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FM IRAQREP
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INFO IMMEDIATE , DFID, MODUK, , NO 10

PERSONAL FROM SPECIAL REP FOR IRAQ FOR:

NO 10: POWELL, MANNING, CAMPBELL, RYCROFT
FCO: PS/SOS, PS/O'BRIEN, PUS, RICKETTS, EHRMAN, CHAPLIN, CHILCOTT
MOD: PS/SOS, CDS, CGS, PUS, WEBB, PIGOTT
DFID: PS/SOS, PUS, BREWER, MILLER, AUSTIN

SUBJECT: PERSONAL: IRAQ: WHAT'S GOING WRONG?

SUMMARY

1. A Baghdad First strategy is needed. The problems are worst in the capital, and it is the one place we can't afford to get it wrong. But the troops here are tired, and are not providing the security framework needed. We need a clear policy on which Ba'athists can return, a more concerted effort on reconstruction, and an imaginative approach on the media. For all this, money needs to be released by Washington. The clock is ticking.

DETAIL

2. Four days in Iraq has been enough to identify the main reasons why the reconstruction of Iraq is so slow. The Coalition are widely welcomed, but are gradually losing public support.

3. Garner's outfit, ORHA, is an unbelievable mess. No leadership, no strategy, no co-ordination, no structure, and inaccessible to ordinary Iraqis. Bremer's arrival is not a day too soon, and he needs to be radical. Garner and his top team of 60-year old retired generals are well-meaning but out of their depth. Tim Cross is widely seen as the only senior figure offering direction to the many able individuals here from the US, Britain and Australia. Garner points to a glass half-full, but

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much of this is despite, not because of ORHA. The political point is that progress is lagging behind the reasonable expectations of ordinary Iraqis.

4. I have not yet been out of the capital, but it is clear that Baghdad is the biggest problem. Other parts of Iraq are getting organised: there are minimal Shia/Sunni tensions; town councils have been agreed in the sensitive cities of Mosul and Kirkuk; and so on. But Baghdad has the worst security, a poor level of essential services, and no information flow. I will recommend to Bremer a Baghdad First strategy. We can afford some of the regions to languish. But failure in Baghdad would be fatally undermine our success in the conflict. What would such an approach require?

SECURITY

5. No progress is possible until security improves. Crime is widespread (not surprising as Saddam released all the criminals last autumn). Car-jackings are endemic, with the cars driven to Iran for sale. Last week the Ministry of Planning was re-kitted out ready to resume work; that night it was looted again. The evening air is full of gunfire. There is still a climate of fear on the streets, because of the level of crime, and that is casting a shadow over all else.

6.

7. The military culture in the capital needs to change before their replacements (another heavy armour division) arrives. We, the Brits, do not have all the answers, but an operational UK presence in Baghdad is worth considering, despite the obvious political problem. Transferring one of our two brigades is presumably out of the question, but one battalion with a mandate to deploy into the streets could still make an impact. CGS saw the problem last Friday and can offer more professional advice. There are US units who could also contribute if there is any gap in coverage to be filled.

8. Re-forming the Baghdad police has begun, but needs to be accelerated. I visited them today and the work is being pushed forward by an excellent team of US military police and two civilian advisers (one a Brit). It is beginning to happen but is not getting the priority it needs. The police need

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to start patrolling with sympathetic soldiers, rather than with one police car sandwiched between four Humvees. Weapons, uniforms, funds, vehicles, access to fuel and a functioning judicial process are all problems. Bringing Kurdish Peshmerga down to the capital, as Barzani and Talebani are suggesting as a stopgap, would be at best only one small part of the solution. There is already a risk of Iraqi Arabs reacting against the prominent Kurdish role in the apres-guerre.

DE-BA'ATHIFICATION

9. The other fear among ordinary people in Baghdad is that the Ba'athists could still come back. ORHA have made mistakes here, appointing quite senior party figures as their main partners in the trade and health ministries, at Baghdad University and so on. Several political leaders I have seen say a line should be drawn at the "firqa" level of the Ba'ath Party and all those at that level and the three above should be excluded, about 30,000 in all. This would represent between five and ten per cent of total party membership. But it is still a lot of people and may be one level too many, at least for now. Whatever, we need to set out a clear policy, plus a process for dealing with contested cases, even though it means starting again in some institutions.

RECONSTRUCTION

10. With security and credible de-Ba'athification will come the chance for durable reconstruction. Power is back, though the network is not robust. Water is running but is not potable. 40% of Baghdad's sewage is said to be pouring into the Tigris untreated, contributing to disease downstream. Garbage is piling up on the streets, and will be a health hazard here. A GSM mobile phone system is desperately needed in the capital as communications are dire. And so on. Bechtel, who have the main contract for re-connecting essential services, are moving far too slowly.

They need to swamp Baghdad with engineers and skilled labour. They will have no difficulty in finding local workers.

11. Quick results projects are also needed to show there is progress on the way. We need visibly successful projects, however small: schools and hospitals re-opening, new bakeries, food distribution points. That is not a substitute for long term development, but it would meet genuine needs and also the political requirement. DfID and USAID could play a role here, as well as NGOs and the UN.

INFORMATION

12. Baghdad has no TV, and no newspapers apart from party political rags. I was given two fliers yesterday by an Iraqi, one calling for the assassination of all Ba'athists, the other for the killing of all US forces. That, and rumour, are the only information flowing. An ORHA TV project is due to get going next week but its content will be tightly controlled by ORHA, and it risks not being credible. I have pressed them, as a start, to broadcast a Premier League game each day, but the Americans don't yet get it.

13. More progress is being made with radio: the BBC (English

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and Arabic) should be up on FM this week. But, as all political leaders have stressed, Baghdad needs independent newspapers, radio stations and terrestrial TV stations. One idea is to give satellite dishes and screens to cafes so that people can have access to pan-Arab channels - but it needs funding.

14. ORHA also needs a public face. Bremer's people already have this in mind, as ORHA's bunker image is painfully apparent. Security and the threat of swamping are real problems. But they are better than isolation and ignorance.

FUNDS AND PUBLIC SECTOR SALARIES

15. Finally, money needs to be available, not least to pay police and public service workers. This is held up in Washington (as ORHA gleefully point out). First, the US Administration are refusing to release Iraqi money to pay salaries - even the \$740m in cash found here is being blocked (unlike the cash our troops found in Basra). That on its own should be enough to pay salaries into 2004. Second, early decisions are needed on salary levels and which currency (dollars, Saddam dinars, or new Swiss dinars) should be used. The actual decisions are less important than getting them taken, so that a big information campaign can begin to distribute back pay in mid-June.

15. There are hundreds of small problems needing attention - petrol and cooking fuel distribution, paying farmers for this season's harvest and so on. But the big five are as set out above, and security is both the most important and the most sensitive. There will be an instinct in Washington to allow Bremer time to find his feet and reach his own conclusions. But that will take another week or more - and the clock is ticking. I will talk to him once he gets here, but will have to feel my way at first. No harm if the ground in Washington can be prepared.

16. I am reporting separately about politics.

Contact:

SAWERS

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