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Joint Committee on the National Security Strategy

Conflict, Stability and Security Fund

Second Report of Session 2016–17

Report, together with formal minutes relating to the report

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The Joint Committee on the National Security Strategy

The Joint Committee on the National Security Strategy is appointed by the House of Lords and the House of Commons to consider the National Security Strategy.

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The following MPs were members of the Committee during the course of this inquiry:

Damian Green MP (Conservative, Ashford) Keith Vaz MP (Labour, Leicester East)

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Evidence relating to this report is published on the <u>inquiry publications</u> page of the Committee's website.

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The current staff of the Committee are Nick Beech (Commons Clerk), Antony Willott (Lords Clerk), Ashlee Godwin (Commons Committee Specialist), James Hockaday (Commons Committee Assistant), Sophie Taylor (Lords Committee Assistant), and Estelle Currie (Media Officer).

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Summary

The Conflict, Stability and Security Fund (CSSF) has an annual budget of more than £1 billion of taxpayers' money. Under the strategic direction of the National Security Council (NSC), Whitehall Departments and agencies access CSSF money to commission projects that are intended to prevent conflict, to stabilise countries and regions and to respond to international crises.

The CSSF represents a more ambitious approach to tackling the causes and effects of conflict, instability and insecurity overseas than existed previously under the Conflict Pool. We commend the Government on creating more coherent procedures to tie spending on stability and security in parts of the world that matter to the UK to our national security goals. We also welcome the move towards more multi-year programming under the CSSF. As a result, the CSSF is more able to offer enduring support to fragile countries, while still preserving the flexibility to respond to opportunities and crises as they arise.

Nevertheless, the Government has failed to provide the Committee with the evidence that we need to assess whether the activity funded by the CSSF is as coherent as it could be or is sufficiently linked to the UK's core strategic objectives. The lack of information available to us means that the jury is also out on whether the CSSF is striking the right balance between the longer-term prevention of conflict and instability and shortterm reaction to events. In addition, the commitment to fund assessed peacekeeping expenditure from the CSSF budget leaves programme funding vulnerable to being squeezed should more money be required for international peacekeeping missions at short notice. To provide the stability necessary to allow strategic multi-year programming, the Government should therefore ring-fence the discretionary programmes budget.

The objectives, operation and achievements of the CSSF are opaque. No central source of information exists to explain how the CSSF works, the criteria on which programmes and projects are funded, the impact of CSSF-derived activity, and who has responsibility for the Fund's management. The Government must prioritise efforts to make the CSSF more transparent. Such measures should include establishing a dedicated webpage that sets out the essential details of the Fund, including the budget, the suppliers, the management process and the lines of responsibility and accountability within Government. The top priority is the publication of a detailed Annual Report, starting with the financial year 2016–17.

The CSSF lacks political leadership and accountability. For example, no single Minister has been appointed to take responsibility for the CSSF. There is the danger that collective responsibility will degenerate into no responsibility. The Government must appoint a single Cabinet Office Minister to take responsibility for this £1 billion fund.

Finally, the Government is clearly keen for the JCNSS to legitimise the CSSF by endorsing the Fund's operation. However, Parliament does not have sufficient access to the information that we need effectively to scrutinise the CSSF. Without access to the NSC strategies that guide the use of the CSSF, information about the programmes and projects funded by the CSSF and a breakdown of CSSF expenditure, we cannot provide parliamentary accountability for taxpayers' money spent via the CSSF. It is important that the Government now bring forward proposals on how the JCNSS might access this material while maintaining security.

1 Introduction

1. The Conflict, Stability and Security Fund (CSSF) is a pot of money that the Government spends on tackling the causes and effects of conflict and instability in countries of strategic importance to the United Kingdom. It was launched in April 2015 to deliver a "new, more strategic approach to [the UK's] work in conflict-affected states".¹ And it is described by the *National Security Strategy and Strategic Defence and Security Review 2015* as a major element of the Government's "even more ambitious approach" to tackling conflict and building stability overseas.² The CSSF involves the expenditure by the Government of more than £1 billion every year. In the course of our inquiry, we examined:

- the extent to which the CSSF contributes to national security;
- how CSSF expenditure by Departments is monitored, evaluated and scrutinised;
- whether reporting and transparency arrangements are consistent across Departments;
- how the National Security Council fulfils its oversight function in relation to the CSSF;
- how the CSSF differs from its predecessor fund, the Conflict Pool;
- on what basis the CSSF is allocated to Departments, individual projects and programmes;
- how CSSF projects are managed, prioritised and evaluated;
- how departmental priorities are balanced against national security imperatives in the allocation of the CSSF;
- how the CSSF is subject to strategic direction to achieve cross-government goals.

2. We published inquiry terms of reference and a call for evidence on 26 May 2016.³ We took oral evidence in public from Sir Mark Lyall Grant, National Security Adviser, Robert Chatterton Dickson, Director of Foreign Policy, National Security Secretariat, Cabinet Office and Melinda Simmons, Head of the National Security Secretariat Joint Programme Hub. In addition, we took oral evidence in public from a panel of experienced practitioners and stabilisation experts. We took oral evidence in public and in private from a panel of non-governmental CSSF suppliers. And in January 2017 we received a classified briefing in private from Gwyn Jenkins, Deputy National Security Adviser (Conflict, Stability and Defence). Some differences of view were revealed between those managing the CSSF at the centre of Government and those delivering the programmes (see paragraphs 54–61). We are grateful to all those who submitted oral and/or written evidence to our inquiry. We also thank our Specialist Advisers, Professor Malcolm Chalmers, Professor Michael Clarke and Professor Sir Hew Strachan, for their input.⁴

¹ HCWS392 [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015

² HM Government, National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom, Cm 9161, November 2015, para 5.118

³ The inquiry terms of reference can be found on the Joint Committee on the National Security Strategy website.

⁴ The declarations of interests by Professor Malcolm Chalmers, Professor Michael Clarke and Professor Sir Hew Strachan are available in the Committee's Formal Minutes 2015–16.

2 An overview of the Conflict, Stability and Security Fund

3. The Conflict, Stability and Security Fund (CSSF) is a pot of money that the Government spends on tackling the causes and effects of conflict and instability in countries of strategic importance to the United Kingdom. The CSSF was launched in April 2015 to deliver a "new, more strategic approach to [the UK's] work in conflict-affected states".⁵

4. The CSSF is intended to deliver a whole-of-government approach to conflict prevention, stabilisation and crisis response.⁶ The National Security Council (NSC) co-ordinates this whole-of-government approach by agreeing more than 40 regional, country and thematic strategies and allocating funding according to its priorities.⁷ All Departments and agencies represented on the NSC can access CSSF funding for the delivery of programmes in fragile and conflict-affected states.

5. The CSSF replaced the Conflict Pool. The Conflict Pool had existed since 2001, originally as two separate funds, the Africa Conflict Prevention Pool and the Global Conflict Prevention Pool. These two funds merged in April 2008 to form the Conflict Prevention Pool, which was subsequently renamed the Conflict Pool in 2009.⁸ Like the CSSF, the Conflict Pool was a cross-departmental fund that supported a range of activities designed to reduce the number of people around the world whose lives are or might be affected by violent conflict. Unlike the CSSF, however, access to Conflict Pool funding was limited to just three Departments, namely the Foreign and Commonwealth Office (FCO), the Department for International Development (DFID) and the Ministry of Defence (MOD). The NSC had no formal role in setting strategic objectives for the Conflict Pool. We heard that the NSC's strategic oversight of the CSSF was driven by criticism that the Conflict Pool lacked strategic direction.⁹

6. The Government has also put in place a series of cross-departmental boards in Whitehall and at Embassies and Consulates that are tasked with delivering the NSC's vision for the CSSF. A detailed description of these cross-departmental boards, and of the management of CSSF-funded programmes, is available in Appendix 1.

CSSF budget

7. The annual budget for the CSSF is more than £1 billion, totalling £1.033 billion in its first year (2015–16) and £1.127 billion in its second (2016–17).¹⁰ The budget will rise

⁵ HCWS392 [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015

⁶ A March 2015 Written Ministerial Statement stated that the CSSF would "draw on the most effective combination of defence, diplomacy, development assistance, and national security assets at Her Majesty's Government's disposal". <u>HCWS392</u> [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015

⁷ HCWS392 [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015

⁸ Independent Commission for Aid Impact (ICAI), <u>"Evaluation of the Inter-Departmental Conflict Pool"</u>, Report 12, July 2012, p. 2

⁹ National Audit Office (NAO), "Review of the Conflict Pool", March 2012; ICAI, "Evaluation of the Inter-Departmental Conflict Pool", Report 12, July 2012, pp 6–7

¹⁰ HCWS392 [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015; HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016

to more than £1.3 billion each year by the end of the Spending Review period (2019–20).¹¹ This compares with a budget of £683 million for the Conflict Pool in its final year (2014-15).¹²

8. Written Ministerial Statements in March 2015 and July 2016 set out the top four lines of the financial settlement for the CSSF in 2015–16 and 2016–17 respectively:

	2015–16	2016–17
	£m	£m
Peacekeeping and multilateral	462	385.7
Regional/country strategies	482.8	577.8
Security and defence	75	150
Delivery support including the Stabilisation Unit and National School of Government International	13.2	13.5
Total	1033	1127

Table 1: CSSF budget allocations in 2015–16 and 2016–17

Source: HCWS392 [On the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015; HCWS123 [On the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016

9. About half of the total budget each year is available for discretionary regional, country and thematic programming.¹³ The remainder is ring-fenced for predetermined commitments. These include the UK's assessed contributions to UN and EU peacekeeping operations (under the 'peacekeeping and multilaterals' budget line in Table 1) and the UK's activity in support of Afghanistan's security sector, as well as a contingency fund for emergencies overseas that require a military response (both under the 'security and defence' budget line in Table 1).

10. The FCO, DFID, the MOD, the Home Office, the National Crime Agency (NCA), the Crown Prosecution Service (CPS) and the security and intelligence agencies currently all utilise CSSF funding. The FCO has been the primary recipient of CSSF funding during the first two years of the CSSF's operation. This is because the FCO is responsible for paying the UK's assessed contributions to the UN and EU for peacekeeping, which have accounted for at least a third of the CSSF's total budget each year so far. The FCO also delivers a substantial proportion of the regional, country and thematic programmes (under the 'regional/country strategies' budget line in Table 1).¹⁴

11. As with the Conflict Pool, the CSSF combines Official Development Assistance (ODA) with non-ODA funding, enabling a wider range of responses to conflict and instability

¹¹ HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016

¹² HM Government (CSS0019) para 47

¹³ Regional, country and thematic programmes are funded under the 'Regional/country strategies' budget line in Table 1.

HCWS392 [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015; HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016; Letter of 30 September 2015, from the FCO to the Foreign Affairs Committee, on FCO Budget and Capacity

overseas.¹⁵ In 2016–17, about two-fifths (£484 million) of the CSSF's total budget of £1.127 billion counts as ODA.¹⁶ CSSF spending helps the Government to meet its two targets relating to aid and defence expenditure each year: spending 0.7% of gross national income (GNI) on ODA and spending 2% of gross domestic product (GDP) on defence. We note that £134 million of the CSSF's £1.127 billion budget in 2016–17 counts towards both Government targets.¹⁷ We question whether this double-counting is consistent with the separate objectives of the two targets.

¹⁵ The distinction between ODA and non-ODA funding is governed by guidelines set out by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), of which the UK is a member. To count as ODA, an activity must support the economic development and welfare of a developing country as its main objective. In February 2016, the DAC updated these guidelines in recognition of the detrimental impact that conflict, fragility and insecurity have on efforts to tackle poverty. As a result, more CSSF-funded activities, such as countering violent extremism, can now be counted as ODA. See GOV.UK, "Changes to Official Aid Rules", 19 February 2016.

¹⁶ HM Government (CSS0019) para 5

¹⁷ In oral evidence session, the National Security Adviser told us that only £10 million of the CSSF's £1.127 billion budget in 2016–17 counts towards both Government targets. See Q40 [Sir Mark Lyall Grant]. In January 2017, Gwyn Jenkins, the Deputy National Security Adviser (Conflict, Stability and Defence), sent the Committee an updated figure. See HM Government (CSS0028).

