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# **Measuring Stability and Security in Iraq**

**September 2009**

**Report to Congress**

**In accordance with the**

**Department of Defense Supplemental Appropriations Act 2008**

**(Section 9204, Public Law 110-252)**

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## Executive Summary

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*This report to Congress, Measuring Stability and Security in Iraq, is submitted pursuant to Section 9204 of the Supplemental Appropriations Act for 2008, Public Law 110-252 and Section 316 of the Supplemental Appropriations Act for 2009, Public Law 111-32.<sup>1</sup> This report is also submitted pursuant to Section 1508(c) of the Department of Defense Authorization Act for 2009, Public Law 110-417. The report includes specific performance indicators and measures of progress toward political, economic, and security stability in Iraq, as directed by legislation. This is the seventeenth report in this series of quarterly reports. The most recent report was submitted in July 2009. The report complements other reports and information about Iraq provided to Congress and is not intended as a single source of all information about the combined efforts or the future strategy of the United States, its former Coalition partners, or Iraq.*

*As a consequence of the movement of U.S. forces out of Iraqi cities on June 30, 2009, the U.S. has experienced reduced visibility and ability to verify Iraqi reports. Without a robust U.S. presence, Multi-National Force-Iraq (MNF-I) has begun reporting metrics that include host nation reports that it may not be able to independently verify. The overall trends between Coalition force data and host nation data are very close, but some values may change. Current charts show a combination of Coalition and Host-Nation reported data. The combination of these reports causes baseline numbers to increase, making it difficult to compare these charts with those presented in previous publications of this report. Each slide is marked to indicate the type of reports included.*

The United States seeks an Iraq that is sovereign, stable, and self-reliant with a just, representative, and accountable government; a state that is neither a safe haven for, nor sponsor of, terrorism; an Iraq that is integrated into the global economy and a long-term U.S. partner contributing to regional peace and security. The United States is pursuing this goal along political, security, economic, diplomatic, and rule of law lines of operation. This report describes progress along these lines from June through August 2009 and also addresses remaining challenges in achieving these objectives.<sup>2</sup>

The ongoing implementation of the Security Agreement (SA) and Strategic Framework Agreement (SFA) lays the foundation for a long-term bilateral relationship between the United States and Iraq based on mutual interests. Under the SFA, the U.S.-Iraqi relationship continues to improve with respect to economic, diplomatic, cultural, and security ties, with the SFA serving as the foundation for a long-term cooperative relationship between

the two nations. In conjunction with the SA, U.S. and Iraqi officials are working within a framework of joint engagement to enhance stability, promote sustainable economic growth and the efficient distribution of essential services, improve governmental transparency, and advance regional relationships. Yet, while the majority of Iraqi political leaders recognize the value in a long-term strategic relationship with the United States as articulated in the SFA, much work remains. This work continues under the SA that governs the presence of U.S. forces in Iraq. The SA provides an appropriate level of protection to U.S. forces, while ensuring their freedom to operate and the authority to sustain positive security trends in Iraq. The Iraqi Security Forces (ISF) continue to mature in their leadership role of providing security and overall stability for the Iraqi people and are now responsible for urban security in Iraq, with U.S. forces acting primarily in a supporting role. Primacy for internal security is shifting to Iraqi police forces. The Iraqi Army conducts many independent operations, while development

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continues with the fledging Iraqi Air Force and Navy. Iraqi citizens also continue to develop their confidence in the ISF with professionalism of the ISF becoming a source of national pride.

A hallmark of this ISF maturation occurred on June 30, 2009 when—as stipulated in the SA—the ISF accepted responsibility for the security of Iraqi cities, villages, and localities as U.S. forces repositioned. While a longer period of assessment is required to definitively determine the full effects of this event, immediately following the event, the number of security incidents decreased. However, the high-profile attacks (HPA) in Khazna on August 10, 2009, and in Baghdad on August 19, 2009, demonstrated that the enemy can still inflict significant damage. Outside of the cities, U.S. forces continue to focus on combat operations and partnering, enabling, mentoring, and advising the ISF to maintain pressure on the insurgents and violent extremist organizations that foment this violence. Additionally, there remains much to do in other areas, including development of the Iraqi justice and penal systems, control of border areas to reduce smuggling of lethal materials and foreign fighters, and development of improved ministerial processes to coordinate sovereignty and security matters. In all these activities, U.S. combat and support capabilities continue to play an important role in the overall security posture.

Integral to the U.S.-Iraq SA, and in accordance with the Presidential guidance articulated February 27, 2009, is the plan being executed for the responsible drawdown of U.S. forces in Iraq. Independently, the UK, Australia, and Romania concluded their Iraq mission commitments as part of the Multi-National Force – Iraq (MNF-I) on July 31, 2009. By August 31, 2010, U.S. forces will have transitioned from a combat and counterinsurgency (COIN) mission to a focus on stability tasks centered on training, advising, and assisting the ISF; protecting U.S. military and civilian personnel and facilities; assisting and

conducting targeted counter-terrorism operations; and supporting civilian agencies and international organizations in their capacity-building efforts. Further drawdown activity will occur in accordance with the SA, which requires that withdrawal of remaining U.S. forces be completed by December 31, 2011. The pace of the drawdown will be commensurate with Iraq's improving, yet still fragile, security environment while providing U.S. commanders sufficient flexibility to assist the Iraqis with emerging challenges. As U.S. forces are responsibly redeployed, the United States will continue to pursue other aspects of its strategy, including sustained political engagement and regional diplomacy to support a peaceful and prosperous Iraq.

Iraq continued to make measured political progress this reporting period. For 2009, the Council of Representatives (CoR) legislative priorities remain the passage of laws to manage the hydrocarbons sector, continuing its Constitutional review, and passage of a National Elections Law. Newly-elected CoR Speaker, Ayad al-Samarrai'e, has fulfilled a promise to pursue expanded CoR oversight of the executive branch. In the past few months, the CoR hosted numerous ministers and government officials to question their performance and examine their portfolios. Although these legislative priorities and this new willingness to challenge the executive branch represent progress in Iraq's developing representative political system, the ability of Iraq's political leadership to resolve the current slate of contentious issues through the legislative process and negotiated compromise remains stalled as the parties maneuver for position in the run-up to national elections.

The much-anticipated national elections in January 2010 will be a pivotal event for the Government of Iraq (GoI) and the Iraqi people. However, several key events must precede the elections, including voter registry updates and CoR passage of a National Elections Law. As was done during the provincial elections, the Independent High Electoral Commission

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(IHEC) will lead preparations for administration of the national elections. However, the IHEC may require support from the United Nations Assistance Mission for Iraq (UNAMI), the U.S. Embassy in Baghdad, State Department-funded programs, and U.S. forces to prepare for and administer the January 2010 national elections in a manner reflective of the will of the Iraqi people and in accordance with international standards for credible, legitimate elections. The operational environment approaching the elections may exert some influence on the pace of the U.S. drawdown, both in terms of posturing of forces in support of the elections and the U.S. presence after the elections. Of note is the potential for a national referendum on the SA during the January elections. This referendum stipulated in a 2008 Iraqi law was originally scheduled for July 30, 2009. However, this did not take place due to a focus on preparations for the Kurdistan Regional Government (KRG) elections and the absence of clear CoR guidelines for organizing the referendum. Whether the SA vote will occur in January is indeterminate as is the anticipated results; however, should the SA be voted on and fail support, it could force an earlier than anticipated redeployment of U.S. forces.

The lack of progress in resolving contentious territorial issues in disputed areas continues to be a major source of tension between Arabs and Kurds. This is demonstrated in Ninewa where Kurdish leaders are reluctant to work with the Governor and his Al-Haadba-dominated government. Kurdish leaders have maintained their boycott of the provincial council since April 2009 and do not recognize the authority of the governor in Kurdish areas, further complicating the situation. Additionally, the KRG Parliament recently passed a constitution for the Iraqi Kurdish Region. A regional referendum on the proposed constitution was originally scheduled to coincide with Kurdish regional elections in late July 2009, but has been postponed indefinitely. Though a KRG Constitution is required by Article 120 of the Iraqi National Constitution,

the KRG document contains a number of provisions in conflict with the Iraqi Constitution, causing a growing opposition among both Arabs and Turkomen. Sunni and Shi'a Arab parliamentarians and political leaders have expressed concern about apparent KRG land claims in the document, possible contradictions between the Kurdish and Iraqi National Constitutions, and resulting potential damage to Arab-Kurd relations. These tensions have resulted in intense political dialogue.

On August 16, 2009, MNF-I met with GoI and KRG leadership to lay preliminary groundwork for an interim security architecture along the fault line in the disputed areas. The GoI Ministers of Defense and Interior, the KRG Minister of Interior, and the Commander of the Peshmerga took part in the preliminary discussions. First and foremost, the group agreed on the primacy of protecting the Iraqi people. Additionally, a subcommittee on this security issue has been established with representatives from the GoI, the KRG, and U.S. forces. The members will provide recommendations on the security architecture inside the disputed areas, including intelligence sharing, coordination measures, command and control, and other appropriate security measures. This architecture will be consistent and in compliance with all measures of the SA and will not affect U.S. forces' responsible drawdown in Iraq.

Progress has also been made in integrating the Sons of Iraq (SoI). As of April 2009, all 89,344 SoI in nine provinces were under GoI control. GoI efforts to ensure SoI payments and transitions to other viable employment continue. Transitions began in Baghdad, where 3,331 SoI were moved to GoI ministries on August 2, 2009. During August 20-31, the GoI transitioned 2,262 SoI from the Rusafa district into ministries. Along with the previous 4,081 SoI who transitioned to private enterprise, non-security employment, this brings the number of SoI transitioned to non-security employment to approximately 9,600. Since the start of the SoI program in June 2007, 13,342 SoI have been

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transitioned into the ISF.<sup>3</sup> U.S. forces have conducted key leader engagements to discuss the cumulative effect of Sunni leader arrests, Al-Qaeda in Iraq (AQI) targeting, and SoI pay issues that had created a perception of intimidation against the Sunni population. Targeting and attacks against SoI by insurgent groups, though in decline, continue to be cause for concern among SoI leaders.

Targeted operations against insurgent and extremist groups continue to disrupt their activities, but gains in the security environment are not yet enduring. ISF and U.S. operations targeting funding, leadership, facilitation, and recruitment continue to impede the freedom of movement and re-supply capabilities of Al-Qaeda in Iraq (AQI) and other insurgent and militia groups. However, AQI is still able to conduct occasional high-profile attacks (HPAs) targeting primarily mixed urban areas, such as Mosul, Kirkuk, Diyala, and Baghdad. These attacks are frequently intended to incite sectarian violence, even though there is little support for continued violence among the majority of the populace. Other violent extremist organizations, both Shi'a and Sunni, continue to challenge the ISF as well. Several Sunni nationalist groups, including Jaysh Muhammed, Jaysh Al Islami, the 1920s Revolutionary Brigade, and the Jaysh Rijal al-Tariq al-Naqshabandi, continue to conduct attacks against U.S. and Iraqi forces. Most of the Shi'a militants that formerly belonged to the Jaysh al-Mahdi militia are transitioning away from violence because of organizational changes and ISF pressure. Notably, the Shi'a militant group Asaib Ahl al-Haqq is currently in discussion with the GoI regarding national reconciliation and has ordered its members to suspend attacks. But some Shi'a militants, particularly those in the Promised Day Brigade and Kata'ib Hizbollah, continue to attack U.S. forces. Recent HPAs have reinforced the fact that even a small number of attacks from extremist, insurgent, or militant groups can have an impact on the political environment. Regardless of these notable HPAs during July and August 2009, security incidents throughout

Iraq continue to show a decreasing trend and remain at the lowest levels in more than five years. Many factors, including economic development, the provision of social services, border controls, and ethnic tensions, are increasingly dominant elements of overall security.

Malign Iranian influence continues to pose a significant challenge to Iraq's long-term stability and political independence. The GoI, through reciprocal visits with Iran at the Head-of-State and Foreign Minister levels, has sent strong messages warning Iran against its continued support to Shi'a militants, while still encouraging improved bilateral relations, economic cooperation, and cultural and religious exchanges. Additionally, the Iraqi Prime Minister, Foreign Minister, and other senior GoI leaders are developing a comprehensive policy on Iran that encourages constructive, peaceful relations that benefit both countries.

Ministry of Interior (MoI) and Ministry of Defense (MoD) ministerial capacity and force capabilities at the operational level are increasing, but challenges remain. Operations centers allow MoI and MoD forces to share information, which in turn has resulted in the apprehension of suspects, the discovery and destruction of weapons caches, and safe and successful provincial elections. The ISF continue to actively cultivate community assistance and develop an environment of trust by performing humanitarian support and engaging in outreach and public information activities. The ISF are gaining the acceptance of the Iraqi people by demonstrating that their combined accomplishments against terrorist activities make local communities safer. However, budget constraints caused by low oil prices are causing challenges in manning and equipping forces across the GoI. The MoI has improved training capacity, but still suffers from generally poor facilities in addition to budget shortfalls. The MoD faces logistical and sustainment challenges, a recruiting shortfall, and a shortage of mid-grade



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leadership among officers and NCOs. Additionally, despite improved professionalism, corruption and favoritism continue to a lesser degree within promotion systems.

Iraq's strained fiscal situation and declining oil revenues also pose significant risks to Iraq's ongoing economic development. The tightening fiscal environment forced Iraq to pass a 2009 budget that set spending 25% below its original proposal and sacrificed numerous initiatives. In a move to mitigate these shortfalls, the Council of Ministers recently approved a \$4.6 billion supplemental budget, providing for items such as SoI salaries and election costs. This supplemental budget is still awaiting approval by the CoR. Falling oil revenues are the combined result of stagnant production and the rapid reduction in global oil prices over the past year; however, oil prices have begun to rebound and production picked up in June 2009. The Ministry of Oil's first Oil and Gas bid round on June 30, 2009, resulted in one tender being awarded—for Iraq's largest oil field—out of eight possible. Negotiations are still ongoing for the finalization of this contract. The Minister of Oil balanced the GoI need to jump start foreign investment against domestic concerns about the GoI awarding lucrative contracts to foreign companies. However, this event presaged the likelihood that future contract negotiations will take months to complete, with increased oil output unlikely before 2011. These events highlight Iraq's primary economic challenge going forward: demonstrating that Iraq is a suitable environment for foreign investment. A more attractive development environment would produce both short- and long-term positive results for the Iraqi economy and security environment.

In July 2009, year-on-year core inflation was 7.9%, well below the rates in the two previous years (13% in 2008 and 19% in 2007). From December 2006 through December 2008, the dinar appreciated against the U.S. dollar by more than 20%, but it has held constant at 1,170 dinar per U.S. dollar since then. In

response to the lower core inflation rate, the Central Bank of Iraq lowered its policy rate to 7% in June 2009, down from 14% in February 2009. Lower inflation and a stable Iraqi dinar are helping to improve Iraqi purchasing power for basic needs and setting conditions for private-sector growth.

The provision of essential services, such as electricity, water, and healthcare, continues to improve incrementally but varies by locale. Demand for electricity still exceeds supply, but the gap between supply and demand is slowly shrinking. This gap is filled, in part, by the increasing use of private and neighborhood generators. Also, GoI investments in electrical generation have stabilized the national grid, which resulted in improved reliability and recent all-time-high generation levels. Many Iraqis still report limited access to potable water, even as construction of major new water supply and treatment plants continues. Improvements were made to Iraq's telecommunications infrastructure, and initial steps are being taken to restore and expand the country's road and rail networks. The provision of essential services remains a key component of national unity and a significant factor in building popular support for the GoI.

The GoI continues to expand diplomatic engagement with Iraq's immediate neighbors, countries in the region, and the rest of the world. Of significance, Egypt appointed an ambassador to Iraq and has already begun to re-establish its embassy in Baghdad. Yemen, which has been represented in Baghdad by a Charge d'Affaires, appointed an ambassador in June 2009, and there has been an increased level of senior-level visits to Baghdad. Although the GoI has taken steps to match the efforts of its neighbors to strengthen diplomatic relations, including overtures to Syria, a number of key Iraqi ambassadorships remain vacant. In late July 2009, the CoR approved 58 new Iraqi ambassadors but has yet to assign them to specific countries. Of note, both the GoI and Syria recalled their ambassadors on August 25, 2009, due to Syria's refusal to

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extradite suspects the GoI believed were implicated in the August 19, 2009 bombings in Baghdad.

The rule of law in Iraq continues to progress gradually and incrementally. Despite the lack of resources and continuing threats of violence, judicial security is progressing primarily because the Higher Judicial Council and MoI are beginning to coordinate efforts. Iraq now has four judicial complexes, including its first with secure judicial housing following the opening of the newest Rule of Law Complex in Ramadi this past June. Nevertheless, key challenges, including a lengthy backlog of cases, an insufficient number of investigative judges, lack of GoI commitment to conducting detention facility assessments, and inadequate ministerial coordination and planning remain unresolved.

In summary, political, security, economic, diplomatic, and rule of law trends in Iraq remain generally positive, but significant challenges remain. In accordance with the SA, the ISF have assumed urban security responsibilities for Iraq and continue to improve operational and tactical capabilities, while still relying on U.S. combat support enablers. Of note, U.S. forces still conduct combat operations outside the cities and stand

ready to assist the ISF in the cities when requested by the GoI. U.S. combat capability remains an important element of success. The ongoing implementation of the SFA and SA this reporting period witnessed significant steps toward the development of a U.S.-Iraq strategic partnership, setting the stage for long-term cooperative efforts as Iraq continues to develop as a secure, stable, and sovereign partner in the region. At the same time, continued reductions in overall violence have provided Iraqis an environment in which political and economic development can occur, with the tentative resumption of foreign investment in some sectors being an indicator of progress.

In spite of the continued progress, these gains remain uneven throughout the country and marred by infrequent but high-profile attacks. Additional progress is required to produce sustainable stability. Iraq remains fragile, primarily because many underlying sources of instability have yet to be resolved, putting security gains at risk. To ensure long-term stability, the GoI must continue to build its legitimacy through the provision of basic services and improved security for the Iraqi people, as well as the continued resolution of lingering political, ethnic, and sectarian disputes.

## Section 1—Stability and Security

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### 1.1 Political Stability

Iraq continued to make measured political progress this reporting period, but significant political tensions remain. Since the election of the Iraqi Islamic Party's Ayad al-Samarrai'e as the Speaker of the Council of Representatives (CoR) in April 2009, the CoR has pursued its oversight function with zeal. In the past three months, the CoR hosted numerous ministers and government officials to question their performance and examine their portfolios. Officials hosted included the Commander of the Baghdad Operations Command, the Minister of Defense, the Minister of Interior, and the Minister of Oil. In April 2009, the CoR questioned the Minister of Trade on charges of mismanagement and corruption. He subsequently resigned and was arrested by Iraqi authorities. The CoR's stated commitment to exercise legislative oversight of the executive branch is a positive development for Iraqi democracy, but, in the short term, it has heightened political disputes. Tensions between the CoR and the Prime Minister's Office increased recently with the submission of a request to remove CoR members' immunity from prosecution. The request targeted a number of CoR members known to oppose Prime Minister Maliki's policies for charges ranging from corruption to terrorism.

Distrust also remains between the central government and various constituencies due to perceived political targeting by security organizations directly responsible to the Prime Minister's Office, such as the Counter-Terrorism Service and the 56<sup>th</sup> Brigade, formerly known as the Baghdad Brigade.

Finally, tensions increased between the central government and the Kurdistan Regional Government (KRG) when the Kurdistan Region Parliament passed a new constitution in June 2009. The constitution, subject to a referendum by KRG citizens, contains a number of provisions that may conflict with the

Iraqi Constitution. Iraqi Arab parliamentarians and political leaders publicly expressed concern about KRG land claims, contradictions between the Kurdish and Iraqi Constitutions, and the damage that ratification of the constitution could do to resolving outstanding Arab-Kurd disputes.

### National Unity

Efforts toward national unity continue to progress, with increased commitment to the political process by all political actors. The transfer of responsibility for the Sons of Iraq (SoI) program to the Government of Iraq (GoI) was completed in April 2009. The GoI's stated goal remains to integrate 20% of the SoI into the ISF and to transition the remaining 80% into civil service or private-sector employment. The GoI and U.S. are jointly implementing a number of employment and training programs to support this goal. The Implementation and Follow-up Committee on National Reconciliation (IFCNR) has produced a draft distribution plan for the Baghdad SoI that aims to transition more than 40,000 SoI into 18 non-security ministries and municipal government offices and has sought approval from Prime Minister Maliki and the Council of Ministers (CoM) to begin implementing the overall SoI transition. The Baghdad pilot transition program took place at a ceremony on August 2, 2009, when an initial group of 3,331 SoI, representing 8% of all Baghdad SoI, transitioned to various ministries. The second wave of 2,262 SoI transitions in Baghdad occurred between August 20-31, 2009. Along with the previous 4,081 SoI who transitioned to private enterprise, non-security employment, this brings the number of SoI transitioned to non-security employment to approximately 9,600. Since the start of the SoI program in June 2007, 13,342 SoI have been transitioned into the Iraqi Security Forces (ISF).

Although the GoI continues to publicly and privately reiterate its commitment to the

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payment and transition of SoI into security and non-security employment, negative perceptions regarding the GoI's commitment persist as a result of arrests of SoI leaders and delayed payments. Technical difficulties in transferring the funding streams for SoI payments from the Prime Minister's Office to the Ministry of Interior, as mandated in the 2009 Budget Law, contributed to payment delays in early 2009. However, the GoI quickly fixed payment problems. The GoI paid two months salaries in August to allow it to catch up and normalize the schedule. As of August 25, 2009, payments are current in all but one province; payment in Qadisiyah is on hold due to a dispute over the number of SoI members in the province.

The lack of progress in resolving territorial disputes, management of Iraq's hydrocarbons sector, and the integration of the Kurdish security forces into the ISF continue to be major sources of tension between Arabs and Kurds. KRG leaders agreed to not push for a referendum on the new KRG constitution on July 25, 2009, which would have been held concurrently with KRG parliamentary and presidential elections. Recognizing the provocative nature of the constitution, KRG leaders may postpone the referendum until after the Iraqi national elections in January 2010. GoI and KRG representatives also continued to meet under the auspices of the United Nations Assistance Mission for Iraq's (UNAMI) High Level Task Force on disputed internal boundaries (DIBs), although the late-July meetings were cancelled over the rhetoric surrounding the KRG Constitution and elections. Meetings resumed in late August 2009. In Ninewa, where Kurdish leaders are reluctant to work with the Governor and his Al-Haadba-dominated government, Kurds have maintained their boycott of the provincial council since April 2009 and do not recognize the authority of the governor in Kurdish areas, further complicating the situation. Despite these disputes, the KRG agreed to export oil to Turkey through the GoI-owned and operated pipeline on June 1, 2009, with the central government receiving and managing revenue.

Relations between ethnic and sectarian groups will likely be a central line of debate during the upcoming campaign season before Iraq's national elections in January 2010. Intra-Shi'a tensions increased after provincial elections in January 2009, when the Islamic Supreme Council of Iraq lost seats to Prime Minister Maliki's Dawa party in the majority of southern, mainly Shi'a, Iraqi provinces. However, all political parties pledged to abide by electoral results. These tensions persist as the major Shi'a parties negotiate to form alliances for national elections in January 2010. As of late-August 2009, the major Shi'a parties agreed to form a reconstituted United Iraq Alliance (UIA) titled the Iraqi National Alliance (INA), but without Maliki's Dawa Party. The Prime Minister continues his efforts to build a broad, cross-sectarian coalition separate from the INA.

Sunni-Shi'a tensions persist over perceived Sunni marginalization, including transitioning the SoI program, reintegrating former detainees and regime elements, and assisting in the resettlement of Iraqi refugees and internally displaced persons. Sunni-Shi'a tensions also continue over accusations of Shi'a political parties' ties to Iran and the perceived sectarian agenda of the GoI. Underscoring these tensions are perceptions of corrupt and sectarian behavior with Kurd, Shi'a, and Sunni politicians accusing Prime Minister Maliki of over-centralizing power and, in some cases, using extra-legal entities such as the Counter-Terrorism Service to bypass legal or constitutional restraints on the executive branch. Nonetheless, political tensions have not instigated resumption of retributive violence which characterized ethno-sectarian fighting in past years. Political leaders continue to state their commitment to resolving disputes through the political and legal systems.

