

THURSDAY 19 MARCH 2009

Present

Anderson of Swansea, L
Chidgey, L
Crickhowell, L
Hamilton of Epsom, L
Inge, L
Jay of Ewelme, L
Jones, L
Selkirk of Douglas, L
Swinfen, L
Symons of Vernham Dean, B
Teverson, L (Chairman)

Witnesses: **Rt Hon Lord Malloch-Brown**, a Member of the House, Minister for Africa, Asia and the UN, **Mr Chris Holtby**, Deputy Head, Security Policy Group, and **Ms Gill Atkinson**, Head of East Africa Section, Africa Directorate Foreign and Commonwealth Office, examined.

Q58 Chairman: Minister, can I welcome you and thank you for coming to the Committee. I know we have a relatively short period of time, about 40 minutes, so I will not ask you if you want to make an opening statement; I will assume that we will go straight into questions. Just to remind you for the record that we are being recorded and televised this morning and we will give an opportunity for the transcript to be looked at to see if there is anything that is incorrect. Perhaps I could ask you to introduce yourselves.

Ms Atkinson: Yes, my name is Gill Atkinson. I am the Head of the Horn of Africa and East Africa Section in the Foreign Office.

Mr Holtby: My name is Chris Holtby. I am the Deputy Head of the Security Policy Group, covering Israeli maritime security issues.

Lord Malloch-Brown: Gill and Chris are the two who will probably speak, so we will not necessarily introduce the back benches. If we fall back on the reserves, here, we will have them introduce themselves – if the Minister is taken off the field!

Q59 Chairman: Yes, I wondered if we had the total Atalanta Task Force behind you there, Minister. Perhaps we could start off with the general question of your assessment of the effectiveness of the operation out there. One of the areas that we are particularly interested in is the co-ordination of intelligence between the EU operation and NATO and the other non-Allied navies. When Admiral Jones was here, there seemed to be from the EU side a reticence to allow over-co-operation between the vessels. We also understand that there might be an issue that because this is not a Berlin Plus operation, then although all the EU Atalanta vessels there are NATO members they are not allowed to use NATO communication facilities, which seems very strange and I would be interested to hear about that.

Lord Malloch-Brown: I may ask Chris to respond to that last point. Chris and I were just talking about this. He has just come back from an international co-ordination meeting on this in Cairo yesterday. The basic view is that the co-ordination is pretty good. First, the two key forces in the area are the EU force and the American-led force, which is not NATO. NATO is now co-operating, but it is clear that it is an ESDP lead; it is a European force first, and NATO co-operates with it. There is continuous electronic co-ordination between all the ships in the area - I mean between both these two main forces and one or two ships which are there that are not part of these forces, notably the Chinese ships, for example. I was not aware of any constraints on uses of communications equipment or information, but, Chris, perhaps you could elaborate on that.

Mr Holby: In this context, Berlin Plus is not relevant to what we are talking about. NATO is not playing a permanent part in this operation but will continue to cycle the standing NATO maritime groups through and has just decided that the first of those will come through in

about two weeks' time for about 40 days. There are no NATO communication structures, as such, in the region at all; there are national structures. The issue is the communication between the EU force and the Combined Maritime Forces, the US framework force, based in Bahrain, and on that there is no problem at all, as the Minister has said. In fact, they are working hand in glove. I think the Admiral was very clear in his evidence that they are sharing intelligence very well between them.

Lord Malloch-Brown: On the broader point, my Lord Chairman, on the success of the operation more generally, and particularly of Operation Atalanta, the EU piece of it, obviously since it has begun it seems to have had a very effective deterrent effect; the number of attacks are down. Vessels which have been pirated in this period were so-called "unregistered" ones, which were either not following the best practice or were travelling outside the so-called "safer transit corridor". There is a website that vessels can access on which they get both best practice and it allows them to register where they are. I was pleased to learn that it is a secure website so the pirates cannot access it for the co-ordinates of where they are. The fact is that we have had a significant deterrent effect by these arrangements and while compared to the volume of shipping the attacks were always a small minority of ships, they are well down this year. The one caveat is that those of you who, like me, associate pirate attacks with high storms because I have been made by my children to watch the *Pirates of the Caribbean* too many times, the fact is that this is bad pirating weather at the moment and before we know just how effective it is we need to go through a period of calmer seas to make sure that the attacks do not spike back up again in that period.