3 Strategic impact

12. In 2012, the National Audit Office (NAO) and Independent Commission for Aid Impact (ICAI) published reviews of the CSSF's predecessor, the Conflict Pool.¹⁸ The reviews found that the Conflict Pool was adept at identifying and acting on opportunities to help countries that were unstable or affected by conflict. However, both reports criticised the weak links between the Conflict Pool's strategic objectives, its activities and the intended outcomes.¹⁹ ICAI also concluded that a clearer strategic framework was needed.²⁰

13. The CSSF was established to create a "more strategic approach to [the UK's] work in conflict-affected states" than was the case under the Conflict Pool.²¹ It would do so by:

- (1) establishing a new, "direct link between programmes and [the Government's] policy objectives".²² CSSF programmes would be delivered in direct support of the NSC's regional, country and thematic strategies;²³
- (2) bringing together expertise from all NSC Departments, and not just the FCO, DFID and MOD as was the case under the Conflict Pool. This would allow domestic expertise also to be brought to bear when tackling international and transnational security issues such as counter-terrorism and organised crime;
- (3) funding more multi-year programmes in comparison with the Conflict Pool. This would help programmes to achieve sustainable change in these risky environments;²⁴
- (4) combining ODA and non-ODA funding, thereby continuing Conflict Pool practices in this regard.²⁵ This would enable a wider range of responses to conflict and instability overseas.²⁶

This may add up to a more strategic approach to tackling conflict and stability in countries of strategic importance to the UK. A more pertinent consideration, however, is whether this approach ultimately translates into greater strategic impact.

14. Of course, it is extremely difficult to have a strategic impact in countries that are unstable or affected by violent conflict. Each situation is different and so there is no 'one-size-fits-all' solution. Operating in such countries is risky. These risks must be identified and mitigated where possible. But if we accept risk we must also accept the possibility of failure.²⁷ Furthermore, as Dr Stephanie Blair, a senior advisor to the Stabilisation Unit and Director of conflict and stability consultancy Opimian Ltd, explains, "Violent conflict and

¹⁸ NAO, <u>"Review of the Conflict Pool"</u>, March 2012; ICAI, <u>"Evaluation of the Inter-Departmental Conflict Pool"</u>, Report 12, July 2012

¹⁹ NAO, <u>"Review of the Conflict Pool"</u>, March 2012, pp 8–9; ICAI, <u>"Evaluation of the Inter-Departmental Conflict Pool"</u>, Report 12, July 2012, p 1

²⁰ ICAI, "Evaluation of the Inter-Departmental Conflict Pool", Report 12, July 2012, Executive Summary

²¹ HCWS392 [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015

²² HM Government (CSS0019) para 49

²³ HM Government (CSS0019) para 49

²⁴ Cranfield University (CSS0014) para 5; Opimian Ltd (CSS0018) para 3.4

²⁵ HM Government (CSS0019) paras 30, 42

²⁶ The Government's submission cites the UK's work in Somalia as an example of "complementary programming" that combines ODA and non-ODA spending. See HM Government (CSS0019) para 30

²⁷ Opimian Ltd (CSS0018) para 3.3

its resolution are intensely political^{".28} And so there must be "coherence between political engagement [and] technical programming.^{"29} Dr Andrew Rathmell, a stabilisation expert and Director of strategic consultancy Aktis Strategy Ltd, agreed with this assessment.³⁰ Providing oral evidence to the Committee, he said:

... a fund like this ... works only when it brings together different instruments of national power in a political way. ... the famous Petraeus surge in Iraq in 2006–07 ... was not about putting troops on the ground; it was about the fusion of political engagement, political analysis, intelligence, kinetic military activity and development work. It was essentially CSSF on steroids, because special forces were involved as well. At any one moment, the leadership in the US embassy in Baghdad could cut a political deal, do some development and kill someone. That was a great fusion, which led to marvellous effect against the targets we were trying to deal with, and brought a degree of stability to Iraq for a few years. Where you can get that real fusion, it can be effective.³¹

A key question we pursued during our inquiry was whether the CSSF is achieving just such an effect and if so, how the Government is measuring it.

Identifying and measuring the strategic impact of the CSSF

15. The high-level examples of CSSF activity provided by the Government suggest that the Fund is supporting some valuable projects in pursuit of worthy goals.³² It is not clear, however, how representative these examples are of other CSSF projects. Nor is it clear whether these projects and the overarching programmes do in fact add up to a more meaningful effect—in other words, a strategic impact. During our inquiry we were told about the various challenges involved in identifying and measuring strategic impact.

A question of time

16. For some CSSF activity, it is simply too soon to tell. Crisis response activity is intended to have an immediate effect. However, we heard that preventing conflict and developing longer-term stability can take 10–20 years.³³ As Dr Blair stated: "In the contexts we are talking about, one year [of CSSF-funded activity] is entirely insufficient to say that we have created conditions of stability or implemented security."³⁴ The National Security Adviser told us that "As the fund develops and over the period of the Parliament, I would hope that there would be more and more examples where you can demonstrate actual impact and the achievement of objectives against British national interests."³⁵ In other words, it will take time to build up an aggregate picture of the CSSF's impact in each country and region on the basis of quarterly reports and annual reviews (see Appendix 1, paragraphs 10–12).

²⁸ Opimian Ltd (CSS0018) para 3.3

²⁹ Opimian Ltd (CSS0018) para 3.3

³⁰ Aktis Strategy Ltd is a CSSF Framework Supplier.

³¹ Q4 [Dr Andrew Rathmell]

³² HM Government (CSS0019); Qq24–41; HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016

³³ Q3 [Dr Stephanie Blair]

³⁴ Q7 [Dr Stephanie Blair]

³⁵ Q24

Proving a direct link between activity and outcome

17. We observed in paragraph 14 that due to the highly complex, high-risk nature of fragile and conflict-affected states, it is difficult to achieve strategic impact through CSSF activity. These conditions also make it very difficult to prove a direct link between an activity and the outcome, which in turn has implications for attributing any progress made to the CSSF. In addition, a principal aim of the CSSF is to prevent conflict and instability from happening in the first place. It is even harder to prove the link between CSSF-funded activity and something that did not come to pass. On these points, the National Security Adviser said:

Proving impact in this area is not going to be easy. ... proving a negative is difficult if you are preventing conflict. We are also working in very high-risk areas, often in high-risk countries. Therefore, one cannot expect fully to achieve the objectives that one sets at the beginning of the strategies. Some of the overall strategies will fail, whereas some of the individual programmes may be relatively successful in their own terms. For wider reasons, you could say that the Syria strategy is not working, but individual programmes within that might be quite successful in their own terms.

In some cases, it is relatively easy to draw a direct line between a programme, the funding and the beneficial effect for national security. I will give you one example, of some criminal justice advisers who were funded to go [to] east Africa and whose work led directly to the seizure of £512-million worth of cocaine in UK waters. That is a direct cause and effect that one can draw in that particular programme. We established and helped to fund the Organised Immigration Crime Task Force. That led to the arrest of a smuggling gang that was smuggling 50 people into the UK every month.

There are some specific programmes and projects where you can say that you put money in at the front and you get some effect for national security at the back. But that is not true of all the cases; it is a much more complex situation. Perhaps I may cite one further example, which is in Jordan. We have an extensive series of programmes there, which help to train the military but also work in some of the refugee camps in Syria. Clearly, that work is having important effects in promoting the stability of Jordan. I would argue that it is a good example of a programme successfully supporting a strategy.³⁶

18. And of course, it is also important to remember that in those countries and regions where the CSSF is active it is not the only player. UK Government Departments and agencies such as the FCO, DFID, MOD and the security and intelligence agencies are also working bilaterally in the same countries in support of the UK's national interests. Furthermore, other countries, multilateral organisations and international NGOs are also active in the same countries and regions as the UK, making it difficult to co-ordinate and deconflict their respective activities.³⁷ The presence of so many other actors makes it all the more difficult to prove the link between CSSF-funded activity and the outcome and therefore to discern the particular impact of the CSSF.

³⁶ Q25 [Sir Mark Lyall Grant]

³⁷ Dr Stephanie Blair (CSS0025) para 3; Dr Andrew Rathmell (CSS0026) para 3

19. We asked the panel of stabilisation experts whether the CSSF adds value in countries at risk of instability or affected by conflict, given that there are so many other international players involved. John Speakman, an Advisor at the World Bank, told us that the CSSF had "played a critical role" in securing a loan for Jordan that would help the country to manage the influx of refugees from neighbouring Syria.³⁸ He said:

... you [the UK] were engaging with stakeholders and building the necessary consensus to do this operation. You have no idea how hard it is to get a Government to borrow from you to benefit refugees who are not their own citizens. ... It was a very constructive conversation and operation, and I thank you for your leadership. It was really appreciated from the World Bank side.³⁹

Dr Rathmell agrees that the CSSF certainly does add value, especially where it is used to "help bring together other donors round the table on key security issues (eg in Tunisia), or shape larger interventions (eg by the US or EU)."⁴⁰ Nevertheless, he concludes: "it is impossible where there is a crowded donor space for the UK to decide where and whether it adds value and to not act where it does not."⁴¹

An insurmountable challenge?

20. We heard that the Government has not yet found a way to overcome the challenges involved in assessing the strategic impact of CSSF-funded activity. The process for monitoring and evaluating individual programmes has certainly improved under the CSSF in comparison with the Conflict Pool (see Appendix 1, paragraphs 10–12).⁴² And it is this information that is used to build an aggregate picture of the CSSF's impact at the country, regional and Fund levels, using the reports on results and expenditure that are passed up the Cabinet Office chain of command to the NSC.⁴³ However, Dr Rathmell told us:

... when I was in the Foreign Office [in 2008–09] I tried to commission a study that assessed for a previous Government what the return on investment was for our investment in conflict prevention and peacebuilding. MoD economists were very helpful, but we got no useful answers whatsoever. The state of the art has not moved much further since then. It is hard to quantify this in the way you might quantify the utility of HS2 or something else.

... At the macro level—whether it is better to put funds into this or that country on this or that issue—frankly, I do not think our foreign policy system is set up to make those balanced investment calculations at the moment.⁴⁴

³⁸ Q3 [John Speakman]

³⁹ Q3 [John Speakman]

⁴⁰ Dr Andrew Rathmell (<u>CSS0026</u>) para 3

⁴¹ Dr Andrew Rathmell (CSS0026) para 3

⁴² Cranfield University (CSS0014) para 2; Adam Smith International (CSS0016) para 3.4; Coffey International Development, Ltd. (CSS0020) para 3; Dr Andrew Rathmell (CSS0026) para 1

⁴³ Q25 [Sir Mark Lyall Grant]

⁴⁴ Q7 [Dr Andrew Rathmell]

Dr Rathmell argued that this is because there is still too great a focus on short-term deliverables, rather than the overall impact of the CSSF.⁴⁵ In addition:

What [the] CSSF is not yet very good at in implementing NSC strategies is ... thoroughly analysing the conflict "system", working out the relationship between project interventions and these conflict dynamics, and then actively appraising and monitoring the interaction of the two. CSSF and posts [Embassies and Consulates] are now starting to do this but this area requires more focus in the next couple of years.⁴⁶

Dr Rathmell nevertheless concluded that such weaknesses in assessing the return on the Government's investment at the 'macro level' does not mean that it should not attempt to assess the strategic impact of its investment in countries at risk of instability or affected by conflict.⁴⁷

21. The National Security Adviser conceded that measuring the impact of the CSSF is "work in progress", not least because the CSSF involves multi-year programming and is still less than two years old.⁴⁸ However, he also told us that

All the programmes and projects that are funded from the CSSF flow directly from the strategies set by the National Security Council, so ultimately it is the National Security Council that assesses whether the money that is being spent through the CSSF has helped to progress or achieve the objectives set in that overall strategy. In each case, that will depend on what has been achieved on the ground and what the objectives were, so it is difficult to give you a single definition of evaluation.⁴⁹

22. The lack of a clear framework by which to evaluate country-level investment decisions means that the NSC is in effect marking its own homework in relation to the CSSF. There is a risk that the CSSF is being used as a 'slush fund' for projects that may be worthy, but which do not collectively meet the needs of UK national security. The transition from the Conflict Pool to the CSSF may well have systematised (or bureaucratised) the process for approving projects but has not necessarily ensured that there is 'a controlling mind' in charge of the programme that ensures there is strategic focus.

23. We were unable to verify whether the CSSF's programmes are delivering the NSC's strategic objectives, let alone whether they are collectively having a strategic impact and therefore represent value for money for the taxpayer. This is because we do not have access to the classified NSC strategies that guide the use of CSSF funding. Nor do we have information about CSSF programmes beyond that which is in the public domain (see paragraphs 82–88).

24. The CSSF represents a more ambitious approach by the Government to tackling the causes and effects of conflict, instability and insecurity overseas than existed under the Conflict Pool. We commend the Government on creating more coherent

⁴⁵ Dr Andrew Rathmell (CSS0026) para 1

⁴⁶ Dr Andrew Rathmell (CSS0026) para 1

⁴⁷ Q7 [Dr Andrew Rathmell]

⁴⁸ Q24

⁴⁹ Q24

procedures to tie spending on stability and security in parts of the world that matter to the UK to our national security goals. A more strategic approach to the activity commissioned under the CSSF is certainly to be welcomed.

