# Looking Beyond A Surge:

# The Tests a New US  Strategy
# in Iraq Must Meet

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The current debate over surging US military manpower has steadily lost focus on the real issue: Providing more US troops can only serve a purpose if it is tied to a new and comprehensive approach to providing stability and security in Iraq.

The problem is not total US force levels or the security of Baghdad. It is the ability to reverse the current drift toward a major civil war and separation of the country by finding a new approach to US intervention in Iraq.

## A New Kind of War that Goes Beyond Insurrection, Militias, and US Surges

One key problem the US must face is that it is now fighting a new kind of war. The "threat" from the insurgency and militias is only part of the problem. Iraq's central government is weak and divided and the nation is steadily dividing into sectarian and ethnically controlled areas.

### Fighting for Sectarian and Ethnic Space and Influence

This division affects its cities, as well as areas in its provinces, and most of the major ministries in its government. It often is reshaping neighborhoods, village, and towns, or rural and tribal areas in ways that are so complex that they are difficult or impossible to map. It is creating growing problems in many Iraqi military units, regardless of their warfighting capability. It is a major problem in the Iraqi national and regular police, the facilities protection services, and virtually every element of civil government and the courts.

### The Uncertain Value of a Surge

No one has as yet provided an official US definition of "surge." It seems almost certain, however, that the Congress will insist that any surge be limited in scope and time, and quite possibly in ways that will make it difficult to achieve success even in a limited mission like securing Baghdad.

Reporting by Jonathan Karl of ABC indicates that the President is a considering plan that could eventually produce an increase of three to five brigades, some 10,000 and 18,000 combat troops. Most of the additional troops would be deployed in Baghdad to make a renewed effort to "clear, hold and build" the capital. Some might strengthen the US position in the West, and others be held in reserve or deployed in stages.

This effort would be supported by giving military commanders more discretion to quickly spend economic reconstruction funds (the "build"

phase) in CERP-like activities.  These so-called "commander's funds" have previously been used, but the President is expected to propose a significant increase in the discretionary funds available to the commanders.

Any such plans raise serious issues regarding how well any additional troops can be trained, language and area skills for complex missions with a  heavy political and economic dimension, and the eventual impact on retention. Unless such an effort is scene as a possible cover for eventual withdrawal, it also presents critical problems in terms of scale and  duration.

It may well mean too few troops for too short a time to do more than "win" temporary victories where the insurgents  and militias are force to remain quiet,  disperse, or shift their operations to other areas, but can easily outwait a temporary US presence.

### The Strategic Challenges to the US and Iraqi Governments

The most serious problems for both the US and Iraqi governments, however, are strategic. There will be little point in surging US military forces, or in trying to build more effective Iraqi forces, unless  the US and Iraqi government can  find a way to halt this drift or to resolve it in ways that allow Iraqi Sunnis, Shi'ites, Kurds, and other minorities to live in relative peace.

### What It Takes for the US to Have a Hope of Success

This means that any change in US strategy must recognize the reality of Iraqi sovereignty and the major divisions and weaknesses in the Iraqi central government. It must deal  with the acute and growing divisions in the Shi'ite coalition, separate Kurdish goals and objectives, and the fact that Sunni participation in the government is divided, has different objectives, and limited real-world legitimacy in representing Sunni in most of Iraq.

It must address the fact that Iraqi forces are not yet ready to "hold" – even in Baghdad and "safe" Shi'ite and Kurdish  areas -- and the Iraqi government lacks the effectiveness and unity to provide services and "build." It must address the political and economic dimensions  of what is happening  in Iraq. It also means that the security effort must look beyond Baghdad and supporting the present central government.

The realities a new US strategy must deal with also go far beyond the threat in four provinces where the insurgency is most active,  or the Shi'ite and Kurdish militias. The US must look beyond the number killed and the number of measurable violent incidents, and consider a different kind of civil  struggle  that  is  increasingly dividing up Iraq. The situation has

evolved to the point where the most serious threat to stability now seems to be a form of "soft" ethnic cleansing that relies  on pressure, threats, blackmail, and kidnappings as much as actual killings.

### The "Battle" for Control of Sectarian and Ethnic Space

This struggle  for space does not divide  the country into neat sectarian and ethnic areas. The results of the 2005 election did not always reflect the true size of the minority vote in given governorates. Isolated pockets of minorities sometimes did not register or vote, did not vote for one of the major party, or voted for the more secular and nationalist National List because this was the only party that offered minorities hope in such governorates.

Nevertheless, the results of the voting shown in the following chart still show that most of Iraq's governorates have large enough minorities so that that they do not divide easily along sectarian  and ethnic lines. These problems are compounded by the urban  nature of Iraq. More than half the population lives in four cities which have at least a significant sectarian and ethnic minority: Baghdad, Basra, Kirkuk.

The ethnic and sectarian struggles over the Constitution, and its ambiguity in over 50 critical  areas like federalism and control of oil resources has also divided Iraqis and prevented political progress. Sunnis only accepted the Constitution with the understanding that the vague passages would be debated and amended, but little constructive dialogue has taken place. A Constitutional Review Committee was created in September to address these problems, but the group has yet to make any progress.

It is hardly surprising, therefore, that these struggles extend to the north, south, and east of Baghdad in ways that reported deaths do not portray. They extend to Basra and the cities of southeastern Iraq, where secular Shi'ites are coming under growing pressure to conform from Shi'ite Islamists, and where Christians, Sunnis, and other non-Shi'ites are being pressured to leave or move to marginal  enclaves.

They are compounded by growing tensions between SCIRI (Hakim) and Sadr/Al Dawa at the national, governorate, local, and religious levels. The sectarian nature of the Shi'ite coalition  does not mean it is unified, or will not divide even in the face of Sunni and Kurdish  threats. The tensions between Hakim and  Sadr also extend far beyond Baghdad, and affect much of the south.

Ethnic pressure is mounting in the Kurdish areas – where Turcomans and others are subject to discrimination – and along the borders of the former Kurdish security zone, where sectarian and ethnic divisions are becoming a growing problem. Kirkuk and the northern oil fields are the most obvious flashpoints, but there are many others, including an uncertain dividing line to the east of Mosul.

With the exception of Anbar, Sunnis are putting similar pressure on other sectarian and ethnic groups in the areas they dominate. While there are anecdotal reports of various tribes resisting Sunni Islamist pressure, the Iraqi government and Coalition also seem to be steadily losing ground to Sunni Islamist dominated movements in Anbar and other areas where Sunnis have a large majority. The fact that more secular Sunnis remain represented in the government may disguise this reality at the national level, but such representation has fewer and fewer ties to the reality of power in the field.

The US have never publicly released the detail maps it makes of the scale of these sectarian and ethnic divisions; the tensions and divisions between Shi'ite, Sunni, and Kurdish factions; or the number of isolated pockets of minority or mixed groups in given cities and governorates.

It does not release the maps of how sectarian and ethnic cleansing are changing these facts on the ground over time, not what area are now estimated to be under the control or influence of given insurgent and militia groups. If it did, the result would be an even clear picture of the "battle" for control of space that may well be the most important real-world problem that the US now faces

### The Critical Economic and Oil Dimension

Money and economic power complicate these problems. Even if legislation regarding the sharing of oil revenues passes, it simply divides the ethnic and sectarian province by area – it does not solve it. The issue of the future development of oil and gas resources remains crucial, along with the issue of ethnic and sectarian control of government revenues, infrastructure, a state-dominated labor force, and a host of government offices and services.

Employment remains a critical problem, particularly in Sunni areas but increasingly in any area with significant sectarian and ethnic problems. Various forms of cleansing also are creating new problems as more and more Iraqis are being forced to move in ways that mean abandoning their homes and livelihoods, and sometimes the country. The secular and nationalist core of the country was partially crippled by a form of De-Baathification that favored sectarian leaders. It is being steadily reinforced
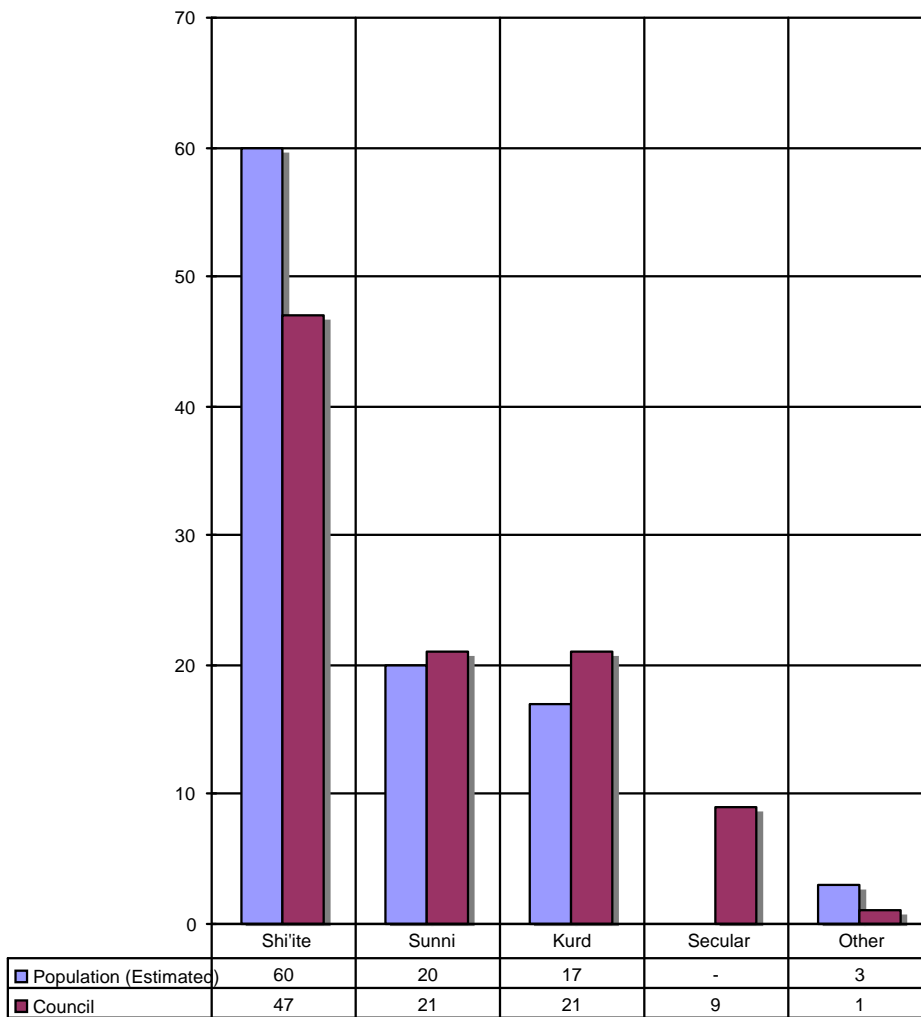
by the emigration and sometimes killing of all forms of  skilled professionals and by their widespread impoverishment.

Iraq is increasingly in a situation where "win" is meaningless because the Iraqi security forces cannot be trusted to "hold," and  far too many Iraqis cannot "build." Tactical victories become pyrrhic because they do  not bring security in a physical or economic sense, the government cannot provide services, and insurgents and militias can reassert themselves the moment US or Iraqi Army forces leave.

