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28 November 2003

Sir Nigel Sheinwald KCMG
No.10

Dear Nigel,

FOREIGN POLICY STRATEGY GROUP: FIRST MEETING

1. Thank you for your letter of 21 November convening a new Foreign Policy Strategy Group. I welcome this initiative and look forward to the first meeting.
2. George Fergusson wrote separately commissioning papers on reform in the Middle East; the particular problems of handling Turkey in 2004; and improving our approach to post-conflict management. I enclose short papers on each, designed to trigger discussion. I gather the Cabinet Office will be circulating separately a paper on the Balkans.

Yours ever,

John Sawers

cc:
Mr Webb, MOD
General Fry, DCDS(C), MOD
Mr Ahmed, DFID
Mr Haddrill, DTI
Mr Cunliffe, HMT

SIS

Mr Scarlett, JIO
Mr Bowen, OD Sec
Mr Fraser, DSI, FCO

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REFORM IN THE MIDDLE EAST

Bush speech argued that: "Greater Middle East" key focus of US policy for decades to come; status quo unsustainable and has not brought the US security; liberty determines prosperity and social vitality; poverty is deep and spreading; modernisation not the same as Westernisation.

We broadly agree with this analysis (cf FCO Strategy, recent papers on policy towards Arab world). Picks up themes from UNDP's Arab Human Development Report. Growing EU interest, particularly France, Spain, Italy, and some northern liberals (eg Denmark).

Two main, inter-related risks:

- (i) Lack of buy-in from the region itself
- (ii) US, EU and others working at cross-purposes

We need an international game-plan for managing these risks:

- (a) Package of Middle East issues must move forward together: resolution of Israel/Palestine; rehabilitation of Iraq; political, economic and social reform;
- (b) Public presentation needs to be carefully handled, particularly US angle;
- (c) Multilateral cover likely to make initiatives more palatable (eg working through World Bank, UNDP, WTO);
- (d) Economic/social angle may be the best way in to the more sensitive political issues;
- (e) Need to get US and EU partners working together, delivering a consistent pro-reform message, and avoiding competition.

Specific opportunities:

- US/UK G8 Presidencies: Good way of pulling US and EU together. A working group of officials should now draw up proposals. These could focus on tackling barriers to investment; promoting intra-regional trade and linking up US/EU plans for free trade areas; improving supply of credit for SMEs; a regional "Know How Fund". Much of this could be implemented through support for World Bank/UNDP activity.
- EU: We should aim for a political statement by the EU during the Irish Presidency, building on the European Security Strategy, to show the US is not alone in wanting change, and to give greater direction to EU programmes. We should also focus on: UK/France/Spanish co-operation on making EuroMed/MEDA more effective levers for good governance, particularly through tough Action Plans under the Wider Europe initiative.
- NATO Istanbul Summit (June 2004): US interested in making Greater Middle East a major focus. Consistent with UK ideas on turning "Mediterranean Dialogue" into a more action-oriented "Mediterranean Partnership".

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- UN's 2005 review of Millennium Development Goals: chance to highlight where Middle East is falling short (worsening poverty, poor performance on education and women's rights), building on UNDP's two Arab Human Development Reports. We should support plans for a UN funded Arab Regional Women's Forum. 2005 will also see a review of Beijing World Conference on Women. These issues are a good lever into wider reform, and an effective way to build international support.

To influence the international debate, we need to step up and co-ordinate better our bilateral efforts:

- Stepping up work on education: we should promote, with DFES and the British Council, English language in the region, and Arabic learning in the UK;
- Media/public diplomacy: we need to establish a credible network of moderate talking heads, and reach out to UK Muslims who are an influence in the region;
- Programme expenditure: DFID's new regional programme for the Middle East has a major focus on improving the multilateral effort. We are also using £6m from the global conflict prevention fund and £1.5m from the FCO's global opportunities fund on specific projects. Our overall bilateral resources are limited, so we must work with partners.
- MOD input into NATO approach will be important: now extending partnership regionally as well as engaging bilaterally with selected countries through mil-mil links.

Issues:

Regional Development Bank: ECOFIN has just agreed a compromise proposal to upgrade EIB's "FEMIP" lending arm. Proposals for a bank were made before under the Oslo Peace Process, but doubts over effectiveness. Idea does not have much support in the US administration.

Regional security: various models put forward, including OSCE, a narrower Gulf security structure, and a '7 + 5' mechanism based on Iraq and its neighbours. How do we make sure key players such as Iran are involved? And how do we build momentum without heavy UK/US fingerprints that might kill it?

Whitehall Ministerial Group: this is a cross-government agenda. We should use a Ministerial group to take this work forward and review progress.

High level political commitment: an intervention by the Prime Minister at the December European Council on the need for the EU to play a key role on reform in the region? A speech by the Foreign Secretary in early 2004?

