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4 September 2003



PA
(10)

Foreign &
Commonwealth
Office

London SW1A 2AH

Dear Nicholas.

Iraq: Briefing for the Prime Minister

Thank you for your letters of 2 and 3 September asking for briefing for the Prime Minister on a range of Iraq-related issues.

... I enclose the following requested from the FCO:

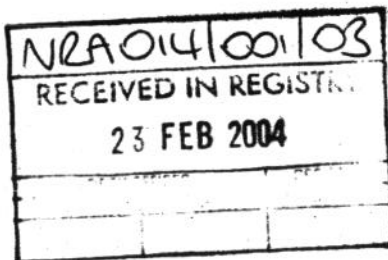
- A paper on police and internal security, discussed by Ministers at the Ad Hoc meeting today: this covers the police points raised in your letter plus some wider suggestions for quick impact solutions. Following the Ad Hoc meeting Sir Jeremy Greenstock has asked Sir David Manning to undertake urgent discussions with the US Administration to ensure that we and the Americans are working from the same analysis of the security and terrorist threats now confronting us in Iraq;
- An update on the political process, including the possibility of an accelerated transfer of sovereignty to an Iraqi interim government;
- Advice on conditions of service for UK civil staff.

I also enclose IraqRep telno 150, which provides more detail on policing and security as well as covering the Prime Minister's questions on:

- Iraqi oil and electricity
- progress in developing Iraqi media.

The Treasury have already passed to you a note on CPA finances and Iraqi assets, and DFID are writing separately on infrastructure in the south.

I am copying this letter and its enclosures to Desmond Bowen and John Scarlett (Cabinet Office), Peter Watkins (MOD), Moazzam Malik (DFID), PS/"C", Sir Jeremy Greenstock, David Richmond (IraqRep), Sir Hilary Synnott (CPA (South)) and Sir David Manning (Washington).



Yours cm,

Geoffrey Adams

Geoffrey Adams
Principal Private Secretary

Nicholas Cannon Esq OBE
10 Downing Street

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IRAQ: SECURITY

Threats

The JIC assessment is that the security environment in Iraq will remain difficult. The threats now include former regime loyalists, foreign 'Mujahedin', and Islamic terrorist groups.

Attacks on Coalition forces, the UN and Iraqis working with the Coalition are undermining confidence and holding back efforts to restore basic services. The cumulative effect is to undermine the consent of the Iraqi people to the presence of Coalition forces and raise the risk of strategic failure.

Existing policy

Security Sector Reform (SSR)

A new Iraqi state will require high quality, civilian-controlled armed forces. We have been contributing to the US-led SSR process, divided between two main elements under separate CPA Ministries:

- 3 Divisions of the **New Iraqi Army (NIA)** totalling around 40,000 men are to be trained within one year. A first battalion has already been trained. A second and third are in training.
- The aim is to put 70,000 **Iraqi police** in place by mid-2004. 30,000 are available now. We contributed to the CPA policing needs assessment and have provided some training. We are in the process of selecting police officers, from a pool of volunteers, to serve in Iraq. In addition to the senior UK police officers already in Iraq, 15 UK trainers can be deployed within two weeks and another 60 by the end of October. Our target is 100 UK trainers deployed by end 2003 (of a planned CPA total of 600);

Other security forces

In addition to these plans for long term reform, the CPA has overseen the development of interim forces:

- An **Iraqi Civil Defence Corps (ICDC)** is being trained to operate under the command of the US military. The plan is to produce 18 battalions, one for each governorate. Nine will have been trained by the end of September. The force will be able to guard electricity and oil pipeline facilities.
- The key ministries (oil, electricity, railways etc) have established their own forces, collectively totalling 14,000 and known as the **Facilities Protection Service (FPS)** to guard infrastructure.

What can be done?