## December 2005 Election Results: Voting by Sect and Ethnicity

(Composition of the Council of Representatives versus Estimated Sectarian and Ethnic Composition of the Total Population)

| | Shi'ite | Sunni | Kurd | Secular | Other |
|---|---|---|---|---|---|
| ■ Population (Estimated) | 60 | 20 | 17 | - | 3 |
| ■ Council | 47 | 21 | 21 | 9 | 1 |

Source: "Measuring Stability and Security in Iraq," February 2006 Report to Congress, p. 9

# The Election that Divided the Country:

## Iraqi Voting Results by Sect and Ethnicity by Province

(In percentage of actual votes)
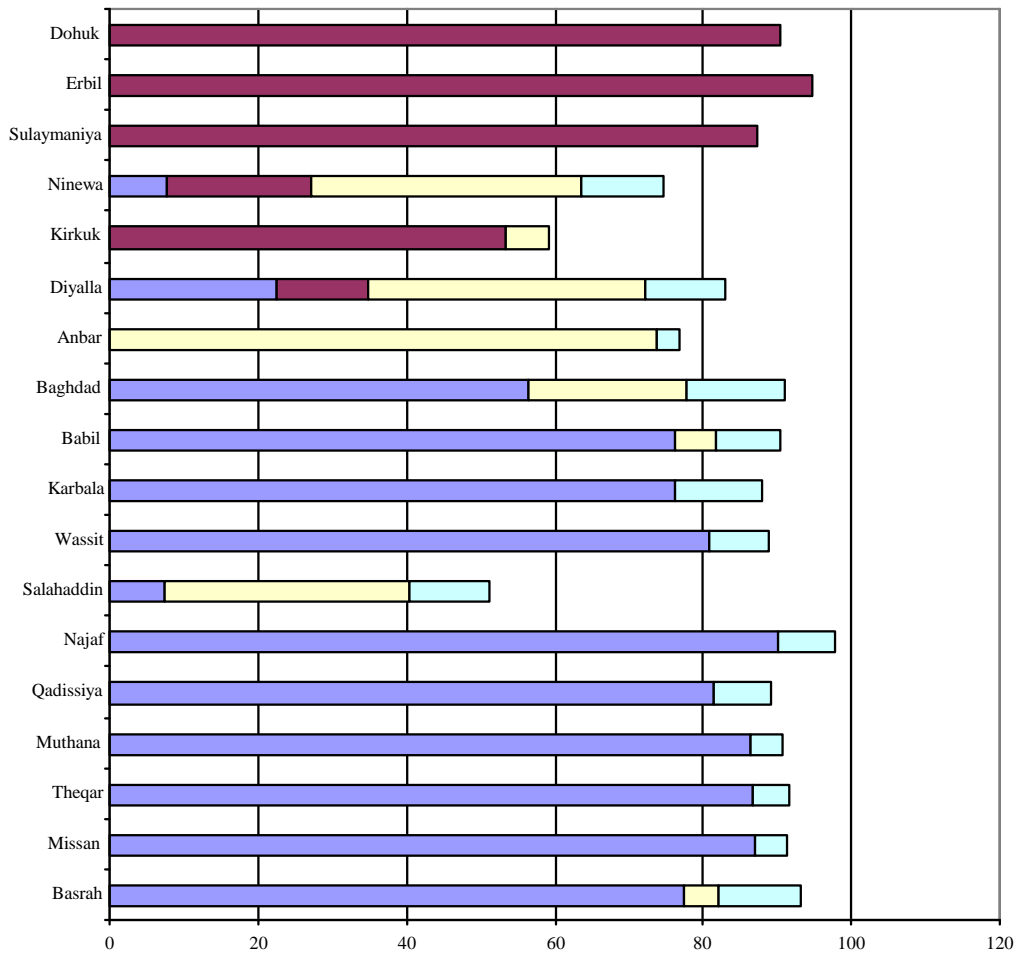


| | Basrah | Missan | Theqar | Muthana | Qadissiya | Najaf | Salahaddin | Wassit | Karbala | Babil | Baghdad | Anbar | Diyalla | Kirkuk | Ninewa | Sulaymaniya | Erbil | Dohuk |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ☐ National List | 11 | 4.3 | 5 | 4.3 | 7.8 | 7.8 | 10.8 | 8.1 | 11.7 | 8.7 | 13.4 | 3.1 | 10.6 | | 10.9 | | | |
| ☐ Sunni Parties | 4.7 | | | | | | 33.1 | | | 5.5 | 21.1 | 73.8 | 37.5 | 5.9 | 36.7 | | | |
| ☐ Kurdish Parties | | | | | | | | | | | | | 12.4 | 53.4 | 19.4 | 87.2 | 94.7 | 90.3 |
| ☐ Shi'ite Parties | 77.5 | 86.9 | 86.7 | 86.5 | 81.5 | 90 | 7.4 | 80.7 | 76.1 | 76.2 | 56.6 | | 22.4 | | 7.6 | | | |

Source: Independent Electoral Commission of Iraq: Unverified Election Results
www.ieciraq.org/English/Frameset_English.htm.

Blank space does not indicate lack of minority but that a given minority party indicates that the party did not win enough percentage of the vote in that province to gain a seat in the Parliament.

**What is To be Done? The Need for Immediate Action**

No credible US surge can deal with these issues in a nation of 27 million people, and Baghdad is only one center of gravity that the US and Iraqi government must address to succeed in Iraq.

Short term success in creating a new approach that can deal with the scale of problems in Iraq depends far more on taking and encouraging immediate action in the following areas than on the decision to surge or not surge troops. The US must find the most credible and practical operational plans it can for:

- Creating some form of Iraqi conciliation to reduce the pressure for taking sides in civil conflict and undermine support of the insurrection.

- Creating incentives that encourage peaceful coexistence, and peaceful separation where there are no other credible alternatives. Provide aid to relocation when this is the only option. Work with militias and local police and security forces where this is possible to allow peaceful shifts in the control of sectarian and ethnic space at the urban, local, and governorate levels.

- Developing a more effective Iraqi central government that can reassure Iraqis that the central government can govern, that can ensure any move towards federation will be peaceful, and can show that the government will be able to gradually provide security and essential services.

- Building up effective local and provincial governments, and federal structures if Iraqis choose to go this route, that actually serve the interests of Iraqis on a day-to-day basis.

- Providing immediate economic benefits to the many Iraqis without jobs and minimal economic security, and jobs to give the lives of young Iraqis an alternative to taking sides and violence.

- Creating a new approach to economic aid, implemented by Iraqis with safeguards to deal with corruption, to act as an incentive to peaceful conciliation and governance.

- Developing an approach to oil revenues and energy resources that are the nation's one critical source of government income and development money that can act as an incentive to conciliation and coexistence.

- Redefining the mission of US and other Coalition forces to focus on the key threats, avoid creating new tensions between Iraqis and Iraqis and Coalition forces, and developing a stronger Iraqi force development effort.

- Strengthening the Iraqi Army in ways that enable it to deal with the immediate threat and grow to takeover the military mission in Iraq without rushing force development in ways that undermine stable growth and without creating forces that will take sides in any growing civil conflict.

- Reforming the Iraqi National Police, and finding a truly workable solution to eliminating it as a Shi'ite sectarian threat.

- Beginning the real "year of the police," taking advantage of the progress made in creating a stronger foundation in 2006, with the knowledge development on a national scale will take 3-5 years.

- Finding a way to provide day-to-day security that recognizes the police and national courts system cannot be effective for several years, while laying the ground work for building a more solid long term rule of law.

- Finding ways that local security forces and militias can be coopted into providing security, rather than taking sides in ethnic and sectarian conflict or confronting them in an effort to disband or abolish them.

**The Need for Frankness and a Clear Understanding of How Serious These Challenges Are**

In the real world, the US has already wasted time and opportunities that it cannot recover. This means the odds of success in giving Iraq stability and security without a major civil conflict are at best even. A new strategy can only consist of finding the "least bad options."

The President needs to make this clear. The time has long gone for spin and false hopes or promises. The Congress needs to recognize the risks, the costs, and the need for persistence as long as the US and Iraqi governments have a serious hope of success.

At the same time, the US must make finding ways to help Iraq get through the next twelve months its primary priority. It is true that ultimate success in each of the above action areas requires a US understanding and commitment to at least 5, and probably 10, more years of support for nation building to really be successful. Like Afghanistan, and the overall war on terrorism,

winning in Iraq means a "long war." It can be lost with surprising speed. It can only be won with patience, persistence, time, and resources.

This is a message that the Bush Administration has previously failed to communicate, just as it has failed to frankly state the problems and risks in stability operations and nation building. It has failed to properly caution Americans that efforts at stability operations and national building are ones where no one in the world has true core competence and are necessarily experimental.

The Administration has, however, begun to change. The recent Department of Defense Quarterly report on "Measuring Stability and Security in Iraq" marks a major change. At the same time, key cautions and issues are often buried in the text.

The attached excerpts in the Appendix to this analysis provide a picture of the challenges that US must address in setting forth a new strategy as stated by the Department. It is important to note that a reading of the full report does provide many additional insights into ongoing US efforts that are having at least some success may reduce these problems and risks.

In broad terms, they also provide a warning that the key to any overall success is some form of Iraqi conciliation – if only in the form of agreement to find some peaceful way to creating functioning sectarian and ethnic entities within the state. Progress to date clearly falls far short of requirement, and the key question is whether the US can advance new proposals and workable plans for conciliation, compromise, and/or coexistence that will work.

Presenting credible, practical plans for success in producing this result, not US troop levels, will be the most important single test of a new US approach to Iraq. Success is always easy to promise when ideas are presented as simple options or concepts. The President, however, is going to have to do far more to convince the Congress, American people, Iraqis, and the world that any new approach can succeed. Everything will depend on the details of how he intends to approach this issue, and a new US strategy will have no credibility without them.

**The Need for Aid**

The problems described in the Department of Defense Report also highlight two areas where the US can (and must) do more almost immediately to influence Iraqis and lay the groundwork for success.

This is the first official US report that frankly admits the extent to which past economic aid efforts have largely been a failure in the field and in shaping the lives of many ordinary Iraqis. This message is strongly reinforced by recent reporting on growing problems in the oil sector, and the failure to generate and distribute power in Baghdad.

Any US strategy that seeks to succeed must advance a new aid program clearly focused on immediate, visible action that helps ordinary Iraqis during the course of 2007. It must include a detailed and convincing action plan to help address key unemployment issues, move money directly to threatened sectarian and ethnic groups, and find ways to address the development of Iraqi energy resources in ways that offer a strong incentive for conciliation and/or coexistence, with cooperation at the national level.

One thing is clear, slogans and generalities have never meant competence and the effective use of resources. No new strategy can be acceptable that does not provide an objective assessment of the problem and detailed proposals for action.

**The Uncertain State of Iraqi Force Development**

The report is less frank in describing the real state of progress in Iraqi force development.

- The reporting on progress in the Iraqi Army still makes no attempt to describe actual manning, the adequacy of the equipment effort, or real world readiness. Both the totals for "trained and equipped" manpower and units "in the lead" remain deliberately misleading and grossly overstate capability and understate the level and duration of support that the Iraqi Army requires.

