

1 (4.00 pm)

2 SIR PETER RICKETTS

3 THE CHAIRMAN: Good afternoon and welcome and welcome to our  
4 witness. At this session we are hearing from  
5 Sir Peter Ricketts, the Permanent Secretary at the  
6 Foreign and Commonwealth Office. You have appeared  
7 before us in other capacities already, but this time it  
8 is essentially Sir Peter's role in leading the FCO's  
9 handling of Iraq issues from when you took office  
10 in July 2006, I think.

11 SIR PETER RICKETTS: July 2006, yes.

12 THE CHAIRMAN: Including the provision of advice to  
13 ministers, co-ordination between key government  
14 departments and staffing and resource questions.

15 Now, at the risk of unnecessary repetition, I do say  
16 two things before every session: we recognise that  
17 witnesses are giving evidence based in part on their  
18 recollection of events, and we are, of course,  
19 cross-checking what we hear against the papers to which  
20 we have access.

21 I remind each witness that they will later be asked  
22 to sign a transcript of the evidence to the effect that  
23 the evidence given is truthful, fair and accurate.

24 If I can started straight away with  
25 Baroness Prashar. Usha?

1 BARONESS USHA PRASHAR: Thank you.

2 Sir Peter, can you just explain to us your main  
3 areas of involvement on Iraq as Permanent Secretary at  
4 the FCO? How much time did you spend on Iraq?

5 SIR PETER RICKETTS: Certainly. When I arrived  
6 in July 2006, we had in the senior official chain  
7 John Sawers, whom you have had evidence from, who had  
8 been the British representative to the coalition  
9 authority before, who is an expert on Iraq, and we had  
10 below him Simon MacDonald, the director, whom you have  
11 had evidence from. So the policy advice was coming from  
12 people who knew a great deal about Iraq. I saw my role  
13 primarily as keeping a very close eye on the safety and  
14 security of our staff and of our operations in Iraq and  
15 a broad oversight of the advice that was going to  
16 ministers.

17 BARONESS USHA PRASHAR: Were you at all personally involved  
18 in the development of policy? You were giving advice,  
19 but in terms of the development of policy, were you  
20 personally involved in that?

21 SIR PETER RICKETTS: Not deeply in the early stages, no.  
22 I visited Iraq before I took up the job, so I was in  
23 Basra and Baghdad in April of 2006. I was aware of the  
24 situation on the ground, but I didn't get deeply  
25 involved in the early months because I had these deep

1 experts in the policy chain.

2 BARONESS USHA PRASHAR: Is that how it has remained? You  
3 didn't get involved at the early stages, but what about  
4 now?

5 SIR PETER RICKETTS: It is varied. I have tended to get  
6 involved at moments where I thought there were key  
7 decisions, particularly for the FCO and on the foreign  
8 policy side. I visited Iraq twice further in this job  
9 and at each point at that stage I have come back and  
10 given advice to the Foreign Secretary.

11 BARONESS USHA PRASHAR: Can you just tell me what those key  
12 stages were?

13 SIR PETER RICKETTS: I paid a visit with my MoD and DFID  
14 counterparts in December 2007, just at the time when the  
15 local politicians in Basra were coming up with their  
16 platform, including the JAM militias, which led on  
17 eventually to the provincial elections, and we visited  
18 again, all three of us, in February of 2009 just after  
19 the provincial elections in the south.

20 So that gave me some deep opportunities to look at  
21 the situation in Baghdad and Basra. Between them,  
22 I followed the policy debate rather than was deeply  
23 involved in it.

24 THE CHAIRMAN: Could I ask one thing, Sir Peter, which is,  
25 when you have a change in key personnel up and down the

1 line, that would perhaps draw in the Permanent Secretary  
2 more for a bit. Is that also something that happened?

3 SIR PETER RICKETTS: Yes, absolutely, and whenever the  
4 Foreign Secretary wanted a second opinion from me,  
5 I would, of course, very willingly give it, and I often  
6 attended office meetings in which the policy advice was  
7 being debated.

8 BARONESS USHA PRASHAR: So what you are really saying is you  
9 leave it to your advisers, people with direct  
10 responsibility and you keep an overview of policy  
11 development. Would that be an accurate summary?

12 SIR PETER RICKETTS: That would be an accurate summary, and  
13 I particularly took an interest in the corporate issues,  
14 the personnel issues, the resource issues, the  
15 reputational issues for the FCO in our involvement in  
16 Iraq.

17 BARONESS USHA PRASHAR: When you took over in July 2006,  
18 what were the government's objectives in Iraq at that  
19 time?

20 SIR PETER RICKETTS: I think the two primary things that  
21 were on people's minds, one was the security situation,  
22 particularly in Basra, given our military deployment  
23 there, but the situation across the country, and the  
24 second was the arrival of the new Maliki government, his  
25 national reconciliation programme and the initial steps

1           that we were all encouraging the government to take  
2           towards reconciliation. Those were the two dominant  
3           trends.

4 BARONESS USHA PRASHAR: You thought we were clear of the  
5           direction in which we were going?

6 SIR PETER RICKETTS: We were clear in what we wanted to  
7           happen, which was to see the Maliki government become  
8           genuinely a national Government of Iraq with all the  
9           three communities working together, and, yes, we were,  
10          of course, extremely keen to see the Baghdad security  
11          plan begin to deliver security in Baghdad more widely,  
12          and in the south I think we were gearing up for  
13          Operation Salamanca, which you heard of from the Chief  
14          of the Defence Staff yesterday.

15 BARONESS USHA PRASHAR: But John Jenkins, when he came to  
16          give evidence, said to us that it was very difficult to  
17          produce a sensible strategy until we had assurance on  
18          security in Iraq. Do you think that's fair?

