

U.S. Central Command Assessment Team



Iraq Sub-Regional Report

February 2009

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Reason: ~~1.4.c.d.e~~

~~Declassify on: 15 February 2034~~

**(U) IRAQ SUB-REGIONAL REPORT
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(U) IRAQ SUB-REGIONAL REPORT

1. (U) EXECUTIVE SUMMARY

(U) **Situation Assessment:** Significant progress has been made in Iraq. Political, security, economic and diplomatic trends continue to be positive. However, they remain fragile, reversible, and uneven because underlying conflicts remain unresolved. It is in United States' long-term interest to have a stable and secure Iraq that is a source of regional stability and a strategic partner.

(U) Long-term stability and security depend on the Government of Iraq's ability to resist malign internal and external influences, provide transparent and accountable governance, reintegrate regionally and internationally, sustain and build on security gains, improve provisions of essential services, and achieve legitimacy. U.S. forces in Iraq will draw down over the next three years in response to Iraqi sovereignty concerns, Afghanistan requirements, the economic crisis, U.S. policy imperatives, an increasingly capable Iraqi Security Forces (ISF), and progress against security threats.

(U) **Problem:** To preserve security gains and influence inside Iraq as the Government of Iraq (GoI) exercises full sovereignty during and after the withdrawal of United States troops.

(U) United States Interests:

- Regional Stability
- Free Flow of Strategic Resources
- Pursuit of Common Interests (Defeat Violent Extremist Organizations (VEOs), counter Iran, and deter Weapons of Mass Destruction (WMD))

(U) **Objectives:** Specific major theater-strategic objectives and supporting ways and means that support a balanced strategy are summarized below.

Objective 1: A stable, legitimate, competent GoI which practices effective governance on behalf of all Iraqis.

Objective 2: Re-integration of Iraq into regional and international communities in ways that are not destabilizing.

Objective 3: Development and maintenance of a mutually beneficial, long-term relationship with Iraq that improves perceptions of United States policy in the region.

(U) **Proposed Strategy:** Securing a long-term strategic partnership with the GoI can best be achieved by maintaining a cooperative relationship during the draw-down. The United States should balance security needs with respect for Iraqi sovereignty in order to create the political conditions necessary to fully implement the Strategic Framework Agreement (SFA). United States Central Command (USCENTCOM) should, in collaboration with MNF-I and U.S. Embassy Baghdad, support the design, development, and implementation of a post-2011, residual capability which consists of a combined civilian-military organization affiliated with United States consulates located in key geo-strategic locations (e.g., Mosul, Kirkuk, Ramadi, and Basra). As a component of the United States Mission –

Iraq (USM-I), the residual capability should execute a full range of development and security tasks in accordance with the SFA and as required to preserve and protect United States interests.

(U) USCENTCOM Contributions:

- Support Multi-National Force-Iraq's (MNF-I) Joint Campaign Plan (JCP) execution by serving as a liaison, advocate, and facilitator between MNF-I and other Governmental agencies.
- Work with MNF-I to design and achieve interagency support for a residual capability. Manage the downsizing of the existing United States footprint in Iraq (MNF-I, MNC-I, and MNSTC-I) to support the development and Iraqi acceptance of a residual presence. Each Brigade Combat Teams (BCT) currently supports a Provincial Reconstruction Team (PRT). As forces drawdown, BCTs will transition to Advisory and Assistance Brigades (AABs) supporting multiple PRTs. Eventually, AABs will drawdown and military presence will be folded into structures, perhaps consulates, under Chief of Mission (CoM) authority.
- Work with MNF-I to expand ISF participation in bilateral/multilateral exercises, conferences, and symposia. Expand Iraqi attendance at resident professional military educational institutions in the United States. These programs will help build ISF capacity and encourage Iraq's reintegration into the region and collective security arrangements.
- Work with MNF-I to establish a dialogue on border security issues between Saudi Arabia, Jordan, Kuwait, Turkey, and Iraq. Expand current USCENTCOM efforts to establish a multilateral border security dialogue (including Iraq) to minimize movement of foreign fighters/terrorists and malign Iranian influence. Syrian participation should also be considered in this initiative.
- Work with MNF-I to fully resource the SFA. USCENTCOM should strongly support the establishment of a Washington-based Coordinator for Iraq Assistance to ensure unity of effort in planning and budgeting across the SFA committees.

(U) What is different?

(U) The recommended strategy is focused on a post-SA end-state and treats the SFA as a vehicle for securing United States long-term interests. The emphasis in this strategy is on managing the tensions between near-term security needs and the drawdown while setting conditions that allow for a long-term relationship. Additionally, this strategy promotes a bilateral framework (the SFA) as the best method for avoiding a vacuum during the drawdown and sustaining an enduring relationship between Iraq and the United States in order to achieve objectives.

2. (U) PURPOSE, SCOPE AND METHODOLOGY

2.1. (U) PURPOSE: This report was completed by the United States Central Command's Assessment Team over a 100-day period from November 2008 to February 2009. Its purpose is to provide a comprehensive assessment of the situation in Iraq and the region, a review of existing strategies and

plans across relevant departments and organizations, and suggested actions for United States Central Command in the context of an illustrative plan for integrating all instruments of national power and efforts of coalition partners in time, space, and purpose to achieve policy goals.

2.2. (U) SCOPE: The team consisted of members from across civilian and military agencies/departments of the United States Government (Treasury, State, USAID, USCENTCOM, MNF-I and OSD), the United Kingdom, and the Institute for Defense Analyses. It drew on intelligence analysis, existing plans and policy guidance, relevant reports, studies, direct interviews and observations inside Iraq. (See Section 12 for a full list of references, source materials, and consultations).

2.3. (U) METHODOLOGY: The intent of this report is to highlight how the impending withdrawal of United States troops from Iraq will inevitably reduce United States influence and threaten its long-term interests unless a strategy is implemented to prevent a deleterious vacuum from occurring after 2011. This report proposes a detailed regional level strategy and discusses why its success depends upon engendering the cooperation of the Iraqi Government. The latter will be the by-product of maintaining a cooperative U.S. Government (USG) – GoI relationship in the near-term. This report builds on the near-term foundation of the USM-I/MNF-I Joint Campaign Plan (JCP). Although the principal focus of this paper is on ways to counter declining United States influence, it also addresses USCENTCOM's role in supporting current JCP objectives and ways it can advance United States long-term interests in Iraq and the region.

3. (U) SUMMARY OF THE SITUATION ASSESSMENT

3.1. (U) General Situation. The signing of the Strategic Framework Agreement (SFA) and Security Agreement (SA) marked a major milestone in United States - Iraq relations. These agreements are a necessary, but insufficient, step towards achieving a sustainable U.S. strategic influence in Iraq. These agreements are important for their symbolic and practical value. To date, they represent the most visible statement of Iraqi sovereignty and a U.S. commitment to the same since the fall of the Ba'athist regime in 2003. In the near-term (through 31 December 2011), the SA will play a major role in shaping Iraq's domestic security and political environment and promoting or constraining the advancement of U.S. interests. This plan highlights the risks and opportunities USCENTCOM must address to sustain these efforts.

(U) The dramatic reduction in violence that followed the 2007 surge continues and security operations have shifted from being United States to Iraqi-led. Important but limited advances are visible in the political accommodations made between various factions. These continue to contribute to the improving security situation. However, this progress remains fragile and reversible, as discussed in Annex A: Situation Assessment.

(U) This strategy accounts for the tenuous security situation, the fractious nature of Iraqi society, endemic corruption, and the central Government's lack of capacity. The United States, alongside its Iraqi partners, must maintain hard-won security while simultaneously increasing the uses of non-military elements of national power to bolster good governance and continue to move Iraqi communities toward accommodation. If this does not occur, disenfranchised Iraqis will have a strong incentive to abandon the political process and return to violence which could result in widespread

instability with disastrous consequences for Iraq and the region. Because Iraq's internal and external enemies "get a vote" in how the future unfolds, this strategy also accounts for a diverse range of threats (see Section 10: Risk and Mitigation of this paper and Annex A: Situation Assessment.)

(U) USCENTCOM's role in 2009 is properly focused on assisting MNF-I navigate through what General Odierno, Commander of MNF-I, describes as a "pivotal" year. The mechanics of reducing U.S. forces while transitioning U.S. efforts from security to governance will be challenging and further complicated by an increase in requirements for additional military resources in Afghanistan coupled with the Administration's on-going review of Iraq policy which could accelerate the withdrawal of U.S. combat forces ahead of SA required deadlines.

(U) Other significant factors influencing the situation include regional tensions over Iranian hegemonic pursuits, the Israeli-Palestinian conflict, and the continuing threat of transnational terrorism. The increased divergence of strategic interests between USG and GoI is also likely to occur over time. As with all sovereign states, the extent of divergence will depend on the nature of the relationship and the degree of interdependence.

(U) Finally, as USCENTCOM grapples with the challenges of what Secretary of Defense Gates recently described as "the orderly drawdown of the American presence," there is a strategic opportunity that should not be missed. Namely, by aligning actions and words in pursuit of national interests, the United States can begin to create a new strategic narrative - a compelling framework that explains U.S. actions in terms of values, interests, and prejudices - to facilitate the achievement of long term interests in the region. This evolving strategic narrative will be explained in detail later in this report.

3.2. (U) Operating Environment in Iraq. The security situation inside Iraq is better than at any time since the war began. Violence and sectarian killings are at a record low. The ISF continues to professionalize and improve their capability to operate independently of U.S. forces. Although development of the Iraqi police lags behind the Army, the gap is slowly closing. Militias remain a latent driver of instability; however, they currently have limited popular support. Reconciliation and assimilation of the Sons of Iraq (SoI) and the near-term promise of greater Sunni representation in the Government of Iraq (GoI) continues on a slow but steady trajectory. Moreover, the proliferation of political parties and candidates participating in elections indicates that the political process is becoming a preferred forum in which to pursue collective interests and aims.

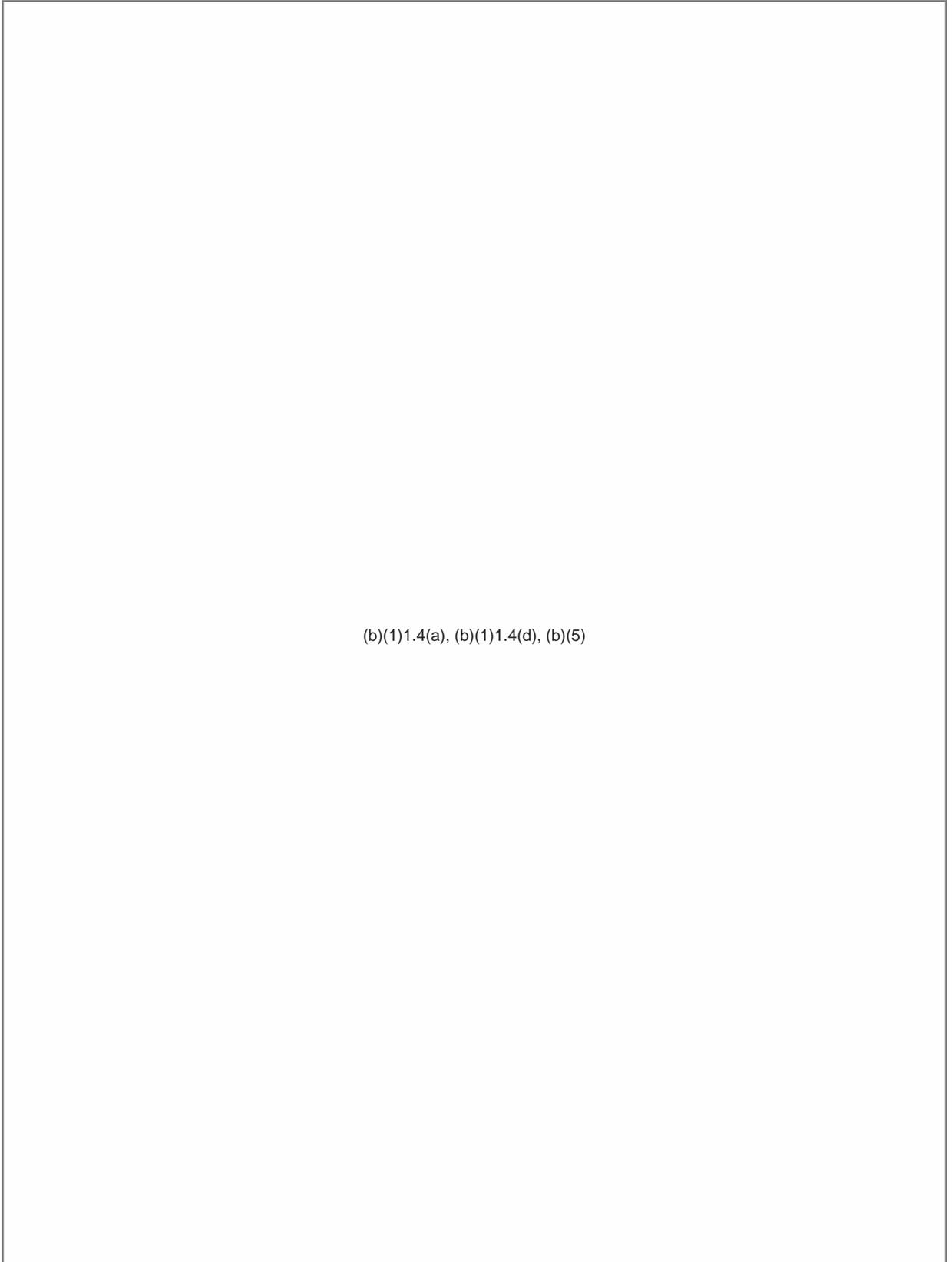
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3.3. (U) Regional Operational Environment:

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- (U) Kurdish Expansionism.



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(U) A national referendum on the SA is required no later than 31 July 2009. A negative vote would repudiate the SA and could generate a GoI request to accelerate the withdrawal of U.S. forces. This result would also amount to a vote of “no-confidence” in the current government and perhaps increase its incentive to resort to extra-constitutional means to retain power in the end-of-year national elections. Singly or in tandem, these outcomes put U.S. interests at risk. Conversely, a positive vote represents a degree of public acceptance for continued United States influence and presence. Iran’s reaction to such an outcome requires close monitoring as it may offer insights into their Iraq strategy.

(U) The SA sets a 31 December 2011 deadline for the withdrawal of U.S. forces, which will greatly reduce U.S. leverage as the final withdrawal date approaches. It is unlikely that many of the drivers of instability will be resolved by that date, therefore, the GoI may be receptive to maintaining U.S. civilian and military advisors, security enablers, and broad based development initiatives - - all of which rationalizes a U.S. residual presence of acceptable size to the GoI after 2011 (discussed in further detail in Section 6).

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4. ~~(S//REL TO USA, FVEY) PLANNING ASSUMPTIONS~~

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5. (U) STRATEGIC GOALS

5.1. (U) United States Interests in Iraq and the Sub-Region as derived from United States national security documents, subject to amendment by the new Administration, follow:

(U) Regional Stability

- A GoI that is legitimate, representative, responsive and effective, guided by the rule of law (ROL) and that serves all of the Iraqi people. One that can provide for its internal security, monitor and control its territory and borders, successfully defend against terrorists and other security threats.

- An Iraq in an enduring relationship with the United States and in partnership with regional states (e.g. Saudi Arabia, Jordan, Turkey, Egypt, Kuwait, and others); capable of deterring, defending, and cooperating against attack.
- An Iraq that is secure, stable, independent, responsibly governed, and at peace with its neighbors.
- An Iraq committed to deterring Iranian regional hegemony.

(U) Free Flow of Strategic Resources

- An Iraqi economy that enables the GoI to develop and maintain its infrastructure, re-join the international economy, and respond to the needs of the Iraqi people.
- An Iraq that ensures international access to markets, energy information, and strategic resources, including petroleum and natural gas.

(U) Pursuit of Common Interests

- An Iraq that contributes to regional security and stability and opposes violent extremist organizations (VEO).
- An Iraq that supports and assists the international community in countering the proliferation, acquisition, and use of WMD.

5.2. (U) United States Goals in Iraq and the Sub-Region as derived from U.S. national security documents, subject to revision by the new administration, follow:

(U) Near-term, 0-3 years: The Iraqi population protected in partnership with the GoI; assist Iraq in developing governing institutions that are legitimate, representative, responsive, effective, and guided by the ROL.

(U) Mid-term, 3-5 years: Iraq reintegrated into the region with a representative government that provides for its people, cooperates with its neighbors, and constructively interacts with the international community.

(U) Long-term, 10+ years: A stable, secure, independent, and prosperous Iraq moving toward democracy; contributing to regional stability; and committed to an enduring partnership with the United States that demonstrates the credibility of U.S. commitments.

6. (U) OVERALL CONCEPT OF INTEGRATION

6.1. (U) Navigating the Near-Term: Balancing Security and Sovereignty

The SFA/SA are significant because they formalize a new relationship with a sovereign Iraq. If effectively implemented over the next three years, these agreements may serve as a vehicle for creating a more enduring relationship which advances United States interests. However, if executed poorly or

derailed by enemy actions, hard-won security gains will be at risk, an undeserved degree of legitimacy will be attributed to the GoI, and Iran will be emboldened.

(U) These starkly different potential outcomes suggest that it will be necessary to balance security needs with respect for Iraqi sovereignty. The complexity of diverse issues and the fluid nature of internal Iraqi politics will make finding a proper balance between these imperatives a challenge.

(U) No issue illustrates this better than the SA's 31 December 2011 deadline for withdrawing U.S. combat troops from Iraq. Advocates for an accelerated drawdown, ahead of that required by the SA, believe it would more rapidly satisfy Iraq's desire to secure and exercise its full sovereignty (and would free up U.S. forces to deploy to Afghanistan). They also argue that early withdrawal undercuts our enemies' message across the Arab and Muslim world that the United States invaded Iraq for oil or to permanently occupy the Middle East.

(U) Opponents of an accelerated withdrawal argue that the security situation in Iraq is still too fragile and reversible to draw down BCTs in less than 36 months. They contend the BCTs play an indispensable role and must remain for as long as necessary to ensure the continued engagement of "soft power" assets (diplomatic, development, economic, etc.) and to serve in a stabilization role across Iraq's 18 provinces. Additionally, their presence sends a strong message that the United States is committed to confronting Iranian aspirations for regional hegemony.

(U) For all of the above reasons, this report recommends pragmatic implementation of the SA while monitoring security and political trends inside Iraq. Such an approach allows decision-makers to balance respect for Iraqi sovereignty with security concerns and other campaign objectives.

(U) The speed and scope of withdrawing U.S. combat forces over the next three years must be calibrated to conditions on the ground. Risk factors and drivers of instability require continual assessment for indications of an impending catastrophic event (e.g., coup, military rebellion, large-scale violence, terrorist resurgence, renewed wide-spread insurgency, or collapse of the political process). The United States should employ all available instruments of national power to deter such events from occurring. If this fails, the United States should act to secure Iraqi sovereignty, preserve its constitution, protect U.S. interests, and be prepared to do so unilaterally, if warranted.

6.2.(U) Preserving United States Influence and Interests – Residual Presence

The strategy proposed in this report should enable the GoI-USG to successfully implement the SA while simultaneously maintaining peace and security inside Iraq. Nonetheless, by 31 December 2011, United States combat forces will have departed Iraq and the United States will be faced with a major challenge of how to achieve its long-term goals with diminished presence and levers of influence.

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(U) The U.S. residual capability (combined civilian and military experts) that remains in Iraq post-2011 should be able to accomplish the following goals:

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- **(U) Operate out of U.S. Consulates in key geo-strategic locations in Iraq to accomplish the following unclassified tasks:**
 - Dispense “soft power” (diplomatic and development) previously provided through BCTs and their follow-on AABs.
 - Assume the PRT liaison role and provide assistance to provincial/district Governments, USAID, NGOs, IOs, and ISF elements outside Baghdad.
 - Provide U.S. military security to consulates that should have the flexibility to establish force protection levels commensurate with the mission and local security conditions vice arbitrary standards.
 - Maintain counterterrorism enablers consistent with requirements and regional priorities.
 - Other capabilities as identified by USCENTCOM, MNF-I, USM-I in coordination with the Department of State (e.g. local development aid, facilitate NGO support).
- **(U) Continue advising key GoI ministries (e.g. Defense, Interior, Finance, Trade, Electricity, Oil, Planning, Justice, Judiciary) and the provincial Governments in order to improve their capacity, effectiveness, and transparency.** Major focus areas should be the delivery of essential services, ROL, judiciary, and economic development.

