

International Development Committee

Oral evidence: [UK aid: allocation of resources](#), HC 100

Monday 19 December 2016

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Members present: Stephen Twigg (Chair); Fiona Bruce; Stephen Doughty; Mr Nigel Evans; Pauline Latham; Wendy Morton.

Questions 274 - 361

Witnesses

[I](#): Rt Hon Priti Patel MP, Secretary of State, and Mark Lowcock, Permanent Secretary, Department for International Development.

Examination of witnesses

Witnesses: Rt Hon Priti Patel MP and Mark Lowcock.

Q274 Chair: Good afternoon, everyone, and welcome to this public oral evidence session as part of the International Development Committee's inquiry into DFID's allocation of resources. I am delighted to welcome back the Secretary of State and the Permanent Secretary. We are seeking to cover a lot of ground over the next two hours, so we will have to have quite a good pace with questions and answers. Let me kick off. The aid reviews, which you have renamed the development reviews, were first expected very early this year. They have been heavily delayed. Given the relative dearth of detail in them, how is this delay justified?

Priti Patel: Good afternoon, Chair. When I came to the Committee last time round and we only just touched on the reviews—it was my first appearance—I made it quite clear that I intended to take my time on the reviews. I appreciate that my predecessor had given a date for the publication of reviews, but I thought it was right and proper that I gave the reviews all due consideration and, importantly, applied my own approach to bilateral reviews of development and the multilateral reviews as well, to spell out our ambition for reform and, in particular, to improve the way the whole world does development.

I hope, perhaps over the course of today's hearing, we can touch on some of the reform agenda, which has been touched on through some of the events, visits and statements that I have put out previously. Also, by ensuring that we brought together in different voices those countries, Governments, third parties, NGOs and donors, I was able to take time to engage them, which clearly I would not have been able to do had I become Secretary of State and then gone into the publication of reviews.

Q275 Chair: I recognise that a number of the delays predated your appointment, Secretary of State. Are you able to tell us what changed, as a result of your appointment, in the content of the reviews?

Priti Patel: Yes. There have been changes. I hope the Committee will not be surprised when I say that they are much more reflective of my approach and my way of working and of the engagement that I have had with countries and organisations. If we think of the multilateral level, one of the first things that I undertook was the replenishment of the Global Fund, which of course is within that multilateral space. By getting a better understanding of functionality and ways of working, we can reflect upon where the good work is and what we can build upon, but where perhaps we need to enhance practice, behaviour and standards, and drive reform. Both reviews point to that.

If I may, I will touch on some other thematics that are important going forward, in terms of the wider picture of the development approach that



we, the United Kingdom, take. I have particularly highlighted some areas, not all in detail, because there is work to be done yet, on which I would like to personally lead and show some UK leadership: greater focus on nutrition, for example, and more work on family planning. I intend to do a big event next year on family planning. The spotlight has not been put enough on it.

That also includes areas such as disability and disability in conflict. Look at the state of the world right now. We are, every single day, plagued by what we see and what we read about conflict, violence and instability. People are being harmed. Disability is another component of that. I am touching on some thematic areas of change that I would like to put the Department's effort, as well as UK leadership, behind.

Q276 Chair: One concern that has been raised with us through the year, which arises from the delays that we have seen, is the effect on some non-governmental civil societal organisations, which have suggested the delays have resulted in them having to scale back or even in one case close completely. Can you tell us—perhaps this is for the Permanent Secretary—what the Department does to help these organisations?

Mark Lowcock: I would say two things. First, as you know and the Committee is aware, there has been a big increase in funding from the Government for civil society over the last four or five years, of 60% or so for UK civil society, so it is not the case that there has been less money available. The Secretary of State's predecessor announced 18 months ago that one of the schemes that has been popular with civil society—the PPAs—would not be continued, so organisations were given 18 months' notice of that. At the same time, the other major schemes were continuing and open for bidding.

Then the Secretary of State, when she came in, took the decision that we needed to open a new different kind of scheme—the DFID Connect scheme—in order to promote collaboration and better collective effort to tackle certain neglected issues, some of which the Secretary of State has already talked about.

Q277 Chair: We will come on to talk about Aid Connect and the PPAs. The point was not so much about the quantum of money but about the impact of delay. Can you comment on that?

Mark Lowcock: The previous Secretary of State provided 18 months' notice of the fact that the PPA system would not be sustained. Both she and officials, while she was in office—and the Secretary of State has subsequently asked us to continue doing this—told people that there will be schemes and we are looking at options, but the PPAs will not be among them. There was a lot of notice for people.

Q278 Stephen Doughty: Conducting the reviews simultaneously gave DFID the opportunity to judge the effectiveness of its multilateral and bilateral spending against each other. Personally, I think it would have made



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more sense to have done one White Paper, bringing all these things together. Can you explain whether or not an exercise comparing bilateral against multilateral and, indeed, non-DFID ODA spending in that context was carried out? Did you compare all those things against each other?

Priti Patel: It is fair to say that we look at everything within the round, because you cannot look in isolation at the multilateral, bilateral and ODA spending per se. The level of integration is enormous already. ODA spending across Government, just as one example, covers manifesto commitments and conflict stabilisation. That cuts across the bilateral engagement that we have, country by country, but also cuts across the engagement that we have and, in fact, the level of advocacy that we do through multilateral organisations, when we are trying to persuade them to focus on particular themes, particular issues and particular parts of the world.

Q279 **Stephen Doughty:** So they were compared against each other as part of the process.

Priti Patel: We take a holistic and integrated approach. The other point to make is that the Department constantly has to review the resource allocation. It is not just country by country. It is based on the big challenges that we see around the world, whether it is fragile states or things of that nature. It is probably more integrated than the publication of singular reviews may lend itself to demonstrate.

Q280 **Stephen Doughty:** In terms of coherence, do you think that, for example, CDC operating in 62 or 63 different countries and the DFID bilateral programme operating in 30 or so different countries is coherent? Do you feel that those issues were adequately looked across? If you look at things like the Prosperity Fund spending money in lots of other middle-income countries, how did that work in terms of the coherence of the process?

Priti Patel: When it comes to the overall DFID allocation, then yes, absolutely. I cannot speak for other Government Departments in terms of their ODA allocations. There is cross-Government work in the Prosperity Fund, for example, and other Ministers sit on it. DFID has Ministers on the Prosperity Fund.

In terms of the reviews and their coherence, absolutely, yes. The reviews speak to the area of not just aid but development in the wider context—economic development, jobs, livelihoods, growth and prosperity—as well as transition, recognising that certain countries are not, in the conventional sense, aid recipients anymore, but they are part of the UK Government's approach when it comes to economic development, in terms of technical assistance and the wider bilateral relationships that we have in those countries. In terms of coherence from a DFID perspective, absolutely.

Q281 **Stephen Doughty:** Which do you think is more effective: bilateral spending or multilateral?



Priti Patel: You need the combination of both and you can integrate both. The bilateral spending cannot be seen in isolation, because when we are engaged in multilateral relationships, partnerships and the funding that we put into multilateral organisations, we are constantly making the case for the big issues of the day—poverty reduction, the global goals—and focusing on the integrated way in which we can leverage our bilateral relationship, but speaking to the multilateral relationship, and vice versa. I do not see any of them in isolation.

Q282 **Stephen Doughty:** You are out there fighting in the multilaterals and in the other Government Departments to ensure that, for example, money is spent in the least developed countries, then.

Priti Patel: Completely. At every level, our focus is poverty reduction and delivering the global goals. It is a tremendous challenge for the world, quite frankly, and Britain will stand up and play its part in doing everything that we can. That is not just at a country level and multilateral level. That applies across Government too, through ODA spending, the cross-departmental work we do and the leadership role that DFID has in this place, by making sure that every single pound spent is leveraged in the right way to achieve those outcomes. When it comes to making the case at a multilateral level, I can assure you we are doing that. We are doing it through the wider reform agenda.

Q283 **Stephen Doughty:** With other Government Departments?

Priti Patel: We are doing it on a multilateral level, in terms of all the reforms that I am pursuing, and with other Government Departments. I sit and chair the cross-departmental committee on ODA spending. We have been absolutely clear now. Guidance has been published in terms of how other Government Departments should be spending that money in the right way, delivering value for money and greater transparency, but also delivering on the strategic objectives: poverty reduction and global goals.

Hopefully, through the single departmental plans, as they are republished or reiterated going forward in the new year, you will see that global goal component, making sure that we are driving this core purpose throughout other Government Departments through ODA spending.

Q284 **Fiona Bruce:** Good afternoon. With reference to the civil society partnership review, some of us were surprised that the sustainable development goals—or perhaps the global goals, as they are now called by some—were not included with reference. Was there a reason for that and how will the SDGs be used to frame DFID's partnership with civil society going forward?

Priti Patel: I take the view that we live and breathe the sustainable development goals—the global goals—in our Department, and we do not need, through reviews, to restate that point. I take it as given, through all the partnership work that we do, I do, my other Ministers do and everyone in my Department does. We live and breathe these goals, so



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they need to be at the forefront of the partnership work that we have at every single level. That also applies to frontline delivery. I take it as given now.

When it comes to the civil society organisations and their work, we are constantly—and I met some members last week—speaking about particular areas of the goals that some organisations are more focused on and want to work with us more collaboratively on. That is the right way of working.

Mark Lowcock: May I add a point, to reinforce that? The civil society review and the research review are components of the overall bilateral. As the Secretary of State says, we could have restated in each of those two things everything that is in the bilateral development review. That is perhaps not really the best use of time or paper, but they are components of the overall bilateral development review.

Q285 **Fiona Bruce:** With regard to the relationship with civil society organisations—and you touched on it earlier, Mr Lowcock—this review hints at a more transactional relationship with CSOs. There is talk about being “results-focused”, and words like “supplier” are used more frequently. How would you describe the relationship between DFID and the civil society organisations that you are working with going forward?

