

1 (11.30 am)

2 MR NIGEL HAYWOOD AND MR KEITH MACKIGGAN

3 THE CHAIRMAN: Good morning. Welcome to this resumed
4 session or whether it is a new session, I'm not sure
5 what the definition is. Welcome to our next witnesses,
6 Nigel Haywood, from the Foreign and Commonwealth Office
7 and you were Consul General in Basra from earlyish in
8 2008, I think.

9 Keith MacKiggan, you were head of the provincial
10 reconstruction team, but not until a bit later, is that
11 right, September?

12 KEITH MACKIGGAN: That's right, from end of September 2008.

13 THE CHAIRMAN: The objectives of the session are really to
14 focus on the UK story in Basra, as we have been doing,
15 in the 2008/2009 time. We will be asking you to talk
16 about the periods relevant to your own posting but
17 referring to preceding events where appropriate. We
18 can't ask you to give evidence about times you weren't
19 there.

20 We are building, in particular, on the session we
21 had with Mark Lowcock yesterday from DFID, and indeed
22 the one we have just had with General White-Spunner.

23 I always say we recognise that witnesses give
24 evidence based on recollection of events. We for our
25 part check what we hear from yourselves with the papers

1 that we also have.

2 I remind every witness they will later be asked to
3 sign a transcript of the evidence given to the effect
4 that the evidence given is truthful, fair and accurate.

5 We have about an hour and a half on this. Perhaps
6 we could start -- I will leave it to Baroness Prashar
7 with some descriptive material.

8 BARONESS USHA PRASHAR: Thank you very much. I think the
9 purpose of this conversation really is to get an
10 understanding for our purposes as to what was happening
11 locally in Basra at the time you were there. I think it
12 would be very helpful if both of you could start by
13 really describing what your responsibilities were, what
14 you were doing and who you were reporting to and so on.

15 Can I start with you, first, Mr Haywood?

16 MR NIGEL HAYWOOD: Certainly. I arrived out on 1 April,
17 which was more or less right in the middle of Charge of
18 the Knights, which meant that perhaps the job I thought
19 I was going to be doing when I got the job in the
20 previous October was changing as life was going on, but
21 essentially my job was there to help in the
22 reconstruction, the post-conflict rehabilitation of
23 Basra, with particular focus on the political aspects,
24 work with the provincial authorities and also
25 increasingly working on the Prime Minister's economic

1 initiatives towards Iraq and Basra in particular.

2 BARONESS USHA PRASHAR: What were the staffing and the

3 resources that you had at your disposal?

4 MR NIGEL HAYWOOD: I had a team of eight or nine UK

5 diplomats there and then a variety of consultants, 20 or

6 so consultants as well as supporting staff, because, at

7 the time that I got there, my deputy was double-hatted

8 as leader of the provincial reconstruction team. That

9 was something that you may want to explore during the

10 course of this conversation.

11 BARONESS USHA PRASHAR: Where were you based?

12 MR NIGEL HAYWOOD: At the airbase, and our offices were

13 directly next door to the military offices. That was

14 extremely important.

15 BARONESS USHA PRASHAR: Important, yes indeed, the

16 co-location, which we will come back to.

17 What were you doing and what were your

18 responsibilities? I know you were heading the

19 reconstruction team. If you were to describe what it is

20 and what it did.

21 KEITH MACKIGGAN: Things were more settled by the time I got

22 there at the end of September. The first thing to say

23 is that probably provincial reconstruction team is

24 probably a bit of a misnomer, or it had become a bit of

25 a misnomer by the time I got there, because the focus of

1 the work was no longer physical reconstruction, although
2 there were still some infrastructure projects.

3 The PRT was, at its name suggests, a team of about
4 30 consultants, DFID staff, staff of the US State
5 Department, staff of US AID and Iraqi consultants, and
6 also UK and US military individuals who worked on
7 a variety of projects across a broad scope from
8 infrastructure to governance to rule of law, delivering
9 essential services, and, of course, the very important
10 economic development piece.

11 By the time I got there, the Prime Minister had
12 already made his July statement and so it was very clear
13 what our strategy was. Also, we were fortunate in
14 having some idea of the end-game and the timings in
15 terms of final drawdown of UK troops.

16 BARONESS USHA PRASHAR: What was the end-game? What was
17 your understanding of the end-game?

18 KEITH MACKIGGAN: We had some idea of when it was likely
19 that UK troops would be withdrawing if the decisive
20 conditions were met on schedule, and the end-game in
21 terms of a transfer of the leadership of the PRT to the
22 Americans from the UK. I think it is important also to
23 explain something that is sometimes not well understood,
24 which is that the PRT was not a UK PRT at any stage. In
25 a similar way to you heard this morning, the military

1 effort in Basra was part of a wider coalition effort.

2 The PRT in Basra was always a coalition PRT and, in

3 fact, it remains a coalition PRT to this day, but what

4 has changed is that, whereas in the past it was UK-led,

5 now it is US-led.

6 BARONESS USHA PRASHAR: Who were you reporting to and what

7 were your resources?

8 KEITH MACKIGGAN: I had a dual reporting chain because I was

9 part of a coalition PRT in the same way that the senior

10 military representative in Basra always had a dual

11 reporting chain. So I was reporting up to Whitehall,

12 but I also made it very explicit, when I arrived, that

13 I considered myself to be

14 reporting up the US chain as well and into the US

15 embassy as all PRT leaders did.

16 BARONESS USHA PRASHAR: Where were you based?

17 KEITH MACKIGGAN: I was based also on the airbase, in the

18 same corridor, actually, as Nigel in divisional

19 headquarters.

20 BARONESS USHA PRASHAR: How did you work together? Just

21 give me a description of what was your relationship.

22 How did you work together?

23 MR NIGEL HAYWOOD: When Keith arrived, this was the start of

24 a kind of restructuring of leadership in Basra and we

25 had a new general. I was there, Keith arrived and we

1 had a new American sort of Consul General equivalent
2 there. So in terms of working together, increasingly we
3 tended to work together as a group. There was no
4 particular -- there was certainly no line management
5 between Keith and myself. We were each handling
6 discrete areas of activity, but I think you can best
7 describe the way we worked together as collegiate from
8 about the time Keith arrived until the time that he and
9 General Salmon left.

10 BARONESS USHA PRASHAR: Would you call that an effective
11 partnership?

12 MR NIGEL HAYWOOD: Yes.

13 KEITH MACKIGGAN: We had an extremely effective partnership
14 and I hope we do have some time this morning to talk
15 about the comprehensive approach that we were
16 implementing together.

17 I don't know if you are receiving evidence from
18 General Andy Salmon, who was the third British pillar of
19 the "Gang of Four", which you might have seen reference
20 to in the papers that you have read. It is a shame that
21 he is not here this morning, because the three of us did
22 work very closely together on the military, diplomatic
23 and development sides.

24 THE CHAIRMAN: We will look at that. Thank you.

25 BARONESS USHA PRASHAR: Can I start with you first? Because

1 you said that you arrived there with the objectives in
2 the Charge of the Knights, the situation actually
3 changed. What were the challenges and opportunities
4 that that presented to you in terms of the delivery
5 objectives?

6 MR NIGEL HAYWOOD: The thing about the Charge of the Knights
7 was the improvement in the security situation downtown,
8 and an Iraqi-led improvement in the security situation
9 downtown. In other words, there was no longer that
10 slight thought of, "Well, security is held by British
11 troops, so that is a slightly artificial environment".

12 So we were faced with an increasingly benign
13 security environment which meant you could get out and
14 do things. When General Salmon and I jointly went to
15 call on the governor in his office in August, that was
16 the first time anybody had called on the governor's
17 office for two years, nobody had been out really
18 operating in the town until -- from October 2006.

19 BARONESS USHA PRASHAR: This was because of the change in
20 the security situation, you would have to go out and
21 talk to them?

22 MR NIGEL HAYWOOD: Yes, it enabled us to get out and get on
23 to the streets.

24 THE CHAIRMAN: As a matter of interest, I wondered what sort
25 of vehicle or vehicles you used.

1 MR NIGEL HAYWOOD: This is a very fundamental point, because
2 our aim was to get out as soon as possible in SUVs, if
3 you like, because, if you turn up at somebody's front
4 door in a Mastiff, having possibly removed the electric
5 cables from the top of the street in the process, okay,
6 you are there, but that's not a good piece of diplomacy.
7 If you can get there in SUVs, then that is good. That
8 was the transition we made.

9 By the time we got to August, we were down there
10 moving land cruisers. Admittedly, to start with, with
11 Mastiffs as bookends, but increasingly, it freed up and
12 we were able to move out of bases downtown under our own
13 steam in land cruisers, and that was fundamentally
14 important for the Iraqis' perception of us, I think.

15 BARONESS USHA PRASHAR: That enabled you to go and talk to
16 the local governor and so on. Did that actually change
17 the nature of the relationship that you had with the
18 Government of Iraq in Basra? How did that develop?

