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From the Assistant Private Secretary

7 March 2003

Dear Kara

IRAQ: POST-CONFLICT ISSUES

The Prime Minister chaired a meeting on 6 March on Iraq post-conflict issues. The Chancellor of the Exchequer, the Defence and Development Secretaries, Baroness Symons (representing the Foreign Secretary), Sir Michael Jay and other officials participated.

The Development Secretary briefed on planning for humanitarian action in a post-conflict Iraq. DFID humanitarian advisers had now been deployed in support of UK forces in the Gulf. The DFID contingency fund would prioritise Iraq: some NGOs had been given funds to pre-position resources. Funding available to DFID would not, however, provide for an exercise on the scale of eg Kosovo. The Development Secretary stressed the importance of UN cover for post-conflict humanitarian and reconstruction operations, both to provide legal cover for reconstruction and to encourage other countries and international organisations to participate.

The Chancellor noted that the military operation would be very costly. Estimates for a major humanitarian operation were running at \$1.9bn - \$4bn. The burden of reconstructing Iraq should not be borne by just the US and UK: other countries' funds should be tapped, as should Iraqi oil revenues. In the long term, Iraqi oil should fund the country's reconstruction. He was particularly concerned that UK funds should not be used to repay Iraq's very substantial debts to Germany, France and Russia. It was important to involve the IFIs. One possibility was a trust fund, as for Afghanistan. EU funding should also be mobilised. In the Gulf War, Japan and the Arabs had provided much of the funding: this time we needed a formula to ensure a just allocation of contributions.

The Defence Secretary referred to the importance of humanitarian action in the immediate wake of the arrival of UK forces. A humanitarian crisis,

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perhaps brought on by the collapse of the Iraqi rationing system, could cause operational problems for the military and expose us to public criticism. This underlined the need for joint DFID/MoD planning. The Development Secretary noted that the Americans were already looking at how the Oil For Food Programme (OFFP) could continue post-conflict. DFID had £70m available for rapid disbursement. She said that UN humanitarian agencies had a general mandate to provide relief, but both they and the NGOs would be more inclined to help and would get more funding with a full UN mandate.

The Prime Minister concluded that:

- (a) DFID and MoD should draw up a plan for immediate humanitarian action in the area of operations of British forces.
- (b) Planning for medium-term post-conflict action should continue on the assumption that a UN mandate (the "third/fourth resolutions") would be forthcoming. The FCO should draft the necessary resolutions, which we should share with the US. The FCO should prepare a Phase IV plan with other departments, including the key decisions for Ministers to take.
- (c) The Chancellor should draw up a funding plan, including securing funding from wider international sources, in particular the IFIs.
- (d) The Prime Minister was prepared to pursue with President Bush our need for a UN mandate for a post-conflict administration.

The Prime Minister noted that the issue of sectorisation would need to be addressed. This should be covered in the Phase IV plan.

I would be grateful if Departments could draw up the work as necessary, and provide the appropriate papers, in draft form if necessary, by close of play on Tuesday 11 March.

I am copying this letter to Jim Drummond and Desmond Bowen (Cabinet Office), David Prout (Deputy Prime Minister's office), Anna Bewes (DFID), Will Price (HM Treasury), Peter Watkins (MOD) and Dominick Chilcott (Iraq Planning Unit, FCO).

Signed : Nicholas Cannon
07/03/2003

NICHOLAS CANNON

Kara Owen, FCO

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