly general at the moment. The report led by Lord Ashdown, which had the benefit of a group of advisers engaged in it, has been very widely praised. I remember Development Ministers and Foreign Ministers from other countries praising it and saying how useful it had been. Within the UN system, the head of a number of agencies referred to it during the course of my discussions in New York, so it has had a much wider and beneficial effect than on just the way we handle these things in the UK. We are a world leader on this. In most of the natural disasters, which obviously affect the poorer world far more than the richer world, Britain is usually—if not the first—one of the first countries, through its brilliant national NGOs, to be there giving help to people caught up in these disasters.

Q63 Jeremy Lefroy: The four core priorities, if I may address this to Clare, that DFID has identified are building resilience, smarter financing and reform, a focus on women and girls and protection of civilians, and international humanitarian law. Do you think these are the right areas or would you add any others to them, or take one or two away?

Clare Short: International humanitarian law is very important and there has been a slippage, like in Iraq and Afghanistan, where you have the military and the humanitarian working side-by-side. Are we obeying international humanitarian principles or is development aid or humanitarian aid an instrument of foreign policy? It is not just the UK but in general in the international system that there has been some slippage on that. In the case of Israel and Palestine, there have been grave breaches of international law about which nothing is done. When countries like us talk about international law in the Middle East, people tend to snigger because we do not uphold it at all in terms of the occupation in the Palestinian occupied territories and there is an opinion of the International Court of Justice on that matter from 2004.

I do not know this report in detail but I have read the Secretary-General's report and I think there is a need to get a better interface between humanitarian aid and development because some of the crises are so prolonged. That is a key weakness in the system. It is a new challenge. I do not think it has been properly addressed. There has always been the assumption that the humanitarian crisis is fleeting and then it is back to business as usual. That needs new thinking, new working and new structures. That is very important.

The other thing, which is also in the DFID policy strategy White Paper with the Treasury, is about conflict resolution. If we are going to work more in conflict-prone areas, where most of the poor are and lots of the humanitarian emergencies are, then you have to do more about seeking to bring the conflicts to an end. You cannot put that all on the back of the humanitarian system, but it is the question of pulling together the capacities in the international system. It seems to me that the UK could be a leader here, but it would be a different approach to our foreign policy. Our foreign policy tends to be to follow the US foreign policy, whereas we could bring something very special to this, given the range of capacities, the seat on the Security Council, the quality of our diplomats and the quality of our development, but it would be a rejigging. The assumption in the White Paper that because you set up some of the machinery to co-ordinate Whitehall means that it is well done is not necessarily the case. In my day, we set up an inter-Whitehall thing on Africa that involved the Foreign Office, Ministry of Defence, intelligence agencies, DFID and so on, and it was very effective. It was real joint working on Sierra Leone and so on, bringing an end to that conflict.

There was another global one, which was meant to be for the conflicts in the rest of the world and it was a series of fundings for well-meaning initiatives to help people in areas of conflict. That is the hardest part. It is about where Britain could play a really important contribution but it would take a rethinking of what is our most important role in the world and that is a big question.

Q64 Jeremy Lefroy: Andrew, you have written extensively about the responsibility to protect. I read a pamphlet that you wrote on that. Both of you in your letter talk about the

responsibility to protect safe havens and so on. Do you think this is being forgotten about in the whole discussion of humanitarian responses at the moment?

Mr Mitchell: On your first question, the rubber is going to hit the road here on Syria where, hugely to the British Government's credit, the Prime Minister has said that when this ghastly catastrophe is over, we will immediately allocate £1 billion to help with reconstruction. The scale of the devastation, damage and destruction of people's lives—11 million second-world people whose lives have been destroyed by this catastrophe in the Middle East—will lead us to focus on all of this.

