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*Nick*  
*Be here just*  
*look & make up*

From:  
Tel:

JIM DRUMMOND

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NO. 0063

**DAVID MANNING**

14 February 2003

### **IRAQ: WINNING THE PEACE**

A satisfactory plan for post conflict Iraq is critical to whether we have a "winning concept". You asked for a note with key messages for the US. This has been cleared with the new Iraq Planning Unit.

2. Victorious coalition forces can expect to find an Iraq with the following broad characteristics:

- The remains of a command state with most of society infiltrated and compromised by the regime, its intelligence services and the Ba'ath Party. But still with some sound technical institutions, which should recover with Saddam's influence removed.
- A brutal security apparatus with the layers closest to Saddam requiring disbandment and the rest substantial reform. A dysfunctional judicial system, with some sound basis but consistently overridden by presidential dictat.
- Large numbers of displaced people, the majority of the population hungry if the Oil For Food programme collapses during a protracted campaign. Health, education and other public services, which have declined rapidly in the last 20 years, leaving under five mortality rates worse than in the DRC.

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- Damage to key infrastructure, perhaps less than other conflicts if the campaign is quick, the oil fields are seized without serious damage and the targeting is as careful as the US assure us it will be.
- A country dependent on oil with potential and skilled people to recover quickly if well managed.
- A secular Islamic state with potential for much greater fundamentalism.
- Divisions along tribal, sectarian (Shia/Sunni) and particularly ethnic lines (the Kurds). The Kurdish north has prospered outside Saddam's control but needs to be reintegrated. This will require particularly careful handling.
- Neighbours keen to press their interests. Particularly Turkey and Iran over the Kurds in the north and Iran over the Shia in the south. A region deeply nervous, if not hostile, to a continuing US military presence in Iraq.

3. However, we expect that many Iraqi people will welcome the removal of Saddam Hussein and his regime, and be overawed by Coalition military power. But this is likely to be short lived: liberation will quickly become occupation. The Iraqis will resent the imposition of Coalition government and will be sensitive to any suggestion that oil revenues are not being used for their benefit. Opposition in the region will encourage them. So the Coalition must have a clear public plan for restoring an Iraqi representative government, for the use of oil revenues for the benefit of all Iraqis, and the means to bring early benefits of change to the Iraqi people. This will also help with the region and those members of the international community who did not support military action.

4. We must not underestimate the task. In recent years, we have had to remove governments in Kosovo and East Timor and replace them with international administrations, but they are much smaller both in size (Wales not France) and population (2.5m in Kosovo, 25m in Iraq). In Afghanistan we have worked with a local political process and administration. In Iraq we

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face having to replace a government and remove a political party which has dominated Iraqi politics and institutions for over 40 years. So some similarities to post war Germany.

### **US Planning**

5. The US has assumed for planning purposes that it will lead the government of Iraq following military victory. It has consulted extensively with the Iraqi exile population, many of whom are well informed about the situation in Iraq, but have their own agenda. There has been extensive CENTCOM and DOD planning for the military campaign and the first 60-90 days. PJHQ are plugged into this well, and have helped to shape aspects of it. There is also good progress in planning to follow up the military advance with immediate humanitarian support for the Iraqi population. But there is no serious US assessment of the consequences of CBW use on the civilian population.

6. PJHQ started their own detailed planning exercise as soon as it became clear that UK forces might have control over the Basrah area of southern Iraq (city population 1.5m alone) from the very early stages of the campaign. Within the US administration the NSC leads on broader policy questions on the future of Iraq. Whitehall inter-departmental teams have visited several times since last autumn to discuss the issues. Some decisions cannot of course be made until the Coalition can assess the situation post conflict. But there is no coherent plan of how Iraq will be governed beyond the first 3-6 months. This risks the continuation of a military government becoming increasingly unpopular. This would be even more likely if the US proceeded with a plan of dividing Iraq into three sectors for military government.

7. The US envisages that there will be three phases post conflict:

- A military government led by a US general for the first 3-6 months to re-establish security and deal with the humanitarian crisis.

