

IRAQ: A TIME TO STAY?

The US Needs an Exit Strategy, Not Just an Exit

Memorandum for the Record

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There may well be a case for accelerating some aspects of the US military withdrawal from Iraq. The present plan has an insurance factor built in to the withdrawal schedule. It delays the start of major further reductions until after the Iraqi national election in early 2010, and then rushes them out before August. So far, things have gone better in Iraq than some anticipated. If this continues, it may well make sense to start reductions earlier. This would send a clear signal to all Iraqis that the US really is leaving, it would put less strain on the US forces in Iraq by carrying a slower and more steady pace of withdrawals, and it would ease the overall strain on US forces of fighting two prolonged major regional contingencies.

But, an exit is not an exit strategy. US policy has to look at other considerations than simply when and how quickly it should remove its troops. It has to consider what it can do to ensure a stable and secure Iraq is left behind once its troops are gone. It has to ensure that that US trainers and enablers offer Iraq continuing support; and that the US helps Iraq acquire the capabilities it needs to defend itself against any pressure from its neighbors.

The way the US phases down its forces also remains an important issue. US troops are scarcely the answer to all of Iraq's remaining problems with internal security and political reconciliation. They do, however, play a key role in damping down the tensions and potential clashes between Iraqi Arabs and Kurds. They still play a key role in helping Iraqi forces deal with Al Qaeda in Iraq and other Sunni insurgent movements – which are still all too active in areas like Ninewa and Diyala. They help the Iraqi forces deal with the potential threat from Shi'ite militias, the Special Groups, and the extremist elements supported in part by Iran.

This may not make the remaining US presence popular the Iraqi people – and polls show that the vast majority of Iraqi Arabs want all US forces out as soon as possible – but it does make them a useful bridge that helps buy time until the Iraqi security forces are more ready to do the job.

More broadly, President Obama will fail as a commander in chief, and his Administration will fail with him, if he manages US military withdrawals in a way that fails to create a sustained civil and advisory effort to help Iraq move towards lasting stability at the political, economic, and military levels. The challenge is not just getting US forces out. It is making the transition to a civilian lead that is backed by an adequate US mix of civil aid in governance and development. It is creating a military training mission that will help Iraq become truly independent – not only of US forces but in dealing with the ambitions of all its neighbors.

The Changing Challenge to Iraqi Security

One also has to be careful about assessing risk in terms of the military capabilities of Iraqi security forces without considering Iraq's internal political situation. Any visitor to today's Iraq can see that violence has been sharply reduced, that US and Iraqi forces have done much to meet the mix of remaining threats, and that Iraqi forces are making real progress. At the same time, any planning for US troop withdrawals must consider the reality that the US and ISF have not yet "won" in Iraq, and they continue to face serious risks.

Ninewa and Mosul remain challenges. Major terrorist attacks continue and Iraqis and Americans and Iraqis. Various violent elements of AQI/ISI, FREs, Special Groups and other threats will continue to pose a challenge at some level even after we have withdrawn US forces in 2011. It seems equally clear that Iraq will face challenges and pressure from its neighbors, particularly Iran.

Moreover, the sharp reductions in the Sunni Jihadist threat and in Shi'ite threats like the Sadr Army have exposed deep internal tensions in Iraq that may cause a different kind of violence.

But, this is only part of the story. The main challenges to Iraqi security have become Iraq's political divisions and its broader ethnic and sectarian tensions. As every briefing from our country team made clear, the US faces major challenges in the Arab-Kurdish struggle, and from Iraq's remaining sectarian tensions.

The Kurdish Challenge

Arab-Kurdish tensions in Ninewa and Kirkuk, and throughout out the disputed areas, are part of an explosive situation that will require an extraordinary diplomatic effort by the US, UN, and other outside powers. The risk of an open break between the two sides, serious clashes, or a major outbreak of fighting is all too real. They are going to require at least several years of careful attention by steadily declining US forces to do everything possible to head off clashes that could escalate far beyond the intent of either side.

The Kurds will need a sustained US diplomatic and military effort to persuade them to be realistic, to look beyond history and geography, and to look beyond the gains they made during the period immediately after 2003 because the Arab side was then so weak. They need to accept practical compromises and do so as quickly as possible, before a new legacy of tension and anger makes such compromise steadily more difficult.