- **(U) Continue advising the ISF to ensure their full development and professionalization in the following areas:**
 - Iraqi Army becomes a fully capable COIN force adept at internal peace enforcement.
 - Iraqi Police assumes responsibility for civil security from the Iraqi Army and earns the respect and confidence of the Iraqi people.
 - Iraqi Border enforcement capabilities reach full operational capability and function independent of United States assistance.
 - Iraqi Air Force reaches initial operating capability and can function independent of United States assistance.
 - Iraqi Coast Guard and Navy mature into a capable brown water force that is able to secure its territorial waters.
 - Comprehensive security cooperation and assistance efforts (with the GoI) to strengthen the Iraq armed forces through the following kinds of initiatives:
 - Military student exchanges
 - Military faculty exchanges
 - Annual exercises
 - Mobile Training Teams
 - Doctrine development
 - Other

6.3. (U) Strategic Opportunity – A New Strategic Narrative

The strategic environment within which the United States and the Coalition operates in Iraq is radically altered as political, diplomatic, economic and particularly military initiatives respond to the SA/SFA dynamics. The strategy proposed in this report would be strengthened if the United States fashioned and actively managed a new strategic narrative focused on a sovereign, secure and increasingly prosperous Iraq. Previous phases of OIF allowed our enemies to establish a dominant strategic narrative for their own purposes. In their terms, the United States toppled Saddam Hussein to acquire Iraq's oil and to permanently occupy Arab territory as a forward operating base to strike regional enemies. The changing environment provides an opportunity to shape a new narrative that will both better support and reflect United States regional objectives and deprive our enemies of their most effective and durable strategic formulation. The outline of the new narrative follows:

- United States actions on the ground are aligned with stated objectives. (Freedom not War).
- Messages about U.S. intentions are clearly supported by the facts. (Sovereignty not Occupation)
- Tangible benefits accrue from a long-term GoI-USG relationship. (Sustainable security and Western "soft power" advantage)

- OIF has produced an increasingly stable state. (Iraq as an emerging partner not a threat)
- The United States stands by its Arab / Muslim partners and honors its commitments. (Common interests not clash of civilizations)

(U) This new strategic approach serves multiple simultaneous purposes. Inside Iraq, it will enhance GoI legitimacy by demonstrating America's commitment to Iraqi sovereignty. Within the region, this new narrative will assist Iraq's diplomatic and economic reintegration with its neighbors based on stability and United States partnership. It will also greatly enhance United States credibility as a trustworthy partner by delegitimizing the popular Iranian and radical Islamic narrative, still claiming that the United States invaded for oil and to murder Muslims. Finally, this new strategic approach will establish the parameters for an ongoing strategic relationship that will ensure Iraq remains a strong regional ally. The formulations of such an approach will create a narrative that is understood by the United States Congress and the American people and help garner their support for SFA assistance for Iraq as the military commitment draws down. The need for this new strategic approach is given greater urgency by the withdrawal timelines for United States combat forces and a fleeting opportunity to take advantage of events and expectations in support of long-term United States regional interests.

7. (U) LINES OF EFFORT

(U) The need to persuade the GoI that United States presence after 2011 is in Iraq's interests should guide and inform the USG-GoI near-term relationship. Balancing security with Iraqi sovereignty concerns to engender their good will and elicit their support for a residual United States presence is the desired outcome.

(U) As previously discussed, the United States residual capability is critical to precluding a vacuum from occurring in Iraq after BCTs are withdrawn. Smoothly transitioning United States power from BCTs to a residual civilian-military presence affiliated with strategically located consulates will advance United States interests over the long-term. In other words, just as BCT's are the current vehicle for dispensing "hard" and "soft" power inside Iraq, the residual presence should assume this charter (albeit with a smaller United States footprint) after 2011 if the United States is to realistically accomplish its long-term goals. Under this strategy the residual presence (supported by USCENTCOM) has responsibility for accomplishing tasks which support the following objectives:

7.1. (U) Objective 1: A stable, legitimate, competent GoI which practices effective governance on behalf of all Iraqis.

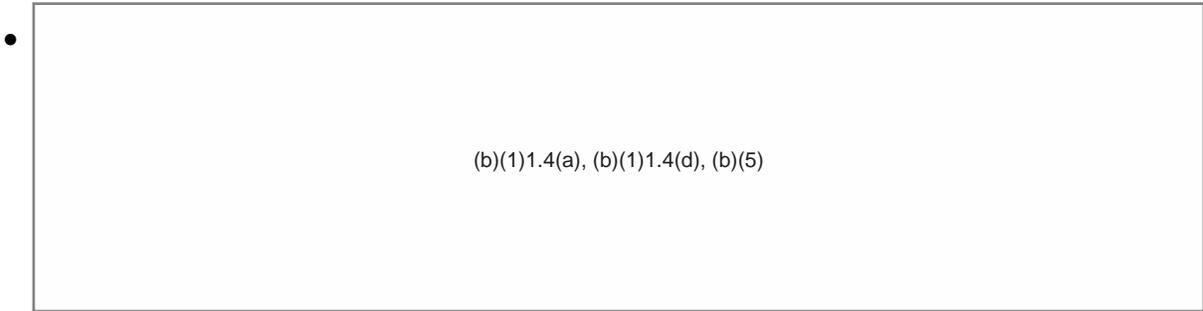
- "Good governance" has eight major characteristics: participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the ROL. United States support to these eight areas is necessary to avoid potentially catastrophic outcomes. Continued engagement by ministerial advisors who are a proposed element of the United States residual capability (see Section VI) are essential to developing accountable, transparent, responsive, effective, and efficient ministries and local Governments.

- ROL and continued support for and development of an independent, constitutionally based judiciary is required to protect Iraqis against lawless acts by state authorities and private citizens. ROL advisors (as a part of a residual United States capability) and international assistance is critical to developing and institutionalizing practices that discourage those with ethno-sectarian prejudices from trumping the ROL and inciting a return to widespread violence.
- USG and international community presence and investment (public and private) in Iraq is essential to Iraq's long-term stability. United States and international advisors should encourage the GoI to continue discussions with international financial institutions on liberalization, diversification, and development of the Iraqi economy.
- International support for educational development is needed to maintain Iraqi momentum toward a strong, inclusive education system capable of championing a democratic society and addressing the effects of the "brain drain."
- Continued United States and international support to the process of improving health sector policies and management is crucial to Iraq's development.

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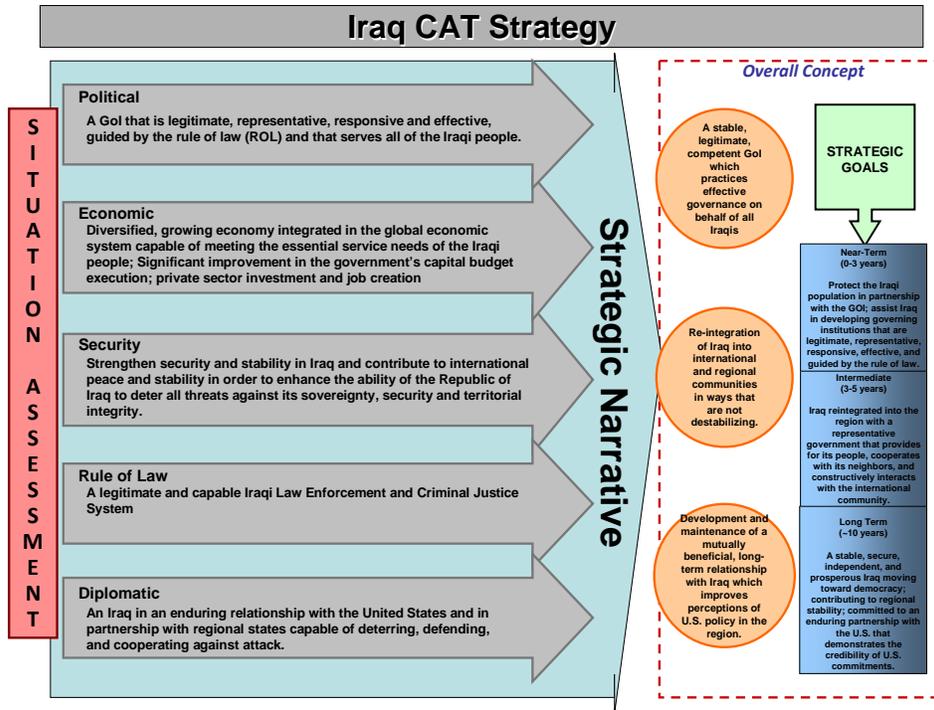
- **(U) Ensure that a strong and stable Iraq does not destabilize the region.** Continued reform and maturation of Iraqi Governmental capacity, political parties, and civil society is necessary for long-term success. In addition to undertaking the diplomatic and development initiatives outlined in the SFA, the USG should vigorously support civic and cultural development by promoting international exchange programs, education and information campaigns, and United States-Iraqi civil society partnering. International organizations, especially the United Nations and European Union, should be encouraged to support complementary programs.



7.3. (U) Objective 3: Development and maintenance of a mutually beneficial, long-term relationship with Iraq which improves perceptions of United States policy in the region.

- The SFA and SA form a bilateral framework through which the United States can pursue its objectives in Iraq and also significantly improve its position in the region. Accomplishing Objective 1 and 2 above are essential to advancing United States interests inside Iraq. At the same time they establish the conditions necessary to **improve regional perceptions of American policy and credibility**. Taking advantage of these conditions requires recognition of an emerging strategic narrative which unambiguously aligns U.S. stated objectives, actions, and messages with reality. Realizing the benefits of such a narrative will positively affect plans, operations, and strategic communications priorities.
- Improving United States credibility in Iraq is inextricably linked to supporting Iraqi sovereignty and establishing bilateral and multilateral security cooperation, economic, diplomatic, and cultural agreements **that align with and advance United States interests**. Before United States combat forces withdraw from Iraq, a residual capability must be in place that enables and incentivizes Iraqis to establish good governance and strengthen the development of their representative Government. USCENTCOM, with United States Mission Iraq and the GoI, contributes to these efforts by establishing a long-term security cooperation program, bilateral mil-to-mil exchanges, combined exercises, and agreements that support Iraq and preserve United States influence in the region.

8. (U) GRAPHIC: DRAFT PLAN OVERVIEW



* Lines of Effort are aligned with the current JCP Lines of Operation.

9. (U) RESOURCES FOR IMPLEMENTATION

(U) Providing the right resources at the right time to sustain military and civil operations as well as support political accommodation is critical. As military forces begin to withdraw and the focus of effort shifts to the political and diplomatic lines of operations (LOOs), sufficient resources to support this transition are in doubt. For example, FY 2008 Iraq Foreign Assistance and Operations dollars were approximately \$2.6 million. Current projected funding will fall to approximately \$1.9 million, significantly short of requirements.

(U) Success in Iraq requires sufficient appropriated funds to accomplish U.S. objectives. Funding must be authorized for flexible application where exigencies of the mission dictate; in particular, Contingency Construction Authority (CCA), Commanders' Emergency Response Program (CERP), Iraqi Security Forces Fund (ISFF), Economic Support Fund (ESF) (including PRT Quick Reaction Funds), International Narcotics and Law Enforcement (INL) funds, and United States Agency for International Development (USAID) funds must be sufficient and flexible enough to support mission execution.

(U) The delivery of services and products through support contracts must also be aligned with the shift from security operations to political and diplomatic efforts. Contracting with Iraqi-owned entities is a logistics goal, stimulating both Iraqi economic development and increased GoI capacity to govern. Some risk in contract performance must be accepted if the Coalition is to foster a lasting effect through

building economic, governance, and industrial capacity within Iraq. As U.S. forces redeploy, the non-Iraqi contractor force will also be reduced. Iraqi contracts must be carefully managed to ensure adequate stewardship of investment and reconstruction dollars.

(U) Additionally, as military forces drawdown, a vacuum that is detrimental to U.S. interests could result. Such a vacuum can be avoided by creating a residual capability resourced both U.S. military and civilian agencies. This capability, as discussed in Section 7, should be adequate to support on-going GoI initiatives, preserve United States influence, and safeguard United States interests.

10. (U) RISK AND MITIGATION

(U) Major risks and challenges summarized in the Strategic Assessment (Annex A) encompass a wide spectrum of events or actions. The following risks pose the greatest potential for catastrophic collapse of the Iraqi state or to ignite the communal/factional struggle for power within Iraq and thereby threaten United States interests within the region.

10.1. (~~S//REL TO USA, FVEY~~) Regional External Factors

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

- **(U) Iraq remains regionally isolated.** Iraq's neighbors will be slow to support Iraqi stability and development without sustained United States and international engagement. The United States should encourage Iraq's reciprocation of the Gulf States that have established embassies in Iraq by establishing its own ambassadors in embassies in the Gulf States. This would facilitate an increased perception of Iraqi good will toward its Arab neighbors. Diplomatic relations between Iraq and its neighbors would facilitate greater cooperation and help to aid integration of regional economies. Greater regional cooperation is also necessary to further regional security. The United States can use its security assistance leverage with regional states, especially Kuwait and Saudi Arabia, to begin confidence building efforts (data sharing, officer exchanges, etc) in the sub-region. The United States can facilitate Iraq's participation by encouraging and assisting with coordination and execution of bilateral military exercises with Gulf States.

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(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

10.2. ~~(S//REL TO USA, FVEY)~~ Escalation of Tensions

- (b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

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10.3. (U) State Failure

(S//REL TO USA, FVEY) Political divisiveness and the Iraqi Government's culture of corruption threaten the viability of the Iraqi Government. The current Government has failed, thus far, to meet expectations for the delivery of essential services or adequately execute basic Governmental functions. In addition, if elections are not perceived to be conducted in a credible or legitimate manner or if political stalemate prevents new Governments from being seated, a return to sectarian violence may be seen by some groups as the best way to protect individual or communal interests. The failure of the Iraqi state would create a vacuum that will be occupied by insurgents, militias, or terrorist organizations. The instability resulting from a persistent lack of state institutional capacity and/or corruption can be mitigated by developing a residual capability that will (In accordance with the SFA) focus on capacity and capability building of the ISF and Government institutions at all levels of Government (ministries and provincial). Continuing to build relationships between PRTs and the new provincial Governments in the near-term is critical to this effort however; these gains should be sustained with a PRT-like effort beyond 2011.

10.4. (U) USG and/or international resources

(U) USG resources in support of United States interests in Iraq are expected to significantly decrease as combat forces withdraw. Security gains which foster a more stable environment for political and economic growth may, despite recent progress, not be self-sustaining. The fundamental challenge is how to continue the continued development of Governmental institutions

which ensure their ability to function effectively with fewer resources. This problem is exacerbated by the recent decline in oil revenues. The Government computed 2009 budgets based on projected revenues of \$65 per barrel. Current market prices are hovering in the \$40s range. The GoI faces the prospect of a significant budget deficit, which is forcing hard choices among development, governance, and security programs as the finance ministry attempts to accommodate the drop in revenue. Inadequate resources (external or internal) will degrade Iraq's ability to perform necessary functions thereby slowing gains and setting conditions for increased instability. Additionally, the realities of the United States military force reductions and reductions in United States assistance levels force the development of new sources of leverage in order to minimize the risks. Continued military and civil resources are necessary to implement the proposed strategy and will require significant support and commitment from the USG and Iraq's international partners. Any major reduction of foreign assistance and operations (below 2008 levels) should be deferred until after the national elections and a new Government is seated (mid-2010), allowing time to build additional Governmental capacity.

10.5. (U) Precipitous Withdrawal of United States Forces

(U) U.S. military presence reassures disparate Iraqi groups and incentivizes their participation in a non-violent political process. A timeline for withdrawing United States forces that is not local conditions-based may increase the tension between ways, and means of achieving our goals. BCTs in Iraq are the principal means for employing United States combat power. They also dispense and enable a number of other institutions to distribute a significant proportion of Coalition diplomatic and development power. Their departure will create a vacuum unless they are replaced with an equally capable United States structure and enhanced Iraqi capabilities which can support diplomatic economic, educational, cultural, and security cooperation programs. In order to mitigate the risk to this proposed strategy, withdrawal of BCTs below twelve should be deferred, as much as practicable, until after national elections.

11. (U) ORGANIZATIONAL ROLES, RESPONSIBILITIES, AND COORDINATING INSTRUCTIONS

11.1. (U) USCENTCOM's Role

(U) Successful attainment of sub-regional goals will require USCENTCOM to play an increasingly active role working with MNF-I and the U.S. Embassy Baghdad in managing SFA implementation. This is especially true as the USG transitions from a security to governance focus, and as combat forces begin to draw down. In addition to supporting MNF-I JCP implementation, this report recommends the following initiatives be undertaken by USCENTCOM:

- Support MNF-I and U.S. Embassy Baghdad JCP execution efforts. In the near-term, USCENTCOM fulfills a vital supporting role for MNF-I's JCP by serving as a liaison, advocate, and facilitator between MNF-I and other Governmental agencies whose participation is central to accomplishing theater objectives.
- Work with MNF-I to design and develop residual capability. As described in Section 7 of this report, USCENTCOM, in collaboration with MNF-I, develop the transitional security structure which supports the requirement for a residual capability. Specifically,

USCENTCOM should work with MNF-I with the downsizing of the existing command and control structure in Iraq (melding MNF-I, MNC-I, and MNSTC-I into a single command by 2010) in such a way that supports the development and approval of the post-2011 residual presence without unduly affecting the execution of the current mission. A Joint Manning Document (JMD) for the residual presence should be experimented with during the withdrawal period to preclude gaps.

- Work with MNF-I to expand ISF participation in bilateral/multilateral exercises, conferences, and symposia. USCENTCOM should coordinate expanded Iraqi participation in exercises, conferences, and symposia. Initially, this should consist of Iraqi observers who visit United States allies (NATO, Australia, ROK) to learn from traditional military exercises and activities focusing on ROL, public health, environment and consequence management, and border control issues. These programs will help build ISF capacity and encourage Iraq's reintegration into the region and collective security arrangements.
- In collaboration with MNF-I and U.S. Embassy Baghdad, increase ISF attendance at resident professional military educational institutions in the United States. USCENTCOM should request additional ISF allocations to United States schools and those of its allies. In addition to ISF officers there should also be allocations for MOD and MOI civilian leaders to attend programs at National Defense University and other reputable civilian institutions.
- Work with MNF-I to establish a dialogue on border security issues between Saudi Arabia, Jordan, Kuwait, Turkey, and Iraq. Expand current USCENTCOM efforts to establish a multilateral border security dialogue (including Iraq) to minimize movement of foreign fighters/terrorists and malign Iranian influence. Syrian participation should also be considered in this initiative.
- Assist MNF-I in resourcing the SFA. Transitioning from security to a governance focus in Iraq will require USCENTCOM advocacy to compete for scarce resources outside the DoD. The SFA provides a context for such advocacy in its structure of six Joint Coordination Committees (JCCs):
 - Political and Diplomatic Cooperation
 - Services and Information Technology
 - Economic and Energy
 - Cultural, Educational, and Scientific
 - Law Enforcement and Judicial
 - Defense and Security Cooperation
- The USG has already designated an overall USM-I SFA coordinator, United States committee coordinators in Iraq, and coordinators for each committee in Washington. USCENTCOM should support SFA implementation by coordinating with these individuals in order to sustain USG programs on the ground past 2011. Moreover, USCENTCOM should strongly support the establishment of a Washington-based Coordinator for Iraq Assistance to improve interagency efficiency and reduce redundancies across SFA categories.

12. (U) CONCLUSION (THIS SECTION NOT USED)

13. (U) RECOMMENDATIONS

(U) This report recommends to USCENTCOM a regional approach in the form of a draft strategy (ends, ways, and means) to adapt United States policy in Iraq and the region to changing circumstances. Some of the recommendations contained herein are outside USCENTCOM's authorities but are included to preserve the whole-of-Government approach embodied by the USCENTCOM Assessment Team (CAT).

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14.2. (U) Organizations and locations visited in the Iraqi Theater of Operations:

- MNF-I:
 - RADM Buss, Director CJ5, MNF-I
 - BG Legere Director CJ2, MNF-I
 - MG Swan Director CJ3, MNF-I
 - MG Perkins Director CJ9, MNF-I
 - COL Springman CJ5 Strategy and Plans, MNF-I
 - COL Gade SJA, MNF-I
 - BG Matern, DCG, Civil Capacity MNC-I
- MNSTC-I - LTG Helmick
- MNC-I:
 - MajGen Ferriter MNC-I CJ3
 - MND-N
 - Brig Tom Beckett and COL Dave King MND(SE)
- TF-134-Detention Operations
- U.S. Embassy Baghdad :
 - Mr. John Fox POL
 - Amb Thomas Krajewski Northern Iraq Senior Regional Advisor
 - Mr. Gordon Gray Southern Iraq Senior Regional Advisor
 - Amb Michael Corbin PolMil
 - Econ Section USEMB
 - Mr. Chris Crowley USAID
 - Office of Provincial Affairs (OPA)

- Mr. Phil Lynch, RoL
- PRTs:
 - Salahdin: Mr. Rick Bell
 - Kirkuk: Mr. Howard Keegan
 - Basrah: Mr. Ramon Negrón
 - Baghdad: Deputy (Col Gary Agron), Governance Section (David Greer), Economics Section (Jeff Kramb), Provincial Training & Projects (Richard Shamass), and ROL Section (Rob Merchant).
- GoI Representatives: MoFA Zebari, National Security Advisor Rubaie, BaOC MG Mohammed Jowad
- JCP Brief: BG Bathurst (UK), Mr. Lynch (JSPA), COL Standen (UK), Rick Brennan (RAND), and COL Springman (CJ5)

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15. (U) ANNEXES

Annex A: Iraq Situation Assessment
Annex B: Objectives and Detailed Subordinate Goals
Annex C: Defense and Security Cooperation
Annex D: Law Enforcement and Judicial
Annex E: Political and Diplomatic
Annex F: Economic and Energy
Annex G: Cultural, Educational, Scientific Cooperation
Annex H: Strategic Narrative
Annex I: Services and Information Technology Cooperation
Annex J: Building Provincial Capacity
Annex K: Strategic Communications

(U) ANNEX A: IRAQ SITUATION ASSESSMENT

1. (U) SCOPE AND PURPOSE

(U) This paper is intended to assess the current situation of the OIF campaign from the perspective of United States Central Command and in the context of the broader USCENTCOM Area of Responsibility (AOR). Its conclusions concur with and expand upon the December 2008 USM-I/MNF-I Joint Campaign Plan.

2. (U) INTRODUCTION

(U) Over the past year significant progress has been made in Iraq. Positive trends include the improving security situation, reduction in inter-communal violence, increasing Iraqi sovereignty and national pride, the growing capabilities and perceived legitimacy of the Iraqi Security Force, the improving function of national and provincial political mechanisms, and the increasing acceptance of Iraq's Government by regional and international partners. As these positive trends continue, however, the underlying, difficult and contentious realities have come to the forefront. Unresolved, contentious issues, inhibit a common vision for the state. The Government of Iraq has yet to reach consensus on several important issues including the nature of the state, the degree of power sharing between the national Government and the provinces, the proper resolution of internal boundary disputes, resettlement of displaced persons, and the role of the market in the economy.

