

1 (2.00 pm)

2 MR SIMON MCDONALD

3 THE CHAIRMAN: Good afternoon.

4 MR SIMON MCDONALD: Good afternoon, Sir John.

5 THE CHAIRMAN: This afternoon's session, we are following on
6 from our discussions this morning of the years 2005 to
7 2007 and we are taking the narrative forward to the end
8 of the time period for this Inquiry; that's to say to
9 the end of July 2009. We are examining policy decisions
10 that were taken on Iraq from 2007 until 2009. We are
11 going to look at how strategy developed during this
12 period of military drawdown, at the negotiations for the
13 continued UK military presence in Iraq, and the UK's
14 longer-term interests in Iraq, and our witness for this
15 session is Simon McDonald, who, from June 2007
16 until November last year, was the foreign policy adviser
17 to the Prime Minister.

18 MR SIMON MCDONALD: I still am.

19 THE CHAIRMAN: I envisage the session lasting up to one and
20 a half hours. Now, I recognise, as we have throughout,
21 that witnesses are giving evidence based on their
22 recollection of events. We are, of course, checking
23 what we hear against the papers to which we have access
24 and which are still coming in. I remind every witness
25 that he will later be asked to sign a transcript of his

1 evidence to the effect that the evidence he has given is
2 truthful, fair and accurate.

3 Starting the questioning, when we spoke to
4 Nigel Sheinwald, your predecessor as foreign policy
5 adviser to the Prime Minister -- before Christmas this
6 was -- he noted he had limited experience of working on
7 Iraq when he took up that post. I don't think this is
8 true for you. I wonder if you could like to start by
9 reminding us of your previous roles in which you worked
10 on Iraq-related issues.

11 MR SIMON MCDONALD: As you have said, I have been a foreign
12 policy adviser since June 2007. Immediately before
13 that, I was Director Iraq in the FCO and I had that job
14 from August 2006 to June 2007. Before that, I was
15 Ambassador in Israel, so in the Middle East but not
16 directly relevant to Iraq. Before that, I was Principal
17 Private Secretary to Jack Straw in the run-up to and
18 indeed through the invasion of 2003, and I served twice
19 in Saudi Arabia.

20 THE CHAIRMAN: Thank you. Coming to your position as
21 foreign policy adviser, you took it up in summer 2007.
22 You were involved in policy-making on Iraq before that
23 as director. I wonder if you could just outline what
24 the broad lines of UK Iraq strategy were at that time;
25 that's to say 2007-ish?

1 MR SIMON MCDONALD: I think the main thing to say is that
2 by the summer of 2007, the policy was very mature. We
3 had already been in Iraq for four full years and
4 a process of transition had already started. A key
5 statement was Prime Minister Blair's of February 2007,
6 which laid out a process of transition and drawdown of
7 military forces for the rest of 2007.

8 Prime Minister Brown took that up. I think, the
9 broad outlines described in February 2007 were
10 reinforced by Prime Minister Brown's first visit to
11 Iraq, his first contacts with President Bush of the
12 United States, Prime Minister Maliki in Baghdad and his
13 statements in October and December of 2007.

14 THE CHAIRMAN: Thank you. So the strategy -- I think there
15 was a meeting of the Defence and Overseas Policy
16 Committee in February 2007. What followed with the
17 change of Prime Minister was essentially a continuation
18 of the lines set down --

19 MR SIMON MCDONALD: Exactly.

20 THE CHAIRMAN: -- and already announced et cetera.

21 We have heard a good deal, not least this morning,
22 from military and diplomatic witnesses about the impact
23 of the Afghanistan dimension on Iraq policy,
24 particularly, of course, on drawdown. We, for our part,
25 by the time we get to the beginning of 2007, are in the

1 drawdown phase, partly demand pulled from the
2 Afghanistan commitment, partly because it was already
3 settled policy to try and transition handover province
4 by province to the Iraqi security forces.

5 Were we in practice -- leave aside the formal
6 wording of the strategy -- really deciding that the time
7 had come to go as soon as we reasonably could with such
8 achievement as it was possible to log because
9 ministerial, governmental priorities had switched to
10 Afghanistan as the first priority?

11 MR SIMON MCDONALD: Looking back, I think that we dealt
12 with Iraq policy on its own merits and that, as we
13 approached it in the summer of 2007, we knew we were in
14 the end-game and we were conscious mostly of our
15 strategic relationship with Iraq and our strategic
16 relationship with the United States. So what we did
17 was -- with those things in mind, what we did was in
18 very close consultation with both the governments in
19 Baghdad and Washington. With them we agreed the conditions
20 that were necessary for the drawdown, as they were set
21 out, and I think we stuck to them. And we adjusted the
22 timetable when conditions changed, which they did in the
23 spring of 2008.

24 THE CHAIRMAN: We heard evidence this morning from military
25 witnesses that it would be an error to contrast the

1 American decision to surge in 2007 with our own decision
2 to continue with drawdown, that the two situations are
3 different. Do you want to comment on that?

4 MR SIMON MCDONALD: I agree. Our main focus, as you know,
5 was in Basra, in the south. Basra and the south are
6 overwhelmingly Shi'ite, more than 90 per cent of the
7 population of Basra province is Shi'ite. The American
8 problem in 2006/2007 was in the centre of the country,
9 particularly around Anbar province where the US faced
10 a Sunni insurgency. So the policies they needed to
11 pursue in the centre of the country were different from
12 those that we had to in the south.

13 THE CHAIRMAN: We had had, if you like a mini surge in
14 Operation Sinbad a little beforehand, after which our
15 bolt was shot, some have argued. Was that part of the
16 reason why no comparable effort was made after Sinbad in
17 Basra and the south or was it simply the playing out of
18 the already established policy?

19 MR SIMON MCDONALD: I think it was the playing out of the
20 already established policy. As I have already said, our
21 involvement was very mature. It was very clear that the
22 Iraqis, the government of Prime Minister Maliki, wanted
23 to assume responsibility. As I have already said, our
24 policy was discussed in great detail with him. He was
25 one of the factors accelerating our departure from the

1 south.

2 THE CHAIRMAN: If you would take us a little further into
3 that, Prime Minister Maliki finds himself appointed
4 quite early in 2006. He comes from a minority element
5 of the Shia population. He doesn't have a big political
6 power base of his own. He has to balance the different
7 interests within the sovereign Iraqi Government by then
8 in being.

9 What was, as it were, the nature of the relationship
10 between the British Government, including its
11 Prime Minister, and Prime Minister Maliki, as he settles
12 into power and starts to exercise such power as he can
13 attract to himself and carry through?

14 MR SIMON MCDONALD: Prime Minister Maliki became
15 Prime Minister in May 2006, after five months of horse
16 trading. So it was a very difficult birth to what is
17 now the continuing government in Iraq. I think that
18 after that difficult birth, he was very keen to
19 establish himself. There were divided counsels around
20 the coalition about how serious a player he would be.
21 After all, his two predecessors had not lasted very long
22 in the job, but I think the British Government supported
23 him from the start because, after all, his government
24 was based on a Parliamentary mandate. It was different
25 in substance from the two previous governments. So we

1 had a collective greater interest in seeing it succeed.

2 THE CHAIRMAN: He, himself, is reported as having said he
3 did not think the British were actually his friends in
4 terms of his candidacy.

5 MR SIMON MCDONALD: That I think -- I'm sure you have
6 discussed that with William Patey -- was
7 a misapprehension on his part and there are disputed
8 accounts of what happened in the 24 hours before his
9 eventual appointment. So I do not agree with that
10 characterisation.

11 THE CHAIRMAN: Right. The nature of the relationship,
12 particularly at Prime Ministerial level in London and
13 Baghdad, there will be inevitably political
14 considerations, not least on the Baghdad side, in terms
15 of the perceptions of the Iraqi population, the need to
16 show a nationalist adherence, a need, therefore, to keep
17 some apparent distance between himself and the
18 coalition, political leadership, including our own
19 Prime Minister. How did that work in practice? Did
20 that evolve or was it just a set relationship? You
21 could say things in private that you could not say in
22 public?

23 MR SIMON MCDONALD: I think the relationship I observed
24 between Prime Minister Brown and Prime Minister Maliki,
25 was, from the beginning, between equals. They were both

1 heads of governments and treated each other as such.
2 Maybe things were different before, but by the summer of
3 2007, he was well established and demanded to be treated
4 on that basis.