Iraqi Arabs will need a similar ongoing effort to persuade them to pay more attention to achieving national unity, rather than exploiting the Kurdish issue to score domestic political points in their own internal power struggles or focusing on Arab identity to the exclusion of national unity. They need to remember that the Kurds have legitimate reason to seek some degree of autonomy, to focus on the protections offered by the constitution, and to want Iraqi Security Forces to be structured in a way that gives the Kurds some guarantee of security and ensures that Kurdish officers have a fair share of command.

Finding a stable solution to Arab-Kurdish relations, and to solving the problems created by the disputed areas in the north is critical to Iraq's future. It is clear that tensions between Arab and Kurd are serious, and that patience is thin on both sides. The recent meetings between Maliki and Barzani may help, as may the new efforts at dialogue begun in the last week. It is dangerous, however, to assume that this new dialogue will ultimately be any more successful than the last, and each failure raises tensions on both sides.

Keeping a military advisory presence gives the US some leverage in damping these tensions down until Iraqis can find a lasting solution. More broadly, making every effort to strengthen UN-US diplomacy in ways that can help Iraqis find a solution to the Arab-Kurd issue has

become a critical priority, and one where changes in the UN team seem to be occurring at precisely the wrong moment.

The 502 page UN report on Arab-Kurdish disputes that was issued this spring did little more than map the exact scale of differences and polarize Arab, Kurd, and Turcoman. The US military has had to intervene at least three times to ensure that fighting did not break out between each side in the disputed areas, and both Kurdish and Arab leaders seem to be becoming more rigid over time.

The Sectarian Challenge

At the same time, Sunni-Shi'ite tensions pose serious challenges of their own. Most Iraqi Arabs seem fed up with violence and extremism. They want peace, good government, development, and progress. Iraqi Arab politics, however, threaten to divide Iraqis along lines of sectarian and regional interest. The struggle to win the coming national election already has primacy, and it is clear that the tensions between Prime Minister Maliki, other political factions, and some elements of the CoR are growing.

Iraq's Sunni Arabs increasingly distrust what they see as Maliki's efforts to expand his power and political support at the expense of Sunnis, and what they see as a form of de-Baathification that sharply favors Shi'ites while continuing to limit or push out Sunnis from both the government and ISF. Many Shi'ites make it clear that they fear both Maliki's "presidentialism" and efforts to become a stronger and more authoritative leader and the resurgence of the Ba'ath in both politics and the ISF.

These Sunni-Shi'ite problems are compounded by the internal fragmentation of Sunni and Shi'ite politics at every level. There still are no Sunni political parties that have demonstrated that they can speak for Sunnis at the national level. While Sadr and the JAM are far weaker than a year ago at the military level, Sadr remains a serious political force and the ruling Shi'ite coalition has fragmented along pro and anti-Maliki lines. This could lead to local violence, and trigger tensions within the Shi'ites and Sunnis that could suddenly flare up into major violence.

The Needed US Response

This highlights the need to have an exit strategy rather than simply an exit. The US needs an integrated civil-military strategy for dealing with Iraq that makes a well-organized and sustained political and military effort to halt such internal domestic conflicts before they begin. The US country team already has such efforts underway at both the diplomatic and military levels, but it is dealing with minimal funding and an Administration and a Congress that puts far more emphasis on the exit than on strategy..

The US needs to find more ways to help Iraq move towards lasting security and stability. One answer – although it may be unpopular in Washington – lies in carefully targeted aid. The US should not phase out aid too quickly in the areas where there are ethnic and sectarian fault lines. Limited amounts of aid can be used to enhance dialog, try to bridge differences, and lever the kind of positive action that can bring various sides together.

The Embassy needs the resources and flexibility to use such tools quickly, and to enhance negotiations as well as provide more conventional types of aid. The Administration and the Congress need to understand that the past mistakes in the aid effort, and current financial pressures, are not a rationale for cutting aid so quickly and so severely to jeopardize all that has been accomplished since the beginning of the surge.

This is not the time to cut the US Provincial Reconstruction Team (PRT) effort, centralize US efforts in Baghdad, or avoid setting consulates up in the KRG or other troubled areas. The US must not undermine the central government or compete with it, but active US aid efforts at the provincial and local levels can help create jobs and stability, aid the transition to a civil rule of law, aid Iraqis in improving government services, and work with Iraqis to deal with the critical remaining problems in industry, services, agriculture, and infrastructure. Much will depend on Iraqi willingness to accept such aid, but the US should not phase down its civil programs simply because it is withdrawing its military forces.