- The reporting on the development of the police is somewhat more forthright, but essential consists of statements that the US does not know the actual manning and readiness of the police.

- It also fails to discuss any aspect of the need to provide local security in troubled areas over the coming year and how to deal with the militias and need for local security forces.

The report does, however, provide enough data to show that a stronger US force development effort in 2007, backed by more intense support and advisory efforts in the field might well have significant benefits within the coming year.

Once again, however, this will not happen without more resources and a detailed operational plan. Advancing a new strategy  confined to slogans and generalities, without an honest statement of the problem and convincing evidence that a new plan will work is far more likely to reinforce failure than to move towards  success.

# Appendix One

# The Department of Defense Quarterly Report on Stability and Security in Iraq: The Warning Indicators

**Key excerpts from "Measuring Stability and Security in Iraq, November 2006," Report to Congress In accordance with the Department of Defense Appropriations Act 2007, (Section 9010, Public Law 109-289), November 30, 2006**

# Executive Summary

*Most important for long-term political stability is the success of Prime Minister Nuri al-Maliki's National Reconciliation and Dialogue Project. This project initiated a series of meetings among political, religious, tribal, and sectarian leaders, and could, under the right circumstances, over the long run, serve as a basis for effective legislation for civil society and a national compact resolving the divisive issues* in Iraq.

However, so far, this project has shown little progress. Sectarian violence has steadily increased despite meetings among religious and tribal leaders. The proposed meeting between political leaders has been repeatedly delayed. Concrete actions by the Government of Iraq to implement national reconciliation have not been successful.

Some Iraqis now express a lack of confidence in the government's ability to equitably solve fundamental issues. The U.S. government should continue to press the Iraqi government to act on the Presidency Council's October 2006 legislative and political agenda. This document included a timeline for key issues that directly impact Iraqi reconciliation efforts.

Within the region, the Organization of the Islamic Conference held a meeting in Mecca during which Iraqi religious leaders of both Sunni and Shi'a communities publicly declared suicide bombings and other attacks on Iraqi Muslims a sin.

*Critical domestic issues, including hydrocarbon legislation, de-Ba'athification reform, provincial elections, and demobilization of militias, must still be addressed. The failure of the government to implement concrete actions in these areas has contributed to a situation in which, as of October 2006, there were more Iraqis who expressed a lack of confidence in their government's ability to improve the situation than there were in July 2006.* It remains an urgent responsibility of the Government of Iraq to resolve the outstanding issues that inhibit political progress and to demonstrate a resolve to contain and terminate sectarian violence.

## Economic Activity

The Iraqi economy continued to show progress, but still faces serious challenges. *High unemployment continued to feed sectarian, insurgent, and criminal violence. Although definitive data are not available on the actual unemployment rate, it has been an issue that has had a significant effect on the security environment.* The Iraqi government, along with Coalition and international help, must create an effective strategy to provide jobs. This program must be seen as fair and non-sectarian by common Iraqis. It must produce tangible results for a plurality of Iraqis or it may decrease the legitimacy of the Government of Iraq and have little effect on the level of violence.

Oil production and electricity generation have improved since August 2006, but the security situation, maintenance deficiencies, and management issues have adversely affected distribution and delivery of these essential services. As of the data cut-off date for this report, crude oil production was 2.3 million barrels per day (mbpd). This is 7.5% higher than the production reported in August 2006, but still short of the Government of Iraq's goal of 2.5 mbpd per day. *Oil exports remained at 1.6 mbpd, short of the government's revised goal of 1.7 mbpd, but the financial impact of the shortfall was completely offset by higher than-projected oil prices, resulting in higher than-projected oil revenues.*

The average peak generating output for electricity for the reporting period was 4,650 megawatts, 2% more than the previous quarter, and Iraq averaged 11 hours of power per day nationwide. In October 2006, the last month for which data were available, the national average increased to 12.2 hours, slightly exceeding program goals.

*Electrical distribution was affected by the same problems as the oil sector, leaving some areas, including Baghdad, with far fewer hours of government-supplied electricity. New water projects have increased the supply of potable water by 35% since May 2006, but availability of fresh water remained far short of the need.*

### The Security Environment

In the past three months, the total number of Attacks increased 22%. Some of this increase is attributable to a seasonal spike in violence during Ramadan. Coalition forces remained the target of the majority of attacks (68%), but the overwhelming majority of casualties were suffered by Iraqis.

Total civilian casualties increased by 2% over the previous reporting period. Fifty-four percent of all attacks occurred in only 2 of Iraq's 18 provinces (Baghdad and Anbar). Violence in Iraq was divided along ethnic, religious, and tribal lines, and political factions within these groups, and was often localized to specific communities.

 Outside of the Sunni Triangle, more than 90% of Iraqis reported feeling very safe in their neighborhoods. Still, concern regarding civil war ran high among the Iraqi populace.

The number of infrastructure attacks continued to decrease, but the lack of recovery from the cumulative effects of these attacks, combined with ineffective infrastructure repair and maintenance, impeded the delivery of essential services to Iraqis and undermined the legitimacy of the government among the Iraqi people. The U.S. Congress provided supplemental funds that the Departments of State and Defense plan to use to improve infrastructure security.

### Iraqi Security Forces

More than 45,000 additional Iraqi soldiers and police have completed initial training and equipping since August 2006, bringing the total number of ISF that have been trained and equipped to 322,600. By the end of December 2006, the United States and its Coalition partners will have met the force generation targets while continuing the efforts to improve the ISF's capability to meet emergent requirements. *However, the trained-and-equipped number should not be confused with present-for-duty strength. The number of*

*present-for-duty soldiers and police is much lower, due to scheduled leave, absence without leave, and attrition.*

The ISF increasingly took operational lead, assuming primary area security responsibility and demonstrating an increased capability to plan and execute counter-insurgency operations. As of November 13, 2006, there were 6 Division Headquarters, 30 Brigade Headquarters, and 91 Iraqi Army battalions that have been assigned their own areas for leading counter-insurgency operations.

In September 2006, Multi-National Corps-Iraq (MNC-I) transferred command and control of the Iraqi Ground Forces Command (IGFC) to the Ministry of Defense Joint Headquarters. Joint Headquarters also assumed command and control of the Iraqi Air Force and Navy, and IGFC assumed command and control of two Iraqi Army divisions (4<sup>th</sup> and 8<sup>th</sup>). In total, 104 Iraqi Army combat battalions, 2 Special Operations Battalions, and 6 Strategic Infrastructure Battalions are now conducting operations at varying levels of assessed capability.

*The most significant remaining challenges are the reformation of the Ministry of Interior police force and the development of ISF logistics and sustainment capabilities. The Government of Iraq, with U.S. assistance, is working to eliminate militia infiltration of the Ministry of Interior and the extensive reliance of Iraqi forces on U.S. support and sustainment.*

## Steps to a Free and Self-Governing Iraq

As detailed in the August 2006 Measuring Stability and Security in Iraq report, the political milestones for democracy in Iraq have been completed. Accomplishment of these milestones could enable the Government of Iraq to advance three parallel actions: a national reconciliation program; regional engagement; and a negotiated, realistic timetable for transition to security self-reliance. These actions could enable Iraqis to resolve their political differences and grievances and to assume a unifying responsibility for Iraq's future.

*These actions must effectively deal with militias, including disarming, demobilizing, and reintegrating them into Iraqi society. However, a range of criminal, political, ethnic, and religious factions that pursue their own interests through the use of terror, murder, sabotage, extortion, bribery, and corruption is threatening accomplishment of these actions. In October 2006, there were more Iraqis who expressed lack of confidence in their government's ability to improve the situation than there were in July 2006.*

> • *Executive Procedures to Form RegionsLaw: Federalism and the shape it takes in Iraq are two of the sharper and more contentious issues in Iraqi politics. In October 2006, after many long debates on whether the region formation law would have the effect of breaking the country apart, the CoR passed the Executive Procedures to Form Regions Law. To allow more time for additional discussions, the CoR postponed implementation of the law for 18 months.*

> • Constitutional Review Committee. In September 2006, the CoR approved the membership of the Constitutional Review Committee. The committee has four months to review the constitution and develop a list of proposed amendments for

presentation to the CoR. Members have agreed to make decisions by consensus rather than by voting, which could limit the scope of proposed amendments. *It should be noted that the constitution calls for some 55 enabling laws that will clarify and specify constitutional provisions. This enabling legislation may influence the perceived need to amend the constitution. Although there is now no timetable for the Constitutional Review Committee to begin its work, the Government of Iraq has established a notional timeline for referendums on proposed constitutional reforms.*

## Rule of Law

Political stability in Iraq is predicated on achieving the rule of law. The rule of law requires a functional legal code, police to investigate crimes and enforce laws, criminal and civil courts to administer justice, and prisons to incarcerate offenders.

*Systemic inefficiencies in or among any of the four requirements create serious problems. Although progress continues, development and implementation of rule of law initiatives has been slow, contributing to crime, corruption, and the proliferation of illegal armed groups. Mistrust between the police forces and the judiciary further hampers progress in the development of the rule of law.*

> • Functional Legal Code. The Iraqi Constitution sets forth a comprehensive list of rights and freedoms, *but additional legislation is needed to implement these guarantees*.

> • Police. The Ministry of Interior (MOI) currently views its primary role as that of providing security. An emphasis on tactical skills is understandable, considering the nature of the violence in Iraq, *but little time is left for training on or conducting criminal investigations. As a result, corruption and smuggling are becoming more organized and entrenched*. The Coalition Police Assistance Transition Team is working to rectify this by strengthening the Iraqi Major Crimes Task Force and the Major Crimes Unit. In addition, proposals are being discussed by the MOI and MNSTC-I that would improve Iraq's forensic investigative capabilities by adding several thousand forensic specialists to the police forces.

> • Courts. *Suspects rarely see an investigative judge within the constitutionally prescribed 24-hour timeframe. The failure to secure timely trials is largely due to an acute shortage of investigative judges, prosecutors, judicial investigators, and trial judges, and systemic inefficiencies, including the lack of cooperation and communication between the police and the judiciary.*

> *Corruption in the judiciary is less pronounced than in other branches of the justice system. A far more significant problem is judicial intimidation and lack of security. Judges are frequently threatened and attacked, and, thus, occasionally fail to report to work, resign from their positions, fear reaching verdicts against powerful defendants, and, in the provinces (as opposed to in the Central Criminal Court of Iraq [CCCI] in Baghdad), decline to investigate and try insurgent- and terrorism-related cases. The vast majority of these cases are transferred to the CCCI in Baghdad for prosecution.*

In the future, it will be necessary to build a dedicated judicial security force and secure judicial criminal justice complexes that include a courthouse, detention facilities, forensic labs, and judicial housing located within the same secured perimeter. Securing these criminal justice components in the same location will provide enhanced courthouse security and personal protection for judges and their families; create much-needed synergy among the judiciary, police, and detention officials; and resolve the crushing logistical burden involved in transporting detainees.

• Prisons. Pre-trial detention facilities in Iraq are administered by the MOI. *They are overcrowded, with substandard facilities and poor accountability for persons detained*. Post-conviction prisons that are administered by the Ministry of Justice, by comparison, generally meet international standards and function fairly well, although increased capacity is required.