5 THE CHAIRMAN: I would like, before I hand over to
6 Baroness Prashar, just to return briefly to Afghanistan.
7 There is a push/pull in terms of priorities and
8 resources, particularly military reports, but not only
9 military. We have heard this morning from
10 General Houghton, the difficulty for someone responsible
11 for allocating military resources between two campaigns,
12 one with an end-game being played out and the other very
13 much on the rise. There are priorities to be set --
14 difficult ones, because resources are always
15 constrained. General Fry told us at one point that we
16 began to ramp up in Afghanistan before we had
17 sufficiently disinvested -- I'm nearly quoting -- in
18 Iraq. In Number 10, was the Prime Minister aware of
19 that push/pull as being a difficult one to have to
20 manage?

21 MR SIMON MCDONALD: I repeat that in dealing with Iraq he
22 was looking at Iraq on its own merits. He set
23 conditions for dealing with Iraq and stuck to those
24 conditions.

25 THE CHAIRMAN: So the allocation of priority for military

1 resources --

2 MR SIMON MCDONALD: Was not the first thing on his mind,
3 no.

4 THE CHAIRMAN: Left to military figures to decide?

5 MR SIMON MCDONALD: They were each dealt with by the
6 Prime Minister on their merits. Behind the discussion
7 was the resources consideration, but it was not the main
8 consideration.

9 THE CHAIRMAN: The question we are trying to get at is there
10 are difficult decisions to make, choices, sacrificial
11 choices sometimes, and it is how these are managed. We
12 had -- by the time Mr Brown had become Prime Minister --
13 we have the DOP in being and then its successor committee,
14 NSID, with Prime Minister chairing senior colleagues
15 with military and other advice. That doesn't mean that
16 hard choices or priorities don't have to be taken, as
17 between X and Y. You are giving us an account that
18 suggests you just take decisions on X and then you take
19 separate decisions on Y without regard to the equation.

20 MR SIMON MCDONALD: Not quite. I think that -- of course
21 there were difficult decisions to take, but we had
22 existing major commitments in Iraq. So my observation
23 was that those were taken first and, you know, we had to
24 find the resources to do what we had to do in Iraq, and
25 then my observation was that Afghanistan was, at the

1 beginning of this period, taken second.

2 THE CHAIRMAN: So when General Houghton told us, as he did
3 this morning, that there were insufficient helicopters
4 to meet the expressed wishes of commanders both in Iraq
5 and Afghanistan, he allocated more helicopters to
6 Afghanistan because that was his military judgment?
7 That is not something that would have surfaced at the
8 top political level?

9 MR SIMON MCDONALD: The detailed disposition of materiel
10 did not frequently come -- I cannot recall it ever
11 coming to the Prime Minister. We had an existing
12 campaign which had an existing level of resource and the
13 resource was kept to finish that campaign. So the last
14 Merlins left Iraq last year. They had already been
15 deployed and they were kept in Iraq until the need for
16 them in Iraq was over.

17 THE CHAIRMAN: Okay. I think I will turn to
18 Baroness Prashar at this point on strategy.

19 BARONESS USHA PRASHAR: Mr McDonald, I want to look at some
20 detail about strategy under Prime Minister Brown
21 from June onwards because you joined about the same
22 time. Was there a reassessment of the UK's strategy at
23 that time?

24 MR SIMON MCDONALD: In preparing to become Prime Minister,
25 Gordon Brown looked into Iraq in great detail. So he

1 visited once as Chancellor of the Exchequer in the
2 autumn of 2006 and then he went again in the middle
3 of June 2007 and I went with him. We spent most of the
4 overnight flight from Heathrow to Bahrain discussing
5 Iraq. He had a voluminous brief, which he absorbed, and
6 then he asked hours long -- we had a discussion of four
7 or five hours --

8 BARONESS USHA PRASHAR: You had the advantage of having some
9 knowledge about --

10 MR SIMON MCDONALD: Indeed, because I had been, and still
11 was then, the Director for Iraq. So he approached it
12 with great seriousness, with great method, but he had
13 been, of course, a member of the Cabinet that had
14 decided to go in in the first place. So it wasn't fresh
15 for him, but he was looking at it from a new office.

16 So he visited in June, his first contacts with
17 President Bush were very much taken up with Iraq. The
18 first meetings of the National Security International
19 Relations and Development Committee were dominated by
20 Iraq and he visited for the Prime Minister as first time
21 in October 2007 and then made his first major statement
22 I think on 8 or 9 October 2007.

23 So there had been a careful and I think
24 comprehensive process leading up to that first policy
25 statement.

1 BARONESS USHA PRASHAR: What was the expected timeline for
2 the drawdown?

3 MR SIMON MCDONALD: At that stage?

4 BARONESS USHA PRASHAR: At that stage, yes.

5 MR SIMON MCDONALD: We were looking at -- sort of the
6 autumn of 2007, we were looking to do as much as
7 possible in the course of 2008. What the Prime Minister
8 said in public in October and December was that we hoped
9 to get down to about 2,500 in the spring of 2008. So
10 that was the ambition. But, as he said in both those
11 statements, he was acting on the advice of commanders on
12 the ground, reacting to circumstances as they developed,
13 and in March/April 2008, we had the Operation Charge of
14 the Knights. At the end of that, we reassessed. We
15 reassessed internally, we reassessed with the Americans
16 and the Iraqis and we adjusted. So a drawdown --

17 BARONESS USHA PRASHAR: Are you suggesting that there were
18 expected timelines for drawdown but they were adjusted
19 in the light of what he was hearing on the ground?

20 MR SIMON MCDONALD: Indeed. Not everything was laid out in
21 public. There was -- indications were made but not the
22 full detail, but there was private planning. But as
23 I said, the key thing was that circumstances changed and
24 the government reacted to that.

25 So in April 2008 the Defence Secretary announced

1 that we were pausing in our drawdown and that we were
2 going to help the Iraqis reinforce what the Iraqis were
3 doing in Charge of the Knights and that continued for
4 the rest of 2008.

5 BARONESS USHA PRASHAR: But in developing this timeline, did
6 you take any advice from the troops or from the main
7 departments involved, ie the FCO, the MoD or DFID?

8 MR SIMON MCDONALD: Absolutely. There were two official
9 committees. One, the Iraq Senior Officials Group
10 generally chaired by my deputy in F&DP Sec and then
11 there was the Iraq Strategy Group which I generally
12 chaired, which met regularly and brought together
13 Cabinet Office, Number 10, FCO, DFID, MoD and Agencies
14 and all policies were discussed throughout.

15 BARONESS USHA PRASHAR: What advice were they giving you
16 about timelines?

17 MR SIMON MCDONALD: We were focused on conditions and we
18 agreed the conditions that needed to be met and we had
19 indicative timelines for how long we would need to meet
20 those conditions.

21 THE CHAIRMAN: But condition trumped time?

22 MR SIMON MCDONALD: Yes.

23 BARONESS USHA PRASHAR: Now, the conditions were really for
24 withdrawal from Basra?

25 MR SIMON MCDONALD: Yes, because by far the majority of our

1 forces were in Basra by 2007.

2 BARONESS USHA PRASHAR: What were the conditions?

3 MR SIMON MCDONALD: The conditions were political, security
4 and economic. Politically, we came very much to focus on
5 the local elections, the provincial elections which had
6 been due in 2007 but were delayed and delayed and
7 delayed and eventually took place at the end
8 of January 2009. So successful province elections was
9 the key political decision.

10 On security, the successful training of the Iraqi
11 14 Division. This was created in the spring/summer of
12 2007, but, before then, there had been only the
13 10th Division of the Iraqi army which dealt with the
14 whole of the south. The Government of Iraq in
15 consultation with the coalition decided they needed an
16 extra division focused on Basra. They took a couple of
17 brigades out of 10 Division and needed to train up three
18 new brigades. So the training of 14 Division was our
19 key security task. And Prime Minister Brown had
20 a particular focus on the economy.

21 I mean, given his background, I don't think it is
22 a surprise. The Basra Development Commission, which was
23 launched in --

24 BARONESS USHA PRASHAR: We will come to that later.

25 MR SIMON MCDONALD: -- autumn of 2007, was the particular

1 focus there.

2 BARONESS USHA PRASHAR: I just want to concentrate on the
3 proposal to move out of Basra. When did you propose to
4 move out of Basra?