19 MR NIGEL HAYWOOD: Of course, Basra had two threads in it.
20 One was the Iraq national government thread and the
21 other was the provincial thread and the two did not see
22 eye to eye remotely, and when -- I think
23 General White-Spunner described the process of
24 Prime Minister Maliki going downtown with his cabinet --
25 he left behind Dr Safa Al Safi, who was a Basrawi, who

1 had the remit of, if you like, reconstructing Basra.
2 The remit and \$100 million, which was clearly to be
3 assigned to the Basrawis, that this was
4 Prime Minister Maliki who was reconstructing Basra, not
5 Governor Wa'ili and the Provincial Council.

6 So we had to deal with both those elements. But
7 then increasingly with the Provincial Council, as
8 Safa Al Safi kind of faded away into the background,
9 with very little identifiable for the use of the
10 \$100 million, I think.

11 BARONESS USHA PRASHAR: What sorts of challenges did that
12 pose for you to deal with these two different
13 dimensions? What did that mean for you in a practical
14 sense? How did you work with him?

15 MR NIGEL HAYWOOD: I think mine was rather to cope with
16 Dr Safa Al Safi and to work with the Provincial Council
17 which was, while far from perfect -- I mean, there was
18 the governor and 40 Provincial Council members, they
19 were known as Ali Baba and the 40 thieves locally. But
20 that was what we had to deal with. They had been
21 elected democratically and we had ready dealings with
22 them. They would come out to the airbase, but obviously
23 it was much easier if you can go in and deal with them
24 direct about reconstruction issues in the broader sense.
25 As Keith said, reconstruction is a slight misnomer if

1 you take it as putting up buildings, but when get to the
2 level of capacity building, that is a major task.

3 KEITH MACKIGGAN: Could I come back to the point of movement
4 and mobility? Because it is an extremely important
5 point and it is difficult, I think, to overestimate the
6 impact that it had. I mean, in terms of the security
7 situation, just to give you a sense of it, pre-Charge of
8 the Knights there were five rocket attacks on the COB,
9 the contingency operating base, a day, at some points.
10 During my six months in Basra, there were five rocket
11 attacks in the entirety of those six months.

12 Previous to Charge of the Knights, the provincial
13 reconstruction team had been restricted to the airbase
14 for a period of over a year and I think it speaks
15 volumes to the creativity of team members that they had
16 been able to continue the capacity building work that
17 they were doing at that time, despite those
18 restrictions.

19 But post-Charge of the Knights, really the only
20 constraint on our movement around the city and the wider
21 province was the availability of military assets, and as
22 Nigel has said, over time, even that became less of
23 a constraint. So we were able to get out to meet, if
24 you like, our clients, NGOs, officials in the local
25 administration, local businesses and so on. Equally

1 importantly, they were able to come and visit us because
2 they no longer felt the fear that they had previously of
3 being associated with the Multi-National Forces.

4 It also meant that we could expand our capacity
5 building work, both in a geographical sense and also in
6 a functional sense. In a geographical sense, because we
7 were now much more able to get beyond the city and
8 actually to the furthest reaches of the province up to
9 the marshlands and the border with Iran. Functionally,
10 because it was easier for us now to dig a bit deeper, in
11 terms of the capacity building work we were doing, and
12 dig below the level of the Provincial Council and to the
13 level of the local councils and really start to stitch
14 the different parts of the governance structures in
15 Basra together.

16 BARONESS USHA PRASHAR: What were those governance
17 structures that you had to focus on?

18 KEITH MACKIGGAN: One of the main ones was the link between
19 the District Councils and the Provincial Council. One
20 of the problems, as Nigel has alluded to, was the fact
21 that we were dealing with effectively a moribund
22 Provincial Council at this stage, and, as
23 General White-Spunner mentioned earlier this morning, it
24 was really only a question of time until they were
25 kicked out of office in the provincial elections.

1 It was very difficult, or it had been very
2 difficult, for local District Councils to pull down
3 resources from the provincial level for small scale
4 local infrastructure, for example, projects, and the
5 types of projects that would improve sewerage or
6 electricity or trash collection, and so on, in the local
7 areas.

8 So we worked with the local District Councils,
9 training them in project proposals and project
10 management, financial management and also lobbying the
11 Provincial Council to draw down those resources, and
12 with a lot of success.

13 I think it was also a very good example of the US
14 and the UK military and civilians working very
15 effectively with the Iraqi military and civilians and
16 bringing together all the different stakeholders in
17 local areas. We had great support in that from
18 General Mohammed, as well, with whom we had a very good
19 relationship.

20 BARONESS USHA PRASHAR: What I'm getting is that you are
21 getting a lot of the support both from the Iraqis and
22 from the US in the world you're trying to deliver.

23 KEITH MACKIGGAN: Correct.

24 BARONESS USHA PRASHAR: So they are all going in the same
25 direction?

1 KEITH MACKIGGAN: Yes. When I arrived, as I said earlier,
2 I was very keen to make it clear that I considered
3 myself also part of the US PRT system and to make it
4 very clear that I headed a coalition PRT.

5 This was also important because we were going to be
6 transitioning to a US lead in due course and it was
7 important that we had agreement on the approach in Basra
8 in terms of the longer-term development of Basra.

9 In fact, we revised the -- it was called the unified
10 common plan, shortly after I arrived, and I gave the job
11 of revising that to my deputy, who was from the
12 US State Department, and we made sure that the plan
13 extended beyond just the next six months or nine months,
14 during which we knew it was likely that the UK military
15 would draw down, but extended out for the next two or
16 three years, which was the timeline, timescale, that the
17 US were operating to, and we nested the UK's development
18 initiatives within that broader plan and got very good
19 buy-in from the US to that plan, and it is still today
20 the plan that is being used in Basra by the US-led PRT.

21 I also made it very clear to the US that, if there
22 was ever tension between the UK objectives and the US
23 objectives for the development of Basra, then I would be
24 very open about that, we would have to discuss it.
25 Fortunately, that never came to pass, but I think it

1 built trust.

2 So we had an excellent relationship with the US in
3 Basra, and, in Baghdad, the US head of the OPA, the
4 Office of Provincial Administration, Phyllis Powers, to
5 whom all PRT leaders reported, would often say that she
6 wished that other PRTs were more like ours.

7 BARONESS USHA PRASHAR: Before you got there, I think the
8 stabilisation unit had actually done a review of the PRT
9 because there were some problems before.

10 Do you think it worked better because there had been
11 some changes following that review, or was it
12 the personalities, or was it the fact that the Charge of
13 the Knights had changed the scenario? I mean, what were
14 the factors contributing to better working
15 relationships?

16 KEITH MACKIGGAN: It is not for me to comment on my
17 predecessor, and I wasn't there at the time. I think
18 that personalities are very important in this kind of
19 context and that is not a comment on any individual
20 personality. It is one of the lessons that I would like
21 to draw out during this evidence session, the importance
22 of recruiting people with the right interpersonal
23 skills, and I think that applies across all agencies of
24 government, but I couldn't comment any more than that.

25 BARONESS USHA PRASHAR: Were there any changes following the

1 review? It happened before you got there, but before
2 you went there, were you given specific objectives,
3 instructions, of the analysis of the review and what
4 changed?

5 KEITH MACKIGGAN: I was given a full analysis of the review
6 and one of the things I did during the briefing was to
7 sit with the authors of that review and make sure that
8 I understood their findings, but I think the biggest
9 change was the fact that, whereas, before, the post of
10 PRT team leader was double-hatted with Deputy
11 Consul General, now there was a full-time, upgraded
12 person in charge.

13 THE CHAIRMAN: Just to cut in -- sorry -- the review was
14 conducted on pre-Charge of the Knights circumstances,
15 wasn't it, it was predicated?

16 KEITH MACKIGGAN: Correct¹.

17 BARONESS USHA PRASHAR: You mentioned earlier that there was
18 100 million fund which was introduced after the Charge
19 of the Knights by Maliki. The Americans, of course,
20 shifted to some extent their focus to Basra after Charge
21 of the Knights, because, before, they were focused
22 elsewhere.

23 What happened? I mean, what were the implications
24 of that? Can you just give me some indication of the
25 funds and the US involvement?

¹ Correction provided by Keith MacKiggan after the hearing: "This is factually inaccurate, I misunderstood the question at the time. The review was conducted in July 2008, AFTER Charge of the Knights".

1 MR NIGEL HAYWOOD: There were two separate points really.

2 One was what Safa Al Safi was doing with the fund which
3 really he didn't work in conjunction with us at all on.
4 He set up his own rather difficult to get at bureaucracy
5 and really focused, I think, on areas where he thought
6 perhaps the Provincial Council had -- was gaining too
7 much power and he wanted to move it more in the
8 direction of the Prime Minister.