The key principles should be:

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- for the Coalition to work through, not against, existing local leadership and customs. Iraqis must take increasing responsibility for their own security. The interim Interior Minister must be brought into decision-making on security issues as early as possible;
- improved intelligence on the threats. We need the in-depth knowledge only Iraqis can provide. We should apply de-Baathification principles flexibly, so as not to exclude recruits unnecessarily;
- accelerating and increasing the effectiveness of the key programmes. SSR could be put under one head responsible for producing early results (rather than the current NIA/police split). New resources of money and expertise will also be essential. Security programmes have been held back by lack of funds and slow US and CPA procurement and contracting processes. Lack of money in the CPA budget means national resources will be needed;
- As much as possible, basic security tasks (eg fixed point guarding, neighbourhood patrolling) should be undertaken by Iraqi forces, releasing Coalition forces to take the initiative go on the offensive against terrorists.

Security Sector Reform needs to be faster:

New Iraqi Army

- Bremer has already ordered NIA training to be expanded and accelerated. We should expedite the additional contributions (principally NCOs) we have already been asked for.
- The NIA is to have responsibility for external security. An obvious first task would be for them to take over border patrol duties, relieving Coalition forces.

Iraqi Police

- Training of the **police** should be accelerated and given a proper strategy (without which potential international contributors will not come forward). We are looking at ways to expedite our own contribution (eg speeding up pre-deployment training);
- Training of 3,000 recruits every eight weeks would require around 600 trainers;
- The US have suspended plans to train Iraqi police in Hungary: we should press again on this, and in parallel work to establish secure police training facilities in regional countries (eg Jordan, Bahrain), which would ease deployment problems for ourselves and other contributors (we know the US are considering this);
- Capacity and expertise in the CPA Interior Ministry team urgently need to be increased: current staff is twelve; the outgoing senior adviser (Kerik) has not yet been replaced;
- Certainty is needed on funding (2003 CPA police budget has been cut from \$120m to \$90m; there is an estimated requirement of \$1.6bn for 2004-5);
- The US already agree that we need to bring the UN, the EU and the OSCE into police training under a new UNSCR. We should pursue in capitals now.

'Quick fixes' must be made more effective:

Iraqi Civil Defence Corps

- The US are already considering doubling the size of the ICDC to 36 battalions. (ie two per Governorate). We should encourage them to train maximum numbers with maximum speed.

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- If additional UK troops are deployed we could offer to train ICDC battalions ourselves (perhaps one in each of the four governorates in our AO).
- We should consider re-recruiting from the pre-conflict regular army into the ICDC on a unit basis.

Facilities Protection Service

- The FPS needs rapid funding to provide key enablers, including weapons, vehicles and communications equipment;
- Its efforts are diffused across several ministries. Its main effort needs to be centrally focussed, reflecting CPA infrastructure priorities (CENTCOM are already working on the creation of a Security Integration Office to combine the Coalition, CPA and Iraqi security effort).

Intelligence capability

- Former members of the Directorate of General Security could be re-employed on a contract basis to advise the Coalition and new Iraqi forces on countering terrorist threats: the Iraqis would provide the intelligence and the Coalition the military resources.

Informal capability

- We should find more informal ways to engage Iraqis in providing their own security. The Coalition/ the Governing Council should encourage neighbourhood security committees (already coming into existence spontaneously) and empower community leaders to create their own guard forces.
- On a temporary basis we could pay tribal leaders by results to ensure the protection of infrastructure in their areas.

And we should look for other sources of help with security:

- We should consider hiring in commercially provided to watch key infrastructure assets and ensure quick reaction to sabotage and looting (a model used by the US in Colombia, now being considered by CENTCOM);
- We should press on with the additional UNSCR needed to allow deployment of more international troops and police, including possibly from the region (eg Jordan, which would be a positive sign of Arab engagement). We should lobby potential contributors now.
- We and the US should apply firm diplomatic pressure to neighbouring states to tighten their border controls.

