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23 May 2007
Margaret Aldred
Defence and Overseas Secretariat
Cabinet Office

Dear Margaret,

BASRA: WEEKLY REPORT

1. **Baghdad's noose around Wa'ili seems to be tightening.** The cabinet's judicial committee has said that the opposition's letter of no confidence is enough to warrant Wa'ili's dismissal, and has rejected Fadhila's subsequent appeal. **Maliki appears to have decided Wa'ili should go, but how and who should replace him are unclear.** Wa'ili's opponents seem more chipper this week, and some are thinking in terms of formal Provincial Council reengagement.
2. General Jalil has submitted his investigative report on the security situation to Maliki. But no sign of this translating into concrete decisions, yet. **Security and other essential services remain poor in town,** with continuing violence, and attacks on MNF (in Basra Air Station and in town, with one fatality).

Baghdad's noose tightening around Wa'ili?

3. Prime Minister Maliki seems to be treading carefully, but with intent, to get Wa'ili out. Late last week, the Cabinet's judicial committee formally found the letter of the 27 Provincial Councillors expressing no confidence in Wa'ili to be a **sufficient expression in law to warrant his dismissal:** no further vote was necessary. **We gather that Maliki so informed Wa'ili in Baghdad,** and advised him that he should exercise a right to appeal against the decision. Fadhila promptly lodged their appeal, but we learned on 21 May that the judicial committee had rejected their arguments. We gather that Wa'ili will be back in Basra tomorrow. Maliki late last week invited a delegation of five anti-Wa'ili Provincial Councillors, led by Chairman Mohammed al-Obadi, to Baghdad, and apparently told them that he would decide Wa'ili's fate, once the judicial committee had made its judgement.
4. We think Maliki has taken these steps to provide a context that Wa'ili has no justification in law to remain in office when he exercises his **emergency**

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power to dismiss the Governor (and we are beginning to hear from contacts that Maliki has signed an order to this effect). But we still think the Wa'ili brothers will not go quietly. So, the option of simply leaving it to the Provincial Council to elect a new governor by simple majority doesn't seem likely to fly. The alternative would be for others in Fadhila to jettison the Wa'ilis and settle for a political compromise that would be acceptable to Basra Islamiyya. Despite Fadhila's implacability over recent weeks, a deal remains very much in the offing. Quite what it would mean in terms of a successor to Wa'ili and Fadhila's residual degree of control over Basra and its resources remains to be seen. And, again, we can't see how Fadhila's parting with the Wa'ilis would persuade the brothers to yield, without having recourse to their security forces.

5. One postscript to all of this. We have heard today that **the Finance Minister has instructed the Central Bank to freeze all development funds in its Basra accounts until the conflict between the Governor and the Provincial Council is resolved.** This is because Wa'ili wrote to the Central Bank requesting that these funds be transferred from both his own and the Provincial Council's separate accounts to another bank account (location unspecified). The Provincial Council unsurprisingly protested; and the Central Bank sought guidance from the Ministry of Finance. We have of course been working hard for months to persuade Baghdad to provide the finance Basra deserves for development work; so, this is a further incentive for us to have the political impasse resolved as soon as possible.

The Provincial Council and engagement with the Coalition

6. **Maliki's action has given the opposition within the Provincial Council greater confidence** than we could report last week. In turn, they are beginning to turn their attention to the Council's post-Jameat boycott, which we for weeks now have regarded as irrelevant to our capacity to carry on business. Strangely, given the Governor's professed personal support for the Coalition, the boycott has been spearheaded largely by a small group of Fadhila Councillors. **Hassan Rashid, a leading opponent of Wa'ili, is openly suggesting that the Council should meet in order to lift the boycott,** arguing that such a step would also strengthen the Council's overall position.

The Provincial Council

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managed to meet today – to our knowledge for the first time since the letter of the 27 – although no important business was conducted.

7. Set against this, we had a reverse in our dealings this week. Following the arrest (approved by Maliki) and subsequent release (at Maliki's instruction) at Basra civilian airport of Aus al-Khafaji, a Sadrist figure from Dhi Qar, we were told by its head, Sayyid Ghali, that the Provincial Reconstruction and Development Committee would no longer see us at the civilian airport. Provincial Councillors had been attending these meetings as an exception to the boycott and on what is generally perceived to be neutral ground (where we often stage large meetings); the arrest operation had increased pressure on them not to attend. Sayyid Ghali suggested several unacceptable and insecure alternative locations in the centre of town. But it looks as if this has resolved itself, following intervention from Mohammed al-Obadi with Sayyid Ghali.