5 MR SIMON MCDONALD: We were looking at that from as early
6 as the summer of 2007. We had already been in Basra for
7 over four years. We had achieved as much as we thought
8 we could achieve militarily. We had had, as the
9 Chairman has said, Operation Sinbad. So we were looking
10 at what were the necessary final conditions to fulfil
11 before we left Basra. It was important to meet those
12 conditions, it was important to leave in good order, and
13 I think that is what we achieved.

14 BARONESS USHA PRASHAR: What was the view of the USA about
15 us pulling out of Basra?

16 MR SIMON MCDONALD: We discussed this in detail. They
17 understood our reasoning, but we adjusted our plans in
18 accordance with our discussions with them. So we went
19 a little bit more slowly because that was what our
20 strategic ally wanted from us.

21 BARONESS USHA PRASHAR: Were the views the same of the
22 Americans in Basra as those in Washington, or was there
23 any disparity in views?

24 MR SIMON MCDONALD: Our key discussions were with
25 Washington.

1 BARONESS USHA PRASHAR: Was there any involvement at local
2 level? Were there local views?

3 MR SIMON MCDONALD: The military were certainly involved.
4 General Petraeus was the key military character, but
5 I think the local military view from the south was
6 reflected through General Petraeus in Baghdad to
7 Washington and London.

8 BARONESS USHA PRASHAR: Thank you.

9 THE CHAIRMAN: We had got the move out of Basra city to the
10 airport. One of the bits of evidence we have heard from
11 military sources was that there was still a need on the
12 part of the Iraqi security forces to have a presence
13 available for psychological support rather than for
14 operational or military support, to ensure that the
15 local militias gave enough credibility to the Iraqi
16 security forces, 14 Division in particular.

17 Was that, as it were, part of the reason to go to
18 the airport and stay there for quite a long time before
19 finally withdrawing?

20 MR SIMON MCDONALD: Yes. I think, when we looked at
21 withdrawal, in the summer of 2007, we developed this
22 idea of overwatch. It came out of General Petraeus and
23 the American military. In the first stage,
24 you have tactical overwatch, where the Iraqis are in the
25 lead but the coalition is right alongside them. Then

1 you have operational overwatch, where we take a step
2 back, and strategic overwatch where we take two steps
3 back, we are over the horizon. It was very important in
4 having a successful transition that it should be phased
5 and that there should be a reintervention capability
6 available, if necessary, in the early months of the
7 transition.

8 THE CHAIRMAN: Yes. Again, it is a theme we would like to
9 pursue a little, but first, a more general question
10 about the Basra shift. What you are telling us -- and
11 we have not heard differently from military witnesses --
12 was that this was quite a carefully planned,
13 pre-planned, timed exercise. There is conditionality in
14 it with regard to Iraqi acceptance, credibility, US
15 tolerance of it and our own military considerations.

16 Then, turning from the general to the detailed,
17 carefully planned, getting our chaps out of Basra city
18 was always going to be difficult to do as an operation.
19 How far was the political planning and endorsement of
20 the shift aware of and taking into account the pure
21 military operational difficulty of getting out safely?

22 MR SIMON MCDONALD: That was a very important debate in the
23 summer of 2007. When Prime Minister Brown came into
24 office there was an existing plan to leave Basra Palace
25 in August 2007. Of course, overlying that plan was then

1 a US congressional hearings timetable, because
2 General Petraeus and Ambassador Crocker had to make
3 their first detailed report to Congress in the middle
4 of September. So, you know, the political level
5 wondered whether leaving the palace just before such an
6 important public event was the best timing because, as
7 you say, there were certain operational difficulties in
8 leaving the city centre.

9 If it had gone wrong, that would have been a poor
10 backdrop for the key congressional testimony. So this
11 was debated, but the military advice and military
12 considerations trumped the political hesitation. And
13 there was a slight delay, a few days, but the move from
14 Basra Palace was completed before General Petraeus and
15 Crocker gave their testimony.

16 THE CHAIRMAN: I'm going to ask one question and then
17 I think we might close off this particular line for
18 another occasion, but that is the Jaysh Al Mahdi
19 ceasefire which was announced and put into effect
20 shortly before this withdrawal. So clearly there is
21 some degree of mutual understanding, if I can put it
22 that way, going on. If that hadn't been brought off,
23 could we still have kept to the shift from the palace to
24 the airport without that ceasefire?

25 MR SIMON MCDONALD: Not with the same confidence in not

1 losing men and not suffering bloodshed.

2 THE CHAIRMAN: I think I will just log for the public record
3 that we shall want to go further into that, but on
4 a private occasion because of the obvious sensitivity.

5 What I think it would be helpful to know is what
6 your impression was, the move having been effected, the
7 ceasefire still in being for the timing of the move,
8 what conditions were then like immediately afterwards in
9 Basra city. We were relying on the Iraqi security
10 forces to hold the palace and take charge of the
11 security throughout the city. We weren't in it, we
12 weren't there. So what information did we get? What
13 was our impression of the picture after we had got out?

14 MR SIMON MCDONALD: Key military and police appointments
15 had been made in the spring of 2007. So we had very
16 good connections with the people who were then in charge
17 of security in Basra and I think the record shows that
18 the Iraqi security forces rose to the challenge and
19 security in Basra in the autumn of 2007 was pretty good.

20 THE CHAIRMAN: Yes, and looking at casualty lives and
21 statistics?

22 MR SIMON MCDONALD: Our casualties were very low from that
23 point on.

24 THE CHAIRMAN: Yes. I suppose -- again, I'm not sure how
25 far it is possible to draw a distinction between the

1 palace and the city, on the one hand, and the rest of
2 Al Basra province, on the other, where we still had
3 responsibility.

4 Was there an issue at the top political level about
5 how UK forces and the multinational force in the south,
6 MND South East, which still existed, were to be deployed
7 around Basra province up to and including the airport,
8 after the occupation -- I'm sorry, after the transition,
9 given that a large part of the political underpinning
10 from the Iraqis' side was the demonstration of national
11 confidence and national sovereignty?

12 MR SIMON MCDONALD: In full Basra province, Prime
13 Minister Blair set out the key tasks in his February
14 statement. One was the training of what was then for
15 10 Div, it then became 14 Div. Second was the
16 protection of supply lines from Kuwait up into the
17 centre of Iraq --

18 THE CHAIRMAN: Which, from the American standpoint, is the
19 most important thing of all for them.

20 MR SIMON MCDONALD: Also, the third, which was the Iranian
21 border. Basra had a significant border with Iran. So
22 we maintained those tasks through the summer of 2007.

23 THE CHAIRMAN: On a tangent, I think, but it is only
24 a tangent, thinking of the Iranian border between
25 Al Basra province in Iraq and Iran, but we were hearing

1 evidence earlier about Maysan province, a much lower
2 priority, much less difficult, but nonetheless still
3 tricky to transition, to hand over, and one witness has
4 told us recently that, in effect, there had never been
5 a satisfactory or effective border control to the Iran
6 border with Maysan province, and so didn't bother about
7 it. Is Al Basra different?

8 MR SIMON MCDONALD: It is fair to point out that, when you
9 say there had never been a satisfactory border
10 arrangement, that extended back through the
11 Saddam Hussein era. He maintained up to 60,000 troops
12 on that border and was still not able to control it. So
13 there is a certain historical legacy and context.

14 THE CHAIRMAN: Sure. Just as a last point, on the
15 transition to the airport from the palace, and,
16 therefore, the city, what is your awareness of the
17 ability and indeed the activity of British troops and
18 interested civilians, if I can put it that way, actually
19 operating within the boundaries of Basra city after the
20 transition, or was it a no-go area at the other extreme,
21 or was it for our people to be there by invitation or by
22 agreement with the local Basra authorities?

23 MR SIMON MCDONALD: As far as I know, we went much less
24 regularly, but we did go, and our economic work depended
25 on our being able to go to an extent and Michael Wareing

1 and others were able to do business in Basra. Some of
2 that business was done at the airbase, because people
3 came out to meet us there, but I think -- I would have
4 to check, but from time to time people were able to go
5 into town.

6 THE CHAIRMAN: In effect that was a (inaudible) question,
7 because a little later on I would like to come on to the
8 economic agenda, but before doing that, I would like to
9 hand the questioning back to Lady Prashar.

