



Northern Ireland Affairs Committee

Committee Office House of Commons London SW1A 0AA

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From the Chair

Simon Hoare MP

The Rt Hon Dominic Raab MP
Secretary of State for Foreign, Commonwealth and Development Affairs
Foreign, Commonwealth and Development Office

By email

Dear Dominic,

28 April 2021

Compensation for UK victims of Gaddafi-sponsored IRA attacks

My Committee, as you may very well be aware, was frustrated, angry and disappointed by the recent Written Ministerial Statement (WMS) on 23 March 2021 regarding the conclusion of the work of William Shawcross as Special Representative on UK victims of Qadhafi-sponsored IRA terrorism. The non-publication of his report aimed at finding a way forward to deliver much needed and long overdue compensation to those UK citizens who were the victims of Libyan sponsored acts of IRA terrorism perpetrated in Great Britain and in Northern Ireland is greatly disappointing. Our response, however, is of nothing when compared to that of those who were victims and/or their families. The hopes that Mr Shawcross's appointment had raised in them have been dashed and their anger is very raw indeed. We took evidence from just a few of them (which I attach to this letter) on 15 April 2021 following the laying of the WMS, and one would have had to have a heart of stone not to be moved both by their stories but also by how they now feel.

The Committee does not accept that the Government never intended to publish the Shawcross Report. On numerous occasions prior to the publication of the WMS the Government had the opportunity to make it clear that the report was **never** intended for publication. It never did. Likewise, we remain astonished that a Government commitment to publish the Terms of Reference of Mr Shawcross's role made by then Minister of State in the Foreign and Commonwealth Office, the Rt Hon Mark Field MP in a Written Answer on 8 April 2019, has been resiled from with no explanation. Is a Minister's commitment now to mean nothing? Could you please explain the rationale for not publishing the Terms of Reference for Mr Shawcross's role?

It is clear that the Government believe that by publishing the WMS the issue has gone away. My Committee will not let that happen. However, we accept that there will be no continuation of the work commenced by Mr Shawcross and that the Government believe victims will be able to apply to the Troubles Permanent Disablement Payment Scheme (the Troubles Pension), or else, still hope that the Libyan state will unilaterally provide a solution. Could you confirm what conversations and engagement have taken place with the Northern Ireland Executive regarding the inclusion of victims of Gaddafi-sponsored IRA terrorism to the Troubles Pension and what assessment has been made by your Department, the Northern Ireland Office and the NI Executive pertaining to the adequacy of funding currently committed to the Pension fund?

It should be noted that, as part of a political agreement with Libya reached in 2008, the US Government secured compensation of \$1.5bn from Libya. This led to the passing of the Libyan Claims Resolution Act 2008, and the creation of a compensation system which has paid out millions of dollars to hundreds of victims, in some individual cases up to \$10 million in compensation, through the Foreign Claims Settlement Commission. Reportedly, the French and



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German Governments were also able to secure significant compensation from the Libyan state, albeit from a now defunct fund established by Gaddafi's son, Saif.

The Committee understands that Libya is now in a state in flux. While we have some sympathy with the current Libyan authorities' argument that Gaddafi actions represent a 'previous era', we do not agree if/when they contend that the issue does not concern them. We must all pray that Libya can stabilise, and that December's elections are delivered. In the meantime, could I urge you to give your consideration to, and comments on, the following potential solutions?

- We accept that the UK Government cannot 'raid' the frozen assets of Libya held in the UK or the interest that has accrued on them. However, HM Treasury has collected considerable amounts of tax on those assets which have, so we have been advised, been paid into the revenue account. It is still possible for a backdated hypothecation of those taxes to be used for either a freestanding compensation fund for UK victims of Gaddafi-sponsored IRA or to be committed to the wider Troubles Pension Fund. If the former course of action were to be pursued, a Commission, similar to the US Foreign Claims Settlement Commission, could be established to determine the amount of compensation awarded to victims; and/or
- Libya clearly wishes for its assets to be unfrozen and returned to Libya for use in helping to rebuild the country and for the benefit of its people. That is entirely justifiable. However, you will know that in order for that to happen a new Resolution at the UN Security Council would be required to remove the asset freezes. Could the Government not use its position as 'penholder' for Libya on the UN Security Council to refuse to draft any Resolutions that would be required to remove the freeze on Libyan assets and/or use its veto to such a Resolution until the Libyan state reaches an agreement with the Government to provide a sum of money to the UK? To determine the amount of compensation, a similar mechanism to that which was applied in the 2008 political agreement with the US to compensate victims could be used. Such a position would require resolve from the UK Government but it would be in the interests of Libya to agree to such a proposal, as the scale of frozen assets greatly exceeds the size of a UK compensation fund.

We implore the Government to give serious and sober consideration to both of the suggestions above. This is not an issue that can be equitably resolved without the active engagement and muscle of the Government.

I would be happy to discuss our thinking with you if you felt that might be helpful. I am copying this letter to the Rt Hon James Cleverly MP as the Departmental Minister, as well as to the Prime Minister (I raised the issue with him at the Liaison Committee).

Simon Hoare MP

Chair, Northern Ireland Affairs Committee