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## *Submission to Ministers*

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### **Information Note: Latest Consequences of Iraqi operations in Basra**

#### **Issue**

1. To update the Secretary of State on the Iraqi military operations in Basra over the past two weeks, the US response, and implications for HMG and DFID's programmes.
2. Iraq will be discussed in Cabinet on 22 April, with the Defence Secretary leading.

#### **Summary**

- Government of Iraq accompanies its military operations in Basra with \$100m for quick-impact reconstruction projects, under Justice Minister Safa al-Safi.
- US military moves into Basra and starts planning to influence the \$100m allocation and to set up its own mass-employment projects.
- HMG influencing US and al-Safi to follow Provincial Council lead, and build on progress already made by DFID-supported programmes.

#### **Information (not for proactive disclosure)**

3. During the past two weeks, the Iraqi security forces (ISF) have been conducting the second stage (house to house searches) of their operation 'The Charge of the Knights' against Jaysh Al-Mahdi (JAM) in Basra. The effects of the operation have been mixed: militarily, it has delivered the release of British journalist Richard Butler and the discovery of a large amount of arms. But the ISF have not secured a decisive victory over JAM, there are reports of up to 1000 members of the ISF deserting or

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underperforming, and commanders in Basra city (General Mohan) and province (General Jalil) were removed from their posts on 16 April, probably in response to criticism of their performance. Violence has worsened in Sadr City in Baghdad and in Mosul, with both Sunni (AQI) and Shia insurgent groups apparently taking advantage of a diversion of ISF resources. The operation's impact upon ordinary Baswaris has been significant: there is a noticeably more confident street-life, including the sale of pop music and of alcohol.

4. There is a consensus within HMG that politically, Prime Minister Maliki intended this operation to send a message particularly to Sunni politicians and neighbouring countries about his willingness to tackle Shia insurgents as well as Sunni ones. This looks to have worked: the decision to move aggressively against JAM has been very widely supported in Baghdad, leading Maliki to be more confident and inclusive. As a result, it looks likely that the main Sunni party, Tawafuq, will soon rejoin Maliki's coalition.
5. Accompanying its military operation, the Council of Ministers agreed on the 8th April to provide \$100m of Government money for the reconstruction of essential services in Basra. This money is in the charge of Safa al-Safi, the (Shia) acting Minister of Justice  
  
He is now in Basra and has set up a committee to review proposals from the Provincial Council, the Governor and local Sheikhs to allocate the \$100m. Al-Safi is determined that it be the Government of Iraq who is seen to be in charge of these funds, and he favours quick-impact projects, probably allocated by the end of April, spent through line ministries and tribal leaders on small infrastructure projects like bridges, roads, health centres, schools and water-systems. Al-Safi is also responsible for delivering Maliki's 'Sons of Basra' initiative, which is a large-scale recruitment process of 25,000 police, military or community watch officers designed to counter JAM's re-emergence in Basra. Details are sparse, but this may be similar to other CLC (Concerned Local Citizens) schemes.
6. The US have responded to the operation by sending large numbers of personnel to Basra under the auspices of a Civil Military Operations Centre (CMOC). The MNF-I under General Petraeus (not State Department or USAID) is the driving force behind

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the US effort. Despite al-Safi having said that he did not want Coalition suggestions for how to allocate the \$100m, CMOC aim primarily to influence al-Safi. MNF-I is also intending a substantial increase in their CERP (Commanders' Emergency Relief Programme) funds. USAID is not proposing to allocate any additional money, but may look to restart suspended projects. All of the US proposals are likely to focus on quick impact mass employment schemes.

## Media

7. The relatively limited coverage in the UK media has focused on what value British troops are adding in South of Iraq. Simon Jenkins' Guardian column on 9 April is typical, arguing that the British 'tough love' approach in providing limited support (air cover) to the Iraqi operation was 'long overdue'. US media has contained some criticism of the UK's overwatch role, although at the Petraeus/Crocker hearings, the only substantive reference to UK was a single reference by Senator Clinton to the British not having been very actively involved in the most recent operations. There has been limited US (but no UK) media coverage of the Government of Iraq's commitment to spend the additional \$100m in Basra, which has been presented as a Government attempt to stem violence by creating jobs and offering people an alternative to joining militias – it has not been linked to either US or UK development efforts in Southern Iraq. The increased desire of the US to play a role in Basra's economic development – and the potential impact of this on the UK's work – has not yet been picked up in the media.

## Risks and opportunities for HMG

8. The capacity-building work of the PRT has been crucial in helping assist the Provincial Government to respond. That work continues. The Basra economic initiatives (the Basra Development Commission, the Basra Investment Promotion Agency and the Basra Development Fund) have been unaffected. In fact, it's possible that the diversion of attention in some quarters towards short-term projects will make it easier, in partnership with the Provincial Government, to successfully establish these institutions. Plans for the reception at No. 10 on 28 April for potential investors to Basra are unaffected: the Governor of Basra and all eight Basra Development Commissioners are expected to join Iraqi ministers at the event.
9. The major risk is that the systems built around the Provincial Government are undermined by the channelling of the \$100m through a combination of line ministries.

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tribal leaders and NGOs. HMG, particularly through the Provincial Reconstruction Team (PRT), has been supporting the Provincial Government.

10. There's also a converse risk: that in the short-term, the demand (including from HMG) for engagement in the development of proposals by al-Safi and the US overwhelms the very limited capacity of interlocutors in the Governors Office in Basra.

**DFID/HMG action**

11. DFID and Embassy Officials have been meeting with the three major parties to try to reduce the likelihood and impact of the above risks:
12. With the US in both Basra and Baghdad to emphasise the need to engage with the Provincial Government and the PRT in order to avoid setting up parallel systems and losing the benefits of their local knowledge, networks, and work done to date. Although there is a limit to our ability to influence the US military, the CMOC have agreed to work in support of the Governor's Office Reconstruction Unit and the PRT have facilitated a series of meeting between them.
13. With al-Safi, usually through HMA Baghdad, to emphasise the effectiveness of the Provincial Government-owned and DFID-funded programmes in Basra and the importance of working with the Provincial Council to build on them. Having met with members of the Provincial Council who emphasised the value of the PRT's work, especially on building technical and planning capacity, al-Safi is apparently keen to meet with the PRT, and DFID officials are helping to arrange this. Al-Safi also has a meeting arranged for next week with the Provincial Reconstruction and Development Committee of the Provincial Council.
14. With the Provincial Council, with whom we have a very good relationship, to ensure they present sensible proposals to al-Safi and to the US. Reassuringly, the first set of projects proposed by CMOC (totalling \$85.4m and providing 10,500 jobs in the health, agriculture and education sectors) are mostly ones which had already been agreed by the Provincial Reconstruction and Development Committee of the Governor's Office.

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