

Northern Ireland Affairs Committee

Oral evidence: [Support for UK Victims of IRA attacks that used Gaddafi-supplied Semtex and weapons: Follow-up, HC 1723](#)

Tuesday 20 November 2018

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Members present: Dr Andrew Murrison; Mr Gregory Campbell; Maria Caulfield; John Grogan; Mr Stephen Hepburn; Lady Hermon; Kate Hoey; Conor McGinn; Nigel Mills; Ian Paisley; Jim Shannon.

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Witnesses

[I:](#) The Rt Hon Alistair Burt MP, Minister of State for International Development and Minister of State for the Middle East, Foreign and Commonwealth Office; Nicholas Williams, Head of North Africa, Foreign and Commonwealth Office and Department for International Development Joint Unit

Examination of witnesses

Witnesses: Rt Hon Alistair Burt MP and Nicholas Williams

Q1 **Chair:** Minister, welcome. It is good to see you. With your indulgence, we will go straight into questions.

My question is that in Westminster Hall in December you will remember saying you intended to be more visibly proactive in relation to the matter we are debating this afternoon. I was wondering how you think that has gone in the intervening 11 months.

Alistair Burt: First, Chairman, thank you very much for giving me the opportunity to come back in front of you and to meet colleagues. Without making a statement about it, because you want to go straight into questions, I can say at the outset I am disappointed I will not have more to report to you than what I will say. I am very clear about that. However, let me raise things as we go through.

I have looked back on the efforts we have made with the Libyan authorities because that has been our principal concern. I have a list from April of this year onwards when I was able to return to Libya and stay in Tripoli—we have enhanced representation there, we are not back in the old embassy, but at least we are present back in Tripoli and the Ambassador makes frequent visits there—and met with Prime Minister al-Sarraj and Libyan Ministers of Justice and Foreign Affairs. The further representations that have been made all around this year are: 28 June, when the former Foreign Secretary called Prime Minister al-Sarraj; 2 August, when the International Development Secretary raised the issue during her visit to Libya with Prime Minister al-Sarraj; 26 September, when I raised the matter directly when I had a meeting with Foreign Minister Siala during the UN General Assembly week; 30 September, when the Acting Deputy Head of Mission in Libya met with the Libyan Ministry of Foreign Affairs European Director; 11 October, when the Ambassador raised it again with Foreign Minister Siala; 24 October, when Mr Williams met the Libyan Chargé in New York; and on 29 October, a meeting between the Chargé with the Libyan Deputy Foreign Minister. In addition, I will be meeting again with Foreign Minister Siala this Thursday or Friday at a conference in Rome.

In terms of being active on the issue to press the case with the Libyan authorities, through a combination of both departmental ministerial and other ministerial representation, we have sought to live up to that determination to be more proactive. I wish we had more to report, but the circumstances in Libya—as no doubt we will go on to discuss—remain extremely difficult for those in authority in Libya, bearing in mind the military situation there.

Q2 **Chair:** You missed out 13 November. It is a very long list and gives a picture of a great deal of industry, but you missed out the Palermo conference.



Alistair Burt: Yes, I was present at the Palermo conference. On that occasion I did not have the opportunity to speak to Foreign Minister Siala.

I am happy to talk more about the efforts we are making in relation to seeking to resolve the situation in Libya—which is separate to this—and that was part of it. Indeed, over the weekend I met again with the UN Special Envoy, Ghassan Salamé, at a conference in the Emirates. Again, I think I will be seeing him—certainly Minister Siala—later on this week. Efforts both to resolve this situation and to be active on this issue in particular have gone on.

Q3 **Chair:** My understanding of the Palermo conference is it was meant to be putting in the footings, as it were, for a Libyan-led, Libyan-owned national conference early next year.

Alistair Burt: Correct.

Q4 **Chair:** What this suggests to me is the establishment of some level of normalisation. Indeed, the restoration of the embassy in Tripoli is an example of how that might be going, which is great to hear.

I suppose observers would say, “We can understand if the issue around compensation for Gaddafi victims might not be the paramount issue while Libya is re-establishing itself.” Let us remember it is a country that is inherently quite a wealthy nation. Now we are perhaps starting to see—the beginnings at any rate—a state that is credible, coherent and potentially has assets, so we might be thinking in more concrete terms about what that means for Semtex victims.

Alistair Burt: Let me ask you to pause at that particular stage. The Palermo conference, in my view, highlighted the great determination of the Special Envoy to see exactly what you are talking about. It was possible to get the component parts of Libyan authority around the table, but the overall outcome still gives a situation in which there is no firm resolution of the political insecurity and economic situation that was the basis of the conference. There are still competing centres of government. There are still militias that are effectively in control of parts of Libya. Determination to ensure that ultimately there is one security force representing Libya is still some way off resolution and so is the resolution of the political situation.

The national conference suggested by the Envoy and endorsed by the conference is, in a way, an attempt to take on the efforts that were made in Paris in May, looking ahead to a constitutional structure that had hoped to get elections under way by the end of this year, which has proved not to be the case because of the inability of the respective political institutions to come to an agreement about their future.

The national conference is an attempt to build on the efforts that have been made over the past year by the Special Envoy in going out to communities in Libya. Some 77 town hall-type meetings have been held to gauge the view of the people of Libya, who very much want to see



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elections and an established authority. It is the way in which that has to be taken forward that has formed the base both of Ghassan Salamé's plans and also his frustration. The national conference certainly gave a sense of the framework that he wanted to see, endorsed by national partners such as ourselves.

However, I should not in any way leave the Committee with a sense that this framework is nailed down, everything is ready to go and the establishment of the basics of the state we all want to see are firmly embedded. If the national conference is a success it will certainly provide that framework and that opportunity. That will be in the early part of next year and we will be working assiduously to make that a success. I wish the process was further on than it is now, but I am afraid it is not.

Q5 **Chair:** Do you think at that national conference there will be discussion of compensation for victims? Of course the UK is not alone in seeking compensation of this sort, is it?

Alistair Burt: The precise details of what would be on the agenda of the national conference are far from being presented yet.

Q6 **Chair:** It would be speculation on your part?

Alistair Burt: It is speculation.

Q7 **Chair:** Have you seen reports in the press recently about the unfreezing of interest from Gaddafi-related assets in other countries?

Alistair Burt: Yes.

Q8 **Chair:** What do you make of those reports?

Alistair Burt: They are interesting. It does not bear relation to anything like the size of the assets that are currently frozen through the UN. As you know, there are constant challenges to whether or not payments have been properly handled and I think issues have been raised with the World Bank in relation to that. They are interesting, but they do not disturb the UK's general position on the freezing of assets, which has been reiterated to the Committee before.

Q9 **Chair:** If these reports are correct, Belgium, for example—a close neighbour and a country that operates in the same sort of prudential and law-based way that the UK does—is apparently using assets that have been frozen in Belgium. I am wondering why the UK has taken a different position on this.

Nicholas Williams: As we understand it, what happened in the Belgium case was they took a decision to release the interest that had accrued on some frozen assets.

Chair: Correct.

Nicholas Williams: They obviously have taken a slightly different interpretation of what the UN Security Council resolution in question allow



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for. Most people, including the UK, have judged it does not allow for the release of interest relating to frozen assets. What you saw in Libya as a result was a huge controversy because effectively we do not know what happened to those unfrozen interest payments. There is every chance they have not gone back into Libyan Government coffers, but have gone somewhere else. That is why the whole issue of frozen assets, what you do with interest and other aspects are very controversial.

Q10 **Chair:** Belgium has unfrozen the interest on these assets and its destination is unknown?

Nicholas Williams: Unknown.

Q11 **Chair:** Do you not find that somewhat surprising?

Nicholas Williams: Sadly not surprising that the destination of that money is unknown. Therein lies the problem and the reason why the Libyans asked for the funds to be frozen in the first place. They feared that, among others, former regime elements would get their hands on this money and spirit it away. These assets are frozen at the request of the Libyans so they are kept safe for future use by the Libyan people, specifically to reduce that risk they will be skimmed off.

Q12 **Chair:** The capital, as it were, is—

Nicholas Williams: It is still frozen, as I understand it.

Q13 **Chair:** That is fine, but obviously there is a difference of view and, so far as I know, there has not been any legal challenge to the difference of view between a country like Belgium and another European Union state, the United Kingdom.

Nicholas Williams: I am not aware of other EU states that have taken similar steps. Certainly it is hugely controversial in Libya. I do not know whether that will lead to some sort of legal challenge on the part of the Libyans, but it is possible.