Without going down the route that Clare mentioned, one can say the world is pretty lily-livered about saying that a member of the United Nations Security Council—Russia—has very clearly been committing war crimes. Up to 30 hospitals have been hit in Syria, I am led to believe, by Russian air attacks, of which only one is in an ISIL area. Médecins Sans Frontières officials have been targeted, effectively, by the Russians, because Médecins Sans Frontières says where its people are based. It is open-sourced reporting on where these very brave people who make up Médecins Sans Frontières are deployed, and they have been hit by Russian munitions. That is a clear breach of international humanitarian law and it is almost certainly a war crime. If a member of the United Nations Security Council is responsible for that, it shows you that there is something very seriously awry with international humanitarian architecture.

Clare Short: There is a suggestion in the Secretary-General's report that we should have new monitoring machinery on this, I believe, that would then immediately point out and call for action, which might push back the growing breaches.

Mr Mitchell: The responsibility to protect, which I felt very strongly about throughout my time in opposition and in Government, and still do today, is incredibly important. It is about a lot of things. It is about the Secretary-General's report and ambitions for this conference and this work. However, it is also about the development of international law, international justice, the International Criminal Court, and the mechanisms we deploy to hold people to account. What Clare was referring to, from Labour's time in government, were these two Committees that you mentioned and the brilliant work that was done in Sierra Leone in terms of saving lives, which I personally thought you never got enough credit for at the time.

Clare Short: And getting peace—that was the great thing.

Mr Mitchell: It has been replaced by the National Security Council, which is a brilliant mechanism of government, where all those actors sit. You have the Development Secretary, the Defence Secretary, the Foreign Secretary, the agencies and so forth. In 2010, we decided that 30% of the ODA development spending would be on conflict resolution; it has now been increased to 50%.

Clare Short: On conflict-prone states.

Mr Mitchell: 50% on conflict resolution, certainly in conflict-prone states. It will be quite difficult to allocate the full 50%. It was certainly very difficult, on my watch, to reach the 30% figure.

Chair: We are going to probe a number of those issues in the next few questions, starting with Albert.

Q65 Albert Owen: Thanks, Chair. Sorry for having to leave the room for a phone call. How should the Government demonstrate their commitment to the summit and any reforms to the humanitarian system that result from it? Last week, the Minister, Desmond Swayne, gave us some evidence which said that he was going to shape the administration through funding power rather than calling for major institutional change. What is your view on that?

Clare Short: DFID has used funding power. As I say, it works in the multilateral system and it injects money to try to get things to work and to put a bit more in if there is a gap somewhere. It has been using those mechanisms quite well. Surely we do not want every country to be pulling strings. We would like to make the whole system work a bit more elegantly. The UK could play a part in that. The deal that is offered by the Secretary-General is more resources and some reform in the international system, and that includes both the UN system and all the big international NGOs, so it is not easy to pull off. However, we ought to be going for it because it is more efficient and it will achieve more. The scale of the crisis is already growing massively and probably will grow more.

Mr Mitchell: Britain has huge moral authority because we have stuck to our promise of providing 0.7% of our gross national income on development. Also, just as importantly—I suppose we may well come on to this—it is spent in accordance with the principles governing the 0.7%. That gives us very substantial ability to exert moral and practical pressure on the way in which the system develops. We have to be careful, however, that we are not seen by the international system as the banker of last resort, because Britain has made this huge commitment. We have a fundamental duty to our taxpayers to ensure that their hard earned money is very well spent and deployed. We have to be careful that we do not bear more than our fair share. When I was Secretary of State I spent a lot of time trying to cajole and persuade others to stand by the promises that they made, going back as long ago as Gleneagles and before.

Q66 Albert Owen: Do you think we should be calling for major institutional changes or are you content that we can carry on using our moral standing to be able to prod and move other countries in line?

Mr Mitchell: We should always be seeking to make these institutions function in the best possible way, so we should never think that that sort of reform is over. We must be open to any better ways of achieving these things.

Q67 Albert Owen: Is that not the whole purpose of the summit?