In the meantime, we must hold the ring:

All these measures will take time to implement. While we develop Iraqi capability and broaden the international security presence, we must keep the threats under control. This means **more Coalition forces** are needed in the short term:

- To enable quick reaction and demonstrate resolve both to the Iraqis and to other coalition partners in a deteriorating situation;
- To enable the emergency reconstruction programme to move forward with the necessary security;

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- To provide more capacity to train Iraqi forces.

And we must be organised to take the offensive against the terrorists. The Embassy in Washington are taking urgent action to compare US and UK assessments of the threat. The US are establishing a fusion cell in Baghdad to bring : we need to be involved closely.

Iraq Policy Unit
4 September 2003

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IRAQ: BRIEFING FOR THE PRIME MINISTER

Paper F: Political Process

The Coalition's agreed goal is to return Iraq to full sovereignty as soon as reasonably possible. Elections are not possible now because there is no accepted Constitution, there is no accurate electoral roll, political parties are not well established and there is no free media. The only organised groups are the Islamists and other extremists.

The present plan is that a Constitutional Conference will be convened in the next month, tasked with agreeing a new Constitution which would then be ratified by referendum. There will be big issues to resolve – the status of Iraqi Kurdistan within a unified Iraq; whether other regions of the country have the same autonomy as the Kurds; the role of Islam in the Constitution; should Iraq have an executive Head of State or give power to a Prime Minister in Parliament? And so on. Realistically, the constitutional process will take six to eight months. The plan would be to have elections within two months of a Constitution being ratified, which would mean next summer. There is advantage in publicising such a timetable as it will give confidence to Iraqis and to other countries that the Occupation is time-limited.

Moving straight from Coalition control to a democratic sovereign government with established institutions will also be a powerful statement of the success of our policy. For these reasons, the Americans are keen to stick to it.

However, disparate voices (the French, other Arabs, the Financial Times, Ahmed Chalabi) are now calling for an earlier transfer of sovereignty. The advantages would be that the Occupation would be brought to an early end and ultimate authority would be handed back to the Iraqis. Any mistakes would be theirs, not ours. It would allow the Iraqi govt to take on the trappings of

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sovereignty (UN seat etc), which in turn would encourage other countries to provide the support which they are now holding back. And it would allow more time for the constitutional process and to prepare for elections (we gave Afghanistan two years).

The disadvantages are several. There is no obvious leader of a provisional government: the members of the Governing Council would have to cooperate or compete. We would be handing Iraq back to the Iraqis with our job only partly done, and without a self-sustaining Iraqi capability on the police and security side. And transfer of authority from the Americans could lead to less US commitment and a reduction in US funding.

Early elections to a constituent Assembly, as urged by the French, would be problematic – not least for logistic reasons. Such a body would have popular legitimacy but would immediately detract from the Governing Council and the Ministers. In the present climate, the extremists would be well placed to benefit.

Ruling that out leaves the option of transferring sovereignty to the existing institutions. One possibility might be to create an Assembly from the members of the three representative bodies now established – the Governing Council, the Ministers, and the Preparatory Committee on the Constitution (each 25 strong). But such an idea would need much more work, not least discussion with the Americans.

Conclusion: we should for now stick with our present plan for the political process, but task Sir Jeremy Greenstock to explore with members of the Governing Council and with Ambassador Bremer whether there is a credible and viable way to move to a provisional government, with or without sovereignty, in advance of elections.

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IRAQ: CONDITIONS OF SERVICE FOR UK CIVILIAN STAFF

The Prime Minister expressed concern about living conditions for UK civilian staff working in Iraq. In practice, working conditions vary.

In **Baghdad**, life-support systems in the CPA compound are functioning effectively for civilian staff. Most UK civilian staff are accommodated in shared rooms in the Al Rashid hotel, on the edge of the CPA compound, or in trailers after an initial (short) period in dormitory reception accommodation. Office accommodation has been air conditioned since June. Food quality is high and US contractors have set up good recreational facilities (cinema, gyms, swimming pool etc) - although long working hours and a 6½ day working week mean the opportunities to use these are limited.

