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(SUB-COMMITTEE C)

THE EUROPEAN UNION AND THE MIDDLE EAST PEACE PROCESS

THURSDAY 1 FEBRUARY 2007

MR JOHN SAWERS and MR DAVID QUARREY

Evidence heard in Public

Questions 1 - 36

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Present

Anderson of Swansea, L
Boyce, L
Crickhowell, L
Hamilton of Epsom, L
Hannay of Chiswick, L
Lea of Crondall, L
Roper, L (Chairman)

Witnesses: **Mr John Sawers**, Political Director, and **Mr David Quarrey**, Deputy Director, Middle East and North Africa Department, Foreign and Commonwealth Office, examined.

Q1 Chairman: Mr Sawers and Mr Quarrey, thank you very much indeed for coming to see the Committee this morning. As you know, we are at the beginning of an inquiry on the European Union and the Middle East and we thought it would be a good idea to have witnesses from the FCO at the beginning to get an overall view of the British Government's position. We have, as you know, a number of questions which we would like to put to you, but I do not know whether you would like to make an initial statement before we start putting questions to you.

Mr Sawers: Thank you, my Lord Chairman. I am John Sawers, the Political Director at the Foreign Office, and I advise the Foreign Secretary on the full range of political and security issues worldwide with particular emphasis on the Middle East, Iran, Iraq and so on. On the Middle East Peace Process, of course the last few years has been pretty discouraging with the developments that we have seen. We were hopeful that the disengagement policy from Gaza would be followed by further steps by both sides to create the conditions whereby the two-State solution, which the British Government along with other members of the European Union and many members of the international community support, would be able to be

brought closer, but the political developments both in Palestine and Israel have made that more difficult. However, it is not entirely a bleak outlook. There have been a number of developments recently which have brought cause for greater optimism, there have been direct contacts between Prime Minister Olmert and President Abbas, there has been some funding of the Palestinians from tax revenues that the Israelis collect, there has been a ceasefire from Gaza which has been broadly respected, although there are occasional rocket attacks still from northern Gaza into Israel, and the outbreak of fighting between Palestinian factions last week seems to have been brought to a close and, with the ceasefire, we will see if that holds. Of course violence continues; there was the dreadful attack in Eilat on Monday which we utterly condemned. The outlook remains uncertain, but there is more of a willingness on the side of the two principal parties to work more closely together and we are particularly encouraged that the United States Administration has made a very significant commitment to working intensively over the next two years to try to make progress in the Middle East. Secretary Rice has said that they would like to achieve a two-State solution in the next two years and that determination is very welcome; it has been encouraged by the Prime Minister, the Foreign Secretary and the Government as a whole. Therefore, whilst 2006 was a very difficult year for the Peace Process, there have been some recent signs of progress and the political aspects are coming closer together and we will want to build on that and encourage that.

Q2 Chairman: Thank you very much indeed. In that circumstance, do you feel that the Road Map still represents the best basis for progress or should the European Union now be directing its energies to moving towards negotiations on final-status issues?

Mr Sawers: Well, I think the Road Map is a very important document; it is agreed to by both sides, it is supported by the Quartet, who represent the international community on this, and there is no advantage in setting it to one side as it contains some very important commitments that both sides have made. The time-line that was set out in the original Road Map of course

has long been overtaken, but the commitments in there are important ones; for the Palestinian side to bring an end to violence and dismantle the terrorist structures, on the Israeli side to stop settlement building and to normalise life for Palestinians, and on the side of both of them the commitment to a two-State solution. I think what we will see is that the US-led political efforts will be looking not just at a methodical working-through of the Road Map as it is set out at the moment, but I think they will want at least to establish a sort of political horizon by talking about some of the difficult final-status issues, not pre-negotiating them, but setting more of a framework for the resolution of those difficult final-status issues as they go forward on the first stage of the Road Map, which is to bring an end to violence and to normalise Palestinian life as far as possible.

Q3 Lord Anderson of Swansea: The Road Map 2003 was in very different political circumstances and the election of Hamas a year ago clearly put a question mark over the various steps. I notice that Solana in a recent interview said as follows: “It’s time to enter final-status talks. It’s time to enter a discussion of the end of the conflict. A crisis management approach to the Israeli-Palestine conflict is over; we need to enter the conflict-resolution stage and try to end the occupation of 1967”. Do you wholly agree with that?

Mr Sawers: I do not want to be tied to exact wording that Mr Solana has used, but he is an important player in this, representing the European Union, and he has been very deeply committed for a good number of years and has established good relations with both sides, so he is a significant player and what he says is important and weighty.

Q4 Lord Anderson of Swansea: But that was not the question.

Mr Sawers: Yes, I was just coming to the answer to your question. As I said to my Lord Chairman, I think all parties recognise that we are not going to be able to simply work through the Road Map stage by stage, but there is going to have to be some discussion of the

difficult final-status issues, borders, settlements, refugees and Jerusalem, if the time-line that President Bush has set, and which we would all support, of early progress on resolving the Palestinian question is to be achieved. Now, whether that means we go straight into negotiation of the final-status issues, I think that might be a step too far at this stage. I think the conditions have to be created if those negotiations are to be successful, but certainly earlier discussion, building on some of the progress that was made in 2000 between the two sides, I think there is scope for doing that and it is something which I know the US Administration are willing to consider and engage in.

Q5 Lord Anderson of Swansea: What are the serious prospects of making progress when the two principal leaders are weakened so politically? President Abbas is mightily weakened within the Palestinian territories and Olmert has introduced into his coalition the hard-liners, so there seems to me very little prospect of either of the two main leaders being able to make commitments which are serious and binding.

Mr Sawers: I do not disagree with your analysis about the respective political strengths of the leaders that we are dealing with, both face domestic political difficulties and that is very apparent, but both are keen to find a way forward and see the prospect of progress towards a peaceful resolution of the Palestinian question as being a way of building greater strength, if they can do it on terms acceptable to their own communities of course. I think the second half of last year was held back by the political conditions that you describe, but I think, as the small steps that I have set out show, the ceasefire between Palestinians in northern Gaza and Israel and the greater co-operation between the two sides, there is a willingness of the two parties to work closely together, and the engagement of the United States on a level which frankly we have not seen for the previous six years, I think that is encouraging. It is always going to be extremely difficult to make progress on this, I do not want to raise expectations

too high, but to have the political commitment of the US Administration, of the European Union and of the leaders of the two main parties is a very important starting point.

Q6 Lord Anderson of Swansea: How do you respond to sceptics who say that the new US commitment, because, you will remember, after the Clinton experience the first years of the Bush Administration were wholly neglecting the Israel-Palestine conflict, is more to do with bringing on moderate Arab states, Jordan and Egypt, into a dialogue which might help the US elsewhere in relation to Iran and Iraq and less to do with the immediate conflict?