Mr Mitchell: Yes, but if you are saying to me, “Do you have a particular plan in your knapsack?” the answer is no. Equally, it is incredibly important that we listen carefully to every idea, so that we can always ensure that we are at the cutting edge of effectiveness.

Clare Short: The UK says it is going to give 50% of its aid to conflict-prone states. That is where most of the poor are. That is where most of the humanitarian crisis is. We have to be better and the system has to be better at integrating the quest for peaceful

resolution with those efforts. I do not think the UK has been good at it, if you look at Somalia, Afghanistan and Iraq. None of us have done brilliantly on these. That means you have to have something to face with the Security Council, where the responsibility on conflict lies. There is some suggestion in the report of some machinery to link with the Security Council. That really needs thinking through and taking forward. The UK could be helpful because it sits there, as well as being a big player in the humanitarian system. That needs some really sharp and well developed thinking, because that is a new challenge.

Q68 Stephen Doughty: Given what you said a moment ago, Andrew, about Russia and, Clare, about the Middle East, UK policy and US policy, and given the world, with non-state actors, whether it is Hezbollah or Daesh, completely disregarding international humanitarian law, do you think the system of international humanitarian law is in crisis?

Clare Short: It has been greatly undermined, and that is a real danger. We will have climate-induced crises as well as not doing well in resolving conflict and the numbers are going up. There is an erosion of respect for international humanitarian law. If that goes on, the whole system starts to crumble. Humanitarian relief becomes partial and belongs to one side or another, and then we are in a dreadful mess. Humanitarian workers will be in danger everywhere. It is the right moment to say we are going to grab this, speak for it, be more determined about it and be universal in its applicability. We have gone backwards.

Q69 Stephen Doughty: So the response is leadership but you mentioned having some sort of monitoring mechanism and so on. Are there other solutions that you would suggest to enhance compliance?

Clare Short: If it is one of the major recommendations coming out of Istanbul and if some machinery is put in place, that is highly desirable. If everyone then determines to push harder and means it, we could push back. If we do not, it might erode more.

Mr Mitchell: It is essential to insist upon respect for humanitarian law. It is an open matter at the moment that there is concern about what is happening in Yemen and, indeed, concern that our Government are quite rightly seeking to ensure that food, medicines and other help and support get into a country, while another arm of the Government is engaged in supporting military action. There are Committees of this House, including the one that looks at exports, who will be looking into this. In a way, part of the answer to your question is that that work should proceed and your Committee and others that are looking at this should take evidence and opine.

Q70 Fiona Bruce: You have talked, Clare in particular, quite a lot about conflict resolution. That rather implies that a conflict has blown up. I am interested to ask you about whether you agree with comments that the Committee has had that insufficient resources have been spent on prevention, as opposed to responding to humanitarian crises. We were told last week that £1 spent on prevention could save as much as £7 in responding to a humanitarian crisis after it has occurred. It is very difficult to demonstrate effective investment in prevention because you are demonstrating something that has not occurred. How do you think DFID could help incentivise greater investment in the prevention of crises

and what kind of skills would be required? Do we have the right skills in DFID to address prevention of crises?

Clare Short: This is not just me, you or the Committee. The recent White Paper puts 50% of the effort as going into conflict-prone areas and there has to be more effort to pull the capacity of Government together. This is a declared objective of the new policy. You are right that there might be brilliant pieces of work that have been done over the years in preventing conflict and no one ever gets the credit for that. We need to do better. That is an obvious truth, but we cannot just keep saying it. There has to be some sort of risk assessment system, which ideally would be international rather than just relying on individual countries. This is difficult, because if you publicly say, “This country is in risk of conflict”, the current Government in that country might be extremely angry with you.

