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FILE TITLE: <i>NATO</i>		SERIES <i>FOREIGN POLICY</i>
		PART <i>8</i>
PART BEGINS <i>26 JUNE 2004</i>	PART ENDS <i>5 MAY 05</i>	CAB ONE

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LABOUR ADMINISTRATION

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PART

CLOSED

DATE CLOSED	5 MAY 2005
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Series : **FOREIGN POLICY**
File Title : **NATO**
Part : **8**

Date	From	To	Subject	Class	Secret
26/06/2004	FA/APS		Nato Summit, Istanbul - Remarks at North Atlantic Council Meeting b	U	
27/06/2004	Czech Rep/ HME	FCO	Urgent Tel fm Prague: Czech Republic - Prime Minister Spidla Resig	R	
27/06/2004	FA/APS	PM	Balkenende	R	
28/06/2004	FA/APS	FCO	(M) NATO Summit: Heads of State/Government Lunch	C	
28/06/2004			Istanbul Summit Communique	R	
28/06/2004	NATO	PM	New NATO Headquarters Project in London	U	
30/06/2004	PM	Turkey/HMA	Thank you for the hard work at the NATO Summit	U	
12/07/2004	FCO	FA/APS	New NATO Headquarters Project	R	
20/07/2004	PM	NATO	New NATO Headquarters project	U	
26/07/2004	FCO	FCO	NATO/IRAQ	R	
09/09/2004		FA/APS	From S Wesley Cross II, Center for the Study of the Presidency - Ide	U	
27/09/2004	FA/PS	MOD	NATO Air Policing	R	
03/12/2004	FCO	FA/APS	MNF withdrawals in 2005	R	
07/01/2005	Cab Off	fco	NATO crisis management exercise CMX 05	U	
28/01/2005	ukdel/Nato	FA/PS	De Hoop Scheffer: What's on his mind	R	
01/02/2005	MOD	FA/APS	Visit to UK by NATO Secretary General, 2-4 February. Supplementar	R	
02/02/2005	Turkey/HMA	NATO - HMA/UKMIS	EU/NATO: Turkey and Cyprus	R	
02/02/2005	FA/APS	PM	Meeting with Jaap De Hoop Scheffer 1645 2 Feb	C	
02/02/2005	FA/APS	fco	PM's meeting with NATO secretary general Jaap de Hoop Scheffer	C	
13/02/2005	FA/PS	fco	Germany / NATO	R	
14/02/2005	NATO	PM	NATO summit on 22 Feb	R	
14/02/2005			Transatlantic Relationships - Chancellor Shroeder Speech	U	
16/02/2005	ukdel/Nato	FA/PS	Germany / NATO	R	
18/02/2005	MOD	FA/APS	Input to Prime Minister's Brief fro NATO Summit - 22 February 2005	R	
21/02/2005	FA/APS	PM	Your visit to Brussels 22 feb	C	
21/02/2005	FA/APS	PM		C	
22/02/2005	FA/PS	fco	(H) NATO Lunch with President Bush	C	
22/02/2005	FA/PS	fco	President Bush's Visit to Brussels	C	
19/04/2005	fco		E-Telegram: UK/France/Germany Talks on International Security	U	

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UK/France/GERMANY TALKS ON INTERNATIONAL SECURITY

Dominie Pinto

INFO ROUTINE

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STRAW

1. Wide-ranging talks. France thinking of ESDP aerial monitoring mission in Darfur. Cautiously open to an ESDP mission on Georgian border. France and Germany optimistic that agreement is close on NATO/EU liaison arrangements. Welcome our ESDP proposals for UK Presidency.

INFO

cc: John Savers
Stephane Pattison

We discussed (x) below.

I don't think we should
be (simplistically) anti-
ESDP + pro - NATO in
Darfur. I'd prefer highly

issues for beefing up the role.

That will
go with the grain of our
policy.

NATO - maybe

but need

to define

the mission.

Nigel Steward
15/4

(2) L/JL

2. Pattison visited Berlin on 15 April for trilateral talks with French (Carre) and German (Brandenburg) Security Directors.

NATO ISSUES

NATO liaison with EU

3. Agreement seemed close. France (Quai) could accept the latest text, including a dotted line to the IMS. They were waiting for French MOD approval. The ideas were also being aired with the US. Pattison flagged up the need for sensitive handling of the personnel arrangements so as not to provoke the Turks into complaining that there would be no room for them in the NATO Liaison Team.

1) NATO Political Dialogue

4. There was support for the general approach outlined by DHS. Pattison probed on whether there were any No-Go areas. France would not be drawn, but said that discussion should be confined to issues with security implications for NATO members. Both France and Germany opposed DHS's proposal for a trilateral NATO/EU/US dialogue. It made no sense when the US was a member of NATO.

1) NATO Reform

5. Germany was concerned that administrative reform risked resulting in changes to the NAC (by creating a Deputy NAC) or the Military Committee (by bypassing it). The NATO Reform Task Force should keep close to member states on these issues. But Germany accepted the need for broader administrative reform, rationalising other NATO Committees etc.

1)

2) REGIONAL ISSUES

3)

4) Bosnia

6. Germany saw scope for downsizing EUFOR towards end 2005. France was cautious. They were adamant that there should be no downsizing in Kosovo. And they feared spill-over of instability from Kosovo to Bosnia. Pattison said opinions were divided in Whitehall on this. But any downsizing should be done in such a way as not to reduce the operational effectiveness of the force. France added that if the EU PM were re-structured, France would re-open the command and control arrangements. Policing was not a Berlin plus activity. There was no justification for having the police under military control.

1) Sudan

7. France floated the possibility of an ESDP aerial monitoring mission in Darfur to monitor implementation of SCR 1591. Stressing that thinking was preliminary, Carre said the mission could use a French base in Chad, and would only go ahead with Khartoum's agreement. Pattison (and Brandenburg) were cautious. It would be difficult to organise effectively, and, if Khartoum accepted the resolution it was not clear why it was necessary. The AU could conduct monitoring on the ground. Pattison referred to Zoellick's comments on a possible NATO role. Carre shrugged. (Comment: At least he did not explicitly rule it out).

1) Georgia

8. Pattison stressed our concerns about possible military action by Georgia against Abkhazia. This was the wrong moment to leave a vacuum following the end of the OSCE border mission. We should think urgently about an ESDP presence. The key would be to sell it to the Russians as a CBM. Germany was supportive. Carre was initially concerned not to take sides against Russia. But he was prepared to consider a mission on the lines described, and if it had Russian support.

1) Kyrgyzstan

9. Pattison said there was an important role for the OSCE. Post Akaev Kyrgyzstan was not anti-Russian. An OSCE contribution to stability might encourage Russia to trust the OSCE more. The others were interested.

2). OSCE*

10. No-one expected the Panel to produce agreed reform recommendations. France said the Russians had a point: The OSCE was unusual (unique?) in that judgements on elections came from various sources (ODIHR, Parliamentary Assembly) but did not go through the Secretary General or the membership. We agreed to think about this.

11. On the Secretary Generalship, France said only Switzerland was holding out against De Brichambaut. But they were leaning on the Swiss and had persuaded the US to do the same.

1) ESDP

12. Pattison briefed on ideas for the UK Presidency. The others were supportive. There was particular interest in the idea of an envoy to the AU to help build AU capacity. All now supported a humanitarian role for the CivMil cell. There was some concern about slippage in the timetable for the Opcen.

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*Revised version
file*



10 DOWNING STREET
LONDON SW1A 2AA

Foreign Policy Adviser to the Prime Minister,
and Head of the Defence and Overseas Secretariat

22 February 2005

Dear Geoffrey

PRESIDENT BUSH'S VISIT TO BRUSSELS: 22 FEBRUARY

As you know, President Bush was in Brussels today at NATO and the EU. We and the posts concerned have reported these meetings separately. The Prime Minister thought that President Bush's decision to make an early visit to Europe had been vindicated. His speech in Brussels on Monday had set the scene effectively, and Bush performed with confidence, humour and skill in the various meetings today.

You will have noticed that his formulations on MEPP, Iraq, Iran, and G8 issues in particular owed a good deal to the advice he had sought from the Prime Minister. The mood of the meetings was positive, and Chirac and others were on their best behaviour. By setting out what he did believe in and was prepared to accept, eg on climate change, Bush sometimes surprised his critics – witness Persson's comments at the European Council meeting.

So the Prime Minister felt that this was a worthwhile day. He is grateful to everyone involved on the UK side in London, Brussels and Washington, and elsewhere, in preparing for today's meetings and getting a good result both for US/European relations and for the UK.

I am copying this letter to Chris Baker (MOD), Sir Andrew Turnbull, Margaret Aldred and William Ehrman (Cabinet Office), 'C', Sir Peter Ricketts

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(UKDEL, NATO), Sir John Grant (UKREP, Brussels), Sir David Manning (Washington) and Sir Emyr Jones Parry (UKMIS, New York). I should be grateful if you could copy as necessary to other posts.

Yours ever,

Nigel

NIGEL SHEINWALD

Geoffrey Adams CMG
FCO

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10 DOWNING STREET
LONDON SW1A 2AA

Foreign Policy Adviser to the Prime Minister,
and Head of the Defence and Overseas Secretariat

22 February 2005

Dear Geoffrey

NATO LUNCH WITH PRESIDENT BUSH, 22 FEBRUARY

NATO Heads of State and Government met in Brussels on 22 February. UKDEL NATO have reported the opening part of the discussion in the NAC. Discussion then continued over a working lunch.

The Prime Minister began by paying tribute to the NATO Secretary General. He made two points:

- The recent Afghan and Iraqi elections showed that, whatever doubts people had had about the origins of the conflicts, people wanted democracy, and our function was to help them make a reality of their aspirations. NATO had a key role in supporting Iraqis and Afghans in developing sufficient capability to see off the challenges they faced from those using violence. In Iraq, the Prime Minister supported the NATO training mission (NTM). In Afghanistan, NATO was now, perhaps belatedly, expanding its area of operations. He looked forward to the arrival of the ARRC next year.
- This was not NATO goodwill, but essential for our security. If these two countries were stabilised, a real blow would be dealt to global terrorism.

The Prime Minister concluded with general remarks about the importance of the transatlantic alliance.

Chancellor Schroeder also began with references to the centrality of NATO in the transatlantic partnership, noting its ability to adapt. He saw it as significant in both political and military terms and supported its global role. He stressed the need for decisions to be taken together - this helped the prospects for acting together, and also pointed to the importance of legitimising decisions with public opinion.

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Schroeder stressed the need to maintain our attention on the Balkans and particularly Kosovo, on which important decisions on standards and status lay ahead. On Afghanistan, Germany would extend its PRT in Kunduz. He thought the ISAF expansion positive, and not late. Schroeder asked that efficiency gains from fusing OEF and ISAF should not be given a higher importance than the problems of legitimacy which would be created in some countries by such a move. On Iraq, Schroeder said the Germany had been involved in training for some time. Germany was ready to assist the new Iraqi Government.

Schroeder said that both NATO and the EU should be forums for discussion of these issues with the United States. There should be no unnecessary competition between them. He referred to his proposal at the security conference in Munich. This had been based on the Harmel Report precedent, and he had suggested the use of outside observers to offer dispassionate advice. Of course this had to be done under the Secretary General's auspices. Schroeder said he was not going back on the idea, but explaining it. His aim was to strengthen both the EU and NATO in the service of the transatlantic relationship.

Zapatero stressed Spain's commitment to NATO and the transatlantic link. Spain was the fifth largest contributor to NATO operations - in Kosovo, Bosnia and Afghanistan. Spain would contribute a PRT in the West and FSB in Herat. In Iraq, Spain was committed to a dignified future for Iraqis and would contribute to training for ISF and civilian personnel.

Zapatero added that progress on the MEPP would be a more significant guarantee of peace and security than any military action. Politics could help to reduce violence and terror around the world.

Zapatero made three further points:

- there needed to be understanding and friendship between NATO, the EU and US. Working together would create the maximum consensus. He was pleased with the language being used by Bush and others today;
- NATO members should work to increase the effectiveness of the UN;

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- in view of the challenge from terrorism, we needed to set the highest standards in upholding our democratic principles in order to maintain the high ground.

Zapatero concluded that there was now an unprecedented opportunity to extend democracy and liberties throughout the world – the threat of terrorism was defeatable.

All other NATO members subsequently spoke. Most spoke of the need to sustain the Transatlantic relationship, of the importance of values, and of NATO's global role. There was also a general welcome for Bush's visit. The main points of the other contributions were as follows.

Norway stressed the importance of acting within international law, and of NATO countries being able to contribute to major emergency relief in response to the UN, eg the Tsunami. He was encouraged by recent moves in the MEPP and believed that NATO could help with training Palestinian security forces, as Abu Mazen had told him. Bondevik pushed the EU/NATO relationship and agreed with the Secretary General that NATO should have a more political role. More political consultation was needed.

The Czech Republic stressed the need for NATO doors to be open to Ukraine. Claus was worried by the expectations versus reality gap there. He was worried about the Balkans; supported the NTM in Iraq; and mentioned the role of the Czech instructors, and the problem of desertion from the ISF.

Belgium made four points:

- the need to start discussions soon on Kosovo's status;
- the need to make a success in Afghanistan. NATO needed a stronger CN strategy, although the issue was economic and societal, not just military;
- the problem of arms exports from the Ukraine needed to be addressed. This was not just small arms but heavy weaponry. A trust fund was necessary to convert these heavy weapons;
- it was not either NATO or EU. There needed to be co-operation between them. The fact that ESDP was being developed was an asset for NATO.

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Denmark said that pursuing democracy met the requirements of both idealism and realism. Denmark was increasing its contribution to ISAF (to the German PRT and probably the Lithuanian PRT). The unity of the Alliance would be tested above all in Iraq. The key issue was building up Iraqi capacity. Denmark would continue to contribute including to the NTM.

Greece was enhancing its presence in Afghanistan through a medical facility available for 18 months. They supported the NTM in Iraq and the trust fund. He welcomed the Mediterranean dialogue. Presumably in a dig directed at the Turks, he stressed that all NATO members would benefit from greater EU/NATO co-operation.

The Netherlands wanted NATO to be developed as a forum for discussion of European and global security. Members should both think and act Transatlantic. The NAC should be used for genuine political dialogue – to consult, not inform. Balkenende wanted NATO to be more ambitious – by defining a long term programme in Afghanistan; by playing a full role in Iraq and the MEPP; by contributing to wider policy goals such as counter-proliferation and strategy towards China. He supported DHS's comments on NATO/EU co-operation.

Slovakia was worried about Kosovo. A signal should be given to Ukraine now. He stressed the importance of the UN and international law, and of EU/NATO relations. Romania also expressed concern about the Western Balkans and Kosovo and the need for a clear European future for Ukraine, without which the forces of darkness there would fight back in 2006. Hungary would contribute to the NTM with trainers and equipment, and was giving 100,000 euros to the trust fund.

Bulgaria wanted UN/NATO/EU co-operation and co-ordination. He stressed the importance of the MEPP and condemned Hariri's murder. He too was worried about Kosovo, which should not become a black hole for the Alliance.

Canada stressed NATO's political role. Actually, after 9/11, a strategy combining defence, development and diplomacy was needed. Canada would continue to contribute in Afghanistan to ISAF and the OEF, and in Iraq (including the trust fund). He supported progress on the MEPP – not a struggle between Jews and Arabs but between extremists and moderates. On Iran, Martin

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said that diplomacy would not work unless the Iranians understood that strong measures, including sanctions, stood behind the present diplomatic effort.

Turkey welcomed the increased frequency of NATO meetings. Erdogan listed Turkish troop levels in the Balkans and committed Turkey to continued support for the NATO mission in Iraq, and a 100,000 euros contribution to the trust fund. He too supported the MEPP and NATO's Mediterranean dialogue (on the latter, a number of speakers said this).

Iceland made a pitch for maintaining Allied solidarity including over air defence (President Bush grimaced).

Berlusconi said that we had to strengthen NATO, and use it to promote our shared values. He detailed current Italian overseas military deployments and said that Italy was willing to do even more if necessary.

Summing up, de Hoop Scheffer said that he had detected strong support around the table for:

- NATO's military operations;
- an effective NATO/EU relationship;
- the strengthening of NATO's political role: Heads of Government should leave it to him to make proposals on how to do that;
- NATO to play a part in the fight against terrorism.

DHS added that NATO did not have the lead role on Israel/Palestine. But it had been much discussed and NATO had a stake in the region, with its Mediterranean Dialogue and Istanbul Cooperation Initiative. The killing of Hariri was destabilising and hence of concern to all Allies.

Finally, on Ukraine, he had detected strong support for an ambitious and constructive path in relations with Ukraine. There needed to be a timeframe and a horizon, all performance-based. He would take this forward.

I am copying this letter to Sir Andrew Turnbull, Sir David Omand, Margaret Aldred and William Ehrman (Cabinet Office), Chris Baker and CDS (MOD), 'C', Eliza Manningham-Buller (Security Service), Sir Peter Ricketts

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(UKDEL, NATO), Sir John Grant (UKREP, Brussels), Sir David Manning (Washington), Sir John Holmes (Paris), Sir Peter Torry (Berlin), Edward Chaplin (Baghdad) and Ros Marsden (Kabul). I should be grateful if the FCO could copy to other NATO Heads of Mission.

Yours ever

Nigel

NIGEL SHEINWALD

Geoffrey Adams CMG
FCO

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From: Antony Phillipson
Date: 21 February 2005

PRIME MINISTER

cc: Jonathan Powell
Nigel Sheinwald
Kim Darroch
Ivan Rogers
David Hill
Sally Morgan
David Quarrey
Grace Cassy
Laurie Lee
Justin Forsyth
Ian Gleeson

YOUR VISIT TO BRUSSELS, 22 FEBRUARY

You will spend a packed day in Brussels on 22 February. The programme is as follows:

- breakfast with Bush, 0745-0845
- bilateral with Prime Minister Erdogan of Turkey, 0905-0925
- NATO/Ukraine Council, 0930-1030
- bilateral with Prime Minister Paul Martin of Canada, 1030-1100
- NAC, 1100-1145 (followed by family photograph)
- NATO Working Lunch, 1200-1415
- bilateral with President Yushchenko of Ukraine, 1435-1505
- 1505-1645, keep free for domestic business
- 1645-1815, EU Council Meeting with President Bush

I have done separate notes for you on breakfast with Bush, and the bilaterals with Erdogan, Martin and Yuschenko. This note covers the two NATO events and the EU Council meeting.

NATO/Ukraine Council

This meeting is not without controversy. Many would rather Ukraine had not requested it. The French in particular are worried about the signal this will send to Russia. Chirac will attend at the start, but will not stay for the whole thing. It is hard to imagine that he will just slip out quietly.

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The format of the meeting will be opening remarks by de Hoop Scheffer and Yushchenko followed by interventions from others who wish to speak. We have arranged a slot for you to intervene in the first half of the meeting. I attach a draft text.

As noted above, you will also be having a separate bilateral with Yushchenko in the afternoon.

NAC and Informal Working Lunch

The NAC will be a formal affair. De Hoop Scheffer, SACEUR, and Chirac (as the Dean) will be the main speakers and Bush will wrap up. De Hoop Scheffer, worried that otherwise it would seem that Chirac was speaking for Europe, has arranged for the Polish and Latvian Presidents to speak as well.

Discussion at the NATO lunch will be more free flowing. It is likely to focus on transatlantic co-operation, Afghanistan, Iraq, and NATO's role in the broader Middle East. A lot of attention will be on how Schroeder handles his ideas on NATO reform following the negative reaction to this last week: the US are trying to fold this into an existing de Hoop Scheffer review.

We have arranged for you to speak second at the lunch after Paul Martin of Canada. I attach a draft text.

After the lunch there will be a press conference involving de Hoop Scheffer and Bush. A NATO statement has also been agreed (attached). You do not need to stay for the press conference.

EU Council Meeting with President Bush

The Luxembourgers have been struggling with how to fit in 25 speakers into 90 minutes. But they have, of course, not been able to find a way to exclude anyone from talking.

Juncker and Bush will make introductory remarks, following which eleven chosen Heads will be invited to speak on specific themes.

The first speaker will be Chirac, on the subject of EU integration. We, and many others, have made clear to the Luxembourgers that this could be risky if it becomes a tract on multipolarity. But Chirac's officials assure us that he does not intend to be confrontational or controversial. Instead, he plans to set out the origins of the EU,

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the values that we aim to promote, and the fact that we have a vital role to play in the world as partners to the US. If he sticks to this, we should be fine. Hopefully the dinner tonight with Bush will give him an incentive not to lecture.