19 SIR PETER RICKETTS: I think if you mean a long-term  
20          strategy reflecting on British objectives and the  
21          directions we want the country to go in, yes, it is  
22          difficult to do that when the urgent security issues are  
23          so dominant and it wasn't really until the security  
24          situation significantly improved towards the end of 2007  
25          that the FCO was able to take on our classic role,

1 I think, of looking at the whole of the country and  
2 a longer-term strategy. I think that is fair.

3 BARONESS USHA PRASHAR: Since you have been in post, how  
4 have you continued to assess the effectiveness of the  
5 FCO's action in Iraq, because there must be some kind of  
6 mechanism through which you analyse whether you are  
7 achieving the objectives that you have set.

8 SIR PETER RICKETTS: We have our own internal mechanisms of  
9 business planning to ensure that the resources that we put into the  
embassy and the  
11 consulates in Basra and Erbil are achieving what we want  
12 them to do, yes.

13 BARONESS USHA PRASHAR: What is your assessment as of now?

14 SIR PETER RICKETTS: As of now? Obviously their capacity to  
15 operate across the country is increasing. The security  
16 situation enables the embassy to be more active. We now  
17 have our own aircraft that allows the Ambassador to fly  
18 around, so the capacity for him to visit Baghdad and  
19 Erbil has got better. In Basra, they are able to get  
20 out and about in the city more than they used to. So  
21 the capacity to have real impact is increasing.  
22 Although still not by any means normal.

23 BARONESS USHA PRASHAR: Our initial objective was to kind of  
24 leave a stable, democratic Iraq. In terms of those  
25 broader strategic objectives, are you making that kind

1 of assessment? It is not just in terms of your own  
2 ability to operate, but what is happening across Iraq.

3 SIR PETER RICKETTS: I think it is too soon to say we have  
4 achieved the objectives of a stable and democratic Iraq,  
5 but, as I hope we can go on to discuss, I think there  
6 are real signs of progress in the political area, we are  
7 now coming up towards elections in March, which will be  
8 an opportunity for a serving President of an Arab  
9 country to represent himself for elections. That  
10 doesn't happen very often.

11 In the economic area, BP signed a deal with the  
12 Iraqi Oil Company for a 27 billion, 20-year project in  
13 the south. In the security area, we have had another  
14 very bad suicide bombing yesterday, but the overall  
15 trend of security incidence is down. So I think on all  
16 the indicators progress is being made, but I would  
17 certainly not say we are there yet.

18 BARONESS USHA PRASHAR: Obviously security was kind of  
19 a main obstacle to achieving some of our objectives,  
20 other than that, were there any obstacles to achieving  
21 our objectives in Iraq?

22 SIR PETER RICKETTS: Well, the security situation indeed was  
23 a -- and continues to be a major inhibition. The fact  
24 that we can't get around the country as we can in other  
25 countries is clearly a problem. The sheer cost of

1 operating in Iraq is a problem, the fact that we have to  
2 have the guard forces, the close protection, the life  
3 support arrangements --

4 BARONESS USHA PRASHAR: That continues to be the case?

5 SIR PETER RICKETTS: It continues to be an issue, of course.

6 It remains a very, very high cost area to operate. But  
7 we have learned over the years to do our best to  
8 overcome those obstacles and still be able to do useful  
9 work despite them.

10 BARONESS USHA PRASHAR: Looking back over the time that you  
11 have been Permanent Secretary, do you think the  
12 timescales were realistic in terms of what we wanted to  
13 achieve over that period?

14 SIR PETER RICKETTS: I think if I look back to the period of  
15 2006, when I visited in April 2006 to Basra Palace, we  
16 had a Queen's birthday party and we were mortared during  
17 the party, we all took shelter. We were mortared for  
18 most of the rest of the night and that was the daily  
19 life of the consulate. I learned what incoming fire was  
20 all about there.

21 I went up to Baghdad and they had incoming fire into  
22 the Green Zone. They were still operating in flak  
23 jackets and helmets. If you look back to that period,  
24 where the Maliki government looked like it was not  
25 dealing well with the intercommunity pressures, they

1           were not getting laws through the Council of  
2           Representatives, from there to here, I don't think the  
3           progress has been bad at all. We probably did  
4           underestimate how long it would take to get on to a path  
5           of more stability and increasing economic growth, but  
6           I think we are now getting there.

7   BARONESS USHA PRASHAR: Thank you. I would now like to move  
8           on to about how different government departments have  
9           worked together on Iraq, because we were told that what  
10          the UK suffered from was lack of unity of purpose and  
11          unity of command. To what extent has that been your  
12          experience across Whitehall?

13   SIR PETER RICKETTS: It hasn't been my experience. Since  
14          2006, we have made a real effort to work closely  
15          together, particularly between DFID, FCO and MoD, and  
16          I know you have had evidence from DFID colleagues on  
17          that.

18   BARONESS USHA PRASHAR: From your point of view, military  
19          and civilian actors have been working well together --

20   SIR PETER RICKETTS: Yes, I think increasingly so.

21   BARONESS USHA PRASHAR: -- and not pulling in different  
22          directions?

23   SIR PETER RICKETTS: No, I don't think so, and I think it  
24          has been driven by having people together on the ground.  
25          The most powerful driver for Whitehall to work together

1 is to have our staff working together in Basra, under  
2 fire together, taking the risks together. That has  
3 driven joint working and, as the Permanent Secretaries,  
4 the three of us have met pretty well every month, we  
5 have travelled, as I say, twice to Iraq, we've travelled  
6 three times to Afghanistan, we have made a real effort  
7 to demonstrate from our level to our organisations that  
8 this is a joint endeavour and behind it a joint agreed  
9 strategy.

