

HON GERRY BROWNLEE, MINISTER OF DEFENCE

Future Options for the Iraq Deployment

June 2016

This publication provides information on Cabinet's 15 June 2016 decision agreeing to:

- extend New Zealand's contribution to the Building Partner Capacity mission to 30 November 2018, with a number of contingencies;
- support the delivery of advanced training to Iraqi Army units at Besmaya;
- the Minister of Defence, in consultation with the Prime Minister and the Minister of Foreign Affairs, may consider future requests for New Zealand to conduct training in a alternative secure coalition mission sites, on a case-by-case basis;
- the provision of advice on changing the training audience, on a case by case basis, to the Prime Minister, Minister of Defence, Minister of Foreign Affairs for their approval.

The pack comprises the following documents:

- The Cabinet minute of decision: *Future Options for Iraq Deployment* [NSC-16-MIN-0018]
- The Cabinet paper: *Future Options for Iraq Deployment* [NSC-16-SUB-0018]

This pack has been released on the Ministry of Defence website, available at:

www.defence.govt.nz/publications.

It has been necessary to withhold certain information in accordance with the following provisions of the Official Information Act 1982. Where information is withheld, the relevant sections of the Act are indicated in the body of the document. Where information has been withheld in accordance with section 9(2) of the Act, no public interest has been identified that would outweigh the reasons for withholding it.

Information is withheld where making it available would be likely to:

- Prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand [section 6(a)]
- Prejudice the entrusting of information to the Government of New Zealand on the basis of confidence by the Government of any other country [section 6(b)(i)].
- Endanger the safety of any person [section 6(d)]

Information is also withheld in order to:

- maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty [section 9(2)(g)(i)]
- enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, negotiations [section 9(2)(j)].



Cabinet National Security Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Future Options for the Iraq Deployment

Portfolios Defence / Foreign Affairs

On 15 June 2016, the Cabinet National Security Committee:

Background

- 1 **noted** that Daesh remains a significant threat to international peace and security and to New Zealand and New Zealand's interests;
- 2 **noted** the recent success of the military campaign and degradation of Daesh in Iraq, and that the Government of Iraq will require ongoing assistance from the international community to continue the fight against Daesh and to support humanitarian and stabilisation needs;
- 3 **noted** that the political environment in Iraq remains complex;
- 4 **noted** that on 21 March 2016, Cabinet noted that:
 - 4.1 New Zealand's deployment to Iraq is performing well and is achieving the agreed objectives;
 - 4.2 in light of this success, New Zealand's contribution to the Building Partner Capacity mission would continue for the full mandate until 31 May 2017;

[CAB-16-MIN-0112]

- 5 **noted** s.6(b) [REDACTED]

Mandate extension

- 6 **agreed** that New Zealand's contribution to the Building Partner Capacity mission be extended until 30 November 2018;
- 7 **agreed** that this extension be contingent on:
 - 7.1 the security situation;
 - 7.2 a reasonably stable political situation in Iraq;
 - 7.3 Australia's continued involvement in the Building Partner Capacity mission;
 - 7.4 the ongoing invitation of the Government of Iraq;

- 8 **authorised** the Minister of Defence and the Minister of Foreign Affairs, in consultation with the Prime Minister, to make immediate decisions on the future of the deployment if the above factors change;
- 9 **noted** that if the Building Partner Capacity mission is extended, the Ministry of Foreign Affairs and Trade will require additional funding to extend the operation of the New Zealand Embassy for the duration of the deployment;

Adjustments to mandate

- 10 **noted** that Task Group Taji has received a request from coalition headquarters to support the delivery of advanced heavy weapons and unit tactics training to Iraqi Army units at Besmaya;
- 11 **noted** that, like Taji, Besmaya is a protected military site secured by coalition forces, and that the force protection measures used are similar to those at Taji;
- 12 **agreed** that New Zealand support the delivery of advanced training to Iraqi Army units at Besmaya;
- 13 **agreed** that the Minister of Defence, in consultation with the Prime Minister and the Minister of Foreign Affairs, may consider future requests for New Zealand to conduct training in alternative secure coalition Building Partner Capacity sites, on a case by case basis;

