

Friday, 22 January 2010

1

2 (10.00 am)

3

SIR SUMA CHAKRABARTI

4 THE CHAIRMAN: Good morning.

5 SIR SUMA CHAKRABARTI: Good morning.

6 THE CHAIRMAN: Good morning and welcome everyone, including
7 our first witness. Before I begin, I should like to
8 make a short statement. The Iraq Inquiry that sits
9 before you is an independent committee, dedicated to
10 establishing an account of the UK's involvement in Iraq
11 between 2001 and 2009 and learning lessons for
12 governments facing similar circumstances in the future.

13 Now, from the outset, we have made it clear that we
14 wish to stay outside party politics. Ours is a serious
15 task and we wish to collect our evidence in a way in
16 which our witnesses will be open about what happened and
17 give their evidence fully without the hearings being
18 used as a platform for political advantage by any party.

19 It was for this reason that my colleagues and I made
20 a decision announced before Christmas, that we would not
21 call ministers currently serving in posts relevant to
22 Iraq until after the election.

23 The Prime Minister wrote to me earlier this week to
24 say that he was prepared to give evidence whenever we
25 saw fit. In my reply to the Prime Minister yesterday

1 evening, I said that, as a matter of fairness, the
2 committee concluded we should offer the Prime Minister,
3 if he wished to take it up, the opportunity for him, for
4 David Miliband, as Foreign Secretary, and
5 Douglas Alexander, Development Secretary, to attend
6 hearings before the general election.

7 The Prime Minister replied to me this morning to say
8 that he will be happy to agree dates from a range we
9 have proposed over the next two months and this
10 correspondence is now being published on our website.
11 Thank you.

12 Now, turning to the session this morning, the
13 objectives of this session -- well, we are now finishing
14 building the chronology of the UK's experience in Iraq
15 and increasingly stepping back to look at more strategic
16 issues, and we will be doing so by speaking to key
17 decision-makers across the United Kingdom government.

18 Today, we welcome back Sir Suma Chakrabarti, who was
19 the DFID's Permanent Secretary from 2002 until 2007.

20 Our previous discussion with Sir Suma took us into the
21 story up to August 2003, and today we would like to hear
22 Sir Suma's views on the lessons learned from the period
23 right up to 2007, when he moved to another appointment.

24 Today's session also builds on the discussion with
25 the DFID's current Permanent Secretary, Dr Nemat Shafik,

1 whom we heard from last week. Now, Sir Suma is the last
2 DFID official we shall be speaking to in this series of
3 hearings, and the next DFID testimony will come from
4 previous Secretaries of State for International
5 Development, Clare Short and Hilary Benn, and
6 potentially Douglas Alexander.

7 We recognise that witnesses are giving evidence
8 based in part on their recollection of events, and we,
9 of course, are cross-checking what we hear against the
10 papers to which we have access.

11 I remind every witness that he will later be asked
12 to sign a transcript of his evidence to the effect that
13 the evidence given is truthful, fair and accurate.

14 With all of that out of the way, I'll turn to
15 Sir Martin Gilbert to open the questions. Martin?

16 SIR MARTIN GILBERT: Sir Suma, you wrote to the
17 Cabinet Secretary, Sir Andrew Turnbull, on 1 April 2003,
18 following a meeting that morning between the
19 Prime Minister and Clare Short, and in your letter you
20 argued for a coherent and also an affordable
21 cross-Whitehall strategy on Iraq. Did you get this
22 strategy in the years 2003 to 2009?

23 SIR SUMA CHAKRABARTI: I think the coherent strategy that
24 actually would link to operational planning in the
25 relevant departments, that came through in 2005 and 2006.

1 I would say the two government strategies of 2003, first
2 of all the "Vision for Iraq" that spring, and then
3 the October 2003 government strategy, were what
4 I would call rather upward-facing strategies, more
5 linked to ministerial speeches, if you like. If you
6 look at the sort of objectives in those two strategies,
7 the one in the spring talked in terms of, I think,
8 prosperity, good governance and freedom being the
9 objectives. The one in October 2003 focused on Iraq
10 becoming a stable and a good member of the international
11 community. Very important, but quite high-flown sort of
12 stuff and not really linked to operational detail.

13 So I think the great attraction, in terms of
14 cross-departmental strategy which actually linked to
15 what people were doing on the ground, came later in the
16 process.

17 SIR MARTIN GILBERT: What was the DFID input to that later
18 strategic --

19 SIR SUMA CHAKRABARTI: We were involved in all the
20 discussions. We were involved in discussions actually
21 around all four government strategies, to the two in 2003
22 and those in 2005/2006. But by 2005/2006, what had happened was
23 DFID -- because we needed operational detail for our own
24 staff on the ground -- had produced its own strategy at
25 the beginning of 2004. We had one in May 2003, which

1 I talked about last time, but in early 2004, we produced
2 the interim country assistance plan to give that sort of
3 you know tractable detail, if you like, for our staff.

4 That was also agreed interdepartmentally, actually,
5 and that then fed through to the 2005 and 2006
6 strategies.

7 SIR MARTIN GILBERT: So in a sense, although it took
8 a little time, what you were arguing for did eventuate?

9 SIR SUMA CHAKRABARTI: It did. I just wish we had been
10 a bit more organised in the way I suggested in the
11 1 April letter. You have that letter. What it
12 suggested was seventeen workstreams, five overarching
13 themes. I asked essentially for people to be assigned
14 to those workstreams, to lead them, and it was the sort
15 of detail that I would want. I was actually speaking on
16 behalf of probably Foreign Office and MoD. We
17 were all looking for greater organisation around the
18 strategy.

19 SIR MARTIN GILBERT: In an earlier letter, I think on
20 11 March 2003, you wrote to Sir Andrew Turnbull on
21 a related topic and that was you were advocating more
22 regular discussions on Iraq between ministers.

23 SIR SUMA CHAKRABARTI: Yes.

24 SIR MARTIN GILBERT: Were you content with the frequency and
25 focus of ministerial discussion that followed,

1 including, indeed, with the Prime Minister in those
2 years?

3 SIR SUMA CHAKRABARTI: Yes, I think discussion improved
4 between ministers after the war started. First of all,
5 in the War Cabinet, and that was the first time my
6 Secretary of State was involved really in the sort of
7 interministerial discussions in a formal way.

8 As you have now heard from other testimony, she
9 wasn't really involved before that in any of the
10 discussions. That was an improvement clearly. Then we
11 had the ad hoc ministerial group on Iraq rehabilitation,
12 chaired by the Foreign Secretary, I think from April
13 2003 until that September, and then we had the ad hoc
14 ministerial committee, elevated to a committee by then,
15 on Iraq, I think with the Prime Minister nominally as
16 a chair.

17 THE CHAIRMAN: Could you slow down just a bit?

18 SIR SUMA CHAKRABARTI: Okay. Then, you know, I think we got
19 a formal Cabinet Committee on Iraq, my recollection
20 is May 2005, DOP Iraq was created, I think. Just after
21 the May 2005 elections, the Cabinet Office managed to
22 persuade the Prime Minister perhaps we should have some
23 more formal Cabinet Committees generally, and this was
24 one of them.

25 So I think post-war one certainly got much more into

1 ministerial discussion of a formal sort than we had
2 pre-war.

3 SIR MARTIN GILBERT: To go from ministerial discussion, we
4 had earlier evidence from General Shirreff, who argued
5 that we suffered in the governmental machinery from what
6 he called lack of unity of purpose and lack of unity of
7 command. Was this something that you felt?

8 SIR SUMA CHAKRABARTI: I think so at a general level. I said
9 last time that there was a view in the
10 Ministry of Defence that there should be a lead
11 minister, for example, to try and actually make those
12 trade-offs between different objectives, to try and get
13 that unity of purpose, and Geoff Hoon did suggest,
14 mid-2003, that Hilary Benn should be that minister, he
15 was the minister of state at the time in DFID. I felt,
16 actually, the leadership of that should be either in the
17 Cabinet Office or the Foreign Office, and
18 I advised Hilary Benn against taking on that role, but
19 I think there is something in what the General says,
20 actually, in terms of working much earlier in the
21 process to get that unity of purpose.

22 One of ways of getting unity of purpose, in my
23 experience, is by getting all the people who actually
24 have locus to discuss the issues together and hammer out
25 some sort of unity of purpose. But that is not what

1 happened in the run-up to the war. It worked better
2 afterwards, but even then, what was happening in those
3 ministerial committees which I mentioned was a focus on
4 immediate day-to-day-type issues rather than thinking
5 through, "What is the long-term strategy, what is the
6 long-term vision, and what's the long-term objective?"
7 where you might get the unity of purpose, if you like.

8 THE CHAIRMAN: Sir Suma, without prejudice to which
9 particular department, do you think, if there were
10 a lead minister, who would by no means be at the top of
11 the government, but giving political drive and direction
12 across the piece, is it better centred in one department
13 or is it better centred at the centre?

14 SIR SUMA CHAKRABARTI: I do not have a hard and fast rule
15 about this. I suppose my view is, if the Prime Minister
16 particularly is driving something very hard personally,
17 it is best to have that person close to him and with his
18 trust. So the Cabinet Office would be the proper place
19 to put that minister in such a situation.