Following the attack on the UN compound the **British Office Baghdad** has been temporarily evacuated into the CPA secure area. A temporary office is being established in a villa provided by the US. During the evacuation the temporary living arrangements will be the same as for UK secondees to the CPA.

In **Basra** the establishment of adequate life support systems for civilian secondees has lagged behind other CPA locations, largely because of difficulties in the interface between US contractors (Kellogg, Brown and Root) and UK systems in the south. The CPA HQ building provides austere working and living accommodation in a building designed as a basic office block. Space has been put under further pressure by the need to respond to recent recommendations of UK Security Advisers. While there have been recent improvements, accommodation remains uncomfortable and leisure/recreational facilities are very limited.

Action is in hand to improve the situation. The security situation, and the need to improve the living and working conditions for CPA civilian staff, are necessitating a move from the current CPA building to the former regime Palace in Basra, which will be shared with the UK 19 Brigade HQ. Efforts have been made to speed up the transfer and the Palace should now be ready for CPA occupation by mid-October. The move should resolve both space constraints and problems with living/working conditions.

All UK civilian staff serving in Iraq receive a significant package of **allowances**, based on FCO rates for service in difficult posts. The package reflects the difficult conditions in which they live and work, and includes regular breather visits outside Iraq. Morale among UK civilian staff is generally reported to be good despite the problems they face. Many have applied to extend their service in Iraq.

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Rob Chatterton Dickson

From: Swift Incoming Telegrams (Machine 2)
Sent: 04 September 2003 10:59
To: Iraq Policy Unit
Subject: INFO: DD IRAQR/FCOLN 150: IRAQ: BRIEFING FOR PRIME MINISTER

Importance: High

CDSN: MDDPAN 9142
Classification: RESTRICTED
DTGM: 040845Z SEP
Message To: FCOLN
MessageFrom: IRAQR

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AND TO DESKBY 040900Z CABINET OFFICE
INFO IMMEDIATE WASHINGTON, HMT, MODUK, PJHQ, DFID, DTI, BO BAGHDAD
INFO IMMEDIATE BASRA,

SIC
CABINET OFFICE MISC TELNO 238 AND 239
SUBJECT: IRAQ: BRIEFING FOR PRIME MINISTER

SUMMARY

1. Bremer has no problem with any of the issues the Prime Minister wishes to raise with President Bush. Rumsfeld is visiting Iraq from 4-6 September and will be reporting back to the President but Bremer sees no reason to delay the PM's phone call.

DETAIL

2. I went over the points that came out of Tuesday's meeting with Bremer. He has no problem with any of them. His comments and some further details are set out below.

POLICY AND INTERNAL SECURITY

3. Bremer agrees on the importance of accelerating the recruitment of Iraqi police, but does not think that a target of 70,000 within the next three months is achievable. The cost would be huge and, however successful we were in speeding up training, the overwhelming majority of new recruits would end up with no training at all. This would be counter-productive.

TRAINING

4. Training capacity at Iraq's existing police academies is roughly 6,000 a year. Bremer has not given up entirely on the Hungarian option (which could have a capacity of up to 18,000 a

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year) but he was told in Washington last weekend that the Hungarians would need 90 days to secure Parliamentary approval and another 70 days to negotiate an MoU and prepare the base. This was too long. He was therefore pursuing two parallel tracks: asking whether the Jordanians can help and looking for an Iraqi military base to refurbish as a police training centre with a capacity of up to 30,000 a year. Assuming a suitable base and the necessary funding can be found, it will take at least two months to get it up and running (most Iraqi bases were comprehensively looted after the war). A throughput of 3,000 recruits every 8 weeks would require roughly 600 trainers. A figure of 1.5 billion dollars is circulating but I have not been able to establish whether this covers the full cost of salaries, training and equipment for a force of 70,000. This would be a huge logistical operation and we would need to put a dedicated team in place to achieve it.