Mr Sawers: No, I think the US Administration understand the centrality of the Palestinian question, I think more so as the years go by. Obviously in the last two years of a US Administration, the pressures on them change and the desire to be able to produce real, lasting change and progress is very real as well. I stick by what I said earlier, that I think that there is a prospect for making progress, although it will remain difficult, and all the factors that you describe, Lord Anderson, are indeed problems that have to be addressed.

Q7 Lord Hannay of Chiswick: If I could follow on the line of questioning that Lord Anderson asked about the Road Map and the final-status issues, and I welcome very much what you said about the final-status issues being a part of what we are looking at now, but do you not think another reason or two reasons why that is desirable are, firstly, that it is very difficult to pursue sequential peace negotiations when there is such distrust about the final-status issues and when there is the feeling that any interim or preliminary step somehow prejudices the outcome of a final-status issue and, therefore, nobody accepts it until they know what is going to happen, and I have always thought personally that that is a drawback of the road map approach? Secondly, the road map approach is singularly vulnerable to the extremists because that is the sort of approach where it is easy for the whole thing just to grind to a halt because somebody blows somebody else up in Eilat or wherever it is, whereas

surely what we need in the Middle East is what we finally got to in Northern Ireland which is a peace process which the parties to the process simply will not allow to be derailed by extremists outside the process using violence?

Mr Sawers: I do agree, my Lord Chairman, with Lord Hannay's sentiments. I think the problem with the Road Map has been the burden of meeting the first phase before you can make progress towards a Palestinian State, and, as you rightly say, Lord Hannay, the opportunity for extremists who block it is very real. The readiness to look at the issues in the round to describe what the final outcome might be, I think, is an important movement on the political side. The engagement of the Palestinians in a process with one another, the Fatah and Hamas discussions, I think they are important, but we are not clear whether they are going to lead to a national unity government of any form in the near future and, if one is formed, we will obviously want it to accord to the Quartet principles which President Abbas himself is firmly signed up to. We do have to proceed, as you say, in a way in which every political leader and group is committed to the Peace Process and the violence is dealt with as we have to counter the terrorism. Prime Minister Rabin 12 years ago had a good expression where he talked about pursuing peace as if there were no terrorism and countering terrorism as if there were no peace negotiations, and that is the sort of approach which needs to be taken. The difficulty will come if there is a party in the Palestinian Government that has not renounced violence, it remains committed to violence. That was the breakthrough in Northern Ireland, if I may pursue your analogy, that it was only when the leaders of the main political groups were all committed to peaceful negotiations and had all set aside violence as a tactic that we were able to make progress, and that is going to be equally important in the Middle East.

Q8 Lord Lea of Crondall: Mr Sawers, without being too pedantic about it, we are inquiring into in effect the specific role of the EU.

Mr Sawers: Yes.

Q9 Lord Lea of Crondall: Constitutionally, we are bound to be within those parameters and obviously there is a question of interpretation of that, so all the way through we will be looking at the value added of the EU against the political background that you have described. Now, some people think the EU ought to do more, indeed the Jordanian Foreign Minister said in so many words recently that the EU ought to do more. In what sense can the EU, when the balance is to all the configurations which you have touched on, have its own priorities? Some people think that it should do because of the relations with the American approach, but where can European efforts have the greatest impact?

Mr Sawers: I think a lot of progress has been made over the last several years, and my colleague Mr Quarrey may wish to add to what I say. The European Union has established a much broader relationship with Israel, for example, through the Association Agreement and through the European Neighbourhood Programme's activities, which has given more substance to that relationship, so the European Union is not only engaged in the Peace Process, it is engaged in a range of issues, thickening relations between Israel and the European Union, and I think that has been very beneficial and effected the debate on Europe's role both in Israel and in Europe. The European Union has also added in some very specific areas. We have given very substantial aid to the Palestinian side, a total of some 680 million euros was given last year, for example, a combination of European Member States and the European Commission, and that has been of central importance to addressing humanitarian issues on the Palestinian side and, in a difficult period, channelling funds to essential services in Palestine. The European Union has also engaged more in the security side, and this is quite a breakthrough in the last two years, with the two missions under the European Security and Defence Policy. The Rafah Crossing, which the European Union runs and manages, is a very difficult project and it is not 100 per cent successful, but it is an important opportunity for

Palestinians to move directly into Egypt and Egyptians to move directly into Palestine without passing through Israel, and it is policed and managed by the European Union with support on all sides. The second breakthrough on the security side is a project which is known as 'EU COPPS', standing for the 'Co-ordination Office for the Palestinian Police Support', and that started as a British project several years ago. It has now been adopted by the European Union and expanded and this helps support the Palestinian police's own transformation plan in Palestine and it co-ordinates Member States' assistance to the Palestinian police. Therefore, in a number of areas we are making practical assistance.

Q10 Lord Lea of Crondall: You are drawing a distinction, in other words, between the EU having a role giving practical assistance, but not having its own policy on what you might call the 'border politics'?

Mr Sowers: Well, Lord Lea, you interrupted me before I got to the last point. What I was doing was laying the basis of how the European Union has established very substantial relationships of trust and support with both the principal parties. The existence of the Quartet does give us a position whereby the European Union's voice is there alongside that of the UN, the United States and Russia, and I think also it is fair to say that the European Union represents the middle ground of the international community and that is an important issue. When there is a debate between various parties, between the Arab world, between Israel, the United States, Russia and so on, the European Union can act politically as a rallying point. We, 25 years or so ago, advocated an independent Palestinian State and that has now become international policy, which is longer than we would have liked and deeply controversial in 1981 when it was first announced, but it is now a commonplace and adopted by the United States as US policy. We have helped facilitate talks between the two sides, we have supported the Palestinians in their capacity to engage in these negotiations and I think all the developments that I have described have led to a greater degree of trust on the Israeli side as

well as on the Palestinian side that the European Union has an important voice and has a role to play. In the personality of Javier Solana, we have an individual who has been very closely involved, has helped resolve specific obstacles and has helped set the international framework for discussion of the Palestinian question. Is the European Union role as great as that of the United States? Well, I do not think it is as great as that of the United States, I think that is some way off. The United States is an absolutely essential player in large part because of its relationship with Israel and the crucial role that Israel is going to play in determining whether there is peace or not, but I think the European Union role has grown, it could grow further, but it is now institutionalised as part of the Quartet and that is very important.