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(U) The increasing acceptance of the political and constitutional processes is a positive trend. There is some maturation of political leadership and improved understanding of the "new rules of the political game" but the current leaders do not respect each other's "red lines". Currently the motivation to turn to mass violence is not there; but capacity for such a return exists. For example, the Sunni community's sense of disenfranchisement after elections, the improperly managed Son of Iraq integration by the Government of Iraq, Disputed Internal Boundary (DIBs) issues, and the release of former insurgents could provide accelerants to re-developing an insurgency. Factors such as development of the Iraqi Security Force, the United States role, provincial and national elections that are perceived as legitimate all affect these actors when determining if or when to return to violence.

(U) The Security Agreement (SA) and Strategic Framework Agreement (SFA) recently concluded between the United States and Iraq, represent a significant evolution in the United States and Iraqi relationship. The agreements alter the formal context of United States involvement in Iraq in ways that can help sustain and expand Iraqi gains to date, enhance the Government's legitimacy, and United States credibility in the region. These agreements provide an opportunity as American combat forces being to withdraw to exercise soft power. It provides a framework in which the United States and Iraq have agreed to move forward, working together to improve overall governance, economic, diplomatic, and security performance through mentorship and training.

(U) Strategic Importance:

(U) Success in Iraq remains a strategic imperative for the United States. Iraq's geographical location in relation to our allies and adversaries, its educated population, oil resources, growing economic capacity and its future status as a regional military power all make it an important actor with which the United States must maintain influence.

(U) Establishing enduring regional stability and continuing to develop a strategic partnership between the United States and Iraq could reshape the region, gain an important Middle-Eastern partner in the fight against terrorism, deliver a major blow to Al Qaeda and provide an opportunity to counter malign Iranian influence in the region. Additionally, securing access to and the free flow of strategic resources can produce an Iraqi economy that enables the Government of Iraq to develop and maintain its infrastructure, rejoin the international economy, and is responsive to the needs of the Iraqi people. By doing this, it also can create an Iraq that has international access to markets, energy information, and strategic resources.

(U) Success in Iraq will demonstrate United States willingness to follow-through on long-term commitments to partners and allies, and to persevere against our enemies. With the signing of the Strategic Framework Agreement the United States reaffirmed its interest in long-term relationships in the economic, diplomatic, cultural, and security fields and our commitment to regional stability. A stable and prosperous Iraq should set a positive example for the region by demonstrating the benefits of representative Government, good governance, democratic principles and respect for human rights, and strategic partnership with the United States.

(U) Within Iraq itself, United States interests include a functioning Government of Iraq that is regarded as legitimate by the vast majority of its population; democratic avenues to resolve inter- and intra-communal differences and mitigate destabilizing effects of identity politics and communal competition for power and resources among Kurdish, Shia, and Sunni communities; establishment of the ROL; economic development sufficient to meet the needs of the Iraqi people and ensure that Iraq can participate in global markets; and Iraqi security forces sufficiently developed to protect against internal and external threats, but not posing a perceived or actual threat to regional stability.

(U) Nature of the Conflict:

(U) The communal and factional struggle for power and resources in Iraq has entered a primarily political rather than violent phase. External enemies and violent extremists continue to conduct armed attacks against United States and Iraqi interest and will continue to do so for the foreseeable future.

(U) The communal struggle continues to be the primary driver of instability in Iraq. That struggle now manifests itself largely within the political process, as parties compete for power and resources, rather than in the violent sectarian confrontations that characterized 2006 and early 2007. With security dramatically improved, these political disputes have regained prominence, but Iraqis remain far from real reconciliation. Not only do many of the influential figures lack a shared national vision, but they cling to principles that lead to conflicting and mutually exclusive visions. The multitude of political parties and actors makes formation of provincial and national Governments a ponderous and difficult

process. Some political players and blocs continue to use violence in order to achieve their desired outcomes when political negotiations fail or when a political actor finds compromise unacceptable.

(U) Political divisiveness also threatens the viability of the Iraqi Government. As elections play out, tensions among the different ethno-sectarian actors will increase and are likely to prevent any significant progress within the Government or its ministries. For example, Kurdish-Arab tensions have increased over the past year, and there is little room for maneuver on Kirkuk, Khanaqin, Mosul, Ninewa and other disputed internal boundaries. The Kurdish-Shia alliance is fraying and intra-Shia tensions are high. Tensions are also increasing between the IIP and other emerging Sunni parties.

(U) Moreover, tensions and disputes with the potential to destabilize Iraq include: national elections, implementation of Amnesty Law, Sons of Iraq integration, constitutional reforms, implementation of accountability and justice law, return of internally displaced persons/refugees, significant detainee releases, economic and/or political repression /discrimination, militarism, Article 140, hydrocarbons laws, economic and/or political repression/discrimination, militarism and the implementation of the Security Agreement.

(U) To achieve enduring stability and realize its full potential, Iraq must continue to establish its legitimacy by improving service to the Iraqi people while making progress on the remaining challenges to solidify its democratic future. Continued use of the new political institutions provides the best prospect for achieving the compromises between the opposing parties. In summary, political, security, economic and diplomatic trends in Iraq continue to be positive; however, they remain fragile, reversible, and uneven. The United States has an interest in continuing to help Iraq to develop its capabilities, exercise full sovereignty and emerge as a stable state. The goal is an Iraq that is internally stable, a source of regional stability and a strategic partner of the United States.

3. (U) OPERATIONAL ENVIRONMENT

(U) Political.

(U) Progress in security has enabled some improvement in politics and in governance gains. The Government of Iraq has demonstrated an increased willingness to exercise its authority. However, Iraq remains a fragile state while its political leaders have not yet developed a shared national vision essential to long-term stability and unity.

(U) The perceived lack of an immediate security threat has removed some of the incentive to compromise as the various parties have seized the opportunity to stall for better terms. They will likely defer key issues until the seating of the new parliament in 2010. The failure of the Government to adequately execute programs and meet the needs of the people undermines its credibility with the Iraqi population and presents a considerable challenge to its legitimacy. This provides opportunities for external actors to pressure political groups and manipulate the population by providing resources and services in an attempt to discredit the Government. Continued Coalition support in building up the Government's capacity and legitimacy are necessary, as is the willingness on the part of the Government to accept responsibility and assistance.

(U) To date, United States participation has been critical to political progress. United States officials at all levels of Government have acted as honest brokers and facilitate interactions among the various factions. Without such, political minorities would be at significant risk of exclusion from political power.

- **(U) Major Political Issues.**

(U) Lack of a shared national vision: The significant problem of a lack of a unified national vision among Iraqi leaders compounds the communal and factional struggle. Although there is agreement on establishing some form of a sovereign Iraqi state, Iraq's leaders disagree on the nature of the state and remain focused on individual agendas. Internal political strife keeps the Government from governing equitably and represents a significant threat to USG overall strategic interests. Iraq's leaders do not share a unified vision for their country primarily because of a strong underlying mistrust among ethnic and religious groups and a strong desire to build their individual party's success at the expense of building the nation. This political divisiveness exists beyond the healthy disagreements inherent to normal democratic politics.

(U) In addition, there is a perception that the Prime Minister is consolidating his personal power, a perception which feeds mistrust and political divisiveness. Given this, a Sunni insurgent threat could re-emerge if Sunnis view the Shia-dominated national Government as repressive. The positive trend of political organizations willing to participate in the constitutional process may push current leaders toward more political accommodation to ensure continued support. The persistence of fundamental distrust, however, allows Al Qaeda in Iraq and Shia extremists to retain hope of their future resurgence. External threats continue to exploit and foment disunity to advance their own agendas and pressure many of the political parties through both soft and hard power efforts.

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vacuum, however. Competing tribal support councils ensure that the tribes continue to vie against each other, not against the religious-political parties to whom they turn for patronage. This helps ensure that there will be no cohesive southern Awakening that provides voters an alternative to Shia religious parties currently in office. Meanwhile, Sadrists are attempting to avoid division through their reformation and by cementing their role among Shia parties as the political opposition, keeping their appeal to their constituents alive through weekly counter-occupation protests.

(U) The passage of the Provincial Elections Law represented significant political progress. Those in power were reluctant to have provincial elections, as they all stand to lose status. Thus Shia and Kurdish parties pushed to delay provincial elections in provinces they anticipate losing. Pressure to hold these elections, as mandated by the Iraqi constitution, comes from the United States, the United Nations, the Sunnis, the Sadrists, the Shia religious leadership in Najaf and many who are outside the political process.

(U) Provincial elections represented the first of multiple elections likely to occur in 2009. The Kurdistan Regional Government National Assembly elections are scheduled for 19 May 2009. The Kirkuk elections commission report is due 31 March 2009, with Kirkuk-specific elections sometime thereafter. District and sub-district elections should occur six months after provincial elections, according to Iraqi law. These are especially important in light of the UNAMI efforts to resolve disputed internal boundaries (DIBs), as these will be addressed at the sub-district level. The UNAMI effort on DIBS is essentially at a standstill, however, until after provincial elections. Finally, the Kirkuk governing council and Iraqi national elections should occur before the end of 2009, though reporting indicates that national elections may be delayed as late as March 2010. Ensuring that these elections remain legitimate – and that power is transferred peacefully – is vital to continued progress in Iraq.

(U) Elections hold considerable potential for legitimizing the political process and empowering new political actors more responsive to the needs of the Iraqi people. They also pose significant risk, however, especially if Iraqis perceive them as fraudulent or illegitimate. The success of elections and of the resulting new Governments is threatened by:

- Malign influences. There have been steady reports of illegal activities focused on influencing the elections. Assassinations, ballot fraud, restricted or impeded access to polling stations, uneven application of registration rules, bribery, and intimidation, and other illegal activities will likely continue in the run-up to voting. Moreover, even when malign intent is not present, simple incompetence in election process execution may also occur.
- Transition to new and inexperienced Government officials: Iraqi voters may select leaders with little or no governing experience. The sudden arrival of a large number of inexperienced officials could set back progress on capacity building and interrupt governance programs. This is especially likely in provinces with large Sunni populations whose voters boycotted the previous provincial elections. High turnover in some areas may also result in a temporary loss of Coalition influence and sources of reliable information.

- Unfulfilled expectations: Sunni disappointment in contested provinces (Baghdad, Diyala, Ninewa) could feed unrest and could lead to a renewal of violence.

(U) Sunni Disenfranchisement: While the Sunnis Arabs have largely turned away from violence and increasingly toward the political process, they have yet to achieve many of the goals for their community. Several issues stand-out as potentially provocative to the Sunnis.

- Sons of Iraq (SOI) Re-Integration: The Sons of Iraq remain pivotal to the reconciliation of the Sunni community and the defeat of Al Qaeda in Iraq. The transfer of the Sons of Iraq to Iraqi control presents the risk of re-igniting the insurgency, but also the opportunity for cementing security progress. Successful Sons of Iraq integration will indicate to the Sunnis that they will have a meaningful role in the future of Iraq. Sons of Iraq integration failure may set the conditions for Sons of Iraq to find it easier to reconcile with Al Qaeda in Iraq than the Government. Indications are that the transfer within Baghdad was transparent at the lower levels.
- A potential de-stabilizer is the transition of Sons of Iraq members into the security apparatuses and or technical fields. While many would like to procure security jobs, some are reluctant to move away from their neighborhoods. Expectation management is crucial in this endeavor. Sunnis fear continued marginalization but remain optimistic and buttressed by continued Coalition involvement in the SoI programs.
- Release of detainees. This possesses additional potential accelerant to Sunni disenfranchisement. Perception of an unequal process for Sunni versus Shia detainees, or the lack of release coordination with local leaders, will further the already heightened sense of mistrust of the Government and could rekindle the insurgency. There is also a risk of increased violence as insurgent groups defeated through effective operations reconstitute using the released detainee population.

(U) Tensions between the provinces and the central Government: The Iraqi constitution's provisions for federal regions have the potential to destabilize Iraq in the near term. These tensions are especially strong in the Kurdish areas and the Shia south.

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- (U) Political Dynamics and Key Players.

(U) Provincial elections have changed the political dynamics within Iraq. . The various factions are likely to take results from those elections as a fair approximation of current popular support, and thus as a rough forecast of the national elections. Iraqi politicians are already discussing holding national elections in early 2010 instead of late 2009, and justify the delay by interpreting the election law as mandating national elections one year from the formation of new provincial Governments.

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(U) Muqtada al-Sadr has declared his party would not participate directly in provincial elections. Nevertheless, his party endorsed candidates, formed political alliances with other parties, and ran candidates as independents or as part of front parties. This decision positioned the party and its constituents to have other political parties compete for their patronage resulting in continued influence.

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(U) Key Dynamics in Arab Sunni Politics. Iraq's Sunni Arabs are shifting away from viewing the Shia-led GoI as inherently illegitimate. Most Sunnis now appear ready to participate in politics, especially at local levels. The decline in sectarian violence over the past year has led Sunnis to conclude that the Government does not seek their extermination, although Sunnis view recent military operations in predominately Sunni areas like Diyala as indicating that the Government is still motivated by sectarian concerns.

(U) Sunni Arabs increasingly will accept the new Iraqi order, if they see tangible gains from their participation in provincial elections. Prime Minister Maliki can bolster Sunni participation by continuing to target Shia militias, supporting Sunnis who fought Al Qaeda in Iraq, implementing Sunni legislative initiatives, and backing Sunni positions on issues related to territorial disputes with the Kurds.

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(U) Governance

(U) GoI Capacity and Will: Political divisiveness continues as the greatest constraint to equitable governance, economic growth and social stability. The Government's performance has improved, albeit slowly and unevenly. Fiscal management and the execution of capital and operational budgets have improved. Capital budget execution has improved most significantly at the provincial level, where provincial Governments continue to implement Provincial Development Strategies thereby generating employment. Provincial Reconstruction Teams are helping increase capacity and improve performance at this level.

(U) One critical missing element inhibiting the proper development of the Government and its institutions is leadership development. This is true for both civil and military organizations. Iraqi leaders at all levels find themselves still primarily shaped by their experiences under Saddam and the Ba'athists. A professional, democratic ethos aligned with the constitution and with traditional Iraqi values has yet to emerge. United States assistance in all areas has until now largely focused

on technical subjects, rather than on leadership values and ethics. Even though there are significant cultural barriers to full incorporation of such values, this gap in leadership development may present significant opportunities for United States engagement.

(U) Leaders and the political parties they represent are anxious to demonstrate progress in advance of elections. Iraq's leaders are aware of the considerable popular dissatisfaction with the parties that have dominated the political process since 2003. Despite this, the Government has not embraced the fact that improving basic Governmental services would be the best means of retaining power. While they and political party leaders attempt to use the political process, when that fails to achieve their goals, they revert to old practices of intimidation and corruption.

(U) The Government has not been able to keep pace with increasing demand for essential services. Many factors, including nascent national and provincial Government institutions, recent ethno-sectarian conflict, history of minority rule, history of centralized and coercive regimes, history of conflict with neighbor states, and the absence of skilled technocrats and inherent corruption, all continue to hinder the central and provincial Government's ability to govern and provide equitable services. The Government also lacks cross-ministerial fora, with the exception of the National Security Council. There are insufficient standard Government processes. These issues continue to undermine the Government and create conditions favorable to the insurgency.

(U) Past capacity development efforts have been "Baghdad-centric" in focus. Future efforts (largely USAID) will concentrate on shifting to the provinces, developing the skills sets of the directors general in the line ministries as well as the newly-elected provincial councils.

(U) Status of United States governance assistance programs. The failure to articulate realistic goals and then coordinate an all-of-Government strategy for the rebuilding of Iraq prior to commencing military operations resulted in a substantive and organizational vacuum. Key United States Government civilian agencies arrived in Iraq each with their own approaches, paradigms and experiences to define the problem. Each agency naturally called upon proven bureaucratic negotiating tools honed in the interagency Washington environment of competition over scarce financial and staff resources. What has resulted is a disparate set of agency priorities and approaches premised on flawed understandings of the Iraq development problem and conditioned by agency capabilities, past experience, and assumptions about how to rebuild Iraq.

(U) The approval of the Strategic Framework Agreement and Security Agreement, which place the Iraqi Government in a clear leadership role with the United States in support, provides a unique opportunity to address national and provincial level development from an Iraqi perspective. Looking forward, USAID anticipates Council of Representatives the execution of these agreements which will enable delivery of technical assistance. The assurances that the national development strategy and nested provincial development strategies mirror the future aspirations of most Iraqi citizens would help insure Iraqi buy-in and follow-through. So far the United Nations development agencies (IBRD, IMF, UNDP, etc) have had a relatively minor role in guiding the Government of Iraq.

(U) Embracing an Iraqi owned vision of their future development would forge a new United States – Iraqi partnership for development and provide the base for an enhanced United States mentoring

and support role. It would provide opportunities for the United States agencies to advise ministerial and provincial leaders and to improve developmental plans already being developed. Such adjustments provide the best chance for sustaining a longer term United States developmental relationship with Iraq.

(U) USAID/Iraq's Democracy and Governance Program is a multi-faceted initiative that encourages integrating democratic principles into all levels of Iraqi Government—national, provincial, and local—to enhance the lives of ordinary Iraqis throughout the country. In its first year, the program focused on local governance and community engagement, and has now expanded to include support for elections, national Government, and the judicial system, as well as constitutional development and civil society building.

(U) Economic.

(U) As security gains foster a more stable environment for economic growth, Iraq's present Government is making slow, but steady progress. Nevertheless, further improvement is necessary. The fundamental challenge in the economic realm is the tension between the need to exploit statist economic institutions in the near and mid term to promote stability, and the need to diversify and promote market mechanisms in the long term. In the immediate future, however, the most pressing challenge for the Government in the economic sphere may lie in the present decline in oil revenues.

(U) Budgets. A number of factors have hindered the Government's ability to execute annual budgets. These factors include inexperience and a lack of understanding of the budget process at all Governmental levels, frustration with and misunderstanding of the roles of the Ministry of Finance and the Ministry of Planning, confusing rules for attaining and using letters of credit, lack of automated reporting systems, centralized management of budget spending authority, security issues, and the availability of qualified contractors.

(U) Providing increased revenue for public sector expenditure and investment, while supporting the broadening of economic growth and development, represent key factors in the Government's ability to balance their budget. There is a need to diversify the sources of public revenue beyond those generated by oil exports. To date, USAID has worked with the Ministry of Finance's Tax Policy Unit and General Commission for Taxes to formulate a new tax reform strategy in accordance with the IMF SBA. Moreover, USAID has worked to implement a personal and corporate income tax policy as well as a mobile phone and wage withholding tax for the private and public sectors. USAID will continue these efforts in support of the IMF's structural reforms.

(U) Budget execution for capital spending is still through a stove piped ministry system. This system represents a significant problem in connection with service delivery, public sector employment, ghost employees, and other forms of corruption. Although, some improvement has occurred in the ministerial and provincial capital budgets rates, the decrease in the revenue forecast has caused a subsequent reduction in 2009 spending plan.

(U) The United States Treasury continues to provide technical assistance in budget formulation and execution, a process historically inflexible in Iraq. The formulation process is adequate, while execution of the capital budget remains a problem. Separately, USAID will provide assistance to

the Ministry of Finance's budgeting and accounting directorates to engender functional reforms in the areas of accounting policy and treasury functions. Lastly, USAID will support the implementation of the financial management information system in accordance with the IMF structural reforms.

(U) The most immediate economic challenge facing the Government is likely to be the decline in global energy prices. The Government computed 2009 budgets based on projected revenues of \$65 per barrel. Current market prices are hovering in the \$40s range. The Government faces the prospect of a significant budget deficit, which is forcing hard choices among development, governance, and security programs as the finance ministry attempts to accommodate the drop in revenue.

(U) Essential Services. Iraqi leaders have made progress toward delivering essential services such as electricity, water, and healthcare, though progress varies by locale. Although the United States and the Iraqi Government have completed several projects designed to improve the delivery of essential services, increases in supply have not kept pace with demand. As America has ceased funding large-scale infrastructure reconstruction programs, Iraq must increase its spending on these projects, as well as on the operation and maintenance of existing projects. Successfully expanding Iraq's budget execution capabilities is fundamental to further improving the delivery of such services.

(U) Iraq is now regularly producing more electricity than it could sustain before the 2003 invasion. Unless the Government institutes sufficient charges for the consumption of electricity, it will have to support new electrical plants and transmission and distribution systems financially, as investors will not apply capital unless they can see a clear, durable revenue equation.

(U) Some commercial models are available to attract such investment, where the Government is the buyer of the electricity, with oil revenues held offshore as the financial guarantee. Electricity supply from surrounding provinces to Baghdad will nevertheless remain problematic, as increased hours of power for the capital mean reduced hours in Bayji, Kirkuk, Haditha, and the south.

(U) Electrical supply from Iran to key regional areas, such as the KRG and Basrah, provide an opportunity for significant external influence. When engaging in high profile negotiations with Iraq, Iran has used energy distribution as a major lever.

(U) Finally, USAID will continue to assist Iraq to establish a pension administration organization and an automated benefits registration system.

(U) Oil Sector. Iraq is consistently producing more oil than before the 2003 invasion. The task now is to repair and expand the oil infrastructure. Increases in production as well as the restoration and expansion of transport and export pipelines and terminals will require significant investments. This capital is available from global petroleum companies, if the petroleum law currently under consideration by the Council of Representative meets acceptable world standards.

(U) Foreign investment in the oil sector could be significant in developing economic growth. Aside from significant new sources of capital to relieve the burden on current Government funds,

the collateral benefits of such foreign investment in the oil sector include distributing the burden of reconstruction and economic progress, new sources of diplomatic involvement, the provision of private employment, reduction of the burden on Government coffers and programs, a reduction in the power of the Minister of Oil and those controlling the branches of the Iraqi National Oil Company, which would diminish the scope for corruption, creation of an alternative civil society power base, new standards of corporate governance, new worldwide standards for health, safety, environmental protection, annual maintenance programs, and a more rapid, more efficient execution of major projects. The recent pressures on international energy prices have had significant effect on Iraqi budgets, and declining oil prices may affect the climate for foreign investment.

