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27 November 2003



Foreign &
Commonwealth
Office

London SW1A 2AH

Dear Nick,

Iraq: Draft Letter on British Office, Basrah

Your letter of 13 November highlighted the Prime Minister's interest in opening a British Office in Basrah. We agree on the desirability of this. DFID, UKTI and the British Council believe there is important bilateral work they can do there. We want to begin the process of re-building long-term political relationships outside the CPA framework.

We were considering opening a British Office in Basrah earlier this summer. However, we decided that the need to strengthen CPA South was a higher priority. Some of the staff that we earmarked for bilateral issues have since been reprioritised towards other CPA tasks.

The recent change in the timetable for the political process makes it necessary to reassess our future presence. Under the new timetable, the CPA's formal role will end in June. It is not yet clear what structures will replace the CPA, but we envisage having to establish a substantial Transitional Assistance Office in Baghdad, and a smaller office in Basrah, to support the Transitional Government, and to continue essential training programmes and reconstruction projects. This would house all British officials working in Baghdad.

These Transitional Assistance Offices will be different from traditional FCO posts. They are likely to include a substantial post-handover presence of former CPA British staff and consultants who are acting in advisory roles to the Iraqi Transitional Government. Staff would be drawn from all Whitehall Departments (as our contribution to the CPA has been), with the FCO playing a co-ordination/project management role. DFID staff, either ex-CPA or newly recruited, would be represented in the TAO. We would need to find an appropriate secure office and residential accommodation.

With this in mind, we propose to establish now a small Bilateral Unit run in Basrah by an FCO Officer, under the supervision of Henry Hogger, Basrah Governorate Co-ordinator (who was originally identified to run the British Office in Basrah). UKTI have a Commercial Officer already selected to work in Basrah. He will work from Kuwait until the Basrah base is

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established. DFID have identified a need to have dedicated DFID personnel on the ground there with a different remit from DFID CPA secondees. The British Council recently visited Basrah and reported this as a more permissive environment than Baghdad in which to start a programme of activities. They too have asked for a base for their staff to work from. We propose to have these bilateral staff identify separate, but co-located, accommodation on the CPA (South) site, taking advantage of the security structures already in place. This may require the co-operation of 20 Brigade in giving up space, or the re-location of the "Container Embassy" from the Baghdad compound to the CPA (South) site. Neither option will be cheap.

We will review the position next year in the light of security and resource judgements in consideration of the kind of international and bilateral civilian presence needed to replace the CPA. If circumstances and resources allow, the Bilateral Unit would oversee the establishment, by July, of a substantive British Transitional Office, comprising representatives of all interested government departments. We are in consultation with departments about their requirements. We will keep you informed.

One of the factors in deciding what sort of operation to set up in Basrah will be the cost. The FCO has already reprioritised extensively to meet Iraq (and other) objectives. We have very little flexibility to take on additional long-term costs without any obvious source of funding.

I am copying this letter to Moazzam Malik (DFID), Matthew Hilton (DTI), Chris Baker (MOD), Ian Fletcher and Desmond Bowen (Cabinet Office).

(Kara Owen)
Private Secretary

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