Q14 **Conor McGinn:** On this specific point, last week the Libyan Investment Authority, which is the sovereign wealth fund, said the UK was one of five EU countries that released frozen funds. A Treasury spokesperson declined to comment. Is it true the UK has released interest on these frozen funds?

Nicholas Williams: No, as far as I am aware, we have absolutely not released—

Q15 **Conor McGinn:** It is absolutely categorically not true?

Nicholas Williams: The Libyan Investment Authority has been lobbying to be able to manage some of those frozen funds in a way that allows them to move interest around or move them out of what are now negative interest accounts—those sorts of things. We have certainly not released, as far as I am aware, any interest payments.



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Q16 **Kate Hoey:** Did you correct the statement?

Nicholas Williams: I must admit I was not aware of that statement from the Libyan authorities.

Conor McGinn: It was widely reported last week.

Kate Hoey: Yes, that the UK was one of five countries.

Q17 **Conor McGinn:** Indeed, the concerning thing was that a Treasury spokesperson declined to comment. You have been very emphatic today in denying it, but I wonder then why a Treasury spokesperson would have been less than equivocal when the question was posed last week.

Alistair Burt: I do not know the answer to that.

Q18 **Conor McGinn:** The problem is that what it suggests to me is that you are not talking to the Treasury about this and there seems to be a lot of confusion. If I find that a worry, I can imagine how distressing victims might find it. The truth is victims do not make a distinction in the way that legislators, bureaucrats and officials do between assets and interest. The idea this money would be released and was going anywhere except to victims is something I think most people would find very worrying.

Alistair Burt: As I say, I do not know the answer to that. I am concerned about what you say. We will find the answer to that as quickly as possible. My understanding is that no such amounts have been unfrozen.

Q19 **Chair:** The fact that a riposte has not been issued to a press report worries me. I would be very grateful if you could take that away and write to the Committee as soon as you are able to to clarify the position in relation to the UK.

Alistair Burt: Yes, of course. However, I would go back to the general point Mr Williams made. Ever since the changes in Libya in 2011 the issue of where money went in Libya has been a significant issue for the UK. I have often been challenged about the reconstruction of Libya in that immediate period through to 2014 when we helped establish elections, there was a Government in place and we sought to do work there to establish the state. I was often challenged, "Why aren't more contracts being signed? Why isn't more money going into Libya to rebuild it?" and so on. It was because nobody knew where the money would go. Lots of people in Libya said, "For goodness' sake, do not put money into various banks because we do not know where it will end up." Therefore that issue of making sure the money was properly handled and did not disappear into the wrong hands has been a constant source of concern.

Q20 **Chair:** I do not think anybody is suggesting that money disappearing into the hands of victims would be an inappropriate place.

Alistair Burt: No, of course not, it is money being skimmed off in Libya and used by people inappropriately there. Of course victims are not in that situation.



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- Q21 **Kate Hoey:** I really look forward to hearing that. Clearly the victims' groups heard that statement. They know what is going on a lot more than it sometimes seems some people within Governments do.

Am I right you are going to announce a special envoy, who is going to be the person who negotiates with Libya for compensation?

Alistair Burt: That has all to be discussed around Government Departments. No decision has been made in relation to any of the domestic options that might be taken. We are in discussion and negotiation with other Departments in relation to that. Clearly the relatively new Foreign Secretary needs to be engaged in this as well, as the previous Foreign Secretary was. However, no decision has been come to in relation to whether or not an envoy or a supervisor for the various issues might be appointed. Of course it is one consideration of what more we can do here to ensure there is greater cross-Government connection in terms of this particular issue.

- Q22 **Kate Hoey:** Why do the victims' groups think it was agreed that an envoy was going to be appointed and were just waiting for this to happen to get the name? I thought you might give it to us today.

Alistair Burt: I cannot answer why a victims' group would think an envoy was going to be appointed. Certainly it was one of the things that the previous Foreign Secretary would have liked to have seen. Even at the time, if I remember the meeting correctly, the idea had to be worked through and worked through with other Government Departments as to whether or not this was the best idea. That work is still going on.

- Q23 **Kate Hoey:** It seems like there is a kind of inertia between Government Departments on this. If there was someone whose real job it was, appointed by Government and working with all the Departments, it would show the Government was serious. I think there is a feeling that, yes, there are lots of warm words—you yourself made a very good contribution to the debate we had in the Chamber not that long ago—yet we are in this sort of limbo where nothing seems to be happening.

Alistair Burt: I am more than aware of that sense. I have every sympathy and understanding of it. Again, if we want to see some domestic progress made with domestic Departments, clearly they have to be engaged and the situation talked through. The appointment of an envoy is something that must be Government-wide and not just for one Department to pronounce upon. I said straightforwardly to Dr Murrison right at the beginning of the session I wished I had more to report than I did. I am very conscious of that sense of inertia.

- Q24 **Kate Hoey:** There has also been a report—again, you might know whether it is true or not—that the Libyan Government of National Accord, adopted by the Arab League, made an official communiqué to the FCO that a deal in relation to all these matters had already been done. Did you know about that particular statement?

Alistair Burt: Yes, I think we do.



Q25 **Kate Hoey:** Did you rebut that?

Alistair Burt: We have always made it clear, publicly as well as privately, we did not consider the matter to be closed. We did do that.

Nicholas Williams: I think the correspondence or letter in question was in relation to the Libyan reaction to the Lord Empey Bill, which has been quite high profile in Libya and has prompted quite a negative reaction. That prompted some correspondence to us and also to the Security Council making arguments as to why the approach proposed in the Empey Bill would be, in their views, incompatible with international law. That was the focus of that correspondence.

Q26 **Kate Hoey:** Again, the Government have to squash these rumours, even if it is only rumours and they are not true, because otherwise it is not fair on the people who are most involved in this, who are being almost led astray if something has not happened and they are saying it has.

Alistair Burt: There would be no point in our repeated engagement with the Libyan authorities—with the Foreign Minister, with the Justice Minister and with the Prime Minister—unless we believed the issue was still open and we were following that through. That is the most demonstrable answer we can give in relation to this. Not only do we say publicly the issue is not closed, we actually act upon that.

Q27 **Kate Hoey:** Finally, can one of you explain to me why it is that the Libyan Government seem to have been able to pay compensation to French and German victims?

Nicholas Williams: I think you are talking about the Berlin discothèque bombing and the French passenger plane that was brought down.

Kate Hoey: Yes.

Nicholas Williams: They fall into the same category as the Lockerbie bombing and the killing of WPC Fletcher, for which of course the UK Government did secure compensation because they were direct acts of Libyan terrorism.

Q28 **Kate Hoey:** There is a hierarchy of bombings?

Nicholas Williams: Legally, for example, it was easier and more straightforward to prove Libyan guilt in the case of direct acts of terrorism than it would be in the case of indirect support to terrorism.

Q29 **Lady Hermon:** It is very good of the two of you to come along this afternoon. Minister, personally can I just say that I hold you in very high esteem indeed and I am delighted that you are coming to throw some light on what is a very vexed question that has been ongoing for a very long time.

When you read out to the Committee the number of engagements and the conversations that have been had with the Prime Minister and Libyan Ministers who you visited in the April of this year, you kept repeating that



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this matter was raised and this issue was raised with Libyan authorities. Could you define please what exactly you mean by “the issue”? I am extremely concerned about a reply I had from you on 6 November 2018 in response to a written question. I am reading back to you your reply.

Alistair Burt: Please do, yes.

Lady Hermon: This is the British Government: “We want to see a just solution for all the victims of IRA terrorism.” I agree with that. The British Government continued, “We continue to press the Libyan authorities to engage constructively with victims and their representatives in their campaign for compensation”—in the victims’ campaign for compensation. So when you are speaking to the Prime Minister of Libya, as you did in April, and when we have had the subsequent phone calls—“we” meaning the British Government—has the British Government been saying to the Libyans, “We, the British Government, want compensation for the victims of Gaddafi-sponsored IRA terrorism”? What exactly is the issue you raise with the Libyan authorities?

Alistair Burt: I raise the issue of our belief that the actions being taken by victims are justifiable and that we believe there is a historical responsibility of Libya to ensure compensation for those who were affected by the transfer of Semtex. As the Committee knows, these are not direct actions brought by the United Kingdom itself, but brought by victims. We endeavour—in our contacts with Ministers and directly with those most senior, including the Prime Minister—to indicate our support for that, which is why we raise it.