### **Political Commitments**

The CoR leadership's stated 2009 legislative priorities are passage of hydrocarbons legislation, the continuing Constitutional review, and passage of a National Elections

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Law. The newly-elected CoR Speaker has kept his promise to pursue expanded CoR oversight of the executive branch. However, progress toward resolving the current slate of contentious issues through the legislative process and negotiated compromise remains slow as political parties rally their constituencies in the run-up to national elections. For example, the CoR-appointed Article 23 Committee, consisting of CoR members representing Kurd, Sunni Arab, Turkomen, and Christian constituencies in Kirkuk, was tasked to submit a report with recommendations for power sharing and provincial elections in Kirkuk. The committee met throughout the spring but ultimately failed to submit its recommendation by the twice-extended deadline.

#### *Accountability and Justice Law*

Despite the January 2008 passage of the Accountability and Justice Law, the GoI has yet to take steps to implement the law. The CoM and the CoR remain at an impasse on the nomination of individuals to serve on the new law's Investigative Commission, while the former De-Ba'athification Commission remains in place with its authority suspended. Despite widespread agreement that the law requires amendments for effective and balanced implementation, neither the CoM nor the CoR has made any visible effort to introduce the necessary legislation. Absent legislative attention to this issue, some Sunni groups continue to accuse the Shi'a-dominated government of denying positions to those who are eligible but not politically acceptable. These accusations have fueled general perceptions of sectarianism and discrimination by the largely Shi'a-led central government. In June 2009, the CoR's Accountability and Justice Committee read a report to the Parliament charging ministries of hiring former Ba'athists without any vetting process. Sadrist CoR members have made human rights charges against former Ba'athists working in the Ministries of Interior and Defense. The increased focus on Ba'athist activities within the GoI has led to some talk of firing former

regime members; but, so far, neither accused ministries nor the CoR has acted on this anti-Ba'athist rhetoric.

#### *Provincial Powers Law*

The "Law of Governorates not Organized into a Region" (more commonly known as the Provincial Powers Law (PPL)) was approved by the CoR in February 2008 and took effect with the seating of new provincial councils after the January 2009 provincial elections. The PPL transfers additional authority from the central government to the provincial councils and governors, including power to approve provincial budgets, nominate and dismiss senior provincial officials, direct non-federal security forces, and remove corrupt officials. Implementation so far has been spotty and highly subject to the relationship between the provincial governments and the Prime Minister, with those that have close ties being allowed to exercise the powers delegated in the law, while those with governments that have disagreements with the central government having more difficulty in exercising their designated functions.

#### *Kurdistan Regional Government Elections*

On March 25, 2009, the Iraqi Kurdistan Parliament (IKP) adopted a number of amendments to the Regional Electoral Law, including specifying that the regional elections held on July 25, 2009, would be closed-list. The Regional Electoral Law also specified that at least 30% of candidates on a list must be women, lists must be comprised of at least three people, and 11 of the 111 parliamentary seats will be reserved for minorities. The amendment also lowered the age for eligible candidates to 25 years old and allowed for eligible KRG residents currently settled outside the region to vote. Iraq's Independent High Electoral Commission (IHEC) organized, administered, and monitored the GoI-funded KRG elections. The IHEC reported voter turnout to be approximately 78%. The Kurdistan Democratic Party (KDP), led by KRG President Massoud Barzani, and Patriotic Union of Kurdistan (PUK), led by GoI



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President Jalal Talabani, ran on a unified list and won a majority of parliamentary seats. However, the PUK-breakaway “Change List” earned an estimated 25 seats in the IKP and will be a formidable player in KRG politics. Massoud Barzani was reelected as the KRG President and current GoI Deputy Prime Minister Barham Salih of the PUK was named KRG Prime Minister.

### *Iraqi Electoral Events*

The much-anticipated national elections will be a pivotal event for the GoI and the Iraqi public. However, several key events must precede the elections, including passage of a National Elections Law and updating the voter registry. The CoR still needs to pass election legislation to provide electoral funding and authorize a date to ensure elections occur before the end of January 2010. Currently, national elections are scheduled for January 16, 2010, and Multi-National Force-Iraq (MNF-I) is planning its drawdown accordingly. As during the provincial elections, the IHEC will have the lead in preparing for and administering the national elections. However, it is expected that the IHEC will require support from UNAMI, the U.S. Embassy in Baghdad, State Department-funded programs, and U.S. forces to meet the challenge of preparing for and administering national elections in January 2010 in a manner reflective of the will of the Iraqi people and in accordance with international standards for credible, legitimate elections.

The national referendum stipulated in the 2008 Iraqi law authorizing the U.S.-Iraq Security Agreement (SA) was originally scheduled for July 30, 2009. The referendum did not take place in July 2009 due to IHEC’s focus on preparations for the KRG elections and the absence of clear CoR guidelines for organizing the referendum. However, Iraqi leaders are debating holding the referendum concurrently with the national election in January 2010. On August 17, 2009, the CoM approved the outline for a draft law to hold the referendum along with national elections, but the draft faces a

lengthy procedural process before it can come to a vote in the CoR.

### *Constitutional Review*

Despite positive rhetoric from various political figures about the importance of constitutional reform, the constitutional review process currently remains stalled. The original deadline for completion of the Constitutional Review Committee’s work was March 2007, but it did not issue its final report until August 2008. The report provided 50 recommended changes to the Iraqi Constitution; however, little movement toward implementing the recommendations or re-examining the yet unresolved issues has occurred. The likelihood of movement on any significant constitutional reform remains low due to the ongoing struggle between the Prime Minister and his opponents in the CoR in the run up to national elections and the continued tensions between Kurdish and GoI officials over disputed territories.

### *Disputed Internal Boundaries*

Discussions between the GoI and the KRG on implementing Article 140 of the Iraqi Constitution—which calls for normalization, a census, and a referendum on the status of DIBs in northern Iraq—progressed prior to the passage of the KRG’s new constitution and elections on July 25, 2009. Since June 10, 2009, senior representatives from the GoI and KRG have regularly met as part of a UNAMI-led high-level task force on DIBs, using the UNAMI-drafted DIBs report as a basis for discussions. The task force participants agreed to begin negotiations with less controversial disputed areas before moving on to more contentious areas. However, negotiations remained stalled through most of July 2009 as Kurdish leaders continued to call for a referendum on the KRG constitution and were distracted by KRG elections. With the elections now concluded and the constitutional referendum sidelined, the UNAMI meetings have resumed, possibly creating momentum toward resolving some of the least contentious disputed territories later this year.

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### *Article 23 Committee*

The CoR Article 23 Committee was established in September 2008 by the Provincial Elections Law and was given a deadline of March 31, 2009, to produce power-sharing solutions and recommendations for holding elections in Kirkuk. However, the Committee did not begin its work in Kirkuk until March 2009 and subsequently missed two extended deadlines to complete its recommendations. The latest meeting of the Article 23 Committee was held on May 24, 2009, in Kirkuk, but no final agreement was reached, and no future meetings are currently set. These issues over Kirkuk have proven to be the most significant obstacle to gaining consensus in the passage of a National Elections Law.

### *The Four Hydrocarbon Laws*

The new CoR Speaker stated a commitment to prioritize passage of a hydrocarbons legislation package, and one of the four stalled laws has been re-introduced to the CoR. On July 28, 2009, the CoM passed and sent draft legislation to the CoR that would re-establish the Iraqi National Oil Company (INOC). One of the four key pieces of pending oil sector reform laws, the INOC legislation would begin to reform Iraq's ability to manage its oil sector, reducing political interference and strengthening technical oversight of exploration, development, and production. Negotiations between the GoI and the KRG are stalled, though there have been some positive developments, such as the agreement allowing the KRG to export oil to Turkey from two fields with the central government collecting revenue. Still, fundamental differences remain over federal and regional authorities in contracting and management of the oil and gas sector. In the absence of new hydrocarbons legislation, both the KRG and the GoI have separately pursued development contracts with international oil companies; the GoI continues to maintain that contracts signed by the KRG are illegal, and vice versa.

### **Government Reform**

#### *Ministerial Capacity Development*

The GoI continues to develop its capacity to govern at the national, provincial, and local levels. The U.S. Embassy supports Iraqi ministerial development through technical assistance to several ministries and executive offices with senior advisors and attachés. Through its *Tatweer* National Capacity Development Program, the U.S. Agency for International Development (USAID) assists with public administration and management capacity building, including a wide range of systems reform within and across ministries. The program is playing a crucial role with the drafting and enacting of the Civil Service Commission Law and the new planned Civil Service Law. With the Community Action Program and the Local Governance Program, the *Tatweer* program is expanding its governance support outreach at the national, municipal, and provincial levels. Although ministries and local governments remain weak, dramatic improvements have been achieved as more international best practices are being applied, and a GoI ownership has been accomplished for many of the program components necessary for the achievement of well functioning public institutions. To date, the *Tatweer* project has trained 70,000 ministry staff members at the provincial levels in six public management core areas.

#### *Provincial Reconstruction Teams*

There is one provincial reconstruction team (PRT) located in each provincial capital, except in northern Iraq, where the PRT in Irbil works with the three provinces of the KRG. In addition to 15 U.S.-led PRTs, there is one Italian PRT in Dhi Qar. Additionally, there are now seven embedded PRTs (ePRT), which work alongside brigade combat teams and focus on local capacity building as part of counterinsurgency (COIN) operations. During this reporting period, the boundaries for the ePRTs in Baghdad were reconfigured, reducing the number of ePRTs in Baghdad from six to five. Six PRTs host United Nations (UN) staff

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members as part of an agreement between the U.S. Embassy and UNAMI.

### *Anti-Corruption Efforts*

Corruption remains one of the largest challenges to the establishment of rule of law in Iraq. The GoI is strengthening its mechanisms through the United Nations Convention Against Corruption (UNCAC) compliance process while using its three anti-corruption institutions: The Commission on Integrity (COI), The Inspectors General (IG), and the Board of Supreme Audit. However, capacity of the COI and IG remains problematic.

The importance of fighting corruption remains a common theme with many senior officials, including the Prime Minister. Fighting corruption also appears to be a political theme in the upcoming elections. The GoI has created an interim draft anti-corruption strategy pending the completion of the more formalized UNCAC process. Upon completion of this process, a formal strategy will be in place. Proposed anti-corruption laws remain stalled with the CoR, and there is little chance for passage of such laws until after the January 2010 national elections. In the meantime, the GoI has launched an anti-bribery campaign aimed at reducing corruption. The COI has made several arrests involving a number of senior officials on corruption charges; the most notable arrest made was the former Minister of Trade. It remains to be seen if this increased enforcement activity on the part of the COI will result in the conviction of a major figure involved in high-level corruption.

### *Rule of Law and Criminal Justice System Reforms*

Rule of law efforts in Iraq are ongoing. While Iraqis have assumed ultimate control and responsibility for security and governance, MNF-I is focusing its efforts on those projects that can be accomplished prior to the redeployment of forces back to the U.S. This new focus is manifested not only through greater synchronization and coordination of all military assets, but also increased collaboration between the

State Department and DoD, with the ultimate goal of encouraging a stable and peaceful Iraq.

During the past year, substantial progress has been made in developing and implementing a national judicial security program for Iraq. Although the MoI needs additional funding in order to adequately provide judicial security, under Minister of Interior Bolani, the MoI is committed to providing protection for the judiciary. Led by the Justice Attaché Office, beginning in late 2008, high-level representatives of the MoI and the Higher Judicial Council (HJC) began working together to develop a judicial security plan to provide effective security for judges in Iraq. In a major step, the MoI has since implemented part of the plan by establishing a Judicial Protection Unit (JPU) in the MoI General Directorate of Dignitary Protection. The JPU is charged with providing judicial security for all Iraqi judges.

Currently, individual personal security detachments (PSD) are usually composed of a combination of HJC protection officers and MoI policemen, sometimes supplemented by private security personnel. The MoI plans call for HJC protection officers to be transferred to the MoI JPU, for each PSD to be eventually staffed completely by MoI policemen, and for each judge to have a five-man PSD. In a major concession to the HJC, the MoI agreed to allow judges to select the policemen they want assigned to their own PSDs. Currently, the MoI is processing the transfer of approximately 2,000 policemen into the JPU, although final MoI approval for the transfer is pending. It is anticipated that the approximately 1,400 judicial protection guards employed by the HJC will eventually be transferred to the MoI JPU. Such transfers would involve issues of job security, seniority, and rank, in addition to transferring or reallocating budget resources from the HJC to the MoI. Armored vehicles still are needed for the judges.

In order to assess security needs of Iraqi's approximately 1,200 judges, surveys were sent to each judge to ascertain the size and composi-



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tion of current PSDs, number of PSD vehicles, and other security concerns. The results are being compiled by the MoI and HJC to address identified security needs. Additionally, two MoI biometrics teams are working province-by-province to collect data from each judge for issuance of weapons cards. Once the data is collected and analyzed, the MoI will issue a weapon card to each judge.

The Multi-National Security Transition Command – Iraq (MNSTC-I) Iraqi Training and Advising Mission (ITAM), with guidance from the MNSTC-I Office of the Staff Judge Advocate (SJA), advises and mentors the MoD and MoI Directors of Human Rights. The MoD Human Rights Director inspects detention facilities and interviews detainees throughout Iraq, with U.S. advisors in the background, providing helpful guidance and assistance. During the inspections, the director reviews facility records and interviews detainees at approximately 30 detention facilities. The director validates information regarding the detainees' initial induction into the facility, both previous and pending investigative actions, living conditions, and any and all allegations of torture or other physical abuse.

The Law and Order Task Force (LAOTF) is a joint military organization that has three broad categories of responsibility, including support for the Rusafa Court Complex and Prison, support for the Iraq Defense Clinic, and operation of the Judicial Investigative Committee (JIC) Teams. The LAOTF support to the Rusafa Court and Prison has improved case processing, reduced case processing delays, improved the handling of evidence and ensured that prisoners are processed more expeditiously. A recent survey of more than 2,500 detainee files indicated that some detainee cases were not processed for months or even years. Identifying case processing delay and identifying detainees by name allowed the Ministry of Justice and the HJC to target bottlenecks and enhance prisoner due process.

The LAOTF also supports the Baghdad Legal Defense Center, which provides services to criminal defendants, promoting fairness and timely case processing. Staffed by 24 Iraqi defense counsels, the center has reviewed over 9,200 cases and represented nearly 5,000 detainees from July 2008 through July 2009. The LAOTF recently created four JICs. JIC teams partner a uniformed U.S. judge advocate and a trained U.S. military investigator with a trained Iraqi MoI investigator. Each team works primarily with one Iraqi investigative judge who is the initial judicial contact for all criminal cases. These teams assist Iraqi authorities in obtaining witnesses and other evidence in Coalition cases; they travel with investigative judges, assist with the preparation of complex cases, and facilitate the issuance of judicial warrants. Further, a JIC team serves as a single conduit to the investigative judge and ensures consistent evidence collection and forensic testing, as well as access to Coalition witnesses and victims.

### **International Issues**

#### *Arab Neighbors and Diplomatic Engagements*

The GoI continues to expand its diplomatic engagement with its immediate neighbors, the region, and the rest of the world, although it remains to be seen whether security concerns resulting from the August 19, 2009 bombings could slow the assigning of foreign ambassadors to Iraq. Egypt appointed an ambassador to Iraq and began re-establishing its embassy in Baghdad. Yemen, which has been represented in Baghdad by a Charge d'Affaires, also appointed an ambassador in June 2009, and senior-level visits to Baghdad have increased. Although the GoI has taken steps to match the efforts of its neighbors to strengthen diplomatic relations, including overtures to Syria, a number of key Iraqi ambassadorships remain vacant. However, in late July 2009, the CoR approved 58 Iraqi ambassadors to fill vacant posts around the world, but they have not yet been assigned to particular countries. Although the Kuwaiti ambassador arrived in Baghdad in the fall of 2008, no Iraqi ambassador to Kuwait has been

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named. The GoI has also focused on strengthening bilateral relationships with the region through economic forums with the aim of boosting trade and investment in Iraq.

### *Iranian Influence*

Iran poses a significant challenge to Iraq's long-term stability and political independence. Iran also continues to pursue economic, cultural, and humanitarian outreach to the Iraqi public. The GoI, through reciprocal visits with Iran at the Head-of-State and Foreign Minister levels, has sent strong messages warning Iran against interference in Iraq's internal politics, while encouraging improved bilateral relations, economic cooperation, and cultural and religious exchanges. The Iraqi Prime Minister, Foreign Minister, and other senior GoI leaders are reportedly developing a comprehensive policy on Iran that encourages constructive, peaceful relations.

Tehran continues to invest heavily to gain and sustain political and economic influence in Iraq. Iran has the capacity to influence Iraqi elections by leveraging its soft power capabilities—economic, political, religious, and humanitarian outreach—and with violence if necessary through its sponsorship of Iraqi Shi'a militant groups. Iran may also attempt to influence Iraqi leaders by virtue of long-standing personal and political ties. Although the number of high-level Iranian visits to Iraq declined as Iran approached its own elections in June 2009, Iran remained focused on achieving its political goals in Iraq through reciprocal visits of lower-level officials.

### *Kuwaiti Relations*

With efforts for coordination from the UN, and support from their major international partners, Iraq and Kuwait are working to resolve outstanding bilateral issues in the shared interest of building neighborly relations for the long term, but progress is slow. Particular attention is being paid to those issues that will help Iraq come out from under the UN Charter Chapter VII provisions that have been applied to Iraq since Iraq invaded Kuwait in 1990, including

clearly establishing its land and maritime borders, repatriating the remains of Kuwaiti citizens, and returning Kuwait's National Archives. In return, Iraq is hoping for Kuwait to allow the reduction of the percentage of oil export revenues that Iraq must pay to the UN Compensation Commission for damages and injuries caused by the invasion (most of which are now owed to Kuwait). However, due to difficulties over reaching closure on any of the Kuwait-related Chapter VII UN Security Council resolutions, relations between Iraq and Kuwait remain somewhat strained.

### *Syrian Influence*

Syria continues to promote its interests in Iraq through its diplomatic presence, though relations remain cool and worsened in the aftermath of the August 19, 2009 bombings in Baghdad. Syria has not made halting foreign fighters and other destabilizing elements a priority, and GoI diplomatic efforts to engage Syria on the foreign fighters issue have not been effective. Although Syria has detained some Al-Qaeda in Iraq AQI facilitators and operatives and the foreign fighter flow from Syria to Iraq has decreased significantly, Syria remains the primary gateway for Iraq-bound foreign fighters. The GoI has routinely insisted upon more meaningful security cooperation prior to enhancing economic relations between the two governments. More recently, although AQI claimed credit for the August 19, 2009 bombings of the Iraqi Ministries of Finance and Foreign Affairs, the GoI has voiced suspicions that Syrian-supported Iraqi Ba'athists based in Damascus helped plan the attacks, with accusations and denials leading to the mutual recall of the two countries' ambassadors. On August 30, 2009, the GoI formally requested that the UN Security Council form an investigative commission into external support for the bombings, heightening bilateral tensions. The Foreign Ministers of both Turkey and Iran have initiated diplomatic efforts to ease the tensions between Iraq and Syria.

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### *Relations with Saudi Arabia*

Relations with Saudi Arabia are relatively cool. Periodic anti-Shi'a statements emanating from Saudi religious leaders have provoked harsh official Iraqi reaction. Differing assessments about the regional threat that Iran poses have also posed an obstacle to improved relations. While the two countries maintain diplomatic relations, the Saudis have refused to return an ambassador to Baghdad, citing security concerns. The Saudis have, however, participated regularly with other Gulf countries, plus Jordan, Egypt, and Iraq, in Gulf Cooperation Council Ministerials, usually held once or twice a year in the region or on the margins of the opening session of the UN General Assembly.

### *Relations with Turkey*

Relations between Iraq and Turkey continue to improve in the political, diplomatic, economic, and security arenas. The third ministerial of the Iraq-Turkey-United States Trilateral Security Dialogue was held in Ankara in late July 2009. The Trilateral Security Dialogue is a forum, constituted in November 2008, to identify challenges and discuss solutions related to border security and counter-terrorism. During these meetings, GoI officials pledged to continue working with Turkey to counter Kurdistan People's Congress (KGK) activities in northern Iraq. The recent signing of a bilateral military cooperation agreement paves the way for Turkey to assist ISF development in areas such as military training, information sharing, and scientific and technical collaboration. In addition to Turkey being Iraq's second largest trading partner, Iraq began providing initial exports of oil through the Iraq-Turkey pipeline in June 2009. This represents a positive step in developing energy ties between Iraq and Turkey. Turkey also agreed to release additional water to offset the devastating drought conditions in Iraq.

### *Internally Displaced Persons and Refugees*

The small-scale return of internally displaced persons (IDPs) and refugees continues. Security gains have been an important factor enabling IDPs and a small number of refugee

families to return. As of its latest update in June 2009, the United Nations High Commissioner for Refugees estimates that more than 320,000 Iraqi IDPs and refugees have returned to Iraq since the beginning of 2008. Of this total, an estimated 85% are IDPs. Approximately 54% of the total number of returnees returned to Baghdad. Although new displacements in Baghdad and elsewhere in Iraq have slowed considerably, the International Organization for Migration (IOM) estimated that 2.8 million Iraqis remain internally displaced. The population of Iraqi refugees in neighboring countries is relatively stable, estimated to be 1.2 million. Shelter remains a high priority for Iraq's IDPs, particularly the estimated 40% who rented their homes and have nowhere to return. IOM estimates that 22% of Iraqi IDPs live in collective settlements, public buildings or other makeshift housing. However, the number of IDPs living in tented camps remains extremely small, making an accurate overall census difficult to produce.

The GoI has taken modest steps to support the return of displaced Iraqis. However, given a bleak budget picture, high unemployment, low private sector growth, a severe housing shortage, poor government services, and an improving but still fragile security situation, attempts to engage displaced Iraqis, as well as Syria and Jordan on the return of a largely Sunni refugee population, remains a low priority for the GoI. Serious efforts on behalf of the GoI to facilitate the returns of these refugees are all but non-existent, as the Ministry of Displacement and Migration lacks effective programs and adequate resources.

### **Conclusion**

Iraq continued to make measured political progress this reporting period. The focus and legislative priorities of the new CoR Speaker and the GoI's commitment to advance critical Sunni reconciliation programs, such as SoI transition, contributed to progress toward national unity. The successful electoral cycle in the KRG and plans for the IHEC to organize

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a voter registration update and organize national elections in January 2010 point to a maturing political process. Diplomatically, Iraq continues to focus on re-engaging bilaterally with its neighbors and expanding economic ties. However, many challenges remain. Despite efforts to increase coordination between the GoI and KRG, tensions remain elevated. Legislation to ensure elections occur before the end of January 2010 has yet to be passed, and consideration of a hydrocarbon legislation package continues to be stalled. The growing assertiveness of the

CoR is a positive development if parliamentarians are able to translate their oversight role into working productively with the central government to improve governance and services delivery. Continued legislative oversight by the CoR will enhance Iraq's efforts to deter corruption, improve services, and increase public confidence in the GoI. Detention conditions and judicial efficiency continue to challenge progress on the rule of law and have attracted increased attention at the highest levels of the GoI.

## 1.2 Economic Activity

Although the provision of essential services continues to improve incrementally, sustained drought, lower oil prices, and reduced oil output in the first half of 2009 have led to a tightening fiscal environment and dampened the prospects for economic growth. Falling oil revenues are the combined result of the rapid reduction in oil prices over the past year and stagnant oil production; however, oil prices have begun to rebound and production picked up in June 2009. Despite economic difficulties, the International Monetary Fund estimates that Iraq's real gross domestic product (GDP) growth rate will exceed 6 % in 2009. The Ministry of Oil's (MoO) June 30, 2009, bid round resulted in a winner for only one of the eight fields on offer. Contract negotiations will take months to complete, meaning increased output is unlikely before 2011. The tightening fiscal environment forced Iraq to pass a 2009 budget that set spending 25% below its original proposal, sacrificing some spending initiatives, but the CoM recently approved a \$4.6 billion supplemental budget, providing for SoI salaries and election costs, among other things.