(U) Banking. The banking sector in Iraq consists of 40 banks with over 700 branches nationwide. According to the Central Bank of Iraq (CBI), there are seven state-owned banks and 33 privately-owned banks that conduct business in Iraq. Currently, the two largest state-owned banks, Rafidain and Rasheed, are undergoing comprehensive restructuring with World Bank and IMF guidance. While state-owned banks continue with their restructuring efforts, Task Force to Improve Business and Stability Operations (TFBSO) has focused its efforts on developing the private banking sector. Iraqi banks are making progress, as evidenced by the opening of 20 ATMs in Baghdad this year and the announcement of the new biometric smart card that will permit automatic deposits into the individual's account on the card, ATM uses, and points-of-sale capabilities. This will reduce the nation's dependence on printed currency and move Iraq into the electronic banking age.

(U) The United States Treasury has also continued assistance to the banking sector, where transparency remains a problem. The two largest state-owned banks are in receivership, and the Iraqi Trade Bank has not made public its last two audits.

(U) USAID is also providing support to the Central Bank of Iraq to develop its capacity to monitor and supervise the growing financial sector by strengthening the capacity of the bank supervision department to performance its duties in a consistent, transparent, and timely fashion that relies on international accepted practices and IMF compliant prudential reporting. This will apply to both on-site bank examination and automated off-site monitoring of financial institutions.

(U) Finally, USAID will continue to develop the ability of the CBI to implement modern and sophisticated monetary policy leading to economic growth and to help reduce inflation. This objective is consistent with the requirements of the bank's monetary and exchange rate policy as specified in the IMF SBA.

(U) Job Creation. Economic growth and private investment are pivotal for the creation of jobs and alleviating of persistent unemployment and underemployment. Local, provincial, and regional economies have the potential for substantial job growth through agricultural and agribusiness development. Labor-intensive construction techniques, which maximize job creation, should be into infrastructure development contracts. In the medium-term, investments in agricultural infrastructure (irrigation and drainage systems repair, rural roads, intermediate commodity collection, and wholesale marketing facilities) could produce significant reductions in under-employment. As these facilities come on line, the rural labor force would transition from infrastructure construction employment to new job opportunities generated by expanding the value-

chain that would absorb, transform, and deliver expanded agriculture productivity to domestic and ultimately export markets.

(U) Today, USAID and its network of implementing partners work in all 18 provinces encouraging private sector development and job creation. Towards this end, USAID will continue to support the development of the microfinance industry as a catalyst to small and medium size enterprise development. To date, more than 15 indigenous microfinance institutions have been established which have distributed over 87,000 loans worth over \$188 million. Looking forward, USAID will provide business skills training to Iraqi Entrepreneurs through its nine regional small business development centers as well as support vocational education centers to foster continued employment.

(U) Obstacles to investment and economic growth. Obstacles to investment and economic growth are pervasive in Iraq. With the possible exception of Iraqi Kurdistan, security represents a major concern for both Iraqi and foreign businesses and investors, but there are a host of other problems. Iraq ranks near the bottom on international scales for ease of investment and business. The Heritage Foundation's and Wall Street Journal's (13 Jan 2009) index of economic freedom does not even rank Iraq. United States firms and the representatives of the United States have experienced significant problems with the Government of Iraq and Iraqi businesses in terms of lack of transparency, delayed payments, and high business costs. Though improving, the banking system still cannot meet the demands of a growing modern economy, while the court system lacks the capacity to adjudicate disputes and enforce decisions. In addition, the lack of a consistent power supply discourages investment from both local and foreign businesses, especially in the manufacturing sector. The presence of United States advisors has resulted in episodic improvements, but the problems may well be generational and cultural in scope.

(U) The Government has passed a new investment law and appointed the chairman of the investment commission, but the chairman must be confirmed for the law's implementation. The Iraqi's must also pass a law or regulation that recognizes international arbitration and awards. Iraq has made some progress in the area of WTO accession by concluding their second working party meeting and completing a legislative action plan. Iraq passed a new hydrocarbons law in 2006, but it was also not implemented, and probably will not be until the issue of Kirkuk and territorial disputes between the central Government and the Kurdish regional Government are resolved.

(U) Iraqis have been isolated from international business and investment norms and practices for a long time. Often, they have reverted to a combination of regional (Arab) traditional practices and the Ba'athist socialist institutions developed and maintained over several decades. It is fair to characterize the current business climate as one based on pursuit of good deals rather than solid practices and procedures; this is a significant barrier to development, and solutions will neither be quick nor easy. While many Iraqis have shown remarkable resilience in returning to business following bombings and other disruptions, the opportunities for growth and investment in all sectors of the economy-construction, manufacturing of industrial and consumer goods, agriculture, finance-will be unrealized until there is better security, the ROL, and a more adequate legal and physical infrastructure.

(U) Debt relief. Under the UNSCRs, Iraq enjoyed a degree of immunity from legal claims by foreign Governments for debt or reparations. Post-UNSCR, neighboring Governments may pursue claims against Iraq that would exacerbate tensions and disrupt attempts at normalization. The lack of a robust set of bilateral legal and diplomatic arrangements between Iraq and its neighbors can affect continuing United States efforts to develop Iraqi institutions.

(U) The United Nations compensation commission is still operating, handling claims and restitution based on Iraq's invasion of Kuwait in 1990. The commission currently is adjudicating 2.7 million claims seeking approximately \$352 billion for deaths, injuries, loss or damage of property, commercial and environmental damage. Iraq is currently required to pay 5 percent of its oil export earnings into a UN Compensation Fund, in conformity with UNSCR 1483 (2003).

(U) The International Monetary Fund (IMF) stand-by arrangement (SBA) provides a framework for economic reforms in fiscal and monetary policy and development of the financial sector. Iraq and the IMF agreed to a 15-month SBA in December 2007, following the two years of satisfactory performance of Iraq under the prior SBA signed in December 2005 which had been extended for another year. All Paris Club creditors have concluded bilateral debt relief agreements with Iraq, representing \$42.3 billion in relief. Iraq has also continued to obtain some debt relief outside of those agreements. It has received roughly \$12 billion in debt relief from non-Paris Club official bilateral creditors, while also receiving approximately \$20 billion in commercial debt relief.

(U) Public Financial Management Action Group (PFMAG). MNF-I and USM-I engagement with Iraq on budget and other financial/economic issues is primarily through the PFMAG, which has improved integration of civilian-military assistance under civilian leadership and policy direction. PFMAG operates as a national Governmental advisory entity and provides recurring training and technical assistance to Iraq's ministries and provincial Governments. It is working to facilitate better communication between the central and local Governments. For example, it has provided assistance with budget execution due to insufficient training, a shortage of certified accountants, and a lack of clear guidance from Baghdad.

(U) **Diplomatic.**

(U) Iraq's modern history, especially since Saddam's formal assumption of power in 1979, has been characterized by conflict with its neighbors and with the international community. The UNSC has held Iraq as a threat to international peace and security under the terms of Chapter Seven of the U.N. Charter since 1990. The expiration of Chapter Seven status on 1 January 2009 symbolizes the opportunity available to redefine Iraq diplomatically although, the accumulated mistrust, war debt, refugees, economic decay, and eroded sovereignty inherited by the Government of Iraq will take concerted efforts, international support, and time to correct.

(U) As a sovereign Government, Iraq must conduct commerce, diplomacy, and security cooperation with its neighbors in accordance with international norms. Some initial steps have occurred. During 2008 the Iraqi Government made some progress with its neighbors through high-level visits by regional Governments and the return of some diplomats to Baghdad. Of particular importance have been visits by King Abdullah of Jordan, foreign ministers from UAE and Egypt, the crown prince of UAE, and prime ministers from Lebanon and Turkey. UAE, Bahrain, Kuwait,

and Jordan have also returned ambassadors to Baghdad. Moreover, the UAE has forgiven Iraqi debt. This positive momentum must be maintained and channeled into other areas. Some security cooperation has begun, notably through trilateral discussions held with Turkey and the United States (with KRG participation). Though the current trend is positive, much more is necessary in order to frame and develop a robust network of relationships.

(U) Historical and current relationships with Iran as well as Kurdish issues will affect not only regional security but also diplomacy across the region. Direct diplomatic engagement, solicitation of international support, and the encouragement of targeted assistance all are necessary.

(U) The Iraq-United States Strategic Framework Agreement and Security Agreement. The signing of the Strategic Framework Agreement (SFA) and the Agreement between the United States of America and the Republic of Iraq on the Withdrawal of United States Forces from Iraq and the Organization of Their Activities during Their Temporary Presence in Iraq (or SA) marks a major milestone in the Iraq War.

- **(U) Major Provisions**

(U) Implementing mechanisms. The SFA is to be implemented via a Principals-level Higher Coordinating Committee, which will supervise five Joint Coordination Committees: Political and Diplomatic Cooperation; Services and Information Technology Cooperation; Economic and Energy Cooperation; Cultural, Educational, and Scientific Cooperation; and Law Enforcement and Judicial Cooperation. These committees are to be staffed by appropriate representatives from GoI ministries and USG departments. The SA is to be implemented primarily through a Joint Military Operations Coordination Committee. The GoI does not yet fully understand or have consensus on how it wants to approach the implementation of the agreements, or what “low-hanging fruit” might improve the environment for the referendum.

- **(U) Constraints.**

(U) The Strategic Framework Agreement imposes strategic, operational, and tactical constraints on United States actions in Iraq. Most notably, the agreement mandates that:

(U) Most notably, the agreement mandates that: All military operations are to be carried out with the agreement of and in full coordination with the GoI. The agreement stipulates that coordination occur within a Joint Military Operations Coordination Committee, or in cases of unresolved disputes, a higher Joint Ministerial Committee.

(U) The GoI has the primary right to jurisdiction over United States forces in cases of certain grave premeditated felonies.

(U) The GoI has the primary right to jurisdiction over United States contractors.

(U) No arrest or detention may be carried out by United States forces except through an Iraqi decision issued in accordance with Iraqi law.

(U) The United States shall provide available information to the GoI on all detainees, shall turn over custody of detainees wanted by the GoI, and shall release all remaining detainees in a safe and orderly manner.

(U) United States forces may not search houses or other real estate properties except with an Iraqi judicial warrant.

(U) All United States forces shall withdraw from all Iraq territory no later than December 31, 2011.

(U) All United States combat forces shall withdraw from Iraq cities no later that June 30, 2009.

(U) The GoI has full responsibility for the Green Zone.

- **(U) Iraqi stances during negotiations.**

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

- **(U) Perceptions of the Iraqi people.**

(U) Reactions to the announcement of the SFA and SA indicate that a nascent national identity is growing in the Iraqi polity. Politicians across the spectrum have adopted positions on continued United States presence in Iraq. Their reading of their constituents caused many to take a strong public stand demanding the eventual withdrawal of United States forces, while privately recognizing that the continued engagement of the United States was still essential. The expectation promoted across the Iraqi population is, as the title of the SA makes clear; this is about the withdrawal of United States forces from their temporary presence in Iraq by 2011.

(U) Iraq's Government has mandated that it must hold a popular referendum over the SFA and SA no later than 31 July 2009. The Government has an interest in securing a successful outcome and so is likely to structure the referendum rules and format in a manner favorable to

passage. However, opponents are likely to mobilize in opposition to the agreement and will seek to exploit any perceived United States violations.

(U) In an effort to appeal to the Iraqi people, the Iraqi Government has asked that United States troops limit daytime movements, put Iraqi forces in front whenever possible, and limit United States visibility at public posts such as checkpoints.

- (U) **Opportunities.**

(U) The SFA committees represent significant potential for institutionalizing bilateral cooperation over the long-term. Regular contact between United States and Iraqi officials could create demand for United States assistance.

(U) Processes associated with the SFA and SA present significant opportunities to increase the popular legitimacy of the Government. Relatively little publicity has so far surrounded some significant GoI-USG transitions, such as some base transfers, troop re-deployments, detainees releases, and the turnover of the Republican Palace. Encouraging the Iraqi Government to increase public awareness of such events could help build popular support for the agreements and for the relationship between Iraq and the United States

(U) **Regional Interests**

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Integration of a democratic, stable Iraq into the region. Integrating Iraq into the region and into the international community is critical to achieving America's long-term objectives in Iraq as well as the region. Historic impediments such as the Ba'athist revolution, Saddam's tyranny, wars, embargo, invasions, and occupations have isolated Iraq for nearly three decades and have curtailed and distorted Iraq's relationships with its neighbors. Iraq has not participated productively in regional politics for decades. As a result, neighboring states have neither a paradigm for positive diplomatic relations with Iraq nor a positive image of Iraq's role in the Middle East. Many exhibit deep-seated uncertainty about how to reintegrate a fundamentally altered Iraq into the region's strategic military balance and global economic markets. Solving one of these international problems in isolation tends to worsen the others, so the United States solution must address an entire set of challenges. The accumulated mistrust, war debt, refugees, economic decay, and eroded sovereignty inherited by the GoI will take concerted efforts, international support, and time to correct.

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(U) **The Role of the International Community**

(U) Coalition.

(U) During the latter half of 2008, most members of the Coalition withdrew their national contingents from Iraq in anticipation of the expiring UN mandate for operations in Iraq. Negotiations between United States and Iraq during the year yielded agreement on a 1+4+1 presence (UK + Australia, Estonia, El Salvador, Romania + NTM-I) after the UNSCR expiration. Given the difficulty of bilateral agreements coordinating the details of each contingent's presence, it is quite possible that by the end of 2009 the only non-United States military presence will be in NTM-I. The increased operational burden on United States forces should decline as more provinces fall under Iraqi control and Iraqi Security Force capabilities improve, but the absence of certain niche capabilities in the wake of these departures may slow United States efforts to further develop the Iraqi Security Forces.

(U) China in Iraq.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Russia has been helpful by settling nearly \$12 billion in Iraqi debt on Paris Club terms and has a formal agreement with Iraq on trade, investment, and technology.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) International Organizations. International organizations can now play a more robust role in developing Iraqi institutions, due to significant improvements in the current security environment.

(U) The United Nations, through the UN Aid Mission to Iraq (UNAMI), has begun to make positive contributions to the resolution of internal boundaries, as well as preparing for and monitoring upcoming elections.

(U) The NATO Training Mission in Iraq, while not a replacement for downsizing United States military forces, could expand to further develop specific capabilities within the Iraqi Security Forces. Canibinari from NATO have been invaluable in the re-training of the Iraqi Police.

(U) The World Bank and related financial institutions can assist in the reform and professionalization of Iraq's financial, budgetary, and monetary ministries and policies.

(U) Security.

(U) Iraqi and Coalition forces have broken the immediate cycle of sectarian violence. Nevertheless, the security situation remains fragile. Many of those who resorted to violence in the past have retained their capacity to do so, even as they have begun to reconcile and participate peacefully in society. Until the resolution of basic political issues security gains will remain reversible.

(U) Extremists. Armed groups that remain irreconcilable with the Government comprise a decreasing portion of the communal struggle, but still remain a significant threat. Terrorism, counter-occupation sentiments, and the insurgency also continue to pose a threat to stability but are no longer as significant as before. Al Qaeda in Iraq/Islamic State of Iraq (ISI), Asa'ib Ahl Al-Haq (AAH) and Khata'ib Hezbollah (KH) will continue their efforts to undermine the Iraqi state. They remain potential accelerants that can inflame popular or political discontent and re-ignite the insurgency.

(U) Al Qaeda in Iraq/Islamic State of Iraq. Al Qaeda in Iraq historically has exploited ethnic and sectarian tensions by conducting high profile attacks. These attacks fed the cycle of sectarian violence in 2006 and created the conditions for civil war. The high profile attacks against civilians eventually provoked the Shia community to retaliate by killing Sunni civilians, which led the Sunnis to turn to Al Qaeda in Iraq for protection. At present Al Qaeda /ISI is sustaining a low-level insurgency in Mosul that could destabilize the political process, through exploiting the Arab-Kurd tensions, as well as points of contention between regions, provinces and GoI.

(U) Al Qaeda's operational, logistical, and financial infrastructure has significantly degraded, though its capacity for spectacular attacks remains intact in the north. It will continue to look to its trans-regional reach, in particular the Syrian based foreign fighter network, to maintain its operational viability throughout Iraq and recover from past losses of substantial portions of its leadership and field commanders in Iraq. Al Qaeda now faces a significant ideological defeat in Iraq, with the majority of Sunnis rejecting its brand of religious extremism.

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(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Latent threat from currently-reconciled groups. Many former insurgent leaders have been neutralized or are now participating in dialogue with representatives of the Government and joining the political process. Sunni resistance groups have greatly reduced operations as many members have joined SoI formations or decided to participate in other disarmament, demobilization, and reintegration (DDR) programs.

(U) Sunni resistance groups. National Sunni insurgent groups remain active within Iraq, operating primarily in the northern areas as well as smaller pockets in al Anbar. Many of these insurgent groups remain tied to nascent political groups. Should the 2009 elections satisfy these groups, many will likely become less militant, and eventually transition to a purely political endeavor. Sunni insurgent groups such as Jaysh al-Islam and the Naqshabandi Army remain active in the North, particularly in Ninewa and Tamim Provinces, where the possibility of Kurdish annexation of Ninewa districts and Kirkuk is a polarizing issue. Al Qaeda's reduced operational capabilities as well as pressure from Iraqi Security Forces, SoI, and Coalition forces have led to limited tactical cooperation between Al Qaeda and some insurgent groups.

(U) The likelihood of a massive return to violence by the Sunnis remains low. Nevertheless, recent selective targeting of SoI leaders in Baghdad and northern Iraq, and Sunni mistrust of GoI good-faith in integrating and supporting remaining SoIs, leave open the possibility of a return to violence by the Sunnis if they believe that other means to ensure their interests have been exhausted.

(U) Although the focus of insurgent activity has shifted away from broad based violence which threatens the viability of the Iraqi state, insurgent networks, many of which have been co-opted into SoI programs or awakening councils, retain their respective capabilities to resume attacks. Many insurgents wait to judge how the Government will or will not attempt to incorporate their disenfranchised constituents and what benefits they can obtain through political participation.

(U) Militias.

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(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

- (U) Peshmerga: The KRG area of Iraq remains the most stable and least violent in Iraq. This is mainly a result of the homogenous Kurdish population and the presence of the Kurdish police and the regional security forces, or the Peshmerga. The Peshmerga are well equipped and trained, and they remain dedicated to the security of the Kurdish provinces. Nevertheless, occasional attacks do occur in the region. The presence of Peshmerga forces in parts of some non-KRG provinces (e.g., Khanaqin in Diyala) has increased tensions between the Government and the KRG and between Arabs and Kurds, all of which has hampered political cooperation.

(U) Shortfalls and Gaps in Security Sector Reform. Current roles, responsibilities, and relationships in the security sector in Iraq are adequate to support the COIN fight. In the near-to-mid term, the Government needs to accomplish several significant transitions in the security sector to support Iraqi sovereignty and provide for civil-led ROL:



(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

their leadership) must abstain from sectarian behavior and corruption. This is inherent in the effort to professionalize the force.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Status of United States Security Cooperation

(U) Current. USCENTCOM, through MNF-I, currently engages in full spectrum security cooperation with the Ministry of Defense and with all branches of the Iraqi Military and the Counter Terrorism Bureau / ISOF Brigade. Moreover, USCENTCOM engages with the Ministry of Interior and Iraqi interior forces, to include the Iraqi police services, the Iraqi national police, and the directorate of border enforcement. Security cooperation with these ministries include a broad range of Title 10 and Title 22 activities, including ministerial mentorship, institutional training / force generation, equipping the force, force modernization / acquisitions through Direct Commercial Sales (DCS) and Foreign Military Sales (FMS), Internal Military Education and Training (IMET), combined operations and training. MNF-I coordinates institutional training, force generation, FMS, DCS, and IMET, along with some combined training through MNSTC-I and combined training and operational partnering through MNC-I, principally via the Iraq Assistance Group (IAG).

(U) Transition. While the current security cooperation framework has resulted in dramatic improvement in the size, capabilities, experience, and professionalism of the Iraqi Security Forces, USCENTCOM must transition the current arrangement to support a long-term, security partnership with a sovereign Iraq. USCENTCOM is currently engaged with MNF-I and Department of State (DoS) in the development of a comprehensive, phased Command and Control Transformation plan that map transition to a healthy Security Cooperation Partnership with the Iraqi MOD and determine the enduring security cooperation presence / military organization to support and sustain that relationship. Significant planning considerations are:

- (U) The Security Agreement. Defines a timeline for the withdrawal of United States combatant forces. Since many security cooperation activities are conducted or implemented by United States Combat forces in Iraq, mission analysis for C2 transformation must include an assessment of the enduring capabilities / security cooperation tasks required during transition / organizational transformation and during steady-state. In transition, many tasks may be accomplished by combatant forces or the residual combatant command. Ultimately, the enduring USCENTCOM Security Cooperation Organization will coordinate all activities.
- (U) International / Multilateral Security Cooperation. The expiration of the Chapter Seven Mandate of the UNSCR on 31 Dec 08 ended the contribution of many Coalition Partners in Iraq. Moreover, lack of a legal framework for protecting their personnel is leading many nations currently contributing troops to the NATO Training Mission – Iraq (NTM-I) to degrade or curtail the delivery of training. That said, Iraq has demonstrated a desire to continue NATO training activities at least until the end of 2009 – likely longer – and there will be at least some multinational component to security cooperation in the foreseeable future.