Q11 Lord Crickhowell: I would like to follow on a bit from that line of questioning. Helpfully, we have in front of us, attached to another paper we have been considering this morning, the Explanatory Memorandum on the European Union's Common Foreign and Security Policy, which sets out rather neatly where we are. For example, in paragraph 30 of that note, it says that, "The EU's special representative has been a key player in the EU's creative response to the political situation", and it then goes on to refer to some of things you were suggesting, the aid to the Palestinians, the EUPOL initiative and so on. I understand those initiatives, but, on reading it, I thought "creative response", what is that beyond these very specific, little initiatives? When you came to talk about representing the middle ground and the difference in the role of Europe from the United States, I was saying to myself, "Clearly, there is bound to be a difference because, by the nature of the States and the way their foreign policy is devised, the United States can take a clear initiative, decide on a policy and provide leadership". I am not at all clear, beyond taking useful, little steps which are helpful, how Europe, as it is formed, forms a policy, a "creative response", that can be more than fiddling on the sides, if I can put it like that, or how we actually represent the middle ground and reach a decision on policy that really makes a difference. I think this is at the

heart of what this inquiry is all about, that we welcome the small and important steps that Europe has taken, but I am left wondering how Europe, as it is constructed at the moment, can, and does, form a policy that really makes a creative difference.

Mr Sawers: My Lord Chairman, I am in danger of roaming beyond the brief of the Middle East, but I think there are examples elsewhere, if you will permit me, where the European Union's Common Foreign and Security Policy has progressively taken more responsibility and has had greater effect. The Balkans is one good example where Europe's commitment to bringing about peace and stability and better governance in the Balkans and the opportunity for these countries eventually to join the European Union has meant that the European Union is now, by some way, the most significant player in issues relating to the Balkans. When we had the Orange Revolution in the Ukraine, it was the European Union that took the lead and the personality of Dr Solana and various other Member States, Poland, Lithuania and some others, who were most active in supporting that very important change. There has been some slipping back in the Ukraine since, but it was a very important moment when the Orange Revolution succeeded and the outcome of the elections was upheld. In Iran, you have another example where the European Union has led international opinion through the mechanism of the European Union where three Member States, Britain, France and Germany, have taken the lead and where the United States has changed its policy, seeing the importance and value of the European Union approach. There is still a long way to go with Iran, but Europe remains the lead player in shaping international opinion and international policy, in part, because the United States, Russia and also China in this case are very important players and they find it difficult to agree to one another's policy, but they can all support the European approach. They may not think it is perfect, but they can see that it represents a good approach for the international community as a whole, and that is what I was referring to as the 'middle ground'. On the Middle East Peace Process, the European Union role is not as great as it is

on these other areas, the Balkans, Ukraine and Iran, that I have cited, but it has, as I have said, created a framework whereby the whole international community now accepts, with the exception of one or two outlying countries like Iran, that there should be two states in the Middle East, an Israeli State and a Palestinian State, and it is based on European policy. Through periods where the United States has not paid as much attention to the issues as we would like, we have kept the flame burning for that two-State solution and supported people on both sides, both the Israeli side and the Palestinian side, who were working to that goal. We do not have the same degree of influence or leverage over, for example, the Israelis or the Palestinians that we have over countries who are closer to Europe, but we can play an important, political role and we can play it by encouraging the United States to remain engaged, by feeding in ideas, by establishing good practice on the ground in terms of supporting the Palestinian Authority and in building up a relationship with Israel where Israel's economic, cultural and commercial interests are much more tied up with Europe than they are with the United States. I think Israelis recognise that and value that and it means that they respect the European Union approach perhaps more than was the case some years ago. I would not like to claim too much credit for the European Union policy specifically on the Middle East Peace Process, but, on the wider question of the development of CFSP, I think we have seen very important progress in the last ten years. The development of a capacity to engage in security issues through the Security and Defence Policy is another important step and there are the two examples I cited to Lord Lea earlier which show that we can bring these capabilities to bear in the Middle East as well.

Q12 Lord Crickhowell: My next question follows from that. You pointed to one of the very initiatives that have been taken elsewhere and how useful they have been. The paper that I referred to refers to the very important role of the EU Special Representative in all this. I suppose my question is, all right, the potential is there. We have done it elsewhere. Is it

actually beginning or likely to happen and, if so, are we reaching a point where there is going to be a greater clarification of EU policy that is likely to lead to the kind of contribution that we have made in the other cases? Listening to you, I get the impression that there is potential; we could do it because we have done it elsewhere, but up to now it has still not happened. Do you think it is going to happen?

Mr Sawers: I think it is unrealistic for us to aspire to have a greater role than the United States in bringing about peace between Israel and the Palestinians. I think it is fair for us to aspire and right for us to aspire to a significant role in that process in support of the United States lead. Sometimes the European Union will work in tandem with the United States, sometimes Europe will take the lead, sometimes America will take the lead. It is government policy, often stated by the Prime Minister, that these are our essential alliances and whether Europe and America work together we have a better chance of achieving progress but we cannot always assume that Europe is going to be better placed to take the lead and bring about the solution. On this particular question affecting Israel's vital interests, obviously, I think the role and the leadership of the United States is frankly indispensable.

Q13 Lord Hannay of Chiswick: If I could follow up on this, it seems to me that you have made a very strong case for the Europeans, in Lord Crickhowell's words, trying to demonstrate a better grasp and better involvement than we have done hitherto in the big policy issues in the Middle East peace process, and you yourself gave the example of Lord Carrington's policy when he was in the chair on the two-State solution, which actually was a brilliant diplomatic manoeuvre in the sense that it shifted the whole debate substantially and it never slid back again. It could well be that Europe has a role to play, not in bringing about something revolutionary but in moving the debate forward, particularly on final status issues. Would you not think that this is all the more necessary if you are, as I am, somewhat more sceptical about the US staying power in what they have just announced as their determination

to give a lot of emphasis to this. It is really very difficult to see this US President sitting in Camp David in September 2008 trying to negotiate in his last months in office a Middle East peace settlement. I am sorry to say my imagination does not run that far. If that is the case the greater likelihood is that the American effort will fade as the presidential election approaches, as the lame duck syndrome takes stronger root, et cetera, and that, which I would like you to comment on, is perhaps the period during which Europe will make a genuine contribution not to settle for peace, not in competition with the United States, but to move the whole argument forward on the ground which would be perhaps subsequently part of a settlement.

