



U.S. CENTRAL COMMAND ASSESSMENT TEAM (CAT) REGIONAL REPORT

Classified by: GEN Petraeus
Commander, US Central Command
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CENTCOM ASSESSMENT TEAM (CAT)

The CAT was a USCENTCOM-sponsored assessment team which consisted of 220 members from across civilian and military agencies and departments of the U.S. Government, coalition partners, contractors and subject matter experts. Twenty organizations were represented within the team which worked over a 100-day period (November 2008 to February 2009).

The CAT conducted a comprehensive assessment of the situation in the USCENTCOM area of responsibility, reviewed existing strategies and plans across relevant departments and organizations, and produced findings and recommendations informed by interagency expertise, in order to frame USCENTCOM programs, activities, and initiatives in the context of broader U.S. Government and Coalition efforts.

The final CAT Report consisted of more than 3500 pages of assessments and recommendations for the Commander and his staff to assimilate into future USCENTCOM strategy and policy. It comprises a Regional Overview with Functional Annexes and separate Sub-regional reports.

(U) 1. PURPOSE AND SCOPE OF THIS REPORT

(U) This regional report is intended to highlight priority focus areas for future action rather than comprehensively address each sub-region or functional area. For detailed and more comprehensive assessments and recommendations on sub-regional and functional issues throughout the CENTCOM area of responsibility (AOR), see the CAT sub-regional reports and functional reports.¹

(U) This report is advisory in nature and does not represent the official position of U.S. Central Command, the Department of Defense or any other agency of the United States Government.

(U) 2. U.S. INTERESTS

(U) U.S. interests as they relate to the CENTCOM AOR are:

- The security of U.S. citizens and the U.S. homeland, which includes
 - The defeat of transnational terrorist organizations, the elimination of their safe havens, and the discrediting of their ideologies
 - Responsible control of weapons of mass destruction and associated technologies
- Regional stability

¹ From November 2008 to February 2009 the CAT assessed the situation in the CENTCOM area of interest, reviewed existing strategies and plans, and suggested actions for CENTCOM. The CAT was comprised of more than 200 members from across the U.S. government (State, USAID, Treasury, Homeland Security, Commerce, Justice, the Intelligence community and neighboring Combatant Commands and service staffs) and coalition partners (UK, Australia, Canada, and New Zealand). The Team drew upon intelligence analysis, plans and policy guidance, relevant reports and studies, U.S. government experts, think tanks, and academic institutions. To focus assessments, the Team organized into six sub-regional groups (Afghanistan and Pakistan, Iran, Iraq, Arabian Peninsula, Levant and Egypt, and Central Asia) and ten functional groups (Intelligence, Combating Terrorism, Counter-proliferation, Building Partner Capacity, Diplomatic/Political, Development/Economic/Governance, Rule of Law, Command and Control, Strategic Communications and Basing).

- International access to strategic resources, critical infrastructure, and markets
- The promotion of human rights, the rule of law, responsible and effective governance, and broad-based economic growth and opportunity

(U) 3. THE CENTCOM AOR: DIMENSIONS OF THE CHALLENGE

(U) The lands and waters of the CENTCOM AOR span several critical and distinct regions of the world. Stretching across more than 4.6 million square miles and 20 countries, the AOR contains vital transportation and trade routes, including the Red Sea, the Northern Indian Ocean, and the Arabian Gulf, as well as strategic maritime choke points at the Suez Canal, the Bab el Mandeb, and the Strait of Hormuz. It encompasses the world's most energy-rich region, with the Arabian Gulf region and Central Asia together accounting for 64 percent of the world's petroleum reserves, 34 percent of the world's crude oil production, and 46 percent of the world's natural gas reserves. The more than 530 million people who live in the AOR constitute 22 major ethnic groups of many nationalities, cultures, and religious groups.

(U) For the past century, these strategically significant regions have been torn by conflict as new states and old societies have struggled to arrive at a new order in the wake of the collapse of traditional empires. These conflicts have intensified in the past three decades with the emergence of extremist movements, nuclear weapons, and enormous wealth derived from oil.

(U) Social, political, and economic conditions vary greatly throughout the region. For example, the region is home to some of the world's wealthiest and poorest nations with per capita incomes ranging from \$800 to over \$100,000. The people who live in the region are struggling to balance modern influences with traditional, social, and cultural authorities and to manage change at a pace that reinforces stability rather than erodes it. Many of the nations in the AOR suffer from poor governance, underdeveloped civil institutions, pervasive corruption, and high unemployment.

(U) The complexity and uniqueness of these local conditions defy attempts to formulate an aggregated

estimate of the situation that can address, with complete satisfaction, all of the pertinent issues in the CENTCOM AOR. The boundaries of the CENTCOM AOR are a U.S. administrative organizational construct that does not encompass a cohesive social, cultural, political, and economic region. In short, the CENTCOM “region” is not a region at all. For these reasons, the CENTCOM Assessment disaggregated the problem sets in the AOR into six sub-regions:

- Afghanistan and Pakistan
- Iran
- Iraq
- The Levant, comprised of Syria, Lebanon, Egypt, and Jordan (as well as Israel and the Palestinian territories not within the CENTCOM AOR)
- The Arabian Peninsula, comprised of Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE, Oman, and Yemen
- Central Asia, comprised of Turkmenistan, Kyrgyzstan, Uzbekistan, Tajikistan, and Kazakhstan

(U) 3.A. Challenges to Security and Stability.

While the CENTCOM Assessment has focused on the sub-regions listed above, there are major drivers of instability, inter-state tensions, and conflicts that cut across the AOR. These factors can serve as root causes of instability and as obstacles to security.

(U) Extremist ideological movements and militant groups. The AOR is home to numerous transnational terrorist organizations that exploit local conflicts and foster instability through the use of terrorism and indiscriminate violence. The most significant of these groups is Al-Qaeda and its associates, which seek to impose an extremist and oppressive version of an Islamic state on populations through indiscriminate violence and intimidation.

(U) Proliferation of weapons of mass destruction (WMD). The AOR contains states and terrorist organizations that actively seek WMD capabilities and have previously proliferated WMD technology outside established international monitoring regimes.

(U) Ungoverned, poorly governed, and alternatively governed spaces. Weak civil and security institutions and the inability of certain governments

in the region to exert full control over their territory constitute conditions that transnational terrorist organizations exploit to create physical safe havens from which they can plan, train for, and launch terrorist operations.

(U) Terrorist financing and facilitation. The AOR, particularly the Arabian Peninsula, is a prime source of funding for transnational terrorist organizations. This terrorist financing is transmitted through a variety of formal and informal networks throughout the region.

(U) Ethnic, tribal, and sectarian rivalries. Within certain countries, the politicization of ethnicity, tribal affiliation, and religious sect serve to disrupt the development of national civil institutions and social cohesion, at times to the point of violence. These conflicts often permit terrorist or insurgent organizations to gain sponsorship or support from portions of these communities. Between countries in the region, such rivalries heighten political tension and can serve as catalysts for conflict.

(U) Disputed borders and access to vital resources. Unresolved issues of border demarcation and the sharing of vital resources, such as water, serve as sources of tension and conflict between and within states in the region.

(U) Weapons, narcotics, and human trafficking. The trafficking and smuggling of weapons, narcotics, and humans, along with associated criminal activities to include piracy, undermines state security, spurs corruption, and inhibits legitimate economic activity and good governance throughout the AOR. Some criminal networks also support transnational terrorist organizations.

(U) Uneven economic development and lack of employment opportunities. Despite substantial economic growth rates throughout much of the region over the past few years, significant segments of the population in the region remain economically disenfranchised. Without sustained, broad-based economic development, increased employment opportunities are unlikely given the growing proportions of young men and women relative to overall populations. The “youth bulge” exacerbates socioeconomic challenges throughout the region.

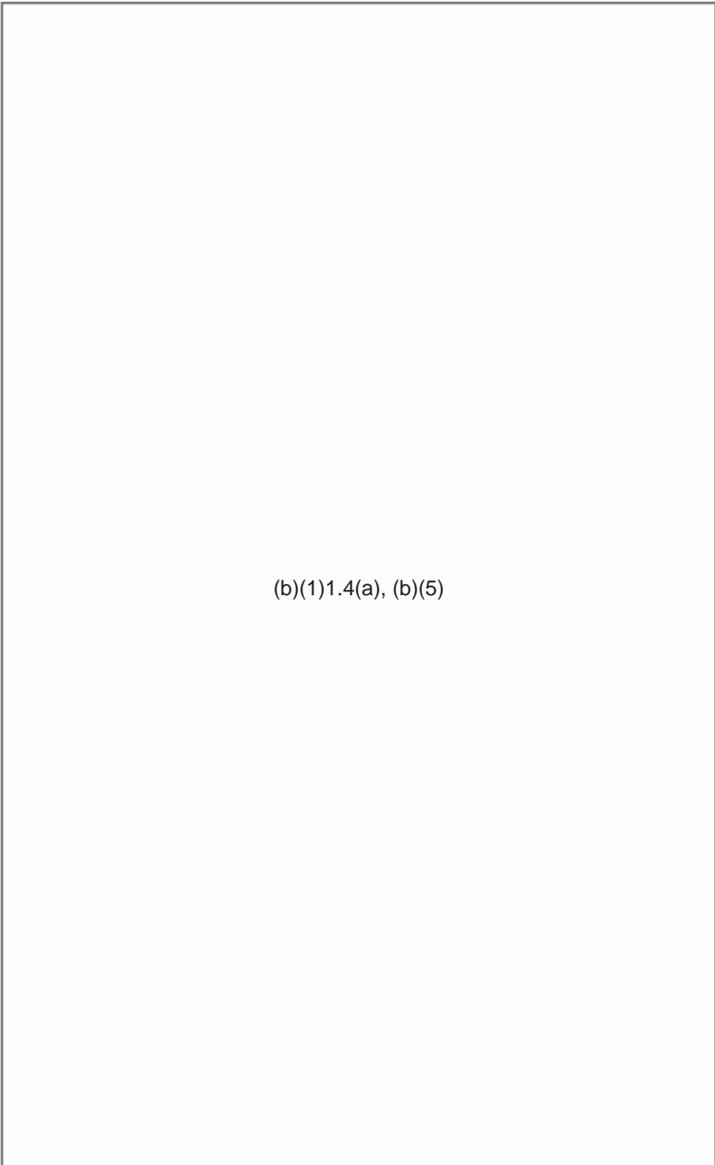
(U) *Lack of regional and global economic integration.* Low levels of trade and commerce between and among countries diminish prospects for long-term economic growth, and inhibit opportunities to deepen interdependence through private sector, social, and political ties.

(U) **3.B. External Influences.** Any assessment of the CENTCOM AOR must take into account current global economic conditions, the influence of external states, and the dynamics of neighboring sub-regions.

(U) *Global financial and economic crisis.* The global financial and economic crisis will affect the nations in the AOR in a variety of negative and positive ways. Economic growth and employment levels will likely decrease, as will worker remittances – an important source of income for labor-exporting states such as Pakistan, Egypt, Yemen, and Jordan. Slower economic growth will likely increase poverty levels in many countries. The dramatic decrease in oil prices caused by the global economic slowdown will cause budgetary challenges, at least during the near term, for many governments, particularly those that rely on petroleum exports for the majority of their revenues. For similar reasons, sovereign wealth fund investments and income have declined and will likely continue to do so. More positively, the current decline in oil prices will benefit countries that are net importers of energy, such as Pakistan, Afghanistan, and Jordan. Declining oil revenues and continuing domestic economic problems could also limit Iran’s ability to simultaneously support Hizballah, Hamas, and a robust nuclear program. Due to the expenditure of hundreds of billions of dollars by developed countries to address the domestic impact of the global economic crisis, development assistance levels could also decline.

