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From the Secretary of State

The Prime Minister  
No. 10 Downing Street

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3 September 2004

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Dear Prime Minister

My visit to Iraq

The transfer of sovereignty has gone well - the Iraqis clearly now lead. The IIG's first two months have been dominated by the Najaf crisis. Its resolution has eased tensions, though too early to say if the deal will hold. Allawi has been urging Sunni leaders to join the political process and says he will visit the south (which feels left out). But he is wobbling badly on the election timetable. There is an urgent need for you to stiffen his resolve when he visits, and for the Election Commission and UN to get on with making the elections happen. The timetable simply cannot afford to slip. Reconstruction effort in the south is progressing slowly, but worsening security is making things more difficult. The UN needs to be encouraged to get back in as soon as possible. Overall, it's going to be a long hard slog. We have to stick with it, not least because the Iraqi people desperately deserve the real chance they now have of a better future.

I visited Iraq from 31st August to 1st September. In Baghdad I met Prime Minister Allawi, Minister Hafidh (Planning and Development Co-operation), Minister Berwari (Municipalities and Public Works), US Ambassador John Negroponte, Ross Mountain (UN Deputy SRSG) and members of the Electoral Commission. In Basra I met the new Governor Hassan al-Rashid, members of the Basra Provincial Council, and civil society representatives. Allawi is looking forward to meeting you and Kofi Annan later this month.

The change since the hand over of power was evident. The IIG is in charge. Allawi is proving to be much more effective than the old IGC, but the challenge he faces is enormous, and the public haven't yet seen enough of him to make a judgment. Expectations of progress remain high.

It is absolutely essential/

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It is absolutely essential that the elections happen within the agreed timetable; otherwise the continuing credibility of the process will be badly damaged. But with only 5 months to go, it was clear to me that a huge amount remains to be done, especially given the difficult security conditions. The IIG, UN and Electoral Commission need to get on and make them happen. Allawi acknowledged the importance of the elections but talked too much about problems – the main parties want a census first, insecurity makes it hard, time is short, etc. In public Hafidh was firm on the need to stick to the political timetable,

I urged both to stick to the timetable. You will need to make it clear to Allawi that delay is not an option. We must also make sure that the Election Commission has everything it needs, including money (they complained that they have only been given \$11 million so far) and personal security for themselves and their families. Their plan to use the food distribution lists as the basis for an electoral register is right, but a big push will be needed to explain the process to the public.

Allawi was upbeat on the Najaf resolution,

There was also widespread disillusionment in the south about being 'left out', as they see it, of the National Conference. They sense echoes of their treatment by Saddam, but do not yet see elections as an opportunity. Allawi promised to visit Basra before coming to London. He has been reaching out to the Sunnis to encourage them to participate in the political process.

Security affects everything – progress on the political process, economic recovery, and reconstruction. Movement of UK staff and consultants out of the international zone in Baghdad – for visits to ministries we are supporting – now has to be very carefully assessed because of the threat, and Basra has been under lock down for the last 3 weeks; a real change from my last visit. General Rollo said, however, that since the Najaf agreement the atmosphere in Basra had improved noticeably. Our people should therefore be able to get out again soon. The work DFID and MND-SE have done on power, water and fuel supply since the autumn has helped avoid a repetition of last year's riots, though the hot weather is not over yet. The Sweetwater Canal has not collapsed, electricity production has continued to rise slowly through the difficult summer period, and the newly completed grid has enabled more equitable distribution across Iraq. I was assured that, contrary to press reports, oil exports from the southern fields have held up. The provincial council members told me that crime in Basra had reduced as more police get out and about.

But the pace of reconstruction is still too slow. Security is a constraint – our staff cannot implement new programmes when locked down – and this affects the bigger spenders too. Both the US PCO and the UN assured me that they were making progress but, frankly, until the Iraqis see that progress on the ground, we should remain very sceptical. I will write to Kofi Annan about the UN's role in reconstruction; it must get a bigger international presence back in the country. Ambassador Negroponce told me that Congress should complete its review of the proposed changes to the Supplemental by the end of September. I am not inclined to quarrel with the outcome which is more money for security (the police do need better equipment); instead we must keep pressing for rapid action.

DFID's approach of encouraging/

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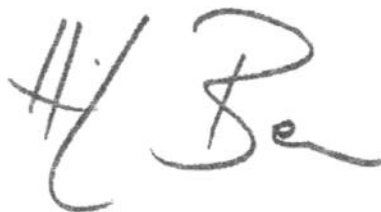
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DFID's approach of encouraging the international system to help rebuild Iraq, and 'so working through bi-lateral programmes at the national level (to support 'ministries' capacity) and in the south (to help create jobs, renew infrastructure, and reduce poverty) is still right. But I will want to see substantial progress on spending and delivery before committing any more to the Trust Funds. I have therefore concentrated on new bilateral programmes this financial year. I held press conferences in Baghdad and Basra to launch two new projects to support civil society and encourage Iraqi involvement in the political process. I also announced new funding for programmes specifically for the south to respond to critical needs in essential services, create jobs, and build capacity in the four southern Governorates. We will need to stay flexible in responding to changing circumstances. I am looking at further support to the electoral process. While there are quick projects that can be done - MOD now has some more funding - it will take time to rebuild Iraqi institutions and their capacity to do it for themselves.

Good progress has been made with the new Embassy and the Basra office. Staff continue to work under serious threat and their security must remain our principal priority. This was my third visit to Iraq in 12 months, and I never fail to be impressed by their extraordinary morale and dedication, given the circumstances in which they work. I thanked them on behalf of all of us. I am also very grateful for the meticulous effort and planning that went into my visit.

I look forward to discussing these developments with you and colleagues, and what more we need to do to help Allawi and the IIG succeed.

I am copying this letter to Jack Straw, Geoff Hoon, Paul Boateng, Patricia Hewitt, 'C', Sir Andrew Turnbull, Sir David Manning, Sir Emyr Jones Parry, Edward Chaplin and Simon Collis.

A handwritten signature in black ink, appearing to read 'H. Benn'.

HILARY BENN

(Agreed by the Secretary of State and signed electronically in his absence)

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