Mr Sawers: I have three comments there. First, the Presidents from previous US administrations show that the authority of the United States remains powerful through to the end of the term and President Clinton actually came rather close to making a very important breakthrough on this issue in his last months as President. I do not rule out the present US administration not following Clinton's lead necessarily but equally making a greater commitment in their last two years on this issue than they have done in previous years. Secondly, I would say that even if they cannot actually achieve the goal of a two-State solution, the act of making a political effort is in itself important. The commitment to resolving this issue and direct regular engagement of senior members of the administration, like Secretary Rice, itself helps create an atmosphere in the Middle East where western interests collectively can be better managed, respecting the centrality of the Palestinian question to the interests of the people who live in the region, particularly in the Arab world. Thirdly, on whether the European Union can make a step forward, I can see, Lord Hannay, the direction in which you are suggesting that the European Union might somehow define or give more detail to where the final status issues might be resolved and make it easier for the parties to come to that. I do not exclude that. I think the disengagement of Gaza, for

example, has helped give shape to some of the final status issues. For example, in Gaza the 1967 border was recognised. The settlements that were inside that border were withdrawn and the settlers were relocated. I do not think on the West Bank the 1967 border will be followed identically but there are three large settlement blocks which will almost certainly stay as part of Israel. It is possible that the European Union could take forward our expectation as to where the outcome of those final status issues should be, for example, once a border is agreed between Palestinian and Israeli leaders then the future for settlements which are inside that border should, one possibility would be, follow the Gaza model, and I think that is quite likely myself, speaking personally. Another question is the right of return of refugees. It is not realistic to think that the 1948 refugees are going to be able to return fully to the state of Israel. We could speculate about where that comes out. Maybe it would be useful for the European Union to elaborate that more clearly, but the two most difficult of the final status issues, the question of the borders and the question of Jerusalem, are matters where there needs to be further exploration by the United States and by the parties themselves as to where the solutions lie. On the borders there will have to be some compensation between the two sides if land which was Palestinian before 1967 is incorporated into the state of Israel. On the question of Jerusalem, President Clinton came up with an expression for dealing with the final status of Jerusalem: that which is Arab is Palestinian and that which is Jewish is Israeli. The situation around Jerusalem is extremely difficult. I do not think the European Union can easily wade in and define where the borders of Jerusalem should be. I think that would be a rather dangerous game to play, but there is the possibility for the European Union to engage itself on these final status issues and try and shape the debate, a bit like we did in 1981 as Lord Hannay describes.

Q14 Lord Anderson of Swansea: Dealing with Hamas, some tried to draw an analogy between the need to deal with Hamas and dealing with the IRA, yet they have not been

particularly helpful, I notice, and even the much acclaimed statement of Khaled Mashel given from Damascus still said in effect, “But I will not deal with Israel in terms of recognising or admitting it”, and following the latest atrocity in Eilat the Hamas leadership said it was “legitimate”. Do you think that the three principles which have been the road block to dealing with Hamas, the recognition of Israel, the acceptance of previous commitments and the renunciation of violence, need to be modified in any way?

Mr Sawers: No, I do not think they do need to be modified. I think the Quartet principles are very important and represent our values as well as our policy. I deplore what the leader of Hamas said about the bombing in Eilat and also his continued refusal to recognise the reality of the state of Israel. There have been continuing efforts to create a national unity government between the various parties in Palestine, but I do not think they are close to a conclusion. The Fatah and President Abbas are clearly committed to the Quartet principles themselves and they know that the international community is not going to be able to co-operate and work with a Palestinian government that is not committed to renouncing violence, recognising Israel and upholding previous commitments, including the road map commitments. I am not sure, my Lord Chairman, quite what Lord Anderson is suggesting but we are not on the point of changing our policy on Hamas at this stage.

Q15 Lord Anderson of Swansea: I can sum up that argument on the basis of the dealings with the IRA, a terrorist organisation, that progress can only be made if one somehow sets aside the Quartet principles and has negotiations, direct or indirect, to bring Hamas into the dialogue.

Mr Quarrey: I wonder if I might add something, my Lord Chairman. It is our information that President Abbas has worked very hard and has come very close at least three times to forming a national unity government based on the Quartet’s three principles and the Prime Minister was careful in signalling, when he was in the region in September, that the UK

would engage with a government which was based on the Quartet's three principles. Every time President Abbas has been able to bring Hamas close to a deal in negotiation they have frustrated those negotiations, for example, by inserting a clause about only accepting agreements deemed to be in the Palestinian national interest, which would render meaningless the acceptance of the Quartet principles. We have been careful not to be absolutist about this but to try to assess the direction in which Hamas may be moving and I think President Abbas has made some genuine, and frankly heroic, efforts to move Hamas in that direction.

Q16 Lord Anderson of Swansea: And the response to Eilat was totally unhelpful.

Mr Quarrey: Exactly that.

Q17 Lord Hannay of Chiswick: Can I just ask one point about the three criteria? Two of them always seemed to me to be absolutely rock solid but the one about recognition seems to me to float in a rather dangerously vague area because recognition can either mean a technical international law recognition in which you recognise a state within certain borders or it can mean recognising that you are dealing with a reality. The second of those I suspect is what we are all trying to say Hamas have got to do, but, of course, by using the word "recognition" we imply that they are also being asked to do the first and that is what has given me some concern. I do not know whether this concern is at all shared. I am not suggesting you can change it because it is all written in stone.

Mr Sawers: The word "recognition" does carry that ambiguity but Palestine is not yet a state and therefore it is not in a position to recognise other states. What we want is for Hamas to recognise the reality of the state of Israel and to remove from its lexicon its commitment to the destruction of the state of Israel, and that strikes me as a reasonable thing to ask of a negotiating partner.

Mr Quarrey: Also, the fact of recognising and accepting agreements that the PLO had previously signed up to would *de facto* mean a recognition of Israel without Hamas perhaps having to say it publicly in terms. For example, if they were unable to go that far we would have recognised that that showed that the direction of travel was the right one but we have not even got that far at this stage.

Q18 Lord Boyce: I want to ask you something about what your experience is of the EU participating Quartet, and I think you have answered some of that in the question before last, but just on a practical level what is the working relationship between the officials of the Member States, the Solana/Rohan camp, and the Quartet? Is it listened to, or is the EU listened to? Does the EU, for example, get consulted or talked to before, say, the United States launches some initiative, or does it just go ahead and do it and the EU just has to catch up afterwards? I was interested that you said that we aspire to taking a significant or a leading role. Do you really see that aspiration being realised while the US has such a strong part?

Mr Sawers: I hope I did not say we aspire to a lead role. I said we aspire to a significant role. I think the role in the Quartet is important because it builds the European Union into a structure of consultation within the international community. It is not just the meeting of Quartet principles, such as the one that is taking place tomorrow where Secretary Rice and the UN Secretary-General and Minister Lavrov will be meeting, including with the European Union team of Solana and the Presidency. That is a very important step forward. Second is the infrastructure below that. The European Union has a Special Representative, Marc Otte, who works very closely on a daily basis with his counterparts in other members of the Quartet and in working on the ground. Thirdly, at the moment we have as EU Presidency the Germans who have more standing on this issue than most other Member States, and in many ways German policy towards the Middle East is extremely close to British policy, so we have an opportunity in the period ahead for particular influence from the European Union on US

thinking, and I think the meeting between Chancellor Merkel and President Bush recently, where Chancellor Merkel talked at great length with President Bush and after which President Bush reiterated his commitment to the Quartet as the vehicle for taking forward international policy. These are signs of where the European Union can have traction. It is not always the same with every Presidency, of course not, but I think the combination of the German Presidency, the established role of Javier Solana and Marc Otte, the standing they have acquired with the parties and the Americans does give us influence. I go back to my earlier point to Lord Crickhowell. The European Union is not going to supplant or overtake the United States in playing the leading role on this but I think we are having increasing importance in shaping the debate. For example, in advance of Secretary Rice's recent visit to the region she was in regular contact with Javier Solana, in regular contact with the German Presidency, and she also talked to other foreign ministers – the British Foreign Minister, the French Foreign Minister and so on, about the approach she was going to take. I believe we have influence both at the level of US commitment and the detailed policies that they are pursuing and that would not have been the case without the European Union's role and our position in the Quartet.