As for the US military, it needs to make use of every possible intelligence asset, and remaining degree of influence it still possesses, to prevent clashes between elements of the ISF and other factions. The key lies in preserving a strong military advisory team and some forms of military assistance.

The ISF's transition to both domestic peacetime security and rule of law and to being able to defend the country against foreign threats will require as much US help as Iraqis are willing to accept. This also is not a task the US can dodge by claiming premature success or shifting the burden to NATO or any other allies. Either the US side of the effort will succeed, or the Iraqi side will fail. Sustained US success in Iraq will hinge on how well we replace massive US forces with an effective and lasting US advisory effort, and the level of military aid the US continues to provide once its combat forces are withdrawn in 2011.

There is pressure in Washington to downsize such US efforts as part of withdrawals, but there are still be good reasons to keep the military advisory and aid effort at higher levels than are currently planned, and to give these efforts more focus on healing Iraq's internal divisions as distinguished from dealing with its security problems. Some of this effort is already underway, but added CERP and other military aid could be used to reduce these tensions and help keep ISF development on track in critical areas – and to help bridge over the impact of Iraq's current budget crisis and provide US advisers with leverage in incentivizing the ISF to use its own resources effectively.

The Stability and Security Force of a US Exit Strategy

Arab-Kurdish tensions must be a central focus of both this diplomatic and military attention. The US is already making efforts to try to keep the ISF from becoming polarized along Arab-Kurd

lines, but these efforts may need added assets, and the US may need to rethink past plans in supporting the expansion of the Iraqi Army.

The plan to create largely Kurdish 15th and 16th Divisions may now be financially and politically impossible, but some form of this option still seems highly desirable. Having largely Kurdish forces within the Iraqi Army still seems a good way to integrate a Pesh Merga that now totals nearly 190,000 men into a smaller force that is both national and offers the Kurds some degree of security. The US might also consider making it clear that the level of US military aid and assistance will vary with the degree to which Kurdish officers are not pushed out of senior command positions and Kurds are integrated into all of the elements of the ISF.

More broadly, US military advisory teams and aid should be used to help prevent the ethnic and sectarian polarization of the ISF, and in making it national and professional. It may be tempting to downsize the US military aid effort too quickly, to eliminate or reduce aid too much, or to focus on securing withdrawal. The US must resist this temptation. It should seek to maintain as strong a military aid effort as possible through 2011, and to institutionalize such an effort in 2012 and beyond. It is clear in talking to members of the ISF that most senior Iraqi officers want such aid and recognize that it is needed. It is also clear that Iraqi officers do see the need for a national, rather than polarized, ISF and that working with them can be a powerful force in developing Iraqi unity.

Mission Unaccomplished: Planning for the Longer Term and Emerging Risks, Not Just For the Election and Withdrawal

There are problems in the US country team effort as well as in Washington, There does seem to be too much country team focus on events leading up to the election. Both the country team and Washington need to react to the "threat" posed by a combination of Iraqi politics, remaining internal tensions, and a combination of economic and budget pressures interacting with internal rivalries and rising expectations. Rather than a worst-case revival of violence, the US may face an election whose results are as divisive as unifying, pressures to make the Prime Minister a "president" or strong man, or a government too divided to be effective.

There is also some risk that the election will coincide with a "perfect storm" in the form of a continuing budget crisis and limited oil export income, the phase out of significant grant aid, problems in the quality of government services and budget execution, and the natural desire of Iraqis to improve their lives after years of violence and poverty.

If the election does move Iraq towards successful governance, unity, and development, the key to future US success will increasingly be diplomacy and civil programs, not the use of the US military or the ISF. It is critical, however, that both the US country team and Washington explicitly plan for other contingencies, and do not prematurely see the election as anything other than one more uncertain milestone in a process that will take a decade or so to complete. The US needs to preserve a sense of urgency in executing both our civil and military efforts well beyond 2011.

A US exit strategy must be based on the reality that there currently is no foreseeable point at which the US can declare "mission accomplished" if it wants lasting strategic results. Iraq faces too many internal and external challenges. There will be nothing but "critical" periods for the US military advisory effort between now and the end of 2011 – and then for at least for several years beyond.

This makes it important to avoid focusing too much on managing the withdrawal of US forces, and the tasks the US faces if everything goes well. It must have as good a set of contingency plans and options for dealing with serious crises -- particularly because our ability to intervene and our leverage will steadily diminish with time as our forces drop and Iraqi politics dominate events.