(S//REL TO USA, FVEY) *Russia.* Russia views the AOR as a crossroads where its interests and those of the world’s other major powers intersect. Russia has declared its general support for U.S. policies in Afghanistan, but does not want to see a long-term U.S. presence there. Like the U.S., Russia is also concerned about Pakistan as an unstable nuclear state that gives refuge to transnational terrorist organizations. Russia’s cooperation on Iran, however, has been uneven, indicating that Russian leaders may view Iran as a means of leveraging the

U.S. to compromise on issues important to Russian interests. Russian leaders have stated that they oppose Iran’s acquisition of nuclear weapons, and Russia has participated constructively in the P5+1 negotiations with Iran. Russia has also proposed an international consortium to enrich uranium outside Iran for Iran’s nuclear facilities. In the UNSC, however, Russia has worked with China to blunt U.S. efforts to impose significant economic sanctions on Iran. It has also cooperated with Iran in building the Bushehr nuclear reactor, and continues to supply arms to Iran. With regard to Central Asia, Russian leaders continue to view their interests from a “Great Game,” zero-sum perspective. Russia seeks to limit U.S. influence while it influences the development of regional hydrocarbon resources, economic development, and political fortunes.



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(U) *North Africa.* North Africa serves as a major recruiting ground for Islamist transnational terrorist organizations operating throughout the AOR. It also has been a smuggling route for weapons entering the region, particularly Gaza. North Africa is confronted with many of the same economic, social, and governance challenges faced by nations in the CENTCOM AOR. Pan-Islamic and Pan-Arab sentiments tie many North Africans to the political and religious affairs of the Middle East.

(U) *Horn of Africa.* Like North Africa, the Horn of Africa has served as a source of transnational terrorist organization basing, recruiting, and operations, particularly in poorly governed spaces such as Somalia. Moreover, smuggling, trafficking, and piracy in the Horn and the southern Arabian Peninsula undermine internal security and threaten commercial maritime operations in the Gulf of Aden and off the coast of Somalia.

(U) **3.C. Current U.S. Engagement and Efforts in the AOR.** The U.S. government's engagement in the CENTCOM AOR spans a wide spectrum of activities, including military/security, diplomatic, and programs and initiatives designed to foster economic growth, development, and good governance. Indeed, no other region of the world receives as much combined U.S. military, diplomatic, and development assistance resources as the countries of the CENTCOM AOR. Despite these extensive efforts, however, many U.S. activities in the region suffer from shortcomings and a lack of interagency and coalition coordination.

(U) *Military and security activities.* The United States currently has over 215,000 military service members deployed in operations throughout the CENTCOM AOR. While the vast majority of these forces are in Iraq and Afghanistan, substantial military personnel are also stationed at bases in Kuwait, Bahrain, Qatar, and the United Arab Emirates providing crucial air, maritime, and logistics support throughout the AOR. U.S. forces continue to provide the security framework in the AOR that has enabled stability, security, and opportunities for economic growth for many states

in the region. This U.S. force posture in the AOR is in addition to approximately 34,000 Coalition and NATO forces, primarily deployed in Afghanistan.

(U) U.S. forces have adapted to complex and evolving counterinsurgency and state building efforts in Afghanistan and Iraq – efforts that demand population security, security sector reform, reconstruction and economic development, development of governmental capacity, and the establishment of the rule of law. Counterinsurgency efforts in both wars suffered initially from approaches that did not recognize the primacy of population security and the need to provide enduring security after clearing areas of insurgent activities and influence. A lack of combined U.S., Coalition, and indigenous force strength relative to the strength of ruthless and determined enemies inspired a raiding and direct action approach that focused mainly on targeting the enemy. This approach, however, left the general population vulnerable, could not defeat enemy campaigns of intimidation, reinforced enemy propaganda, and forced U.S. and Coalition forces to move continuously through unsecured areas while the enemy enjoyed freedom of maneuver and retained the ability to blend in among the population. It is clear that counterterrorism efforts remain an important component of counterinsurgency operations, but it is also clear that a raiding approach to complex problem sets such as those in Afghanistan and Iraq cedes the initiative to the enemy on the most important battlegrounds: intelligence, perception, and population security.

(U) A related shortcoming of U.S. operations in Afghanistan, Iraq, and throughout the AOR is that they have suffered from a lack of unity of effort. Coordinating and synchronizing U.S. military efforts with those of U.S. civilians and international partners, as well as indigenous military forces, local government leaders, and international and non-governmental organizations is an essential element of effective counterinsurgency operations.

(U) *Building partnership capacity (BPC)*. CENTCOM engages in a variety of training efforts and related programs focused on building capacity among military forces in the AOR, including: training indigenous forces in theater and through international military education and training (IMET) programs; foreign military financing/foreign military

sales (FMF/FMS); the CT fellowship program; and combined military exercises. Countries in the CENTCOM AOR receive more BPC assistance than any other combatant command.² These programs have enhanced the professionalism of partner security forces, particularly the Iraqi Security Forces (ISF) and the Afghanistan National Security Forces (ANSF). They have also been essential in cementing valuable mil-to-mil relationships in Egypt, Jordan, Lebanon, and Pakistan. These relationships help improve intelligence sharing and interoperability with U.S. forces. Despite these significant benefits and progress, our BPC efforts require significant improvement. BPC programs suffer from a lack of flexibility, overly bureaucratic administrative requirements, and inadequate combatant command authorities to execute programs in a timely manner. The FMS program is an example of these shortfalls. Overly burdensome and bureaucratic procedures and a lack of interagency and international coordination frustrate foreign partners and encourage them to seek alternative sources of security arms, weapons, and equipment.

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² For example, \$2.75 billion dollars were allocated under the Afghanistan Security Forces Fund (ASFF) in FY08 with \$5.6 billion requested for FY09. The Iraqi Security Forces Fund (ISFF) received \$5 billion in FY08 with an additional \$3 billion allocated for FY09. Pakistan currently receives a wide-range of BPC assistance to include \$420.9 million in FMF and DoD Assistance Program Funds, with \$417.5 million allocated for FY09. Egypt receives an annual allocation of \$1.3 billion in

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(U) *Diplomatic activities.* Intensified diplomacy in key areas of the CENTCOM AOR continues with the Administration's recent designation of special representatives for Afghanistan-Pakistan, the Middle East Peace Process, and Southwest Asia. The President has also signaled a desire to engage with Iran. In addition, the State Department has undergone a cultural shift in recent years, making deployments to austere contingency posts in the CENTCOM AOR such as Iraq and Afghanistan a priority. U.S. Embassy Baghdad remains the largest in the world. However, positions at U.S. embassies and consulates abroad and at the State Department have vacancy rates approaching 15%, with a personnel shortfall of approximately 2,400 due, in part, to the strain of diplomatic requirements in Iraq and Afghanistan.⁴ Additionally, because U.S. diplomatic activities in many countries in the AOR face high threat levels, the response has been to harden diplomatic facilities and limit exposure of U.S. diplomats. As a result, the U.S. ability to engage effectively with local populations is diminished. A new approach to "force protection" that does not stifle diplomatic engagement is needed, particularly in conflict areas where a whole-of-government approach to counterinsurgency is required. Additional security training for our diplomats and acceptance of greater risk are required for more effective engagement and greater diplomatic influence.

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⁴ For example, all State and USAID positions in the Afghan provinces are vacant an average of 2 months a year. See the American Academy of Diplomacy, "A Foreign Affairs Budget for the Future," October 2008, p. 3.

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(U) *Development, economic, and governance efforts.* The CENTCOM AOR is the largest recipient of U.S. Foreign Assistance in the world, largely due to significant development investments in Iraq, Afghanistan, Pakistan and Jordan.⁵ Additionally, the U.S. has undertaken a number of initiatives designed to increase bilateral, regional and multilateral trade and investment, including bilateral free trade agreements and trade preference programs, such as the Middle East Free Trade Area (MEFTA). In addition to the MEFTA, Reconstruction Opportunity Zones (ROZ) can provide an important stimulus for economic growth in the border region of Afghanistan/Pakistan. In addition to enhancing trade with the United States, ROZs are a potential source of regional private sector investment. Despite these efforts, several factors limit the effectiveness of U.S. development, economic and governance activities. Development programs are often designed without adequate knowledge of locally-driven concerns, and staff turnover contributes to a lack of continuity in addressing instability. In addition, inflexible

⁵ For example, in FY 08, the United States invested \$6.2 billion in total foreign assistance throughout the region, of which \$2.5 billion was allocated to non-development security initiatives to control terrorists and their access to weapons of mass destruction, criminal organizations (anti-narcotics and transnational crime), and the training of security forces. The remaining \$3.7 billion was allocated across the following six sectors: security, governance, health, education, humanitarian assistance, economic growth, and infrastructure.

budgets limit an agency's ability to shift resources across programs or sustain them for sufficient time. In areas such as Iraq and Afghanistan, where large-scale counterinsurgency and state building efforts are underway, a tension exists between the need to demonstrate short-term results, while simultaneously laying the groundwork for sustainable and longer-term solutions. In reality, both are necessary to enable our partner countries to build legitimacy by addressing their populations' needs. Short-term results also need to be nested in a broader counterinsurgency framework that addresses sources of instability and violence. Finally, enabling the development of a vibrant private sector must continue to be a key component of our development, economic, and governance strategy.

communications and coordination efforts. Finally, the U.S. government has not provided sufficient incentives to foster systematic coordination, such as linking budgets, portfolios, and tenure to integration. These challenges are even greater between the U.S. government and Coalition Partners, host nations, and international institutions, limiting operational effectiveness in key countries such as Afghanistan.

(U) 4. SIGNIFICANT THREATS TO U.S. INTERESTS

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(U) *Organizations and processes.* U.S. government efforts in the AOR generally lack a unified approach and face several challenges. First, agencies working on national security operations generally lack a common understanding of the nature of the problem, common objectives, a clear understanding of agency responsibilities, necessary authorities, and metrics for success. Second, the U.S. government lacks sufficient numbers of trained individuals who have both local awareness and knowledge of U.S. government institutional roles, planning processes, and capabilities to integrate action across agency lines. Third, U.S. government departments and agencies operate under different organizational regional boundaries that impede effective

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(U) *The Arab-Israeli conflict.* The enduring Arab-Israeli conflict limits the United States' ability to advance U.S. interests in the CENTCOM AOR. Israeli-Palestinian tensions often flare into violence and large-scale armed confrontations. The conflict has created a deep reservoir of anti-American sentiment, based on the perception of U.S. favoritism for Israel. Arab anger over the Palestinian question limits the strength and depth of U.S. partnerships with governments and peoples in the AOR. Extremist groups exploit that anger to mobilize support. The conflict also gives Iran influence in the Arab world through its clients: Syria, Lebanese Hizballah, Hamas, and the Special Groups in Iraq.

(U) Other conflicts that pose serious threats to U.S. interests include Iraq and the Arab-Israeli conflict.

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(U) 5. RECOMMENDED PRIORITY FOCUS AREAS

(U) Based on U.S. interests, and the challenges and threats to those interests emanating from the CENTCOM AOR, U.S. government efforts should focus on the following geographic and functional areas.

(U) 5.A. AFGHANISTAN-PAKISTAN

(U) 5.A.1. Situation

(U) The most important strategic priority in the AOR is stabilizing Pakistan and Afghanistan, where the threat of terrorist groups operating from safe havens and the potential collapse of a nuclear-armed state pose unacceptable security risks to the United States, its allies, and its interests in the region. The Pakistan and Afghanistan challenges are related, requiring an integrated approach. Each state has unique internal dynamics and problems, but the two are linked by tribal affiliations and a porous, arbitrary border that permits terrorists and insurgents to move freely from their safe havens across the frontier. In addition, the activities of terrorist and insurgent organizations in both countries are transnational and have a powerful impact on neighboring states.

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(U) The weakness of Pakistani governance has produced recurrent financial crises, stunted economic development, and facilitated high levels of official corruption. Despite fitful efforts to devolve political and fiscal authority, decentralization has been poorly implemented, leaving the population without governmental alternatives to address local needs. Private sector activity remains stifled and has not generated sufficient jobs and economic growth to significantly increase living standards or to support the government's ability to deliver services. Absent significant reforms, Pakistan's prospects for strengthening governance, increasing social and economic development and making progress towards economic growth and self-sustainability are uncertain.

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(U) *Limited effectiveness of U.S. and international assistance efforts in Pakistan and Afghanistan.* In addition to the host nation governments' own failings, U.S. and international efforts to address problems in Pakistan and Afghanistan have been hindered by a number of shortcomings. Many of the U.S. and international aid and assistance efforts have not strengthened governance because assistance has been delivered independent of government institutions. U.S. and international foreign assistance is too inflexible to be coordinated effectively according to the most important local priorities.