However, the actual practical exposition is a conversation. There is a conversation between myself and respective Ministers in which there is a list of subjects to raise and discuss. I go through them and then refer to this and we talk around it. Normally the conversation is about the difficulties the Libyan Government is in at present in order to deal with the many issues it has, but there is an acknowledgement this is something we continue to raise and that is usually the way in which the matter is discussed.

Q30 **Lady Hermon:** Why has the British Government not espoused the claims of these individual victims of Gaddafi-sponsored IRA violence throughout the whole of the UK? It is not just Northern Ireland; it is throughout the whole of the UK. I think it is indefensible for the British Government to have taken the position that it is up to the victims to negotiate their own compensation claims with the Libyan authorities. Why will the British Government not take that on board and do it themselves?

Alistair Burt: I understand it has been a settled matter of policy with the Labour Government, coalition Government and this Government that these cases are not taken on by the Government, but are seen as individual cases. We facilitate the work in relation to that. This is a matter that has been long ongoing, but the position of the Government has not changed in relation to it.



Q31 **Kate Hoey:** But why?

Lady Hermon: Yes, why has the British Government not changed its position?

Kate Hoey: When Governments all agree like that—cross-party at that level—it usually turns out to be for some other reason.

Alistair Burt: I am not sure it turns out to be for some other reason. I believe it has been standard practice to recognise that claims have an individual basis and that is why they have always been seen in that way. The British Government does not make a claim per se, but has facilitated the work in that by victims' organisations. We see them as individual claims. That, as I understand it, has been the standard position of Governments of the past in similar issues as well. I do not know if Mr Williams can help us out any further.

Nicholas Williams: That is my understanding as well. As the Minister said, it is a long-standing position not formally to espouse those claims.

I have sat in some of the meetings the Minister talked about. The Libyans would have been in no doubt as to what the UK Government wanted.

Q32 **Chair:** That, with respect, is a non-answer. You are restating a previously-held position without attempting to defend it or give any sort of sense of the evidence base on which that policy has been established. I suppose our invitation to you would be to revisit it, Minister, and establish exactly why that should be—whether it establishes any precedent that might be damaging, for example, or whether there is a problem in international law that relates to it—and perhaps come up with a different solution. These victims are getting elderly now and increasingly frustrated. I do not want to have to haul you back in another 12 months' time and find we have had, by your own admission, no progress.

Alistair Burt: You are right to say it is a policy decision; it is. It has been the policy of successive Governments not to have it as a British Government case. This is pain and injury inflicted upon victims of an action and the victims have the right to take those cases through. Of course, that policy could change, as any policy of the Government could change.

What we have sought to do constantly is to make the case to the Libyan Government of their responsibility. That is what we continue to work at very assiduously through envoys, through our Ambassador and through Ministers over a successive period of time and we will continue to do that. The efforts we are making in relation to seeking to resolve the long-standing civil war in Libya and what has happened there also makes a contribution to that. If and when that conflict comes to an end and the Government is established, and the support of the United Kingdom has been there for all the work that has been done, we would again use that



position to say the time is right for the obligation to be met. We continue to push that case.

- Q33 **Lady Hermon:** I am astounded that we have had a Conservative Government led by David Cameron in 2010 and we have had Theresa May as our Prime Minister for a number of years and the policy has still not changed. What is interesting is you have talked about the policy. The policy ought to be changed. I am surprised it has not been changed by this Conservative Government. Do you have legal advice? Is there a legal basis for your decision? You have not mentioned it, but is there legal advice as to why this Government cannot change their policy and support the claims of the individual victims?

Alistair Burt: First, the Department has a legal adviser, as well as the Government have legal advisers, of course. It has not been put to me the Government cannot change their position.

Lady Hermon: Good.

Alistair Burt: I do not think it has ever been a matter between the Government, the Committee and various representatives of victims that legally we deal in the way we do in relation to the frozen assets. On the frozen assets we come to you and say, "Legally we do not believe we can handle the frozen assets in the way in which the Committee would like to." We say, "Our hands are bound in relation to that" and we explain. My understanding is that is not the case in relation to the way in which victims are taking forward their claims; it is just the established law and that is what has been done.

I would require legal advice if the Government were to take on those claims in a personal capacity. However, it has not been put to me and I do not know what was put to predecessors in terms of that change.

- Q34 **Lady Hermon:** I am putting it to you now, Minister, that with the greatest respect, you will give a commitment to this Committee and, more to the point, to the victims and to the families who have been so terribly damaged by Gaddafi-sponsored IRA violence that you will look actively at changing this policy in this Parliament. These victims have waited far too long. Can we have that commitment today?

Alistair Burt: I will come back in a second, please.

Nicholas Williams: If I may, Minister, we could perhaps provide a bit more on the history of that policy—

Lady Hermon: Can you speak up? I do not really need the history.

Nicholas Williams: We could perhaps provide a bit more on the history of that policy position when we write to the Committee on some of the other issues the Chair has—

- Q35 **Kate Hoey:** It would be good for the Minister to tell us if he personally would like to see a change in the policy. I appreciate you are a Minister,



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you have Government policy and sometimes cannot get what you want. However, it would be nice to know that the Minister with responsibility for this wanted to change the policy and was doing a little bit behind the scenes to change it.

Alistair Burt: I can understand the request. It would be disingenuous for me to suggest a personal position because that would raise an expectation and that would be unfair. I am a defender of the Government's position, which is to work extremely hard to seek resolution to this and to seek appropriate compensation in the way we have set out.

I do not believe the base on which claims are being taken forward by victims and not by the Government is something that has not been gone over before. The history Mr Williams mentioned does matter because I think there are precedents in other cases. Therefore, for the Government to change their policy would also be a precedent. I am certainly not aware that there is any legal bar to the Government changing their position, but it has been an established policy. You are certainly entitled to know why the Government sticks to that and I can certainly provide that.

My personal commitment, as I have indicated, is to seek to find a way in which the long-standing desire both of this Committee and victims for some sense of justice can be established and to use any available avenue to me to seek to do so. It would be unfair to raise any expectations based on an individual Minister's personality to do that. I cannot do that, no matter how kindly you put it. At present I defend the existing policy, which we want to see work and to result in the appropriate justice and payments to those who have suffered, and that is what we will seek to do.

In response to the official question you raised on whether I will look at this officially and provide an answer—yes, of course I will.

Q36 **Lady Hermon:** I think that was a long way of saying you will go back and look at this.

Alistair Burt: Yes.

Q37 **Lady Hermon:** We have not been given today any justification for a Conservative Government to have maintained a policy that might well have been adopted by a previous Labour Government. In fact, you are agreeing and nodding.

Alistair Burt: I do; that is absolutely correct.

Lady Hermon: Thank you. It is a commitment to look at that.

Alistair Burt: However, I cannot reveal a personal position. It would not be appropriate.

Q38 **Lady Hermon:** Thank you. Can we then look at the UN and the Security



Council resolution about Libyan frozen assets? There was a wonderful programme last night about the Foreign Office and the work of the Foreign Office around the world. It was an insight into the Foreign Office. What was so striking was the enormous team maintained by the British Government at the UN. It was also so striking that in all of that activity there is the opportunity for the British Government to have influence around the world, including towards the Libyan Government.

Could I have an explanation as to whether, in fact, with all the resources—the officials and the Foreign Office—based in the UN, your Government have made any effort whatsoever to speak to other countries in the UN Security Council to change the one resolution governing Libyan frozen assets? Have any steps been taken by the British Government to do so or are you just going along with what previous Governments have done, including Labour Governments?

Alistair Burt: The efforts our mission have made principally at the UN are in relation to peace in Libya, to support the work of the Envoy and to do all we have sought to do and have done over a period of time to help build a democratic base to resolve the issues. That has been the focus of the mission's work.

I am unaware of whether or not the mission has deliberately taken up the issue of changing the matters in terms of compensation. My understanding is the freezing of the assets and the terms on which assets can be released are fixed, and we have worked to that. I am not aware that we have sought to make any changes to that; I do not know.

Q39 **Lady Hermon:** Again, may I ask that we have clarification on that point? We have had a Conservative Government—albeit different Prime Ministers, with David Cameron handing over to Theresa May—since 2010. Given the importance of this issue to all the victims of Libyan-sponsored IRA violence throughout the whole of the UK, I would like to know that some effort has been made by the Foreign Office in the last eight years to change that UN resolution. You will go back and look to see if you have done anything, but off the top of your head you are not aware any effort has been made.