Priti Patel: I have spent some time more recently, last week, but since the publication of the review, with organisations and partners in the civil society space. In terms of the relationship, it is an engaging relationship. It really is, and it is a dynamic one. First of all, they were waiting for the publication. Secondly, they want to make sure that we are working in a very fluid and engaged way with them, and my Department is doing exactly that. Thirdly, we are looking at new mechanisms through the publication of the review, in terms of funding models, UK Aid Connect and all sorts of things. We want to work with them to make sure that those schemes are successful.

We are also going to try, through this, whether it is UK aid volunteers or other aspects of UK Aid Direct, to bring in smaller organisations, bringing the diversity into the system, which is something to be welcomed. This has been the opportunity to effectively open the door, engage in the broadest possible sense, rather than focusing on existing ways of working and practice, so that we can build upon the strong relationships and look to the future in terms of how we can bring others into this relationship, too.

Q286 **Fiona Bruce:** The Committee will welcome DFID working with smaller organisations more comprehensively. That is welcome news. Did you want to add anything?

Mark Lowcock: All I was going to say is that we tried to describe our relationship in the review. Britain’s civil society organisations do extraordinary good around the world. They are on the frontline of the



battle against extreme poverty. A healthy, vibrant and effective civil society sector is a crucial part of Britain's soft power and leadership around the world. The Government expect organisations that manage taxpayers' money to be transparent about where it is going and what it is achieving. We tried to describe the relationship we are aiming for in the document.

Q287 Fiona Bruce: You also talk about a more outcome-focused model of funding. We are concerned to ensure that the vibrancy and initiative of civil society, which can bring fresh ideas to the table, is not lost in what has been described as a more transactional type of relationship.

Priti Patel: That is absolutely right. Focusing on outcomes is absolutely the right thing to do. That does not mean it just becomes transactional. These are organisations that have such immense expertise and specialisms, and we take pride in working with them. It is about bringing that expertise to the table to drive the right outcome and deliver a stronger focus, and we can all learn from that.

Q288 Pauline Latham: Good afternoon, Secretary of State. The programme partnership agreements apparently "achieve real results in terms of poverty reduction and provide good value for money", according to the DFID website. Why has DFID changed its mind and abolished them? Is it not true anymore?

Priti Patel: Much of this was set out previously by my predecessor, in terms of the changing nature of the relationships. I can only speak from the perspective, since I have become Secretary of State, that we need new funding instruments that better reflect how the world is changing, how civil society is changing, but also how we work with organisations on delivering results and priorities.

Through this entire review, we have identified four different ways in which organisations can apply for funds, as set out in the CSPR. We are completely revising our approach to that engagement, but it is a reflection of the changing way of working, changing priorities, the big challenges that we face globally and how organisations can be more agile, more flexible, work with us and adapt in a different way.

I come back to the point I made to Mrs Bruce, which is that we want to be able to bring new players to the table, work with new organisations, and through the changes that we are making, we are seeking to do exactly that.

Q289 Pauline Latham: Maybe the website needs updating then. The CSPR stated that one of DFID's objectives is building a diverse, resilient and effective civil society, but the loss of the core funding through the PPAs has led to downsizing and is hitting smaller organisations particularly hard. How does getting rid of PPAs without any replacement help achieve that diverse civil society?



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Priti Patel: We will open up, through UK Aid Direct, the opportunity for those that may not have featured in this space at all to come to the table. There is an element of opening up the system, encouraging more competition and working in a much broader sense within civil society to encourage others to enter this space, whereas previously many of them felt excluded or not able to engage with us.

Mark Lowcock: That is the core point. The PPAs were basically going to a small number of bigger organisations, and even for them in most cases the PPA resource was not most of what they were getting from the Department. They were getting a lot more money through the other schemes.

Q290 **Pauline Latham:** Previously, Mark, you have said that the intention is for CSOs “to generate their overhead from the main ways in which they get access to funds from the Department”. Is it the expectation that they now have to cover core costs through earmarked funding, and therefore raise the amount that they charge to DFID for other programmes?

Mark Lowcock: Across the whole of Government funding of civil society, not just in the development sphere but more generally, there is, as you know, a concern that there should be clarity about how overheads are being recaptured. It is better for organisations, in the same way any private sector organisation does, to recapture the overheard project by project, not to be subsidised centrally, which effectively gives them a comparative advantage against others that are not subsidised centrally, for every bid for a project they do. An important feature of this new set of arrangements the Secretary of State has put in place is that it levels the playing field. It makes it easier for the smaller organisations to access resources than it used to be, particularly in relation to the bigger organisations.

Q291 **Mr Evans:** I just want to add to that. Where it says that you wish to build a diverse, resilient and effective civil society in the developing world, what aspect of the Ethiopian girl band does that fit into?

Priti Patel: It is fair to say that Ethiopia is a hugely challenged country. We can all recognise that, and I have no doubt that many members of the Committee have been to Ethiopia and seen some of the enormous challenges around civil society, governance and the ability to develop in a strategic way. Alongside that, there are many issues relating to violence, women and rights of individuals that need support and need addressing. The programme that you are referring to, Mr Evans, is just one component of that. It is one component of a wider matrix of not just DFID investment but international investment in Ethiopia, in the civil society space, but in that right space as well.

Q292 **Mr Evans:** I appreciate what you have just said. I have been to Addis Ababa and I have seen women carrying eucalyptus branches down very steep hills in order to sell them for firewood, so there is a lot of poverty there. Do you not believe that the money coming from our Department



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could be better spent? Secretary of State, I have known you for many years. Your blood must have been boiling when you read that story. Do you not believe that the Department's money could be more effectively spent on women in Ethiopia than the way it is currently being spent?

Priti Patel: I completely understand and recognise the fact that you cannot vacate the pitch when it comes supporting women. There are some very substantial issues relating to their wellbeing, their rights and all the things that matter and should matter when it comes to living in a civilised society. The British Government and DFID lead the world, quite frankly, in a lot of the work that we do around women and girls and that is something that my predecessor, Justine Greening, and David Cameron championed extensively.

When it comes to this specific programme, there are many other ways in which one can make sure that we are making those advancements. UK aid in Ethiopia is combating forced child marriage, violence, teen pregnancies—all those really big, substantial issues. We are doing a range of work there. That is just one project.

Q293 **Mr Evans:** Are you looking at the programme again?

Priti Patel: It is fair to say that I keep all programmes under review. I myself have—

Q294 **Mr Evans:** This programme is now under review.

Priti Patel: I have read the programme. I spoke on Friday to the in-country team and the Africa team, to make sure that the programme is doing what it should be doing. It is doing substantial work when it comes to combating the issues that I have highlighted. At the same time, as I have said, all programmes are under review. My objective is to make sure that the money to programmes in country goes to helping the world's poorest, but also delivers UK taxpayer value for money.

Q295 **Wendy Morton:** Good afternoon, Secretary of State. I wanted to ask you about UK Aid Connect. It was mentioned earlier this afternoon. How do you think Aid Connect will work in practice, and what sort of activities do you anticipate arising through this programme?

Priti Patel: UK Aid Connect is a new approach to funding and will seek to bring a degree of innovation and collaboration between civil society organisations, institutes like think tanks and the public and private sectors, to look at the key development challenges. When we look at the development challenges that we face right now around the world, whether it is women and girls in Ethiopia or other countries, disability in conflict or nutrition and family planning, the challenges are absolutely enormous. They really are. I can categorically say, from my first six months in the job, that there is no one-size-fits-all solution to any of these global challenges that we see.



Central to UK Aid Connect are innovation and collaboration. Those two aspects are absolutely crucial, but importantly—and I see this more and more—there is a greater need for sharing information and collaborative working—that is true in the humanitarian field as well. We need to come together and make sure that that informs the approaches that are taken. These have to be not short-term approaches but long-term approaches, to tackle the big global challenges that we face.

Q296 Wendy Morton: It is good to hear you talking about long-term approaches. It is something that the Committee is interested to hear. Will the overall amount of money available to CSOs remain at the same level as it has been previously, or do you expect it to fall? Linked with that, Secretary of State, what will the balance of funding to CSOs be between the four major programmes mentioned in the CSPR: UK Aid Connect, UK Aid Volunteers, UK Aid Match and UK Aid Direct?

Priti Patel: UK Aid Direct is the main central funding mechanism for small organisations. Even the smallest organisations are able to apply. The UK Aid Direct community partnership grants are also available to organisations based in the UK with an annual income of less than £1 million. In terms of the money available, we are not setting targets for spending at all, because in my view—and this is the right approach going forward—we need to make sure that we are meeting the need and effectively challenging ways of working, to come up with the right approaches to not just solve but address the big challenges that we face.

Across the four schemes that we have, we must, to a certain extent, prioritise resources to areas where the need is the greatest. That is a much better approach than having spending targets and saying, “We are going to put a figure for Aid Connect or Aid Volunteers.” We need to improve what we are doing and find better ways of working. That is effectively what this is about.

Q297 Wendy Morton: I appreciate what you are saying about the need to maintain some flexibility, but are you able to give us any idea of general ratios? For example, would you expect UK Aid Direct to take a lion’s share of the cake, compared with Aid Volunteers, for argument’s sake?

Mark Lowcock: Historical numbers are, to be honest, as good a guide as anything to the future because, as the Secretary of State says, the instruction she gives officials is not, “This partner needs to get that proportion and that partner needs to get a different proportion.” The instructions we get are, “Find me the best-value way of maximising the number of people who go to school or get water and sanitation. Find me the best supplier.”

As I was alluding to earlier, the central schemes, which we covered in the civil society partnership review, are quite a small proportion of the total funding of civil society: something like 15% or 20%, in recent years funding. One of the really special, important things about the central schemes is that they bring more of the smaller organisations into funding



arrangements for the first time. That is why the Secretary of State asked us to design the schemes in the way we have done, not at the expense of the bigger organisations, but in the knowledge that the bigger organisations can access resources successfully, for example, on big humanitarian problems or on big country-level results delivery, in a way that it is not possible for a smaller organisation to do.