Q60 Lord Hamilton of Epsom: Is there an increase in the number of private contractors and what are their rules of engagement? Are they allowed to shoot at these people with machineguns? I gather things that played out noise just became laughable and had no effect on anybody at all.

Lord Malloch-Brown: The best defence is definitely ships which are hard to board, which do not have these easy ways to get on board. What are the rules on private contractors? I do not think they have a right to fire live ammunition.

Mr Holtby: Our legal adviser is here, but I think there is always a right to fire in self-defence. The shipping companies are united that they do not encourage ships to take on armed detachments which actually increase the risks to the individuals and to the ships. The industry has put out this booklet, which sets out their best practice, and it says very clearly, “We do not encourage ships to take on armed detachments”. The one exception is where the EU force has embarked national military contingencies on the WFP shipments into Mogadishu, which is what the WFP wants. In terms of routine transit through the area, it is very much discouraged.

Q61 Chairman: If there is anything that your legal adviser would like to write to us about following Lord Hamilton’s question that would be useful as additional reference.

Mr Holtby: Yes, of course.

Q62 Lord Crickhowell: I want to move on to the second question and rather enlarge on what we asked you in writing. What are the arrangements for dealing with pirates once captured in the EU operation? How do arrangements differ between different Member States? What legal protections and guarantees are in place to ensure their rights are respected and upheld? And what monitoring mechanisms are in place to ensure that countries which have agreed to receive and prosecute pirates implement their commitments on human rights? On top of that, I want to ask you how far does the protection of human rights of the pirates perhaps obstruct the operation and prevent its effectiveness. There are two sides to the coin and it is all very well talking about the rights of the pirates, but if that is increasing the risk to legitimate sea-goers, then we are in some difficulty. Could you comment on both aspects?

Lord Malloch-Brown: On the latter point, much of what is behind that question lies this controversy at the beginning where we were extremely reluctant to bring pirates back to the United Kingdom for trial for fear that they would then try to claim refugee status. I, on behalf of the Foreign Office, approached the Kenyan Foreign Minister to secure his agreement to trials in Kenya. We are very clear; our policy is that we will not allow transfer to third States for prosecution unless we are satisfied that they will not be subject to cruel treatment, death penalty or face a trial which is grossly unfair. In November 2008 HMS Cumberland captured eight pirates and in the absence of a MoU, were transferred to Kenya authorities on an exchange of notes. However in December our MoU with the Kenyans was signed by Lord West in Kenya. The HMS Cumberland trial began in January and is currently underway. Our legal advisers are completely satisfied that we have got suitable guarantees on the standard of prisoner handling and sentencing. Since then, the Europeans have said they would not mind having one of those agreements too, so they have now negotiated basically the same MoU with the Kenyans. That, of course, has raised understandably on the Kenyan side an alarm that they are going to get their whole court system clogged up with pirates which, given these numbers, would not be the case. Therefore, the EU is now trying to negotiate a similar agreement with Tanzania so there are at least two choices of where pirates might be taken. Chris, do you want to add to that?

Mr Holtby: That is right, and the EU is already talking to other partners as well to see whether they may be able to offer similar arrangements.

Lord Malloch-Brown: I might add that the MoU specifically includes provision in it enabling access by international organisations to monitor prisoner conditions.

Q63 Lord Crickhowell: Well, that is fine, we are looking after the prisoner conditions, but I repeat the second question: are we satisfied that there is not such a concentration on that

aspect that the ability to convict people or prevent them from entering into further engagements is made more difficult?

Lord Malloch-Brown: I think so and I do not think the pirates relish the prospect of a Kenyan jail sentence - they would probably prefer a British prison - so we are meeting that. We will need to see what the sentences are at the end of this current trial. I think that will give us a yardstick going forward.

Q64 Lord Hamilton of Epsom: That is certainly very encouraging, but we were told by the Admiral that at that stage, as we only had a bilateral arrangement, you had the absurd situation where they tried to hold them until a British ship could come along and take them away, and they could not be transferred from a foreign ship to a British ship so they could go through that process. Will other nations, do you think, sign up with Kenya and Tanzania in the same way, so that eventually everybody can use those court facilities?