9 In terms of American involvement, I mean, we were
10 working with American funding and the PRT was heavily
11 underpinned by American funding, but I think one of the
12 points I would like to make on this period of time was
13 we were looking at using the security situation
14 following the Charge of the Knights to try and get that
15 shift away from Iraq or Basrawi saying, "You should be
16 doing stuff for us", to enabling them to stand on their
17 own feet.

18 This comes back to transport as well, because what
19 we were trying to do increasingly with Michael Wareing's
20 activity was to get investment into Basra and into
21 southern Iraq, because investment would create the jobs
22 which would remove the breeding ground for the militias,
23 the disaffected, unemployed youth that militias were
24 able to draw on.

25 This is where actually getting out and about was

1 very important. If you have, as we did have, a number
2 of journalists coming out and a number of businessmen
3 coming out and you are saying, "Actually, Basra is not
4 bad", you don't go down there, that is quite a difficult
5 thing to say. So you are telling us it is okay, yet you
6 can't get into Basra, would be a pretty hopeless hand to
7 play. So it was very, very good that we were able to
8 get out.

9 The other thing about transport -- and this is
10 a digression, I think, but it is very important -- is
11 that my FCO team that weren't working on PRT issues but
12 were working on political issues, being posted to a room
13 at an airport for six months or a year without any hope
14 of getting out and about is a pretty tough experience to
15 handle. The minute we were able to start moving out --
16 actually, the minute that meeting started happening and
17 we saw the military moving out, people suddenly thought,
18 "Yes, we can do things", and while duty of care meant we
19 still had to be cautious and analyse the potential of
20 every move, the fact that people felt that they could go
21 out and about, and I would say, "You don't have to go
22 out. It is up to you. We judge it is like this, but
23 I'm happy if you think it's safe", no, no, everyone
24 wanted to go out.

25 So the whole environment that we were operating in

1 changed the dramatically over the period from April
2 to September when Keith arose.

3 If I can answer another point that came up, which
4 was the PRT change, the double-hatting point, I think,
5 it just became unworkable when there were so many things
6 you could do and when there was so much political work
7 to do on trying to ensure the elections, the provincial
8 elections, went ahead properly. It made no sense at all
9 just to have one person who was trying to handle
10 politics as well as an increasing PRT capability.

11 BARONESS USHA PRASHAR: Can I come to the question of the
12 economic initiatives. You have already begun to talk
13 about that. Because there was a greater emphasis, you
14 know, push the development, the Commission was set up,
15 you know, Peter Mandelson visited, there was a whole
16 sort of range of activity.

17 What I would like to hear is your involvement, both
18 of you, as Consul General, as head of PRT, what economic
19 initiatives did you promote and how did you engage in
20 that programme?

21

22 MR NIGEL HAYWOOD: I think mainly Keith handled this, so
23 perhaps he should speak first.

24 KEITH MACKIGGAN: There were four economic initiatives. The
25 Basra Development Commission was set up at the end of

1 2007, beginning of 2008, with a specific remit to help
2 and advise the provincial authorities to develop
3 a strategy to attract investment but also to improve the
4 business climate in and around Basra, and it did that
5 very effectively.

6 It was designed to draw on existing experience and
7 expertise of local Basrawi businessmen, academics,
8 et cetera, and to match that with international
9 expertise and experience, and, as you have heard,
10 Michael Wearing co-chaired the Basra Development
11 Commission.

12 It came up with both a list of short-term priorities
13 for the Provincial Council to implement itself, but
14 also, where it didn't have the relevant power to lobby
15 Baghdad, to make the necessary changes, and also
16 a medium-term set of recommendations for the 2010/2014
17 period, and those recommendations were modelled
18 self-consciously on the Bosnia experience of
19 Paddy Ashdown, the bulldozer initiative. That was the
20 first.

21 The second was the Basra Investment Commission,
22 which was set up as an Iraqi institution and every
23 province had one, and DFID provided a lot of capacity
24 building and a lot of, also, logistical support to
25 getting a very nice suite of offices established

1 downtown which were opened in November of 2008 by
2 Douglas Alexander and also mentoring to the staff, and
3 in particular, to the Chairman, Haidar Ali, who was, and
4 still is, a very effective Chairman, and I think it is
5 a testament to his effectiveness that he survived the
6 change of provincial administration after the elections.

7 THE CHAIRMAN: As a matter of interest -- I'm sorry to
8 interrupt you -- his background was in business or local
9 government or ...

10 KEITH MACKIGGAN: He was appointed before my time, but, as
11 I understand it, it was business.

12 Initially and while that capacity building work was
13 ongoing -- it has almost finished now -- the focus of
14 the PRT was in facilitating investor visits itself to
15 Basra. So it was basically doing the job that the BIC
16 would ultimately and is now doing of promoting Basra as
17 an investment destination and facilitating visits.

18 I think we have facilitated 18 in total, different
19 investors from a variety of different countries to visit
20 Basra, over 20 different visits over the period.

21 That was part of a wider national effort, and now
22 some of the lessons that were learned in Basra and some
23 successes that were made with the Basra Investment
24 Commission have been taken nationally and DFID is now
25 supporting the National Investment Commission, and, in

1 fact, the same consultant who worked in Basra is now
2 working in Baghdad.

3 That wider national effort attracted proposals for
4 investment worth some \$10 billion in total, some of
5 which has now been converted into contracts. I think
6 \$1 billion worth has been converted into contracts for
7 UK companies, although you have already heard --

8 BARONESS USHA PRASHAR: These came from everywhere, not just
9 solely British?

10 KEITH MACKIGGAN: No, they came from everywhere. There were
11 a lot from the region, there were some from the States,
12 there were some from other European countries. So that
13 was the Basra Investment Commission, and, as I said, the
14 focus moved from direct PRT activities, you know, DIY,
15 over time to more supporting and mentoring of the BIC.

16 The third initiative was the setting up of the Basra
17 development fund and DFID is now providing \$2 million.

18 BARONESS USHA PRASHAR: Who was instrumental in setting up
19 the fund? Where did the initiative come from?

20 KEITH MACKIGGAN: That was before my time, so I don't know,
21 but DFID is now providing \$2 million worth of capital to
22 an existing fund to increase the number of local
23 businesses who can access micro credit, and it is
24 estimated between 800 and 900 businesses will access
25 that credit in the first year, but, because it is

1 a revolving fund, that will continue over time.

2 The fourth initiative was the youth employment
3 programme which was designed based on the successful
4 British model of business in the community to provide
5 vocational training, especially to young men -- and
6 training which was very much matched to job
7 opportunities in the local community. So the jobs were
8 found first and then the training was provided. This
9 model has also been taken nationally and has been done
10 in partnership with the Ministry of Labour and Social
11 Affairs so that the lessons from Basra again can be
12 replicated at the national level.

13 BARONESS USHA PRASHAR: How effective were these initiatives
14 in your view?

15 KEITH MACKIGGAN: Very effective, so far.

16 BARONESS USHA PRASHAR: How would you assess that? You say
17 "very effective". What is the basis?

18 KEITH MACKIGGAN: I think in a number of ways. First of
19 all, the progress that has been made in implementing
20 them.

21 Secondly, the interest that they have garnered from
22 the national Iraqi Government, an interest in these
23 pilots and then replicating them.

24 Thirdly, in terms of the sheer numbers, the amount
25 of money that was -- the amount of investment that was

1 attracted into Basra, but I think there is also more of
2 an intangible, which is the economic confidence and
3 optimism in Basra which these initiatives were also
4 fundamental in bringing about.

5 We ran a Basra business attitudes survey last year,
6 which found that 80 per cent of businesses thought that
7 the investment climate, business climate, had improved
8 in the last year and 84 per cent thought it was going to
9 improve in the next couple of years.

10 It is difficult really to explain how much Basra has
11 changed and how open for business it now is, but there
12 are five star hotels springing up downtown. You go to
13 the local markets, they are bustling. It is an economic
14 success story, and, touch wood, it will continue to be
15 so.

16 BARONESS USHA PRASHAR: In developing these initiatives, did
17 you feel you had enough flexibility to respond locally
18 or were you being given directions from Whitehall? How
19 was that working in terms of your relationship, and what
20 support, if any, were you providing?

21 KEITH MACKIGGAN: In terms of the flexibility we had, the
22 initiatives had all started before I got there, so that
23 was already determined, but in terms of how we
24 implemented them, yes, we had plenty of flexibility and
25 we were able to trim our sails according to the changing

1 circumstances on the ground.

2 I have to say, as a general point, we had very
3 strong support from our Whitehall counterparts, I think
4 both myself and Nigel, and they gave us the resources
5 that -- the additional resources we needed and they took
6 our advice when we wanted to make changes to programmes.

7

8 MR NIGEL HAYWOOD: I very much agree with that. I had
9 considerable support, both from the Foreign Office and
10 from Baghdad as well, and I think that was quite
11 important, because a lot of decisions we were having to
12 take on the ground, just tactical in reaction to the
13 situation.