## Obstacles to Political Progress

The violence in Iraq poses a grave threat to political progress. Illegal armed groups—with long-standing grievances, extremist beliefs, tribal affiliations, and/or personal vendettas—often reject the political process. Other criminally motivated violence (for example, the hijacking of food ration trucks) also hampers progress.

Personal loyalties to various sub-national groups, such as tribe, sect, or political party, are often stronger than loyalty to Iraq as a nation-state. In addition, Iraq's political parties are often unwilling or unable to resolve conflicts through compromise. Further, some Iraqis have joined the political process but condone or maintain support for violent means as a source of political leverage. This makes effective national reconciliation and disarmament, demobilization, and reintegration programs difficult to design and implement.

There are other significant inhibitors to political progress in Iraq.

• An inability to design, institutionalize, and enforce effective operating procedures and internal controls within the Iraqi ministries has proved challenging.

• Corruption in the ministries has hampered their capabilities. Many of Iraq's political factions tend to view government ministries and their associated budgets as sources of power, patronage, and funding for their parties. Ministers without strong party ties face significant pressure from political factions and sometimes have little control over the politically appointed and connected people serving under them. This corruption erodes public confidence in the elected government.

• Transnational Issues.

❖ Foreign Interference. Iran and Syria are undermining the Government of Iraq's political progress by providing both active and passive support to antigovernment and anti-Coalition forces. The Coalition and the Government of Iraq have attempted to counter Iranian and Syrian influence diplomatically and by tightening security at the borders.

Eliminating the smuggling of materiel and foreign fighters into Iraq is a critical task and a formidable challenge.

❖ Drug Trafficking. Drug trafficking is a potential source of revenue for terrorists and other anti-Iraqi forces, and, although it has not been seen on a large scale in Iraq, it has expanded, following the pattern of most post-conflict countries. The U.S. State Department believes that Syrian drug traffickers are exploiting Iraq's permeable border to transport fenthyline to the Gulf.

❖ Refugees. Many Iraqis have fled the country, and the number of refugees continues to rise. According to the United Nations High Commissioner for Refugees (UNHCR) November 2006 Iraq Displacement Report, for Iraqis living outside Iraq, "the figures in the immediate neighboring states are still imprecise, but we now estimate that there are up to 700,000 Iraqis in Jordan; at least 600,000 in Syria; at least 100,000 in Egypt; 20,000–40,000 in Lebanon; and 54,000 in Iran. Many of those outside the country fled over the past decade or more, but now some 2,000 a day are arriving in Syria, and an estimated 1,000 a day in Jordan. Most of them do not register with UNHCR."

❖ Regional Water Rights. The Tigris and Euphrates are the major sources of water for Iraq, and the majority of flow in these two rivers originates in Iran, Syria, and Turkey. Access to water is vital in efforts to boost hydroelectric production, restore the marshland drained by Saddam in the 1990s, and facilitate a stronger oil industry, while meeting other industrial, agricultural, and civilian needs. Iraq does not have any formal agreements with Turkey on the management or allocation of water from the rivers. Although Iraq and Syria have an agreement on sharing of the Euphrates, at present there is no trilateral agreement or effective agreement with Iran regarding frontier watercourses. Over the past two years, the Iraq Ministry of Water Resources has actively sought to initiate bilateral discussions with Turkey, Syria, and Iran, but additional bilateral or regional agreements are essential.

## Economic Activity

Nevertheless, the Government of Iraq faces serious challenges in the economic sector and has made only incremental progress in economic reform and execution of its own budget and programs.

The UN Compensation Commission approved awards of US$52.5 billion for the compensation fund established to pay victims of Iraq's 1991 invasion of Kuwait. As of September 2006, Iraq had paid more than US$20 billion. Every year, 5% of Iraq's oil revenue goes to the compensation fund. This payment is placing a significant strain on Iraq's resources and Prime Minister Maliki has proposed that this obligation be ended.

The fact that government ministries are having difficulty executing their budgets is undercutting the capital expenditure needed for medium-term growth. Part of the

Ministerial Capacity Development program is targeted toward helping Government of Iraq ministries improve the development and execution of their budgets.

## Inflation

Iraq's high rate of inflation is a serious obstacle to progress under the IMF's Stand-By Arrangement (SBA). Sustained progress under the SBA is necessary to secure donor support for the International Compact, and failure to meet the terms of the SBA would complicate negotiations for a new IMF program in 2007. Satisfactory progress under an IMF program for three years is required for the final 20% of Paris Club debt relief.

High inflation—a result of disruptions in the supply of food and fuel, price deregulation, spending by the Government of Iraq and donors, and growth of the money supply—is threatening progress toward economic stability in Iraq. Unlike in previous years, when inflation was confined mainly to rents, fuel, and transport, prices are now increasing rapidly in all sectors.

According to Iraq's Central Organization for Statistics and Information Technology, the annual inflation rate from October 2005 to October 2006 was 53%. It is widely believed that the official inflation rate underestimates the actual inflation rate.

Runaway inflation exacerbates the government's decline in purchasing power and increases wage and pension demands, placing added pressure on the budget.

## Unemployment

There have been no new unemployment data since the August 2006 report. At that point, official unemployment estimates ranged from 13.4% to 18%. Other reporting indicates unemployment is significantly higher. Private sector-led economic growth and investment are essential for any long-term, sustained reduction in unemployment. Unemployment and underemployment may make financial incentives for participating in insurgent or sectarian violence more appealing to military age males. There is a correlation between dissatisfaction over jobs and levels of violence. A decrease in unemployment may well have a significant impact on the level of sectarian violence and insurgent attacks based on analysis by the Joint Warfare Analysis Center.

Efforts to address unemployment and underemployment must be viewed as a top United States and Iraqi priority and be appropriately funded.

## Oil Production, Distribution, and Export

Over the course of Saddam Hussein's reign, Iraq's oil infrastructure deteriorated badly due to lack of replacement of critical parts and equipment from the original suppliers. The Coalition has worked to help the Government of Iraq restore oil facilities, increase production, improve refining, boost natural gas production, and maintain pipeline facilities. However, poor operational and maintenance practices, insurgent attacks, slow repair, and flawed procurement and contracting procedures have hampered progress and have precluded the Ministry of Oil from providing sufficient funds for operations and maintenance, needed rehabilitation projects, and new field development.

The flow of crude oil has been periodically halted by corrosion, fires, maintenance, and attacks, all of which hamper production of refined products and crude oil for export.

Oil exports fell short of the Government of Iraq's revised goal (1.7 mbpd). However, due to higher market prices for crude oil, revenues improved and exceeded annual targets by US$1.7 billion through the end of October.

During the last reporting period, Iraq briefly resumed exports from northern oilfields for the first time since the autumn of 2005, though on a very small scale. Sabotage and equipment failures continued to prevent significant northern exports.

The regulated price of regular gasoline (87 octane) in Iraq is currently about 170 dinars (~US$0.45) per gallon, while premium gasoline (92 octane) is about 350 dinars (~US$0.90) per gallon. Fuel subsidies and a limited supply lead to gray market5 activities and corruption. Gray market prices for refined products in Iraq are considerably higher than the regulated prices and are comparable to those of its neighbors, with the exception of Turkey, which heavily taxes refined oil products.

## Electricity Production and Distribution

The Government of Iraq's goal for daily average peak generating output by the end of December 2006 is 6,000 MW, but it is unlikely that this goal will be met. During the current reporting period, the actual average daily peak generating output was 4,650 MW, an increase of 2% over the period covered in the previous quarterly report and 78% of the goal.

*Almost half of Iraqis report supplementing government supplied electricity with private generators to fill the supply gap.*

*The shortfall between government-supplied electricity and demand is aggravated by the absence of a rational fee for-service tariff system that would encourage conservation and reduce the effects of corruption. Many experts agree that such a system is a crucial step toward solving the supply gap problem.*

Government-produced electricity averaged 11 hours per day over the previous quarter and 12.2 hours per day for the month of October, the last full month for which data are available. The October data are slightly higher than the programmed end state of 12 hours per day nationwide. *Baghdad, however, averaged only 6 hours of power per day in the previous quarter, rising to 6.7 hours in October, 5.3 hours short of the programmed end state.*

Iraqis in some neighborhoods in other regions of the country also did not receive the national average hours of power due largely to interdiction of high-voltage transmission lines, lack of a rapid repair capability in the Ministry of Electricity, and limited local electrical generation capacity. Residents of other neighborhoods received continuous power.

## Water and Sanitation

Direct measurement of water actually delivered to Iraqis is not available. Iraq must closely examine and improve its domestic water usage within the different sectors.

The agricultural sector uses approximately 90% of the water consumed, but there is tremendous potential to improve the efficiency of water use in this sector.

### Nutrition and Social Safety Net

The most recent estimates of hunger and nutrition were reported in the August 2006 report. Malnutrition was reported as varying between 14.2% and 26.5%, depending on the province.

A social safety net program, being developed by the Ministry of Labor and Social Affairs, was described in the last report. The social safety net program is an essential step in reforming national subsidies, as required by the IMF SBA. *Legislation required for this initiative has not yet been introduced.*

## The Security Environment

During the most recent reporting period, the conflict in Iraq has been characterized by a struggle between Sunni and Shi'a armed groups fighting for religious, political, and economic influence, set against a backdrop of a Sunni insurgency and terrorist campaigns directed against the majority-Shi'a Government of Iraq and the Coalition forces that are supporting it. The competition among factions has manifested itself in ethno-sectarian violence, conflicting national and provincial politics, suspicion about the work of government ministries, pressures in ISF operations, and criminal activities. In contested areas, such as Baghdad, Diyala, and Kirkuk, extremists on all sides have sought to undermine the religious and ethnic tolerance of the Iraqi people in order to gain control of territory and resources.

Attack levels—both overall and in all specific measurable categories—were the highest on record during this reporting period, due in part to what has become an annual cycle of increased violence during the Islamic holy month of Ramadan. The most significant development in the Iraqi security environment was the growing role of Shi'a militants. It is likely that Shi'a militants were responsible for more civilian casualties than those associated with terrorist organizations. Shi'a militants were the most significant threat to the Coalition presence in Baghdad and southern Iraq.

Baghdad remained the focus of much of Iraq's violence, but it was also significant in Diyala and Anbar Provinces and in the cities of Kirkuk, Mosul, Basrah, Al Amarah, and Balad. In Baghdad, the number of attacks trended downward during August as a result of the start of Operation Together Forward Phase II (OTF II), but rebounded quickly. The nature of violence in Iraq varied from area to area.

> • The violence in Anbar was almost completely initiated by Sunni extremists and directed at Coalition forces. However, there were attempts by al-Qaeda in Iraq and affiliated Sunni extremists to intimidate the local population. These efforts provoked a backlash. Some tribal chiefs and Sunni Rejectionist leaders began localized efforts to retake control of their areas.

> • In Diyala, and recently in Balad, the conflict between al-Qaeda in Iraq and Jaysh al-Mahdi was a sectarian fight for power and influence. In Diyala, sectarian violence decreased in September, largely due to a successful series of Iraqi

Army/Coalition forces operations, which significantly degraded al-Qaeda in Iraq activity. However, in October, the number of casualties rose, as al-Qaeda in Iraq resumed sectarian attacks.