Lord Malloch-Brown: In addition to the EU, which was signed on 6 March, the United States also now has the same arrangement. So, that still would leave some countries that do not, but the bulk of countries are covered by this.

Q65 Lord Hamilton of Epsom: So, presumably, China and India will still be outside it?

Lord Malloch-Brown: They would still be outside it.

Q66 Baroness Symons of Vernham Dean: Minister, in our previous evidence, one of the things that I found very striking was not so much what we did with the pirates when we got them, but the number of arrests there were in the first place, which seemed to be alarmingly low. One of the reasons we were told that it was alarmingly low was because you have to have a witness to the act of piracy in the first place, and that when you capture a ship or think you have got a ship in your sights, it is very hard to identify it as a pirate ship. Can I ask you

how many arrests have there been of pirates under this operation, and what can you tell us about this whole question of identifying a ship. When the ladders get heaved overboard, other equipment could be used for a whole range of other activities, so we were told, and very often the best that the forces can do is simply to take away equipment they think might be used for piracy and leave the pirates, rather thoughtfully, with food and fuel to get on to their next port of call where, no doubt, they collect more equipment and carry on. Some of us found this an alarming position to be in and that actually the cards were stacked against the operation and very much on the pirates' side.

Lord Malloch-Brown: You are certainly right that there has to be strong evidence, but there are what are gloriously called “pirate ship indicators”, which include weaponry, grappling hooks and fishing dhows.¹

Q67 Baroness Symons of Vernham Dean: But, Minister, if they buzz it all over the side before the ships get to them, it is not there any more.

Lord Malloch-Brown: That is a fair point and I need to be able to answer your fundamental question here which is, “how many pirates have been seized?”

Mr Holby: So, the Minister looks to me. At the beginning of this month, the figures that we have were that some 250 had been apprehended and, of those, 130 were disarmed and then released, and 110 or so were disarmed and then turned over for prosecution. This is the information we have had from Combined Maritime Forces in Bahrain.

Q68 Chairman: Could I just clarify whether that is Atalanta or is it the whole of the international effort?

¹ The indicator is to see a fishing dhow together with a fast boat such as a skiff. The fishing dhow is used as a mother craft, and the skiff is the pirate boat.

Mr Holtby: That is the whole international effort, the Bahrain effort and the EU effort together. The additional point to add to this is that it is far easier for everyone if we disrupt and deter these attacks. We do need to arrest and put on trial where we can, but if we can deter the attacks that is a very good result for us. That was the sense, I think, of Admiral Jones's comment.

Q69 Lord Hamilton of Epsom: I am in a little bit of difficulty with that because if you deter them, then they come back again. If you capture them, charge them and imprison them then they are not there to do it again.

Lord Malloch-Brown: But I think the deterrence effect is not for disarming and letting them come back again, it is the fact of knowing that half the number of those who have been captured are facing trial and jail sentence. And, secondly, because there is now a flotilla of warships in the area, the costs of doing this have risen dramatically. Again, perhaps the central point to keep hold of is the statistic that I gave you in opening, Lord Hamilton, which is that the number of attacks is way down. Clearly, the deterrence is working and if we were to get 50 per cent of those apprehended through a trial process, because the evidence is strongest against that group, combined with the presence of ships, and the result is that we are down to this very low level of attacks, I think you could say it works.

Q70 Lord Jones: Do we know how many pirates have been sentenced? Do we know how many have been sent down? Do we know of punishment?

Lord Malloch-Brown: This first trial is the *HMS Cumberland* one, which I referred to, and it is underway, so that will be the first result.

Q71 Baroness Symons of Vernham Dean: Minister, you did say that attacks were fewer.

Lord Malloch-Brown: Let me just correct something. Apparently there was a Kenyan trial of United States transfers who indeed have been sent to prison, so there is one case.

Q72 Baroness Symons of Vernham Dean: You said that the numbers of attacks were very much lower. Can you tell us from the average number per month to what they are now, how many fewer are there?

Lord Malloch-Brown: You have those figures, Chris.

Mr Holtby: We have only got complete figures for 2008, which suggested that in the whole of 2008 there were 122 piracy events. This year the numbers have been smaller but, as the Minister said, we are still in the bad weather period so we are not yet over-confident that we have done this, but we want to see what happens in the coming weeks.

Q73 Baroness Symons of Vernham Dean: But so far this year, how many?