14 We made it a point to come back on our various leave
15 journeys and talk to Whitehall departments to
16 recalibrate the Cabinet Office, the Ministry of Defence,
17 DFID, FCO. We would visit, and, in fact, on one
18 occasion, the three of us, including General Salmon,
19 visited all these departments in January last year, just
20 to make sure that we were getting the overall message
21 right. But we were given a great deal of autonomy on
22 the ground and that made life considerably easier, of
23 course.

24 BARONESS USHA PRASHAR: A couple more questions from me
25 before I hand over to Sir Lawrence Freedman. What was

1 the involvement of UKTI, if any, at this stage, were
2 they engaged?

3

4 MR NIGEL HAYWOOD: I should be slightly careful because

5 I was quoted in the press as saying UKTI are behind the
6 curve, which was shorthand for a rather bigger issue,
7 which is UKTI have a clearly defined remit in terms of
8 priority markets and priority sectors. The
9 reconstruction of Iraq didn't fit easily into that, and
10 I think one of the lessons that I hope we can draw out
11 from this is, when you have something that needs doing,
12 that doesn't fit easily, how do you incorporate it?

13 I have to say that it was not a lack of willingness
14 on UKTI's part, it was a case of: which resources do you
15 cut to put them in place? When, ultimately, UKTI did
16 engage and send somebody out, then obviously they added
17 an enormous amount to what we could do because they had
18 that kind of business backing. So very important for
19 us.

20 KEITH MACKIGGAN: If I can just add, I heard Mark Lowcock's
21 evidence yesterday and I think he put it nicely: there
22 are always, in these situations, frustrations at times
23 between government departments that another isn't moving
24 fast enough, and I think that's in the normal course of
25 events.

1 BARONESS USHA PRASHAR: We did hear from, I think, your
2 colleagues from DFID that Iraq was an unusual partner
3 for DFID and they have kind of reorganised themselves.
4 So maybe that is a lesson to be learned for UKTI as
5 well.

6 I mean, you have already hinted that the improvement
7 in the security situation helped a great deal, but do
8 you think we could have done a lot more in 2007 on
9 economic development or do you think that the security
10 situation was a real hindrance?

11 MR NIGEL HAYWOOD: It is difficult to comment on what the
12 circumstances were like when we weren't there. One
13 point, however, is that the work that the PRT was able
14 to do through 2007 in trying and difficult
15 circumstances, by bringing people out to the airbase and
16 doing what they could in terms of capacity building, lay
17 a lot of the groundwork that we were able to capitalise
18 on when the security situation improved.

19 KEITH MACKIGGAN: It is speculation, but I think the focus
20 on capacity building in 2007 was the right one. I think
21 it was too early to be focusing on the economic
22 initiatives at that point.

23 THE CHAIRMAN: It is sort of counterfactual and iffy, but is
24 there at least a bit of a lesson there that you need
25 preparatory -- irrespective of the security situation,

1 there is a build-up period that has to be gone through
2 before you get into a delivery period? Is it as simple
3 as that?

4 KEITH MACKIGGAN: I almost agree. I think the lesson for
5 me is that we, at the end, saw the benefits of the
6 determination to stick at the long haul, you know,
7 pretty dull, difficult capacity building work during
8 that period when people couldn't get off the airbase and
9 it was essential that people stuck to that strategy
10 because, as we saw at the end, it paid dividends.

11 MR NIGEL HAYWOOD: There was a parallel to this in the
12 policing which General White-Spunner talked about this
13 morning, in that, over a period of time, he described it
14 as Home Counties policing. This was community policing,
15 use of forensic evidence, building up forensic
16 laboratories.

17 Arguably, those weren't what was immediately needed
18 in the period post-Charge of the Knights, but it laid
19 the groundwork for now what is becoming an increasingly
20 good policing system. If that hadn't happened, then
21 there would have been nothing to build on.

22 THE CHAIRMAN: Okay.

23 BARONESS USHA PRASHAR: Thanks very much.

24 SIR LAWRENCE FREEDMAN: Can I just quickly follow up on
25 that? There is an interesting question as to whether

1 the years from 2003 to 2008 are really lost years in
2 terms of the reconstruction and redevelopment of Iraq.

3 What you say about capacity building indicates there
4 were things that were being done, but you have also
5 indicated that there were two years in which you just
6 couldn't really get into Basra at all. In a sense, were
7 we, in mid-2008, where ideally we should have been in
8 mid-2003?

9 MR NIGEL HAYWOOD: Almost impossible for me to answer --

10 SIR LAWRENCE FREEDMAN: Almost impossible to answer, but do
11 have a try.

12 MR NIGEL HAYWOOD: The circumstances were so different and
13 all I could deal with were the circumstances in front of
14 me when I arrived in Basra.

15 KEITH MACKIGGAN: I think very strongly not the case,
16 because I think the facts speak for themselves. If you
17 look at what was achieved during that period, first of
18 all taking the infrastructure, 1 million Basrawis were
19 given better access to both water and electricity as
20 a result of the direct investments the UK made in
21 infrastructure during that period.

22 That was difficult to achieve and DFID had to be
23 very creative about it at the time because of the
24 security constraints, but it was achieved, and, in May
25 of last year, the PRT Iraqi engineers were asked to go

1 out and inspect all of the investments the UK had made
2 in infrastructure and found that they were (a) being
3 used, (b) were in good repair which also speaks volumes
4 to, I think, the training that went into operation and
5 maintenance of those investments.

6 So I think that demonstrates that in terms of
7 infrastructure, it wasn't a wasted period. I think in
8 terms of capacity building, what you saw between 2006 up
9 to 2008 was the training and public financial management
10 that was being done by the PRT on the airbase
11 principally during that time, having an effect in terms
12 of the budgeting capabilities of the local
13 administration.

14 You saw the budget going up from some 25 million,
15 I think, in 2006, up to 205 million in 2007, up to
16 350 million in 2008, and that was the expenditure; that
17 wasn't just what was budgeted, that was actually being
18 translated into effect on the ground.

19 So I think there were definite achievements and
20 I think it is one of the things that was not understood
21 well at the time, that all of this work was having an
22 impact. It just took time and, perhaps, you know, the
23 fog of war to clear a bit for that impact to be seen.

24
25 MR NIGEL HAYWOOD: To be clear, my answer was based on:

1 could we have achieved in 2003 what we achieved in 2008?
2 That was the bit that I wasn't commenting on, but
3 I don't regard it as a dead period by any stretch of the
4 imagination.

5 SIR LAWRENCE FREEDMAN: But you were reporting back in 2008
6 that unemployment and poor service delivery were still
7 the major concerns of Basrawis, that there was still
8 frustration -- and we have heard from other witnesses,
9 there was still great frustration on their part that,
10 after all this time, things weren't much further ahead.

11
12 MR NIGEL HAYWOOD: Yes, I think there was frustration and
13 I think that over the period before we had not got --
14 I take these points that we had done something in
15 enabling people to sustain the infrastructure that we
16 had painstakingly built, but over the period of the
17 militias, for example, bits of infrastructure were
18 getting blown up.

19 It is very difficult if people are pulling down
20 power lines and blowing up pipelines to get things
21 working, but, also, there is a wider question. To take
22 electricity, which was a major frustration, the
23 frustration at getting electricity wasn't necessarily
24 because of Basra infrastructure, it was -- it is
25 a national supply and the National Grid was not

1 supplying adequate electricity to meet Basrawi needs.
2 So there were a number of elements, and if you poke at
3 any one of those issues, employment, electricity
4 sewerage, water and so on.

5 SIR LAWRENCE FREEDMAN: I think it would be helpful to try
6 and get a sense of Basra as a place and the nature of
7 the problems you are facing. We have heard a number of
8 things, one this morning from General White-Spunner, and
9 certainly of actually how many people are even there,
10 the 2 to 3 million is quite a wide range that he gave.

11 We have heard of internal migration into Basra from
12 the marshes. You talked about the problems of youth
13 unemployment and so on. This is aside from the
14 political complexities which we have already heard
15 about.

16 Can you just give a sense of how you found Basra as
17 a place in which to operate? Perhaps -- because you
18 have operated in so many other different parts of the
19 world. How did it look to you?

20 KEITH MACKIGGAN: It is a very interesting question and one
21 that I, you know, pondered on during my time there
22 a lot, and my overwhelming impression was of surprising
23 normality. I didn't know what to expect before I got
24 there, but I had some preconceptions, none of which were
25 true. It was -- if I take the marshlands, the most

1 remote areas of the province to start with, it was
2 surprisingly similar to other developing countries where
3 I had worked, because those were the most marginalised
4 and poorest areas.