- Then a civilian led international government charged with rebuilding democracy from the bottom up, restoring key services and increasing oil production. The US hope this would last 12-18 months but accept it might take longer.
- Handover to an Iraqi representative government at which point coalition forces would withdraw.

8. Our key concerns are to manage the task, by ensuring that we have legal cover, as much support as possible within Iraq and internationally, and as much help in both money and skills from the international community. This means reaching decisions with the US on:

- Legitimacy. We have told the US that we require the UN to legitimise the post conflict government of Iraq and to resolve legal problems around sanctions and the Oil For Food programme. This would require a further resolution. It should be achievable if the Security Council is satisfied with the extent of UN involvement in the transition. We are discussing text with the US in New York. Even Rumsfeld is beginning to accept the need for it. On current plans it would not be presented until the end of the conflict.
- UN Administration. We think that a second phase UN led administration would make sense both for international acceptability and for the skills, which the UN could bring. It might allow funding by assessed contributions. But the US is set against, because they believe the UN has performed poorly elsewhere. We are therefore proposing that the UN's expertise should be used in technical areas such as education and health. A UN Special Representative (a Brahimi role) will be required to pull the UN machinery together locally. The US are planning for a US civilian (probably a retired General) to be in charge of reconstruction and humanitarian affairs, but it would be optimal if this was not an American, unless appointed by the UN. We have given the US proposals

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for UN involvement. Mr Hoon pursued with Rumsfeld, and you will want to follow up with Condi Rice.

- **Political Process.** US proposals talk of rebuilding a representative government from the bottom up, but also establishing at an early stage a Consultative Council with representatives of both the exile community and untainted leaders currently inside Iraq. We need urgently to pin down a process so that it can be announced as soon as a decision is taken to remove Saddam by force, and to agree how the Council will be selected and what its role will be. Again we have given the US outline proposals, but should firm them up.
- **Humanitarian.** 60% of Iraq's population is dependent on Oil For Food. A very short conflict and no use of WMD will clearly disrupt less. But OFF will be affected by the withdrawal of international staff and any delays in the resumption of oil exports. Although the US has good plans to bring in humanitarian relief behind the military it has not thought through how to encourage the NGOs and UN specialised agencies to engage. The international community also needs a contingency financing plan to pay for food for the short term to feed the Iraqi people, or to draw on oil revenues held in ESCROW accounts under OFF, which will require legal changes before they can be used.
- **Economy.** In the longer term Iraq should be rich, but it will face a serious cash flow problem, potential hyper-inflation and massive debt and reparations claims totalling over \$100bn. The US have accepted in principle the need to establish a Trust Fund for oil revenues to be used for the benefit of the Iraqi people. It is essential that this operates transparently and is not seen as a coalition grab for Iraq's resources. So a clear plan and an early public announcement would be highly desirable. The UN already has established mechanisms for handling Iraqi oil revenue through OFF that could be adapted. International sensitivities have meant the UN and IFIs have mostly done private planning, which has not been fully shared, so there is an urgent need to sort this out. We

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have a joint working group with the US working on a plan. It needs a political push in the US.

- Reconstruction Contracts. We should encourage the US to create a level playing field, both for our companies, and to avoid accusations of misusing Iraqi funds.
- Security. The US plans a US led, Coalition-run security pillar. This has always been our assumption. The Pentagon wishes to withdraw its units from Iraq as quickly as possible for use in future contingencies. US thinking on replacement forces (NATO, ) looks optimistic. We must prevent the UK bearing a disproportionate share of the security burden at a time when military overstretch is causing problems with meeting our other priorities. If we are not to replicate the problems seen in Afghanistan, we will also need the US to agree early on to single holistic plan for Security Sector Reform. We have offered outline proposals on the security sector. We should offer a plan.
- The US has asked us to lead on reviving the Iraqi Justice system. We have asked for clarification of whether they see this as a short term revival of existing structures minus the Baath influence or a much longer term reform agenda (like the Italians intended role in Afghanistan).
- Similarly we need urgently to understand the recent US suggestion that Iraq be divided into three geographical sectors and that we should run one of them (a much bigger area than the Basrah area of operations) with enormous personnel and financial implications.
- Timeframe. US plans are very ambitious. The reforms planned are unlikely to be achieved within a 2 year period. We are likely to need longer engagement in Iraq if we are to leave a durable legacy, but we should deliver the latter stages under an Iraqi administration. The US will need to be persuaded of this fact.