Alistair Burt: I am not aware. I know efforts have been made in other directions. The efforts have been made, as has been restated to the Committee, to get the agreement of the Libyan Government to the payment of compensation. The circumstances of the last few years have made it difficult, but all our efforts have been along those lines rather than in relation to the nature of the assets and the terms on which they are frozen.

Nicholas Williams: As the Minister says, our analysis has been that that is where we should focus our efforts. That is the line of effort that is most likely to deliver the result we all want.

In terms of the Security Council resolutions, the vast majority of our UN partners see that as something that happened in order to protect assets



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that belong to the Libyan people. Rightly or wrongly, I do not think that many people make the connection between the issue we are discussing and the issue of the frozen assets. The sorts of issues that come up around the frozen assets are the sorts of issues that arose from the Belgium case, for example, about technically how you handle this to ensure those funds are not misused by Libyans who do not have the best interests of the Libyan people at heart. That is the focus of debate in New York. If you talk to other Security Council members, that is the prism through which they see that resolution.

Q40 Lady Hermon: Yes, but that should not deter us from making some inquiries to use frozen assets.

The value of the Libyan frozen assets in banks in the UK at the present moment plus interest—what figure are we talking about? I think it had been £900 million.

Nicholas Williams: I might look to my colleagues behind. A lot; it is £12 billion.

Lady Hermon: It has now risen to £12 billion?

Alistair Burt: My memory is it has gone up from about £9 billion; I think that is what the original figure was.

Lady Hermon: Yes, when we last took evidence from your predecessor it was £900 million and has now gone to £12 billion.

Q41 Chair: For clarification, I am hearing billion and million.

Alistair Burt: It is billion. As we all know, one of the agonies here is that this is a country with wealth. This is a country that is producing 1 million barrels of oil a day. That is one of the reasons, of course, why the conflict is going on. Those currently in charge of the assets are not as motivated as they might be, which is where the international pressure is coming on in order to seek resolution of this. It is one of the most difficult ironies of this situation that money is available both for the repair and recovery of Libya and for the establishment and maintenance of a decent Government responding to the needs of their citizens. That is what the efforts of the international community have been focused on, as well as making sure, through their Treasury and economy, that they can meet the obligations of the past as well as the future. That is what our efforts have been focused upon.

As I indicated earlier, one of the results of Palermo was not only establish what the Special Envoy wants to see, but to express more than a degree of frustration from other states that more progress had not been made in relation to all these issues. We are not the only ones to be frustrated. It is one thing for a Government to be frustrated with another; it is quite a different thing for the victims of terror and injustice still to be waiting for the justice they need.

Q42 Lady Hermon: Yes, and you recognise there is a burning injustice that



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has gone on far too long?

Alistair Burt: Yes, indeed.

Q43 **Ian Paisley:** You can be assured of one thing, Minister—there is a huge degree of frustration around this table, which you have probably sensed, in that when it comes to Libya it appears to be one step forward and 10 steps backwards. We do not appear to be any further forward at all. In fact, we appear to be starting all over again every time we talk to a Minister. There is absolutely no chance of us leaving here today with our expectations raised, I think that is probably what we will agree on.

Can you be absolutely categorical that the UK will not touch either the capital or the interest that has been raised on the capital held and frozen by the UK? Are you being clear about that?

Nicholas Williams: Yes, certainly that is our position based on our legal analysis and the interpretation of the Security Council resolutions. They need to stay as they are. They certainly would not at any point come to the UK.

There is a discussion prompted by the LIA about whether the LIA should have the right not to have to access to those assets or the interest generated by those assets, but to move it around so the Libyan people do not lose out, as it were. However, there is no suggestion at all that any of that money would come to the UK.

Q44 **Ian Paisley:** Your legal advice and your policy position is that neither the capital nor the interest raised on the capital will be touched by the UK Government in terms of compensation or payments?

Nicholas Williams: That is our position, based on our understanding of our legal obligations.

Q45 **Ian Paisley:** Every year there is about £100 million in interest accruing, at a conservative estimate.

Nicholas Williams: Some of that money is in accounts that now have negative rates, which is one of the reasons why the Libyan Investment Authority is lobbying to be able to have some sort of control over that. Obviously some of them are also accruing interest, yes.

Q46 **Ian Paisley:** It suggests to me that the Government are reluctant to take action if they are not prepared to even look at that issue of touching the interest, let alone the capital. The Government are happy to tread water here. Is that fair, Alistair? Is the position that the Government are happy to tread water on this? I am not saying that is your position, but is it the Government's position?

Alistair Burt: I think the Government believe they are unable to touch these assets—either capital or interest—for the reasons Mr Williams has given and which the Committee were given in the Government's answer to the last report of the Committee.



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Q47 **Ian Paisley:** Do you have a belief in your heart at the end of the day that whenever you get a settlement in Libya you will be able to get access to these assets?

Alistair Burt: I think the belief is that when there is a settlement—when the situation in Libya allows the Government to repay—we will not need to go after these assets per se because these assets belong, as has been stated before, to the people of Libya and they will decide how to deal with them. At that stage, it should be perfectly clear that the Government of Libya will be in a position to meet their obligations, as the United Kingdom Government have persistently made clear to them over a period of time. It is not a question of using that money; there will be other moneys available to them.

Q48 **Ian Paisley:** That means ultimately we are really looking at how long a piece of string is. When will Libya get settled? When will they be in a position to do that?

Alistair Burt: I think that is right, Mr Paisley.

Q49 **Ian Paisley:** You believe it will come at some point?

Alistair Burt: Yes, we do.

Q50 **Ian Paisley:** If you believe it will come at some point, does it not then give *raison d'être* to the view this Committee has held for some time, in its previous report under its previous Chairman, that payments should be made in lieu by Her Majesty's Government to the victims in the knowledge—which you are now sure about—that Libya will be able to pay that money back in the future?

Alistair Burt: I think the Government take the view that the primary responsibility is with the Libyan Government. That is what we are pursuing, not a situation in which the British Government will have stepped in and the Libyan Government may not therefore feel it is their responsibility at all. We are trying to avoid that sense.

Q51 **Ian Paisley:** Unfortunately that just confirms my view that nothing is going to happen, except victims are going to die.

Alistair Burt: We all want to see the conflict in Libya come to an end as soon as possible so proper compensation can be paid when the Government are established. That is our pursuit. It is a tragedy, which compounds the original misery people have suffered through the provision of Libyan-based Semtex. Victims have indeed died.

Q52 **Ian Paisley:** One of the ways to expedite this matter—Kate Hoey touched upon it in her first question to you—is the appointment of a special envoy. I must say I was very disappointed to hear your response that it is at the starting point. I attended the meeting where this was raised with the then Foreign Secretary. It was a cross-party meeting with Jim Fitzpatrick from the Labour party, Laurence Robertson from the Conservative party, the Chief Whip from my own party and other



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Members from across Parliament. A commitment was given that a certain individual would be approached and asked if they were willing to do this job. Was that individual approached and asked?

Alistair Burt: You will know that the suggestion around the table came out, but then there had to be proper reflection as to whether it was the right answer and how it was going to be carried forward. My impression was people recognised that and that was the work we were going to get on with. A name did come up. It was a good name, but it came up spontaneously from the former Foreign Secretary. I think when I rounded up the meeting I did say, "This needs to be properly and carefully considered and taken forward. It is an idea, but let's take it forward and see what we can do." That is the process we are now going through with other Departments as well. Your frustration is understood.

Q53 **Ian Paisley:** You will know the group left that meeting with what we believed was a firm commitment that this name would be pursued and a commitment would be given back to the party, so much so that letters were then exchanged between the grouping and the Foreign Office minuting that commitment. There was a written minute this commitment had been made and that this person would be approached. You are telling us that person was not approached and it really died at the meeting when we left and closed the door?

Alistair Burt: No, the idea has not gone away at all.

Q54 **Ian Paisley:** It has not gone any further?

Alistair Burt: It has. The idea is still out there. It is being discussed with other Departments, but a conclusion has not been come to. As I say, the idea had not come forward before that meeting. The idea came forward at the meeting and when we closed I am pretty sure I said, "We have to think very carefully about how this might be done" and that we would undertake to do that. That has been the process that has been carried on.

Q55 **Ian Paisley:** The Foreign Secretary was much stronger than that.

Alistair Burt: That is probably correct.

Q56 **Ian Paisley:** In fact, there was a name suggested by the Members of Parliament, and the Foreign Secretary came back with his own suggestion, which we were amazed he was prepared to put on the table. We gave him fair wind to go and explore that. Are you really telling us that apart from your officials there has been no direct approach made to that individual?