For reasons that the Secretary of State has described, it is not a good idea to take as a starting point, "This proportion should go to civil society, that proportion to multilateral and that proportion to Government." A better starting point is, "How do we get the best supplier to tackle each problem that we are trying to tackle?" Sorry, "supplier" is the wrong word: NGO or organisation.

Q298 Wendy Morton: Would we anticipate, then, at the end of a financial accounting period, to have a breakdown of how much has been spent on each of those four, which types of organisations, what sort of projects and, ultimately, what outcomes?

Mark Lowcock: Absolutely. In fact, we publish quite a bit of that data every year in statistics on international development. We could certainly look at whether—because everything is published on DevTracker anyway—there are different ways we can aggregate it to answer your question.

Q299 Wendy Morton: Beyond a large number of platitudes about the importance of aid and the challenges facing us, the bilateral review contains very little detail about the decision-making process undertaken or how its conclusions will practically affect spending decisions. I wondered if you could perhaps take us through the decision-making process the Department went through at each stage of the review.

Priti Patel: The bilateral development review clearly sets out how the UK will intensify its efforts on poverty reduction, promoting development and working in countries around the world, but in terms of the process of decision-making there were a number of stages, effectively. The bilateral spending teams work on draft strategies, and the teams refresh and work on their country poverty reduction diagnostics. You will know the analysis that takes place country by country, and how DFID works in country in terms of the assessments that it makes in particular.

Then we look at that analysis alongside the inclusive growth diagnostics and other factors that help to determine local needs and the comparative advantage for particular teams and countries. Those draft strategies set out the overall vision and approach in terms of what we are seeking to achieve and set that portfolio focus during the spending review period.

The next stage of that is the coherence across the DFID portfolio, so bringing in other initial findings from the review. That comes through the multilateral side of things—the civil society partnership review and research review—which helps Ministers in particular to make choices about the areas we focus on in shaping DFID's portfolio.



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Then it comes through the area of the planning, getting down to the hardwiring and the nuts and bolts. Effectively, once the indicative budgets have been settled, it is a process of the programmes, which could be combinations of centrally managed programmes, in-country programmes and the business plans that are developed to meet DFID's overall strategic objectives, while reflecting on the overall diagnostics, so the country assessments and the needs assessments that are made.

It is an extensive process. It certainly has not taken place over the last six months that I have been in the job. It is an iterative process over a considerable period of time. Importantly, that diagnostic process helps to shape, inform and determine many of the macro and thematic choices that I, my team and Ministers have to make, and that my predecessors made as well, which lead to some of the manifesto commitments that we have.

Q300 Wendy Morton: In terms of the countries and needs of countries, the list that you sent of DFID's priority countries appears to have no changes, so does not include countries like Syria but does include India. Was this intentional and has there been any change to the list of priority countries?

Priti Patel: I indicated this earlier on in terms of programmes. We review all our programmes constantly. We are constantly reviewing our allocations and our country focus, so the geographies and the countries that we are focused on, to ensure that development assistance is used most effectively to meet the challenges that the world is facing and other challenges in our national interest as well.

The planned programme spending set out in the 2015-16 annual report is subject to revision. We published in the summer the two-year programmes for spending allocations. If I may say so, the comparison of India and Syria is not really one that we can use at all, because the United Kingdom has led the way in terms of Syria over a considerable period. If we look at what we are doing right now with Syria, that is not subject to a figure in a report that is published. That is a constant feature of decisions that I make every day in terms of DFID spending, but also responding to crises that we see around the world and Britain meeting its moral obligations in the world through our commitment to 0.7%. It is absolutely right that we continue to support countries like Syria in a time of immense crisis.

Today, as another example of what we are doing in a country in part of the world that is afflicted by so much brutality and conflict, we are investing and spending another £76 million in lifesaving support that people desperately need in Syria. These are not figures that will be in report at the time of publication because, again, it is a part of the world where the need is constant.

Q301 Wendy Morton: One of the things that we asked for was five-year spending plans and priority themes for priority countries. I believe these



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were included in the last bilateral aid review. Is there any reason why spending plans have changed from five years in the last BAR to two years now?

Mark Lowcock: One of the reasons is that, post the referendum, there is a bit more uncertainty about lots of things. The Chancellor had—was it last month or October?—to revise the forward projections on the size of the economy. We knew in the summer that there were lots of changes in the forecasts on how the economy would grow and that that would therefore affect the ODA budget. We took the decision that it was not sensible in those circumstances to publish four years' worth of numbers when there would be more change to come.

The point the Secretary of State has already made is that we will continue to publish rolling budget figures for future years, but we need to strike the right balance between medium-term predictability and not publishing numbers so far out that we have to make major adjustments to them because of the economic phase the country is in. That is the balance we are trying to strike.

Q302 **Wendy Morton:** This is my final question. Sorry, I am very conscious that I am taking all the time at the moment. One of the only regions that the bilateral review is explicit about is a stronger focus on the Sahel and Africa's arc of instability. Does this mean an increased focus on DFID's existing bilateral programmes there, or should we expect to see DFID programmes in countries like Chad, Niger and Mali?

Priti Patel: This is a very good example of the work that we do in fragile states and parts of the world that are enormously challenging. I will not come here today and make announcements about new programmes or bilateral spending in those particular countries. However, I come back to my point that we have to constantly look at our resource allocation because of what is going on in the arc of instability. That part of the world is afflicted with enormous conflict, but it is also complicated in terms of UK interests. There are wider issues on migration and counter-terrorism.

That is why it is right that the UK Government, and not just DFID, have a coherent approach, whether through the CSSF or through the work that we do at the NSC. We have to constantly look at our approach there. Yes, we are spending considerable sums there, and we are spending them for a very good reason, because it is in our national interest to do so. We will continue to do that. In terms of the country-by-country approach, the strategic approach that we take is very much subject to overall government strategy, but at the same time guided by what we can realistically achieve in country on our own, compared to the wider multilateral approach.

Q303 **Stephen Doughty:** As a short follow-up, Secretary of State, I agree very much with the focus on the Sahel, arc of instability, fragile and conflict states, and many of the other priorities you mentioned. When



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you look at DFID's spending priorities overall, you said it focused on poverty, those who most needed it and effectiveness. The Department can still hold its head high that that is where its money is going. However, when you look at where the rest of aid spending is going, particularly through CDC, other Government Departments and the Prosperity Fund, you get a much more mixed picture.

Do you not think that you should be taking a bigger lead in ensuring that those bodies more closely track the ministerial priorities that you have put into the Department to direct spend? Take, as an example, CDC's disbursements in India. We say we have ended our aid to India, but a lot of aid money is going to India. The majority of the spend still goes to the richest states in India, not the poorest. Do you not think there needs to be a fundamental shift there?

Priti Patel: You have made an important point, which is about ensuring that our development assistance is spent on those core issues: poverty reduction, but also supporting economic development and prosperity. In answer to your first question, absolutely, it is my job to ensure that we are effectively spending that 0.7%. As to the ODA allocations, both in DFID and across Government, I have already referenced the fact that we have a process in train across Government Departments. As a Select Committee, you are also entitled to call other Departments here to ask them more about their ODA spending, too.

That is part of the discussions that I have been having with my colleagues across Government, because they need to be much more transparent. They have to be focused on how that money is spent. We have clear guidelines on how that money is spent as well: on poverty reduction, but also economic development and prosperity. The two go hand in hand; they cannot be seen in isolation. To your first point, when it comes to value for money, it is a question of driving value and making sure that every pound of taxpayer's money is spent in the right way, to end poverty but also support the transition to development.

When it comes to countries like India, we do not give India traditional aid and we have ended that. We ended it for a reason: India has moved on now in terms of its status, but let us not delude ourselves. There are states in India that still have some of the highest and most extreme rates of poverty in the world. Having a development finance institution like CDC investing in India, creating jobs, prosperity and economic development, is the right approach. It is the right thing to do. Does that mean we can do more to make sure there is transparency in organisations such as CDC about whether they are driving poverty reduction and job creation levels? Absolutely. That, of course, is the focus of the Department.

Chair: We will come back to CDC a little later on. Just to inform you, we have decided to have an inquiry into ODA spent through other Government Departments. Can I just take you back to Wendy's final question, which was about the Sahel, and press you both for a bit more



detail on this? You have rightly made a point of highlighting the arc of instability, but what specifically is the Department going to do differently in that part of the world?

Mark Lowcock: We have programming in some of the French-speaking countries in the region, which includes humanitarian support in Niger and some things in some of the other countries. One of the points we are trying to convey in this review is that it has stopped being as useful as it was in 2010 to talk about priority countries, because we have had to evolve as the world has evolved. We have had to get back into the Middle East, which we left, basically, in the late 1970s and the 1980s. We have to operate in a more flexible way. This concept of “where we have a DFID programme” is a much broader concept. In Eritrea, we have DFID staff now. Does that count as a country office? Make your own choice. We have a staff member in Burundi, which I know is a country of concern to the Committee. Does that mean it is a DFID office?

These hard and fast boundaries have stopped being useful, and that is exactly the point that applies to the Sahelian countries. Where we can best operate through organisations—sorry, again, Mrs Bruce, for using the wrong word earlier—that we do not directly manage in, say, Niger or Chad, we will do that. Where it makes sense for us to provide a grant or contract to someone we are directly managing, meaning that we need a bit more capacity on the ground, then we will do that. As the Secretary of State has repeatedly said, the drive is the poverty reduction, the results we can achieve and the value for money. That is the way we think is best to make these decisions.

Q304 **Mr Evans:** The Department produces a country poverty reduction diagnostic, to map how partner countries can best be supported to exit from poverty. Then there is the inclusive growth diagnostic for each country as well. Very few of these have ever been published, despite the fact that DFID’s investment programme is heavily based upon them. Why have they never been published?