(U) Until the recent appointment of a Special Representative for Afghanistan and Pakistan, no single senior civilian official had a mandate to lead both the regional diplomatic effort and an interagency effort. While UNAMA has nominally been the lead international entity in Afghanistan, it has had neither the authority nor the capacity to coordinate effectively international civilian assistance efforts.

(U) 5.A.2. Interests and Goals

- Stable and secure Pakistan and Afghanistan
- Defeat of transnational terrorists, denial of their safe havens, and discrediting of their ideologies
- Positive and responsible control of weapons of mass destruction and associated technologies
- Improved India-Pakistan relations and prevention of renewed India-Pakistan conflict
- Increased legitimacy of local government institutions in Pakistan and Afghanistan
- Enhanced training, partnering, and mentoring of local security forces in Pakistan and Afghanistan as a mission of paramount importance, resourced accordingly

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(U) 5.A.3. Recommendations

(U) The transnational nature of the threats in Pakistan and Afghanistan requires the United States and its partners to engage the Afghan and Pakistani governments to address challenges in both countries. A sound strategy for improving stability in this sub-region must address: 1) the immediate security threats in each country, 2) the crisis of government legitimacy in each country, in its principal security, political, and governance dimensions, and 3) the characteristic limitations of international efforts to deal with these issues.

(U) 5.A.3.a. Pakistan

(U) *Achieve unity of effort through a U.S. joint civil-military campaign plan for Pakistan.* Such a whole-of-government plan would help coordinate and synchronize U.S. military and civilian agency actions aimed at a common purpose.

(U) *Provide extended U.S. commitment and engagement to move from transactional relationship to strategic partnership.* Work with the government of Pakistan to establish a long-term commitment across key areas of engagement—military, development assistance, trade—in order to politically strengthen the elected civilian government, transition to a long-term U.S.-Pakistan strategic relationship, and change the strategic focus of Pakistan.

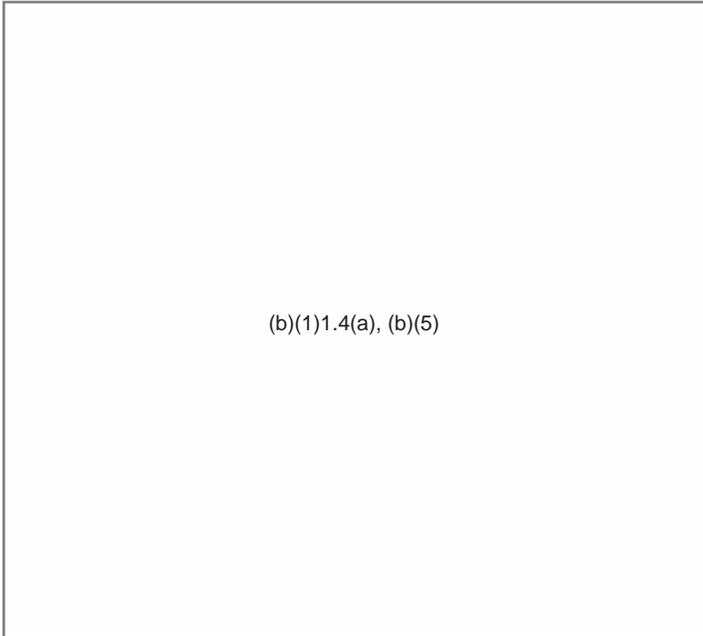
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(U) *Assist Pakistan in adopting and employing counterinsurgency concepts.* Pakistan and its military must shift their focus and transform their institutions to deal with the internal extremist threat. U.S. efforts to improve the Pakistani government’s capacity to protect itself against the insurgent threat, and separate reconcilables from irreconcilables, should include:

- Strengthening and improving security assistance to Pakistan, focused on COIN efforts.
- Coordinating USAID FATA development plans with the FATA secretariat and the “Hold” and “Build” efforts of Pakistani security forces.
- Supporting enhanced military exercises and military-to-military exchanges (including IMET) with focus on U.S. COIN doctrine.
- Assisting the Pakistani Military in fundamentally transforming its doctrine, tactics, training, equipping priorities, and mindset to better prepare for and more effectively conduct COIN operations.

(U) *Exert influence to reduce India-Pakistan tensions and change Pakistan’s threat perception.* Support diplomatic efforts to expand confidence-building measures between India and Pakistan in order to lessen Pakistani perceptions of the Indian threat and enable Pakistan to focus on the existential threat posed by extremists.

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NATO and UNAMA, as well as Afghan authorities. Establish civil-military integrating structures at all levels, from USEMB/USFOR-A to BCT/PRT, while using existing coordination structures such as the JCMB and connecting multinational planning efforts to NATO.

(U) *Increase U.S. and NATO troop levels to address the immediate security threat by implementing a counterinsurgency strategy.* Use additional U.S. and allied forces to secure the Afghan population. Deploy additional U.S. troops to Afghanistan to arrest the negative security trends--an essential measure to improve legitimacy and buy time for the Afghan government and security forces to build their capacity. Greater emphasis on counterinsurgency operations will help ensure sustainable positive results.

(U) *Improve the effectiveness of international civilian assistance efforts.* Such efforts should include:

- Assisting the Pakistani government in complying with its IMF program's requirements for structural economic reforms and developing an effective strategy to achieve increased economic growth (including a plan for pursuing opportunities for regional integration).
- Passing legislation that increases Pakistani exports and improves regional economic integration, and encourage international donors to do the same.
- Facilitating establishment of an international trust fund for Pakistan that would allow for coordination of international assistance, donor country conditionality requirements, and additional direct budget support.
- Supporting the appointment of a senior World Bank official to coordinate financial assistance.

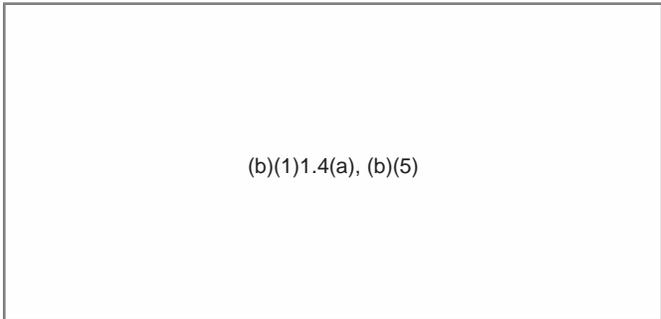
(U) 5.A.3.b. Afghanistan

(U) *Achieve U.S. and international unity of effort.* Coordinate and synchronize U.S. civil and military efforts through a joint campaign plan for Afghanistan. Coordinate and synchronize U.S. efforts with those of international partners such as

(U) *Increase U.S. and NATO support to expand the Afghan National Security Forces (ANSF).* To strengthen the Afghan government's legitimacy and provide enduring security for the population it is necessary to expand and strengthen Afghan army and police forces. International forces will be required until such time as an appropriately sized, capable, and trusted ANSF exists.

- Seek greater ally and partner contributions towards ANSF funding and training efforts.
- Lead a campaign to elevate this mission to one of paramount importance for NATO.

(U) *Pursue reconciliation with opposition leaders where feasible and appropriate.* Particularly at local levels, it is important to identify reconcilables from irreconcilables, separate them, and work to address the political grievances of the former, while obtaining their support for the government and peaceful solutions to Afghanistan's problems.



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(U) *Assist Afghan government in developing a comprehensive strategy to achieve long-term self-sustainability.* Provide more U.S. technical assistance to the Afghan government to enhance its institutional capacity and strategy for increasing its revenue base to enable progress towards long-term fiscal self-sustainability.

- Support national Afghan programs. Support the Afghan government’s design of three to six new national programs to receive direct budget support, using public financial management-certified ministries as platforms, and relying on local implementation (modeled on the National Solidarity Program and Ministry of Health).
- Allow greater direct budget support. Provide a greater proportion of additional foreign assistance as direct budget support in the interest of strengthening Afghan government institutions (tied to recipient ministries meeting minimum standards of public financial management and program accountability).
- Empower Afghan provincial councils. Advocate diplomatically with the Afghan government and other donor countries for international support of direct budgetary allocations from the Afghan Reconstruction Trust Fund to Provincial Councils independent of central government control (as a complement to, not a replacement for, continuing support for and strengthening of central government).
- Refocus Provisional Reconstruction Teams (PRTs) in permissive environments. Re-focus mission of Provincial Reconstruction Teams in other than non-permissive environments to assisting local Afghan authorities in (1) seeing that central ministry-funded projects are executed in their provinces and (2) in preparation for fiscal decentralization, establishing provincial budgets and basic public financial management practices and executing provincial budgets.

(U) *Develop plans for regional economic integration and private sector development.* Increase regional economic trade and investment initiatives such as

Reconstruction Opportunity Zones. Focus programmatic foreign assistance on catalytic private sector development initiatives designed to enable domestic and international investment in order to improve the environment for private sector jobs and economic growth and increase the revenue base for government.

(U) *Increase U.S. and international commitments to the Afghanistan Reconstruction Trust Fund.* The Afghanistan Reconstruction Trust Fund, which supports the Afghan government and institutions more directly than standalone assistance, is an effective means of improving the quality of life of Afghans and restoring the legitimacy of the international mission in Afghanistan and the government of Afghanistan. The United States and partner countries should increase commitments to the fund and deliver on previous pledges of assistance.

(U) *Increase World Bank’s roles and responsibilities for development.* The World Bank, which already oversees the ARTF, should play a larger role in coordinating international civilian assistance.

(U) *Increase diplomatic efforts to reduce tensions between Afghanistan and Pakistan.* The U.S. should facilitate enhanced diplomatic, political, and economic relations between Afghanistan and Pakistan to reduce chances of military clashes along the border.

(U) 5.B. IRAN

(U) 5.B.1. Situation.

