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OFFICIAL COMMITTEE ON DEFENCE AND OVERSEAS POLICY

SUB-COMMITTEE ON IRAQ (DOP (I))

Chaired by the Prime Minister

MEETING to be held in the Cabinet Room, 10 Downing Street
on Thursday 26 May 2005 at 10:30

AGENDA

1. The insurgency - has it changed and how can it be contained and beaten?

a) Impact of the political process, including the state of Sunni opinion and Sunni outreach strategy.

■ *Introductory remarks by Chairman, JIC and 'C' and comments from the Foreign Secretary,*

► *What is the best way to draw Sunni groups into the constitutional drafting process? What contribution are we (FCO,) making on outreach, including through public messages? Is there more that we want the US to do? What is our plan for keeping the other end of the spectrum (e.g. Muqtada al Sadr) in the political process?*

b) The military campaign against the insurgency, including action against Zarqawi.

■ *Introductory remarks by the Chief of Defence Staff and Chairman, JIC*

► *What impact are the Coalition and ISF having on the insurgency? Are the US any closer to getting Zarqawi? How do we pin down the Iraqi Transitional Government (ITG) on the security strategy statement? The key to reducing the cross-border flow of foreign jihadists is Syria. They are already feeling the heat on*

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Lebanon. What are the key practical demands we should be making of them?

c) Changing Role of the Multinational Force, Coalition coherence and the development and capability of the ISF

■ *Introductory remarks by the Defence Secretary on his impressions of Iraq*

The UK and US agree there should be a gradual transition of responsibility for security to the Iraqi Security Forces (ISF) over the course of 2005 and 2006. There have already been changes in MNF force posture to reflect the increasing capacity of the ISF, and to increase the side-by-side mentoring the MNF can provide. The MNF should be able to hand over the first provinces to full Iraqi control in the autumn. On current projections, Maysan and Al Muthanna, in MND(SE), are likely to be the first to be handed over.

We know that the US military, realising the UK may have increased capacity from the autumn, are considering whether to ask us to take on new tasks. But to date this has not been raised by the President or Secretaries Rice or Rumsfeld. This is against the backdrop of: other Coalition partners in MND(CS) (the Ukrainians and Bulgarians) planning to withdraw their forces at the end of the year; a US desire to reduce their own force levels against the backdrop of US military overstretch; and the certainty that the transition to Iraqi control in the US supported Sunni triangle will not happen quickly. At present, the most likely US request would be for the UK to take over responsibility for MND(CS) in the expectation that, from the autumn, the MNF military support required in those areas would be considerably reduced. For the UK, any decision on force posture beyond the autumn also needs to reflect our commitments in Afghanistan.

► *We need to anticipate likely US requests and do what is necessary to head off those that will be unwelcome. How do we get across to the US that our focus will remain on MND(SE), and that we will be looking for significant troop reductions when the ISF are in the lead there?*

2. Increasing international engagement on reconstruction

■ *Introductory remarks by the International Development Secretary and Foreign Secretary (on the International Conference).*

a) Is US and international reconstruction funding having greater impact on the ground?

Disbursement on the ground has persistently lagged behind stated international commitments (e.g. only 30% of the UN trust fund was disbursed by the end of 2004 and the US has only disbursed 36% of its pledge). There has been little progress in the crucial power sector. In Iraq's key cities, progress is being made but we have a very incomplete picture of the situation on the ground. US funding, while significantly streamlined over the last six months is focussed on short-term impact rather than medium/long-term reconstruction. The World Bank and UN, who control the two large international trust funds, have been slow to disburse. The UN has now re-established a presence in Iraq and is starting to take on the role we would expect of them. Donor funding has lacked focus. Achieving a new approach to international donor co-ordination (an Iraqi figure to lead on reconstruction, and sectoral focuses for members of the international community) is therefore one of the key planned deliverables from the International Conference in June.