10 BARONESS USHA PRASHAR: I want to go back to the
11 Prime Minister's visit to Iraq in October. Did you go
12 with him?

13 MR SIMON MCDONALD: I did.

14 BARONESS USHA PRASHAR: He had a meeting with Maliki?

15 MR SIMON MCDONALD: Yes.

16 BARONESS USHA PRASHAR: Then, when he came back, he made
17 a statement?

18 MR SIMON MCDONALD: Yes.

19 BARONESS USHA PRASHAR: In this statement he did three
20 things. He announced the reduction of troops by spring
21 2008 and he also announced the role of the overwatch and
22 the economic development which you mentioned earlier.
23 How were these policy decisions arrived at? How were
24 they arrived at? Where did the discussions take place?

25 MR SIMON MCDONALD: Through the NSID and ISG process. So

1 there was a series of meetings in the summer and early
2 autumn of 2007 to discuss what the policy content should
3 be, and these were the three main lines. So these were
4 the three main features of the October statement.

5 BARONESS USHA PRASHAR: What was the difference between the
6 Ministerial Committee on Defence and Overseas Policy and
7 the Ministerial Committee on National Security and
8 International Relations, because there was a change?

9 MR SIMON MCDONALD: The convention is that when
10 a Prime Minister changes, all the names of the Cabinet
11 subcommittees change at the same time. So in substance
12 DOP and NSID were the same.

13 BARONESS USHA PRASHAR: Who attended NSID?

14 MR SIMON MCDONALD: The main cabinet ministers concerned
15 with national security, defence and foreign policy. So
16 the Prime Minister was generally in the chair, Foreign
17 Secretary, Defence Secretary, Development Secretary, the
18 Chancellor of the Exchequer, or Chief Secretary in his
19 absence, other ministers by invitation.

20 BARONESS USHA PRASHAR: When this policy was developed, they
21 were all there, this was kind of a collective decision?

22 MR SIMON MCDONALD: From memory, I think all the key
23 players were there at the key NSID in early October
24 2007.

25 BARONESS USHA PRASHAR: How often did they discuss Iraq?

1 MR SIMON MCDONALD: NSID met, I think, ten times in 2008
2 and Iraq was on the agenda for half of those meetings.
3 So that Iraq had a lesser position, I think, than in
4 2001 to 2004, but Iraq still generally featured or
5 frequently featured on NSID agendas.

6 BARONESS USHA PRASHAR: What was the other senior official
7 machinery that was around to discuss Iraq policy? What
8 was the position of the Iraq Strategy Group at the time?

9 MR SIMON MCDONALD: The Iraq Strategy Group had been
10 chaired by Nigel Sheinwald. I inherited that machinery.
11 It was myself, my deputy in F&DP Sec and the team
12 dealing with Iraq in the Cabinet Office, plus the
13 Foreign Office, so Frank Baker, my successor as
14 Director Iraq; the MoD: the Director of Operational
15 Policy and the Deputy Chief of the Defence Staff
16 (operations); DFID was represented at two-star level; the
17 Agencies were represented at two-star level; the Treasury
18 at one-star level.

19 BARONESS USHA PRASHAR: How would you assess its
20 effectiveness? Did it work well?

21 MR SIMON MCDONALD: I think it did. It was a real team
22 effort. You will hear from all the key players. You
23 may have heard from some already, others will come
24 before you, but my impression in the summer of 2007 was
25 that the Whitehall machine was working well.

1 BARONESS USHA PRASHAR: Had it got better, do you think?

2 What was your view when you were Director of Iraq at the
3 FCO?

4 MR SIMON MCDONALD: You are asking me to compare my
5 chairing skills with my predecessor. It was for others
6 to comment.

7 BARONESS USHA PRASHAR: Right.

8 THE CHAIRMAN: I think I would like to go back just a little
9 bit to our Prime Minister's relationship with
10 Prime Minister Maliki as time goes on.

11 A key issue for us is the legal base for the UK
12 forces to remain after the expiry of the UNSCR on --
13 what, end of November 2008? Was there a clear
14 understanding on our side of what Prime Minister Maliki
15 and his government wanted in terms of a continued UK
16 military presence and a timeline for it, or was it part
17 of the sort of daily push, pull and barter of Iraqi
18 internal politics?

19 MR SIMON MCDONALD: I think there was a clear
20 understanding. In the autumn of 2007 it became clear
21 that the resolution that would cover 2008 would be the
22 last one, and for various reasons the Americans were
23 quite keen to accept the Iraqi desire that that
24 resolution should be the last Chapter 7 mandate
25 resolution.

1 So through 2008 we realised that we would need some
2 sort of cover to finish the job in the first half of
3 2009. So there were long discussions with the
4 Government of Iraq. The two-star civilian in the MoD
5 was in the lead on this. He spent much of that autumn
6 in Baghdad negotiating this. I went out at the
7 beginning of December 2008. I saw Prime
8 Minister Maliki. We agreed the three continuing tasks
9 that they, the Government of Iraq, wanted the British to
10 complete before they left. We agreed that this needed
11 a firm legal base and that was put in place, just about,
12 but put in place by 31 December.

13 THE CHAIRMAN: We need to delve a little bit into the detail
14 of that for the record, I think, on that. But before we
15 get to that, did Prime Minister Maliki want to deal, as
16 it were, with his sovereign equal through yourself as
17 our Prime Minister's foreign affairs adviser rather than
18 with our standing presence in Baghdad? We had an
19 Embassy by then and an Ambassador. Why was it not done
20 at what you might call the normal level between two
21 nation states? Why did it have to be done at the
22 sovereign level?

23 MR SIMON MCDONALD: Much of the work was done at that level
24 but I don't think it is unusual, when the stakes are
25 high and something is important and sensitive, that the

1 Prime Minister and his office get involved in the
2 end-game.

3 THE CHAIRMAN: Going right back to the beginning of this
4 session, your own familiarity with the region, the
5 country, its circumstances and the surrounds, was that
6 actually a particular asset that you were able to deploy
7 on your personal mission as envoy?

8 MR SIMON MCDONALD: I had got to know Prime
9 Minister Maliki's two key advisers pretty well in my
10 previous job. So, yes, I think that did help the
11 negotiation.

12 THE CHAIRMAN: I'm not sure when we should talk about the
13 fact we didn't get a status of forces agreement but we
14 did get an MOU, but let's come to that a little bit
15 later.

16 I would like to spend a little time on
17 Gordon Brown's emphasis on the economic dimension of our
18 relationship with Iraq and our involvement therein. It
19 is in October 2007 that the Prime Minister, our
20 Prime Minister, makes a statement to Parliament setting
21 up the Basra Development Commission with Michael Wareing
22 in charge. What was it for and what did it do and did
23 it work?

24 MR SIMON MCDONALD: Well, it was one of our key -- three
25 key conditions to leave satisfactorily, that ordinary

1 Basrawis should see that life was better than it had
2 been. Iraq is naturally a very rich country. It has
3 the world's second or third largest oil reserves. So
4 there was great potential. Also, a well educated
5 population, but through the early years of this century,
6 economic times had been very tough, and so
7 Prime Minister Brown wanted to catalyse the potential in
8 southern Iraq. Most of the work was done by Iraqis
9 themselves. The Development Commission always had
10 50 per cent of it, plus Iraqi members --

11 THE CHAIRMAN: On a sidenote, de-Ba'athification had hardly
12 affected the south, had it, in the sense that there had
13 been an overlay of Ba'ath Party membership? The
14 majority Shia population were not affected.

15 MR SIMON MCDONALD: I would not like to be categorical
16 about that, but certainly the key people I met from the
17 banking sector and the oil sector had been in place
18 under Saddam. So there was quite a lot of holdover.

19 THE CHAIRMAN: There was, as there was not, I think, in
20 central Iraq, a non-Ba'ath professional class of
21 professional people, lawyers, engineers, whoever it be,
22 in the south, as a base in the south.

23 MR SIMON MCDONALD: You are being more categoric than
24 I would be.

25 THE CHAIRMAN: Insofar as the Development Commission had

1 some success, it was relying very much --

2 MR SIMON MCDONALD: Indeed.

3 THE CHAIRMAN: -- on the Iraqis own input, which implies
4 that they had skills and experience to make that input.

5 MR SIMON MCDONALD: I think partly reconciling the points
6 we are both making is that the commercial class wasn't
7 particularly Ba'athified. So that hadn't been a feature
8 of how Saddam ran the south of Iraq.