- (U) Cooperation with the Ministry of Interior and its forces. Currently, under provision of NSPD 36, Department of Defense (DoD) leads cooperation activities with Ministry of Interior. During transition, DoS and DoD must plan for the migration of this cooperation to DoS-International Narcotics and Law Enforcement (INL) and during steady state these activities will likely be coordinated through the United States Embassy. Two significant considerations for this planning are budgeting / programming funds to support this transition and determining those essential / enduring capabilities and tasks in order that DoS can determine its manning requirements and source them appropriately. Currently, USCENTCOM is ready to begin this transition. To date, DoS has not made clear its plan for transition, nor has it programmed funding to support the transition.

(U) Long-term. Eventually, security cooperation activities will fall to USCENTCOM's long term presence / security cooperation organization in Iraq. In the near-to-mid term, the scope of these activities and the required enduring capabilities will require a large organization. Of course, the Government of Iraq will in part determine the scope of security cooperation activities and the ultimate function, roles and size of the security cooperation organization. In addition to sourcing this organization in the long term, it is likely that USCENTCOM / DoD will need, in the near-to-mid term, to source an element to facilitate transfer of responsibility for MOI mentorship and training to DoS.

(U) Law Enforcement and Justice.

(U) The ROL in Iraq, notwithstanding the expenditure of time, talent and considerable fiscal resources expended, is not in the near term. Rather, by the admission of those most familiar with the status of the program, one must think in terms of "generations" when contemplating Iraq's transformation into a state where ROL means something.

(U) The major inescapable fact is that legal efforts have been partly conducted in a dangerous and hostile environment, and until security is assured, the program will be at risk.

(U) ROL efforts remain uncoordinated and fragmented between various civilian agencies and military efforts. Consequently, there is no unity of command. To address this problem, Ambassador Crocker appointed Mr. Phillip Lynch, the senior Department of Justice representative in Iraq, as the ROL Coordinator for Iraq. Mr. Lynch reports to the Deputy Chief of Mission (DCM), as do the advisors DoS-INL.

(U) INL funds a number of ROL programs in Iraq, which are then primarily implemented by the DoJ. These include prosecutorial and judicial assistance (higher judicial counsel and establishment of the central criminal court of Iraq), the major crimes task force, corrections, commission on public integrity and, from 2003 to 2008, and assistance to the Iraqi Police Service. Other ROL programs funded by INL are implemented by its private contractor, Dyn Corp, through which the INL Advisor manages the contract for over 800 police and border advisors.

(U) The Interagency ROL Coordinating Center (IROCC) was created to ensure that all ROL efforts by Coalition Forces, PRTs and USM-I offices effectively support the Joint Campaign Plan by assisting in the coordination and synchronization of USG efforts in its capacity building efforts.

(U) While military entities (which are neither trained nor equipped for law enforcement functions) address peace and stability operations, no deployable United States civilian capacity exists that has permanent jurisdiction to fund and manage the wide spectrum of ROL responsibilities from intelligence to incarceration. Historical debate within the United States Government has failed to resolve which department, State or Justice, each with its own areas of expertise and jurisdiction, should be responsible for leading ROL activities abroad. Until such a decision is resolved within United States leadership, ROL efforts in Iraq and elsewhere (as in Afghanistan, for example, where the ambassador has likewise appointed a DoJ representative as the official in charge of all ROL activities) will be less than the sum of its individual efforts rather than that of a unified and coordinated whole.

(U) **Center of Gravity**

(U) The Center of Gravity is the independence, competence, and capacity of Iraq's Government institutions and the accountability of those institutions to the Iraqi people. To sustain confidence in the democratic process, and to promote a stable and prosperous future, the Iraqi Government must demonstrate its ability to meet the needs of the Iraqi people in a competent, non-sectarian manner.

3. (U) INTELLIGENCE, INFORMATION, AND RESOURCE GAPS

(U) The year 2009 has been appropriately described as the "year of transition" in Iraq. In every domain addressed by this situation assessment – security, political, economic, and diplomatic and ROL – both positive trends and potential spoilers to those trends have been identified. Any strategy or plan that is based upon this assessment, therefore, should be designed such that, once recognized, exploits increasingly positive trends and mitigates risks from increasingly likely spoilers.

(U) In support of this effort, a number of indicators that may portend positive or negative trends or events are offered below. Each indicator can be operationalized such that the data provides insights into positive or negative trends. As time passes and the data gathered from these indicators suggest a "most likely" trajectory for Iraq, the strategy and plan can be better calibrated to take advantage of this newfound clarity.

(U) Many of these are currently being tracked but resources may be declining due to other regional strategic imperatives. Without continued monitoring of these indicators, a more refined assessment will not be attainable.

(U) **Political:**

- Satisfaction of Sunni community with SoI integration into ISF and other positions
- Perception by Iraqi population of elections as legitimate and credible
- Nature of post-election transitions of power
- Treatment of minorities

- Ways/Mean of distributing power between the center and periphery
- Status of Kurd-Arab DIB issues

(U) **Economic:**

- Delivery of essential services
- Unemployment levels

(U) **Diplomatic:**

- GoI and Iraqi population's sentiments toward Security and Strategic Framework Agreements
- Engagements with regional neighbors

(U) **Security:**

- Status of militias
- Relationship between ISF and Peshmerga
- Development of ISF
- Integration of SoI and FRE
- Number and severity of high profile attacks

(U) **Rule of Law**

- Independence of Judiciary
- Transition of day-to-day security tasks from IA to IP
- Status of detainees
- Capacity – prosecutorial / defense (human) and facilities

(U) ANNEX B: OBJECTIVES AND DETAILED SUBORDINATE GOALS

1. (U) Introduction

(U) In order to achieve United States goals and set the conditions for sustainable stability, political accommodation and continued economic and political development, the United States in partnership with the Government of Iraq, must apply an integrated political, diplomatic, military, economic and informational effort. Specific sub-regional objectives that help preserve United States influence and interests over the long-term are listed below.

2. (U) Detailed Objectives

(U) **Objective 1: A stable, legitimate, competent GoI which practices effective good governance on behalf of all Iraqi.** Iraqi Government organizations and institutions are in varying stages of development. Maturation towards a goal of “good governance” will increase GoI legitimacy in the eyes of Iraqis. “Good governance” has eight major characteristics: it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the ROL.

(U) **Sub-objective 1.1: Funding sustained for civilian agencies (e.g., State, USAID) programs to maintain momentum for reform**

(U) **Sub-objective 1.1.1 Civil society (with a focus on the elections) support sustained.** A country cannot be truly democratic until it holds free and fair elections on a *regular basis*. Regularly scheduled elections encourage public debate by providing civic groups an opportunity to promote alternative positions to the public. Election support activities in Iraq are led by the United Nations with the USG contributing through GoI capacity building efforts and voter education. Such technical assistance has been provided to the GoI for every election.

(U) **Responsibility (Joint Coordination Committees (JCC)¹):** Political and diplomatic cooperation, Law Enforcement and Judicial

(U) **Resourcing (Organization and capability):** Department of State with the support of USAID.

² The following is a list of committees outlined in the Strategic Framework Agreement and their membership. Law Enforcement and Judicial Cooperation - USG: DOJ and DoS, (CO-CHAIRS), DOD, DHS, INL, USAID, FBI, NSC; USG-BAGHDAD: ROLC (Chair), DoS-INL, DOJ ACCO, DHS, Treasury, FBI, USAID, MNSTC-I, ATF AND USMS Educational, Cultural and Scientific Cooperation-USG: DoS (Asst. Secretary of State for Educational and Cultural Affairs), USAID (Asst. Administrator for the Near East), USDA (Administrator, Foreign Agricultural Service); USG BAGHDAD- Minister-Counselor for Public Affairs (Chair), Subcommittee, working group participants as appropriate. Services and Information Technology Cooperation-SUG: TBD; USG-BAGHDAD: Coordinator for Economic Transition in Iraq (Chair), Sub-committee-ITAO, USAID, ECON, DOT, Health Attaché, USDA Economic and Energy Cooperation- USG: TBD; USG-Baghdad: Coordinator for Economic Transition in Iraq (Chair), Sub-committee-working group participants as appropriate Political and Diplomatic, Cooperation Defense and Security Cooperation

(U) **Metrics:** Polling and reports of international election observers.

(U) **Sub-objective 1.1.2 Control of the Military & Security Services in support of the Constitution accepted.** Prevent the creation of another authoritarian police state on the model of Saddam's Ba'athist state. Military, police and intelligence organizations should be under a chain of command defined by the Iraqi Constitution. End the proliferation of militias and intelligence organizations that are loyal to individual, party or sectarian interests; and start a DDR process. All military units and organizations should be under the control of the Ministry of Defense (not the Office of the Commander in Chief (OCINC)). All internal security forces at the national level should be under the control of the Ministry of Interior, not to individuals or parties in the GoI, to include the Personal Security Detachments (PSDs). Intelligence services should be under the control of the Ministry of Defense, Ministry of Interior or the Iraqi National Intelligence Service (INIS), with their specific responsibilities; not the ad hoc Ministry of State for National Security Affairs (MSNSA) or other ad hoc secret organizations. Promote the development of a professional civilian national security bureaucracy and a professional officer corps that is loyal to Iraqi, vice personal, party or sectarian interests.

(U) **Responsibility (JCC):** Political and Diplomatic Cooperation, Defense and Security Cooperation

(U) **Resourcing (Organization and capability):** DoD with the support of the State Department.

(U) **Metrics:** Human rights reporting.

(U) **Sub-objective 1.1.3: Judiciary and Constitutional Court support improved.** A predictable legal system with fair, transparent, and effective judicial institutions is essential to the protection of citizens against the arbitrary use of state authority and lawless acts of both organizations and individuals. Weak legal institutions endanger democratic reform and sustainable development in developing countries. Without the ROL, the executive and legislative branches of Government operate without checks and balances, free and fair elections are not possible, and civil society cannot flourish. The USG's efforts to strengthen legal systems fall under three inter-connected priority areas: supporting legal reform, improving the administration of justice, and increasing citizens' access to justice.

(U) **Responsibility (JCC):** Law Enforcement and Judicial Cooperation.

(U) **Resourcing (Organization and capability):** Department of State with the support of USAID, Department of Justice.

(U) **Metrics:** USAID Monitoring and Evaluation with the support of Human Rights reporting.

(U) **Sub-objective 1.1.4: Parliamentary Procedures improved.** The ability of Iraq's provincial Governments to govern themselves in a sustainable and transparent manner is

essential to the promotion of security and ROL. USAID's Local Governance Program (LGP) is working with the GoI to enhance local Government, encourage the development of an active civil society, and promote open, representative processes. Additionally, institutionalizing local Government systems to improve core public administration functions will contribute to the country's overall stability and local delivery of essential services. The Iraq Legislative Strengthening Program (ILSP) is a multi-year program designed to support the Council of Representatives' efforts at reform and institutional strengthening to better oversee Government operations, legislate and represent their constituents.

(U) Responsibility (JCC): Political and Diplomatic Cooperation.

(U) Resourcing (Organization and capability): Department of State with the support of USAID Department of Justice.

(U) Metrics: UNAMI and EU International Monitoring.

(U) Sub-objective 1.1.5: Continued Ministerial Capacity Building and support to Local Governance Activities to support the success of the political process and reinforce national reconciliation. A key determinant for successful democratic consolidation is the ability of democratically-elected Governments to provide "good governance." Democratic principles must be integrated into the Government's capacity to guarantee law and order, promote or create conditions necessary for economic growth, ensure a minimum level of social security, and provide essential services. USG capacity building efforts at the national level reinforces the national ministries' abilities to perform basic functions while working with them to build on that foundation to become more effective and provide continuous sustainable improvement. USAID's Local Governance activities extend the USG's capacity building efforts to the subordinate levels of Iraqi Government such as provincial and local councils. The Treasury Department's activities supporting public financial management and budget execution in cooperation with the World Bank's new program focusing at public financial management at the provincial level will further promote GoI transparency and efficiency.

(U) A residual United States and international assistance effort that provides continued engagement to the Iraqi Government and institutions at the local and national level is necessary to ensure that the success of the political process is "locked in" thru the electoral process and that governance reform continues. Adequately resourced Provincial Reconstruction Teams (PRTs) that transition to the residual capability described in Section 6, particularly as the United States footprint shrinks, remain essential in support of local governance activities as well as continued ministerial capacity building that focus on developing accountable, transparent, responsive and effective and efficient governance. A residual United States and international assistance effort is especially necessary in the area of national reconciliation, which is required to ensure that future Iraqi Governments and institutions are inclusive of all Iraqis and to minimize the chances of short-term ethno-sectarian political interests will again cause an outbreak of identity civil war.

(U) Responsibility (JCC): Political and Diplomatic Cooperation, Services and Information Technology Cooperation, Economic and Energy Cooperation, Law Enforcement and Judicial Cooperation.

(U) Resourcing (Organization and capability): Department of State with the support of USAID and Treasury.

(U) Metrics: Delivery of Essential Services, Budget Execution, Monitoring and Evaluation.

(U) Sub-objective 1.1.6: Educational Development and exchanges improved. The health of democratic societies and competitive economies rests on a strong educational foundation that continuously provides citizens and workers access to advanced and evolving concepts of science, technology, law, governance, and business. The quality of conceptual and technical skills acquired in secondary schools determines the potential additional benefits that youth in developing countries can receive from workforce development programs, community colleges, and universities. The USG collaborates with American universities and colleges, to support a wide variety of training, workforce development, and higher education programs that strengthen faculties and administrations in both developing countries and the United States. From 2003-2006 the USG actively participated in the reconstruction of Iraq's education system, during which thousands of schools were rehabilitated, millions of revised textbooks were distributed with the assistance of United Nations Educational, Scientific and Cultural Organization (UNESCO), thousands of teachers and administrators were trained, and the Ministry of Education's ability to compensate teachers and school personnel was restored. Currently, the USG's focused stabilization programs also maintain many vocational training and education centers in partnership with the GoI. These significant achievements lay the groundwork to assist the Iraqis in building a more robust and inclusive, education system.

(U) Responsibility (JCC): Educational, Cultural and Scientific Cooperation.

(U) Resourcing (Organization and capability): Department of State with the support of USAID.

(U) Metrics: International and USG Monitoring.

(U) Sub-objective 1.1.7: Development of the Health Sector support continued. After security and employment, healthcare is considered to be the most essential service that Iraqis expect their Government to provide effectively. The continuous process of determining and implementing changes in policies and management arrangements within the health sector is crucial to its development. This process, whether guided by individual Governments, NGOs or other donor agencies is necessary to ensure that the development of Iraq's health sector is effective, efficient, and equitable. The approaches to health sector strengthening are numerous, such as reducing bureaucracy by streamlined management, increasing cost-effectiveness, improving efficiency through reorganized services, decentralized health systems, and allocating resources to better address the needs of the

population. From 2003-2006 the USG actively participated in the reconstruction of Iraq's health system, during which hundreds of clinics were rehabilitated, thousands of nurses and administrators were trained, and the Ministry of Health's ability to compensate healthcare personnel was restored. These significant achievements lay the groundwork to assist the Iraqis in building a more robust and inclusive, education system.

(U) Responsibility (JCC): Services and Information Technology Cooperation.

(U) Resourcing (Organization and capability): Department of State with the support of USAID and HHS.

(U) Metrics: WHO, UNDP, International Monitoring.

(U) Sub-Objective 1.2: Increased GoI lead in policy dialogue with International Financial Institutions (IFI's). Iraq's involvement with international financial institutions from 2003 to present has been constrained by the security situation on the ground, the capabilities and capacity of the GoI, and reluctance on the part of IFI senior leadership to become identified with United States policy. The International Monetary Fund has had some impact in an advisory role through a stand-by agreement in which Iraqi performance was explicitly tied to Paris Club debt reduction in a series of tranches. The relationship between the GoI and the IMF beyond March 2009 when the stand-by agreement concludes is uncertain. Iraq became eligible for World Bank International Development Association (IDA – the Bank's concessional assistance window) in 2004, but only five projects have been approved since that time. The World Bank Iraq Trust Fund has approved an additional 18 emergency projects, and after allocating most of the \$500 million donated to the Trust Fund, is considering concluding its work. Neither the IMF nor the World Bank maintains a permanent presence in Iraq. IMF assessment teams will not even travel to Baghdad. Instead, they meet with their GoI counterparts in Amman.

(U) Our goal in the initial 18-month period of this plan is to deepen, broaden, and elevate the relationship between the GoI and the IFI's. We should ensure the establishment and maintenance of appropriately-staffed IMF and World Bank offices in Baghdad. The IMF stand-by agreement set to expire in March should be followed by an even more ambitious program targeting structural reform priorities. (Note: The declining price of crude oil provides an opportunity for greater IMF influence as GoI revenues shrink.) Five years out, the IFI's should have the clear and unquestioned lead among the international community in the dialogue on economic reform with Iraq with bilateral donors, including the United States, complementing and supplementing their efforts when necessary. Success in the 10-25 year period would see Iraq graduating from IFI programs and becoming a net donor nation rather than a recipient of development assistance.

(U) Responsibility (JCC): Political and Diplomatic Cooperation, Economic and Energy Cooperation.

(U) Resourcing (Organization and capability): Treasury, Department of State with the support of USAID, United States Treasury and USDA.

(U) **Metrics:** Compliance with IFI membership and performance standards.

(U) **Sub-objective 1.3: Further liberalization of economy with emphasis on job-creation and private sector-led growth.** Economic growth is the engine of advancement for a nation's society, culture and wellbeing. Iraq must to liberalize its economy in order to allow the private sector to efficiently and effectively generate economic opportunity, jobs and wealth for its people. It must also encourage the development of diverse economy in order to be less dependent on volatile national oil revenue to meet its long-term development challenges. Economic growth is important to Iraq's security as impoverished societies are more susceptible to conflict, can harbor terrorist activity, and are often sources of illegal immigration, and international crimes. The USG has worked with the GoI to build capacity in its banking system, bring Iraq back into the international economy, encourage basic but crucial economic market reforms, establish microfinance, and help restore and build capacity in the agricultural sector which generates 25% of Iraq's employment.

(U) Through the period of this plan, the economy of Iraq will continue to be dominated by the petroleum sector as the primary source for both foreign exchange earnings and Government revenue. Institutional and legislative reform are necessary but not sufficient to attract investment and participation by the international oil companies on a scale needed to arrest the decline in oil production in the short term and then increase production and exports in the medium to long-term. Iraq must become fully integrated into the global economy and financial markets through a favorable investment regime, World Trade Organization membership, adherence to international banking standards and practices, and participation in regional energy and transportation infrastructure projects.

(U) In addition to USG-funded programs promoting the development of the agricultural sector and subject matter expert's (SME) as well as the aforementioned efforts of the IFI's, the GoI should seek assistance from other bilateral donors and international organizations, including the International Energy Agency and the International Energy Forum, the Organization for Economic Cooperation and Development, the United Nations Conference on Trade and Development, the International Labor Organization, the Food and Agricultural Office, and the Bank for International Settlements. The United States through the World Bank and the International Compact for Iraq can serve a vital role as a coordinator for this expanding international effort over the initial 18-months, but the programs and relationships should be fully institutionalized within the GoI at the five-year mark.

(U) **Responsibility (JCC):** Economic and Energy Cooperation, Political and Diplomatic Cooperation.

(U) **Resourcing (Organization and capability):** Department of State with the support of USAID, Treasury, Department of Energy, and OPIC.

(U) **Metrics:** Employment and GDP Growth and Composition.

(U) **Sub-objective 1.4: Provincial Engagement Strategy continued as PRT footprint contracts.** Governmental capacity and performance at the provincial level will likely remain

an essential element in how Iraqis perceive the legitimacy of the Government. Governmental performance varies from province to province. Likewise, provincial Governments can be expected to improve performance at varying rates. The PRTs remain central to increasing capacity and performance through mentorship and subject matter expertise.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Recognizing that, it is imperative to maintain provincial engagement in Iraq, in the provinces that require it, throughout – and perhaps beyond – the implementation of the Security Agreement.

(U) Task. Identify enduring PRT development programs and resources: Maintaining what is required implies the need to determine and prioritize requirements for provincial development and enumerate the resources necessary to administer development programs.

(U) Task. Prioritize enduring requirements: This will facilitate allocation of diminishing resources.

(U) Task. Based on priorities, develop a plan for consolidation and sequential disestablishment of PRTs. This plan will detail how resources will be allocated and programs will be applied in each province and will establish performance goals for each provincial Government. The performance metric already extant in Iraq is the Maturity Model. When provincial Governments sustain adequate performance, as measure by the Maturity Model, for an adequate period of time, PRTs can be consolidated and disestablished. In the mid term, existing PRTs should consolidate into four Regional Embassy Offices (REOs) by EOY 2011.

(U) Task. Conclude an inter-agency agreement for resourcing mid and long term development requirements: This task is essential to resourcing provincial development and engagement through the implementation of the Security Agreement. Implicit in this task is indentifying gaps resulting from the implementation of the SA (reduction in forces) and assigning agency responsibility for addressing shortfalls. NLT EOR 2009, this should result in an inter-agency MOU regarding resourcing PRT security and manning.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U)_Responsibility (JCC): Political and Diplomatic Cooperation, Economic and Energy Cooperation.

(U)_Resourcing (Organization and capability): Department of State with the support of USAID.

(U)_Metrics: Adequate resources allocated from the USG.