25. The Committee also recognises the inherent difficulties involved in measuring the specific strategic impact of CSSF-funded activity, not least in a country or region where other Governments and organisations (including other UK Government Departments and agencies) are also involved.

26. Nevertheless, the Government has failed to provide the Committee with the evidence that we need to assess whether the activity funded by the CSSF is as coherent as it could be or is sufficiently linked to the UK's core strategic objectives. Significantly more information is required if we are to make a judgment on these points. At present, the Committee does not have access to a breakdown of expenditure beyond the regional level, the content of the NSC strategies, the list of CSSF-funded programmes or relevant summary evaluation reports.

Areas of concern

Concentration of funding and effort

27. The CSSF's budget for regional and thematic programmes in 2016–17 is £577.8 million.⁵⁰ Dr Rathmell described this as "a very small drop in the ocean".⁵¹ Yet the CSSF is funding 97 programmes in more than 40 countries.⁵² We are consequently concerned that the Government is spreading its limited resources too thin. We asked the National Security Adviser whether the programmes budget would have a greater impact if it were spent in fewer countries where the UK's direct strategic interest is much more clearly identified. The NSA replied:

I think that is a legitimate argument, but I think we have a balance between the two. ... Some of the countries in which we operate have substantial allocations. For example, Afghanistan has £90 million, Syria has £60 million and Somalia has £32 million. Those are reasonably substantive sums of money that are being allocated per country. It is not such a large number of countries.⁵³

28. The CSSF method of allocating funds appears to involve awarding grants without any strategic assessment of the needs of the country concerned. As funds are limited, it is important to focus resources on fragile states in line with UK national security goals. There is a balance to be struck between funding multi-year programmes in a smaller number of countries and the need to ensure flexibility for small-scale, shorter-term investments where opportunities such as the Colombian peace process arise. Without access to more information about the programmes funded by the CSSF, it is impossible for us to assess whether the Government has struck the right balance in its disbursement of CSSF funding between countries.

⁵⁰ HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016

⁵¹ Q4 [Dr Andrew Rathmell]

⁵² Q25

⁵³ Q25 [Sir Mark Lyall Grant]

29. The use of CSSF funding in support of the more than 40 country, regional and thematic strategies created by the National Security Council dilutes its effect. The UK national interest would be better served by concentrating the bulk of CSSF funding in a smaller number of countries to achieve greater impact.

A reduced role for conflict prevention?

30. Conflict prevention is a stated priority of the CSSF, along with post-crisis stabilisation, crisis response and early warning of potential instability. The *National Security Strategy and Strategic Defence and Security Review 2015* (NSS & SDSR 2015) states:

We will help to address the causes of conflict and instability through increased support for tackling corruption, promoting good governance, developing security and justice, and creating jobs and economic opportunity. These are essential elements of the golden thread of democracy and development, supporting more peaceful and inclusive societies.⁵⁴

Conciliation Resources, an international peacebuilding organisation and CSSF Framework Supplier, agrees that focusing on the "structural drivers" of insecurity (through conflict prevention) rather than its "manifestations" (through crisis response and post-conflict stabilisation) is in the UK's national security interests.⁵⁵ That said, conflict prevention is by far and away the most difficult of the activities funded by the CSSF. It is extremely difficult to identify which actions will make conflict less likely, and therefore which programmes to fund, and it is even more difficult to pinpoint what these actions have ultimately achieved.

31. In oral evidence to the Committee, Dr Rathmell gave a financial reason for trying to prevent, rather than waiting to react to, conflict and instability:

All the theory and case studies tell us that, if you can find a way of investing more upstream in conflict prevention, you will get more bang for your buck. Fairly obviously, if you prevent a conflict it is much cheaper than having to do something afterwards.⁵⁶

Robert Chatterton Dickson, Director of Foreign Policy in the National Security Secretariat, told us how much has been committed via the Procurement Framework alone in 2016–17 so far:

- £50.4 million on Governance, Security and Justice (Lot A);
- £28.2 million on Conflict Prevention, Stabilisation and Peacebuilding (Lot B);
- £41.6 million on Defence Support Services (Lot C).⁵⁷

⁵⁴ HM Government, National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom, <u>Cm 9161</u>, November 2015, para 5.121

⁵⁵ Conciliation Resources (CSS0009) para 27

⁵⁶ Q8

⁵⁷ As of January 2017. HM Government (CSS0029). This is not a complete picture of the money spent under each of these categories so far in 2016–17. This is because the Procurement Framework is not the only mechanism by which CSSF money is spent. Some Embassies are authorised to commission CSSF-funded programmes directly below an agreed financial threshold. Government teams might also have carried out CSSF activity within these three categories. See Appendix 1, paragraphs 8–9.

Melinda Simmons, Head of the National Security Secretariat Joint Programme Hub, also explained that these figures may be somewhat misleading because in many cases, activity classed as primarily promoting security and justice, for example, will also help to prevent conflict.⁵⁸

32. We heard from other witnesses, however, that the CSSF does not currently spend enough on conflict prevention. Saferworld, a conflict prevention and peacebuilding organisation and CSSF Framework Supplier, infers an emphasis on quick fixes and attempts to manage conflict "from the top down" from the pipeline of CSSF programmes.⁵⁹ Providing oral evidence to the Committee, Dr Blair stated: "the CSSF has moved slightly towards conflict, security and stability, and I am not quite sure where conflict prevention is. I think we have lost it. I am deeply afraid that [the Government has] lost conflict prevention."⁶⁰ Dr Rathmell agreed, saying:

> Most of it [CSSF programmes] is now about stabilisation and post-conflict/ crisis response, so some rebalancing within Whitehall structures and CSSF is really important.⁶¹

He explained that this 'rebalancing' may be difficult to achieve, however:

... the political cycle encourages us to invest in active conflicts, because that is what is in the headlines at the moment, and it is far easier to spend money on training the Iraqi army than preventing Iraq falling to pieces in the first place. In principle, spending on conflict prevention will be more effective, but encouraging the system to do that is really hard, for obvious political reasons.⁶²

33. In short, there is significant pressure on the Government to demonstrate tangible results quickly in return for its investment, something that does not easily fit with the long-term and often less tangible nature of conflict prevention activities (see paragraph 17). Nevertheless, it is important that the Government strikes the right balance between prevention and reaction. As Saferworld concludes:

If the UK national security interest is too narrowly defined, it could miss opportunities to address core conflict drivers preventatively, and neglect a critical focus on securing just, lasting peace overseas through support to non-violent change.⁶³

34. The CSSF covers conflict prevention, post-conflict stabilisation and crisis response. Conflict prevention is extremely difficult. But successful conflict prevention provides more desirable outcomes and better value for money than reacting to instability after it has occurred. However, given both the inherent difficulty in measuring the success of pre-crisis intervention and pressure from Parliament, the public and the media on the Government to respond to events as they develop, we have heard that such preventive

⁵⁸ Q29 [Melinda Simmons]

⁵⁹ Saferworld (<u>CSS0012</u>) para 7. Other Framework Suppliers also raised concerns about an imbalance between conflict prevention and crisis response under the CSSF. International Crisis Group (<u>CSS0004</u>) para 22; Conciliation Resources (<u>CSS0009</u>) para 27

⁶⁰ Q5 [Dr Stephanie Blair]

⁶¹ Q5 [Dr Andrew Rathmell]

⁶² Q8

⁶³ Saferworld (CSS0012) para 7

activity is a 'tough sell' for civil servants who must point to results and value for money. There should be ministerial support for enabling sufficient funds to be reserved for conflict prevention even if immediate results are not achievable.

Programme duration

35. Melinda Simmons told us that about two-thirds of CSSF programming in 2016–17 is multi-year.⁶⁴ The introduction of multi-year programming under the CSSF is to be welcomed. The continuity this provides helps CSSF-funded activity to achieve a bigger impact and a longer-lasting effect. However, we have taken conflicting evidence about the duration of projects that do not run for more than a year. Rebecca Crozier, Head of the Middle East and North Africa Programme at International Alert, an international peacebuilding organisation and CSSF Framework Supplier, said that her organisation's projects had typically lasted for between six and nine months.⁶⁵ She explained that this was often because delays in signing the contracts had eaten into the time available for delivering the projects.⁶⁶ Ruairi Nolan, Head of Research Engagement at Peace Direct, another international peacebuilding organisation and CSSF Framework Supplier, said that Peace Direct's contracts had ranged between three and 12 months in length.⁶⁷ He added that his organisation had not yet succeeded in getting grant extensions across financial years.⁶⁸

36. We put this evidence to Melinda Simmons who runs the CSSF. She said:

The six months is news to me ... those projects were not programmed to run for less than a year, even before the Treasury stipulated [that the CSSF was allowed to undertake multi-year programming] in our spending review settlement. ... Boards and programme deliverers were assigning annual one-year contracts and then having to start the process again. This is not activity that started and finished within the year.

The exception may be where there is new unforeseen in-year activity in response to a crisis. A good example was after the massacre in Sousse [in Tunisia in June 2015]. The Middle East [Regional] board decided to make an in-year allocation for Tunisia, and the initial activity, which would have been short-term, was transferred into a bigger programme that was bid for in the next allocation round. That is an exception, but even then it would be built into a bigger programme for following years.⁶⁹

37. It is difficult to reconcile the contradictory information provided by our witnesses about the duration of those projects that are not multi-year. And it is difficult for us to get to the bottom of the issue without access to the details about individual programmes and projects, which we do not currently have. More evidence is required. Nevertheless, we welcome the CSSF's move towards more multi-year programming. We do so on the

⁶⁴ Q29 [Melinda Simmons]

⁶⁵ Q13 [Rebecca Crozier]

⁶⁶ Q13 [Rebecca Crozier]

⁶⁷ Q16 [Ruairi Nolan]. International Alert and Peace Direct were not alone in their experiences. Conciliation Resources said that it had been invited to bid for funding with a delivery timeframe of seven months. International Crisis Group also reported "prohibitively short" timeframes for project delivery. Conciliation Resources (CSS0009) para 15; International Crisis Group (CSS0004) para 19

⁶⁸ Q16 [Ruairi Nolan]

⁶⁹ Q29 [Melinda Simmons]

principle that continuity of support helps to create the right conditions for long-lasting change in fragile countries. It is essential that the CSSF offers enduring support where it is needed, while still preserving the flexibility to respond to crises and changing circumstances. It is also important that where there are shorter-term projects operating over a period of less than a year they are not arbitrarily constrained by the end of the financial year and can span two financial years depending on their start dates.

38. Multi-year programming provides the continuity that is essential to the stabilisation of countries that are at risk of becoming unstable or are affected by conflict. As such, it should be the norm for most of the activity funded by the CSSF, while some funding is held in reserve for responding to opportunities and crises as they arise.

Classification of NSC strategic objectives

39. The direct link between the strategic objectives set by the NSC and the delivery of CSSF programmes is a central feature of the "more strategic approach to [the UK's] work in conflict-affected states".⁷⁰ However, the Government may not yet be reaping the full benefit of the link between the NSC strategies and CSSF programmes.

40. Two of the 14 Framework Suppliers that submitted evidence to the inquiry assert that there is greater clarity about Government priorities under the CSSF than under the Conflict Pool.⁷¹ But several other Framework Suppliers state that their ability to understand and respond to the Government's priorities is hampered by the fact that the NSC strategies are classified in their entirety.⁷² There are good reasons why this is the case. As the National Security Adviser told us:

Some projects and programmes are clearly secret and we would not want it known, or the country involved might not want it known, that we are doing them. Even with publishing country strategies, some countries might feel aggrieved that there was a strategy towards them and some countries might feel aggrieved that there was no strategy towards them.⁷³

41. Nevertheless, when we asked Rebecca Crozier of International Alert what would improve Framework Suppliers' ability to deliver the Government's strategic objectives, she said that it would "help enormously if there were an external version of the strategy".⁷⁴ She explained:

The strategy that you hear about is a conversation with somebody in an embassy who says, "I want to do peace education work in Syria. I want to see whether we can use that to increase young people's resilience to recruitment by violent extremist groups". You understand that that is the

⁷⁰ HCWS392 [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015

⁷¹ Agencia Consulting Ltd (CSS0015) para 5; Adam Smith International (CSS0016) para 2.1

⁷² Qq14, 15 [Rebecca Crozier, Ruairi Nolan]; Conciliation Resources (CSS0009) para 18; Mercy Corps (CSS0011) para 11; Saferworld (CSS0012) para 9. Conciliation Resources said that it had previously decided not to bid for some CSSF contracts because it could not access the criteria against which its proposals would be assessed. Conciliation Resources (CSS0009) para 20

⁷³ Q35 [Sir Mark Lyall Grant]

⁷⁴ Q15 [Rebecca Crozier]

priority and what they want to do, but you do not understand how it fits into a wider strategic approach—how it connects to priorities on defence, on the diplomatic side and on the humanitarian aid side.⁷⁵

This, she said, "makes it a bit difficult for us [as Framework Suppliers] to engage effectively— to put forward the right ideas and to engage in the right way with [the Government] on their priorities."⁷⁶

42. The NSC strategies guiding the use of the CSSF are inherently sensitive. Nevertheless, the Government should ensure the best possible service from its external suppliers by sharing summaries of its strategic objectives with the CSSF Framework Suppliers. This would enable them to tailor their programme and project bids to the Government's wider goals in relation to the country or region in question.

