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DFID Department for
International
Development

Submission to Ministers

To: 1. Michael Anderson (Agreed. MA 20/2)
2. Martin Dinham (Agreed, in Minouche's absence. More people means a greater exposure to risk but I agree with the assessment that this is manageable given the levels of protection in place. We can also reduce numbers quickly if security conditions deteriorate. MD 20/2).
3. PS/Secretary of State

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Date: 20 February 2008

CC: PUSS/Malik
PS/Sue Owen
Submission List
Sue Wardell
Donal Brown

Iraq: Delivering the Basra Economic Initiatives

Issue

1. How to ensure we are adequately staffed to deliver the Prime Minister's Economic Initiatives for Basra over the next 6 months.

Recommendation

2. We recommend that the Secretary of State approves:
 - An increase in our security headcount limit in Basra by 2 consultants, bringing our total headcount limit to 9 people (8 consultants and 1 DFID staff member). Current headcount limit is 7 people (6 consultants and 1 DFID staff).
 - The addition of one member of staff in Baghdad, bringing us up from 5 people to the existing security headcount limit of 6 people.

Communications and parliamentary handling

3. The change in staffing should be characterised as organising ourselves to give the Basra Economic Initiatives the best chance of delivering in the shortest timeframe. It is not a surge but nor is it business as usual. Pending approval by the Secretary of State we will explain this clearly to HMG, military and international colleagues. We have already briefed General Rollo's replacement (Lt. General John Cooper, deploying late March) along these lines.

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Timing

4. Routine

Information

5. None.

Information (not for proactive disclosure)

6. Our effort in Basra is primarily focused on building capacity in Provincial government and helping deliver the Prime Minister's Economic Initiatives for Basra. We currently have 7 consultants assigned to the Basra PRT under our duty of care, taking this work forward. Leave rotations mean that we rarely have more than 6 consultants physically present in Basra at any given time. Hence we have managed to remain within our existing security headcount limit of 6 consultants.
7. The current team comprises the following people:
 - Development Adviser to work with the military's J9 reconstruction team
 - Economic Development Team Leader
 - Governance Adviser
 - Security Sector Reform Adviser (working with the Rule of Law team)
 - Basra Development Commission Implementation Team Leader
 - Basra Investment Promotion Agency Implementation Team Leader
 - Basra Development Fund Implementation Team Leader
 - Basra Economic Initiatives Project Manager
8. The three institutions that comprise the Basra Economic initiatives are Iraq-led (Basra Development Commission, Basra Investment Promotion Agency, and Basra Development Fund). While we can provide technical support and a certain amount of 'heavy lifting', we need to be realistic about what can be achieved and how much control we have over Iraqi government processes. Security also remains a key constraint. No UK civilians are allowed to travel outside the Contingency Operating Base (COB) and into Basra city. To our knowledge, there are no other international civilians who travel into Basra city.
9. However, we believe that the chances of successfully establishing the Basra Development Commission in particular and enabling it to produce a few concrete outputs over the next 6 months, will be increased if we add two additional consultants to the team:
 - An Adviser to work closely with the Development Commission to fast-track production of an Economic Strategy for Basra (including analysis of the economic potential of the Airport and ports). Expected output in June/July
 - A Coordinator to fast-track establishment of the Development Commission Working Groups. These will focus on particular issues or sectors (for example youth unemployment or business infrastructure development) and are expected to be the main engine for generating proposals to attract investment.

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10. This will require raising the security headcount limit for consultants from the current 6 to 8 people. Given leave rotations, we do not expect more than 8 consultants to be physically present in Basra at any given time. We do not propose to increase the number of DFID core staff in Basra.
11. In Baghdad we propose to increase the DFID team by one (A2) post, bringing the team to a total of 6 people. The new post will have specific responsibility for facilitating the Basra Economic Initiatives at the centre, and tackling blockages to progress as they arise in collaboration with the Government of Iraq, MNF-I and other development partners. As our current security headcount limit in Baghdad is 6 staff members, this will not require a change in policy but it does mean we will be staffed up to our headcount ceiling.
12. Increases in both Basra and Baghdad can be accommodated within our existing resource envelop, and – with a degree of juggling – the existing facilities at the COB and the Embassy. Pending approval from the Secretary of State, we will need to manage the actual number of people physically present at any one time, as these spaces will have to be negotiated alongside other HMG priorities.

Advice

13. An expansion of our headcount increases our exposure to risk. In Baghdad the security context remains relatively benign. In Basra there was a spike in attacks on the airbase at the end of January, including the single biggest attack ever against the COB on 31 January of 23 rockets. Attacks have continued since then. On 18 February, a seven-round attack with 122 mm rockets tragically resulted in the deaths of three third country national staff employed by the international company KBR who provide food and sanitation services at the COB. It is worth noting that the KBR compound does not have hardened accommodation. It is too early to tell whether these attacks represent a spike or the beginning of a trend.
14. It may seem counter-intuitive to propose an increase in our security headcount limit in Basra under these conditions. However, current levels of attack against the COB (25 attacks in January) are still well below the levels experienced last summer, when there were 76 attacks in June and 74 attacks in July. It is our assessment that the improved levels of protection, including hardened offices and accommodation facilities, and the soon to be completed hardened dining facility (completion date April) make a raised security headcount in Basra manageable at this time. All our people live and work under hardened accommodation, and scrupulously follow security procedures (We understand the KBR staff were not following security procedures at the time of the attack). But we are watching the security situation on a daily basis. Current staffing arrangements provide a high degree of flexibility, and we will be able to move people out of Basra very quickly should security conditions deteriorate.

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