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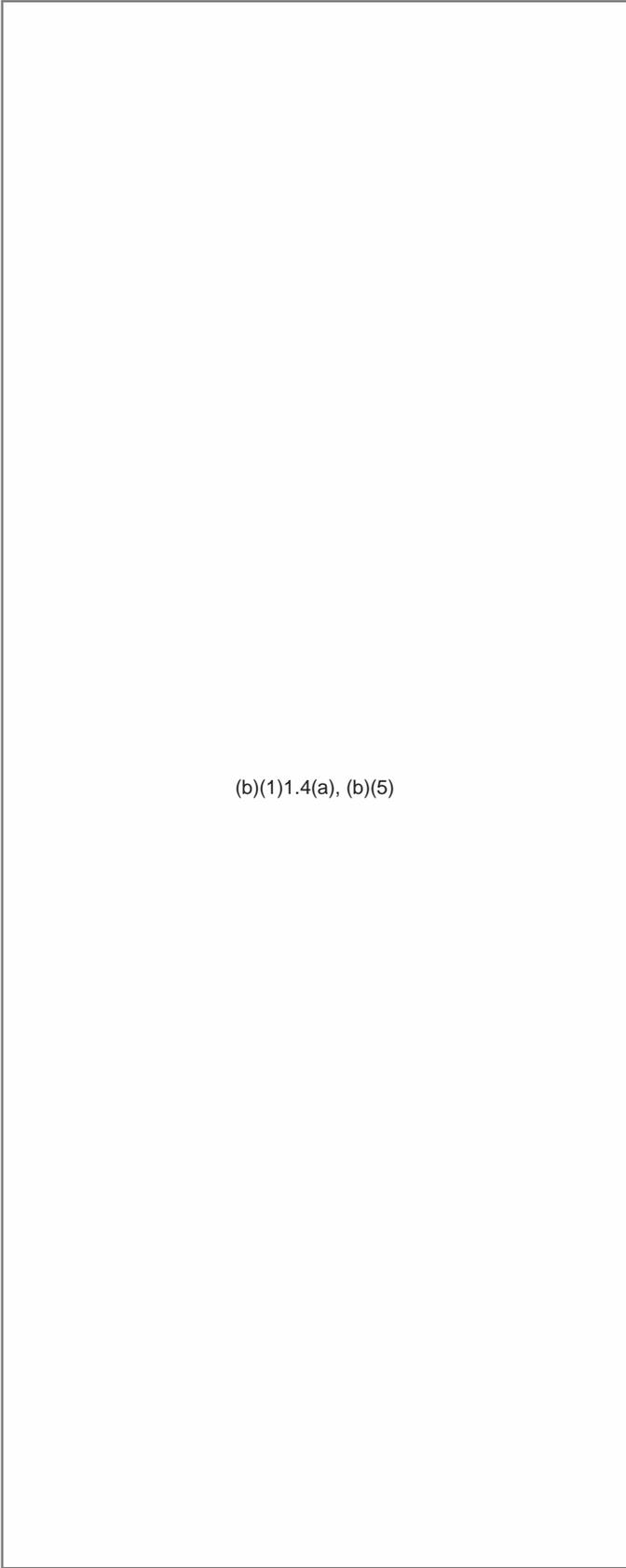
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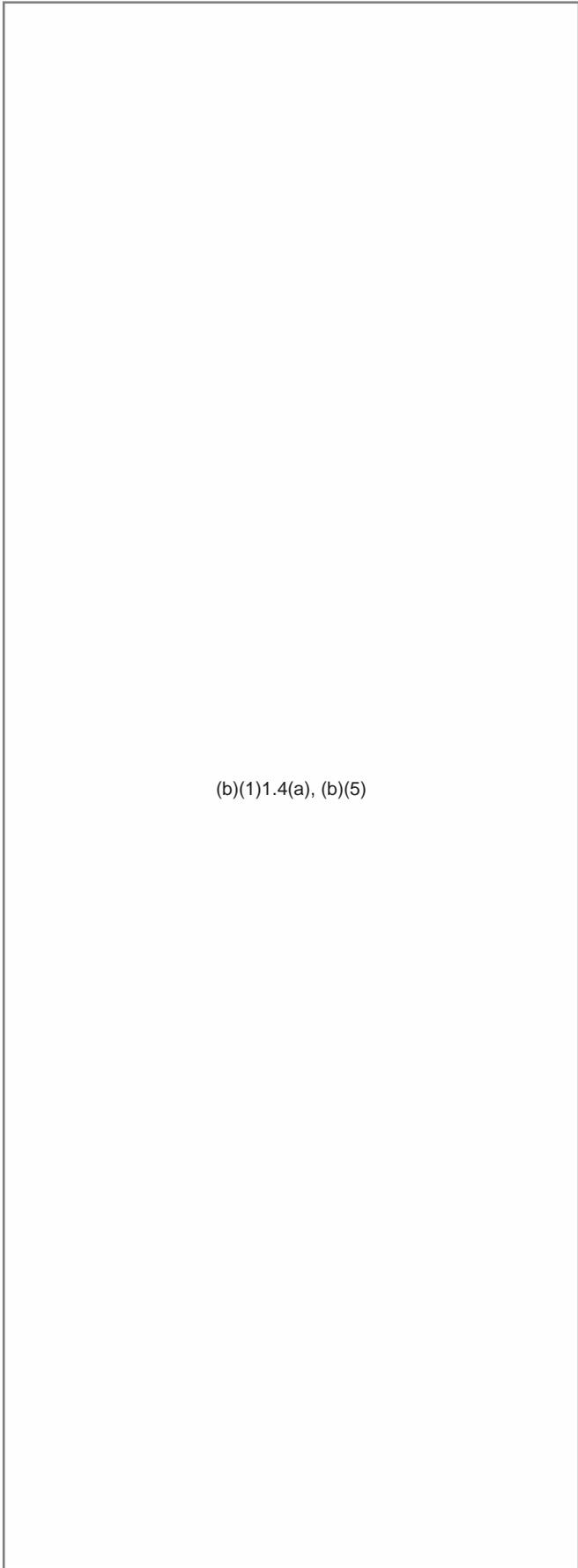
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(U) *Iranian involvement in Iraq and Afghanistan.* In Iraq and Afghanistan, Iran faces evolving political and security situations with uncertain outcomes. The overthrow of the Ba'athist regime in Iraq and the Taliban in Afghanistan were to Iran's strategic benefit. However, these events also set in motion processes of political change and contests for power whose results are still unclear, but in which Iran has vital interests. Iran has dealt with the uncertainty in those critically important neighboring states by

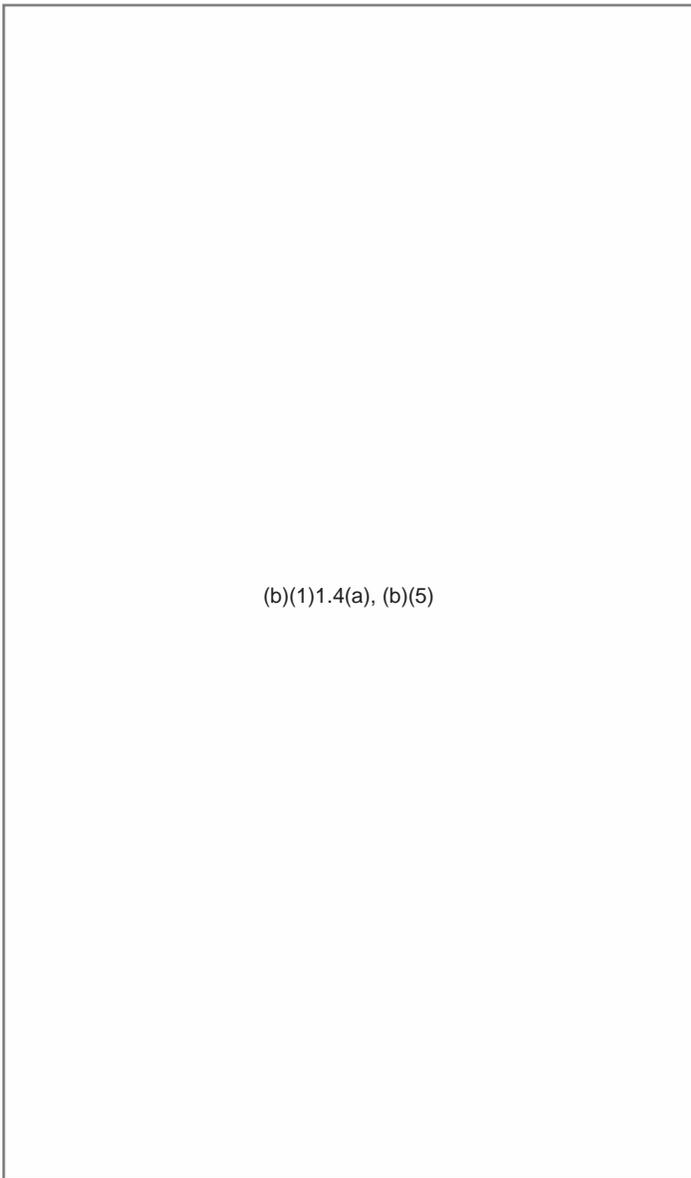
exploiting all opportunities to influence key actors, especially nascent national governments.



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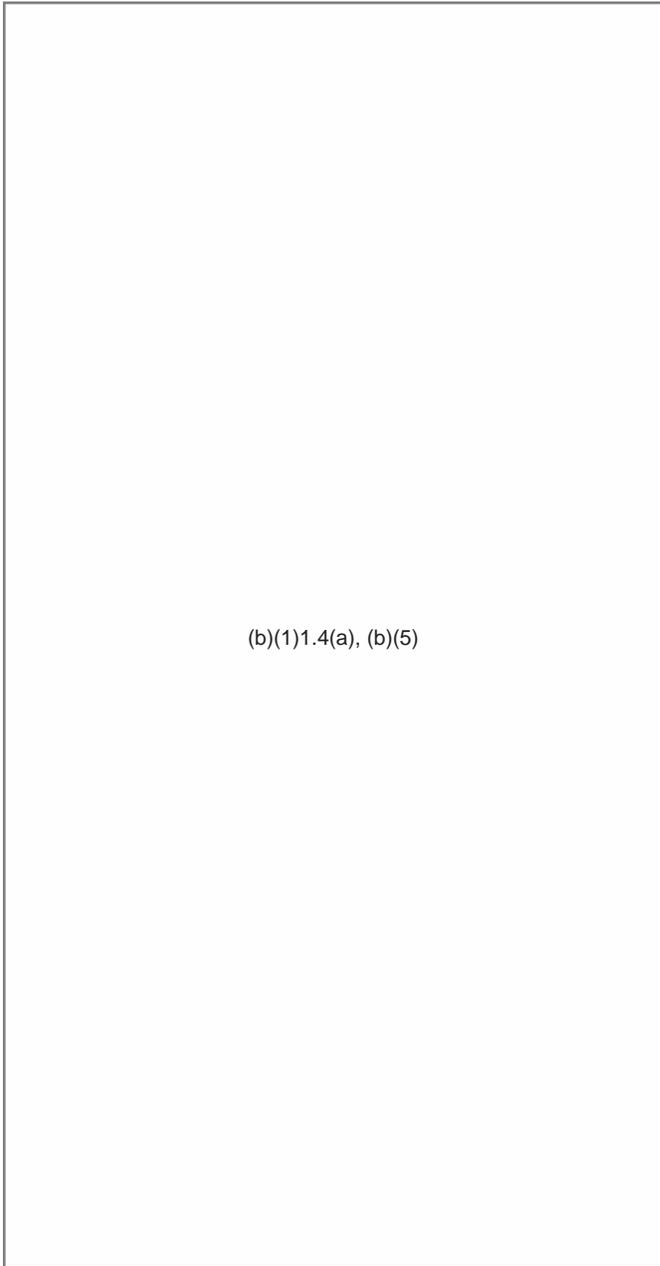


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(U) *Counter Iran’s regional activities and influence.* Pursuing our longstanding regional goals and improving key relationships within and outside the AOR would help to limit the negative impact of Iran’s policies. A credible U.S. effort on Arab-Israeli issues, for example, would present regional governments and populations with a way to achieve their own long-held objectives of a just and comprehensive settlement of the dispute. Such an initiative would undercut the appeal of its main alternative—Arab “resistance”—which Iran and its allies have been free to exploit in the absence of a credible peace process.⁷



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

(U) 5.B.2. Interests and Goals. U.S. interests and goals as they relate to Iran are:

- Abandonment by Iran of its nuclear enrichment and weapons program
- Cessation of Iran’s support for transnational terrorist organizations
- The countering of disruptive Iranian policies and actions
- Improvement of and respect for human rights
- Prevention of conflict between Iran and Israel
- Support for Israel’s security

(U) 5.B.3. Recommendations

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

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

(U) Clearly, however, any U.S. initiative to engage Iran directly, whether on the nuclear issue or on a broader agenda, will need to take account of the interests of others, most immediately Israel, the Arab governments of the GCC+2, and Iraq. In addition, to the extent the nuclear question is addressed in U.S.-Iranian conversations, coordination with the P5+1 will be essential. Ideally, the frustration of Iranian objectives would result in an Iranian decision to pursue its ambitions in ways that did not put it in conflict with the United States or U.S. friends and allies.⁸

(U) 5.C. IRAQ

(U) 5.C.1. Situation

(U) The situation in Iraq has improved dramatically since the peak of violence in mid-2007. After almost six years of war, the fundamental causes of instability and violence have diminished, and are now kept in check by a number of factors. The

(U) *Bolster Iraqi and Afghan governance.* Increasingly capable governments in Iraq and Afghanistan, each based on steadily growing political consensus, will also serve to limit Iran's opportunities and force it to choose between developing relations with those governments and retaining the ability to weaken them. It may also force the Iranian regime to normalize its Iraq and Afghanistan policy, now controlled by the Quds Force, by moving it into leadership or diplomatic channels. In the meantime, Iraqi and Afghan leaders should be brought to recognize Iranian actions and policies that work against their interests and be

⁸ There is a precedent for this in Iran's decision during the 1990s to abandon efforts to subvert neighboring governments in favor of improved bilateral relations.

security effort in Iraq has put an end to large-scale violence, while increasingly capable and trusted Iraqi Security Forces (ISF) has taken on an expanded role. The Iraqi government's halting moves toward reconciliation have helped lessen some of the tensions in the Iraqis' communal struggle for power and resources, as formerly warring groups have turned increasingly to political participation rather than violence as a means of achieving their goals. Moreover, the results of the January 2009 provincial elections indicate a rejection of the Islamist parties most under the influence of Iran.