Policy innovation and Government expertise

43. We heard from a range of informed witnesses that the UK is looked to as a "thought leader" in relation to policy on building stability overseas, and to security and justice policy in particular.⁷⁷ However, according to Dr Blair, "With the exception of the Strategic Defence and Security Review, the policy direction and guidance for [the] CSSF is either out-dated or insufficient."⁷⁸

44. Before its demise in 2015, the Conflict Pool was guided by the 2011 Building Stability Overseas Strategy (BSOS).⁷⁹ Dr Blair asserts that this strategy now needs to be updated.⁸⁰ The National Security Adviser, however, informed us that there are no plans to do so. Instead, it has been "subsumed" into the Strategic Defence and Security Review 2015 (SDSR 2015).⁸¹ We are not convinced, however, of the merits of condensing the comprehensive, 40-page explanation of UK policy provided by BSOS into four pages in the SDSR 2015. We were also surprised to learn that DFID is eschewing the whole-of-government approach enshrined in the CSSF, and therefore the principle of harnessing the expertise of different Departments, by producing its own policy document for building stability overseas that is for internal use only.⁸²

45. In addition, it is unclear where future policy innovation is going to come from. Following the establishment of the CSSF, DFID's thematic policy teams, covering areas such as security and justice, were replaced by teams with a regional focus. Responsibility for these thematic policy areas does not appear to have been picked up elsewhere in Whitehall. Dr Blair says:

⁷⁵ Q15 [Rebecca Crozier]

⁷⁶ Q14 [Rebecca Crozier]; Saferworld reports that capacity constraints have so far prevented the Government from releasing declassified summaries of the NSC strategies. Saferworld (CSS0012) para 9

⁷⁷ Opimian Ltd (CSS0018) paras 4.4, 6.1; Dr Stephanie Blair (CSS0025) para 3; Dr Andrew Rathmell (CSS0026) para 4

⁷⁸ Opimian Ltd (CSS0018) para 4.4

⁷⁹ DFID, FCO and MOD, "Building Stability Overseas Strategy", 2011

⁸⁰ Opimian Ltd (CSS0018) para 4.4

⁸¹ Q33 [Sir Mark Lyall Grant]. The National Security Adviser told us that the SDSR 2015 is one of "three defining documents" for the CSSF, the other two being the 2015 National Security Strategy and the 2015 Aid Strategy. Q33 [Sir Mark Lyall Grant]; HM Government, National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom, Cm 9161, November 2015; HM Treasury and DFID, UK aid: tackling global challenges in the national interest, Cm 9163, November 2015

⁸² Q33 [Melinda Simmons]

... at present there is no clear Security and Justice policy holder within Whitehall. S and J [Security and Justice] is a major area of programming that requires further support. The absence of a security and justice policy limits understandings and direction to support security and justice interventions and programming.⁸³

Our concern about the loss of focused hubs of expertise within Government does not stop with DFID. Dr Blair and Dr Rathmell also raised similar concern that the FCO has "atrophied" in its ability to understand the political, ethnic and tribal tensions that can fuel instability and conflict.⁸⁴

46. In the absence of a dedicated Whitehall policy team and a central, up-to-date articulation of policy, we are concerned that policy innovation and the ongoing development of a truly cross-government approach to building stability overseas will falter under the CSSF. This risks the UK's international reputation for intellectual leadership in this policy area.

4 Implementation

Managing risk

47. The CSSF funds programmes in countries that may become unstable or that are affected by conflict. Operating in such countries is risky. Dr Blair and Dr Rathmell told us that these risks include: physical harm to beneficiaries and to those delivering the programmes; the potential to make the situation worse; inadvertent complicity in human rights abuses; corruption; and damage to the reputation of the UK and of the Government.⁸⁵ Dr Rathmell explained that

There are established ways of managing those risks, but a fund like this needs to be willing to have some appetite, unfortunately, to put up with a *Daily Mail* test, in that some of the funds will go missing or be linked to groups that may carry out human rights abuses, and it is for the Government to decide how far they are willing to accept the risk. If you completely remove the chance of that happening, you have much less effect.⁸⁶

48. Robert Chatterton Dickson and Melinda Simmons stated that CSSF spending is conducted in line with standard Government procedures for managing risk.⁸⁷ However, human rights groups Reprieve and the Bahrain Institute for Rights and Democracy (BIRD) expressed concern about how risks to human rights are addressed in relation to CSSF-funded programmes.⁸⁸ Reprieve stated:

The lack of clear accountability and ownership for CSSF projects inevitably complicates the task of reviewing those projects' human rights risks, and of deciding whether these risks can be sufficiently mitigated such that it is safe and appropriate for the project to proceed. ... This process is complicated by the CSSF's Regional Board system, under which a series of Ministers, Departments and UK overseas posts may hold shared responsibility for a single assistance project.⁸⁹

49. Both Reprieve and BIRD highlighted how the CSSF was used to fund security and justice programmes in Bahrain in 2015–16. Reprieve stated:

... the FCO continues to fund an Ombudsman for the Bahraini prison system that has repeatedly failed to investigate torture allegations. The Ombudsman has declined to investigate several cases of prisoners whose forced 'confessions' led to them being handed the death penalty.

⁸⁵ Qq2, 3 [Dr Stephanie Blair and Dr Andrew Rathmell]. The management of such risks becomes even more difficult where programmes must be managed remotely because the local situation is too dangerous. Q2 [Dr Andrew Rathmell]

⁸⁶ Q3 [Dr Andrew Rathmell]

⁸⁷ Q36 [Robert Chatterton Dickson]; Q37 [Melinda Simmons]

⁸⁸ Reprieve (<u>CSS0006</u>); Bahrain Institute for Rights and Democracy (<u>CSS0008</u>). Until January 2017, the Government used the four-stage risk assessment and approvals process set out in its 2011 Overseas Security and Justice Assistance (OSJA) Guidance. For further information on this process, see Stabilisation Unit, <u>"Overseas Security</u> and Justice Assistance (OSJA): Human Rights Guidance", February 2014. In January 2017, the Government released updated guidance on this issue.

⁸⁹ Reprieve (CSS0006) paras 17, 20

... These failures not only suggest extremely poor value for money for UK taxpayers—they also point to the use of CSSF funds to help Bahrain's authorities draw a veil over their use of torture and other abuses.⁹⁰

Bahrain is a trusted ally of the UK. It poses no threat to the UK, and it is a source of neither refugees nor terrorists. The money allocated to the Ombudsman of the Bahraini prison system is small, but it is questionable whether this is a good use of CSSF funding.

50. When we put this example to the National Security Adviser, he said:

[Bahrain] is a country where there are some concerns about human rights and practices but at the same time where we believe that there is a political will to have a reform process.

... There is of course extensive engagement with human rights bodies across the Middle East region. ... But this is a political and policy decision taken by the National Security Council: that we want to engage and help with reform. There will be occasions when the National Security Council decides that we should discontinue a programme. We did that with one of the prisons programmes in Saudi Arabia earlier this year, for instance. ... we would not spend money in a way that we felt damaged our own national security. There may be different political views about whether particular programmes would do that or not, but that is a judgment that the Government make on individual cases.⁹¹

51. We asked the NSA whether the UK should run projects in countries with relatively poor records on human rights. The NSA replied:

That rather depends on what the project is, its purpose and whether it will help to improve the rule of law and human rights in that particular country.

... I cite the example of Burundi ... We had a project in which we supported NGOs in looking at accountability and evidence questions about human rights abuses by that Government. Indeed, it was the work which the CSSF funded that proved to be the basis for securing sanctions against them. That is an example of working in a country where there is a poor human rights record but where the fund was designed particularly to bring some of that to light.⁹²

52. We note that in January 2017 the Government issued updated guidance on managing the human rights risks involved in delivering security and justice assistance overseas.⁹³ According to the Foreign Secretary, the revised guidance includes more detail on how to assess and mitigate risk "in complex situations, for instance when several Departments are working together on the same project".⁹⁴ This will have implications for how human rights risks are managed under the cross-government CSSF.

⁹⁰ Reprieve (<u>CSS0006</u>) paras 33, 35

⁹¹ Qq25, 26, 36 [Sir Mark Lyall Grant]

⁹² Q36 [Sir Mark Lyall Grant]

⁹³ HCWS441 [on Overseas Security and Justice Assistance], 26 January 2017

⁹⁴ HCWS441 [on Overseas Security and Justice Assistance], 26 January 2017

53. Running projects in fragile and conflict-affected states entails running risks. The Government must identify, assess and mitigate such risks before and during the implementation of CSSF programmes. As such, we welcome the Government's recent guidance on how Departments can better work together in managing the human rights risks involved in CSSF security and justice programmes.

The procurement process

54. The delivery of some CSSF programmes and projects is outsourced to external suppliers. This often occurs via the dedicated procurement mechanism known as the CSSF Procurement Framework. The Framework was established in November 2015 specifically to create "a more streamlined and efficient procurement tool".⁹⁵ Only the 75 organisations already selected to be Framework Suppliers can bid for and win CSSF contracts through the Framework procurement process.⁹⁶ In its written evidence, the Government states that the Procurement Framework has already improved commercial practice in comparison to the Conflict Pool.⁹⁷

55. Fourteen of the 75 CSSF Framework Suppliers have provided written or oral evidence, or both, to this inquiry. Many broadly welcome the transition from the Conflict Pool to the CSSF.⁹⁸ Some identify considerable benefits to the new procurement process. One innovation is the pipeline of forthcoming CSSF programmes. Suppliers report that this enables them both to plan more efficiently and to better understand the Government's needs.⁹⁹ Suppliers also refer to the more competitive nature of bidding under the CSSF than under the Conflict Pool. Coffey International Development, an international professional services business, and G4S, an international public security company, observe that the CSSF has opened up the marketplace to a wider range of private-sector organisations and expertise.¹⁰⁰ This creates the potential to "drive value for money for the tax payer".¹⁰¹ Furthermore, the international peacebuilding organisation Search for Common Ground asserts that greater competition in bidding for CSSF contracts has improved the quality and efficiency of the programmes ultimately delivered.¹⁰²

56. Despite strong support for the Procurement Framework in principle, however, most of the Framework Suppliers that submitted written evidence are dissatisfied, to a greater or lesser extent, with their experiences of the procurement process so far. One point of contention is what peacebuilding organisation International Crisis Group describes as the "prohibitively short" timeframe between a tender being issued and the application deadline.¹⁰³ In oral evidence provided to the Committee, Ruairi Nolan of Peace Direct

⁹⁵ HM Government (CSS0019) para 34. For further detail on the CSSF Procurement Framework and the Framework Suppliers, see Appendix 1, paragraphs 8–9.

⁹⁶ Other organisations can partner with, or join a consortium led by, a CSSF Framework Supplier. See Appendix 1, paragraph 9.