20 If the Prime Minister has delegated some of that
21 authority to the Foreign Secretary, who is the only
22 other person he could really delegate it to, I think,
23 then the Foreign Office Minister of State would be the
24 right person.

25 SIR MARTIN GILBERT: Within DFID, how did the discussion

1 and, if you like, change of strategic direction change
2 with Clare Short's successor? First of all, with
3 Baroness Amos and then with Hilary Benn. What
4 particular changes were made?

5 SIR SUMA CHAKRABARTI: I think in terms of the DFID
6 components of the strategy, if you like -- is that what
7 you mean?

8 SIR MARTIN GILBERT: Exactly.

9 SIR SUMA CHAKRABARTI: Well, in May 2003, the strategy that
10 DFID was pursuing was this one of shifting from relief
11 to recovery and reconstruction. It essentially had
12 three prongs to that strategy. To start with, really
13 much focused on the infrastructure sort of components.
14 We were moving into a period from quick impact projects
15 to something called the essential services project, and
16 then on to the emergency infrastructure programmes.
17 Infrastructure was quite a large component of this in
18 the south.

19 The other part of it was capacity building, which
20 came on, I would say, more so after 1483 was passed
21 because, as I said last time, it was clear then that the
22 UN was not going to lead this.

23 Then de-Beatification happened, so Iraqi capacity
24 was removed. So a real need to focus on CPA capacity
25 and then on Iraqi capacity became a theme from that

1 summer onwards. So capacity building came through then.

2 The third prong of that strategy at the time in 2003
3 and 2004 was -- well, actually throughout until I left,
4 was internationalisation of the effort. Again, as
5 I talked about last time, trying to get other players
6 more involved.

7 So those were the three components in the early
8 days. They ran all the way through to my time.

9 I think three further things were added during
10 my time from 2004 onwards really. One would be
11 the job creation programme, the employment generation programmes
12 in the south. Another would be around the constitution
13 and the political processes, supporting the UN efforts
14 there and our own Foreign Office-led efforts on that.
15 And I think the other component was some humanitarian
16 relief in 2005 and 2007, when there were some
17 humanitarian issues in Iraq.

18 SIR MARTIN GILBERT: Can I just go back briefly to the
19 capacity building question, which of course, you did
20 speak about last time, but DFID has considerable
21 experience in capacity building, helping governments
22 globally.

23 What I would like to know is, looking back over this
24 period, do you think that our expectations for capacity
25 building in Iraq were realistic?

1 SIR SUMA CHAKRABARTI: I think DFID's expectations were
2 realistic. I think some other players' expectations
3 were not realistic and they pursued a philosophy of
4 capacity building which flies in the face of the
5 evidence in the department.

6 The Americans, in particular, took an approach which
7 was to throw a lot of American experts into the Iraqi
8 ministries, and the experience around the world is you
9 build capacity best when you try and build up local
10 capacity. It takes longer, but it is more sustainable
11 in the longer term.

12 So I suppose our timescales were longer than the
13 Americans, but they had most of the money and, you know,
14 this was a rumbling theme through my years, was actually
15 the different development philosophies of the US and the
16 UK throughout this, and it is not just DFID, this is
17 a view the Foreign Office would have as well, about
18 country ownership being important, actually, to get
19 sustainable change.

20 SIR MARTIN GILBERT: In terms of the timescales, the
21 Prime Minister, as you know, had personally wanted to
22 see faster progress to building of the capacity of the
23 Iraqi police. Did you see any risks in this accelerated
24 process? Was this something you were able to raise
25 concerns with Number 10 and the Prime Minister?

1 SIR SUMA CHAKRABARTI: I think the Foreign Office had the
2 lead on the police,
3 but I think concerns were
4 expressed, I think at official level in meetings -- not
5 all meetings that I was at, these were meetings
6 sometimes chaired by Number 10 officials.

7 Some of these meetings which Number 10 would have
8 chaired of officials
9 discussed the pace at which progress was made, not just
10 on the police programme, but I think on some other
11 programmes too. That was a feeling in the three
12 implementation departments, if you like, that the
13 centre's chivvyng was unrealistic at times.

14 I think Mr Dinham put it rather well in his evidence
15 to you, that the three departments sometimes felt they
16 had to get the balance right between telling it as it
17 was on the ground and showing team spirit, and this was,
18 you know, a continual feedback to me when people came
19 back from these meetings, that -- not just DFID, but
20 other departments felt a bit under pressure to deliver
21 faster than actually the reality would allow.

22 SIR MARTIN GILBERT: Was that the case, for example, with
23 the military expectations? I mean, we have heard from
24 several witnesses, of course, at their frustration at
25 what they saw as the slow pace.

1 SIR SUMA CHAKRABARTI: I think certainly during 2003 that
2 would have been the case. I have been quite struck by
3 how the military's evidence changes, actually, if you
4 move further on and towards the end of the process. One
5 of the military generals actually said to you that he
6 rather changed his mind on this. So it is quite
7 interesting that, I think.

8 Partly, it is a generational change, partly also,
9 I think, just the reality of having been there longer
10 and realising that this just takes a long, long time.
11 There are some interesting conceptual issues here about
12 what "consent" is about and so on, which we might get
13 into, because I think that is another one of these
14 philosophical differences that did exist between the
15 military, on the one hand, and maybe the Foreign Office
16 and DFID, on the other.

17 SIR MARTIN GILBERT: Was the military change, which we have
18 heard indeed from General Binns, I believe, was this
19 something you knew at the time or was it something that
20 was able to affect your work positively?

21 SIR SUMA CHAKRABARTI: I think it certainly was a very
22 positive development in terms of relationships as we
23 went forward. The key thing for me always, at my level,
24 was the change in military commanders every few months
25 did mean reopening the relationship every few months.

1 So you'd get into a decent place and they would start up
2 again with, "Why aren't we going faster?" and then,
3 again, "Okay, I have now realised why we are not going
4 faster".

5 So our people, and the Foreign Office people, tended to
6 be in theatre for much longer than the military. Relationships
7 always seemed to be in good fettle towards the end of
8 a military tour, not so good at the beginning.

9 THE CHAIRMAN: Just to ask, you have mentioned
10 General Binns' evidence where he said he, in effect,
11 learned from experience that the comprehensive approach
12 was the more satisfactory one. Do you think that has
13 percolated more widely among the military now?

14 SIR SUMA CHAKRABARTI: I do think so. I'm reassured
15 by some of the things that started when I was there but
16 have really been going since in much greater intensity, the
17 relationships on training programmes, DFID staff
18 speaking on military training programmes, and vice versa,
19 before people were deployed. This started then, but it
20 has really taken on a new form, and all the vibes I get
21 around Whitehall is the relationship is much better now
22 than it was in 2003.

23 Actually, in 2003, also, though, the relationship
24 with General Lamb was excellent. It is quite striking
25 how personalities make a bit of a difference. Partly

1 because he saw, when he had a problem, Hilary Benn and
2 I turned up in September and tried to solve the problem.
3 So in a way, I think having direct contact made some
4 difference.

5 SIR MARTIN GILBERT: One of the concerns, of course, of the
6 military, and this relates to Iraqi perceptions and
7 perceptions that we were an occupying power and the
8 problem of local consent, and I think one of the things
9 which was really sort of spurring the military to want
10 things achieved quicker was this desire for local
11 consent.

12 Dr Shafik, last week, gave us a very thoughtful
13 reflection on the effectiveness, which she questioned,
14 of the quick impact projects, and her words were that
15 there was very little evidence that some of these
16 projects actually are successful in winning consent.

17 If the quick impact projects were not the answer,
18 what was, and is this a short-term answer or do you feel
19 that there could have been perhaps a better management
20 of Iraqi expectations? How could we, given the tensions
21 in the situation, show that we really were not intending
22 to be an occupying power, but to do these projects in
23 a consensual way?

24 SIR SUMA CHAKRABARTI: The problem isn't the actual, in my
25 view, project itself. I mean, the project of

1 reconnecting power lines or whatever it is, you know,
2 repairing damage done through the invasion, those are
3 good things to do, but the question really is how you do
4 them, I think.

5 If you just do them through UK military designing,
6 doing the actual work and project managing it, you are
7 not really involving the Iraqis in any sense whatsoever.
8 You may feel they should be grateful to you because you
9 have done this for them. Frankly, my experience is that
10 people aren't grateful if you have done something for
11 them; they are only grateful if you help them do
12 something for themselves, which is, I suppose, what
13 Dr Shafik was saying when she gave her fishing analogy.

14 But I think that was a fundamental philosophical
15 difference, if you like, between DFID and the
16 military and that is something that I think we
17 have moved on from.

18 I mean, I questioned at the time internally the
19 whole concept of buying consent through the projects.
20 The number of times Malaya in the 1950s was cited as if
21 it was highly relevant. I don't know the Malaya
22 experience well, but it was a long time ago, this
23 "inkspots" concept. It didn't seem to me to be terribly
24 successful in capturing how people think. You
25 know, "We are very grateful that you have removed

1 Saddam Hussein, but we would like you to go now, or we
2 would like you to help us rebuild this part of Iraq",
3 I think is how most Iraqis saw it in the south.