(U) *Fragile and reversible security gains.* Yet a return to violence remains an option for those who have set aside their arms. Enemy organizations, especially Al Qaeda in Iraq (AQI) and Iranian-backed Shi'a extremist groups, remain committed to narrow sectarian agendas and the expulsion of U.S. influence from Iraq. These enemy organizations will undoubtedly attempt to influence or derail several key events during the next year, including the referendum on the U.S.-Iraq strategic agreement scheduled for summer 2009 and the national elections scheduled for December. Perhaps the most difficult and potentially violent problem set, however, is Arab-Kurd-Turkmen competition in disputed Iraqi territories. Beginning this spring, Iraqis will take up the long-deferred, contentious question of Iraq's internal boundaries, which has fundamental implications for the role of the Kurds in the future Iraqi state and for the likelihood of Sunni Arab and Turkmen insurgent groups to return to large-scale violence.

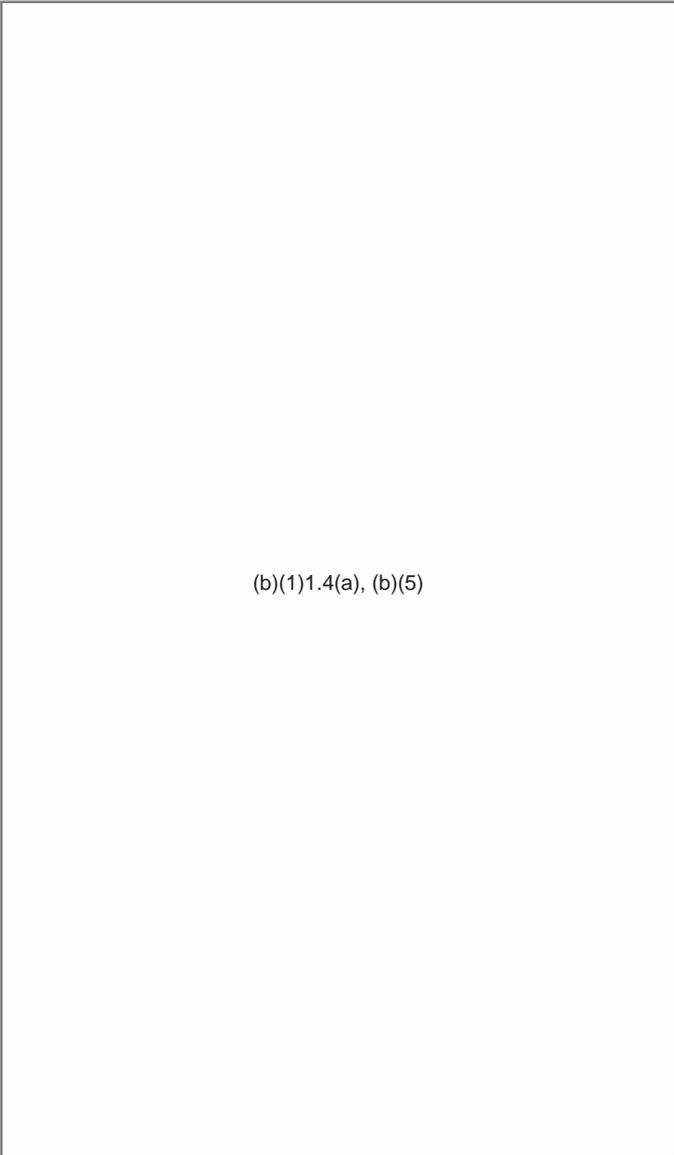
(U) *Iraq's changing political landscape.* First and foremost, the United States must manage its new relationship with the Iraqi government against the backdrop of rapid changes in Iraqi politics. The Iraqi elections of January 2009—which resulted in a transfer of power in every province that held an election—revealed a maturing and shifting political landscape. The elections have given us a glimpse of what the Iraqi government will look like in 2010, and what its interests are likely to be. The relatively strong performance of the lists led by Prime Minister Maliki and Ayad Allawi, along with the relatively poor performance by Iraq's Islamist parties, indicates that Iraqis have turned away from religious parties and Iranian influence in favor of those that promise order and emphasize Iraqi nationalism.

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(U) 5.C.3. Recommendations

(U) *Guard against withdrawing forces too rapidly.* U.S. forces and PRTs are still the “glue” that holds the security, governance, and development effort together. In many areas U.S. military and civilian officials are the principal mediators in local conflicts or disputes, or the principal interlocutors between local communities and higher levels of the Iraqi government. Prior to disengaging from those roles, U.S. forces and civilian officials must ensure certain conditions prevail, including:

- Legitimate security forces capable of coping with current and intensified enemy action
- An Iraqi government capable of meeting basic needs and expectations and delivering services on a nonsectarian, non-ethnic basis
- Rule of law and stable civil institutions

(U) *Maintain technical assistance and development efforts even as U.S. forces are reduced.* Improve the ministerial advisory effort and help provide “connective tissue” between ministries and between the provinces and the central government. U.S. efforts should include:

- Developing objective-oriented plans based on Iraqi priorities that integrate programs and advisory efforts, recognizing that many of the problems faced by individual ministries are a result of the systemic failings in central governance processes. Coordinated action to resolve these should be the approach, rather than allowing each ministry to develop workaround solutions.
- Maintaining the Public Finance Management Assistance Group (PFMAG) to work with the GoI to address systemic failures within central government processes.
- Focusing advisory and technical assistance efforts on civil servants (e.g., directors general from the service ministries).
- Encouraging the Iraqi government to pursue advisory and maintenance provision contracts with expert international firms.

(U) *Intensify diplomatic efforts to reintegrate Iraq into the region.* The Presidential Special Envoy for Southwest Asia should lead an effort to push the Iraqis and the Arab states, especially the Gulf States,

(U) 5.C.2. Interests and Goals. U.S. interests and goals in Iraq are:

- Prevention of ethno-sectarian conflict that could threaten regional stability
- Defeat of transnational terrorist organizations operating inside Iraq, denial of their safe havens, and de-legitimization of their ideologies
- Development of a legitimate, accountable, democratic government that is free from undue external influence
- Development of a strategic U.S.-Iraqi partnership to ensure Iraq does not again become an enemy of the U.S. or a threat to its neighbors
- Secure access to, and free flow of, Iraq’s strategic resources

to normalize their relations and address their most significant bilateral disputes. The United States should increase pressure on key Arab states to crack down on terrorist financing and facilitation networks in the Gulf region that support AQI.

(U) *Improve strategic communications.* Efforts to enhance strategic communications should include:

- Supporting the establishment of a strategic U.S.-Iraqi partnership by amplifying the message that the U.S. government will honor the SFA/SoFA while supporting Iraq's efforts to continue stabilizing trends in Iraq.
- Ensuring short-term, kinetic lines of operation do not undermine long-term strategic communications and IO goals.
- Assisting the Iraqi government in building its own strategic communications capability to better communicate Iraq's progress and achievements to the broader region.
- Adding strategic communications personnel to PRTs to mentor and advise local officials to better communicate with the Iraqi people.

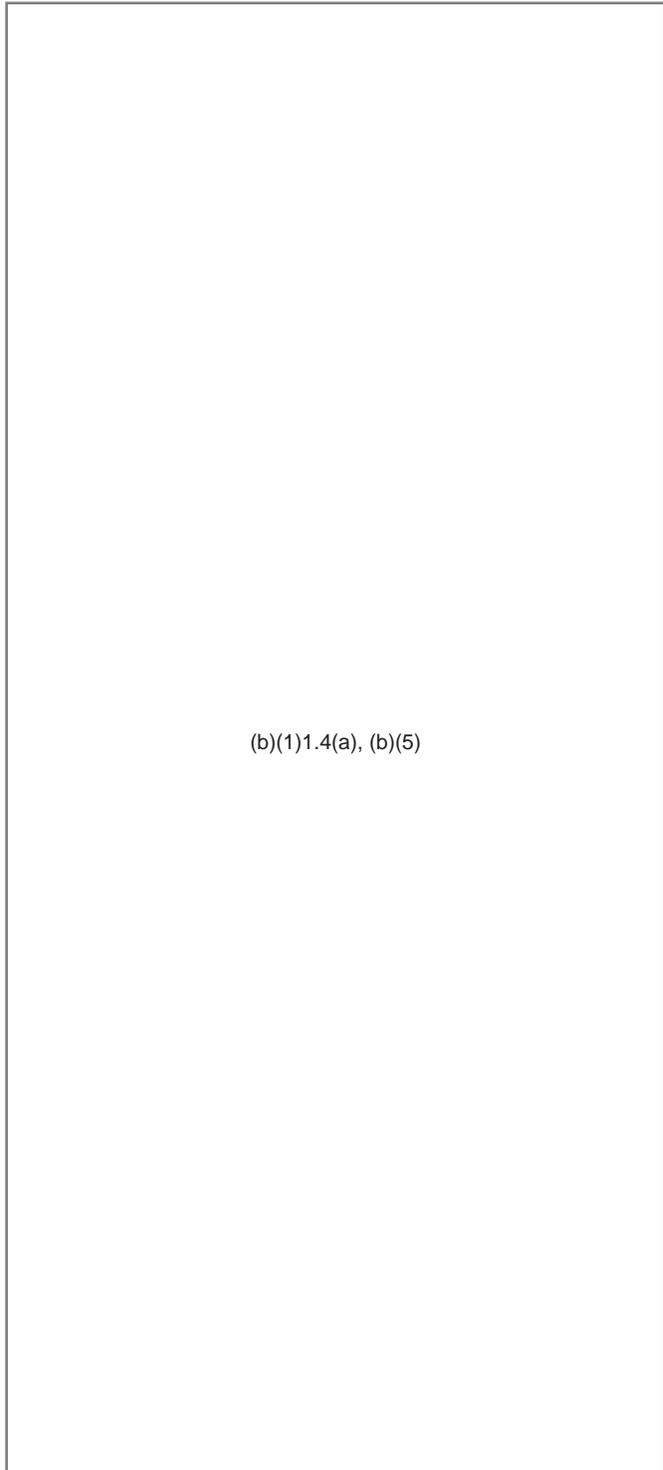
(U) 5.D. THE ARAB-ISRAELI CONFLICT AND MIDDLE EAST PEACE PROCESS

(U) 5.D.1. Situation

(U) The Arab-Israeli conflict continues to give rise to troubling trends in the Near East/South Asia area, and presents regional governments with domestic challenges that impact short- and long-term stability. Furthermore, it shapes public opinion towards the United States in the Arab and Islamic world and serves to legitimize violent extremism. In the Israeli-Palestinian conflict, a two-state solution is complicated by political weaknesses among both Palestinians and Israelis.

(U) *Political weaknesses that inhibit progress.* Many longstanding impediments to MEPP progress have grown more acute. Palestinian leadership is severely divided, resulting in Palestinian inability to speak to Israel with a unified voice and providing extremists, particularly HAMAS, *de facto* veto power on key political decisions. The Palestinians also lack well-developed political and institutional structures. At the same time, Israel's fractious domestic political environment is complicated by fragile coalition politics and lack of strong

leadership exacerbated by the passing of Israel's founding generation. This environment permits hard-line Israeli elements to advance their interests, including unhelpful settlement activity and the perpetuation of the Israeli occupation of Palestinian territories. Israel's domestic politics may become even more complicated with the results of coalition formation in the aftermath of recent elections.



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capabilities of the Palestinian Authority's security forces. Arab states should also play a greater role in building the capacity of Palestinian Security Forces. The United States should facilitate expanded multi-lateral training between Palestinian Security Forces and Arab partners.

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(U) 5.D.2. Interests and Goals. U.S. interests in the Arab-Israeli conflict include:

- The achievement of a two-state solution that provides justice and security for Israel and the Palestinians
- The achievement of a fair and just peace agreement between Israel and Syria, Lebanon, and Saudi Arabia
- The reduction of disruptive Iranian policies and actions in the Levant region and removal of issue that offers Iranian regime destabilizing influence in Arab affairs
- The reduction of the power and influence of extremist groups along with the removal of a cause célèbre that serves as a recruiting tool

(U) 5.D.3. Recommendations

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(U) Undertake measures to improve Palestinian quality of life. While security checkpoints are required for Israel's security, it is feasible to greatly increase their efficiency and lessen the waiting time for Palestinians. Increasing lanes, improving technology, incorporating biometrics, and updating procedures would significantly the checkpoints' impact on Palestinian quality of life, while enhancing Israel's security. The United States should also seek greater support from the Arab states to improve the quality of life for Palestinians. The Arab states should be encouraged to make contributions that take advantage of Palestinian skills such as construction. For example, large contributions for housing projects would provide jobs and improve the quality of life for many Palestinians.