10 BARONESS USHA PRASHAR: Demonstrating is one thing --

11 I mean, that's true, the evidence we have had from  
12 witnesses, is that on the ground, in very difficult  
13 circumstances, they have made it work and it has been  
14 a joint endeavour and they have overcome some of the  
15 difficulties, but in terms of the Whitehall  
16 co-ordination, it is one thing think to demonstrate it,  
17 but do you think you have the capacity and the machinery  
18 where there is a unity of command, where there are  
19 strategic objectives that have been pulled together?

20 SIR PETER RICKETTS: I think in my time in this job that has  
21 been the case, yes. Of course, the departments don't  
22 always agree and you wouldn't want them always to agree,  
23 but they disagree in a structured way around a table and  
24 they hammer out proposals that go to ministers and there  
25 is then a policy laid down.

1 I have seen over this period a series of moments  
2 where Prime Ministers -- because Prime Minister Blair  
3 did it in February 2007, Prime Minister Gordon Brown has  
4 done it on a number of occasions since then, where  
5 policy has been laid down at Prime Ministerial level  
6 reflecting a lot of debate and discussion and challenge  
7 and test among officials in the official structure, but  
8 that seems to me to be working, yes.

9 BARONESS USHA PRASHAR: To give an example, military  
10 drawdown in the south-east, did that have an impact on  
11 what the FCO's ambitions and plans were, because --  
12 I mean, was there a co-ordinated approach or was there  
13 something which was determined separately in terms of  
14 the drawdown?

15 SIR PETER RICKETTS: Absolutely, it had direct effects on  
16 us. In the first place, in terms of the safety of our  
17 operation in the Basra Palace. When it became clear  
18 that the armed forces would in due course be moving out  
19 of the Basra Palace in the centre of Basra, and that  
20 became increasingly clear in the latter part of 2006,  
21 I was clear that our consulate had to either shut and go  
22 back to Baghdad or operate out of the air station.

23 So we, in a co-ordinated way with the military,  
24 planned that our operation moved back to the air  
25 station. I think they moved in March of 2007, in

1           advance of the military, because the military decided to  
2           stay on longer, but we had a co-ordinated strategy of  
3           repositioning our various people and assets back to the  
4           airfield.

5 BARONESS USHA PRASHAR: Was the timetable discussed with you  
6           or did you have to respond to the timetable given to  
7           you, and did you agree with the timetable for the  
8           drawdown?

9 SIR PETER RICKETTS: It certainly was discussed with us.  
10          I mean, this was all discussed very openly. We made our  
11          own decision that we would move the consulate back to  
12          the air station in March of 2007. In fact, the military  
13          decided that they would stay on longer in Basra Palace,  
14          but in conditions where we judged it was not reasonable  
15          to ask civilians to serve, so we stayed with our  
16          decision to move in March, but that was all discussed  
17          entirely, yes, openly in Whitehall.

18 BARONESS USHA PRASHAR: So you were in agreement with the  
19          speed of transition of the UK military to Iraqi security  
20          forces?

21 SIR PETER RICKETTS: I didn't formulate an opinion on that.  
22          That was a military judgment about the reposturing in  
23          the south. I fully understood that it reflected the  
24          wishes of Prime Minister Maliki, that it reflected  
25          increasingly the wishes of the local armed forces,

1           General Mohan and his people, and we had no reason to  
2           object to it. We needed to posture ourselves, taking  
3           account of the way that the military were organising  
4           themselves.

5   BARONESS USHA PRASHAR: I think it was Mark Lyall Grant who  
6           explained to us how the FCO took more of a leading role  
7           on UK strategy for Iraq during 2007/2008. Do you think  
8           the FCO should have had a leading role earlier than  
9           that?

10   SIR PETER RICKETTS: I think it is natural in Whitehall, and  
11           I have seen it in many crises, that in a period of  
12           combat operations, the Ministry of Defence will clearly  
13           have a very leading role in policy-making, not the only  
14           role, the FCO will always be involved, but where there  
15           are large numbers of British forces engaged in combat  
16           that is always going to be a very significant part of  
17           the policy-making debate.

18           As the combat operations wind down, so the FCO's  
19           role in overall strategy rises again and I think you saw  
20           that from the time of David Miliband's visit to Iraq  
21           in December 2007. Increasingly, the emphasis was on the  
22           whole of Iraq strategy, not just a Basra strategy, and  
23           a political strategy rather than just a military one,  
24           but that seems to me to be the normal ebb and flow of  
25           the way Whitehall works.

1 BARONESS USHA PRASHAR: Now they are moving towards a proper  
2 bilateral relationship with Iraq, you know, what sort of  
3 support are we giving the Iraqi government and what is  
4 our strategy now?

5 SIR PETER RICKETTS: You are right to point towards that.  
6 We visited in February 2009 and already by then the  
7 strand of the visit was a broad-based relationship  
8 between Britain and Iraq with Iraqi ministers  
9 increasingly interested, not just in the sort of  
10 political military support that we had been giving them,  
11 but building up governance, helping the British  
12 investors come in, cultural links to the  
13 British Council, educational links, scholarships for  
14 Iraqi students and a restoration of normal relations  
15 between two countries. The FCO, of course, is centrally  
16 involved in that. So the agenda has broadened a lot  
17 although the security assistance to Iraq continues to be  
18 important and we are engaged in all of that.

19 BARONESS USHA PRASHAR: Are we actively working with other  
20 partners, like the United Nations and the EU, in working  
21 issues like governance and capacity building?

22 SIR PETER RICKETTS: Absolutely. I think one of the roles  
23 that the FCO has played throughout the period, even in  
24 the period where the military security issues were  
25 dominant, is in trying to encourage into Iraq the

1 World Bank, the UN, the EU, NATO, for the training  
2 mission, to internationalise as far as possible the  
3 support effort in Iraq and that has been a constant  
4 theme of ours.

