

JIC Assessment, 1 November 2000

IRAQ: PROSPECTS FOR CO-OPERATION WITH UNSCR 1284

Key Judgements

- I. Saddam feels **little pressure to negotiate** over UN Security Council resolution 1284 because the proceeds of oil smuggling and illegal trade have increased significantly this year, and more countries are increasing diplomatic contacts and trade with Iraq. (Paras 4-5)
- II. But Saddam **still wants UN sanctions lifted in due course, especially to reverse the decline in Iraq's military capability**. Without unfettered trade, he cannot rebuild the economy. He wants full control of Iraq's oil revenues and rehabilitation in the Arab and international community. (Paras 6-7)
- III. The Foreign Secretary's 1 September message to his Arab counterparts has been interpreted by Iraqi and other officials, including the UN Secretary General, as a potential precursor to the **UK offering fresh ideas** which could be put to the US after the Presidential election. Even if this came to nought, Saddam would hope to see a gap open up between Washington and London. (Para 8)
- IV. Saddam would only contemplate co-operation with 1284, and the return of inspectors to Iraq, if it could be portrayed as a victory. He will not agree to co-operate unless:
 - there is **UN-agreed timetable for the lifting of sanctions**. Saddam suspects that the US would not agree to sanctions lift while he remained in power;
 - he is able **to negotiate with the UN in advance to weaken the inspection provisions**. His ambitions to rebuild Iraq's weapons of mass destruction programmes makes him hostile to intrusive inspections or any other constraints likely to be effective. (Paras 9-11)
- V. Before accepting 1284, Saddam will try to obtain the **abolition of the No Fly Zones**. He is also likely to demand that the US should abandon its stated aim to topple the Iraqi government. (Para 11)

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Earlier this year, we judged that Saddam was unlikely to co-operate with UN Security Council Resolution 1284, and let UN inspectors back into Iraq, until after the US Presidential election. With the election imminent, we assess prospects for 2001.

1. UN Security Council Resolution 1284 of December 1999 re-established UN policy on Iraq (see box). Elements favourable to Iraq, such as abolishing the ceiling on approved oil exports and increasing the humanitarian programme, have been implemented. But **Iraq continues publicly to reject 1284** and the new UN Monitoring, Verification and Inspection Commission (UNMOVIC). Unless UNMOVIC inspectors are allowed into Iraq, there can be no progress towards lifting of UN sanctions. Will Saddam change his mind?

2. We have little direct intelligence on **Saddam's thinking**. [...].

3. [...] We assess this is done with Saddam's blessing. While content to drag out any decision for as long as possible – at least until after the US election – he wants to see if the west will make a better offer.

UNSCR 1284 provides for:

- *UNMOVIC to replace UNSCOM and establish an arms control monitoring and disarmament system*
- *Suspension of sanctions after 120 days of Iraqi co-operation with new system, including progress on key disarmament tasks*
- *Abolition of ceiling on UN approved Iraqi oil exports*
- *Improved efficiency of the humanitarian programme*

But Saddam has good reason to remain intransigent in 2001

4. From the outset Saddam thought he could resist UNSCR 1284 because sanctions, and Iraq's isolation, would gradually erode. His expectations are being fulfilled:

- oil **smuggling**, illegal trade and abuse of the UN's "oil-for-food" programme have increased significantly over the last year, yielding as much as \$1.5 billion. [...];
- there is **widespread complicity** or acquiescence in smuggling by neighbouring governments. More countries are trading with Iraq both illegally and legally. This week's annual Baghdad Trade Fair has attracted more than 1,500 companies from 45 countries;
- [...];
- a steady stream of countries have increased **diplomatic contacts** with Iraq. This will continue;
- following the example set by France and Russia in September, "humanitarian" **civilian flights** arrive in Iraq almost every day from a growing number of countries in the Middle

East and elsewhere. Most have sought permission from the UN, but some have not. Once established, these flights are likely to carry commercial goods, allowing Saddam to increase illegal trade. They also support his challenge to the No Fly Zones, since some of the aircraft are flying through them;

- Saddam's vocal support for the **Palestinian cause** during the recent crisis has added to the sympathy for Iraq already felt by Arabs. This will put pressure on their governments to be more accommodating towards Iraq. Relations between Baghdad and Damascus have warmed; the re-opening of the Iraq/Syria oil pipeline may follow.

