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FROM: Alistair Fernie

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Private Secretary/Secretary of State

IRAQ: VISIT TO NEW YORK AND WASHINGTON DC

1. I attach briefing for the Secretary of State's visit to New York and Washington DC today and tomorrow.
2. The steering brief sets out some key issues the Secretary of State may wish to explore during her visit. Individual briefs with possible issues to raise are included for each meeting:

New York

Kofi Annan, Secretary-General
Louise Fréchette (Deputy SG and chair of Iraq working group)
Kenzo Oshima (UN OCHA)
Benon Sevan (Office of the Iraq Programme; supervises OFF)

Washington

Jim Wolfensohn, World Bank
Horst Köhler, IMF
Andrew Natsios, USAID
Richard Armitage (Deputy Secretary of State, US State Dep't)
Elliot Abrams (US National Security Council, Special Assistant to the President)

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3. At the time of writing a detailed programme with timing of meetings was not confirmed.
4. Further basic background briefing for each meeting is at the bottom of each meeting brief. This includes reference to existing background papers, which are annexed. With events changing rapidly some of this brief will soon be out of date. UKMis New York, British Embassy Washington and UKDel World Bank/IMF will provide further detail and updates on arrival.
5. The Secretary of State will be accompanied by the PPS, Nicola Brewer, Anna Bewes and
6. There will be some opportunity to discuss the briefing at a DFID meeting at 10am this morning. Nicola will be able to give more detail on the plane.

Alistair Fernie
Head, Middle East and North Africa Department

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INTERNATIONAL DEVELOPMENT SECRETARY'S VISIT TO USA
19-20 MARCH 2003
STEERING BRIEF AND KEY ISSUES

Overall objectives

- To explore extent of UN/IFI/US preparedness – and what else UK could do to help
- To reinforce UK position on need for UNSC mandate and leading UN role post-conflict
- To communicate extent of – and limitations to – DFID preparedness

Humanitarian preparedness

The UN (and probably Andrew Natsios) will share the Secretary of State's concern that **the international humanitarian community is not adequately prepared** for the humanitarian challenges which may arise soon after conflict starts (widely reported following her written statement to Parliament last week).

One of the **UN's primary worries will be its funding** situation. With UN international staff withdrawing from Iraq, UN involvement in OFF is being suspended. The UN preparedness appeal is underfunded and supplies prepositioned to date are unlikely to meet needs for long. The UN will be concerned that any flash appeal it launches after conflict starts attracts adequate and prompt funding, especially after the collapse of the 2nd resolution process.

There is consensus that **a further UNSCR is needed to amend OFF** for a time when there is no clear Gol, giving authority to run it to Annan, and refining sanctions to allow appropriate supplies into Iraq quickly. The UN has seen a draft text the US and UK have been discussing. The details need to be finalised but are unlikely to be controversial – the main sticking point is when the SG would hand back control of the programme (UK thinks the SC, rather than the coalition, should decide). This resolution needs to be ready to be passed very soon. We must not rely too heavily on OFF saving the day – even with new powers, Annan is likely to find it hard to turn it round quickly, and the high degree of centralisation of OFF administration on Baghdad may prove troublesome. But we should encourage him to take on these powers and **get OFF running again as soon as possible**. There is a medium-term question about the future of OFF and its appropriateness as a **vehicle for financing reconstruction**. The Security Council will need to address this by June, when the current six month phase of OFF expires.

How quickly the UN can start operating again during/after conflict could have a big impact on the extent of humanitarian disaster. Annan will probably take staffing security decisions himself. The extent to which Iraqi UN staff can run operations with limited/no expatriate involvement is not clear. There is **considerable scope to use money and supplies already within the OFF system** to meet immediate needs – exactly how much is available is not clear (potentially billions), but will be a factor determining how much extra aid is needed.

US humanitarian planning relies on UN agencies, NGOs and contractors being in Iraq to meet immediate post-conflict needs. This seems over-optimistic given security

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concerns – reservations some agencies have about the US's coordination role may also be a factor. The UK military's response is to prepare to deliver initial humanitarian aid itself. There is **limited evidence that the US military are similarly prepared**. Neither seem to have made much provision for **assisting Iraqi civilians affected by any CBW attack**.

The **Security Council** was due to meet today to discuss a further update from Blix on the inspection process. The withdrawal of inspectors and Bush's ultimatum to Saddam will overshadow this discussion; the Council may focus instead on conflict and post-conflict issues, including humanitarian. UKMis New York will advise further on arrival.