5 BARONESS USHA PRASHAR: Thank you.

6 THE CHAIRMAN: Thank you. I would like to ask Sir Martin to  
7 take up the questioning. Sir Martin?

8 SIR MARTIN GILBERT: I would like to ask about staffing and  
9 personnel.

10 In your early months as Permanent Secretary the  
11 security situation deteriorated significantly,  
12 particularly in Basra. Most of the civilian staff were  
13 withdrawn. What was the FCO staff on the ground able to  
14 do effectively in the circumstances in which you  
15 yourself have described?

16 SIR PETER RICKETTS: Well, on my three visits --

17 I mentioned April 2006, where we were able to be in  
18 Basra palace, we had large numbers of Iraqi local  
19 leaders in for the Queen's birthday party, which was  
20 then disrupted with mortar fire. When I went back in  
21 December 2007, we were back at the Basra air station,  
22 security was still not good. It was difficult for the  
23 civilians to be able to get out from the air station  
24 back down into Basra town, but nonetheless they were  
25 able to have the politicians back in to the air station

1 and we had a long meeting with the very politicians who,  
2 I think, the next day, set out their 4 December  
3 platform, including the JAM militias which led on to --  
4 eventually to the provincial elections.

5 When I went back in 2009, in February, we were able  
6 to walk down the main street in Basra, have lunch with  
7 the newly elected provincial leaders in the mosque and  
8 see that political life was very much back in being and  
9 that the consulate was deeply involved. So at every  
10 stage, by different means, sometimes by Iraqi  
11 politicians coming to us and by telephone links and  
12 things like that, we were able to maintain contact with  
13 the political players in Basra and, I hope, continued to  
14 have influence towards political settlement to their  
15 differences. I don't think that ever stopped. We were  
16 also able to continue police training, which was another  
17 very important thing.

18 THE CHAIRMAN: Slow down, please.

19 SIR PETER RICKETTS: I'm sorry. We also continued our  
20 police training and the economic work done by the PRT in  
21 terms of bringing in investors and encouraging  
22 development. All of that continued, even in the  
23 difficult times.

24 SIR MARTIN GILBERT: Even when you were --

25 SIR PETER RICKETTS: Even when we were confined to the air

1 station, yes.

2 SIR MARTIN GILBERT: Several of our witnesses have talked  
3 about the problems of duty of care, and I wonder if you  
4 could tell us how difficult it was to reach a joined-up  
5 Whitehall view on duty of care with regard to locally  
6 engaged staff, given that other departments, as well as  
7 the FCO, were employing civilian staff in Iraq.

8 SIR PETER RICKETTS: Indeed and we had -- we have a duty of  
9 care towards our own UK-based staff and towards  
10 contractors who work on our sites, and, of course, to  
11 our local staff.

12 Just before I took up this job in June 2006, a local  
13 member of staff was very sadly killed in Basra and his  
14 wife badly injured. So the risks to our local staff  
15 were very clear, and shortly after I took up the job  
16 there were IED attacks against British Embassy convoys  
17 in and around Baghdad. So we were very conscious from  
18 the beginning.

19 For local staff, there were limits to what we could  
20 do. We had duty of care for them when they were on our  
21 premises, but as they left and when they went back into  
22 the community, we couldn't offer them that duty of care,  
23 and that, as the risks rose to them, we were prompted to  
24 launch the scheme that you are familiar with, to offer  
25 resettlement or financial payment to former members of

1 the local staff who felt themselves to be under threat.

2 That was an effort, cross-government, but with the  
3 FCO very prominent, to produce a scheme that recognised  
4 the risks that our local staff members ran.

5 SIR MARTIN GILBERT: In terms of lessons learned, have you  
6 been able to draw lessons from the balance between the  
7 risk to staff and the risk to policy delivery?

8 SIR PETER RICKETTS: I would say that is one of the lessons  
9 that we have learned in this crisis. When I took up the  
10 job I inherited from my predecessor, Michael Jay, four  
11 tests for our staff which I thought were good and these  
12 tests were: are they volunteers; are they aware of the  
13 security risks that they will be running; have we done  
14 everything we can to reduce those risks; and can they do  
15 something useful while they are there?

16 I kept those four tests in mind all the time, and if  
17 we had got to point where we couldn't do anything  
18 useful, then there would have been no point in spending  
19 the very large amounts of money in keeping our staff  
20 there, but we have learned, I think, across Whitehall  
21 now, to have a risk management approach, where we have  
22 a local security manager who assesses every move made  
23 out from the embassy or the consulate, who assigns  
24 security personnel, who ensures that routes are safe and  
25 we delegate to that person a lot of autonomy within

1 rules that we set, and that works pretty well. We have  
2 armoured vehicles, we have hardened accommodation, we  
3 have learned to allow civilians to operate in dangerous  
4 environments, which we had not had the experience of  
5 doing before.

6 SIR MARTIN GILBERT: Your experience in Iraq was that the  
7 greatest risks were in the earliest period of your being  
8 Permanent Secretary?

9 SIR PETER RICKETTS: Yes, the direct risks were greater  
10 then. But, of course, as the security situation eases,  
11 there is always a risk that you ease the constraints on  
12 staff too quickly, and then you have a security incident  
13 as a result of that. So you can never relax your guard,  
14 but, certainly, keeping staff safe through those periods  
15 when indirect fire was coming in every day was a pretty  
16 testing time.

17 SIR MARTIN GILBERT: Maintaining the tests is something that  
18 is ongoing?

19 SIR PETER RICKETTS: Yes. I mean, all our staff are  
20 volunteers, and if they felt we were not taking their  
21 duty of care seriously, then we wouldn't have  
22 volunteers. We have applied the same lessons in  
23 Afghanistan where we have again kept our staff safe  
24 through some very difficult and dangerous times,  
25 including right now in Lashkar Gah, but applying the

1 same system of risk management and the same instruments  
2 in terms of keeping our staff safe, and I think now the  
3 military accept that in Lashkar Gah the civilians can do  
4 everything that the military want them to do, and that's  
5 as a result of the experiences that we learned in Basra.