Despite this, the latest International Republican Institute poll found 66.8% of respondents thought Iraq was generally headed in the right direction. A majority of the population also said they were "very" or "somewhat" confident in the ITG's ability effectively to address their key concerns (among which electricity and unemployment featured prominently).

► *What more can we do to see further improvements in UN, World Bank and international bilateral reconstruction efforts? Will Wolfowitz make a difference?*

► *What concrete outputs do we want from the International and Amman Conferences to improve donor co-ordination and achieve greater measurable impact? Will we get them?*

b) UK assistance in MND(SE) and Baghdad

UK funding for reconstruction in Iraq in FY 2005/06 is already overcommitted, and there are additional activities that Ministers are keen to pursue. Officials intend to work up proposals for ministers on funding and programme prioritisation over the next month.

At present, DFID has an allocation for Iraq of £65m for 2005/06, but already has £84.3m of planned programming (£63m of this will be spent in southern Iraq). These figures compare to a total of £266m spent in Iraq from March 2003 until April 2005. DFID programming has focussed on: improving infrastructure, employment generation and provincial government capacity in the south; and building Iraqi capacity in the centre (including through support to the Prime Minister's Office, the Ministries of Finance and Interior, the justice system, and to electoral and constitutional process.

In addition to DFID spending, the tri-departmental Global Conflict Prevention Pool is expected to allocate approximately £25 million (20% of total GCPP funding) for Iraq in 2005/06, of which £22 million has already been allocated. Support for policing is a key aspect of this work. The MOD will also be bidding to HMT for Quick Impact Project (QIPs) funds (having spent £27m on QIPs since 2003). The MOD's expected budget for military activity in Iraq in FY2005/06 is approximately £927m.

► Is the funding available across government for reconstruction in Iraq adequate? Are we investing at a level that supports our objective of creating stability such that there can be troop withdrawals? Are we delivering a short-term return which will boost the political process?

c) Power – pressures over the summer

The position on fuel products has improved with supplies coming in more consistently and sabotage down. Similarly oil production (currently 2.1m bpd) has benefited from a 23% drop in attacks. Unfortunately, the position on electricity demonstrates the fragility of such progress. While in early May output reached 4600MW, this has fallen back to a maximum of 4000MW in the last week due to a combination of planned maintenance and infrastructure failures. In practice this means that Iraqis in Baghdad are receiving as little as 2-3 hours of electricity per day and in some areas in the South only one hour a day.

The IIG, with support from the US and UK, has tried to grip the problem and developed a Summer Action Plan. This focuses on: completing power generation programmes on time; ensuring fuel supplies; increasing power imports (to 230MW from Iran and 145MW from Turkey); and managing public demand through a media campaign aims to deliver 5500MW over

the summer (the equivalent of 12 hours electricity per day). DFID is providing \$18.6m to address immediate power needs in the South and \$75m for the Iraq Infrastructure Services Programme, designed to bring in approx 90MW and provide longer-term strategic advice to the Ministry of Electricity. The World Bank's involvement is needed to take forward longer-term strategy and funding in the power sector. DFID is seconding two advisors to work for the World Bank in Baghdad to encourage early WB engagement. Jaafari has told Condoleeza Rice that electricity will be a major early focus for the ITG, but the new Minister, Mohsen Salash remains an unknown quantity.

► *At this stage, what more can we do to improve the prospects for the power sector this summer?*

► *How do we boost investment in the rehabilitation of Iraq's infrastructure?*

3. Media and Communications

■ *Introductory remarks by the Foreign Secretary.*

► *Do the Iraqis have a clear understanding of what is happening in their own country? What preparation is in hand to communicate the ITG programme and constitutional process? Are we offering the necessary support?*

► *Media coverage of Iraq outside the country is still extremely negative. What can we and the US do about it? Should there be a media push to coincide with the International Conference?*

4. AOB

Cabinet Office

24 May 2005