Q19 Lord Boyce: Your answer slightly worries me because it rather implies that while the Germans have the Presidency the EU will have traction. As soon as it is somebody else it may not necessarily have traction and therefore it washes away again, so this is really a bilateral Germany and the US rather than the EU and I suspect, from what you have just said, rather the former, and it depends who has the Presidency.

Mr Sawers: Members of the Committee, my Lord Chairman, you will know this better than I: who holds the position of the Presidency does have a role, but the European institutions, the Council Secretariat under Solana, the Commission, which has given very generous sums of money, institutionally have a role here which survives and continues whoever is in the

Presidency. We have a particular opportunity now because of the renewed US commitment and because we have a very strong Presidency committed to policies which are frankly very close to our own national policies and which have been the basis for the EU policy over recent years. I think there is an opportunity there.

Q20 Lord Boyce: Possibly working in the Quartet or not, do you think there is any scope for the EU to launch any small-scale competence-building measures which could help to improve the situation?

Mr Sawers: Yes, I think there are a number of areas where we can help. We are supporting the office of the Palestinian President, for example, in helping build up the structures around President Abbas so he can be more effective as President. We are helping with his security. We are working with the Americans on their security plan, and I am delighted to see the US administration have put in a bid to Congress for some \$86 million worth of support for the Palestinian Security Forces, which is a significant advance in the American approach in terms of providing practical support alongside that from the European Union. There may be other ideas, and I do not know if David has some ideas.

Mr Quarrey: I think there are things like the ESDP missions themselves, and I think particularly of Rafah. As John said earlier, it has not always been easy there but I think it has helped having some co-operation between the Israelis and the Palestinians there which will be useful in the long term because it helps to build competence. I think if we can get things moving on the EU COPPS or the civil police again that will have capacity as well. There is also a great deal of UK and EU activity which is working with civil society, which is aimed at education, which works on things like some tertiary education links, which also help around the margins perhaps but also help build competence as well. I think that is a continuing important role for the EU to support that.

Q21 Chairman: Do you think there is sufficient co-operation between the work which is being done by the Commission in the Middle East and Palestine and the role of the EU Special Representative who is representing the Council?

Mr Quarrey: Yes, I think they have worked well together, for example, the Quartet position that has held since the election of Hamas last year, which has a tough local position based around the Quartet three principles, but then on the humanitarian side an approach through the Temporary International Mechanism, which is aimed at alleviating humanitarian consequences from our inability to deal with the PA Government, I think reflects a balanced approach and I think that reflects as well the Council Secretariat side and the Commission working together on this. As we look forward, hopefully, to progress on the political track, I think the Commission are very clear that they want to play an important role in that by supporting the development of viable Palestinian institutions. It has been the Government's view, and certainly the Prime Minister's view, that that is an essential part of future progress.

Q22 Lord Hamilton of Epsom: There have been rumours about secret talks going on between the Israelis and the Syrians. Is there any truth in that? What do you think might come out of that and could the EU play any role in making that any better?

Mr Sawers: I do not know anything about secret talks between Israelis and Syrians apart from what I read in the newspapers and I do not know whether those individuals are representing their respective governments or not. There has been an attempt by a number of countries, including our own, to persuade the Syrians to change their approach on a whole range of Middle Eastern issues, including their approach on Palestine to end the house room they give to Palestinian terrorist groups like the Palestinian Islamic Jihad and Hamas's military wing, and to support the policies of the international community. At some point there will need to be a negotiation between Israel and Syria on their own border and to establish a peace treaty between the two of them, but I think we should expect there to be

efforts outside government to explore whether this is possible. As to what you are referring to, Lord Hamilton, I do not know whether that is the case or not and to what extent that is authorised but it is important for there to be some channels of communication with the Syrians in order to keep on reminding them what the international community expects of them and what is available to them if only they were to change their behaviour.

Q23 Lord Hannay of Chiswick: Perhaps I could just go back to something that came up in a recent question about the Council Secretariat and the Commission, but this is a wider question. Do you think that we are moving into a more hopeful period in which there is greater activity, at least for the preparation of a settlement in the Middle East if not for the immediate achievement of it, and that the three key players, the UN, the EU and the United States, have got negotiating teams that are properly structured to handle this sort of much more intensive involvement with Israel and the various Arab states and so on, because, looking at it from the outside, I think I am a bit inclined to answer no, they have not, to all three of them. The Americans seem to have nothing except periodic visits by Secretary Rice which are liable, of course, to be diverted if she is required to play a high profile role in some other part of the world, Iraq or whatever it is. The EU is doing pretty well with a kind of push-me-pull-you set-up, but is it really punching its full weight, is it really structured properly, and the UN has been virtually absent for some time in this Middle East but apparently the new Secretary-General wishes to play a more prominent role. I wonder what you think about whether the structures are adequate to the political aspirations that are being put on them.

Mr Sawers: I do not entirely share your analysis, Lord Hannay, of the US commitment. I think there is very deep engagement at levels below Secretary Rice. The Assistant Secretary for the Middle East, the Deputy National Security Adviser pay regular visits and are constantly in touch with the parties. They and their teams are working full time on this issue,

so it does go beyond, as you say, the occasional visits of Condoleezza Rice herself. I do not think there is yet in any of those three players, the US, the European Union and the United Nations, a plan for a new negotiating team; they have not got that far yet. Secretary Rice is planning to go back to the region again later this month. We should see what progress she can make then. If she is able to take this further and establish some negotiating process between the two sides then the sorts of negotiating teams that you are talking about I think will be necessary. On the European Union side, of course, there has been a proposal, of which we have been supportive, to merge the responsibilities of the Commission and the Council Secretariat in foreign policy so that there is a single figure, whatever the person is going to be called, who has the authority of the Council of Ministers and the financial resources and expertise of the Commission. That is an idea which is still out there and I think that would improve the European Union's cohesion and effectiveness on this sort of issue. For the European Union to speak with a single voice rather than two voices would be an advantage. On the United Nations side, I think it is the intention of the new Secretary-General to appoint a special envoy to the Middle East and refresh that role, and I think that would be an important contribution as well, but I do not think we have got to the stage yet of negotiating teams for a new negotiation, although if the efforts bear fruit we may get there in the months to come.