- 14 **noted** that:

s.6(d)

[REDACTED]

s.6(d)

[REDACTED]

- 15 **noted** that both the coalition and the Iraqi Ministry of Defence have identified the training of stabilisation forces within the Iraqi Security Forces as a major priority due to the critical role the group will play in securing and supporting stabilisation in liberated Iraqi cities;
- 16 **agreed in principle**, subject to paragraphs 17 and 18 below, that New Zealand personnel be authorised to provide training to stabilisation forces within the Iraqi Security Forces;
- 17 **agreed** that further advice on changing the training audience be provided, on a case by case basis, to the Prime Minister, the Minister of Defence and the Minister of Foreign Affairs for their approval;
- 18 **noted** s.6(b)(i)

[REDACTED]

Financial implications

- 19 **noted** that New Zealand has already contributed \$22.5 million in assistance to those affected by the Daesh conflict;

- 20 **noted** that the Minister of Foreign Affairs has agreed to provide a contribution of US\$1 million from Vote Official Development Assistance to the Funding Facility for Immediate Stabilisation, and has instructed officials to investigate development cooperation in Iraq in cooperation with Germany as part of New Zealand's contribution to civilian capacity building and stabilisation measures;
- 21 **noted** that the total estimated marginal cost for the proposed New Zealand Defence Force Building Partner Capacity deployment for the period of 18 months from 1 June 2017 to 30 November 2018 is assessed at \$47,172,000;
- 22 **agreed** that \$39,840,000 be met from the current departmental appropriations planned for Vote Defence Force, leaving a shortfall of \$1,242,000 in 2016/17 and \$6,090,000 in 2017/18 respectively. This will therefore require an additional appropriation as set out in the table below:

Vote Defence Force Minister of Defence	\$millions – increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 and outyears
Multi-Category Expenses and Capital Expenditure Operations Contributing to New Zealand's Security, Stability and Interests MCA					
Departmental Output Expense: Military Operations in Support of a Rules-Based International Order	1.242	6.090	-	-	-

- 23 **agreed** that the changes to appropriations for 2016/17 above be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 24 **agreed** that the expenses incurred under paragraph 22 above be charged against the between-budget operating contingency established as part of Budget 2016.

Janine Harvey
Committee Secretary

Hard-copy distribution: (see over)

Chair

Cabinet National Security Committee

FUTURE OPTIONS FOR THE IRAQ DEPLOYMENT

Proposal

1. This paper seeks Cabinet approval to extend and expand the mandate for New Zealand's contribution to the building partner capacity mission in Iraq beyond the current mandate of 31 May 2017. The proposed extension to the mandate would build on the success of the training to date and the Government of Iraq and the international coalition's confirmation of an ongoing need for capacity building support to assist it in countering, and defeating, Daesh (also known as ISIL) in Iraq. The continuation of the building partner capacity training mission would continue a credible and valued New Zealand contribution to the international coalition against Daesh. The paper also outlines other contributions that New Zealand is making to assist Iraq in defeating Daesh, in terms of diplomatic and humanitarian support.

2. The paper also invites Cabinet to consider adjustments to the current shape of the mission, reflecting the evolving needs of the Iraqi Security Forces as they continue to make progress in winning territory back from Daesh. Recommendations include widening the training audience to include stabilisation forces within the Iraqi Security Forces and allowing New Zealand Defence Force personnel to conduct training in the coalition building partner capacity location of Besmaya.