You will speak after Chirac, on the MEPP. I attach a text, although I imagine that you will want to put this in your own words. All of the Heads of State are being urged to limit their remarks to between 3 and 5 minutes.

After you the speakers will be: Schroeder (Iran), Slovak PM Dzurinda (Iraq, bizarrely) and Zapatero (Barcelona process). Juncker will then invite Bush and some other Heads to comment on the broad Middle East package.

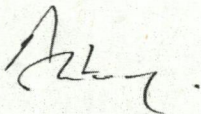
Then will come Schussel (Balkans), the Taoiseach (Russia) and Gyucrsnay (on Ukraine – there was much grumbling including from the US that Kwasniewski is not doing this). Again there will then be a chance for comment/discussion.

The final package has Balkenende (terrorism), Persson (the Millennium Development Goals – which the US hate), and Berlusconi (on the Lisbon agenda – he was originally excluded but was added after an Italian revolt).

Then after a final chance for discussion Bush will be invited to make a final intervention and Juncker will sum up.

Juncker and Bush will be doing a press event after the meeting. The Luxembourg Presidency and the US have been discussing some common press points that each of their Presidents will draw from. I attach the latest US and EU texts. These have inevitably turned into somewhat of a Christmas tree of issues. But the language, stressing our common aims and objectives, and the fact that we need to work together to achieve them, is broadly acceptable.

After the meeting there will be a family photo before the press conference. We are then free to leave.



ANTONY PHILLIPSON

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NATO/Ukraine Meeting : 22 February

- The drafters of the North Atlantic Treaty began by setting out the values which the new organisation would stand for: democracy, individual liberty and the rule of law.
- President Yushchenko's presence here today demonstrates these values are as powerful, and relevant, as they were 55 years ago.
- We have all admired the courage of the Ukrainian people. You and your new government have a golden opportunity to break with the past and move your country decisively forward.
- Britain supports your efforts to introduce economic, social and political reform. We applaud your determination to root out corruption. We encourage you to pursue the goal of making Ukraine a modern European state governed by the rule of law.
- In doing this, you are entitled to expect help from your friends in the Euro-Atlantic community. The NATO/Ukraine Commission has already done some good work to promote defence reform in your country. Detailed proposals now need to be developed to enhance this.

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- Britain will be an active participant in this work. To help rid Ukraine of the legacies of the past, we are contributing £400,000 to a NATO Trust Fund for the disposal of small arms and light weapons in Ukraine. We look forward to widening practical cooperation.
- As partners in the multinational force in Iraq, we are most grateful for the major contribution Ukraine is making to building stability and a better future for the people of Iraq.
- Finally, I welcome your readiness to reach out to your Eastern neighbour. Good, constructive relations between Russia and Ukraine are in the interests of all the countries in this room. There should be no question of competition for influence.
- We look forward to working very closely with you and your government in charting the next steps in developing Ukraine's relations with NATO and the European Union.

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NATO LUNCH: 22 FEBRUARY

- Welcome President Bush's initiative in coming to Brussels. Would like to pay tribute to Jaap de Hoop Scheffer's leadership of NATO.
- Share the sense of new opportunity. But to make the best use of it, must have the right analysis of why the transatlantic community has been so deeply divided.
- In this inter-dependent world, we all face the same threats of terrorism, and the spread of nuclear/chemical weapons. But there have been different responses - over Iraq, and on other issues. It is now urgent to re-establish a unity of purpose. It has to start with a shared assessment of the problems. Then translate into taking action together. Because the Alliance cannot be just a talking shop.
- Forging that new unity of purpose is what I see as our task today. NATO has to be a key place to do it. It is the only transatlantic security organisation. But to ensure coherence, it is urgent that we get EU/NATO cooperation working properly.

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- So I welcome Jaap's leadership in reforming NATO, and in pressing for wider political consultation here. All Allies should bring the difficult issues to the table.
- Where do we as Heads need to bring new momentum to NATO's action? I want to single out two countries where recent elections have given us new opportunities: Iraq and Afghanistan.
- On Iraq, views on the war are deeply and sincerely held on all sides. But we can re-establish a shared agenda in supporting the newly-elected authorities as they come to grips with their many problems. If Iraqi people can succeed, with our help, in building a stable, democratic country, with the communities working together, it will have enormous impact throughout the Middle East.
- Security is the essential precondition for all other progress. That means success in training up the new Iraqi security forces. NATO's mission, although still small, is adding value in the crucial area of senior officer training. So let's all contribute more one way or the other so that it builds up as planned in the months ahead. We are keen to do our bit – contributing trainers to the

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NATO training mission in Iraq and 250,000 euros to the NATO Iraq Trust Fund.

- On Afghanistan, the election of President Karzai has changed the politics. The Parliamentary elections in the summer will be another step away from warlordism. Here too, security is the key. Welcome the success in expanding ISAF to the West. UK will move its main effort from the North to the South as part of further expansion. Look forward to HQ ARRC deploying to ISAF in 2006. We should aim by then to have moved towards bringing ISAF and Coalition forces together, within a single mission that builds on progress made and the unity of purpose which already exists.
- All this progress will be in jeopardy unless we help the Afghan Government succeed in tackling the drugs menace. Not a fight the military can win for us. It is crucially about giving the farmers the means, and incentives, to grow other crops. But that presupposes security. And we must also act against traffickers, middle-men and laboratories. Here the military can and must support the wider effort.

- Finally, a word on wider Middle East issues. We welcome progress made. And are pleased at the way NATO's engagement with broad range of Mediterranean and Middle East countries is developing. Programmes of assistance tailored to the needs of individual countries are the right way to go. Over time, could see these programmes being of benefit to the Palestinian Authority as well.


- Main message from this meeting: we have a new sense of unity in 2005, and this is feeding through into tackling together the problems we face.

Prime Minister – EU Council speaking note

- This is an auspicious moment to speak on the Middle East Peace Process. For the first time in years there is a real opportunity. An opportunity which I know all of us here, US and EU alike, are determined to seize. And an opportunity which can only be realised if we do seize it together
- The US and Europe are each others most important partners. Together the EU and US are a force for good. Together we can do great things. Together we are much more; apart we are much diminished
- We should spare a moment to reflect on what we are already achieving; we can look with pride on the elections in Afghanistan, Iraq, Palestine and Ukraine; where there was despair and division, now there is hope and a future. The US and Europe in different ways were jointly engaged in all of these and we can take pride in these successes
- A lasting settlement to the Middle East Peace Process is the highest priority for many of us here and in the region.

- We agree on the need for a two-state solution. Israel and Palestine living side by side in lasting peace. Israel secure; Palestine free and democratic. We agree on the need for the Roadmap as a means to that end. We agree on the need to support Prime Minister Sharon's Disengagement Plan
- Recent events in Israel/Palestine give us a real cause for optimism. Meeting of PM Sharon and President Abu Mazen at Sharm al-Sheikh saw Israelis and Palestinians agree a cease-fire and commit themselves to the Roadmap.
- London Meeting an important part of the effort to shore up the gains we have seen. Aims to support PA develop economic, security and governance infrastructure. Allows them to set out their programme for reform. Challenges the international community to support them.
- Last week's events in Beirut demonstrated that it is not just the Palestinians and Israelis who would benefit from a successful resolution of conflict in the region.

- Hope that Lebanon will mount a full and transparent investigation.
Important that the international community has complete confidence that it will bring those responsible to justice.

	NATO	INTERNATIONAL STAFF PRIVATE OFFICE OF THE SECRETARY GENERAL
	OTAN	SECRÉTARIAT INTERNATIONAL CABINET DU SECRÉTAIRE GÉNÉRAL

NATO RESTRICTED

18 February 2004

SG(2005)0143-FINAL

To : Permanent Representatives (Council)
From : Secretary General
Subject : **Summit Statement**

Attached is the statement for Heads of State and Government as agreed in our Council meeting this afternoon.

As discussed, this text will remain NATO RESTRICTED until our Heads of State and Government conclude their Summit meeting.

(signed) Jaap de Hoop Scheffer ,

Encl.

NATO RESTRICTED

**Statement issued by the Heads of State and Government participating in a meeting of
the North Atlantic Council in Brussels on 22 February 2005**

We, the 26 Heads of State and Government of the member countries of the North Atlantic Alliance, reaffirm the enduring value of the transatlantic link, renew our commitment to collective defence, and remain united in our commitment to our shared security and common values of democracy, freedom, individual liberty and the rule of law in addressing today's security challenges. Recent elections in Afghanistan, Iraq, and the Palestinian Territories, as well as Ukraine have once again demonstrated, in diverse circumstances, that these values are shared in the aspirations of people around the world.

Afghanistan has turned an important corner in building a stable, democratic and multiethnic state. In support of the Government, NATO is expanding its ISAF operation to the western part of Afghanistan and will provide additional forces for the forthcoming National Assembly elections. We will continue the expansion to the rest of the country, and enhance cooperation and coordination with Operation Enduring Freedom, with a view to increasing synergy and better integrating the two operations.

The Iraqi people have shown enormous courage in shaping their own future at the election booth. Reaffirming Iraq's sovereignty, unity, and territorial integrity, we are united in our commitment to support them and their newly-elected government in their effort to build an inclusive democracy and secure nation. Consistent with UNSC Resolution 1546, all 26 Allies are contributing to the NATO mission to assist in training Iraqi security forces, to hasten the day when they can take full responsibility for the stability of the country and the security of its citizens.

We remain firm in our commitment to stability in the Balkans and see the future of this region firmly anchored in the Euro-Atlantic community. NATO will maintain its strong presence in Kosovo and contribute to the UN-led political process of building a multiethnic, peaceful and prosperous society.

The Mediterranean Dialogue and Istanbul Cooperation Initiative are proving effective tools in enhancing consultations and developing mutually beneficial relationships and cooperation on common security concerns with states of the Mediterranean and Broader Middle East. We welcome the recent positive developments in the dialogue between Israel and the Palestinian Authority and we expect they will benefit the whole region as well as those initiatives.

We intend to develop further our strategic partnership with the EU. A stronger EU will further contribute to our common security. We will enhance cooperation with the United Nations and with other international organizations in our common efforts. We will continue to work closely with Russia, in the framework of the NATO-Russia Council, and with our partners and friends to address common threats to our security.

We met with President Yushchenko and congratulated the people of Ukraine on their commitment to democracy and the rule of law. We pledged continued support and welcomed their aspirations for building a democratic and prosperous Ukraine and strengthening their integration into the Euro-Atlantic community.

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**ANNEX to
SG(2005)0143-FINAL**

We are determined to fight terrorism, strengthen security, and build peace and stability in the Euro-Atlantic area and beyond. We will further transform the Alliance and its capabilities to respond to our common security challenges. We are committed to strengthening NATO's role as a forum for strategic and political consultation and coordination among Allies, while reaffirming its place as the essential forum for security consultation between Europe and North America.

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Elements for EU Press Points

The EU and the US: Working Together to Meet Common Challenges

- Bush visit to the EU offers both sides the opportunity to give new impetus to a Transatlantic relationship focused on the pursuit of common objectives. The Transatlantic relation is irreplaceable and essential for addressing common challenges effectively. Acting together, Europeans and Americans can be a formidable force for good in the world.
- The more the EU-US relationship is based on a real and balanced partnership, the more successful this relationship is.
- A stronger EU will strengthen the strategic partnership between the US and Europe. The success of the euro, EU enlargement, the European Security Strategy and progress in the fields of Foreign Policy/Security and Defence and Justice/Home Affairs are transforming the EU and hence the transatlantic relationship.
- European integration has been a major contribution to building and consolidating an area of freedom, democracy and stability across Europe. The accession of new Member States has enlarged this area. The European neighbourhood policy seeks to promote peace, democracy and stability to the East of the EU and in the Mediterranean region.
- The 10th anniversary of the NTA is a good opportunity to reflect on possibilities to extend this relationship and to find ways and means to strengthen the strategic dialogue on security questions but also on economic and monetary issues.

A forward-looking Transatlantic Agenda

- Peace prospects in the **Middle East** better than they have been for a long time. Look forward to working in close partnership with the US and other Quartet members. Crucial importance of getting back to implementation of the Road Map.
- Gaza withdrawal opens prospects for a negotiated two-state solution as defined in the Road Map and according to the elements defined by the European Council of March 2004. Need to offer a political perspective to both sides: to Israel, peace, security and recognition by all countries in the region; to the Palestinians a viable, democratic, independent and territorially contiguous State.
- Strong EU-US commitment to helping the Palestinians consolidates the structures of a democratic, viable State. The London meeting on March 1 offers an opportunity in this respect.
- Shared objective of a peaceful, stable, unified, prosperous and democratic **Iraq**. Recent elections a promising step in the democratic process, on the road to a new Iraq, in accordance with UNSCR 1546. Commitment to support an inclusive political and constitutional process.
- The EU is pursuing its engagement. The assistance programme presented to the Iraqis on 5 November 2004 as well as the package agreed on 21 February demonstrates this ongoing

support. EU to contribute in the key field of the rule of law (training programme under our European Security and Defence Policy) and, with an additional 200 million euro for 2005, to the rehabilitation of essential public services, to institution-building and to the political process, further to the 300 million euro already engaged. Also ready to help on constitution if so requested by the Iraqis and in full coordination with the UN.

- Common objective is an **Iran** that supports Israeli-Palestinian peacemaking, respects democratic and human rights, contributes to the fight against terrorism, lives up to its NPT obligations, and thus integrates into international community as a constructive player. EU policy of engagement and negotiation seeks to further this objective. EU also considers the opening of WTO accession negotiations would contribute to it.
- Urgent need to solve the nuclear issue. Nuclear weapons in Iran equally unacceptable to EU and US. Need for objective guarantees on peaceful nature of Iran's nuclear activities. The agreement negotiated by some EU Member states and the HR is the most promising avenue in this regard. EU and US are consulting closely. The EU would welcome active US support.
- Both EU and US firmly condemn the attack on former PM Hariri and stress the importance of full implementation of UNSC 1559. Need for a just, lasting, and global settlement of the conflict to include **Syria and Lebanon**.
- Shared objective of political and economic reform, leading to greater democracy and respect for human rights, in the **Broader Middle East and the Mediterranean**. In this context, the Euro-Mediterranean process is to be considered a cornerstone (this year Barcelona's 10th anniversary). New situation in the Middle East and the definition of an ambitious neighbourhood policy will give it fresh momentum. US and EU also working through the Forum for the Future.
- Partnership and "local ownership" are guiding principles in this reform effort.
- Working together to strengthen democracy, development, security in **Afghanistan**, including the fight against drugs.
- Transatlantic cooperation in the **Balkans** is exemplary. Growing responsibility assumed by Europeans accompanied by constant US support. Successful transition from SFOR to EUFOR in Bosnia and Herzegovina shows effectiveness of ESDP and EU/NATO strategic partnership in crisis management.
- Important progress has been achieved in the region. 2005 will be a crucial year, notably on Kosovo and Serbia and Montenegro. Commitment to continued EU-US cooperation and engagement.
- Full cooperation with ICTY remains an essential requirement for rapprochement with the EU and NATO.
- EU negotiation of four spaces with **Russia** underlines our wish to strengthen strategic partnership, based on common values and interests. Welcome upcoming Bush-Putin meeting and EU-Russia Summit as good opportunities for reaching out and working towards addressing outstanding issues.

- EU and US share interest in the EU's and Russia's common neighbourhood moving towards stability and democracy.
- Joint EU-US support to the democratic process in Ukraine has been positive. Acknowledging Ukraine's European and Euro-Atlantic aspirations, EU and US will continue to assist Ukraine on the path of reform while encouraging internal cohesion.
- Transatlantic cooperation on fighting international **terrorism** has been intensive and fruitful in recent years: agreements on extradition and mutual legal assistance, Europol-US agreements, establishment of a consultation mechanism on border security and transports.
- Priority areas for future cooperation include the financing of terrorism, recruitment and assistance to third countries.
- EU and US reiterate their full support for six-party-talks and urge the **DPRK** to rejoin the talks.
- **Millennium development goals** remain a shared, crucial objective. Underline commitment to capacity building, democratisation, human rights and good governance. Need to foster sustainable development, in particular in Africa, using full range of tools. EU is developing its relations with the African Union as a priority. Ready to examine ways of contributing jointly with the US to African security (Sudan, Great Lakes, etc.)
- EU strongly welcomes **report of the High Level Panel** on "Threats, challenges and change". Look forward to consulting with US on this report.
- EU welcomes entry into force of the Kyoto Protocol on 16 February. EU and US interested in developing transatlantic dialogue on **climate change**.
- EU committed to finding a solution to the **visa problem** of some EU Member States, also in the light of the close transatlantic cooperation in the fight against terrorism. Policy has to be adapted to reality of a Union without borders.

Draft Elements for Common Press Points

(US version after UK, Fr and Ger comments)

Transatlantic Community Working Together to Meet Common Challenges

- Strong transatlantic relations vital for Europe and United States; essential to addressing common challenges effectively.
- Share common democratic values, common interests.
- Committed to working together globally for peace, freedom, human rights, development and prosperity: face challenges together.
- Work together effectively through all means available: international institutions, particularly the U.N., NATO, IFI's; U.S.-EU and NATO-EU cooperation; bilateral and other multilateral efforts.

Strong Support for "European Project"

- U.S. and European leaders fully support a strong and growing European Union, and the strengthening of European institutions and capabilities.
- A stronger European Union will strengthen the strategic partnership between the United States and Europe in addressing global challenges.
- We are one democratic, transatlantic community: strengthening one part strengthens the whole.

The Transatlantic Agenda

- Promoting freedom, democracy, human rights, rule of law, good governance, development, strong civil societies, education, thriving economies, and security – globally, and especially in Broader Middle East and North Africa.
- Support objective of democratic Israeli and Palestinian states living side-by-side in peace and security; work through the Quartet for progress on the Roadmap toward this end. The London meeting on March 1, 2005, is an important step.
- Support free, democratic, secure and unified Iraq. Welcome democratic elections; U.S., NATO, UN, individual nations working to support democracy, security; Support new Iraqi government, its institutions, and the Iraqi people as they take charge of their future through an inclusive political process.
- Working together to strengthen democracy, development, security in Afghanistan and pursue the fight against drugs.
- Common commitment, using full range of tools, to fight terrorism.
- Working in concert to prevent WMD and ballistic missile proliferation.
- Deepening our strategic consultations on Iran. Share concern about Iran's nuclear ambitions and support for terrorism. Support aspirations of Iranian people for freedom, democracy, tolerance. Respect of human rights and security are indivisible in Iran, as elsewhere in the region.
- Continuing commitment to strengthening peace stability, democracy and integration in the Western Balkans. Welcome in particular successful transition from SFOR to EUFOR; shows effectiveness of NATO/EU cooperation.

2/21/2005 2:30 PM

- Welcome and support growing democracy in Ukraine; work together to support democracy throughout Europe and Eurasia.
- Seek strategic partnership with Russia; welcome President Bush's upcoming meeting with President Putin and EU-Russia Summit. Will continue to reach out and support advancement of democracy and rule of law in Russia; Russia's relations with neighboring countries must be based on mutual respect.
- Support economic growth, improved governance, and trade reform, which will benefit all, especially the poorest. Underline commitment to African development, using full range of tools to assist them in meeting Millenium Development goals.

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SECRETARY OF STATE

MST 3/1/1/3C

18 February 2005

Dear Antony,

INPUT TO PRIME MINISTERS BRIEF FOR NATO SUMMIT -
22 FEBRUARY 2005

Please find attached some short lines to take on a number of Defence equipment issues covering points that the Prime Minister may wish to make to President Chirac if they meet in the margins of next week's summit. I understand this was discussed earlier today by Desmond Bowen and Nigel Sheinwald.

I am copying this to Nigel Sheinwald, Margaret Aldred and Ken Kehoe.

Yours,

IAN FORBER
Private Secretary

Antony Phillipson Esq
10 Downing Street

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See 18/2/05

RESTRICTED - COMMERCIAL UK EYES ONLY**CVF - UK/FR Co-operation**

- Welcome agreement to investigate potential areas for co-operation between our two carrier programmes, following our meeting in November 2004.
- The recent signing of a Statement of Intent by our National Armament Directors and correspondence between Defence Ministers is excellent news.
- Understand that FR industry team is already in UK examining the suitability of the UK design for FR. They have full access to the necessary data.
- Remains imperative that we do not compromise milestones on either of our programmes.