So to give more respect to conflict prevention and conflict resolution, there needs to be some assessment of the risk. As I understand it, the prolonged humanitarian relief is often where a conflict is ongoing. We have to both prevent conflicts breaking out but also resolve them when they have been going on for some time. This is a really big, new challenge for the UK Government system. The capacities are there but I do not think they have been operating together in the way that they could. It is a declared objective of the White Paper. It is what the world needs to do as we see more and more displaced people and more and more trouble. The UK could make a really big contribution, but it is a reset of what we do and some of kind of assessing risk and monitoring progress needs to come into the system that is there at the moment.

Q71 Fiona Bruce: You say the capacities are there, wider than DFID presumably. If so, where would you see that they rest within the UK Government’s capacity?

Clare Short: The Foreign Office is there in most countries and makes its analysis, and the Ministry of Defence too. I would like to see more UK deployment in peacekeeping operations in difficult areas, because the record of our troops in that is very good. We could do more of it, develop a good reputation and show effectiveness. The largest ever deployment was in eastern Congo and on and on it goes. The UK pays. You pay for it in proportion to your input into the UN system, and then the poorest countries in the world send in the troops and have no logistics. If we mean it, it raises big questions like this, but again if UK troops—you cannot take on everything but did in Sierra Leone—made a good contribution, the country would take a lot of pride in that. You would be beginning to show that these things can work. That would be good from every perspective. It is rethinking the resources that we have and how we pull together the resources we have.

Mr Mitchell: We used to do more of that. I was a UN peacekeeping soldier many, many years ago.

Clare Short: In Cyprus.

Mr Mitchell: Yes. We do not do so much now, but we are doing something to help very specifically on logistics in Somalia. We help with logistics but, by and large, it is troops from India and Pakistan, particularly, but also Bangladesh and other countries, who staff up the UN. The Chinese are increasingly doing more.

What you say about prevention is absolutely right. There is a World Bank report that looked at a specific example, which shows that the costs are many times more in dealing with a conflict after it has broken out than working on prevention beforehand.

While we were in opposition we defined development as having three key components; one was that you needed to show results because you would never maintain public support for the development spend and the 0.7, so you have to be able to show that you are achieving these results. Also stopping conflict—that is, stopping it starting; once it has started, stopping it; and, once it is over, reconciling people—were a lot of the lessons that were learnt from Sierra Leone, for example. This should be at the heart of development because it is conflict that Paul Collier described as development in reverse.

Clearly that work is absolutely critical, as well as prosperity, because how do the poorest people lift themselves out of that poverty? It is by having a job or being economically active in some way. Conflict resolution—we are agreeing on this point—is absolutely at the heart of development.

Clare Short: The system is not good at it at the moment, so it is a really big, new challenge.

Mr Mitchell: The ICG and David Miliband's IRC do quite a lot of work on identifying areas that are problematic. For the leader of a poor country, it happens again and again that they are not prepared to alert the international community, for example if there are hunger crises or starvation, because they are shameful and, to some extent, it shows their failure of leadership. We often miss the early warning systems that are in place because the leaders of these countries will not speak out.

Chair: In the final third of the session, we are going to move to some questions on the broader picture and the aid strategy, which both of you have referred to, but also the new UN sustainable development goals.

Q72 Mrs Grant: The UK aid strategy has placed a renewed focus on security, prosperity and national interest. Is that the right approach for DFID and do you think that might impact on poverty reduction?

Mr Mitchell: I do think it is the right area. It is a consistent theme since the coalition Government came into power in 2010. It is building on the early progress that we made. It is not the policy of DFID. It is the policy of the Government, as refined and articulated by the National Security Council. It is dealing with the right areas.

First of all, it is dealing with the area that both Clare and I have been speaking about this afternoon, addressing conflict. Of course national interest plays a part. Clare would never have been able to persuade people to intervene in Sierra Leone if it was not for a feeling across the Cabinet that it was an area where Britain had a duty to help from our past joint history. National interest is bound to play a part. Indeed, when I conducted the bilateral and multilateral aid review, national interest was woven through it. You do not have to define national interest too narrowly. What happens in faraway countries today can impact on our national interest in some very startling ways, so it needs to be defined quite broadly. I do think it is the right response and it helps build on Britain's leadership role in international development for the next phase.