⁹⁷ HM Government (CSS0019) para 34

⁹⁸ International Crisis Group (CSS0004) para 3; DAI Europe Ltd (CSS0007) para 3; Mercy Corps (CSS0011) para 2; Search for Common Ground (CSS0013) para 2; Agencia Consulting Ltd (CSS0015); Adam Smith International (CSS0016) para 2.1; Coffey International Development, Ltd. (CSS0020) para 1; G4S (CSS0023) para 5; Aegis Defence Services Ltd (CSS0024) paras 6–9

⁹⁹ Agencia Consulting Ltd (CSS0015) para 2; DAI Europe Ltd (CSS0007) para 8

¹⁰⁰ Coffey International Development, Ltd. (CSS0020) para 1; G4S (CSS0023) para 8

¹⁰¹ Coffey International Development, Ltd. (CSS0020) para 1

¹⁰² Search for Common Ground (CSS0013) para 2

¹⁰³ International Crisis Group (CSS0004) para 19; Conciliation Resources (CSS0009) para 15; Institute for War and Peace Reporting (CSS0021) para 5

said that there might be only 10 or 14 days in which to respond to an Invitation to Tender. He added that this can be particularly challenging for small and medium-sized organisations and especially for those that work with groups in the recipient country when designing projects.¹⁰⁴ The Institute for War and Peace Reporting, an international network of charitable organisations, raises concerns in its written evidence that the CSSF procurement process consequently favours larger NGOs, which have more resources with which to respond rapidly to Calls for Proposals.¹⁰⁵

57. The most commonly cited cause of dissatisfaction, however, is what Coffey International Development calls a "patchy and inconsistent supplier experience".¹⁰⁶ This is due in large part to the sometimes considerable differences in the knowledge and procurement experience of the Departments, Embassy teams and Whitehall-based teams that are involved in the CSSF. For example, Rebecca Crozier told us that there is "a lack of understanding by some of the people we are dealing with [in Embassies] about how the whole thing works".¹⁰⁷ Conciliation Resources similarly observes "variable" knowledge among Embassy staff of the procurement options available under the CSSF. It also reports contradictions in the information supplied by Embassy staff and that by teams in London.¹⁰⁸

58. Other Framework Suppliers note an inconsistent approach to the procurement process, especially between Departments. Mercy Corps, a global aid organisation, points to the inconsistent and often insufficient detail provided in procurement documentation such as Calls for Proposals.¹⁰⁹ International development consultancy DAI Europe, meanwhile, reports "confusion in some government departments over how to request the budgetary/financial information required to evaluate suppliers' offers—particularly in those departments less familiar with commercial procurement mechanisms."¹¹⁰ Coffey International Development concludes that "the scale of ambition comprised in BSOS, and NSC and SDSR exceeds the procurement and project management capability currently found across diplomatic missions around the world".¹¹¹ The FCO is singled out for its comparative lack of procurement expertise.¹¹² In supplementary written evidence, Dr Rathmell cites this lack of FCO capacity as one of the two major challenges facing the CSSF in the longer term.¹¹³ This is not surprising, given that programme management is a relatively new part of the FCO's remit. It is troubling, however, given that the FCO administers the majority of the CSSF programme budget.¹¹⁴

¹⁰⁴ Q15 [Ruairi Nolan]

¹⁰⁵ Institute for War and Peace Reporting (CSS0021) para 5

¹⁰⁶ Coffey International Development, Ltd. (CSS0020) para 2

¹⁰⁷ Q17

¹⁰⁸ Conciliation Resources (CSS0009) paras 13–14

¹⁰⁹ Mercy Corps (CSS0011) paras 12, 16

¹¹⁰ DAI Europe Ltd (CSS0007) para 12

¹¹¹ Coffey International Development, Ltd. (CSS0020) para 2

¹¹² Q17; Mercy Corps (CSS0011) para 14; Coffey Development International (CSS0020) para 2

¹¹³ Dr Andrew Rathmell (CSS0026) para 2

According to the July 2016 Written Ministerial Statement, the regional and thematic programme budget in 2016–17 is £577.8 million. The FCO's latest Annual Report suggests that the FCO expects to receive £348 million of this for 'Conflict Prevention Programming'. See HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016; FCO, <u>"Annual Report and Accounts: 2015–2016"</u>, July 2016, p. 125, Annex B, 'Core Tables (unaudited)'

Just 'teething problems'?

59. In its written evidence, Aegis Defence Services, an international security and risk management company and CSSF Framework Supplier, suggests that the UK Government has "set up a valuable procurement process which is under-performing due to an inability to discard legacy views and arrangements".¹¹⁵ These 'legacy arrangements' may well refer to the decision when the CSSF was first designed to maintain separate departmental and Embassy procurement mechanisms and teams. An alternative option was to establish a single procurement process that would apply regardless of the Department identified as the 'lead' or the value of the programme. This single process could have been run from the centre of Government by a team experienced in commercial procurement. The apparent consequences of the decision not to establish a single, centralised procurement process include: pressure on those Departments that are relatively new to commercial procurement quickly to develop the relevant skills; inconsistent supplier experiences of CSSF procurement depending on whether the FCO, DFID or an Embassy has responsibility for tendering the programme; and supplier confusion as to the 'correct' procurement procedure, including which of the two portals currently used for tendering CSSF programmes—one run by the FCO, the other by DFID—they should be using.¹¹⁶

60. Aegis asks whether this under-performance is "early teething problems" or a "genetic disorder".¹¹⁷ Some of the inconsistencies described by Framework Suppliers can likely be fixed quite easily and quickly through the use of templates for procurement documentation and the establishment of a single CSSF portal, for example. However, the issue of departmental culture, skills and expertise is a more fundamental challenge. Dr Blair observed that considerable "time and effort" has been devoted to improving the ability of staff to manage the Fund at regional or local level through training and the production of written guidance. Nevertheless, "it is still early days".¹¹⁸

61. CSSF Framework Suppliers told us that it is difficult to engage with the CSSF procurement process due to inconsistent processes and advice. The two procurement portals should be combined into a single procurement portal. And all NSC Departments and agencies should use common templates for procurement documentation such as the Invitation to Tender. The alignment of limited management resources with the funds available could be achieved by spending more money on fewer projects.

¹¹⁵ Aegis Defence Services Ltd (CSS0024) para 10

¹¹⁶ Agencia Consulting Ltd (CSS0015) para 4. In supplementary written evidence, Dr Rathmell also raises the question whether separate MOD, DFID and Home Office contracting and funding mechanisms will also proceed in parallel as these Departments increasingly undertake CSSF-funded activity. Dr Andrew Rathmell (CSS0026) para 2

¹¹⁷ Aegis Defence Services Ltd (CSS0024) para 10

¹¹⁸ Q7 [Dr Stephanie Blair]

5 Budget

62. At more than £1 billion a year, the CSSF contains a relatively large sum of money.¹¹⁹ It is more than half the FCO's entire budget in 2015-16.¹²⁰ And it is considerably larger than the Conflict Pool's budget of £683 million in its final year in operation, 2014-15.¹²¹

63. The Government told us that the CSSF benefitted from an "additional £350 million in funding in its first year (FY15/16)" as it made the transition from the Conflict Pool.¹²² However, a significant fraction of the "additional" money referred to by the Government was moved wholesale into the CSSF or repurposed from existing funds. For instance, the £50 million Deployed Military Activity Pool (DMAP), which comes under the 'security and defence' budget line of the CSSF, was not part of the Conflict Pool. Yet it was established jointly by the MOD and the Treasury in 2013, long before the launch of the CSSF.¹²³ The MOD described its purpose then as "to fund the initial and short term costs of any unforeseen military activities, as authorised by the National Security Council".¹²⁴ This description matches that provided by the Government in its written evidence on the CSSF.¹²⁵ Similarly, the CSSF 'security and defence' budget line includes £100 million drawn from the Treasury's Special Reserve. Of this, £80 million is allocated to UK military activity to support Afghanistan's security sector.¹²⁶ The Special Reserve was created in 2002 to meet the additional costs of military operations including, at that time, in Afghanistan.¹²⁷ Although the CSSF has a larger budget than the Conflict Pool which it replaced, this increase is not entirely accounted for by money newly allocated to programme funds.

64. The use of CSSF funding is limited by ring-fences. About half of the total CSSF budget of £1.127 billion in 2016–17 was earmarked by the Government for predetermined activity and standing commitments. The 'peacekeeping' budget is non-discretionary and covers the UK's assessed contributions to the United Nations and European Union for peacekeeping missions.¹²⁸ A third of the CSSF's 'security and defence' budget is assigned to military contingencies, while more than half is earmarked for ongoing support to Afghanistan's security sector. And the 'delivery support' budget is required to fund the Joint Programme Hub, the Stabilisation Unit and the National School of Government International. Dr Blair pointed out that the budget for regional and thematic programmes, which is the part of the CSSF that can be used flexibly to address developing situations on the ground, is actually "quite a small fund" in comparative terms.¹²⁹ In addition, the National Security Adviser told us that if the UN or EU were to request extra money for peacekeeping operations, the regional and thematic programmes budget would be "squeezed" in order to pay for it.¹³⁰

¹¹⁹ For a breakdown of the funding allocated to the CSSF in 2015–16 and 2016–17, see Table 1 on p. 7

¹²⁰ FCO, "Annual Report and Accounts: 2015–2016", July 2016, p. 95

¹²¹ HM Government (CSS0019) para 47

¹²² HM Government (CSS0019) para 49

¹²³ Defence Committee, Second Report of 2013–14, MOD Main Estimates 2013–14, HC 517, 1 July 2013, paras 15–17

¹²⁴ Defence Committee, Second Report of 2013–14, MOD Main Estimates 2013–14, HC 517, 1 July 2013, para 15

HM Government (CSS0019) Annex A, para 51; Defence Committee, Second Report of 2013–14, MOD Main
 Estimates 2013–14, HC 517, 1 July 2013, paras 15–17. Then as now, funding for the DMAP was also provided on a 50:50 basis by the MOD and Treasury. See HM Government (CSS0019) Annex A, para 52

¹²⁶ HM Government (<u>CSS0019</u>) Annex A, para 54

^{127 &}quot;The cost of international military operations", House of Commons Library, 5 July 2012, pp. 4–7

¹²⁸ HM Government (CSS0019) para 6

¹²⁹ Q3 [Dr Stephanie Blair]

¹³⁰ Q31

65. This jigsaw of old and new, discretionary and non-discretionary funding gives the impression that the CSSF's constituent pieces were not brought together because it made strategic sense to do so, but because they broadly fit under the same policy heading. We asked the National Security Adviser what effect this complex construction has on the management of the fund. He told us that

In an ideal world, one would not have all the ring-fences that one has within the CSSF, for instance. However, it is work in progress and it is an evolution. It is an improvement on the Conflict Pool, but the Treasury likes to retain some control over some of the individual elements, so it has built into the CSSF some mechanisms that I, as the SRO [Senior Responsible Officer], have to abide by. ... It is a sign of the success of the fund, I think, that dependent-territory spending has been brought into it, but it is ringfenced. Counterterrorism has come into it, but it is ring-fenced. The good governance fund has come into it, but it is ring-fenced. There are quite a lot of ring-fences in the overall fund.

Are you asking whether I, as the SRO, would prefer it to be much easier and more flexible? Yes, I probably would, but I understand the Treasury rules, and we have to work within them.¹³¹

66. About half of the total £1.127 billion budget for the CSSF in 2016–17 is available to the Government to spend on discretionary programmes in regions and countries of strategic importance to the UK. The remaining sum has been earmarked by the Government for other conflict-related activity—such as a military contingency fund and ongoing support to Afghanistan—and for the UK's assessed contributions to the UN and EU peacekeeping budgets. UN and EU peacekeeping budgets are not within the Government's direct control, which means that CSSF discretionary programme funding might be used to make up any shortfall.

67. To provide the stability necessary to allow strategic multi-year programming, the Government should ring-fence the annual allocation to the discretionary programmes budget. If it is necessary to increase allocations to non-discretionary CSSF spending—for example, on peacekeeping contributions—this should be met from the Treasury's Special Reserve, as is already the case for significant military operations.

68. The Government argued that the availability of both ODA and non-ODA funding for regional and thematic programmes is one advantage of the CSSF.¹³² In 2016–17, about two-fifths (£484 million) of the CSSF's total budget of £1.127 billion counts as ODA.¹³³ The use of this money is limited by OECD guidelines to activity that primarily supports the economic development and welfare of a developing country (see paragraph 11). There are no restrictions, however, on money that does not count as ODA (approximately £640 million in 2016–17). The CSSF's combination of the two therefore enables a wider range of responses to conflict and instability overseas.

¹³¹ Q31

¹³² HM Government (CSS0019) para 30

¹³³ HM Government (CSS0019) para 5

69. However, it is unclear how much of the CSSF's non-ODA funding is available for regional and thematic programmes.¹³⁴ Non-ODA elements within the CSSF include the majority of the non-discretionary 'peacekeeping and multilaterals' budget and a significant proportion of the 'security and defence' budget, given that £80 million from this budget line has been assigned to the UK's long-term support for Afghanistan's security sector.¹³⁵ So although some £640 million of non-ODA funding is available under the CSSF in 2016–17, this sum is largely accounted for by the ring-fenced budget lines.

70. The Government advanced the proposition that blending Official Development Assistance funding with non-ODA funding within regional and thematic programmes is a key strength of the CSSF. However, it is unclear how much non-ODA funding is available for regional and thematic programmes, given that the ring-fenced areas of 'peacekeeping and multilaterals' and 'security and defence' account for a large proportion of the non-ODA budget. It is therefore unclear how much of an advantage this potential combination of ODA and non-ODA funding within the CSSF truly confers.

¹³⁴ A breakdown of CSSF spending by budget line and ODA/non-ODA is not publicly available.