4 THE CHAIRMAN: This is not, I hope, just semantics or word
5 splitting, but I sense that in the military evidence we
6 have had, there is a concept of tolerance, that there
7 was a limited life, in tolerance terms, where
8 a population has an occupying force, a military force,
9 in among itself.

10 The notion of consent is a very different thing,
11 isn't it? It is a more constructed, active approach.
12 Is that fair, do you think?

13 SIR SUMA CHAKRABARTI: I think that's a good distinction to
14 draw and, undoubtedly, as was seen later, the local
15 population got rather fed up with occupation, and so the
16 military were right about that, I think, absolutely
17 right. We didn't have an exit timeline, we didn't --
18 you know, the military wanted to do good.

19 So this isn't about a motivational issue actually.
20 It is actually just about how you do these things. It
21 is interesting later on, just a few months later in the
22 essential services project, the emergency infrastructure
23 programme, which were just larger projects of similar
24 infrastructure-type projects, the military, with the technical
25 specialists that DFID supplied, were actually much more

1 consulting with the Iraqis, the Iraqis were much more
2 involved, local labour was used much more in those
3 projects.

4 THE CHAIRMAN: Lawrence, I think you want to come in?

5 SIR LAWRENCE FREEDMAN: You mentioned the Malaya analogy,
6 which is always where the British go back to for their
7 counter-insurgency lessons, because it was conceived to
8 be such a great success compared with Vietnam and so on,
9 and that was the origin of the hearts and minds
10 philosophy, and I think you are quite right to say you
11 can't just buy consent.

12 One of the issues that emerges from all of this
13 experience is the importance of how you work with local
14 power structures. So if you are, say, helping the
15 Iraqis do it for themselves, there is a question of
16 which Iraqis? How do you decide? Who are you working
17 with?

18 One of the reasons why these things can go badly
19 wrong is you find yourself working with whatever happens
20 to be the local strongman. That can make you as
21 unpopular as the local strongman. Did these sorts of
22 problems emerge in Iraq?

23 SIR SUMA CHAKRABARTI: I don't know who exactly the military
24 were talking to. I remember when I went in September,
25 General Lamb explained some of the relationships they

1 had built up with some of the local sheikhs and so on,
2 but I think the premise of your question is absolutely
3 right, because in other places where DFID, and the
4 Foreign Office in particular, had been working on sort
5 of fragile states, the political analysis, the political
6 economy analysis is so much stronger in the first place
7 that we know what the power structures are and so on.

8 The problem with not having a Foreign Office post in
9 Iraq for many, many years and no real DFID programme to
10 speak of, except through the UN and the NGOs, was we
11 didn't have that analysis, we didn't know what the power
12 structures were in the south really.

13 SIR LAWRENCE FREEDMAN: The state structures had been
14 shattered as well --

15 SIR SUMA CHAKRABARTI: Yes.

16 SIR LAWRENCE FREEDMAN: -- so it really made it much more
17 difficult.

18 SIR SUMA CHAKRABARTI: I think the constraints were greater.

19 SIR LAWRENCE FREEDMAN: The occupying forces were almost
20 obliged to become, as occupying power, the local power
21 structure. Part of the problem you are describing is
22 the transition from one to another.

23 SIR SUMA CHAKRABARTI: Yes, I accept that. I think it was
24 much harder there than it would have been in some other
25 places, where we would have had better analysis upfront

1 anyway and the local structures would have been there.

2 THE CHAIRMAN: Martin?

3 SIR MARTIN GILBERT: My last question before I hand over to
4 Baroness Prashar really draws on that, and it is
5 a lessons learned question.

6 During your time as Permanent Secretary, did DFID
7 thinking, as a result of the Iraqi experience with
8 regard to securing and sustaining local consent, did it
9 change, did it evolve in terms of your wider
10 perceptions?

11 SIR SUMA CHAKRABARTI: I think one should be careful about
12 generalising from the Iraq example. I think it
13 certainly has played a major role into the way DFID and
14 the military think about these sorts of issues in
15 Afghanistan, for example. But I think it would be quite
16 a stretch to say that the Iraq experience has infused
17 FCO and DFID thinking on fragile states more generally,
18 because other fragile states are quite different
19 actually.

20 This is a very interesting case because the military
21 also were involved, and Afghanistan is the other
22 parallel in a way. So it has really impacted on the
23 thinking of the three departments in terms of Helmand
24 and how you deal with Helmand quite a lot, and we have
25 done some things better there because of the experiences

1 we had.

2 SIR MARTIN GILBERT: Did that begin in your time?

3 SIR SUMA CHAKRABARTI: Yes, it did. For

4 example, the Helmand provincial reconstruction team was
5 put in place earlier than we ever put the Basra PRT
6 in. It still wasn't early enough, probably, the Helmand
7 team should have gone in earlier. The Helmand team was
8 much more joined up and much more integrated with one
9 single decision-making board. We got there in Basra
10 towards the -- I think early 2007 we finally got a joint
11 steering committee for the Basra PR team. The Helmand
12 one, it is co-located with the military, not separate
13 from, as was the Basra one originally.

14 So all those integration lessons were applied in
15 Helmand, and even then, I would say we should have done
16 that probably a year or so before we did Helmand.

17 SIR MARTIN GILBERT: But it was a direct lesson --

18 SIR SUMA CHAKRABARTI: It was an absolutely direct lesson,
19 and, give that I was, I suppose, of the three
20 departments, the one Permanent Secretary who has been
21 involved in both -- because there were changes in the
22 Permanent Secretaries in the other two
23 departments during that time -- we were able to carry
24 those lessons through and the DFID staff were quite
25 fundamental to them. Some of the DFID staff who worked

1 on Iraq worked on Afghanistan too. They went on to that
2 so they were able to carry their lessons with them.

3 SIR MARTIN GILBERT: Thank you very much.

4 BARONESS USHA PRASHAR: One of the practical changes made
5 based on lessons learned from Iraq during your time was
6 the decision by ministers to establish the post-conflict
7 reconstruction unit. It was in 2004. What were the
8 problems it was trying to fix?

9 SIR SUMA CHAKRABARTI: Well, this goes back to -- its
10 origins are quite important, because it goes back,
11 actually, to the summer of 2003, when it was a common
12 view amongst the three key departments that the
13 integration part of it was not working very well and we
14 also, on the DFID side, had lessons going back to the
15 mid-1990s and the Balkans and so on, which were feeding
16 into our thinking on how to do these things. So all
17 that came together.

18 Hilary Benn and I then visited Iraq
19 in September 2003, and you will see in the visit report
20 he sends to the Prime Minister, he actually says, "We
21 have got to do this sort of thing differently in the
22 future, you know, in a more interdepartmental way, and
23 we are thinking about what to do".

24 That then led to the creation of the PCRU almost
25 a year later -- in fact, over a year later, when it

1 finally came into being, but it was essentially to try
2 and get a team of people who would think in a more
3 integrated way about these issues, rather than just
4 co-ordinating between departments.

5 Again, of course, we all now wish we had the --
6 BARONESS USHA PRASHAR: It was more than co-ordination, it
7 would have been about integrated thinking?

8 SIR SUMA CHAKRABARTI: Yes, I suppose that was what
9 Dr Shafik was trying to talk about when -- the
10 comprehensive approach as it is now called, but in my
11 time it was "integrated".

12 BARONESS USHA PRASHAR: Did it make progress as fast as it
13 was hoped?

14 SIR SUMA CHAKRABARTI: No, it didn't.

15 BARONESS USHA PRASHAR: Why?

16 SIR SUMA CHAKRABARTI: I think this is quite interesting,
17 you know, because DFID was very strongly behind the
18 PCRU. If you look at the budget, for example,
19 95 per cent of the money came, and still comes, from
20 DFID, I gather. It is hosted by DFID. The DFID
21 Permanent Secretary is an accounting officer. So here
22 is a department that strongly wants this to happen.

23 What went wrong after it was set up? I think
24 a couple of things. We, between the three departments,
25 got the leadership of the unit wrong. We got the remit

1 slightly wrong; we had started off by giving it a remit
2 which was in the strategy/policy area as well as the
3 operational area, and, not surprisingly, as soon as we
4 started to go down that route, the three departments
5 said, "Actually, we don't want to cede control of policy
6 and strategy".

7 The unit itself played its cards badly in 2005 in
8 trying to establish itself, with its own logo, separate
9 from -- almost a department in its own right, which
10 upset the three departments, not just the DFID. All of
11 that went wrong.

12 2006/2007 is a much better story for the unit. It
13 started its first deployments into Helmand and Basra
14 PRTs, actually also into Beirut during the
15 Lebanon/Israel war, and did a very good job there. Into
16 Darfur, Nepal, then the Helmand PRT became even better,
17 so --

18 BARONESS USHA PRASHAR: So its remit was extended in that
19 sense?

20 SIR SUMA CHAKRABARTI: Also more focused, I think, rather
21 than -- its remit extended into those countries, yes, but it
22 actually was more focused on operational work, rather
23 than this policy and strategy which was left then
24 with the three departments still.

25 BARONESS USHA PRASHAR: What was this interaction with the

1 local staff who were actually in Iraq? Because in
2 a way, if you are becoming operational, you have really
3 got to understand what was going on on the ground. Was
4 there kind of a two-way communication? Were they
5 listening?