Executive summary

3. In response to a request from the Government of Iraq, Cabinet agreed in February 2015 to deploy the New Zealand Defence Force to the international coalition to counter-Daesh (the coalition). Up to 143 New Zealand Defence Force personnel can be deployed at any time to the building partner capacity mission at Taji military camp and in support roles around the Middle East region. If an extension is agreed, these numbers would not change. This original decision recognised the multi-dimensional threat that Daesh posed to international peace and security, including to New Zealand and New Zealand's interests. While our deployment is the largest and most visible aspect, we are also making a contribution to the coalition through a range of diplomatic, humanitarian and intelligence mechanisms.

4. The March 2016 Review (the Review) of New Zealand's commitment to the joint Australia – New Zealand building partner capacity mission in Iraq (known as Task Group Taji), confirmed that the deployment was meeting its objectives and was having a positive impact on the ability of the Iraqi Army to take the fight to Daesh in Iraq. Task Group Taji has so far trained around 7000 Iraqi Army personnel and delivered four junior leadership courses. During the Minister of Defence's recent visit to Iraq, this success was validated by the Iraqi Minister of Defence and senior coalition leaders. All were clear that there is a direct link between coalition training and better operational performance

by Iraqi Army units. New Zealand's contribution to the building partner capacity mission in Taji has also been welcomed by regional and international partners engaged in the coalition.

5. There has been substantial progress in the military campaign in Iraq, with local Iraqi forces, supported by the coalition, taking back over 45 percent of territory originally held by Daesh.

6. Given the success of New Zealand's commitment in Iraq and the ongoing need of the Iraqi Government for training and capacity building support, it is recommended that New Zealand extend the current deployment mandate beyond 31 May 2017. This extension would be contingent on the security and political situation on the ground, ongoing partnership with Australia and the continued invitation of the Government of Iraq. An extension would demonstrate New Zealand's ongoing commitment to the coalition objectives of promoting stability and capacity building in the region, degrading Daesh's strength and ultimately reducing the threat Daesh poses to both international security and New Zealand's interests.

7. It is recommended that this extension be accompanied by adjustments to current New Zealand deployment caveats on the Iraqi training audience and training location. Added flexibility would ensure New Zealand's contribution remains valued and continues to meet the evolving needs of the Iraqi Security Forces.

8. As more territory in Iraq is liberated, coalition training effort is increasingly being directed at developing stabilisation forces within the Iraqi Security Forces. These forces will be essential in securing newly liberated cities, allowing stabilisation and re-building to occur. Coalition partners, including New Zealand, have been asked to adjust operating caveats in order to accommodate the training of these forces.

Background

9. In February 2015, Cabinet agreed that New Zealand would make a military contribution to the coalition through a joint Australia-New Zealand building partner capacity mission (referred to as Task Group Taji) in Iraq [Cab Min15 5/8 refers].

Daesh remains a threat to New Zealand and internationally

10. The threat that Daesh presents to New Zealand and New Zealand's interests remains a real one. Daesh has continued to carry out atrocities in its controlled areas, including against non-combatants. Globally, Daesh has claimed responsibility for terrorist attacks in Paris, Brussels, Turkey, Egypt and elsewhere. These have demonstrated the continued threat of Daesh and its affiliate groups to the international community – including to New Zealanders living and travelling abroad. In New Zealand, security agencies are continuing to monitor a small number of radicalised individuals. The national threat level continues to be Low (this was lifted from Very Low in 2014) –

s.6(a)

s.6(b)(i)

11. s.6(b)(i)

[REDACTED]

Political update

12. Despite progress on the military front against Daesh, the political and economic environment in Iraq remains complex. s.6(a)

[REDACTED]

The focus of coalition efforts

13. As reported in the Review, there has been tangible progress in the counter-Daesh military campaign, with Daesh losing approximately 45 percent of territory it held at the height of its territorial expansion in Iraq, and 20 percent in Syria. Daesh's diminishing territory is also being matched by greater coalition efforts to target and destroy the group's financial resources. This has resulted in some success; and while the group still maintains the ability to generate income through extortion of local populations and oil resources, we are seeing evidence that its finances are coming under increasing pressure.

