

This purpose of this statement is to set out the background to the letter which I wrote to the Prime Minister Tony Blair on June 17<sup>th</sup> 2003 about the role of DFID in Iraq. It is based on my own recollections of events at the time, refreshed by my re-reading of the papers to which I had access. I am aware of the inquiry's protocol relating to confidential government papers.

### **Ministerial responsibilities**

I was appointed as Parliamentary Under-Secretary of State in DFID in May 2002. My specific responsibilities included development assistance to Bangladesh, South East Asia, South America and the Caribbean, the Overseas Territories, strategies to reduce infant and maternal mortality rates, relations with the European Union and development education in the UK. During the year I undertook a number of visits abroad on these subjects. At that time there were only two ministers in DFID, the Secretary of State, and the Parliamentary Under-Secretary, so I also had to play a deputising role, including for example answering some oral and written questions on Iraq. In that capacity, and because this was such a key issue for the UK, I regularly attended departmental meetings on Iraq. These were less frequent in the autumn of 2002, but increased in number in 2003. I also visited the policy team in the Palace Street offices, and the monitoring team in the Victoria Street offices, and had some one-to-one briefings from officials on Iraq. I did not have any decision-making role in relation to Iraq.

### **Sequence of events**

- DFID had been providing some financial support to organisations working in Iraq: the International Committee of the Red Cross, a number of NGOs in the North, an organisation working with Iraqi exiles in Iran and one organisation working in the centre/south of Iraq. The total value of the programme in 02/03 was £8 million - and was to be £6 million during 03/04. This was very limited given the scale of the existing humanitarian crisis in Iraq.
- In May 2002 there were already heightened expectations of conflict in Iraq, and these concerns were voiced in Parliament. In autumn 2002 the first dossier was released, and in the September 24<sup>th</sup> Parliamentary debate there was a clear sense that, however desirable, a peaceful resolution to the Iraq crisis was becoming increasingly unlikely.
- In autumn 2002 the Department was due to produce a strategy on Iraq. In the event a number of documents were produced. They were quite brief, dealt with a number of scenarios and broadly set out the department's role as being firstly to provide funds for other organisations – largely UN agencies, the Red Cross and NGOs – to do the work on the ground, secondly to provide expert advice and assistance in Whitehall and through strategically deployed staff and thirdly to work with international partners. Several of the papers highlighted the need for funds, for identification of suitably qualified staff and for a legal mandate from the UN. However, we went into 2003 without these issues being resolved. The two mostly likely humanitarian crises arising from conflict were expected to be the impact of a chemical or biological weapons

attack and/or a mass movement of refugees. There was a lot of concern about the future of the Oil for Food programme, and a lot of discussion about the need for a UN mandate.

- Elsewhere events moved towards conflict, with announcements in the autumn of 2002 and January 2003 by the MOD of its contingency preparations for military action, and in December, the UN's first appeal for \$23.7million for an emergency in Iraq. This increased to \$97 million and then \$123 million in January 2003.
- DFID's first allocation of additional funding to Iraq, over and above its 2002/3 programme, £3.5 million, was announced on Feb 10th, at the time of the International Development Select Committee's inquiry. At the end of February a further £6.5 million was allocated - £3.5 million for UN agencies, and £3 million for NGOs. In early March it was agreed that, in addition to the existing budget lines for Iraq and emergencies, £65 million from DFID 2003/2004 contingencies could be used for Iraq. However at the time there was no proactive plan for financial disbursements, the expectation was that allocations would be made as needs emerged. At the same time the MOD got £30 million from the Treasury for post-conflict humanitarian work - £20 million, plus £2.5 million a week for the first month.

On the eve of the military action, DFID's allocations to agencies for the financial preparedness for the aftermath totalled £17 million. Meanwhile, papers from the UN and Treasury showed that the total cost of post-conflict reconstruction ranged upwards from \$1.9 billion to \$4 billion and beyond. The cost to the UK could be £60 million a month. At the end of March the UN launched its flash appeal for Iraq for \$2.2 billion. The Treasury allocated DFID £120 million for post conflict reconstruction in April, and £60 million was available for the department in central government reserves: this was accessed by other departments to fund the non-salary costs of their deployments. In April total funds allocated by the department stood at £115 million, although spending plans agreed with agencies were only £47.7 million.

- On staff deployments, progress was slow. In February one person was deployed to the US to work with ORHA and an adviser was deployed to first division in Kuwait. A second followed soon after. When the military action started there were about seven staff deployed, including two to the military, and two as advisers in Kuwait. Numbers deployed remained at up to 10 for most of this period including 2 with ORHA in Baghdad, two with 1 Division, and two in Basra. The numbers increased in June. There were cross Government recommendations that there should be a total of 150 secondees, including 50 consultants.
- In February 2003 there was discussion of DFID's role in the post conflict period, and whether it should be concentrated in one sector or whether it should be to provide more general support based on need. This was a very crucial policy matter that should have been resolved much earlier,

as it had implications for deployment of staff, finance, as well as relations with other Government departments and the international community.

- In Spring 2003 I visited the monitoring and policy units, although I have not got a record of the date. Given the high level of skills of DFID staff, and the discussion the previous autumn about the need to identify people with relevant skills, I fully expected the units to have staff with a wide range of skills, including language skills and practical and/or policy experience of Iraq. The latter would be challenging, given the nature of the previous regime in Iraq, and the fact that DFID's mandate was for pro-poor development. However, the lack of this I felt left the unit in a difficult position in dealing with the one of the most complex and urgent challenges facing Government.
- The initial relations with the Office of Reconstruction and Humanitarian Assistance were constrained. After the establishment of the Coalition Provisional Authority, there were criticisms in the department about the authority's performance and secondments seemed to me to be relatively slow, reported as being about 10 in early June in Baghdad and Basra, and in addition some consultants.

### Conclusion

In spring 2003 when the Department's financial issues in particular were still outstanding, I raised a number of my concerns inside the department and across government. At one of the regular meetings, I queried how much of the money allocated had actually been earmarked for specific programmes and how much of it had been disbursed. I also questioned the fact that quite substantial funds had been allocated for emergencies that had not in fact arisen, in particular for refugees, and asked what was happening to these funds and whether they had been reallocated to the other crises that had emerged. I was so concerned about the funding issue that I raised it with the Director of Government Relations at Number 10, and said that a strategy was needed for funding the reconstruction work. I did not keep a record of the dates, although one was on April 9<sup>th</sup>. In addition I spoke to my colleague Adam Ingram at the Ministry of Defence about some of the issues. However, I decided that my views were best progressed by being put to the Prime Minister in writing, and by raising it with him in my meeting after I left Government. My concern was that the UK Government had to win the peace as well as the war in Iraq. DFID's performance was crucial to this, because it had the mandate to deliver the Government's goals on post conflict reconstruction.

Sally Keeble, July 2010