(U) Objective 2: Re-integration of Iraq into international and regional communities in ways that are not destabilizing

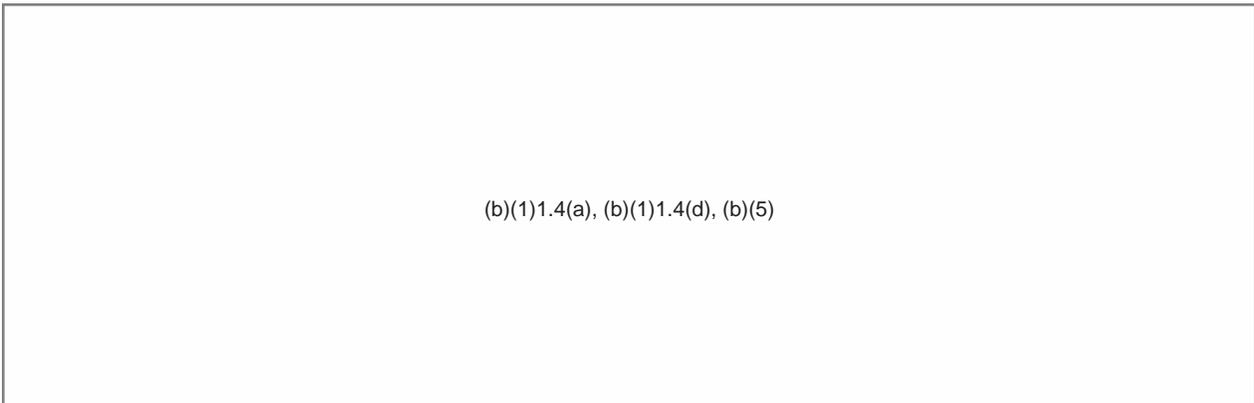
(U) Sub-objective 2.1: A diversified Iraqi economy that is integrated into the international community. In addition to USG-funded programs promoting the development of the agricultural sector, the GoI should seek assistance from IFIs and other bilateral donors and international organizations to include: the International Energy Agency and the International Energy Forum, the Organization for Economic Cooperation and Development, the United Nations Conference on Trade and Development, the International Labor Organization, the Food and Agricultural Office, and the Bank for International Settlements. The United States through the World Bank and the International Compact for Iraq can serve a vital role as a coordinator for this expanding international effort over the next five to ten years.

(U)_Responsibility (JCC): Political and Diplomatic Cooperation.

(U)_Resourcing (Organization and capability): Department of State with the support of USAID, Treasury, Department of Energy, and OPIC.

(U)_Metrics: Trade statistics and membership in IOs

(U) Sub-objective 2.2: Military and security institutions that are not destabilizing to the region.



(U)_Iraq's National Security Strategy for 2007-2010 was drafted, with significant help from United States advisors, and addresses a period when United States combat forces will maintain a significant presence in Iraq. A follow-on Iraqi National Security Strategy for

2012 and beyond is needed. This document should define Iraq's defense vision for a post-OIF force and requirements that flow from it.

(U) A related effort is increasing the proficiency of Iraq's security management bureaucracy. The training of mid- and senior-level defense management officials in the bureaucratic processes associated with overseeing a modern military require a more focused defense civilian advisory effort than has been put forth to date. While United States military advisors have provided effective advice on operational and organizational issues to the MOD for several years, the number of advisors assigned has never been adequate and the type of expertise has not included all the management tasks required of a functioning defense ministry. A significant effort to provide civilian executive advisory presence is required.

(U) As the bilateral defense relationship moves closer to a "normal" defense relationship in coming years, DoD will need a forum for senior level defense consultations such as those held with other regional partners. While there currently are frequent opportunities for face-to-face discussion between Iraqi and United States decision-makers on security and defense matters, those opportunities will decline as United States force levels decrease and non-security aspects of the relationship become more prominent. United States strategy should include putting in place before the conclusion of the current Security Agreement a framework for a High Level Defense Group (HLDG) that will address top-level security policy and initiatives. This HLDG may also serve as the security implementing committee called for in the Security Framework Agreement, or may meet less frequently and at a higher level than that committee.

(U) Responsibility (JCC): Defense and Security Cooperation.

(U) Resourcing (Organization and capability): DoD will require funding, expertise, and personnel to provide a sustained ministerial advisory effort, both in terms of routine management and the articulation of a National Security Strategy. DoD will also lead in the establishment of a recurring senior-level defense or security forum.

(U) Metrics: Rough measures for the achievement of effective NSS and HLDG processes can be obtained by tracking the establishment of working groups, conduct of preparatory meetings, and production (e.g., an updated NSS or the conduct of an annual HLDG). The advisory effort should be tracked by both the number of advisors assigned by MNSTC-I or successor organizations, and by measures of effectiveness already employed by ministerial advisors such as budget execution. The number of defense officials who have participated in formal training also provides a measure of the growing management capabilities within the ministry.

(U) Sub-objective 2.2.2: GoI to pursue a collective security framework that satisfies security requirements without destabilizing the region

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Responsibility (JCC): Defense and Security Cooperation, Political and Diplomatic Cooperation.

(U) Resourcing (Organization and capability): USCENTCOM / DoD will provide important supporting roles. Department of State will provide the ongoing diplomatic support.

(U) Metrics: Military contributions from neighboring states allows Iraq to retain a smaller conventional armed forces than Iran; defer spending decisions on capabilities to be provided by regional allies.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Once initial obstacles are overcome, however, the vehicle becomes less important than the initiatives it fosters. Removing those obstacles constitutes a key task under this sub-objective. The primary obstacles are outstanding disputes regarding borders and resources,

Iraqi debt to GCC countries, and the relationship of Gulf states with Iraq's Sunni minority and expat Iraqi communities in the Gulf, Jordan, and Syria. A second task will be the development of local cooperative initiatives (opening embassies, conducting joint naval patrols, cultural exchanges etc.) A third task, enabled by the first two, will be the development of more wide-ranging ties, including trade agreements, facilitation of investment, and either formal inclusion into the GCC construct or pursuit of a separate construct developed by Iraq and key neighbors. Such a construct could link Iraq to the GCC and other states (including Jordan and Iraq), as well. The Iraqi Government has floated such a construct already (in Ali al-Dabbagh's December 2008 comments regarding a regional economic cooperation organization). Turkish efforts to establish and support local cooperative organizations in the Black Sea and Caucasus regions provide a precedent.

(U) Responsibility (JCC): Political and Diplomatic, Defense and Security Cooperation.

(U) Resourcing (Organization and capability): Department of State will provide the ongoing diplomatic momentum to link the various entities and overcome their initial obstacles and differences. In addition to the embassies in the individual countries, State/NEA will need to take the lead in articulating a vision and identifying key steps to implementation. USCENTCOM / DoD will provide important supporting roles in terms of developing confidence building measures and possible security support to cooperative mechanisms. Department of Commerce or Department of the Treasury support may be necessary to identify areas of mutual benefit or tradeoff between GCC and Iraqi financial, commercial, and Governmental entities.

(U) Metrics: Investment in Iraq from the region. Agreements signed to resolve differences, as well as actual implementation. Level of diplomatic representation (embassies opened and senior delegation visits). Cooperative exercises and operations conducted (military). Exchanges conducted and programs hosted (cultural and educational).

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) The first task in achieving this sub-objective will be to continue incremental reform and democratization, recognizing that stalled or partial reform is likely to result in a sovereign but authoritarian Iraq, one that is more likely to externalize its problems than deal with them through the political process. Further assistance to the development of Iraqi Governmental capacity, political parties, and civil society is crucial to continued reform. Unfortunately, there is no silver bullet or expedited path to achieve this, and military force is of extremely limited utility. Application of “soft power” tools, such as international visitor programs, education and information campaigns, and United States-Iraqi civil society partnering (e.g., work done by the National Democratic Institute and the National Republican Institute) can achieve long-term modification of expectations and behavioral norms, but will be made more difficult if they are primarily associated with the United States. International organizations (United Nations and European Union especially) should support parallel programs in support of Iraqi democratic reforms. A focus of United States effort should be stoking Iraqi appetite for such assistance and ensuring that security and support measures are in place to help the international and non-Governmental organizations succeed in their effort.

(U) The keys to mitigating exemplary and spillover effects from affecting friendly regimes will differ from case to case, but boil down to encouraging friendly Governments to pursue their own reforms and improvements at a pace that renders change in Iraq non-threatening. At the same time, the United States must provide unambiguous assurance to its friends that a commitment to democratization means regime improvement, not regime change. This entails both shaping security cooperation to adequately meet the continuing needs of regional Governments, and expectation management/strategic communications to the younger generations in the region regarding the pace of change. The challenge of strategic communication that neither backs off commitment to democratic change, nor unnerves regional partners, nor sets unrealistic expectations for marginalized populations is significant, and will likely require more resources than USCENTCOM currently can access.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) **Responsibility (JCC):** Political and Diplomatic Cooperation, Educational, Cultural and Scientific.

(U) **Resourcing (Organization and capability):** DoS and USAID will play key roles in this sub-objective, with supporting roles played by DoD and CIA.

(U) **Metrics:** Number of civil society organizations active within Iraq, and their linkages with similar organizations in the region, in the United States, and internationally. Polling data (such as the Pew Organization's work) in Iraq and other countries of the region regarding the impact of United States engagement. Size and modalities of Security Cooperation programs. Negative metric in the absence of other regional conflicts on or spilling across Iraq's borders.

(U) **Sub-objective 2.4: Military power replaced with other elements of national power and international effort encouraged.**

(U) **Sub-objective 2.4.1:** A balanced implementation of the Security Agreement pursued that balance security needs and respect for Iraqi sovereignty to create the political conditions for the full implementation of the SFA. Plan to design, develop and implement a post-2001 interagency manned residual capability for Iraq.

(U) **Responsibility (JCC):** Political and Diplomatic Cooperation, Defense and Security Cooperation.

(U) **Resourcing (Organization and capability):** No additional resources required.

(U) **Metrics:** As a part of a USG implementation effort on the SFA, include expert panel reviews of transitional activities. This review should attempt to bring an outside 'perception of compliance' focus to any review.

(U) **Sub-objective 2.4.2: Strategic Framework Agreement (SFA) embraced.** The SFA affords an opportunity to shape Iraq and regional opinion regarding both the legitimacy and viability of the GoI but more importantly the utility of a long-term relationship of 'cooperation and friendship' with the United States. As currently organized a Higher Coordinating Committees supported by Joint Coordinating Committees will determine the details of implementation. Since Iraq is primarily on the receiving end of the SFA relationship their obligations can be met (with some assistance and advice) in a straight forward manner. The USG is going to support the SFA through coordinating existing programs, across various departments, in support of requirements generated by the United States component of the JCC. Recommend establishing a Washing-based coordinator for Iraqi Assistance to provide unity of effort in planning and budgeting across all JCCs.

(U) **Responsibility (JCC):** Political and Diplomatic Cooperation, Defense and Security Cooperation, Law Enforcement and Judicial Cooperation; Educational, Cultural, and Scientific Cooperation; Services and Information Technology Cooperation, Economic and Energy Cooperation.

(U) Resourcing (Organization and capability): TBD

(U) Metrics: TBD

(U) Sub-objective 2.4.3: Internationalized efforts in Iraq. Help the GoI remain focused and committed to the International Compact for Iraq to ensure continued resource flow from international donor nations and support from international organizations. Maximize international participation in activities which complement and parallel the SFA. Using the SFA JCCs as a common framework, widen participation in the stabilization of Iraq. This may include encouraging partner nations to sign similar bilateral agreements or, as appropriate, support United States efforts in support of the SFA. Internationalization in military training and advisory efforts can also take place through the expansion of the NATO Training Mission – Iraq (NTM-I), if certain legal status issues and resource hurdles can be coordinated during 2009.

(U) Responsibility (JCC): Political and Diplomatic Cooperation.

(U) Resourcing (Organization and capability): TBD

(U) Metrics: TBD

(U) Sub-objective 2.5: A GoI developed vision of appropriate Iran-Iraq relations and Iranian influence that does not threaten United States interests in Iraq or the region.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Responsibility (JCC): Political and Diplomatic Cooperation, Defense and Security Cooperation.

(U) Resourcing (Organization and capability): DoD, CIA, DoS, and USAID will play key roles in this sub-objective.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Responsibility (JCC): Political and Diplomatic Cooperation, Defense and Security Cooperation, Economic and Energy Cooperation.

(U) Resourcing (Organization and capability): Military manning, currently from EUCOM, will be required from DoD to sustain the current military cooperation mechanism (the Ankara Coordination Directorate). Some diplomatic resources will need to be tasked to develop the business, trade, and investment contacts necessary to facilitate projects in this area. The Brinkley Group within DoD (or something similar to it) could also play a helpful role in identifying partners and areas for cooperation.

(U) Metrics: Uncoordinated military actions in northern Iraq are the primary negative metric. Effectively coordinated CBO's can serve as a metric as well, with the caveat that their effective execution should result in a gradual reduction in number over time. Volume of trade and investment across the Iraq's border with Turkey will serve as another metric. Frequency of GoI-GoT-KRG engagement (whether trilateral meetings as such or delegations, visits, and exchanges) will also indicate progress in this area.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Foreign Fighters / Terrorists entering Iraq must be interdicted and their support infrastructure dismantled. USCENTCOM must ensure the effective interdiction of Foreign Fighters and their support networks. Terrorist travel must be made difficult throughout the AOR, which will necessitate the following:

(U) Support the GoI in developing the mechanisms necessary to effect better Iraqi cooperation with Arab and other states against terrorist financing and foreign fighter networks.

(U) Improved GoI capacity to interdict the Foreign Fighter flow. This requires rigorous Iraqi security at the border, points of entry, and points of departure (to include biometric screening). In any expanded United States diplomatic engagement with Syria, denying foreign fighter transit should be a priority.

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

(U) Objective 3: A mutually beneficial, long-term relationship with Iraq which improves perceptions of United States policy in the region developed.

(U) Sub-objective 3.1: A long-term relationship of cooperation and partnership, based on the principle of equality in sovereignty established. As described in the Preamble to the SFA, Iraq and the United States have agreed to the development of a long-term relationship, and the President has called for a “new partnership” with the countries of the Muslim World in his historic 26 Jan 2009 Al Arabiyah interview. The United States will be in a better position to accomplish its interests in Iraq and the region if it is perceived as respecting Iraqi sovereignty as it executes the withdrawal of United States combat forces, while continuing to maintain an advisory and assistance presence that enables and incentivizes the Iraqis to establish “good governance” through political processes rather than resorting to violence. Improved United States credibility in Iraq should lead to institutionalizing the SFA over time, with long-term agreements concerning security cooperation, economic, diplomatic, and cultural areas which allow the United States to address the cross-cutting issues and focus areas which further United States interests.

(U) Sub-objective 3.1.1: United States-GoI establishes a long-term security cooperation program, bilateral exchanges and agreements to support Iraq and preserve United States influence in the region. The United States should quietly encourage Iraq to participate in a security cooperation program, bilateral exchanges and other military-to-military agreements after 2011--in order to sustain long-term support to and provide a vehicle for preserving United States influence in Iraq and the region. These programs will help prevent a vacuum from occurring in the wake of United States forces being withdrawn and signal continued United States support to the Iraqi people. Likewise, these programs will reaffirm in the eyes of the American people our enduring commitment to Iraq’s security. There are three primary pillars to this sub-objective.

(U) First, the United States and its key NATO allies should strive to become Iraq's preferred arms suppliers over the coming decades. Although good for American business, the primary motive should be to help transform Iraq's military procurement process from being ad hoc to being requirements based. That is, help the Iraqis evolve defense spending from a "fill-the-shopping-cart" mentality to a more sophisticated and holistic approach that flows from sober analysis of required defense capabilities (identified in Iraq's National Security Strategy) as adjusted to match ways and means. Institutionalizing a requirements based procurement process should be holistic and involve educating the Iraqis on the DOTMLPF (doctrine, organization, training, materiel, leadership, personnel and facilities) implications associated with buying, integrating, using and maintaining military equipment in an efficient and effective manner.

(U) In this regard, we should encourage the Iraqi Government to make aggressive use of the Foreign Military Sales (FMS) program.

(U) Second, the United States should encourage the GoI to participate in officer exchanges with resident military schools in America. This will aid in the professionalization of the Iraqi officer Corps, expose them to American culture, and nurture friendships between the officers of both countries. Likewise, it will help United States officers gain a deeper appreciation of Iraq and the broader challenges in the Middle East. The United States should provide them allocations for United States military schools, as well as provide a significant increase in available IMET funding for Iraq in the near term.

(U) Third, the United States should attract the Iraqis to the idea of participating in multilateral and bilateral training exercises with United States forces. Undertaken discretely at first, these exercises can be broadened over time to potentially include other regional actors. These exercises can bolster the perception of collective security and contribute to improved readiness on the part of the participants. Examples: Exercise Bright Star in Egypt and Anatolia Eagle in Tunisia.

(U) Responsibility (JCC): Defense and Security Cooperation, Political and Diplomatic Cooperation

(U) Resourcing (Organization and capability): USCENTCOM to determine

(U) Metrics: Arms purchases, FMS/FMF/IMET statistics

(U) Sub-objective 3.1.2: A long-term bilateral relationship in economic, diplomatic, and cultural fields developed which strengthen democracy in Iraq. The proposed Iraq Coordinator should orchestrate an integrated effort to sustain current programs, and develop new programs that eventually culminates in signed bilateral agreements.

(U) Responsibility (JCC): All JCCs

(U) Resourcing (Organization and capability): USCENTCOM to determine

(U) **Metrics:** Signing of additional bilateral agreements and volume/quality of exchanges

(U) **Sub-objective 3.2:** A new Strategic Narrative developed that establishes the guiding strategic principles for United States actions in Iraq and the region. See Strategic Narrative Section 6 in the Iraq Sub-regional Plan)

(U) **Sub-objective 3.3: A re-invigorated strategic communications and public diplomacy efforts – manage expectations of a new narrative.** Since strategic narratives are in part about the ways issues are framed and responses suggested' it is important to set conditions for the new narrative early in the new United States Administration. With respect to Iraq, strategic communications and public diplomacy efforts should acknowledge the pain and anger of the war but not as an apology (although it may be implied). The narrative should emphasize the progress of Iraqi institutions. It should also emphasize the partnership outlined in the SA/SFA as the basis for a new relationship that should evolve over time into a strategic partnership. President Obama's (post 20 Jan 2009) increased expectation among the international community that profound change can happen. USCENTCOM should recommend to SECDEF/CJCS that the POTUS deliver a major speech in a primarily Muslim nation such as Indonesia early in the new term to signal a shift to a future based on the principles spelled out in the SFA.

(U) In support of this major articulation of the 'new' policy for Iraq, reinvigorate United States public diplomacy policy on these themes by USG principals. The emphasis should be on the future, sovereignty, legitimacy, cooperation and friendship as outlined in the preamble of the SFA. The emphasis should be on promoting our interests through publicly defining success on Iraqi terms. USCENTCOM can support this effort by (as a logical part of the overall Iraq C2 transformation) shift the focus of the Iraq Media Operations Center to Iraq in a regional context and the regional context effects on Iraq. In addition, plan to transition the 'public face' of United States presence in Iraq from MNF-I to USM-I using the mission spokesman to make all statements on military matters involving Iraq. The emphasis of internal and region media engagement should be on the nature of the relationship as framed by the SFA. Finally, in order to promote the internal legitimacy of the GoI, public discussion of internal Iraqi security should be carefully coordinated with the GoI and if practicable initiated by them.

(U) **Responsibility (JCC):** Political and Diplomatic Cooperation.

(U) **Resourcing (Organization and capability):** Resources for this sub-objective already exist

(U) **Metrics:** This objective will be difficult to track in the near term. Public polling and independent media monitoring can provide some trend tracking in the near and mid term.

(U) ANNEX C: DEFENSE AND SECURITY COOPERATION

(U) Objective: Iraqi security and stability strengthened which contributes to international peace and stability and enhances the ability of the Republic of Iraq to deter all threats against its sovereignty, security and territorial integrity.

(U) Recommendations: USCENTCOM supports MNF-I's JCP objectives via liaison, advocacy, and facilitation among MNF-I/USM-I and the other USG agencies involved in accomplishing theater objectives. The following near-term tasks support this endeavor:

- **(U) Regional Engagement.**
 - Request diplomatic engagement of regional partners to disrupt and apprehend those providing material support to terrorism and to take effective action on UNSCR designations
 - Request engagement of regional Governments on CT policy, security cooperation and training.
 - Encourage security agreements with regional partners, which provide counterbalance to Iran
 - Work with MNF-I in supporting the political resolution of Arab-Kurd tensions over internal disputed boundaries, the status of Kirkuk, and other contentious issues to peacefully resolve issues.
 - Aid MNF-I in their efforts to support GoI efforts to encourage the Government of Syria to eradicate FTF networks emanating from Syria, with priority given to sources of financial support.

- **(U) Development**
 - Aid MNF-I in their efforts to assist the GoI with building the capability, capacity, competence, and professionalism of Forces responsible for securing critical infrastructure, including Director of Border Enforcement, Facilities Protection Service, Electricity Police, and Oil Police
 - In coordination with MNF-I, assist the GoI to improve its border facilities—as well as its land, air, and sea points of entry—in order to disrupt the illegal flow of malign personnel, lethal materiel, and violence accelerants across the borders.
 - Work with MNF-I to assist the GoI with developing, implementing, and running effective detainee reintegration programs, with educational, vocational, and (moderate) religious elements, to help minimize recidivism rates.
 - Work with MNF-I to assist the GoI with assuming responsibility for detainees held by the Coalition which they retain in the Iraqi criminal justice system to support CF legal obligations, including support for Special Detainee Releases.
 - In coordination with MNF-I and U.S. Embassy Baghdad, assist in the development of GoI institutions that adhere to the ROL and are accountable and transparent to the Iraqi people.
 - Assist MNF-I in continuing to develop an increasingly competent, capable, and professional ISF and security ministries that are:
 - Guided by the ROL
 - Protect the population

- Secure critical infrastructure
- Defend the borders
- Neutralize AQI, and other terrorists, violent extremists
- Protect judicial personnel
- Counter malign Iranian influence.

• ~~(S//REL TO USA, FVEY)~~ Counter Threats:

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- **(U) Resource:** Facilitate the assignment of personnel with the appropriate skills and experience to key positions in Iraq (e.g. Transition Teams, PMLTs).