Mr Holtby: I have not got the figures to hand at the moment, I apologise.

Q74 Chairman: If you could provide that.

Lord Malloch-Brown: Yes, of course.

Q75 Lord Chidgey: Minister, could I take up the point you were making about the hopeful success of these new tactics. I just wanted to ask you if you have a view on the perhaps slightly alternative, more pessimistic view of this from some of the analysts who claim that a far larger fleet would be necessary to fully contain or even stop the pirate attacks, bearing in mind that, again, some analysts are saying there may be thousands of pirates wishing to get into this “game”, given the background of Somalia and its lawlessness anyway, and the fact of the existing arrangements with the corridor which obviously provides some protection for those travelling east-west, but not steaming north-south? So, it is not as easy as we would like to think and it is a big problem, and the cost of the sort of fleet that would be needed to

give the overall protection is probably prohibitive. I wondered if there was a longer-term view than the welcome immediate success, bearing in mind the weather conditions?

Lord Malloch-Brown: There are two points: one, I was very struck by the statistic that the 2008 figures reflect because, in terms of cargo passing through the area, it was less than one per cent that was affected by pirate attacks. You could say that gives you plenty of ceiling for growth, but I think it is important to say that because inevitably the phenomenon, because of the attention it has received - I bet if I had asked you to guess, you would have thought it would be ten per cent, 20 per cent or more - is contained. The real answer is that this is a product of conditions on land in Somalia and obviously what we have got to do is press on with our political-cum-development efforts to stabilise Somalia and to deal with the authorities in Somalia proper, but also in Puntland and Somaliland, to work with them on both a development but also a law and order strategy for dealing with this. Our expenditures in Somalia on development and developing internal justice and security systems are quite significant, as you are aware. In that regard, we have to press on at that and the political progress has been moderately encouraging in that the new government in Somalia is reaching out and the new President Sharif is reaching out to a much wider range of former enemies to bring them into government. We are cautiously encouraged that we are finally getting some traction on a political strategy for the country.

Q76 Lord Inge: I would say good luck with Somalia!

Lord Malloch-Brown: Thank you, but there will be many more Ministers who sit here and say that!

Q77 Lord Inge: If I can be more philosophical, inevitably in any military campaign as the own forces react, the enemy reacts in a different way. What are you beginning to see in the change of the tactics of the pirates?

Lord Malloch-Brown: Chris is just back, literally yesterday, from the co-ordination meeting of all the group in Egypt - not just all the military forces involved, but the ship owners as well - so it might be worth him giving it straight from the horse's mouth what the discussion at that point was.

Mr Holtby: So far, we are not seeing substantial changes in the modus operandi of the pirates. Still, we are seeing most attacks happening at either dusk or dawn and that is why the military operations have developed this means of operation of pushing the fleets through and timing their transit through the most dangerous areas in the period of darkness so they will be least vulnerable. Very important to this is that industry now, as a whole, has adopted best management practice, taking that all in, registering with the Maritime Security Centre. That means that with a relatively small number of ships, and I agree if we had huge numbers of ships we could be constantly patrolling, we can protect those that are transiting through at the most dangerous times. I can give some figures to support that, having failed a little bit earlier. But since the EU operation came in at the beginning of this year, last year we had 180 attacks and so far this year up to the middle of March we have had 22 approaches or attacks and only three hijackings, and there were 40 hijackings last year. So far we are proving that by working with industry and getting them to follow best practice, it is working. The concern we have is that the big companies are playing the game but so far some of the small operators are not necessarily doing that, and those are the ones who have not registered and who are most at risk.

Q78 Lord Inge: And we have seen no change in the pirates' tactics?

Mr Holtby: Not so far.

Q79 Lord Jay of Ewelme: I wanted to move on and ask questions about the arrangements if, alas, deterrence fails and ships and crew are captured. It is good to know that there have only

been three, as I understand it, successful hijackings so far this year. The question is what can the EU operation do in cases where pirates have taken a vessel and crew captive, where the vessel is en route to a port, or in a port, with the crew effectively captive? What guidance is given to UK commanders in those circumstances and is there a common approach between the UK and other commanders? What is our and other countries' attitudes towards paying a ransom by ship owners in these circumstances?