6 SIR SUMA CHAKRABARTI: We are talking about the DFID and
7 Foreign Office staff and so on.

8 BARONESS USHA PRASHAR: Yes.

9 SIR SUMA CHAKRABARTI: That was, I think, one of the reasons
10 the Basra PRT struggled initially. Because it came sort
11 of halfway down the story, rather than at the beginning
12 of the story, programmes and people were already in
13 place and people were doing things, and all that we and
14 others -- the Foreign Office also did this -- was to put
15 existing people into the PRT ambit, if you like, but --
16 so they were just inheriting things rather than actually
17 doing things afresh, and, not surprisingly, tensions
18 then arose, and the co-location problem was a real
19 issue, because they were -- well, they weren't
20 co-located, they were in the Consul General's office,
21 the military were elsewhere. The military were still
22 doing separate operational planning, by the way. They
23 weren't actually integrated at all. It was only
24 when they moved into the Basra air station that things
25 became a lot better.

1 BARONESS USHA PRASHAR: This then became -- the name was
2 changed to the Stabilisation Unit in 2007. Was this
3 just a change of name or did that reveal something about
4 the change in UK thinking?

5 SIR SUMA CHAKRABARTI: I think this was in December 2007, as
6 I was leaving, the name changed. I think it was really
7 describing that part of the continuum between the
8 conflict and when you can really do longer-term
9 development. It is just, you know a different name for
10 that space in the continuum between relief, recovery,
11 stabilisation and reconstruction, if you like, and then
12 long-term development. That's all it was.

13 BARONESS USHA PRASHAR: Do you think it was created to fill
14 a gap that DFID was unable to fill, or was it created as
15 a distinct contribution to add value to that of DFID, FCO
16 and MoD?

17 SIR SUMA CHAKRABARTI: I would like to think the latter.

18 BARONESS USHA PRASHAR: You would like to think the latter,
19 but was that the case?

20 SIR SUMA CHAKRABARTI: For me, it was. That's the way we
21 mounted the arguments, that this is something -- for
22 certain types of work you need more integration than
23 others. Just to give you some parallels. In low-income
24 Tanzania, to be honest, DFID can do its business pretty
25 much without the Foreign Office or -- certainly without

1 the MoD, but equally without the Foreign Office. It is
2 a development of a long-term stable state and
3 development is really the British game in town.

4 But in other places like DRC, Sudan, there are very
5 important political interests with the Foreign Office
6 playing a part, and the need to join up is even
7 greater. In middle-income countries, even more so. So
8 you have different country types really in which you can
9 track the need for join, and I would say in Iraq's case
10 it was self-evident that DFID could not do things on its
11 own, and should not actually, and should try and join up.
12 That's what we were trying to achieve.

13 BARONESS USHA PRASHAR: So you think it was a kind of -- it
14 did add value to what you were doing?

15 SIR SUMA CHAKRABARTI: Yes, I think it did. It took some
16 time, as I say, the Basra PRT. It really started adding
17 value in 2007, after the review. There was a review at the
18 end of 2006 and then it moved to co-location in 2007 and
19 it improved after that.

20 BARONESS USHA PRASHAR: Would you say it was an explicit
21 recognition that we had had a gap in our capability and
22 thinking?

23 SIR SUMA CHAKRABARTI: Yes, I think -- at least in terms of
24 the joining-up of our thinking. You know, throughout
25 this period, you know, I described in my first

1 appearance, the lack of join-up between, firstly,
2 humanitarian relief and operational planning, military
3 operational planning.

4 You know, people were doing things on separate
5 tracks but not testing the tracks against each other.
6 What the PCRU and, the PRT concept are about is trying to
7 bring those two together, and in certain situations
8 that's highly necessary.

9 BARONESS USHA PRASHAR: Dr Shafik said that one important
10 role of the Stabilisation Unit was to be a body shop, to
11 help get the right people with the right skills at the
12 right time to insecure countries like Iraq and
13 Afghanistan. We have also begun to hear about
14 stabilisation cadres.

15 SIR SUMA CHAKRABARTI: Yes.

16 BARONESS USHA PRASHAR: Do you think these changes are
17 enough to strengthen the UK's ability to deliver the
18 civil effect?

19 SIR SUMA CHAKRABARTI: I think so. I think there is an
20 interesting question underlying that. This is one of
21 the criticisms that is sometimes made of this approach,
22 this is almost like a colonial service in waiting,
23 actually. So if you are really interested in building
24 country ownership, this is not a brilliant idea, because
25 all you are going to do is send British experts, as we

1 would have done many years ago, to fill positions.

2 So I think the question for me is, yes, in certain
3 areas where there might be a skills shortage, but try
4 and use local capacity as much as possible.

5 Now, in the Helmand case, because local capacity is
6 so, so weak, it clearly does make some sense to have
7 a supply of British civilian experts to try and build
8 that capacity up.

9 BARONESS USHA PRASHAR: Yes, you use local capacity, but
10 what then should be the role of -- the skills these
11 people should have to enable them to unleash the local
12 capacity?

13 I mean, that brings us back to the question of
14 skills and expertise --

15 SIR SUMA CHAKRABARTI: Yes, it does.

16 BARONESS USHA PRASHAR: -- because earlier you were talking
17 about, you know, it is personalities, but I think it
18 does go to the question of skills of the people required
19 to be able to perform this task.

20 SIR SUMA CHAKRABARTI: Yes. I worked in a developing
21 country government and, from the point of view of
22 a developing country government, what you want is strong
23 technical skills that you haven't got. You are not
24 terribly interested in people who are generalists,
25 actually. You want someone who will be a very good

1 water engineer or can help build up the water
2 engineering capacity or whatever, or a roads engineer,
3 that sort of thing, or someone who knows about public
4 administration and can put a ministry together.

5 But you will want them to work very closely in
6 building up the local capacity while you are doing that,
7 so the influencing skills, the training skills, have to
8 be added on to the technical skills, and transfer of skills is
9 very, very important.

10 THE CHAIRMAN: In your experience, which is, I know, diverse
11 and wide, is there a natural evolution in some of these
12 situations between filling a technical professional gap
13 and then evolving into a mentoring role, both for
14 individuals and for a national contribution?

15 SIR SUMA CHAKRABARTI: The ideal is exactly that. If you
16 look at the history -- the post-colonial history of UK
17 assistance, the best examples have been places like
18 Botswana, where I worked, where, essentially, that is
19 what happened: there was very little capacity at
20 independence, the technical experts were from the old
21 ODA, as it was, and then part of their job over the
22 years was actually to replace themselves with good
23 people coming through.

24 The history of technical assistance is not a great
25 one in development because different countries have done

1 it in different ways and there is quite a lot of OECD
2 literature about this. The British approach has tended
3 to be the best, but even that has not worked everywhere.
4 Sometimes we have hung on for too long, and sometimes we
5 have left too early, in localising posts and so on. So
6 it is quite a mixed picture, but that is generally the
7 approach that has worked best.

8 THE CHAIRMAN: Thank you.

9 BARONESS USHA PRASHAR: So is a question of judgment
10 required, when to leave?

11 SIR SUMA CHAKRABARTI: Yes.

12 BARONESS USHA PRASHAR: That's the kind of capacity
13 capability you need at the centre to be able to make
14 those sort of decisions in consultation with local
15 people?

16 SIR SUMA CHAKRABARTI: Yes, you do, and the approach that
17 DFID took to this very strongly around the world is it
18 must be a decision for the government there. That is
19 quite a different approach from the old, going back a
20 few years, the OSAS approach of technical assistance
21 under the old ODA and the Ministry of Overseas
22 Development in the past. Pretty much, decisions were
23 supply-led not demand-led.

24 BARONESS USHA PRASHAR: What about the role of consultants,
25 because you use quite a lot of consultants? You know,

1 what are the lessons there and the balance between
2 having, you know, sort of staff from departments and
3 employing consultants. Any observations on that?

4 SIR SUMA CHAKRABARTI: I think consultants are best used for
5 skill gaps in a short-term way. Iraq is not
6 a low-skilled place, actually. Obviously, we have
7 talked about de-Ba'athification creating a low skills
8 problem, but generally it is not a low-skilled place.

9 So what we were very keen to do was use consultants
10 in very much project work around certain projects that
11 had to be completed with deep technical skills that DFID
12 staff no longer have. We don't have those water
13 engineers and power engineers we used to have when
14 I first joined.

15 The DFID staff were working much more at the policy
16 end on capacity. So how do you put a budget together in
17 the Ministry of Finance? What would you need to run
18 a Prime Minister's office properly, and those sorts of
19 things that DFID staff focused on much more.

20 BARONESS USHA PRASHAR: That's a work in progress. You are
21 actually looking at lessons learned in terms of
22 employment consultants --

23 SIR SUMA CHAKRABARTI: I'm no longer looking at it, but
24 I presume DFID refreshes its thinking on this all the
25 time, and the Iraq experience is an interesting one,

1 I think, for that. Because, as you say, there was
2 a high usage of consultants as part of the DFID team.
3 There is the question of: what skills and which areas do the
4 consultants go in? The other is: how do you integrate
5 people who are going to be part of your organisation for
6 a short time and not long-term? How do you integrate
7 them into the way you work so it is an effective team?

