

DECLASSIFIED

CONFIDENTIAL

From: , Bilateral Section, IPU
Date: 15 July 2003

cc: PS/Baroness Symons
PS/Mr O'Brien
PS/Baroness Amos
PS/Hoon
PS/PUS
Peter Collecott
Peter Ricketts
Graham Fry
Simon Gass
Alan Charlton
William Ehrman
Edward Oakden
Ed Owen
Michael Williams
Heads IPU, SSU, RMU, RBD,
EG, ESU, ITSU, IMG,
COMCEN, PMU2, MENA,
TG(I), ISS

I agree on Basrah, provided we had to let
Training is successful. I am doubtful about
Mosul: £3 million a year is a very
substantial sum, & if the situation improves,
could it not be covered from Baghdad. (As
El Salvador & Bamako have shown, we must
not open ports unless we are sure to stay).

Mon July 13/7
MICHAEL

Discussed with IPU. I think this is the right
approach: priority to staffing the CPA South office,
allowing a flexible transfer of officers to a
separate UK office in Basrah. An office in Mosul is
desirable, but a lower priority.

, BTI
Chris Segar, Baghdad
John Sawers, IraqRep
Jeremy Greenstock, UKMIS
NY

Reference:

To: Neil Crompton, Head, IPU ~~17~~ Discussed in detail.
Edward Chaplin
PS/PUS
PS/Straw

SUBJECT: IRAQ: ESTABLISHING A BRITISH OFFICE IN BASRAH AND MOSUL

Issue

1. Whether to establish a British Office in Basrah, followed at a later stage by a
British Office in Mosul.

DECLASSIFIED

DECLASSIFIED

CONFIDENTIAL

Timing

2. Routine. We aim to establish a limited form of UK mission in Basrah on 1st December 2003 which would be gradually staffed by FCO UK secondees moving across from the Coalition Provisional Authority (CPA) South. The Mosul office would be opened later, subject to resources being allocated next financial year.

Recommendation

3. That the Secretary of State agree that a British Office be established in Basrah in December 2003 and that resources are allocated for necessary infrastructure and staffing. TPUK agree.

4. That the Secretary of State agrees in principle that a smaller British mission to be established in Mosul during the financial year 04/05. DFID have provisionally indicated an interest. TPUK will consider the need for a full-time commercial presence later.

Argument

5. There are currently no British Offices in Basrah or Mosul. The UK presence in Basrah is limited to UK forces and a number of UK government secondees to the CPA South office. We have 2 UK secondees working in Mosul.

6. When Iraqi central, regional and local government begins to function and the CPA role evolves into a supporting advisory capacity, there will be an increasing need for separate UK representation to promote bilateral interests in Basrah and the surrounding area. These will include establishing a commercial and consular presence, developing local political links and continued liaison with the CPA and the UK military. There are no other bilateral missions in the area and our presence will build on the success of our military effort in the region and give us a head start over commercial rivals. TPUK have identified an early need for a commercial presence in Basrah. Until a British Office is established, they may need to run their operations from the Embassy in Kuwait.

7. In the longer term, a small mission in Mosul will facilitate links in northern Iraq, particularly with Kurdish groups an area where we have been actively involved politically and militarily since 1991. It will also be strategically placed for identifying commercial opportunities in the nearby oil and gas and agriculture sectors.

DECLASSIFIED

CONFIDENTIAL

Other Options

8. British Office Baghdad (BOB) covers the whole or part of Iraq. This is not practicable or sustainable in the longer term. BOB has limited staff whose main objective at present is to establish a physical presence in the capital. Once the mission is fully established, and the staffing increases, their efforts will be concentrated on establishing political links with the reformed MFA and other government departments. The high level of interest in Baghdad will mean a particularly busy schedule of government and commercial visits. BOB on its own is unlikely to be able to give the south the sort of attention necessary to enable us to exploit opportunities once the Coalition has withdrawn.

9. Do nothing. The UK would lose opportunities to help shape and influence local institutions and opinion-formers, identify commercial opportunities and provide assistance to UK nationals visiting southern and northern Iraq. UK interests would be under-represented leaving the field open to other political and commercial players and possibly leaving UK nationals at risk. Iraqis would also question the level of UK commitment to their country.

Background

Legal and institutional issues

10. There is still no recognised Iraqi Government and the Coalition has not legally been able to consent to the establishment of full diplomatic relations or permanent diplomatic missions, although a functional form of privileges and immunities is now in place. In the early stages the missions should be known simply as "The British Office, Basrah" and "The British Office, Mosul". The British Office Baghdad (BOB) was established on a similar basis. Once the Iraqi government emerges we would need to establish Basrah as a Consulate General and Mosul as a Consulate.