INTELLIGENCE SERVICE

5.

The new interim Minister told me yesterday that he was keen to have UK advice on setting up an investigative branch and a counter-terrorism branch. We would need to ensure that we coordinated with the US. I will speak to DCC Brand on his return to try to establish a more precise requirement.

DE-BAATHIFICATION

6. Bremer accepts the need for flexibility. The new Interior Minister is thinking on the same lines, though he will be closely watched by some members of the Governing Council who are strongly opposed to any concessions in this area. This is more of a problem with a new intelligence service than police recruits.

PROTECTING IRAQ'S INFRASTRUCTURE

7. The Tampa Conference agreed that this should be a key military priority.

The multiplicity of forces involved and the different command arrangements will also need to be better coordinated (Facilities Protection Police are controlled by individual Ministries - oil, electricity etc - or in some cases by local Coalition commanders; the latter are also responsible for the Iraq Civil Defence Corps). The Tampa Conference proposed that this be done under military leadership. Bremer is content provided the regular police do not come under the military.

INFRASTRUCTURE IN THE SOUTH

8. Bremer welcomes any contribution we can make. Bearpark has just visited CPA South to ensure coordination with the CPA in Baghdad. Another of the Tampa proposals is to set up a task force Restore Iraqi Electricity. Bremer has said that he would welcome UK participation. Assuming Bremer gets his supplemental, a Project Management Office will be established to oversee execution of major infrastructure contracts. Bremer has agreed that Bearpark should take charge of this office. If the money comes from US sources, preference will inevitably be given to US companies but the sheer scale of expenditure should offer scope to British companies.

CPA FINANCES

9. The CPA has access to the following revenues (all figures in dollars):

- 2.4 billion appropriated by Congress
- 1.0 billion transferred to the DFI from the oil for food programme

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- 8 billion gold and currency found in Iraq
- 1.7 billion of Iraqi assets previously frozen in the US
- 0.3 billion (so far) in oil revenues
- 0.5 billion Iraq Freedom Fund
- 0.4 billion misc

The total is approx 7 billion. But expenditure to the end of August was approx 3.5 billion. It is currently running at the rate of 1.4 billion a month, mostly on running as opposed to capital costs. Even with oil revenues rising to 600 million a month, the CPA is set to run out of funds some time between December and February. The need to build up stocks of LPG, diesel and kerosene for the winter at a time when Iraq's refineries are unable to meet daily demand because of sabotage, smuggling and equipment breakdowns means that the cost of importing petroleum products could exceed the revenues from Iraq's oil exports. Bremer is seeking a supplemental for a staggering 20-22 billion dollars (higher than previously indicated) to fill the hole in the budget and to make possible major investment in infrastructure and security. He is also understandably anxious to get his hands on the remaining oil for food money and more of Iraq's frozen assets.

10. Bremer said that any general support from the Prime Minister would be helpful, but he was not suggesting that he go into any detail (the figures above are on extremely close hold even with the CPA). On Administration attitudes, Bremer thought that Rumsfeld, Rice and Powell were on board as was Bolton in the Office Management and Budget (who had nevertheless launched a salvo of more than 200 detailed questions). He did not have the chance to talk to the President when he was back in Washington last week. He was not sure what line Congress would take.

OIL AND ELECTRICITY

11. Oil production is up to 1.7 mbd and is targetted to reach 2.0 mbd by the end of the year and 3.0 mbd by mid-2004 (increasing production above 3.0 mbd would require the exploitation of new fields; this is where, in due course, there will be a major role for the oil industry). About 0.6 mbd are needed for domestic consumption. Current exports average 0.6-0.7 mbd. Sabotage rather than electricity supply is now the main constraint on production/export because generators have been installed at the main pumping stations and at some of the key refineries. The pipeline to Turkey, sabotaged on 15 August, is repaired but cannot export until the crude oil pipeline between Kirkuk and Baiji, sabotaged on 29 August, is repaired. Oil products (LPG, diesel, etc) will probably have to be imported until Spring 2004.