(U) Improve perceptions of the United States as an honest broker. To improve its effectiveness in the MEPP, the United States must improve its perception as an honest broker. This requires a strategic communications strategy that highlights positive U.S. to facilitate progress on MEPP issues and improve the quality of life for Palestinians.

(U) Increase Palestinian Authority capability. Greater effort should be made to increase the capability of the Palestinian Authority to govern and provide security in the Palestinian territories. The U.S. should expand the mission of LTG Dayton and the USSC in order to more rapidly build the

(U) Coordinate military engagement to support diplomatic efforts of the Special Envoy for the

MEPP. In addition to support for MEPP-related objectives, CENTCOM can support the Special Envoy's diplomatic efforts through engagement with regional military leaders and organizations. The regional militaries are generally respected as national institutions, and are often seen as bulwarks of their respective regimes. CENTCOM should seek their input and encourage them to support the MEPP and related issues that would result in a stable, prosperous Middle East.

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

(U) *Plan for ultimate peacekeeping support to final status settlement.* Finally, in the event the MEPP achieves success, there is a strong likelihood that an international military presence would be part of final status negotiations. It is highly likely that the United States—particularly CENTCOM—would be an integral part of any international peace-keeping or peace-monitoring force.

(U) 5.E. EGYPT

(U) 5.E.1. Situation

(U) Egypt's interwoven political and economic difficulties present risks to U.S. interests in the Levant. Egypt's internal challenges undermine its role as a regional leader and interlocutor.

(U) *Economic and demographic challenges.* Compounding the Egyptian government's problems is a significant income disparity that has resulted in dramatic and increasing gaps in Egyptian society, as well as extreme poverty, malnutrition and high unemployment for a growing segment of the population. In addition, 43% of the country's 75 million people are under the age of 24, resulting in a high dependency ratio. Unemployment among Egyptian youth is 27%, while inflation is at 25%. Egypt's traditional social safety net has eroded due to decreases in food subsidies and the loss of remittances from workers outside the country. At about \$5 billion per year, remittances account for the largest share of foreign exchange in the country, but a significant decline is anticipated in 2009 as a result of the worldwide economic crisis. Similarly, foreign direct investment (FDI) has fallen by 50% and is expected to continue to decline.

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(U) *Waning regional leadership.* Egypt's longstanding regional leadership has waned, partly as a result of its internal preoccupations, but also because of the absence of an overall framework – especially in the MEPP, in which Egypt could play a larger role. This inertia has made Egypt vulnerable to internal and external criticism, most recently over President Mubarak's efforts at brokering a cease-fire in Gaza. Restoring Egypt's influence in the Middle East as a significant broker and supporter of the MEPP is critical to U.S. interests in the region.

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military support, the U.S. security assistance effort in Egypt should explore ways to help Egyptian security forces build the capability to counter the rising internal extremist threat.

(U) *Assist Egypt in restoring its regional influence.* Under the auspices of the Middle East Envoy, the United States should reinforce Egypt's role as a key partner in the MEPP and as a significant broker for regional disputes. In addition, the United State and international community should strongly encourage Egypt to establish a joint border regime between the Sinai and Gaza to curb the flow of illegal weapons and contraband, while allowing legitimate trade to take place.

(U) 5.E.2. Interests and Goals. U.S. interests and goals as they relate to Egypt include:

- A politically stable and representative Government of Egypt including a stable transition process
- Radical Islamic influence diminished in Egypt, with Egypt a partner against regional transnational terrorist organizations
- Participation in political process increased and human rights issues addressed
- An Egyptian government that contributes to regional stability and is a key partner/broker in MEPP
- Increased economic diversification, growth, and opportunities

(U) *Enhance Egypt's efforts to broaden economic diversification and deepen regional/global integration.* The United States should continue to assist Egypt in dealing with its growing economic challenges by focusing on issues related to instability, poverty and education. Programs addressing increasing unemployment - particularly among youth--need to be developed, as do trade and investment initiatives and insurance/guarantee programs to increase foreign direct investment.

(U) 5.F. YEMEN

(U) 5.F.1. Situation

(U) 5.E.3. Recommendations

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(U) *Assist Egypt in developing a strategy and capacity to counter extremism.* Reducing extremism must remain a priority in the U.S-Egypt bilateral relationship. The U.S. must assist the Egyptian government in addressing the long-term causes of extremism in Egypt and developing the kind of de-radicalization programs that have been successful in Iraq and Saudi Arabia. Beyond conventional

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(U) *Significant economic challenges.* Compounding Yemen's counterterrorism challenge is its growing poverty, and its high dependency ratio caused by a bulging youth population, with 46% of the country's 23 million people under the age of 15. Severely underdeveloped, the country is unable to meet the employment, resource, and service needs of its growing population, which will double in about 25 years. Yemen's dwindling oil resources--which currently account for over 70% of government revenue--will be exhausted in 10-15 years. About 25% of Yemen's arable land and water is devoted to growing Qat, a mild narcotic used by much of the population, which reduces the potential for productive agriculture. The collapse of Yemen's remittance economy in 1990 and absence of an external safety valve for labor has resulted in significantly reduced household income. These trends have given rise to illicit forms of revenue.

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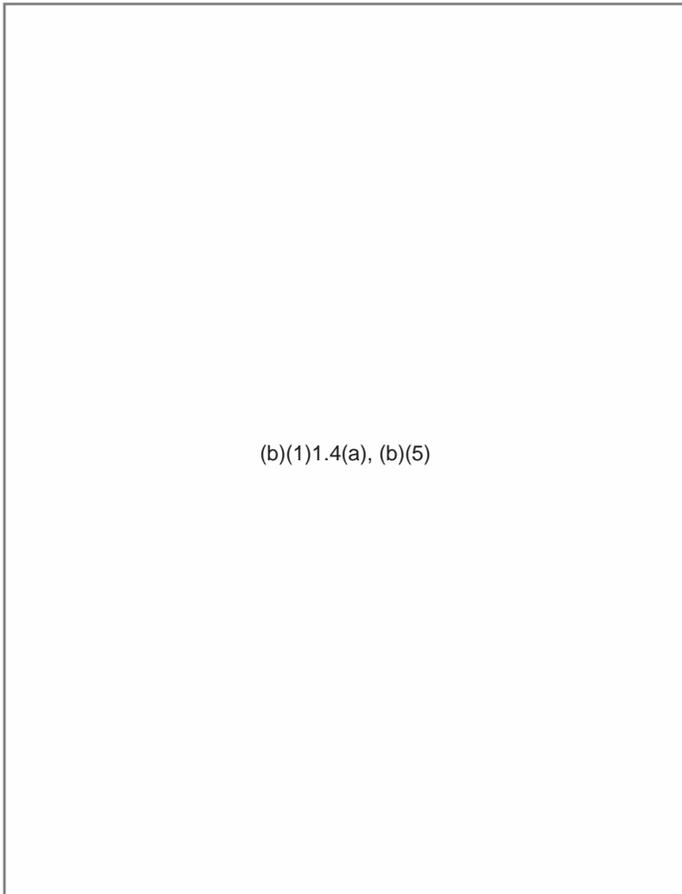
(U) 5.F.2. Interests and Goals

(U) U.S. interests and goals in Yemen include:

- Prevention of Yemeni territory from becoming a safe haven for AQAP and other transnational terrorist groups

- Development of Yemen as a contributor to regional stability and partner against transnational terrorist organizations
- Full integration of Yemen politically and economically into the GCC, with a more diversified economy that increases economic opportunity for its citizens and addresses economic inequities, especially in tribal areas

(U) 5.F.3. Recommendations



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YSOF and supporting implementation of the Yemen Secure Borders Initiative are key components. Likewise, the Yemeni Armed Forces will require substantial assistance to develop an effective counterinsurgency capability to ensure the survival and legitimacy of its regime. Similarly, coalition partners can be engaged to help build the capacity of a Yemeni security/police force and develop legal institutions to investigate and prosecute terror suspects and financial networks.

(U) Engage the GCC, particularly Saudi Arabia, to address the AQAP threat and Yemen's economic crisis. A concerted regional effort, led by the Gulf countries, is needed to address the growing AQAP threat on the Peninsula. GCC countries need to be engaged in a strategy of regional diplomacy, including economic burden sharing and helping to move Yemen toward full GCC membership. Saudi Arabia has vital interests at stake and can bring resources and influence to bear on the issue.

(U) Enhance Yemeni ability to expand capacity and legitimacy. Strengthening the ability of local government institutions to execute budgets and facilitate the provision of services is key to building public support for Yemen. The U.S. can assist the Yemeni government in strengthening its national development strategy, with an emphasis on budget execution/public finance, and promote expansion of U.S. and international donor support for these efforts throughout the country. Responding to population needs, particularly in remote and deprived areas of the country, is essential to this process. Providing direct budget support to the Social Fund for Development in key sectors (health, education, local infrastructure) can jumpstart service delivery in these remote areas and complement local council governance initiatives.

(U) Expand the regional security initiative (RSI). The USG can assist the GCC's effort by expanding the RSI managed by State (S/CT) to address the AQAP-safe haven issue in Yemen. A tailored RSI could address these and other issues impeding the counterterrorism effort, such as the seam in State and DoD that divides Yemen from HOA.

(U) Increase Yemeni security and counter-insurgency capabilities. Key to the strategy is the professionalization of the Yemeni military and development of an appropriate security presence in deprived areas. Strengthening and expanding current U.S. training programs with CSF-CTU and

(U) Assist Yemeni efforts in promoting socioeconomic reform and diversification. Expanding the private sector base is crucial to sustainable development. To increase sustainable economic development and generate employment opportunities, catalytic market driven initiatives should be pursued, such as credit guarantees for microenterprise, value-chain analyses to develop competitive exports, and skills based service sector expansion.

(U) 6. RECOMMENDED PRIORITY ENABLING AREAS

(U) 6.A. Development, Economics, and Governance

(U) 6.A.1 Situation

(U) The U.S. faces two major challenges with respect to development, economics and governance (DEG) within the CENTCOM AOR: 1) increasing instability in the region due to a combination of weak governance, lack of economic opportunity, poverty, and extremist group activity; and 2) longstanding limitations of the U.S. and international community to adequately address these issues. Compounding these issues for the foreseeable future is the significant impact of the global economic crisis, made worse by the regions' dependence on hydrocarbons and lack of regional/global economic integration.⁹

(U) U.S. and international assistance efforts throughout the CENTCOM AOR face inherent limitations. The DEG tools for which funding, personnel and programs have been readily available have not always been well-suited to support near-term improvements in development, economics, and governance that are sustainable in the long term. In addition, assistance efforts have not been consistently focused on the major drivers of instability listed above. An analysis of the FY 2008

⁹ This analysis has grouped AOR countries into six categories spanning the continuum of instability. At the unstable end are countries where high instability and security threats have prompted the United States and allies to resort to significant military and civilian presence (Afghanistan, Iraq); followed by countries presenting potentially comparable levels of instability and threat (Pakistan, Yemen, Tajikistan). In the middle are fragile states that remain vulnerable to rapid economic and political deterioration due to weak state institutions, widespread poverty, and significant extremist activity. This group includes countries where the United States has strategic ties (e.g., Egypt) and countries important because of other U.S. strategic interests (e.g., Jordan, Kyrgyzstan, Uzbekistan, Kazakhstan, Turkmenistan). At the more stable end of the spectrum are countries with significant wealth and reasonably strong state institutions that face economic vulnerabilities due to lack of diversification, and have some degree of extremist group activity. This includes all of the countries of the Arabian Peninsula apart from Yemen. Tailored DEG recommendations to reduce instability for countries in each of the six categories have been developed in the DEG annex of the CAT report.

development assistance budget, for example, reveals low correlation between levels of insecurity and foreign assistance investments across the AOR. Resources should be committed to addressing drivers of instability in geographic areas of fragility, using only effective means of delivery. Legislative authority to allocate and shift resources to the most important and effective approaches has been lacking or removed from those with relevant field knowledge. Strategies and organizational structures developed for specific conditions are not adapted when conditions change. U.S. civilian and military personnel and organizations sometimes struggle to bridge different perspectives. Donor efforts have been uncoordinated and often poorly aligned with (or entirely disconnected from) local government efforts and therefore failed to support improvements in local capacity for self-governance.