Premises

11. Sites for the two missions have yet to be identified. ESU plan to conduct a scoping mission to identify suitable Basrah premises by the 1st December. We have not yet begun investigating premises in Mosul.

12. The Flat Pack Embassy (FPE) in Baghdad is now under assembly and is due to be completed in late August/early September. The present 5 container accommodation could then be re-located to Basrah to provide temporary premises

DECLASSIFIED

CONFIDENTIAL

while the permanent site was being identified and refurbished. A suitable safe site for the containers would need to be identified.

Staffing

13. There is currently no FCO funding for additional slots to staff the two proposed missions.

14. A staggered approach would be taken. Our efforts in Iraq are currently focussed on reinforcing the CPA South office. We are in the process of identifying FCO officials to fill the Head of CPA South and Political Adviser roles, in addition to other positions. The intention would be to stagger the deployment of key FCO officials from the CPA office into the Basrah Office at an appropriate time, moving the Political Adviser across to become the Consul-General and other members of the CPA secondee team filling positions according to local need. This would have the advantage of maintaining local knowledge and contacts in Basrah and give flexibility on timing and staffing.

15. The following eventual staff structure is proposed for Basrah:

1 x SMS	Consul General
1 x C4	2 Sec Commercial (TPUK)
1 x C4	2 Sec Sec Pol (Arabist)
1 x B3	Management/Consular
1 x A2	Registry/Comms
1 x A2	PA/Generalist
plus locally engaged staff	

in addition the following organisations have indicated an interest:

1 x British Council representative
1 x DFID representative

16. TPUK have identified an early need for a commercial presence in Basrah. Until a British Office is established, they may need to run their operations from the Embassy in Kuwait on a temporary basis.

17. Personnel Directorate will identify staff who would be willing to serve in Basrah. The aim is to deploy staff on 1 year tours with an option to extend.

DECLASSIFIED

CONFIDENTIAL

18. The Mosul staff structure will be decided at a later stage, but is likely to consist of 1 x C5/C4 officer plus 1 x A2 support. TPUK have no immediate plans to locate in Mosul, but will be monitoring developments. DFID have provisionally indicated a need for one representative.

Security

19. The security requirements for the new office and UK-based staff accommodation will depend on whether ESU can find available properties with sufficient security features to fulfil our duty of care. The current threat assessment and a recent visit to Basra by SSU indicated that a wide range of physical security measures will be required to protect staff now and in the future. At the very least, the new post will need reliable guarding arrangements, good physical protection measures (perimeter wall, guard house, internal confidential zone), effective access control and systems to protect the information and IT networks within the building. There will also be a need to provide armoured vehicles and possibly close protection for certain UK-based officers.

20. ITSU have projected that a 15-20 user UBS system, 4-5-user Confidential network and full FTN will be required for the Basrah office. Firecrest will be installed in the longer term, but for the initial set-up ComCen would re-locate BOB's secure communications, once Firecrest was installed in Baghdad. Some of the UK equipment in CPA can be reallocated to the British Office in Baghdad when their operations reduce.

Management

21. Personnel Directorate will allocate a Project Manager to oversee the set up in October 2003.

Media and Parliament

22. There will be a lot of public interest in the opening of the new Basrah office. It will be a positive sign of normalisation in the British area of operations.

Resource Implications

23. There are no existing FCO resources for this. We hope that it will be funded from the results of an FCO reserve bid to HM Treasury. RBD are submitting a submission on the Reserve claim in parallel with this submission.

DECLASSIFIED

CONFIDENTIAL

The costings are as follows:

Basra Representation:

Administration	£ 550,000	Capital	£4,650,000
Basra Guarding	:		
Administration	£2,100,000	Capital	£ nil

And, for 2004-05:

Basra Representation:

Administration	£1,090,000	Capital	£ nil
Basra Guarding	:		
Administration	£3,150,000	Capital	£ nil

Mosul Representation:

Administration	£ 640,000	Capital	£ 925,000
Mosul Guarding	:		
Administration	£2,360,000	Capital	£ nil

The cost of guarding would normally be incorporated into the representation Administration costs. We have separated them so that it can easily be seen how much guarding costs in comparison to the remainder of the Administration costs.

24. But if some or all of the Claims elements are not accepted by Treasury, it would be natural to look to MENA Directorate in the first instance to absorb as much of the costs as it could. The Board has already approved, as a contingency measure, the use of the Departmental Unallocated Provision (DUP) to meet immediate costs of the Baghdad set-up in this financial year. But MENA Directorate's current resource position is tight, the cost of the project is large compared to the scale of MENA's ~~their~~ budget, the DUP is relatively small size and Iraq work remains a high priority for ministers. Finance Directorate judge that this project, together with other Iraq-related costs, would inevitably require other Directorates to give up substantial resources to meet the shortfall.

Head, Bilateral Section
Iraq Policy Unit

Tel:
Fax: