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Faxed
FCS/04/006

CHIEF SECRETARY TO THE TREASURY

IRQ/0406/0122/1228/001/A

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Iraq: Security for British Civilian Staff

cc1 Secretary of State
PS/PUSS
PS/Suma Chakrabarti
Directors-General NB
Mike Green
Special Advisors
Richard Calvert

2. Jim Dwyer
for info/action as required.

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1. I was grateful for your letter of 8 December 2003 agreeing to allocate up to £2 million from the £60 million designated by the Chancellor for reconstruction and development in Iraq to provide essential new, secure accommodation for UK civilian staff in Baghdad. This followed the designation of £17.8 million from this fund for other in-country security costs (your letter of 9 September and follow up letters between officials), primarily to provide armed protection teams (APTs) and suitable vehicles. I welcome this recognition from the Treasury that the security of UK staff overseas is of paramount importance, and that in Iraq, the magnitude of the cost of protecting the cross-government UK team in the CPA cannot reasonably be expected to fall to the FCO's budget.

2. The situation in Iraq has been changing fast, and UK staff in the CPA have adapted quickly as it has changed. This has inevitably meant that security requirements have changed too. My officials have kept yours informed as the situation progressed and estimates of cost changed. But as we approach the deadline for the Spring Supplementary estimate, we are now in a position to give you a detailed and definitive requirement for further security costs in Iraq in the current financial year. These amount to a total of £9.4 million beyond that already approved. My officials understand from yours that over £20 million of the £60m fund, which is multi-year, remains unspent.

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3. The firm judgement of our security experts is that, without the protection of armoured vehicles and APTs, it would be too dangerous for our civilian staff to travel outside guarded CPA compounds such as the Green Zone in Baghdad. This judgement has been vindicated by the deaths of Japanese, Korean, Spanish and French staff over the last few weeks. In at least two incidents in Basra (one involving a bomb, the other a shooting) the lives of British civilian staff have been saved by armoured vehicles.

4. These assets have enabled us, for example, to contribute staff to seven Governorate teams, five of which we lead; to make a crucial contribution to police capacity-building and mentoring of senior police officers in Baghdad and Basra; to lead the reconstruction of border enforcement (customs, immigration etc); to lead a Sunni outreach programme; and to provide a wide range of technical assistance to Iraqi officials extending in to the regions. An FCO officer, Liane Saunders, has been covering the seven northern provinces as Deputy Regional Coordinator for CPA North, including travel to areas as difficult as Baqubah and Tikrit (so impressively that Bremer has just asked her to become Regional Coordinator). This will be a vital area of activity as we try to ensure that the Kurdish/federalism issue does not obstruct progress towards the transition in June. Similarly, we will need to boost our political staff in the southern Governorates, to facilitate the political process and retain Shia consent, over the next four or five months. None of this would be possible without the armoured vehicles and APTs, which are required by our duty of care.

5. As an illustration of the extent to which the vehicles and accompanying APTs are used, the vehicles in Basra covered an average of 7,500 km each during November and carried a total of 589 passengers. Our security manager in Baghdad coordinates 15 to 22 operational movements a day in addition to



the use of vehicles and APTs devoted exclusively to individuals (eg DCC Brand, CPA's Senior Police Adviser.) The vehicles and APTs now in Iraq are working to full capacity. The relatively slow delivery schedule for further vehicles is constraining our activity.

6. A further important benefit of the APTs is their very effective communications network. This has enabled us to develop an integrated communications network on the back of their systems and technical expertise, which has proved invaluable for the efficient dissemination of security information and incident response.

7. There are a number of reasons why the requirement, and hence the estimates, have changed, specifically:

- **significant increases in the number of UK secondees to the CPA and the range of their activity.** There are 112 civilian staff in Iraq under FCO auspices. This figure will increase with, for example, more police trainers, more FCO Arabic speakers to facilitate the political process, and the return of Treasury and Bank of England staff. In July 2003, when I first submitted a claim on the reserve, we estimated that we would need 12 armoured vehicles. By December that requirement had risen in stages to 82. Similarly, the July estimate was for four armed protection teams. By Early January that requirement had risen in stages to 30. For example, in July there were 17 military and four civilian UK secondees to CPA South. Now there are 72 UK civilian secondees in CPA South. Similarly, the extent of our work in the Governorates was not foreseen last summer.



deteriorating security. The security environment has proven much more difficult over the last six months than anticipated; and, despite the fall in attacks over the last few weeks, it remains very dangerous. Our security experts first recommended travel in convoys consisting of one armoured and one soft-skinned vehicle (the latter for the APT). They subsequently recommended travel in convoys of at least two armoured vehicles in the Baghdad area. This requirement was then extended countrywide. Our security managers in Baghdad and Basra are also stipulating convoys of more than two vehicles in some cases, where there is perceived to be a heightened risk and/or in order to vary the obvious signature of two-vehicle convoys.