Background

During their meeting in November 2004, the Prime Minister and President Chirac agreed that we should look to increase the co-operation on our respective carrier programmes - CVF for the UK and PA2 for FR. Defence Ministers subsequently exchanged letters on this issue, which resulted in reaching agreement on the way forward for the third Phase of work investigating opportunities for industrial co-operation. Work has already commenced; the French industry team has been in the UK since 1 February to facilitate access to the CVF design. It has been agreed that UK industry will fund their involvement from their own resources, offsetting costs against future savings while France are funding their own industries' involvement. Phase 3 work is being facilitated through a Statement of Intent which was signed by the Chief of Defence Procurement and his French counterpart on 14 February. An interim report is expected in March, with the final report due in June.

FREMM

- Grateful for your support in the competition to provide the propulsion system for your FREMM frigate. The Rolls Royce bid offers an opportunity for a distinctly European product to succeed in the face of US competition.
- Understand that the final decision has been deferred. Rolls Royce remains committed to offering value for money. We have urged the company to offer the clearest possible pricing structure.

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RESTRICTED - COMMERCIAL UK EYES ONLY**Background**

The two prime contractors for the FREMM programme (a FR/IT Frigate programme), DCN and Fincantieri, have been running a competition to select an engine for the vessels. They will conduct parallel negotiations from 22 February with both potential engine suppliers - Rolls Royce and General Electric. The Defence Exports Services Organisation is exploring what more can be done at Ministerial level between now and 11th March, when the competition is scheduled to complete. However, we know that pressure to contain the cost of FREMM in France is very strong, and RR appear to be at, or very close to, their bottom line.

Future of Thales

- As a major customer, we would expect to be consulted about any change of ownership or control. Understand there are possibilities of merger with either EADS or Finmeccanica.
- We are pleased with the way Thales has managed its UK companies.
- It is important for any merged UK operation to have strong and autonomous management with executive power and influence within the wider company. This is essential for the effective delivery of UK defence projects.

Background

The French Government needs to address the fragmented nature of its own defence industrial sector. In doing so, it wants French industry at the heart of a further rationalised European defence industry. It sees Thales (in which it has a 30% share) as holding the key in addressing both concerns and, to this end, continues to promote a tie up between EADS (Franco-German) and Thales.

Politically, a tie-up between the two companies suits French interests. However, German concerns regarding the political balance at the top of the company and continued French government influence will need to be addressed. Economically, Thales has indicated that they would prefer a tie-up with the Italian defence company, Finmeccanica. The French Government has given 'lukewarm' agreement to discussions between Thales and Finmeccanica as it fails to address the need for French industrial consolidation. On the face of it, A Thales/Finmeccanica merger would raise more competition (anti-trust) issues than Thales/EADS, and both would need examination by the EU competition authorities.

There is no direct UK ownership of either company. However, 12% of the combined companies' revenues would be derived via MoD programmes and we are therefore a significant stakeholder in the proposals. In the UK, EADS is not as integrated and does not have as strong a business focus as Thales UK. As such, the MoD would wish to see any merged entity in the UK being managed via the Thales, rather than EADS, model.

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Peter.Ricketts@fco.gov.uk

16 February 2005

Sir Nigel Sheinwald, KCMG
No 10 Downing Street
LONDON SW1

Dear Nigel,

GERMANY/NATO

1. Many thanks for copying to me your letter of 15 February to John Sawers on the Mutzelburg debrief on Schroeder's Munich speech.
2. I would like to say first that, as the oldest of NATO hands, I was not in Munich!
3. Let me take up your challenge to suggest how Schroeder might make his point here on 22 February. This is important if, as seems the case, he is determined to pursue his point. We could do without open disagreement between Germany and the US (I'm told Rice's reaction was very negative).
4. The key point seems to me that Schroeder should recast his point to show that he is supportive of de Hoop Scheffer, not cutting across him. This is not easy from where the Germans are now starting. But Schroeder could say something like:
- he fully backs de Hoop Scheffer's drive to reinvigorate NATO's political consultations, and to reform the organisation to keep it relevant to today's threats;
 - he also wants to see effective cooperation between the EU and NATO, the two main players on international security issues. Better EU/US consultations would complete the triangle;
 - if we were still left with important security issues for Europeans or Americans which were not being properly debated, then we had a problem. But first, we should step up consultations using all these channels. DHS and Solana should pursue.

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Or something like that.

Yours ever,

Peter

Peter Ricketts

cc: Desmond Bowen, Policy Director, MOD
Margaret Aldred, Cabinet Office
Katrina Williams, Cabinet Office
Sir Peter Torry, Berlin
Sir John Holmes, Paris
Sir John Grant, UKRep Brussels
Sir David Manning, Washington

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Revised version
file



10 DOWNING STREET
LONDON SW1A 2AA

Foreign Policy Adviser to the Prime Minister,
and Head of the Defence and Overseas Secretariat

22 February 2005

Dear Geoffrey

PRESIDENT BUSH'S VISIT TO BRUSSELS: 22 FEBRUARY

As you know, President Bush was in Brussels today at NATO and the EU. We and the posts concerned have reported these meetings separately. The Prime Minister thought that President Bush's decision to make an early visit to Europe had been vindicated. His speech in Brussels on Monday had set the scene effectively, and Bush performed with confidence, humour and skill in the various meetings today.

You will have noticed that his formulations on MEPP, Iraq, Iran, and G8 issues in particular owed a good deal to the advice he had sought from the Prime Minister. The mood of the meetings was positive, and Chirac and others were on their best behaviour. By setting out what he did believe in and was prepared to accept, eg on climate change, Bush sometimes surprised his critics – witness Persson's comments at the European Council meeting.

So the Prime Minister felt that this was a worthwhile day. He is grateful to everyone involved on the UK side in London, Brussels and Washington, and elsewhere, in preparing for today's meetings and getting a good result both for US/European relations and for the UK.

I am copying this letter to Chris Baker (MOD), Sir Andrew Turnbull, Margaret Aldred and William Ehrman (Cabinet Office), 'C', Sir Peter Ricketts

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- 2 -

(UKDEL, NATO), Sir John Grant (UKREP, Brussels), Sir David Manning (Washington) and Sir Emyr Jones Parry (UKMIS, New York). I should be grateful if you could copy as necessary to other posts.

Yours ever,

Nigel

NIGEL SHEINWALD

Geoffrey Adams CMG
FCO

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BUNDESKANZLERAMT



Bundeskanzleramt

Bundeskanzleramt, 11012 Berlin

To the
National Security and
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BETREFF

*We (you) were meant to get this
yesterday. I think their e-mails
went astray.*

Berlin, 14. Februar 2005

Dear Colleagues,

you will have seen reports about the speech of Chancellor Schröder at the Munich Security Policy Conference. Unfortunately the speech had to be read by Defense Minister Struck because the Chancellor was ill.

In this speech (attached please find a copy of the German original and an English translation) the Chancellor reconfirmed the importance of a vital transatlantic relationship to address the new global challenges. To be able to do this the fora and institutions of this relationship should be adjusted to the new conditions of today's foreign and security policy, in particular to the need to define security in a much larger sense than military only.

Contrary to some commentaries he did not – and did not want to – put into question the continuing importance of NATO for a vital transatlantic relationship. To the contrary he wanted to re-vitalize and renew the transatlantic partnership and give NATO the central role for the necessary strategic dialogue.

The Chancellor's proposal of a high ranking panel of elder statesmen (which should report to NATO and the EU) is but a procedural proposal towards this end

*cc: JTB, KA, SQ, GC
Margaret Albrecht CO*

15/2

*(letter only)
(fax)
1) cc: John Danner
for
HMA Berlin
Sir J. Danner
Sir P. Riechers*

*2) AP
File
16/11*

SEITE 2 VON 2

to his colleagues in the run up to the meetings of NATO- and EU/US-HOSG on 22nd February 2005 where we all want to lay the ground for a renewed and focused transatlantic relationship.

A panel of high-ranking experts similar to the blue ribbon panel of the UN-SG might help us in this joint endeavour.

Best regards

(Bernd Mützelburg)



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12. Februar 2005

Speech

by Federal Chancellor Gerhard Schröder

at the opening of the

41st Munich Conference on

Security Policy

Saturday, 12 February 2005

delivered by Federal Minister Peter Struck

Translation of advance text

Ladies and gentlemen,

The terrible tsunami disaster in Asia generated a unique ground-swell of sympathy, solidarity and readiness to help all around the world. In common with many other governments, the German Government acted quickly and in a spirit of solidarity. This disaster made it abundantly clear to us that we live in one world.

In this one world, we undertook in the United Nations Charter "to unite our strength to maintain international peace and security". Today our security is threatened by the proliferation of weapons of mass destruction, regional instability and failing states. However, poverty and underdevelopment pose no less a threat. This has created ample breeding ground for international terrorism. The new dangers are causing tensions and can have an impact on any part of the world. That grim truth was brought horrifyingly home to us by the terrorist attacks in the US on 11 September 2001, in Madrid on 11 March 2004 and in Beslan last September.

But one thing is certain: we can only successfully master the new challenges if we tackle their root causes – and we must do so together, in a comprehensive manner and with a view to prevention. The fight against international terrorism must not be limited to military and police measures. Our commitment must help overcome the modernization crisis in many parts of the world, not least in the Islamic-Arabic countries. We should do so not with public admonitions but, rather, with encouragement and support for their own efforts.

Promoting democracy, the rule of law, good governance, economic and social development, education opportunities, women's rights and the protection of the sources of life on our planet play a prominent role in security policy today. We are pursuing these objectives together with our partners in the Middle East and through the G8 programme "Broader Middle East and Northern Africa" initiated by President Bush. Federal Foreign Minister Fischer presented the German proposals for this initiative here in Munich last year. They were expressly welcomed by many partners on both sides of the Atlantic and in the region.

Ladies and gentlemen, one thing is certain: We will only master the challenges of the 21st century if transatlantic relations, the close ties between Europe, Canada and the United States are – and remain – intact. Only then will we also achieve the major international objectives which our governments have set themselves. That was true during the long years of the Cold War and it is still true in today's fundamentally different world.

The maxim continues to apply: close transatlantic ties are in the interests of Germany, Europe and America. However, we cannot look to the past when it comes

to translating this maxim into practical policies, as is so often the case when transatlantic loyalty is professed. Rather, we must adapt to the new circumstances.

Every now and again during the last few years, there have been misunderstandings, strains, mistrust, even tensions across the Atlantic. I suspect that these were due not least to the fact that this process of adjustment to a changed reality has still not been completed. The changes are considerable, and some are even dramatic.

Not only the United States, but also Europe, need no longer fear a military attack on its borders today. The American military presence, which at that time both provided protection and represented a token of close solidarity, is no longer the security policy priority that it used to be. However, it continues to be of political significance.

In fact, the strategic challenges lie today beyond the North Atlantic Alliance's former zone of mutual assistance. And they do not primarily require military responses. In Asia, China and India are emerging as new world powers whose weight will have an impact not just on the region but on global politics. And the enemies we face together are no longer functioning states with a defined territory but the new global risks.

But it is not only the environment for Atlantic cooperation which has changed. The ensuing responsibility of the two states which, as it were, were the linchpins of this cooperation for many decades, namely the United States and Germany, has also changed. You, ladies and gentlemen of the US Congress, know best how your country's view of the world and perception of its role has altered during the last few years.

My country, too, sees its international role in a different light. As part of the European Union, Germany today feels that it shares responsibility for international stability and order. And our active commitment in numerous crisis regions around the world demonstrates that we Germans are living up to this responsibility. At present, some 7,000 German troops are being deployed abroad.

However, this responsibility also brings with it a right to be involved in decision-making. Our wish to see Germany become a permanent member of the UN Security Council derives from the need to base responsibility on legitimacy.

I believe that the transatlantic partnership must take such changes into consideration. And, to be honest, it does so insufficiently at present. This becomes clear when we look at the institutions which are supposed to serve this partnership. The admission of new members is proof that NATO continues to be attractive. And NATO's presence in Afghanistan has highlighted how helpful its military organization can be even in distant crises. However, it is no longer the primary venue where transatlantic partners discuss and coordinate strategies.

The same applies to the dialogue between the European Union and the United States which in its current form does justice neither to the Union's growing importance nor to the new demands on transatlantic cooperation. I hope that new impetus will be generated in both areas on 22 February when the US President visits Brussels.

Today, no-one can produce ready answers. However, we should focus with even greater determination and resolve on the task of adapting our cooperation structures to the changed conditions and challenges. To this end, the governments of the European Union and the US should establish a high-ranking panel of independent figures from both sides of the Atlantic to help us find a solution. UN Secretary-General Kofi Annan set us an example by establishing such a panel to deal with the necessary reform of his organization.

This panel should submit a report to the heads of state and government of NATO and the European Union by the beginning of 2006 on the basis of its analysis and proposals, the necessary conclusions could then be drawn.

Ladies and gentlemen, in many regions of the world, not only major security challenges but also opportunities lie ahead. In Iraq, the elections held on 30 January marked an important step along the road towards the establishment of democratic political structures. The political process must now be vigorously continued and put on a broader basis. Only the participation of all political, ethnic and religious groups can provide any hope of lasting stability.

In Iraq, the international community is facing the considerable task of stabilizing the country, with repercussions for the entire region. Germany is making an important contribution towards this. Its share in the Paris Club debt relief for Iraq amounts to 4.7 billion euro. We are involved in the political and economic reconstruction and launched successful programmes to train and equip Iraqi soldiers and police officers very early on. Indeed, we were the first to do so. Due to the considerable advantages of conducting this training in the region, we are carrying out this project in and with the cooperation of the United Arab Emirates.

In Afghanistan, the presidential elections last October paved the way for national consensus. The forthcoming parliamentary elections offer hope of this country's further stabilization and democratization. The sustained support of the international community continues to be indispensable. At the same time, however, Afghanistan must, and can, gradually assume greater responsibility, also in the spheres of security and counter-narcotics policy.

Within the framework of the obligations it entered into in the Alliance, Germany will maintain its political, financial and military commitment in the long term and help ensure that the Alliance lives up to its tasks. In Afghanistan, we are prepared to

support the progress made towards stabilization by assuming greater responsibility, especially in the north of the country.

2005 will also be a key year in the western Balkans where the European Union is increasingly engaged. Lasting stabilization of this region can only be achieved through close cooperation between the European Union, NATO, the UN and the OSCE. This applies to Bosnia and Herzegovina and, above all, to Kosovo. Around mid-year, it will be decided whether and when negotiations on the status issue can begin. It is up to political leaders – both Albanians and Serbs – to create the prerequisites for an acceptable solution.

We will lend our support to a solution which is both realistic and points the way ahead. Above all, this includes a long-term constructive European perspective based on European values and standards, such as protection of minorities, the repatriation of refugees and decentralization. The European perspective applies to Kosovo and to the entire western Balkans.

In the Middle East, the election of the Palestinian President Abbas and Israel's readiness to withdraw from Gaza have opened a window of opportunity for the revival of the peace process. The cease-fire agreed upon in Sharm el Sheik must become permanent. The Road Map remains the key framework for the peace process. Our goal must be to ensure that Israelis and Palestinians live together in peace in two independent and recognized states. We welcome the declared intention of the US to make an active contribution without which a solution cannot be found. Europe, too, and Germany in particular, are aware of their responsibility and are prepared to support the process.

Ladies and gentlemen, we must prevent the development and proliferation of weapons of mass destruction, which are in violation of international law. To this end, we must ensure that every state complies with the Non-Proliferation Treaty and that there are no gaps in the non-proliferation regime. We remain committed to preventing a nuclear arms race in the Middle East.

The negotiations with Iran, which we are conducting together with our British and French friends and the European Union, are intended to serve this objective. We are strongly committed to making the process a success. That would entail objective and verifiable guarantees from Tehran that its nuclear programme serves exclusively peaceful purposes. Our American friends share this goal.

I strongly encourage the US Administration to actively support the Europeans' diplomatic efforts. We must overcome Iran's massive isolation. For Iran will only abandon its nuclear ambitions for good if not only its economic but also its legitimate security interests are safeguarded. In order to achieve this, it will be necessary to work with our American partner and in a dialogue with the region to develop sustainable security structures for the Gulf region.

Ladies and gentlemen, German foreign and security policy is determined by our geographic and political location at the heart of Europe. We are formulating it in Europe, for Europe and from Europe. It is in Germany's, as well as the international community's interests, that the European Union assume greater international responsibility. The step towards creating its own set of political and military instruments with the European Security and Defence Policy is therefore necessary.

The European Union is assuming an increasing number of security tasks in close coordination and cooperation with NATO. It has already demonstrated this in several missions. A strong European pillar guarantees Europe's loyal partnership in the transatlantic alliance and its willingness to share the burden of tasks. This is also in the vested strategic interests of the US.

Ladies and gentlemen, one of the fundamental truths of European politics is that security on our continent cannot be achieved without, and certainly not against, Russia. Since the sea change of 1989/90, we have managed to remodel our relations with Russia and moved away from Cold War confrontation towards ever more comprehensive cooperation – in political, security and economic terms. Given the historical background, this could certainly not be taken for granted.

Russia itself has made considerable progress during the last few years, despite the enormous problems and difficulties which such an unprecedented transformation inevitably brings with it. The West has a vital interest in a democratic Russia which plays a constructive role in resolving global issues.

That is why we are working with Poland towards a truly strategic partnership with Russia, a partnership made to last which will include all key areas and benefit both sides. The NATO-Russia Council shows what opportunities lie in close security cooperation.

It would send a far-reaching message if the European Union and Russia were to agree on the content of a strategic partnership in all key areas at the EU-Russia summit on 10 May – one day after the ceremony to mark the 60th anniversary of the end of the Second World War. We will do all we can to achieve this goal.

The fresh democratic start in Ukraine also offers new opportunities. Developments in this European country are of great importance to the stability of Europe as a whole. We therefore have a vital interest in an independent, democratic, market-oriented Ukraine which develops close relations based on trust with the European Union and Russia. We will support President Yushchenko in this and assist him in his policy of reform and national reconciliation.

Ladies and gentlemen, no country in the world can successfully tackle the new international challenges on its own. We need a strong and effective multilateral

system for this, one which provides a reliable framework for cooperation and solidarity between states and guarantees good global governance.

I am convinced that the international community will succeed in mastering these challenges. Germany is prepared to make its contribution and to live up to the international responsibility which we are expected to shoulder. Thank you for your attention.



SECRETARY GENERAL
LE SECRÉTAIRE GÉNÉRAL
Jaap de Hoop Scheffer

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DSU
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Min/m

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SG(2005)0127

14 February 2005

Dear Prime Minister, Dear Secretary,

The upcoming NATO Summit on 22 February will provide a timely opportunity to renew Allies' strong commitment to transatlantic relations and highlight NATO's importance as the main forum for political consultations on transatlantic security. Significant developments have taken place since the Istanbul Summit and we can discuss the many issues on our common agenda and demonstrate progress on key issues we are dealing with.

Our first meeting on 22 February will be a discussion with President Yushchenko. This meeting will be an occasion to exchange views with the newly elected President on his vision of the future of the NATO-Ukraine Distinctive Partnership and the ambitious reform agenda he has set forth. It will also provide an opportunity to discuss international security issues of mutual concern.

This meeting will be followed by the North Atlantic Council session at 26. At their recent meetings in Brussels and Nice, NATO Foreign and Defence Ministers have prepared the ground for our discussions on issues on the agenda of the international community.

The groundbreaking elections in Iraq have created a new momentum and a strong impetus for our attention on the future of this country and there is transatlantic cohesion on helping the emergence of a stable and democratic Iraq. Following up on the positive discussions held by NATO Foreign and Defence Ministers last week, we should consolidate NATO's contribution to this process. In particular, we should continue the full implementation of the Istanbul decisions

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regarding the training and equipping of the Iraqi security forces inside and outside Iraq, including covering the related cost.

Another critical issue that deserves our focused attention is Afghanistan. We should exchange views on a post-Bonn strategy in support of President Karzai's government and NATO's role in that process. This includes ISAF support to the upcoming elections and the ongoing expansion of ISAF. We should welcome the stage two expansion (West) and look forward to stage three (South).