Q73 Mrs Grant: Do you think it will reduce focus on poverty reduction?

Mr Mitchell: No, I do not. Because, as Clare said a moment ago, conflict enshrines poverty. You cannot have development if you have conflict and, therefore, trying to build resilience and governance structures in conflict-prone countries is at the heart of development.

Clare Short: I agree. People need security to be able to do anything—to go to their land, to have a little business, to get the kids to school; it is a precondition, and that is back to the conflict discussion. It is about the difficulty and crucial-ness of doing better on that, which we have already had.

Poverty was the second, I think, but how you go at that—

Mrs Grant: Prosperity—security, prosperity and national interest.

Clare Short: With prosperity, it depends how you measure it and who it is for. If you mean that the poor should have the chance of a better life, then we are talking the same talk, so that needs defining.

On national interest, it is absolutely in the national interest to have a more stable and evenly developed world. That is overwhelmingly clear now in the chaos that we are facing. It is how you interpret it. If it is narrow, short-term British interest, we will not be very good at it. If we take that bigger picture and make our contribution, we can take a proud role in helping to create that safer world. At the moment, we are in danger of seeing a much more unsafe world unfold for the next generation. National interest is dodgy because it is so open to interpretation. Some of our less attractive newspapers see it as very short-term, British or commercial and that will not do the job. We need to define that in the broader way that Andrew talked about: that “safer world” means taking care of a more evenly developed and less conflict-stricken world.

Q74 Mrs Grant: Are you satisfied that those goals will not impact negatively on poverty reduction?

Clare Short: Personally, I am very disappointed at the turning away from budgetary aid. I know it is not fashionable but, it seems to me, that if you want to help countries with weak institutions, which lead to poor governance, corruption and all the rest, if you are willing to put money into government systems into to such a country, you have to scrutinise how your money is spent. You become an ally in helping to build a stronger Ministry of Education or financial management systems, but that has been given up. That is deeply regrettable. I know it is not liked by the critical media, etc.

Those three headlines are capable of being interpreted in useful, creative and constructive ways or not. It is too big a banner to say that if we are going to use the word “security”, are we going to do good things, or with “prosperity” are we going to turn away from the poor? There is a danger; that is what you are hinting at. We have to get them to lay out how we go about promoting prosperity. There was that fantastic figure that getting girls educated was the biggest one thing any country could do to improve its economic development. That is not intuitively obvious, so part of prosperity is getting the girls to school.

Mrs Grant: It is a good example, thank you.

Q75 Chair: Andrew, what is your view on general budget support, in response to what Clare has just said?

Mr Mitchell: General budget support is the best way of doing development if you can trust the people you are dealing with and you can know exactly where the money is being spent. We do not entirely agree on this. I reduced by 50% the amount of budgetary support that Britain was giving because it fell foul of the first principle that I enunciated: that you must be able to show hard-pressed taxpayers exactly what the results are that you are achieving. However, in a country like Rwanda, they do precisely what they say with budgetary support—I think you set up the budgetary support system that we use in Rwanda—and you can literally follow the money to the effects it has had on the ground. Rwanda is a country that has lifted more than a million people out of poverty, as defined over the last five years, and indeed was the last subject upon which I appeared before your Committee. There is no doubt at all that budgetary support works extremely well. In Ethiopia it worked pretty well, although for good reasons Hilary Benn reduced it to sectoral budget support.

Clare Short: For geo-political reasons, not development reasons.

Mr Mitchell: For me, it is a practical matter. It is the best way of doing aid and development if you can follow it, but it is an absolutely practical point where, if you cannot, I do not think you should use it.

Clare Short: The White Paper says it is finished.