5 If you took Basra City itself, which, as, I think,
6 General White-Spunner mentioned earlier was notorious
7 throughout Iraq, and this was well before 2003, as being
8 a very dirty city having problems of sewerage and trash,
9 it reminded me of major cities in middle income
10 countries that I have been to.

11 So I'm glad you asked the question, because I think
12 a lot of people who only saw Basra thought that it was
13 horrendous, but, in fact, to me, it was fairly typical
14 of other cities in middle income countries.

15 I think that the dissatisfaction that was felt and
16 was evidenced in the opinion poll that MNF carried out
17 in Basra with basic services, essential services like
18 electricity, was principally a cause of frustration and
19 a result of frustration with the Provincial Council,
20 but, in fact, as Nigel has said, was more to do with the
21 national government. Electricity generation and
22 distribution are the responsibility of the national
23 government. It was one example of what we were
24 increasingly finding; that the solutions to Basrawi
25 problems were more to be found in Baghdad than they were

1 in Basra.

2 THE CHAIRMAN: Could I cut in on that? It is mentioning
3 this survey and polling data, that you have got a stream
4 of it available. Does it disclose in some sense -- and
5 this looks to the whole new Iraq construct -- of
6 ownership of the resources of the south-east, and the
7 oil in particular, as being really Basra's and Basrawis'
8 entitlement from which they are being deprived. By who?
9 Perhaps the coalition, but actually by Baghdad.

10 Is that a cartoon sketch of something real in terms
11 of attitudes?

12 KEITH MACKIGGAN: It is more a political question. So
13 I will ask Nigel.

14 MR NIGEL HAYWOOD: That cuts into the discussions on
15 regionalism and Basra as a separate province. If I can
16 come at it through Sir Lawrence's question, Basra is an
17 utterly fascinating place. It has a real spirit to it.
18 I don't want to sound like a travel writer here, but it
19 really is dynamic, bustling and cosmopolitan by nature.

20 When I was first able to talk to people in cafes
21 downtown in the summer, we talked over the period when
22 militias were in control. They said, "That's not Basra.
23 It was a nightmare. We didn't want that. We are
24 tolerant. We want parties downtown. We want all
25 religions to happily exercise their beliefs". So there

1 is this kind of vibrancy about the place which was just
2 there the whole time. That's what gives us, I think,
3 certainly Keith and I feel, such optimism for the future
4 for Basra if this can be harnessed and kept in the right
5 direction.

6 There is -- this then comes down the point of, well,
7 yes, okay, in 2007, what, Iraq got \$37 billion in oil
8 revenue, 40 per cent of that was from Basra's oil
9 fields, 60 per cent of it was transported through Basra,
10 why aren't they phenomenally rich? That then gets
11 straight into internal politics and political
12 personalities. We spent a lot of time in September or
13 so, 2008, trying to stop the idea of having a referendum
14 on provincial status or regional status, cutting across
15 the provincial elections themselves.

16 When they really started to look at the question of
17 whether there was support for this, surprisingly, there
18 were a couple of polls that took place to start
19 a referendum on the separate status of the south and
20 they just didn't get the support they needed. That was
21 so caught up with Governor Wa'ili's Fadhila party
22 support and all sorts of other wider political issues.
23 The soul is there, but actually turning that into
24 something that is a political entity, I think the will
25 is not there yet.

1 SIR LAWRENCE FREEDMAN: Going back to the issue that the
2 Chairman raised. You can understand from a Basrawi
3 point of view the frustration with the centre, the whole
4 history from Saddam's time onward.

5 Now, we have also heard about the motivations of
6 Prime Minister Maliki behind the Charge of the Knights
7 with the provincial government. Was that seen as a way
8 by which the centre would take a greater interest in
9 Basra, would put more resources in? Did the centre
10 understand that, if they wanted to deflect these much
11 more secessionist impulses, they needed to get more back
12 in?

13 MR NIGEL HAYWOOD: I think that's right and the local
14 elections at the end of January had Maliki's party
15 winning through, and whereas all other candidates or
16 other parties had pictures of the candidate up on the
17 board, Maliki's party and allies just had a picture of
18 Maliki there: we are the people that brought peace
19 to Basra, support us.

20 It is another element of optimism for Basra that --
21 when I got there, the relationship between the
22 Prime Minister and Wa'ili was bad, that the Iraqi -- the
23 PIC-ing that General White-Spunner talked about this
24 morning, was different in Basra from other areas in that
25 the governor did not control security. That was

1 a deliberate point by Maliki. He kept security as
2 a national element for Basra because he didn't trust
3 Governor Wa'ili. So that didn't work. Governor Wa'ili
4 and the Provincial Council scarcely spoke to each other
5 and there was no Provincial Council real link with the
6 Prime Minister's office.

7 What happened by the January elections was that you
8 had a governor, when he was eventually installed,
9 Dr Shiltagh, who had the support of the Prime Minister
10 and who could work closely with the Provincial Councils,
11 the first time that had happened, and I think that gave
12 quite a lot of optimism for the future. Whether he put
13 it down as then the centre exercising its power over
14 Basra --

15 SIR LAWRENCE FREEDMAN: Or just better centre-periphery free
16 relationships.

17 MR NIGEL HAYWOOD: But it was a good election and a very
18 good, very well-run campaign. So the result is a very
19 robust one.

20 THE CHAIRMAN: If you look at the other side of the cloud,
21 just for a moment, the darker one, very dependent on
22 particular election results and particular personalities
23 and not, therefore, guaranteed in the institutional
24 structures, although there may be a learned habit of how
25 best to conduct relations between Baghdad and Basra.

1 MR NIGEL HAYWOOD: Yes, I think I would characterise it
2 more, the relationship between Prime Minister Maliki and
3 Governor Wa'ili, as being especially bad and that par
4 would be a perfectly okay working relationship.

5 SIR LAWRENCE FREEDMAN: Can I ask you a bit about the
6 British relations with the Iraqi Government at this
7 time, particularly in regard to the situation in Basra?
8 Again, it is a standard issue -- we are seeing it in
9 Afghanistan -- that there are always concerns about
10 questions of corruption and where resources are going
11 to. Were these issues that were evident and how were
12 they raised with the Iraqi Government?

13 MR NIGEL HAYWOOD: Yes. I think -- well, in terms of
14 corruption, quite a lot of that cut across your area, so
15 I don't know whether you want to take that first?

16 KEITH MACKIGGAN: Yes. It was very evident that the Iraqi
17 provincial money was not all going to the right
18 purposes. I say evident, I mean that was the suspicion,
19 we never saw any direct evidence of it. And that was
20 why we had been focusing so hard at the provincial
21 level, as well as at the national level, as you heard
22 yesterday, on training in public financial management,
23 to try and close some of those loopholes, to improve the
24 checks and balances on that money. We didn't have any
25 incidents of corruption affecting our money, thankfully,

1 and I think you have probably got the National Audit
2 Office report on that.

3 In terms of how we were dealing with the
4 Iraqi Government on it and with indeed the provincial
5 government on it, it was twofold. In addition to the
6 capacity building that I have mentioned, it was also
7 a policy dialogue that we had with them, and in
8 particular we spent a lot of time preparing for what we
9 were going to say to the new provincial authorities on
10 the basis that, you know, this was a clean slate and we
11 could influence them, that it was in their own
12 self-interest to try and bear down on some of these
13 problems.

14 SIR LAWRENCE FREEDMAN: How were these policy dialogues
15 conducted? There is a sense of some irritation by the
16 Iraqi Government with the British over this period,
17 which may or may not be fair. How receptive were they?
18 How did you communicate our concerns to them?

19 MR NIGEL HAYWOOD: Anything that was governmental would be
20 done through the ambassador in Baghdad. That was --
21 obviously, one of my main lines of contact was to pass
22 anything that would benefit from Baghdad's intervention
23 up the line to Christopher, and that would then be
24 something he would handle.

25 SIR LAWRENCE FREEDMAN: One of the things that Maliki did in

1 2008 was to talk about the British had followed an all
2 of Iraq approach rather than be quite focused on Basra.
3 Why do you think he took this view?

4 MR NIGEL HAYWOOD: Yes. It is an interesting question.
5 I think part of the motivation on that was -- or the
6 starting point of that was being -- we still had the
7 Governor Wa'ili government.

8 SIR LAWRENCE FREEDMAN: So he didn't want you to the
9 strengthen Governor Wa'ili?

10 MR NIGEL HAYWOOD: Well, if Governor Wa'ili was successful
11 and Governor Wa'ili was keen on Basra becoming a
12 separate federal entity, then we could be part of
13 splitting up Iraq, as Maliki would see it, and I guess
14 that's the sort of underlying thought process there.

15 But, in terms of -- it was declaratory. He would
16 say this but, in terms of making life difficult or
17 protesting or whatever, very, very little happened; we
18 were by and large left to get on with our life down in
19 Basra.