Through the Mediterranean Dialogue and the Istanbul Cooperation Initiative NATO has undertaken to cooperate, in a spirit of co-ownership, with the participating countries on security issues of common interest. Our recent consultations with several of these countries have laid the groundwork for building positive relationships and improving the perception of NATO in the region. These initiatives have gained even more importance in the light of the recent positive developments, in particular the new dialogue between Israel and the Palestinian Authority. After the constructive discussion on the broader Middle East region by our Foreign Ministers, I look forward to exchanging views and ideas with you on this key topic.

Following up on the Defence Ministers' meeting last week, I also wish to ask for your support in maintaining the momentum of NATO's transformation process and drawing to a conclusion the long-lasting debate regarding the basis of nations' financial contributions to NATO. The resolution of this debate will assist us in a range of issues, including an expansion of the use of common funding for key aspects of NATO operations.


From a more general point of view it might be useful to underline the importance of NATO's cooperation with the European Union and other international organisations in carrying out its operations and missions and strengthening its partnerships.

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Finally, during their separate working lunch, Foreign Ministers will have an opportunity to focus on relations with Ukraine following our meeting with President Yushchenko; on relations with Russia; and on the situation in the Balkans including Kosovo.

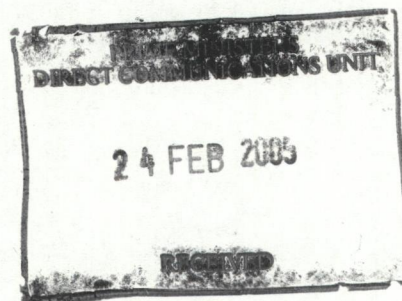
I look forward to seeing you in Brussels on 22 February.

Yours


Jaap de Hoop Scheffer

The Right Honourable
Tony Blair, M.P.
Prime Minister of the United Kingdom of Great Britain and Northern Ireland
London

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LONDON SW1A 2AA

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Foreign Policy Adviser to the Prime Minister,
and Head of the Defence and Overseas Secretariat

15 February 2005

Dear John

GERMANY/NATO

Bernd Mutzelburg (Foreign Policy Adviser to Chancellor Schroeder) telephoned me on the evening of 14 February.

Mutzelburg was unapologetic about the Chancellor's speech to the Wehrkunde meeting. He failed to understand why suggesting a panel to look at something should be regarded as explosive. When Kofi Annan had done the same thing, everyone had applauded. He blamed the "old NATO hands" who flocked to such meetings.

Bernd said that the Chancellor's intention had been to avoid just repeating the same old stuff about transatlantic values, and do something. Schroeder wanted to be proactive, and had come up with a procedural proposal. The idea of an international panel was in any case in the air, following a proposal (not followed up) by Barnier some months ago.

Bernd ended by saying that Schroeder's intention was to ensure a strong NATO, by making sure that it engaged in debate on the real issues of the day. He expected that Schroeder would refer to this briefly at the Bush/NATO meeting next week.

I commiserated with Bernd personally over the firestorm. In the press reports I had seen, German representatives had seemed taken aback by Schroeder's comments. Again, Bernd saw nothing to be sorry about - the Chancellor did not want to make speeches which were 100 per cent predictable.

Comment: It seems that Schroeder is committed to saying something on this on the 22nd. The least made of it the better, probably. If the FCO or MOD

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have any clever suggestions as to how he should do it, I could easily pass these on to Mutzelburg.

I am copying this letter to Desmond Bowen (MOD), Margaret Aldred and Katrina Williams (Cabinet Office), Sir Peter Torry (Berlin), Sir John Holmes (Paris), Sir Peter Ricketts (UKDel NATO), Sir John Grant (UKRep Brussels) and Sir David Manning (Washington).

Yours

Nigel

NIGEL SHEINWALD

John Sawers CMG
FCO

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10 DOWNING STREET
LONDON SW1A 2AA

**SUBJECT
MASTER
Filed:**

From the Private Secretary

2 February 2005

Dear Geoffrey,

**PRIME MINISTER'S MEETING WITH NATO SECRETARY-GENERAL
JAAP DE HOOP SCHEFFER, 2 FEBRUARY**

The Prime Minister met Jaap de Hoop Scheffer at No10 this afternoon. He was accompanied by John Murton, Barbara Rutgers (both from his private office) and James Appathurai (NATO spokesman). Nigel Sheinwald, Peter Ricketts and I were present on our side.

Iraq

De Hoop Scheffer (DHS) expressed his condolences for the loss of British lives in the C130 crash. It was especially shocking that this had happened on a day of such good news in Iraq. What was our latest information was on the elections? Nigel said there were no firm results, but the Sistani list had done well – it may even win an absolute majority of seats. This could lead Allawi to give up any ambition of staying as Prime Minister. But we had to see – if his list won 40-50 seats that could be enough for him.

DHS said this was an important time for NATO. Condi Rice would be in Brussels on 9 February, Defence Ministers would meet 9/10 February and the Summit would be on 22 February. His priority was to finalise a training plan for Iraq that included contributions from all 26 members. This could be via training in Iraq, outside Iraq – ideally all in Jordan under a single NATO “label” – or by putting money into one of the three trust funds. This would represent fulfilment of the commitments made in Istanbul.

The Prime Minister agreed that getting the training plan right in Iraq was of paramount importance. He noted that Bush had spoken to Chirac and Schroeder after the elections. Both had been positive about the need to make progress on this. We had to reach the stage where the ISF could take on and defeat the insurgents. It would only be when security improved that the pace of reconstruction and economic development could improve. The real problem in the ISF was not numbers but the quality of their leaders and middle ranking

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officers. DHS noted that the Australian Foreign Minister had told him that they were embedding officers with ISF units to address this. Nigel said we had done this as well in MND(SE), and it was likely to be part of the US strategy that emerged in the next few weeks. Peter noted that NATO was particularly strong in the area of officer training. The Prime Minister added that we needed to use all the Iraqi talent that we had available – we should not be prescriptive on whether or not they had been Baathist for example. Sunni outreach would remain a key part of our Iraq policy.

DHS reiterated his hope that at the Summit we could agree the overall training package, with a solid contribution from all NATO members under a clear NATO label. This would require some to refocus their effort – eg the Germans would need to move from the UAE to Jordan – and he hoped the Prime Minister would use any contacts with the key players before then to support this. Many were making the right noises, but we needed action. The mere fact that Bush was at the Summit was good, but people would still ask what the substantive outcomes were. The Prime Minister agreed. He hoped that DHS would be involved in discussion of the emerging Iraq strategy.

Afghanistan

DHS said the Summit deliverable should be agreement to the package to complete Stage 2 of ISAF expansion and some commitment to Stage 3 including a form of words on bringing ISAF and OEF together. Talking of a merger would breach a German red line. Ultimately it should be a single NATO mission. The Prime Minister agreed. Peter said we saw our taking command of ISAF in 2006 as a key date in this process. DHS welcomed this. He thought Bush might push this issue at the Summit – DHS would talk to Schroeder beforehand.

The Prime Minister added that the counter narcotics effort was of vital importance. It was the biggest threat to Afghanistan's development. Karzai was committed to dealing with it but there was huge corruption in the system around him. DHS agreed. He noted that we also needed to address the issue of what came after the Bonn process that ended with the parliamentary elections. We had to get the EU, G8 and other donors committed for the long term.

Returning to Stage 2 expansion, DHS said that the Lithuanians had volunteered to lead a PRT, but there was a lot of unhappiness in Lithuania about having to take the Chaghcharan PRT, and if they did not get significant support

they might well change their mind. He hoped we could help them. Nigel said that MoD were carrying out a recce now. The Prime Minister said we would do whatever we could.

EU/NATO

DHS said this was another high priority for him. Turkey was blocking any NATO discussion with the EU because of Cyprus. This meant that a lot of EU thinking on related issues, eg battlegroups, was not being discussed with NATO. We had to resolve this. In particular the US needed to put pressure on Turkey, although the US/Turkey relationship was not great at present. The Prime Minister agreed that this situation had to be resolved. His priority was that the EU should only act when NATO chose not to – there had to be a close strategic dialogue of the key issues. The mere impression that the EU and NATO were not communicating was unacceptable. Nigel suggested that DHS raise this with Rice. Peter noted that he would be going to Ankara in the next few weeks to try and progress the issue. DHS welcomed this. He hoped it might be possible to include something on this in the declaration on 22 February.

MEPP

DHS said that the NATO Mediterranean dialogue was going well. He expected Bush to raise this at the Summit. There was a link to our efforts on the MEPP as NATO could have a role to play in any agreement between Israel and Palestine. Israel was also looking to enhance its relationship with NATO, and DHS said there needed to be a balance with NATO's links to the Arab world.

The Prime Minister said that Bush would want to use his trip to Europe primarily to restate the importance of the transatlantic alliance. An important theme would be the need to promote democracy in the Broader Middle East. US policy was evolving and centred on "security founded in democratic values". Bush would see the deliverables from the NATO meeting – Iraq and Afghanistan – plus the likely Ukraine meeting as clear manifestations of this agenda. On the MEPP, he expected Bush to set out a vision for it might play out and the conditions on which, assuming they were met, the US would base their engagement. Security would be the most important condition – Israel would never do anything to endanger its security. DHS agreed. He asked what we thought progress on the MEPP might mean for NATO in the region – could NATO train Palestinian security forces as they were doing in Iraq and Afghanistan. The Prime Minister said that in principle yes, but he was not sure

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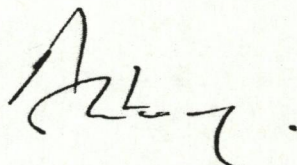
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the question would arise just yet. Nigel noted that the bottom line was what was required from the international community as a whole – now it was CT and policing, so in the short term the Egyptians would lead on this, with some support from us and others on CT issues. There was a clear long term question for NATO, though, about how it, and the EU, developed its relationship with Israel and Palestine.

Comment: DHS was clear in what he hopes to have agreed for the Summit on 22 February. It matches our priorities. The Prime Minister was clear that he would want to respond positively to the request for support for the Lithuanians – please could we have advice from MoD on this.

I am copying this letter to Margaret Aldred and William Ehrman (Cabinet Office), Chris Baker, Desmond Bowen and Rob Fry (MoD), PS/"C", Moazzam Malik (DfID), Sir Peter Ricketts (UKDel NATO), Sir David Manning (Washington), Sir Emyr Jones Parry (UKMis New York), Sir John Grant (UKRep Brussels), Edward Chaplin and Gen Kiszely (Baghdad), Ros Marsden (Kabul), Simon MacDonald (Tel Aviv), John Jenkins (Jerusalem), Sir John Holmes (Paris), Sir Peter Torrey (Berlin).

Yours,



ANTONY PHILLIPSON

Geoffrey Adams CMG
Principal Private Secretary
FCO

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PRIME MINISTER

From: Antony Phillipson

Date: 2 February 2005

**cc: Jonathan Powell
Nigel Sheinwald
Kim Darroch
David Quarrey
Grace Cassy
David Hill
Ian Gleeson**

MEETING WITH JAAP DE HOOP SCHEFFER, 1645 2 FEBRUARY

You are meeting NATO Secretary General Jaap de Hoop Scheffer (DHS) at 1645 today. He will be accompanied by John Murton, Barbara Rutgers (both from his private office) and James Appathurai (Spokesman). Jonathan, Nigel, Peter Ricketts and I will sit in. During his visit DHS will also meet Jack Straw and Geoff Hoon, as well as Lord Robertson. He will also make a speech at the Cambridge Union.

This meeting is well timed. DHS' immediate focus will be on a meeting of Defence Ministers in Nice on 9/10 February and the Bush Summit on 22 February. He will be keen to use the latter to secure concrete progress, particularly on Afghanistan and Iraq, and will look to us for help.

Key issues for tomorrow:

Afghanistan: The Lithuanians need assistance to establish a PRT in the west of Afghanistan (Chaghcharan) which would enable DHS to announce the completion of Stage 2 ISAF expansion on 22 February. He has asked us to provide 10 military personnel with PRT experience. The MoD is working through the details and will carry out a formal reconnaissance to establish the feasibility of this. DHS may also ask us for your views on bringing ISAF and OEF closer together. We want to see full unity of command – we take over ISAF command in 2006, but the US are not ready and the French and Germans are worried about the possibility of drawing their troops into a combat role. In the absence of unity we would want at least to see as close cooperation as possible. DHS may urge us to move our PRT from the North to the South as part of Stage 3 ISAF expansion – Geoff Hoon hopes to be in a position to announce this in Nice.

Our other priority is the counter-narcotics strategy. The ISAF plan permits CN

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activity but some nations (eg Germany) are nervous about this fearing that it will breach their mandate and raise force protection issues. At the least, DHS needs to ensure that nations encourage commanders to increase information sharing on poppy growth and locations of labs/stockpiles to enhance Afghan interdiction efforts. More actively, ISAF forces are also empowered to seize contraband when they come across it in the course of their activities.

Iraq: DHS wants to enhance NATO's programmes for training of Iraqi Security Forces inside and outside Iraq; and providing equipment. We are already providing 11 trainers for the NATO Training Mission in Iraq (NTM-I). DHS may ask us to provide 5 more. We have 4 trainers at the Iraqi Military Academy who could be incorporated into the NTM-I in due course but for now it would be hard to offer more. You could note that this is an issue that needs to be considered in the context of the review of the Iraqiisation strategy – and that we need to get more Allies involved to build broader ownership of NATO's contribution (eg the Portuguese and Dutch who are withdrawing from the MNF-I). DHS is also seeking contributions to a Trust Fund to support training by others and procurement of equipment. His focus will be on those who are not contributing already, but he may suggest that the UK could offer a pump priming contribution. We will do something, but again he needs to press those who are not yet contributing at all.

DHS may ask for your views on the "reconfiguration" of the MNF following the elections and increased ISF capabilities. We agree that reconfiguration will be necessary after the election, and as we are able to accommodate an increasing role for the ISF. We, and the US, are reviewing this in the light of the Luck report.

NATO Reform: DHS sees this is an important issue. You should encourage him to set out a vision that pulls together the various strands of reform. The main focus is on streamlining decision making (NATO has over 360 committees). This will only happen if he takes personal responsibility for it.

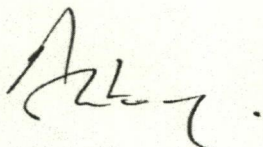
EU/NATO: DHS shares our concern at Turkey's refusal to sit at the same table as Cyprus in EU/NATO meetings and the negative impact on strategic co-operation. You could ask whether he thinks the 22 February Summit is an opportunity to resolve this and how. You could note that there are occasions when cooperation has been effective, eg the UK-led EU mission to Bosnia.

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Kosovo: DHS wants NATO to play a more political role in Kosovo as we approach the mid-2005 Review of Standards – it is KFOR who will pick up the pieces if things go wrong. We agree – NATO should, for example, join the Contact Group. DHS needs to continue lobbying Kofi Annan on this point, as we are doing.

Ukraine: Ukraine has asked for a NATO/Ukraine meeting in Brussels on 22 February. Ukraine and Russia, by virtue of their special relationship with NATO have the right to seek these meetings so it is essentially impossible to refuse. I spoke to the White House last night – they are resigned to this, even though it could make their meeting later in the week with Putin even more difficult.

A handwritten signature in dark ink, appearing to read 'Antony Phillipson', with a stylized flourish at the end.

ANTONY PHILLIPSON

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From the Ambassador,
Sir Peter Westmacott, KCMG, LVO

02 February 2005

Sir Peter Ricketts KCMG
UKDEL NATO

BRITISH EMBASSY
ANKARA

Şehit Ersan Caddesi 46/A
Çankaya, Ankara, Turkey

Telephone: 0090 312 455 3202
Facsimile: 0090 312 455 3320

Email: Peter.Westmacott@fco.gov.uk

Dear Peter

EU/NATO: TURKEY AND CYPRUS

1. When we spoke this morning, I said that I would be writing with an update in advance of your meeting with SecPol and others in London tomorrow.
2. I have spoken again to Nabi Şensoy, the relevant DUS in the Foreign Ministry. He reported that the debate I described in my letter of 26 January continues to rage within the MFA, and that difficult discussions are continuing with the TGS. There were two main problem areas. First, getting across (mainly to the military) the real implications of failing to unblock EU/NATO cooperation, and what doing so does and does not mean for Turkish bottom lines; second, overcoming the strong resistance of the TGS, and some others, to making any further concessions on Cyprus in the absence of movement from the other side (or the EU) since the Greek Cypriots blocked the Annan plan last April.
3. Şensoy thought they were still some way from agreeing a way forward. He was conscious of the real advantage of making a solution a deliverable for the NATO Summit on 22 February, and of your kind offer to visit Ankara to help find a way through. His plan was to get an agreed position hammered out in Ankara, and then to share it with the US and UK privately before putting ideas to the rest of the Alliance. He saw no point in your coming out just yet, but has pencilled 14/15 February into his diary as a possibility. Şensoy commented that this timing still gave the Turkish side a bit of time to resolve their differences, but wasn't too late to fix things before 22 February.
4. When I again underlined the importance of not missing this month's opportunity, Şensoy said he would welcome any ideas that we might like to share with him, on a personal basis, while the debate continued in Ankara, in advance of your possible visit. I said I might well take him up on this. As you and I discussed this morning, I think it would be useful if one of the outputs of your meeting tomorrow was a short paper, written for Turkish readers, summarising the need for a resolution of the problem, and suggesting ways of meeting Turkish concerns. I know Ajay is already working on Turkish "carrots", and there is of course some useful material in the attachment to your letter of 18 November. So I hope this isn't too much to ask.

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5. I think it would be helpful if the note could also say something about the practical value of a Turkish decision to unblock, given their and others' view of the importance which the French attach to the fig-leaf which the status quo provides for their pursuit of autonomy/divergence; and the continuing absence of bilateral security agreements between Cyprus/Malta and NATO.

6. My earlier comments about the need for US help with the heavy lifting still apply. Edelman still has not been instructed to lobby the Turks, and Doug Feith, Undersecretary at the DoD, did not make the case during his calls on the Foreign Minister and VCDS this week. Edelman tells me, however, that Gul mentioned the EU/NATO blockage to Feith as one of the issues which he was finding it difficult to resolve in the absence of any forward movement on Cyprus by the Greek Cypriots. It would help if the issue featured in Condi Rice's talking points when she is here on 5/6 February.

7. To recap: if you could let me have something to hand over to Şensoy in the next couple of days, I will take it down to him – keeping my US colleague in the picture – and urge him to regard a visit by you/Tim Barrow on 14/15 February as the best (and last) opportunity to come up with a solution before the Summit.

Yours ever

Peter

Peter Westmacott

cc: Sir Nigel Sheinwald, No 10
John Sawers, DG Political, FCO
Hugh Powell, SecPol, FCO
Julian King, UKRep Brussels
Tim Barrow, EU-X, FCO
Thomas Drew, EU-X, FCO
Ajay Sharma, SecPol, FCO
Stephen Pattison, Director, FCO
Matthew Taylor, Washington
Desmond Bowen, Policy Director, MOD

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1 Feb 05

VISIT TO UK BY NATO SECRETARY GENERAL 2-4 FEB 05SUPPLEMENTARY MOD POINTS FOR PRIME MINISTER'S BRIEFAfghanistan - Support to Lithuanian PRT

1. Sec Gen is likely to ask the UK to help the Lithuanians mount a Stage 2 PRT in Afghanistan. Any UK decision will be dependent upon the outcome of a reconnaissance, the balance of the UK's wider commitments and confirmation that NATO still wishes to establish a PRT in Chaghcharan, given that some reports suggest it may be considering abandoning the idea.

- **If raised:** state that the MOD will consider, without obligation, assisting the Lithuanians to mount a Stage 2 PRT in Chaghcharan in Ghowr province. A reconnaissance will be required to establish feasibility. ✓

ISAF support to counter narcotics

2. We need to reassure Sec Gen that the UK is committed to Afghanistan in the longer term, both in counter-narcotics work and through the ARRC deployment in 2006.

- An early impact on the drug problem must be our overriding priority. We must encourage NATO Allies and ISAF to support counter-narcotics activity on the ground, with as flexible an interpretation of the NATO Operational Plan as possible within operational constraints.

UK-led ARRC HQ takeover in 2006 and UK PRT effort moving from north to south

3. MOD is working on our commitment to deployment of the ARRC in 2006.

- Defence Secretary hopes at Nice to be able to declare the UK's willingness to refocus our existing military effort from the north of Afghanistan to the south, between September 2005 and April 2006;
- Though we remain committed to ARRC's deployment to Afghanistan, we are not now in a position to ~~commit to lead Stage 3~~ *to command ISAF yet* ✓

Can UK contribute further instructors to the NATO training mission in Iraq?