Mark Lowcock: The thing we have been publishing continuously for a number of years now is the country-level business plan. We can have a look at what, from the analytics and the diagnostics, could sensibly be published. In some cases, there will be judgments or things said in them that mean they are not publishable under the FOI rules, but there is probably quite a bit more that we would look at putting into the public domain if there was a market for that.

The core thing, which we have updated each year, I think, since 2010, is the overall business plan for the country, which brings together and summarises all the underlying analytical tools. The core messages coming out of the analytical exercises are captured in what we publish.

Q305 **Mr Evans:** You do not have to wait for them to be FOI-able, do you? It would be in the Department’s interests if there were as much transparency as possible. When can we expect to see these country



plans?

Mark Lowcock: The country business plans?

Q306 **Mr Evans:** The operational plans.

Mark Lowcock: We are working through it, having published the BDR. They need a bit of refinement because of the decisions we took at the end of the BDR, and also because of the adjustments to resource allocation coming out of the Chancellor's autumn statement. We are working very hard on them and, as the Committee is aware, unfortunately early versions, which are not the current version, found their way out of the Department. That is something we are not very happy about. What we want to publish is something that represents the refined view, taking account of all the decisions made in the BDR, MDR and the other two reviews. We will do that as soon as we can.

Q307 **Mr Evans:** Do you think it will be early next year?

Mark Lowcock: I would have thought so, yes.

Q308 **Mr Evans:** The transparency would help to alleviate the problem you have just referred to, which I will ask you about later on.

Mark Lowcock: I agree with you, Mr Evans.

Q309 **Fiona Bruce:** As a supplementary to that, will they also refer to the SDGs in terms of each country?

Priti Patel: Absolutely. There is no reason why not.

Fiona Bruce: It is simply that, with the SDGs having been announced with such fanfare, well over a year ago now, the Committee has been looking forward to these in-country plans with reference to the SDGs. Thank you for that answer.

I would like now to ask a number of questions relating to transition and exit from countries. My first question is to the Secretary of State, and then I have a number of supplementary questions for Mr Lowcock. In response to a written question from the Committee, you said that you had not taken any decisions to exit any specific country programmes. We wondered if that was still the case. Our predecessor Committee recommended a number of times that decisions to end bilateral programmes should only be made following a bilateral aid review. Are decisions based on this bilateral review still being taken, or can we take it therefore that there are to be no exits until the next one?

Priti Patel: No, as ever, when it comes to transition, our aid needs to be focused on where the need is the most. I have already touched on one particular programme. If there is an issue picked up, through the reviews we undertake and not just the publication of the main reviews, these are decisions that will have to be made. There could be examples where we are looking to refine our approach or even review, cut or stop programmes.



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Q310 Fiona Bruce: That is going forward. If I can, I will address a number of questions relating to managerial issues to Mr Lowcock. ICAI has recently been very critical of DFID's approach to transition and exit. They produced an amber/red report, which our Sub-Committee looked at just last week. There were a number of really quite serious criticisms, including lack of overall direction from DFID's central management, an absence of attention to value for money and poor practice in terms of sharing know-how and learning. What lessons will you be taking forward regarding exit and transition, to ensure that these are more effective?

Mark Lowcock: You had a good exchange last week with Lindy Cameron, Richard Montgomery and others on this. I am reading and digesting the transcript. The Department will need to provide you and the ICAI with a full response to that report. We have been talking about that with the Secretary of State, but we know we owe you a response to it.

There are different things at play here. In terms of how the dialogue was conducted with the relevant countries, in the South Africa case, which also applies to Vietnam and India, we had many, many months of discussion with those Governments about exactly the direction in which the British Government thought it should move the future relationship. As part of that, we were aware that there were the cross-Government funds and the role of CDC and others, which were part of a different approach overall from the UK with those countries.

The points about how we go through the process are very well taken. We put in place new guidance in 2014 to help all country teams work through the issues, and we need to make sure we keep that guidance updated and we apply it effectively. Of course, the other thing we need to do is understand how often these transitions will be happening, and how often these countries will be graduating. As you and the Secretary of State have just agreed, we have not made any new announcements on that yet. It is not really a brilliant use of civil servants' time to write lots of guidance to deal with a situation that we do not think we will be in very often over the next few years.

The last thing, and this was a point that was lodged very clearly with my colleagues when you asked them questions last week, is the business of learning as we exit. That is a powerful point. We need to work out the best way to capture all those lessons, and not just from the transition process itself. Crucially, say for a country like India, where for many decades the UK has had a big development grant finance programme, there is all the development knowledge we have generated, which is transferable to other countries.

As you know, some of the people who have worked over many years on those programmes have written a book about that experience in India. Capturing all that, so that today's generation can learn from those previous experiences is an important part of the learning objective.



There are other things we need to do on learning as well, however. The questions you ask and the report of ICAI will help us with that.

Priti Patel: There is something else as well, obviously, which is pertinent to transition. We have been in these countries for a reason, based on poverty, doing some great work, but also building capacity. When we know we are at that stage, not just waiting to get to transition, but working towards that aim and objective, it is absolutely vital that we use our Government footprint, the experience of DFID and the partnership working that we have to sow the seeds, sooner rather than later, so the transition, when it occurs, can happen in a seamless way. That therefore becomes the long-term expectation through the bilateral relationship that we have in that country.

Q311 **Fiona Bruce:** That is an excellent point, and that is why lessons need to be learned—do they not?—even if you are not going to announce any new exits shortly. The ultimate aim is to reduce aid dependency wherever you are working. Can I just ask a specific point? By the way, Mr Lowcock, I am very pleased that you will provide a detailed response to that report for our Committee and ICAI. One criticism of ICAI, which we were very concerned about, was the apparent lack of transparency regarding continuing aid to China and India. Whatever the reality was, the impression created was that aid had ceased, when in fact, of course, support was continuing in different ways.

Can you tell us how you will be clearer in the future regarding exits and transitions, so that does not happen again? I was addressing it to Mr Lowcock, because again, it is a managerial issue, is it not? A policy decision had been made, but clearly there was quite some confusion and miscommunication during the process.

Mark Lowcock: Both previous Secretaries of State, because I think there were announcements of this sort made by Mr Mitchell as well as by Ms Greening, were clear in the public statements they made that some sorts of collaboration would be continuing. It was very important they were clear about that publicly, as indeed they were, because they had been clear about it in exactly the same way privately.

We did say, in respect of India, that there would be a continuing programme from the UK on investment and on technical assistance, and we talked about the nature of the relationship that would continue with China, Vietnam and South Africa as well. The thing that has evolved is the greater use of the cross-Government funds, the Prosperity Fund in particular. This opens up a wider set of ways in which, as the Secretary of State was saying earlier on, the UK can build new relationships with a very important new set of partner countries, especially as we leave the EU.

That is a development that took place after the transition announcements were made. It is not the case that we were not clear that certain elements of the relationship with these countries would continue once the



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financial grant aid ended. Those statements made by the Secretary of State's predecessors were always clear on that point.

Priti Patel: This is a point of great reflection with regard to transition and transition countries, and our overall approach. As you will know, I have worked, through my previous roles in government as well, in India quite extensively on the bilateral relationship. If I look back on my last three months, as Mark has pointed out, there is more to do here. If we are driving value for money in ODA spending across Government spending, we have to integrate the approach. That integration is about how we position not just the UK but also DFID's work, and the work of other Government Departments and their footprints in countries, too.

I sense, certainly, if we point to India and China, that because the relationship is so different now, compared to what it was once before, we need to revisit that and approach it strategically through a different lens.

Q312 **Fiona Bruce:** Again, that is welcome, because, while from DFID's perspective the clarity may have been thought to have occurred, it is clear from the ICAI report that that was not the impression that was received. It was not what was heard, and that has to be worked on, doesn't it?

Last year, ICAI was critical of DFID's lack of a strategy for working with multilaterals, and DFID's response was that the multilateral review would be that strategy. While the review is definitely an improvement on no strategy, there is still insufficient strategy from DFID on when and how to work with multilaterals. Could you, Mr Lowcock, just take us through the process of working with multilaterals?

Mark Lowcock: As you know, this is effectively the third iteration of reviews by the UK of the workings of the multilateral system—in particular, the 38 agencies covered in this iteration. This performance assessment has been recognised widely as the leading international benchmark of how these organisations are doing and what they need to do better. You have seen the director of the Global Fund, the head of Gavi, the head of the Global Partnership for Education, the head of UNITAID and countless other people speak positively in the last two or three weeks about this review process.

The review itself provides an assessment for Ministers of the overall performance of the organisation, progress against the reforms the UK suggested be put in place last time and options for pushing further reforms. The Secretary of State takes delivery of all that and makes her decisions on what financing to provide in future to each organisation. She has made a number of crucial announcements since she took office, including the Global Fund announcement in September and another announcement that you are aware of at the end of last week. There are more announcements to come.



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The key thing is that it is not just about the money, but about the forward performance. The strategy is embedded in all those processes.

Q313 Fiona Bruce: Can I ask you about the performance and capacity of multilaterals in country, where there is evidence of this being assessed in the document itself? That is something our Committee had raised previously with you.

Mark Lowcock: One of the data-gathering exercises for the review includes gathering the views in a subset of countries where the major multilaterals work; it is not possible to do it in every country where each multilateral works. There are processes to consult local stakeholders on what they think about the performance of, say, the Global Fund, the World Bank or whatever it might be. That is part of a wider consultation process, which involves UK stakeholders as well. It involves, crucially, the organisations themselves. Those kinds of issues of country-level effectiveness play straight into the assessment and the reform process.