Alistair Burt: Not unless the former Foreign Secretary did it directly. It has not come as the result of the proper process the Government would go through in order to establish who would be the right person, what the responsibilities were and everything else.

Q57 **Ian Paisley:** You will forgive me for feeling we were taken for a ride.



Alistair Burt: I do not think so. It has not been pursued as quickly as I know you would have wished, but it has to have a firm foundation if it is going to be effective. If the appointment is going to mean something—if the person appointed in the role is to have an effective base of support in Government—there need to be clearly defined aims, objectives and things to take forward and there needs to be a proper footing. I am sorry it has not been possible to take that forward in a more concrete way before now, but it is one of the options that is certainly being considered.

Q58 **Ian Paisley:** Do you want to tell the Committee who that person was?

Alistair Burt: I am not sure what the status of the meeting was at the end of the day; I do not know. I am not sure if the individual has been approached and, bearing in mind who it is, I do not think unnecessary hares should be set running by the Committee. It is a matter of judgment for yourselves. I would not name the individual and I think if that individual is to be approached, it should be through the result of a proper process.

Q59 **Ian Paisley:** Do you think that individual could, given his history in the country, make a difference?

Alistair Burt: I do not know. It is possible. It is also possible to make sure the role works. Bearing in mind what we have been through over the years, somebody taking on a job like that would need a set of assurances about what they were going to do. If I was taking on the role I would want to know that the sort of things the Committee is concerned about would be a key part of the Government's determination in order to move things on. Therefore I would have a balance of things I knew the Government wanted to do in support, as well as the opportunity to take forward some different ideas and options both domestically and abroad. It would have to be pretty well founded.

Q60 **Ian Paisley:** Lady Hermon asked you in what terms did both yourself and the Ambassador raise the issue. You mentioned five meetings that I think I counted. I was not clear by your answer: did you raise with the Libyans the issue of compensation for victims of Semtex?

Alistair Burt: Yes.

Q61 **Ian Paisley:** Did you raise with them the fact we were after potentially getting payment of compensation from their assets held in the UK?

Alistair Burt: I think they know our view on the asset issue.

Q62 **Ian Paisley:** I might know your view, but was it specifically raised that we want to have access to their assets at some point in the future? You are shaking your head.

Alistair Burt: I am shaking my head, because again I want to dispel the notion from the Committee that the only assets that might be available for compensation are those that are currently frozen. As we have discussed, the Libyan Government, or Libyan representatives of



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Government, over recent years hold the same view we do, which is that those assets were held because of fears they would disappear. They were held on behalf of the Libyan people. They are sovereign to them and they must make the decision about them. I put it to the Committee that for a British Government to come along and tell the Libyan people what we intend to do with their assets is not the best way for us to go about it.

Q63 Ian Paisley: I would have expected you not to have told them, but to have raised with them expectations or avenues we would like to explore with them in detail in the sense of, "This is where we are going." I would expect that to be raised with them.

Alistair Burt: What we do raise with them is that we know Libya will be a country of wealth and is. It is not a question of using those assets. If those were the only assets available to the Government of Libya, fine, I understand the point. However, there are other assets available to the Government of Libya, or there will be as the conflict ends and the economy becomes properly managed and they are able to move forward. I do not think we would ever want to give them a sense that there is only one pool of money available.

Q64 Ian Paisley: Minister, I do not want to be distracted by that. I am not suggesting that. I want to be clear that the terms on which you are raising this with the Libyan authorities, in these five meetings that have taken place and in future meetings, is that we want access to their money for our victims. They know that, do they?

Nicholas Williams: The Government's legal position is on the record—not believing we can access those assets because when they are unfrozen the UNSCR makes clear they are for the benefit of the Libyan people. That formal Government position is on the record, so the Libyans know that. At the same time, they know there is an active discussion out there about the fact that some people believe those assets should be used to compensate the victims of Gaddafi-sponsored IRA terrorism. They are very aware. The reason they wrote the series of letters recently was because of Lord Empey's Private Member's Bill, so they are aware of that debate. However, it is also the case the formal Government position—

Q65 Ian Paisley: The conversation with us today has been quite woolly. I would not want to think when you are dealing with the Libyans that it is as woolly as this.

Nicholas Williams: The key message that is constantly delivered to Libyans is that we expect them to respond to the demand for compensation. The discussion about where that money should come from is different. A number of people think it is potentially a mistake to focus too much on frozen assets because it plays to the nationalistic debate in Libya. It is also the case that even once we hopefully achieve the level of greater stability in Libya the Minister talked about, it may still be some time beyond that until those assets are unfrozen. There may be other sources of revenue. With greater stability in Libya we hope greater oil



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revenues will grow and the stronger the economy will be. Therefore I do not think it is the case that we should focus exclusively on the idea of using frozen assets for compensation. It is not necessarily helpful in terms of building pressure on the Libyans to focus on that as well.

Q66 **Chair:** Can you say what form the frozen assets take?

Nicholas Williams: I think there are a variety of investments. I do not have that information to hand. I do not know whether colleagues behind me do. However, it is a spread of different types of investment, as I understand it.

Q67 **Chair:** Do you have any idea about the yield of those investments?

Nicholas Williams: No. Again, as I understand it, some of them are currently in negative yield territory, which is one of the arguments the LIA use to say that, without having access to them, they should be able to manage their assets, so they are not—if you like—losing money. The issue of yield will vary, I imagine, from investment instrument to investment instrument.

Q68 **Chair:** Do you know what tax liability might be attached to those assets?

Nicholas Williams: The short answer is no.

Alistair Burt: We will find out all this information.

Q69 **Chair:** It would be good to know that. If the Libyan frozen assets are producing an income that is liable for tax that would accrue to the Treasury it would be a cause for concern if victims were not getting their just desserts.

Alistair Burt: We can find out. That is very technical stuff, but of course we can find the answer.

Chair: I will be grateful for clarification. Thank you.

Q70 **Mr Gregory Campbell:** Minister, I think it was back in June that the Libyan Presidential Council used the term, “great variable Libyan investments”. Was the “variable” what you referred to, Mr Williams? What did he mean by “variable investments”?

Nicholas Williams: I am not sure. I would have to examine the statement in question. I am not sure which statement that was.

Q71 **Mr Gregory Campbell:** It was in June, as I understand it. It is a very odd statement, an unusual statement, “great variable Libyan investments which exist in the UK”.

Nicholas Williams: It may be he was referring to the fact that some of them were, in their view, losing money. It could have been a reference to that. The honest answer is I am not sure what he was referring to when he used those terms.

Q72 **Mr Gregory Campbell:** Just so I picked it up right, the distinction



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between the £9 billion and the current estimated value of £12 billion, if a mechanism were to be arrived at in the near future that could release either interest or dividend payments, would that be the case for the £3 billion—the difference between £9 billion and £12 billion?

Nicholas Williams: The mechanism that has been under discussion at the prompting of the Libyan Investment Authority is some sort of mechanism that would allow them to move assets around but not to have access to those assets. The assets would all remain frozen, including any interest that accrued. However, they argue they should have the ability to move them around and out of investments that are no longer producing revenue or are no longer invested in a way that is in the Libyan people's interests.

Q73 **Mr Gregory Campbell:** It would be interest from the £12 billion as opposed to anything that has been accrued to it?

Nicholas Williams: I guess what percentage of those assets would be available for re-management would have to be a subject for discussion.

Q74 **Mr Gregory Campbell:** There is one big question, Minister, which I think you have to answer. Looking at this and listening to what you said at the start in terms of the series of meetings, it seems to me, in fairness to the many victims of Libyan-sponsored IRA terrorism, that the Government could say now in a realistic way—for all the reasons you have outlined in the past 45 minutes—there is no realistic practical solution in the near term.

That, in my view, would be indefensible politically, but you could at least argue it by saying, "Look, we are being totally honest here", because we have gone around in circles here for years. You can either do that, which you have not done until now, or you could make a statement that indicates, "We are going to resolve this issue. We are going to outline a timeline and we are going to be very emphatic and very dynamic in terms of co-ordinating an international approach to ensure there is a resolution in the very near future."

Or, Minister, you can do what many people think is being done and has been done—the centre ground, the ticking of boxes, the having meetings but going nowhere. That is what the victims think is going on. They are convinced this is a box-ticking exercise. This is not aimed at you personally, this is successive Governments going through the motions, but with no end game in sight. Which of those three options is it?