4. The Sec Gen is likely to ask for five more UK personnel to fill the (50 person) shortfall in NTM-I. We have already raised our original offer from 8 to 11 posts, partly to encourage others to make good the shortfall. This is as many instructor/trainers as we can provide without damaging our own training and force generation process. We are willing to consider incorporating the existing UK

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020 7218 7140

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contribution (4 personnel) to Iraqi Security Force training at the Iraqi Military Academy at Al Rustimayah into NTM-I in due course. But for now it is prudent for Sec Gen to look at those currently drawing down MNF-I commitments (especially the Dutch and Portuguese). The PM should also reaffirm support for Sec Gen's efforts to broaden participation of Allies, specifically through training outside Iraq and through Trust Funds.

- We support the Secretary-General's efforts to broaden participation of Allies and suggest asking those not yet contributing to contribute to training outside Iraq and to the Trust Funds.
- The UK is not in a position to provide additional personnel to NTM-I.

Outline for UK ideas on further NATO reform.

5. PM should:

- Congratulate de Hoop Scheffer for grasping NATO reform. We really need a streamlined and flexible NATO Headquarters that truly fits the modern vision we have for the Alliance. He can be assured of the UK's support – and we encourage him to be radical in his ideas;
- Say that De Hoop Scheffer will be able to see for himself (when he visits the MOD tomorrow) how a new headquarters building can act as a catalyst in changing working culture and structures.

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United Kingdom Delegation
to the North Atlantic Treaty
Organisation
OTAN / NATO

NATO/OTAN

Autoroute Bruxelles Zaventem
1110 Brussels

www.nato.int/uk

Tel: 0032 2 707 7572

Fax: 0032 2 707 7236

Peter.Ricketts@fco.gov.uk

28 January 2005

Sir Nigel Sheinwald, KCMG
No 10 Downing Street
LONDON SW1

Handwritten: useful advice. The PM
will want to have answers to
DHS' requests / ideas. Please
make sure that map + few
prepare our position quickly.

Dear Nigel,

Handwritten: 2) see: AP

Handwritten: 3) back rd - w/ end!

Handwritten: Nigel Sheinwald
28/1

DE HOOP SCHEFFER : WHAT'S ON HIS MIND

1. The NATO Secretary General will be seeing the Prime Minister on 2 February and the Defence and Foreign Secretaries on 3 February. The visit is a good opportunity to prepare for the NATO Summit on 22 February, preceded by the Rice visit to Europe (including NATO on 9 February) and the NATO Defence Ministers' meeting on 9-10 February. De Hoop Scheffer (DHS) is encouraged by the signs of an improving transatlantic climate, and focussed on the issues where NATO can contribute by concrete actions. He looks to us for help in this. His agenda (very much in line with our own) is as follows.

Afghanistan

2. ISAF expansion is now going better. Three European nations (Italy, Spain, Lithuania) have offered to lead PRTs in the West, in addition to an existing US one. The Lithuanians look like having to go to the toughest spot. DHS is keen that the UK should help the Lithuanians by offering up to 10 military personnel with experience of our PRTs for six months or so. I have put this request to CDS, and MOD are arranging a recce. DHS will be keen to get a positive reply in London.

3. Expansion to the West would clear the way for the NATO Summit to concentrate on broader strategy for supporting the new Afghan Government. The Prime Minister will want to reiterate the overriding priority of making an early impact on the drug problem, including support from ISAF up to the limit of the current Operational Plan (ie not proactive involvement in eradication). DHS buys this, but needs help in bringing more reluctant allies such as Germany along. He also welcomes the prospect of the UK-led ARRC HQ taking over ISAF in 2006. He is interested in the prospects of the UK moving its PRT effort from the North to the South as part of that. And he wants to use the 22 February Summit to get

Handwritten: examples

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momentum behind the proposal to bring the US coalition forces into ISAF. But he sees the point that we should not mortgage the Summit to achieving that now. X

Iraq

4. DHS will be in London just as the election results are coming out. His aim for 22 February is a forward-looking discussion focussed on making a success of the NATO Training Mission, with all allies contributing to training inside the country, or outside, or subscribing to Trust Funds. NATO has been doing senior level training in the Green Zone since last summer. Plans are agreed to expand this effort to around 160 trainers. The UK has offered 11. There is still a shortfall of about 50 and DHS is trying to fill that by getting all allies who are already in Iraq to contribute 4 or 5 more trainers. He knows how stretched we are but will probably still ask. He hopes those not in Iraq will take the lead on the Trust Funds, but would welcome a pump-priming UK contribution.

+ our 1 country training

EU/NATO

5. DHS is frustrated that the EU and NATO are still not working well together except in the purely military area where the Bosnia handover went well. One problem is Turkey's refusal to sit at the same table as Cyprus in joint EU/NATO meetings. DHS welcomes the fact that we are pushing the Turks on this. He wants Heads of Government in both settings on 22 February to make clear the importance they attach to wider EU/NATO cooperation.

Middle East

6. The NATO Summit will not be a forum to discuss Israel/Palestine in detail. But DHS would be interested to explore in London (perhaps with the Foreign Secretary) whether NATO's expertise on defence reform could at some stage help build Palestinian security structures. This would mean the US accepting a NATO/Palestinian Authority relationship. As part of an eventual settlement, there would also be the prospect of a closer Israel/NATO relationship and possibly NATO-led monitoring.

Balkans

7. DHS has ensured KFOR are braced to deal with the repercussions of a Haradinaj arrest. In this year of increased tempo in Kosovo diplomacy, he wants NATO to play a political role in an enlarged Contact Group, since KFOR picks up the pieces if things go wrong.

Reform

8. DHS has picked up (largely from the UK) the bug for further reform of NATO. He has already improved the budgetary process (and brought in budgets flat in real terms in

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2005). Now he wants to tackle other unreformed bits of the NATO machine. It's best that he should lead this, with UK in strong support. I know that the Defence Secretary plans to write in support of DHS's efforts and this would be a good subject to discuss at the Defence Secretary's lunch with DHS.

9. I am copying this letter to Geoffrey Adams, FCO and to Chris Baker, MOD and Margaret Aldred, OD Secretariat.

Yours ever,

Peter

Peter Ricketts

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already recd

SPM
cc: MR
NS

CABINET OFFICE

70 Whitehall, London SW1A 2AS

Telephone: 020 7276 0289 Fax: 020 7270 0201

Email: david.balston@cabinet-office.x.gsi.gov.uk

David Balston

Defence & Overseas Secretariat

Jonathan Sedgwick

7 January 2005

NATO CRISIS MANAGEMENT EXERCISE CMX 05

1. NATO will conduct a crisis management exercise (CMX 05) from 26 January to 1 February 2005. The scenario is designed to focus upon use of the NATO Response Force (NRF) concept in a Crisis Response Operation (CRO), to include in-theatre civil-military cooperation and civil support activities. It will also exercise information operations, media handling, CBRN defence capabilities and use of the NATO Crisis Response System (NCRS).

INVOLVEMENT

2. CMX 05 will be conducted at the strategic Political-Military level, including strategic and operational planning at the Military level, and is based upon a UN-mandated and NATO-led CRO outside the Euro-Atlantic area in order to reduce tension between two generic non-NATO states. It will involve NATO Allies (capitals and delegations), relevant NATO Committees, including the Secretary General and Ambassadors. Within the UK, exercise play will be led by the Defence and Overseas Secretariat, Cabinet Office within the Government Emergency Rooms (GER) and involve the Ministry of Defence, Foreign Office, Civil Contingencies Secretariat, Department for International Development, Home Office and, to a lesser extent, other Government Departments. Seven PfP nations will also be involved; Armenia, Azerbaijan, Croatia, Finland, Ireland, Sweden, Switzerland and the Former Yugoslav Republic of Macedonia.

AIMS AND OBJECTIVES

3. The overall aim of CMX 05 is to exercise agreed and evolving NATO crisis management procedures, measures and arrangements related to Alliance consultation and collective decision-making at a time of crisis, in order to maintain and improve the Alliances's ability to manage crises. The crisis will be set in an environment which includes the risk of conventional conflict and an asymmetric dimension such as the threat of terrorism and the use of WMD against deployed NATO-led forces.
4. The national objectives for CMX 05 are to test the effectiveness of the UK's crisis management arrangements and communications between the GER and the UK Delegation to NATO, including UK MILREP staff, and the various participating Government Departments.

VISITORS/MEDIA

5. Observers have been invited from the EU, NATO and OSCE to visit NATO HQ during the conduct of the Exercise.
6. Historically, media interest in NATO crisis management exercises has been low key.
7. I have copied this brief to the **Private Secretaries of the members of DOP(IT)(R)**, Nigel Sheinwald, Margaret Aldred and Ken Kehoe.



DAVID BALSTON
COMMANDER ROYAL NAVY

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Foreign &
Commonwealth
Office

London SW1A 2AH

3 December 2004

recd already

Dear David,

MNF Withdrawals in 2005

Nigel Sheinwald ~~has~~ asked for a strategy for lobbying the Dutch to reverse their decision to withdraw from the MNF in March next year. In our strategy we also focussed on the prospect of Czech and Portuguese withdrawals in February next year. These are less significant in military terms but cumulatively risk presenting an impression of a shrinking MNF.

This in turn risks being misinterpreted, both by the insurgents - as a sign they are winning - and, by a wider audience, as a vote of no confidence in the newly elected Iraqi government. This will be especially true as they will come hard on the heels of a Hungarian withdrawal (though it will redeploy half of their number as support to the new NATO training mission) and potentially of a Ukrainian withdrawal (the Ukrainian parliament voted overwhelmingly on 3 December to pull out their troops).

We believe we should concentrate more effort in the next month on lobbying the Czechs and Portuguese. In response to UK/US lobbying last summer, the Czechs extended their (92 strong) Military Police deployment by two months to end-February 2005. But they are under considerable financial and political pressure to withdraw on schedule; it will be uphill work getting them to change course. They might be open to persuasion to contribute to the NATO training mission in Iraq (marginally less sensitive domestically, and with some of the costs defrayed by the US and NATO), which is well short of its target of 2000 personnel by mid-2005. They might also agree to add to the 10 medical personnel they are retaining in Iraq after February.

The Portuguese meantime may be susceptible to lobbying. Given the opposition of their President to the deployment, and the new prospect of elections in February, we judge it unlikely that they will extend their deployment in MNF-I; but they may be willing to move their gendarmes across to form part of the NATO mission in Iraq. So long as the troops remain in Iraq contributing to the international effort, this is not a serious loss. Training outside Iraq is of course a much less satisfactory outcome.

... We suggest that the Prime Minister write to Gross and Santana Lopes using the enclosed draft - ideally before 9 December, when the Czech Defence Minister is in London; and that he should then follow up at the European Council on 17 December. You are separately considering a proposal for a meeting with Gross, which would give the opportunity to put across the message on Iraq and on various EU issues as well.

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In the meantime the Foreign Secretary will approach the Czech and Portuguese Foreign Ministers either at the NATO Ministerial on 9 December, or at the GAERC on 13-14 December. Geoff Hoon has agreed to see the Czech Defence Minister Kuhn during his visit to London on 9 December. Finally, a call from Nigel Sheinwald to his Portuguese equivalent, Nuno Brito, could give advance notice of the Prime Minister's letter and reinforce the lobbying of HMA Lisbon (which included a call on Brito on 29 November) as well as prefiguring Brito's own visit to the US, when he will meet Condi Rice and others.

Co-ordination with the US will be very important: without the US adding their voice to ours, we will not get far. The Embassy is discussing our lobbying approach with State, but it would be useful to coordinate with Condi Rice as well – if possible, agreeing with her a reference in both letters that the US shares our view, and agreeing a joint line to take with Brito. We are investigating whether Lord Robertson, who is visiting Prague on 8 December, could specifically raise then the idea of a Czech deployment to the NATO mission in Iraq.

I am copying this letter to Chris Baker (MOD).

A handwritten signature in blue ink, appearing to read 'Kara'.

A handwritten signature in blue ink, appearing to read 'Kara'.

(Kara Owen)
Private Secretary

David Quarrey Esq
10 Downing Street

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DRAFT REPLY TO CZECH PRIME MINISTER GROSS

We have much appreciated the Czech contribution in Iraq over the past two years, through your field hospital, medical staff and Military Police. I was grateful for your decision last summer to extend your contribution to February next year. I appreciate that there are other pressures on your military and that they are making a valuable contribution in the Balkans and Afghanistan. I know too that despite the planned withdrawal of your 92 military police, 10 Czech medical staff will remain in Basra. Nonetheless, I urge you to consider whether you could make a larger commitment for the remainder of 2005.

The recent Sharm el-Sheikh conference offers a good backdrop for a concerted effort to hold elections in January to a new Iraqi Transitional Assembly. These elections of course will not be the end of the political process in Iraq. This comes with the subsequent elections to be held in December 2005, under the terms of Security Council Resolution 1546. The role of the Multi-National Force meantime will change, and we hope diminish, as the Iraqi security forces grow in their ability to maintain security and stability in their own country. Its presence however is still necessary. Although many parts of Iraq are relatively peaceful, the security situation overall presents a number of challenges. We expect that it will still do so in 2005.

As Iraqi capacity grows, we can reduce the MNF presence in Iraq. But this must happen steadily, and without sudden departures that can be misinterpreted by the insurgents as a sign that they are winning in their fight against the building of peace and democracy in Iraq. I believe that this approach will be helped by a continued substantial Czech commitment to the international security effort there. As you know, we face the possibility of Dutch and Portuguese withdrawals in the first three months of next year. I am encouraging them also to reconsider.

I know that we did not ask you last summer for an extension of your mandate in Iraq beyond February 2005. Nonetheless, the expansion of the Petraeus training programme and the establishment of a NATO training mission present us with new opportunities to help the Iraqi security forces. The continued insurgency shows the importance of doing so. We welcome the training you are offering in the Czech Republic but believe the value, symbolically and practically, of training within Iraq itself makes it important for this to continue as well. NATO in particular is short of contributions in Iraq and your contingent of Military Police – who have done excellent work in training the Iraqi police – would be valuable either as trainers or as force protection. I wonder if you might consider deploying forces to this NATO training mission instead of withdrawing them.

I look forward to the chance to discuss this with you further at the European Council on 17 December. I understand that the Foreign and Defence Secretaries may also take opportunities in the meantime to speak to their counterparts.

[Gerard Russell, IPU, 7008 1549]

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**DISTRIBUTION OF LETTERS AND MINUTES
VIA PRIVATE OFFICE DESPATCH**

GARDEN ROOMS – to tick boxes once actioned	Write your initials here
Minutes + sensitive letters – Print out top copy for DCO [plus copy for Secret & Personal float folder if document cannot go on electronic float]	✓
Save in adviser's Word directory	✓
Email to copy recipients Nigel would like the records of his talks with Condi Rice to be distributed whenever possible by email and only records classified Secret should continue to be faxed. All records classified Confidential – Personal should have a covering caveat as follows: This letter is classified CONFIDENTIAL – PERSONAL and it's contents are sensitive. Please respect the classification, <u>do not distribute it any further by email, and copy it only to those with a real need to know.</u> Do not disclose the contents to other US interlocutors.	
Email to internal/blind copy recipients and note list on file copy Iraq – MR JP NS DQ NI – JP MR TK EU – MR JSW JP IR NS – Condi notes – Jpo IR KD AP LIL GC Dhill DQ SM Mdocherty NS Bush VT notes – JP SM NS MR Mdocherty DQ Diary letters – NS MR SM JP NC DQ LL notes always copied to NS JP MR and usually Ian Gleeson (Press) depending on classification/personal caveats RL notes copied to MR JSW JP	
Add to Matrix – amend attributes and heading	✓
Copy to electronic float folder	✓
Move to DCO Inbox	✓
Minute – Top copy by hand to DCO	
Letter – File copy to DCO marked with bccs + initials	✓
Other instructions to Duty Clerk (ie fax document to overseas recipients/not emailed to MoD etc) PLEASE FAX TO UKDEL NATO	
DUTY CLERKS ACTION	
Collect any paper attachments from adviser's tray	
Minutes – Print paper copies for JPo/IR/SM/other F/BUP/PR (if personal etc)	
File copy to boxing tray	

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10 DOWNING STREET
LONDON SW1A 2AA

Foreign Policy Adviser to the Prime Minister,
and Head of the Defence and Overseas Secretariat

27 September 2004

Dear Simon

NATO AIR POLICING

Following your letter to Peter Ricketts of 6 September and his reply of 7 September, I gather the departments concerned have developed an agreed position and that there is no need for a meeting. I support both our offer of the deployment of RAF aircraft to the Baltics to take a share of the rotation, and the review of NATO air policing policy. The point about relations with Russia is a serious one. The NATO review needs to take account of the new security environment. While we should have no truck with Russian bullying, we should avoid a confrontational approach to NATO's neighbour.

I am sending copies of this letter to General Rob Fry (MOD), Desmond Bowen (Cabinet Office), Peter Ricketts (UKDel NATO), and David Richmond (FCO).

Yours

Nigel

NIGEL SHEINWALD

Simon Webb
MOD

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CENTER FOR THE STUDY OF THE PRESIDENCY

AP
ALS
JPO

September 9, 2004

HONORARY CHAIRMEN:
GEORGE H.W. BUSH
JIMMY CARTER
WILLIAM J. CLINTON
GERALD R. FORD
RONALD W. REAGAN

Via Facsimile

Mr. Antony Phillipson
Foreign Affairs Private Secretary
Office of the Prime Minister
Number 10 Downing St
London, SW1A 2AA
UK

Dear Mr. Phillipson:

I apologize for this letter's delay. After such a spectacular trip, a bit of August housekeeping was in order.

It was a pleasure to meet with you and share our ideas for the future of the Transatlantic Alliance.

CSP will work with Ambassador Burns and senior NATO leadership to call for a reinforced NAC with Secretary Ridge, Director Mueller and their Allied counterparts before the end of the year. We hope this marshalling of political will and sharing of best practices will better the common defense – starting with each of our homelands. We are grateful to the German Marshall Fund for supporting our efforts.

I am confident that a reinforced NAC will foster greater unity of perception and effort in homeland defense among Allies. Working with USNATO and the International Staff in the coming year, CSP hopes to convene unofficial consultative groups to reach similar accord on a broader scale. A second track in which Allies could move beyond past acrimony to think out of the box would help reconcile perceptions of NATO's future. Only then will NATO be able to move towards a 21st century threat assessment and complementary strategy. Mark Joyce at the Royal United Services Institute and I are planning a joint project in this area.

We hope to collaborate with you in the near future.

Excelsior,

Sincerely,

S. Wesley Cross II
Assistant to the President and
Special Projects Director

RESTRICTED

File.

From: Peter Ricketts
Date: 26 July 2004

cc: Kate Smith, Iraq Security Sector
Unit, FCO
Sarah Beaver, DGISP, MOD
Anthony Phillipson, No 10
Edward Chaplin, Baghdad
Int Brian Campbell
Kevin Broadley

Reference: //2004

To: Helen Walker

cc: NS
DQ
VPO

SUBJECT: NATO/IRAQ

1. A long talk this evening with my French colleague, d'Aboville. He says that he can sell to Paris an agreement this week to set up a mission of evaluation. For the French, this would not be a permanent NATO presence, but would be renewable provided the case for doing so was made. He accepted that in addition NATO should play a role in coordination of offers of training, but saw this as much better done out of SHAPE rather than Baghdad. He would not get Paris agreement to double-hatting. If a close relationship with the MNF was so vital, why not just admit the truth that NATO would add nothing in Iraq to what the MNF were already doing?

2. I told him that after Istanbul we were beyond arguments like that. Our objective also was to get the mission on the ground. We wanted to avoid the implication that it was simply a temporary, visiting affair but would not insist on explicit wording that it was the start of a permanent mission. On double-hatting, I explained that our military advice was that this was the safest course, given the absolute need of any NATO team for force protection and life support from the MNF. But we saw the difficulties of achieving double-hatting of General Casey this week and were willing to look for an interim fix with the final command and control issues to be pursued in the light of the team's report in September. I noted that the Americans were several notches more hard over on the double-hatting point. We would want to hear the US case and judge the reaction to it around the Council table. Later in the week, we would need to see where the scope for compromise lay.

Peter Ricketts

— Gem: not as restrictive as Fr
Want action asap.