Lord Malloch-Brown: The handling of hostage situations is a national responsibility. It is a curious, you might argue, anomaly of international law that paying a ransom is not illegal. Ship owners say that the ability to pay ransom is absolutely critical to saving the lives of their crews and are universally in favour of it, despite the fact that it, of course, amounts to both an incentive for further hostage taking and a huge tax on their operations. We are very clear that while we recognise this practice goes on, we will not be a party to it. We do not endorse or condone it, we do not participate in it, but it is a reality of this situation. Perhaps the other bit I should say, Lord Jay, is that more broadly on land-based operations, not so much the hostage end of it, but the United Nations Security Council Resolution 1851 adopted last December does authorise military operations against pirate bases on land in Somalia. While this authority has not been used at this point, it is very much something that is there in reserve and obviously I do not want to comment on it too much because of the operational sensitivity, but it should give pirates pause for thought because it means we can pursue them on land now.

Q80 Lord Jay of Ewelme: Thank you for that, Minister. On the ransom point, and you set out very clearly the UK's position and I can understand that - we do not like it but there is not a huge amount we can do to stop it, if a ship owner is determined to do it - is this a common EU position? You said this is a national issue but are others as strong or stronger than we are on the question of ransom paying?

Lord Malloch-Brown: Correct me if I am wrong, but in letter it is a common EU position. In spirit, there has always been slight differences of emphasis with some countries being more willing to throw in the towel and just accept that it is part of life in those waters. I do not think there is any government which willingly participates in it or endorses it but everybody, like us, feels they have to live with it.

Q81 Lord Anderson of Swansea: I think it is fair to say that all the bases for the pirates are in Somalia, rather than Yemen or Kenya, and there are peculiar political and economic problems there - failed state, save for Somaliland. So the bases are in Puntland and south of Mogadishu and economically the fishermen can probably earn at most \$1 a day, if they are operating as fishermen, but by human trafficking to Yemen, or more particularly by the piracy, they can earn \$2,000 or \$3,000 or more, presumably a small part of the total haul. How do we deal with the political factors? You have said there are some signs of hope but Lord Inge has said there has been anarchy since 1991, so they are very slim signs of hope, and what about the economic side?

Lord Malloch-Brown: Lord Anderson, you make a very powerful point about the difference in economic opportunity between \$1-a-day fishing and several thousand dollars a day or more as a pirate or human trafficker. Our approach is the same as it is for poppy farmers in Helmand in Afghanistan, or in many other situations where illegal activities offer hugely greater incentives than legal ones, which is to try and get the right combination of stick and carrot, as effective law enforcement as possible to raise the deterrent effect, raise the cost to people embarking on a life of crime. On the other side of the chart, we are trying to do as much as we can to bring development, political stability and internal police capability up in Somalia. In that sense, perhaps it is appropriate to just point out that last year we had over £25 million of humanitarian and development assistance to Somalia, which is increasing this year to £30 million. The EU Community Development Programme for Somalia over the

2009-2013 period will be €15.8 million. Its priority sectors are good governance and security including disarmament, demobilisation and reintegration as well as broader work on education, economic development and livelihoods.

Q82 Lord Anderson of Swansea: It is probably fair to say that money can most effectively be spent in Somaliland, the former British protectorate. No pirates actually come from Somaliland itself. To what extent is the European Union prepared to work with the Government of Somaliland in this respect? Are we prepared, for example, to spend money on improving the facilities at the port of Berbera, which could be a fairly useful contribution to the operation?

Lord Malloch-Brown: Yes and no, to your first point, because this is the classic dilemma of British development assistance: do we spend it in safe, stable places which are no threat to anybody but where the return on the development pound is much greater because it will buy you more education or healthcare or economic growth, or do you spend it in failed and failing states because they are the ones that pose the threat to their own citizens as well as to the international community? It is worth noting that Douglas Alexander, in a recent speech launching his White Paper consultations for DFID, said that already DFID is spending 40 per cent of its bilateral development resources on failed and fragile state situations and that is going to grow to 60 per cent over the next few years. It is a genuine dilemma because, as an old development man, I would say that you get a much better return by spending it in stable, safe places where you are going to get a higher return, but it would not serve this broader purpose here which is to try and bring security and stability where it does not exist. Having said all that, obviously Somaliland is a small haven of stability. We have a significant programme there. If I recall correctly, it is about £9 million.