20 SIR LAWRENCE FREEDMAN: It is a very interesting example of
21 how we can get in the middle of the Iraqi internal
22 politics. So what you are saying is that it didn't have
23 a lot of effect. We didn't have to --

24 MR NIGEL HAYWOOD: We were also pursuing the whole Iraq
25 policy anyway. I was just responsible for the bit of it

1 in the south.

2 SIR LAWRENCE FREEDMAN: Did this rhetoric ease after the

3 Charge of the Knights, when perhaps you felt the

4 politics was in a better place?

5 MR NIGEL HAYWOOD: I think it was a pretty constant -- one

6 of the things on his checklist of things to say was,

7 "Make sure that Britain follows a whole of Iraq policy."

8 SIR LAWRENCE FREEDMAN: Do you have anything to add on that?

9 KEITH MACKIGGAN: It's speculation. I wasn't there for much

10 of the time. But I guess it also had an element of

11 benefit to Maliki, that pursuing a whole of Iraq

12 strategy was to an extent the normalisation of relations

13 between the UK and Iraq, because we were -- we would not

14 in other contexts be focusing so heavily on just one

15 province, one part of a country; we would have

16 a stronger national programme, which is -- certainly on

17 the development side, which we have now developed.

18 SIR LAWRENCE FREEDMAN: You've indicated how many of the

19 answers depended on what was happening in Baghdad.

20 KEITH MACKIGGAN: Success, yes, it would be a indicator of

21 success.

22 SIR LAWRENCE FREEDMAN: Is there a general issue with the

23 provincial structure of Iraq here? You have indicated

24 that Basra had become rather a special case, presumably

25 not just because of the British presence but because it

1 was a special case, just different to the rest.

2 MR NIGEL HAYWOOD: Not because of the British presence at

3 all, just how the elections had worked out that brought

4 Governor Wa'ili and that particular Provincial Council

5 to power.

6 SIR LAWRENCE FREEDMAN: But also because of Basra's special

7 position within Iraq as the source of much of the oil

8 wealth that -- neglected in the past in terms of

9 expenditure?

10 MR NIGEL HAYWOOD: Neglected and indeed starved in the

11 Saddam era.

12 SIR LAWRENCE FREEDMAN: Can we move now to something that

13 you've already alluded to a number of times, which is

14 the political developments in 2008 and 2009 and the

15 provincial elections? You have indicated -- perhaps you

16 could just expand a bit on two things that are going on:

17 one, the moves towards regionalism and, secondly, the

18 preparation for and the execution of the provincial

19 elections, particularly within Basra, which -- as you

20 have indicated, we mitigated the impulse towards

21 regionalism.

22 MR NIGEL HAYWOOD: I think the first issue for me at the

23 time was the regionalism point because, had there been

24 a regional referendum and had it been successful, that

25 would have taken Basra out of the provincial election

1 programme, giving the existing Provincial Council
2 another year before becoming actually a federal region
3 organising its own elections. This was a fairly complex
4 set of considerations, which threatened to cut across
5 what I think we agreed was the main thing, which was to
6 have successful provincial elections as soon as could
7 possibly be managed.

8 So we were trying to say, "Yes, obviously you can do
9 what you like, you are elected. If you want to hold
10 referenda, hold referenda, but consider the possibility
11 that it would be much better for Basra to have
12 a successful provincial election." And our focus then
13 was very much on the provincial election for, I suppose,
14 the four or five months up to the time it happened, and
15 that became the priority for the consulate and also for
16 the military, because one of the -- what we had to try
17 and ensure, or what had to be ensured in Basra, was that
18 the elections were seen to be, first of all, things that
19 you could vote in safely and, secondly, that, by voting,
20 you would make a difference, and you had to get those
21 two points across. The first point was a security point
22 and so handling the security sensitively and helping the
23 Iraqis secure their own elections was a priority.

24 In terms of the political side, well, that was our
25 political job, to work with the political parties to try

1 and get them to self-police their elections. Previous
2 elections had had violence occurring. They had had
3 shootouts because someone had ripped down somebody
4 else's poster and so on, and so it became very important
5 for us to try and help in any way we could facilitate
6 the parties talking to each other and to taking those
7 two strands.

8 The other thing that became very important was to
9 try and get the governor to talk properly with
10 General Mohammed because the two would not talk to each
11 other. That became an interesting feature of
12 General Salmon's and my lives over those few months,
13 trying to get them in the same room discussing.

14 SIR LAWRENCE FREEDMAN: How did you achieve that?

15 MR NIGEL HAYWOOD: You have got some of my reporting,
16 I think, on it. There were some bad days, like when
17 General Salmon was in one room talking to
18 General Mohammed to get his tanks off the lawn of
19 Governor Wa'ili and I was on the phone talking to
20 Governor Wa'ili saying, "No, please don't say that you
21 want international assistance brought in now because you
22 will ... " The temperatures got quite rough, it was
23 a hot day in August. But ultimately we formed a group
24 to look at the future of the elections, to which we
25 invited them both, and then that group became an Iraqi

1 structure and we were able to sit back. And it worked.
2 It worked surprisingly well.
3 SIR LAWRENCE FREEDMAN: What sort of turnout did you get?
4 MR NIGEL HAYWOOD: It hovered around 50 per cent, just below
5 50, I think.
6 SIR LAWRENCE FREEDMAN: Slightly better than British
7 provincial elections.
8 MR NIGEL HAYWOOD: We were very pleased, and election day
9 itself, the streets were in -- it was like a party, with
10 people dressed up in their Sunday best or whatever you
11 would call it: their Friday best.
12 SIR LAWRENCE FREEDMAN: What difference did it make to our
13 relations with the Iraqis, the result of the election --
14 you have given some indication of that, perhaps you
15 could expand a bit -- with having a new Provincial
16 Council?
17 MR NIGEL HAYWOOD: In terms of UK and Basra, I'm not sure
18 that I know what the difference is yet because I was
19 only there for the first five weeks of the newly
20 established grouping, but I think what it did give was
21 a much more representative element. The Sunnis stood
22 for election, for example, the Sadrists stood for
23 election, and this hadn't been the case in the previous
24 Provincial Council, and they were represented.
25 So for visiting businessmen or anyone that was

1 likely to invest in Basra, they were faced with
2 a stable, democratically elected and convincing
3 Provincial Council. That made it easier for me to talk
4 to business and talk to media about what the
5 opportunities were there.

6 So ...

7 SIR LAWRENCE FREEDMAN: Do you have any --

8 KEITH MACKIGGAN: Nothing to add, no.

9 SIR LAWRENCE FREEDMAN: Another issue, which you again just
10 indicated and General White-Spunner mentioned, was the
11 position of Sunnis in the area. And we were following
12 a reconciliation agenda. Perhaps you would just
13 indicate how you saw that working and were there
14 positive indicators of being able to bring Sunnis back
15 into a more comfortable position in Basra?

16 MR NIGEL HAYWOOD: I think that was something that was
17 really about to start. The conditions were there. They
18 had cleared out in a considerable percentage but the --
19 they happily engaged in the electoral processes and the
20 signs were that they were feeling content to come back,
21 not just Sunnis but, you know, any other religious and
22 other groupings that had melted away once again felt
23 that this Council -- there was a Christian
24 representative on the Provincial Council, for example.
25 They were starting to say, "Well, actually maybe we can

1 start coming back."

2 But it is still a long way -- bearing in mind that

3 the Sunnis had gone to Canada, Sweden and places like

4 that. It was still too soon to see whether the move

5 back would happen in any meaningful sense.

6 SIR LAWRENCE FREEDMAN: You mentioned the Christian

7 community there. The Christian community in Iraq has

8 dwindled significantly over the past seven years.

9 MR NIGEL HAYWOOD: Yes, it has, but what there was was

10 flourishing. I can only talk for the time that I was

11 there but certainly it was suffering no sort of

12 repression at all.

13 THE CHAIRMAN: Could I raise a point and make one? The

14 point to raise: you spoke a little earlier about the

15 sort of default culture attitude in Basra among Basrawis

16 as being tolerant and open. So it was not so many

17 leading or the result of an active reconciliation

18 programme as the reversion to a norm. Is that right?

19 MR NIGEL HAYWOOD: I think that's right.

20 THE CHAIRMAN: The comment was we are getting a bit of

21 difficulty with the microphones, so if you could lift

22 the sound level, it would be helpful.

23 MR NIGEL HAYWOOD: Sorry.

24 SIR LAWRENCE FREEDMAN: Just a couple more questions. The

25 first is the question of the shifting policy discussions

1 in London and the movement and thinking about
2 normalising relations with Iraq, transition to
3 a different sort of relationship, what our legacy would
4 be and so on. How did this impact upon the job you both
5 were trying to do and were you able to feed in concerns
6 about how these issues should be phrased to make your
7 job on the ground easier?