Just to give you an example, one of the things the Secretary of State asked us to push really hard for in the current IDA replenishment was to get a lot more World Bank staff living and working in fragile and conflict-affected states. The result of the push she asked us to make is an announcement that, as part of the replenishment, above previous plans, which were a growth, another 150 senior World Bank staff would be posted to countries where, hopefully, they can be more responsive to the local environment and take quicker, more relevant decisions. That is just one example of the way knowledge generated from the country feeds into the reform agenda and the financing decisions that the Secretary of State ultimately makes.

Q314 Fiona Bruce: We are still looking for more information regarding the performance of the multilaterals, so hopefully that is something that could be taken forward. Could I very briefly return to the SDGs? This is an issue of some concern to the Committee, as you will realise. Can you tell us how the global goals were considered in the MDR process, and how engagement by DFID with multilaterals will support the achievement of the SDGs? What process do you use to deliberate on this?

Mark Lowcock: The global goals, signed up to as they are in the UN, provide a framework for the whole international development system. They are implicit in the forward mandate of all the agencies, not just the UN agencies, although the line of sight is most direct to the UN agencies. The particular goals that each agency works on reflect its particular mandate. The Global Fund to Fight AIDS, TB and Malaria or the Global Alliance on Vaccines and Immunisation make a strong contribution on the health goals but, obviously, a less strong contribution to the environmental goals. They need to work out what their contribution is to the global goals set, and how they want to report on and be judged on that contribution.



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For the largest organisations with a completely cross-cutting role and mandate, as it were—take the World Bank—I would be surprised if there is anything in the 17 global goals and 169 targets that the World Bank is not doing something about. Its own overarching twin goals, getting to essentially 3% of people living in extreme poverty, from 15%, by 2030, and sharing prosperity—the 40% goal it has—contribute to the 17 and the 169. The World Bank, I am sure, will have important, detailed things to say across each of those goals. It is a bit unusual, because it is doing lots of things everywhere, whereas some of the organisations have a narrower mandate.

Fiona Bruce: I realise they are very broad in many respects, but the Committee is looking forward to DFID coming back to us and giving an assessment of how DFID has contributed in its differing ways towards the achievement of these goals, which were announced with such a fanfare internationally last year.

Q315 **Chair:** Mr Lowcock referred to the World Bank, and we had a report in *The Times* newspaper today that raises a number of concerns, both about the amounts of money but also about the transparency, both at the DFID and World Bank ends. One of the things *The Times* highlights today is a claim that £9 billion was spent through World Bank trust funds over a five-year period. Can you tell us if this figure is accurate and whether you are able to give us a full breakdown of this spending?

Mark Lowcock: We can give you a full breakdown of all the spending the Department channels through the World Bank. The totals are large, and, as you know, most of the UK's spending through the World Bank goes through promissory notes. Mrs Latham was asking me question about that last time I was here. This means that the cash is only released when the activity is due to take place. In fact, when we went through all the issues that were identified in *The Times* story, we found that 97% of the UK money attached to World Bank trust funds was for contracted and approved activity, which would not be able to take place unless the funds were in place.

Q316 **Chair:** Can you give us an example of the sort of thing it would be?

Mark Lowcock: There are lots of different examples, but for example, the World Bank acts as the treasurer for the International Financing Facility for Immunisation, which effectively immunises millions and millions of children every year. In order to finance the forward immunisation programme, the World Bank needs to be holding bankable commitments to finance the programme from the ultimate finances.

Another example would be the Afghanistan Reconstruction Trust Fund, which is the main source of finance for all of Afghanistan's teachers. It is how they get paid their monthly salaries. Unless there is underwriting by all the contributors to the ARTF that the funds will continue to flow, if you are a teacher in Afghanistan, you will have serious questions to ask about



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whether you are going to get paid every month. We can give you quite a long list of examples, but those are some of them.

Q317 Chair: In 2011, ICAI concluded that DFID allocates a significant amount of resources to trust funds. ICAI said that this is on a fragmented basis with no overarching strategy and limited oversight at the corporate level. What have you done as a Department since then to improve oversight of those funds?

Mark Lowcock: ICAI reported on exactly what we had done in its 2013 report, and it said that, following its study, we had largely dealt with the historical issues that it had been concerned about. This is a very important point that is being raised: are there large amounts of money sitting unnecessarily in these institutions, which are not being put to work? That is what we have been going after.

Q318 Chair: Are there?

Mark Lowcock: As I tried to say, for 97% of the UK resources, it is there because there are contracted activities, which have been approved and are in the process of being delivered to achieve a result. We have been working really hard. Mr Lefroy is not here, but he said to us that using the promissory notes we use is clearly better than putting cash into the system where it will not be used. The underlying concern, which was one we shared five years ago, is one we have been working very hard to address.

Q319 Chair: What would you say to the suggestion that this is simply DFID shovelling money out to the World Bank to fulfil the 0.7%?

Mark Lowcock: As you know, the Government have rules about not paying bills in advance of need. The National Audit Office scrutinises Government finances every year to check that those rules are being complied with. Last year and the year before, the NAO did a note for you on that, including on the question of promissory notes. It reported to you, as I am sure you will recall, that the system we were applying was consistent with Government accounting rules and what we were supposed to do. The NAO has not criticised us for paying bills in advance of need, which would be wrong.

Q320 Mr Evans: The thrust of the attack is that the Department wants to reach its 0.7%, so it is doling out these promissory notes, basically shifting it from one account to another account, so that you can say, "We have reached the 0.7%." What is your answer to that?

Mark Lowcock: The answer is that, were we doing anything that we should not have been doing, the NAO would have called us out. Let us just rehearse why these promissory notes are a useful thing. I gave last time the example of the Global Fund on AIDS, TB and Malaria. If you are somebody in a developing country who needs anti-retrovirals and takes them every day in order to survive, you want to know that somebody will be paying the bill for your medication way into the future.



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What we think is not a good idea is for the British Government to put a whole load of cash into an account that gets drawn down over many years to provide the assurance to that person, and millions like them, that their anti-retrovirals will be financed. We think it is a better idea to put in a promissory note, which is a promise that the bill will be paid, but the cash will not be released until it is needed. That is basically the system that we have put in place for most of our funding to the World Bank over the last six or seven years.

The criticism that was made, to be clear, was a good criticism six years ago, and we have worked hard to put in place better arrangements, so that the taxpayer does not have to hand over banknotes before they need to be used.

Q321 **Mr Evans:** How much is sitting there now, waiting to be spent?

Mark Lowcock: I will have to dig some numbers out for you on the promissory note balance and the cash balances. May I write to the Committee? I have the numbers; I just do not have them with me.

Chair: Please write to us with those details.

Q322 **Mr Evans:** The only other thing is this: do you think there should be far more transparency about how these organisations spend the money, in order that people can be assured that it is being properly spent?

Priti Patel: One word is yes. That is at the core of what we are doing in DFID right now: challenging multilateral partners, including the World Bank, to publish in line with international transparency standards, opening up their books to management costs and the whole lot. This is part of the discussions. My early engagement with the World Bank has not been on the amount of money we will give it but on reform: reforming its approach to dealing with the challenges we face on poverty reduction, but also the way in which it accounts for itself and conducts its business.

Q323 **Chair:** We would absolutely agree as a Committee on the importance of transparency of international institutions, but also the importance of DFID's own transparency. You publish a lot of data, but it is not always as easy for people to access as would be ideal. Can we have a pledge to address that as well?

Priti Patel: Completely.

Q324 **Chair:** Thank you. Can I move on to another of the multilaterals: UNESCO? UNESCO scored poorly in the multilateral development review. UNESCO itself has been critical of the process of the review. Can we just talk a little bit about that process? It says the review failed to deal well with organisations that "have a normative or standard-setting function". How did the review deal with such organisations, and, in particular, how much was UNESCO consulted through this process?



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Mark Lowcock: The review started last year, before the Secretary of State was in place. A lot of the consultation took place in those early stages, so let me say a bit about it. Firstly, all these agencies are very well aware of the broad approach that we take, because we have done it twice before. We had clear terms of reference and early engagement with each agency. These are benchmark reviews, which people look forward to. The head of Gavi said they had become an internationally recognised benchmark. The head of the Global Fund said they fully agree with the approach the UK has taken. The transparency organisations, again, say the same thing.

UNESCO, as with every other organisation, was an organisation we engaged with at the beginning of the process. We were clear with everyone what the terms of reference were, and the questions we would be looking at. We were clear that, as with the previous two reviews, there would be an honest assessment, where there is benchmarking, and clarity on things that are done well but also things that are done less well, and that funding decisions would then follow from that.

Q325 **Chair:** Can I interrupt you on that, Mr Lowcock? You said funding decisions would follow. In the previous review, there was a very visible effect on funding. Media reports tell us that DFID wanted to reduce funding to UNESCO, but you were overturned by No. 10. Is that right?

Priti Patel: I have been very clear, in terms of my focus on reform and value for money. We will be challenging on reform of the multilateral system. In terms of reducing funding, I am very conscious of and, through this process, recognise the fact that that UNESCO has been failing in its effectiveness and organisation capacity and capability. The review highlighted where the failures were, but also surfaced what we could do. To cut money is one binary option.

The other, which is the approach we have taken, is a classic example of cross-Government ODA, because it is not just DFID that contributes development assistance to UNESCO. It is cross-Government effort here. The assessment had to be that we would work with UNESCO to drive change and reform. As I have stated, this is the overriding principle to the approach that we will have to multilateral organisations.

That means a change of approach in terms of being much more open from UNESCO's perspective, working with not just DFID but other Government Departments, to ensure that we can set new standards and new targets. DFID is now leading on this, and we will work with UNESCO to make sure that it can drive performance and change within its organisation. Surely that is a better outcome than going through the binary option of just removing cash.

Q326 **Chair:** Will there be a similar performance agreement with UNESCO to the performance agreement that you have reached with the Global Fund?