6 SIR MARTIN GILBERT: My final set of questions relate to  
7 financial resources. How were you able to find  
8 sufficient money within the existing FCO funds to pay  
9 for the programmes and presence in Iraq? Were there  
10 limits on what you wanted to do which -- as a result of  
11 not being able to find the funds?

12 SIR PETER RICKETTS: By the time I arrived, we had grappled  
13 with that over several years and we had built it into  
14 our budgets. So I'm sure, before I arrived, some  
15 difficult prioritisation decisions were made, because we  
16 are talking about substantial sums of money.

17 I think Sir Nick Macpherson gave you a memorandum  
18 setting out the money, and you will see from there that  
19 the FCO contribution was very significant, £88 million  
20 in 2006/2007, not large in terms of the MoD operations,  
21 but in our budget getting on for 10 per cent of our  
22 discretionary budget to run our operations around the  
23 world. It has declined since then, but that certainly  
24 required some very careful reprioritisation.

25 Now, the costs in Iraq have come down, but --

1           because we have very significant costs in Afghanistan  
2           and, yes, this is a major portion of our budget.

3   SIR MARTIN GILBERT:   In terms of cross-departmental funding,  
4           we have heard evidence about the pools, and  
5           Mark Lyall Grant told us in his view the joint pools had  
6           been a failed experiment.  Is this your experience, and  
7           can you elaborate on the pools and their effect on FCO  
8           funding?

9   SIR PETER RICKETTS:  Yes, I saw that Sir Mark said that.  
10           I wouldn't have said that they are a failed experiment,  
11           but they are certainly under real stress because of  
12           rising costs, particularly of assessed contributions to  
13           the UN and other international organisations.

14           The way the pools work in Whitehall is that within  
15           them sits the obligation to pay our assessed  
16           contributions and, as they grow, then there is less  
17           money available for the -- what we call the  
18           discretionary activities, and that puts pressure on the  
19           whole system.  That has required some difficult  
20           prioritisation decisions, announced by ministers for the  
21           current year and that will continue to be the case.

22           But I think the pools have been useful in bringing  
23           the three departments together and forcing us to make  
24           choices about what our top priorities are for the  
25           available money, and that continues to be the case and

1 I think that's a valuable instrument which we can use  
2 for whatever level of funding we have, whether it rises  
3 or falls.

4 So I wouldn't say it was a failed experiment, but  
5 I would say that the challenge of continuing to find  
6 enough resources to meet the demands, not just of Iraq  
7 and Afghanistan, but the important conflict preventing  
8 work that we are doing in many countries around the  
9 world. Many of the countries that Hilary Benn was just  
10 discussing with you, are countries where we have  
11 conflict prevention programmes and we need to preserve  
12 some funding for those as well.

13 THE CHAIRMAN: Sorry, can I just ask, Martin? You said that  
14 the assessed demands which fall on the pools have been  
15 rising. Is that an exchange rate phenomenon or is it to  
16 do with enlarged responsibilities and burdens, as it  
17 were in the real world?

18 SIR PETER RICKETTS: Both. A growing number of UN  
19 peacekeeping missions and a growing size of UN  
20 peacekeeping missions. So a growing cost in absolute  
21 terms. Translate that into pounds at a weak exchange  
22 rate and that's an even greater amount. So it is both.

23 THE CHAIRMAN: Thanks.

24 SIR MARTIN GILBERT: So if perhaps you will elaborate on  
25 that, which is what I wanted to ask about, how you and

1 the FCO board keep in view the relative importance of  
2 continuing with the high levels of FCO expenditure for  
3 Iraq and the other competing and perhaps growing  
4 competing demands on you. What are these demands and  
5 how do you review this?

6 SIR PETER RICKETTS: Well, yes, the FCO board does review  
7 that as part of allocating our resources to all the  
8 demands we have. The reduction in cost of our  
9 operations in Iraq over the last two or three years in  
10 part reflects fewer people, although not many fewer  
11 people. In part, it reflects finding ways to keep our  
12 people safe and run our missions at lower cost. As one  
13 example, we are no longer using, buying capacity on RAF  
14 helicopters to fly between Baghdad centre and the  
15 airfield in Baghdad, and we are able to use other means  
16 of moving our staff around.

17 There are other things like that, which are probably  
18 better not discussed in open session, where we have been  
19 able to reduce the cost of protecting and supporting our  
20 people, through experience as much as anything else. So  
21 we bear down on costs where we can. We keep under  
22 review the value of each staff member that we have  
23 there, because it is the cost of staff that drives this  
24 particularly and we have to balance that against the  
25 other demands, and over time we have been able to do

1           that.

2   SIR MARTIN GILBERT: My final question in terms of funding  
3           is: has the political importance of our relations with  
4           Iraq and what we see as our role with the Government of  
5           Iraq and our strategy towards, if you like, Anglo-Iraq  
6           relations, has that been a factor that has imposed  
7           burdens on the FCO, rather has made it impossible or  
8           difficult for you to reduce the burdens with regard to  
9           the Iraqi costs, the high costs, as witnesses have  
10          explained, of our missions there?

11   SIR PETER RICKETTS: I think we feel a responsibility in the  
12          FCO to take on and develop now the relationship with  
13          Iraq following the military withdrawal. Sometimes  
14          people say we have withdrawn from Iraq. I don't feel we  
15          have withdrawn from Iraq, since we keep three British  
16          missions there and a very lively and growing bilateral  
17          relationship, but I think the responsibility rightly  
18          falls on the FCO and DFID and other colleagues like the  
19          British Council, like UKTI, who now have somebody  
20          working in the embassy, to pick up the relationship from  
21          where it is now and take it forward into a more normal  
22          broad-based relationship.