(U) ANNEX D: LAW ENFORCEMENT AND JUDICIAL

(U) Objective: A legitimate and capable Iraqi Law Enforcement and Criminal Justice System.

(U) Recommendations:

- **(U) Regional Engagement.** In collaboration with MNF-I and the U.S. Embassy Baghdad, assist and encourage United States and international efforts to:
 - Modernize Iraqi law schools— establish standards for the admission to and practice of law in order to establish a professional legal community.
 - Exchange views and best practices related to judicial capacity building and training including on continuing professional development for judges, judicial investigators, judicial security personnel, and court administrative staff
 - Encourage the CoR to strengthen basic constitutional protections and implement legislation strengthening protections for human rights and press freedom
 - Pressure on the GoI to take disciplinary action against GoI officials who commit human rights abuses.
 - Encourage the GoI to develop and resource human rights training programs and permit domestic and international human rights NGOs to operate in Iraq

- **(U) Resource.**
 - Attain representation on the SFA Joint Coordinating Committee
 - Work with MNF-I to expand resources technical assistance and mentoring to investigative and judicial authorities
 - In coordination with MNF-I, increase efforts to further security of the Iraqi criminal justice systems, including police, courts, and prisons
 - Work with MNF-I and U.S. Embassy Baghdad to expand efforts to enhance law enforcement and judicial relationships to address corruption and common transnational criminal threats

- **(U) Development.**
 - Work with MNF-I to assist the GoI in ensuring that their detention facilities meet international human rights standards for the care of detainees and prisoners
 - In coordination with MNF-I and U.S. Embassy Baghdad, advise the GoI on developing commercial legal and regulatory structures.
 - Expand USCENTCOM, in collaboration with MNF-I, efforts in creating a legal infrastructure that facilitates business competition and offers clear dispute resolution mechanisms.

- **(U) Counter Threats.**
 - Provide support and resources to defeat terrorists, insurgents, criminals and corrupt Government officials that continue to target for intimidation all elements of the Iraqi criminal justice system.
 - Work with MNF-I and U.S. Embassy Baghdad to encourage the GoI to censure or prosecute Government or ISF officials, or non-Governmental actors, known to be subverting free, fair elections

(U) ANNEX E: POLITICAL AND DIPLOMATIC

(U) Objective: Security and stability in Iraq and the region improved.

(U) Recommendations:

- **(U) Regional Engagement.**
 - Synchronize USCENTCOM/USEUCOM planning and operational efforts to ensure a common approach to addressing the future of northern Iraq.
 - In collaboration with MNF-I and U.S. Embassy Baghdad, assist GoI diplomatic outreach to regional Governments in order to foster healthy state to state relations, promote intelligence sharing, foster economic relation and develop effective regional counterterrorism policies.
 - Facilitate expansion of information-sharing with regional partners
 - Work with MNF-I and U.S. Embassy Baghdad to support the GoI in establishing positive relations with the states of the region.
 - Assist United States and international efforts in support of the IHEC for the conduct of a national referendum on constitutional amendments and national elections
 - Assist and encourage United States and international efforts in support of the United Nations Assistance Mission in Iraq (UNAMI) in helping to resolve the Kirkuk issue and other disputed territories
 - Engage neighboring countries to replace destabilizing external influences with positive policies that can help move Iraqi parties toward political accommodation; promote Iraqi Government outreach in the region; promote regional acceptance and integration of Iraqi Government.
 - In collaboration with MNF-I, facilitate NATO establishing and developing the basis for NATO Training Mission – Iraq (NTM-I)
 - Assist and encourage United States and international efforts in the preparation of census, as called for by Article 140, for execution in 2008.
- **(U) Resources.**
 - Advocate for the establishment of a Washington D.C.-based Coordinator for Iraq Assistance to improve efficiency and reduce redundancies.
 - Assist in resourcing governance personnel that provide technical assistance to the CoR to enhance its oversight capacity.
 - Assist and encourage United States and international efforts in support of the development of a resolution to GoI/KRG differences over the 2007 Hydrocarbon Framework law draft.
 - Use Public Diplomacy and DRL-funded programming to build up the capacity of Iraqi NGOs in the areas of human rights and press freedom.
- **(U) Developmental.**
 - Work with MNF-I to expand efforts to strengthen Iraq's political institutions and democratic practices.
 - Set conditions to begin negotiations for a follow on Security Agreement and establish United States and Iraq military cooperation within the strategic relationship.

(U) ANNEX F: ECONOMIC AND ENERGY

(U) Objective: A prosperous, diversified, growing economy integrated in the global economic system capable of meeting the essential service needs of the Iraqi people as well as welcoming home Iraqi citizens currently dwelling outside the country. Significant improvement in the Government's capital budget execution; private sector investment and job creation growing through micro, small and medium enterprise loans; basic service delivery improved, particularly in the provinces, due to the flow of funds to the ministerial beladiyahs and provincial councils; sufficient jobs growth in zones of concern to avoid exacerbating existing political, ethnic or sectarian divisions.

(U) Recommendations:

- **(U) Improving the business environment**
 - Request the World Bank to put together rapidly a simple set of priorities for improving Iraq's business environment
 - Assist MNF-I and the Coalition ministerial advisors in generating GoI support for a rapid adoption of new regulations to reduce significantly the cost of doing business
 - Assist MNF-I and the PRTs in influencing local and provincial councils to improve business environments at the provincial and local levels. Offer technical assistance to set up one-stop provincial business registration and support shops to encourage new business starts.
 - In collaboration with U.S. Embassy Baghdad and MNF-I, continue to assist the GoI with ongoing programs including Tatweer, Iraq Transition Assistance Office (ITAO) programs, PFMAG, MECC, PAC. Evaluate progress via the capacity development assessment Scientia contract.
 - Working with USAID, the World Bank's IFC, and others, expand the Business Development Services program to train entrepreneurs in basic business planning and practice.

- **(U) Increase availability of Microcredit**
 - Facilitate MNF-I in seeking buy-in from the GoI (Ministries of Finance, Planning) to provide additional capital to successful micro finance providers to expand the number of borrowers and geographic coverage of their programs
 - Assist MNF-I in working with GoI to establish guidelines for micro finance interest rates and terms
 - Request inventory of ongoing micro credit schemes to assess coverage and ability to expand. Work with MNF-I and U.S. Embassy Baghdad to seek GoI funding for expansion
 - Assist in identifying strategic areas in Iraq that are not now being underserved by micro credit providers and seek willingness from established micro finance providers to begin to serve these areas. Increase the Coalition funding of capital to ongoing micro credit.
 - Seek authorities for Commanders to allocate CERP to USAID-sponsored micro credit institutions in conflict zones of greatest concern

- **(U) SME Facility**
 - Working with USAID, the World Bank's IFC, and others, expand the Business Development Services program to train entrepreneurs in basic business planning and practice
 - Work with MoF, MOLSA, MoIM to ensure that the \$1.503 billion in GoI funding for SMEs is implemented fairly for all communities, and functions as a true lending facility

- **(U) Accelerate Strategic Projects**
 - **ICAO Certification - Airports**
 - Seek additional GoI funding (est. \$8 million) to accelerate training and licensing programs by 6-12 months
 - Facilitate funding procurement
 - Facilitate ICAO Certification
 - Work with MNF-I to assist the GoI in developing an economically viable aviation system to meet the needs of the Iraqi people for air transportation, while ensuring compliance with international standards for safety and security.
 - Assist MNF-I and U.S. Embassy Baghdad in promoting Iraq's development of the Iraqi electricity, oil and gas sector including the rehabilitation of vital facilities and institutions and strengthening and rehabilitating Iraqi capabilities as well as capacity.

- **(U) Umm Qasr South Port – Ports**
 - In collaboration with MNF-I, prepare a comprehensive security and political engagement plan to set the conditions for the proposed South Port economic plan
 - Work with MNF-I and U.S. Embassy Baghdad in their effort to continue working with MoT and the General Company for the Ports of Iraq (GCPI) to complete a comprehensive, feasible strategic plan for the strategic ports of Basrah Province, including, without limitation, a Port Master Plan, Port Security Plan, Port Op
 - Work with MNF-I and U.S. Embassy Baghdad to assist in influencing and assisting the MoT to complete the bidding and contracting process to bring in a strategic private investor for South Port development
 - Facilitate the Umm Qasr Port Executive Steering Committee meetings as an example of Coalition and donor (Japanese) coordination

- **(U) Oil TSAs**
 - Assist Oil TSAs: Contact Shell, BP, Exxon, Total, Chevron to share information and synchronize engagement efforts with the Ministry of Oil and the Prime Minister's Office
 - Work with MNF-I and U.S. Embassy Baghdad to encourage the Minister of Oil and the PMO to undertake a public affairs campaign once the contracts are signed to explain the benefits of this program to the Iraqi people
 - Work with MNF-I and U.S. Embassy Baghdad to influence the MoO to hire external advisors to prepare for bid rounds of discovered, producing or exploration blocs, under the existing or new hydrocarbons laws

- Work with MNF-I and U.S. Embassy Baghdad in their efforts to continue assisting the Ministry of Oil (MoO) in the development and fielding of redundant fuel export capabilities such as the Single Point Mooring system
- **(U) Independent Power Producer (IPP)**
 - Work with MNF-I and U.S. Embassy Baghdad to assist the Ministry of Electricity (MoE) to finalize selection of expert legal advice to design and implement contracting for IPPs. Work through the current Iraqi solicitation rules.
 - Work with MNF-I and U.S. Embassy Baghdad to assist the MoE and MoO to determine whether new IPP generating capacity can be wrapped into the TSAs and future bid rounds
- **(U) Support Macro Economic Stability**
 - Work with MNF-I and U.S. Embassy Baghdad to influence the GoI to adopt multi-year capital budgeting and budgeting for recurrent O&M costs
 - Assist in the establishment of an Oil Fund through outreach to Kazakhstan, Azerbaijan, and other Central Asian hydrocarbon producers who have faced similar resource issues.
- **(U) Promote Regional and Global Economic Linkages**
 - Work with MNF-I and U.S. Embassy Baghdad in their efforts to work with Ministry of Trade, Ministry of Foreign Affairs, NGOs, the National Investment Commission and regional Chambers of Commerce to develop regional or provincial investment promotion agencies and development agencies to promote foreign direct investment
 - Work with MNF-I and U.S. Embassy Baghdad in their efforts to work with Ministry of Trade and Ministry of Industry and Minerals to continue facilitating trade shows regionally, but increasingly in secure areas of Iraq.
 - Continue coalition outreach to major possible investors to understand their concerns and needs
 - Work with MNF-I and U.S. Embassy Baghdad to support GoI efforts to enhance relations with regional organizations: Gulf Cooperation Council (GCC), Islamic Development Bank, Arab Fund for Economic and Social Development, and the Arab Monetary Fund.
 - Work with MNF-I and U.S. Embassy Baghdad in their efforts to work with Ministry of Foreign Affairs, Ministry of Trade and Ministry of Oil to refurbish and re-open the oil export line to Baniyas, Syria.
 - Work with the GoI to operationalize an Iraqi port of entry crossing from Kuwait for refined fuels
- **(U) Additional tasks**
 - Expand the Procurement Assistance Program to include expertise on project tracking, disbursements, and transparent reporting.
 - Seek to use FMS for services for building or recuperating those MSRs or ASRs crucial to the security effort

- Work with MNF-I and U.S. Embassy Baghdad to influence the Ministry of Planning and Cooperative Development (MoPCD) to assume the Grant Thornton/CCC contract.
- Work with MNF-I and U.S. Embassy Baghdad in their efforts to work the existing GoI processes under existing laws for solicitations to tender for advisory and service contracts. Provide assistance to GoI ministries in the preparation of SOWs for such solicitations
- Improve Central Organization for Statistic and Information Technology's (COSIT) ability to collect and analyze key economic indicators
- Work with the Trade Bank of Iraq to encourage increased participation of private banks in issuing letters of credit.
- Enable the GoI in working with the Japan Bank for International Cooperation (JBIC) loan and other donor sources for wreck removal and infrastructure improvement.
- Assist GoI with national investment law implementation. Provide support for National Investment Commission (NIC).
- Assist GoI and provincial authorities as they seek to lower tariffs; implement legislation to enhance and facilitate free trade; and to identify Iraq's own areas of competitive advantage.
- Work with MNF-I and U.S. Embassy Baghdad to assist GoI with debt relief. Assist the MoF and Prime Minister's Legal Counsel with a strategy to show good faith efforts to resolve claims and protect its assets overseas from attachment risk.
- Work with MNF-I and U.S. Embassy Baghdad in their efforts to assist Iraq to improve its policies with the goal of an improved international credit rating. Build a sound foundation for international credit, an eventual sovereign bond market, and potential sub-sovereign debt.

(U) ANNEX G: CULTURAL, EDUCATIONAL, AND SCIENTIFIC COOPERATION

(U) Objective: A strong, long lasting bond of friendship and mutual respect forged between Iraq and the United States.

(U) Recommendations:

- **(U) Regional Engagement.** Work with MNF-I and U.S. Embassy Baghdad to:
 - Promote cultural and social exchanges and facilitate cultural activities
 - Promote and facilitate cooperation and coordination in the field of higher education and scientific research
 - Encourage investment in education including through the establishment of universities and affiliations between Iraqi and American social and academic institution
 - Strengthen and facilitate the application process for United States visas to enhance the participation of qualified Iraqi individuals in scientific, educational, and cultural activities

- **(U) Development.** Work with MNF-I and U.S. Embassy Baghdad to:
 - Promote Iraq's efforts in the field of social welfare and human rights
 - Promote Iraqi efforts and contributions to international efforts to preserve Iraqi cultural heritage and protect archeological antiquities, rehabilitate Iraqi museums, and assist Iraq in recovering and restoring its artifacts
 - Assist the GoI's efforts to improve the health of the citizens of Iraq and protect
 - Assist the GoI's efforts Improve the natural environment of the historic lands
 - Assist the GoI's efforts promote higher and professional education by revitalization of Iraqi universities to improve the quality of labor force.
 - Facilitate cooperation in higher education and research, and enhance and sustain programs that will contribute to the development of Iraq's future leaders through exchanges, training programs, and fellowships.

(U) ANNEX H: STRATEGIC NARRATIVE

(U) Defining a Strategic Narrative

(U) A strategic narrative is essential to developing the guiding principles and signposts for a strategy. It complements a strategy by offering a compelling framework that explains actions in terms of values, interests, and prejudices and guides inferences about future actions. A strategic narrative is not merely the “story” that explains one’s action; it represents a framework for strategy development. It must be believable, and its logic must align words and deeds.

(U) A strategic narrative is not a passive device, it is instrumental, or it is nothing but an information campaign. It must be created, nurtured, and brought into effect through actions and words. As one of many competing narratives it will be challenged and interpreted at multiple levels. Various audiences will initially place it into their own worldview and act accordingly. Once a dominant narrative is established, however, perceptions will coalesce and it will not be easily shaken by events. To make the United States narrative dominant, actions must speak louder than words, because what Americans say is not necessarily what others hear.

(U) The Nature of Competing Narratives

(U) Regardless of how the new United States Administration converts the campaign rhetoric of “responsibly ending the war in Iraq” and shifting emphasis to Afghanistan into actual policy, the direction of that policy is clearly about war termination. The Iraq war narrative belongs to the previous administration and is not conducive to aligning words and deeds of the new administration.

(U) There are practical issues about aligning United States activities with the changes that have been underway in Iraq since 2007. The MNF-I commander has described 2009 as a year of transition. That transition includes the complex changes associated with the SA/SFA implementation as well as the complex issues of adapting the military Command and Control structures and processes in Iraq to the changing context, managing the transition from the primacy of military means to diplomatic and development means (in the campaign plan sense moving from a security line-of-operation lead to a governance-line-of-operation).

(U) The old narrative no longer explains current actions or charts a course for the future of Iraq within the region. Regional Governments, especially those generally aligned with the United States, find it difficult to support United States and GoI actions when their populations have rejected the war narrative or are at least sympathetic enemy counter narratives.

(U) The war narrative (and its counter-narratives) has been successfully used by local and international Jihadists, hardcore Ba’athists, and Iranian Government propagandists to recruit, fund raise, and enable insurgents, terrorists, and proxy militias aimed at the GoI and the Coalition. It is in the interest of America’s adversaries to keep the current war narrative alive. Iran, for example, invested heavily in defeating the SA/SFA in both the negotiations and the Iraqi Council of Representatives (CoR) in order to preserve their version of the narrative. After both documents came into effect, Tehran has shifted its rhetoric to allege United States deceit, with high level predictions that the United States intends to violate both the spirit and letter of the agreements.

(U) Within Iraq, the purpose, utility and long term implications of the original United States invasion are no longer the leading concerns of Iraqis, which polling indicates centers on the United States occupation and is consistently negative. Moreover, the war narrative does not provide a framework of positive ends, called for in the preamble of the SFA, or focus on the normalization of the relationship between Iraq and the United States

(U) The New Narrative: The new strategic narrative presents a rare opportunity to align political objectives and established operational tools with available resources. The logic of resourcing operations in Iraq has been to achieve national objectives through security-led operations enhanced by the application of soft power. In many cases some of the most effective soft power was, like the Provincial Reconstruction Team / Brigade Combat Team lash-up, explicitly tied to the existence of hard power. The outline of the new narrative follows:

- United States actions on the ground are aligned with stated objectives. (Freedom not War).
- Messages about United States intentions are clearly supported by the facts. (Sovereignty not Occupation)
- Tangible benefits accrue from a long-term GoI-USG relationship. (Sustainable security and Western “soft power” advantage)
- OIF has produced an increasingly stable state. (Iraq as an emerging partner not a threat)
- The United States stands by its Arab / Muslim partners and honors its commitments. (Common interests not clash of civilizations)

(U) The new narrative allows for the decoupling of hard power from soft power. Resources to sustain the gains achieved through hard power must be made available to prevent an influence vacuum after the Iraqi national elections in late 2009 (when United States force levels are expected to drop below 10 brigade combat teams). In order to make the case to the United States Congress for a “surge” in soft power, the administration can use the new narrative as the logical framework for war termination.

(U) From the perspective of Iraq, the new narrative enhances the GoI’s legitimacy and credibility as a sovereign state and therefore a legitimate member of the region. Shifting from a war narrative to one of positive ends can accelerate regional reintegration by highlighting Iraq’s sovereign status with its neighbors and regional multilateral organizations.

(U) Similarly, the implementation of the SA and SFA will be seen by many as a test of United States credibility. Iran has already made public its predictions that the United States will not comply with the agreements. Demonstrating our commitments to these agreements can be a major factor in balancing Iranian influence and setting the conditions to support countering its malign influences.

(U) Iraqi sovereignty has a regional downside. Memories of a dangerous and aggressive Iraq are fresh among countries such as Kuwait, Saudi Arabia, and even Iran. If the new narrative appears to empower Iraq without constraints; Iraq’s neighbors may become concerned. This same concern can be mitigated by the clear and purposeful application of soft power (influence that is both visible and effective) and the recognition in the region that the United States is still fully engaged even as the military footprint within Iraq declines.

(U) The new narrative builds on many elements already playing out within Iraq. The most obvious is the signing of the SFA and SA, which reflect the fragile nature of Iraqi politics, recent Iraqi history, and the region's long-standing sensitivity to foreign troops. Both documents stress the "sovereign, independent, and coequal" basis of the USG and GoI relationship. This places equal emphasis on the need for of scrupulous USG compliance and the public perception of that compliance.

(U) This does not mean that the security risks that accompany the SA are not recognized. For the GoI, the challenge is to appear at all times to be living up to public expectations of sovereignty (to increase internal legitimacy and sustain fragile political coalitions) while not appearing to be a ward of the former occupying power. Despite the words "withdrawal" and "temporary presence" in the title of the SA, the agreement includes a mechanism (Article 27) to reintroduce "military measures, or any other measures" in the event of external and internal threats.

(U) Implementing the withdrawal requirements of the SA will require a careful balancing of near term United States security imperatives and political realities versus mid and long term strategic political risks. Viewing the SA implementation from within a war narrative would highlight the problem of keeping to an absolute minimum the security compromises caused by relinquishing United States control. A sovereignty-based narrative would frame the problem as how much disruption would be acceptable for the sake of protecting the message we want to convey to the Iraqi people and the region – that we respect their sovereignty.

(U) ANNEX I: SERVICES AND INFORMATION TECHNOLOGY COOPERATION

(U) Objective: Improved access to information which promotes the development of a modern and state of the art communications industry in Iraq.

(U) Recommendations: Work with MNF-I and U.S. Embassy Baghdad to:

- Support the exchange of information and best practices in the fields of regulating telecommunications services and the development of information technology policies.
- Exchange views and practices relating to liberalizing information technologies and telecommunications services markets, and the strengthening of an independent regulator
- Promote active Iraqi participation in the meetings and initiatives of the internet governance forum

(U) ANNEX J: BUILDING PROVINCIAL CAPACITY

(U) Executive Summary:

(U) Operational Capacity and Capability Building: The primary purpose of increasing the capacity of the Iraqi Security Forces (ISF) is so that it can provide for its internal security, monitor and control its territory and borders, successfully defend against terrorists and other security threats. This effort addresses both the cross-cutting issues of countering Iranian influence and VEOs, as well as contributes to decreasing state fragility.

(U) While, in the short-term, and particularly while the GoI is under the influence of Shia Islamist parties, it is unlikely that Iraq will return to being a “bulwark against Iran”; increasing ISF capacity should also result in the long-term in Iraq once again providing “strategic depth” to the Arab World against Iranian influence.

(U) Building capacity and capability should not be limited to the ISF and the security ministries, but should continue to be extended to other key ministries and to provincial/regional Governments in Iraq as required in order to counter state fragility.