Q24 Lord Crickhowell: Following up on Lord Hannay's point, in an earlier report by this Committee we said, "We welcome the Commission proposal that there should be a high-level strategic planning meeting at the beginning of each Presidency between the Presidency, Commission and High Representative enabling issues of coherence and the overall direction of EU external action for the duration of the six month Presidency to be discussed, in order that the EU institutions and the Member States understand each other's priorities". The

Minister in response said that that had happened under the Finnish Presidency. Has it happened at the start of the German Presidency as we enter the next phase?

Mr Sawers: What has happened is that there have been intensive contacts between the German Government and the Commission and the Council Secretariat in advance of their taking up their Presidency, and there was a visit, as is usual at the beginning of the Presidency, by the Commission President and Dr Solana to Berlin to do precisely as you say, to co-ordinate at the highest level the priorities for the coming six months. I cannot say for sure, Lord Crickhowell, whether the Germans have followed precisely the practice of the previous Finnish Presidency, but I can assure you that there have been very close contacts and I think co-ordination is really rather good.

Q25 Lord Anderson of Swansea: You have mentioned some of the operational instruments available to the EU: Rafah, COPPS and so on. Turning specifically to the financial side, in your judgment how effective have they been? What has been their impact in giving the European Union weight within the Quartet?

Mr Sawers: It is difficult to say how much political influence you purchase with humanitarian assistance. I would not like to say there is a clear link between the two of them, but I think the European Union's generosity, the collective generosity of Europe, as I say, €80 million in 2006 alone, stands as a demonstration of our political commitment and of the level of popular support for European involvement in this, which has an influence with other parties and which means the European Union is able to do things vis-à-vis supporting the Palestinian Authority and the Palestinian leaders that other actors are not able to do, so it does buy us some influence on that side of the equation.

Q26 Lord Anderson of Swansea: Have the lessons been learned from other financial transfers? We learned, for example, from the IMF in 2003 that \$900 million passed into the

private coffers of the Palestinian leadership. OLAF, the anti-fraud section of the EU, was particularly ineffective in relation to dealing with that. We need more transparency; welcome the creative side of the Temporary International Mechanism, but have the lessons been learned in relation to the total misuse of EU taxpayers' money over the earlier period?

Mr Quarrey: I think the lessons have been learned. As I mentioned the last time I was before the Committee, it is worth recording as well that the EU had suspended direct budgetary assistance to the Palestinian Authority before the election which brought Hamas to power precisely because of our concerns about how the then Fatah-run Palestinian Authority was using some of those funds and our concerns about maladministration and so on. We have been in this extraordinary position since then with the Hamas-led PA government and the Temporary International Mechanism replacing budgetary support during that time. There are very detailed controls within the Temporary International Mechanism which have been designed principally to ensure that the funds provided are not misused politically, if I may put it that way, in this current situation. I think we hope nationally and EU partners will hope that we can learn some of the lessons from the TIM and apply that to future funding where the situation is normalised between the EU and the PA. Quite how that will apply in practice, I could not honestly tell you at this stage, but I think there is a very strong feeling within the EU that funds in the past have either been abused and wasted or have occasionally have been used, for example, to fund projects which have later been destroyed by the Israelis. So I think there is quite a concern to ensure that the large sums of money that we will need to bring to deploy to support the required process are used properly and I suspect that some of the lessons we have learned from the TIM may contribute to that learning process for the next phase.

Lord Hamilton of Epsom: My question has been largely answered, my Lord Chairman, and I think it better to go on to the next one.

Q27 Chairman: There is this question of the contribution of the EU bilateral relations, not only with Israel but also with the Palestinian and with other neighbouring states and international organisations, such as the Arab League and the Gulf Cooperation Council. How far has that been useful, as well as a direct input through the Quartet?

Mr Sawers: My Lord Chairman, I think it is part of the fabric of the European Union's engagement in the region. The Arab League is a completely different organisation from the European Union but it is an organisation that brings together Arab countries as a whole and which has an important role in establishing the formal policies and positions in the Arab world which are held in very high regard, such as the conclusions of the Beirut Summit of 2002, where contacts between the European Union and the Arab world and the Arab League itself were influential. With the Gulf Cooperation Council there is the start of a political relationship. Given the common concerns that we have in Europe (with Iran and its growing and often malign influence in the region) we have a very large overlapping agenda with the Gulf Cooperation Council. They are also keen to see progress in the Palestinian question. It has been quite interesting: one development of the last year has been the way in which the United States has begun to engage and listen carefully to the views of the Gulf Cooperation Council and countries like Jordan and Egypt, collectively, as a sub-group within the Arab world, and I think they have had an influence on US thinking and US policy which has been very much compatible with European Union influence. Working more closely with these groupings, with these countries, helps advance a common approach to the problems with which we are dealing.

Q28 Lord Lea of Crondall: When we were discussing the scope of what we will be doing, there was a view emerging, to some degree, that we could not help but look a little bit outside the peace process *per se* for exactly the reasons you have been describing. In what sense would you say that all the rhetoric from Tehran, for example, and somehow the *casus belli* of

many other issues being to do with Israel, for implicating the Palestinians, or however one wants to decide it, is germane to this. If a crisis is emerging about Israel/Iran – nuclear weapons on one side, nuclear weapons are needed on the other side because there are nuclear weapons on this side, et cetera, et cetera – how far does all of that bear on what we are talking about?

Mr Sawers: I think very significantly. When you visit Israel or, indeed, the Arab world, one of the greatest concerns – possibly in Israel **the** greatest concern – is not Palestinian, Syria or the Arab world generally, it is Iran. The activities of Iran in supporting extremist groups in Arab countries – in the Lebanon, in Iraq, as we have seen – has raised the level of concern about Iranian activities and certainly has raised the impact of the nuclear file and the implications for the Arab world and the Middle East as a whole should Iran succeed in acquiring nuclear weapons technology or, worse still, nuclear weapons themselves. The rhetoric of President Ahmandinejad is one thing: we cannot ignore it; is it very damaging; and it certainly would be wrong to assume that it does not carry some meaning. I think it has raised again the concern that Israel's very existence could be brought into question by enemies in the region – a prospect which really has not been there for much of the last 35 years but was very much there in the early years of Israel's existence. We are deeply concerned about Iranian intentions, about Iranian behaviour in the region and about Iranian aspirations to develop its nuclear programme in ways which we are not convinced are entirely peaceful. We can only interpret Iranian activity on the nuclear file as being to acquire nuclear weapons technology and possibly nuclear weapons themselves and this would be deeply destabilising in the region. Whether the common concerns between Israelis and Arabs and Europeans and Americans will lead to faster progress on the Palestinian question is a matter of speculation, but I think it is an added factor destabilising the region and an added concern for all the countries in the region, and, as we saw last summer in the conflict in the Lebanon,

an Iranian armed group in the Arab world can set back the prospects for peace and for stability very severely. We are seeing this to a large extent in Iraq as well. I am not saying the problems in Iraq are entirely created by Iran, but Iran could have a very different approach which could establish much better prospects for establishing stability in Iraq than we have at the moment. I share Lord Lea's concern that there are new factors here which have a real bearing on stability and peace in the region which we have to address and we have to factor into our own policies.