9 THE CHAIRMAN: Sure, the south of Iraq, yes.

10 The Development Commission, was it geared into
11 a wider economic development effort or was it very much
12 the British effort in the south-east to be able to leave
13 Basra province with a legacy that could stand up?

14 MR SIMON MCDONALD: There was a particular focus, yes, on
15 the south, but there was a wider effort in which DFID
16 had been deeply involved, and I think -- I remember
17 talking to the Minister of Finance, and before we had
18 our Basra Development Commission, our Basra development
19 plan, there were quite a few other provinces where he
20 felt that matters economic were run better. So this was
21 a countrywide effort.

22 THE CHAIRMAN: Thinking of the British resources that went
23 in behind or before the Development Commission, finance
24 is not necessarily a part of that, is it?

25 MR SIMON MCDONALD: Leveraging money out of Baghdad. They

1 had the money, and certainly, in 2007/2008, when the oil
2 price was so high, there was by then a very large budget
3 surplus in Baghdad.

4 THE CHAIRMAN: And a bureaucracy that found it impossible to
5 make it flow.

6 MR SIMON MCDONALD: They needed help in designing plans and
7 in delivering them.

8 THE CHAIRMAN: Yes. We have heard a lot about the funding
9 streams being cluttered or blocked, but is it fair to
10 ask, the success of the Development Commission itself in
11 the south-east was not dependent on UK finance
12 particularly, but finance had to be found from
13 somewhere. There was a lot of it sloshing around in
14 Baghdad but not being made available. Is that the
15 picture?

16 MR SIMON MCDONALD: As I say, I think we managed to
17 leverage money out of the key ministries in Baghdad.
18 There was \$100 million that we managed to get to be
19 associated with the Basra Development Commission and
20 so -- finance was not what we were providing. It was
21 expertise that we were providing, leadership, advice.

22 THE CHAIRMAN: Just looking at the machinery of government,
23 aspect, here you are sitting in both the Cabinet Office
24 and Number 10, and we have the Economic Development
25 Commission to be conceived and then brought a birth and

1 to act, where did you find expertise within Whitehall?

2 MR SIMON MCDONALD: DFID was the key ministry and
3 Michael Wareing was the key man, and he was spotted by
4 Defence Secretary Browne, Desmond Browne, and seen by
5 the Prime Minister and others, and people agreed very
6 rapidly that he had the skills and the enthusiasm to do
7 the job.

8 THE CHAIRMAN: The end report card at the end of the process
9 says?

10 MR SIMON MCDONALD: He got a CMG on 31 December.

11 THE CHAIRMAN: Thank you. Is there more you would like to
12 tell us about the economic dimension other than the
13 Development Commission effort itself? I mean, much
14 earlier, before Mr Brown became Prime Minister, we had
15 the creation of a new currency for Iraq, one of the few
16 real successes of the very early days post-invasion, and
17 a constant effort to get projects off the ground, both
18 large scale and short-term and small scale. Did our
19 effort essentially centre on the Development Commission
20 work at this time?

21 MR SIMON MCDONALD: Yes. Two things I draw attention to.
22 One is the conferences that we helped organise, both in
23 Iraq and outside Iraq, in Kuwait and Istanbul and in
24 London. The Prime Minister hosted two investment
25 conferences in Downing Street in April last year and April

1 the year before. Secondly, there was a particular focus
2 of Michael Wareing's on youth unemployment. He feels he
3 had particular success in getting unemployed youth back
4 to work.

5 THE CHAIRMAN: With our final withdrawal at the end of last
6 July, last year, did that work come to an end or is
7 there a legacy of continuation?

8 MR SIMON MCDONALD: There is a legacy. There is still
9 a small consulate in Basra. So work continues, but at
10 a lower level.

11 THE CHAIRMAN: Thank you. Back to you.

12 BARONESS USHA PRASHAR: Good. Thank you. Can I go back to
13 the changing role of the military after leaving Basra
14 city? Because once the move to the airport took place,
15 the role of the British military changed to one of
16 overwatch. Can you explain what that was and what were
17 the army actually doing?

18 MR SIMON MCDONALD: I think two things in particular. One
19 was this idea of a reintervention capability. So --
20 which was reassurance, which the Iraqis needed, as they
21 had to face down the local militia, the idea that there
22 was a capable force close at hand was psychologically
23 very important. Second was the training. So there was,
24 first, as we have been talking about, the training of
25 14 Division, but also the training of the navy and that

1 is our continuing training role in Iraq in 2010.

2 BARONESS USHA PRASHAR: So we moved effectively into
3 a training role?

4 MR SIMON MCDONALD: Yes.

5 BARONESS USHA PRASHAR: But the Americans by this time, as
6 part of the surge, were working alongside the Iraqi
7 security forces. Were we doing the same?

8 MR SIMON MCDONALD: From the spring of 2008, with Charge of
9 the Knights, we were meeting with the Iraqi forces, very
10 hands-on training in the same way as the Americans, yes.

11 BARONESS USHA PRASHAR: How long did we envisage our
12 overwatch role to continue at that stage?

13 MR SIMON MCDONALD: There was no fixed date at that point
14 but through the summer and autumn of 2008 we agreed with
15 the US and with the Iraqis that the middle of 2009 was
16 the end point.

17 BARONESS USHA PRASHAR: Okay. You mentioned earlier the
18 Charge of the Knights. In March, the first major Charge
19 of the Knights came with the Maliki-led operation and we
20 heard from Generals Cooper and Rollo that Maliki's
21 decision to go south took everybody by surprise. Would
22 you have expected to have been consulted, or had this
23 information been communicated to the Prime Minister and
24 you?

25 MR SIMON MCDONALD: It did take us by surprise and, yes, we

1 were not happy at the time in our initial reaction, but
2 we quickly reflected and concluded that this was an
3 example of the Prime Minister of Iraq taking charge of
4 the vital business of Iraq. So we decided with the
5 Americans that it was in our collective interests to
6 support it, which is what we did and why we adopted the
7 MiTT-ing concept, that we did do in April 2008.

8 BARONESS USHA PRASHAR: What is the MiTT-ing concept?

9 MR SIMON MCDONALD: That if you were effectively to mentor
10 and train, that you need to be with the forces you are
11 mentoring and training 24/7, that it has to be an
12 in-the-field experience rather than an in-the-classroom
13 experience. So of course, it is rather more exposed
14 than in the classroom. So there is more risk to our
15 forces. But the Americans had been doing this
16 successfully elsewhere and we adopted the same method in
17 Basra from April 2008.

18 BARONESS USHA PRASHAR: So why no MiTT-ing in 2007 and early
19 2008?

20 MR SIMON MCDONALD: At that time our military favoured
21 a different model. There was training, but it was
22 a slightly different kind from the US.

23 BARONESS USHA PRASHAR: What was the different model?

24 MR SIMON MCDONALD: As I hope I'm describing, that the
25 Americans were alongside 24/7, where we were somewhat

1 more recessed.

2 BARONESS USHA PRASHAR: Okay. So following the Charge of
3 the Knights, the Prime Minister decided not to express
4 any concern to Maliki?

5 MR SIMON MCDONALD: He did. They had a conversation.
6 I listened to that conversation. I remember the
7 Prime Minister was attending the NATO summit in
8 Bucharest. But they got through that. This was the
9 sovereign decision of the Prime Minister of Iraq. The
10 Prime Minister of Iraq was taking on the militia in
11 Basra in a way that we had been long advocating. The
12 fact that there had been imperfect consultation did not
13 deter us from supporting him, and as you are already
14 saying, we were not the only ones who were not
15 consulted; the Americans were not consulted either.

16 BARONESS USHA PRASHAR: Did they express any concern?

17 MR SIMON MCDONALD: They did but, as I said, we decided to
18 get on with it, and it worked. For me it was the key
19 moment for Prime Minister Maliki's authority within his
20 country. The going down south, dealing with the Shia
21 militia as a Shia Prime Minister, showed decisive
22 leadership, and, you know, he saw the benefit of that in
23 the provincial elections at the beginning of 2009.
24 His authority counted.

25 BARONESS USHA PRASHAR: But what was the impact of this

1 operation on our decision-making?