¹³⁵ Andrew Sanderson, Finance Director of the FCO, told the Foreign Affairs Committee on 22 November 2016 that in 2015–16, of the £462 million allocated to the peacekeeping budget, about £58 million was counted as ODA. Oral evidence taken before the Foreign Affairs Committee on 22 November 2016, HC (2016–17) <u>836</u>, Q145; HM Government (CSS0019) Annex A, para 54

6 Effective oversight and scrutiny

Ministerial oversight

71. In our July 2016 Report on the NSS & SDSR 2015, we expressed our surprise that there is no single Minister with responsibility for the CSSF.¹³⁶ Reliance on collective ministerial responsibility for cross-government funds involving multiple Government Departments and agencies inevitably runs the risk that nobody takes responsibility (see paragraph 22). This has important implications in relation to the CSSF, which funds activity in environments where the risks of human rights abuses, corruption, harm to personnel, reputational damage and project failure are particularly high (see paragraphs 47–53).

72. The NSC oversees the CSSF by setting and regularly updating the strategies that guide its use, by allocating funding to regions and themes and by engaging with Departments.¹³⁷ However, this falls short of proactive ministerial engagement with, and oversight of, the performance of the CSSF as a whole to ensure that the £1 billion budget is spent effectively in support of the UK's national security interests.

73. The National Security Adviser told us that his engagement with the CSSF as the Senior Responsible Officer accounts for "between 5% and 10%" of his time.¹³⁸ This is primarily due to his weekly work on the NSC and the NSC (Officials) committee, which cover the same NSC strategies that guide CSSF activity.¹³⁹ He is also closely involved in the NSC's allocation of funding to regions and themes each autumn (see Appendix 1, paragraph 4). The NSA relies on senior Cabinet Office officials to maintain active oversight of the CSSF throughout the year. He told us that

Robert [Chatterton Dickson, Director of Foreign Policy in the National Security Secretariat] sits on most of the regional directors' boards and acts as my deputy SRO [Senior Responsible Officer], if you like, in an informal capacity. I would rely on him to come to me if he felt that things were going wrong. My deputy, Gwyn Jenkins [Deputy National Security Adviser (Conflict, Stability and Defence)], will report formally to me in writing every six months with his evaluation of the six months of the CSSF and make recommendations as to whether he thinks the direction needs to be changed or we need to do a deep dive into some particular area that is not working.¹⁴⁰

The NSA added that he is held to account as Senior Responsible Officer for the CSSF by the Prime Minister, the National Security Council and the Joint Committee on the National Security Strategy.¹⁴¹

74. There is no single Minister with responsibility for the CSSF. NSC Ministers engage formally with the CSSF only twice a year to agree the strategies that guide the use of

141 Q32

¹³⁶ Joint Committee on the National Security Strategy, First Report of Session 2016–17, <u>National Security Strategy</u> and Strategic Defence and Security Review 2015, HL Paper 18, HC 153, para 88

¹³⁷ Cranfield University (CSS0014) para 4

¹³⁸ Q32

¹³⁹ The NSC (Officials) committee comprises the Permanent Secretaries of NSC Departments and is chaired by the National Security Adviser. It meets once a week in advance of the NSC's weekly meeting.

¹⁴⁰ Q32

CSSF funding and the delivery of programmes and to allocate funding to the regions and themes covered by the CSSF in accordance with the NSC strategies. The National Security Adviser, who is the Senior Responsible Officer for the CSSF, told us that he receives updates on the effectiveness and direction of the CSSF from the Deputy National Security Adviser only twice a year. The current official-led management of the CSSF means that it lacks ministerial direction and oversight, which is inappropriate given its size and scope.

75. The CSSF should be under Cabinet Office control at both ministerial and senior official level, therefore placing it firmly outside departmental affairs. The budget should belong to the Cabinet Office, a Cabinet Office Minister should be politically accountable for it, the National Security Adviser should be the undisputed accounting officer and the Cabinet Office should be the focal point for relevant expertise. A rationalised structure would have the added benefits of making it easier for Parliament to scrutinise the Fund (see paragraphs 82–88) and giving the Fund itself greater autonomy and ability to respond rapidly and decisively to emerging problems.

Transparency

76. The lack of transparency surrounding the CSSF is of significant concern. Prior to this inquiry, and the publication of the Government's written evidence, there was almost no information about the CSSF in the public domain.¹⁴² Almost two years since its launch in April 2015, the CSSF still does not have a dedicated webpage that sets out basic details such as what the Fund is for, how it is managed and who is responsible for it.¹⁴³ The patchwork of information that is available from Government sources—such as departmental Annual Reports, Written Ministerial Statements, Embassy webpages and the Stabilisation Unit website—is high level, incoherent and occasionally incorrect.¹⁴⁴

77. As was the case with the Conflict Pool, the Government has not published a list of CSSF programmes and projects. It also did not publish an Annual Report on the CSSF in 2015–16, which was the Fund's first year in operation. Instead, it opted to include details about a handful of CSSF projects in its July 2016 Written Ministerial Statement.¹⁴⁵ This statement to Parliament provided minimal information about the CSSF financial

¹⁴² HM Government (CSS0019)

 ¹⁴³ By contrast, the cross-government Prosperity Fund, which was established a year later than the CSSF, has a dedicated webpage that provides basic information about the Fund and hosts key documentation. See FCO, "Government – guidance: Cross-Government Prosperity Fund Programme", GOV.UK, 12 September 2016

For example, a GOV.UK webpage on the CSSF and Iraq, published in October 2015 but still live in January 2017, erroneously states that "CSSF guidance stipulates that Embassies should no longer run calls for bids/ proposals". See FCO, DFID, MOD and Home Office, <u>"Guidance: UK-Iraq: Conflict, Stability and Security Fund"</u>, GOV.UK, 4 October 2015, accessed 17 January 2017. Of the NSC Departments and agencies that benefitted from CSSF funding in 2015–16, only DFID, the FCO and the MOD included information about their CSSF activity and expenditure in their Annual Reports and Accounts for 2015–16. However, this information is minimal and inconsistent. DFID, for example, provided a breakdown of its CSSF expenditure by country, while the FCO provided nore detail about the purpose and scope of the CSSF programmes for which it has responsibility. See DFID, "Annual Report and Accounts 2015–16", July 2016; FCO, "Annual Report and Accounts 2015–2016", July 2016

¹⁴⁵ HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016

settlement for 2016–17, breaking the budget down into the top four lines only.¹⁴⁶ Such limited information means that the CSSF is opaque to outsiders. It undermines the Government's commitment to transparency in relation to ODA reporting, which it highlighted in its written evidence to this inquiry.¹⁴⁷ It is also inconsistent with the stated ambition of Departments such as DFID, which publishes comprehensive information about its development programmes via its online Development Tracker and its Annual Report.¹⁴⁸

78. We acknowledge that the most significant obstacle to greater transparency in relation to the CSSF is security. The CSSF operates in high-risk environments and the activity that it funds is sometimes sensitive. As a result, it is essential to consider issues surrounding sensitive data and the protection of those working on behalf of the Government in NSC countries.¹⁴⁹ The National Security Adviser stated:

I recognise that a Written Ministerial Statement once a year is not a huge act of transparency, and the fact that only the regional funding is published is not ideal from your point of view. ... [However, some] projects and programmes are clearly secret and we would not want it known, or the country involved might not want it known, that we are doing them. Even with publishing country strategies, some countries might feel aggrieved that there was a strategy towards them and some countries might feel aggrieved that there was no strategy towards them.¹⁵⁰

Melinda Simmons explained that this has implications for the publication of related data such as a breakdown of the CSSF budget by country.¹⁵¹ However, it is difficult to see why references to Lebanon, Jordan, Syria, Iraq, Libya or Afghanistan, for example, would cause concern.

79. We agree with the human rights group Reprieve, which concludes that "While some projects will of course require classification on the basis of their sensitivity, it does not follow that £1bn of public spending should fall under an umbrella of secrecy."¹⁵² The Government has not yet struck the right balance between security and transparency in relation to the CSSF. The National Security Adviser's assurance that the Government will publish an Annual Report on the CSSF is therefore welcome, although its utility will depend on the level of detail it provides.¹⁵³

80. The CSSF is opaque. We accept the need for caution in relation to the securitysensitive aspects of the CSSF. And we note the Government's plan to publish an Annual Report on the CSSF. However, there is currently no central public source

153 Q36 [Sir Mark Lyall Grant]

¹⁴⁶ HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016. In September 2015, the FCO provided the Foreign Affairs Committee with a breakdown of programme spending by region in 2015–16. See Letter of 30 September 2015, from the FCO to the Foreign Affairs Committee, on FCO Budget and Capacity. The Government included a breakdown of CSSF expenditure by region in 2016–17 in its written evidence to the inquiry. See HM Government (CSS0019) Annex B

¹⁴⁷ HM Government (CSS0019) para 43

¹⁴⁸ DFID's Development Tracker can be found at https://devtracker.dfid.gov.uk/, accessed 17 January 2017; DFID, "Annual Report and Accounts 2015–16", July 2016

¹⁴⁹ Cranfield University (CSS0014) para 3

¹⁵⁰ Q35 [Sir Mark Lyall Grant]

¹⁵¹ Q27

¹⁵² Reprieve (<u>CSS0006</u>) para 15

of information about how the CSSF works, the criteria on which programmes and projects are funded, the impact of CSSF-derived activity, and who has responsibility for the Fund's management.

81. The Government must prioritise efforts to make the CSSF more transparent. Such measures should include establishing a dedicated webpage that sets out the essential details of the Fund, including the budget, the suppliers, the management process and the lines of responsibility and accountability within Government. The top priority is the publication of a detailed Annual Report, starting with the financial year 2016–17. This Annual Report should set out:

- the overarching objectives of the Fund in that financial year;
- an overview of CSSF expenditure and performance over the course of the financial year;
- a breakdown of both the funding allocation and actual spend during the financial year, by theme, region, country, Department or agency, including spending on peacekeeping, and by ODA and non-ODA;
- detailed examples of programmes and projects relating to each of the regions and themes covered by the CSSF, alongside a statement of the cost and the performance results;
- a breakdown of staff numbers dedicated to the management of the CSSF in Whitehall (in the Joint Programme Hub and in Departments) and at the relevant Embassies and Consulates.

In drafting an Annual Report on the CSSF, the Government should consider DFID's Annual Report, which provides a useful model of transparent and detailed reporting on objectives, expenditure and performance results.

Parliamentary scrutiny

82. Effective scrutiny of cross-departmental spending poses a challenge for Parliament. Departmental Select Committees scrutinise the portions of CSSF money disbursed by individual Departments. The Intelligence and Security Committee of Parliament (ISC) scrutinises CSSF expenditure by the security and intelligence agencies. In addition, the Public Accounts Committee (PAC) holds the Government and its civil servants to account in relation to efficiency and value for money. However, departmental Select Committees and the ISC focus on spending by individual Departments and agencies. And the PAC examines how rather than why public money has been spent, which means that it does not examine the merits of Government policy.

83. On paper, the Joint Committee on the National Security Strategy is well placed to scrutinise the CSSF. The Committee's membership includes the Chairs of the Business, Energy and Industrial Strategy Committee, the Defence Committee, the Foreign Affairs Committee, the Home Affairs Committee, the Intelligence and Security Committee and
the International Development Committee. The other Members of the Committee are drawn from both Houses. They have a broad range of experience in relation to national security and many of them have served as Ministers.¹⁵⁴

84. Despite JCNSS Members' experience and insight, it was difficult effectively to scrutinise the CSSF due to the fundamental lack of transparency. Little information about how the CSSF works has been placed in the public domain. Although we appreciate the constructive engagement of the Joint Programme Hub and CSSF Framework Suppliers during this inquiry, we were hampered by the lack of an Annual Report setting out the vision, objectives, performance and detailed accounts for the CSSF for the first year of its operation, 2015–16.

85. The need to maintain security presents a further challenge to effective parliamentary scrutiny of the CSSF (see paragraphs 78–80). The NSC strategies that guide the use of CSSF money are entirely classified. In addition, the CSSF combines security-sensitive with non-sensitive activity, often in the same programme. The difficulties this poses in relation to parliamentary scrutiny were set out by the National Security Adviser:

... this Committee meets in public and this is a public session. I give evidence to the Intelligence and Security Committee, which is entirely private—for obvious reasons. One option is that the ISC has the oversight of this fund rather than the JCNSS. I am not suggesting that that is the right option, but it is obviously an option. ... If there is a middle ground whereby you can be assured in some private sessions that the money is being properly spent and that things that need to be kept secret can be kept secret, it may be possible for this Committee to continue to have its oversight mission.¹⁵⁵

86. In January 2017, the Deputy National Security Adviser (Conflict, Stability and Defence) provided us with a private briefing on the CSSF. Although we appreciate the time taken to prepare and deliver this briefing, we are not satisfied that the access provided through this single session equated to effective scrutiny of the CSSF. Furthermore, scrutiny of the CSSF by the Intelligence and Security Committee, the Chair of which is a JCNSS Member, is limited, because the ISC confines itself to examining CSSF-supported activity conducted by the security and intelligence agencies.