• The conflict in Basrah, Amarah, and the south was characterized by tribal rivalry, increasing intra-Shi'a competition, and attacks on Coalition forces operating in the region.

**Recent Developments in the Security Environment**

The level of sectarian violence in Baghdad has risen, with much of it directed against civilians. Neighborhoods have responded by forming their own militias for self-defense. The Sunni Arab insurgency also remains a potent threat to Coalition forces and the ISF, but it generally conducts smaller-scale attacks on military targets. As a result, the insurgents have had a lower profile than the sectarian elements executing civilians or al-Qaeda in Iraq elements conducting mass-casualty bombings and suicide attacks.

OTF II was launched as a means of reducing violence in Baghdad. OTF II began on August 7, 2006, and quickly led to a significant reduction in death squad activity, as extremists concentrated on hiding weapons and evading capture during intensive search operations. *However, as the operation progressed, death squads adapted to the new security environment and resumed their activities in areas not initially targeted by OTF II.*

During September, the levels of sectarian violence and civilian casualties increased and in some cases almost returned to the levels seen in July. *Shi'a death squads leveraged support from some elements of the Iraq Police Service and the National Police who facilitated freedom of movement and provided advance warning of upcoming operations.*

*This is a major reason for the increased levels of murders and executions. The violence and intimidation have led to an increase in the number of internally displaced persons in Iraq. According to the Iraqi Ministry of Displacement and Migration, about 460,000 people have been displaced since February 2006.*

# Terrorists and Foreign Fighters

Although a combination of Iraqi Sunni and Shi'a groups are responsible for the majority of violence against the Iraqi people and Coalition forces, a few foreign operatives are responsible for the majority of high-profile attacks. Sunni terrorist organizations, such as al-Qaeda in Iraq and Ansar al-Sunnah, are engaged in a religiously motivated conflict to end "foreign occupation" and to marginalize the Shi'a.

• High-profile terrorist attacks are most often attributed to al-Qaeda in Iraq, whose goals include instigating sectarian violence. Al-Qaeda in Iraq and the affiliated Mujahideen Shura Council consist of both foreigners and Iraqis motivated by an extremist Sunni Islamist ideology and seek to establish an Islamic Caliphate in Iraq. The emergence of Abu Ayub al-Masri as leader of al-Qaeda in Iraq demonstrated its flexibility and depth, as well as its reliance on non-Iraqis (al-Masri literally means "the Egyptian"). Al-Masri benefited from detailed knowledge of former al-Qaeda in Iraq leader Abu Musab al-Zarqawi's planning

as well as his own extensive operational experience, allowing him to carry forward many of his predecessor's existing strategies. Al-Masri has attempted to set the tone for the Iraqi jihad and to solidify the perception of continued strong leadership within al-Qaeda in Iraq. Since al-Masri assumed leadership, al-Qaeda in Iraq has continued its main strategy of instigating sectarian violence using high profile attacks against Shi'a civilians.

• Ansar al-Sunnah is a mostly indigenous terrorist group with similar goals. However, Ansar al-Sunnah objects to al-Qaeda in Iraq's indiscriminate targeting of Iraqis.

## Sunni Rejectionists

The New Ba'ath Party, the 1920 Revolutionary Brigade, and Jaysh Muhammad are the most prominent Sunni Rejectionist groups. To date, Sunni Rejectionists—also known as the Sunni Resistance—have exhibited limited interest in Prime Minister Maliki's National Reconciliation and Dialogue Project. These groups attack Coalition and Iraqi forces to try to get Coalition forces to withdraw and to regain a privileged status in a Sunni-dominated Iraq. Sunni Rejectionists target Coalition forces at higher rates than Shi'a militia groups do. Most of the Rejectionist insurgents will probably continue attacking Coalition forces as long as the Coalition remains in Iraq, and the Rejectionists are likely to increase attacks against Shi'a-dominated ISF as they assume greater responsibility.

The decentralized nature of the Rejectionist groups means local insurgent motivations vary. Nevertheless, Sunni Rejectionists are seeking security improvements in Sunni and mixed areas, disarmament and demobilization of Shi'a militia groups, a timetable for Coalition withdrawal, an end to de-Ba'athification, and amnesty for Rejectionist fighters. The Government of Iraq must address the majority of these diverse motivations before most of the Rejectionist fighters will lay down arms, but the Government of Iraq is unlikely to satisfy the Rejectionists completely.

## Death Squads

Death squads are armed groups that conduct extra-judicial killings; they are formed from terrorists, militias, illegal armed groups, and—in some cases—elements of the ISF. Both Shi'a and Sunni death squads are active in Iraq and are responsible for the significant increase in sectarian violence. Death squads predominantly target civilians, and the increase in civilian casualties is directly correlated to an increase in death squad activities.

## Militias and Other Armed Groups

A number of militias and illegal armed groups operated in Iraq before 2003. However, the Iraqi Constitution prohibits "the formation of military militias outside the framework of the armed forces." Similarly, the Transitional Administrative Law and Coalition Provisional Authority Order 91 specified that the only legal armed groups in Iraq were Coalition forces, the ISF, and private security companies operating in accordance with Iraqi law.

Coalition Provisional Authority Order 91 established a framework that recognized seven militias that had fought against the Saddam regime and provided incentives for them to disband. In early October 2006, Prime Minister Maliki stated that political parties should eliminate their militias or leave the government. However, personnel with sectarian agendas remain within key ministries, especially the Ministry of Interior. In addition, rivalries for control of key resources and the central government's limited influence outside Baghdad undermine the Government of Iraq's ability to disband the militias.

Despite these legal and political prohibitions, militias and other small armed groups operate openly, often with popular support, but outside formal public security structures. These militias provide an element of protection for the populace, generally on a sectarian or political basis. This is especially true in areas where there is a perception that the Government of Iraq is unwilling or unable to provide effective security for the population. Some militias also act as the security arm of organizations devoted to social relief and welfare, lending these armed groups further legitimacy.

Their continued existence challenges the legitimacy of the constitutional government and provides a conduit for foreign interference. Controlling and eventually eliminating militias is essential to meeting Iraq's near- and long-term security requirements.

The group that is currently having the greatest negative affect on the security situation in Iraq is Jaysh al-Mahdi (JAM), which has replaced al-Qaeda in Iraq as the most dangerous accelerant of potentially self-sustaining sectarian violence in Iraq. JAM exerts significant influence in Baghdad and the southern provinces of Iraq and on the Government of Iraq. JAM receives logistical support from abroad, and most, but not all, elements of the organization take direction from Muqtada al-Sadr. JAM and Badr Organization (see below) members periodically attack one another and are political rivals.

The Badr Organization was one of the recognized militia under the Coalition Provisional Authority Order 91. Although it participates in the Government of Iraq, Badr's members attack Sunni targets and compete with JAM for power and influence among the Shi'a. Badr receives financial and materiel support from abroad.

The Peshmerga is a security organization that operates as the regional guard force described in Article 121 of the Iraqi Constitution. It maintains security independently within and along Iraq's borders for the Kurdistan Regional Government. Private security companies have hired individual Peshmerga members for work outside the Kurdish area. Some members of the Peshmerga have been integrated into the Iraqi Army; there are allegations that these former Peshmerga members remain loyal to Kurdish authorities rather than to their proper Iraqi chain of command. Although the Peshmerga does not attack Coalition or Iraqi forces, and in some cases provides security for reconstruction efforts, the perceived dual allegiance of the Peshmerga undermines effective national security and governance.

Sunni Arabs do not have a formally organized, national-level militia. Sunnis, especially in heavily mixed areas like Baghdad, rely on neighborhood watches and other local armed elements to provide security in neighborhoods and areas where they perceive Iraqi institutions and forces are unwilling or unable to meet security requirements. Attacks on the Sunni population by JAM, and the presence of Badr Organization and JAM members in the Iraqi Police Service and the National Police, contribute to Sunni concerns about

persecution. High levels of sectarian violence are driving some Sunni neighborhood watch organizations in Baghdad to transform into militias with limited offensive capabilities.

### Foreign Influence

Iran and Syria continue to influence security negatively in Iraq. The Iranian government sees an unprecedented opportunity to bring Iraq into its sphere of influence and to prevent it from re-emerging as a threat to Iranian interests. Tehran also views the situation in Iraq through the prism of Iran's ongoing tension with the United States and the West—especially the continued presence of U.S. forces in Iraq, Afghanistan, and the Persian Gulf, which threatens to constrain Iran's regional ambitions.

Iran seeks to ensure that the Coalition bears political, economic, and human casualty costs to deter future U.S. regional intervention. To achieve these objectives, Iran continues to pursue a dual-track strategy of supporting Shi'a unity and a stable government in Iraq—either a functioning, unified Shi'a-dominated central government or a federated state—on one hand, while facilitating militia activities in Iraq on the other. Iran has developed links to southern Iraq and the Kurdish region to facilitate access and perhaps to safeguard its interests in case Iraq were to split into a collection of sectarian enclaves.

Despite repeated warnings by the United States, the Syrian regime continues to provide safe haven, border transit, and limited logistical support to Iraqi insurgents, especially elements associated with the former Iraqi Ba'ath Party. The Syrians also permit former regime elements to engage in organizational activities, such that Syria has emerged as an important organizational and coordination hub for elements of the former Iraqi regime. Syria has taken a relatively pragmatic approach in dealing with Islamic extremist groups, such as al-Qaeda in Iraq and foreign fighters; although it has detained and deported many foreign fighters, Syria has allowed others to transit to Iraq.

### Criminals

Common criminal elements are also capitalizing on the instability in Iraq. It is increasingly difficult to distinguish their activities from those committed by insurgent and terrorist groups who are also engaged in kidnappings, extortion, murder, and other illegal behavior.  In some cases, criminal gangs work with terrorist organizations, abducting hostages and selling them to the latter, who exploit them for publicity or ransom. Criminal activity, particularly kidnapping and the sale of gray-market gasoline, drugs, and weapons, is an increasingly important source of funding for insurgent and terrorist groups.

## Attack Trends and Violence

For this report, the term "attacks" refers to specific incidents reported in the Multi-National Corps-Iraq (MNC-I) Significant Activities Database. It includes known attacks on Coalition forces, the ISF, the civilian population, and infrastructure.  Attacks typically consist of improvised explosive devices (IEDs), small arms fire, and indirect fire weapons.

Country-wide, the average number of weekly attacks increased 22% from the previous reporting period (May 20, 2006 to August 11, 2006) to the current reporting period (August 12, 2006 through November 10, 2006). Attacks decreased slightly in August, but rebounded quickly and were the highest on record in September and October. More than three-quarters of the attacks occurred in 4 of Iraq's 18 provinces (Anbar, Baghdad, Diyala, and Salah ad Din). Anbar and Baghdad were the worst affected provinces, accounting for 54% of all attacks.

Coalition forces attracted the majority (68%) of attacks, and Coalition casualties increased 32% from the last reporting period. However, the ISF and Iraqi civilians suffered the majority of casualties. Overall, Iraqi civilian casualties increased by 2% compared to the previous reporting period and increased 60% compared to the "Government Transition" period earlier this year. This increase in civilian casualties was almost entirely the result of murders and executions.