2 MR SIMON MCDONALD: That immediately -- a pause, because we
3 had been due to go down to about 2,500 troops. But
4 Defence Secretary Desmond Browne announced in that April
5 that our reaction to the Charge of the Knights was just
6 to take things a little bit more steadily. So we
7 maintained forces at around the 4,000 mark for much of
8 2008.

9 BARONESS USHA PRASHAR: But --

10 MR SIMON MCDONALD: And the extra allowed us to do this
11 MiTT-ing. Very specifically, we had nearly 1,000 that
12 were doing this MiTT-ing.

13 BARONESS USHA PRASHAR: But did it have any impact on the
14 way the military operated after the Charge of the
15 Knights?

16 MR SIMON MCDONALD: The training effort was much more
17 intimate, as I understand it, than it had been before.

18 BARONESS USHA PRASHAR: And you were working closely --

19 MR SIMON MCDONALD: We were working very closely with the
20 Iraqis.

21 BARONESS USHA PRASHAR: And what happened in relation to the
22 US military operations, because they came down, and how
23 did that impact on the relationship with the US
24 military?

25 MR SIMON MCDONALD: They started coming down, yes, in

1 numbers in the spring of 2008 but we maintained command
2 of the south-east until March 2009. So we were working
3 with the Americans. We are familiar with working with
4 the Americans in many places, but we still had the lead
5 until the spring of 2009.

6 BARONESS USHA PRASHAR: Okay, thank you.

7 THE CHAIRMAN: We are coming towards the end stage, I think.
8 What I would like to pursue a little bit more is what
9 Prime Minister Maliki's position vis a vis ourselves and
10 our continuing presence and the negotiation of the
11 status of forces agreement or something comparable was.
12 You spoke -- and I think it is universal testimony we
13 have heard -- that Prime Minister's Maliki's position
14 was immensely strengthened domestically by the success
15 of the Charge of the Knights, and he may have felt, may
16 he, that the need to rely, particularly in the
17 south-east, on a continuing UK presence, other than for
18 training, was diminished or foreshortened in time. But
19 did Prime Minister Maliki tell our Prime Minister that
20 he had a clear sense of when he would like to see UK
21 forces withdraw, other than for training or for Naval
22 support?

23 MR SIMON MCDONALD: This came up in their discussions
24 through 2008, so that by the end of 2008 and the
25 Prime Minister's visit in December 2008 they had agreed

1 that the end should be the first half of 2009.

2 THE CHAIRMAN: Right.

3 MR SIMON MCDONALD: But, because this was conditions-based
4 and because Maliki understood that rationale, it was not
5 possible to be crystal clear about this earlier than the
6 second half of 2008.

7 THE CHAIRMAN: Yes. The Prime Minister did make a
8 Parliamentary statement on the return from that visit in
9 early December, I think, and he did indicate, again
10 subject to conditions, that we would be withdrawing from
11 combat operations by May and completely, other than
12 training, et cetera, by the end of July. We didn't, as
13 he made that statement, actually have a legal base for
14 continuing.

15 MR SIMON MCDONALD: As you are familiar, in the statement
16 he described the steps that had already been taken, that
17 a draft had already been put to the Council of
18 Representatives. It was due, I think, for its second
19 reading the day after the statement. It was [touch and go]-- but we
20 got there by 31 December.

21 THE CHAIRMAN: Just to ask, did we? We got to something, we
22 got a memorandum of understanding, and from the
23 standpoint of Her Majesty's Government, that was
24 a sufficient legal base to continue operations, to
25 enable military operations to continue until the expiry

1 of the MOU, which was not time limited, I think.

2 MR SIMON MCDONALD: No, it was time limited for the end
3 of July 2009. So we had to have a second agreement for
4 our continuing Naval training presence, which we
5 achieved, but in the autumn of 2009.

6 THE CHAIRMAN: Was this very nip and tuck timing problem
7 simply because Prime Minister Maliki and his government
8 were heavily engaged on all fronts and it was just
9 a minor bureaucratic detail or ... ?

10 MR SIMON MCDONALD: They were. The bigger bit of business
11 they had to do that autumn was the continuing basis for
12 the US, who had more than 100,000 troops in Iraq. When
13 I visited Iraq in early December 2008, I saw their
14 national security adviser and he said they had just
15 signed the US deal, and he said it is the usual Iraqi
16 story, success not at the 11th but at the 13th hour.

17 THE CHAIRMAN: Thank you. We have already talked a bit
18 about our presence post drawdown and indeed post the end
19 of operations. We have this naval training commitment,
20 not a lot else. This is the United Kingdom government's
21 assessment of what Iraq needs and couldn't otherwise get
22 from other quarters and sources and countries, is it?

23 MR SIMON MCDONALD: Agreed with the government of Iraq.

24 THE CHAIRMAN: At their request or ...?

25 MR SIMON MCDONALD: It is part of our coalition effort that

1 we are doing this, after consulting our American allies,
2 as well as our Iraqi partners.

3 THE CHAIRMAN: I think what would help us was to get some
4 sense of the nature of that negotiation, if it was
5 a negotiation, with the Iraqi Government for post end of
6 operations, end of July 2009. Was it uphill work? Was
7 it simply finding agreement on what we could do and they
8 needed, or how was it?

9 MR SIMON MCDONALD: It was both. What was quite easy was
10 agreeing with Prime Minister Maliki that they had
11 a training need and that the Navy needed extra
12 capabilities and that the UK was well placed to help
13 them acquire them.

14 What was less easy was agreeing the detail of the
15 legal base for that to happen. But again, as I had been
16 involved in it in December 2008, I went back to Iraq in
17 the spring of 2009, saw Prime Minister Maliki's key
18 advisers, saw Prime Minister Maliki himself, and agreed
19 a package, which eventually became Iraqi law.

20 What we must remember is that it is not just
21 a question of Prime Minister Maliki signing off; he had
22 to take it to his Council of Representatives.
23 Parliament has a decisive say.

24 THE CHAIRMAN: Which on the draft SOFA he had actually been
25 unable to carry in December.

1 MR SIMON MCDONALD: Indeed. One of the features of Iraqi
2 democracy then was, something supported by the
3 Prime Minister was looked at even more sceptically by
4 the Iraqi Parliament.

5 THE CHAIRMAN: Yes. Well, I think that is the end of the
6 things I wanted to ask about. Usha, you do want to say
7 something?

8 BARONESS USHA PRASHAR: Yes, I want to ask a couple of
9 questions.

10 Now, you have been involved in this from more or
11 less 2001 in one capacity or another. What do you see
12 as being the lasting effects of military intervention
13 for Iraq and the region?

14 MR SIMON MCDONALD: I think in many ways it is too early to
15 say. Although it is eight years or more since this
16 started, it is still early days historically, and
17 I think immediate assessments depend on your personal
18 perspective, and for some people it has been very
19 positive and for others, frankly, not.

20 BARONESS USHA PRASHAR: And what do you see to be the UK's
21 longer-term interests in Iraq and in the region:
22 economically, strategically, politically?

23 MR SIMON MCDONALD: In Iraq I think every time I have been
24 and every time I have accompanied Prime Minister Brown,
25 all Iraqis pay tribute to the British role in Iraq, that

1 we helped them at a critically important moment, and
2 I think there will be lasting benefits to the
3 United Kingdom for that.

4 BARONESS USHA PRASHAR: What do they see as a critical
5 moment?

6 MR SIMON MCDONALD: The end of Saddam Hussein, that
7 Saddam Hussein ran a tyranny. Most of the people who
8 are now running Iraq were personally oppressed during
9 that time. I mean, Prime Minister Maliki has lost most
10 of his family to violence inside and outside Iraq. So
11 I think that -- of course, the US gets the most credit,
12 but I think the UK is second.

13 BARONESS USHA PRASHAR: I mean, one of the things I know
14 that Prime Minister Brown has been keen to develop good
15 bilateral relationships, kind of mature bilateral
16 relationships. How close are relationships with the
17 Iraqi government and the fact that we have given such an
18 extensive commitment to the country? Do you think we
19 have a privileged position?

20 MR SIMON MCDONALD: A privileged position? I don't think
21 we have a position so privileged that they would do
22 things against their interests because we asked, but
23 I do think that we have a privileged access and I do
24 think that they take account of our views in reaching
25 their sovereign decisions. I think they also have given

1 us credit when making key commercial decisions. So in
2 the recent auction of oil rights British firms did
3 pretty well.