Peter Ricketts
UKDel NATO

Page 1

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10 DOWNING STREET
LONDON SW1A 2AA

File 2111A

THE PRIME MINISTER

20 July 2004

Dear Jaap,

Thank you for your letter of 28 June about the new NATO Headquarters project.

I agree that the new HQ is important and overdue and I share your frustration over the extensive delays to the project. We too had hoped for more progress by Istanbul.

I therefore welcome the efforts you have made to restructure the internal management of the project and to push for early signature of a contract with the architects. The UK is content to approve both the restructuring arrangements and the contract. With the tender for the Project Management Team now issued, these three key pillars for taking the HQ project forward should soon be in place.

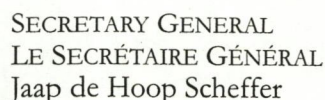
Once the project management restructuring is complete, and contracts signed, we should allow the experts to get on with the project. We are willing to lobby Allies and support your efforts in pushing forward the project.

Yours sincerely,

Tony

Mr Jaap de Hoop Scheffer

6



SG(2004)0836

3. K'k.

Dear Prime Minister,

23/11
No 10
28/6

mentioned during today's working session of the North Atlantic Council. I am

As I mentioned during today's working session of the North Atlantic Council, I am writing to you in regard to the new NATO Headquarters project in Brussels. Since this is not strictly a political issue, I chose not to raise it during the limited time available this morning. But it is a matter of great importance to NATO staff and national delegations and also to the effectiveness of our organisation.

Our existing HQ has long been outdated, costly to run and it is increasingly difficult to meet the necessary safety requirements. Recent enlargements have, of course, had implications for the already limited office and meeting space.

At the Prague Summit, NATO leaders set a deadline for selection of a design for the new HQ. An excellent design was subsequently chosen. But the project has encountered difficulties and delays. The last six months alone have seen us encounter five months of delay.

As the person ultimately responsible for the project, I want to ask you for discretion to push forward with the project in the manner I best see fit. I do not intend to change the original design for the project, but do seek to change the way in which the project is managed at NATO – with the aim of reducing your Government's exposure to delays and cost over-runs.

Yours sincerely

Jaap de Hoop Scheffer

The Right Honourable Tony Blair, M.P.
Prime Minister of the United Kingdom
of Great Britain and Northern Ireland
London

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Foreign &
Commonwealth
Office

London SW1A 2AH

12 July 2004

Dear Matthew,

New NATO Headquarters Project

You asked for advice on the 28 June letter from the NATO Secretary-General.

De Hoop Scheffer's letter expresses his frustration over the continuing delays to the Headquarters project and seeks the Prime Minister's agreement for him to push forward with the project as he "sees fit". The Foreign Secretary remains very concerned about this project and would like the Prime Minister to reflect this in his reply, particularly as we understand that the Secretary General plans to carry out a radical review of the project. Emerging thinking from his Private Office indicates that this might involve scrapping the current procurement model and using procedures similar to NATO's infrastructure projects to persuade the Belgians to complete the project on NATO's behalf. We have reservations about this course of action.

What we want

We want to press on with the project using the current procurement method and revised management structure. Whilst this is not perfect, we have worked hard with Allies and the Secretary General's Office to improve the project management structures, contracts and overall transparency. To change substantially the procurement method at this late stage would inevitably lead to further delay as nations scrutinise the new arrangements. Handing over the project to the Belgians could also limit transparency and nations' ability to influence the overall direction of the work. This would reverse the improvements we have worked for and would likely draw criticism, including within the UK, e.g. from the Office for Government Commerce. It is unclear in the Secretary General's thinking how much risk he would expect the Belgians (as opposed to nations) to assume, were the project to become a Belgian responsibility.

... The enclosed draft letter therefore advocates that we should press on with the current arrangements but acknowledges that, should current delays continue, we would consider more radical proposals.

Background on the Headquarters Project

NATO agreed to build a new HQ building at the 1999 Washington Summit. The current building is well past its designed service life, does not meet with health and safety requirements, and is too small for the enlarged

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Alliance. Following the decision, NATO initiated a design competition, which was won by an international consortium SOM Assar, in January 2003.

Structure & procurement

A traditional procurement method was chosen over the PFI arrangement we advocated. The NAC has delegated day-to-day oversight of the project to an AdHoc Committee. NATO's role as client is represented by in house construction experts known as the Internal Management Group (IMG) who will deal with the architects and the private sector Project Management Team (PMT) once both are appointed. The PMT will manage the project on a day to day basis.

Problems

The project has been subject to a number of delays and difficulties, mostly down to poor management and political differences. A US/Belgian spat over the law of Universal Competence (now ended) effectively stalled progress in 2003. The American IMG Project Director was censured for awarding consultancy contracts without prior financial clearance. The architects estimated project costs were flawed and the IMG had not specified adequate security standards in the initial design brief. The lack of a board level "champion", Project Management Team and the confused management structure with blurred areas of responsibility between the IMG and CDT all contributed to the delay. In recent months France, has been responsible for most of the delays in the Ad Hoc Committee

Costs

NATO's design brief called for architects to submit plans with a construction cost of €320m, of which the UK would bear a 12.92% share. Independent cost consultants (Babtie) were appointed by NATO to review the SOM+Assar plans and found that they had used below market figures in their costings. Babtie re-valued the SOM+Assar construction costs at €480m. But by choosing the cheapest possible configuration that would meet NATO's needs allies have reduced this construction estimate to €398m. But once fees, risk and contingencies are added the full programme costs amount to around €700m (UK share of c€90.44m). It should be noted that these figures are "soft" estimates. Only after detailed design work is complete will cost estimates firm up.

Way forward

The UK has conducted an Office of Government Commerce "Gateway" style review on the handling of the project. The review issued several recommendations and highlighted project management structure, procurement model and oversight as being critical to the project success. The review has

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been shared with NATO SG Private Office. We are actively helping to shape the restructuring of the IMG, seeking to place UK staff within its structure and will insist upon the removal of its American Director (whom we view as part of the problem, not the solution). We have clarified the responsibilities of IMG and CDT and pushed for the PMT to be in place by the autumn. We have also agreed the cheapest building specification that meets NATO's needs. We have worked closely with allies to bring order to the project. But with the project nearing the go ahead point the French have increased their delaying tactics. We need to remind allies that this is not an exercise in perfection and press on with the project before further delays increase costs substantially.

Where we are now

We are closer to getting "NATO's house in order" by agreeing a much improved project management structure that suits British needs. The architect's contract is near final though the French are insisting on reopening negotiations on the architect's fees. It is flexible enough to allow a general contractor to be co-opted to help with in the design phase, a key UK requirement. The PMT Invitation to Tender has been issued and despite French attempts to extend the date for submitting bids, should be let in the autumn.

Once the contract with the architects is signed, the project will commence the detailed design phase. This will firm up costs, and lead to a further investment decision point six months or so later. The combination of a revised management structure, a signed architects contract and the appointment of the Project Management Team will allow the IMG to be empowered to manage the project, thereby enabling nations to take more of a back seat in monitoring the project.

Any fundamental change to the procurement model would almost certainly be a recipe for further delay (and cost) as nations seek to evaluate the revised structures. It may therefore be best if the Secretary General's review focussed on improving existing management structures rather than starting anew.

I am copying this to Mark Bowman (HMT), Chris Baker (MOD), Desmond Bowen and Ian Fletcher (Cabinet Office) and Sir Peter Ricketts (UKDEL NATO).

*Yours ever,
Jonathan*

(Jonathan Sinclair)
Private Secretary

Matthew Rycroft Esq CBE
10 Downing Street

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1. ~~NS~~
2. ~~GR~~ *Land pl.*

PM

MR
14/7
closed NATO
Brussels

DRAFT LETTER TO THE
NATO SECRETARY GENERAL JAAP DE HOOP SCHEFFER

Mr de

Thank you for your letter of 28 June about the new NATO Headquarters project.

I agree that the new HQ is important and overdue, and I share your frustration over the extensive delays to the project. We too had hoped for more progress by Istanbul ~~and remain very concerned that the project remains beset with problems that, if unresolved, will jeopardize its overall viability.~~

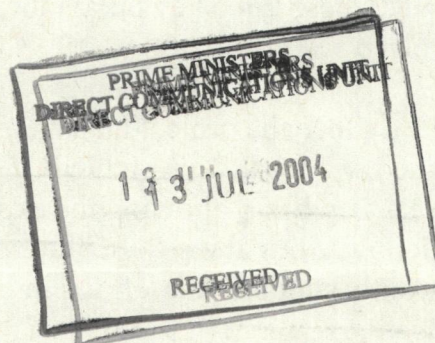
I therefore welcome the efforts you have made to restructure the internal management of the project and to push for early signature of a contract with the architects. The UK is content to approve both the restructuring arrangements and the contract. With the tender for the Project Management Team now issued, these three key pillars for taking the HQ project forward should soon be in place.

closed
ant Once the project management restructuring is complete, and contracts signed, ~~we would expect the IMG to be empowered and national authorities to take a step back, allowing the experts to get on with the project. We are willing to lobby Allies along these lines if you would find that helpful. We will certainly support your efforts in pushing forward the project in a timely and effective manner.~~

I understand that you are considering carrying out a further radical review of the project. We will be ready to consider any proposals arising from this. Our experience, however, is that a fundamental change to the agreed procurement strategy at this stage may risk further delays and additional cost, which, given the current state of the project, would be in no one's interest.

[Scott Strain, SecPol, 7008 3149]

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10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

30 June 2004

Dear Peter,

I am writing to thank you for all that you and your team did to make my visit to Istanbul for the NATO Summit this week a success. As you know, I had not been to Istanbul before, and I was very impressed by what I saw and by the way the Turkish authorities organised the events.

I know how much hard work goes into these visits behind the scenes, and am very grateful for all involved. Please could you pass on my thanks to Barbara Hay, Peter Cook and the excellent team from the Consulate who worked extremely hard to ensure that everything ran smoothly.

Yours ever,

Tony

Sir Peter Westmacott KCMG LVO

Shirley Macleod

From: Matthew Rycroft
Sent: 30 June 2004 15:54
To: Garden Rooms
Subject: FW: Istanbul

please can one of you do a nice letter to P Westmacott mentioning these people, for me to see in draft. thanks

-----Original Message-----

From: Gavin Mackay
Sent: 30 June 2004 15:41
To: Matthew Rycroft
Subject: RE: Istanbul

I think we should just thank "Barbara Hay, Peter Cook and their excellent team from the Consulate"

-----Original Message-----

From: Matthew Rycroft
Sent: 30 June 2004 15:07
To: Gavin Mackay
Subject: RE: Istanbul

ok - who should he name in the PW letter?

-----Original Message-----

From: Gavin Mackay
Sent: 30 June 2004 15:03
To: Matthew Rycroft
Subject: RE: Istanbul

I'm not sure he needs to write to PR, unless he needs to say something on the policy issues agreed.

I think the usual type of letter of thanks to PW is right, but not o.t.t. Both the PM and Mrs Blair spent a fair amount of time personally thanking the staff at Pera House and before we left the hotel.

-----Original Message-----

From: Matthew Rycroft
Sent: 30 June 2004 13:40
To: Gavin Mackay
Subject: Istanbul

who do you think the PM should write to?

- Peter Ricketts
- Peter Westmacott, mentioning Barbara Hay and other CG staff?



SECRETARY GENERAL
LE SECRÉTAIRE GÉNÉRAL
Jaap de Hoop Scheffer

SG(2004)0836

MR. ENS

1. 11 P. S. van der Koo

for advice + .7 delivery
left early.

2. 11 Mr. Baker (UK)

11. P. S. van der Koo

28 June 2004

3. K. G.

Dear Prime Minister,

As I mentioned during today's working session of the North Atlantic Council, I am writing to you in regard to the new NATO Headquarters project in Brussels. Since this is not strictly a political issue, I chose not to raise it during the limited time available this morning. But it is a matter of great importance to NATO staff and national delegations and also to the effectiveness of our organisation.

Our existing HQ has long been outdated, costly to run and it is increasingly difficult to meet the necessary safety requirements. Recent enlargements have, of course, had implications for the already limited office and meeting space.

At the Prague Summit, NATO leaders set a deadline for selection of a design for the new HQ. An excellent design was subsequently chosen. But the project has encountered difficulties and delays. The last six months alone have seen us encounter five months of delay.

As the person ultimately responsible for the project, I want to ask you for discretion to push forward with the project in the manner I best see fit. I do not intend to change the original design for the project, but do seek to change the way in which the project is managed at NATO – with the aim of reducing your Government's exposure to delays and cost over-runs.

Yours sincerely,

Jaap de Hoop Scheffer

The Right Honourable Tony Blair, M.P.
Prime Minister of the United Kingdom
of Great Britain and Northern Ireland
London

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28 June 2004

mr
cc
NS
DH
TK

FINAL TO HEADS OF STATE AND GOVERNMENT

ISTANBUL SUMMIT COMMUNIQUE

Issued by the Heads of State and Government
participating in the meeting of the North Atlantic Council
in Istanbul on 28 June 2004

1. We, the Heads of State and Government of the member countries of the North Atlantic Alliance, reaffirmed today the enduring value of the transatlantic link and of NATO as the basis for our collective defence and the essential forum for security consultation between Europe and North America. Our 26 nations are united in democracy, individual liberty and the rule of law, and faithful to the purposes and principles of the United Nations Charter. Inspired by the common vision embodied in the Washington Treaty, we remain fully committed to the collective defence of our populations, territory and forces. Transatlantic cooperation is essential in defending our values and meeting common threats and challenges, from wherever they may come.

2. At our last Summit, in Prague in 2002, we agreed to transform our Alliance with new members, new capabilities, and new relationships with our partners. Just a few months ago, seven new member countries – Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia – joined our Alliance in the most robust round of enlargement in NATO's history. Today at our Istanbul Summit, we have given further shape and direction to this transformation in order to adapt NATO's structures, procedures and capabilities to 21st century challenges. We underscore that these efforts should not be perceived as a threat by any country or organisation. Our Alliance is taking on a full range of missions, promoting stability where it is needed to defend our security and our values.

3. Today, we have:

- decided to expand the NATO-led International Security Assistance Force (ISAF) in Afghanistan, including through several more Provincial Reconstruction Teams (PRTs) and by enhancing our support for the upcoming elections;

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- agreed to conclude the Alliance's successful SFOR operation in Bosnia and Herzegovina, and welcomed the readiness of the European Union to deploy a new and distinct UN-mandated Chapter VII mission in the country, based on the Berlin+ arrangements agreed between our two organisations;
- confirmed that a robust KFOR presence remains essential to further enhance security and promote the political process in Kosovo;
- decided to enhance the contribution of Operation Active Endeavour, our maritime operation in the Mediterranean, to the fight against terrorism;
- decided to offer assistance to the Government of Iraq with the training of its security forces, in conformity with the separate statement that we have issued on Iraq;
- agreed on an enhanced set of measures to strengthen our individual and collective contribution to the international community's fight against terrorism;
- decided to further the transformation of our military capabilities to make them more modern, more usable and more deployable to carry out the full range of Alliance missions;
- reaffirmed that NATO's door remains open to new members, and encouraged Albania, Croatia and the former Yugoslav Republic of Macedonia¹ to continue the reforms necessary to progress towards NATO membership;
- taken a number of steps to further strengthen the Euro-Atlantic Partnership, in particular through a special focus on engaging with our Partners in the strategically important regions of the Caucasus and Central Asia; and

¹ Turkey recognises the Republic of Macedonia with its constitutional name.

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- decided to enhance our Mediterranean Dialogue and to offer cooperation to the broader Middle East region through the "Istanbul Cooperation Initiative".

4. Contributing to peace and stability in Afghanistan is NATO's key priority. NATO's leadership of the UN-mandated International Security Assistance Force demonstrates the readiness of the North Atlantic Council to decide to launch operations to ensure our common security. NATO's aim is to assist in the emergence of a secure and stable Afghanistan, with a broad-based, gender sensitive, multi-ethnic and fully representative government, integrated into the international community and cooperating with its neighbours. Establishing and sustaining peace in Afghanistan is essential to the well-being of the Afghan people and to our shared struggle against terrorism. We remain committed to that cause and pledge to contribute to ISAF the forces necessary for successful completion of our mission in Afghanistan.

5. In consultation with the Afghan authorities, we will continue to expand ISAF in stages throughout Afghanistan, through the establishment by lead nations of additional Provincial Reconstruction Teams. We will continue to coordinate and cooperate with Operation Enduring Freedom, as appropriate. The successful conduct of nation-wide elections will be a crucial milestone in the democratic development and peaceful evolution of Afghanistan. In response to President Karzai's request, ISAF is currently supporting the voter registration process and will provide enhanced support to the Afghan authorities in providing security during the election period, within means and capabilities. After the election, it will be for the government of Afghanistan to develop a forward-looking plan that fulfils the vision of the Bonn Agreement to promote national reconciliation, lasting peace, stability, and respect for human rights. ISAF has been assisting in disarming the militias and securing weapons. The Bonn process is on track and legitimate political institutions are developing. Reconstruction projects, security sector reform and other initiatives are improving the daily lives of many citizens. We strongly condemn the increasing attacks on civilian aid workers, who are making a valuable contribution to Afghanistan's future.

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6. We call on the Afghan authorities to energetically pursue the disarmament, demobilisation and reintegration process, and particularly the withdrawal of military units from Kabul and other urban centres. We will provide appropriate support, within ISAF's mandate, to the Afghan authorities in taking resolute action against the production and trafficking of narcotics. We are prepared to help the Afghan government to build a better future for Afghanistan, together with Operation Enduring Freedom, the UN Assistance Mission to Afghanistan, the European Union, and other international organisations on the ground. We also call on Afghanistan's neighbours to contribute to this effort consistent with the wishes of the Afghan authorities. We commend the role of Canada in ISAF and look forward to the future role of the Eurocorps.

7. The security environment in the strategically important region of the Balkans is stable but remains fragile. The Alliance remains committed to peace and stability in the Balkans, and the territorial integrity and sovereignty of all the countries in the region. We will remain committed until peace and security are firmly established and the progressive integration of all Balkan countries into Euro-Atlantic structures is achieved. All the countries of the region must assume ownership of, and implement, pressing reforms. Closer cooperation in their own region will help to promote stability and prosperity. While welcoming improvement in cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY), where it has occurred, we stress that all countries concerned must cooperate fully with the ICTY, in particular bringing to justice all those who are indicted by the Tribunal, notably Radovan Karadzic and Ratko Mladic, as well as Ante Gotovina, in accordance with United Nations Security Council Resolutions 1503 and 1534.

8. As the security situation in Bosnia and Herzegovina has evolved positively, we have decided to conclude the Alliance's successful SFOR operation by the end of this year. We welcome the readiness of the European Union to deploy a new and distinct UN-mandated robust Chapter VII mission in the country, based on the Berlin+ arrangements agreed between our two organisations, and look forward to continued close cooperation. NATO's long-term political commitment to Bosnia and Herzegovina remains unchanged and the establishment of a NATO headquarters will constitute NATO's residual military presence in the country. NATO HQ Sarajevo, which has the principal task of providing

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advice on defence reform, will also undertake certain operational supporting tasks, such as counter-terrorism whilst ensuring force protection; supporting the ICTY, within means and capabilities, with regard to the detention of persons indicted for war crimes; and intelligence sharing with the EU. The Dayton/Paris Accords remain in force as the basis for peace and stability in Bosnia and Herzegovina.

9. In Kosovo, a robust KFOR presence remains essential to further enhance security and promote the political process. We reaffirm our commitment to a secure, stable and multi-ethnic Kosovo, on the basis of full implementation of United Nations Security Council Resolution 1244, the agreed Standards before Status Policy and the Standards Review Mechanism. We strongly condemn the outbreak of violence resulting in the loss of lives and the destruction of religious and cultural heritage sites in March 2004, and will not tolerate any such actions intended to undermine the political process. We call on all parties to speed up the reconstruction and to create conditions for the safe return of displaced persons. We urge all communities to work constructively towards meeting the internationally endorsed standards, to engage in dialogue at all levels, and to participate in local civic institutions. We also call on them to conduct, and participate in, the upcoming October elections in a fair and peaceful manner. We welcome the appointment by the UN Secretary General of Mr. Søren Jessen-Petersen as his Special Representative in Kosovo. To further progress, NATO will continue to work with the UN, the EU, the OSCE and other international organisations, as well as the Contact Group, including, as appropriate, attendance at its meetings.