14. It is clear that the coalition needs to remain engaged in Iraq and with the Government of Iraq in order to consolidate the military successes against Daesh so far. Daesh continues to prove adaptive, resilient and creative in how it operates. A sustained, ongoing military effort is underway, with a focus on retaking key territories, including Fallujah and plans being conceived to re-take Daesh's de-facto capital in Iraq, Mosul (refer to map in Annex One).

The need for stabilisation

15. Managing the domestic political challenges alongside offensive military actions is critical to degrading and defeating Daesh in Iraq. While this is primarily an issue for Iraq itself, there is a clear need for partners to assist with stabilisation efforts, including basic security and law and order in recaptured cities. s.6(b)(i)

[REDACTED]

and that there is an immediate need to increase training to address this s.9(2)(g)(i)

The support provided through the coalition to train and equip personnel is considered essential to meeting this shortfall.

16. The Minister of Foreign Affairs has recently agreed to a US\$1 million contribution to the United Nations Development Programme managed Funding Facility for Immediate Stabilisation. This fund aims to facilitate the safe return of internally displaced people to newly liberated areas through targeted projects aimed at restoring key infrastructure and civic symbols, including hospitals and schools (further detail is included in Annex Two), and supporting reconciliation. The fund was established in recognition that the provision of core services and infrastructure will be crucial to ensuring that liberated areas remain

so, particularly with respect to key cities such as Ramadi, and Fallujah and Mosul (once liberated).

17. To date NZ\$22.5 million has been provided in humanitarian assistance to those affected by the conflict in the wider region. Consideration is also being given to delivering small civilian infrastructure projects in Iraq, in partnership with Germany. Further advice will be provided to the Minister of Foreign Affairs and other relevant Ministers once options have been scoped.

Comment

The impact of building partner capacity training

18. As noted in the recent Review, building partner capacity training is having a tangible impact on the ability of the Iraqi Army to take the fight to Daesh. The utility of training is evident not only through the military progress that has been made within Iraq but also through the increased comfort and receptivity of the Iraqi Security Forces to coalition training. This is also true of Iraqi Army sentiment in Taji. During the Minister of Defence's visit to Iraq in April, personnel from the then training audience, s.6(a)

s.6(b)(i) We have also received recognition and praise from Iraqi officials, and senior coalition leaders for our work.

Future requirements

19. s.6(b)(i) thanks for New Zealand's contribution and the positive work being done in Taji. s.6(b)(i) the training is fulfilling its purpose and confirmed that New Zealand's support would be sought for some time.

Recommendations for an ongoing New Zealand contribution

20. The building partner capacity mission remains a high value and relatively safe activity in a secure location through which New Zealand can make a meaningful contribution to the counter-Daesh coalition in Iraq. Our ongoing involvement in the building partner capacity mission supports the coalition objectives of promoting stability in the region, degrading Daesh's strength and ultimately reducing the threat it poses to international security. Australia, the coalition, and the Government of Iraq would all welcome an extension. Based on this, it is recommended that Cabinet approve an extension of the building partner capacity mission until 30 November 2018.

21. It is recommended that this extension be contingent on four factors:

- a. Developments in the security situation in Iraq;
- b. A reasonably stable political situation in Iraq;
- c. Australia's continued partnership in the building partner capacity mission; and
- d. The ongoing invitation of the Government of Iraq.

22. In the event that any of these factors change, or deterioration in the security and political situation makes New Zealand's involvement untenable, the Minister of Defence, the Minister of Foreign Affairs and Prime Minister, would make immediate decisions on the continuation of the deployment.

