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*Very unhelpful.  
More than a whiff of  
'not-invented here' so  
won't support/try to  
improve.*

From the Private Secretary

Matthew Rycroft Esq  
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*for per Hand 27/4*

**DFID**

Department for  
International  
Development

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Telephone:  
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22 April 2003

Dear Matthew,

#### IRAQ: ENGAGEMENT WITH ORHA

##### Summary:

Concerns over ORHA. Implications will need to be considered by the Ad Hoc Ministerial Group on Iraq.

At the first meeting of the Ad Hoc Ministerial Group on Iraq, Ministers agreed that we should deepen our engagement with ORHA in tandem with clarifying its legal remit.

A DFID team visited Kuwait and Southern Iraq last week. DFID officials have been looking at options to support ORHA alongside other ways of supporting post-conflict recovery and reform in Iraq. The team found that ORHA has little to offer in the immediate humanitarian/recovery phase of the crisis in Iraq – instead, the lead here will continue to rest with the military and, security permitting, the UN system. ORHA may be in a position to make a stronger contribution to the reconstruction and reform phase, but its planning is still at an early stage.

... The visit report (enclosed) has clear implications for the planned Ministerial discussion on Thursday regarding UK secondments to ORHA. Given the competing claims on scarce resources to support Iraq, Ministers will wish to prioritise any staff deployments carefully. Ministers and Accounting Officers will also wish to satisfy themselves that any UK secondments to ORHA meet the usual standards of effectiveness and cost-efficiency.

I am copying this to Sir Andrew Turnbull, Desmond Bowen (Cabinet Office),  
Simon McDonald (FCO), Peter Watkins (MoD), (HMT),  
(DTI) and Carolyn Bartlett (Attorney General).

Yours

Private Secretary

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**IRAQ: ORHA - VISIT REPORT<sup>1</sup>**

Summary

1. Although established as a short term transitional administration, the Office for Reconstruction and Humanitarian Assistance (ORHA) is simply not prepared to meet immediate recovery needs in Iraq. It is unable to operate in the current security climate; and does not have the experience or capability to respond. Short term recovery needs will have to be addressed by the military, and security permitting, UN agencies and NGOs.

2. ORHA is more focused on longer term *reconstruction and reform*, particularly at a central ministry level. A number of large USAID contracts have been let, and there is some good thinking in a number of reform areas. However, almost all preparation has been done in a vacuum, with very limited information of conditions in Iraq. It remains to be seen whether plans and contracts are flexible enough to allow ORHA to respond effectively to conditions on the ground. In the absence of an UNSCR and the emergence of an IIA, legal advice will be required to define the limits of UK engagement in these reform areas.

**Background: Humanitarian Needs**

3. Broadly, the humanitarian crisis that was feared in Iraq has not materialised. The need for acute *relief* operations has been limited. In the South, localised needs are being addressed by the military and International Committee of the Red Cross (ICRC). As soon as security permits, UN agencies and NGOs are ready to begin operations on the ground – this is already beginning to happen in South and North Iraq. In Baghdad and other central towns, the humanitarian situation is more difficult.

4. However, there is an urgent need for *recovery*. Key issues here include restoring law and order; restoring water, fuel and power supplies; re-opening schools, medical facilities and other public services; restoring the underlying public administration including payment of salaries; restoring the public distribution systems for the OFF programme; and re-building pipeline imports of food, medical and other essential supplies. Without rapid progress on these recovery issues, an acute humanitarian situation could turn into a crisis within days.

5. The UK military in the South are heavily focused on recovery issues and are building close relations with local administrators. Good relations have also been established with the ICRC and UNICEF. The UK approach is clearly informed by other recent experience in Afghanistan, Kosovo and East Timor; and is well supported by embedded humanitarian advisers from DFID. It is almost universally recognised that US forces have a very different approach, though a number of colleagues noted a willingness to learn from UK military experience. There is a strong risk that this may lead to a much slower *recovery* in Baghdad and other areas controlled by the US, possibly setting off a humanitarian crisis.

<sup>1</sup> A DFID team - Moazzam Malik,  
The team had 12 separate meetings with ORHA officials, met UN and NGO representatives, and spent a day with UK 1 Div in Umm Qasr and Basra International Airport. The team is grateful to DFID staff in Kuwait -  
- visited Kuwait 14-16 April 2003.  
- who coordinated the visit; and to UK military, ORHA, UN and NGO staff for their open and hospitable welcome

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6. Alongside recovery, there is an urgent need to begin planning for the reconstruction and reform process. A UN mandate will be required before the IFIs and other donors are able to fully support implementation.

7. The visit to Kuwait and South Iraq sought to determine the role that ORHA is playing in supporting immediate recovery and planning for reconstruction.

**ORHA: Structure, Staffing and Funding**

8. ORHA, previously known as the Office for Post War Planning, was set up under US Department of Defence control at the beginning of the year. It is led by retired General Garner, and has a large number of serving or retired military personnel – including 7 Generals. Of the current 200 staff, the overwhelming majority are from the US. Alongside these, there are 14 UK personnel – including one secondee from DFID – 6 Australians and 1 Dane. A number of countries are interested in seconding officials to ORHA, and there have been recent missions from Denmark, Spain and Japan. The eventual number of ORHA staff may grow to between 1000 and 1500.