Continued procrastination on security structures

8. Major General Jalil has completed his investigative visit to Basra (and not without incident – three of his team were kidnapped for a few hours on the evening of 16 May). He told Major General Jonathan Shaw and me on 19 May that he had met everybody that he wanted to, bar the Governor and members of the Provincial Council. Jalil returned to Baghdad on 20 May to deliver his report to Maliki and Defence Minister Abdul Oader.

9. Jalil was elusive about the future of the Emergency Security Committee (ESC); but

informed the Brigade Commander that the ESC would be reformed, not disbanded. He had heard that Maliki was considering a proposal to appoint General Jalil as a member

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Jalil's other recommendations involved exchanging police in Basra with a large contingent of national police from outside the province, and taking action to combat the militias' influence over the port and oil infrastructure (where we urged caution, for fear of causing unnecessary damage to Iraq's economy, unless the GoI could act with sufficient force to be confident of victory).

10. Locally, though, **there are signs of progress**. Lt Col Ghazi is proving a robust head of the Department of Internal Affairs (DIA). He has blocked Mohammed Hammadi's attempts to remove DIA officers who are attached to the PDoP office. On 21 May, the DIA arrested a key ex-Serious Crimes Unit member (Faris al-Daraji, the target of the 4 March NIIA raid), together with eight others. This follows the execution of the first arrest warrant (Madloul) on 8 May. And work will begin shortly in building the Joint Leadership Academy, which we see a key component in building the Iraqi Security Forces' capacity post-PIC.

The security situation – and a possible upswing in sectarian violence

11. **The security situation in Basra has been difficult over the past week, influenced in part by events in neighbouring Dhi Qar province**. Following the arrest of armed JAM members, there were prolonged clashes on the streets of al-Nasariyya between the Iraqi Security Forces and JAM on 15 May, during which several governmental buildings were attacked. The kidnapping of Jalil's colleagues was apparently in retaliation: they were released following intervention by Ali Hammadi and local politicians (including from Thar Allah and OMS).
12. The arrest of Aus al-Khafaji, together with the current brigade roulement, may explain the **relatively high rate of IDF at Basra Air Station**, which has endured **17 attacks (with 51 rockets in total) in the last week**. **IDF levels at Basra Palace have also been high**. In Basra City, there have been several **militia attacks on MNF operations** involving IEDs, RPGs and small arms fire (with one fatality), **displaying an ability to mount complex operations, fast**.
13. The level of **sectarian violence** pales in comparison to Baghdad, but a couple of incidents this week have fuelled concern within the nervous Sunni

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community: it's not clear to what degree this concern is justified. Firstly, an explosion at a Sunni mosque in az-Zubayr on 17 May. It is not clear if this was the result of a direct Shia attack, a Sunni own goal or simply an accident following locals finding an IED. A man was injured and died before he could be questioned, and the Imam was arrested (but quickly released) on suspicion on possessing a command wire. Whatever the truth of the matter, the incident was exploited by the militia, who took nine Sunni hostages (of whom two have been subsequently released: the fate of the others is unknown). Secondly, a tribal dispute on 21 May, co-incidentally involving a Shi'i and a Sunni, resulted in an attack on the headquarters of the (Sunni) Iraqi Islamic Party (IIP). The situation was calmed when tribal leader Sheikh Mansour al-Tamimi and the local head of the IIP Abdul Karim Jarad called in the Iraqi Army to disperse the crowd.

Life in Basra: security, electricity and water

14. **All of our contacts speak of a deterioration in the security situation more generally, and an undertow of increasing assassinations and kidnappings.** My political adviser's contacts regularly ask him if he thinks it's safe enough to go out or to send their children to school on any given day. **The electricity supply has also deteriorated,** sparking a small demonstration on 16 May. The frequent extended periods without power are unpredictable, so people can't plan their day. Even with air conditioning, the summer in Basra is nasty: without it, it's unbearable. The electricity problems seem to stem from the usual summer increase in demand, combined with the present reblading of the az-Zubayr power plant – which the Iraqis decided to delay from last autumn, contrary to DFID advice. **The lack of power has stopped the electric water pumps from working.** Potable water is scarce and 70% of the city is without a mains supply (worst affected are poorer areas such as the Shia Flats).

15. This letter has been agreed with Major General Jonathan Shaw.

Yours ever,

Richard

Richard Jones
HM Consul-General, Basra

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