The key US mission is not responsible withdrawal, or to put the Iraqis in the lead, important as these elements of the US mission are. It is rather to execute a coordinated US effort to create as strong and independent an Iraq as possible, and one that will be a strategic partner that serves both its own interests and the need to bring security and stability to the Gulf. This effort has no magic time limit. It will be needed for as many years as it takes, although Iraqi progress can steadily reduce its scale and cost over time.

The Need for a Truly Operational and Integrated Civil-military Effort

Some of this planning is already underway in the US team in Iraq. What is not clear is how much of the planning is complete or its depth and priority. It also seems to be conducted in a climate where there is so much concern over asking for added aid resources from the Administration and Congress, or more strategic patience in sustaining the US civil and military advisory effort, that the need for an exit is consistently given priority over an exist strategy.

What the US needs is an integrated civil-military plan that is truly operational. One that clearly describes the actions to be taken, the time scales needed, the resources required, and the estimate benefits, risks, and measures of effectiveness that will give such a plan meaning. This requires a major modification in past joint campaign plans that shows how the State Department will take over the lead from the US military; and that shows how the US will deal with a shift to Iraqi leadership and control in every important aspect of civil-military plans.

It also requires a kind of leadership in the Obama Administration that so far has been as badly lacking as during the Bush Administration. Strategies are only meaningful to the extent they are actually made operational actually given resources, and demonstrate progress in terms of valuable measures of effectiveness. The Bush Administration never understood this in fighting either in Iraq or Afghanistan. In the case of Iraq, it was rescued by pressure and analysis from outside the Administration, and by a unique country team effort led by Ambassador Crocker and General Petraeus.

The first 100 days of the Obama Administration are long over, and Iraq now seems to only have half a country team in the form of MNF-I and General Odierno. The State Department is strong on bluster, but remarkably silent on clear plans for action. It talked about reform of AID and the US aid effort and then fell silent. The Joint Chiefs, Secretary of Defense, and NSC have not even

bothered to bluster. If they have clear policy goals, anything approach a strategy, and any real concern for providing the resources actually needed, they have achieved a far higher level of stealth than any of their predecessors.

Looking at Individual Aspects of the US Aid Effort

Some additional suggestions are:

- ***Ensure the flow of CERP/quick reaction civil aid:*** Special attention is needed to continuing flexible, immediate aid. The cuts in major infrastructure and development aid should not deprive the PRTs, AI Brigades, and civil aid effort of pools of funds to make thing work, incentivize Iraqis to do things on their own and provide a quick fix to capability development. It was not clear what the post FY2009 aid plan would really be and whether sustained funding would be provided to transition from military to civil programs through 2010 and beyond. An integrated aid plan and funding profile seems to be needed.
- ***Establish plans for multiyear aid funding.*** A successful US effort will need Congressional and public support for civil and military aid efforts that require continuity. The Country tem needs to make it clear that such efforts are needed, why they are needed, that they will need steady updating, and why they benefit the US. This does not have to mean an OMB approved set of numbers of a specific request to Congress. It does mean making it clear that some aid, seed money, levered military aid and help in equipment sales will be needed.
- ***Ensure Iraq does not try to sustain too large and too costly a mix of ISF forces, and sets goals that can create a supportable mix of ISF forces.*** I was impressed with MNSTC-I's understanding of the need to provide continuity of effort, and size force goals and levels to what Iraq could actually afford and support. A number of the Iraqi officers we talk to also understood this.

Other Iraqis, however, still seem to have overambitious goals. Moreover, the total size of the MoD and MoI security forces is now headed towards 800,000 in a country where this pool of men -- particularly literate and fairly skilled men, makes up a significant percentage of the labor force. Iraq needs forces large enough to consolidate victory and security first, but as MNSTC-I fades out and the AA Brigades come in, the US advisory team will need to carefully address how to reduce force quantity and sustain critical areas of force quality while eliminating key gaps in support and enablers.

- ***Do not downside the PRT effort too quickly or end it too soon.*** The PRT effort is being radically restructured, but this seems tailored more to force reductions than a clear plan for what the aid effort should be in the field, and how it should be shaped after the election in early 2010 and US withdrawal in 2011. A clear long-term plan for manning and supporting the US advisory effort needs to be developed.