One of Iraq's primary economic challenges going forward is to demonstrate that Iraq is a suitable environment for foreign investment. A more attractive development environment would produce both short and long term positive results for the Iraqi economy as a whole. The GoI has begun to recognize the need to attract foreign direct investment, as demonstrated by GoI participation in the recent investment conference held in London and planned participation in additional investment conferences scheduled for late fall 2009.

### Budget Execution

Budget execution, particularly for the capital investment budget, has been a challenge for the GoI since 2005, but both national ministries and provincial governments have substantially improved their ability to execute capital budgets. Several GoI and U.S.-assisted budget execution workshops have helped improve the execution rate of capital investment projects. Despite progress, impediments to spending across ministries and provinces remain, including bureaucratic bottlenecks, unclear rules and regulations, technical capacity, security, and absorption capacity. Bureaucratic

(\$ in billions)	FY 2006	FY 2007	FY 2008	FY 2009
Base Budget	34.0	41.1	49.9	58.6
<i>Capital Expenditures</i>		10.1	13.1	12.7
<i>Operating Expenditures</i>		31.0	36.8	45.9
Supplemental Budget			22.3	*4.6
<i>Capital Expenditures</i>			8.0	
<i>Operating Expenditures</i>			14.3	
<b>Budget Total</b>	<b>34.0</b>	<b>41.1</b>	<b>72.2</b>	<b>58.6</b>
Mol Security Budget			5.7	5.5
<i>Capital Expenditures</i>			0.5	0.2
<i>Operating Expenditures</i>			5.2	5.3
MoD Security Budget			5.3	4.1
<i>Capital Expenditures</i>			0.4	0.3
<i>Operating Expenditures</i>			4.9	3.9
<b>Security Budget Total</b>		<b>7.3</b>	<b>11.0</b>	<b>9.6</b>
Base Execution (as of Apr 2009)**	23.0	27.0	47.9	9.0
Supplemental Execution			2.6	
<b>Execution Total</b>	<b>23.0</b>	<b>27.0</b>	<b>50.5</b>	<b>9.0</b>

Source: U.S. Treasury Report

\*Pending CoR approval

\*\* Most current available data



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decision lag continues with regard to allocation releases and issuing letters of credit.

Conventional, expeditious procurement solicitation methods, such as direct invitation, are not being used by ministries and provinces. Additionally, the late ratification of the budget complicates both developing and executing spend plans within the ministries and provinces. Finally, on-going conflict in Ninewa and Diyala resulted in slow budget execution in these areas. The KRG has comparatively more contractors and oversight personnel, which made their budget execution more successful; however, the KRG also lacks budget transparency and has not generally demonstrated a disciplined approach in following proper procurement processes and procedures.

The GoI appears to be actively addressing its budget execution problems. The 2008 Annual Ministry of Planning Report on the Year's Budget Overview analyzed processes, systems, and procedures and identified nearly 50 problems and constraints associated with budget execution and project implementation. The report contained 30 suggestions for improvement. Additionally, former Deputy Prime Minister Salih, assisted by the U.S. Department of Treasury, hosted nationwide budget execution workshops, and USAID continues to train budget execution personnel on the development of long-range acquisition planning and will conduct similar training for the newly-elected provincial government officials.

### *2008 Budget Execution*

Iraq significantly improved its budget execution in 2008. Iraq executed 96% of its 2008 \$49.9 billion base budget and nearly 70% of its combined base and supplemental budgets, which totaled \$72.2 billion. In contrast, Iraq spent only \$27 billion, 67%, of its \$41 billion budget in 2007 and spent \$23 billion, 68%, of its \$34 billion budget in 2006. Of the overall spending, roughly \$9 billion was spent on capital investment projects in 2008, compared to just \$3.4 billion in 2007.

### *2009 Budget*

The CoR passed the 2009 budget on March 5, 2009. The Presidency Council approved the final 2009 budget schedules on April 2, 2009, and the budget was published in the Official Gazette on April 13, 2009. The 2009 Iraqi baseline budget is \$58.6 billion, representing an \$8.7 billion (17%) increase over the 2008 baseline budget of \$49.9 billion. Most of this increase correlates to operations, including salary and wage increases. The 2009 budget also includes \$2.1 billion for provincial capital expenditures and \$9.6 billion for security capital and operating expenditures (\$5.5 billion for MoI and \$4.1 billion for MoD)—compared to \$3.3 billion for the 2008 provincial capital base budget and \$9 billion expenditures for security in the 2008 base budget. The projected budget deficit is \$15.9 billion, but Iraq has adequate fiscal reserves to cover the deficit this year.

The 2009 Iraqi Budget Law included no provision for rollover from 2008 capital funding. Few new projects for 2009 will be funded with the reduced budget, and lack of rollover funds and the on-going 2008 projects will be funded with 2009 budgetary monies. The decline in oil prices caused a decrease in the 2009 revenue forecast, driving a reduced capital expenditure spending plan and an increased deficit from the previous two budget years. Budget expenditures were reported to be \$9.0 billion (15% of the overall budget) through April 2009, compared to \$10.8 billion in the first four months of 2008. The slower rate is primarily due to the late passage of the 2009 budget. This is the most current accurate information available.

### *2009 Budget Supplemental*

The CoM recently approved a \$4.6 billion supplemental budget, providing for SoI salaries, elections costs, and the General Electric (GE) contract, as well as provincial capital investments likely tied to election concerns. The supplemental must still be approved by the CoR. Given the \$22.3 billion

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supplemental budget in 2008, the GoI considers this a conservative figure.

### **Debt Relief**

Iraq has formally settled the debts undertaken by the former regime with 60 country creditors, including all 19 members of the Paris Club, and with the bulk of its commercial creditors. Its debts to Paris Club countries, which totaled about \$36.8 billion, were reduced by \$30.2 billion to \$5.6 billion and to non-Paris Club countries from \$29.1 billion by \$27.8 billion to \$1.3 billion. Some settlements involved Paris Club compatible up-front cash payments totaling about \$1.4 billion. Its debts to commercial creditors were reduced from about \$21.0 billion to \$4.0 billion, again in some cases involving cash payments totaling about \$400 million. To date, Iraq received roughly \$13 billion in debt relief from non-Paris Club official bilateral creditors and received approximately \$21 billion in commercial debt relief. The U.S. Treasury estimates that Iraq's remaining bilateral debt outstanding is between \$49 billion and \$77 billion. The United Arab Emirates announced that it intends to cancel all of Iraq's \$7 billion in debt owed, but still has not signed a formal agreement. Iraq and Poland have a draft agreement to forgive 80% of Iraq's approximately \$800 million debt, but Poland has not yet approved the agreement. Additionally, discussions continue between the GoI and China on forgiveness of \$8.5 billion of debt.

### **Indicators of Economic Activity**

While difficult to predict accurately, most reliable open-sources project real GDP growth for 2009 at around 6%. Even with improved security, Iraq's private sector remains dependent upon government outlays. Despite some progress, corruption constrains reconstruction and economic development throughout Iraq.

### **Inflation**

In July 2009, year-on-year core inflation was 7.9%, well below the 2008 average of 13% and significantly lower than the average inflation

rate of 19% in 2007.<sup>4</sup> From December 2006 through December 2008, the dinar appreciated against the U.S. dollar by more than 20%, but it has held constant at 1,170 dinar per U.S. dollar since then. In response to the lower core inflation rate, the Central Bank of Iraq (CBI) lowered its policy rate to 7% in June 2009, incrementally down from 14% in February 2009. Lower inflation and a stable Iraqi dinar are helping to improve Iraqi purchasing power for basic needs and are setting conditions for private-sector growth.

### **Unemployment**

GoI data released in December 2008 revealed some gains in employment. The Central Organization for Statistics and Information Technology reports that underemployment fell to 29% in 2008 from 38% in 2007, and the national rate of unemployment decreased to 12.5% in the fourth quarter of 2008 from 17.6% in 2007. Most notably, the data revealed that while the government still employs the majority of the full-time work force, over a third of the full-time work force is employed in the private sector, an increase from only 24% in 2007. The 2008 unemployment rate for males aged 15-19 was 59%. The combined informal and subsistence sectors made up approximately 25% of the economy. Iraqis continue to be challenged by unemployment and underemployment.

### **Hunger and Poverty Levels**

According to the most recent (2008) United Nations World Food Programme report, an estimated population of 930,000 (3.1% of the households sampled) were classified as food insecure.<sup>5</sup> The findings of this survey also indicate that an additional 9.4% of the population (2.8 million) is extremely dependent upon the Public Distribution System (PDS) food ration, without which they could become food insecure. Results also indicate significant improvement compared to the estimated 4.0 million (15.4%) food insecure and 8.3 million (31.8%) potentially food insecure people reported in the previous survey in 2005. Factors that may have contributed to this

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include an overall improvement in security, improvement in some macroeconomic indicators that are used to monitor the level of economic growth in Iraq, including GDP and enhanced humanitarian efforts on the parts of the GoI, UN organizations, and NGOs.

### *Public Distribution System*

Iraq's PDS is the world's largest food ration program. It provides a basket of food and other household commodities to virtually every Iraqi citizen. Iraqi leaders acknowledge that the PDS is inefficient, creates tremendous opportunities for corruption, and distorts domestic commodity markets. For these reasons, the GoI has committed, over the long term, to reforming and eventually monetizing the PDS. There has been mention of making small reforms to the PDS through the 2010 Budget Law, such as excluding high-income earners and reducing the number and volume of goods distributed. However, the GoI does not intend to end the program, and officials from the Ministry of Trade, which administers the PDS, insist that no reforms will occur before a new government comes into office after the January 2010 elections.

### *Business Development and Integration into the Global Economy*

Iraq is making strides toward reintegrating with the broader international community. The central government, as well as provincial governments and investment commissions reached or are working on agreements to promote trade and investment with more than 15 major countries and international organizations, including the UN, Organization of Islamic Conferences, Australia, France, Germany, Italy, Iran, Japan, South Korea, Sweden, Qatar, and the UK. A Japanese company Nippon Koei is part of a Japanese soft loan effort and is the GoI-designated company overseeing a \$240 million soft loan project for the refurbishment of the Umm Qasr port and shipping channel.

After three years of operation, the Department of Defense Task Force for Business and

Stability Operations (TFBSO) continues its efforts in Iraq to stabilize economic conditions, thereby lessening incentives for violence and creating normalcy and economic stability in Iraqi life. TFBSO activities include the introduction of numerous multi-national corporations and private investors to local businessmen and provincial, industrial, and tribal leaders. Additional efforts include the survey of nine state-owned enterprises (SOE) and selection of three SOEs to which TFBSO is providing technical assistance, capital equipment, and spare parts valued at \$13 million. These three SOEs—which are petrochemical, cement, and structural fabrications—are vital because they produce basic building blocks in high demand for refurbishment and construction.

The continuing worldwide economic slowdown is affecting business in Iraq. Some transactions are being renegotiated by investors, and even where there are contracts, some companies are demanding renegotiation or walking away. However, some investors continue to come to Iraq for meetings facilitated by the TFBSO. In June 2009, the TFBSO hosted a South Korean delegation that included a retired Korean general and representatives from internationally-known companies—LG and POSCO—who are pursuing investment opportunities and business engagements in Iraq. The delegation participated in a series of meetings in and around Baghdad with GoI officials, as well as meetings with business and community leaders in Basrah.

The National Investment Commission and the Provincial Investment Commission programs, established to develop the investment capabilities of national and provincial governments, are promoting foreign investment in Iraq. The Provincial Investment Commissions of Baghdad, Najaf, Karbala, Muthanna, Diwaniyah, Babil, Basrah, Maysan, Anbar, Wasit and Dhi Qar have each contributed to the overall \$4.8 billion private-sector development progress started in 2008. To date, a total of 100 investment licenses have



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been signed with three projects (valued at \$22 million) completed, construction of 16 of the projects (valued at \$176 million) underway, and one project license (valued at \$240 million) cancelled.

In February 2009, the Ministry of State for Tourism and Antiquities opened 11 of the 23 exhibition halls at the National Museum of Iraq, although currently, it is open only to organized tours, government officials, and academic institutions. A surge in tourist interest reinforces the growing perception that Iraq is becoming safer for tourists. Additionally, 24 signed investment licenses totaling \$1.122 billion have been directed toward tourism and hospitality industries. Six projects are under construction.

The Donors Committee oversees the International Reconstruction Fund Facility, which since 2004, served as the multilateral mechanism for turning international financial contributions into assistance projects for Iraq. The International Reconstruction Fund Facility for Iraq (IRFFI) has largely accomplished its original mission and is scheduled to close out its trust funds, and the Donors Committee will stop taking new donor contributions by the end of 2009, stop initiating new projects and contracts by the end of 2010, and terminate the IRFFI altogether by the end of 2013. The IRFFI collected more than \$1.8 billion in donor deposits and invested more than \$1.5 billion in assistance. Most of the countries that contributed to the IRFFI now have their own bilateral relations with Iraq for assistance, trade, and investment.

### *Banking Sector*

State-owned banks continue to dominate the banking sector in Iraq. As of March 2009, 88% of the deposits in the Iraqi banking system were in state-owned banks. The two largest state-owned banks, Rafidain and Rasheed, are undergoing a comprehensive financial and operational restructuring with guidance from international donors such as the World Bank, the International Monetary Fund (IMF), the

Financial Services Volunteer Corps, and the U.S. Treasury Department. Rafidain Bank is in the process of implementing a core banking system, a cornerstone of future banking improvements. Rafidain and Rasheed have introduced electronic smart cards for direct deposit of payroll and pension payments and had issued approximately 500,000 smart cards by the end of July 2009. The Central Bank of Iraq (CBI) is in the process of expanding online access to electronic interbank payment systems. Additionally, the CBI's Banking Supervision Department is in the process of reorganization, and an integrated reporting system for the Supervision and Statistics Departments is under development.

Along with USAID and the U.S. Treasury Department, the TFBSO Banking and Financial Networks Team continues its work to enhance the development of a modern, internationally competitive banking sector in Iraq. Amwal, the financial services consortium for private banks, is growing and continues to thrive; Amwal and Visa recently announced that Visa cards can now be used in Bank of Baghdad and any other Amwal member bank ATMs. Discussions are underway to add several more private banks to Amwal's membership. Current Amwal members, Bank of Baghdad and Commercial Bank of Iraq, have issued MasterCard-branded debit cards to their customers for use both domestically and internationally, and point-of-sale devices are being installed in Iraq at a rate of about 10 new devices each week in targeted businesses with potential for high-volume sales.

### **Oil Industry**

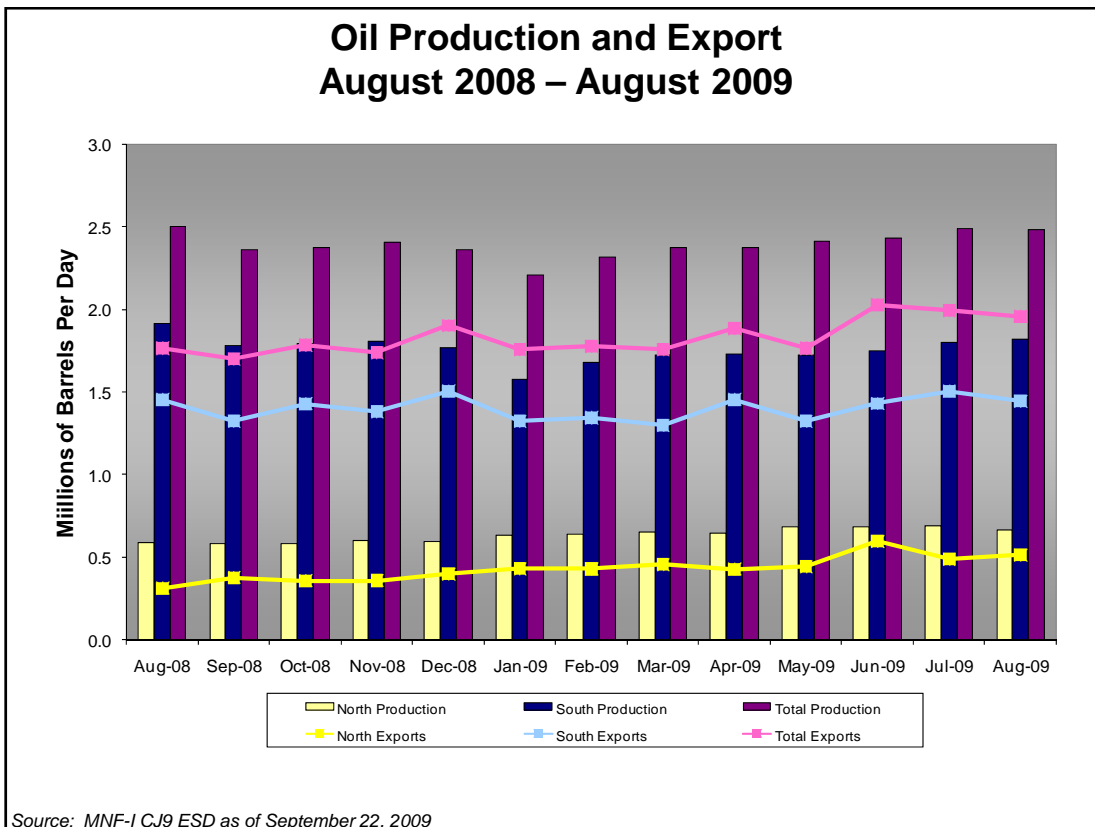
Overall oil production and exports appear relatively stable for the first half of 2009, but revenue is 22% below targets due to lower prices and export volumes. Through August 2009, Iraq's oil production is averaging 2.38 million barrels per day (mbpd), a 1.65% decrease from the 2008 average of 2.42 mbpd. Iraq's oil exports are averaging 1.87 mbpd, a 2.19% increase from the 2008 average of 1.83 mbpd. Old and poorly maintained reservoirs

and infrastructure have caused a production slowdown in the South, a trend expected to continue throughout 2010. However, the MoO Crash Program, consisting mainly of drilling new wells and working over old ones, should mitigate the decrease. Increased production in the North and limited KRG exports that began in June 2009 will also help offset declines; however, the sustainability of the KRG exports still remains to be seen.

Security improvements have helped maintain relatively high levels of production and exports. Although there have been several minor pipeline interdictions over the last six months, none have impeded production, export, or refining. Iraqi technicians have nearly completed repairs on the Bayji to Baghdad pipeline corridor of cross-connected lines as needed to allow flow of product between the two cities. An Oil Pipeline Company repair team is performing the final steps in testing the repairs on the 16-inch refined product line from Bayji to the Hammam Al Aleel depot near Mosul, and two other teams are carrying out repairs on the 12-inch Naft Khana crude line.

These repairs will increase the supply of crude to the Doura Refinery in Baghdad and greatly increase the MoO's ability to distribute fuel to the largest city in the North. The Pipeline Exclusion Zone (PEZ) projects are incomplete due to MoD and MoI disagreements over contracts for guard towers along the three PEZs. The U.S.-funded piece of the Bayji-to-Baghdad PEZ program is 100% complete, and the U.S.-funded construction on the Doura-to-Hillah PEZ is complete as well.

Despite improvements, much of Iraq's crude oil infrastructure remains outdated and under-resourced. The MoO is initiating a series of project proposals aimed at modernizing and expanding production, specifically in the refining sector. In addition, the Prime Minister supported a strategy to restructure and revitalize the Iraqi oil sector and realign policy and responsibilities in the early part of 2009, but it has not been endorsed by the CoM. The CoM approved a renegotiated contract with the China National Petroleum Corporation (CNPC) for the Ahdab field in Wasit. The seismic survey began in March 2009 with two new



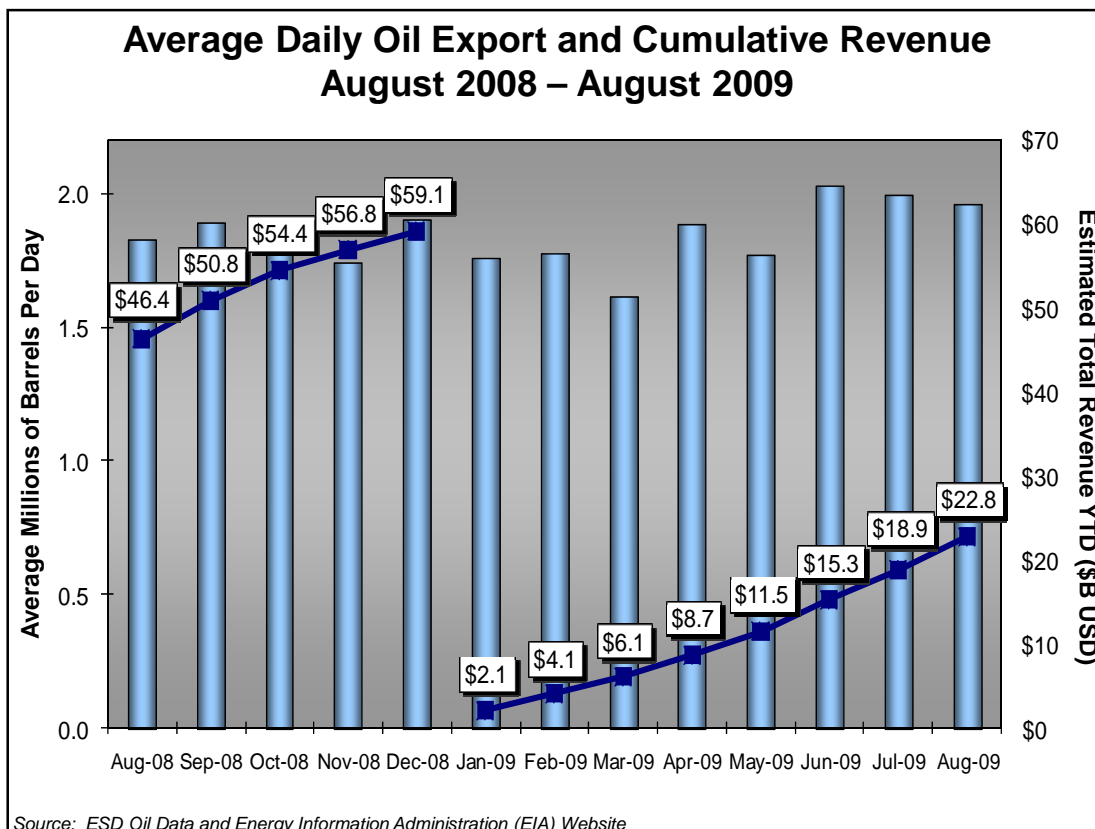
wells completed and two more expected. Additionally, seven older wells are to be renovated. The GoI also launched two rounds of bidding on contracts to develop major oil fields. Bids from international companies were received on June 30, 2009, during a public bidding process. The bid round resulted in one contract—for Iraq’s largest oil field—out of eight possible. The Minister of Oil balanced the GoI need to jump start foreign investment against domestic concerns about the GoI awarding lucrative contracts to foreign companies. The second bid round is scheduled for November 30, 2009. Given the length of the contract process, it is unlikely that there will be any significant foreign involvement in Iraqi oil infrastructure before 2011.

### Agriculture

As a nationwide industry, Iraqi domestic food production continues to lag due to many factors, including government policies that distort the market and undermine productivity and competition through subsidized credit and agricultural inputs; outdated technology in

plant and animal genetics, fertilizers, irrigation and drainage systems, and farm equipment; inadequate and unstable electricity; degradation of irrigation-management systems; insufficient credit and private capital; inadequate market information and networks; and security issues. Ministry of Agriculture (MoA) programs, projects, and initiatives will be limited in 2009 because of a reduced ministerial budget. In addition, given the continued drought during the 2009 grain season and the likely shortage of water for irrigation, grain production in 2009 is expected to be only slightly better than 2008’s poor production that resulted from the worst drought of the past decade. Over 70% of Iraq’s water originates from outside its borders; Turkey and Syria have increased release of more water into the Euphrates River, which enables increased rice crop irrigation. Discussions on responsible water sharing between Turkey, Syria, and Iraq are ongoing.