8 BARONESS USHA PRASHAR: I think that leads me to the
9 question of the security of staff, because, in your
10 period, security deteriorated significantly,
11 particularly in Basra, in 2006, and this obviously
12 affected the risk to staff and affected your ability to
13 monitor programme delivery.

14 Could DFID be effective in these circumstances,
15 where the security is poor?

16 SIR SUMA CHAKRABARTI: It was extremely difficult.

17 I think -- I'm incredibly proud of the organisation, in
18 that it delivered what it set out to deliver in these
19 circumstances, but albeit much more slowly because of
20 the security situation. But, as you have heard from,
21 I think, Mr Dinham and Mr Drummond, some -- shall we say
22 some quite innovative project management techniques had
23 to be applied when staff could not get out of the
24 Consul General's office to go and monitor progress on
25 some of the infrastructure programmes.

1 I have to say something about the courage of our
2 Iraqi staff, actually, in helping with a lot of that
3 until they also faced threats as well and then we had to
4 stop employing them.

5 So it made for very difficult delivery conditions,
6 the most difficult I have ever seen in my career and
7 probably will ever see in my career, but in the end,
8 they actually seem to have delivered but much more
9 slowly than we had originally hoped for.

10 BARONESS USHA PRASHAR: But Sir Hilary Synnott, I think,
11 when he came to give his evidence, expressed a great
12 deal of frustration on how the approach to security
13 varied from government departments on duty of care, and
14 I think he also said at one stage that DFID didn't send
15 the staff, but they didn't consult him or the military
16 locally, because they were operating, whereas a decision
17 was taken by DFID not to send the staff.

18 Do you have any observations on that? Because he
19 did say some discussion took place at a Permanent
20 Secretaries' administrative-only meeting about duty of
21 care, and people took a different approach.

22 SIR SUMA CHAKRABARTI: DFID had slightly higher duty of care
23 standards than the Foreign Office on staff security to
24 start with. Actually, the Foreign Office then aligned
25 upwards to the same level as DFID, and what was really

1 good about this, then the Foreign Office took over the
2 whole contract on staff security and on terms and
3 conditions, and they were unified and the Foreign Office
4 ran the system. But initially, that is correct, DFID
5 had slightly higher standards, I think.

6 Did that make for very difficult -- you know, in
7 terms of departments working together, did it make it
8 more difficult? He says so. I don't recall this being
9 a big issue, actually, in the visit that Hilary Benn and
10 I conducted in December 2003. The issue then was about
11 procurement, actually. How do you make for fast
12 procurement to help the military get on with some of the
13 work they were doing? That was the main issue we
14 discussed, and the integration point about post-conflict
15 work.

16 BARONESS USHA PRASHAR: So you would say that now people are
17 moving more towards a unified view of duty of care?

18 SIR SUMA CHAKRABARTI: Yes, absolutely. One of the key
19 lessons, I think, actually, you know, there is some sort
20 of -- almost what might seem minor, but they are not,
21 actually, into making these sort of things work. One is
22 about tour lengths, synchronising those. Another one is
23 about duty of care in terms of conditions and staff
24 security -- actually, we have unified duty of care.

25 THE CHAIRMAN: Sorry, couldn't catch a word, one is about ...

1 SIR SUMA CHAKRABARTI: One is about unifying tour lengths, and the
other is

2 about trying to unify terms and conditions around staff
3 security and duty of care. The latter has happened. So
4 FCO and DFID have the same standards.

5 BARONESS USHA PRASHAR: But what about skills? Because
6 I think we were told by colleagues -- I think it
7 was Martin Dinham who said about the importance of
8 interpersonal skills and team working. I mean, are there
9 lessons learned of the skills required?

10 SIR SUMA CHAKRABARTI: Yes. I mean, DFID gets enormous
11 credit round the world for its partnership working with
12 developing countries. It is seen by the OECD as sort of
13 top of the league in terms of partnership working with
14 developing countries. So it has quite a lot of strong
15 influencing and teamwork skills.

16 The -- you are absolutely right, within the UK
17 system we also need those skills across the piece to
18 make these sorts of ventures work well.

19 BARONESS USHA PRASHAR: But is it also a question of, when
20 you are sending people out, to make an assessment of the
21 kind of people required? So it is really both? How
22 much attention is paid, or do you send out people who
23 can volunteer and are available?

24 SIR SUMA CHAKRABARTI: I think it is a very good question.
25 I think what happened in 2003 was a bit more of the

1 latter, that we had to just get people on the ground, we
2 had to get people out there. There wasn't the sort of
3 rigorous assessment of skills and capabilities of
4 individuals in the way you described. We learned from
5 that, and, by the time I had left -- and I know even
6 more so now -- there is much more rigorous assessment of
7 people's skills.

8 These are very, very wearing conditions. I had
9 staff who, you know, were severely troubled by their
10 time in Iraq and we have to think about their resilience
11 upfront, actually, whether they can cope with these
12 situations, and that was built into later deployments of
13 staff.

14 BARONESS USHA PRASHAR: Can I now turn from human resources
15 to the financial resources? Because in your last
16 witness session you disputed the charge that DFID had
17 been reluctant to commit financially to Iraq, but
18 between 2003 to 2007, I think you spent something like
19 478 million. Was this enough in terms of the scale of
20 the task?

21 SIR SUMA CHAKRABARTI: Yes, it was enough. I think
22 resources is just not an issue. If you look at the size
23 of the UK reconstruction pledge, DFID has spent nearly
24 500 million, but all together, during my time,
25 £750 million was spent by the UK: the Madrid pledge, and on top of

1 that two extra allocations of 100 million each in
2 2006/2007.

3 This was an enormous amount of money, not least
4 because Iraq oil revenues were coming in in the
5 latter period. So it is quite striking, if you plot the
6 DFID resources in 2003/2004, Iraq was the number one
7 bilateral programme. It moved next year to being tenth,
8 and then it was eight and then it fell to eighteenth.
9 Still in the top 20, but by then, Iraq budgetary flows
10 going to the south were enormous.

11 So it would be perverse for the international donors
12 to be providing more sums than the Iraqi budget could
13 actually use. So there was basically a transfer between
14 the external assistance being very upfront and then the
15 Iraqi own funding taking over later.

16 There were consequences elsewhere because of this,
17 as Sir Roderic will know, because of the consequences for
18 Russia, as you know, but -- for some of the other
19 middle-income countries, but we put enough resources in.
20 I don't think that was a main issue.

21 BARONESS USHA PRASHAR: To secure this money, you told the
22 International Development Committee on 22 June 2004 that the
23 government chose to reallocate money from other
24 middle-income country projects to Iraq.

25 Did you try to secure additional money from the

1 Treasury to avoid having to take money from other
2 middle-income countries?

3 SIR SUMA CHAKRABARTI: We had discussions from the Treasury
4 but it was quite obvious to us that they weren't going
5 to give any more than they already had. I think last
6 time I described the Treasury -- the reserve claim had
7 come through. They had put some money in upfront, but,
8 after that, they said it is time to reprioritise.

9 So I should probably explain -- do you want me to
10 explain the reprioritisation?

11 BARONESS USHA PRASHAR: Yes, please. I want to know, was it
12 delegated out to you, was it a ministerial diktat,
13 I mean, how did it happen?

14 SIR SUMA CHAKRABARTI: In the end, it is ministers'
15 decisions. It worked like this: in 1997, the
16 government -- the new government came in and said its
17 mission was eradicating poverty. It no longer wanted
18 DFID to have the ODA's sort of multiple missions. It
19 wanted one mission.

20 It also said it believed in evidence-based
21 policy-making. So what did the evidence show? It
22 showed one pound of British aid had a greater impact in
23 reducing poverty in a low-income country than it does in
24 a middle-income country. That led to the government
25 adopting what is called the 90:10 rule; 90 per cent of

1 British bilateral aid to be spent in low-income
2 countries, 10 per cent in middle-income countries.

3 This was not just evidence-based, it was enormously
4 popular in the House of Commons and with the development
5 community. So when Iraq came along, there was a little
6 bit of an internal debate, "You know, clearly we have
7 much larger resources in the 90 per cent pot. Should
8 we actually take some money out of that and put it into
9 Iraq?"

10 Ministers decided, no, they were not going to do
11 that. There was obviously going to be a political
12 outcry if they did that in the House of Commons and in
13 the development arena, but, moreover, given the mission
14 they had given themselves to maximise development impact
15 on poverty, this would be perverse to do that.

16 So we had to look at reallocation within the
17 middle-income 10 per cent, and that meant closing some
18 programmes, graduating them earlier than we had expected
19 to do. That affected some programmes in Eastern Europe,
20 Central Europe, and also Latin America, and -- in order
21 to help finance the Iraq programme.

22 BARONESS USHA PRASHAR: So there was kind of a reallocation
23 based on particular criteria within the middle-income
24 countries?

25 SIR SUMA CHAKRABARTI: From my point of view as a civil

1 servant, this is actually ministers sticking to a policy
2 objective, being quite evidence-based about development
3 impact being the fundamental thing for the organisation
4 and showing it can be done, because it is actually quite
5 a good story for the period ahead on
6 reprioritisation and using a decision rule to do that.

7 BARONESS USHA PRASHAR: I think Sir Lawrence wants to come
8 in.

9 SIR LAWRENCE FREEDMAN: First, just a clarification. You
10 mentioned just how much was spent 2003/2004 and then it
11 dropped quickly. It really is quite a lot in 2003/2004,
12 £220 million.