(U) 6.A.2 Goals and Objectives. U.S. goals and objectives for development, economics, and governance include:

- Enhanced legitimacy of governments in the AOR, with particular emphasis on the delivery of basic government services responsive to citizens' needs.
- Increased effectiveness of budget execution and the use of financial resources both at the central government and local levels
- Increased economic growth, job creation and an expanded government revenue base.
- Increased targeted educational opportunities for citizens.

(U) 6.A.3. Recommendations

(U) *Tailor DEG assistance programs to support and reinforce government legitimacy.* Plan from the outset for a conditions-based transition from a primary emphasis on immediate post-kinetic stabilization to a primary emphasis on legitimacy-oriented assistance that helps strengthen and work through local government institutions. While U.S. direct action can be effective in producing near-term stabilization effects, the main objective (as the counterinsurgency field manual states) is host country government legitimacy.

(U) *Focus on the importance of budget execution.*

Use local country budgets as a major focal point for our international assistance efforts – both in order to strengthen local governance and limit international tendencies toward fragmented efforts. Local budgets are a statement of local priorities, which create cohesion and focus for international donor assistance. To facilitate this process, the U.S. should focus on:

- Providing a greater proportion of assistance in the form of direct budget support – contingent on recipient government bodies meeting minimum standards of public financial management and program accountability.
- Targeting technical assistance to the central government ministries to design national programs for priority sectors and ministries with an emphasis on setting policy objectives at the center while making maximum use of local capacity for implementation.
- Supporting fiscal decentralization (within responsible political and fiscal limits) and sub-national governmental entities with calibrated budget support and technical assistance.
- Utilizing Provincial Reconstruction Teams (PRTs) in helping local governments execute their budgets should be a primary mission except in the most insecure areas.
- Promoting and supporting multi-donor trust funds such as the Afghanistan Reconstruction Trust Fund (ARTF).

(U) *Emphasize programs and initiatives that stimulate private sector development and economic growth.* Such programs, which do not require significant funding, are key enablers in promoting and enhancing the prospects for long-term economic growth and employment creation and should focus on:

- Establishing credit guarantees to stimulate lending for micro and small/medium enterprises, preferably through local banking institutions to strengthen their capacity to enhance local business development.

- Promoting public/private partnerships to encourage regional integration and linkages to the global market, with emphasis on regional infrastructure programs linking power and water resources.
- Establishing medium/long-term financing facilities to enable private sector infrastructure investment, housing development, etc.
- Conducting value-chain analyses with an emphasis on competitive export led growth in specific sectors (e.g., agribusiness).
- Utilizing “risk” insurance to facilitate foreign direct investment (regional and international).

(U) *Expand education programs.* The U.S. should significantly expand civilian and military education exchange programs for citizens within the CENTCOM AOR in order to make a lasting contribution to local human capital and lay the groundwork for a stronger relationship between Americans and the citizens of the region. Targeted local education and skills development should also be undertaken. This can be done through an increase in local educational funding and related DEG programs and, at the international level, by providing students increased access to U.S. and Western educational institutions.

(U) 6.B. Counter-Terrorism

(U) 6.B.1. Situation

(U) Aggressive counterterrorism (CT) efforts have significantly reduced Al Qaeda’s capabilities. Nevertheless, Al Qaeda and its associated movements remain resilient. Its will to attack the U.S. homeland is undiminished, and it will quickly reconstitute capabilities if allowed. It has sought to acquire weapons of mass destruction, which, if acquired, it would likely use. Since 9/11, efforts against Al Qaeda and other terrorist organizations have enjoyed considerable success. Future efforts, however, will likely be complicated by a more constrained environment. Already in Iraq, U.S. forces are working within the confines of a bilateral security agreement. In Pakistan and Afghanistan, the need to integrate counterterrorism and a broader counterinsurgency effort is imperative. Outside the combat theaters, the requirement to work in

conjunction with local governments is both a possible impediment and opportunity because U.S. unilateral operations will be the exception. Host nation expertise and capability to engage for the long term will be essential to effective counterterrorism efforts, as will the integration of military and counterterrorism efforts with those of intelligence and law enforcement agencies.

(U) 6.B.2. Goals and Objectives

(U) U.S. counterterrorism goals and objectives include:

- Prevention of transnational terrorist organizations from obtaining weapons of mass destruction.
- Prevention of transnational terrorist organizations from attacking the U.S. homeland.
- Denial of safe havens for transnational terrorist organizations within the AOR.
- Disruption of terrorist networks and support infrastructure.
- Discrediting of transnational terrorist organizations' ideologies.

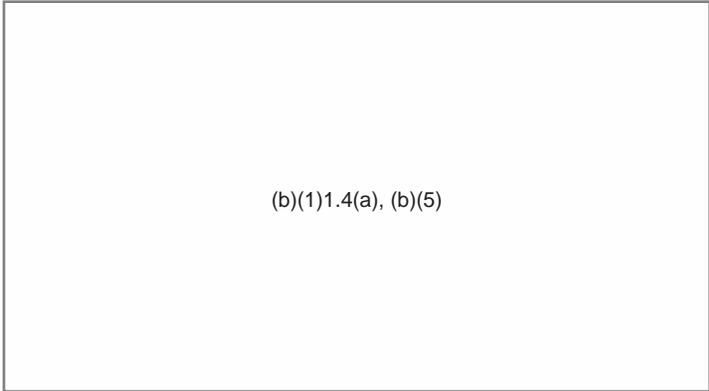
(U) 6.B.3. Recommendations

(U) *Promote a "shared understanding" or common operating picture of the counterterrorism effort.* Provide Ambassadors, as well as partner nations with a common operating picture that maps the Al Qaeda network and identifies critical links and vulnerabilities.

(U) *Expand the Regional Security Initiative (RSI) managed by State Department Office of Counterterrorism (S/CT).* The RSI was designed to address the lack of shared understanding within the State Department, yet it remains embryonic. Expansion of the initiative to include USCENTCOM would greatly increase its utility. An invigorated and expanded RSI could address the seams between State and DoD within the region, and would reduce the potential for seams between combatant commands.

(U) *The Global Pursuit concept can and should be further enabled.* The concept of Global Pursuit advocates a unified, interdepartmental, and partner

nation effort to understand and address terrorist threats worldwide. It will help create both a "shared understanding" of the terrorist threat as well as facilitate the success of the RSI. Participation by the CENTCOM Commander, regional Ambassadors, and Chiefs of Station in periodic meetings under the RSI rubric could also catalyze strategic planning with CENTCOM assets (Military Information Support Teams, planners, etc.) made available to country teams.



(U) *Discredit violent extremist ideologies by implementing plans that already exist.* The State Department should lead our national programs with direct linkage to a National Security Council (NSC) office responsible for strategies for countering violent extremism (CVE). As defined in the National Implementation Plan (NIP), DoD (and CENTCOM) should play a supporting role to the DoS. USCENTCOM can assist the DoS in developing a common understanding of the CVE operating environment, which includes the local drivers of violent extremism, indigenous countervailing voices, and existing government and non-government organization efforts that could counter the VE message.

(U) 6.C. Strategic Communications

(U) 6.C.1. Situation

(U) Strategic communications efforts in the CENTCOM AOR are extensive but have a mixed record of effectiveness for several key reasons: strategic communications are not integrated into policy formulation and planning processes; region-wide U.S. policy goals are poorly articulated; and lack of strategic communications coordination within the government. America's negative image overseas, and particularly in the CENTCOM area,

undermines our ability to realize U.S. national security goals in the region.

(U) Interagency coordination is weak and complicated by the fact that, while the State Department has responsibility for leading government-wide strategic communications, it lacks full authority and resources to direct strategic communications activities. The Department of Defense has become increasingly active in the strategic communications arena and, with its mission to fight two wars in the AOR, has taken the lead in this part of the world, resulting in reversal of the traditional strategic communications roles. As a result, the American face in the region is increasingly dominated by our military presence with diminished diplomatic engagement and public diplomacy.

(U) Current government strategic communications activities focus too heavily on one-way communications, rather than relationship and capacity building, often because the latter requires long-term commitments, are human-resource intensive and do not produce immediate results. Without long-term relationships and consistent engagement with broad sectors of the local populations we will not succeed in overcoming the credibility and trust deficit from which the United States suffers.

(U) Finally, the U.S. government alone does not have sufficient knowledge of the region's cultural, historical and social structure to understand fully the strategic communications environment. Without understanding perceptions and appropriate influence techniques the United States cannot develop effective strategies. Non-governmental experts in the United States, Europe and the AOR can assist in developing appropriate strategies and doctrines while we continue to develop and broaden regional SC expertise within the government.

(U) 6.C.2. Goals and Objectives

- A regional environment hostile to transnational terrorist organizations and their ideologies.
- A perception of stability in the AOR, where citizens reject violent extremism and proliferation of WMD.
- Significant increases in the perception of the United States as working in partnership with the countries of the region.

(U) 6.C.3. Recommendations

(U) *Improve strategic communications unity of effort.* To improve coordination in the field, CENTCOM should place all strategic communications and influence efforts under a unified structure while maintaining functional integrity. The State Department should establish sub-regional strategic communications coordination teams in partnership with CENTCOM throughout the AOR with some funding capability. Assign flag-level military advisors to State's Near East and South Asia bureaus to work closely with the Assistant Secretaries and place strategic communications officers in Public Diplomacy sections of selected embassies (e.g., Yemen, Pakistan) to increase influence capabilities and military expertise.

(U) *Increase opportunities for American and regional voices.* Encourage additional American voices in the region well beyond the government voice. Work with American NGOs (by funding them through State and USAID) and European allies to improve efforts to support indigenous strategic communication capacity and civil society programs and institutions in the region.

(U) *Focus on long-term engagement.* To increase long-term engagement with the populations at large (and especially with the "youth bulge") the United States support NGOs overseas that focus on such engagement. The 'British Council' centers might serve as a key model.

(U) *Expand and forward deploy the NESACenter.* CENTCOM should expand the Near East and South Asia (NESACenter) to Tampa and the region. Partnering with academic institutions in Tampa and establishing several satellite campuses in the AOR would provide CENTCOM with a soft power presence in key countries to engage with military officers and other officials.

(U) *Establish a strategic communications advisor to POTUS.* The appointment of a SC advisor to POTUS would help articulate a strategic vision and improve overall integration of strategic communications issues at the policy making level. The Advisor, reporting to the NSC Advisor would

have oversight authority over the government's SC activities that impact national security issues.

(U) 6.D. Structural, Organizational, and Process Issues

(U) 6.D.1. Situation

(U) Unity of effort is essential to addressing national security issues that are by nature complex and dynamic. Our current national security challenges—transnational terrorist organizations, Iran, the Middle East Peace Process, the ongoing operations in Iraq and Afghanistan, proliferation of WMD, the global financial crisis, weak and failing states—are highly dynamic and complex because of the number of actors involved, the interaction of myriad factors, and the speed at which the environment changes.

(U) Unity of effort within the CENTCOM AOR is undermined by four categories of challenges: planning processes and doctrine, personnel, structures and systems, and incentives and leadership. First, interdepartmental actors working on national security operations generally lack the planning process and doctrine to help them develop a common understanding of the nature of the problem, common goals/objectives, a clear understanding of agency responsibilities, and metrics for success. Second, there is a lack of personnel who understand the cultures, institutions, planning processes, and capabilities of U.S. and coalition partners sufficiently to integrate across organizational lines. Third, there is a lack of institutionalized multi-level planning, assessment, knowledge, and operations management structures and systems. Fourth, there is insufficient leadership and incentives linking portfolios, budgets and financial resources, authorities, and promotion/tenure to systemic integration across agency lines.

(U) 6.D.2. Goals and Objectives

(U) Goals and objectives for U.S. national security structures, organizations, and processes include:

- Priority given to national security efforts that are guided by the NSC and strategic policy documents, and implemented by effective interagency, mission, and (where appropriate) joint campaign planning, assessment, and

operations management documents, staffs, and structures.

- Increasing recognition and rewards for collaboration across USG agencies/departments and with coalition partners.
- USG programs that reinforce host nation legitimacy and local institutional capacity and support development of a common operating picture between bilateral, multilateral, and host nation partners.