Ms Atkinson: We spend proportionately about three times as much per head on development in Somaliland as we do in Somalia itself.

Q83 Lord Anderson of Swansea: May I add one little question. The operation is due to expire after a year, in December. What will happen then?

Lord Malloch-Brown: We hope that it will be continued and we would offer to continue to provide the headquarters for it. We are rather proud of - and I think our Navy is rather enjoying - this mission.

Lord Inge: They need something to do!

Q84 Lord Chidgey: Picking up on the point you made earlier, Minister, about the piracy activities being part of the problem, rather than the problem itself in regard to the instability in Somalia, and you mentioned that President Sharif Sheikh Ahmed was thought to be doing the right things to try and bring stability back to that troubled country, I understand that the UN Security Council is meeting shortly - possibly tomorrow - with Somalia on the agenda, with the support for the President of AU, EU and presumably ourselves and the United States. I just want to ask you what position, if you can tell us, are we taking in this? Is it through the EU that we are looking to bring in some concrete help to the new regime, or are we taking a different independent line, or are we working with the United States?

Lord Malloch-Brown: Let me just say, politically, we are doing a large amount to help the process in several ways. First, the UN Special Representative for Somalia, as far as I can tell, seems to have an almost wholly British office, in that some of them are British Somalis, but we have seconded a number of individuals to his operation to try and give him the capacity to do it. There is a seconded British diplomat who had worked previously on Somalia out of our High Commission in Kenya; there are other individuals whom we have provided, so that his ability as facilitator of the peace negotiations is significantly enhanced. Secondly, through DFID, we are looking at key sectors such as justice and security sector reform. Thirdly, I think I was one of the very first international officials to meet the new President - literally within 24 hours of him being elected - and I have subsequently met his Foreign Minister who

until that point had been a British resident, and we are trying to give a combination of political encouragement and economic assistance to the country to move this forward. There does remain the one knotty issue of what is the best international peacekeeping presence, where there have been some differences of opinion around whether the best route is strengthening AMISOM, which we have helped do, we have made a total of £5.7 million available at the end of the year to AMISOM, we are giving a UN trust fund another £10 million to help defray the costs of AMISOM, and we have been encouraging Uganda and Burundi to put in extra battalions as well as reaching out to other potential African contributors. The Security Council resolution at the end of the year left open the prospect of turning to a UN force in the middle of this year. We are not theoretically closed to that and we respect that it will be the Secretary-General who will need to recommend whether that is a good or bad thing. We have been uncomfortable about it because we think it might attract and renew political divisions in Somalia, where the withdrawal of the Ethiopians, the relatively low profile of AMISOM, has had the effect we hoped for which has been to force the different internal parties to make peace with each other and not rely on the *deus ex machina* of outside forces to keep them apart. We would hate to disrupt that process by trying to mount unnecessarily a large new international UN peacekeeping force.

Q85 Lord Selkirk of Douglas: May I ask the Minister what action are the United Kingdom and the European Union taking to combat money laundering and other illicit financing channels used by pirates as well as their access to weaponry, such as small arms, light weapons and high-speed boats used for piracy? Can the Minister, as an extension to that question, give a general view as to what extent we are getting strong co-operation from the governments in the area.

Lord Malloch-Brown: Let me just say that we are doing all we can. Some of the operational detail is sensitive and you would understand that because we do not want to give people

warning of what we are doing. There are, however - I think I also owe it to you to acknowledge - certain constraints in that a lot of the international money laundering arrangements deal with groups who are designated as terrorists, and these are not terrorists, they are criminals. Secondly, these are not people who, when they get a ransom, ask for it to be put through a prominent international bank. They take their money by the shipload in cash. So there have been some genuine issues on this. On small arms, we are doing all we can and it is worth pointing out again that the UK has been a real leader, precisely because of the prevalence of small arms in Africa, on this whole issue of a small arms treaty. Beneath that more global approach, we are doing everything we can to try and disrupt this in the local neighbourhood and we feel, correct me if I am wrong, that we have very full co-operation not just from Kenya and Tanzania, which I have mentioned, but also from Yemen and countries on the other side of the Gulf.

Q86 Lord Swinfen: Lord Malloch-Brown, you have said that the ransoms were paid in cash. Is a note taken of the numbers on the notes so that they can be traced? Is the money marked in any way? Also, is there any evidence that the money is being used to fund terrorism in any form?