- *At the same time, the efforts to trace the history of the PRTs and lessons learned need to be transformed into more standardized models and reporting systems, and careful attention needs to be placed on comparing the lessons of Iraq and Afghanistan.* This seems to be an urgent need that cannot wait for the normal pace of historical analysis, given the pace of the AfPak conflict.
- *The "human terrain" effort seems validated.* The value of the human terrain effort was clear at two different levels. First, the support and acceptance it had in the field from those US military who had had the opportunity to use it. Second, the de facto human terrain effort that every field command is already making based on years of contact with the Iraqis in multiple tours. Every command has carried out some form of mapping, and the level of knowledge of the tribes, local authorities, etc, is both obvious and a critical element of our success.

Two Thirds of a Joint Campaign Plan? The Need for a Stronger Civilian Effort

The country team seems to have a far more solid picture of how to carry out a responsible military withdrawal, and of how to build up effective Iraqi forces, than of how to handle the civil side of the period from 2009-2012 and beyond. In general, there may be too much focus on the near term deadlines like withdrawal from the cities and the elections and too little focus on the out years. In the case of the civil side, there does not seem to be the level of attention to planning the future beyond the withdrawal from the cities and the election that will be required, or to the need to actively support immediate steps to reduce the economic and budget pressures on Iraq.

This does not mean that I was not impressed with the focus the PRTs had on creating jobs and building local economic stability, the work of AID and Treasury, and other civil efforts. What I did not see, however, was a cohesive strategy and plan to handle the transition to building up effective governance once the national election takes place, and a cohesive effort to push Iraq towards the level of economic reform and progress necessary to bring stability and development.

The civilian side seemed to focus on pursuing individual programs or efforts, sometimes in a stovepiped form. For some, it was creating immediate jobs. For some it was capability building, project aid, or monetary policy. In many cases, a transition was clearly taking place from using dollars as bullets, and from major aid spending, to helping Iraq help itself. However, this was sometimes being done on a target of opportunity basis or in ways which could take years to pay off -- if success was possible at all. There often seemed to be no clear relationship between good works and achieving the broader results necessary to ensure that Iraq could move towards successful government services and a more modern economy.

Restructuring the Civil Side of the US Effort in Iraq

In saying this, I should stress that I did not talk to many of the key offices in the US Embassy dealing with these issues, and many of my impressions come out of discussions of our effort in

Washington rather than discussions in country. Nevertheless, I would raise the following specific issues:

- ***Regardless of oil prices, Iraq needs to do everything possible to increase oil production and exports as soon as possible.*** Iraqi politics and Iraqi needs will put constant pressure on the budget for at least the next decade, and Iraq has an urgent need for high levels of oil export revenue. Iraq must do far more to meet civilian needs, and at the same time it will have to fund the development of the ISF. There is only one possible source of money: rapid rehabilitation and expansion of the petroleum sector.

It is not apparent that the US has really focused on this need, rather than the oil laws and politics. It is unclear that it has a clear strategy for moving things forward and for doing everything possible to get foreign investment as quickly as possible, for persuading Iraqis that this would serve their advantage, and showing outside companies they would have proper security and legal support.

As for the Iraqis, it is unclear that they have a realistic picture of what it takes to make a venture attractive, provide the security necessary to reduce risks and help companies deal with the Iraqi people and local interests in ways that ensure suitable progress. The Iraqis we met tended to talk about the right to make market driven oil deals, but then revert to asking for US government pressure to make companies invest. They also focused on the size of the prize, rather than creating the real world conditions that lead to investment.

- ***More broadly, the US team seemed to have the right priorities for creating suitable investment laws, but it was unclear that there was a set of defined goals and actions to get laws and practices in place.*** A slow process of reform may be more politically acceptable, but the question arises as to whether it will meet the needs Iraq faces during 2010-2012. Once again, Iraqis also seem to confuse desire and the size of the prize with real world prospects for major investment. There seems to be more urgency than either side currently is responding to.

Iraq may need aid in understanding the real world margins, conditions, and incentives necessary to encourage investment and develop the private sector. Showing them models of how ventures actually work, and the present level of comparative Iraqi incentives and disincentives, and then regularly reporting on Iraqi progress might help bring these economic realities home.

- ***There was a suitable emphasis on agricultural reform, water, and related needs for power. The efforts involved, however, seemed fragmented and often shaped around project level efforts as ways of leading by example. Iraq's agricultural problems, however, are deep structural problems. They need large-scale action and reform, and detailed economic analysis and planning.***

Given the scale of Iraq's agricultural problems, its labor needs, and its import problems, there seems to be a need for a clear analysis of what can be done in national agricultural reform and how best to move Iraq more quickly. The broader question, however, will be

to help Iraq develop a far more comprehensive and realistic understanding of what it can and cannot do to develop and revitalize its agricultural sector, make it competitive with imports (and deal with Iranian dumping), honestly assess the impact of population growth relative to efficiency, and look at water and irrigation problems at both the national level and in terms of the probable increase use of water by upstream countries.