13 SIR SUMA CHAKRABARTI: Yes.

14 SIR LAWRENCE FREEDMAN: Then it drops down to 60 million.
15 Could you explain why so much was spent initially and
16 why it dropped down so quickly?

17 SIR SUMA CHAKRABARTI: Initially because the Iraqi budget
18 wasn't functioning, so funds were not flowing through to
19 places like the south and others, and so we had to
20 basically -- it was almost like pump prime investment to
21 put money in to substitute for that lack of Iraqi local
22 finance.

23 Later, as oil revenues flowed and the Iraqi budgets
24 started performing, we were able to substitute,
25 obviously, their money for ours. That's essentially

1 what happened.

2 SIR LAWRENCE FREEDMAN: I'm just interested in terms of

3 budgeting, you would have only have known how much of

4 a problem that was as it occurred. So presumably you

5 were having to divert funds rather quickly.

6 SIR SUMA CHAKRABARTI: In the first year, of course, we had

7 the Treasury reserve.

8 SIR LAWRENCE FREEDMAN: So you were using the special

9 reserve?

10 SIR SUMA CHAKRABARTI: The reserve claim. We had

11 a contingency reserve within DFID as well, plus we

12 reallocated --

13 SIR LAWRENCE FREEDMAN: So the problem of reallocation is

14 after 2003/2004?

15 SIR SUMA CHAKRABARTI: Yes, a little bit in 2003/2004, but

16 particularly after that.

17 SIR LAWRENCE FREEDMAN: So you weren't getting money out of

18 the reserve after that?

19 SIR SUMA CHAKRABARTI: No, not to my memory, no.

20 SIR LAWRENCE FREEDMAN: Thank you very much.

21 BARONESS USHA PRASHAR: I think we also heard from the UK

22 military witnesses about the large volumes of US funds

23 which they accessed for reconstruction and Major General

24 Sir Jonathan Shaw said it was rather shaming that the

25 money for the Better Basra plan came from the Americans.

1 Do you think it was shaming? Do you agree with him?

2 SIR SUMA CHAKRABARTI: America is a richer country. I don't
3 think it is shaming. They were the senior partner in
4 this enterprise. They were able to produce larger sums
5 in the bank. I don't think it is shaming necessarily.
6 I think what is more interesting, generally, is: how
7 well is the money used? What is the impact of this
8 money? Just because I have got a bigger wallet than you
9 does not mean I am more impactful than you are, and it
10 is striking again in the evidence you heard, the
11 Inspector General's report on the American assistance.
12 A lot of it didn't have much impact, a sustained impact.

13 BARONESS USHA PRASHAR: Before I move on, I want to ask
14 a question about the lessons learned from Iraq on how
15 cross-government funding mechanisms were influencing the
16 cross-government cooperation delivery, because I think
17 Sir Mark Lyall Grant said to us this week that the joint
18 pools had been a failed experiment. What do you think?

19 SIR SUMA CHAKRABARTI: In my time there were two pools, the
20 global pool and the Africa pool. The Africa one worked
21 well; the global one did not. I don't think it was
22 actually a funding issue. Funding -- pooled funding
23 often helps.

24 My experience of most cross-government initiatives,
25 the thing that really brings them down or makes them

1 work is whether there is the unity of purpose point,
2 essentially. If you looked at the objectives of FCO and
3 DFID for Africa, you know, you might ask questions
4 actually as to why those two commands are separate,
5 because they have actually very similar objectives.

6 BARONESS USHA PRASHAR: We shall have an opportunity with
7 this issue this morning.

8 SIR SUMA CHAKRABARTI: Not surprisingly, therefore, I think
9 the Africa pool worked very, very well. They had very
10 similar views about what needed to happen in many
11 countries. The disputes were around Rwanda, early on.
12 Clare Short wanted DFID to be very strong in Rwanda, the
13 FCO weren't very interested. I think she proved to be
14 right on that one.

15 The -- you know, the global pool was quite
16 different. I'll give you a test case in the global
17 pool. Nepal. The global pool money was going to Nepal
18 and the three departments that were involved had
19 completely separate objectives for that. I'm
20 caricaturing a bit, but it isn't far off.

21 DFID thought the Maoists had a point, essentially,
22 because they were reflecting the views of rural
23 populations, in terms of what was needed. They thought
24 the government was not doing much for them. The FCO
25 thought the King had a point, because the FCO, for

1 years, had been involved in supporting the Royal Family
2 there, and the military were interested in the Gurkhas,
3 three completely separate approaches to this country,
4 and, not surprisingly, many years -- and Nepal now is
5 a much better story. I am sure the three departments
6 are very joined up now, but during my early time, it was
7 an example of how the global conflict pool wasn't
8 working, because it wasn't actually forging the unity of
9 purpose in the way the Africa pool had.

10 BARONESS USHA PRASHAR: Do you have any observations of the
11 kind of joint funding there might be in the future?
12 Because you have had experience of Treasury as well, so
13 it would be useful to hear any views on that.

14 SIR SUMA CHAKRABARTI: I think when you have things like the
15 Stabilisation Unit, it does have one budget, so that is
16 quite helpful, even if DFID is producing all of it, but
17 it is helpful that it is one budget, one budget line
18 that is going in there. As long as that is linked to
19 a single set of objectives, which are shared.

20 Generally, in my current job, for example, one of
21 the things that bedevils the criminal justice system in
22 the UK is separate objectives, separate budgets, not
23 much accountability across the services -- you know it
24 very well from your past too -- and a big question
25 I think we are facing is whether, at local level, we

1 should start pooling some budgets in the criminal
2 justice system in the same way to try and drive greater
3 unity of purpose.

4 BARONESS USHA PRASHAR: Can I now move to the question of
5 working with partners? You already said that money is
6 not everything, and, of course, you know, our
7 contribution compared to what the Americans did, and, of
8 course, Iraq's own money was very small.

9 What impact do you think we had compared to the huge
10 sums of money? I mean, where do you think we were able
11 to have the impact with small sums of money?

12 SIR SUMA CHAKRABARTI: I think the things that I would say
13 are probably likely to be most sustainable are some of
14 the work around capacity building, interestingly.

15 I think the infrastructure work has taken place, the
16 project has been completed, and I'm very proud of it
17 because it was difficult, but they are prone to the
18 security situation changing and so on.

19 The capacity building, unless we have another
20 madness like de-Ba'athification, should be much more
21 sustainable. So I am proud of the fact that for small
22 sums of money, relatively speaking, the Prime Minister's
23 office functions well in Iraq now, the
24 Ministry of Finance functions well. There is a lot
25 more -- its resource allocation criteria are followed.

1 That it is able to get resources linked to development
2 plans in the provinces. That is one of the things that
3 happened while I was there. It is much better.

4 The Provincial Council in Basra, I think Dr Shafik
5 mentioned its budget execution rate went up from nothing
6 to quite a lot.

7 BARONESS USHA PRASHAR: Yes, she did.

8 SIR SUMA CHAKRABARTI: It is quite striking how those sorts
9 of changes -- I think those are much more sustainable,
10 unless we remove all the people that have been trained
11 up to do that. I think that is very important for the
12 long-term future of Iraq.

13 BARONESS USHA PRASHAR: So what you are really saying is the
14 quality of the work rather than just the quantity?

15 SIR SUMA CHAKRABARTI: Yes.

16 BARONESS USHA PRASHAR: What lessons did you learn working
17 in an environment dominated by the US? I mean, any
18 observations? Because I know we were bedevilled in
19 terms of wanting to influence, but any observations you
20 want to have? Any -- what it was like working with the
21 United States?

22 SIR SUMA CHAKRABARTI: It was very difficult during that
23 administration and I think one of the questions that was
24 always in my head and other colleagues' heads around
25 Whitehall was whether it was just really about this

1 administration or whether there was something much more
2 historic happening in terms of the US.

3 I haven't really worked with the US much since 2007,
4 except in the justice field, where it feels it was
5 something about that administration that was quite difficult,
6 because we have quite good cooperation in my area now.

7 I think the question we never really asked ourselves
8 across Whitehall, which is one of the big lessons for me
9 in this, is, if we are going to be in a military
10 exercise with the Americans, we are always going to be
11 the junior partner. If that is the case, and we still
12 have shared accountability and responsibility, as
13 Andrew Turnbull put it, what's the level of power and
14 influence that would be acceptable, the minimum level,
15 before we take on this shared responsibility and
16 accountability? How low does the bar have to be before
17 we actually say, "I'm sorry, we just can't be with you,
18 because we haven't got any influence really"?

19 I think that's one -- I think the big issue for me
20 in this, that we haven't resolved, I think, as
21 a government and it is going to be an issue going
22 forward.

23 The other -- it is related to it -- we believed for
24 too long that our ways of influencing the Americans
25 would work, and we talked about that last time, but we

1 also believed that those in the American system who sort
2 of semi-agreed with us were influential, and they
3 weren't. Certainly, there are some sort of hard lessons
4 about ourselves in that, actually, and our ability to do
5 things and change things. A sort of self-awareness
6 issue.