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Priti Patel: Absolutely, exactly. We are in the process of working through that right now with UNESCO. I have to say I take a very strong view on this. Money is one option, but we need these organisations to be successful. They have a place in the world. They do vital work. In UNESCO's case, it is on the protection of heritage and international culture. We are making sure that they can step up, rather than stepping back, which, if you go through the binary option of cutting back their resources, is effectively where they would net out. You can drive performance through having those types of agreements, and thereby drive the whole outcome agenda.

Q327 **Chair:** Are you looking to have that kind of performance agreement with every multilateral?

Priti Patel: Yes, where we know that multilateral organisations, or some of them, are not performing in the way in which we would like them to perform. I am not going to sit here and say it is the panacea to every single organisation that does not perform adequately. We need them to be successful. There will be other things that we can do, through a combination of performance agreements, perhaps seconding people in to give them support, or things of that nature. We need to ensure that we can provide the right support, which does not necessarily all have to be financial. It can be strengthening the organisation or building capacity, and that is the approach that we need to consider going forward.

Q328 **Chair:** One of the aspects of the performance agreement with the global fund is an increased use of payment by results. You will be aware that this Committee has been critical of DFID's increased emphasis on payment by results. Can you tell us why you are looking to further increase the use of PBR when the evidence about its effectiveness on value for money is, at best, mixed?

Priti Patel: There are two points I would like to make. One is that it is not an area we can just close the door on. It is one that needs further development, and there is an appetite to invest and look at how the model can be explored and developed further, with the private sector as well. In addition to the money that we are putting in, we are also leveraging private sector resources. The other aspect of this is driving results and outcomes. I am focused on outcomes, and it is right that the development community focuses not just on the inputs, but on how we can get the inputs working much more strategically, in a much more focused way, to drive those key outcomes.

Q329 **Stephen Doughty:** Before I move on to the question, given what you have just said, Secretary of State, about focusing on outcomes and not input, where do you think CDC would have ranked, if it had gone through the same process that the other DFIs and multilaterals have gone through?

Priti Patel: When it comes to other DFIs, CDC is really a leader in terms of what it does, in driving outcomes, performance and returns. The point



about the CDC is that we are not looking at the CDC of the last 10 to 15 years; we are looking at CDC now, through the lens that we are adopting, in terms of poverty reduction, jobs and livelihoods. In terms of where it would have netted out, my own assessment is that it has been performing well in terms of what it is there to do, as a development finance institution, focused in the countries in which it has been focused more recently, and looking at the wider development objectives on growth, jobs and livelihood. This is just my own assessment; I am not giving a diagnostic, forensic, detailed approach.

Going forward, there is an opportunity now to build upon that, through recapitalisation, but also through the strategy that we will work with CDC to develop.

Q330 Stephen Doughty: The European Commission and the two EU agencies scored very highly in the multilateral review. In questions we have asked of other Ministers and in other discussions, there seems to be a suggestion that we might continue funding through European institutions even after an exit from the European Union. Is that your position? Do you think, given they perform so highly, that we could have a relationship going forward?

Priti Patel: We are working at an international level in all sorts of situations and circumstances, full stop, because that is the state of the world. In terms of life after exiting the European Union, I will not commit or speculate at all on what the funding arrangements will be. I do know that what I am doing through the multilateral review and the reform agenda we are pursuing across Government through ODA spending will continue to drive reform and value for money, not just looking backwards but also looking forwards.

Q331 Stephen Doughty: But you would not rule out working with them in the future?

Priti Patel: No, I am not going to speculate on who we fund going forward. Working with organisations in the international space, when it comes to the big challenges on conflict, security and obviously poverty reduction, is something we do on an international level. We work with a range of organisations—all organisations, right now. In terms of Britain post-Brexit and funding streams for EU organisations and institutions, I will not give any commitment there whatsoever.

Q332 Stephen Doughty: Do you recognise there could be a loss of impact, though, given particularly the focus on areas like the Sahel and others where we do not have a bilateral programme, but European agencies might have one? Do you recognise that there would be a loss of capacity there if we were to pull out because we were leaving, rather than approaching it with common sense?

Priti Patel: I do not recognise that, because, as I have said, this is not just about DFID. This is about the Government's approach in areas such as the Sahel, and the approach that the Government take as a whole in



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terms of the partners that we work with in areas of conflict and violence, and where there are big, national strategic objectives. This is not just about one Department. This is about a whole-Government approach.

Q333 Stephen Doughty: There just seems to be a difference there between what you have said and what some of your other Ministers have said here about the possibility of continuing funding here in the future, for common-sense reasons, via EU institutions. Will you commit to keeping it on the table as an option, based on common sense about outcomes, rather than a bias towards institutions?

Priti Patel: This is not about a bias towards institutions at all or about common-sense options. We do what is the right thing to do for our national interest and the UK's strategic priorities. We work with a range of partners around the world, depending on the circumstances in countries or in regions. The Sahel, if you look at Africa, is just one example of collaborative working. That is a whole-Government decision, through a Government strategy and a Government approach that is taken by all Ministers.

It is not down to one Minister or another Minister to determine what the future direction of travel is there. That is for Government as a whole to determine, depending on what the situation is, for a start, in a particular part of the world, and what the UK overall strategic approach will be.

Q334 Pauline Latham: Secretary of State, last week you wrote to all DFID's contractors, announcing an increase in scrutiny by DFID. We have also decided to inquire further into this issue in the new year. Considering the high costs frequently charged to DFID by contractors, does DFID properly understand the breakdown of what it is paying for, and how is it achieving value for money?

Priti Patel: That is exactly the reason why I have written to suppliers, following what I consider to be very serious reports and allegations in the national newspapers. I have spoken to the Chair of the Committee over the last two weeks about this as well. These reports and allegations need investigating thoroughly. Alongside that, it also means getting a better understanding about DFID being an informed customer, and the services we are purchasing from the suppliers we work with.

Importantly, through this review I am now undertaking, we need to be looking at full transparency on how funds are spent, including the breakdown of contractors, salaries, expenses and all the issues associated with having transparency when it comes to contracting. That is something that I absolutely want to look at through this, as are supplier compliance, codes of conduct, standards and ethics.

As to what we have seen over the last few weeks that has been reported in the press, we are looking at this as a Department. In my view, it is about ensuring that we hold ourselves to the highest standards, for a start, but also that those with whom we work, spend and transact



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hard-pressed taxpayers' money are also being held to the highest standards. That is something that we will be working with the Committee on going forward.

Q335 Pauline Latham: When Andrew Mitchell was Secretary of State, he drilled down and made sure that the overhead that DFID has to spend in order to get programmes off the ground was a very low figure. Lots of people are charging far more than that. Today the *Daily Mail*, which is not my favourite paper, is exposing huge salaries, far more than the Prime Minister's and far more than yours, Minister, for people who are earning over £500,000 and working for a charity. When CDC was paying that sort of salary, we said, "There are plenty of people who want to do this job. You should reduce the costs." To be fair, it has reduced its costs, but it looks as though the charities need tackling really strongly on this as well.

Priti Patel: I take the view across the board: charities do incredible work around the world, in very difficult countries and circumstances. We all recognise that, but let us not forget that charities exist through the generosity and goodwill of people who contribute and donate to them. I believe that there is always more that can be done. I am quoted as saying this again and again: we want to drive not just transparency, but value for money. The same applies to charitable organisations.

When it comes to contractors and suppliers of DFID, I want to see an end to what I consider to be extensive profiteering, through some of the reports and examples that have been in the public domain recently. That is where we need to make sure that we are introducing new standards and having greater transparency. That is why, again, I want to look at our approach to contracting and to transparency, demonstrating that due diligence is taken through every single stage of the contracting process.

There is something else, and I can only say this through previous work that I have done or been involved in: making sure that supply chains are equally transparent. This means greater scrutiny, absolutely, and a detailed breakdown of expenses and fees. As I indicated in my letter, declarations of some pretty basic things, such as the tax status of these companies, is absolutely vital. It also means making sure that there are the right governance arrangements in place, too, so that any organisation that may be doing as we have seen through some of the reports takes responsibility for its actions.

Pauline Latham: You talk about many charities being funded by the public, and of course Save the Children and Oxfam get a huge amount of money from them, but they also get a huge amount from us. Yes, they work in incredibly difficult places, but not usually the CEOs. The CEOs are being paid over and above what they could be paid, but they are not putting their lives on the line, which a lot of the people working for those charities are. I welcome this move of yours, and I am looking forward to our review as well.



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Q336 Mr Evans: In your letter of 16 December, in the second sentence, it says, "We need to provide them with assurance that public money is being spent effectively", something that we all applaud. Could you tell me, concerning the St Helena Airport project, which bit of that complies with value for money?

Priti Patel: Obviously, in terms of my letter that has been issued to suppliers, those are suppliers we are working with right now, and contracting with going forward as well, to make sure that we are driving value for money and transparency.

Q337 Mr Evans: Who is to blame? It was a fiasco, wasn't it?

Priti Patel: The Government have been very clear on their commitment to St Helena and the responsibility that we have as a Government to provide support to St Helena. This is a project that has been going on for a considerable period of time. When it comes to what I have undertaken in the six months I have been here, I am ensuring that concrete actions are taken in terms of those responsibilities and project failures being looked into. We are looking at the accountabilities there. I have appointed an external individual expert to undertake a detailed review of the project and programme. I think that is right. That, to me, speaks to transparency and value for money.

We have also been undertaking technical work to investigate some of the issues that have surfaced with regard to the viability of the airport in St Helena. At the same time, we are examining what has happened in the past. We have to learn from those lessons. It is only by getting a greater understanding of the challenges and what has gone on in the past in terms of decision making that we can step up and make sure that we try to fix some of those issues that have now been drawn to public attention.

Q338 Mr Evans: It is £285 million. Nobody is blaming you, Secretary of State, either, because you clearly were not there. Alan Duncan took a hammering in *The Sunday Times* yesterday. Is he to blame?