Iraq must not fall into the trap of focusing on limited gains rather than structural reform, and repeat the mistake aid efforts have made in so many other countries of looking at agricultural potential (the bread basket fallacy) rather than real world possibilities. One option would be to have the World Bank make such an assessment. Another would be a sustained US aid project that funded such planning with a combination of Iraqi officials, agricultural experts, and farmers – supported by US, and outside expertise -- to ensure that Iraqis were vested in the effort.

- ***There are few "magic bullets" that can create 1,000s of jobs quickly out of a single project. The State Owned Enterprises do, however, seem to be the best platform for both job creation and giving current state employment a meaningful degree of productivity.*** OSD has made a beginning here, but it is unclear that it will be sustained or move towards significant lasting success.

Similarly, as privatization moves forward, and increases in scale, the advisory and planning effort must look beyond the small and medium enterprise level is critical. The JCP may need a much clearer plan to encourage proper use of the SOEs and success for larger-scale SMEs, and to ensure that modernizing the SOEs has suitably high priority.

- ***Iraq needs major infrastructure investment, and better government services are a critical part of this effort.*** It is not clear that US aid will properly fund suitable long term efforts in this area. It is also not clear how the US will help the GoI in developing the plans needed in future years and make this part of the JCP.

The best solution would be a joint Iraqi-world Bank effort that could now take advantage of Iraq's improved security to do the accurate survey work lacking in the past, look at Iraq's real world options given its income and options for capital spending, and develop regularly updated studies that could be the base for Iraqi government action and US and other outside aid. As is the case in so many aspects of Iraqi development, and steps that can bring lasting political accommodation, there needs to be a reliable basis for judging what is needed and *possible*.

- ***Iraq needs sustained aid in improving the overall quality and capacity of government services.*** This need may also increase significantly once Iraq shifts from election politics to actual governance. It is not clear that detailed plans and options have been developed for such aid, particularly in the form of an integrated and properly prioritized approach versus a series of useful individual but only partly coordinated efforts.

- ***Police performance increasingly needs to be measured in ways tied to rule of law:*** Progress is now reaching the point where police performance increasingly needs to be directly linked to the presence of an effective court and detention system and enforcement of civil law. The issue is not simply when we can leave, but when the Iraqi Army and paramilitary police forces can handover to civil police and civil justice. MNSTC-I had the elements of such data, but the ROL component needs to be added and this will be a key 2010-2011 transition effort.
- ***More broadly, we need to reassess the character of the rule of law effort.*** Like a number of our efforts in Iraq, we now need to focus helping Iraqis improve how they do things their way rather than continuing to try to pressure them into doing it our way. The reality is that a HUMINT and confessions based system of civil law has worked well in most of the Arab world. It can be improved through the use of "evidence-based" techniques, but it is far from clear that we should seek to replace most of the existing system. Human rights complaints have correctly focus on the past abuse of the State security system and special security courts, rather than the normal process of civil justice, and we need to focus more on key reforms -- particularly in the civil areas where new laws and legal practices will be critical to successful Iraqi economic development and foreign investment.

Legal efforts to eliminate all corruption and the black economy, rather than restrict it to functional levels, will be equally pointless and impractical. We need to focus on essentials, and not on trying to create a mirror image that largely ignores our own problems in dealing with evidence based criminal justice and different forms of corruption. This does not mean that helping Iraq move towards evidence-based forensics and reducing corruption is not helpful, but again, the goal should be to improve and not change the system.

- ***Similar plans are needed to cover the transition from stability operations to a true civilian rule of law.*** MNSTC-I and the PRTs correctly focused on the need to transition from the Iraqi Army to the Iraqi Police in providing day-to-day security and from CI/CT to a more normal rule of law. It was not clear, however, that there was an integrated plan to tie together the civil and military efforts and fund the proper rule of law effort from 2010 onwards.

There seems to be too much emphasis on changing the entire culture and structure of the Iraqi legal system rather than improving the existing system. Adding some aspects of evidence-based US and Western practices is certainly of value, but a hard look may be needed to set realistic goals as to what can actually be done to help Iraq versus trying to convert its legal culture and entire policing methods on a board level.