23                 That will take significant resources, but I hope  
24                 over time, as the security situation improves, the  
25                 security costs will go down and we will be able to

1           operate in a more normal way, but I think that is  
2           properly the role of the FCO and it is very good to see  
3           that the agenda for the embassy now includes trade and  
4           investment, promotion, cultural promotion, as well as  
5           security support.

6   SIR MARTIN GILBERT:   Thank you.

7   THE CHAIRMAN:   I have got one rather general question,  
8           Sir Peter, before turning to my colleagues, and it is  
9           really to ask how far hopes, and indeed expectations,  
10          that the British Government has had throughout this  
11          period are matched by the actuality of the achievement.  
12          Have the two at times been out of sync and have they  
13          come together in this final phase, as we now embark on  
14          a normal bilateral relationship?

15   SIR PETER RICKETTS:   Well, I'm sure, if you look back to the  
16          beginning of period, where I think I started as your  
17          first witness, it has taken a long time to get to the  
18          point where we can begin to see our hopes fulfilled, but  
19          I personally find it very encouraging to see politics  
20          alive and well in Iraq, political parties fighting with  
21          each other in the Council of Representatives over  
22          passing laws, trying to resolve the very difficult  
23          issues that the country faces between the  
24          three communities, between the centre and the provinces,  
25          the allocation of their growing revenues.

1           All those sorts of things, which are the problems  
2           that countries have to grapple with, they are being  
3           grappled with politically and we are facing elections.  
4           The provincial elections showed that popular will can be  
5           expressed and it has consequences for the Iranian-backed  
6           parties in the south, for example.

7           I think all that is positive, and after a long time  
8           and a great deal of effort and lives sadly lost and  
9           a great deal of expense, we are now seeing politics  
10          back, economic life resuming and normality gradually  
11          returning, although it remains fragile, and I think,  
12          therefore, that the hopes we had at the outset are  
13          gradually being fulfilled.

14   THE CHAIRMAN: Just as a tailpiece, in a narrower setting  
15          and at an earlier time the word "exemplary" was set as  
16          an objective or at least a descriptor for our efforts in  
17          the south-east. But, looking at Iraq as a whole today  
18          within the region, does it have exemplary value?

19   SIR PETER RICKETTS: I think the way it develops now will be  
20          very important in the region, which is perhaps the same  
21          thing. I think, although it is not a perfect democracy  
22          in Iraq, as I have said, the fact that an Iraqi  
23          Prime Minister presents himself for re-election at  
24          national elections is not altogether a common experience  
25          in the Arab world. The fact that there is vigorous

1 political life, vigorous, pretty open debate and media  
2 is not entirely common either.

3 You have had previous witnesses who have talked to  
4 you about the strategic location of Iraq and therefore,  
5 if we can see a growing stability, a growing oil wealth,  
6 in a country which is one run on representative lines,  
7 I think that does have importance in the Middle East,  
8 yes.

9 THE CHAIRMAN: Thank you.

10 I'll just ask my colleagues if they have any final  
11 questions. Roderic?

12 SIR RODERIC LYNE: I have just got three or four broader  
13 questions. In your three and a half years as  
14 Permanent Under-Secretary, can you recall any occasions  
15 on which the Foreign Secretary has rejected the advice  
16 of the FCO's legal advisers?

17 SIR PETER RICKETTS: No.

18 SIR RODERIC LYNE: Or the Attorney General?

19 SIR PETER RICKETTS: No.

20 SIR RODERIC LYNE: Okay. Moving on, in a public statement  
21 of the government's foreign policy, made in April 2002,  
22 the then Prime Minister said:

23 "We must be prepared to act where terrorism or  
24 weapons of mass destruction threaten us."

25 He went on to say:

1            "If necessary, the action should be military and  
2            again, if necessary and justified, it should involve  
3            regime change."

4            Is that still the government's policy?

5            SIR PETER RICKETTS: I haven't seen it stated like that.

6            SIR RODERIC LYNE: So it is not.

7            If I move on a little further, you probably heard  
8            Mr Benn's closing remarks, in which he raised a very  
9            broad issue of how the international community should  
10           address such diverse issues as Rwanda, Kosovo,  
11           Sierra Leone, Afghanistan, the Congo and so on, and  
12           Mr Blair, in his evidence to us last Friday, gave a view  
13           that:

14           "If we had left Saddam there with the intent to  
15           develop these weapons and the know-how and the  
16           concealment programme, and the sanctions had gone, today  
17           we would be facing a situation where Iraq was competing  
18           with Iran, competing on both nuclear weapons capability  
19           and competing as well in support of terrorist groups."

20           Do you think it was, in the end, a question of  
21           either military action to topple Saddam Hussein or we  
22           would by now in 2010 be facing the situation that  
23           Mr Blair posited?

24           SIR PETER RICKETTS: Well, I gave you extensive evidence at  
25           an earlier session about my own involvement and my own

1 thoughts on the period before the war, and I remember  
2 telling you at that stage that even in 2001 we faced  
3 a period of sanctions eroding, the international  
4 framework for containing Saddam Hussein failing, and  
5 that that was of concern even before 9/11. So I think  
6 that trend line was there and I have no reason to think  
7 it would have been different if we had not gone down the  
8 path that we did of the UN route and then eventually  
9 military action.

10 I think today we are in a very different position in  
11 Iraq and I think the fact that Iraqi Shia Arab people  
12 are prepared to differentiate themselves very sharply  
13 from Iran and see an Iraqi destiny for themselves is  
14 a very important development.