87. The Government is keen for the JCNSS to scrutinise the CSSF. In addition to the NSA's observation that the JCNSS has "an oversight mission" in relation to the CSSF, Ben Gummer MP, Minister for the Cabinet Office and Paymaster General, has stated that the JCNSS provides "Parliamentary accountability for taxpayers' money spent via the CSSF".¹⁵⁶

88. Parliament does not have sufficient access to the information we need effectively to scrutinise the CSSF. Without access to the NSC strategies that guide the use of the CSSF, information about the programmes and projects funded by the CSSF and a breakdown of CSSF expenditure, we cannot provide parliamentary accountability for

¹⁵⁴ For information about the membership of the Committee, see the Committee's website: http://www.parliament. uk/business/committees/committees-a-z/joint-select/national-security-strategy/membership/, accessed 17 January 2017

¹⁵⁵ Q35 [Sir Mark Lyall Grant]

¹⁵⁶ Q35 [Sir Mark Lyall Grant]; HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016

taxpayers' money spent via the CSSF. It is important that the Government now bring forward proposals on how the JCNSS might access this material while maintaining security.

Appendix 1: How are CSSF regional and thematic programmes managed?

1) The processes for managing regional and thematic programmes are highly complex. In part, this reflects the difficulty of designing programmes so that they blend the (topdown) strategic objectives set by the NSC with the (bottom-up) needs of fragile and conflictaffected states. This strategic direction for the use of the funding is the principal defining feature of the CSSF in comparison with its predecessor, the Conflict Pool. However, the complexity of the management processes also reflects the particular cross-departmental design of the CSSF itself. One option when the CSSF was designed was to create a new central unit that would direct and co-ordinate the CSSF-funded activity of Departments and agencies in support of the NSC's strategies. Instead, the CSSF was grafted onto the existing structures and processes of Whitehall in an effort to join up departmental activity and create a central point of strategic direction and overview. The key cross-departmental bodies in this design are:

- the NSC, which acts as the 'policy brain'. It provides top-down strategic direction for each CSSF region, country and policy theme and assesses the strategic effect of CSSF activity;
- the nine Regional Boards, comprising senior officials from relevant NSC Departments and chaired by FCO Directors on behalf of the Cabinet Office. The Regional Board is the Director-level 'programme management board' tasked with ensuring the effective delivery of the NSC strategies through the approval of, and disbursement of funding for, CSSF programmes;¹⁵⁷
- the Local Boards, which are located within UK Embassies and Consulates and whose membership is drawn from all NSC Departments represented there. Chaired by the local UK ambassador, the Local Board designs CSSF programmes and projects for approval by the Regional Boards and oversees their delivery once approved, ensuring that delivery Departments work together. Some Local Boards can also commission programmes, depending on their financial value;¹⁵⁸
- the Quarterly Review Panel, comprising senior officials from all NSC Departments. Chaired by the Deputy National Security Adviser (Conflict, Stability and Defence), the Panel oversees the CSSF on behalf of the Fund's Senior Responsible Officer (the National Security Adviser). It assesses the effectiveness of the CSSF in delivering the NSC strategies. It also ensures that the NSC strategies remain valid throughout the financial year;
- the Joint Programme Hub, a small, central secretariat staffed by personnel drawn from NSC Departments and linked into the National Security Secretariat and the Cabinet Office chain of command. The Hub provides expertise and administrative support for the CSSF. It also collates and analyses the data required to build an aggregate picture of the impact of the CSSF at the country, regional and Fund levels for consideration, ultimately, by the NSC.

¹⁵⁷ For a fuller explanation of the role and activities of the Regional Boards, see Appendix 1, paragraphs 5–6.

¹⁵⁸ HM Government (<u>CSS0019</u>) para 31

The line of accountability between these bodies is set out in a flowchart in Annex C of the Government's written evidence.¹⁵⁹

Strategic guidance

2) The NSC provides the strategic direction for the CSSF via the regional, country and thematic strategies that it agrees each spring on the basis of the current performance of the CSSF, other departmental activity and changing Government priorities. These strategies guide all UK government activity, whether departmental or cross-government, in those countries deemed both at risk of instability and of strategic importance to the UK.¹⁶⁰ All CSSF programmes must support the delivery of specific objectives contained within the NSC strategies, as well as addressing the causes and effects of local instability.

3) There are currently more than 40 strategies covering nine regions and themes: Africa; Americas; Asia Pacific/South East Asia; Eastern Europe and Central Asia; Middle East and North Africa; Multilateral; Overseas Territories; South Asia; Western Balkans.¹⁶¹ The NSC strategies undergo regular review by the Quarterly Review Panel. The Panel assesses the effectiveness of the CSSF in contributing to the NSC strategies and, when necessary, provides direction to the Regional Boards. The NSC strategies themselves can also be revised during the financial year in response to updated analysis of countries at risk of instability, political opportunities such as the Colombian peace process and crises such as the June 2015 attack on the Tunisian beach resort of Sousse.¹⁶² Where an NSC strategy is revised during the financial year, Regional and Local Boards adjust their programmes and projects accordingly.

Annual funding allocations

4) The process for deciding the annual funding allocation for each CSSF region and theme begins in the summer, when teams at Embassies and in Departments submit costed programme and project proposals. Those proposals selected by the Regional Boards are reviewed by the Joint Programme Hub, which ensures that they are clearly linked to the NSC strategies and meet minimum design standards.¹⁶³ In the autumn, the National Security Adviser and the Permanent Secretaries of all NSC Departments meet to consider the recommendations submitted by the Joint Programme Hub on the basis of the bids received and the performance of the CSSF during the current financial year.¹⁶⁴ The NSC then finalises the headline funding allocations for the following financial year on the basis of the National Security Adviser's proposals.¹⁶⁵ As with the NSC strategies, however, the allocations can be altered during the financial year in response to crises and opportunities. In 2015–16, for example, the NSC requested the release of £7.6 million to set up the Organised Immigration Crime Taskforce in response to unprecedented migration into the European Union.¹⁶⁶

¹⁵⁹ HM Government (CSS0019) Annex C

¹⁶⁰ HM Government (CSS0019) para 12

¹⁶¹ HM Government (CSS0019) para 13 and Annex B. Melinda Simmons, Director of the Joint Programme Hub, also told us that there are dedicated thematic allocations for migration and counter-terrorism programmes. Q27 [Melinda Simmons]

¹⁶² HM Government (<u>CSS0019</u>) para 18

¹⁶³ HM Government (CSS0019) paras 22, 31

¹⁶⁴ Q32

¹⁶⁵ Q32

¹⁶⁶ HM Government (CSS0019) Annex B

Programme selection and management

5) The Director-level Regional Boards in London are the key instrument in the management of the CSSF. Their cross-departmental membership is intended to ensure a whole-of-government approach to the selection and management of regional, country and thematic programmes in support of the NSC strategies, even where the programmes are led by a single Department.¹⁶⁷ The Regional Boards' responsibilities include:

- the approval of strategies for consideration by the NSC (Officials) committee and ultimately the NSC itself;
- ensuring the delivery of the NSC strategies in the respective regions and countries, capturing the totality of the UK's ambition;
- the endorsement of bids for CSSF funding, on the basis of which the NSC decides annual regional and thematic allocations;
- approval of CSSF programmes;
- a quarterly review of impact, risk and finance.¹⁶⁸

6) Although the NSC recommends country allocations, the Regional Boards have considerable freedom in deciding how best to spend the funding allocated to them each year by the NSC. This might include, for example, setting aside money for region-wide activities—as the Africa Regional Board has done—or authorising Local Boards to approve programmes or projects below an agreed financial threshold.¹⁶⁹ The larger CSSF programmes, however, may also be subject to parallel approval and oversight by the lead Department. This will depend on the Department's internal procedures for programme management, financial accountability and ministerial sign-off.¹⁷⁰

Programme delivery

7) Once a programme has been approved by either the Regional Board or the Local Board, its management, including financial accountability, falls to the lead Department, which is often identified during the initial design process. The Local Board provides support in maintaining oversight of programme delivery and in ensuring that Departments work together to deliver programmes and their subsidiary projects in country, which is another element of the whole-of-government approach.

8) A range of actors can deliver CSSF programmes and projects, depending on which option offers the best value for money and whether the Government has staff with the right skills and expertise in house:

- UK Government assets and personnel;
- multilateral organisations such as the UN;

¹⁶⁷ Q31; HM Government (CSS0019) para 15 and Annex C

¹⁶⁸ For further detail on the roles and responsibilities of Regional Boards, see HM Government (CSS0019) Annex C

¹⁶⁹ Q39 [Melinda Simmons]. Each Regional Board determines what it considers to be the appropriate threshold depending on the size of its own budget, thereby leading to differences across the boards.

¹⁷⁰ One example given by the National Security Adviser is the £40 million programme in Lebanon. Due to the procedures of the FCO, the lead Department in this instance, project contracts worth more than £10 million were signed off by the Permanent Secretary to the FCO. See Q31; HM Government (CSS0019) para 31

• commercial and not-for-profit organisations.¹⁷¹

The latter group are often, but not always, engaged via the CSSF Procurement Framework. The Framework was launched in November 2015 to create a "more streamlined and efficient procurement tool" for the CSSF by providing a core group of vetted suppliers covering a range of thematic and geographical areas.¹⁷² Seventy-five organisations, ranging from large development consultancies to small civil society organisations, were accepted as Framework Suppliers in three categories:

- Lot A: Governance, Security and Justice;
- Lot B: Conflict Prevention, Stabilisation and Peacebuilding;
- Lot C: Defence Support Services.¹⁷³

9) Some Framework Suppliers belong to more than one Lot and can therefore bid for more than one category of project. In addition, organisations that are not Framework Suppliers can nevertheless engage with the CSSF by partnering with, or becoming part of consortia led by, established Framework Suppliers.¹⁷⁴ The Government told us that the total contract value awarded through the Framework will be approximately £200 million by the end of the CSSF's second year in operation, in March 2017.¹⁷⁵ This is less than a fifth of the combined regional and thematic programmes budget in 2015–16 and 2016–17.¹⁷⁶ The rest of the programmes budget is accounted for by Embassies directly contracting external suppliers to deliver CSSF programmes, by Government Departments and agencies delivering CSSF programmes themselves and by funding granted to multilateral organisations for activity that meets the goals of the CSSF.¹⁷⁷

Monitoring, evaluation and learning lessons

10) The Conflict Pool was criticised in 2012 by the National Audit Office (NAO) and the Independent Commission for Aid Impact (ICAI) for the weakness of its monitoring and evaluation mechanisms.¹⁷⁸ By contrast, the Government describes monitoring and evaluation as a "core part" of programme management under the CSSF.¹⁷⁹

11) The Government says that CSSF teams now "actively monitor their programmes to track delivery and maximise VfM [value for money]" through Results Frameworks, which are compulsory under the CSSF.¹⁸⁰ The Results Frameworks track outputs, outcomes and impact linked to the NSC's strategic objectives.¹⁸¹ Monitoring is formally carried out on a

174 HM Government (<u>CSS0019</u>) Annex D, para 56

¹⁷¹ HM Government (CSS0019) para 33

¹⁷² HM Government (<u>CSS0019</u>) para 34

¹⁷³ HM Government (CSS0019) para 34

¹⁷⁵ HM Government (CSS0019) para 34

¹⁷⁶ HCWS392 [on the Conflict, Stability and Security Fund settlement for 2015–16], 12 March 2015; HCWS123 [on the Conflict, Stability and Security Fund 2015–16 and settlement for 2016–17], 21 July 2016

Q39 [Melinda Simmons]; HM Government (CSS0019) para 33. According to the Government, in 2015–16, 18% of the regional and thematic programmes budget was delivered by Government Departments and agencies;
27% by multilateral organisations; 52% by external suppliers; and the remaining 3% by a mixture of these. HM Government (CSS0019) Annex B

¹⁷⁸ NAO, "Review of the Conflict Pool", March 2012; ICAI, "Evaluation of the Inter-Departmental Conflict Pool", Report 12, July 2012

¹⁷⁹ HM Government (CSS0019) para 35

¹⁸⁰ HM Government (CSS0019) paras 35, 50; Cranfield University (CSS0014) para 2

¹⁸¹ HM Government (CSS0019) para 50

quarterly basis, by both Departments and CSSF programme managers. Organisations that receive CSSF funding are required to report on impact, risk management and expenditure.¹⁸² Impact summaries are provided to the Regional Boards for assessment.¹⁸³ The Joint Programme Hub also incorporates this information into its quarterly summaries for the Treasury, the National Security Secretariat and the Quarterly Review Panel.¹⁸⁴ Those summaries then inform the reports on the performance of the CSSF that the Quarterly Review Panel submits to the National Security Adviser every six months.¹⁸⁵