Alistair Burt: We believe the primary responsibility is on the Libyan Government to compensate those who were the victims of terror. We are pursuing that by ensuring that on every occasion the Government of Libya know what their obligation is. They could choose at any time, if they were able to, to start to make recompense. Their response has been, because of all the circumstances in Libya going on at present, that it is not the time to do that. We seek to pursue them in relation to that and we will continue to do so.



It is neither a box-ticking exercise because I am not having meetings so that I am able to say to you, "I have had a meeting", but on the other hand it is not producing the speed of answer that anyone would have wanted in the circumstances. But we will go on pursuing this because we do believe, as I said to the Committee earlier, that we will get a resolution of this and we are determined to do so.

Q75 Mr Gregory Campbell: That sounds like a Government that are prepared and content to continue to tread water. No end in sight—none. They are not being prepared to say, "Look, folks, hands up, it is not working. We are going to call it a day, it is not working. It may work in a future generation, but it is not working now."

Alistair Burt: We are certainly not prepared to call it a day. Everything that we do in relation to supporting an end to the conflict in Libya brings the day when that compensation will come forward and justice will be done closer. That is why we continue to do the work, whether it is in Palermo, whether it will be following up with the national conference next year, to seek to do everything we can to ensure that when the conflict comes to an end, it comes to an end in a manner that will enable the Libyan Government to meet their obligations. That we will continue to do.

Q76 Mr Gregory Campbell: Can you understand then, Minister, why—and I cannot speak for anyone else—it seems like this Committee and, far more importantly, the victims will look upon this meeting as not leading them anywhere good, that no positive outcome is emerging from this meeting, or all the previous meetings that there have been, and that they will say, "This is more of the same"?

Alistair Burt: If I gave a sense that we were not pursuing this, if I was not to have apologised for the lack of progress up to now, indicated that various options are being worked through with the Government to answer some of the questions that you have raised, then it would be wholly disappointing and I would be offering nothing at all. I do not believe I am doing that because we are pursuing all those things that I have just mentioned. I wish it had produced answers sooner, but we are not going to give up in relation to this. I have a very strong feeling that neither are you and neither are those who are operating on behalf of the victims either. That is exactly how a democracy should work.

Q77 Conor McGinn: Just to pick up something you said in answer to Gregory Campbell, and a point that was raised earlier by Kate Hoey. Minister, you said the position of the Libyan Government is that it is not the right time to deal with this compensation issue, but that is not the case. You are underestimating the seriousness of the statement by the Libyan Government of National Accord adopted by the Arab League less than six weeks ago, which is that they consider this matter settled, that they believe that they and the UK Government have resolved this and that the case is closed. That is a fundamentally different position than the one that you suggest the Libyan Government have. If that has been such a significant change in their position, what is the corresponding change in



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your position, your strategy and your approach going to be over the coming weeks and months?

Alistair Burt: There have always been voices in Libya who have regarded the matter as closed and want to see it ended and wanted to see those pursuing this simply forget all about it. That is not the view universally held by those in positions of responsibility.

Q78 **Conor McGinn:** It is the one held by the Arab League though and that is quite significant. We are not talking about a faction in Libya. We are talking about the fact that the Arab League has adopted this. That is quite serious.

Alistair Burt: Those responsible are not the Arab League. It is the Government of Libya and we will pursue the case with the Government of Libya. That is the appropriate place.

Q79 **Conor McGinn:** Sorry, pursue what case? Because they have said the case is closed.

Alistair Burt: That is not a view universally held by those with whom we deal in Libya, which is why we continue to press the case. If I was to accept such a judgment or such a statement, I would be letting down those that the Committee is representing and those that we believe we are representing and trying to do our best for, so I am not prepared to accept the statement.

Nicholas Williams: It is also the case that Libya is a country going through a political transition. The institutions that currently exist are provisional institutions—interim institutions. We hope that through the process that Special Representative Salamé set out at Palermo we will start a process that delivers, hopefully through elections, a permanent Government with broad legitimacy and credibility across the country, which we do not currently have and institutions currently in place do not have.

Conor McGinn: Here is the deal from my perspective. It just sounds like prevarication, obfuscation and delay. If the Libyans will not take responsibility for it, the UK Government needs to take responsibility for it, and that is what the victims would expect a UK Government to do.

Q80 **Kate Hoey:** If I could add, it is not just that we are making up these statements that have been made by the Government of National Accord. Not only was it stated in June, it was then sent as recently as a week ago to the *Belfast News Letter*—Philip Bradfield, who has been doing quite a lot of work on this. All the media in Northern Ireland have been extremely interested. It is very clear. It says in their statement, "The file of the relationship of the former Libyan regime with the IRA has already been addressed between the two Governments. Libya has co-operated with the British Government to close this file." I am just amazed that you are not making a big statement about this.



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Alistair Burt: First, we have not co-operated with the Libyan Government to close the file at all. Secondly, by the repeated efforts that we make, we demonstrate, as I mentioned earlier, that we do not regard it as closed. In response to what you said from their position, I can say that is not the position the British Government holds. We make that very clear. We make that very clear privately through the interaction of the Ambassador and those who represent us in Tripoli, and we make it clear by the efforts that I make, the Foreign Secretary makes and other Ministers do. That is why we are not prepared simply to put this to bed.

Q81 **Conor McGinn:** Were you aware of the comment before we told you about it today? Were you aware of what was said on 9 October?

Alistair Burt: Yes.

Conor McGinn: You were?

Nicholas Williams: It is worth pointing out that the context for that statement and those letters was a reaction in Libya to the prospect of Lord Empey's Private Member's Bill, and the specific idea of using Libya's frozen assets to fund compensation, which is a very controversial issue in Libya. It was quite an emotional reaction that you saw and it was very much linked to that specific proposal.

Alistair Burt: Again, being clear, they feel very challenged by that Bill, because it comes back to what we discussed before. They take the view that the assets are there for the people of Libya and it is a sovereign matter for them. They want to hang on to that. They want to decide upon it. The distinctions between a Private Members' Bill—House of Lords, House of Commons, Government—are not necessarily the subject of everyday conversation in Tripoli. They see a Bill coming forward in the UK Parliament with a direct approach to what they consider to be their asset—

Q82 **Ian Paisley:** Have you told them?

Alistair Burt: We have told them we do not support the Bill.

Q83 **Ian Paisley:** Yes, but have you told them it is going nowhere? Have you been as firm as that?

Alistair Burt: Insofar as you can, because nobody knows where a Bill will necessarily end up. What we have said very clearly is that the UK Government does not support the Bill. It is not a UK Government Bill, but it is a clear manifestation of the strength of feeling in the UK and of the determination of those who represent victims to seek a resolution to this. Although we cannot support the Bill, we have lost no time in using it to say, "You have to understand the reasons behind the Bill." That is why we continue to press the case and do not regard the matter as closed.

Ian Paisley: I do not know why you cannot take the next logical step, which is to pay the victims from HM Treasury on the knowledge that you and successive Governments will pursue this to the nth degree to get the



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money back. That is the most logical way to deal with the victims.

Kate Hoey: Perhaps they are waiting for so many to die that they—

Chair: That is an assertion I am sure, Minister, you will take away. It is not meant to be a question.

Q84 **Maria Caulfield:** I want to go back to the Government's response to the Committee's report, as well as going back to the frozen accounts. It said in the response there were no grounds for EU regulation and therefore no legal basis to unfreeze those accounts and to secure this money. Given that we are leaving the EU, will that change the legal basis? Does that open up opportunities to challenge that and to unfreeze those accounts?

Alistair Burt: Nick can talk about this. We are going to have to review all the legislation that covers our use of sanctions and everything else.

Nicholas Williams: The short answer is we do not yet know whether that will become an option further down the line.

Q85 **Maria Caulfield:** There is a possibility.

Nicholas Williams: Potentially, but it is not yet clear based on the current legislative package going through what the effect will be in terms of the specific issue.

Q86 **Maria Caulfield:** Has the Department done any work on that; if it were to happen, would that be something the Department would then pursue?

Alistair Burt: Yes. Draft legislation on sanctions is currently being debated and scrutinised in Parliament. Work is ongoing across Whitehall to prepare for this. We are not in a position, as Nick said, to provide more detail on how this will affect specific sanction regimes for Libya, but certainly the possibility may be there. We do not know at this stage. There are new sanctions in an Anti-Money Laundering Bill, as I think colleagues are aware. That creates a legal framework for us to impose sanctions where appropriate, but it does not specify how we will use these powers in relation to specific countries or threats. Of course, new legislation might provide an opportunity. We would have to consider very carefully what the implications of all that was.