Chair: Yes, the new aid strategy rules it out completely.

Clare Short: That is very sad.

Q76 Chair: Would you disagree with that, Andrew?

Mr Mitchell: It is a mistake to rule out any tool completely in the development space, because we need to use all mechanisms to try to bear down on these extremes of poverty, which disfigure our world. I myself would never rule out using budget support, including sectoral budget support as well as general budget support, because there is clearly a role for it at the right time.

Clare Short: If I could just stress, you do not just put the money into the budget of something badly run. Because you are willing to put the money in, you come in with absolute scrutiny of how the money is being spent and how the systems work. The prize is not only that your own money is well spent but that the country's own systems are spending the money better. That is the prize you are going for; you are building systems that work and, when you are finished your contribution, they will have better government systems and be less corrupt, and that is what you are aiming for. It is not just a preference for the sake of a preference. It is the biggest instrument of reforms in governance, if you can get it working.

Q77 Stephen Doughty: I want to take you to the ODA question and the spending by Government Departments other than DFID. Within the official development assistance

where we are meeting a 0.7% target, it is quite a big shift from the last Parliament where 85% was spent by DFID, to the next five years, where it is expected that 72% is going to be spent by DFID, with an increasing amount with other Government Departments. What role do you think that DFID should be playing in ensuring the quality, relevance and standards of that spending by other Departments?

Mr Mitchell: It is a very good question. First of all, when I had responsibility for these matters, I was very clear that for the ODA budget, where other Departments spent the money within the definition of ODA, there was no case for not agreeing to it. We passed part of the ODA budget to the Department of Energy and Climate Change. Also with the pooled funds in MoD and the work on development that the Foreign Office did, it was absolutely clear that it was entirely right and proper that the 0.7% should go to those causes, because they were always in the definition.

However, the Independent Commission for Aid Impact, ICAI, was set up, and remember that the ICAI reports to you. It does not report to Ministers who could put inconvenient truths under the carpet. It reports to you. You define its work. You negotiate its budget, and it is there as a watchdog to make sure that 100% ODA spending—not just the 85% that DFID uses, or 72% going forward—is accountable. If this Committee believes that some of this money is not being spent as best as it could be, I would argue that it is your duty, on behalf of the taxpayer, to put the ICAI in to pursue it. The ICAI reports to you, not to harassed Ministers. It is reporting to the legislature about the way in which taxpayers' money is being spent, not to the executive.

Clare Short: There are problems in this area. Certainly in my time, the Foreign Office deeply resented the setting up of DFID and therefore the control of the aid budget going from their ultimate control. They have superb diplomats. They are not good at managing money, but they were obsessed with money. I do not know what has happened since, but the global fund for preventing conflict was a useless instrument, not very well managed. They are very good at some things and they should do what they are good at.

Similarly, with the Ministry of Defence, for example, I remember during the Mozambique floods we had a terrible row because they were all over the front pages of papers, if you remember that little girl who was born in the tree. The Ministry of Defence then wanted to send helicopters, which were very expensive with very big teams. We, DFID, could put fuel into South African commercial helicopters and have far more helicopters. If we mean the development objective, then splashing the money around might not be the most effective way of achieving it. You need to bring together the skills and resources of the other Departments rather than them all trying to be second-rate development actors.

Q78 Stephen Doughty: Do you think there should be more exchange of staff, for example between DFID and those other Departments?

Clare Short: I am not close enough to what has happened in recent years, but it is a problem area and it needs a lot of scrutiny. I think, in the name of everybody doing development, you are probably getting some bad spending.

Mr Mitchell: I used to tease diplomats that they thought development was the ambassador's wife's favourite charity, which clearly development is not. Again, when I set up the ICAI everyone said to me, "You are mad to set this up because it will be a stick

which will be used to beat Development Ministers and the Government.” That is completely wrong. We are very good at development in this country and when we get it right we take the plaudits and the praise. When we get it wrong, we have to put our hands up, ’fess up and put it right. That is the benefit of the ICAI. I hope that, Chairman, while you are Committee Chairman you will be building up the ICAI and increasing its reach, even if Ministers are discomforted, which they will be, because it is the right thing to do.