Priti Patel: I take the view that everyone in the Department, including previous Ministers who have been involved in the project, has been involved in approving different stages of the project. It is absolutely not one Minister, because this is a project that was set in train over a long period of time previously. Between 2003 and 2011, there were several different DFID Ministers involved in approving various stages, from the feasibility through the design and procurement to, finally, the contract award. As I have said, since coming in, I have taken steps to look at getting the airport to function and ensure that those who were responsible for failures are held to account.

Q339 Mr Evans: I understand it was done in different parts, and the Minister of State delivered what he was handed, which was decided years ago. When can we expect this full report into the fiasco?



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Mark Lowcock: As you know, because I told the Public Accounts Committee this, we have a process going on at the moment. It is a legal process because we are very concerned to have full accountability. The lawyers are doing their work with the commercial specialists and others. Their precise timing depends on the outcome of that work. However, we have a commitment to resolve the problems on the airport. We are running a tender now and have quite a lot of interest in providing the air service, so we need to fix that problem, too. We also have a commitment to ensuring there is proper accountability, and that is the investigation and legal process I have described.

Mr Evans: This is my final question.

Chair: We have five more subjects to cover in less than half an hour.

Q340 **Mr Evans:** It is not on the airport but on the Adam Smith International issue, which, Mark, you mentioned earlier on. It is about the people who work in the Department, who take confidential papers with them and it is clearly lucrative. Can you tell us what investigation you are making into that? What steps you are taking to make absolutely certain that nobody in the Department has a revolving door, where they go into the Department and out into the private sector, where millions are being made out of the misery, quite frankly, of very poor people? What are you doing to ensure that does not happen again?

Mark Lowcock: The Secretary of State commissioned an investigation into exactly how these documents, which were private Government information, found their way, as they seem to have done, to Adam Smith International. That involves our lawyers, our internal auditors and forensic specialists. We want to get to the bottom of that, and there will be accountability for it. Civil servants sign up to codes of conduct and take on responsibility for protecting Government information, so we will have to see who has done what in that case.

It is also important to state that, when civil servants move outside the Department, if they want to go and work for a supplier, they have to get approval on what they can and cannot do. There are rules, which are set by the Cabinet Office, and which were applied in the case you are talking about. The question is whether the rules were subsequently followed or not. That is one of the things we are getting to in the investigation. There is then an important issue about what happened to all that information once it had got out of the Department into this other organisation. That, again, is something that we are paying a lot of attention to establishing fully as part of our investigation.

Q341 **Chair:** We have heard some really concerning evidence related to this: that DFID frequently outsources the writing of business cases for projects to private contractors and then does not prevent the authors from bidding. This would obviously give a clear incentive to draft the business case in line with their own expertise. Can you undertake today to look into this and to strengthen protections against such conflicts of interest?



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Mark Lowcock: I would like to see the case of that.

Chair: We will supply it.

Mark Lowcock: If I can have the cases, I will look into the specific cases, but the general principle that there needs to be a difference between being involved in the design of something and then bidding for the subsequent work is one that we pay attention to. Please let me see the cases and I will have a look at them.

Chair: We will do. Thank you.

Q342 **Stephen Doughty:** In terms of this letter to contractors, would you agree to subject CDC and other suppliers to UK ODA contracts to the same principles? There is some very helpful stuff set out in here, but it is not applied across the piece. We were talking about NGO salaries, but the CDC chief executive is still getting over £300,000 per year. Would you subject all suppliers to UK ODA, including capitalised ODA, to this set of principles?

Priti Patel: If I may say so, that is a discussion for the Cabinet Office and across other Government Departments.

Q343 **Stephen Doughty:** You would consider it. You said you chair the committee, so surely you could put this forward.

Priti Patel: Let us not forget these are not just DFID suppliers. Some of the suppliers that DFID contracts with will also contract with other Government Departments. That is something we will look to pursue. You specifically mentioned CDC. I would say that is not applicable, because CDC has a strategy and it is not a supplier per se in the way in which we are contracting.

Q344 **Stephen Doughty:** But it is going to receive billions of UK taxpayers' funds.

Priti Patel: Yes, and it goes through a different scrutiny process.

Q345 **Stephen Doughty:** Why?

Priti Patel: Because it is not a supplier in the sense that we are buying a service off it and it is delivering on a contract-by-contract basis—

Q346 **Stephen Doughty:** But it is receiving our money.

Priti Patel: It is receiving our money, and it goes through a whole process, not just scrutiny but also through the strategy that we are undertaking with it. I would argue that there is a great deal of transparency there, and if there is more that we need to do through the development of the strategy, it is something I will happily look at.

Q347 **Stephen Doughty:** It is one rule for one, one rule for the others.

Priti Patel: I am not saying that at all.



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Stephen Doughty: It sounds like it.

Priti Patel: This letter is aimed at suppliers from whom we are purchasing and with whom we are undertaking particular contracts. With CDC, there is a strategic approach. Yes, we are giving public money to it, and, rightly, that public money goes through scrutiny. Through the development of its next strategy, which will be published in 2017, there will be additional scrutiny applied to CDC, given, I have no doubt, some of the lessons we are going through and learning right now as well.

Q348 **Stephen Doughty:** You talk in the letter about declarations of UK tax status, for example. We know full well that CDC is using multiple tax havens. It seems to me incredible that you would have one set of rules for one set of contractors and organisations receiving public funds, and another for another.

Priti Patel: CDC has an approach in terms of declaring its tax status. Much of this was also debated during the Committee stage of the CDC Bill, so I do not accept your premise that there is one rule for others and another rule for CDC. CDC has been very clear, public and transparent in terms of overseas or offshore financial centres and taxation issues in particular. At the same time, CDC is absolutely focused on becoming a leader in this sector of development finance institutions when it comes to tax transparency.

Q349 **Stephen Doughty:** Secretary of State, we have heard a lot of stories over the last few weeks in the media, and we have heard a number of them discussed today. There are some very serious concerns, about contractors, St Helena, other issues such as leaks and letters being made available, and so forth. When I look back through all the coverage, of which there is a substantial amount, and indeed then look at your comments in the media, there does not look to be very much where you are highlighting good work by the Department. Do you think you are doing a good enough job in speaking up for the Department is doing well, and how it is spending aid money well, as opposed to the very legitimate concerns that are being expressed about other projects?

Priti Patel: If you read my comments in the forewords of the range of reviews that have been published, I am speaking emphatically about the great work that not only DFID does but also, importantly, that our 0.7% does in the world. I am committed to that, and I have said that at every single opportunity. Last week, again, I spoke about our commitments and support on malaria. I published a research review not that long ago and spoke about the grand challenges that we face in terms of research, and I have made some big commitments there as well.

Today, I have only just had the chance to speak about Syria, but, when we look at the challenges that we face around the world, DFID is a world leader in development assistance and the aid we provide in some of the most broken parts of the world. That is something that Britain can be proud of. If I can make the point again, we have a legally binding



commitment to 0.7%. We have substantial responsibilities and commitments in the world. Britain stands up to those commitments when it comes to Syria, places of crisis and conflict, but the support that we give in terms of poverty reduction, providing food, water and shelter around the world. It is something we can be proud of.

Q350 Stephen Doughty: It is good to hear you saying that, Secretary of State, but, when you look at the metrics of what has been said in the media over the past few weeks, we find you talking again about aid being wasted in the *Evening Standard*. We find stories in *The Sun* today saying that “top Mandarins” face the sack, apparently coming from your office. We have all sorts of stories about how the Department is failing, and very little from what you have said just now appearing in any of these stories. None of the comments or responses are from you; they are all from DFID spokespeople. There is no sense that you are behind your Department and are trying to highlight the good work as well as bearing down on things that need addressing.

Priti Patel: I would challenge that. I cannot speak for what gets put in copy in newspapers, but I have to be judged on the things I have been doing in the Department. Yes, of course I am highlighting and picking up some of the challenges that have been put in national newspapers, some of which are not great. Let us be very clear about that. Whether it is about value for money or the responses to many of the reports by the Public Accounts Committee or ICAI, they naturally attract newspaper headlines and coverage.

However, I am unequivocal in support of the good work that the Department does, and every day I am focused on the need in the world that we have to make sure we are supporting. As I said, it does not matter whether it was last week on malaria, or four weeks ago when it comes to research in investment and development, or the work we are doing in Syria. Today, I was speaking to Save the Children about the next stages of our work in Yemen. Every single day, I am focused on our core purpose and core objectives, whether it is poverty reduction and alleviation or economic development, and facing up to the responsibilities we have when it comes to conflict resolution in some of the most challenging parts of the world.

Chair: We have 15 minutes and three big questions remaining.

Q351 Fiona Bruce: Mr Lowcock, a number of the issues that we have had raised to us during this inquiry, and indeed others, are around DFID’s capacity to manage various things, from small amounts of money to complex contractual relationships. DFID’s budget has increased by a very significant amount over the past six or seven years—around 72%, according to the figures we have, from 2008-09 to 2015-16—while staff levels have not increased by anything like that. How can this Committee and the UK public be confident that DFID has the managerial and administrative capacity to effectively spend this increased budget?



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Mark Lowcock: First, Mrs Bruce, you know that the Government in the last Parliament, 2010-2015, established a set of goals and results commitments that they said we would achieve with the ODA budget. These included sending 11 million girls and boys to school, providing better water and sanitation for 60 million people and relieving the suffering of tens of millions of people in humanitarian crises. As you know, each year in its annual report, the Department reports on progress on those goals. The Department fully met the set of commitments that the 2010-2015 Government set of all that sort.

We have the same tracking system for the forward achievement of goals that the Conservative party set in its manifesto and that the Government are now committed to delivering for the next five-year period. One of the ways we track progress with that is, for every one of our significant investments, every year, we review how it is going, whether it is on track and whether the project is performing well. We report all of that on a monthly basis to Ministers. When there are problems, the Secretary of State and I sit down and decide what to do about them. Sometimes she will decide we need to change the design, or sometimes to close the programme. We take decisions we need to take in order to achieve results the Government are committed to.