U.S. efforts are focused primarily on helping Iraq transition to a private-sector-driven agricultural system. These efforts include



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building the MoA's capacity to regulate and provide policy guidance and discourage market interventions so the market can play a greater role in setting prices for crops and agricultural inputs. The U.S. Department of Agriculture (USDA) is providing specialized training to help the MoA set policy and deliver services to revitalize the agriculture extension system and to identify market niches. USAID is facilitating the growth of private agricultural activity in Iraq through its *Tatweer* and *Inma* programs. The *Tatweer* program has trained over 9,000 employees and graduated 130 trainers in the MoA, and Ministry of Water Resources and continues to institutionalize learning and training within the GoI ministries and provincial governments. *Inma*, a \$209 million USAID project launched in 2007, focuses on the development of agribusiness and agricultural markets.<sup>6</sup> Since the beginning of the program, about 11,000 new jobs have been created in the agribusiness sector, generating approximately \$60 million of gross revenue for Iraqi agribusinesses.

TFBSO is also working with the USDA to improve the agricultural business sector in Iraq. In July 2009, TFBSO initiated agricultural management training in the form of graduate-level studies for 37 Iraqi scholars. This infusion of cutting edge agricultural knowledge should yield significant progress. An additional highlight of the TFBSO agriculture initiative is the distribution of industrial-sized greenhouses throughout several provinces of Iraq. More than 200 greenhouses have been delivered to Karbala, with additional deliveries planned in Anbar, Wasit, Basrah, Diyala, Salah ad-Din, and Ninewa. These greenhouses directly facilitate immediate and sustainable economic activity and employment in depressed agricultural communities, reducing hardship and improving security and local stability.

### Essential Services

Progress in delivering essential services varies by location. Demand for electricity still exceeds supply, but the gap between supply

and demand is shrinking. This gap is filled, in part, by the increasing use of private and neighborhood generators. Also, GoI investments in electrical generation have stabilized the national grid, which has resulted in improved reliability and recent all-time-high generation. Although many Iraqis still report limited access to potable water, construction of major new water supply and treatment plants continues. Progress in upgrades, restoration, and expansion continue to develop and improve the country's telecommunications and transportation infrastructure. The provision of essential services remains a key component of national unity and a significant factor in building popular support for the GoI.

### Electricity

Average electrical generation for the third quarter of FY 2009 was approximately 140,000 megawatt-hours (MWH), a 27% increase over the same period last year. Approximately 46% of Iraqis now feel they get the electricity they need at least some of the time; this is slightly less than April 2009 levels.<sup>7</sup> Additionally, only 18% of Iraqis are somewhat or very satisfied by the amount of electricity they receive, down from 25% who felt satisfied in April 2009.<sup>8</sup> Imports from Iran and Turkey averaged approximately 17,750 MWH in June 2009 and account for nearly 11% of the total supply. As of July 2009, over 800 megawatts (MW) of new generation has been added to the grid this year. This includes two new units at Qudas (100 MW each) and units at Chamchamal (110 MW), Samarra (85 MW), and North Baghdad (33 MW), among others. In addition, two gas turbine units at Doura completed a six-month refurbishment period, adding 46 MW to the grid. Cumulatively, this increased output capacity equates to powering approximately 585,000 households 24 hours per day.

In March 2009, the Ministry of Electricity (MoE) renegotiated the delivery and payment schedule for its GE project to supply 56 model Frame-9 generators. However, the GoI was unable to meet the renegotiated payment schedule due to budget shortfalls. An initiative

to raise the funds for the GE and Siemens contracts through the issue of treasury bills is still pending. Although the first GE generators supplied under this project have already arrived in country, the MoE has yet to appoint an engineer to develop specifications for plant construction, purchase the balance of plant equipment, or hire contractors to build the facilities.

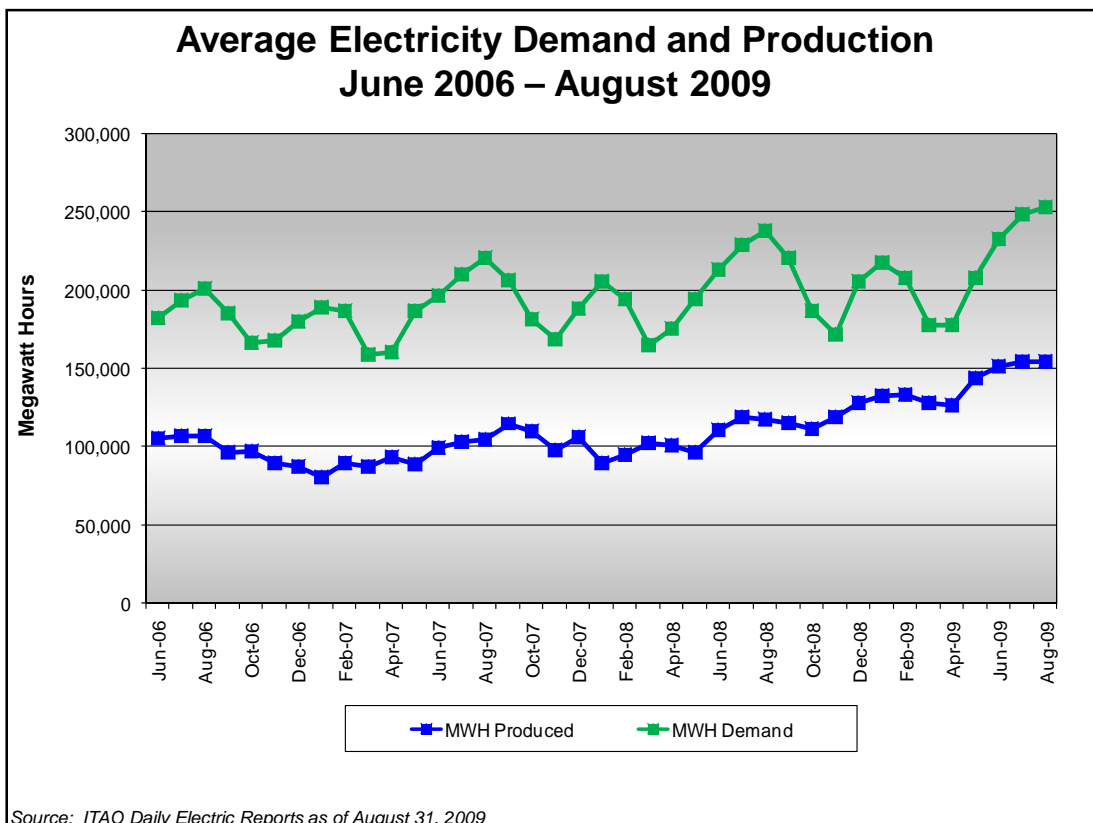
Hours of power is the ratio of provincial electricity load served to provincial demand. Since unmet demand is not measurable, the provincial demand number is estimated. Most experts, including representatives of the Iraq Transition Assistance Office (ITAO) at the U.S. Embassy in Baghdad, believe that MoE estimates of demand are too low. If this is true, then the numbers for provincial hours of power are higher than they should be. To address this issue, ITAO has hired a contractor to conduct a load forecasting study which utilizes advance statistical techniques to attempt to better estimate load. The contract concludes in October 2009. The expectation is that improved demand data will provide a more

accurate indication of hours of power at the provincial and national level in the long term.

### Water and Sewer

Through the joint efforts of U.S. forces and the Baghdad Water Authority, the clean potable water supply to the citizens of Baghdad has improved. Current output is meeting 89% of demand (2.5 million m3 per day out of a demand of 2.8 million m3 per day). The shortfall is likely due to an increasing city population rather than a decrease in production.

The Baghdad Water Authority's water network repairs, proper chlorination of potable water, and point-of-use testing program have been effective in ensuring the public water supply is safe for consumption. However, challenges remain, including improving capacity of water treatment plants, repair and maintenance of pipelines, proper treatment of water, and projecting and meeting population needs. In August 2009, nearly 70% of Iraqis reported being able to get safe, clean drinking water at least some of the time, a marginal increase from April 2009.<sup>9</sup> Although the majority of



Iraqis can get safe drinking water, only 28% are satisfied with the availability of drinking water, a six-percentage point decrease from April 2009.<sup>10</sup> Only 49% of Iraqis state that they have a working sewage disposal system in their neighborhood at least some of the time, a three-point increase from the last report.<sup>11</sup> The percentage of Iraqis satisfied with availability of sewage drainage services is 25%, a four-point decrease from April 2009.<sup>12</sup>

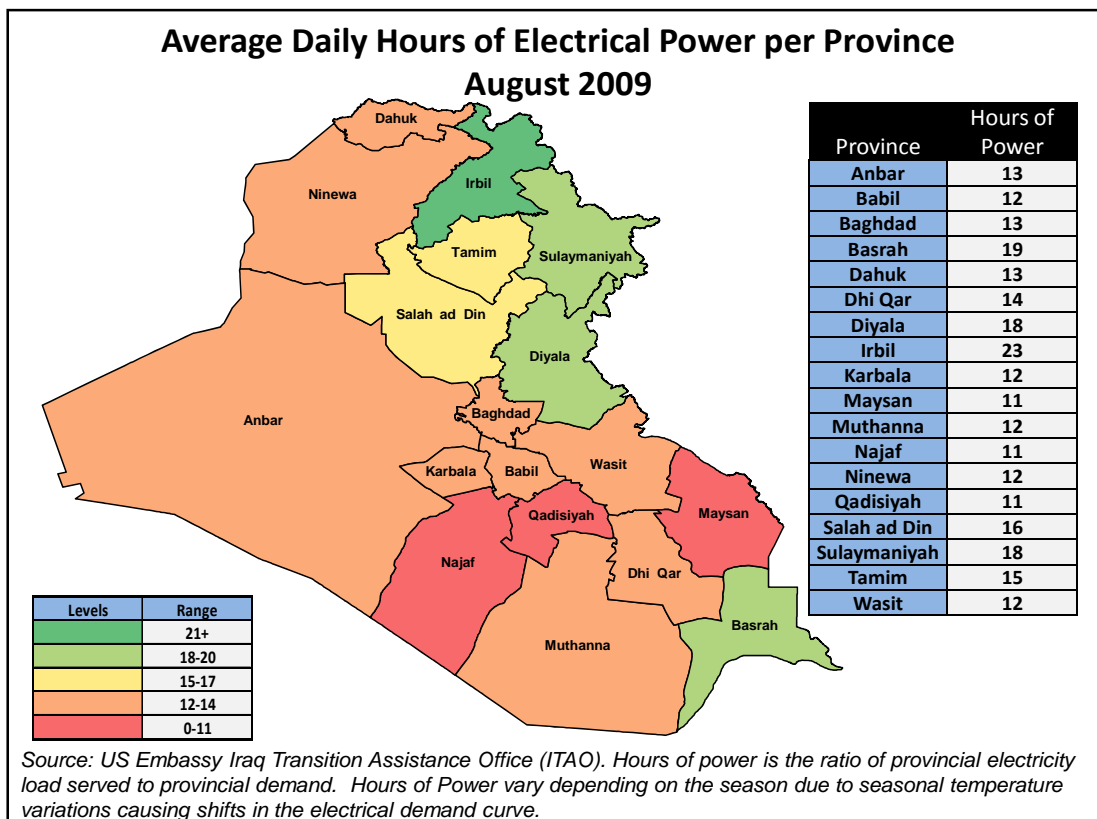
### Healthcare

Although many challenges remain, the Ministry of Health (MoH) and U.S. Government are actively engaged in a process to work together as the MoH builds its capacity to meet the health needs of Iraqis. With respect to training activities, the U.S. Army 10th Combat Support Hospital at Ibn Sina, Baghdad has worked with the MoH on a cooperative training program for physicians, nurses, pharmacists, and administrative and support specialties. However, national polling shows that only 26% of Iraqis are somewhat or very satisfied with health services.<sup>13</sup>

The MoH continues to face human resource challenge across the spectrum of healthcare professionals to include doctors, nurses, and ancillary support staff. The number of repatriated physicians, dentists, and pharmacists for January 2008 through June 2009 is 1,200, an improvement over the 200 total who returned in 2007. A physician shortage continues in Iraq, with the MoH filling 19,500 of the desired 38,000 positions, the MoD filling 179 of the desired 808 positions, and the MoI filling seven of 260 positions.

### Transportation

As part of the SA between the United States and the GoI, Iraq assumed control of all of its sovereign airspace. Within the agreement, the GoI requested assistance from the United States to monitor and control airspace below 24,000 feet until the GoI has the infrastructure and capability to assume control of all of its airspace. An Airspace Transition Plan was developed and signed by all parties to incrementally transfer control of the airspace to the Iraq as the required infrastructure and certified controllers are developed. To date, the





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lack of investment and an antiquated acquisition and procurement process have impeded the Iraq Civil Aviation Authority from moving forward. No additional transfer of airspace control is expected until the fall of 2010.

Rehabilitation and expansion of Iraqi railroad track and station infrastructure continue. Efforts to develop a state-of-the-art train control system for the railroad are nearing completion. Completion and turnover of the train control system to the Iraqi Republic Railway is expected in January 2010.

### **Conclusion**

Despite considerable challenges, the Iraqi economy continues to grow, and budget execution is improving, producing incremental gains in the provision of essential services. However, weak oil prices will most likely restrict government expenditures over the next year. Iraqi ability to attract foreign capital by providing a secure, market-friendly environment in an expeditious manner will ultimately be a pivotal factor in determining Iraq's near-term future growth trajectory. Despite falling revenues, the GoI will need to continue its investment program to develop all sectors of its economy.

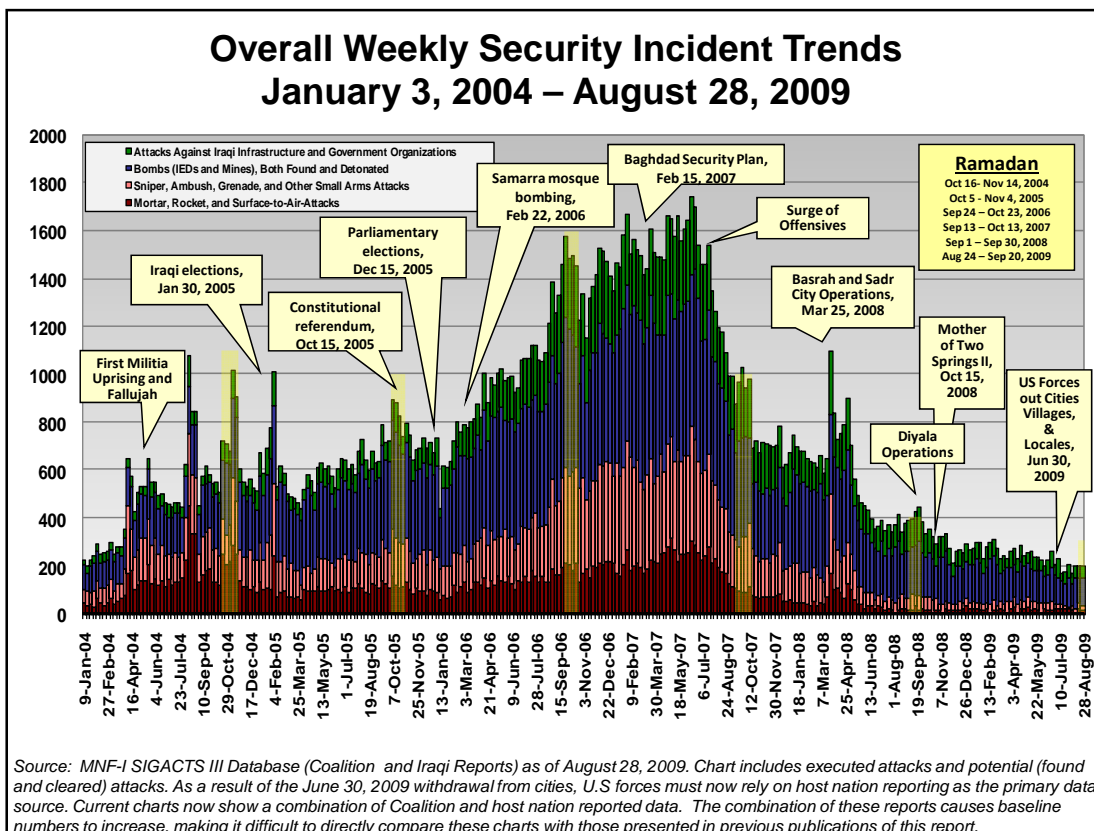
### 1.3 Security Environment

The security environment in Iraq continues to improve, but security is not yet enduring. Security incidents throughout Iraq continue to show a decreasing trend of violence. During this reporting period, the ISF and GoI continued to pressure violent networks, with inconsistent results, while U.S. targeting of key leadership and operatives constrained many AQI efforts to direct and carry out attacks. Although AQI is still able to conduct high-profile attacks (HPAs), their fund-raising capabilities and freedom of maneuver remain degraded. These attacks are frequently intended to incite sectarian violence, but there is little support for continued violence among the majority of the populace. Other violent extremist organizations, both Shi'a and Sunni, continue to challenge the ISF. Many factors, including economic development, border controls, and sectarian tensions affect aspects of security.

### Overall Assessment of the Security Environment

Security incidents remain at the lowest levels in more than five years, and progress in the security environment remains generally steady but uncertain. The ISF have increased capability and professionalism, paving the way for the re-positioning of U.S. forces in accordance with the SA. However, other areas continue to reveal significant challenges, including the development of the Iraqi justice and penal systems, control of border areas to reduce the import of lethal materials, and developing ministerial processes to coordinate sovereignty and security matters.

The insurgency in Iraq continues to decline, but remains dangerous. Several Sunni nationalist groups, including Jaysh Muhammed (JM), Jaysh Al Islami (JAI), the 1920s Revolutionary Brigade, and the Jaysh Rijal al-Tariq al-Naqshabandi (JRN), remain in armed resistance and continue to conduct attacks against U.S. and Iraqi forces. Shi'a militants have reorganized themselves into three different





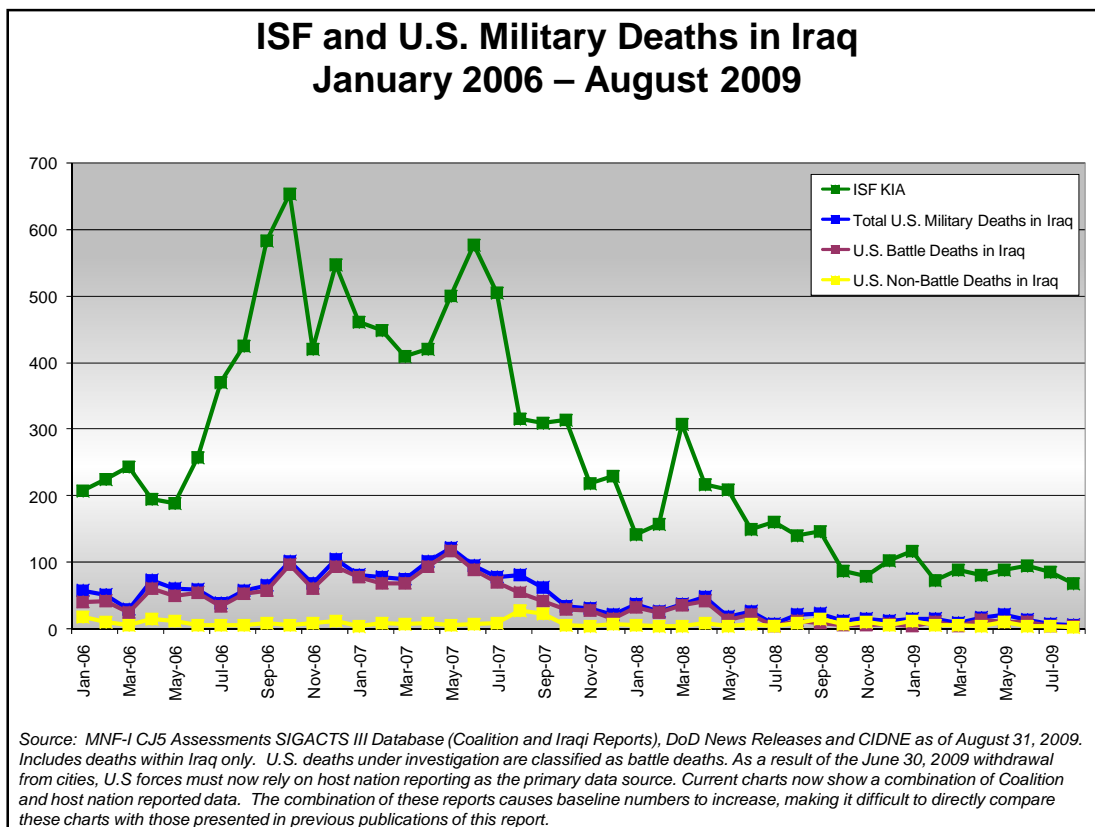
entities. Many have transitioned away from violence due to organizational changes and ISF pressure. Trained and funded by Iran, the Promised Day Brigade (PDB) (the reorganized militant arm of Muqtada al-Sadr's movement) and Kata'ib Hizbollah (KH), continue to attack U.S. forces. Shi'a militant group, Asaib Ahl al-Haqq (AAH), is in serious discussions with the GoI concerning reconciliation and has taken some significant first steps. The ISF have the lead in operations in Iraq, and U.S. forces now act in supporting roles, both partnering with and enabling the ISF as the military jointly impedes AQI's and other insurgents' and militants' freedom of movement and re-supply capabilities.

Security operations in Baghdad, Basrah, Diyala, Maysan, and Ninewa have produced encouraging results that further degraded the capabilities of AQI and reduced the activities of militias. Iraqi forces have extended control over more areas of Iraq, and ongoing operations have severely degraded AQI activities, finances, and supply networks, leading to the capture of several high-value individuals.

Extensive COIN operations in Mosul and Diyala have continued to pressure AQI networks and clear areas that had been AQI strongholds. Clearance operations in Diyala continue, but the focus has shifted to stability and support operations as of mid-August 2009. Although Iraq has made progress, AQI retains a limited capability to conduct HPAs, targeting civilians and ISF primarily in mixed urban areas, such as Baghdad, Diyala, Mosul, and Kirkuk.

### *Sons of Iraq*

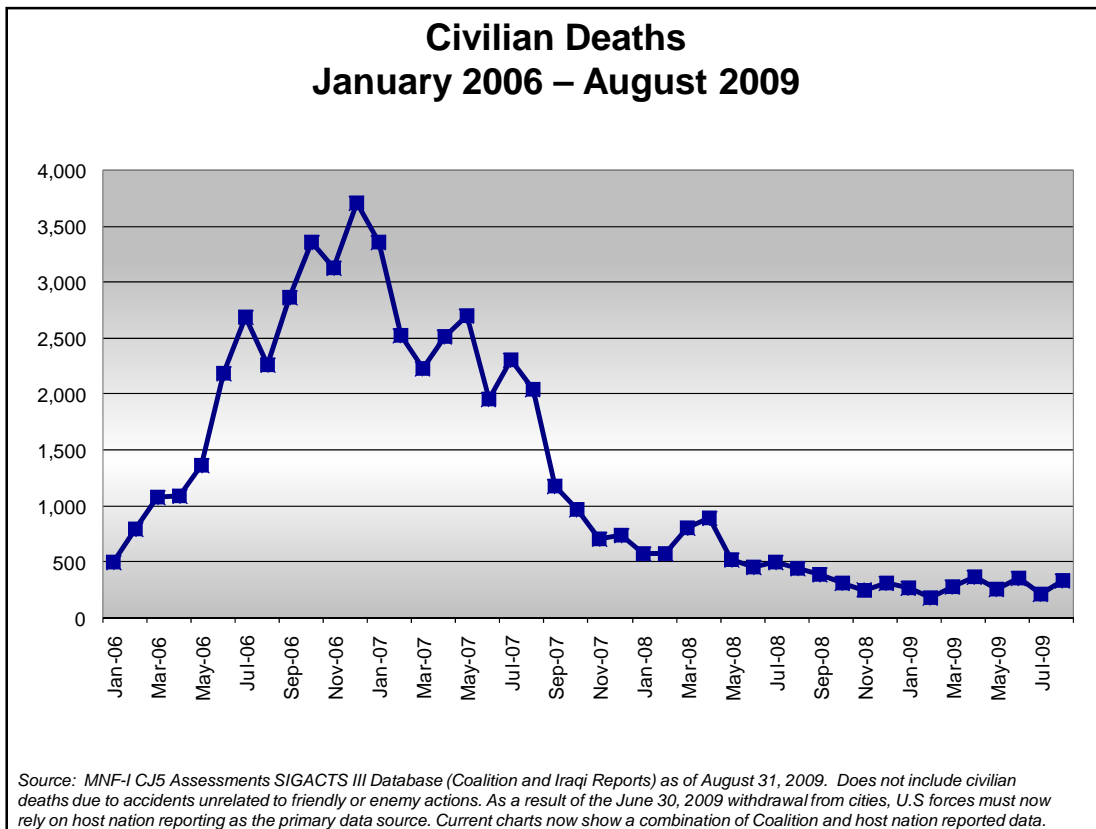
All of the 89,344 SoI in nine provinces are now under GoI control. As of May 2009, the GoI has control over all SoI and is responsible for paying all SoI salaries. U.S. forces continued to work with GoI officials on ensuring timely pay and transitioning SoI to other viable employment. Transitions began in Baghdad, where 3,331 SoI were moved to GoI ministries on August 2, 2009. During August 20-31, the GoI transitioned 2,262 SoI from the Rusafa district into ministries. Along with the previous 4,081 SoI who transitioned to private enterprise non-security employment, this brings



the number of SoI transitioned to non-security employment to approximately 9,600. Since the start of the SoI program in June 2007, 13,342 SoI have been transitioned into the ISF.