12) All programmes also undergo an annual review, conducted either by a crossgovernment team or by an external agency.¹⁸⁶ In a change from the procedure used under the Conflict Pool, evaluation is also carried out at the portfolio (country) level.¹⁸⁷ The annual reviews include questions on 'Lessons Learned', which are shared by the Joint Programme Hub and the Stabilisation Unit at an annual Framework Supplier workshop. All bids for new or continued funding in the following financial year must identify lessons from previous programmes and projects under the CSSF and demonstrate how they will be applied as the programme is implemented during the following financial year.¹⁸⁸

¹⁸² HM Government (CSS0019) para 41

¹⁸³ Cranfield University (<u>CSS0014</u>) para 2

¹⁸⁴ HM Government (CSS0019) para 19

¹⁸⁵ Q25 [Sir Mark Lyall Grant]

¹⁸⁶ HM Government (CSS0019) para 35. The cross-government Stabilisation Unit reviewed nearly two-thirds of programmes at the end of the CSSF's first year in operation (2015–16). See Q34 [Sir Mark Lyall Grant]

¹⁸⁷ Coffey Development International (CSS0020) para 3

¹⁸⁸ HM Government (CSS0019) para 37

Conclusions and recommendations

Strategic impact

- 1. The CSSF represents a more ambitious approach by the Government to tackling the causes and effects of conflict, instability and insecurity overseas than existed under the Conflict Pool. We commend the Government on creating more coherent procedures to tie spending on stability and security in parts of the world that matter to the UK to our national security goals. A more strategic approach to the activity commissioned under the CSSF is certainly to be welcomed. (Paragraph 24)
- 2. The Committee also recognises the inherent difficulties involved in measuring the specific strategic impact of CSSF-funded activity, not least in a country or region where other Governments and organisations (including other UK Government Departments and agencies) are also involved. (Paragraph 25)
- 3. Nevertheless, the Government has failed to provide the Committee with the evidence that we need to assess whether the activity funded by the CSSF is as coherent as it could be or is sufficiently linked to the UK's core strategic objectives. Significantly more information is required if we are to make a judgment on these points. At present, the Committee does not have access to a breakdown of expenditure beyond the regional level, the content of the NSC strategies, the list of CSSF-funded programmes or relevant summary evaluation reports. (Paragraph 26)
- 4. The use of CSSF funding in support of the more than 40 country, regional and thematic strategies created by the National Security Council dilutes its effect. The UK national interest would be better served by concentrating the bulk of CSSF funding in a smaller number of countries to achieve greater impact. (Paragraph 29)
- 5. The CSSF covers conflict prevention, post-conflict stabilisation and crisis response. Conflict prevention is extremely difficult. But successful conflict prevention provides more desirable outcomes and better value for money than reacting to instability after it has occurred. However, given both the inherent difficulty in measuring the success of pre-crisis intervention and pressure from Parliament, the public and the media on the Government to respond to events as they develop, we have heard that such preventive activity is a 'tough sell' for civil servants who must point to results and value for money. There should be ministerial support for enabling sufficient funds to be reserved for conflict prevention even if immediate results are not achievable. (Paragraph 34)
- 6. Multi-year programming provides the continuity that is essential to the stabilisation of countries that are at risk of becoming unstable or are affected by conflict. As such, it should be the norm for most of the activity funded by the CSSF, while some funding is held in reserve for responding to opportunities and crises as they arise. (Paragraph 38)
- 7. The NSC strategies guiding the use of the CSSF are inherently sensitive. Nevertheless, the Government should ensure the best possible service from its external suppliers by sharing summaries of its strategic objectives with the CSSF Framework

Suppliers. This would enable them to tailor their programme and project bids to the Government's wider goals in relation to the country or region in question. (Paragraph 42)

8. In the absence of a dedicated Whitehall policy team and a central, up-to-date articulation of policy, we are concerned that policy innovation and the ongoing development of a truly cross-government approach to building stability overseas will falter under the CSSF. This risks the UK's international reputation for intellectual leadership in this policy area. (Paragraph 46)

Implementation

- 9. Running projects in fragile and conflict-affected states entails running risks. The Government must identify, assess and mitigate such risks before and during the implementation of CSSF programmes. As such, we welcome the Government's recent guidance on how Departments can better work together in managing the human rights risks involved in CSSF security and justice programmes. (Paragraph 53)
- 10. CSSF Framework Suppliers told us that it is difficult to engage with the CSSF procurement process due to inconsistent processes and advice. The two procurement portals should be combined into a single procurement portal. And all NSC Departments and agencies should use common templates for procurement documentation such as the Invitation to Tender. The alignment of limited management resources with the funds available could be achieved by spending more money on fewer projects. (Paragraph 61)

Budget

- 11. Although the CSSF has a larger budget than the Conflict Pool which it replaced, this increase is not entirely accounted for by money newly allocated to programme funds. (Paragraph 63)
- 12. About half of the total £1.127 billion budget for the CSSF in 2016–17 is available to the Government to spend on discretionary programmes in regions and countries of strategic importance to the UK. The remaining sum has been earmarked by the Government for other conflict-related activity—such as a military contingency fund and ongoing support to Afghanistan—and for the UK's assessed contributions to the UN and EU peacekeeping budgets. UN and EU peacekeeping budgets are not within the Government's direct control, which means that CSSF discretionary programme funding might be used to make up any shortfall. (Paragraph 66)
- 13. To provide the stability necessary to allow strategic multi-year programming, the Government should ring-fence the annual allocation to the discretionary programmes budget. If it is necessary to increase allocations to non-discretionary CSSF spending—for example, on peacekeeping contributions—this should be met from the Treasury's Special Reserve, as is already the case for significant military operations. (Paragraph 67)
- 14. The Government advanced the proposition that blending Official Development Assistance funding with non-ODA funding within regional and thematic programmes is a key strength of the CSSF. However, it is unclear how much non-

ODA funding is available for regional and thematic programmes, given that the ring-fenced areas of 'peacekeeping and multilaterals' and 'security and defence' account for a large proportion of the non-ODA budget. It is therefore unclear how much of an advantage this potential combination of ODA and non-ODA funding within the CSSF truly confers. (Paragraph 70)

Effective oversight and scrutiny

- 15. There is no single Minister with responsibility for the CSSF. NSC Ministers engage formally with the CSSF only twice a year to agree the strategies that guide the use of CSSF funding and the delivery of programmes and to allocate funding to the regions and themes covered by the CSSF in accordance with the NSC strategies. The National Security Adviser, who is the Senior Responsible Officer for the CSSF, told us that he receives updates on the effectiveness and direction of the CSSF from the Deputy National Security Adviser only twice a year. The current official-led management of the CSSF means that it lacks ministerial direction and oversight, which is inappropriate given its size and scope. (Paragraph 74)
- 16. The CSSF should be under Cabinet Office control at both ministerial and senior official level, therefore placing it firmly outside departmental affairs. The budget should belong to the Cabinet Office, a Cabinet Office Minister should be politically accountable for it, the National Security Adviser should be the undisputed accounting officer and the Cabinet Office should be the focal point for relevant expertise. A rationalised structure would have the added benefits of making it easier for Parliament to scrutinise the Fund (see paragraphs 81–87) and giving the Fund itself greater autonomy and ability to respond rapidly and decisively to emerging problems. (Paragraph 75)
- 17. The CSSF is opaque. We accept the need for caution in relation to the securitysensitive aspects of the CSSF. And we note the Government's plan to publish an Annual Report on the CSSF. However, there is currently no central public source of information about how the CSSF works, the criteria on which programmes and projects are funded, the impact of CSSF-derived activity, and who has responsibility for the Fund's management. (Paragraph 80)
- 18. The Government must prioritise efforts to make the CSSF more transparent. Such measures should include establishing a dedicated webpage that sets out the essential details of the Fund, including the budget, the suppliers, the management process and the lines of responsibility and accountability within Government. The top priority is the publication of a detailed Annual Report, starting with the financial year 2016–17. This Annual Report should set out:
 - the overarching objectives of the Fund in that financial year;
 - *an overview of CSSF expenditure and performance over the course of the financial year;*
 - a breakdown of both the funding allocation and actual spend during the financial year, by theme, region, country, Department or agency, including spending on peacekeeping, and by ODA and non-ODA;

- detailed examples of programmes and projects relating to each of the regions and themes covered by the CSSF, alongside a statement of the cost and the performance results;
- a breakdown of staff numbers dedicated to the management of the CSSF in Whitehall (in the Joint Programme Hub and in Departments) and at the relevant Embassies and Consulates.

In drafting an Annual Report on the CSSF, the Government should consider DFID's Annual Report, which provides a useful model of transparent and detailed reporting on objectives, expenditure and performance results. (Paragraph 81)

19. Parliament does not have sufficient access to the information we need effectively to scrutinise the CSSF. Without access to the NSC strategies that guide the use of the CSSF, information about the programmes and projects funded by the CSSF and a breakdown of CSSF expenditure, we cannot provide parliamentary accountability for taxpayers' money spent via the CSSF. It is important that the Government now bring forward proposals on how the JCNSS might access this material while maintaining security. (Paragraph 88)

Formal Minutes

Monday 30 January 2017

Members present:

Margaret Beckett, in the Chair

Crispin Blunt	Dr Andrew Murrison
Mr Dominic Grieve	Lord Ramsbotham
Lord Hamilton of Epsom	Lord Trimble
Lord Harris of Haringey	Stephen Twigg
Sir Gerald Howarth	Lord West of Spithead
Dr Julian Lewis	Mr Iain Wright
Lord Mitchell	

Draft Report, *Conflict, Stability and Security Fund*, proposed by the Chair, brought up and considered.

Ordered, That the draft Report be considered, paragraph by paragraph.

Paragraphs 1 to 88 agreed to.

Appendix agreed to.

Summary agreed to.

Resolved, That the Report be the Second Report of the Committee.

Ordered, That the Chair make the Report to the House of Commons and that the Report be made to the House of Lords.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of House of Commons Standing Order No. 134.

[Adjourned till Monday 6 March 2017 at 4.00 pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the <u>inquiry publications</u> page of the Committee's website.

Monday 24 October 2016	Question number
Dr Stephanie Blair , Director, Opimian Ltd, Dr Andrew Rathmell , Aktis Strategy Ltd and University of Exeter, Strategy and Security Institute, and John Speakman, Advisor, World Bank	<u>Q1-12</u>
Ruairi Nolan , Head of Research and Engagement, Peace Direct, Rebecca Crozier , Head of Middle East and North Africa Programme, International Alert, and Myles Bush , Director, Justice, Security and Peacebuilding, Adam Smith International	<u>Q13–23</u>
Monday 28 November 2016	
Sir Mark Lyall Grant KCMG, National Security Adviser, Cabinet Office,	

Sir Mark Lyall Grant KCMG, National Security Adviser, Cabinet Office, National Security Secretariat; Mr Robert Chatterton Dickson, Director of Foreign Policy, Cabinet Office, National Security Secretariat; Ms Melinda Simmons, Head of NSS Joint Programme Hub, National Security Secretariat Q24–41

Published written evidence

The following written evidence was received and can be viewed on the <u>inquiry publications</u> page of the Committee's website.

CSS numbers are generated by the evidence processing system and so may not be complete

- 1 Adam Smith International (CSS0016)
- 2 Aegis Defence Services Ltd (CSS0024)
- 3 Agencia Consulting Ltd (CSS0015)
- 4 Bahrain Institute for Rights and Democracy (CSS0008)
- 5 Coffey International Development, Ltd. (CSS0020)
- 6 Conciliation Resources (CSS0009)
- 7 Cranfield University (CSS0014)
- 8 DAI Europe Limited (CSS0007)
- 9 Dr Andrew Rathmell (CSS0026)
- 10 Dr Mary Alice Young and Dr Mike Woodiwiss (CSS0003)
- 11 Dr Stephanie Blair (CSS0025)
- 12 Forward Thinking (CSS0022)
- 13 G4S (CSS0023)
- 14 HM Government (CSS0027)
- 15 HM Government (CSS0028)
- 16 HM Government (CSS0029)
- 17 HMG (<u>CSS0019</u>)
- 18 Institute for War and Peace Reporting (CSS0021)
- 19 International Crisis Group (CSS0004)
- 20 Mercy Corps (CSS0011)
- 21 Opimian Ltd (CSS0018)
- 22 Reprieve (CSS0006)
- 23 Saferworld (CSS0012)
- 24 Search for Common Ground (CSS0013)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the <u>publications page</u> of the Committee's website.

Session 2016–17

First Report	National Security Strategy and Strategic Defence and Security Review 2015	HL Paper 18/HC 153
First Special Report	National Security Strategy and Strategic Defence and Security Review 2015: Government Response to the Committee's First Report of Session 2016–17	HL Paper 56/HC 761