4 SIR MARTIN GILBERT: Are we able to influence Iraq with
5 regard to our regional interests in the Middle East?

6 MR SIMON MCDONALD: I think we are but we have to make the
7 case on its merits and so we have the ability to make
8 that case. But it is the substance of the case that
9 will impress them, not the fact that it is a Brit that
10 is making the case.

11 THE CHAIRMAN: Lawrence?

12 SIR LAWRENCE FREEDMAN: Yes. You presented a picture of
13 a controlled, mature, deliberate, careful, considered
14 strategy, producing almost exactly the right result.
15 Did it always feel like that at the time?

16 MR SIMON MCDONALD: As I have already said, you know,
17 June 2007 was a long way into this, and so I think that
18 it helped us to get control, to rally people to
19 a position which I think we were able to follow, stick
20 to, pretty well over the following two years.

21 SIR LAWRENCE FREEDMAN: This morning in our discussions
22 there was a sense of 2006 as a year which started with
23 qualified optimism and ended with a certain degree of
24 pessimism, and the features of that were, having lost to
25 some extent control or influence over the police in

1 Basra, in the general sense that whatever we had been
2 hoping for in terms of police training hadn't been
3 achieved, the start of 2007, the first half of 2007, saw
4 very severe casualties, compared with the past, for the
5 British army, we had no more resources to give to Iraq,
6 in a sense almost that we were stranded there.

7 So what I'm trying to get a sense of is how much did
8 we have a sense that, come what may, we needed to get
9 out, and thank goodness it worked out quite well, but
10 even if it hadn't worked out so well, we still needed to
11 get out, that we were not in a sustainable position by
12 that time?

13 MR SIMON MCDONALD: That's a counterfactual. It worked out
14 the way we are talking right now.

15 SIR LAWRENCE FREEDMAN: But you must have been considering,
16 when you are briefing an incoming Prime Minister and
17 discussing with him, alternative scenarios, which in
18 some cases must still then have looked quite difficult
19 and dangerous.

20 MR SIMON MCDONALD: Indeed. But I think that my advice to
21 the Prime Minister was that there is only so much you
22 can achieve militarily, or hope to achieve militarily,
23 in the south of Iraq. I think with Operation Sinbad we
24 had reached that point and, to succeed, we had to trust
25 the Iraqis. At some point we had to hand things back to

1 the Iraqis and Operation Sinbad gave us as good
2 a platform as we were ever going to get.

3 SIR LAWRENCE FREEDMAN: Sinbad, which is late 2006, in that
4 sense is our last best shot, that we have taken this as
5 far as we can go and really we can take it not much
6 further after that point.

7 MR SIMON MCDONALD: Yes.

8 SIR LAWRENCE FREEDMAN: And it is a question of just finding
9 the most graceful way to exit.

10 MR SIMON MCDONALD: But things were achieved in that,
11 things had been achieved in the previous five years.
12 So, when it came to the moment to hand over, I think we
13 had reason to believe that the Iraqis would be able to
14 respond. So I do not think it is a surprise that it has
15 worked out more or less satisfactorily in Basra and the
16 south of Iraq.

17 SIR LAWRENCE FREEDMAN: Again, just thinking back to the
18 language used by previous witnesses, a comparison has
19 been made between the exemplary show we were going to
20 put on in Basra in 2003 and the sense of sufficiency, as
21 how we ended up. Was this notion of sufficiency
22 a formal criterion that was developed?

23 MR SIMON MCDONALD: We described consciously to ourselves
24 the minimum we had to achieve, yes, and, yes, that was
25 different from our original hopes, but you learn, and we

1 had to adjust because of our experience.

2 SIR LAWRENCE FREEDMAN: And what was your definition of
3 sufficiency?

4 MR SIMON MCDONALD: Again I think in one of the
5 Prime Minister's statements at the end of 2008 he talks
6 about an independent, prosperous, democratic Iraq, free
7 from terrorism, secure within its borders and stable
8 within its region. That defines for me sufficiency.

9 SIR LAWRENCE FREEDMAN: But that was in many respects well
10 beyond what the British could have achieved --

11 MR SIMON MCDONALD: It was the coalition. Of course it was
12 the coalition.

13 SIR LAWRENCE FREEDMAN: Could I just ask some other
14 questions on the -- again because that leads quite well
15 into these questions of the broader context in which we
16 were operating and the relevance to other aspects of
17 foreign policy.

18 We were talking about the impact of Afghanistan.
19 Now, you answered questions earlier about whether the
20 demands of Afghanistan limited what we could do in Iraq,
21 and you answered that actually, in terms of what we
22 wanted to do, we were able to look at it on its own
23 merits.

24 To what extent was the continuing demands of Iraq
25 limiting what we could do in Afghanistan?

1 MR SIMON MCDONALD: I think very clearly they were. The
2 military wanted to do more before we had military
3 resources that would allow us to do more. But that has
4 gradually changed over the last 18 months.

5 SIR LAWRENCE FREEDMAN: But to start with -- we had some
6 vivid portrayals this morning of the sense of being very
7 stretched, of exceeding our -- the setting of the
8 Strategic Defence Review, the framework -- that was
9 something that you were very conscious of during 2007?

10 MR SIMON MCDONALD: More in 2008 and 2009 than 2007.

11 SIR LAWRENCE FREEDMAN: So you would have liked to have had
12 a lot more kit released from Iraq?

13 MR SIMON MCDONALD: Some people would have liked, yes.

14 SIR LAWRENCE FREEDMAN: The Prime Minister would have liked?

15 MR SIMON MCDONALD: We are talking about Iraq.

16 SIR LAWRENCE FREEDMAN: All right.

17 Second foreign policy issue, Iran. Over this period
18 relations with Iran, to say the least, had been strained
19 over a number of issues. We have had some discussion
20 about the role that Iran was playing in Iraq. How
21 concerned were you about this role, because this was
22 certainly on through the period we are talking about,
23 and how did you make these concerns felt?

24 MR SIMON MCDONALD: There was some concern but I think, as
25 we look at the behaviour of the government in Baghdad,

1 we see that it behaves like a government of Iraq. There
2 were a lot of people who were afraid that a Shia
3 Iraqi Government would become a vassal of Tehran but it
4 has simply not worked out that way, and decisive proof
5 of that was the provincial elections in January last
6 year, where the Iranian-sponsored parties were trounced.
7 So I think Iran feels that it is not able to protect its
8 interests in the way that it wants inside Iraq.

9 SIR LAWRENCE FREEDMAN: But an additional part of this
10 argument is that, to some extent, coalition forces in
11 Iraq are a target should a wider confrontation develop
12 between the West and Iran. Was that part of your
13 concern, one reason why you were keen to get British
14 forces out of harm's way?

15 MR SIMON MCDONALD: That was not a major consideration as
16 we were debating policy.

17 SIR LAWRENCE FREEDMAN: Lastly, questions of general foreign
18 policy. To some extent, this follows from your answers
19 to Lady Prashar.

20 Again, looking back, part of the advantages seen
21 from the invasion in 2003 was to promote a different
22 sort of vision of what the Middle East could be like, to
23 encourage democratisation and so on.

24 How do you see, in terms of its immediate impact on
25 British foreign policy, the effect on these other goals?

1 Let me give you one particular area, the Middle East
2 peace process. This had been very large in 2003. It is
3 hard to see that it is much further along than it was in
4 2003. How do you assess the relationship between this
5 continuing Iraq saga and our current problems in the
6 Middle East?

7 MR SIMON MCDONALD: I was ambassador in Tel Aviv for
8 three years.

9 SIR LAWRENCE FREEDMAN: That was partly at the back of my
10 mind.

11 MR SIMON MCDONALD: In the end Israelis insist that their
12 issues should be treated discretely and they do not
13 acknowledge that alleviating problems elsewhere in the
14 Middle East will play a material role inside Israel, and
15 I think they have shown over the last five years that
16 that is indeed the case.

17 SIR LAWRENCE FREEDMAN: So the idea that Iraq would be
18 a route to improve the Middle East peace process really
19 hasn't turned out to be --

20 MR SIMON MCDONALD: I think it was a legitimate hope but it
21 has proved not to be the case.

22 SIR LAWRENCE FREEDMAN: Thank you.

23 SIR RODERIC LYNE: I would just like to follow on a bit from
24 that last question. You have been one of the very few
25 senior foreign policy officials dealing with the

1 Middle East throughout the period of this Inquiry's
2 remit and I would like you to sort of look very widely
3 and give us your assessment of the overall effect of our
4 involvement in Iraq on the achievement of British
5 foreign policy and security policy objectives.