23. If there is an extension, consideration will need to be given to extending the operation of the New Zealand Embassy beyond 2016-17, in alignment with the duration of New Zealand's deployment. The Embassy has played a critical role in supporting the building partner capacity mission; serving as a diplomatic liaison between Task Group Taji and the Iraqi Government, as well as in bolstering New Zealand's relationship with Iraq and coalition partners. Extension of the Embassy is unaffordable without significant baseline reprioritisation and would result in significant cost pressure s.9(2)(i) on the Ministry's Vote FAT baseline. The Ministry of Foreign Affairs and Trade would require additional funding for this.

Maximising the value of the New Zealand contribution: possible adjustments

24. In addition to an extension, we propose two adjustments to the shape of the New Zealand mission so we are able to contribute more effectively to evolving coalition activities.

Delivering building partner capacity training at other secure coalition locations

25. Building partner capacity contributors have been asked to allow their trainers permission to deliver training at alternative sites within Iraq. This would provide the coalition with the flexibility to allocate trainers around coalition building partner capacity sites to meet the ebb and flow of training audiences as well as to optimise the use of scarce resources.

26. Separately but linked to this, Task Group Taji has received a specific request from coalition headquarters to support the delivery of advanced heavy weapons and unit tactics training to Iraqi Army units as part of their instruction programme in the nearby building partner capacity site of Besmaya¹. This advanced training cannot be conducted in Taji as it does not have the necessary facilities. The request capitalises on the strong rapport developed between Taji trainers and Iraqi Army personnel over the course of the Taji training programme.

27. s.6(a) Besmaya, which is located approximately 52 kilometres south east of Taji (map in Annex One refers). The team concluded that supporting the proposed advanced training programme would provide Iraqi units with a wider range of military skills. These skills would be essential in countering Daesh, and would improve the overall effectiveness of the Iraqi Army. s.6(a)

28. In practice, if agreed, an Australia and New Zealand training team would travel to Besmaya for several days. s.6(d) or as required depending on training scheduling and the availability of the Besmaya facilities, for each tranche of Iraqi Army trainees.

¹ Spain leads the Task Force in Besmaya

29. The unmitigated operational threat level for all Defence Force personnel deployed to Iraq is HIGH. This threat is however mitigated through a number of comprehensive force protection mechanisms. Besmaya, like Taji, is a protected military installation secured by coalition forces. Specific force protection measures include:

s.6(d)

s.6(d)

s.6(d)

s.6(d)

- the use of personal protective equipment.

30. As in Taji, force protection measures in Besmaya are under constant review to ensure they meet security requirements. Travel to and from Besmaya by the training team would be by the safest and most appropriate means, as assessed prior to the team's departure. In most cases travel is likely to be by protected military air transport.

Permissions

31. Under the original Cabinet mandate for the deployment to Iraq, the Minister of Defence, in consultation with the Minister of Foreign Affairs, is authorised to make adjustments to the deployment in response to operational requirements, provided that these adjustments do not significantly change personnel numbers, the cost or the intent of the mission [Cab Min 15 5/8 refers]. While the original mandate was for training in Taji, other elements of the Besmaya proposal fit within these criteria and are assessed as being a valuable addition to New Zealand's overall contribution.

32. We recommend that New Zealand's involvement in future requests of this nature at other secure coalition building partner capacity sites – with a similar level of force protection to Taji and Besmaya, be considered on a case by case basis by the Minister of Defence following advice from Defence.

Additional movements from Taji


33. s.6(d)

Broadening the current training audience

34. As outlined above, the coalition has identified the training of wider elements of the Iraqi Security Forces, particularly units that will be involved in stabilisation, as a priority. As more territory is recaptured from Daesh, well-trained, professional Iraqi stabilisation forces will have a critical role to play.

35. In line with this need, we recommend that Cabinet agree in principle that New Zealand personnel be authorised to provide training to these stabilisation forces in addition to the Iraqi Army. It is proposed that specific details on any changes to the training audience will be provided, on a case-by-case basis, to the Minister of Defence, the Minister of Foreign Affairs and the Prime Minister for their approval.