Lord Malloch-Brown: On whether the money is marked, I do not want to make this more difficult for the next time, but I think yes would be a reasonable assumption to make, although I am not familiar with the exact details and I suspect that is something which may vary from situation to situation. On the issue of whether there is any evidence that it is funding terrorism, Ms Atkinson?

Ms Atkinson: There is no direct evidence.

Q87 Chairman: Perhaps I could just ask one final question on this. This is the first EU operation as such of this manner. We are all pleased that it is British-led in many ways but,

given the amount of experience we have had so far, what is the benefit of it having been a European force that is now filling this role rather than NATO, which was previously doing it, or just a collection of different states. Is there - to use the cliché - real added value in Europe in this?

Lord Malloch-Brown: I think there is. While it is the first naval operation of this kind, it is the twenty-second or twenty-third ESDP operation. Frankly, Europe has developed a real niche capability in coming in to tricky situations which need these kind of arrangements, the others are all on land. From the Balkans to Chad to various other places these operations are building up quite a reputation. They are limited in size. If you want a very big operation, there is still no substitute for NATO, but in truth it has helped us a lot because we provide the headquarters, and we have provided a couple of ships at any one point - one in this operation and one also in the American-led operation. It would be very hard without this European approach to knit together a sufficient force to do this. Nobody's own navy at this stage really has sufficient spare capacity alone to put sufficient force into the Gulf. So, I think it is a useful, pragmatic, burden-sharing which has allowed us to deploy a much more effective force than we could have done on our own or in other groupings.

Chairman: I am just going to take Lord Hamilton and then Baroness Symons but I have just realised the time so a very brief answer will do I am sure.

Q88 Lord Hamilton of Epsom: It is just a very quick one. Europe, like many other countries, is facing static or declining defence budgets, clearly you have got ships being deployed anyway but there are additional costs involved in this. If we could have it in writing afterwards, I would like to know what you estimate the costs to be because this is not a cost-free exercise.

Lord Malloch-Brown: I am happy to do that. As you rightly point out, it is what is additional to the regular operating costs of these ships. I see you writing a number there, Chris.

Mr Holtby: The likely cost for 12 months is going to be €8 million and the UK share of that will be about £1.2 million.

Q89 Lord Hamilton of Epsom: Carried by the defence budget?

Mr Holtby: No, that is carried by the peacekeeping budget.

Lord Malloch-Brown: Which is the shared pool funding between FCO, MoD and DFID.

Q90 Baroness Symons of Vernham Dean: Can you send us a note clarifying the position on the numbers of piracy attacks. I fully appreciate you have not always got the statistics readily available, but I remain a little bit confused because you talked at one point about 122 piracy events last year, then we had 180 attacks last year - I do not know if those are the same as piracy events - 22 approaches so far this year and three hijacks. It seems to me not necessarily in those descriptions lining up like with like and I do not find them very convincing as they stand in backing up your point that there are many fewer incidents, and I think it would just be helpful if you could clarify those figures.

Lord Malloch-Brown: That is a very fair point. I was also slightly alarmed at the vagueness of these figures. We will get you something clear on it.

Q91 Lord Anderson of Swansea: Successful operation - does the international community view this as in any way a possible precedent for the piracy in the Gulf of Guinea?

Lord Malloch-Brown: Well, I am glad to hear that apparently this operation has been informed by lessons from the Straits of Malacca and therefore no doubt again in best practice, knowledge-learning ways, some of this could be transferable to the Gulf of Guinea. The Gulf of Guinea, which covers the area from Nigeria all the way down to Angola, is somewhat different in that the Niger Delta has these very difficult criminal attacks on oil rigs and so far the UK position has been to open a training facility in Lagos, the Joint Maritime Security

Training Centre, that trains Nigerian naval officers and staff involved in this.² We have resisted either making contributions of boats directly to the Nigerians, and the Nigerians have equally resisted an internationalisation of the handling of this. So, yes, in theory, but I think the situation at least at the moment is somewhat different in practice.

Chairman: Minister, Mr Holtby and Ms Atkinson, thank you very much indeed for your evidence. We will be discussing now how we can proceed with this inquiry, but it has been most useful.

² The training is specifically for in-shore patrolling in the Delta Creeks, not off-shore.