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**From:**  
**Sent:** 30 May 2008 18:23  
**To:** Private Secretary  
**Cc:** Submissions List; Michael Anderson, Iraq Programme Team London; Iraq in Country Team  
**Subject:** SUBMISSION: Iraq Ministerial Trilateral 2 June  
**Attachments:** 080530 Submission-Iraq Ministerial 2 June doc; FLAG A - Points to Make doc

Private Secretary

PSA a submission regarding the Ministerial trilateral on Monday 2 June. This has been cleared by Barbara Hendrie, and hard copies have been delivered to Private Office. FLAGS B-E are confidential and are not attached to this email.

Regards

Whitehall & Communications Team Leader  
Iraq Team  
MENAD  
Department for International Development  
Tel:

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## *Submission to Ministers*

To : 1. Barbara Hendrie  
(agreed 30 May)  
2. PS/Secretary of State

From:  
Ext:  
Date: 30 May 2008  
CC: Submissions List  
Iraq Team

### **IRAQ: MINISTERIAL TRILATERAL DISCUSSION 2 JUNE 2008**

#### **Issue**

1. Ministerial trilateral with the Defence Secretary and the Foreign Secretary. Iraq is on the agenda.

#### **Recommendation**

2. That the Secretary of State notes the points to make on Iraq (**FLAG A**).

#### **Communications and parliamentary handling**

3. None at this stage.

#### **Timing**

4. The meeting is 2 June at 4.00 pm at the Foreign and Commonwealth Office, in the Foreign Secretary's Office. No officials will be present. An Iraq Strategy Group meeting will be taking place simultaneously at Cabinet Office.

#### **Information (not for proactive disclosure)**

5. Des Browne visited Basra on 22 May (reporting egram attached at **FLAG B**), and we would therefore expect him to lead any discussion on Iraq. He is likely to raise two issues:
  - How quickly progress can be made in delivering against HMG commitments (especially training up 14<sup>th</sup> Division and hand over of the Airport) so that we can change our troop posture.
  - Raising the profile of the economic/reconstruction work in Basra. During his walkabout in downtown Basra (with heavy military escort) the Defence Secretary noticed new roads and various construction projects underway, and questioned why HMG has not 'got the word out' more robustly about these developments.
6. The Foreign Secretary attended a high-level meeting on the International Compact for Iraq in Stockholm on 28 May, where he also met with Deputy Prime Minister Barham Saleh and Foreign Minister Zebari. The Foreign Secretary spoke at the meeting about

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improved security and a new optimism for the future of Iraq. He may express a view that HMG should be more ambitious in what we expect to achieve, with implications for a more gradual timetable for troop drawdown.

7. This view was set out in a letter from the Foreign Secretary to the Prime Minister on 29 April (at **FLAG C**), indicating seven areas where HMG would want to see progress before a final military transition. Our understanding is that MoD were not aware this letter would issue (we were also unaware) and it provoked a strong reaction among some military colleagues who interpreted it as setting an additional set of 'conditions' for troop drawdown (FCO deny strongly this was the intent).
8. The Defence Secretary then wrote to the Prime Minister on 12 May (at **FLAG D**) indicating that the seven areas go beyond the time-limited criteria for transition we have been using to date (standing up 14<sup>th</sup> Division, transferring the Airport and supporting provincial elections) and could draw HMG into an open ended commitment. He suggested that the Iraq Strategy Group develop a refined set of options for Ministerial consideration.
9. Finally, Sir Nigel Sheinwald wrote to the Foreign Secretary (at **FLAG E**), seeking in our view to strike a balance between these views, and emphasising the importance of negotiating with the incoming US administration about the timing of troop withdrawal from Basra as opposed to presenting the new administration with a *fait accompli*.
10. In light of this exchange of letters, discussion at the Trilateral will almost certainly involve the central question of the timing of UK troop draw down and managing the relationship with the US. DFID has struck a 'neutral' position in this debate, emphasising that we will continue to operate out of Basra until UK troops depart and seeking to assure HMG colleagues that we are pressing forward with the economic work as robustly as we can under current conditions.

## Economic Update

11. However, we may be pressed to demonstrate that we are moving the economic initiatives forward robustly. In this regard, we can point to a number of factors:
  - We continue to lobby Safa Al-Safi to effectively spend his \$100 million from central government. (He has yet to make progress in spending any money, despite asserting he would achieve 'immediate impact'). Although quick spending is important to build consent, this should not be done in ways which encourage narrow political patronage and corruption. We should avoid undermining the good governance systems we have built up over the last three years through the PRT.
  - We recognise that more could be done to get the word out about what we are accomplishing. But this is challenging - our focus on capacity building within government institutions can make it difficult to identify clear outcomes from our work. However, there is a large amount of reconstruction work underway (over 300 projects undertaken by the Provincial Council, spending part of the \$350 million budget for 2008) and we are working to document these projects. One option we are considering is to deploy a dedicated Communication Advisor to work directly with the PRT and the Basra Support Office.