12. Electricity production is running at roughly 3,470 MW a day with the aim of reaching 4,400 MW by the end of September (ie pre-war levels). This is still well short of estimated demand at 6,000 MW. Project Managers have been installed at all the main power stations and 18 further Bechtel contracting and logistic engineers are due to arrive this week. USAID has allocated a further \$350 million for spare parts but a further \$1.2 billion is urgently needed inter alia for a new 400 kv line to build some redundancy into the transmission system. (The immediate problem is transmission with 620 out of some 5,000 transmission towers down.) A deal has been agreed with Turkey to import 50 MW rising to a possible 100 MW per day in exchange for dollars and crude. A further deal is under negotiation with Syria to import 70 MW in return for 15,000 bd from a small field near the border with Syria. It is still unclear whether the Iranian offer of 200 MW will be taken up.

MEDIA

13. I spoke to both Bremer and Thatcher about plans for Iraqi television. The main problem with IMN is that it is not yet operational.

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Iraqi TV is licensed for 5 terrestrial channels. One is now on the air covering much of the country, with a second due by the end of the year. The first channel is a mix of entertainment and some news. Bremer and Thatcher are keen to make some substantial improvements to IMN by December by bringing in the best of Arabic language entertainment and sports programming from Dubai. Bremer has suggested that we might fund (or part fund) this project at USD \$10 million per year. The second will be a predominantly news and information channel, including some features of the US C-Span (Cable Satellite Public Affairs Network), ie coverage of Governing Council meetings in ministries etc.

14. Further expansion of terrestrial channels will require major infrastructure and programming improvements, and will not happen until mid-2004. Iraqis also want their own satellite channel, to compete with Al-Jazeera. However, it will be at least March 2004 before IMN will have the quality and technical ability to achieve this.

15. Meanwhile, the whole IMN contract is being re-tendered to improve quality of programming. The Prime Minister suggested involving one of the major international TV organisations. A direct relationship with a foreign TV network would risk inciting the Governing Council to demand permanent state-control over IMN - something we all want to avoid. Instead, the plan is to recruit serving or former senior executives from international networks to help manage and train IMN staff. Thatcher has already recruited a former ABC and a former CNN executive. As reported in IraqRep telno 149, he is keen to take up the offer of a former executive of BBC World Service (Jobbyns) for help with regional programming in Basra. We should fund Jobbyns and seek to identify further individuals who could help, eg with regional programming in Mosul and with documentary production. Thatcher would also like a loan/long-term lease of a mobile broadcasting production studio to permit renovation of existing studio off-line. Finally he is requesting British funding/support for a robust IMN institutional research capability, with British and/or American guidance at the beginning.

POLITICAL PROCESS

16. Bremer would like to see elections in the summer of next year but suspects that the end of next year is more probable. We have to balance the need for political momentum against the concern of many Iraqis that moving too quickly to elections favours the extremists (including the Islamists) at the expense of liberal, non-religious parties which are still embryonic and need time to build support. He agrees that on the importance of a timetable to show the Iraqi people there is a political process which will bring occupation to an end within a reasonable time frame. His immediate concern is the attitude of SCIRI and the wider Shia population, whose support/acquiescence is vital to the Coalition, following the assassination of Ayatollah Hakim. Efforts are under way to ensure that they do not kick over the pail.

CONTROL OF BORDERS

17. Bremer said that CJTF and the Police are working on a plan for controlling the borders. But more troops will be needed in the short-term; this could be a key role for any additional international troops. The ICDC could also play a part as could the new Iraqi army. There is a plan to speed up recruitment for the new Iraqi army so that it reaches 30,000 in one year rather than two. But this would double the cost over the next year from 1 to 2 billion dollars and there may have to be a choice between more police or more army.

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