(U) 6.D.3. Recommendations

(U) To address the four categories of challenges noted above, CENTCOM should:

(U) Planning Processes and Doctrine.

- Continue to seek the participation of relevant civilian agencies in DoD and CENTCOM planning from the earliest stages possible, in particular to assess the nature of the problem, identify assumptions and define goals.
- Support the establishment of higher level U.S. government strategic planning processes and doctrine.
- Support development of single authoritative U.S. government plans for priority efforts such as Pakistan and Afghanistan, and establish an interagency assessment/revision process, recognizing the central role of field elements in the process.

(U) Personnel.

- Support initiatives to increase planning and operational management capacity of civilian agencies and build capabilities of whole-of-government personnel who can operate together at the tactical, operational and strategic levels.
- Increase staff exchanges between CENTCOM and critical U.S. government partner agencies.
- Support efforts to develop a curriculum for interagency national security planners and sectoral experts in key areas (e.g., rule of law, building partnership capacity, and strategic communications), and recommend a significant increase in interagency training and education,

building on the models of PRT training for Iraq and Afghanistan.

(U) 6.E. Resources and Authorities

(U) Structures and Systems.

- Support the establishment and resourcing of multi-level teams for integration of priority efforts such as Pakistan, Iran, the Middle East Peace Process, strategic communications and countering violent extremism, and counterinsurgency. These teams would perform planning, assessment, knowledge and operations management functions, with field elements playing a central role in the process.
- Provide additional resources to increase the effectiveness of existing integration structures for Afghanistan.
- Support all-source analytic intelligence, planning/assessments, and strategic communications cells at key embassies (in priority order: Afghanistan, Pakistan, Iraq, Egypt, and Yemen).
- USCENTCOM provide planning and other specialized “mobile” or long-term capabilities upon request.

(U) 6.E.1. Situation

(U) Challenges in resourcing and authorities undermine the United States’ ability to achieve strategic goals in the CENTCOM AOR. Resources are often inflexible, inadequate compared to requirements and agency responsibilities, uncoordinated, and targeted improperly. These challenges are compounded by the global economic crisis and new political realities that make continued supplemental budget requests problematic. In addition to these resource challenges, key U.S. government agencies lack the requisite authorities to perform critical tasks such as quick impact programs, interdiction, and comprehensive security sector reform.

(U) Incentives and Leadership. Support incentives for whole-of-government assignments and approaches, both in individual career development and in agency and Congressional resource distribution (e.g., interagency tours and collaboration requirements, National Security Professionals program, conflict response fund).

(U) Inflexibility. The U.S. government requires flexibility to respond to highly complex and dynamic challenges in the CENTCOM AOR. In addition to the structural checks and balances in the U.S. government that tend to promote continuity over action, obstacles to flexibility include Congressional earmarks, budget cycles that require critical decisions on priorities three years in advance, legislation that restricts local purchases, limits on transfers of funds between agencies, and the complexity of contradictory legislation establishing foreign aid authorities outside the parameters of the Foreign Assistance Act of 1961.¹⁰

(U) Orientation toward host country perspectives. While improving the U.S. and international organization for international assistance in the ways recommended would constitute a major step forward, there are limits to how well even the best organized Washington or other capitals-based efforts can understand, address or exploit local conditions, problems and opportunities. Officers in the field generally have a better understanding of these dynamics, and those with the best understanding will be the citizens and officials of the host countries themselves. Consequently, the effort to improve U.S. organizations must accommodate field and host country perspectives and give a degree of flexibility to field officials to adapt programs, plans, and efforts to local requirements.

(U) Imbalanced Resources and Authorities. U.S. foreign assistance structures, operating rules and procedures, authorizations, and resource levels are imbalanced. Existing responsibilities, such as the State Department’s lead in strategic communications, are not matched with sufficient authorities and resources to achieve U.S. goals.¹¹

¹⁰ Epstein, Susan B. and Matthew C. Weed, “Foreign Aid Reform: Studies and Recommendations,” *Congressional Research Service* 7-5700, p 7.

¹¹ For example, the \$32 billion dollar average annual DoS and USAID budget is dwarfed by the hundreds of billions of dollars appropriated annually through regular and supplemental budgets to the Defense Department. The steady, sharp decline in Freedom Support Act funding, caps on Foreign Military Sales/Financing funds and International Military Education and Training funds, and steep increases in exchange rates over recent fiscal years has severely limited the assistance activities that can

This mismatch reinforces existing coordination problems and confusion over agency roles. Compounding this imbalance, there is no unifying strategic guidance for all U.S. government foreign assistance, and it is difficult to transfer assistance funds between agencies.¹²

(U) *Uncoordinated and improperly targeted resources.* Budget cycles and foreign assistance decision-making processes are not unified across government agencies. Civilian-controlled resources are often not aligned with DoD resources. Conversely, DoD resources such as the Commander's Emergency Response Program (CERP) are often not aligned with USAID and other civilian programs.

(U) *Inadequate Oversight Structures.* Investment in management and oversight of significantly increased funding for Iraq and Afghanistan has also been inadequate. Mid-fiscal year supplemental surges in foreign assistance funding are funneled into civilian agencies that are understaffed and under-resourced to perform effective oversight and execute contracting responsibilities.

(U) *Need for Innovative Development Approaches.* Development programs are often not designed to address stabilization priorities and mitigate further conflict. New, innovative mechanisms to improve foreign assistance delivery are needed, particularly in environments that require broad reconstruction activities. These include reconciling development and stabilization approaches that facilitate citizen participation in governance and build government capability. High levels of corruption in fragile states require transparent and effective financial management systems and oversight mechanisms, especially those developed by host nations, before providing direct budget support.

(U) *Lack of Authorities.* A recent assessment by three former USAID administrators described the organizational structure and statutes governing U.S. foreign aid policy as "chaotic and incoherent due to

be supported. For additional information on FMS, FMF, IMET current systems and authorities, see the Building Partnership Capacity report.

¹² American Academy of Diplomacy, "A Foreign Affairs Budget for the Future," October 2008.

20 years of neglect."¹³ The myriad of authorities and restrictions includes those on security sector assistance (e.g., police, military, demobilization) in Titles 10 and 22, U.S. Code. There is also no national or international legal framework enabling interdiction of shipments of proliferation concern, seizure of cargo, and their disposition. Combatant commanders have underscored disconnects between responsibilities, authorities, and resources, including:

- No direct access to funding: combatant commanders must go through a Designated Service Executive Agent or through a Service Component. This places operational missions at odds with competition for Title 10 requirements for each Service. Recent DoD changes to expand COCOM influence on garnering resources within the Planning, Programming and Budget Execution System (PPBES) process still fall short, especially outside of contingency operational needs using supplemental funding.
- Restrictions in authorities: approval authorities for resources, engaging targets, interdiction, and host nation coordination are often held by legislation or DoD policy at too high a level or are restricted to narrow parameters at the combatant command level. Receiving approval often requires significant bureaucratic maneuvering or can only be applied to very specific instances.¹⁴

(U) 6.E.2. Key Objectives

- Responsibilities aligned with resources and authorities, through additional civilian agency

¹³ Atwood, J. Brian, M. Peter McPherson, and Andrew Natsios, "Arrested Development, Making Foreign Aid a More Effective Tool," *Foreign Affairs*, Vol. 87, no. 6 (November/December 2008), pp. 123-132.

¹⁴ These considerations must be balanced against several benefits of centralized authority and resources, which are meant to ensure balanced consideration of Service, DoD organization support and combatant command operational requirements against global priorities. Shifting authorities and resources to commands would emphasize regional priorities. In addition, adding service staff responsibilities to a combatant command could detract from its operational focus.

capacity and capabilities and revisions to existing authorities

- More flexible resources, with the ability to transfer between agencies and to emerging opportunities and priorities

(U) 6.E.3. Recommendations

(U) *Enhanced, Flexible Resources:*

- Support increased flexibility in, and a top to bottom review of, foreign assistance accounts and funding.
- Support increased civilian expeditionary capabilities, including provision of sufficient transportation, interagency training and education, and protection to enable deployed civilians to operate in hostile or semi-hostile environments.
- Support the creation of interagency quick/conflict response funding mechanisms.

(U) *Expanded and Standing Authorities:*

- Support granting designated individuals responsibility over U.S. government programs and resources related to a particular effort/priority, such as the Special Representative to Afghanistan and Pakistan or embassy-based Rule of Law Coordinators, and provide them with the required interagency staff.
- Support increased interdiction authorities.
- Support removing actual and perceived blocks to transferring funds between agencies and departments.
- Support a series of legislative changes to increase authorities and flexibility, such as expanding the scope and/or making standing authorities in Title 10, CERP, NDAA Section 1207, Section 1206, Section 1208, and military construction authorities; authorizing reimbursement of salaries for reserve components in support of security cooperation missions, and authorizing combatant commanders to transfer non-lethal excess defense articles.
- Support flexible utilization of development credit authority (DCA) guarantees to stimulate private sector development in CENTCOM AOR countries.

(U) *Increase Budget Support to, and Accountability of Host Nations:* Increase direct financial support to

host governments through budget support and multi-donor trust funds (where appropriate) with robust oversight, accountability, and transparency.

(U) 7. Concluding Themes.

(U) In closing, we note a few overarching ideas that are a common thread in much of the previous discussion.

(U) *CENTCOM's top priority, necessarily, is immediate security threats.* U.S. and international forces can be effective directly addressing immediate threats to both international and host country stability. However, effectiveness in dealing with these threats requires that these forces be coordinated (internally, with each other and with host country forces) in such a way that their efforts are mutually-reinforcing and do not undercut each other.

(U) *Host country legitimacy is the key to sustainable stability.* While outside parties can help support host country government legitimacy, by definition they cannot provide it directly – the objective is *the host country's* legitimacy. First, this regional report focuses primarily on three key dimensions of host country legitimacy. For the host country government to have legitimacy on the security dimension, local security forces must be able to protect the population from internal and external threats. Accordingly, assistance to local security forces should be recognized by the international community as a mission of paramount importance to international security. Second, to have legitimacy in the political sense, the population must identify politically with the government, i.e., see the government's rule as in some basic way constituting self-rule or rule according to self-given laws and the exercise of sovereignty. To have legitimacy in the governance sense, the population must perceive the government as performing essential governmental functions according to local/cultural standards. Third, increasing economic growth and the ability to provide jobs through the private sector is also a key element of sustainability and crucial to supporting government legitimacy.

(U) *We must also take into account the limitations of international assistance efforts.* Although there are

many steps that can and must be taken to improve the effectiveness of international assistance efforts, there are certain limitations that are either inherent or so longstanding and deeply rooted in international practice that it would be naïve to think they will be completely fixed in the near term. For example, outside parties will generally be at a disadvantage in terms of knowledge of local conditions and practices (as opposed to “international best practices” on which outsiders may be the authority). This makes it more difficult for international parties to know in advance what courses of action are likely to be more effective in light of local circumstances. Another common limitation is coordination problems, whether between international civilian and military efforts, between different international military forces or (most importantly) between international parties and host country governments. Again, while steps to improve coordination can and must be taken, any situation in which multiple international civilian and military parties are operating in addition to a local government will always have additional degrees of complexity. Consequently, for international efforts to be maximally effective they must take account of their characteristic limitations and adopt approaches deliberately conceived with an objective of mitigating them.

(U) *The interaction of host country challenges and international limitations explains Gen. Abrams’ statement in the context of Vietnam that “We can’t run this thing....They’ve got to run it”.* Being oriented towards host country legitimacy and sovereignty is a requirement not only for long-term

sustainability but for near-term effectiveness as well. International parties really cannot run entire local governments capably on their own.

(U) *The global financial crisis is likely to further exacerbate the problems of countries in the CENTCOM AOR and constrain U.S./international stabilization/assistance resources.* Today’s difficult global economic conditions are likely to intensify some of the conditions contributing to instability in the countries within the CENTCOM AOR, and it may constrain the amount of assistance that the U.S. and its international allies are capable of providing to even the most high-priority areas. This further underscores the necessity that international parties focus their efforts on the most important objectives, setting pragmatic objectives, and maintaining reasonable expectations.



U.S. CENTRAL COMMAND ASSESSMENT TEAM (CAT) REGIONAL REPORT

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