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- The new Basra Support Office in Baghdad will be 'operational' on 7 June with an initial three staff members, with three more to follow soon. This will greatly assist us in boosting visibility of our on going programmes through the PRT, and the work of the Basra Development Commission.
  - The work of the Basra Development Commission is starting to bear fruit. We expect four different investors to visit Iraq soon, and a BDC-sponsored Youth Employment programme to be announced in mid-June when Michael Wareing will visit Basra. We are also lobbying UKTI to provide a 1<sup>st</sup> Secretary Commercial to sit in the UK Embassy, to support UK investment in Basra and Iraq more generally. (Investor visits are highly sensitive for commercial as much as security reasons. We are not sharing details outside a small Whitehall circle. But the Secretary of State may wish to know they include Mittal Steel (UK), Crescent Petroleum (Jordan/Kuwaiti), Cairn Petroleum (UK), and Avicenna Capital (UK based). All four of these companies have specific projects they wish to pursue).
  - We are deploying an aviation industry consultant to Basra International Airport on 9 June, with the long term aim of raising it to meet international certification within two years (subject to no unforeseen external influences). In the shorter term, our consultant is confident that he can increase the number of aircraft being turned around by the airport from its present 4-5 per day to around 15 per day without significant changes being required to its operating practice.
12. A related issue arising from the Defence Secretary's visit to Basra is the growing expectation among some military colleagues that UK civilians will soon be able to travel 'beyond the wire' into downtown Basra. Currently, we approve visits (by helicopter at night) to Basra Palace for PRT and DFID staff on a case-by-case basis, contingent on prior clearance by the FCO Security Manager in Basra. We would expect to similarly review any requests for travel downtown, weighing these against the possible benefit. At present, the situation is not good enough to enable us to visit government offices on a regular basis, but we are keeping this under close review.

## Political/Military Update

13. Iraqi Security Forces continue to mount operations in Basra, Mosul and Sadr City. These have been largely successful, with violence at its lowest level in Iraq for four years. The success of these operations has led to concerns that Prime Minister Maliki may attempt to overreach himself. There is some evidence that he is centralising decision making processes in the Prime Minister's Office, removing power from the Ministry of the Interior and Ministry of Defence. His successes against the JAM may also lead him to believe that he can exclude the Sadrists from forthcoming provincial elections – still more or less on track for October.
14. In Basra, the UK retains a 2-star command of MND(SE). A new General Officer Commanding, General Salmon, will deploy in July (DFID officials met and briefed him in detail on our programme). Iraqi Security Force operations continue in the area surrounding Basra, with the city now under their control.
15. Current GoI legislative priorities remain the passing of a Provincial Elections Law and a Hydrocarbons Law. The Provincial Elections Law is currently at third reading, but it

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Ministerial Trilateral – 2 June

## Points to Make:

- We recognise the need to capitalise on the improved security situation in Basra, so that Basrawis see visible signs of improvement in their lives. We are working with Provincial Council and Safa al-Safi (who has \$100 million to spend from central government) to identify projects which will provide tangible benefits.
- However, we must balance the demand for quick impact with the need to ensure that money is spent transparently and through the systems which we have helped put in place to promote responsible government.
- It is worth noting, too, that the PRT is helping programme over \$25 million in Quick Response Funds from the US according to provincial government priorities. These projects are being implemented at sub-district level by Gulf Region South (US Army Corps of Engineers). This is in addition to the money being spent by the Provincial Council against its \$350 million budget for 2008.
- Although there is much work underway, we need to boost the visibility of the work we are doing and what we have already accomplished. The Basra Support Office, which becomes operational on 7 June, will greatly increase our ability to communicate the progress we are making.
- Our economic initiatives are moving forward:
  - Following up the No. 10 Reception – DFID has visits for four potential investors planned, taking place under the formal auspices of the Iraqi National Investment Commission.
  - Basra International Airport (BIA) – DFID is deploying an aviation expert on 9 June to work with airport authorities. The aim is to achieve a threefold increase in the number of aircraft being turned around to 15 per day by the end of the year.
  - The Basra Development Commission will hold its next meeting in Basra in mid-June (Michael Wareing to attend). We expect the announcement at this meeting of a Youth Unemployment Task Force, and possibly the launch of a youth employment programme to be undertaken by the Provincial Council for 3,000 Basrawis.
  - The Basra Support Office will be operational soon with an initial three people and will reach a total of six people by late autumn.
- Our priority remains ensuring that there is adequate public and private investment in place to support any immediate improvements in Basra. Without the longer term employment opportunities and services that this investment will bring, we will not achieve our economic objectives.

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is unlikely that technical preparations will be ready in time to allow the elections to take place by their scheduled date of 1 October. The Hydrocarbons Law has yet to receive first reading, and Prime Minister Maliki continues to show no urgency in getting this passed.

16. Of additional concern to the GoI is the Status of Forces Agreement (SOFA) with the US. The deadline for review of the current UN Security Council resolution giving Coalition forces legal cover to remain in Iraq is 15 June. Once the current UN Resolution expires (end 2008) the US and the UK will need new agreements. The US has now agreed with the Iraqis that there will be a single overarching Strategic Framework Agreement to which a SOFA would be attached as a protocol. Other allies – including the UK – would be invited to sign up to this. The question remains as to whether UK signing up to this SOFA would require agreement from Parliament.
17. DFID has been clear that unless the security situation changes markedly, we will only maintain a civilian presence in Basra as long as there are UK forces there. In the longer term, while we could continue to influence events from Baghdad – particularly now that we are opening the Basra Support Office – we must recognise that our impact will decrease if we lose regular contact with the Provincial Council and other actors.

**Whitehall and Communications Team Leader**