10. NATO's maritime surveillance and escort operation, Operation Active Endeavour, demonstrates the Alliance's resolve and ability to respond to terrorism. In March of this year, the operation was extended to the whole of the Mediterranean. Work is underway to further enhance its contribution to the fight against terrorism, including through the contributory support of partner countries, including the Mediterranean Dialogue countries. We welcome the offers of contributory support by Russia and Ukraine and have invited both countries to discuss the modalities of their participation. All such offers of support, including by other interested countries, will be considered on a case-by-case basis. In reviewing Operation Active Endeavour's mission, NATO may consider addressing, in

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accordance with international law, the risk of terrorist-related trafficking in, or use of, nuclear, chemical and biological weapons, their means of delivery and related materials.

11. We pay tribute to the men and women of all nations serving in NATO-led operations for their professionalism and dedication to the cause of peace and security. We appreciate how much the success of our operations depends on the bonds they build with the governments and peoples in the various theatres of operation. We are profoundly grateful for the sacrifice of those who have lost their lives or been injured in the course of their mission, and extend our deepest sympathies to their families and loved ones.

12. Terrorism and the proliferation of Weapons of Mass Destruction (WMD) and their means of delivery currently pose key threats and challenges to Alliance and international security.

13. We strongly condemn terrorism, whatever its motivations or manifestations, and will fight it together as long as necessary. The Alliance provides an essential transatlantic dimension to the response against terrorism, which requires the closest possible cooperation of North America and Europe. We are committed to continue our struggle against terrorism in all its forms, in accordance with international law provisions and UN principles. Our approach to terrorism, and its causes, will include the full implementation of United Nations Security Council Resolution 1373 on the fight against terrorism, and will continue to be multi-faceted and comprehensive, including political, diplomatic, economic and, where necessary, military means. Continuing terrorist acts, including in Istanbul last year and in Madrid in March of this year, have shown the acute threat which terrorism continues to pose around the world. Defence against terrorism may include activities by NATO's military forces, based on decisions by the North Atlantic Council, to deter, disrupt, defend and protect against terrorist attacks, or threat of attacks, directed from abroad, against populations, territory, infrastructure and forces of any member state, including by acting against these terrorists and those who harbour them. We have accordingly agreed today an enhanced set of measures to strengthen our individual and collective contribution to the international community's fight against terrorism, including the need to prevent WMD from being acquired by terrorists. These measures include:

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- improved intelligence sharing between our nations, including through our Terrorist Threat Intelligence Unit and a review of current intelligence structures at NATO Headquarters;
- a greater ability to respond rapidly to national requests for assistance in protecting against and dealing with the consequences of terrorist attacks, including attacks involving chemical, biological, radiological and nuclear (CBRN) weapons and, in this regard, continued robust support for the NATO Multinational CBRN Defence Battalion;
- assistance to protect selected major events, including with NATO Airborne Early Warning and Control Aircraft;
- an enhanced contribution to the fight against terrorism by Operation Active Endeavour;
- a continued robust effort through our operations in the Balkans and Afghanistan to help create conditions in which terrorism cannot flourish;
- enhanced capabilities to defend against terrorist attacks, including through our programme of work to develop new, advanced technologies; and
- increased cooperation with our partners, including through the implementation of our Civil Emergency Action Plan and the Partnership Action Plan on Terrorism, and with other international and regional organisations, including the active pursuit of consultations and exchange of information with the European Union.

14. The Alliance's policy of support for arms control, disarmament and non-proliferation will continue to play a major role in the achievement of the Alliance's security objectives, including preventing the proliferation of Weapons of Mass Destruction and their means of delivery. We stress the importance of all states abiding by, and fully

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implementing, their arms control, disarmament, and non-proliferation commitments, and of strengthening existing international arms control and disarmament accords and multilateral non-proliferation and export control regimes. In this regard, early admission of all NATO members into all appropriate existing non-proliferation regimes would play a positive role. Today, we:

- underline our commitment to reinforcing the Nuclear Non-Proliferation Treaty, the cornerstone of non-proliferation and disarmament, and ensuring the full compliance with it by all states Party to the Treaty;
- underline the importance of related other international accords, including the Biological and Toxin Weapons Convention, the Chemical Weapons Convention and the Hague Code of Conduct against the Proliferation of Ballistic Missiles;
- strongly support United Nations Security Council Resolution 1540, calling on all states to establish effective national export controls, to adopt and enforce laws to criminalise proliferation, to take cooperative action to prevent non-state actors from acquiring WMD, and to end illicit trafficking in WMD and related materials;
- resolve to strengthen our common efforts to reduce and safeguard nuclear and radiological material;
- resolve to prevent and contain proliferation of WMD and their means of delivery, and to work together to achieve these objectives;
- welcome the adoption by the G-8 of its Action Plan on Non-Proliferation adopted on 10 June; and
- welcome the discovery and ongoing investigation of the A.Q. Khan proliferation network.

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15. The Alliance underscores its strong support for the aims of the Proliferation Security Initiative (PSI) and its Statement of Interdiction Principles to establish a more co-ordinated and effective basis through which to impede and stop shipments of WMD, delivery systems, and related materials flowing to and from states and non-state actors of proliferation concern. The Alliance welcomes PSI efforts which are consistent with national legal authorities and relevant international law and frameworks, including United Nations Security Council Resolutions. We call on our partners and other countries to join us in supporting and implementing the objectives of the PSI.

16. The Alliance welcomes the steps taken by Libya to implement its decision, announced on 19 December 2003, to dismantle its WMD programmes under international supervision, and to limit its missiles to a range less than 300 kilometres. We look forward to continued progress. At the same time, we urge Libya to respect fundamental human rights.

17. We reiterate our commitment to the CFE Treaty as a cornerstone of European security, and reaffirm our attachment to the early entry into force of the Adapted Treaty. We recall that fulfilment of the remaining Istanbul commitments on the Republic of Georgia and the Republic of Moldova will create the conditions for Allies and other States Parties to move forward on ratification of the Adapted CFE Treaty. We note the progress that was made in 2003 on withdrawal of Russian military forces from the Republic of Moldova. We regret that this progress has not continued in 2004 and that the extended 31 December 2003 completion date, agreed in the framework of the OSCE, was not met. It is essential that efforts be intensified to complete the withdrawal as soon as possible. We will continue, via the OSCE, to monitor and assist in this process. We urge a swift resolution of the outstanding issues between Georgia and Russia as set out in their Istanbul Joint Statement of 17 November 1999, and to this end, call upon the parties to resume negotiations at an appropriately senior level. We welcome the approach of non-CFE Allies who have stated their intention to request accession to the Adapted CFE Treaty upon its entry into force. Their accession would provide an important additional contribution to European security and stability.

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18. We welcome the progress made in the transformation of the Alliance's military capabilities. This is a long-term endeavour which must continue if NATO is to be able to perform the full range of its missions in a challenging security environment and respond to its operational commitments and the threats we face today, including terrorism and the proliferation of weapons of mass destruction. NATO must be able to field forces that can move quickly to sustain operations over distance and time.

19. In realising the goals we set at the Prague Summit in November 2002:

- the NATO Multinational CBRN Defence Battalion has just become fully operational;
- as planned, the operationally flexible NATO Response Force (NRF) will reach initial operational capability later this year;
- the implementation of NATO's streamlined command arrangements is on track, including the establishment of Allied Command Transformation;
- the implementation of national Prague Capabilities Commitments (PCC) is progressing, and multinational activities – in strategic sealift and airlift, air-to-air refuelling, and the Alliance Ground Surveillance system – continue to make progress and will enhance our military capabilities in many areas; and
- we are examining options for addressing the increasing missile threat to Alliance territory, forces and population centres through an appropriate mix of political and defence efforts, along with deterrence. We note the initiation of the feasibility study on missile defence decided at Prague to examine options, and we continue to assess the missile threats.

20. In order to meet today's challenges, we need the right capabilities. In some cases nations could free up resources from no longer needed national force structures and/or capabilities and reinvest them in deployable capabilities. We need greater willingness and

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preparedness of nations to provide these forces and capabilities. NATO needs to be able to act quickly and is configured to do so. At the same time, we are determined to further enhance our political decision-making process through in-depth consultations facilitating a common sense of purpose and resolve, the definition of clear strategies and objectives before launching an operation, as well as enhanced planning to support nations' contributions to operations – recognising the sovereign right of each of our nations to decide upon the use of its forces.

21. In order to enhance our ability to conduct operations successfully and strengthen the link between political agreement to commence operations and the provision of the necessary forces, we have today:

- welcomed the commitments made by the seven new Allies in the framework of the Prague Capabilities Commitment, and reaffirmed our support for it; we welcomed the cooperation between PCC and European Capabilities Action Plan groups; we will give special emphasis in our national plans to overcoming remaining critical shortages, implementing our national commitments, further advancing the multinational cooperation projects in which our countries participate, and making our capabilities interoperable and adapting them to the evolving security environment;
- welcomed the report from our Defence Ministers on further steps to increase the usability of our forces through the adoption in Istanbul of high-level political targets and to supplement such targets through individual national usability targets, and agreed to intensify our efforts, taking account of national priorities and obligations, to structure, prepare and equip land forces for deployed operations under NATO or other auspices;
- welcomed changes to the Alliance's planning processes, making them more responsive to current and future operational requirements. We have directed the Council in Permanent Session to produce for our consideration comprehensive political guidance in support of the Strategic Concept for all Alliance capabilities

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issues, planning disciplines and intelligence, responsive to the Alliance's requirements, including for forces which are interoperable and deployable, able to carry out major operations as well as smaller ones, to conduct them concurrently if necessary, as well as to operate jointly in a complex security environment. The interfaces between the respective Alliance planning disciplines, including operational planning, should be further analysed;

- welcomed progress in the work to improve the force generation process for NATO-agreed operations and the NATO Response Force, including by moving towards a longer-term and more comprehensive and pro-active approach, and facilitating decisions that are matched at each stage with the requisite military capabilities; and

directed that work on theatre ballistic missile defence be taken forward expeditiously. In this context we noted the approval of the principle of the establishment of a NATO Active Layered Theatre Ballistic Missile Defence programme; welcomed the willingness of nations to make the tri-national Extended Air Defence Task Force available to the Alliance; and noted ongoing work by the NATO Military Authorities in relation to the defence of deployed NATO forces, including the NRF, against theatre ballistic missiles.

22. With the decisions taken here in Istanbul and the further improvements we have put in train and which we have directed the Council in Permanent Session to pursue, we are ensuring that Allied capabilities will be modern, efficient and flexible, fully appropriate to the challenges we face now and may face in the future.

23. We have invited the Secretary General and the Council in Permanent Session to take the steps necessary to ensure that the transformation process, including on questions of management and funding, is fully implemented, and invited him to report to us at the next NATO Summit. We look forward to the outcome of the NATO Agencies Review which should provide a sound basis for the next decade of support activity. We encourage

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the Secretary General to carry forward the new NATO Headquarters project in a timely and effective way.

24. NATO's armament activities must meet the Alliance's evolving military needs. We therefore reaffirm the importance we attach to mutually advantageous transatlantic defence industrial cooperation.

25. We celebrate the success of NATO's Open Door policy, and reaffirm today that our seven new members will not be the last. The door to membership remains open. We welcome the progress made by Albania, Croatia and the former Yugoslav Republic of Macedonia in implementing their Annual National Programmes under the Membership Action Plan, and encourage them to continue pursuing the reforms necessary to progress towards NATO membership. We also commend their contribution to regional stability and cooperation. We want all three countries to succeed and will continue to assist them in their reform efforts. NATO will continue to assess each country's candidacy individually, based on the progress made towards reform goals pursued through the Membership Action Plan, which will remain the vehicle to keep the readiness of each aspirant for membership under review. We direct that NATO Foreign Ministers keep the enlargement process, including the implementation of the Membership Action Plan, under continual review and report to us. We will review at the next Summit progress by aspirants towards membership based on that report.

26. The recent enlargements of NATO and the European Union are a major step towards a Europe whole and free, and a strong confirmation that our organisations share common values and strategic interests. We are pleased with the progress made in developing the NATO-EU strategic partnership on the basis of and since the conclusion of the Berlin+ arrangements. NATO and the EU continue to cooperate effectively in the Western Balkans, and are committed to assist the countries of the region in their further integration into Euro-Atlantic structures. NATO-EU relations now cover a wide range of issues of common interest relating to security, defence and crisis management, including the fight against terrorism, the development of coherent and mutually reinforcing military capabilities, and civil emergency planning. We are determined to work together to further

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develop the NATO-EU strategic partnership as agreed by our two organisations, in a spirit of transparency, and respecting the autonomy of our two organisations.

27. Building on the progress made since our Prague Summit, we have today taken a number of steps to further strengthen the Euro-Atlantic Partnership. While taking these steps, we expect all Partners to fulfil their commitments to the protection and promotion of human rights and the other fundamental freedoms and values they have adhered to under the Euro-Atlantic Partnership Council and the Partnership for Peace. We support the independence, sovereignty and territorial integrity of all states in the Euro-Atlantic area.

28. We have launched today a Partnership Action Plan on Defence Institution Building. We encourage and support Partners to make full use of this new instrument to build democratically responsible defence institutions.

29. Military interoperability and transformation are central to the effectiveness of our Partnerships in helping us to meet evolving security challenges and to enable Allied and Partner forces to operate effectively in NATO-led operations. The value of this cooperation to the Alliance, in particular by the Western European Partners, is continuously being demonstrated in the Balkans as well as in Afghanistan. We intend, therefore, to provide our Partners with increased opportunities to enhance their contributions to NATO-led operations, and to help transform their defences in keeping with NATO's own evolving operational roles and capabilities, including through enhancement of the Operational Capabilities Concept. We will seek the earliest possible involvement by troop-contributing nations in the decision-shaping process, including the possibility of political consultation. NATO's new command structure offers opportunities to increase the participation by Partners, including by offering them appropriate representation in the Allied Command Transformation.

30. NATO has adopted a comprehensive policy to contribute to international efforts to combat the trafficking in human beings, which constitutes a flagrant abuse of human rights and fuels corruption and organised crime. We are also determined to work together with

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our Partners to support international efforts, where NATO can add value, to combat this and other forms of illegal trafficking.

31. In enhancing the Euro-Atlantic Partnership, we will put special focus on engaging with our Partners in the strategically important regions of the Caucasus and Central Asia. Towards that end, NATO has agreed on improved liaison arrangements, including the assignment of two liaison officers, as well as a special representative for the two regions from within the International Staff. We welcome the decision by Georgia, Azerbaijan and Uzbekistan to develop Individual Partnership Action Plans with NATO. This constitutes a significant step in these countries' efforts to develop closer Partnership relations with the Alliance. We welcome the commitment of the new government of Georgia to reform.

32. We remain committed to partnership with the Republic of Moldova and encourage it to make use of Partnership instruments to take forward its aspirations of promoting stability in the region as a Partner of this Alliance.

33. We look forward to welcoming Bosnia and Herzegovina and Serbia and Montenegro into the Partnership for Peace once they have met the established NATO conditions. We want them to succeed in joining the Euro-Atlantic partnership and will assist them in this endeavour. We are prepared to assist the countries by including them in selected PfP activities. Each country will be judged on its own merits on the road to PfP.

34. We welcome Bosnia and Herzegovina's significant progress in defence reform, a key condition for PfP membership. We urge continued progress towards achieving a single military force. We have agreed to designate a Contact Point Embassy in Sarajevo to increase understanding of NATO. We are concerned that Bosnia and Herzegovina, particularly obstructionist elements in the Republika Srpska entity, has failed to live up to its obligation to cooperate fully with ICTY, including the arrest and transfer to the jurisdiction of the Tribunal of war crimes indictees, a fundamental requirement for the country to join PfP. We also look for systemic changes necessary to develop effective security and law enforcement structures.

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35. Serbia and Montenegro has also shown progress in defence reform, and the government has played a constructive regional role, improving relations with its neighbours. We look forward to further progress in these areas, in particular in relation to the government's engagement on Kosovo-related issues. At the same time, the International Court of Justice cases against several of the Allies still stand. We call on the government to fulfil its international obligations, in particular to cooperate with ICTY and render all necessary assistance to secure the arrest and transfer to the jurisdiction of the Tribunal of war crimes indictees.

36. From its inception in 1994, NATO's Mediterranean Dialogue has greatly contributed to building confidence and cooperation between the Alliance and its Mediterranean partners. In the current security environment there are greater opportunities for effective cooperation with Mediterranean Dialogue partners. Following our decision at Prague to upgrade the Mediterranean Dialogue, we are today inviting our Mediterranean partners to establish a more ambitious and expanded partnership, guided by the principle of joint ownership and taking into consideration their particular interests and needs. The overall aim of this partnership will be to contribute towards regional security and stability through stronger practical cooperation, including by enhancing the existing political dialogue, achieving interoperability, developing defence reform and contributing to the fight against terrorism. Our efforts will complement and mutually reinforce other Mediterranean initiatives, including those of the EU and the OSCE.

37. We have today also decided to offer cooperation to the broader Middle East region by launching our "Istanbul Cooperation Initiative". This initiative is offered by NATO to interested countries in the region, starting with the countries of the Gulf Cooperation Council, to foster mutually beneficial bilateral relationships and thus enhance security and stability. The initiative focuses on practical cooperation where NATO can add value, notably in the defence and security fields. This initiative is distinct from, yet takes into account and complements, other initiatives involving other international actors.

38. While respecting the specificity of the Mediterranean Dialogue, the enhanced Mediterranean Dialogue and the "Istanbul Cooperation Initiative" are complementary,

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progressive and individualised processes. They will be developed in a spirit of joint ownership with the countries involved. Continued consultation and active engagement will be essential to their success.

39. Since its creation two years ago, the NATO-Russia Council has raised the quality of the relationship between the Alliance and Russia to a new level, to the benefit of the entire Euro-Atlantic area. We reaffirm our determination to broaden our political dialogue and are committed to deepening our consultations on key security issues, including Afghanistan and the Balkans, and the fight against terrorism and against the proliferation of Weapons of Mass Destruction and their means of delivery. Our practical cooperation has progressed further, including in military-to-military projects. Through our efforts to improve interoperability, we have also laid the groundwork for future operational support to NATO forces, including for potential joint peacekeeping operations. We welcome the progress made in advancing practical cooperation on theatre missile defence, civil emergency planning, the Cooperative Airspace Initiative, and search and rescue at sea. We look forward to making further progress in implementing the Rome Declaration of May 2002, working together as equal partners in areas of common interest.

40. We welcome Ukraine's determination to pursue full Euro-Atlantic integration. In this context, we reaffirm the necessity to achieve consistent and measurable progress in democratic reform. We encourage Ukraine to accelerate the implementation of the objectives outlined in the NATO-Ukraine Action Plan, particularly regarding the conduct of free and fair elections, the guaranteeing of media freedoms, and implementation of the results of the Defence Review. We are determined to support Ukraine in these efforts, while noting that a further strengthening of our relationship will require stronger evidence of Ukraine's commitment to comprehensive reform, in particular with a view to the conduct of presidential elections this autumn. We welcome Ukraine's continued participation in KFOR within the Polish-Ukrainian Battalion. We note the progress made by Ukraine in defence reform and in strengthening defence and military cooperation with NATO, including in the area of host nation support and strategic airlift. With this understanding, we instruct the Council in Permanent Session to assess NATO-Ukraine relations, with a view to presenting recommendations to Foreign Ministers after the presidential elections.

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41. We note the importance of the Black Sea region for Euro-Atlantic security. Littoral countries, Allies and Partners are working together to contribute to further strengthening security and stability in the area. Our Alliance is prepared to explore means to complement these efforts, building upon existing forms of regional cooperation.

42. We welcome the interest shown by several countries who are developing individual, mutually beneficial dialogues on security matters with NATO as contact countries. In this context, we welcome the interest shown by Australia in closer cooperation with our Alliance.

43. NATO and the OSCE have largely complementary responsibilities and common interests, both functionally and geographically. NATO will continue to further develop the cooperation with the OSCE in areas such as conflict prevention, crisis management and post-conflict rehabilitation.

44. We welcome the role of the NATO Parliamentary Assembly in complementing NATO's efforts to promote stability throughout Europe. We also appreciate the contribution made by the Atlantic Treaty Association in promoting better understanding of the Alliance and its objectives among our publics.

45. Today's complex strategic environment demands a broad approach to security, comprising political, economic and military elements. We are united in our commitment to such an approach. The Alliance is conducting challenging operations in regions of strategic importance; transforming its capabilities to meet the new threats; and working ever more closely together with partner countries and other international organisations in a truly multilateral effort to address common security concerns. While NATO's transformation continues, its fundamental purpose – based on the common values of democracy, human rights and the rule of law – endures: to serve as an essential transatlantic forum for consultation and an effective instrument for Europe and North America to defend peace and stability, now and into the future.