SoI members continue to make significant contributions to security, and the GoI is working to remedy pay issues and uphold its commitment to transition the SoI. In Baghdad, 47,000 SoI skills and education questionnaires have been evaluated to determine placement into appropriate ministries with other provinces planning to follow suit. Transition of SoI members into the ISF last occurred in December 2008. The MoI and MoD are under a temporary hiring freeze while they conduct internal audits of their personnel rosters. It is likely that the four-phase Baghdad transitions alone will last through the end of 2009 and may continue into 2010 and the Iraqi election period. As this is the pilot program to transition the rest of the SoI, most of the remaining SoI may not be integrated by the end of 2009.

The Implementation and Follow-up Committee for National Reconciliation (IFCNR) and Baghdad Operations Command (BOC) transitioned the first group of SoI to ministry jobs beginning on August 2, 2009. IFCNR has chaired several planning sessions with ministry and BOC representatives culminating in a successful first step in the transition of SoI to GoI ministries. The pace of transition will continue to be metered by the BOC Commander's assessment of security in Baghdad. Additionally, concerns remain within the Sunni community over the continued arrests of SoI leaders and charges of late and non-payment of salaries, particularly in Diyala Province, which had a substantial number of SoI not on the demobilization, disarmament, and reintegration (DDR) pay roster. Key leader engagements between U.S. leaders and the IFCNR have been held to discuss the cumulative effect of Sunni leader arrests, AQI targeting, and SoI pay issues, which create a perception of intimidation against the Sunni population in Diyala. Also, though declining, targeting and attacks against SoI by insurgent



groups continue to be cause for concern among SoI leaders, most commonly in Diyala, Kirkuk, and Salah ah Din. On May 19, 2009, IFCNR led a conference in Baghdad with over 400 SoI leaders and sheikhs from all provinces where SoI are currently operating. The IFCNR chairman led discussion on arrests, salaries, and transition to ministries. It was an opportunity to demonstrate GoI commitment and provide a venue for SoI leaders to voice concerns.

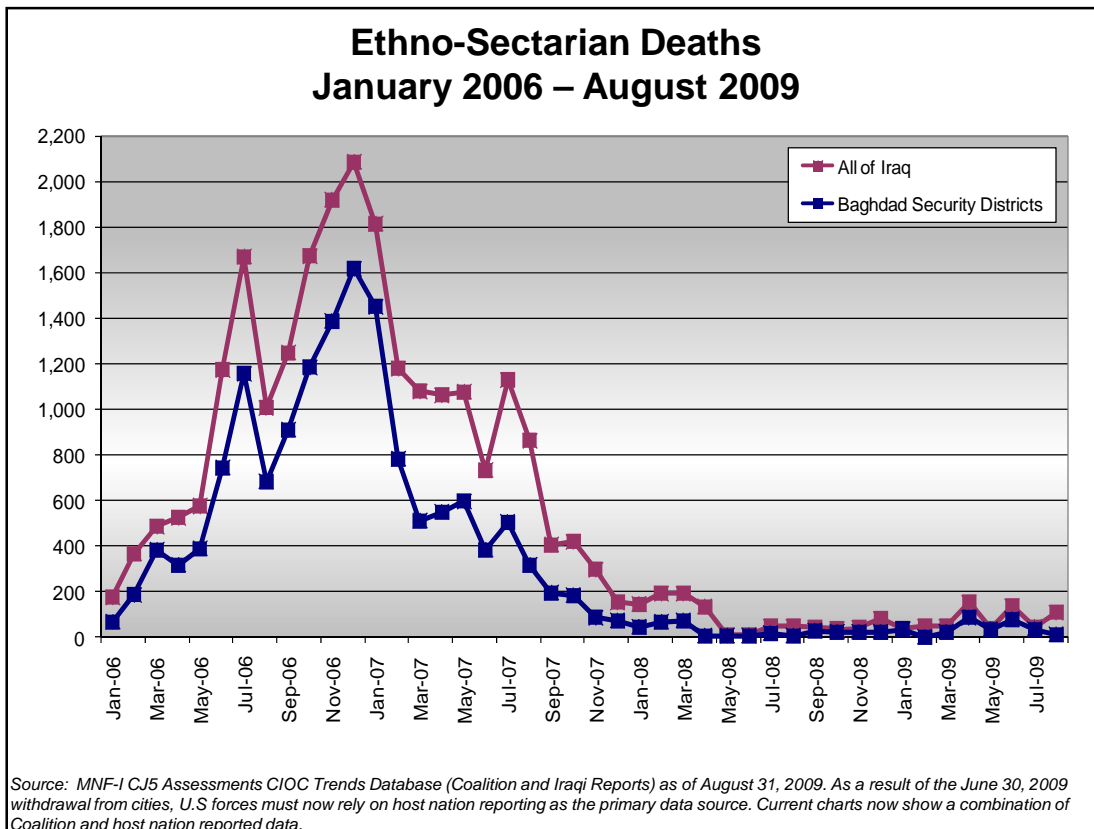
### Daughters of Iraq

In response to the trend of female suicide bombers used by AQI to exploit cultural sensitivities, Multi-National Corps – Iraq (MNC-I) and community leaders began calling for women to join the Daughters of Iraq (DoI), a female counterpart to the SoI. U.S. forces supported a four-day course that taught the women basic search techniques and stationed them at various locations within the community, such as bridges, GoI buildings, mosques, banks, and schools. The DoI do not carry weapons, are stationed at checkpoints with armed males, and work in pairs,

conducting body searches on female visitors for weapons and explosives. The GoI faces increased demand for female security personnel because of the large increase in female suicide bombings in 2008—more than 40 women carried out suicide attacks in 2008, primarily in Diyala, Baghdad, and Anbar, compared to eight in 2007. In 2009, there have been only three female suicide bombers. In Baghdad, three DoI have been transitioned into the Iraqi Police (IP), 10 are currently in IP College, and 32 are being paid by the GoI as they continue to work alongside their SoI counterparts. Additionally, in Anbar, 49 DoI have been hired by the MoI; however, there is no plan to transition the remaining DoI into permanent employment with the ISF.

### Attack Trends and Violence

Violence levels in Iraq, as measured by weekly overall security incident levels and including all reported attacks against civilians, the ISF, and Coalition forces have averaged 204 per week this reporting period and reflect a 19% decrease from the last reporting period.



Baghdad, Diyala, Ninewa, and Salah ad Din contain approximately half of Iraq's population and accounted for 79% of these security incidents. Contrary to the trend in security incidents, violent civilian deaths across Iraq have slightly increased during this reporting period. The daily average number of civilian deaths due to violence increased from 9.4 per day to 9.5 per day. Although HPAs caused a large number of civilian deaths during the reporting period, thus far, these attacks have not rekindled a cycle of ethno-sectarian violence.

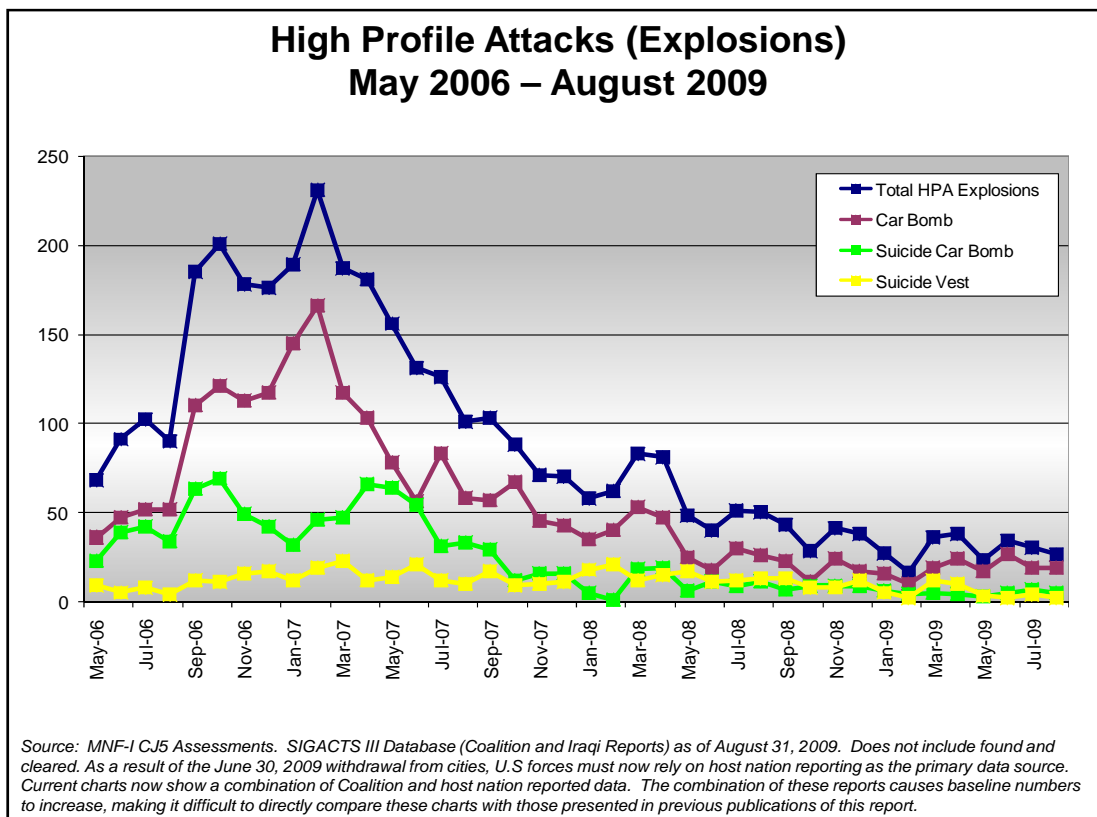
### High-Profile Attacks

During this reporting period, the number of monthly HPAs, including HPAs found and cleared, decreased from the previous reporting period. However, AQI retains the intent and capability to carry out these attacks. During the previous reporting period, 46% of all casualties were from HPAs; 51% of the casualties this reporting period were from HPAs. AQI's primary means of HPAs are person-borne improvised explosive devices and vehicle-borne improvised explosive devices (VBIED).

Suicide-related attack trends remain low. Target focus continues to be ethno-sectarian and ISF-based in order to discredit the GoI and increase ethno-sectarian tensions. Suicide-related attacks primarily occur in mixed urban areas, such as Baghdad, Diyala, Mosul, and Kirkuk.

### Explosively-Formed Penetrator

Levels of monthly explosively-formed penetrator (EFP) incidents have slightly decreased compared to the previous reporting period. ISF and U.S. force pressure, as well as the removal of key extremist leaders, significant cache recoveries, and more effective policing of Iraq borders have reduced logistical and financial support to the networks involved in improvised explosive device (IED) and EFP attacks. Increased border and clearing operations in southern and central Iraq also disrupted the movement and storage of EFP components to Shi'a militants. Over the past seven months, intelligence reports suggest arms and component facilitators are experiencing increasing difficulties in transiting the borders and accessing caches. However, those



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individuals and munitions that do make it into Iraq from Iran frequently have more sophisticated weapons and better training. Iran will continue its support to Shi'a proxy groups in Iraq with funding and limited lethal aid. The current post-election unrest in Iran may be causing a disruption of aid to Iraqi interests. Iran will continue to conduct soft power operations in Iraq with specific focus on Iraqi religious and economic interests.

## **Insurgent and Militant Groups**

### *Shi'a Extremist Groups*

Iraqi and U.S. forces continue to target Shi'a militant groups, hindering their operations. As U.S. forces continue to draw down, both Shi'a and Sunni militants are focusing indirect fire (IDF) attacks against U.S. installations as a result of easier targeting and more freedom of movement. Muqtada al-Sadr's objectives have not changed with regards to transforming the Sadrist movement, especially as the January 2010 national elections draw closer. Sadr continues to convey anti-western and anti-U.S. sentiments while further developing his former JAM into the social, religious, and cultural group, *al Mumahiddun*. Sadr's militant wing, the PDB, continues to organize and expand. Reporting as of late August 2009 illustrates Sadr is possibly preparing the PBD for more attacks against U.S. forces, though with orders not to conduct any activity against Iraqis. The reconciliation of Shi'a militant group AAH with the GoI may influence other Shi'a militant groups to reconcile as well. However, as of August 2009, attacks are still being conducted primarily against ISF and U.S. forces in the form of EFP and IDF attacks. The Shi'a militant groups, however, are still plagued with internal conflicts, including plans, policy, and direction, as well as an absence of leadership. This continues to make them susceptible to ISF and U.S. force targeting.

### *Sunni Insurgents*

Sunni insurgents continue attempts to destabilize Iraq with the intent of discrediting the GoI. Religion and nationalism motivate a small number of Sunnis who conduct attacks

either to expel the U.S. forces, remove perceived Iranian influences, or highlight instances where Islamic Law may have been violated. Additionally, there is also an unknown level of Sunni violence attributable to common criminal activities, personal grudges, or tribal rivalries. These acts of violence often have no specific motivation other than greed, interpersonal relationships, and general discontent with the current situation.

### *Al Qaeda in Iraq*

AQI remains resilient despite facing significant hardship in northern Iraq, with Ninewa Province remaining the group's logistical and support center. Improved security, combined with U.S. forces and ISF operations, continue to degrade AQI's leadership and operational capabilities and have reduced foreign fighter movement into Iraq. However, AQI has remained viable by evolving into a more indigenous organization, increasingly relying on Iraqis for funding and manpower.

Despite significant leadership losses and a diminished presence in most population centers, AQI continues to conduct periodic, targeted, HPAs, albeit at a reduced rate. AQI is increasingly focusing its rhetoric and its attacks against Iraqis, including the GoI, ISF, and Shi'a and minority civilians, in an effort to discredit the GoI and incite sectarian violence as U.S. forces draw down. In upcoming months, AQI may attempt to take advantage of political and security changes, including detainee releases and ISF responsibility for security, in an effort to reassert its presence in some areas of Iraq. AQI remains the primary instigator for ethno-sectarian violence, and it will seek to capitalize on Sunni disenfranchisement and Arab-Kurd tensions.

## **Security Assessments by Region**

### *Assessment of the Security Environment – Baghdad*

The August 19, 2009, bombing of the Ministries of Finance and Foreign Affairs in Baghdad demonstrates that AQI remains a viable and capable group. With the Baghdad

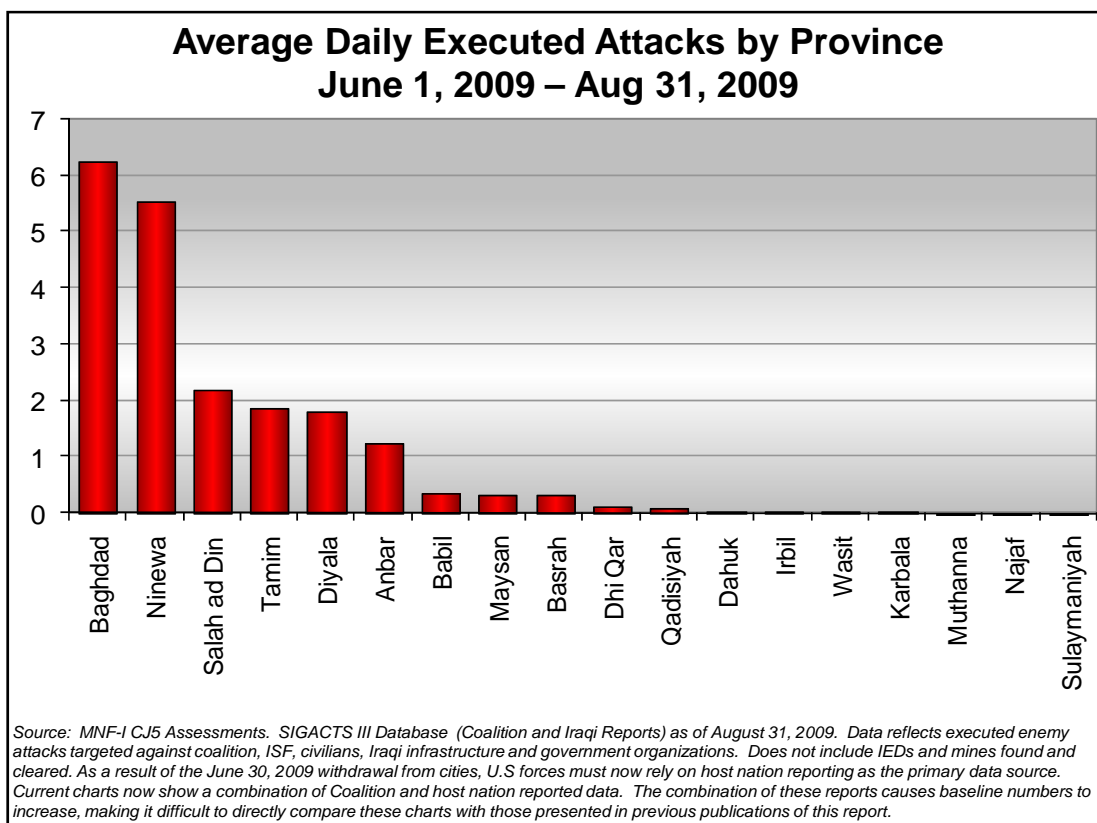
bombing and several smaller attacks throughout the district in the past several months, AQI intends to undermine the ISF in an effort to create uncertainty in the GoI's overall security capability and incite sectarian violence. AQI or Shi'a extremist elements remain responsible for most violent activity within the Baghdad Security Districts. Militant Shi'a groups, including the PDB, KH, and AAH maintain active cells in Baghdad. The difficult operating environment has caused many Shi'a militant leadership figures to stay in Iran, while encouraging subordinates to prepare for future operations in Baghdad, especially as U.S. forces transfer security operations to the ISF. Although AAH has agreed to a cease-fire, they and other groups have not renounced armed violence and continue attempts to re-establish networks despite arrests and disruptions. Militant groups continue low-level operations, indicating residual will and capability, even as U.S. forces continue to discover weapons caches. Overall, attacks by the PDB and KH, and possibly AAH, occur intermittently and mostly target U.S. forces in Baghdad in the form of EFP and IDF attacks. Though

infrequent, IED, EFP, and IDF attacks demonstrate that PDB, KH, and AAH are still capable of lethal operations in Baghdad.

Sunni resistance activity in Baghdad has steadily declined since early 2008, with more activity on the peripheries than in central Baghdad. However, AQI maintains cells in and around Baghdad with the intent to remain relevant and undermine the GoI. AQI's ability to operate is significantly constrained by GoI security initiatives. Although AQI's presence has declined inside the capital, the group seeks to re-establish itself in Baghdad and the surrounding areas and maintains the ability and desire to carry out periodic HPAs, designed to cause high levels of casualties.

*Assessment of the Security Environment – Western Iraq*

Since the previous report, attacks in Anbar Province remain constant at approximately one per day. Many elements of the Sunni insurgency appear to have transitioned to either political activity, participation in the SoI, or have otherwise ceased attacks. U.S., ISF, and





tribal initiatives continue to make significant progress in western Iraq against the capabilities and operations of AQI. AQI has lost the support of the Anbar population who now demonstrate trust and confidence in the local ISF. Additionally, significant discoveries of caches, combined with key AQI members' arrests, have made it difficult for AQI to carry out large-scale operations or regain a foothold in the area. However, AQI in the West continues infrequent attacks in an effort to discredit the ISF and the political process. While AQI's presence in Anbar Province has declined, the group seeks to re-establish itself and maintains the ability and desire to carry out periodic HPAs as seen with their limited resurgence of attacks in Anbar in June and July 2009.

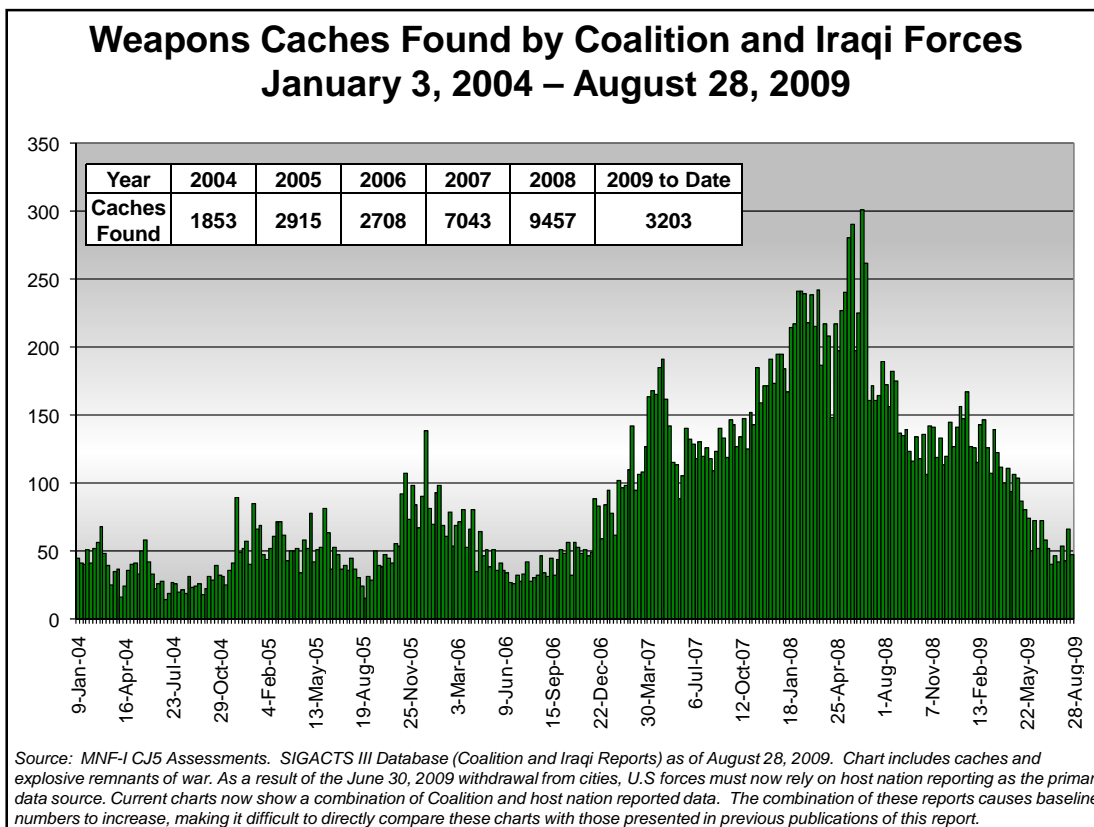
*Assessment of the Security Environment – Northern Iraq / Central Iraq*

Violence in northern and central Iraq continues to be a challenge, particularly in Ninewa, where AQI remains focused on strengthening its urban foothold and is actively targeting Iraqi and U.S. forces. Consistent with past tactics,

techniques, and procedures, AQI continues to employ VBIEDs and suicide attacks to degrade security and improve its freedom of movement, as seen with attacks against ethnic minority civilians in Mosul, particularly on August 7 and 10, 2009.