**Infrastructure Attacks**

This past quarter, there was an average of one attack per week on infrastructure providing essential services, such as electrical power, water, and fuel. The attack rate is down from *an average of 13 attacks per week in the presovereignty period of April to June 2004.*

*However, the present rate of infrastructure attacks, coupled with a security environment that has hampered repairs, weak ministerial oversight, and ineffectual rapid-repair teams, has proved a major impediment to improving the supply of essential services. Since poor delivery of essential services adversely affects the legitimacy of the government in the minds of the civilian population, Iraq's infrastructure will remain a high-value target for a ruthless enemy that wages war against the Iraqi people.*

## Concerns of Civil War

At the present time, sustained ethno-sectarian violence is the greatest threat to security and stability in Iraq. Competition between sects and ethnic political groups for economic and political power has become a dominant feature of the political landscape. Such violence is tragic and tends to undermine the rule of law and discredit the elected government. However, the situation in Iraq is far more complex than the term "civil war" implies; attempts to define the several and diverse sources of violence as civil war are not helpful to Iraqi efforts to arrive at political accommodations.

However, conditions that could lead to civil war do exist, especially in and around Baghdad, and concern regarding civil war runs high among the Iraqi populace.8 Within the four provinces where the overwhelming majority of attacks occur (Anbar, Baghdad, Salah ad Din, and Diyala), violence remains localized to mixed neighborhoods. The Iraqi institutions of the center are holding, and members of the current government have not openly abandoned the political process.9 Decisive leadership by the Government of Iraq, supported by the United States and its Coalition partners, could mitigate further movement toward civil war and curb sectarian violence. Iraqi leaders must take advantage of the popular support for a unified Iraq and the opposition to violence to form institutions that take responsibility for Iraq's security.

## Public Perceptions of Security

Security is as much a matter of perception as it is actual events. Nationwide, 60% of the Iraqi people expressed a perception of worsening conditions.

This is consistent with polling data described in previous reports. However, at the local level, many Iraqis are much more positive. In the south, the mid-Euphrates, and Kurdish areas, more than 90% of Iraqis report feeling very safe in their neighborhoods, a notable improvement over similar data reported a year ago. In contrast, perceptions of local security in violence prone areas, such as Tikrit and Baghdad, have worsened.

The national perception of worsening conditions for peace and stability within Iraq has been accompanied by erosion of confidence in the ability of the Government of Iraq to protect its citizens.

*One-quarter of the population believes that the Iraqi Army and the Iraqi Police are corrupt and driven by sectarian interests, although these views vary widely by province,* as do opinions on confidence in the Iraqi Army/Iraqi Police to improve the situation. Alleviation of security concerns will reduce the need for standing militias and increase public pressure for local tribes and militias to join the reconciliation process.

Public communication with public safety authorities is an indirect measure of public confidence in government and support for the rule of law. Calls to the intelligence hotline continue to show strong interest in combating terrorism and criminal activity and confidence of the population that the government will respond.

## Transferring Security Responsibility

Importantly, even after the completion of the transfer of security responsibilities, there will be some form of long-term security relationship between the U.S. Government and the Government of Iraq that serves the interests of both parties, the region, and the world at large.

### Progress in Assuming Leadership in Counter-Insurgency Operations

The ISF are increasingly taking the operational lead, assuming primary area security responsibility, and demonstrating an increased capability to plan and execute counter-insurgency operations. A unit can assume the lead once it has been thoroughly assessed and has demonstrated that it is capable of planning and executing combat operations.

As of November 13, 2006, 6 Division Headquarters, 30 Brigade Headquarters, and 91 Iraqi Army battalions had assumed the lead for counter-insurgency operations within their assigned areas of operations. In September 2006, Multi-National Corps-Iraq (MNC-I) transferred command and control of the Iraqi Ground Forces Command (IGFC) to the Ministry of Defense Joint Headquarters.

Joint Headquarters also assumed command and control of the Iraqi Air Force and Navy, and IGFC assumed command and control of two Iraqi Army divisions (4th and 8th). The transition of a third division is planned for early December 2006. Although these units lead security in their respective areas of operations, most still require substantial logistics

and sustainment support from Coalition forces. Of the MOI's National Police's 27 authorized battalions, 5 are in the lead; of 9 brigade headquarters, 1 is in the lead.

The Coalition is focusing on improving the proficiency of all MOD and MOI units, primarily through the efforts of Military, Police, National Police, and Border Transition Teams. These teams, composed of 6,000 advisors in more than 420 teams, are embedded at all levels of Iraqi units in all major subordinate commands. The Coalition multinational division accounts for 10%–20% of all teams; the United States provides the rest.

### Process for Implementing Provincial Iraqi Control

The transfer of security responsibility from Coalition forces to the Government of Iraq reflects the capability of the Government of Iraq to fulfill its sovereign responsibility in the most fundamental, vital interest of any state—to protect its citizens and safeguard its territory. As Iraqis take on more responsibility for security, Coalition forces are increasingly moving into supporting roles, and MNF-I will maintain sufficient forces on the ground to help Iraq consolidate and secure its gains.

In September 2006, responsibility for security in Dhi Qar Province was transferred from MNF-I to the provincial government and civilian-controlled Iraqi Police. Dhi Qar is the second of Iraq's 18 provinces to be designated for transition to Provincial Iraqi Control (PIC).17 The joint decision of the Government of Iraq and MNF-I to hand over security responsibility is the result of the Dhi Qar civilian authorities' demonstrated ability to manage their own security and governance duties at the provincial level. Three southern provinces—An Najaf, Wasit, and Maysan—are projected to be ready to assume security responsibility by February 2007. In the north, pending successful negotiations between the Government of Iraq and the Kurdistan Regional Government to recognize the Peshmerga as "guards of the region" in accordance with the Iraqi Constitution, MNF-I and the Government of Iraq intend to transfer security responsibility for the provinces of Dahuk, Irbil, and Sulamaniyah to the Kurdistan Regional Government by the end of December 2006. The remainder provinces are expected to achieve PIC in 2007.

### U.S. Force Adjustments

*The Iraqi Army still suffers from shortcomings in its ability to plan and execute logistics and sustainment requirements. Thus, it will continue to rely heavily on Coalition forces for key assistance and capacity development, including quick-reaction reinforcement as required and provision of critical enablers, such as intelligence, air reconnaissance, and airlift support.*

## Iraqi Security Forces Training and Performance

Since August 2006, about 45,000 additional Iraqi soldiers and police have completed initial training and equipping, bringing the total number to 322,600. *The actual number of present-for-duty soldiers is significantly lower, due to scheduled leave, absence without leave, and attrition.*

*The police have also suffered significant attrition of personnel who have been through Coalition training, but provincial and local governments have hired tens of thousands of*

*additional police outside the train-and-equip program, which has more than offset this attrition.*

**Assessed Capabilities**

Of the 112 Iraqi Army combat battalions, 104 are conducting operations at varying levels of assessed capability and 8 are forming. There are 2 Special Operations Battalions, both conducting operations. MNSTC-I has agreed to train and equip 11 Strategic Infrastructure Battalions (SIBs). Of those 11, 6 are conducting operations and 5 are forming. The MOD has stood up an additional 6 SIBs, for a total of 17. Additionally, 27 National Police battalions are operational.

Perhaps the most significant shortcoming in both MOD and MOI forces' capabilities is in planning and executing their logistics and sustainment requirements. Factors underlying this deficiency include inadequate levels of sustainment stocks and limited capacity of the MOD to execute fully the planning/acquisition/ sustainment cycle.18 The Department of Defense is increasingly focusing on addressing these challenges in order to reduce Iraqi forces' reliance on U.S. support and sustainment.

Since the last report, the Government of Iraq has increasingly turned to the U.S. Defense Security Cooperation Agency to execute equipment and sustainment cases for both the MOD and the MOI through Foreign Military Sales cases. In the past two months, Congress has been notified of US$1.91 billion of such cases. This does not include any funding for the Maliki Peace Initiative. The Government of Iraq's expanded use of Foreign Military Sales is intended to provide a way for both the MOD and the MOI to spend their money on "total package" procurements without risking loss of funds to the corruption that hampers Government of Iraq contracting.

# Ministry of Interior

MOI forces consist of the Iraqi Police Service, the National Police, the Department of Border Enforcement, the Center for Dignitary Protection, and the MOI's portion of the Facilities Protection Service. (The MOI is planning for the eventual incorporation of an estimated 150,000 members of the Facilities Protection Service who currently reside in other ministries.)

*Nevertheless, progress within Iraqi civil security forces continues to be hampered by immature logistics and maintenance support systems, sectarian and militia influence, and the complex security environment.*

### Iraqi Police Service

*Team has trained approximately 135,000 Iraqi Police Service personnel, an increase of more than 21,200 since publication of the August 2006 report. The MOI continues to struggle with personnel management.*

*Lack of standardized personnel strength reporting from stations up their district and provincial chains causes lack of transparency on the total number of Iraqi police officers on duty on any given day. The only numbers available are the payroll numbers submitted*

*by the provinces, which, in many cases, are higher than the actual numbers of Iraqi police officers on hand.*

*As a result, it is unclear how many of the forces trained by the Civilian Police Assistance Training Team are still employed by the MOI, or what percentage of the 180,000 police thought to be on the MOI payroll are Civilian Police Assistance Training Team-trained and equipped.*

*The Coalition estimates that attrition will remain approximately 20% per year as long as fighting in Iraq persists. The MOI reports paying death benefits for more than 6,000 police officers since the fall of the Ba'athist regime in May 2003.*

*Appropriate personnel distribution is a challenge. Certain geographic areas have a shortage of trained police, while additional hiring by provincial leaders in other areas has resulted in force overages. Provincial governors are authorized to hire more Iraqi Police Service officers than MNSTC-I has agreed to train and equip, but the MOI and the governors are responsible for the extra officers' equipment and training. Police are local and generally unwilling to move away from their communities, so these "extra" police officers cannot be cross-leveled to understaffed provinces. The Government of Iraq does not consider this a problem and, as the Coalition transfers the institutional training base to MOI control, training of these "extra" local police will continue.*

## Iraqi Police Service Operations and  Mentoring

There are 177 Police Transition Teams (PTTs) (14 Provincial, 54 District, and 109 Station) assisting the development of the Iraqi Police Service. Each team has approximately 11–15 members; 3 or 4 members of each team are International Police Liaison Officers (IPLOs) hired as contractors by the U.S. State Department and the rest are typically military personnel, many of whom are Military Police.

Since the Samarra Golden Mosque bombing in February 2006, Iraqi Police Service training has emphasized joint patrol operations.  IPLOs provide the civilian law enforcement expertise in technical aspects of criminal investigation and police station management.

The shortage of PTTs limits mentorship opportunities for the Iraqi Police Service in 13 of Iraq's 18 provinces.

Most recently, PTTs were reallocated to Qadisiyah in an effort to curb Iraqi Police Service ineffectiveness in dealing with militias. Despite early Iraqi Police Service resistance, PTTs increased the level of active community policing through joint PTT/Iraqi Police Service patrols, thereby improving the reputation of the police. Continued PTT presence and participation at Iraqi Police Service stations is needed to improve police readiness and will sustain progress in reforming community policing in Baghdad's neighborhoods.