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TURKEY IN 2004

1. Turkey is one of few Muslim countries with the makings of a democratic and secular state with a strong civil society and functioning market economy. The prospect of EU membership has played a critical role in this - the two are mutually interdependent.
2. Turkey is somewhat semi-detached from the Middle East. It is not an Arab country; has a close relationship with the US and a strong European vocation. But assuming it continues the path towards EU membership, Turkey could make an important contribution to our wider efforts to promote political, economic and social reform in the Middle East:-
 - It would provide a **model** for other Muslim countries, demonstrating that political pluralism and economic success can be achieved in an Islamic context;
 - It would give the EU more **credibility** in its engagement with other countries in the region, countering arguments that it is a Christian club etc; and
 - It would provide **additional assets** for the EU's engagement in the region, including historical and business links and expertise. But there is a lot of baggage too.
3. The next year will be crucial for Turkey's EU aspirations and the likelihood of it sustaining its reforms. The key dates are:
 - May 2004 - Cyprus accession;
 - June 2004 - UK/Turkey bilateral summit at the time of the Istanbul NATO ministerial;
 - October 2004 - Commission Regular Report; and
 - December 2004 - EC decision.
4. Questions: Is there more we could be doing to encourage Turkey to continue its reforms and to be more proactive in promoting reforms elsewhere? Would they play? And what might go wrong?
5. Terrorism. The Istanbul Turkish/AQ bombs represent a whole new order of terrorism for Turkey. Kurdish and domestic "anti-state" groups arguably reinforced the Kemalist system - a brake on reforms, but not a direct challenge to Turkey's EU orientation. But the Istanbul bombs have punished Turkey for looking westwards. Questions: how should/will the EU react, and how

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will the Turks perceive this? How will the Turkish General Staff (TGS) react - blame the AKP government for encouraging Islamists and demand a clampdown? How much would a wave of terror - snuffing out Turkey's economic recovery - damage Erdogan? Will the "Islamist wing" of the AKP break away? How can UK/EU help?

6. Iraq - conflict and reconstruction. Will Turkey find a positive role (as AKP govt want), or fall back into Great Game-style behaviour and zero sum struggle with the Kurds?

7. Turkey/US - strong alliance damaged by Iraq differences. Silver lining (easier rapprochement) in the higher terrorist threat?

8. Cyprus. Window for a deal in Spring 2004 (depending on outcome of 14 December elections in the north).

9. If all goes wrong, and Turkey is "spurned by Europe",

The TGS keep telling themselves that everything the AKP are currently doing to comply with the Copenhagen criteria (e.g. cutting the military down to size; freedom of religion) would also be needed if their ultimate goal were an Islamic state. Questions: how do we handle a disappointed AKP/ Erdogan? Would the fall-out affect the wider region?

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POST CONFLICT RECONSTRUCTION

1. The experience of post conflict issues in Iraq, Afghanistan and the Balkans has highlighted weaknesses in UK and international mechanisms for responding to such crises. The challenges of post-conflict reconstruction arise particularly after a military operation involving our forces (e.g. Kosovo, Sierra Leone, Afghanistan, Iraq) when either a coalition of the willing or an international organisation assumes responsibility for security and rebuilding government capacity. Similar issues arise, though in a less acute form, where the UK lends support following a peace settlement (e.g. Sri Lanka, Democratic Republic of Congo), or after a major humanitarian crisis (e.g. Rwanda).
2. On 16 September, the Secretaries of State from MOD, DFID and FCO met and agreed that we should:
 - review HMG's approach to planning and preparation for post conflict situations at the national level and then look at influencing others, with the EU a high priority;
 - consider setting up a cross Whitehall co-ordinating mechanism and look at the various tools needed, including personnel databases, training, and how we spread best practice; and
 - take into account the resource implications.
3. Work is now underway. The FCO has set up a Post Conflict Reconstruction Unit that is working closely with DFID and MOD officials to produce a trilateral paper for Ministers in January. The FCO view is that this should be short, focusing on Whitehall structures and methods for international engagement, with an outline of the more detailed work that would follow Ministerial endorsement. We are examining in parallel the implications for FCO structures, working methods and resources.
4. The three Departments are meeting regularly and are working to identify the range of generic issues that have to be dealt with in any post conflict situation and which department should lead on them. These include:
 - external and internal security (including security sector reform),
 - maintaining law and order (policing, judiciary, prisons, human rights protections),
 - rebuilding infrastructure and the delivery of basic social services (electricity, water, health care, education),
 - rebuilding administrative capacity, including economic management, customs, immigration, environment,
 - supporting political transitions, including constitutional development, elections, and transitional justice.

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5. These areas require stronger international coordination, but also a stronger response from Whitehall. The UK needs to be able to mobilise a wide range of rehabilitation expertise at relatively short notice while preparing for long-term development and reconstruction efforts. Flexible mechanisms are required to replace military with civilian personnel, and to ensure that the UK can build on lessons learned from previous conflicts. Civilians deployed will need specific technical skills and expertise and also an understanding of the dynamics of working in a post conflict environment, including the long term implications of the immediate response. It is important to get the right mechanisms in place before the next crisis arises.
6. Further work is going on at a number of levels:
 - On 20 November, the International Sub-group of the Civil Service Management Board discussed the need for greater Whitehall coordination. There was strong support for this from all departments represented at the meeting.
 - The Strategy Unit Failing States project includes an element looking at post conflict reconstruction.
 - The Post Conflict Reconstruction Unit in the FCO is looking at what training is already provided both in the UK and elsewhere (including by the OSCE, UN and EU) for civilians deployed in the field and whether there is a need for a training centre for UK (and/or international) civilian experts
 - UKMIS New York and UND are working on improvements to UN involvement in peacekeeping and peacebuilding, and will work closely with Lord Hannay in his capacity as a member of the UNS-G's High Level Panel
 - In the EU, the Council Secretariat and Relex want to strengthen their work on civilian crisis management, including through recruitment of senior national experts with post conflict experience.
7. As part of this process, DFID is hosting a conference at Wilton Park in Dec 2003. This will highlight the range of issues to be addressed immediately post conflict, in order to identify gaps in provision and determine the principles and next steps necessary for an adequate response.
8. The key issues for us are:
 - a) how we improve the UK performance in this area;
 - b) how we help improve the international effort - especially in the UN;
 - c) what our training and personnel management needs are.

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