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46. We express our deep appreciation for the gracious hospitality extended to us by the Government of Turkey and the city of Istanbul. Here in Istanbul, a city that bridges two continents, we have reaffirmed the vital transatlantic link, and extended new offers of cooperation to countries and to regions of strategic importance.

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10 DOWNING STREET
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Fixed to London/NATO
28/6/04
B2

SUBJECT
MASTER
Filed:

Foreign Policy Adviser to the Prime Minister,
and Head of the Defence and Overseas Secretariat

28 June 2004

Dear Geoffrey

NATO SUMMIT: HEADS OF STATE/GOVERNMENT LUNCH

NATO Heads of State and Government had a working lunch on 28 June. Discussion covered Iraq, Afghanistan, wider issues of handling terrorism, and NATO transformation.

The only operational part of the discussion was on the use of the NATO Reaction Force (NRF) in Afghanistan. There had been discussion of this in the margins involving in particular President Bush, the Prime Minister, the NATO Secretary-General and President Chirac; but also the Italians, Romanians and others. At the lunch President Bush said that the use of the NRF in Afghanistan was necessary. He knew that some were reluctant. But the end result would be to help Karzai to move to elections. The mission was a vital one.

President Chirac initially made clear that he was not favourable to the use of the NRF in Afghanistan. Its role was to deal with crisis situations; this was not the case today in relation to elections. Chirac feared that the arrival of NATO forces would mobilise resistance against us on a Christian/Muslim basis. So he was against deployment of the NRF. But he could accept: putting on alert now the land component of the NRF, and publicising that fact; and keeping in reserve the possibility of deployment if necessary, sending now "lead elements" which could undertake reconnaissance, and provide a deterrent effect.

The Prime Minister said that elections were of fundamental importance for the stability of Afghanistan, and they were threatened by the Taliban and other elements. He therefore favoured sending out the reconnaissance elements immediately and then asking the NATO Secretary-General to work up a plan based on its recommendations. But we should not wait until there was a crisis. If the reconnaissance elements saw the need for deployment and it was requested by the Afghans, we should act. For the Afghans themselves, there would be no distinction between those in the PRTs, the headquarters in Kabul and the NRF – they were all outside forces supporting the political process. So if the NATO

commanders in Afghanistan thought it would assist, the NRF should be sent. We should therefore build on what Chirac had said.

Schroeder agreed on the reconnaissance mission. It was essential to help the elections. This would require Karzai's opinion. At the same time Schroeder noted that the NGOs in Afghanistan were sometimes critical of the military. So we needed to keep an eye on the consequences.

Verhofstadt (Belgium) said (wrongly) that this was a theoretical problem since the NRF was not yet ready for deployment and would not be until next year. He then offered a number of reflections on his recent visits to Afghanistan, making clear that the need was for troops in PRTs on the ground and for co-operation between the various elements there. Berlusconi (Italy) made a strong case for action, and said that Italy was ready to send a battalion (as part of the NRF) for election support.

Other speakers such as Slovakia, Poland, Iceland, Canada, Czech Republic and Norway all broadly supported the points made by the Prime Minister, ie no delay, but did not join in the discussion of the specifics.

The NATO Secretary-General summed up the discussion as follows:

- NATO would be judged above all by how effective its support for the elections was. So this was the critical test. He thought it was essential that NATO should act quickly. He noted agreement to sending the "lead elements" now – this would have a dissuasive effect. (He did not talk about putting the NRF land force on alert, but could have done – the French confirmed this afterwards to Condi Rice and me).
- Once the reconnaissance team had reported, the Secretary General would come back to NATO on both the general issue of the use of the NRF and on Afghanistan. On the general issue, he noted a number of differences of opinion, but NATO could not have an NRF for it just to sit there and not be used. This would provoke a lot of questions about what it was for.
- There was a link between Iraq and Afghanistan – NATO could simply not afford to "lose" either.

On other aspects of Afghanistan, Bondevik (Norway) thought the elections fundamental. Norway was willing to increase its PRT forces (but he failed to say

anything about providing electoral support, although the Americans seemed to be hoping he would). Bondevik favoured a comprehensive approach in Afghanistan – security and development hand-in-hand. Graham (Canada) too stressed the importance of expanding the PRTs and making them work. They should have a comprehensive role, not just security. Canada was ready to take on a PRT in 2005, and would leave 700 troops in Kabul at the end of August.

Claus (Czech Republic) asked plaintively whether, for example, a 10 per cent increase in the NATO effort would really help much in Afghanistan. Personally, he doubted it. We should all think more seriously about this.

On Iraq, there was nothing specific. A number of countries (Greece, the Netherlands, Norway, Canada, Poland and Slovakia) made clear their welcome for the Interim Iraqi Government and UNSCR 1546 and, as appropriate, their determination to maintain troops in Iraq as part of the MNF.

Erdogan (Turkey) struck a more critical note – concerned about perceptions in the region, stressing the need for an inclusive political approach within Iraq, and hoping that 1546 would help the Iraqis to fulfil their objectives domestically and internationally. He urged caution on the NATO role, and a step-by-step approach, not imposing solutions from the outside. Bondevik also urged caution.

A number of countries (Bulgaria, Norway, Turkey, Spain) stressed the need for parallel progress on the Middle East Peace Process and the importance of the Quartet's role.

On the wider theme of building democracy and fighting terrorism, President Bush acknowledged that the progress in places like Afghanistan and Iraq was slow and difficult. It was a challenge to the conscience and the will. The President of Latvia made a forceful and effective speech urging the need for confidence about the moral justification for action. "We cannot stand aside and let tyranny reign". It was right to stand for universal principles. Norway was broadly supportive on Iraq, but repeated the need for security and development to go together, and for human rights and international humanitarian law to be observed. Abu Ghraib had been bad for the West's image. Iraq should not be seen in isolation from other Middle East issues. A broader approach was needed – security, but also education, social policy and inter-religious dialogue.

In a rambling contribution, Zapatero talked in general terms about the need to deal with terrorism, but treat each case on its merits and look deeply at the causes.

As part of his summing up, de Hoop Scheffer asked for political support from NATO leaders for NATO's military transformation. Bush agreed – all our armed services needed reform for the 21st Century; and so did NATO. DHS said this was a fundamental issue for him.

Comment

This was not a particularly inspiring discussion. But (a) the mood was generally supportive on Iraq and Afghanistan and (b) we made progress on the NRF issue.

The Prime Minister would be grateful if the MOD, FCO and UKDEL NATO could pursue this vigorously. He would like the reconnaissance team sent out immediately, and its report completed as soon as possible. We also need clarity on whether Spain is offering a battalion for electoral support. Zapatero apparently told Bush in the margins that he would do this; but he did not cover the point in his speech. It would be helpful if the Embassy in Madrid could establish whether this is one of the things on which the Spanish government are now consulting their parliament.

I am copying this letter to Chris Baker, CDS and Simon Webb (MOD), Moazzam Malik (DFID), Sir Andrew Turnbull, Desmond Bowen and Tim Dowse (Cabinet Office), Sir Peter Ricketts (UKDEL, NATO), and to Ambassadors in NATO countries, Kabul and Baghdad.

Yours ever

Nigel

NIGEL SHEINWALD

Geoffrey Adams CMG

RESTRICTED

Faxed to DCO 27/6/04

From: Matthew Rycroft

Date: 27 June 2004

PRIME MINISTER

**cc: Jonathan Powell
Nigel Sheinwald
David Hill
Kim Darroch
Tom Kelly**

BALKENENDE

Balkenende is very keen for a short bilateral with you. We have fixed this for 1240 to 1300 on Monday.

Main points:

Iraq. The Dutch Parliament has just decided to endorse the cabinet decision to keep the Dutch troops in Iraq until after the elections. They are in the UK sector. This took a lot of hard work by Balkenende. You should thank him.

Dutch EU Presidency. Begins on Thursday. We want to work closely with them than Luxembourg, before our own Presidency. Top Dutch priorities: enlargement, particularly Turkey; Lisbon agenda; freedom/security/justice; future financing; and CFSP. We need to keep in close touch with them on all these issues - particularly Turkey, which will be a difficult issue in Dutch domestic politics, and the top foreign policy priorities of the autumn like Iraq and the MEPP.

Next Commission. We can handover the attached note on priorities for the next Commission.

Matthew

PRIORITIES FOR THE NEW EUROPEAN COMMISSION

Summary

The new President of the European Commission will need to work with the European Council and the European Parliament, as well as the social partners and civil society, to build a broad political consensus around *where* and *how* the next Commission should focus its efforts. The Commission must resist the temptation to dilute its crucial central role by stretching its efforts and political capital too thinly across every policy area. The four priorities for the next Commission and the Member States could be:

1. Delivering economic success

- *Use the mid-term review of Lisbon to speed up implementation of the economic reform agenda at EU and national level to meet the Lisbon targets by 2010;*
- *Increase labour market participation and boost job creation;*
- *Promote regulatory reform; and*
- *Take the lead in promoting global sustainable development.*

2. Strengthening justice and security

- *Develop a framework for operational co-operation by Member States to better protect EU citizens and strengthen the EU's external borders; and*
- *Implement the EU's Counter Terrorism Action Plan, including through a constructive relationship with the Counter-Terrorism co-ordinator.*

3. Enhancing global stability through the EU's external relationships

- *Implement the European Neighbourhood policy;*
- *Support and encourage candidates for EU membership towards reform;*
- *Take the lead in agreeing the Doha Development round;*
- *Deliver the Union's contribution to achieving the Millennium Development Goals.*

4. Making a success of the enlarged EU.

- *Ensure full and even implementation of the *acquis* across the Union to open fully the opportunities the enlarged internal market to all;*
- *Support economic reform in the new Member States to ensure their rapid economic convergence with the rest of the Union;*

- *Ensure that spending in the new Financial Perspective is focussed on the Union's key priorities, including cohesion spending in the poorest Member States.*

To push forward these challenging policy priorities, the European institutions need greater political credibility. That must be founded on the Commission ensuring – and being seen to ensure – respect for the values of good EU governance which citizens demand: transparency; consultation of citizens; accountability and good financial management; even and vigorous implementation of the rules; and demonstrating clear added value, through effective application of proportionality and subsidiarity.

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for five

 Chris Skilton

From: Peter Wickenden * Prague - Rest
Sent: 27 June 2004 08:00
To: FCO Response Centre
Subject: Urgent tel from Prague please pass to PM for NATO summit delegation

Importance: High



Spidla tel.doc

Dear Colleague,

We are trying to send this as a deskby telegram but are beset with computer problems. I should be grateful if you try to get this into the briefing for the NATO Summit delegation before it closes. Many thanks.,

Peter Wickenden
2 Sec Political/PPA
Prague
Tel: (+402) 257 402 245
I am also duty officer at the moment

NS

~~cc~~ MR
KD

D. Hill
Prem
JP

Duty Clerk, No 10

Chris Skilton

FCO RESPONSE CENTRE
22/6

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FM PRAGUE
TO DESKBY FCO
TELNO OF 27 JUNE 04

CZECH REPUBLIC - PRIME MINISTER SPIDLA RESIGNS

1. Spidla tenders resignation as Social Democrat chairman and Prime Minister despite scraping through party no-confidence vote. He and the whole coalition cabinet will formally step down on 30 June on Spidla's return from NATO summit. Gross, Interior Minister and Spidla's deputy in party and Government, looks set to form minority government with Kalousek, head of the Christian Democrats - a junior coalition partner. Neither of them are savoury characters.
2. Would normally recommend message from PM but a tete a tete in the margins of the NATO Summit with Spidla would be helpful in the circumstances.
3. We could be in for a very bumpy summer.

DETAIL

4. Spidla narrowly survived a no-confidence vote in the Social Democrat executive committee on 26 June. Of 180 members, 103 voted for the no-confidence motion, only 6 votes short of the three-fifths majority needed for it to pass to force him to quit. Nevertheless quit he did, after a brief hesitation, saying that he clearly lacked solid party support for his continued leadership.
5. In the secret ballot the deputy party chairman and deputy PM Gross also survived the no-confidence vote but with a much more comfortable margin (only 51 votes against him). Gross announced that he was prepared to form a minority coalition government with the larger of the existing junior coalition partners, the centre-right Christian Democrats, provided their chairman Kalousek agreed to take a post in it. Kalousek had judiciously stayed out of Spidla's cabinet assessing rightly that his days were numbered. Gross did not mention the possibility of a Social Democrat minority government propped up informally by the opposition Communists (who came second in the EP elections), although he had pointedly refused to rule it out earlier in the week.
6. Spidla still intends to attend the NATO summit with President Klaus and has therefor proposed that his Cabinet formally resign on his return on 30 June.
7. It will take a bit of time for the dust to settle. Speculation is rife about next steps. We will follow up with more considered analysis as events unfold. President Klaus appoints the Prime Minister. There is a strong probability that he will ask Gross to form a new government. While Spidla is away Gross will be bargaining hard with the Christian Democrats and the Freedom Union, the other junior coalition partner, and possibly the Communists as well. It is too early to say what sort of government will emerge and how long it might last or what the opposition Civic Democrats might do next to capitalise on a fragile situation.

COMMENT

8. Spidla has been a tenacious and honest PM but he was not charismatic and quickly lost popular and party support because of his poor communications skills. Gross, at 34, is largely untested and a populist. As Interior Minister his main achievement has been to force through large pay increases for the police and interior ministry staff against tight public finance constraints. His choice of Cabinet colleagues will be

3823

key to his success. Kalousek is skilful and intelligent. He is an ex ...(deputy finance Min?) but has the whiff or corruption around him, as does Gross. We could be in for a bumpy ride.

Contact for this telegram: Peter.Wickenden@fco.gov.uk

PRINGLE

Version to be circulated

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NATO SUMMIT, ISTANBUL

Remarks at North Atlantic Council Meeting by The Rt Hon Tony Blair MP

- This is first and foremost an occasion to celebrate the arrival of our seven new members. They strengthen our Alliance with new vitality and fresh insights. And their arrival reminds us how far Europe has travelled on the road to peace and security since the fall of the Berlin Wall.
- I also join others in welcoming our new Secretary General to his first Summit Meeting. I pay tribute to his vision and his hard work in preparing our decisions at this Summit to move the Alliance forward.
- Meeting in this great city of Istanbul, a crossroads down the ages, it is right that we should put the emphasis on NATO as a force for good, working to bring stability beyond its traditional area. NATO's peacekeeping operations, and its cooperation with partners, have the same objective: to build a broader community of values. This is the best way of overcoming the tiny minority who are willing to use indiscriminate violence to further their extremist ideologies.

Operations

- The young men and women of our armed forces are engaged in an unprecedented range of operations. Their success is critical for the credibility of our Alliance.

- The Secretary General is right in identifying Afghanistan as our current top priority. The international community has pledged to help President Karzai stabilise his country. We owe it to the Afghan people to make good on that pledge. It is also a national interest of every ally to ensure that Afghanistan never again serves as a haven for terrorist groups, and that we tackle at source the heroin reaching our streets. Drugs, terrorism and instability form a triangle of misery which has to be broken.
- ISAF is doing good work under its Canadian Commander and I welcome the decision to expand its operations to the North. The UK is glad to put its Provincial Reconstruction Teams at Mazar-e-Sharif and Meymaneh under NATO command as part of this. It is vital that we keep up the momentum by expanding to the West as soon as possible. I welcome the Italian offer to play a leading role in the PRT and forward support base at Herat.
- NATO also owes it to President Karzai to help the Afghan security forces over the election period. I also support the activation of the NATO Response Force if necessary to enable SACEUR to provide the necessary over-the-horizon reserves.
- We need to show that we are committed to stay in Afghanistan until the job is done. I can announce today that the UK will propose that the British-led ACE Rapid Reaction Corps (ARRC) HQ should deploy to Afghanistan in 2006 to take its turn in commanding ISAF as part of a planned sequence of deployments by Allied High Readiness Force HQs.

- In the Balkans, NATO can be proud of the role it has played. But we must not lose focus as other priorities crowd in. In Kosovo, KFOR has a difficult role in ensuring secure conditions for the political process to mature, with the prospect of a review of status in 2005 should sufficient progress be made in implementing the standards proposed by the UN. Meanwhile, KFOR needs to be able to respond more flexibly to sudden upsurges of tension: that means nations lifting the restrictions on the use of their forces.
- We are meeting 90 years to the day since Archduke Ferdinand was killed in Sarajevo. It is therefore particularly fitting that we should today make the decision in principle to end NATO's Bosnian operation, our longest running military operation, and transfer the lead in security issues to the EU. A job well done by NATO, and an important step for Bosnia on the way to becoming a fully normal European state.
- NATO has so far played a helpful but minor role in the Iraq operation, supporting the Polish forces. As Iraq enters a new stage in its political transition to democratic Government, I warmly welcome our decision today to increase that role. The sooner Iraq's own security forces can take responsibility for security in Iraq, the sooner the MNF can be reduced and withdrawn. The new Prime Minister of Iraq has asked for NATO's help, and it is right that we should respond. Offering the Iraqi Government assistance with the training of its security forces is a good step forward. And while we need not decide this today, NATO should stand ready to consider in what other ways we might help in the future.

Fighting Terrorism

- At Prague, we recognised that terrorism must be defeated and we took the necessary measures. I welcome the progress that has been made, with Operation Active Endeavour, with improved cooperation on consequence management and on intelligence-sharing.
- I support the enhanced package of measures submitted for our approval. Many organisations are involved in the fight against terrorism. NATO should concentrate on adding value where it can. The assistance to Greece on Olympic security is a good example.

Capability/Transformation

- We must expect the demand for deployable military forces to continue to increase. So we must press further the transformation we set in hand at Prague.
- That has already yielded useful gains: the NATO Response Force, the new command structure, some new capability commitments. But we need to go further. The top priority has to be getting a greater proportion of allied armed forces out of the barracks and into the field. The targets of 40% deployable, and 8% planned for operations is a good start. We should now focus on improving decision-making, and the entire process of planning and making available our forces for operations.

- That will also require more agile NATO structures. I welcome the progress made in reforming NATO's organisation. The introduction of objective-based budgeting is important. I also welcome the first step in addressing the system of sharing costs in NATO, which leads the UK and some other allies to pay far more than their equitable share. We must develop fairer and more modern methods of funding our Alliance.
- Transformation must also reach NATO support functions, staff management, working practices and the still over-large committee structure. The review of NATO agencies should produce proposals for radical reform.

Counter-Proliferation

- The adoption of UNSCR 1540 on non-proliferation was a milestone. NATO needs to ensure that its counter-proliferation efforts help fulfil the objectives of the Resolution. I welcome NATO's support for the proliferation security initiative. The recent Libyan decisions showed that proliferation of WMD can be turned back by peaceful means provided we stay firm and united in opposing it.

Partnerships

- Our seven new members demonstrate the success of NATO's Partnership Programmes. I agree that we should now revitalise Partnership for Peace, with a particular focus on the Caucasus and Central Asia Regions. We have an important agenda of common threats and common interests.

- The UK was one of the sponsors of the proposals for NATO to launch an Istanbul Cooperation Initiative to the broader Middle East and I am glad that we have been able to agree that today. It enables NATO to play a role within a broader strategy to support home-grown efforts in the region for reform. It is also timely that on the 10th anniversary of the Mediterranean Dialogue, we should give new impetus to relations with our neighbours to the south of the Mediterranean.
- The NATO/Russia Council has developed well since we launched it in Rome two years ago. But it now needs to show that it can develop areas of practical co-operation, particularly between our military forces.
- It is good to see that in Albania, Croatia and Macedonia the aspiration to receive an invitation to join the Alliance is acting as a stimulus to meet the requirements of their Membership Action Plans. But all three still have work to do and will need to be judged against the progress they make.
- In the same way, Bosnia and Herzegovina and Serbia and Montenegro need to meet the criteria we have set out before they can take their place in the PfP. Both have more to do before they can show full co-operation with ICTY.
- Finally, strategic co-operation between NATO and the EU is essential to a strong and confident transatlantic relationship in the future. I am determined that ESDP will develop in a way which strengthens transatlantic co-operation on security. Bosnia will be an important test

case. But EU/NATO co-operation needs to extend to the issues of terrorism and proliferation as well. These are now the central issues for transatlantic co-operation.