6 Has it helped or hindered us in combating terrorism?
7 Has it contributed to peace and stability in the
8 Middle Eastern region generally or the opposite? Has it
9 helped us or hindered us to curb Iran's nuclear
10 ambitions? These are all very high priority items.
11 What has it done overall for the United Kingdom's
12 standing in the Middle East and more widely in the
13 world?

14 MR SIMON MCDONALD: I think most of the problems you
15 describe exist separate from what we did in Iraq, that
16 if we had or had not done something in Iraq, we would
17 still have a problem with Iran, we would still have
18 a problem with Israel or the lack of peace between
19 Israel and the Palestinians, we would still have issues
20 of terrorism around the Middle East.

21 I think the fact that the British stood up, the
22 British fought, the British were alongside the
23 Americans, the British followed through, wins a certain
24 respect from significant parts of the Middle East, not
25 everybody, but it is a part of the world that knows

1 about military might, a part of the world that respects
2 a country that is willing to put its forces where its
3 mouth is, and I think that's part of what we did in
4 Iraq.

5 SIR RODERIC LYNE: So Europe was divided on this, the
6 Middle East was against us on this, but you think it has
7 nevertheless redounded to our benefit?

8 MR SIMON MCDONALD: You are paraphrasing what I said. I am
9 prepared to repeat word for word what I just said but
10 I think we might just leave it at that.

11 SIR RODERIC LYNE: Let's take terrorism. Under
12 Saddam Hussein Iraq had many very nasty features but was
13 not actually a state sponsor of terrorism. As we have
14 heard from many other witnesses, this conflict became
15 a bit of a magnet for Al-Qaeda; Al-Qaeda came in to
16 operate in Iraq in very large numbers. So, in terms of
17 our effort since 9/11, in particular, to combat
18 international terrorism, has this helped or not?

19 MR SIMON MCDONALD: I think that a country that has
20 principles and stands by those principles benefits from
21 standing by those principles, and I think that is what
22 we did in the Iraq invasion.

23 SIR RODERIC LYNE: But did we get our calculations right?

24 MR SIMON MCDONALD: Well, I'm not prepared to speculate.

25 SIR RODERIC LYNE: I'm asking you to make an assessment, not

1 a speculation.

2 MR SIMON MCDONALD: You are asking for a personal view.

3 SIR RODERIC LYNE: I'm asking for a view of one of the most
4 senior officials dealing with British foreign policy on
5 an assessment of the overall effects of this operation
6 on our foreign policy. I mean, we have to make some
7 kind of an assessment. I want your help.

8 MR SIMON MCDONALD: My assessment is that our key strategic
9 relationship is with the United States and what we did
10 in Iraq has helped that relationship.

11 SIR RODERIC LYNE: In terms of curbing Iran's nuclear
12 ambitions, which I also asked about, what has been the
13 effect here?

14 MR SIMON MCDONALD: I said that that problem existed
15 entirely separate from what was going on inside Iraq.

16 SIR RODERIC LYNE: But has it made it harder or easier for
17 us to deal with it?

18 MR SIMON MCDONALD: I do not think it has made a difference
19 one way or the other on how we deal with Iran.

20 SIR RODERIC LYNE: You really think that? It is the next
21 door country.

22 So, looking at it in positive terms, what has our
23 involvement in the coalition achieved in positive terms
24 for us over the last six years?

25 MR SIMON MCDONALD: As I said, I think it reinforced our

1 key strategic relationship with the United States.

2 I think at the end of this we have a strong relationship
3 with the government of Iraq, the largest democracy in
4 the Middle East, potentially the richest country in the
5 Middle East. I think we have reinforced a reputation
6 that we are prepared to stand and fight for what we
7 believe in, and I think that they are positives.

8 SIR RODERIC LYNE: Right. Sir William Patey this morning
9 said that in the time he was ambassador in Baghdad, when
10 Prime Minister Maliki came into office, he said all the
11 right things at the beginning: He talked the talk on
12 national reconciliation, on inclusiveness and so on.
13 Sir William then left the theatre, but you have been
14 involved with it since then. How would you assess the
15 performance of the Maliki government in the period since
16 on such items, including governance?

17 MR SIMON MCDONALD: I think that overall it is positive,
18 that, yes, Prime Minister Maliki is a Shi'ite. He is
19 from a minority wing of a minority party, but he has
20 been able to keep a national unity government, if you
21 like, together over the last several years. They
22 haven't always been at his Cabinet table. Some have
23 gone but they have come back. And he has worked pretty
24 well with the coalition, he has worked pretty well with
25 the Council of Representatives, to the point that, as in

1 any democracy, there are regular fallings out with all
2 of the above but the system still functions. And so
3 they are now preparing in a serious way for
4 Parliamentary elections in March of this year. And, you
5 know, there is doubt about the outcome, everything to
6 play for in the outcome. But he, over the last years,
7 has established himself as a credible leader of all
8 Iraqis. So he has reason to be hopeful as he goes into
9 these elections.

10 SIR RODERIC LYNE: Could I just ask one other question,
11 which again stems from our conversation with
12 Sir William Patey. He said that at the time he was in
13 Baghdad he was getting almost daily telephone calls from
14 Number 10 Downing Street, from your predecessor,
15 I assume. Separately, we heard from General Viggers,
16 who gave evidence before Christmas, that he felt that
17 there was a need for greater professionalism and
18 training at the senior levels of decision-making, and
19 I think he was referring to in military matters.

20 Now, you and the Prime Minister have had very little
21 direct experience, I think I'm right in saying, of
22 military affairs. You are also dealing not only with
23 the conflict in Iraq but you are dealing with the one in
24 Afghanistan. Do you feel that you could have done with
25 more training in this? Do you feel that you and the

1 Prime Minister have got sufficient understanding of
2 defence issues and the military mind to handle this, or
3 would it have helped to have followed General Viggers'
4 suggestion?

5 MR SIMON MCDONALD: I think that the Prime Minister has
6 a principal military adviser in the Chief of the Defence
7 Staff. I think that myself as foreign policy adviser
8 worked very closely with the CDS and the Chiefs and
9 other senior military. I think it is legitimate to rely
10 on them for military advice, to have them walk us
11 through the key issues, to have them present options to
12 the civilian level for decision. I think the team has,
13 in my time in Downing Street, worked closely and well.

14 SIR RODERIC LYNE: The Chief of Defence Staff is across the
15 road. Does the Prime Minister have the background, and
16 do you have the background, to understand always what
17 the Chief of Defence Staff is saying to you and why he
18 is saying it and where it comes from?

19 MR SIMON MCDONALD: We have a staff too just round the
20 corner, fully versed in the ways of the MoD. I think
21 that the Prime Minister and myself were very well served
22 by our military and MoD civilian advisers.

23 SIR RODERIC LYNE: Thank you.

24 THE CHAIRMAN: I think we have come pretty much to the end
25 of this session. Are there any final comments or

1 remarks you would like to offer, things that we haven't
2 covered or that you would have liked to say?

3 MR SIMON MCDONALD: No, thank you.

4 THE CHAIRMAN: Right. In that case we will conclude our
5 session for the day. Our thanks to our witness and
6 indeed to earlier witnesses in the course of the
7 morning.

8 We are going to reconvene tomorrow at 10 o'clock,
9 subject, of course, to weather. We are going to hear
10 from Lieutenant General Wall and also -- General Wall,
11 I beg his pardon -- he was Lieutenant General earlier --
12 and Jon Day from the MoD, and we shall be discussing UK
13 policy towards Iraq, 2007 to 2009, from the MoD
14 perspective, and then that will be followed by witness
15 testimony from Mark Lowcock, who was Director General
16 for programmes for DFID, and in the afternoon we will be
17 hearing from Christopher Prentice, the United Kingdom
18 Ambassador to Iraq from September 2007 to last November.

19 With that, we will terminate the session. Our
20 thanks to the witness.

21 MR SIMON MCDONALD: Thank you.

22 THE CHAIRMAN: Thank you.

23 (3.21 pm)

24 (The Inquiry adjourned until the following day)

25