36. s.6(a)



Deployment risks and ongoing mitigation

37. Risks to New Zealand Defence Force personnel in Iraq are constantly monitored and experience to date has indicated that the current mitigation methods employed are effective.

Consultation

38. The New Zealand Treasury has been consulted. The Department of the Prime Minister and Cabinet has been informed.

Financial Implications

Financial implications of an extension until 30 November 2018

39. The total estimated marginal cost for the proposed New Zealand Defence Force building partner capacity deployment for the period of 18 months from 1 June 2017 to 30 November 2018² is assessed at \$47,172,000. This is broken down by financial year as: 2016-2017 - \$4,898,000; 2017-2018 - \$28,582,000; and 2018-2019 - \$13,692,000 (i.e. covering the last five months of the deployment until November 2018).

40. Of this \$39,840,000 can be met from the current departmental appropriations planned for Vote: Defence Force leaving a shortfall of \$1,242,000 in 2016-2017 and \$6,090,000 in 2017-2018 respectively. This will therefore require an additional appropriation as set out in the table below,

² Note that in February 2015 Cabinet approved funding for the two year period of 1 May 2015 to 30 April 2017 [CAB 15 5/8 recommendation 20]. The deployment took place one month after it was originally expected. This effectively pushes the two year original mandate period out to 31 May 2017.

	\$Millions – increase/(decrease)				
Vote Defence Force Minister of Defence	2016/17	2017/18	2018/19	2019/20	2020/21 out years
Multi-Category Expenses and Capital Expenditure: Operations Contributing to New Zealand's Security, Stability and Interests MCA Departmental Output Expense: Military Operations in Support of a Rules-Based International Order	1.242	6.090	0.000	0.000	0.000

41. It is recommended that the proposed changes to appropriations for 2016/17 above be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply.

42. Expenses incurred will be charged against the between-budget operating contingency established as part of Budget 2016.

Financial implication of conducting training in Besmaya

43. Expenses arising from New Zealand Defence Force personnel conducting training in Besmaya are expected to be immaterial in the context of the wider operation forecast cost. The additional output expenditure will be covered within the current appropriation.

Publicity

44. To be determined by the Ministers of Defence and Foreign Affairs and the Prime Minister.

Recommendations

We recommend that the Committee:

1. Note that Daesh remains a significant threat to international peace and security and to New Zealand and New Zealand's interests;

2. **Note** the recent success of the military campaign and degradation of Daesh in Iraq and that the Government of Iraq will require ongoing assistance from the international community to continue the fight against Daesh and to support humanitarian and stabilisation needs;
3. **Note** the political environment in Iraq remains complex;
4. **Note** that, as reported in the March 2016 Review [CAB-16-MIN-0112], New Zealand's deployment to Iraq is performing well and is achieving the agreed objectives and, in light of this success, New Zealand contribution to the building partner capacity mission would continue for the full mandate until May 2017;
5. **Note** s.6(b)
[REDACTED]
6. **Agree** that New Zealand's contribution to the building partner capacity mission be extended until 30 November 2018;
7. **Agree** that the extension be contingent on:
 - a. The security situation;
 - b. A reasonably stable political situation in Iraq;
 - c. Australia's continued involvement in the building partner capacity mission;
 - d. The ongoing invitation of the Government of Iraq
8. **Direct** that the Minister of Defence and the Minister of Foreign Affairs, in consultation with the Prime Minister, make immediate decisions on the future of the deployment if these factors change;
9. **Agree** that if the building partner capacity mission is extended, the Ministry of Foreign Affairs and Trade will require additional funding to extend the operation of the New Zealand Embassy for the duration of the deployment;
10. **Note** that Task Group Taji has received a request from coalition headquarters to support the delivery of advanced heavy weapons and unit tactics training to Iraqi Army units at Besmaya;
11. **Note** that, like Taji, Besmaya, is a protected military site secured by coalition forces. The force protection measures used are similar to those at Taji;
12. **Agree** that New Zealand support the delivery of advanced training to Iraqi Army units at Besmaya;
13. **Authorise** the Minister of Defence to consider future requests for New Zealand to conduct training in alternative secure coalition building partner capacity sites, following advice from Defence, on a case by case basis;
14. **Note** s.6(d)
[REDACTED]

