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SECRETARY OF STATE FOR INTERNATIONAL
DEVELOPMENT

Mr Asquith
cc: PS/Bns SIMONS
PS/Mr Alexander
PS/Mr Rammell
PS/PUS
Mr Sowers
Mr Richmond
Mr Stagg
Mr Todd
Mr Pittison

Hds. IPU
Conflict Issues Gfx

Global Conflict Prevention Pool – Iraq Strategy

1. As you may be aware, the Iraq GCPP strategy has recently been revised by FCO, DFID and MOD officials. I attach an executive summary highlighting the main points and I recommend we endorse the strategy.
2. Among the projects to which we have recently committed was a £2.5 million project to equip the Iraqi Security Forces from the GCPP, discussed at the 16 September Ministerial meeting. Although this purchase only just fits the published eligibility criteria for supply of military equipment from the CPPs, it is of broader importance to HMG - because it will enable the ISF to better fight the insurgency in the UK area of operations, and will demonstrate HMG support and commitment to Prime Minister Allawi. Along with the recent proposal for support to the Iraqi Ministry of the Interior, which will be discussed by the GCPP tomorrow, we will now have committed to funding projects totalling £21.7 million in Iraq.
3. Since the overall allocation for the Iraq Strategy this year is £19 million, this means that the Iraq Pool is over-committed this financial year. We have begun to look at savings we can make by slowing or cutting projects that we have committed to – but many of these projects are themselves important, such as our

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project for mentoring the Iraqi prison service. In any case we have in several of these projects already entered into contractual obligations that limit the savings we can make by cancelling them.

4. I am pleased that we are making good use of the GCPP and it is important that we evaluate and monitor projects underway and completed. However, if the Iraq Strategy overspends it will be at the cost of the GCPP Reserve. I am concerned at the potential impact of future project proposals for Iraq on that Reserve and on GCPP allocations from 05-06 onwards. We will need to consider such proposals carefully, with a view to the cost to priority areas elsewhere and to the GCPP budget for the next two Financial Years, since the flatline SR04 Settlement for the GCPP means a reduction in available funds for all GCPP work of 20% in 05-06 and 30% a year thereafter.

5. Separately, as you will know, our officials have submitted a bid to the GCPP for £15 million each year for FY 05-07. I suggest that we vigorously support this at the Ministerial on 28 October.

6. I am writing in similar terms to Geoff Hoon and I am copying this letter to Sir Nigel Sheinwald and to Desmond Bowen at the Cabinet Office.

A handwritten signature in black ink, appearing to read 'Jack Straw'.

(JACK STRAW)

Foreign and Commonwealth Office

4 October 2004

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