9. ORHA is organised into three pillars working on humanitarian assistance, reconstruction, and civil administration. An organogramme is attached. The reconstruction and civil administration pillars are distinguished by sectoral responsibilities rather than the timing/phasing of the recovery/reconstruction process. Sectoral coverage includes almost all the recovery issues cited above. A fourth pillar working on political transformation is taking shape in Washington. Core staff will begin to deploy to Baghdad from 21 April, though it will take some days before Baghdad based staff are fully operational.

10. Under each pillar, ORHA is preparing to "do whatever is necessary" to operationalise Iraqi public institutions. This could range from advising Iraqi officials to directly assuming executive functions. Senior advisers (previously known as "Shadow Ministers") have been designated for each ministry.

11. Alongside the pillars, three regional teams have been set up. The South team under General (retd) Buck Walters deployed to Umm Qasr around 8 April with some 40 staff. The North team under Major General (retd) Bruce Moore deployed on 13 April. The 20-strong Baghdad Central team under Ambassador Barbara Bodine will start to deploy from 21 April.

12. As a "new" organisation, ORHA is still in its formative stages. The various teams and pillars do not appear to be well coordinated with each other or with top management. There is little sense of a unifying strategy. Internal communications and decision making processes do not seem to be well defined.

13. To date, ORHA has been reluctant to engage with UN agencies. The first meeting with the UN Humanitarian Coordinator for Iraq took place on 15 April. The limited contact with UN agencies is hampering ORHA's planning and preparation in all three pillars - in many cases the UN agencies are the only international bodies with detailed knowledge of Iraq.

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14. ORHA's core administrative funding comes from the US Government. It has two main funding sources for programme activities. First, frozen Iraqi assets in the US have been earmarked to support ORHA's work. These total some US\$1.7b, of which some US\$0.6b will go towards paying civil service salaries. Second, some US\$2.5b is available under USAID control.

15. There are conflicting views on how long ORHA will function. Some are hoping that ORHA will merge into an Interim Iraqi Administration within 3 months. Equally, many expect that senior advisers will be in place for as long as 24 months, particularly for "sensitive" ministries.

ORHA: Humanitarian Pillar

16. Led by Ambassador George Ward, the Humanitarian Pillar seeks to facilitate humanitarian assistance. ORHA does not have any plans or resources to provide direct relief or humanitarian assistance itself, though it has a close association with US DART teams, and in time, may develop a close relation with civil military liaison teams.

17. Plans are being drawn up for a "Baghdad Forum" to play a facilitation role in Baghdad covering both humanitarian and reconstruction assistance. Given the close association with the Coalition, many UN agencies and NGOs will be reluctant to cooperate with the Baghdad Forum. Indeed, as soon as the UN Humanitarian Coordinator for Iraq is present in Baghdad, UN structures will undoubtedly take over the coordination function.

18. In short, as recognised within ORHA, the humanitarian pillar should close within weeks, with any residual functions passing into the other pillars.

ORHA: Reconstruction Pillar

19. The reconstruction pillar is led by Lewis Lucke, formerly Director of the USAID office in Jordan. The pillar is staffed mainly with USAID officials, and is located separately from ORHA in Kuwait City. It is intended that, in due course, the core USAID operation will become an independent entity led by Lewis Lucke.

20. The reconstruction team is heavily focused on specifying and letting large contracts in a range of areas from health and education to port management. Contractors will not be able to operate until there is a permissive environment for international civilians – this means most contractors will be unable to operate during the initial recovery phase.

21. These contracts have been largely specified on the assumption that the state will have disintegrated and without knowledge of conditions in Iraq. For example, there are plans to revise all textbooks, but these have been drawn up without any assessment of existing textbooks. It is intended that USAID contracts will be flexible enough to respond to differing conditions. However, this is yet to be demonstrated. In an early test, the USAID contract for the management of Umm Qasr port has been unable to accommodate the need for urgent dredging.

22. ORHA plans under reconstruction are broad and not obviously limited to those of an "Occupying Power". In light of recent advice from the Attorney General, UK collaboration would require further legal advice.

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### ORHA: Civil Administration Pillar

23. Led by Mike Mobbs, the civil administration pillar covers a large number of policy areas, focusing particularly on central ministries – see attached organogramme. The teams are developing policy plans in these areas ahead of locating to Baghdad. In some areas, planning has been underway for many months, and strong teams have been established. Again, much of this planning is not well informed by conditions in Iraq.

24. The treasury/finance team is already 10 strong with further staff on standby in the US to deploy to Baghdad as soon as conditions permit. Many of the team have previous experience in transition economies. The team are gearing up to "run" the Iraqi economy, with sections focusing on fiscal, monetary and banking policies.

25. The treasury team are also taking the lead in planning to pay civil service salaries for an interim period. Despite the urgent need for public sector workers to return to work, planning has been slow and poorly informed. Current plans for an emergency US\$20 payment to each worker in Umm Qasr are not well thought out, with inadequate preparations to identify those that are eligible, and little thought to the implications such a payment will have in the rest of the country.

26. The justice and security teams have similarly drawn up extensive plans covering law and order, transitional justice, longer term institutional reform in the justice sector and limited DDR. Justice sector plans have been developed over 2 years, are well thought through and, with the requisite UN authority, would provide an excellent basis for future work. The likely breakdown in public administration and the implications for law and order were identified before the Iraq conflict began. Unfortunately, this advice was disregarded by the US Administration and the Coalition military.

27. Again, as with the reconstruction pillar, ORHA plans under civil administration are broad and not obviously limited to those of an "Occupying Power". UK collaboration would require further legal advice.

### ORHA: Regional Teams

28. Three regional teams have been set up. Each team is likely to designate staff to cover individual governorates, though this has not happened yet. Discussions are underway on whether a fourth regional team should be set up. It has also been suggested that a fifth team – with the five teams mapping the UN regional areas – might be desirable.

29. Regional teams are intended to monitor developments on the ground, to inform policy development in ORHA headquarters, and to advise and facilitate interventions by USAID contractors and civil-military teams.

30. To date, the South team has proved to be largely ineffective. UK forces had hoped that ORHA's deployment would support their recovery work, and facilitate an early handing over of responsibilities to ORHA. UK forces have now begun to plan on the basis that they will get little practical support from ORHA in the immediate recovery phase.

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31. It is too early to assess the effectiveness of teams in the North or Baghdad Central. In the three Northern Governorates, ORHA's regional team will be supporting already well-established Kurdish administrations and a strong presence by the UN and NGOs. In the remaining governorates, ORHA's principal partner will be the US military, and other international organisations.

32. The success or otherwise of the regional teams will depend heavily on strong leadership and their ability to interface with the military, UN agencies and NGOs. Again, the risks of failure are greatest in and around Baghdad where the US military are less well equipped for the recovery phase than UK forces in the South and, we suspect, Kurdish authorities in the North.

Iraq – Humanitarian Response and Coordination Team  
DFID  
22 April 2003

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*Added 22 April 2001 (but not on the 2 copies)*

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## IRAQ: ORHA VISIT REPORT - ANNEX

Overall, engagement with ORHA is very high risk. Across the board, staffing is thin, management is weak, officials are frustrated, there is poor strategy/planning, weak internal communications and decision making. Equally, it could be argued that engagement would help address these weaknesses.

Poorly worked out plans could do damage on the ground. Equally, there are areas in which good teams have been assembled and good planning is underway. In these areas, ORHA will set the agenda for reform for some years to come.

The key judgement is whether UK policy makers can influence an ORHA that is and will remain dominated by US DOD. The situation is not helped by the almost open hostility between US DOD and State Department.

There is very widespread concern that the US military is simply not well equipped to establish and maintain civil order and effective public administration. US forces did not want the interim governance role, have not prepared for it, and are now being driven by media pressure. There are two entry points to address this risk: (1) through Coalition military structures; (2) through ORHA.

Ambassador Barbara Bodine is the best of the regional team leaders. She has a key role in leading Coalition efforts to establish a civil administration in Baghdad. Her close association with the US State Department may hamper her efforts to mobilise military and ORHA assets under DOD command.

### Options for engagement for ORHA:

- No engagement. This would cut across the move towards engagement in the rest of Whitehall. It would marginalise DFID in Whitehall and in ORHA – and by implication in many key policy debates. However, it would safeguard DFID and political association. It would also leave DFID to engage with UN/IFIs and NGOs, and pursue a more normal DFID country operation.
- Full engagement as proposed by the Foreign Secretary and General Tim Cross. Would carry grave risks
- Limited engagement in carefully chosen areas, in an "eyes and ears" role as directed by the SoS. This would seek to balance the risks of no or full engagement.

For DFID, limited engagement would amount to 3 or 4 secondments – preferably of regular staff rather than consultants. The key asset that DFID staff would bring ORHA is a familiarity and willingness to engage with the UN and IFIs. The

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staffing mix between CHAD and MENAD would need to be carefully considered. Options for secondees could include:

- Regional teams: case can be made for either the South (to further support UK area of operations), Baghdad Central or the North.
- Humanitarian pillar: no case for this.
- Reconstruction pillar: chose carefully and take legal advice. Advantage that working with USAID, though probably difficult at this stage to influence contractors.
- Civil administration pillar: chose three or four policy areas carefully and take legal advice.

### Action points:

- a. Need to get to know the USAID contracts well.
- b. Link up with ORHA planning in key areas – eg finance, justice etc
- c. Consider case for secondments to ORHA.
- d. Prepare plans to set up a DFID presence in Baghdad and/or Basra.
- e. Consider additional support to UK military in the South.
- f. Consider support to UK military efforts to develop policing in the South.
- g. Consider funding for the dredging of Umm Qasr port. (Done).
- h. Consider consultancy support from Crown Agents to UK military on civil service salaries and payments systems.
- i. Decline Ambassador Bodine's request for DFID to fund Larry Hollingworth in writing.

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