9 The Iraq Planning Unit will take forward work on detailed planning aiming for a paper, which you could send to Condi Rice and the PM could

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discuss with the President next week. In the meantime I attach the current lines, which you may want to use with Condi Rice.

10. Copies go to Desmond Bowen, Dominick Chilcott and Tom Dodd.

A handwritten signature in black ink, appearing to read "Jim Drummond", with a stylized flourish at the end.

**JIM DRUMMOND**

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## **IRAQ POST CONFLICT: KEY MESSAGES**

### **Overview**

Making a major commitment to Iraq: a quarter of our armed forces. Winning concept only if we get the peace right.

Agree your phased approach: initial military government, giving way to civilian led international government, and then hand back to Iraqi representative government. But must expect that after initial Iraqi euphoria at getting rid of Saddam, US-led international government will quickly become unpopular in Iraq and the region. This will be worse the longer military government continues, and the smaller the group of countries involved.

### **Legitimacy**

We want to play our role alongside others in reconstructing and reforming Iraq after Saddam has been removed. But we need a UN mandate to legitimise international rule, to sort out sanctions, Oil For Food etc. Our officials are discussing possible texts of resolutions. A red line for us: we can have no lasting post conflict role without UN cover.

### **UN involvement**

Rebuilding Iraq will require an enormous effort. Understand your reservations on UN leading transitional administration. But substantial UN role in post-Saddam Iraq will bring great benefits: help win co-operation of moderate Arabs and others, which is essential if reforms in Iraq are to last. Will also encourage greater burden sharing, and bring technical expertise. Share some of your concerns about UN, but it is learning from its mistakes. Good job in East Timor. Can be used to supervise technical ministries. But of course security would remain a Coalition responsibility.

### **Political process**

Must involve Iraqis (not just the exiles) early on in rebuilding Iraq towards formation of representative, sovereign government. Agree that we should rebuild representative structures from the bottom up starting with local elections. But should also need a Consultative Council to give some legitimacy at national level early on. Need to decide soon on its role and how members will be selected. Officials need to meet to plan urgently.

### **Removing Saddam's regime**

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Must detain senior leadership and leading members of Saddam's security forces and put them through proper legal process. But we will need Iraqi technocrats, who may have gone along with Saddam's regime, to run the country. Our officials are talking about handling war criminals etc. Must have an agreed policy this month.

#### WMD and UNMOVIC/IAEA

Main objective of military campaign to remove WMD from Iraq. Our forces should help look for WMD but to ensure transparency and to meet obligations under UN resolutions, UN inspectors need to be involved in counting and destruction. Will need long term UN verification role even under a new Iraqi government.

#### CBW impact on civilians

Risk that Saddam use CBW against own people or inadvertent release during fighting. Must prepare for this scenario. What plans do you have?

#### Financing

Rebuilding Iraq complex and potentially very expensive, even if oil flows resume quickly. Funding gap could be substantial, especially in the worst case scenario (oil fields destroyed). Limits to UK funding.

Urgent need to engage the IFIs to plan the economic reconstruction of Iraq and share the financial burden. UN role in transitional administration would encourage others to contribute. Risk that other countries could block IFI support. Our officials are working on this. Need a coherent plan by the end of the month.

#### Oil

Agree need to resume oil production and export as soon as possible. Welcome your plans to deal with any immediate environmental damage, and commitment to use oil revenues for the benefit of the Iraqi people eg through by adapting Oil For Food programme. Essential that oil revenues managed transparently and accountably. Perception of US/UK oil grab would rapidly increase hostility to the coalition. The UN could help us to avoid this.

#### Level-playing field

Big contracts to rebuild Iraq. Putting UK lives on line. Expect level-playing field for UK business in oil and other areas.

**OD Secretariat, Cabinet Office**  
**11 February 2003**

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