## Iraqi Police Service Recruiting and Vetting

The Iraqi Police Service has screened more than 250,000 MOI employees, checking fingerprints against Ba'ath Party and Saddam-era criminal records. Of these, 8,000 were reported as possible derogatory matches, and 1,228 employees were dismissed.  More

than 58,000 police candidates have been screened for literacy, 73% of whom passed and were allowed to enter basic training.

*Militia influence exists in the Iraqi Police Service, particularly in Baghdad and several other key cities, but no figures on the number of former or active militia members on the rolls exist. Because of the decentralized nature of the militias, a database on militia members is not maintained, and there is currently no screening process specifically designed to ascertain militia allegiance.*

### Iraqi Police Service Equipment

The Iraqi Police Service in all 18 provinces has approximately 77% of authorized equipment and is expected to have 100% by the summer of 2007. There is currently a shortage of helmets in the Iraqi Police Service due to production and procurement schedules from U.S. manufacturers. Distribution of the authorized helmets to the Iraqi Police Service will be completed by July 2007.

These figures pertain only to MOI forces generated as part of the Objective Civil Security Force. It is unknown how much equipment the MOI has purchased for additional Iraqi Police Service staff and for staff authorized by provincial governors. Focus and priority are changing from equipping to sustainment and accountability.

Although MNSTC-I tracks how much equipment has been issued to the Iraqi Police Service, the Iraqi Police Service lacks the ability to report equipment status or serviceability. The most accurate reports on equipment quantities and serviceability are provided by the PTTs. MNSTC-I continues to work with the Iraqi Police Service to implement standardized reporting and tracking processes and mechanisms.

### Iraqi Police Service Leadership

The Officer Education System seems to develop junior leaders loyal to the Iraqi people. However, certain senior leaders are products of the former regime and continue to view leadership as an entitlement, not a responsibility. These officers have a negative influence on junior officers and fail to reinforce the leadership lessons taught in the Officer Education System. As unprofessional, corrupt, or incompetent officers are identified, they are removed.

### National Police

The National Police is a bridging force, allowing the Minister of Interior to project power across provinces. The National Police is also charged with maintaining law and order while an effective community police force is developed. To date, the National Police has trained and served in a primarily military role, but a plan is under way to reorient it toward police functions (see below).

Weak or corrupt leadership, militia influences, and a lack of logistical and maintenance sustainment programs have affected the capability of these units. Despite the force generation effort, transition to Iraqi control will be slow, as the MOI implements effective positive changes.

As of November 13, 2006, 24,400 National Police have completed entry-level training. As with the Iraqi Police Service, *the National Police payroll is significantly larger than authorized. There are currently more than 29,000 National Police on the MOI payroll, but it is unknown how many of the trained and-equipped National Police have left the MOI.* The training figure cited above exceeds the authorized initial training objective, with the excess serving as replacements for National Police who quit or are killed.

Although they are called police, the National Police have been trained primarily for military operations, and have received little traditional police training. They have proven useful in fighting the insurgency, but frequent allegations of abuse and other illegal activities have diminished the Iraqi public's confidence in the National Police. For these reasons, the Government of Iraq decided to conduct a four-phased transformation of the National Police into a police organization that provides the Government of Iraq with cross province policing capability. The National Police Transformation and Retraining program began in October 2006.

Currently, all National Police combat battalions not enrolled in the National Police Transformation and Retraining program are conducting counter-insurgency operations to support the Baghdad Security Plan. Two National Police combat battalions have been assigned security lead for their areas of responsibility. Thirty-nine National Police Transition Teams (NPTTs) now support the development of National Police units by mentoring, training, and facilitating communication with Coalition forces. NPTTs assess the readiness and operational capability of the National Police, much as Military Transition Teams do with Iraqi Army units.

National Police are equipped with small arms, medium machine guns, rocket-propelled grenades, medium and heavy pick-up trucks, and SUVs. The mechanized battalions are equipped with wheeled Armored Security Vehicles. The National Police is expected to have all of its authorized equipment by the end of December 2006. It is the responsibility of the MOI to equip National Police hired in excess of the agreed authorization.

Equipment accountability has been a problem in the National Police. MNSTC-I tracks the quantity of equipment it has issued to the National Police and relies on NPTTs to report periodically the status of on-hand equipment. Up to this point, there has been no established process to make these reports.

## Department of Border Enforcement and Department of Ports of Entry

Since April 2006, DBE and POE units have remained stagnant in Transition Readiness Assessment progression, due to the slow issue of equipment, logistics support problems, and personnel shortages at the battalion and border fort level.

MNSTC-I has trained and equipped approximately 28,300 DBE and POE personnel. However, over-strength regional and brigade level headquarters divert personnel away from border forts. The DBE has begun cross leveling of excess personnel. Promotion opportunities across DBE units are improving, and there have been fewer pay problems.

There are still discrepancies between MOI payroll numbers and actual assigned strength, and the Iraqi leadership is handling these issues with official investigations of the DBE leadership.

**Center for Dignitary Protection**

Training and equipping of the Center of Dignitary Protection is complete. MNSTC-I trained approximately 500 personnel to serve as the core of the Personal Security Details for Iraq's government leaders. It is not known how many of these trained-and-equipped personnel are still serving.

**Facility Protection Service**

There are an estimated 17,800 Facility Protection Service personnel who work for the MOI. Half of them work in Baghdad. The MOI's Facility Protection Service has established better regulation, training, and discipline than have Facility Protection Service staff in other ministries, and a higher proportion of them—possibly half—have completed the Facility Protection Service basic training course.

There are more than 150,000 Facility Protection Service personnel who work for the other 26 ministries and 8 independent directorates, such as the Central Bank of Iraq.

There is anecdotal evidence that some Facilities Protection Service personnel are unreliable and, in some cases, responsible for violent crimes and other illegal activity. Recognizing the inadequate performance and poor reputation of many of these employees, the Prime Minister announced on August 24, 2006, that the majority of the Facilities Protection Service would be consolidated into a unified organization accountable to the MOI.

It is anticipated that once thorough checks of all employees are complete the size of the organization will be reduced significantly.

**MOI Logistics**

Logistics capabilities, particularly vehicle maintenance, are still ineffective, but efforts to improve them are under way. Coalition and Iraqi logisticians are aligning Coalition efforts with MOI Headquarters processes to strengthen MOI logistics capabilities.

Fuel shortages continue to hamper Iraqi Police Force operations. The long-term solution is predicated on improving refinery and pipeline infrastructure, continuing imports, developing greater storage and distribution capabilities, and increasing the ability to distribute requested allocations. Coalition forces are working with MOI staff and continue to identify short- and long-term improvements.

**MOI Support**

The Prime Minister and Ministry of Finance agreed that all members of the Iraqi Police Service, Facilities Protection Service, and National Police will receive daily food stipends of 7,000 Iraqi dinar (~US$5).

*Absenteeism at the MOI is high. This is a function of authorized absence (leave, school, sickness) and unauthorized absences.*

**Sectarian Issues at the MOI**

The Iraqi Police Service is generally representative of the demographic makeup of its neighborhoods, although there are a few neighborhoods in Baghdad and a few other cities where the percentage of Shi'a in the Iraqi Police Service is disproportionately high.

Initial estimates, compiled during implementation of the National Police Transformation and Retraining program, show that the National Police are disproportionately Shi'a.

**Corruption in the MOI**

During the first nine months of 2006, the MOI Inspector General conducted 1,355 corruption-related investigations. Of these, 904 (67%) were closed. Of the 904 closed investigations, 253 (28%) were forwarded to the Commission on Public Integrity or to a court for adjudication, 577 (64%) were closed because of insufficient evidence, and 74 (8%) were handled as internal MOI discipline.

During this same 9-month period, MOI Internal Affairs opened 2,840 corruption related investigations. Of these, 603 (21%) resulted in disciplinary punishment, 199 (7%) were forwarded to the Commission on Public Integrity or to a court for subsequent adjudication, 26 (0.9%) were closed because of insufficient evidence, and 40 (1.4%) were handled as internal MOI discipline. The other 1,978 (70%) remain open pending Judicial Review, Ministerial Review, or the completion of further investigation by Internal Affairs. Additionally, the Internal Affairs Directorate conducted 228 human rights related investigations. Of these, 76 (33%) resulted in disciplinary punishment and 10 (4%) were closed because of insufficient evidence. The other 142 cases (62%) also remain open pending Judicial Review, Ministerial Review, or further investigation.

**Foreign/Political/Militia Influence**

Corruption, illegal activity, and sectarian influence have constrained progress in developing MOI forces. Although the primary concern of the Government of Iraq remains the Sunni insurgency, the inappropriate tolerance of and influence exerted by Shi'a militia members within the MOI is also of concern. A lack of effective leadership and policies to stem corruption has enabled criminals and militia supporters to weaken the credibility of the government. Minister of Interior Jawa al-Bolani has demonstrated the resolve to remove corrupt leaders and to institute policies to eliminate corruption.

# Ministry of Defense

The Iraqi MOD forces consist of the Joint Headquarters (JHQ), the Iraqi Ground Forces Command (IGFC), the Iraqi Special Operations Forces (ISOF), the Army, the Air Force, and the Navy (including Marines). The Objective Counter-Insurgency Force has an authorized strength of approximately 137,500 personnel. This force is centered on an Army with nine infantry divisions, one mechanized infantry division, and associated Combat Support/Combat Service Support units. The Air Force consists of six squadrons; the Navy has two squadrons and a Marine battalion.

The total number of trained MOD military personnel is about 134,400 (98% of authorized), of which about 132,000 are Iraqi Army.19 The number of Iraqi Army

personnel who are present for duty at any time, however, may well be less than the authorized strength due to casualties, desertion, and leaves.

Since the first Iraqi Army combat unit generated in the post-Saddam era entered into service in November 2003, an estimated 20,000 trained-and-equipped personnel have been killed or have otherwise left the Army. The greatest contributor to the difference between authorized strength and present-for duty strength is a leave policy that places about one-third of all soldiers on leave at any time so that they can take their pay home to their families. This is driven by the lack of a nationwide banking system.

## Army

The current force generation plan will train and equip a total of approximately 125,000 soldiers and officers in 36 brigades and 112 battalions. Nine Motorized Transportation Regiments, 5 logistics battalions, 2 support battalions, 5 Regional Support Units, and 80 Garrison Support Units provide logistics and support for divisions, with Taji National Depot providing depot-level maintenance and re-supply.

Headquarters and Service Companies provide logistical and maintenance support for each battalion, brigade, and division. The Army will also include 4 Strategic Infrastructure Brigades, 17 Strategic Infrastructure Battalions, and a Special Operations Forces Brigade. Efforts to improve the capability of these units are led by Military Transition Teams, with U.S. and other Coalition officers and soldiers embedded in each battalion, brigade, and division headquarters; at IGFC headquarters; and at the JHQ.

The Prime Minister has announced an Iraqi funded US$800 million initiative to expand the Iraqi Army by 3 division headquarters, 5 brigade headquarters, 20 battalions, and 1 Special Forces Battalion. This initiative is expected to take one year to complete and demonstrates the willingness of the Government of Iraq to invest in its security forces.