Despite being heavily degraded by U.S. and ISF targeting, AQI remains capable of conducting HPAs, albeit not as frequently. AQI members occasionally cooperate with Sunni insurgent groups at the tactical level to maximize resources. The cooperation is mostly local and is not strategic or directed by senior leaders. Both Sunni insurgents and AQI continue their campaign to intimidate the ISF, local government leadership, and civilians throughout the region. All Sunni armed groups have propaganda campaigns designed to give the impression of strength to their members and future recruits.

The lack of an agreed mechanism for sharing authority and resources in northern Iraq among Kurds, Arabs, and other groups, including Turkmen, Christians, and Yezidis, continues to



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exacerbate tensions. AQI and other Sunni insurgent groups seek to exploit this tension. The presence of Peshmerga and other Kurdish security forces outside the KRG boundaries further worsens tensions. U.S. forces present in the disputed areas continue to play a key moderating role between Peshmerga and GoI forces. MNF-I met in Baghdad on August 16, 2009, with GoI and KRG leadership to lay preliminary groundwork for an interim security architecture along the fault line in the disputed internal boundaries. The GoI Ministers of Defense and Interior, and the KRG Minister of Interior and the Commander of the Peshmerga took part in the preliminary discussions. First and foremost, the group agreed on the primacy of protecting the Iraqi people. Additionally, a subcommittee on this security issue has been established with representatives from the GoI, the KRG, and U.S. forces. The members will provide recommendations on the security architecture inside the disputed areas, to include intelligence sharing, coordination measures, command and control, and other appropriate security measures. This architecture will be consistent and in compliance with all measures of the SA and will not affect the responsible drawdown of U.S. forces from Iraq.

Attack levels in Ninewa have trended slightly upward since the last reporting period, but still remain below pre-November 2008 levels—a good indicator that AQI remains pressured in a key historical stronghold. Sunni insurgents throughout north and central Iraq remain less active due to Sunni involvement in provincial politics and positive effects from local SoI programs, though the groups will likely continue to stage periodic HPAs, particularly against GoI targets.

#### *Assessment of the Security Environment – Eastern Iraq (Diyala)*

Muqtada al-Sadr's cease-fire continues to contribute to the decreased violence in Diyala, allowing ISF and U.S. forces to focus on targeting AQI, Sunni rejectionists, and other criminal elements. GoI-led operations in

Diyala continue to pressure AQI, forcing them into the sparsely populated areas within the Hamrin Mountains, where they still maintain freedom of movement and are likely attempting to reorganize their ranks. AQI continues to exploit the province's ethno-sectarian tensions, uneducated populace, and rural areas. Although the ISF continue to make progress toward the GoI objective of improving security in the province by eliminating insurgent support and setting the conditions for economic recovery and the return of displaced citizens, the perception of disproportionate targeting of Sunnis has strained sectarian relations.

Despite the intention to remove extremists and militants and facilitate the return of displaced persons, GoI-led operations from late July through October 2008 increased ethnic and sectarian tensions in Diyala, which have remained high. Sunni leaders in the province perceived operations as an attempt to stunt their political development before provincial elections. Despite this perception, Sunnis generally remain engaged with the GoI and appear to have claimed a representative voice on several provincial councils following elections. In a clear sign of progress, the major operation, Glad Tidings of Benevolence II, included extensive coordination between IA and Peshmerga forces and featured joint patrols. This level of cooperation, facilitated by U.S. personnel, can serve as an example throughout the disputed territories.

#### *Assessment of the Security Environment – Southern Iraq*

Reporting from the southern provinces remains positive, and the population supports the GoI's security initiatives, preferring relative normalcy over lawlessness and violence. Shi'a militant groups remain the primary threat to southern Iraq. KH has experienced difficulties in maintaining its networks and conducting operations in southern Iraq, while AAH must compete with Sadr, keep members from leaving for the *Mumahiddun* or PDB, and avoid targeting by ISF. ISF control and positive presence in the Shi'a South helps ensure



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violence continues a downward trend. Despite the improving security environment, Shi'a militant groups seek to rebuild their damaged networks and demonstrate their capabilities through low-level residual violence, which will continue to change based on the AAH reconciliation process and the reposturing of U.S. forces.

#### *Assessment of the Security Environment – Kurdistan Regional Government Area*

The KRG remains the safest and most stable region of Iraq, although isolated acts of terrorism occasionally occur. The relatively homogenous Kurdish population and the presence of the Kurdish security forces mitigate the threat of AQI or other terrorist attacks in the North and reduce ethnic tensions that plague other cities in Iraq. However, Turkey and Iran continue to attack Kurdish terrorist groups along their borders with the KRG. These attacks have been conducted against sparsely populated areas in the mountains and have not led to significant numbers of refugees, collateral damage, or political fallout.

The results of provincial elections in January 2009 reduced Kurdish influence in the disputed areas, including Ninewa, Salah ad Din, and Diyala. In particular, the transfer of power from the Kurds to the mostly-Sunni al-Haadba Gathering in Ninewa has contributed to tensions. Al-Haadba has called for the removal of Peshmerga and Kurdish Assayish security forces from the province, which has increased frictions in the area. In early May 2009, a potential crisis emerged when Governor Najafi attempted to pass through a Kurdish checkpoint to attend a civil function. The confrontation was prevented only when the function was cancelled. Confrontations between IA units and Peshmerga forces have occurred two other times in Ninewa: in late May 2009 at the Mosul Dam and in late June 2009 in the Kurdish-controlled district of Makhmour. The incidents were only resolved through the timely intervention of U.S. forces, which continue to maintain overwatch in this area.

In many disputed areas adjacent to the KRG—Ninewa, Tamim, and, to a lesser extent, Diyala—tensions remained high between the Peshmerga and the ISF. Many of these areas are ethnically mixed and resource-rich, and both the KRG and GoI are attempting to assert security primacy but have not worked out a clear political arrangement. As U.S. forces depart and the profile of ISF units, such as the 12<sup>th</sup> IA division in Tamim, rises, there may be several opportunities for miscalculation or provocation. Arab-Kurd tensions are multifaceted and will remain accentuated by intractable positions surrounding Kurdish autonomy, hydrocarbons, DIBs, and Arab efforts to curb Kurdish influence outside of the established Kurdish region. Currently, it appears unlikely the IA or Peshmerga will intentionally instigate a military confrontation, preferring to negotiate acceptable results. However, a clear pattern has emerged since the first IA-Peshmerga confrontations at Khanaqin in Diyala in September 2008 when the IA attempted uncoordinated movements into Kurd controlled areas of the disputed territories. Continued engagement with the GoI by U.S. forces and U.S. Government leadership is directed toward lessening these tensions.

#### **Public Perceptions of Security**

Iraqis generally believe the security situation is better locally than nationally. Though four points lower than in April 2009, research conducted in August 2009 reveals that 72% of Iraqis described the security situation in their neighborhoods as calm.<sup>14</sup> When asked the same question about their province and Iraq as a whole, 58% said the situation was calm in their province, and 31% of Iraqis said the situation was calm nationwide.<sup>15</sup> These perceptions of security at the provincial and national levels have not significantly changed since April 2009.

The majority of Iraqis (91%) feel that the security situation has remained constant or improved in their neighborhood over the last six months.<sup>16</sup> This is essentially unchanged compared to April 2009. When asked about the

security situation in the country as a whole, 87% felt it had either stayed the same or gotten better.<sup>17</sup> This is essentially unchanged since April 2009. August 2009 nationwide research indicates that 43% of Iraqis feel safe traveling outside of their neighborhoods.<sup>18</sup> This is a negligible change when compared to the last report. Although many Iraqis felt safe traveling, 66% reported that their movements were sometimes restricted.<sup>19</sup>

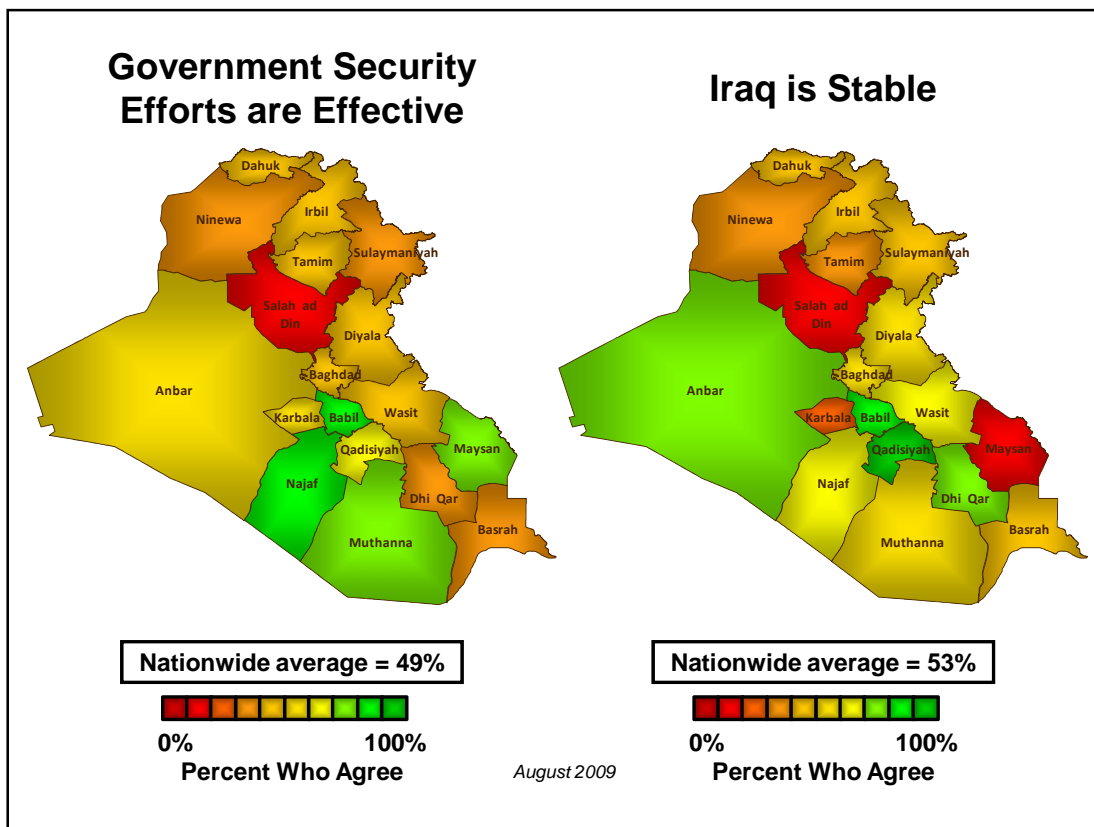
When asked about their perceptions of the ISF, 72% of Iraqis said they feel secure when they see the IA in their neighborhoods, and 68% said they feel secure when they see IP in their neighborhoods.<sup>20</sup> This shows no significant change in trust in either the IA or the IP since April 2009. Nationwide perceptions of the IA and the IP are four percentage points apart from each other with the IA being held in higher regard.

When asked in August 2009 if they believed the GoI was effective at maintaining security, 49% of Iraqis said the GoI was effective; this represents a three-point increase from the April

2009 data.<sup>21</sup> When asked to rate the level of peace and stability of the country, 53% of Iraqis said Iraq was stable, a three-point decrease since April 2009.<sup>22</sup> Nationwide research in August 2009 also indicates that 64% of Iraqis believe that the IA is defeating terrorists. Additionally, 57% of Iraqis believe the IP is controlling crime.<sup>23</sup>

When asked who they would go to first to report a serious crime, 47% of Iraqis said the IP, while 29% stated the IA.<sup>24</sup> When asked who was most responsible for providing security in their neighborhoods, Iraqis responded that the IA (36%) and the IP (46%) are most responsible for providing security in their neighborhoods.<sup>25</sup> Relatively few Iraqis said the SoI (4%), people from their tribe (4%), neighbors (2%), militias (1%), religious leaders (2%), or Multi-National Forces (1%) were most responsible for providing security.<sup>26</sup>

When asked in August 2009 if they had confidence in specific groups to protect them and their families from threats, Iraqis had the

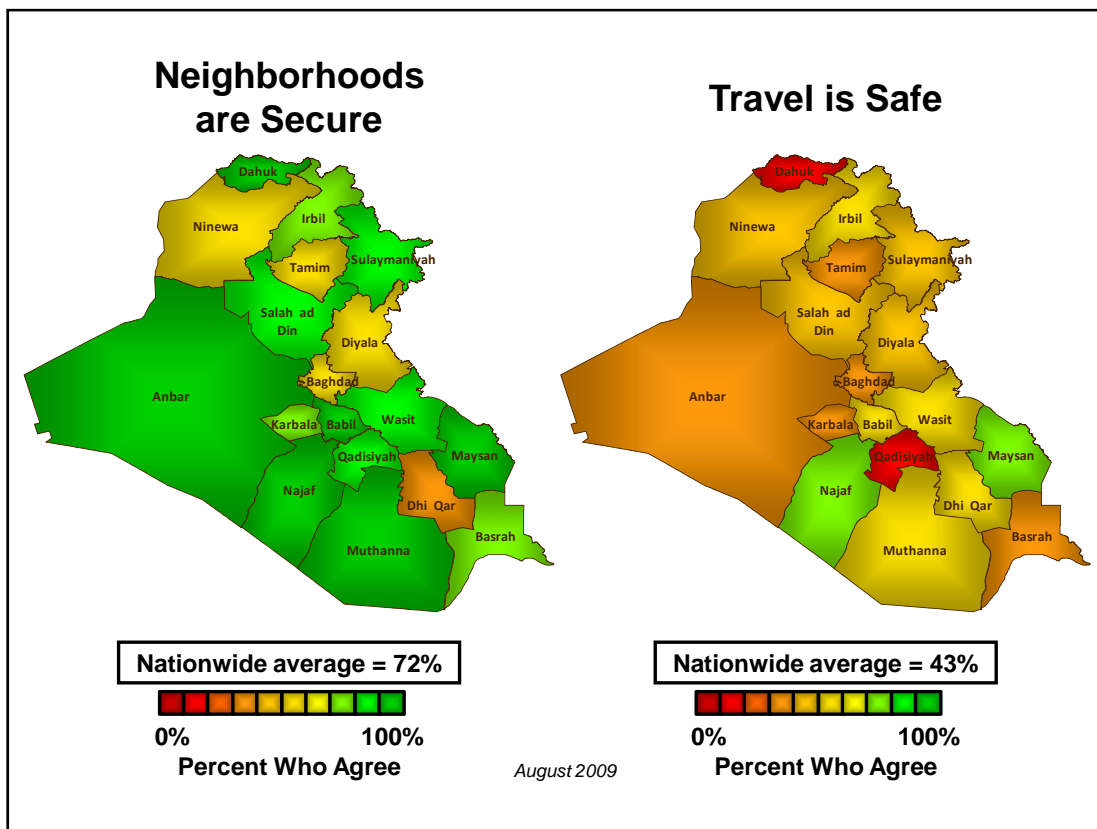


highest confidence in the IA (86%).<sup>27</sup> When asked about other groups, 83% of Iraqis had confidence in the IP, 72% had confidence in their provincial government, 64% had confidence in their local government, and 74% had confidence in the national government.<sup>28</sup> Confidence in the Multi-National Forces was much lower at 26%.<sup>29</sup> In a continuation of trends since November 2007, Iraqis place their highest trust and confidence in the IA, the IP, and the GoI to protect them and to provide security.

### Conclusion

Security in Iraq remains fragile. Security trends across the country are positive, though not dramatically changed since the last

reporting period. However, Iraq remains susceptible to a sustained campaign of HPAs from groups such as AQI, which seek to destabilize the government and enflame ethno-sectarian tensions. There has been steady growth in the capacity, capability, and professionalism of the ISF. They are in the lead in operations across Iraq, though they continue to rely heavily on U.S. forces for supporting enablers. As U.S. forces withdrew from cities on June 30, 2009, the ISF assumed security responsibilities, and despite lapses such as those that led to the August 19, 2009 attacks in Baghdad, have shown their ability to provide security for the Iraqi people. U.S. forces remain engaged in partnering, enabling, training, advising and mentoring of the ISF.



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## 1.4 Transferring Security Responsibility and Responsible Drawdown of Forces

On January 1, 2009, United Nations Security Council Resolution (UNSCR) 1790 expired, and the SA between the United States and Iraq entered into force. Under its provisions, the GoI and ISF, supported by U.S. forces, have assumed security responsibility for all 18 provinces. The focus of U.S. forces is shifting to mentoring and advising the ISF and away from taking a directive role in security operations.

### *Strategic Framework Agreement and Security Agreement*

The SFA continues to serve as the mechanism to address the long-term strategic relationship between the United States and the GoI. With further SFA implementation efforts on-going, the U.S.-Iraqi relationship with respect to economic, diplomatic, cultural, and security ties should improve with the SFA serving as the foundation for a long-term cooperative relationship between the two nations. The majority of Iraqi political leaders realize the value in a long-term strategic relationship with the United States as articulated in the SFA. The SA governs the presence of, and ensures vital protections for, U.S. forces in Iraq. It also provides the operational authorities for U.S. forces to sustain positive security trends in Iraq as their focus shifts toward mentoring and advising the ISF.

### *Joint Iraqi – U.S. Committees*

The United States and the GoI continue to implement the SFA and SA through Joint Committees (JC) that are taking a disciplined and methodical approach to addressing issues, ensuring the spirit of joint decision making is maintained. JCs are also jointly resolving issues in order to foster the continued development of a strategic partnership and reinforce Iraqi sovereignty.

The SFA joint committees are comprised of four Joint Coordination Committees (JCC) supported by a total of 19 working groups (WGs) designed to facilitate SFA

implementation. The Law Enforcement and Judicial JCC has three WGs: Higher Judicial Council; Ministry of Justice; and Ministry of Interior. The Cultural, Educational, and Scientific JCC has five WGs: Ministry of Education; Ministry of Higher Education; Ministry of Culture, State Ministry for Tourism and Antiquities; Ministry of Youth and Sports; and Ministry of Science and Technology. The Services and Information Technology JCC has six WGs: Agriculture Sector; Information and Communications; Transportation Sector; Health Sector; Electricity and Essential Services; and Environmental Cooperation. The Economic and Energy JCC has five WGs: Public Financial Management and Financial Issues; Trade and Investment; Oil and Gas Sector; Electricity Sector; and Industry and Private Sector Development. Notwithstanding some initial organizational issues, the SFA is off to a relatively strong start and is working on a schedule of deliverables from each of its JCCs or WGs.

The SA committee structure is comprised of a Joint Ministerial Committee (JMC) that is charged with oversight of SA implementation and the highest level of issue resolution. Directly subordinate to the JMC are the Joint Military Operations Coordination Committee (JMOCC) and the JC. The JMOCC oversees coordination of those SA articles primarily concerned with military operations. The JC deals with all issues outside the exclusive competence of the JMOCC.

The JMOCC has four Joint Sub-Committees (JSCs): International “Green” Security Zone; Military Operations, Training and Logistics Support; Provincial Stability Assessments; and Vehicles, Vessels, and Aircraft Movement. The JC has eight JSCs: Claims; Detainee Affairs; Entry and Exit; Facilities and Agreed Upon Areas; Frequency Management; Import, Export, and Mail; Jurisdiction; and Surveillance and Airspace Control. SA implementation continues to proceed with no significant issues and no major impact on operations. Implementation of the SA has

provided appropriate level of protection for U.S. forces, while ensuring forces maintain the freedom to operate.

### Drawdown of U.S. Forces

The President's 19-month drawdown plan (January 2009-August 2010) for U.S. combat brigades to reposition from Iraqi cities and localities by June 30, 2009, and to withdraw from Iraq completely by December 31, 2011 comports with U.S. obligations under the SA. The first milestone of the plan was the departure of U.S. combat brigades from Iraqi cities and localities on June 30, 2009. The transitional force that will be in place by August 31, 2010, will execute a more limited mission set that includes training and assisting the ISF, providing force protection for U.S. military and civilian personnel and facilities, conducting targeted counter-terrorism operations, and supporting civilian agencies and international organizations in their capacity-building effort. U.S. forces will completely withdraw from Iraq by December 31, 2011. If Iraq and the United States decide that some U.S. forces should remain in Iraq, a new agreement would be required.

### Military Installations

Under the SA, the Joint Subcommittee for Agreed Facilities and Areas (JSCAFA) manages base closure and return so that properties returned to the GoI are used in the best interest of the Iraqi people and are safeguarded from looting or occupation by

undesirable elements. Prime Minister Maliki has directed that all decisions regarding the disposition of Agreed Facilities and Areas will be made through the Prime Minister's office using the recently-established Receivership Secretariat. The Secretariat is the single point for coordinating base returns and closures, and its establishment has greatly facilitated execution of the U.S. base closure plan.

This year, 108 bases or facilities have been closed or returned. From June to August 2009, 54 bases have closed and 299 active bases remain in Iraq. The table below contains details on the number of Coalition bases recently closed or returned and those currently active. Bases are differentiated by type as Contingency Operating Bases (COBs), Contingency Operating Sites (COSs), Contingency Operating Locations (COLs), and other facilities. As of June 30, 2009, all bases with combat forces in cities, villages, and locales closed in accordance with the SA.

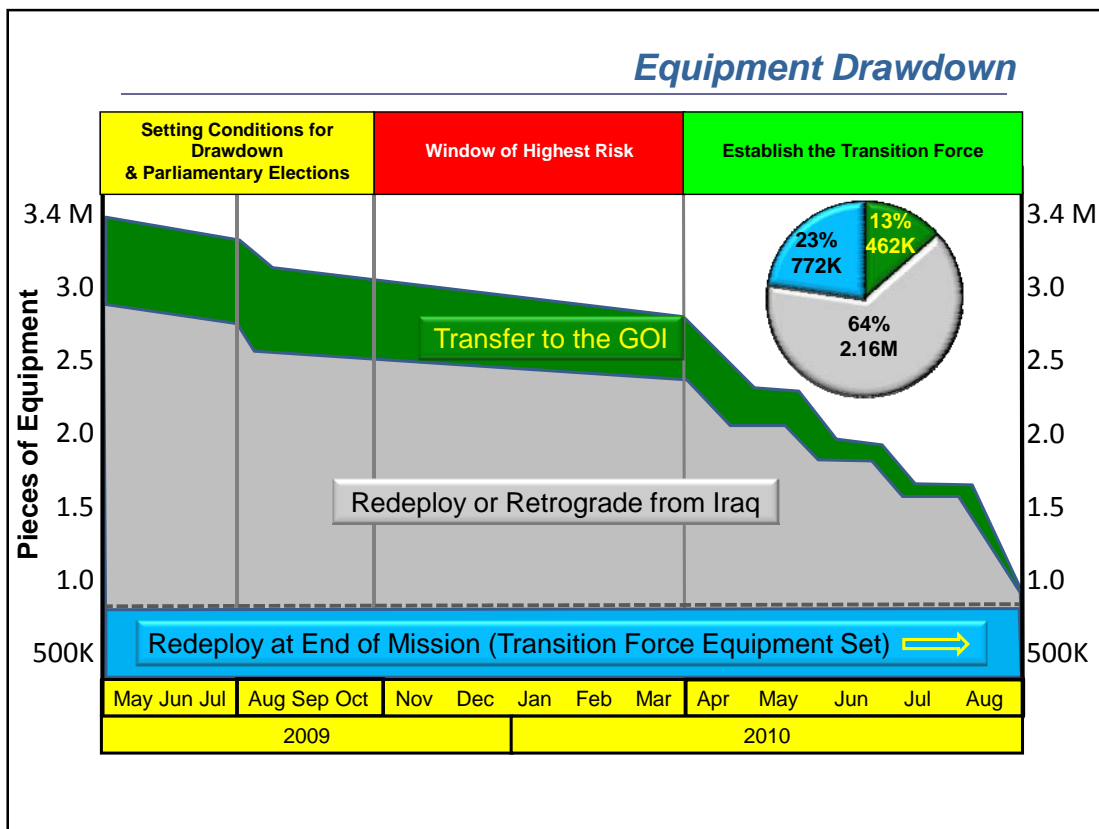
### Equipment in Theater

The following chart shows the trajectory for drawing down equipment in theater through the end of August 2010. The United States intends to reduce the total amount of equipment in Iraq from the current 3.3 million pieces to a transition force set for six Advisory and Assistance Brigades (AABs) and associated enablers. As of August 24, 2009, 9,675 short tons of munitions remain in Iraq.