Q29 Lord Lea of Crondall: You mentioned the EU having a strong role (in Britain, France and Germany) vis-à-vis Iran – although that has had its ups and downs – but, clearly, on our own inquiry here, when you say it can only complicate what is already a very complicated situation is to sort of spatch-cock in – which is probably the wrong expression, but I will use it – something to do with Israel and Iran, even though it is the elephant not yet recognised as being in the room.

Mr Sawers: Lord Lea, we have to deal with life as it is. What we face now is an Iran which is posing an increasing threat to the security of the region and which is causing particular security concerns for the State of Israel because of its support for terrorist groups and because of its aspirations, as we see them, to develop nuclear weapons. Any Israeli prime minister and Israeli leader is bound to be deeply concerned by such activity. It is bound to be a factor. Obviously it would be much better if we had an Iranian leadership which was committed to a two-State solution, which was committed to countering terrorist groups and was not causing instability in the region, but that is not what we have got, and we have to deal with the Iran which presents itself.

Q30 Lord Hannay of Chiswick: In the past the Lebanon has tended to be treated as a special case and not really part of the Middle East Peace Process: something which could not

be dealt with in advance of the Middle East Peace Process but which would sort of slot in all right when it was done. The events last summer cast some doubt about whether that was very wise and the standoff that exists in the Lebanon seems to add to that doubt, but I am still not clear in my mind – and perhaps you could cast some light on it – how the Lebanese dimension is to be handled in a period when we are trying to make overall progress. The second question about Iran really follows on from your replies to Lord Lea. Having identified Iran as a major spoiler in all this, having identified it over the years as a country which has played quite a role and which is playing a bigger role in all this, how is that issue to be handled in practical terms if you are not talking to the country in question? The whole issue of talking to Iran has got itself snarled up over the nuclear matter. It does seem to me a trifle difficult to hope to get Iran into a more cooperative spirit if we are not even actually talking to them very much.

Mr Sawers: With your permission, perhaps I could ask David Quarrey to answer the question on the Lebanon. On Iran, we have of course been talking to the Iranians throughout this period of difficulty and tension, even after the election of President Ahmadinejad 18 months ago. The combination of engagement and pressure on the Iranians is beginning to have an effect in Iran. We saw in the elections in mid-December that the hard-line faction did really rather badly and I think that is because of disenchantment with the policies of President Ahmadinejad's government.

Q31 Lord Anderson of Swansea: Mainly economic, though.

Mr Sawers: They are mainly economic, but the economic policies have largely failed. There is a good degree of economic incompetence on the part of the Iranian government that has contributed to them, but there is also great concern in the international community that companies and banks should not be associated with Iran and certainly should not do anything which might advance financing for eco-terrorism or financing for proliferation. There is no

money available for new investment in Iran at the moment, so their oil production is declining. It is even difficult for banks to be involved in normal business with Iran, so ordinary Iranian businessmen are having difficulty getting letters of credit and so on, and this is adding to the economic pressure on Iran. I do not think the popular support of the government's nuclear policy, in particular their stated policy of acquiring civil nuclear power, has diminished at all. What is getting across to the Iranians is that, if they want to have a more normal relationship with the rest of the world, including an economic and commercial relationship with the rest of the world, they have to address our concerns on issues like their nuclear aspirations. My Lord Chairman, Lord Hannay is alluding, I am sure, to the US policy of not talking to Iran. We have seen some progress there as well. The European policy has had some ups and downs. We made some good progress at one stage; we were then set back by the election of the new Iranian leadership. Our response has been to engage the Americans, the Russians and the Chinese more fully with our own approach and that has led to a change in the American policy. They are not yet talking to one another but Secretary Rice has said on behalf of the administration that if Iran meets the requirements of the Security Council and suspends its enrichment programme and most sensitive nuclear technology activities then the United States will engage with its partners in Europe and Russia and China in negotiating with Iran. As we have seen with the six-party talks with North Korea, to engage the United States in a multilateral process also provides opportunities for some bilateral contacts at the margins of those multilateral processes, so there has been a change in the US approach. The US and Iran have worked together on other issues, like Afghanistan. I was at a conference the other day in Berlin where the United States and Iranian representatives were taking part in the same meeting and contributing to the same objectives on Afghanistan. There are issues where the two countries need to have more contact, such as over Iraq, but I think this will happen step by step. If Iran meets its

obligations under the Security Council Resolution then we will have direct contact between Iran and Washington on the most sensitive of issues, and I think that will be something to be welcomed, but the next step is for the Iranians to take.

Mr Quarrey: On Lebanon, I would like first to note that, in the context of the Committee's inquiries, it was the strength of the EU's bilateral relations with Israel and the Lebanon last summer which allowed the EU to play the key role in bolstering UNIFIL, which was then the essential pre-condition to achieving the ceasefire. The EU's policy of building a more balanced relationship with Israel paid dividends in that context in helping achieve the ceasefire. In terms of how Lebanon is handled in the next phase of the context of the wider peace process, our best focus remains Security Council Resolution 1701, which, while it does not address in terms the issues that would need to be covered for peace between Israel and the Lebanon, I think the issues raised there, including Shebaa farms, the demilitarisation of Southern Lebanon, the control of legitimate armed forces of Lebanon across the whole country, are in fact the issues on which we need to make progress in order to create the conditions for peace between Israel and Lebanon. I think our focus is likely to remain on trying to implement 1701 so that the conditions are therefore improved for when we can achieve a wider peace process.

Q32 Lord Anderson of Swansea: Since its inception in 1995, the Barcelona Process/Euromed has been relatively disappointing. Now we have a revision of the European Neighbourhood Policy, possibly to be concentrated on during the Portuguese Presidency in the second half of this year, how relevant is the revised European Neighbourhood Policy to the Middle East Peace Process?

Mr Sawers: There is an important connection. At the tenth anniversary event under our presidency just over a year ago, a new direction in the Barcelona Process was established which is geared more towards support for modernisation and reform in the Arab world.