Q87 **Maria Caulfield:** That could provide a new opportunity to maybe break this deadlock.

Nicholas Williams: I go back to my short answer. I do not think it is clear yet. In addition to whatever the new legal legislative reality is, a lot of the other issues around the sensitivities, being seen to be targeting assets frozen for the benefit of Libyan people, would still apply. A lot of those questions would still be out there.

Q88 **Maria Caulfield:** Turning to the response on how much this Government are setting up a fund to compensate victims, I understand the Minister's response that the position is it is felt to be Libya's responsibility, but is that the only reason that Her Majesty's Government will not set up a



compensation fund? Are there any other reasons? As Conor McGinn said, if Libya are saying that there is no longer an issue and it has all been dealt with, is there any other reason why Her Majesty's Government could not set up a fund, other than they feel it is Libya's responsibility?

Alistair Burt: There is no legal reason why the Government could not change their position in relation to this, no, but it would set a significant precedent. At present, efforts have been made to ensure that Libya recognises their responsibility and that has been the focus of the UK Government's efforts.

Q89 **Maria Caulfield:** What is the current estimate for how much compensation, as a whole package, victims would be entitled to?

Alistair Burt: This has never been bottomed out, either by the Government or those representing victims. It is one of those areas that has remained indeterminate by everyone. I am not aware that a compensation figure has ever come forward from those representing the victims.

Maria Caulfield: Is there a rough estimate as to how much it would cost?

Nicholas Williams: I do not think there is. It has genuinely been very difficult to arrive at an agreed estimate of how many people are involved and what the scope of any compensation package should be.

Alistair Burt: It has also never been entirely clear whether it was always just individual compensation or whether there was some fund that was more generally available to the community as a whole. Again, we discussed that at the meeting, whether funds would be set up in a way that would provide a connection between the people of Libya who also suffered under Gaddafi and the people who are the victims of the violence that he inspired—something that could be used for a degree of unity and harmony. If you bring all these things together, the sum is indeterminate. I am not aware that it has been possible to put a figure on it. You can look through terms of compensation and create something, but it has never been as clear as that.

Q90 **Maria Caulfield:** In the discussions that have currently been had with the LIA in terms of moving funds around so they are not in negative interest, if there was a figure established, could that not be a way of negotiating with them to say, "This is the amount of money we need to compensate victims and in return you could not access those funds, but you could move them so you were not losing money?" Would that sort of negotiation be—

Alistair Burt: Again, we keep coming back to the funds themselves. Our view on the funds is they are not ours to negotiate.

Maria Caulfield: You are having discussions with the LIA about moving funds so they are not in negative—



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Nicholas Williams: It would not be in the UK's gift to agree to that, if something had to be negotiated through the United Nations Sanctions Committee in New York and agreed by all members of the Sanctions Committee.

Q91 **Maria Caulfield:** But if that was to be agreed, could that not be in return for the funding being made available? It is very hard to negotiate with Libya if you do not know how much money you are asking for for victims.

Alistair Burt: It has always been a matter of interest, what people want to come up with, because there have been various items of compensation paid in the past and varying items of compensation paid by the Libyan Government for matters for which they took direct responsibility—different figures of compensation for those killed in different events, for example.

I do not know why people have never been particularly keen to set a level on it, perhaps because in the end it will depend on what people want by way of compensation and the different things that they want, so as not to set too low a bar or anything else. But again, I come back to the point, if you fix solely on the assets, there will be other moneys available to Libya to pay the compensation. As Mr Williams said, I do not want the British Government to be in a position of having so fixed on the assets that if other moneys become available people are only thinking about the assets, over which there may be a wrangle in the future anyway. We do not know.

It is a matter of speculation on how those moneys came into the Libyan Investment Authority in the first place, who the moneys were taken from and who else may have claims on the money. Once they get unfrozen, if there are significant sums of money available, you would be amazed who comes forward and says, "Actually, some of this belongs to me." There could be long legal wrangles about these frozen assets. Although it is a matter for debate at the moment, because nobody has seen anything of any money, you would not want at that stage to be caught up in yet another delaying argument about that money.

Q92 **Ian Paisley:** We do know that the American victims received between US \$1 million and US \$4 million each in settlement and that a rule-of-thumb calculation was done on the numbers that were available depending on that payment, so it is not as if we are talking about—

Alistair Burt: I think that was in the aeroplane compensation.

Ian Paisley: That was.

Alistair Burt: I think there were different figures paid for other attacks.

Q93 **Chair:** One solution Maria hinted at would be to keep the capital effectively frozen or sequestered, but to allow active management. From what you have said, that would require action at the UN level, but I am surprised it has not been considered since that would produce a win-win



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situation. The Libyans would allow their assets to potentially grow and it would produce a receipt for the Government simply through taxes on transactions. Has that been considered?

Alistair Burt: Again, you are asking me a question about the holding of the assets, to which I do not have the technical information. I am happy to give you the answers.

Q94 **Chair:** I am asking about those because that is a lever that we have on the Libyan Government. It is more difficult to deliver a Bill to the Libyan Government, but we do have those assets under our control in this country. That is why we are so interested in the assets that are held here.

Nicholas Williams: At the risk of repeating myself, those assets are frozen in the UK, but they are frozen as a result of the obligations that flow from our membership of the Security Council—membership of the UN—so we could not unilaterally take a decision on that.

Q95 **Chair:** I accept that, but what I am probing you on is the action that we are taking with the UN to get some movement on this. I am not a financier, but I have just dreamt up a scheme in the past few minutes for producing the kinds of sums that would be more than capable of compensating the victims that are our principal concern.

Nicholas Williams: In terms of the mechanism in New York, the challenge the LIA have is there is huge scepticism about whether they are in a fit state to manage—even if they do not have access to it—the assets that are frozen. There is some discussion about whether a third party such as the World Bank could do that for them, but it is a controversial issue, including in New York, where there is great scepticism about the idea that you would do something like this with a frozen assets regime.

Q96 **Chair:** Yes, absolutely. If this was an individual that was not competent to manage assets then the courts would appoint somebody to do it for them. There has to be a way of delivering such a thing in this case. What I am describing might be completely nonsensical, but I am surprised it has not been at least considered as something that the UK Government might be discussing with the United Nations.

Nicholas Williams: There is an early discussion in New York among members of the Sanctions Committee about this LIA request for some sort of mechanism along the lines you describe. One of the barriers the LIA faced is huge scepticism about whether anything along these lines would be appropriate or not. It is not something, as I understand, that we regularly do in the context of frozen assets regimes.

Chair: Jim, you have been engaged with the Finance Bill all afternoon, I think.

Q97 **Jim Shannon:** I apologise for not being here earlier, Minister.

A very quick question and it will be the last one. I understand the assets



that were originally in the bank accounts were £9 billion and that has increased to £12 billion. We all know the difficulties with Libya at this present time with all the factions, sections and inter-tribal rivalry there is. In your opinion, Minister, do you see any potential for a single Libyan authority emerging in the next 12 months? Is that possible?

Alistair Burt: It is a good question. The aim of the national conference, which the Special Envoy, Ghassan Salamé, spoke of last week—which was agreed by Libyan representatives and by the international community—was that the national conference and the election process should be completed by spring 2019. Spring, as every Government knows, is a variable term, depending on when you want to release a document—any time from February to July.

It indicates a determination to continue to do the work, to build the solid ground for elections and therefore get a Government in place, elected by people and with authority. Bearing in mind the history of Libya over the past few years, it would be a brave Minister who would then say, “I can absolutely guarantee.” But the years have brought great weariness to those involved in Libya. There are increasing dangers with the instability; those who may currently feel secure may be threatened and there are the issues of increasing problems in the south. The need therefore for security to come together under a single authority is growing, not weakening. All the pressures on those who have so far not found it within themselves to bring their organisations together, that pressure is growing and will not diminish.

Accordingly, is there a better chance to achieve what you are talking about now than before? I think the answer is yes, but it would be unwise to set a date upon it. There is a renewed determination in the international community following the Palermo conference and a great determination to see this through. Hopefully all the things that people realise they need to do in order to increase their own security, at the authority of Government, is under way in a manner and determination perhaps not seen before. It would be unwise to say any more than that.

Q98 **Lady Hermon:** I understand the Foreign Office is working with other Government Departments to explore ways of improving support for the victims of IRA Gaddafi-sponsored violence. It would be very helpful—particularly since we have a number of victims present in the public gallery—if you would say in some detail which other Government Departments are involved and what exactly they are doing to support victims of IRA Gaddafi-sponsored violence.