Type Base	Active (as of August 25, 2009)	Occupied by 100 or more U.S. military personnel (as of August 25, 2009)	Returned		
			June 2009	July 2009	August 2009
COB	8	8	-	-	-
COS	38	38	-	1	-
COL	103	-	23	4	14
Other	150	1	8	3	1
<b>TOTAL</b>	<b>299</b>	<b>47</b>	<b>31</b>	<b>8</b>	<b>15</b>

From May 1, 2009, to August 21, 2009, U.S. forces retrograded 19,502 pieces of equipment from Iraq, including 3,538 vehicles, and 15,964 pieces of non-rolling stock. There was \$22 million worth of excess, non-standard, COTS white material transferred to the ISF, 40,990 short tons of scrap turned into the Defense Reutilization and Marketing Office, and 547 short tons of ammunition demilitarized. As of August 23, 2009, 17,309 short tons of materiel and 4,437 personnel in 36 units were redirected from Operation Iraqi Freedom (OIF) to Operation Enduring Freedom (OEF). The U.S. Marine Corps (USMC) has retrograded over 327,000 pieces of equipment since Transfer of Authority on February 9, 2009, accounting for over 87% of Multi-National Force-West. They have retrograded more than 47,300 pieces of motor transport rolling stock, engineering principal end items, and pieces of ordnance equipment and have also returned 50% of their issued theater-provided equipment. USMC equipment transferred from

OIF to OEF includes more than 580 pieces of rolling stock, more than 360 weapons and ordnance items, 21 helicopters, and two aircraft. The transportation infrastructure and movement capabilities currently in theater are assessed to be sufficient to remove all equipment items belonging to the DoD. The successful removal, demilitarization, or transfer by the end of December 2011 of all items belonging to DoD is contingent upon the timely receipt of disposition instructions, expanded disposition authorities, and delegation of the authority to MNF-I to declare equipment as excess. On July 7, 2009, MNF-I received expanded authorities from the Deputy Under Secretary of Defense for Logistics and Materiel Readiness, increasing the dollar limit of materiel that may be transferred to the GoI from \$5 million to \$15 million, authority to transfer barrier material with no dollar limit restriction, and approval to apply depreciated value vice acquisition value to equipment being transferred.





### *Number of Contractors and U.S. Forces*

The table below highlights the contractor drawdown goal by month. The monthly forecast from September 2009 to May 2010 is calculated at a 1.67% drawdown from the previous month. The monthly forecast from June 2010 through September 2010 draws down 8,350 per month aligning to the forecasted planned troop withdrawal. Forecasted contractor drawdown goals from October 2010 through December 2011 will be determined at a later date by MNF-I.

	9/1/2009	10/1/2009	11/1/2009	12/1/2009	1/1/2010	2/1/2010
5%QTR	130,178	128,009	125,871	123,769	121,702	119,670

3/1/2010	4/1/2010	5/1/2010	6/1/2010	7/1/2010	8/1/2010	9/1/2010
117,671	115,706	113,774	100,000	91,650	83,300	75,000

Contractors support most operations that DoD members are conducting and also provide life support. From high-profile force protection (security) to operations support to vehicle maintenance to providing basic sustainment needs for deployed warfighters, contractors are a key component of the force. Notably, approximately 60% of the contractors provide life support functions, which are the equivalent of all public works (water, electricity, food, sanitation, sewer, laundry) for several small and medium sized cities spread over 284 U.S. bases across Iraq. The Logistics Civilian Augmentation Program (LOGCAP), which provides life support for approximately two-thirds of the force, operates 60 different dining facilities, 30 ice plants, and 44 solid and medical waste incinerators. LOGCAP provides over 650,000 meals per day, sleeping arrangements for over 200,000 people, over one million bundles of laundry per month, and all other necessary support for U.S. forces and many State Department, federal aid, and investigative agency personnel to better enable them to focus on their missions. Construction and operations support, including fuel deliveries, aircraft maintenance, and training,

compose the other key components of the contractor workforce.

As U.S. forces continue to draw down, MNF-I will reduce its contractors commensurately. Currently there is an approximate 0.93:1 ratio of contractors to DoD personnel, and the expectation is that this ratio will be approximately the same in August 2010.

Throughout drawdown planning and execution, MNF-I is strongly emphasizing limiting contractors in all areas, transitioning from

hiring non-Iraqi contractors to hiring Iraqi contractors, and reducing costs in every way possible. Further, MNF-I is pursuing greater use of competitive, firm-fixed price contracts in line with the President's intent. Some categories of contractors, including materiel handling teams, engineers, and transportation specialists, may increase for a temporary period while executing the responsible drawdown of U.S. forces by August 2010. Accordingly, MNF-I has established a senior officer board to review new and recurring requirements to remain lean both during the drawdown and with the transition force that remains.

U.S. forces continued to drawdown during the reporting period from approximately 131,000 personnel in June 2009 to approximately 128,500 personnel by August 2009. Personnel strength is projected to continue be reduced to approximately 116,000 by the end of November 2009.<sup>30</sup>

### *Regional Agreements for U.S. Movement*

On April 22, 2009, U.S. Central Command (USCENTCOM) and Jordan's Armed Forces signed a technical arrangement (TA) establishing support for the redeployment of

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designated MNF-I equipment and cargo from Iraq to the Port of Aqaba in Jordan. The TA provides for MNF-I access to the commercial, container, and military port facilities at Aqaba. MNF-I will ensure a minimum flow of 400 pieces through the port for retrograde and redeployment. Limitations and restrictions for the Port of Aqaba include an upper limit of 1,000 containers per month and 1,250 pieces of rolling stock per month and restrictions on transport of track vehicles or ammunition unless approved by U.S. Army Central in coordination with MNF-I, MNC-I, and the Surface Deployment and Distribution Command. Current utilization is approximately 11% of capacity.

USCENTCOM is currently conducting an initiative to expand Turkish redeployment and retrograde movement capacity options through Turkey and create new agreements for access to Turkish facilities. Currently, Harbur Gate is used only for small-scale sustainment distribution. The Turkish route is currently not used for military convoys, ammunition shipments, or equipment. The Turkish Prime Minister recently extended agreements governing access to Turkish facilities in support of operations in Iraq until December 31, 2009. At present, USCENTCOM does not use Turkish ports, which are not currently needed in order to execute a responsible drawdown from Iraq.

The September 1991 agreement between the U.S. Government and the Kuwaiti Government concerning defense cooperation, use of facilities, logistical support, prepositioning of defense materials, and the status of the U.S. forces in Kuwait remains the basis for cooperation. Kuwait remains the primary port for support of U.S. forces redeployment. The agreement specifies that the United States may import into Kuwait any equipment, supplies, materiel, or services required by the forces for their operations or prepositioning in the state of Kuwait.

## **Release of Detainees**

### *Detainee Threat Category*

Detainee threat categories are based on definitions determined by the Office of the Secretary of Defense. As of August 31, 2009, 8,841 detainees were in U.S. custody, of which 419 (5%) were low-threat, 6,155 (70%) were medium-threat, and 2,192 (24%) were high-threat detainees. Approximately 1,450 (17%) of all detainees are currently within the Iraqi legal process. MNF-I is working cooperatively to obtain arrest warrants, focusing on the high-threat detainee population. Consistent with U.S. obligations under the Geneva Conventions and the U.S. - Iraqi SA, U.S. forces work closely with the GoI to release those detainees whom they are unable to prosecute, in a safe and orderly manner. Since January 1, 2009, there have been 184 new captures, 16 of which have previously been held in U.S. custody. MNF-I continues to identify and assess numbers of released detainees who have either been re-captured or have had positive identification of remains indicating that they had previously been held in U.S. custody.

### *Releases and Transfers*

U.S. forces provide detainee release lists to the Detainee Affairs JSC via the GoI Security Committee at least one month before releases are scheduled. These releases, in conjunction with transfers to GoI custody, will result in a decrease in the detention population by approximately 1,000 detainees per month over the next several months. It is the U.S. intent to release approximately 750 detainees each month, in a safe and orderly manner, in conjunction with the GoI, and to transfer another 250 detainees each month to the GoI for processing in the Iraqi criminal justice system. By the end of 2009, all low-threat and roughly half of all medium-threat detainees in U.S. custody should be released.

### *Release Operations*

With detainee release lists from U.S. forces, the Security Committee reviews the list and identifies detainees who are wanted by the GoI whom the United States then takes off the

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list. As of August 2009, the GoI, via the JSC, has reviewed 11,119 detainee summary cases and provided warrants for 1,545 of them, and has approved the remaining detainees for release. Of those approved by the GoI, U.S. forces have released approximately 4,636 detainees since February 1, 2009, and transferred another 877 to the GoI pursuant to warrants.

### *Transfers*

As of August 7, 2009, U.S. forces hold 1,628 detainees who can be placed into the Iraqi prisons, including 277 convicts and 639 others who have completed Investigative Hearings and are now awaiting trial. In coordination with the Detainee Affairs JSC, in May 2009, U.S. forces began transferring convicts, those awaiting trial and those with warrants, to Iraqi custody at a rate of approximately 250 per month.

### *Records*

As of August 2009, the United States has provided 5,500 fingerprint records on primarily high- and medium-threat detainees. The rest of the fingerprints of all detainees held in U.S. force custody on January 1, 2009, will be provided as soon as possible. The United States also provides the GoI full biographical information, a photograph, and a case summary for all low-threat detainees one month before they are released. The United States has been providing enhanced case summaries, including unclassified evidence, for medium-threat and high-threat detainees at least 75 days in advance of the proposed release date, plus all useable evidence from their case files.

### **Risk Levels**

The timing and pace for the responsible drawdown of U.S. forces is a deliberate process with flexible decision points built in. MNF-I will identify and mitigate risks associated with the reduction of military capabilities by increasing or decreasing the pace of reduction as necessary. This pace is tied not just to the combat and advise and assist capabilities, but also to the key intelligence, force protection,

and logistics enablers that support the Joint Campaign Plan. The Joint Campaign Plan contains a number of objective and subjective factors that determine the risk level associated with the drawdown of U.S. forces. The next reporting period will include a full assessment of the U.S. force departure from cities, villages, and locales, a force realignment that was completed June 30, 2009, as specified in the SA. Each movement or reduction in U.S. forces throughout Iraq is a separate, carefully considered planning effort that takes into account the most current assessment of not only the security situation, but also other factors, such as the development of local and municipal governments, infrastructure development, and the capabilities of the ISF.

Nationwide trends continue to be carefully tracked and analyzed in close cooperation with the ISF. These trends are early warning indicators of potential trouble spots to which U.S. forces must be prepared to support Iraqi forces upon request. These assessments are conducted based on daily reporting and analysis and summarized weekly and monthly for MNF-I and Iraqi leadership. Multiple quarterly assessments are also completed. Together, all of these assessments inform command decisions about the drawdown of U.S. forces.

### **Status of the Coalition and the NATO Training Mission-Iraq (NTM-I)**

In addition to the SFA and SA reached with the United States, the GoI negotiated Memoranda of Understanding with the UK, Australia, and Romania for military forces from those countries to continue supporting Iraqi security efforts. They concluded their mission commitments to Iraqi security on July 31, 2009. The GoI and NATO have negotiated an agreement to enable the NTM-I to continue specified training missions beyond July 2009. On July 26, 2009, NATO signed a long-term MOU with the GoI that allows NATO to extend its mission past July 31, 2009.

## **Section 2—Iraqi Security Forces Training and Performance**

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As of August 31, 2009, the ISF had approximately 664,000 personnel in the MoI, MoD, and the Iraqi National Counter-Terrorism Force (INCTF).<sup>31</sup> The MoD approved a force structure for COIN operations that includes 14 Iraqi Army (IA) divisions (13 infantry and one mechanized) and support forces; a Navy of 3,800 personnel, including two marine battalions; and an Air Force of 6,000 personnel. Additionally, the INCTF, with projected end strength at steady state of 9,200 personnel, is contributing significantly to the COIN effort. Development of logistics units and enabling capabilities for tactical units, such as engineering; bomb disposal; medical evacuation; signal; and intelligence, surveillance, and reconnaissance (ISR) assets has begun.

The MoI continues to make organizational adjustments in its forces. Despite delays in equipping and basing, the MoI's existing functional systems for procurement, budget, and real estate acquisition will, in time, meet force generation and organizational requirements throughout the Iraqi Federal Police (FP), Station Police, Traffic Police, River Police, Border Police, Oil Police (OP), Facilities Protection Services (FPS), and other emergency response organizations. However, GoI budget constraints will limit MoI expansion of security forces and degrade equipping and sustainment throughout 2009 and into the foreseeable future. The MoI has improved training capacity, but still suffers from generally poor facilities, and budget shortfalls. The MoD faces budget constraints, logistical and sustainment challenges, a recruiting shortfall, and a shortage of mid-grade leadership among officers and NCOs. These factors will delay achieving the desired MoI and MoD force levels required for the planned force structure.

The GoI continues to assume broader ownership for increasing fiscal commitment to its security forces and to MoD and MoI programs. Budget execution, however, remains

a significant concern. The MoI has demonstrated an improved ability to obligate its budget. The MoD shows improvements but continues to struggle, particularly in the areas of support, sustainment, and infrastructure projects. Inter-ministerial budget coordination between the MoD and the Ministry of Finance (MoF) remains problematic due to cumbersome analog procedures. In light of the decline in the market price of oil, MoD and MoI funding increases will be constrained by declining Iraqi revenues and large budget deficits.

Accelerating the growth of logistics-capable units and pursuing enabling capabilities remain top priorities, as does the effort to expand ministerial capacity within the MoD and MoI. Multi-National Security Transition Command – Iraq (MNSTC-I) advisory teams continue to work closely with both the MoD and MoI to establish and improve logistical strategic planning and policy to ensure enabling capabilities meet tactical, operational, and strategic requirements.

### **2.1 Assessed Capabilities of the Iraqi Forces**

The four areas of focus to develop the MoD, the MoI, and their forces remain unchanged: support force generation and force replenishment; improve the proficiency and professionalism of Iraqi forces; build specific logistic, sustainment, and training capacities; and develop ministerial and institutional capacity. The four near-term areas of emphasis through mid-2009 also remain unchanged: ensure Iraqi forces continue to improve in logistics, maintenance, and life support; ensure the size, capability, professionalism, and leadership of the ISF enable increasing assumption of additional security roles from U.S. forces; enhance the capabilities of Iraqi Special Operations Forces (ISOF) and Counter-Terrorism Forces (CTF); and ensure Iraqi Air Force (IqAF) and Navy (IqN) growth stays on-track. Following the withdrawal of U.S. combat forces from Iraqi cities on June 30, 2009, the ISF continue to mature in their

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leadership role providing security and overall stability for the citizens of Iraq. The citizens of Iraq continue to develop their confidence in the ISF, and it is becoming clear that the growing professionalism of the ISF is a source of national pride.

### *Ministerial Capacity*

The MoI and MoD have begun to show progress in developing ministerial capability. To expand institutional capacity, continued U.S. mentorship and partnership have begun to overcome decades of isolation and stagnation in law enforcement and military education and training. A lack of capacity to train civilian management, a shortage of training staff, deterioration of some facilities, and an inability to fill many positions with trained personnel are challenges that continue to hinder the ministries. Currently, many of the Iraqi civilians working in positions inside the MoD and MoI are not yet fully trained and qualified for their positions. In late 2008, the MoD instituted a series of professional qualification courses required for its civilian workforce; the qualification courses are beginning to positively contribute to the professionalization of the MoD staff. Although training on new processes and procedures, with a focus on automation capability, is being offered, many are reluctant to pursue technology-focused training.

Process improvements for the 2010 planning effort are now underway. With focused U.S. mentorship at the ministerial level, MoI now has a nascent capacity to integrate top-down-driven strategic goals and objectives with bottom-up tasks, activities, and identification of resources required to execute those goals and objectives. The MoI has already begun analyzing lessons learned in the development of the 2010 plan to enhance future progress in institutionalizing their version of planning, programming, and budget execution processes. This will enable the MoI to develop fundamentally sound strategic and annual plans, instill budget discipline, and continue its maturation toward modern business practices.

Operationally, both MoI and MoD forces are increasingly capable. Operations centers allow MoI and MoD forces to share information, which has resulted in the apprehension of suspects and the discovery and destruction of weapons caches. The ISF continue to actively cultivate community relationships and develop an environment of trust within their communities by performing humanitarian support and engaging in outreach and public information activities to solicit local help to combat insurgents. The ISF are gaining the acceptance of the Iraqi people by effectively demonstrating that their combined accomplishments against terrorist activities make Iraqi communities safer.

MNSTC-I provides advisors to senior Iraqi military and civilian officials. These advisors counsel, mentor, and partner with their Iraqi counterparts in pursuit of the ongoing progress in building capability and capacity. To maximize the effectiveness of MNSTC-I advisors, an Advisor School has been established in Baghdad, providing strategic context, mission focus, and an understanding of Iraqi history, society, and culture. This instruction on how best to coach Iraqi counterparts is reducing adjustment time for advisors upon arrival in theater. As of August 2009, nearly 500 advisors have completed the training.

### *Iraqi Forces Proficiency*

IA combat battalions continue to increase in both number and capability. As of June 2009, there are 189 IA combat battalions conducting operations, as well as six Iraqi Special Operations Forces (ISOF) battalions. The Iraqi Air Force (IqAF) continues to expand its operational capability as the Iraqi Air Operations Center (IAOC) now provides scheduling, command and control (C2), and execution support for over 350 operational and training sorties per week. The IqN continues to strengthen its ability to patrol Iraqi territorial waters and provide security for the port and towns of Umm Qasr and Az Zubayr. The IqN is responsible for point defense for one of two



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major oil platforms and conducts an average of 46 independent patrols and 12 commercial ship boardings per week, maintaining or exceeding the required in-commission capability rate of 80% of the Iraqi fleet.

The Iraqi FP continues to improve the effectiveness of its units. Based on this improvement, U.S. advisors have shifted their focus from battalion-level advising to advising at the brigade-level and above. The exception is the newly-formed FP battalions that require more assistance to develop a capability for unilateral operations. U.S. advisors continue to assess FP unit capabilities and distribute and realign training teams to units requiring additional assistance. The Italian *Carabinieri* continue to train, advise, and assist with the professionalization of the FP through the NTM-I. In February 2009, FP training increased the throughput of certified police officers from 400 to 900 students every nine weeks. As of August 2009, 4,923 students have graduated from the *Carabinieri*-provided training. Additionally, they are embarking on a train-the-trainer effort designed to develop self-sufficiency in this arena. This effort has yielded 22 certified trainers, with a goal of 50 instructors by February 2010.

Training opportunities in the United States and many NATO countries have helped mature Iraq's strategic relationships. The United States and NATO fund courses to help Iraq professionally develop its forces. Annually, NATO provides Iraqis more than 200 seats to formal courses, seminars, and symposia. Courses offered by the United States include basic officer leader courses, captain career courses, war colleges, periodic security seminars at the National Defense University and the Marshall Center, general officer development courses, and civil emergency response courses. Many of these courses require English language proficiency prior to enrollment, which has proven problematic. Consequently, MNSTC-I is working with the security ministries to help develop a larger pool

of English-speaking professionals within the ISF.

### *ISF Intelligence Developments*

The United States continues to support GoI development of the Iraqi Intelligence Community (IqIC). ISF intelligence organizations, the National Information and Investigations Agency (NIIA) in the MoI, and the Directorate General for Intelligence and Security and Joint Headquarters (JHQ) Directorate for Military Intelligence in the MoD, have shown progress in conducting credible intelligence operations and providing legally sufficient evidence for the Iraqi judicial process. The Intelligence and Military Security School (IMSS), which provides training for ISF intelligence professionals, has expanded course offerings with seven new intermediate intelligence specialty courses. Of significance, at the NIIA's National Training Center (NTC) in Baghdad is the instructor development program sponsored by the U.S. Federal Bureau of Investigation to train MoI instructors at both the Baghdad Police College and the NTC. The absence of an Iraqi intelligence law that delineates roles and missions of organizations, with clear legal established mandates and command and control mechanisms, continues to hamper progress between the organizations. Additionally, the absence of standardized security and clearance protocols continues to have a negative impact on sharing of information among IqIC members and between the IqIC and U.S. partners.

The United States continues to promote the use of Iraqi ISR assets to support independent operations by the ISF. ISF ground units have made increased use of IqAF airborne ISR assets to generate products. The United States also continues to promote and support the warrant-based targeting process, as well as increased interaction between intelligence and operations personnel in operations centers at various levels. As a result of U.S. mentoring and partnership, Iraqi commanders are demonstrating a better understanding of intelligence support. An increasing number of



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intelligence sections are responding positively to the expectations of their commanders and providing predictive intelligence rather than simply rudimentary analysis of past events. Throughout the IA, ISR companies are manned and preparing for equipment and systems fielding throughout the rest of 2009. ISR companies and intelligence sections continue to send individuals to skills training, which complements local training programs at the IA division level.

### *Training Capacities*

Operational since October 2007, the MoD's Ministerial Training and Development Center (MTDC) provides valuable education and training to Iraqi security officials including Iraqi Joint Forces (IJF), MoD civilians, and officials from the MoI, the MoF, the Counter-Terrorism Service (CTS), and the Prime Minister's National Operations Center (PMNOC). Initially funded with ISF Fund (ISFF) money, the MTDC has active ties with similar regional and international training and professionalism institutions. The MTDC offers courses in five different functions: international security, rule of law, infrastructure, personnel and management, and communications. To date, the MTDC has conducted more than 300 classes, trained more than 6,700 GoI officials, developed 100 programs of instruction, and transitioned responsibility for teaching 85 courses to Iraqi instructors. The Iraqi MTDC staff is 11 times the size of the U.S. professor staff and is teaching approximately 70% of the course load.

### *Logistics and Sustainment Capacities*

Logistical and sustainment capability is essential for ISF self-sufficiency and remains a major area of focus. The ISF have become more competent and self-sufficient over time and have made appropriate organizational adjustments during recent operations. Although developments at the tactical level are encouraging, more effort must be directed to the sustainment and logistical support capability at the operational and strategic levels. The MoD continues to develop a

national supply and distribution network, with a Location Command in support of each IA division; regional life-support assets will be operational at all sites by the end of the 2009.

The MoI continues to develop its national and supply distribution network with the Baghdad Police College Warehouse Complex. The MoI began fielding a FP sustainment brigade in October 2008, which is preparing for a move to Salmann Pak to boost the Sustainment Brigade's capabilities. Once complete, this unit will be able to provide support to the three formed divisions, the 4<sup>th</sup> FP Division currently in force generation, and the 5<sup>th</sup> FP Division to be formed in the future. Due to the hiring freeze within the GoI, the logistics battalions organic to the 1<sup>st</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> FP Divisions have not formed. Only the 2<sup>nd</sup> FP Division has formed a logistics battalion. U.S. forces are advising the FP to put a higher priority on the logistics battalions so that they may be filled once the hiring freeze is lifted.

MNSTC-I continues to use the Taji National Depot Complex as a fielding and training platform for the ISF. As of June 2009, U.S. forces had transferred over 6,000 M1114s and fielded more than 275 Iraqi Light Anti-Armor Vehicle platforms, improving the ISF's strategic capability to maneuver throughout the country to protect and patrol areas of interest. Operation and maintenance training is provided to allow the ISF to develop an enduring maintenance program.