8 MR NIGEL HAYWOOD: I think the wider question, which is our
9 future position in Basra and indeed Iraq, was something
10 that we were both completely engaged in as part of the
11 policy-making process in London. So it wouldn't be
12 accurate to suggest that there was a sort of London
13 element that impinged on us. We were all part of the
14 same question: what should we look like in Basra after
15 the military withdrawal and why, and where would we get
16 the resources from to look like that. Those were the
17 questions.

18 SIR LAWRENCE FREEDMAN: And what were your answers?

19 MR NIGEL HAYWOOD: Well, what I was convinced of was that
20 there was a case to be made for staying in Basra for
21 a period beyond the military withdrawal, for two
22 reasons: one, to stop a sudden British departure from
23 Basra, which I think would have national implications in
24 Iraq. It could be managed, but nevertheless the idea
25 that you have suddenly come to a full stop, I think, is

1 difficult.

2 The second point is a UK interest point: if you do
3 have a place which can potentially export, you know,
4 \$100 billion worth of oil, give or take the change in
5 oil prices, and have the industry supporting that,
6 that's an area where British companies should be
7 interested and we should be supporting them. So I could
8 see a life for a consulate beyond the job we were doing
9 at the time.

10 Whether the circumstances would allow you to move to
11 a situation where it is a consulate, as you might have
12 in Dusseldorf, say, well, that's a longer term judgment,
13 and it costs a lot of money to keep people in Basra.
14 You have got to be convinced that your national
15 interests make it worthwhile to do it.

16 It is a debate. There is no, "We must do this."
17 I didn't sit there around the table saying, "We have to
18 do this, we have to do this," but I think what was good
19 was that we were all engaged in the debate and that,
20 I think, made the decisions we took much stronger.

21 KEITH MACKIGGAN: I would agree. We were fully engaged.

22 I engaged actually and was physically present in
23 two meetings in DFID in London in September and January
24 to discuss exactly this, as well as being engaged
25 virtually from Basra, and I was convinced that a normal

1 relationship, a normal diplomatic relationship, with
2 Iraq would over time, as Mark Lowcock said yesterday,
3 see a decline in aid and that it would also see a focus
4 on economic cooperation in the south, in Basra, because
5 of the obvious potential there and the interest for UK
6 companies, and that it would also see, as I have
7 mentioned earlier, a shift in focus for DFID from the
8 Basra end to the national end.

9 SIR LAWRENCE FREEDMAN: How much were you affected by the
10 fact that British troops were steadily withdrawing over
11 this period? Had you sort of become almost independent
12 of what the military were doing?

13 MR NIGEL HAYWOOD: We hadn't quite got independent by the
14 time I left. We would still be transported into town,
15 usually by helicopter, to where we had prepositioned our
16 cars, although it was getting much, much easier to move
17 there. I should just add one final sort of thought on
18 the point of our continued presence there -- I think
19 General White-Spunner made the point: Britain was held
20 in very high regard in Basra. Most people you talked to
21 had a very great affection for Britain, a respect for
22 what we had done, gratitude for freeing them from
23 Saddam Hussein, and again, if you are looking at
24 a commercial relationship, then that kind of good
25 pre-disposition is something worth building on.

1 SIR LAWRENCE FREEDMAN: Lastly, lessons. Looking back, how
2 would you describe our legacy here, in terms of all the
3 effort that had gone in over many years?

4 MR NIGEL HAYWOOD: I think we have left Basra in a position
5 where it can become what it genuinely wants to become
6 and what it sees its role in the world as being, which
7 is a liberal, commercial city in a key part of the
8 world, with democratic institutions developing,
9 expertise developing, still a long way to go in a number
10 of areas but moving very much in the direction that it
11 certainly wouldn't have been able to move in, I think,
12 without the work that Britain did there and without the
13 179 lives sacrificed in the process.

14 KEITH MACKIGGAN: I agree, and I would go further than those
15 witnesses have said, that, you know, we just left with
16 our reputation intact. I would go a lot further than
17 that. I think it is easy for those of us who were there
18 to sentimentalise, so be careful not to do that, but
19 I think -- you have got the facts and figures in terms
20 of what was delivered by the UK presence in Basra up
21 until the present time, but I think the more, in some
22 ways, important measure is the intangible one, that the
23 Iraqis, the local Basrawis, feel that their lives have
24 improved and they are confident that they will improve
25 further. That for me is an important indicator and the

1 opinion polling bore that out.

2 SIR LAWRENCE FREEDMAN: Just finally, are there things about

3 civil/military relations, PRTs and so on that -- lessons

4 that can be transposed to Afghanistan and elsewhere?

5 KEITH MACKIGGAN: I don't want to repeat a number of the

6 lessons that I think you have already heard around the

7 importance of co-location, the importance of joint

8 planning, the importance, where possible, of similar

9 terms and conditions.

10 THE CHAIRMAN: Tours?

11 KEITH MACKIGGAN: Tour lengths, very much. Tour lengths of

12 military --

13 SIR LAWRENCE FREEDMAN: You both had quite short terms.

14 KEITH MACKIGGAN: I think nine to 12 months should be the

15 norm, perhaps even the minimum, because it takes time to

16 develop relationships, and I think General Salmon's

17 post-op report also refers to this. They were there for

18 eight months, which was still short.

19 It is partly about relationships with, you know,

20 locals, be it Iraqis or Afghans or whoever. It is also

21 about relationships between different parts of

22 government, and one of the challenges that we found,

23 because of the fast turnaround, and also the difference

24 between a divisional headquarters and the brigade, was

25 that every two or three months we were having to build

1 relationships with new military personnel and also try
2 and overcome some of the preconceptions that everybody
3 comes to theatre with. And I think for me another
4 lesson learned, as I mentioned earlier, is the
5 importance of personalities and the importance in
6 recruitment of placing sufficient emphasis on
7 interpersonal skills, and I'm not sure that invariably
8 happens.

9 The importance of pre-deployment training,
10 sufficient pre-deployment training, especially on the
11 civilian side. And although great strides have been
12 made in building up civilian stabilisation capacity, as
13 you have heard -- for me I think the experience in
14 Basra, where the stabilisation unit review in February
15 of last year highlighted examples of best practice in
16 terms of civil/military cooperation, in terms of
17 a joined-up Whitehall approach -- and I don't think it
18 gets much better than we had it latterly in Basra --
19 still the organisational cultural differences between
20 different departments make me wonder whether there isn't
21 still a need for some kind of hybrid civil/military
22 capacity in Whitehall, which we don't yet have.

23 MR NIGEL HAYWOOD: I think we both contributed to the
24 stabilisation report and that picked up a number of
25 those points.

1 I think the tour length point is quite important,
2 and I certainly saw a number of transitions over the
3 time that I was there and -- I mean, in my own case --
4 I suppose I was there for just over a year -- I was just
5 beginning to get the hang of the place when it was time
6 to move on. But you have to balance that against the
7 conditions in which you are asking people to serve. So
8 one template isn't going to be something you can just
9 instantly apply to everywhere. Had we been in
10 a consulate downtown that was safe, well, that would
11 have been a different set of considerations.

12 But the one thing that I think worked well there --
13 and I have said it before -- is the freedom given to
14 people on the ground to make their own tactical
15 decisions. We were given quite a lot of -- we were
16 given the outlines of what we were doing, we were in
17 constant contact with our own departments, we fed into
18 the ministerial and civil service meeting every week in
19 Whitehall, so we got that. But ultimately we were given
20 quite a lot of room to build our relationships there and
21 use those to actually make stuff happen.

22 SIR LAWRENCE FREEDMAN: Thank you very much.

23 THE CHAIRMAN: Thanks. Roderic?

24 SIR RODERIC LYNE: Could you both say how difficult or easy
25 it was to get people with the right skills, including

1 language skills, and the right interpersonal qualities,
2 which you have laid, both of you, a lot of emphasis on,
3 to come out and serve in this very difficult
4 environment?

5 KEITH MACKIGGAN: I would make a distinction between the UK
6 personnel and the US personnel that I had serving under
7 me. On the UK side I inherited a team which had some
8 individuals whom I felt didn't have the necessary
9 skills, and I moved on a couple of them quite quickly,
10 and I also got very good responsiveness from DFID in
11 London to recruit people to replace them, and in fact to
12 expand our team during my time there, who had the right
13 interpersonal skills.

14 On the US side it was difficult and we started
15 recruiting additional US staff from pretty much my first
16 weeks in Basra and still by the time I left I didn't
17 feel that we had got US personnel, new US personnel, who
18 had the right skills.

19 SIR RODERIC LYNE: Why much more difficult on the US side?

20 KEITH MACKIGGAN: I would speculate that it is because of a
21 different incentive structure on the US side. I think
22 DFID has done a lot of work on its incentive structures,
23 to try and attract the right people to those kinds of
24 difficult environments, for whatever reason.

25 I interviewed dozens of people on the US side with my US

1 deputy and we, even to the end, didn't feel that we were
2 we were getting the right skills.