There is *some* useful effort going on in each of these areas. The challenge seems to be to make these efforts much more cohesive, go from concepts and projects to a clear overall strategy supported by workable plans that can be reshaped according to the realities of Iraqi politics, oil prices, etc.

More broadly, there needs to be a consistent effort to move beyond both the past military focus on stability and security and the past problems in the US and international aid effort to a clear shift to a cohesive State-led effort that can take over from the military during 2010-2011 and sustain itself into the future.

- ***We need better regional and sectoral economic metrics.*** As we downsize our military and aid presence, we need to ensure that we do not fall into the trap of relying on nationwide data and analysis that blurs over the very real differences by area, sect, and ethnic group. We also need to drill down far below largely useless macroeconomic data to begin to determine income distribution, the true scale of the employment problem, what is really happening in the petroleum sector, progress with SOEs and SMEs, progress in investment, problems with infrastructure and water, the nature of problems in agriculture, etc.

It is the human impact of Iraqi economics, not gross statistics, that will determine stability. It is progress by sector that will determine development. It is ensuring that budgets and development are spread throughout the various regions and across Iraqi fracture lines that will determine much of the progress towards political conciliation. These reporting systems need more development and it is time to eliminate the word "reconstruction" from all cable traffic and USG reporting. This never made much sense. The goal has always been stability and development, not the standards of 2003.

The Use of Venture Analysis

One key tool that might help Iraq move forward in the petroleum, industrial, and agricultural sectors is to go beyond the conventional project focus of aid, and concern with Iraq's financial stability, and help Iraq see its future in terms of business models that show it how to compete in a global economy.

This is not the place to examine the illusions that shape Iraq's initial bid round in seeking foreign investment in its petroleum sector in detail. It is clear, however, that Iraq does not yet fully understand the mix of laws, security, profitability, and return on investment necessary to ensure that either Iraqi firms or foreign investors will act as quickly and decisively as possible to give Iraq the added petroleum income it so desperately needs. As is the case with so much of the Gulf, Iraq still fears neocolonialism at time it can control all foreign investment, and focus on the size of the prize rather than the Iraqi action necessary for Iraq to get the outside support it needs.

This is too sensitive an area for the US or any outside power to try to teach Iraq what it should do. It is also an area where Iraqi expertise is critical, and where enough Iraqis needed to be involved in any analysis so it has credibility in Iraqi terms. One option would be the World Bank, but another would be to bring together Iraq academic and business expertise with help from other Arab oil companies like ARAMCO, add a mix of experts from foreign oil companies, and develop business models based on real world conditions that were transparent and shown Iraqis and outside investors alike what can and cannot work.

These same techniques can be applied separately to key aspects of Iraqi SOEs and options for developing private industries that go beyond the small and medium enterprise stage. As is suggested earlier, they could also be applied to key aspects of Iraqi agricultural development.

Focusing on the Strategic Agreement

No one can visit Iraq without seeing just how dedicated the country team is to building Iraq's future at a time many Americans are turning away from US investment in Iraq as if the task was simply how to leave. We will be judged far more by the way we leave Iraq and what we leave behind than by the way we entered Iraq and how we fought the counterinsurgency campaign. Our goal should be to create an Iraq that is both fully independent and secure. This means creating a form of strategic partnership that can contain Iran without provoking it.

We need to sustain the kind of relations with Iraq that can help build a nation that is wealthy and secure enough to assume there will be no further crises with Kuwait and Saudi Arabia. We need an Iraq that bridges over the sectarian tensions in the Arab world, rather than becomes another source of extremism or become a proxy to Iran or any other power. We need an Iraq that can reassure the Arab Sunni states, rather than lead to regional struggles between them and Iran to win influence or Iraq's Sunnis and Shi'ites

Both the diplomatic and military sides of the country team already put the proper focus on these issues and on making the Strategic Agreement a central part of US policy, rather than simply focusing on "responsible withdrawal." It is not clear, however, that there is the same understanding in Washington that the Strategic Agreement is not simply a cover for US withdrawal, but a way of shaping US relations with Iraq that can help develop a strong and independent nation in the Gulf.

A successful implementation of the Strategic Agreement is also vital to creating a new and critical source of increased oil exports, as well as providing the revenues to both improve the lives of Iraqis and provide the financial "glue" that can help unify them. It is vital to bringing stability to a part of the Gulf that has been a source of conflict and tension ever since 1979.