Chair: Fiona, who now Chairs the ICAI sub-committee, and I have talked to ICAI about this very question of how important it is that ICAI can also hold to account those Departments that are beyond DFID’s spending development assistance money, so you are absolutely right.

Fiona Bruce: Over the duration of the last Parliament and into this Parliament, the sense of the Committee is that ICAI is increasingly making a very valuable contribution towards our development work.

Q79 Albert Owen: Could we move on to the sustainable development goals which, as you know, are a broad, ambitious and universal agenda, and ask the both of you how the SDGs differ from the millennium development goals? Are they more or less useful as a tool for development?

Clare Short: Time will tell. The concept was to not just have some goals for developing countries and poor countries, but to unite the world in the move to sustainability, which is clearly desirable. I worry that there are so many of them that it will be difficult to get the focus. The MDGs did have a lot of focus in poorer countries and did shift priorities of some governments, development actors and donors. I wish them well. They are full of gorgeous ambition, but I worry, because they are so extensive, whether they will have the energy behind them and that the focus is in danger.

Mr Mitchell: Clare has put it extremely well. The MDGs were terrific because they got everyone to focus in the same direction. Although the NGOs felt slightly locked out when they were conceived, partly because Lord Mark Malloch-Brown, who was then the Deputy Secretary-General of the UN, went and sat on people’s desk until he had agreement. It was hugely to his credit that that agreement was reached. They made great progress and you could see within each of the eight of them what progress has been made.

In terms of the new goals, 17 is an awful lot. The position of the Government was to try to focus a little bit more on good governance, justice mechanisms and accountability mechanisms, so that leaders could be held for account for what they did, as very important aspects of development, which would command general agreement. It was a very torturous process and I know the Prime Minister was one of three who co-chaired the high-level panel. He put a great deal of effort into it. I persuaded him to take on the co-chairmanship. During the course of that he put a lot of work into it, and I think there were times when he wondered whether his then Development Minister had sold him a pup. At the end of it, he felt it had been very well worthwhile doing. Britain had exercised that leadership on this, which we are absolutely right to do. My answer is a rather long-winded version of Clare’s succinct response.

Q80 Albert Owen: Let’s go back to Clare; she can maybe expand a little. How much did the MDGs influence and shape the development budget and the development goals

you had as a Department? To you specifically, were you frustrated that it took a long time to bed in? It came in in 2000 and it was not until really the G8 in 2005 that there really was a focus of attention.

Clare Short: That is not right, actually. Do you remember the big UN conferences some time back—Beijing on women, Cairo on reproductive health, Jomtien on education and so on? There, all the world, including the NGOs, were hammering out what had been achieved in this sector by development, what worked and what the priorities should be. It was then a committee of the OECD Development Assistance Committee that tried to pull them all together into what was called the international development targets. They were distilled from all those UN conferences, which identified what works and what we ought to do to push to a higher level of achievement. Large amounts of the world did not like that because it was coming out of the OECD.

We had the UN Millennium Assembly, and everyone was thinking, “Good heavens, this is a big moment. What are we going to do with it?” We were one of the big players saying, “Let’s go on poverty. Let’s unite the world—the end of the Cold War. Let’s all work together. This is a big moment in history.” We worked very hard to get them adopted. My point is that they were taken out of the international development targets and we framed, from 1997 onwards, the DFID programmes around those international development targets, so much so that when they were renamed the millennium development goals, people said, “But I love the international development targets. I want to keep working for them.” But there was no clash. They were renamed but they were the same set of agreed objectives.

