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PRIME MINISTER

IRAQ TRANSITION IN BASRA: MEETING OF NSID(OD), 19th JULY

1. To prepare for NSID's discussion of Iraq, a paper by FCO and MOD officials has been circulated which assesses security in Basra between now and the end of the year. The main issue for the meeting will be the future of the Basra Palace Compound and the timing of the withdrawal of British forces from central Basra. This also offers an opportunity to look at our longer term policy for Iraq. The military remain very keen to withdraw from the Basra Palace site as planned in late August 2007 (Option A, below), but I judge that they could accept Option B, which would delay the withdrawal until late September, because this is bound into the longer term perspective.

Background: Medium Term Strategy for Basra

2. At their meeting on 14 February 2007, DOP Ministers agreed to review our presence in Basra Palace in the summer, in the light of conditions in Basra and any residual US concerns. Central to our plans for Basra post-withdrawal and post-transfer to Provincial Iraqi Control were the assumptions that we would leave a residual presence at the Warren site to maintain situational awareness and a sustainable commitment to long-term training and mentoring. Our re-intervention capability would be in extremis and at Iraqi request, sufficient only to deal with a small localised disturbance; for a major deterioration in security we would need to look to Corps HQ (ie the US).
3. It is now becoming increasingly clear that the deterioration of the security situation and greatly increased attacks on our forces in Basra City means that we cannot maintain a presence at the Warren once we withdraw from the Basra Palace Compound (BPC). Without an operating base in the City and the situational awareness the site provides, our ability to re-intervene successfully in the city will be greatly diminished. There is also a serious risk that our forces will continue to provide a target for local insurgents at Basra Air Station

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(BAS). It is therefore becoming clear that withdrawing from BPC would in effect bring about a de facto move to PIC, but that our ability to deliver our previously planned post-PIC programme in Basra from BAS could be at best severely limited, at worst impossible.

4. Previous assumptions about the timetable for our overall military commitment had been based on maintaining a significant presence in MND(SE) for most of 2008. However, given the serious questions about our ability to deliver either security or significant training or mentoring programmes post-PIC in Basra, those assumptions now look unrealistic. And the significant risks to our forces are likely to outweigh the security or other benefits derived from keeping them in Iraq. In these circumstances, there is a case for planning for the withdrawal of the majority of British troops from Southern Iraq to a much more rapid timetable. It would take around six months to withdraw our forces from the date a decision to do so was taken. If PIC were achieved in Basra by Autumn 2007, as expected, the majority of British troops could be withdrawn from Iraq by Spring 2008. We would be able to maintain a contribution to the coalition in different ways: we could maintain a residual commitment to Iraq with Special Forces, as well as a training and mentoring capability which might operate out of Kuwait. Officials are looking rapidly at options for providing this longer term support for the Iraqis and will provide more detailed advice on our longer-term presence.

Withdrawal from central Basra and Handling Strategy

5. Against that background, there is an immediate issue over the timing of the withdrawal of British troops from the Basra City sites, and the implications for handling this with the US. Officials have identified two main options:

Option A:

- we withdraw from Basra Palace and the Warren site in late August 2007 as currently planned, before Petraeus and Crocker deliver their assessment to Congress. But the analysis in paragraphs 3 and 4 above mean that at some stage very shortly afterwards we would have to explain to the US, probably in September or October, that we will in fact be withdrawing from MND(SE) in Spring 2008, so we would hit the US with unwelcome news twice at a politically sensitive time for their

policy over Iraq.

There are advantages in an early withdrawal from Basra City, including: the return of the second biggest city in Iraq would send a clear signal of Iraqi ownership; the majority of our forces would then be based at BAS, which is easier to defend, and our forces less exposed to attack in central Basra; and it would appease Basra's local leadership which feels that British troops' presence in central Basra has a detrimental effect on the security situation. However, the risks include:

- a visible British withdrawal from Basra City in August would unhelpfully play into the debate in Washington in the run up to General Petraeus' and Ambassador Crocker's joint assessment to Congress in September, and would not be welcomed by the US;
- there is no single US inter-agency position but it is clear that some senior figures in the US administration and military feel that, from a purely security point of view, August is too early for PIC in Basra, or for British troops to withdraw from central Basra without PIC;
- there is a strong possibility that our withdrawal would create an opportunity for a local upswing in violence, particularly if elements currently targeting us turned on each other for local dominance. Although it is likely that such violence would be self-limiting, it would be destabilising and would attract international attention;
- the withdrawal of British troops from central Basra would leave MND(SE) with an extremely limited re-intervention capacity and incidents in central Basra would require intervention by the Iraqi Security Forces (ISF). Although ISF capabilities are improving, particularly under recent new leadership, there remain questions marks over how they would perform if tested robustly. The prospect of a severe deterioration in the security situation in Basra should we withdraw too early is therefore a real risk in the short term. If the violence were to spiral beyond immediate local (Iraqi and UK) control, it would require the redeployment of coalition forces from elsewhere in Iraq.

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Option B:

- instead, we could decide to delay the withdrawal of British troops from Basra Palace and the Warren site by a month until late September, and present this very unwelcome message to the US about our medium term plans as part of a package: we will maintain our current numbers and disposition in Basra until the end of September to avoid having a negative impact on the Washington debate, but thereafter we are planning to leave only a residual presence in Iraq after Spring 2008.

Advantages of such a postponement include: ensuring that British troops remain in control of Basra until after the September Congressional assessment, providing more time for Iraqi Security Forces to prepare for PIC; reducing any gap between our withdrawal from central Basra and the handover to PIC; minimising the risk of a major outbreak of inter-Iraqi violence; and avoiding the appearance of a major divergence of UK and US policy over our commitment to Iraq. There is a major risk to be weighed against this:

- attacks on the British military in Basra are becoming increasingly lethal, and a longer commitment to maintaining our presence in Basra City inevitably prolongs the risks to personnel and the possibility of a major attack leading to substantial loss of life.

If Ministers favour Option B, we would need to set out our views to the US Administration at a very senior level very soon to gain political credit from the Administration for the difficult and painful decision to extend our presence in Basra over the month of September. Officials would provide further advice on handling any decision to stay in Basra Palace beyond August, but any decision to accelerate the British forces' withdrawal from MND(SE) would have to be very tightly held in the US and UK throughout September.

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