Force generation of Iraqi Army units is increasingly focused on combat enablers and logistics. Three Iraqi Training Battalions are formed and fully operational. These battalions allow the Iraqis to train soldiers independently in sufficient quantities for force generation and replacement needs. Seven of the nine planned Motorized Transportation Regiments are operational and under direct control of their respective Iraqi Army divisions. Although lack of trained maintenance personnel and equipment has delayed full capability, the Motorized Transportation Regiments provide mobility and sustainment for Iraqi forces. The final Motorized Transportation Regiment finished training in late October.

Approximately 90% of the planned Headquarters and Service Companies have been formed and are at some level of operational capability. The remaining Headquarters and Service Companies are scheduled for completion by December 2006.

*Although nearly all Iraqi Army units demonstrate a high level of training proficiency, the ability to sustain this training is problematic, given the high operational tempo faced by many units in the fight. This is particularly true in the area of logistics specialty training. This will be mitigated as more personnel are assigned to units to allow both daily operations and focused training at the small unit level.*

The major challenges impeding Iraqi Army units from conducting operations without Coalition support can be broken into four primary categories. Most of these challenges are interrelated with numerous other issues, making it necessary to fix them simultaneously to ensure progress.

> • Personnel Shortages – Marginal overall manning exacerbated by a liberal leave policy, lack of officers and NCOs, no existing Military Occupational Specialty tracking system, and personnel assignment mismanagement. Several of the new initiatives mitigate these shortfalls.

> • Inadequate Logistics Infrastructure –

> Shortcomings in fuel supply and distribution; lack of repair parts, tools, and capability to conduct all lines of maintenance; poor and inconsistent life support; and shortage of medical specialty personnel.

> • Equipment Shortages – Existing shortages in vehicles, weapons, and essential equipment readiness items, such as tools and medic bags; no capability to replace battle-damaged equipment; and equipment accountability.

> • Enablers – Limited Iraqi Army capability to mitigate the loss of Coalition-provided fire support and dedicated medical evacuation assets.

*Absenteeism:* Across the Iraqi Army, absent-without-leave (AWOL) numbers, as reported by Iraqi Army divisions, have declined in each of the last four months, from a June 2006 high of 2,534 soldiers to a September 2006 low of 1,522. For divisions facing sustained combat operations within their normal operational area, the Iraqi Army reports AWOL rates of 5%–8%. These rates have risen to more than 50% when units were directed to deploy to areas of combat outside of their normal areas of operations.

The Iraqis take this issue seriously and, with the help of Coalition advisors, are attempting to instill a more deployable mindset within the Iraqi military forces. However, there is currently no military judicial system within the Iraqi Army, and Iraqi Army commanders do not have the legal leverage to compel their soldiers to combat.

*Deployability:* As a result of the recently demonstrated inability of the Iraqi Army to deploy units to Baghdad in support of operations, the Minister of Defense formed a committee to determine how to improve the deployability of the Iraqi Army.

The recommendation of the committee was to identify a battalion from each Iraqi Army Division (except those in the Baghdad and Anbar/Ramadi areas) to serve as the rapid deployment force for that division. The battalion and its commander will be hand-picked by the MOD committee, and the unit will receive priority on equipment and training. The battalion will be filled to 100% of authorized strength, and the soldiers will receive "deployment" incentive pay as a reward for volunteering to serve in this elite battalion.

To increase the predictability of deployments for soldiers, the committee also recommended a four-phase, 180-day deployment cycle that all units will complete prior to movement from their home base. This Iraqi solution to the deployability problem serves as an example of an Iraq that is increasingly shouldering the responsibility of a sovereign nation.

*Sectarian Issues in Recruitment*: The Coalition and the Government of Iraq are committed to creating an Iraqi military that reflects the ethnic and religious fabric of Iraq, with diverse units loyal to the nation, not sectarian interests. Although competence and merit are the deciding factors when selecting recruits and leaders, ISF units generally mirror the demographic make-up of Iraq. The even-numbered divisions were created from former Iraqi National Guard battalions and tend to resemble the demographics of communities from which they were recruited. The odd-numbered divisions were nationally recruited and represent the national fabric. The Minister of Defense, through an Officer Selection Committee, has used normal transitions to diversify the senior leadership in the Iraqi Army. There are, however, indications that political forces in Iraq have influenced senior military appointments on the basis of sectarian affiliation. MNF-I and our Embassy in Baghdad are working closely with the Government of Iraq to encourage balanced representation in the senior ranks of the Iraqi military to discourage sectarian influence.

## Counter-Terrorism

A recent development in the security of Iraq is the establishment of an Iraqi National Counter-Terrorism Capability. The national counter-terrorism capability concept, approved by the Prime Minister on October 10, 2006, will provide the Government of Iraq with a dedicated counter-terrorism capability. This initiative consists of three complementary components.

- Development of a national Counter-Terrorism Bureau, separate from the ministries, that serves as the principal advisor to the Prime Minister on counterterrorism matters

- Establishment of a coherent, nonsectarian, counter-terrorism "tiering" strategy that determines the level of the terrorist threat, assigns appropriate responsibility for action, and defines approval authority for execution

- Establishment of a separate major command, equivalent to the ground, air, and naval forces commands, that provides support to the Bureau of Directorate of Counter-Terrorism in intelligence and targeting areas

## Special Operations Forces

The ISOF (Special Operations Forces) Brigade is the operational component of the Iraqi Counter-Terrorism Command and is composed of approximately 1,500 soldiers organized into a counterterrorism battalion, a commando battalion, a support battalion, and a special reconnaissance unit.

A key component in developing an Iraqi counter-terrorism capability is the expansion of the ISOF Brigade. This will be accomplished with the development of an additional commando battalion that will be structured to provide forward-based commando companies, with the option to grow to battalions, in Basrah, Mosul, Al Asa, and Diwaniyah to extend the reach of the Iraqi Counter-Terrorism Command.

**Navy**

The Iraqi Navy has approximately 1,100 trained-and-equipped sailors and marines organized into an operational headquarters, 2 afloat squadrons, and 5 Marine companies. It will grow to 2,500 personnel as the acquisition program progresses. The Navy Plan is based on the procurement of 21 naval vessels and a number of minor craft consisting of 2 offshore patrol vessels, 4 patrol ships, and 15 patrol boats. A contract for the purchase of the off-shore vehicles and first three patrol boats is imminent, with an anticipated in-service date of February to December 2008.

*Skill atrophy is a significant problem, especially in technical areas. Overall, the Iraqi Navy faces significant challenges in meeting the individual and collective training needs for its ambitious acquisition program. The Iraqi Navy has competent senior leaders, but lacks competent mid-grade officers. The Chief of the Iraqi Navy has a plan to improve the Navy's leadership and understands that leadership development is a long-term endeavor. Naval planning is immature, but the Navy Plan is relatively coherent across acquisition, training, and infrastructure lines of development out to 2010. Infrastructure will remain the main effort over the coming 12–14 months.*

**Air Force**

The Iraqi Air Force is making measurable progress toward supporting the counterinsurgency mission. There are currently about 900 personnel in the Iraqi Air Force. Development plans call for a concentrated recruitment effort over the next 12 months, with an interim goal of 2,900 airmen by the end of 2007.

Intelligence Surveillance and Reconnaissance aircraft are currently located at Kirkuk Air Base (Iraqi Air Force 2 Squadron with four SAMA CH-2000s) and Basrah Air Base (Iraqi Air Force 70 Squadron with four SAMA CH-2000s and two Sea Bird Seeker SB7L-360s).

*Previous airworthiness issues with the Comp Air 7SL aircraft assigned to Kirkuk were resolved with the permanent grounding of the fleet by the Commander of the Iraqi Air Force. Through the U.S. Air Force, MNSTC-I is developing program requirements for a US$27 million procurement case that will be executed through the Foreign Military Sales program to procure an Interim Intelligence Surveillance and Reconnaissance platform based on the Cessna Caravan aircraft, with the first of three planned for spring 2007 delivery as a stopgap measure until the Iraqi Air Force Intelligence Surveillance and Reconnaissance aircraft can be fielded.*

Helicopter operations from Taji Air Base in central Iraq are progressing, with the imminent delivery of the first 10 of 28 Mi-17 helicopters to the Iraqi Air Force 4 Squadron. The Iraqi Air Force 2 Squadron is expected to receive the first 4 of 16 Huey IIs by the end of January 2007 and the remainder before April 2007. Initially, the 2 Squadron will be used primarily for casualty evacuation and is expected to reach initial operational capability by the third quarter of FY07. The Iraqi Air Force 12 Squadron continues to conduct flight training with five Bell Jet Ranger aircraft.

The 23 Squadron at New Al Muthanna Air Base has three C-130E aircraft rounding out the current Iraqi Air Force fleet. This unit reached a significant milestone toward

independent operations, with daily routine maintenance now being performed entirely by Iraqi Air Force technicians and most missions being manned completely by Iraqi crews. Previous complications resulting in low mission capable rates have been solved, and fleet-wide readiness achieved 72% in September 2006.

## Assessing MOD Capability

Embedded transition teams continue to provide monthly Transition Readiness Assessments. The assessments measure personnel manning, command and control, training, sustainment, logistics, equipping, and leadership of their partnered Iraqi units. These categories are assessed using both quantitative and qualitative metrics. *Overall, the MOD is assessed as being partly effective at managing these functions.*

*The transition also means that the MOD, through the JHQ, has assumed responsibility for support and sustainment planning for these divisions as well as for forces transferring to JHQ command and control in the future. The JHQ planning and coordination processes are immature and are currently hampered by bureaucracy, lack of trust and understanding, lack of experience with strategic planning, and dependence on Coalition support and funding.*

*The MOD agreed, in principle, to fund the National Maintenance Contract from January through March 2008 through a Foreign Military Sales case. Total cost of the maintenance support contracts to be assumed by the MOD is estimated to be US$160 million.*

## MOD Capacity Development

The Minister of Defense has had some success in stabilizing the MOD, which suffered through a string of assassinations, widespread intimidation and death threats against employees, and a major corruption scandal in the year following its establishment in March 2004. The current minister is now established in his role and accepts that his post is long term, enabling him to shape and energize the MOD. He recognizes the importance of forging a close partnership with the Coalition and is emphasizing joint initiatives, such as force replenishment (mentioned earlier) and improvement of force deployability. Procurement to meet force modernization goals is accelerating, supported by an increasingly robust internal system to determine priorities. The recent appointment of a full-time Secretary General is already enhancing MOD cohesion.

*However, competence levels in certain parts of the MOD remain low. The Coalition's MOD Transition Team is providing mentoring support to all senior MOD officials in developing their capacity to manage key ministerial functions, such as personnel management, budgeting, logistics, intelligence and security, acquisitions and contracting, plans and policies, communications, and inspections and investigations.*

*The current MOD team consists of just under 50 advisors, most of whom are MPRI employees. In addition, there are about 6 U.S. military personnel advising MOD civilians and 12 civilian advisors from other Coalition countries. There are no U.S. Government civilian advisors at the MOD. A similarly scaled effort occurs at the JHQ, with U.S. military personnel comprising about half of the advisors and the rest roughly split between U.S. civilian contractors and personnel from other Coalition countries.* These

advisory efforts are vital to maintaining the momentum that the minister has generated to support the ministry as it strives to meet new and increasingly ambitious challenges.