Q81 Albert Owen: That is interesting, but my question is asking really: there was a time to bed in; now we are in phase two. Have we learnt enough from phase one to really hit the ground running now and implement them quicker, better and more effectively?

Clare Short: That is the danger of the proliferation because, rather than building on what has worked, and learning about what has not worked—

Q82 Albert Owen: Do you think there will be a stop-gap?

Clare Short: In practice, people have to carry on working, and education is still important, etc. However, the whole international system is going to go in for a rejig and that could lose momentum and be problematic. We have to make sure it does not, but there is that danger.

Mr Mitchell: The answer to the first point in your question is that when we came into Government we did an audit. We looked at how we were getting on with all the eight goals and we worked out how we could try to push the laggards forward a bit. One of the ones that was the most successful was education, and that is why I set up the Girls’ Education Challenge fund, which was designed to put 1 million girls into school in some of the most difficult parts of the world. It was the Prime Minister who wanted specifically to pursue further some of the goals that tackled maternal mortality, for example, which is very expensive but absolutely essential to drive forward. You can only really understand development if you see it through the eyes of girls and women. The goals enabled you to pursue that aim and to pursue it against a grid to judge your effectiveness. They were very important in helping us work out where to put our money, effort and skills.

Clare Short: You should put that question to DFID. I would be very interested to hear the answer.

Albert Owen: We do regularly. There is a concern that perhaps they have their own domestic agendas in the Department and that this is just an add-on rather than what you were suggesting, which is that it took the whole development world forward.

Q83 Wendy Morton: One of the central debates during the negotiations of the SDGs was how to engage the private sector with the new goals. I would be quite interested to hear your thoughts on that and how do you think it would be possible to engage the private sector in development?

Clare Short: This is really difficult and very interesting because there is loads of private sector engagement. There we were on the border with Syria and there was a local firm that was procuring all the tents, blankets and so on in Turkey. That is a lot of commercial business. That is the spend all over the place.

They are strongly engaged all the way through it, making money out of it and bringing their efficiencies to it. However, they are not at the top table of managing it. I do not know how to do it. The private sector, by and large, does not want to go to lots of meetings. It wants to get on with it, so we need to talk with some of the actors who are big players and try to work it out, not by having lots of layers of co-ordination but by pulling out the way in which the private sector is engaged and making sure we are receiving feedback and learning from what they have to say—a bit more on that side.

Mr Mitchell: The work of the private sector was one of the key big ideas on boosting prosperity that the coalition Government came in with in 2010 and then implemented. We put all of DFID's private-sector-facing assets into one department within the Department, and it operates at all levels. It operates in the way that Clare describes. Paddy Ashdown pulls out, in his report, the way in which the private sector needs to be engaged rather more in the humanitarian relief work we do.

In terms of the use of challenge funds, that provides seed-corn money to encourage business to do things. We did a lot of that and we reformed CDC.

Clare Short: I started that.

Mr Mitchell: You did, indeed, and you stopped Mr Blair from privatising it, if I remember rightly. However, what we did with CDC is that we stopped it from being a fund of funds and gave it a whole load of other mechanisms to use in advancing investment, so it was a supplier of private sector investment—both patient capital and also pioneer capital. In my view, the CDC is now very different from the organisation that you inherited and from the organisation I inherited. In 50 years' time, I have no doubt that the CDC will be seen as the main British actor in terms of international development, more so than the Department. Because this is the prosperity agenda: how do the poorest people lift themselves out of poverty? It is by being economically active and having a job. All of the work that is being done on micro-finance, the use of the private sector, private sector investment and the CDC goes to an extremely powerful development agenda, in my view.

Chair: Can I say a massive thank you to both of you for your time today? Just to reiterate, on behalf of all of us, we are going to take the original point that you wrote to us about and we addressed in the opening part of the evidence forward, including looking at the evidence from other countries, including Australia, but a big, big thank you to both of you for your wide-ranging evidence to us today. Thank you very much.