7 BARONESS USHA PRASHAR: Self-awareness. Something about the
8 rules of engagement?

9 SIR SUMA CHAKRABARTI: Yes, I think so. I think the first
10 point I was trying to make, that, you know, you need to
11 be clear upfront about how much freedom of manoeuvre
12 have you got within this coalition where you are going
13 to be the junior partner?

14 There was, in the run-up to 1483, an attempt,
15 because the Attorney General was worried, we were
16 worried, Jack Straw had had this attempt to try and draw
17 up a Memorandum of Understanding with the US, to try and
18 create that space, which didn't go anywhere, but that's
19 the sort of thing we have to think about to try and
20 define ourselves.

21 BARONESS USHA PRASHAR: Can I move on to the Iraqi situation
22 itself? Because, in 2006, there was a sort of global
23 oil price hike and there was a lot of money.

24 What did you do to make sure that was wisely used?
25 Because we heard from Dr Shafik about corruption and it

1 being very low down in the -- the ratings on corruption.
2 How much were we concerned about corruption? What did
3 we do to make sure the money was properly used?

4 SIR SUMA CHAKRABARTI: We considered about corruption in two
5 aspects really. One is corruption relating to
6 programmes we were financing directly ourselves, and the
7 other is corruption in the Iraqi system as such.

8 She discussed with you, so I have repeated, the
9 sort of thinking in DFID about systemic corruption and
10 so on, and what to do with that. So we applied some of
11 those lessons in the Iraq case, tried to work on the
12 public financial management systems, and the
13 Ministry of Finance in particular, tried to work on the
14 criteria by which resources would be allocated, the sort
15 of things we would expect our Treasury to do. But it is
16 quite a long-term task that, as well, to try and build
17 up those systems of checks and balances within
18 a ministry. Corruption on our own programmes, as
19 I think, Mr Dinham said, we reacted very fast to stop --
20 I think there were seven projects in the employment
21 generation programme that were subject to corruption and
22 we tried to stop those immediately. And the NAO,
23 in April 2007, before I left, gave us a very clean bill
24 of health actually.

25 DFID is actually very good on financial management.

1 That is one of the other things that it has a tradition
2 of being rather good at. So our own programmes I wasn't
3 so worried about, it is the longer-term issue about what
4 you do about the Iraqi system to root out corruption and
5 corrupt practices. That is the issue.

6 BARONESS USHA PRASHAR: Was there any input from the
7 Treasury on this issue of oil and so on?

8 SIR SUMA CHAKRABARTI: Yes, the Treasury were very much
9 involved on all the reforms around the
10 Ministry of Finance and the budget management processes.
11 They were very important.

12 BARONESS USHA PRASHAR: On the question of the World Bank
13 now, I think we discussed the importance of getting the
14 World Bank engaged in Iraq, and I thought that Dr Shafik
15 made an interesting point when she said that the
16 reluctance was due to the wider political legitimacy
17 question around the whole endeavour.

18 Looking back, do you think that was the main
19 obstacle to the World Bank's engagement, or were there
20 other reasons?

21 SIR SUMA CHAKRABARTI: That's one of the reasons. There are
22 multiple reasons here, it seems to me. I am a great fan
23 of the World Bank. I worked in the UK office of the
24 World Bank in the late 1980s. I think it is a fantastic
25 organisation. It did not do well on Iraq.

1 BARONESS USHA PRASHAR: Why is that?

2 SIR SUMA CHAKRABARTI: I think for a number of reasons.

3 First of all, like the UN, initially after the decline
4 in security at the Canal Hotel bombing, the World Bank
5 international staff left, but that was still --
6 Jim Wolfensohn was still the President then, and he was
7 still very -- he tried to be very helpful. Very close
8 to Clare Short, very close to me. I knew him well. We
9 were trying to work on this, trying to get the
10 World Bank involved. So they still stayed involved in
11 a needs assessment exercise. Madrid was a success
12 partly because of them.

13 The story then runs on, because Paul Wolfowitz
14 becomes the World Bank President. That created all
15 sorts of tensions in the World Bank board, a feeling
16 that he was going to pursue a policy, an American
17 policy, in Iraq. The staff in the bank reacted to that,
18 I think, they were very worried about the board. They were not
19 very happy themselves with Paul Wolfowitz as President
20 anyway, and we got this sort of vicious circle whereby
21 there was money in the World Bank trust fund to be spent
22 and it just wasn't going out of the door.

23 We tried all sorts of things, high level contacts
24 and countless meetings with the World Bank senior staff.
25 We even offered a space in the DFID wing of the British

1 Embassy in Baghdad for the World Bank to come and sit
2 there, so they would have the security of British forces
3 and so on. They weren't taken up during my time. It
4 was a great disappointment to me.

5 BARONESS USHA PRASHAR: So there were political and
6 practical --

7 SIR SUMA CHAKRABARTI: Political and practical, and I think
8 Mark Lowcock and Dr Shafik mentioned this as well.
9 I think the other issue is about: what is the
10 World Bank's role in post-conflict situations?

11 Because the World Bank was really set up for
12 longer-term development, despite having the "R" in its
13 title, IBRD, the "reconstruction", it is much more about the
14 "D" bit. We have been stressing to the bank since the
15 mid-90s that it should get into back into doing more of
16 the "R", if you like, and it has, on certain occasions,
17 done that in East Timor, and so on, but it struggles
18 with that, partly because, unlike the DFID, it is not
19 a decentralised and delegated organisation; it is a
20 Washington organisation. You do not go up the
21 World Bank hierarchy very easily, if you have served in
22 the field, where, unlike the DFID and the Foreign
23 Office, that is the way you make your way up, actually.

24 BARONESS USHA PRASHAR: Dr Shafik said it is a co-operative
25 with shareholders.

1 SIR SUMA CHAKRABARTI: Yes, and I thought it was a quite an
2 interesting way of looking at it. Yes, we are one of
3 many shareholders, but we are a very important
4 shareholder, nevertheless.

5 BARONESS USHA PRASHAR: How much influence do you exert by
6 being an important shareholder?

7 SIR SUMA CHAKRABARTI: Generally, we exert a lot of
8 influence. If you look at last 12 or 13 years, the
9 World Bank, I would say, some countries feel, other
10 shareholders in this co-operative would feel, has gone
11 beyond the bounds of what it should have done, in terms of
12 supporting UK development initiatives.

13 It has been a very, very close relationship,
14 particularly when Jim Wolfensohn was President, but even
15 now, it is pretty close and the staff are very close,
16 Dr Shafik herself is an ex-World Banker. Masood Ahmed,
17 who was -- who was one of my other directors who were
18 ex-World Bank. So the relationship was very close. But
19 this was not its finest hour.

20 BARONESS USHA PRASHAR: Can I move on to the question of the
21 NGOs and their engagement, both the Iraqi and
22 international NGOs engaging? Did it matter to DFID that
23 they were not able to engage as effectively as they
24 could have done?

25 SIR SUMA CHAKRABARTI: It mattered, but it was a reality we

1 had to face. Pretty much -- I was looking at the
2 figures on funding for NGOs, and pretty much after
3 2004/2005, it sort of petered out because the security
4 situation became so difficult for the international
5 NGOs; there were kidnaps of NGO staff and so on. They
6 stopped operating.

7 It mattered because the thing NGOs do, which DFID,
8 in its modern guise, does not do, really, is much more of
9 the fieldwork. So DFID operates much more at the policy
10 level of state building particularly, and the NGOs
11 operate much more at the local field level. That sort
12 of knowledge and experience applied to those are very
13 important to make the policies work well. So it matters
14 that they weren't there.

15 But the reality of the security situation was such
16 that the international NGOs, not just British ones, were
17 not comfortable.

18 BARONESS USHA PRASHAR: But you didn't do any capacity
19 building with local NGOs through DFID?

20 SIR SUMA CHAKRABARTI: I think from memory that would have
21 come through in a couple of programmes, the employment
22 generation programme and the political participation
23 fund. As part of that there probably was some sort of
24 capacity building that the smaller organisations were
25 helped with, but --

1 BARONESS USHA PRASHAR: But not very extensive?

2 SIR SUMA CHAKRABARTI: Not very extensively, no.

3 BARONESS USHA PRASHAR: Let's move on to some of the final
4 questions that I want to get on to.

5 You left your post in December 2007, and in addition
6 to what you have said already and shared with us, what
7 do you think DFID had achieved in Iraq by that point and
8 what were the Iraqis telling us?

9 SIR SUMA CHAKRABARTI: I think we had -- I mean, in broad
10 terms, the infrastructure projects had started to
11 deliver. So power and water supplies were more regular,
12 more frequent in the south. That was a lot better than
13 what we had inherited. The governance and capacity
14 building, both in Basra and in the centre, had started
15 to pay off. We talked about the Provincial Council
16 being able to stand on its own two feet and central
17 ministries beginning to function much better.

18 I think the links between the south and the centre,
19 DFID was critical for, which I mentioned before about
20 the budgetary allocations. I think that was very, very
21 important. Humanitarian relief in 2005 and 2007 had been
22 successful. And the focus, I guess, as I was leaving,
23 was really to finish off some of those infrastructure
24 projects in good order. I think to work even more on
25 the capacity of the centre on resource allocation was

1 very, very important. There was the Basra Investment
2 Commission to establish, as I was leaving, I think, and
3 getting a more effective Basra PRT was very, very
4 important.