These are critical US strategic objectives. Nothing we do to improve our own energy independence is likely to have a major macroeconomic effect before 2030, and we are steadily more dependent on a global economy that is increasingly dependent on Gulf energy exports. The last thing we need is more wars or military commitments in the Gulf, and polls consistently show that our invasion of Iraq has been as serious a source of tension with the Arab and Muslim world as the Arab-Israeli conflict.

Accordingly, we need to start seeing the successful implementation of the Strategic Agreement in ways that aid Iraq while clearly showing that it is totally in control of its own destiny. This may well mean a major US diplomatic, aid, and military assistance effort through 2020 and beyond. This will take continuing human and financial resources and high level policy attention. It definitely does not mean declaring victory and leaving Iraq behind.

Sustaining US Support: The Critical Need for New Forms of Reporting from the US Country Team

Americans will not make additional sacrifices in Iraq unless they are asked to make such sacrifices; are shown they are necessary, and are shown that US aid resources are being used more effectively than in the past. Even the best civil-military effort in Iraq will only have meaning if it has the sustained support of the American people and the Congress, and suitable support from the media and various think tanks and other "influencers" of domestic public opinion. This is especially true at a time when the US is caught up in the "AfPak" conflict, a domestic/international financial crisis, Iran, North Korea, etc, etc.

The Congress, the media, need to understand that US operations in Iraq involves far more than simply leaving. They need to see what kind of phased effort is planned, what level of continued aid and spending is needed, why the Strategic Agreement and Status of Force Agreement are important and contingency action is needed, and what level of progress is being made.

They also need to be better prepared for reversals and the problems that can come, and to understand the limits to how much can be done in a given period of time. If I may criticize the positive nature of most current reporting, they need to be prepared for the risks. The proper communications strategy is to underpromise and overperform -- *not the reverse*. Some testimony, has had this frankness, but far too much of the formal reporting has not.

This does not require a change in what the country team is doing in Iraq, but it does requires a major change in the way the country team and USG communicate what is happening in Iraq and what needs to happen in the future. It is time to move from reporting on the situation to providing a clear public case for an integration US civil-military strategy and plan of action for Iraq, and the kind of continued US effort and funding that will be needed through at least 2011, and through 2014/2016 on the civil and military advisory level.

So far, the Obama Administration has chosen to deal with these issues with silence. It has not even outlined a possible strategy for Iraq as it did for Afghanistan – although its strategy for Afghanistan was actually a set of concepts without an implementation plan, estimates of needed resources, or any other meaningful operational details. It has not submitted the Department of Defense Quarterly report on Iraq that was due in June. It has quietly removed most of the meaningful content from the State Department Weekly Progress report.

What is needed is the same kind of Presidential strategy for Iraq that has been issued for Afghanistan – this time with practical details. The US Country Team should work with the interagency effort in Washington to make the DoD Quarterly Report into a quarterly report on the overall level of progress being made to meet the goals set in the Joint Capabilities Plan (JCP) through 2012. This report should add a suitable risk assessment, which focuses on the transition to civil lead and from combat to a US military advisory role, and should show why various forms of aid are necessary and how they are being used.

In the process, the report will also need to transition to becoming a State or joint document as well as one that focuses on overall progress and goals to 2012 and beyond rather than current

security developments. In the process, it should be kept on a quarterly basis to keep it the focus of media and political attention. At the same time, the US – and particularly the US country team -- should make even more effort to broaden the scale of testimony, outreach, and PAO reporting to focus on the need for a sustained effort, and consider translating this into Arabic to explain US policy and goals in far more depth to both the Iraqis and Arabs outside Iraq.

There are risks in such transparency and communication. However, there are far greater risks in not making a major shift in communication and not seeking the kind of sustained support that will be vital to success. It is also far easier to deal with the Congress and media if an Administration presents clear plans, states the level of resource required over time, honestly warns of risks, declares honest timeframes, develops simple measures of effectiveness and establishes continuity and credibility in moving forward. The US can and should get its combat troops out of Iraq on schedule -- and it may be able to accelerate that schedule.

This, however, is not enough. The US has to develop and maintain a different kind of presence and role in Iraq and this is going to require resources and strategic patience. The US also must be ready for the near certainty that it must sustain these efforts through several crises to come. It will take years of people and money, and underfunding and understaffing will waste both years of military sacrifice and success and a major opportunity to both help the Iraqi people and serve a critical set of US national strategic interests.