15 So, however we got here -- and there will be much  
16 debate about how we got here -- I think the fact that  
17 Iraq sees itself as clearly a member of the Arab  
18 community and that a Shia-led Arab state is now  
19 demonstrating that it can move down the path of  
20 representative government is a very powerful signal and  
21 would not have been the case if we had not followed the  
22 path in 2003 that we did.

23 SIR RODERIC LYNE: So there isn't an alternative to military  
24 action if the sanctions are failing and we are seeking  
25 to contain a contingent potential threat of weapons of

1 mass destruction reaching a threatening level of  
2 development at some point down the road or of a country  
3 becoming a serious base of international terrorism,  
4 which Iraq, of course, was not at the time? I mean, is  
5 there not a wider range of options than A or B?

6 SIR PETER RICKETTS: And I would add that Iraq is not now  
7 a serious base of international terrorism either.

8 I think the effort by AQ of Iraq to install itself with  
9 foreign fighters in Iraq has not succeeded and that has  
10 also been something that we can draw some comfort from.

11 But, of course, there are always alternatives, and  
12 the alternative that we pursued through 2002 was the  
13 alternative of Iraqi compliance with a UN sanctions  
14 regime, tightened and augmented with people on the  
15 ground, and that was an alternative that was a viable  
16 one right up to the point where it was rejected. So I  
17 don't think --

18 SIR RODERIC LYNE: But, I mean, arguably, trade sanctions,  
19 which you are talking about and which is what was  
20 eroding, wasn't even the most important element of  
21 containment. The arms embargo, which was still proving  
22 very effective, the military deterrence of forces  
23 stationed in neighbouring countries, the Naval embargo,  
24 these were -- the No Fly Zones, which were under  
25 pressure but to which there were alternatives, which

1           were already being reviewed, these were all elements of  
2           containment that could, presumably, have been continued  
3           in some shape or form as an alternative to military  
4           action?

5   SIR PETER RICKETTS: Well, Sir Roderic, you are taking me  
6           back into a previous period, which we discussed before.

7   SIR RODERIC LYNE: No, I'm looking at the question of how we  
8           deal with threatening regimes, which is a question, as  
9           Mr Blair said, for 2010, and it's a question of our  
10          foreign and security policy. It's the sort of thing we  
11          are going to have to look at in this report as a lesson  
12          to be learned from Iraq. That's why I'm asking this  
13          question.

14   SIR PETER RICKETTS: You're posing it to me as a  
15          counterfactual over what would have happened if we had  
16          not done what we did, and one can debate that.

17   SIR RODERIC LYNE: The counterfactual was not raised by me,  
18          he was raised by an earlier witness.

19   SIR PETER RICKETTS: If you are asking me more generally  
20          about the issue of failed and failing states and the  
21          tools that the international community have available to  
22          deal with them, yes, there are a range of tools, and  
23          some of the most powerful ones are the conflict  
24          prevention tools that I mentioned briefly, getting in  
25          early, before states collapse into failure and

1           potentially into ungoverned space, where terrorists can  
2           find safe haven.

3           I think the experience of Iraq and Afghanistan have  
4           shown the international community the importance of  
5           getting in earlier, if possible, and the importance of  
6           using the UN. Hence the growth of UN peacekeeping  
7           missions and conflict-preventing missions putting  
8           pressure on our budgets. It is putting pressure on our  
9           budgets for a good reason because it is an increasing  
10          use of the UN instruments.

11          So I think there are many instruments and I think  
12          one of the lessons of Iraq and of Afghanistan is that  
13          conflict prevention, if it can be achieved, is a great  
14          deal cheaper and easier than post-conflict  
15          stabilisation.

16   SIR RODERIC LYNE: Thank you, that's a very useful lesson.

17          Finally, just going back to something again from  
18          another earlier witness, we heard this morning from  
19          Ms Clare Short that in her view one of the lessons of  
20          Iraq -- and she emphasised this in her closing  
21          remarks -- was that we needed to debate and re-examine  
22          the relationship with the United States, sometimes  
23          called the "special" relationship, in order to avoid  
24          what she described as the humiliation -- the word she  
25          used -- of tying ourselves unconditionally to American

1 policy. She thought we needed to establish where the  
2 UK's bottom lines were in this relationship and she also  
3 argued that we needed to be much better and firmer about  
4 using leverage where we had it. That's a point which  
5 also is not dissimilar to a point made by  
6 Sir Christopher Meyer, when he gave evidence.

7 This is a huge subject and I'm not going to take us  
8 all the way down the road but I would simply like to  
9 ask: has the experience of Iraq led the FCO to  
10 re-evaluate the relationship with the United States and  
11 the way it works, the way we operate it, to have the  
12 sort of debate that she was suggesting we should have?

13 SIR PETER RICKETTS: I didn't have the opportunity to hear  
14 Ms Short's evidence, but I don't think the experience of  
15 Iraq has led to us a fundamental review of the way we  
16 deal with the United States, no. I think what has  
17 happened is that there has been, as there always is, an  
18 evolution, a new administration has arrived in  
19 Washington, new people have arrived, and the  
20 relationship continues in different ways, because it is  
21 always related to the personalities. I think we have an  
22 extremely close and productive relationship with the  
23 Obama administration. I don't think that that is  
24 particularly affected by the experience of Iraq because  
25 I think the people have changed.

1           So I don't want to comment particularly on what  
2           Ms Short said but I believe that the experience of  
3           operating together in Iraq and in Afghanistan has helped  
4           the two political/military communities in the US and the  
5           UK to remain in the very closest cooperation, actually.

6   SIR RODERIC LYNE: Thank you.

7   THE CHAIRMAN: Lawrence?

8   SIR LAWRENCE FREEDMAN: Just to follow up on the sort of  
9           broad foreign policy lessons -- and again this is just  
10          things that we need to think about; I'm interested in  
11          your views. Well before Mr Blair, but in the 1990s,  
12          I recall a Foreign Secretary talking about how good it  
13          was that Britain punched above her weight, and you can  
14          argue that that was one of the things that we were  
15          trying to do in 2003, and perhaps it is part of our  
16          approach to foreign policy that we keep on trying to do  
17          that.