3 SIR RODERIC LYNE: How did you find it, Mr Haywood?

4 MR NIGEL HAYWOOD: We had more or less the same team in
5 place for about a year, so I wasn't part of the
6 recruiting team that got that team in place, and when we
7 started recruiting, it was for a downsized consulate,
8 where it struck me that the fields for the job were as
9 good or as bad as fields for most other jobs. I was in
10 human resources before. You had a slate, you had two
11 or three people that looked good and you picked one. So
12 I didn't feel that we had a difficulty in getting the
13 right sort of person for any --

14 SIR RODERIC LYNE: Did you feel that the Whitehall machine
15 was encouraging people to think that serving in Basra
16 would be well regarded for their careers, that this was
17 a good place to go in terms of their career progression?

18 MR NIGEL HAYWOOD: Yes, I think that's a message, certainly
19 on the Foreign Office side, that we have been getting
20 out for quite some time now, that experience gained in
21 Basra or in Afghanistan are good things to have on your
22 CV, as well as being inherently worthwhile.

23 SIR RODERIC LYNE: How many Arabic speakers did you both
24 have among your non-Iraqi staff?

25 MR NIGEL HAYWOOD: I had one Arabist. There was one

1 Arabic-speaking slot, and the Consul General is obliged
2 to read out Arabic-transliterated to give speeches, but
3 otherwise I had a political adviser who was locally
4 engaged, who would act as not just an interpreter but as
5 a facilitator.

6 SIR RODERIC LYNE: Mr Mackiggan?

7 KEITH MACKIGGAN: I had none. We had to work through
8 interpreters.

9 SIR RODERIC LYNE: None at all? Is that a lesson for us?
10 Do we need a bigger pool of people with the right
11 language skills?

12 KEITH MACKIGGAN: I think you have to prioritise, and I'm
13 not saying you don't prioritise language skills but I'm
14 saying that it is difficult to find one person who has
15 the very long list of skills that you end up coming up
16 with for environments like this.

17 MR NIGEL HAYWOOD: I think, Sir Roderic, you open up a much
18 wider question on language capability in the
19 Foreign Office. It has been one of our traditional
20 strengths and I think it is a strength that we need to
21 maintain for as long as we can. Certainly in an
22 environment like Iraq, where other countries don't have
23 Arabists on their staff, it does give you that ability
24 to engage just that much better, beyond ...

25 SIR RODERIC LYNE: Can I ask you a separate question,

1 Mr Haywood, which is that in this post-Charge of the
2 Knights period to what extent were you conscious of
3 a serious problem of Iranian interference in Basra and
4 the region, which other witnesses have talked about with
5 regard to earlier periods?

6 MR NIGEL HAYWOOD: It was very difficult to get a handle on
7 it. I called on my Iranian opposite number a couple of
8 times during my time out there as part of my process of
9 trying to understand what was going on.

10 While, undoubtedly, there is a fair amount of --
11 again, it comes down to Basra. Yes, there is influence
12 through the Shia relationship -- in fact, a lot of
13 pilgrims come from Iran through Basra to visit the
14 shrines. There is that sort of level. There are very
15 porous borders. And yet this is -- if you go to Basra,
16 you see a strip of earth, the far side of the Shatt
17 between Basra City and Iran. That was the area that was
18 mined, bombed, rocketed. So there is not a great love
19 for Iranians amongst quite a section of the Basrawi
20 population.

21 Much of it, again, depends on who you ask, as well.
22 We went to Riyadh, Christopher Prentice and I, to talk to
23 the Saudis about engagement with Iraq, and at one
24 meeting I was at someone said, "Well, we know that all
25 the meetings in the Provincial Council are conducted in

1 Iranian and that the currency on the streets is Iranian
2 currency. We know that. That's why we don't want
3 anything to do with it." We said, "Well, no, this just
4 isn't true." So you have to be very careful in steering
5 your way through.

6 But, yes, a lot of commercial influence. Political
7 influence, perhaps rather less so, I think. When I got
8 there, the Iranian Consul General said something in the
9 papers saying, "The British Consul General is useless,
10 he doesn't go out at all, he just sits in his office and
11 doesn't have contacts with anybody," and then, when
12 I left, one of our sort of mutual contacts said, "The
13 Iranians think you are really influencing the way this
14 city operates." So, you know ...

15 SIR RODERIC LYNE: Perceptions.

16 MR NIGEL HAYWOOD: Perceptions.

17 THE CHAIRMAN: Martin?

18 SIR MARTIN GILBERT: I would like to ask you a question
19 about the pre-Provincial Council election period. You
20 mentioned your own efforts to try to influence the
21 separate status arguments. I wondered if you could tell
22 us a little more about them, who your interlocutors were
23 and what arguments you were able to put against this
24 separatist movement.

25 MR NIGEL HAYWOOD: The argument was not against separatism

1 per se -- that's a matter for Iraqis to decide -- it was
2 an argument against losing the opportunities to have
3 a convincing provincial election by clouding the issue
4 with referenda and setting a completely different hare
5 running.

6 So that was, frankly, largely talking to the
7 Governor because the Governor was -- and
8 Wael Abdul Latif, who was his uncle or cousin, those
9 were the two that were behind it. So it was talking to
10 those. There was a marvellous moment when I called on
11 the Governor and he said, "Well, of course, we can't
12 possibly have a referendum before we have the provincial
13 elections because we would lose the chance to have good
14 provincial elections. I thought: I was about to say
15 that. So that was that particular contact.

16 On the other side, my predecessor had been
17 instrumental in drawing together heads of political
18 parties. I use the term in its loosest form because you
19 could come up with about 70 of them. As a group, it was
20 called the Supporting the Law Council, and he encouraged
21 them to meet together just to thrash out whatever on the
22 political side, and that continued to exist, facilitated
23 by a leader of a mosque downtown, who provided a room
24 for them to meet in, and that gradually became a sort
25 of -- a driving force for the elections. This was what

1 I was talking about earlier, about the self-policing of
2 the elections. They actually drew up a list of --
3 amongst themselves of what was and was not permissible.
4 Putting your poster over someone else's poster was not
5 permissible. You would be reported to the press and
6 then you would be expelled for a second offence from the
7 Supporting the Law Council, and the fact that they felt
8 that this was a major sanction was most encouraging. It
9 was surreal, when you looked at lampposts, because they
10 would have posters and then another one just on the
11 bottom half inch of the poster and they would go right
12 down to the ground, which wasn't particularly effective
13 advertising but it was very effective democracy.

14 THE CHAIRMAN: Thank you. I think we have come virtually to
15 the end of this session. Before I do, both of you
16 mentioned earlier on the comprehensive approach and we
17 will very much have in mind that we may want to round
18 this out by talking to General Salmon. Have we, in the
19 course of this session, as it were, been given an
20 understanding of what the comprehensive approach was and
21 how it was applied in your time or do you want to say
22 a bit more about it?

23 MR NIGEL HAYWOOD: I think simply you have had two thirds of
24 it because General Salmon's role in this was absolutely
25 crucial. He had, not just the resources, but the kind

1 of -- the impetus to use them in support of our efforts,
2 as well as the tasks that he himself had.

3 THE CHAIRMAN: Thank you. Any final comment from either of
4 you?

5 KEITH MACKIGGAN: I would just add, in the answer to that
6 one, you have got the Stabilisation Unit review
7 from February of last year. I think, rather than
8 regurgitating that now and here, that sets out very
9 effectively what worked. For me, the biggest lesson
10 from our time in terms of civil/military cooperation is
11 that a comprehensive approach can work, and I think
12 that's an important lesson to draw.

13 MR NIGEL HAYWOOD: My biggest lesson from that is that, but
14 it isn't easy. There was one meeting where we had
15 a kind of awayday on a Sunday within the base, where
16 everyone was allowed to let their preconceptions come
17 out about military approach/civilian approach, and that
18 still revealed that there was a lot of ground that
19 needed to be worked over, but we worked over, we kept
20 going.

21 THE CHAIRMAN: And worked over in each generation. The
22 generations succeed each other very rapidly.

23 MR NIGEL HAYWOOD: Yes.

24 THE CHAIRMAN: Yes.

25 Our thanks to our two witnesses this morning. It

1 has been a very helpful session. And to those of you
2 who have been in the room, thank you.

3 Tomorrow we resume hearings at 10 o'clock in the
4 morning, initially with Peter Watkins, who is currently
5 the Director of Operational Policy in the
6 Ministry of Defence, and then later in the morning we
7 have John Jenkins, who was Director Middle East and
8 North Africa in the FCO until last year and is now our
9 ambassador in Baghdad, and with him Frank Baker, who is
10 head of the Middle East group in the Foreign Office. So
11 that's for tomorrow morning.

12 Thank you all very much.

13 (1.04 pm)

14 (The Inquiry adjourned until 10.00 am the following day)

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