(U) There are two key tensions involved with developing ISF capacity which must be acknowledged and mitigated: the tension between capacity building and modernization; and the tension between building a capable force and regional concerns.

(U) In addition to the traditional capacity building tools such as FMS, IMET, CTFP, Combined Exercises and State/AID efforts; it is critical that the current advisory presence in Iraq represented by the Transition Teams (TTs), the Provincial Reconstruction Teams (PRTs) and Ministerial Advisory Teams (MATs) continue to be resourced by the USG and the International Community.

(U) Operational Access and Global Freedom of Action. Operational access in order to counter Iranian influence and VEOs is currently allowed until 31 December 2011, but defined by the constraints of the SA. Iran will continue to attempt to maximize its political, economic and cultural influence on Iraq. Iraq is home to a large ‘Twelver’ Shia population, as well as the most important Shia Shrines in the world. These facts, when added to Iraq’s location adjacent to Iran and astride key ground lines of communication from that country to Syria, and to Shia communities in Lebanon and the Arabian Peninsula, will result in Iraq always being of critical importance to Iran.

(U) Iraq’s colonial past, and its current post-OIF relationship with the USG, will complicate the issue of operational access and make it unlikely that any international agreements will be signed in the near future that guarantees that access. It must be acknowledged that in Article 24 of the SA the USG commits to withdrawing all United States forces from Iraqi territory no later than December 31, 2011; and in Section I of the SFA commits to “not use Iraqi land, sea, and air as a launching or transit point for attacks against other countries; nor seek or request permanent bases or a permanent military presence in Iraq”.

(U) It is critical that the United States demonstrate respect for Iraqi sovereignty and be perceived as acting in accordance with the SA. It is also very likely that future Iraqi Governments will find it in

their interest to grant the United States operational access in order to increase ISF operational capacity, but that from our perspective will also serve counter Iranian influence and VEOs. USCENTCOM should begin identifying and prioritizing those activities that establish and optimize the conditions for long-term success on the access question, including bilateral/multilateral exercises and training.

(U) Assurance and Regional Confidence Building. Eventual reintegration of Iraq into the Arab World, as well as its inclusion in a regional military alliance such as the GCC+3 (Egypt, Jordan, Iraq), focused on common interests and a common understanding of the threats, would facilitate accomplishing United States objectives in the region.

(U) Multilateral exercises and training may be initially more successful in areas such as counterterrorism, border security/migration management and public health (avian influenza for example).

~~(S//REL TO USA, FVEY)~~ **Intelligence and Information Sharing.** Formal intelligence and info sharing arrangements with Iraq should continue to be pursued in order to attain the shared situation awareness and common understanding of threats necessary to counter Iranian influence and VEOs. This is complicated by the nascent “identity civil war” and the dominance of ethno-sectarian over national identity.

(U) Defense and Security Sector Reform. Although focused on the issues of state frailty and the nascent security apparatus, this will also contribute to the development of the ISF as a credible national institution where the peoples of Iraq are fairly represented, and where promotion/success is based on merit vice tribal/ethno-sectarian identity.

(U) In 1936 the Iraqi Army was the first military in the Arab World to conduct a coup d'état, and during the Saddam era was hijacked by the Ba'ath Party. The development of a military and security services that stay out of the political process, under constitutional control (vice extra-constitutional authoritarian organizations such as the Prime Minister's Office of the Commander-in-Chief (OCINC) or the Minister of State for National Security Affairs (MSNSA)), and are loyal to Iraqi interests must be supported.

(U) Execution of activities in Iraq tied to transforming its defense establishment will probably get even more complicated in the near future, again given the dynamic in its relationship with the United States and other Western partners. However, such transformation ought to remain a goal and USG agencies should seek opportunities to, in a low-key fashion, to facilitate progress, even if modest. Activities include IMET, combined exercises, defense contacts, and State/AID efforts in the security sector reform arena. Internationalization of this effort, preferably under NATO, would be particularly desirable.

(U) International Suasion and Collaboration. This set of activities should carry a high-priority for execution by USG agencies in Iraq. This line of effort will be the principal tool to achieve the international and regional support to apply leverage on Iraqi internal and external actors that will be required to accomplish United States objectives. Activities to support this focus area will be high-level visits, and defense contacts that facilitate the Department of State lead in this area.

(U) Other Considerations:

(U) International. All United States and international activities in Iraq are colored, or perceived to be colored, by the extremely problematic political dynamics concerning the intervention in Iraq and the Arab-Israeli conflict, both of which have resulted in “occupations”. The concept of a “new strategic narrative” is designed to restore United States credibility internationally, but especially in Iraq and the region.

(U) Interagency Forum. The withdrawal schedule for United States combat forces that is inherent in the SA has resulted in a “rush” by the Interagency forum to also withdraw from Iraq. If “soft power” elements also withdraw from Iraq on this schedule, the risk to stability in Iraq and the accomplishment of United States objective becomes unacceptably high.

(U) Objective: Development of “good governance” in order to build legitimacy.

(U) Recommendations:

- Sustain, at least at current levels, the “soft power” presence in Iraq, represented by the large advisory and assistance presence, including military/police transition teams (MiTTs/SPTTs/PTTs), provincial/regional reconstruction teams (PRTs), ministry advisory teams (MATs), and the security and logistical footprint required to support them.
- Improve regional perceptions of United States credibility and increase acceptance of United States policies through the adoption of a new Strategic Narrative setting the guiding strategic principles for operational planning, our actions, and strategic communications. The narrative serves as the basis for the theater vision for Iraq and is framed by the SA/SFA and the Iraqi desire for sovereignty and legitimacy. Increase military contacts, in particular high-level contacts, and arm them with messaging related to assuring strategic access.
- Internationalize our efforts in Iraq to the greatest extent possible, particularly the advisory and assistance effort, as well as our “levers of power” upon Iraqi internal and external players.

(U) ANNEX K: STRATEGIC COMMUNICATIONS

(U) Current Situation and Problem Set

(U) Operation Iraqi Freedom and the overthrow of the regime of Saddam Hussein began a unique and historic process of change. Increasing levels of violence and disorder following the change created serious challenges for the new Iraq. At the low point in 2006, Iraq stood at the brink of civil war; however a variety of internal factors, such as Anbar Awakening and popular rejection of Al Qaeda, public pressure leading to Sadr's decreasing use of violence, and war weariness, coupled with important changes in Coalition strategy led to substantial security improvements beginning in September of 2007.

(U) Continued improvements in the security situation, a new American administration, the newly executed SFA/SA defining a new relationship between Iraq, and the recent Iraqi provincial elections together create a unique opportunity for an evolution in the US effort in Iraq, and a new stage in the development of Iraq. The low level of violence and the participation of all Iraqi communities during provincial elections in January of 2009 indicates a growing sense of empowerment and confidence in the political process among the Iraqi people. In this new operational environment, a new narrative focused on a sovereign, secure and increasingly prosperous Iraq should be developed that reflects United States regional objectives and deprives our enemies of what proved to be their most effective and durable strategic formulation.

(U) USG actions on the ground must be combined with USG strategic communication (SC) efforts formed into a coherent narrative. Our fundamental narrative is shifting from one of war and conflict, to one of stabilization through rebuilding, and improvement in daily lives, with emphasis on the empowerment of the Iraqi people. Strategic communications must support this narrative communicating U.S. interests, our commitment to achieving our shared goals without appearing to over promise or dictate a particular outcome to the Iraqis. Success in this endeavor will have significant positive repercussions throughout the USCENTCOM region.

(U) Substantial challenges remain. Effective strategic communication, based on a clear understanding of the Iraqi communications environment and tightly linked to on-going actions, can contribute to the consolidation and extension of current successes. The Iraqi strategic communications and political environment is characterized by several key challenges, and opportunities:

- **(U) A pervasive suspicion about the role and long-term intent of the United States.**
 - Perceptions of the US role are subject to a wide variety of conspiracy theories.
 - Although there are some sectarian and regional differences, Iraqi Arab populations express a strong desire for US withdrawal.
 - The US gets little public credit for the improved security of the past two years. This results partly from conspiracy theories (we must have wanted the chaos in the first place), but it is also due to our successful policy of emphasizing Iraqi accomplishments. We have, perhaps, too well told the tale "with an Iraqi face."

- **(U) Nationalist sentiment is very strong in Iraq; it is a social reality that is unfortunately open to political manipulation.** The Iraqi public is generally increasingly proud of the ISF and exhibits a strong preference for ISF security, yet is also aware of inadequacies of ISF
- **(U) There exists a latent recognition of the value of US presence in a significant portion of Iraqi population.** This “submerged” recognition understands the value of the United States as a constraint on sectarian partisans, guarantor of the current relative stability and balancer in political process. The SA/SFA, and the recent provincial elections create the opportunity for developing a new partnership narrative.
- ~~(S//REL TO USA, FVEY)~~ **Existing sectarian and practical political alliances are weakening, but durable new alliances have not yet manifest.** Recent successful provincial

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

- **(U) The media environment is growing and dynamic, with near complete saturation of satellite TV coverage.** There is a top tier of two key local outlets, and a second tier of several struggling stations, along with approximately 50 tertiary stations. In addition, the wider Middle East satellite TV stations are key outlets. Numerous radio and print outlets are also competing for attention in a highly dynamic environment. Iraqis are increasingly sophisticated media

consumers, with a demand for increasing product quality. The evolution of the media environment is a profound influence on the evolution of the Iraqi political environment.

- **(U) There is generally broad satisfaction with increasing security, but sectarian differences in perception of GoI success and legitimacy remain.** In the Sunni community, recent improvements in perceptions of the GoI and security are unfortunately matched by the continued existence of a small but potentially significant hard core opposition.

(U) Overarching Strategic Communication Approach

(U) Goal.

(U) USCENTCOM's fundamental long-term strategic communications goal for Iraq is for the US to be perceived as a trusted and valued Iraqi partner in security, economics, education and development. This goal can be attained only through integrated action and communication. Deeds and words must be aligned; words can create expectations, which future actions must fulfill. Words can highlight actions taken, building credibility. Done properly, this creates a virtuous cycle that builds momentum towards goals. For this to be accomplished the strategic communications plan must include themes that support the Strategic Narrative:

- United States actions on the ground are aligned with stated objectives. (Freedom not War).
- Messages about U.S. intentions are clearly supported by the facts. (Sovereignty not Occupation)
- Tangible benefits accrue from a long-term GoI-USG relationship. (Sustainable security and Western "soft power" advantage)
- OIF has produced an increasingly stable state. (Iraq as an emerging partner not a threat)
- The United States stands by its Arab / Muslim partners and honors its commitments. (Common interests not clash of civilizations)

(U) Critical Roles.

(U) Strategic Communication alone can not attain USG goals and objectives. The understandings, emotions, and actions of a target audience can best be influenced through a combined effort of actions and communications. But words and actions together can only achieve desired outcomes if they are based on a realistic assessment of the current situation, and appropriate understanding of communications limits and requirements. As noted above, Iraq is a challenging strategic communication environment. However, although there is significant distrust of the United States in the population, there is also substantial space for improving perceptions of the US. To achieve this in the coming years, strategic communications must play two key roles.

- **(U) Support Success in Iraq.** USCENTCOM should shape a public affairs environment (including key target audience understandings, emotions, and behavioral intents) that sustains

and consolidates the success of the past two years. This must be the primary short-term focus, in the period between now and the installation of the next national Government after the 2009 national elections. To do this, two key areas of concern must be addressed.

- First, through 2009, USCENTCOM, in cooperation with MNF-I and U.S. Embassy Baghdad, should continue to support and foster the Iraqi political process, security improvement, and maintaining pressure on violent obstructionist elements. There is substantial positive momentum in Iraq today for positive political change. Sustaining this momentum is critical.
- Second, through 2009, USCENTCOM, in collaboration with MNF-I, should ensure that the US is still able to act as an effective partner with the ISF, and minimize or marginalize populist – nationalist rhetoric that highlights an overly narrow or deliberately restrictive interpretation of the SA/SFA. The US must generate a perception in the Iraqi population of the United States adherence to the SA/SFA, while at the same time doing everything possible to ensure that hard won security gains are not lost in the transition. Interpretation of the SA/SFA and the requirement for the referendum is a “political football” in a highly dynamic Iraqi political space. The United States must avoid exacerbating the issue, and precipitating a referendum which may not happen (cf the requirements of Article 140) while at same time assisting Iraqi leaders in creating the space for partnership with US. We must “win the battle of interpretation” of the SA/SFA while at the same time not being seen as attempting to circumvent or disable the agreements.
- **(U) Regional Impact of Success.** USCENTCOM should ensure that Iraq, as an operational level effort, contributes to wider USG strategic efforts in the region. Sustaining success through the transition of a new Government will enable us to focus on this in early 2010, until the expiration of the existing SA/SFA. In this window, with the successful conclusion of the key tactical activities (e.g., the disarmament, demobilization and re-integration of the Sons of Iraq) and a successful, second national election, we can begin to address the issue of fundamental (mis)perceptions of the US effort in Iraq.

(U) There are three key challenges that must be met in the mid-term: 1) maintaining security in Iraq; 2) while at the same time departing Iraq in accordance with the SA/SFA; and, 3) building a visibly normal and supportive relationship with the Iraqi people and Government. These three key challenges must be met in the 2010-2011 period to ensure that our efforts in Iraq support our larger, longer-term strategic goals in the region.

- **(U) SA/SFA Implementation key to Strategic Communication Success.** The perception of faithful execution of SFA/SA is a key to the success in changing the negative perception of the United States in Iraq and the region as a whole. The United States must continue to build trust through its honest and transparent implementation of the agreements. Strategic Communications will highlight and explain these activities while emphasizing the partnership between our countries. National sentiment is strong and strengthening in Iraq. We have the paradoxical need to show Iraqis that we are indeed leaving while maintaining the sense of security that our presence engendered. USCENTCOM needs to balance the perception and

reality of U.S. withdrawal with the need to demonstrate and emphasize that the United States will continue to stand with the Iraqi people and help the Iraqis help themselves, recognizing the integrity of Iraqi cultural traditions and the rich mosaic of its diverse communities. This is not the first time or place the United States has faced this dilemma. It is never easy but the lessons exist, positive and negative, from prior U.S. experiences in post-conflict and peace-building environments.

- **(U) What works is openness.** No matter how necessary or well-behaved, the presence of military forces anywhere inevitably creates tensions. They cannot be ignored and they should not be minimized, but they can be managed. To the extent permitted by operational security considerations, the United States should make public its plans and moves. Local and international journalists should be encouraged to visit units and installations to see for themselves. Iraq can develop along the model long used in Europe. An old Iraqi tradition says that if you want to get to know someone, you need to travel with him/her. A specific suggestion is that we institute an Iraqi version of the successful “NATO Tour,” where European opinion leaders were taken on U.S. Embassy Baghdad sponsored visits to the U.S. and allied operations within their own countries and within the region.
- **(U) From Military to Civilian.** As the face of the United States in Iraq transitions from primarily a military to a civilian one, routine Embassy activities will become more important. The U.S. Embassy Baghdad’s Mission Strategic Plan will work in tandem with USCENTCOM’s goals through the Joint Campaign Plan. Military affairs will probably continue to occupy a large percentage of Embassy press operations, as it does in any country with a U.S. military footprint. But over the late 2009-2011 period, civilian subjects and concerns will become dominant. The bilateral relationship in areas of mutual interest such as trade, development, education and culture will flourish. Longer term public diplomacy programs, such as international visitors, US Worldwide Speakers, Fulbright and other exchanges and cultural events will be the routine face of the US in Iraq.

(U) Troop Profile and Strategic Communication. As a final note on the overall strategic communication approach, it must be noted that the actual troop drawdown profile is the key shaping event in the strategic communication environment. Strategic communication efforts at any point in time must be grounded in a clear understanding of the actual, anticipated draw down profile.

(U) That there are two key tradeoffs that must be managed, both of which profoundly affect the strategic communication environment. The first is that between the Iraqi situation, and U.S. domestic political considerations. Faster withdrawal mitigates U.S. political concerns (in some regards) but may incur risk regarding the security situation. The second tradeoff involves balancing maintenance of short term security concerns in Iraq against the medium term and political value of demonstrating adherence to the SA/SFA. This tradeoff involves both troop numbers and the profile of troops remaining. From a strategic communication perspective, we should not under-estimate the potential positive value of a strong public perception of US intent to withdrawal. Obviously, strategic communication considerations must be fully integrated into planning for these tradeoffs.

(U) Recommendations.

(U) For planning purposes, this annex assumes that current troop deployments will decline from 14 BCTs today, to approximately 11 in January 2010, to approximately 6 or 7 in August / September 2010, to “0 combat brigades” in August or September 2011. The quotation marks indicate awareness of the need to develop a plan for post SA/SFA security relations, and to define the role of US forces should they remain in Iraq beyond the completion of the SA/SFA. Increasing the “maneuver space” for political negotiations for any possible follow-on agreement is a central strategic communication objective for the 2009-2011 period.

(U) Overarching

- Branded USG news activities (e.g., Al Hurra) must maintain a robust commitment to regionally credible news coverage of US efforts in Iraq. This must include appropriate coverage of critics of USG activities, in order to ensure outlet credibility.
- USAID and the Department of State should sustain independent media development activities throughout the period, with particular emphasis on assisting media outlets in the transition to sustainable, market-supported media status.
- USG efforts must be supported by spokespersons able to communicate credibly with the Iraqi population, in the Iraqi dialect as well as standard Arabic.
- Form an active strategic communication community of interest, engaging U.S. Embassy Baghdad, MNFI, and USCENTCOM, to continue to improve cultural understanding, integration of multiple information streams (e.g., polling, focus groups, media monitoring, intelligence, cultural advisor insights), and strategic planning for strategic communication.

(U) 2009 Consolidating and Maintaining Success, Beginning a New Partnership

- (U) Demonstrate compliance with SA/SFA, within a partnership (not withdrawal) narrative. The US effort must emphasize all actions within a narrative that emphasizes the key U.S. role empowering Iraqis and Iraqi sovereignty, and not inadvertently do the work of those who would seek to close off opportunities for cooperation and continued U.S. actions.
 - Communicate about issues, demonstrating compliance, but not mentioning the referendum. The United States effort must be aware of the need to avoid inadvertently provoking the referendum. That is, U.S. communication efforts must not highlight or foreground the issue of compliance, or the referendum, and should allow the issue to submerge itself within the larger public discourse. Those who want a referendum must not be assisted by USCENTCOM efforts. At the same time, USCENTCOM must ensure that incidents with may excite public opinion against the US are avoided.
 - Strong expressions of long-term full withdrawal will partially mitigate questions of intent.

- (U) The United States continues to build trust through honest and transparent implementation of the SFA/SA agreements, including draw downs, by allowing journalists and other opinion leaders to view the process by visiting U.S. operations and installations as operational security permits.
- (U) Some building will continue on bases occupied by U.S. forces. Transparency will emphasize the need for this in the short term and these operations can be compared to other situations, cf Philippines or Germany, where the United States build, renovated or repaired installation before leaving so as to leave a better place for the host Government.
- (U) Highlight the activities and progress of joint planning committees of the SFA as examples of effective Iraqi sovereignty; generate opportunities for demonstration of U.S. compliance and acceptance of strong GoI positions.
- (U) Emphasize U.S.-Iraqi training activities, tactical partnership, tactical withdrawal as tool of partnership, and long-term strategic intent; balancing with sustained commitment to helping Iraq. Publicize instances of U.S./Iraqi cooperation, especially when Iraqis are in the lead.
- (U) Continue engagements and with Iraqi opinion leaders going on International Visitor and short term exchanges in the United States.
- (U) Maintain USAID engagement while transitioning to the use of Iraqi resources and program management. Key USAID programs must balance the need to support longer-term structural adaptation in both the economy and governance with the need to have visible, population-focused activities to sustain the partnership narrative. Activities which should be considered for sustainment in order to support highly visible engagement include:
 - Community action groups (in conjunction with local Government development)
 - Electoral and political process development
 - Local Government development
 - Iraqi university support
 - Independent media development

(b)(1)1.4(a), (b)(1)1.4(d), (b)(5)

- (U) Maintain current levels of engagement at national and provincial levels (through PRT efforts and other vehicles as the evolving situation permits) until well after transition of Government after 2009 national elections.
- (U) MNFI should engage U.S. Embassy Baghdad and UNAMI to ensure that the upcoming (October) Iraqi census project has a robust, well-executed Iraqi strategic communication support effort, similar to that run by the Iraqi Independent Electoral Commission for the recent elections.

(U) 2010: A Successful Partnership Evolving

- (U) Begin shifting US public relations profile to one resembling normal state-state relationships in the region.
 - Attenuate SC effort to transition from military to civilian emphasis.
 - As MNFI stands down, USCENTCOM should stand up. Messaging and engagement activities must be sustained to assist in maintaining current gains while troop presence is drawn down. These activities, particularly media monitoring, can be drawn down and consolidated in the 2010-2011 period as USCENTCOM's capacity to engage in strategic communication efforts regionally is built up.
- (U) Continuing transition to Iraq to the stage of normality with regards to U.S. diplomatic, public diplomacy and outreach efforts.
- (U) U.S. Embassy Baghdad will continue to rely on military spokespeople and expertise, but the first face an Iraqi sees will be civilian and diplomatic.
- (U) U.S. and other international investment grows toward a level compensate with Iraq's wealth and wellbeing.
- (U) Highlight US withdrawal at the strategic level; depending on political situation, open space for discussion of a new strategic relationship by emphasizing fundamental common interests.

(U) 2011: The Foundations of a Long-Term Relationship

- (U) U.S. commitments substantially complete. Iraq transitions to long term normal relationship.
- (U) U.S. emphasizes Iraqi narrative in the region as an example of having carried out what most people said couldn't or wouldn't be done.
- (U) Transition of US strategic communication effort in Iraq to U.S. Embassy Baghdad lead upon ending of active US combat engagement.