8. Even under the very difficult constraints in Iraq, we are ensuring as far as possible that our security needs are met in a way consistent with the best value for money for the taxpayer. We have squeezed considerably more from the £17.8 million already granted than in our original estimates of unit costs for vehicles and APTs (the bulk of the costs). For example, by using a variety of sources across Europe we have reduced the average cost of an armoured vehicle from the previous estimate of £101,000 to around £85,000. The contract we negotiated with Control Risks Group ensures that APTs are paid only when they are actually working. For example, when vehicle deliveries have been delayed, so has the corresponding team's start-date (this also explains the higher concentration of APT costs later in the year when more vehicles had arrived).

... 9. I enclose a table which shows the pattern of deployment of vehicles and APTs, how we have used £14.3 million of the £17.8 million up until January, and how we shall need a further £12.9 million from for the rest of the financial



year (including accrued payments due in April). This demonstrates that a further £9.4 million is needed this year.

10. My officials stand ready to include this item, together with previous reserve claims, in the Spring Supplementary estimates, for which your Department's deadline is 5 February. I therefore hope that you can agree this funding as soon as possible.

11. I can also give you notice that we estimate continuing security costs in 2004-05 up until 30 June 2004, the target date for handover to a provisional Iraqi government, will be £12.5 million. And in due course, we will also need to discuss the security and other costs of British representation in Iraq after June 2004, on which we shall be working up costed proposals over the next few weeks. Your and my officials, as well as those from DFID, have already had preliminary discussions on appropriate and equitable funding arrangements for these requirements. }

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12. I am copying this minute to the Prime Minister and Hilary Benn.

JACK STRAW

Foreign and Commonwealth Office

26 January 2004

IRAQ DIRECTORATE: CPA SECONDEES SECURITY/COMMUNICATIONS: ESTIMATE OF EXPENDITURE 2003-04

ADMINISTRATION EXPENDITURE								CAPITAL EXPENDITURE							
DESCRIPTION	MAY-NOV	DEC	JAN	FEB	MAR	APR	ADMIN TOTAL	MAY-NOV	DEC	JAN	FEB	MAR	APR	CAPITAL TOTAL	GRAND TOTAL
Vehicles (96)	-	-	-	-	-	-	-	2,255,000	1,540,000	2,090,000	1,710,000	475,000	-	8,070,000	8,070,000
Vehicle Freight	510,000	255,000	330,000	270,000	75,000	-	1,440,000	-	-	-	-	-	-	-	1,440,000
Vehicle Other	157,975	89,600	130,000	120,300	66,575	-	564,450	-	-	-	-	-	-	-	564,450
SUB TOTAL	667,975	344,600	460,000	390,300	141,575	-	2,004,450	2,255,000	1,540,000	2,090,000	1,710,000	475,000	-	8,070,000	10,074,450
Communications	346,000	149,000	31,000	186,000	-	-	712,000	-	-	-	-	-	-	-	712,000
SUB TOTAL	346,000	149,000	31,000	186,000	-	-	712,000	-	-	-	-	-	-	-	712,000
Baghdad APT (8 teams: 25/7-31/3)	2,436,242	690,440	690,440	690,440	690,440	690,440	5,888,442	-	-	-	-	-	-	-	5,888,442
Baghdad APT (4 teams: 24/9-31/3)	487,941	390,353	390,353	390,353	390,353	390,353	2,439,706	-	-	-	-	-	-	-	2,439,706
Basra APT (5 teams: 25/7-31/3)	-	-	-	1,322,000	1,322,000	1,322,000	3,966,000	-	-	-	-	-	-	-	3,966,000
Governorates APT (6 teams: 12/10- 31/3)	-	-	1,325,844	491,052	491,052	491,052	2,799,000	-	-	-	-	-	-	-	2,799,000
Governorates APT (2 teams: 1/1-31/3)	-	-	-	164,000	164,000	164,000	492,000	-	-	-	-	-	-	-	492,000
Governorates APT (5 teams: 1/2-31/3)	-	-	-	-	410,000	410,000	820,000	-	-	-	-	-	-	-	820,000
SUB TOTAL	2,924,183	1,080,793	2,406,637	3,057,845	3,467,845	3,467,845	16,405,148	-	-	-	-	-	-	-	16,405,148
GRAND TOTAL	3,938,158	1,574,393	2,897,637	3,634,145	3,609,420	3,467,845	19,121,598	2,255,000	1,540,000	2,090,000	1,710,000	475,000	-	8,070,000	27,191,598

09-Jan-04