18          In the event, is Iraq, possibly, a warning of the  
19          dangers of punching above our weight, because it is  
20          quite a difficult thing to do over a prolonged period of  
21          time?

22   SIR PETER RICKETTS: I don't myself see our experience in  
23          Iraq as punching above our weight, and I don't see, in  
24          the day-to-day conduct of foreign affairs, that it has  
25          weakened or made more difficult a leading British role.

1 I find that in our discussions these days with leaders  
2 in the Middle East, they ask: do we have creative ideas,  
3 do we have diplomatic energy, do we have experience of  
4 the region to offer, and the answer is yes, and they  
5 engage very willingly with us.

6 When we call a meeting on Yemen in London or  
7 a meeting on Afghanistan in London, we get people coming  
8 to London because they know we will, with our experience  
9 and our ideas and our creativity, offer an opportunity  
10 for people facing very difficult international crises to  
11 find ways of finding consensus and moving forward, and  
12 I don't think that the experience of Iraq and the  
13 British role in Iraq has affected that.

14 So I don't myself believe that what happened in Iraq  
15 has had any particular negative effect on our ability to  
16 conduct foreign policy since.

17 SIR LAWRENCE FREEDMAN: Can I just ask a question which  
18 relates to what you were talking about earlier in terms  
19 of the conflict prevention and the pressure on your  
20 budget?

21 One of the requirements of conflict prevention is  
22 early diagnosis, and that requires a pretty good grasp  
23 of what is going on in the world: the quality of  
24 reporting from our embassies, the ability to research  
25 and analyse the information that is coming in, and the

1 Foreign Office, historically, has been extremely good at  
2 that.

3 Do you find that your budgetary position is eroding  
4 that sort of spare capacity -- or capacity -- so that it  
5 becomes harder to get the sort of high quality reporting  
6 and analysis for which the Foreign Office has been  
7 known?

8 SIR PETER RICKETTS: I think it is a very important point  
9 and my broad answer is no, but I think the Iraq  
10 experience and the Afghanistan experience has made us  
11 relearn the lesson that what we are really about in the  
12 FCO is understanding foreign countries -- their  
13 languages, their cultures, their tribal dynamics, the  
14 personalities, the economics -- and we have to have the  
15 capacity to do that. And I think you have seen from the  
16 witnesses from the FCO that you have had before you  
17 a number of people who have made a study of Arab  
18 language, Arab culture, the Arab world, a deep lifetime  
19 commitment, and we need to keep that level of expertise,  
20 and we need to have the diary speakers and the push  
21 do(?) speakers and the experts in Sudan and Somalia, to  
22 ensure that we can continue to play that role.

23 What we have been doing with our tight budgets has  
24 actually been reducing the number of diplomats in Europe  
25 and having more out in the conflict-prone areas of the

1 world, because we do believe that's a real comparative  
2 advantage we have.

3 I should also pay tribute to our local staff  
4 members, who, in many countries, have been prepared to  
5 be very brave in helping us see what is going on and  
6 understand the country. I'm thinking in particular of  
7 Iran at the moment. So, with a combination of our  
8 diplomats and our local staff, I do think the FCO has  
9 that vocation and I think the lesson for us from Iraq is  
10 that we have to keep up that capacity.

11 SIR LAWRENCE FREEDMAN: Thank you.

12 THE CHAIRMAN: Sir Peter, are there any other lessons you  
13 would like to share with us today or indeed final  
14 reflections?

15 SIR PETER RICKETTS: I think that one is very important to  
16 me, and I believe that we have got a level of expertise  
17 on the Arab world which is vital for British interests.

18 The last thought I would leave with you -- we have  
19 touched on it -- is that the experience of Iraq has been  
20 difficult for all Whitehall departments but I really do  
21 believe it has driven a much closer working culture  
22 between departments that, five years ago, were very  
23 separate.

24 When I see DFID, MoD and FCO and the Cabinet Office  
25 working together in Basra, in Lashkar Gah, in Erbil, in

1 Whitehall, it is hugely different to where it was  
2 five years ago, and I think departments understand each  
3 other, the civilians understand the military much better  
4 than they did, we have learned to operate together in  
5 dangerous conditions and we are trying to perpetuate  
6 that experience through the Stabilisation Unit, which  
7 you have had evidence on, and I hope that that is  
8 a lasting benefit from these very difficult years.

9 I calculated that at least 400 FCO staff have served  
10 in Iraq over this period, many more in Afghanistan. The  
11 skills they have learned and the experience they have  
12 had, I hope, will ensure that the FCO is ready to  
13 respond professionally to a future crisis involving  
14 service in very difficult and dangerous circumstances.

15 THE CHAIRMAN: Thank you very much.

16 I should like to thank our witness and those of you  
17 who have been in the room this afternoon.

18 Just to say, we are resuming again at 9 o'clock  
19 tomorrow morning, not 10 o'clock -- 9 o'clock -- and our  
20 witnesses tomorrow will be, first, Sir Kevin Tebbitt,  
21 who was Permanent Secretary at the Ministry of Defence  
22 from 1998 to 2005, followed by the Rt Hon Dr John Reid  
23 MP, who was Secretary of State for Defence from 2005 to  
24 2006, and then in the afternoon we are taking evidence  
25 from the Rt Hon Anne Clwyd MP, who has served since 2003

1 as the Prime Minister's special envoy for human rights  
2 in Iraq.

3 With that, I will close today's session. Thank you.

4 (4.53 pm)

5 (The Inquiry adjourned until 9.00 am the following day)

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