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MY VISIT TO IRAQ: 17-19 September

Summary

Security remains the concern. Provided we get this right alongside the politics, reconstructing Iraq is achievable. However, the terrible assassination attempt on Aquila al-Hashimi (whom I met on Wednesday) shows how fragile the situation is and how determined some people are to prevent the 'new Iraq' from emerging. This country should have a lot going for it. The Iraqis need to be helped to take charge. We need to support them in doing so effectively, and to persuade the Americans (who hold very fixed views) that this is both desirable and feasible.

Improving life for ordinary Iraqis is the main priority. Electricity, water and jobs will maintain consent and therefore security. It is in the South that the UK can, and must, deliver. Expectations are high. There is progress now on the Essential Services Project, co-operating closely with MND(SE), and we are working on the right issues in the very short term – infrastructure, policing, and improving information to Iraqis. The Madrid Donors' Conference needs a lot of work, with a strong UK commitment of funds to encourage others. In the medium term we should focus our support on helping key Iraqi ministries rather than CPA Baghdad. Long-term, we need to think about how we organise ourselves for this kind of operation.

Detail

1. Suma Chakrabarti and I travelled to Iraq this week, spending a day each in Baghdad and Basrah. Our main priority was to find out from Iraqis – Governing Council, Interim Ministers and civil society – how they feel about Coalition support for reconstruction and the political process. Everyone, without exception, was grateful for what we had done to bring Saddam's rule to an end. There is also a natural warmth towards the British among the people we met. We also talked to a wide range of CPA, UN, and HMG staff, including Ambassador Bremer (note

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already circulated). This letter adds my impressions to the analysis and recommendations set out by Valerie Amos in her letter to you of 10 September.

Security

2. The north of the country is broadly under control, although with some difficulties. The south has stabilised after the hard lesson of the August disturbances in Basrah, but threats remain and it has the potential for much bigger problems if popular consent weakens (in the words of General Lamb "consent equals security"). The middle of the country is, however, much more difficult with the Americans still on a combat footing and taking losses. There is a small minority who don't want the 'new Iraq' (the phrase Aquila al-Hashimi used in her discussion with me on Wednesday) to succeed, but they have the potential to do damage (as yesterday's attack sadly shows). She spoke with passion about what she and the other members of the Governing Council are trying to do. Our thoughts are with her.

3. Bremer doesn't want to hear that it could go wrong, although the US military do understand the risks. Increasing Iraqi involvement in policing and guarding infrastructure is the right approach, but there is a legacy of public mistrust of the police to be overcome.

4. The consensus of the Iraqis we spoke to in Basrah was that while security for ordinary people is getting better – slowly – it remains their single biggest concern, especially criminality, kidnappings, and thieving from homes. For international staff and our people, however, security has got worse, including in the south. This has constrained where staff can go, and therefore affected some reconstruction, although the DFID-funded armoured vehicles and protection teams are now making a difference. The reduction in UN and other NGO presence has also had an effect (e.g. there are supplies stuck in Amman because of the withdrawal of UN staff). The UN is understandably very jittery, and I think they might well pull out their international staff completely if there is another attack on them.

Political Process

5. Neither Bremer nor the Governing Council want to set a timetable for the political process to transfer power from the CPA to the Iraqis. Interestingly, none of the Iraqis we talked to raised this issue. However, I still think we should continue to explore any potential for transition steps, as suggested by Jeremy Greenstock, for external reasons. The Ministers have only just started work, and will need support. Bremer talks about handing over power to them and to the Governing Council, but seems reluctant to let go. He clearly has great energy, but also holds very fixed views: e.g. on forging ahead with privatisation. This is not a good idea in the short-term in a country with the legacy of a command economy, high unemployment and inflation (the price of tomatoes has trebled in Basrah since the end of the war). He is also worryingly unconcerned about international perceptions of progress (see below). This is a problem. So is the isolation, understandable given security concerns, of the CPA Palace. There is also the question of whether the 'can do' rhetoric matches the reality. Electricity is a case in point. Andy Bearpark's chart showing the target line for increased generating capacity across Iraq this month has a big red line underneath it that indicates actual output to be lower now than at the start of September, because of capacity overload and deliberate damage. A great deal hangs on this red line moving upwards.

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6. Progress is being made with the setting up of the Governorate Support Teams (GSTs), although the reporting arrangements – to CPA Baghdad – will severely strain management. We will need to try and work round this. An urgent task is to make sure the UK posts in the GSTs and in CPA(S) are filled with all speed.

UK achievements in the South

7. We have to recognise that our influence is limited with the CPA and Bremer, although the UK presence there, and in particular Jeremy Greenstock's role in Baghdad, is vital in staying alongside both. Therefore it's what we can do in the South that should occupy our practical, as opposed to our diplomatic, efforts. Hilary Synnott's arrival at CPA(S) has made the outfit much more effective and he is setting about the task of fixing the relationship with CPA Baghdad. The recent improvements in physical security have helped, but the move to the new building will be a big step forward.

8. We were very impressed by the MND(SE) analysis of the situation in the south and by the work they are doing, alongside DFID and CPA(S). **I would recommend – if you have the chance – to invite them to make to you the presentation we saw; it really helps to explain what's going on, what's being achieved and what we still have to do (including some interesting data tracking public opinion).**

9. In the south, public feelings of broken promises and high expectations mean that we have to deliver this time. The main outcome of our visit was that we sorted out in detail with MND(SE) and CPA(S) how to make the fastest possible progress on the Essential Services Project. The project management team, including Mott MacDonald, is now in place and agreement was reached over the two days on the arrangements for procurement and undertaking of the contracts. The implementation team are confident that noticeable improvements in the services covered by the plan will be secured in time for Ramadan (late October), with the first contract being let by Friday 3 October. I have asked for weekly reports so that Valerie and I can monitor progress and report to the Ad-Hoc Ministerial Group. Making this happen is our top priority.