Post-conflict arrangements

US-UK discussions about what sort of post-conflict arrangements the UN SC should be asked to endorse are making progress, but there are some **key differences on the division of responsibility between the coalition, the UN and Iraqis**, which can probably only be sorted out by Blair/Bush. The US wants to maintain control of several ministries within the coalition for an indefinite period, and control appointments to, and the work of, the Iraqi Interim Authority, which would exercise limited sovereignty until a more representative government could be appointed. The UK accepts the need for the coalition to oversee security, but sees a greater role for the UN (led by a Special Coordinator) in other areas, including appointing and supporting the IIA. And we do not share the views of some in the US on a major role in the IIA for Iraqi exiles, who lack widespread support and credibility in Iraq.

Debate within the US administration is still raging on this. **The UK is waiting for a formal American response to a draft SCR text** which David Manning sent to Condi Rice last week. This may come today (British Embassy Washington will advise). Richard Armitage and Elliot Abrams are towards the hawkish end of the spectrum on a leading coalition role, although do not take as dim a view of the UN's ability as the Rumsfeld/Cheney camp.

We would like to see this debate concluded quickly too, because **lack of clarity on the UN mandate is inhibiting reconstruction planning**, particularly as regards other donor involvement. The US are aware that **without a UN mandate, the scope for international financial burden-sharing could be severely limited**.

US concerns about the role of the UN could be partly assuaged by selection of a strong candidate as **UN Special Coordinator**. A variety of names are being circulated, with **Sergio Vieira de Mello** a leading candidate given his good reputation from East Timor – but some doubts about his willingness to take the job. (He has just started as UN High Commissioner for Human Rights.)

The US has already done a lot of thinking and planning about **reforming Iraqi institutions**. The concern would be that particularly if the military campaign goes well, they will want to start with these activities before a UN mandate is agreed. To do such activities, which the UK would consider illegal prior to a UN mandate, in a UK-controlled sector would put UK forces in a very awkward situation.

The UK and other countries will want to reserve judgment on exactly how much money is needed for reconstruction and what the priorities are until there has been a **proper needs assessment, ideally carried out by the IFIs**. It will thus be important to encourage the World Bank and the IMF to launch such an assessment as quickly

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as possible – we have not yet seen evidence of firm plans to do so. Many of the economic and public sector reform issues currently being considered by the US, UK and Australia also require early IFI engagement – we have many doubts about preliminary US ideas. Dealing with **Iraq's massive foreign debt** will be a key aspect of the economic settlement, which we know the IMF has done a lot of thinking on. The sequencing of this may depend on complex negotiations with the major creditors, several of whom (Russia, France, Germany) are opposed to military action now. This all underlines the need for full and early UN authorisation of the post-conflict arrangements.

DFID's preparedness

The Secretary of State's statement to the Commons last week has been well reported.

We should ensure that the UN, IFIs and in particular the US have no illusions about the amount of **funding the UK is able to contribute** to relief and reconstruction. We have already committed **£10m to the UN appeals and NGO preparedness** [*£20m if the Secretary of State approves CHAD's further submission of 18 March*]. Only the US has given more. The Secretary of State may like to announce that she has earmarked **£70m for immediate relief** from the contingency reserve (£60m) and existing Iraq and emergency response lines (£10m) [*to discuss at briefing meeting*]. This is additional to the £10m already committed. But, despite public statements by the Prime Minister, the Chancellor and the Foreign Secretary about the UK playing a leading role in relief and reconstruction, we **cannot currently be more specific about our future plans for additional finance**. The UN in particular may be interested to hear how ministerial discussions on additional finance are likely to evolve.

In addition to this the **MoD has secured £30m** from HMT for the delivery of immediate humanitarian assistance under their Geneva Convention obligations, on which we will advise them but probably not provide much finance. It would be interesting to hear if the US military has similar plans. **Total UK funds committed or earmarked for humanitarian assistance are thus currently in excess of £110m.**

Whatever reservations the UN and other donors may have about the legal basis for the use of military force based on UNSCRs 679, 687 and 1441 (as set out in the Attorney-General's statement to the House of Lords), **none is likely to have legal problems providing immediate humanitarian relief**. But all except the US are likely to share our view that engagement in longer term **reform of Iraqi institutions** would be illegal without a **UN mandate**. The US accepts that it needs a broad coalition to undertake the reform and reconstruction programme, but may not have fully realised what sort of UN mandate will be needed to get it.

There may also be some lingering **misconceptions in the US that DFID has substantial operational capacity** – although we have been stressing that our approach is to fund others and support UN agencies and other international organisations, and advise the UK military. Given reservations by many other humanitarian agencies and some donors about US legitimacy to coordinate humanitarian assistance, the UK might play a key role in promoting wider international coordination with a **strong UN lead**. Our secondments to UN OCHA, and our newly arrived secondees in the US ORHA (whose job will focus on coalition coordination) should make us well placed to do this.

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