5 For the sort of nine months/a year before I left,
6 that whole 2007 period, particularly when Hilary Benn
7 was there, he and I were discussing the idea of DFID
8 staff in Basra exiting with the military. That was what
9 we were talking about, and really focusing more then on
10 the centre only.

11 BARONESS USHA PRASHAR: What would you say was the legacy of
12 Iraq for DFID in terms of its relationship with
13 Whitehall, with key partners like the World Bank and, of
14 course, other countries?

15 SIR SUMA CHAKRABARTI: I'll take each of those in turn, if
16 I may. I think with the World Bank the issue really is
17 about what is the bank's role in these sort of events
18 and what is its role vis a vis the UN, who really should
19 be leading on this, particularly UNDP. I think there is
20 a big undecided issue there about who really takes the
21 lead, the UNDP people or the bank people in
22 post-reconstruction.

23 I think the other part of it is to push the bank to
24 actually delegate more power to the field in the way
25 that the Foreign Office and DFID manage.

1 Within Whitehall, the relationships -- and I have
2 been struck by the evidence. It is a perception one has
3 to deal with, that the relationship between the
4 Foreign Office and DFID was actually quite strong
5 throughout this period, and the relationship with the
6 military goes through phases; bad at times, good at
7 times. So that's quite interesting in itself.

8 I think it is quite important for me to say this,
9 because I'm probably in a better position to say this
10 than anyone else, because I worked in the domestic
11 policy area as well as the international.

12 You know, I think some of the things that were said
13 about relationships on the international side, you know,
14 things are far worse sometimes on domestic policy.
15 Again, going back to the criminal justice agencies, if
16 you look at the data around how often they diss each
17 other, frankly, compared with what the Foreign Office,
18 DFID and MoD do, I think relationships are stronger
19 sometimes on the international side.

20 But there are -- undoubtedly, in this area, we have
21 learned some lessons about joining up between the three
22 departments, which is very, very important. That came
23 through in the capability reviews as well of the
24 department, and they are being addressed. So I'm very
25 pleased with that.

1 BARONESS USHA PRASHAR: Do you think it is kind of
2 percolating down, because in a way it is not just the
3 mechanisms you set up? Do you think the mindset is
4 changing, the cultural context is changing? Is this
5 something that will be sustained or fizzle out once Iraq
6 is off the agenda?

7 SIR SUMA CHAKRABARTI: I think from what I saw from when
8 I was leaving, and now, people are you know, at all
9 levels, very, very committed to making these things
10 work, and, of course, there is generational change that
11 has been going on in these departments. So people are
12 not so hung up about the pre-1997 situation in the two
13 departments. The divorce between the Foreign Office and
14 DFID is a long, long time ago now, and a whole
15 generation of people have gone into senior positions
16 since then, who have grown up working together quite
17 harmoniously.

18 So I'm actually quite positive about the future and
19 I think it goes quite a long way down in the departments
20 now, in the field. Even when I was there, you could see
21 people working very closely together in countries where
22 there would have been more difficulties before.

23 I will give you one very concrete example of this:
24 climate change work in India. In the past, I think
25 there would have been quite a turf war as to who should

1 lead on this. Because DFID had the technical expertise,
2 the Foreign Office would have the sort of international
3 negotiating expertise and would want talk to the Indians
4 about international negotiations. It just wasn't an
5 issue. We just put together a joint team in-house,
6 actually in the Foreign Office, in the post in the High
7 Commission, and that worked very, very well.

8 Michael Arthur, who was the High Commissioner at the
9 time -- and I talked about it and it was no problem.
10 I think things have just scrolled forward, frankly, and
11 infused the two organisations. In my time, there was
12 a DFID/FCO closer working action plan, because we needed
13 it to make sure some of these joins were being done
14 better.

15 BARONESS USHA PRASHAR: Thanks very much.

16 THE CHAIRMAN: I'll just check if any of my colleagues have
17 questions. Roderic?

18 SIR RODERIC LYNE: A quick one on the relationships. You
19 said they were very difficult up until 2003. How much
20 of this -- you probably heard what Alastair Campbell
21 told us the other day -- stemmed from difficult
22 relationships at the very top?

23 SIR SUMA CHAKRABARTI: I think what Alastair Campbell said
24 was unworthy, actually. He talked about Clare Short
25 being untrustworthy and so on.

1 SIR RODERIC LYNE: He didn't directly say that. It was
2 implicit rather than explicit.

3 SIR SUMA CHAKRABARTI: Okay, but I think the implication is
4 quite clear and I thought it was extraordinary really,
5 because Clare Short, after all, had supported military
6 interventions in other places. So she wasn't someone
7 who was against military intervention, but she disagreed
8 with this one, there is no doubt about that, and I think
9 it is bad management practice generally to exclude from
10 discussions those who disagree with you. You don't get
11 your arguments tested enough, and you also then don't
12 find the collective buy-in, actually, that you might
13 get.

14 SIR RODERIC LYNE: Was this a result of way in which, over
15 the preceding six years -- the approach she had taken to
16 establish a very independent role for DFID, sometimes
17 almost separate from the government as a whole, do you
18 think?

19 SIR SUMA CHAKRABARTI: What are the examples of her taking
20 a role that's very separate? After all, the government
21 itself -- it is the government's position that DFID
22 should be created. That it should have the mandate it should
23 have. It was the government's position to create the
24 international development department. These were not
25 Clare Short-only positions, these were government

1 positions.

2 SIR RODERIC LYNE: But this did percolate downwards. Let's
3 leave aside the question of who is to blame for this.
4 Functionally, it did affect the ability of the
5 department to cooperate in that period that you have
6 described as one of difficult relationships between
7 departments?

8 SIR SUMA CHAKRABARTI: As I said, I think, in the last
9 hearing, I think there are very few cases I can think of
10 when it was difficult to co-operate because there were
11 disagreements. I mean, there were cases like the BAe
12 Tanzania case.

13 SIR RODERIC LYNE: I am thinking specifically of Iraq.

14 SIR SUMA CHAKRABARTI: In the Iraq case, I think not so
15 much. As I said, I think the problem was that we
16 weren't involved, as I said in my evidence before, in
17 the run-up to the war in discussion about the 2001
18 strategy.

19 We weren't -- and that was -- it wasn't the only
20 case, I think, where DFID wasn't involved in government
21 strategy when it should have been. So I think on both
22 sides, on those instances where DFID wasn't involved,
23 there were issues on both sides, in terms of involving
24 all those who had locus.

25 SIR RODERIC LYNE: On the Better Basra plan you have said

1 that it was fair enough for the Americans to put the
2 money in because they are a much richer country, they
3 have fatter wallets, but we had actually taken
4 responsibility for the four provinces in the south-east
5 of Iraq, and at one stage, your then Secretary of State
6 and the Prime Minister had discussed the idea of making
7 an exemplary job there.

8 Shouldn't we have been more prepared to put some
9 money into the quick impact and early projects at a time
10 when it was needed?

11 SIR SUMA CHAKRABARTI: In the quick impact projects the
12 Treasury financed MoD directly. DFID was not
13 the financier for the quick impact projects, and from
14 what I had could see, the MoD were not short of money
15 for the quick impact projects.

16 I really don't think the financing of those projects
17 or the emergency infrastructure programme that followed
18 was an issue, actually. The security situation was
19 certainly an issue in terms of implementing it.

20 SIR RODERIC LYNE: That applies to the Better Basra plan,
21 does it?

22 SIR SUMA CHAKRABARTI: Yes, I agree -- I think the
23 resourcing thing was not the issue that some have made
24 it out to be. I think security trumps that in terms of
25 delivery.

1 THE CHAIRMAN: Martin? No.

2 Well, this has been a useful and, indeed, a valuable
3 session. Thank you. Any final reflections before we
4 close?

5 SIR SUMA CHAKRABARTI: I have talked about the US. I think
6 there were two other things that I did just want to
7 bring out, I suppose, looking back on the evidence
8 I have given and others have given really.

9 One is about British Government co-ordination, which
10 has been touched on a number of times. I do -- you
11 know, I have worked in the Cabinet Office, I have run
12 the secretariat, the economic and domestic one. I really do
13 think it is important that we consider the
14 importance of Cabinet Committees and receiving proper
15 support from the Cabinet Secretariats, able to consider
16 options, able so that departments feel that this
17 Secretariat is really working for the government as
18 a whole and not just for the Prime Minister's office.
19 That's very, very important.

20 I think the lead minister issue we discussed as
21 well. So I'll leave that as it is.

22 The last point is that I think there has been quite
23 a lot of learning across Whitehall about post-conflict
24 reconstruction and recovery phases. I think the country
25 ownership issue is very, very important. Who is in

1 charge here? Whose fortunes are you deciding? By what
2 criteria? I think giving local people essentially the
3 leadership of this is really important on this and
4 taking much longer timescales as well as integration,
5 doing the integration earlier than we did in Iraq, but
6 giving much longer timescales to make that happen.

7 THE CHAIRMAN: Thank you very much. I thank our witness and
8 I thank those of you who have been in the audience this
9 morning. We will close this session now and resume
10 again with Sir Nicholas Macpherson at 11.30 am. Thank
11 you very much.

12 (11.20 am)

13 (Short break)

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