Alistair Burt: The Departments that we have been engaged with have included the Ministry of Justice, the Home Office and the Northern Ireland Office. They include the discussion of things like the provision of a community fund, the individual compensation ideas and of course the special envoy that we have discussed. Those are the options that are being explored with other Government Departments at the moment.



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Q99 **Lady Hermon:** How long have those exploratory talks been going on?

Alistair Burt: Since we had the meeting in the summer and things were taken back by the Foreign and Commonwealth Office at that time; they have been ongoing since then. But they need renewed urgency and I will be writing to my colleagues in the various Departments to say, "I think we need to do more on this and can the ideas that you have been working on now be brought forward?" We need to co-ordinate this in some way.

Q100 **Lady Hermon:** You said if something was going to happen in spring it could happen between February and summer. When you had the meeting in the summertime, when was it in the summer?

Alistair Burt: July, just before the recess.

Q101 **Lady Hermon:** We are sitting now in the middle of November, moving towards the end of November, and there is no progress that can be reported today about the support that was going to be given by other Departments, working in unison. What sort of message do you think that sends out to the victims?

Alistair Burt: Not nearly a good enough message.

Lady Hermon: It is a dreadful message.

Alistair Burt: I am wondering how to put it right at this stage.

Q102 **Lady Hermon:** I think with a deadline. If you could say that by Christmas of this year—not next year, but Christmas 2018—you will have spoken to those Departments. These are your colleagues.

Alistair Burt: We have spoken to the Departments. What I should say to you is we are now mid-November. By Christmas I will have written to the Chair. I will set you out a timeline first of the Departments' engagements with each other, and give you an idea of when we will come back and give you some sense of the options that we are discussing. I should do that.

Q103 **Lady Hermon:** The options again that are in discussion are?

Alistair Burt: The sort of things that have been spoken about; the community engagement that we spoke about earlier.

Lady Hermon: No. 1: community engagement.

Alistair Burt: The issues of individual compensation and also the special envoy that we have discussed.

Q104 **Lady Hermon:** Is that it? Is that the level of support the victims can look forward to?

Alistair Burt: All these things individually could comprise quite a number of different elements.



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Q105 **Lady Hermon:** How are they going to help? How are they going to help make a significant difference or improvement to the lives of the victims of IRA Gaddafi-sponsored violence? Community engagement—how are any of these suggestions going to improve the quality of the lives of the victims who were caught up in the Harrods bombing or caught up in the Docklands bombing? They have suffered enough. Can we not have a Government that says, “Right, this is how we are going to help. This is one, two, three on the agenda. This is what we are going to do”? That is what we need, Minister. When the Government said, “We condemn terrorism around the world”, we need a Government that does something tangible to help the lives of those who have suffered enough.

Alistair Burt: Thank you.

Q106 **Kate Hoey:** Her Majesty’s Government have a trade envoy to Libya, is that not right?

Alistair Burt: He has just been appointed, yes.

Q107 **Kate Hoey:** Will it be part of their job spec to be pursuing compensation?

Alistair Burt: No. That has not been thought of.

Q108 **Kate Hoey:** Will it be mentioned to him? Will they be briefed?

Alistair Burt: I have not discussed it with the trade envoy. My inclination would be no, I do not think necessarily that will be part of that envoy’s role. We should keep that separate. It is quite a separate role in terms of looking for the opportunities for business, just like envoys elsewhere. That should properly be the role of other elements of the British Government, the Ambassador, myself and the Foreign Secretary. I am not sure it is necessarily part of a trade envoy’s role. If it was not going to be covered at all then that would be wrong, but I do not think it is the envoy’s job. It just does not seem part of the role that the trade envoy should play.

Q109 **Kate Hoey:** But the trade envoy is a former Northern Ireland Minister, so it might be helpful for him to meet with the victims’ groups so that he understands more.

Alistair Burt: I will talk to Sir Henry Bellingham about that. You are right— he has a good background and understands the Northern Ireland situation very well. Almost inevitably, an envoy gets involved at high level. That is common sense and of course he will understand the issues. That is a distinction from saying it is part of his role and part of his job. That Sir Henry would be aware of these circumstances is very clear. Please leave it to me to roll that through with him. It is not part of his brief or specifications, but he will undoubtedly know all the other things that form our engagement with the Government of Libya or representatives of the Government of Libya.

Q110 **Kate Hoey:** Minister, you know how well-respected you are, right across the House—for many, many years—for the work that you do. I find it sad



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that you are in this position, because I cannot believe that you are able to do what you would like to do, and I think that somewhere within the machine of government there is something that is not right about the whole way this has been handled, right back to the Tony Blair stuff that we saw on all of that. If we feel like that, can you understand what the victims feel like?

Alistair Burt: Yes. I appreciate very much the way in which you put it. It would be very unfair of me to use any reputation that I have in some way to seek to escape responsibility for the British Government's work and actions, so I will not. I am fully behind the efforts the British Government are making in relation to pursuing the Libyan authorities for proper compensation. I am doing that, and I put forward what we are doing both in terms of that issue and the efforts we are making to resolve the conflict in Libya as fairly and straightforwardly as I can. You must see me entirely in that context.

I am not unaware of the other issues surrounding this and the frustrations of the Committee, and the frustrations of victims, their MPs and those who represent them. I am very conscious of this. I shall use both the occasion we have had today and previous meetings to stress to all my colleagues in Government that there is an expectation upon the British Government. We are doing what we can now in the manner that I have suggested and it would be wrong for me to suggest there is another course of action down which we are about to go. But I hope I have explained what it is we are seeking to do at the moment and listened very carefully again to what the Committee is asking the Government to do.

Q111 **Chair:** Minister, the issue of Tony Blair has been raised and I would like to very briefly pursue that, since Tony Blair is on record as saying some extremely agreeable things about Colonel Gaddafi. The suspicion remains that some sort of deal was hatched between that regime—that is to say Tony Blair's—and the Gaddafi authorities, and that suspicion lingers. Have you made any inroads, since this has been raised with you before, in investigating the establishment of some sort of deal that was not entirely transparent during those Blair years with the Gaddafi regime?

Alistair Burt: In the response that the Government gave to the Committee's report, we spoke about missed chances in the past. I am not aware of anything specific in relation to this.

Q112 **Chair:** Are we quite clear that there were no secret deals hatched between the then Government and Colonel Gaddafi in relation to investment in this country?

Alistair Burt: I am not aware of that. I have not sought to be briefed for that for this conversation, but I am not aware of it.

Q113 **Chair:** It has been put to you in the past, so I am a little bit surprised that you have come to the Committee not armed with some sort of response to that.



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Alistair Burt: Okay. I will say no. There are all sorts of rumours about this sort of stuff. I have never seen anything that puts it to bed one way or the other. If there were, we would know all about it. My provisional answer is no, I have not been made aware of any new information, bearing in mind the speculation that has been there. I am making an assumption that there is not anything there. If there had been, we would all know about it.

Q114 **Chair:** I am not sure I entirely share your confidence in that, but what you are telling the Committee is that you are not aware of any investigations having been done into the acceptability or otherwise of deals struck between the then Government and Colonel Gaddafi's regime?

Alistair Burt: All sorts of investigative journalism and everything went on about those allegations, but I have not seen anything brought before me in a government fashion since I have been back in the office.

Q115 **Conor McGinn:** Like evidence?

Alistair Burt: Yes.

Q116 **Conor McGinn:** Of which there is none.

Alistair Burt: Yes. I just have not seen that.

Q117 **Chair:** Because generally when Governments are faced with substantial material in the press of that sort, some inquiry is made into what was said and what was agreed.

Alistair Burt: Unless there is nothing in the press reports that come out.

Q118 **Chair:** Yes, but there will be evidence of an inquiry having been carried out.

Alistair Burt: I am not aware if you put that to the Government in your first report and expected an answer, but if you did not and are raising it now, I will make sure one goes out to the best of our ability.

Q119 **Chair:** I am grateful. Minister, you are a man of great sincerity and your sincerity has shone through today. We are very grateful for that. I think you have been frank with us. You have answered the questions that you are able to answer and you have undertaken to write to the Committee where we put you on the spot and you were unable to give us a direct answer. Thank you so much for that. It is probably the view of this Committee that we are disappointed that no progress appears to have been made since we last had the opportunity to put Ministers on the spot. We are bound to reflect that in the report we write. We are also bound to invite you back at some future date to update us on progress.

Alistair Burt: I am grateful for the former and I will welcome the latter. I fully understand the frustrations of the Committee.



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