Under the Commission's plans for spending the very generous sums of money available for the Mediterranean region, the proportion going to issues like good governance, education, private sector reform have gone up from 25 per cent of the budget in the previous framework to over 50 per cent in the new framework for the period 2007 to 2010. I think it is in these areas like education and good governance that we can establish better conditions in the Arab world for the sort of free debate/for more open societies/for more successful economies that lead to a more sophisticated policy towards the Middle East than we have seen in the past. It is an indirect link, but I think the level of commitment, and the commitment to modernise countries in the Mediterranean region help them pursue their own modernisation plans, is that much greater under the new scheme than it was under the old one.

Q33 Lord Anderson of Swansea: As you have conceded, that is the regional context. What specifically does the process offer for Israel/Palestine?

Mr Quarrey: Realistically, not a great deal at this stage. One of the things that has frustrated the Barcelona Process has been the fact that almost all, certainly high-level meetings end up in a rather sterile debate around issues to do with Israel Palestine – partly because the Israelis are there with their near neighbours, which they are not often. So far we have not found a very effective way of making then Barcelona Process contribute to the Middle East Peace Process. As John says, the contribution so far is indirect, but I think there is a powerful incentive in play. Perhaps one of the strongest forces for peace between Israel and the Palestinians is the desire of each party for normalisation of their relations with the outside world. The EU by having an increasingly effective European Neighbourhood Policy is able to hold up the prospect of that normalisation, so it is useful as an incentive there, but the realistic answer to your direct question is that so far Barcelona has not made a very significant direct contribution.

Q34 Lord Lea of Crondall: On one question – because you have had notice of it and commented on it indirectly – perhaps you would write to the Chairman if the statistics are complex, but I think it would be quite interesting to compare, if it is possible – and it must be possible in some way – the European Union sums of money going one way or another and the American. Some people say that the Americans provide the policy and we provide the money and it will be quite interesting to know how true that is.

Mr Sawers: I am very happy to write to you, my Lord Chairman, to give you some details of the level of financial support that has been given. Lord Lea is correct in alluding to the point that the European Union gives much more generously to the Palestinian leadership and the Palestinian Authority than do the United States. The United States do have a substantial programme of support for the UN Relief and Works Agency, which is the main vehicle for humanitarian assistance. As I have mentioned earlier, they are bidding now for some more money to support Palestinian security operations, which is very welcome. The US assistance has traditionally, as we all know, gone to Israel, and they give very significant subventions to Israel in support of Israeli security – which are welcomed in themselves and which contribute to Israel's own security and prosperity, which is an important factor here. In terms of total sums committed to the region, I think both the United States and the European Union give very generously indeed, but they give in different ways and to different parties, which has a bearing on the influence and role that each side can play politically. The American willingness to be active on the Palestinian side is gradually growing, and that is to be welcomed. As I have described, I think the European Union approach to Israel has become much more broadly based and much more sophisticated over the last five or ten years than was the case beforehand. If I may say so, it is a bit of a caricature to think that the European Union pays the money but somebody else decides the policy. The fact is that we all have

different roles in determining the policy and both the United States and Europe give very generously but in different ways.

Chairman: That leads on very well to a question from Lord Hannay.

Lord Hannay of Chiswick: I feel we have covered the ground.

Chairman: In that case, I wonder whether we could come to a question on the Member States and the European Union, again from Lord Lea.

Q35 Lord Lea of Crondall: We have been very impressed by the quality and range of the evidence we have had, but, [on 12] it is often said that London and Paris are instinctively starting from different places. Could you say anything about that? The coherence of the EU must at some point along the line be greater if we have solidity of the general strategy – which is self-evident, but could you comment on it – by the Member States.

Mr Sawers: I agree with that in principle, Lord Lea. Of course it is inevitable that there are going to be differences between the Member States and this Government and I personally would not want that situation to change. It is important that different Member States of the European Union can act in different ways and respond to their own particular political links with the region in support of a broad European Union policy to which all Member States are signed up. I think the existence of a common European Union policy towards the region is very important in harnessing the collective European effort. Yes, there are nuances. I have mentioned before that the German approach is quite close to the British approach. There are other countries, particularly in the Mediterranean who feel greater pressures and greater connections with the Arab world and the countries in North Africa than they do with Israel and the countries of the Gulf. But each country is able to use its links in different ways. Sometimes these differences have to be worked through; sometimes it means that the level of clarity in the European Union position is slightly less than it might otherwise have been. But I think the multiplicity of links and activities that European Union countries can bring among

themselves – the role the French can play, the Germans, ourselves, the Central European countries, the Mediterranean countries, the Scandinavian countries – all bring something slightly different to the party. To harness that within a single policy I think is the right way to go. You mentioned French policy. French policy is quite influenced and driven by the character of the President in France and the President in France is going to change in the months ahead. I suspect French policy will evolve as well. We will see. But we have a common European approach and different national assets which we can use to deploy.

Lord Lea of Crondall: Thank you very much.

Q36 Lord Hannay of Chiswick: Do you not think that is perhaps slightly complacent, given the extremely cogent arguments you advance for saying why the handling of Iran has been enormously improved by having a group of Member States who worked as a single team, effectively, with Solana. After all, in the past there were quite serious differences between Member States in policy towards Iran and that was thoroughly unhelpful: various Member States at various stages in the Iran saga of its relations with the outside world have actually gone at cross-purposes and so on. That is certainly true in the case of the Middle East Peace Process and certain activities by various Member States. Surely there does need to be a bit more – I am not saying a replication of the EU 3 to deal with the Middle East, which would be intensely irritating to countries who are not in the EU 3, but surely some approach that is a bit less: “Let a thousand flowers bloom” – or, rather, let 27 flowers bloom – “and it is all fine” is going to be needed.

Mr Sawers: I do agree with that. As the European Union gets larger, the possibility of working and negotiating policies at 27 or more gets more and more difficult. We will find different groups of countries coming together with a common interest in different areas to take the lead role; subject, of course, to general support for the broad policy framework which they are pursuing. We have that on Iran, as you say, and there are informal mechanisms

which we and the French and Germans and Italian and Spaniards use on this issue, the Middle East, and they are informal, they are at working level, but it is a way of clearing out some of the differences so that we can create a common approach. It is fair to say that, whereas ten/15 years ago the different efforts of European countries could often cancel one another out, I do not think that is the case any more. What happens is that we reinforce one another in the work that we do. The discipline of the Common Foreign and Security Policy actually helps that and there are informal mechanisms behind the scenes which help ensure that the differences of detail are hammered out behind closed doors.

Chairman: Mr Sawers and Mr Quarrey, may I, on behalf of the Committee, say how very much we have appreciated the time you have spent with us this morning. As I said at the beginning, you are our first witnesses and you have certainly provided us with a very good basis for the remaining part of our study and also a rather clear position both of European Union policy and the role played in it by the UK. Thank you again very much indeed.