- [REDACTED]
15. **Note** that both the coalition and the Iraqi Ministry of Defence have identified the training of stabilisation forces within the Iraqi Security Forces as a major priority due to the critical role the group will play in securing and supporting stabilisation in liberated Iraqi cities;
 16. **Agree** in principle that New Zealand personnel be authorised to provide training to stabilisation forces within the Iraqi Security Forces;
 17. **Agree** that further advice on changing the training audience be provided, on a case by case basis, to the Minister of Defence, the Minister of Foreign Affairs and the Prime Minister for their approval;
 18. **Note** s.6(b)(i) [REDACTED]
 19. **Note** that New Zealand has already contributed \$22.5 million in assistance to those affected by the Daesh conflict;
 20. **Note** that the Minister of Foreign Affairs has agreed to provide a contribution of US\$1 million from Vote: ODA to the Funding Facility for Immediate Stabilisation and has instructed officials to investigate development cooperation in Iraq in cooperation with Germany as part of New Zealand's contribution to civilian capacity building and stabilisation measures;
 21. **Note** that the total estimated marginal cost for the proposed New Zealand Defence Force building partner capacity deployment for the period of 18 months from 1 June 2017 to 30 November 2018 is assessed at \$47,172,000;
 22. **Note** that the total estimated marginal cost for the proposed New Zealand Defence Force building partner capacity deployment for the period of 18 months from 1 June 2017 to 30 November 2018 is assessed at \$47,172,000;
 23. **Agree** that \$39,840,000 can be met from the current departmental appropriations planned for Vote: Defence Force leaving a shortfall of \$1,242,000 in 2016-2017 and \$6,090,000 in 2017-2018 respectively. This will therefore require an additional appropriation as set out in the table below,

	\$Millions – increase/(decrease)				
Vote Defence Force Minister of Defence	2016/17	2017/18	2018/19	2019/20	2020/21 out years
Multi-Category Expenses and Capital Expenditure:					
Operations Contributing to New Zealand's Security, Stability and Interests MCA					
Departmental Output Expense:					
Military Operations in Support of a Rules-Based International Order	1.242	6.090	0.000	0.000	0.000

24. **Agree** that the proposed changes to appropriations for 2016/17 above be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply; and

25. **Agree** that the expenses incurred under recommendation 23 to be charged against the between-budget operating contingency established as part of Budget 2016.

Hon Gerry Brownlee
Minister of Defence

____/____/____

Hon Murray McCully
Minister of Foreign Affairs

____/____/____

Annex Two: The Funding Facility for Immediate Stabilisation

Focus areas for the Funding Facility for Immediate Stabilisation include capacity building for local governments, providing small cash grants to re-open businesses, restoring basic services such as water and electricity and reopening schools and hospitals. The Funding Facility for Immediate Stabilisation also provides a useful political function, helping to restore credibility and trust in the local, regional and central governments in liberated areas, which in turn are preconditions for eventual reconciliation between communities.

The Funding Facility for Immediate Stabilisation is developing a good track record of rapid and effective intervention, as evidenced following the liberation of Tikrit and Ramadi (where a substantial number of buildings had been destroyed). With efforts to liberate Fallujah currently underway, and the battle to free Mosul to come, we expect the Funding Facility for Immediate Stabilisation to continue to play an important role in ongoing stabilisation efforts, particularly as there are no other mechanisms that fill the gap between liberation and longer-term reconciliation or rebuilding.

Consideration is also being given to delivering small civilian infrastructure projects in Iraq, in partnership with Germany.

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982