5. On 28 September, Tariq Aziz announced that sanctions had started to collapse. Although this is exaggeration, we judge that there is **little pressure on Saddam to co-operate with 1284**. He sees divisions in the UN Security Council. He is winning the propaganda battle; the US and UK are being blamed for the plight of ordinary Iraqis. Meanwhile, living conditions in the Sunni-dominated centre of Iraq are gradually being alleviated by oil-for-food. [...].

Pressure to co-operate

6. But while increasingly comfortable with the present situation, Saddam still wants sanctions lifted completely in due course. In particular, **he wants to halt the erosion of Iraqi's military capability and rebuild it**. The combination of oil-for-food and illegal revenues will not be enough for this, nor to rebuild Iraq's economy. He wants full control of Iraq's oil revenues and rehabilitation in the Arab and international community. Most governments still avoid overt breaches of sanctions. Where military-related supplies have been provided (eg. from Russia, China and Serbia) they have been components and spares rather than complete weapons systems.

7. Saddam's **friends and allies want him to co-operate with the UN** so that sanctions can be lifted, debts repaid and business resumed. [...] They are positioning themselves for lucrative trade contracts when sanctions end. They also know that there is no prospect that Iraq's debts [...] will be paid off before then.

The UK seen as offering a way forward

8. On 1 September, the Foreign Secretary sent a message on Iraq and 1284 to his Arab counterparts. It reminded them that if inspectors were allowed into Iraq, sanctions could be suspended within six months. According to a wide range of intelligence and diplomatic reporting, many recipients passed a copy or gist of the message onto Iraqi officials, who believed they were meant to see it. These officials, in turn, have since **talked optimistically of a new UK initiative that would reduce the time to the lifting of sanctions**. UN Secretary General Annan and Russian officials have picked up the thread, suggesting that the **only way forward is for the UK to produce fresh ideas** which could be sold to the US after the Presidential election. The reaction of Iraqi officials shows that they believe Saddam will be willing to negotiate if there is a prospect of a better offer on sanctions lift. We judge that even if this came to nought, Saddam would hope to see a **gap open up between Washington and London**.

Saddam's conditions?

9. [...] with sanctions eroding Saddam **would only co-operate with 1284 if it could be portrayed as a victory**. We agree. In 2001, Saddam will be able to claim that he had seen off two US Presidents. He would be able to suggest – true or not – that a new administration in Washington had changed its stance. He might then be prepared to discuss 1284.
10. Tariq Aziz and other Iraqi officials maintain that Iraq could not accept 1284 in its present form. But they have suggested that Iraq would be willing to deal with 1284 as it had the oil-for-food measure, ie. by a **memorandum of understanding** to supplement the Security Council resolution. They say that **Iraq would need a firm promise that sanctions would be lifted, with a clear timescale; an end to the No Fly Zones; and an end of attempts to overthrow Saddam**. Saddam is reluctant to discuss a way forward because he believes that whatever concessions he offered, the US would not agree to sanctions lift while he remained in power. This is why greater certainty over sanctions lift linked to a timetable is so important to Iraq.
11. As Saddam senses growing support – in the Arab world and wider – for ending Iraq's isolation, his price for co-operation with 1284 is likely to rise. The bottom line now, we judge, is that **Saddam will not agree to co-operate with 1284 unless there is a UN-agreed timetable for the lifting of sanctions and he is able to negotiate with the UN in advance to weaken the inspection provisions**. His ambitions to rebuild **weapons of mass destruction programmes** will make him hostile to intrusive inspections or any other constraints likely to be effective. In any event, if inspectors return to Iraq, Saddam would retain the option of frustrating them on the ground. He will also seek the **abolition of the No Fly Zones** and an end to US policies to topple the Iraqi government.