10. Andy Bearpark has promised to help us with the other \$97m for the Project, and on Friday news came through that \$30m has been agreed by CPA(S) for generator supply. We are working to minimise the burden of US procurement rules, but if there are any problems with this or the further funding then we will have to find the balance ourselves – and very quickly. We cannot afford to let the tight timetables slip.

Communicating our Achievements

11. We are still not getting across our achievements back in the UK. Valerie's letter to you set these out, but especially the contribution we have made to the UN to support health, food distribution, and NGOs, and through the military and DFID bilaterally-funded activities, including the Essential Services Project. In the light of high domestic and parliamentary expectations of what can be done, we need to explain what we're doing, what the constraints are and why things are not as bad as UK media coverage suggests. Getting more people out to Basrah to see what is happening would help. And the South has real potential to contribute to the future if Iraq, with opportunities for the UK in business and in higher education links.

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Balance of Future UK Effort

12. The decision to go for the infrastructure project in the south was the right one. We need to see it through. In Baghdad, we should now focus on a few key ministries and support them directly – possibly Finance, Public Works and Municipalities, Education and Health. It would be in line with our 'Put Iraqis in charge' approach and send the same message to the Americans. Supporting culture change in government organisations where everyone took orders rather than responsibility under Saddam (the penalties for getting it wrong were very severe) should be a priority for us; e.g. the new Minister of Finance complained to me that he had been given a thick file and asked to decide on the salary of a security guard at his ministry.

Internationalising the Effort

13. We must now turn our attention to the Madrid Donors conference. We made the point forcefully to Bremer, and encouragingly to the Iraqis, that the Governing Council and the Minister of Finance should be on the top table at the conference. We have reached informal agreement with the World Bank that this will happen, with the Iraqis leading much of the discussion; the Finance Minister will need a lot of support (judging by my meeting with him). We will need to lobby other donors hard, and have a credible pledge to make ourselves. Suma Chakrabarti will talk to key partners at this weekend's Annual Meetings of the IMF/World Bank in Dubai, and I will do the same in New York at the UN early next week. We should also talk to the Americans in Washington and to the French and Germans well before Madrid.

14. One major concern is the continuing problem with setting up the Independent Advisory and Monitoring Board for the Development Fund for Iraq (DFI). Bremer seems unconcerned, but it is going to make it very hard to get countries to put money in if the international guardian of the DFI can't start work. It's embarrassing, and someone will have to tell Bremer to sort it out, because he won't do so on his own. In the light of the conference, and our own pledge, we can then consider the next stage of the UK reconstruction effort.

Other Issues

15. Death Penalty: the Governing Council wants it to be used; they said the Iraqi people expect those responsible for what happened (eg Chemical Ali) to be subject to this punishment. I explained our legal position, which means that we cannot have anything to do with it while we remain the occupying power.

Justice for Past Crimes: Ann Clwyd talked to me before our trip about the progress on this and the need to carry forward the work INDICT has done. She is in Iraq currently and will no doubt be reporting directly to you.

Media: Hardly anyone watches the Iraqi Media Network, and seeing the rows of satellite dishes (many newly acquired) all 'pointing' at Al-Jazeera as we flew low over Baghdad made the point about where people get their news from. CPA Baghdad need to make this happen

Food distribution: up to now this has worked well; we must ensure this remains so as the Oil for Food programme comes to an end. This cannot go wrong.

Medical supplies: there are still problems with distribution, partly because of corruption and partly because there is no culture of ordering what is needed before you run out. The Department of Health secondees at CPA(S) are working on this.

Policing: CPA(S) would like to get on with this, but there is no policy from CPA Baghdad and Stephen White is waiting for trainers. This needs sorting out. Both he

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and Douglas Brand in CPA Baghdad need more support. They have a lot of expertise that isn't being fully used.

Schools: these will open on 3 October – attendance will be a good test of people's feelings about how safe they think things are.

Indicators: we still need better indicators of what is happening across Iraq, eg numbers of children in school, hospitals working, etc.

Longer Term

16. As we reflect on the Iraq experience, we do need to think about how HMG is geared up to respond to the reconstruction phase of such operations. We are beginning to do some thinking on this, but we need to learn lessons for the future.

Acknowledgements

17. Suma and I would like to express our grateful thanks to many people for making our trip possible, giving us such a warm welcome and for providing us with every support during our stay, including: in Basrah Sir Hilary Synnott, Rosie Knight and Jacqui Galvin at CPA(S), and General Graham Lamb and all his colleagues, especially _____ and _____ who made the visit happen, and

whose help has been invaluable on the essential services project; in Baghdad, Sir Jeremy Greenstock, _____ and colleagues at the Palace; _____ and his Special Branch colleagues (supremely professional as ever); _____ from PJHQ (especially for the photos);

_____ and everyone else on the DFID Iraq team; _____ and _____ for patience in the face of changed plans; and finally, to the RAF for taking us up and down safely in a variety of aircraft at very unusual angles! I should add that the quality and commitment of all the people, military and civilian, I met was consistently high. I said how grateful we are for all that they are doing in difficult circumstances. We owe them a great deal.

I am copying this to Valerie Amos, Jack Straw, Geoff Hoon, Gordon Brown, Patricia Hewitt, David Blunkett, Paul Boateng, Peter Goldsmith, 'C', Sir Jeremy Greenstock, Sir Hilary Synnott, Sir David Manning, Sir Nigel Sheinwald, Sir Emyr Jones Parry, Tom Scholar and to Sir Andrew Turnbull.



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