You are right that the Department is hard-pressed. As the Secretary of State has implicitly said, people work hard in the Department. We have a lot of things on at the moment. We have had an increase in staffing for the Department since the last few years of the last decade, when staffing was down to about 2,500. Since 2010, staffing has been increasing; it is at a level of about 3,000 now. It is the case, as I have said in the Committee before, that there is quite a lot of hiring going on by other organisations from the Department at the moment. We have numbers of vacancies; the Secretary of State asked us how we were fixing that problem when we had our last departmental board. We have recruitment exercises going on.

We need to make sure that we have enough capacity overall to deliver the results and goals that the Government have asked us to deliver. The main problem we have at the moment is completing the recruitment exercises to fill some of gaps we have, so that we have a full complement of people. The Secretary of State has a discussion each year with the Treasury about whether it is setting the budget for running the Department at the right level. The discussion for next year is ongoing at the moment.

When we get up to staffing, we think we will be able to manage all the things on our plate. People will still be very hard-pressed. They will still be working incredibly hard. They are very passionate about what they do, as you know. I have said this in this Committee before. If ever I thought we were at a point where we did not have enough staffing capacity to deliver the goals the Government had set for us, it would be one of my responsibilities to flag that to the Secretary of State. I would



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then have a discussion with her and the Treasury as to what to do about it. If we get up to staff with the budget we have had, it will take us a long way down the road.

Q352 Fiona Bruce: My concern is that you may have the staff to address the strategic goals, but we are looking at the detail. That wonderful old adage, "Look after the pennies, and the pounds will look after themselves" comes to mind. My concern is whether you have the capacity to look in sufficient detail, so that the kind of issues that have been coming out in the press in the last few weeks do not come out in the future. It is also giving the UK public confidence that that is the case, particularly in terms of value for money.

Priti Patel: That is a challenge to us, absolutely. It is exactly where we are. I do not want to go back to some of the coverage, but the reality is that all sorts of things have come out in the public domain, and I am also very clear in terms of the reform agenda, value for money and transparency. However, I recognise, as I have said a couple of times, that we are world leaders when it comes to development, and that gives us great pride. Our people are amazing individuals. They have tremendous expertise. There is a balance in this.

As a Department, from our perspective it is about showing flexibility and agility to address core details and specifics on programme management, delivery, metrics and value for money, while at the same time managing what is quite a chunky portfolio across the board. You can look at some of the big themes we are pursuing right now, our manifesto commitments, the stretching targets I am putting in on nutrition, family planning and the disability work we want to do. As Mark has said, our people are very passionate. They are so committed; they are driven by the causes they want to be supporting. For us, there is always that balance here.

Q353 Fiona Bruce: None of us would deny that, and many, if not all, of us on this Committee share that passion. We want to see the UK spend the 0.7% in the best possible way. Our concerns are to ensure that we can maintain confidence that that will be spent as efficiently as possible. It was interesting to note that, just last week, the Chancellor said in evidence to the Treasury Committee: "Later on in the Parliament we will have a spending review. That is the right time to look in the round at all the commitments that have been made for this Parliament."

Obviously, one of the commitments made for this Parliament was the 0.7% target, which you, Secretary of State, have so clearly confirmed your commitment to. You have told us some of the ways that you can, over the next few years, work to convince the UK taxpayer of the value of that 0.7% commitment, which so many of us so passionately share your support for.

Priti Patel: Absolutely. I take the view that giving the public trust and confidence in what we are doing and how that money is spent, what it



achieves, how it transforms, saves and changes lives, is absolutely our job. That is across Government as well, because obviously the 0.7% does not just sit with DFID, but with other Government Departments. That is our role. It really is. The 0.7% is a manifesto commitment. I am unequivocal about this; the Prime Minister has spoken about it as well. She has made it clear that Britain does not walk away from our global commitments.

Using 0.7% in the right way is absolutely my focus. To use it in the right way means that we have to deliver in a smarter way, which means more reform through some of the relationships and partnerships that we have. It means also being more demanding on partners that we work with, and being more challenging, but, importantly, showing the outcomes that can be achieved through that 0.7% as well, whether it is through the multilateral system or in-country bilateral work that we do.

Q354 Fiona Bruce: I absolutely take your point. It means more reform in terms of the relationships and partnerships that we have, but does it also mean more reform within DFID, Mr Lowcock?

Mark Lowcock: There are a whole bunch of things the Department needs to keep getting better at. Over the last two or three years, we have made a really big effort on formal fiduciary management. We have built up the capability of our internal audit department, for example. We have trained hundreds and hundreds of people across the Department to be better senior responsible owners of their projects. We have put the whole of our senior civil service through commercial training. We definitely need to build up more skills, especially in this value for money area, to which the Secretary of State has given such a high degree of priority. We have plans in place to do that.

Q355 Chair: We only have five more minutes, and I want to cover two more things: CDC and Syria. You have already, Secretary of State, responded to a number of questions around CDC. In your first answer this afternoon, I would welcome the greater emphasis you placed on poverty reduction and the SDGs. How can you ensure that extra money going into CDC will really reach the poorest people in the poorest communities?

Priti Patel: We can. We are working on a forward strategy with CDC. Poverty reduction has to feature and be at the heart of that—there is no doubt about that—along with many of the learnings from the previous challenges and questions that have been posed to CDC. We are not deaf to those at all. We must be recognising them, measuring development impact in particular, making sure poverty reduction is part of that strategy and featuring the global goals. The global goals speak to that agenda of sustained economic development. When countries are on a trajectory of achieving sustainable growth, economic development, investing in people and human capital, they are doing the right thing in terms of broadening out their overall approach. Importantly, we recognise that CDC is a vehicle through which those objectives can be delivered and achieved.



Q356 **Chair:** It is a big increase in the cap. Would you envisage that, as further recapitalisations happen, the majority of the resource would go to Africa?

Priti Patel: This is about where the need is, effectively. CDC, again, through its strategy and approach, is focused on Africa and parts of Asia. Africa is the big challenge, when you look at the development need, the demographic challenge that it has and the low base it is starting from. Importantly, CDC, as a financing arm and vehicle, has a great onus and responsibility in terms of taking long-term strategic investment decisions and approaches, in parts of the world and regions such as Africa.

Q357 **Chair:** You mentioned development impact. The National Audit Office report said that CDC had struggled to demonstrate its development impact. How do you respond to that? How do you see CDC being able to answer that question?

Priti Patel: That is for CDC to address in the strategy, and it is something I will be working with CDC on myself. It is an important challenge, and one we will be working on in the new year in particular, assessing how we can quantify that development impact across a range of areas. That means not just in terms of the monetary side, but looking at jobs, the sustained economic development, the growth trajectory and the investment in certain sectors.

Q358 **Chair:** Let me finish by talking about Syria. All of us have watched with horror the situation in Aleppo in recent weeks. Can you update the Committee on DFID's efforts to relieve the humanitarian crisis and, in particular, to protect of civilians who are now leaving Aleppo?

Priti Patel: The reality is that we are all appalled by the ongoing situation, especially the whole issue of human rights violations inside eastern Aleppo. Last week, on Tuesday, the Prime Minister again spoke about Syria and announced an extra £20 million of support to help people who are specifically desperately in need of water, food and medical kits. Today, I have also spoken about the additional work, because we cannot stand by when we are seeing such huge violations, atrocities and desperation, when it comes to the need for support.

Where we are right now is that the United Kingdom is stepping up, once again. We have made very significant, seismic commitments to Syria, building upon the Syria Conference and the big commitments that were announced earlier in the year. I have announced £76 million of new funding for Syria, Jordan and Lebanon, which will be channelled through existing partners. Those are frontline partners with existing presence on the ground, with proven ability to deliver aid. That is notwithstanding what is a very difficult situation on the ground in which to deliver aid and support. That money will be focused on the basic provisions—so water, medical treatment, food and shelter.

Q359 **Chair:** There has been a lot of support for the idea of airdrops of aid. I know the Government have pointed out a number of the practical



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challenges in that proposal. Do you think airdrops are a possibility in at least some of the parts of Syria that are still controlled by rebels?

Priti Patel: We have said no, because of the issue in terms of occupation of the airspace. That said, I come back to something I have said before, and my colleagues have said this as well. We are looking at every single avenue to try to find ways in which we can get aid into Syria. All the facts are out there in terms of how difficult it is. I do not need to go over those again. In particular, when it comes to aid drops, we have looked at all options there. We really have.

Q360 **Stephen Doughty:** It is just a practical question in terms of monitoring of the situation of civilians. In the information we have been getting, it has been stressed that there is some aerial photography taken of the situation of civilians, and indeed of any violations against humanitarian actors in Syria. Could you just explain a bit more about that, how that might be used and whether or not we are doing that in other areas, most notably in Yemen and South Sudan?

Priti Patel: I cannot speak for other parts, but certainly in Syria our concern is not just the immediate need in terms of humanitarian assistance, but that ongoing protection and the violation of human rights that are now increasingly well documented. They are well documented, quite frankly, because of the remarkable news reporting we are seeing. That is incredible, and I pay tribute to many of the reporters who are inside Syria and around Aleppo for their reports as well. In terms of the details, I cannot give you the full details of what is going on through that surveillance. I myself do not know the full information there, but, if there is anything else we can access in terms of additional information, I will be very happy to share that with the Committee.

Q361 **Stephen Doughty:** Yes, maybe you could write to us about it.

Priti Patel: Of course.

Stephen Doughty: It is a wider issue about how DFID is getting information on humanitarian situations, how we are using modern technologies and so on. That would be very helpful.

Priti Patel: We can feed that back.

Chair: Thank you, everyone, and thank you, Secretary of State and Permanent Secretary, for joining us and covering a lot of ground over the past two hours.