

GOC MND(SE) - SOUTHERN IRAQ UPDATE - 3 JANUARY 2005

MARY:

- Low level of incidents. Slight increase over the New Year attributable to Muqtada Militia.
- Welsh Guards entered al Majarr el Kebir on 29 December, with hostile response from some quarters.
- First commercial flight into Basra Airport on 1 January. First Hajj flight expected today. 7500 pilgrims expected to leave from Basra airport.
- Dutch plan to transfer authority to successors between 5 - 7 March. No time to lose to determine follow on arrangements.
- Need to persuade UN that security situation allows deployment to Basra.
- UK big project proposal as requested by PM attached.

1. Thank you for your timely and welcome visit before Christmas. Over the Christmas period I visited every national contingent in the division (11 of them including a lone Canadian!) and found everyone in excellent spirits. Arrangements were made for everyone to have some proper time off duty and as usual, the chefs worked miracles. In most British Army units, the Officers and Senior NCOs did all guards and duties on Christmas Eve and on Christmas day.

Security

2. The level of incidents continues to be extremely low, with stand-off attacks being the norm. There was a slight increase over the New Year, but disruptive operations kept the lid on things. For every IED that has gone off, four have been disrupted, evidence of good tactical drills and skills. This is true across all nationalities. The steady drip of mortar and rocket attacks towards Basra Palace continues. This always features highly in Diplomatic traffic. I caution against over-reaction. Those involved are amateurish in the extreme and this is low-level, nuisance, activity.

3. What is becoming clear is that these attacks are the work of elements of the OMS, not Sunni rejectionists or foreign fighters. It also highlights divisions within the OMS leadership between Al Sadr on the one hand, who urges maintenance of the cease-fire, and Al Basri the Basra OMS leader and others who continue to organise attacks in order to maintain their anti-MNF credentials. An open confrontation on the streets is unlikely as Al Basri understands clearly that this is a contest that we will win. Indirect, and therefore deniable, attacks will therefore be their preferred course of action. In the run-up to the elections I will not take direct action against the OMS leadership unless I can catch any of them red-handed. We will concentrate on disruption and defensive measures, and at the same time look hard for those below the level of the leadership who we believe are undertaking the attacks.

Maysan

4. 1 Welsh Guards (1 WG) re-entered Al Majarr Al Kebir on 29th December. Whilst a meeting was being held with the town leaders a large and increasingly angry crowd developed. WG and IPS units came under stoning before they withdrew. In the aftermath there were two attacks on the Battlegroup: one by IED and one by rockets. There were no

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casualties. The Maysan Chief of Police intends to arrest the main ringleader of the crowd trouble and anti-MNF activity, whom he believes is responsible for much of the anti-Security Force attitude on charges related to other matters.

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I have declined to spend any project money in the town until the Security Forces achieve freedom of movement. The clear message is that cooperation will bring projects and jobs to the town, as in al-Amarah. Discussions continue with the Provincial Security Committee. Governor Riyadh will also meet interested parties from al-Majarr, and is playing a constructive role.

### Elections

5. Our preparations continue and I have no major concerns at present. The division will be redeployed from D-7 in support of the election process, lifting off all non-essential tasks and all Security Sector reform except mentoring. Normal activity will be resumed on my orders, once the result, and the reaction to it, is clear. I have submitted proposals for the Extremely High Readiness Battalion separately, however I am grateful for the timely agreement before Christmas for the move of its equipment.

### Basra Airport and the Hajj

6. Basra airport received its first commercial flight on 1 January, organised by Iraqi airways and arriving two hours late. Nevertheless, for the locals, including the Deputy Governor of Basra, it was an emotional and significant moment. The next challenge is the Hajj, which is running concurrently with election preparations. The airport though open for commercial traffic will need significant repair and improvement of its passenger handling facilities before it can open for regular passenger traffic. But we have made special arrangements for the Hajj, putting up temporary tented facilities and building an entry point which will avoid military and Hajj traffic getting intertwined.

7. We are expecting 7500 pilgrims to pass through Basra to Jedda over a ten day cycle, returning before 28 January. From our perspective, the Iraqi organisation for transporting pilgrims is chaotic with no-one in overall control. Many parts of the plan, particularly the return, are vague. Yet progress is being made. They will make it work. The first Hajj flight to Jedda is expected to leave this afternoon (Monday 3 January) with ninety-seven passengers.

### Al Muthanna/Dutch departure

8. I am grateful for the direction on planning and reconnaissance. However the Dutch have now stated that transfer of authority will be between 5th and 7th March, with end of mission on 15th. That gives us even less time than we had thought to effect the relief in place. I would be most grateful for a decision on whether or not British troops are to assume this duty, and if not, who is. If it helps, in the short term I believe the tasks being executed in Al Muthanna can be done with fewer troops than the Dutch deploy; and in the medium term, I am quite sure in my own mind that one more rotation after the Dutch will see the Security Forces in Al Muthanna in sufficient order to allow us to reduce from a Battlegroup to a Military Assistance Team with proper force protection.

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10. Immediately before Christmas I met with the UN mission to Iraq, in Kuwait. I found them eager to get moving. I will do all I can to help them, but they face difficulties generated in New York. Though plans are advanced to deploy 10 UN staff to Basra from April, there remains resistance from some elements within the UN on security grounds. The UN, I was told, has an "indivisible" threat assessment of Iraq, with all areas considered to be at the same level of risk as the most dangerous areas of the insurgency. This attitude needs to be countered. The UN staff I met were ready and eager to return. They suggested that an independent threat assessment would help to persuade New York that the security situation in the Kurdish and southeast areas is good enough for an early UN return. Can this be progressed through diplomatic channels?

11. On Christmas Eve, I met the Romanian CDS \

1. He went on to say that the Romanians will provide a company of troops, with full capability and life support, for the UN middle ring security in Basra, under our operational control. This is very welcome, the Romanians are good troops and we already have Romanian officers in the HQ here as well as in the Italian brigade.

Reconstruction

12. Finally, I said I would not be a bore about this, but the PM on his visit asked me to give him some idea of the big-ticket items needed to make a difference to the economy and essential services in southern Iraq. I attach a one-page summary.

*{Original signed}*

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Commanding MND (SE) and  
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**A British Capital Project in Iraq**

Of all the essential services that can have both an immediate and long-term effect there is one that stands above all others: power generation. The age, design, lack of funding, lack of maintenance and upgrading, as well as incessant conflict, has resulted in a decaying and fragile power sector. This is the area where Britain could intervene and make a real difference.

Many existing power plants are old and poorly maintained and produce much less than their design capacity. Looters and saboteurs have caused damage to transmission lines and substations. After the end of the conflict, the US funded a number of power station refurbishments in the South East. However, to date, none of them have been completed. In December, Iraq, as a whole, had power demand of 7000 MW but only produced 3700 MW. A recent report commissioned by the United States Agency for International Development (USAID)<sup>1</sup> estimates that the power demand in Iraq will grow by an average of 8% per annum as the economy continues to revive. In order to meet the rising demand there is a critical need for new power plants. The USAID report estimates that every year through to 2020, up to four additional power station units should be constructed. There is currently only one planned in the South East, funded by Japan.

In this sector the investment costs are large. At a minimum the aim should be to build a 200MW

Simple Cycle Gas Turbine Power Plant. In-country estimates are \$500,000 per MW, ie up to \$100m for such a plant. Dependent on site and security it should take eighteen months to construct. For comparison, however, a larger Steam Turbine Power Plant could take up to five years.

If Britain were able to provide a new power plant in Southern Iraq it would be a visible contribution to both the region and, through the national grid, the rest of the country. It would provide the start to a much needed long-term investment which would encourage other donors to integrate with the overall power needs. Indirectly it would provide greater surety of power to the oil sector, further guarantee the pumping of water to the distribution sites and enhance provision of electricity to hospitals, schools and other essential services. It would also mark the need for investment in technical education and industrial skills. Above all else it would bring a much needed increase in the hours per day the ordinary Iraqi receives electricity: this winter, the best that domestic customers throughout South Eastern Iraq have had is ten hours of power per day. On many days, there has been none.

<sup>1</sup> Electricity Sector Master Plan for Iraq by Bearing Point dated Jun 04