### *Acquisition Capabilities*

The MoD continues to increase its capability to acquire the equipment needed to meet force generation, sustainment, and modernization goals. Currently, there is a significant dependence on utilizing the foreign military sales (FMS) program to meet most of its acquisition needs; however, the MoD is developing its ability to expedite direct commercial contracts on an international basis.

MNSTC-I continues to use ISFF to supplement GoI logistics sustainment capacity development

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for the ISF. GoI funding of salaries, training, equipping, and sustainment of the ISF continues to increase to ensure the long-term health of the ISF. It will also help guide the development of annual budgetary input for the recurring operations and maintenance (O&M) requirements of the force. As U.S. funding support to ISF O&M reduces to zero, additional Iraqi funds will be required to maintain the force. This process is deliberately advancing Iraq toward management and funding of its own forces.<sup>32</sup>

### *Foreign Military Sales*

As of July 2009, the FMS program included 134 Iraqi-signed cases in execution valued at \$4.68 billion since its inception in 2005. MNSTC-I is assisting the GoI with an additional 79 FMS cases valued at over \$8.1 billion that were either offered, or are being developed, in response to GoI Letters of Request.

During this period, the MoD has focused on adding significant capability to the ISF. Large purchases include both T-6A trainer aircraft to build a pilot training pipeline in support of an air defense capability and coastal patrol boats to allow the IqN to provide security for territorial seas and coastal territories to include their vital offshore oil platforms. To support the IqAF capability, several small cases were signed for diagnostic equipment, aircraft simulator sustainment, and beacon support for air traffic control. Additionally, Talon IV robots were bought to provide an IED defusing capability. To date, 31 MoD cases are fully delivered, and the MoD is collecting delivery documents from the depots to support the closeout of these cases. Another 53 cases are partially delivered and document-processing improvements have been implemented in conjunction with shipment reception.

During this period, the MoI has focused on improving Iraqi border security. Moderate infrastructure cases for building and refurbishing ports of entry and border forts were signed. A large case of \$181 million was

recently signed for border road construction, with priority being access to patrol the Syrian and Iranian borders. To date, three MoI cases are fully delivered and 13 cases are partially delivered.

MNSTC-I is working with Iraq to improve their fidelity of in-transit visibility, deliveries documentation, and financial accountability of FMS goods and services. To support this goal, the MNSTC-I logistics team recently began training Iraqis from the MoD, MoI, and Board of Supreme Audit on FMS and other logistics processes to reinforce the importance of discipline, accountability, and responsibility. To date, neither the MoD nor the MoI has established procedures or assigned agencies to perform logistics document management functions necessary to collect and distribute FMS delivery data. MNSTC-I will continue to assist the GoI to develop processes to support Iraqi requirements. The Iraqis are beginning to embrace these concepts, although they are not yet institutionalized.

Execution of FMS cases in Iraq continues to be hindered by several factors, including diminishing budgets, a deficiency of ministerial staff capacity to define requirements and to process FMS Letters of Offer and Acceptance, lack of a budget planning and execution process that allocates funds for identified requirements, and unrealistic program expectations regarding life cycle costs for a defense article, including the costs to purchase, train, sustain, and operate the defense article. MNSTC-I advisors and training teams are addressing these areas with increased ministerial staff capacity efforts. The MoD Force Generation and Modernization plan for 2009 significantly exceeds the projected spending authorizations for 2009, requiring the security ministries to realistically reduce their vision to grow, develop, and equip their forces.

## **2.2 Ministry of Interior**

### *Ministerial Planning Capacity*

MoI registered a major advance in planning maturity with the July 2009 release of its first-

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ever Three-Year Strategic Plan (covering the years 2010-2012). This document serves as the basis for projecting annual budget requirements, establishing spending priorities, and “nesting” operational activities within MoI’s strategic goals. By explicitly linking planning to resource allocation, this process addresses a weakness of prior planning efforts at the MoI. The provinces and ministerial directorates are formulating their 2010 plans, which will be rolled up into a single MoI Annual Plan, and a consolidated budget request will go to the MoF in August 2009. This represents a milestone in the timeliness and fiscal rigor of MoI planning. To build on this progress, MNSTC-I advisors are encouraging the MoI to institutionalize a formal planning development life cycle to further integrate the planning, programming, and budgeting functions, thereby moving the ministry another step forward in the adoption of modern business management practices.

#### *Budget Planning and Execution*

Despite the late approval of the 2009 budget, and operating under spending limits from the beginning of the year, the MoI projects to execute both its operating and capital budgets fully. The operating budget is \$5.3 billion compared to the \$7.8 billion requirement. Approximately 83% of the operating budget is allocated to salaries and labor programs, which leaves limited capacity for other major budget programs. The capital budget is \$216 million compared to the \$265 million requirement, which results in the MoI not fully funding 98 planned projects. Increased emphasis from the Assistant Deputy Minister of Finance has resulted in improved timeliness of monthly financial reporting, which is essential to MoI’s ability to fully execute its 2009 budget given the guidance provided by the Finance Minister that prevents making deposits from the budget into the FMS account.

The MoI’s 2010-2012 Strategic Plan integrates the MoI’s strategic annual planning process to the budget formulation process. The desired end state is to synchronize a bottom-up budget

estimate submission process with a top-down mission priority planning process that will then allow the MoI to link mission requirements with available resources. This reflects a significant improvement in MoI financial management processes as it works toward institutionalizing formal planning, programming, and budget execution (PPBE) business practices. To build true PPBE capacity, the MoI needs to implement a standardized automated financial management database. The Iraqi Financial Management Information System (IFMIS) has the ability to provide real time reporting, management of cash expenditures across spending agencies, budget tracking, and increased transparency in the accounting of expenditures in the budget line items. USAID transferred all IFMIS-related components to the MoF in July 2009; however, it is currently unknown when and how the MoF will field and establish IFMIS. When fully implemented, IFMIS will provide the GoI with a unified financial management recording system for all the ministries and meet World Bank and International Monetary Fund requirements.

#### *Acquisition*

The MoI is proactively managing its acquisition program. The General Directorate for Contracting coordinated with the Directorate for Planning and Tracking to prioritize existing and new infrastructure projects resourced in the MoI’s infrastructure budget. The MoI established a committee to prioritize remaining FMS requirements to execute the remaining FMS account balance prior to the end of 2009. These efforts resulted in recently signed Letters of Offer and Acceptance for two high-priority cases: a new \$14.2 million complex for the General Directorate for Counter-Terrorism and a \$181 million road construction project in support of the Directorate of Border Enforcement (DBE). The General Directorate for Contracting also initiated internal business practices and control measures to increase the capacity for direct award contracts as they transition from U.S. and FMS funding. The MoI is in the process of

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awarding a multimillion-dollar repair and spare parts contract to increase the mission readiness of up-armored High Mobility Multipurpose Wheeled Vehicles (HMMWV) gifted by the United States.

As of May 2009, the MoI 2009 Capital Investment Plan report identifies \$216 million for construction projects. The investment plan supports the development and capabilities of MoI and police forces and reports expenditures funding continued and new construction programs, including six police training centers, 38 police stations, 150 annexes, 50 forts, 24 civil defense projects, and 70 check points. The five-step process to execute and construct a project can take up to three years to complete and consists of land acquisition, engineer design, contracting, construction, and project completion.

### *Personnel*

As of August 2009, there are approximately 410,000 personnel assigned to the MoI forces, which include IP, FP, Border, FPS, and Port of Entry forces. Currently, the MoI is under a hiring freeze due to 2009 budget shortfalls. The MoI conducted a 100% personnel audit, which ended in June 2009, to identify deceased, unauthorized employees or illegal hires, and deserters. As these individuals are removed from the payroll, it may create opportunities for targeted new hiring.

### *Inspector General*

The MoI Inspector General (IG) continues to actively engage in reporting deficiencies within the MoI. Each provincial office is inspected at least twice per year, and reports are compiled to underpin necessary remedial action. Although corruption continues to be a significant issue and most inspection offices are understaffed, the IG continues to make limited progress. The formal training of IG staff has increased considerably with 58% of eligible officers completing the basic IG Officers Course. In addition, the percentage of closed cases continues to rise, and advisors continue to actively support the MoI IG to ensure

movement toward self-sufficiency. Two audits last quarter identified over \$35.2 million in overpayments and improper salaries. Recognizing the ongoing challenges in this area, the MoI is currently pursuing additional external audit training which will increase the professional competence and capability of the auditors.

### *Human Rights*

The MoI Human Rights Department continues to show progress in human rights despite having jurisdiction and oversight responsibility for approximately 1,000 detention facilities with approximately 18,000 detainees in custody. Lack of investigative officers and the failure of investigative judges to deal efficiently and effectively with cases cause cases to be delayed for extended periods, resulting in detainees languishing without charge in MoI facilities. Overcrowding, uncertainty surrounding release or hearing, and the lack of adequate basic facilities compromise both guards and detainees. Additionally, there is no apparent detention training system in place for those operating the MoI detention centers. Recent investigations into human rights abuse have led to the arrest of more than 40 detention facility employees with charges being sought in cases involving 12 officers. It is hoped that these arrests, combined with the efficient human rights inspection system recently put in place, will show improvements in the near future.

### *Rule of Law*

Established in April 2008 to deal with internal MoI cases, MoI courts reflect an improving judicial infrastructure working to deliver outcomes that are transparent, predictable, and accountable. The courts are located in five regions with the Cassation Court, the superior court of appeal, located in Baghdad. There are 32 judges in the MoI courts, including the Cassation Court, and two public prosecutors in each court.

The MoI court system continues to evolve, and significant progress is being made in judicial



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capacity building. Since hearings began in July 2008, the number of cases heard has increased each month, and the number of cases accepted with sufficient preliminary investigation has improved from a low of 8% in August 2008 to above 90% in June 2009. These trends indicate a steady increase in the knowledge and professionalism of investigators and lower court judges and growing improvement in police evidence handling. However, a lack of knowledge of the relevant MoI laws persists within the ISF. Thus, the continued professionalization of judicial officers remains a priority. The MoI is working to promote legal instruction at all ISF training centers, establish legal libraries at each court, and develop a strategy to research, publish, and disseminate legal decisions of the courts.

### *Operations Command Centers*

The MoI's National Command Center (NCC) has shown improvement in its capability of near time coordination with other national-level command centers, other ministries, and the Provincial Joint Coordination Centers (PJCCs). On July 6, 2009, NTM-I announced full operational capability for the NCC based on the NATO-established goal of reaching 75% of operational capability. NTM-I is working in conjunction with its Iraqi counterparts to develop a plan to raise this to 100% capability. Institutionalizing a timely and accurate reporting process remains a critical focus area for MNSTC-I and NCC advisors. Incident reporting starts at the provincial level with the Provincial Chief of Police (PCoP) and flows through the PJCC to the NCC. The NCC forwards the report to the appropriate agency or level, including the PMNOC, the NIIA, the BOC, or the MoD Joint Operations Center (JOC). Fidelity of reporting is generally good, as reports are verified before forwarding. Situational Awareness Display-Iraq (SADIQ), the present automated system of reporting major criminal and terrorist incidents throughout Iraq, continues to show improvement. While not yet used by the PJCCs to its fullest capacity, the NCC has started to understand the importance of its

automated data management features that enable trend analysis at the MoI Operations Directorate level.

As training and development of middle and upper management continues, the MoI is focusing on the professionalization of its workforce. To increase intra-ministerial cooperation and coordination, the MoI has initiated actions to improve communication between the ministry and provinces. To gain visibility on provincial requirements, the MoI has organized provincially-focused conferences addressing specific topics, such as infrastructure and police force needs. Systemic inspection programs have also been initiated to facilitate requirements development and analysis. For example, the MoI Logistics and Infrastructure Department conducts systematic inspections to assess provincial maintenance capability and required logistics support. In addition, the staff of the MoI NCC, supported by MNSTC-I advisors, will conduct inspections of the PJCCs from August to October 2009, to ensure the PJCCs are manned, equipped, trained and integrated with the NCC processes to facilitate information flow required to enhance nationwide police primacy. Increasing coordination and visibility of provincial status and requirements will have strategic importance as the MoI institutionalizes life-cycle personnel management and requirements driven force structure process.

MoI capacity to plan, coordinate, conduct, and sustain operations continues to improve, though planning efforts remain highly centralized and are not yet thoroughly integrated with MoD plans. Event and deliberate operational planning by MoI Operations Directorate planners begins with the base plan being developed in a committee setting at the PMNOC. The base plan is then passed down to the MoI Operations Directorate planning cell for comment and coordination. Once this is accomplished, it is disseminated to the provincial level via the PJCCs and the PCoPs. This planning system has been effective in controlling incidents during events of national significance. Efforts are currently under way to

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enhance the joint planning coordination between the MoD and the MoI through the placement of MoI liaison officers in the MoD planning centers.

### *Logistics*

The MoI continues to struggle in the development of a national vehicle maintenance plan. The overall end state of this plan is to provide policy guidance and assistance in maintaining vehicle readiness to support police operations across Iraq. The MoI must address the larger strategic issues affecting their national maintenance capabilities, including MoI HQ personnel responsibilities, funding, training requirements, and land deeds for related construction. The MoI conducted a Maintenance Symposium on May 30, 2009, that highlighted the issues. Solutions must now be identified. The MoI has conducted several staff assistance visits to provinces to assess accountability and maintenance procedures, and assist with training requirements. Complementing the visits, a third-party assessment is planned for August-October 2009 to analyze repair parts demand histories and maintenance capabilities within provinces to ensure the MoI has an effective distribution system and maintenance equipping program in place. The MoI continues to execute a \$48 million case to develop a web-based repair parts supply-chain management system. The FP Sustainment Brigade, scheduled to be operational by September 2009, will be capable of accomplishing a wide range of missions, including line-haul transportation; deployable maintenance; supply issue, receipt, and storage; combat health treatment; and mobile fuel storage and distribution. With the financial support of U.S. forces and through advisor teams, three of the five DBE regional maintenance facilities have achieved an initial operational capability.

### *Training*

The MoI is on schedule to eliminate the backlog of *Shurta* (non-commissioned entry-level police men and women) requiring Basic Recruit Training (BRT) by November 2009.

The MoI Training Qualification Institute (TQI) has launched several initiatives to improve professionalization and quality of training, as well as to address specific skill sets needed by its operational forces. Specifically, programs are being developed in English language training, criminal investigation techniques, ethics and human rights, forensics and crime scene management, community policing, police information and intelligence, and technology applications and management training.

The MoI training base is currently capable of training more than 88,000 *Shurta* per year. In addition, 5,600 resident and 9,720 non-resident officers can be trained annually, with a total student capacity of nearly 25,000 students at any given time. Recently, resident capacity increased to 8,900 as construction was completed for a new complex for the Higher Institute for Security and Administration Development, a branch of the Baghdad Police College (BPC) in Mosul, and underused *Shurta* billets were temporarily converted to open a BPC branch college in Basrah. Additional capacity is anticipated with the completion of Phase II of the BPC expansion in December 2009 and a permanent facility for the Basrah branch of the BPC in 2011.

The Iraqi BPC instructor cadre trains all basic officer and commissioner tasks, provides a basic *Shurta* curriculum for all MoI forces, and continues to take on an increasing proportion of the specialized and advanced course loads. MNSTC-I advisors and International Police Advisors (IPA) continue to assist by providing advice and over watch, as well as ensuring that course standards are consistent with internationally acceptable practices and meet the dynamic needs of the field.

Ongoing professionalization of the basic police forces is crucial to develop and maintain a credible police force. U.S. IPAs work closely with Iraqi curriculum development committees chaired by members of the BPC faculty. A mid-level officer leadership course has been developed and fielded. The commissioner



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leadership course is currently being developed. MNSTC-I is also partnering with the Scottish Police Academy to develop a senior leadership course in September 2009. The Ethics and Human Rights Center at the BPC already offers six different programs. All curricula integrate lessons on values-based policing, human rights, detainee operations, and principles of community policing. Recently, the Human Rights Center has completed agreements with an international human rights consulting team for a curriculum review and instructor development program with the MoI IG Directorate.

The MoI is currently developing programs designed to expand training and education opportunities abroad for IPS officers to expose them to best practices and techniques, with support from Australia and the European Union. The pilot for this program will begin with 20 officers at three U.S. universities in fall 2009 and expand to include training with select U.S. metropolitan police organizations followed by graduate studies in police administration and science.

#### *Health Service Support*

The newly-formed Surgeon General's Office is responsible for providing healthcare to MoI employees, including the FP, IPS, and Border Police and reports directly to the Deputy Minister for Administration and Finance. All inpatient care for the MoI is provided by the MoH or MoD. Outpatient health services for MoI employees are provided at one MoI clinic and seven FP clinics in Baghdad and by the MoH in provincial areas. Of the seven FP clinics in Baghdad, only three are operational as a result of continued and significant medical staff shortages.

The new Surgeon General's primary challenge to expanding MoI medical capabilities and infrastructure remains the critical shortage of healthcare professionals. As of June 2009, the MoI had only 3% of needed physicians as a direct consequence of the nationwide physician shortage and lower pay than MoD and MoH

counterparts. The MoI Surgeon General has submitted a pay and benefits package that will greatly assist with recruiting and retention, if approved. However, it remains uncertain whether the Minister of Interior will approve the proposal.

U.S. teams advising FP and Border Police report that many units do not have trained medics. MNSTC-I has been working to assist in developing basic medic training programs, starting with establishment of a medic training classroom in an unused clinic in Baghdad. Additionally, the MoI and MoD have agreed to fill vacancies in the many MoD-run medical training courses with MoI students. MNSTC-I is also working closely with the MoI Surgeon General's Office to significantly increase the number of Combat Life Savers (CLS) within the police ranks and develop Iraqi CLS trainers to ensure the program is self-sustaining. The first CLS course began in August 2009 with the training of 20 FP and other MoI personnel.

#### **Iraqi Police Services**

The Iraqi Police Services (IPS) mission to enforce the rule of law, safeguard the public, and provide local community security remains unchanged. IPS operational performance has improved with each operation; it is increasingly becoming a professional force that has begun to support the rule of law throughout Iraq in conjunction with the maturing court system. The disparate elements that make up the IPS are also starting to provide cross-department support to each other. The IPS consists of all provincial police forces (station, patrol, traffic, and special units) assigned to the 18 Iraqi provinces in more than 1,300 police stations across Iraq. The IPS directs policy and strategic planning and has technical control over the training, vetting, and hiring of *Shurta* and officers.

Two MoI directorates have made tremendous strides over the past few months. The General Counter-Explosives Directorate is due to grow exponentially in the next year. To expand its capacity and to support the Joint Campaign

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Plan, MNSTC-I's Iraqi Training and Advising Mission (ITAM) Police Team is executing an equip-and-train program, supported by \$23 million of ISFF. This project will add another 12 provincial Counter-Explosive Teams (CETs) by September 2010 in addition to the six CETs currently responsible for all counter-IED operations across Iraq. Each newly trained team, consisting of at least 10 officers trained to UN International Mine Action Standards (IMAS), will receive over \$1.2 million in specialized equipment. The Criminal Investigations Directorate will also receive its own equip-and-train program for surveillance equipment and overseas training in advanced investigation techniques. A scoping study will assess requirements and support the design for a criminal intelligence network that will provide crime analysis capabilities for intelligence-led policing. These areas of technological advancement will further enhance investigator capability to move away from confession-based charges to evidentiary-based cases. The LAOTF reported in May 2009 that data gathered in the Baghdad area indicates criminal investigations and prosecutions are improving. Recent reports show the number of cases accepted with sufficient evidence for prosecution by the courts increased from 8% in August 2008 to 90% in June 2009.

There are currently 249 Police Training Teams (PTTs) across Iraq that advise and mentor IP leadership in effective law enforcement procedures, administrative processes, and organizational structure in accordance with the Rule of Law.<sup>33</sup> The PTTs partner and mentor at all levels of the IPS organization (provincial HQ, district HQ, directorates, and local stations). The effectiveness of training provided by the PTTs varies, but all training classes are approved by MoI and MNSTC-I.

### **Federal Police**

The newly-designated Iraqi Federal Police, formerly the Iraqi National Police, will expand with the completion of the 3<sup>rd</sup> Division units in the northern region and continue generation of

the 4<sup>th</sup> Division HQs and units in the southern region; however, the budget for 2009 will limit desired growth. Additionally, the FP will assume three new security force missions (the Central Bank of Iraq Security Force, Embassy Protection Force, and the Antiquities and Ruins Security Force) once force generation resumes. With these additional missions and in consideration of budget restraints, the 2009 authorization for the FP has increased to more than 46,000 members. The FP Commander envisions expansion to more than 86,000 by 2012. The FP wants to recruit and train to complete formation of the new 3<sup>rd</sup> and 4<sup>th</sup> Division units. However, MoI budget shortfalls for 2009 will limit the FP's ability to hire, train, and equip the personnel required to reach the desired end strength.

The 3<sup>rd</sup> Division, with four brigades assigned, has expanded to provide a presence in Diyala, Mosul, Salah ad Din, and Anbar. The 4<sup>th</sup> Division, with one operational Brigade and two Brigades in force generation, has a presence in Wasit, Maysan, and Baghdad. The FP continues to have success in recruiting across most of Iraq's ethnic and religious sects in each province, except in the KRG pending a Memorandum of Agreement and lifting of the hiring freeze. The FP leadership is dedicated to creating a diverse ethnic force that represents the Iraqi population. Although the hiring freeze precludes the FP from actually adding forces, they have a large roster of prospective recruits waiting to join their ranks. The Iraqi people view the FP as a federal force that is not tied to local influences and corruption due to the FP commander's requirement for FP to move from their hometown region and his history of dismissal or punishment of those who engage in corruption.

Continued expansion of the FP into the provinces is supported by a three-year plan to base a brigade-sized FP force into each of the provinces, with a regionally based division HQ controlling these units and division support battalions providing logistical support. Additionally, the FP HQ is requesting its own

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budget to be able to conduct operations and sustainment without having to request funding from the MoI. The FP HQ is aggressively seeking available properties in the provinces to base these new units and has had initial success in acquiring them. So far, 12 of the 14 brigades have land deeds for their brigade HQs. Finally, the continued support of the MoI is required to plan the equipping and infrastructure improvements required for the new units, as well as the ongoing need to replenish existing unit equipment and improve unit basing locations. The hiring freeze is delaying the ability of the FP to move forward with their transformation plan. The FP currently have limited ability to staff the newly-formed 4<sup>th</sup> Division beyond a cadre force of varying strength, and they will struggle to build the new special security unit. There is an agreement within the MoI to transfer eight Emergency Response Units from the provincial IPs, along with 5,000 IPs and 890 FPS, to the FP at a future date. Once this occurs and these forces are vetted and trained to FP standards, the FP will significantly improve its ability to move forward with transformation plans.

The FP recently graduated their first Explosives Ordnance Disposal (EOD) class. More than 20 *Shurta* were trained to the NATO standard. The near-term training strategy will result in a total of 80 EOD trained *Shurta*. In addition to training, the contract provides EOD equipment, including bomb protection suits, remote-controlled robots, and other tools.

### **Directorate of Border Enforcement and Ports of Entry Directorate**

The DBE and Ports of Entry Directorate (PoED) continue in their respective responsibilities to protect Iraq's 3,631 kilometers of international borders and 28 air, land, and sea ports of entry (PoEs) to prevent smuggling, sabotage, and infiltration activities. These organizations continue to enforce compliance with international treaties and protocols, with respect to international agreements and boundaries.

The DBE is organized into five regions, with 13 brigades and 51 battalions, in addition to the Coastal Border Guard, which is under the command of Region 4 located in Basrah. There are 7 DBE battalions that are mobile commando battalions under the command of the regional commanders. Although the DBE is currently authorized approximately 45,500 personnel by the MoI, the force is envisioned to expand to more than 60,000 by 2012. Current staffing is adequate to perform the basics of the border control mission. However, with the ongoing construction of border forts and annexes, the DBE sees a need for more personnel to staff these locations. The DBE has adequately addressed the shortfall in basic recruit training over the last six months. All but 50 personnel have completed certification training and the remainder is scheduled for a fall course.

The PoED is responsible for administration and security of 13 land PoEs throughout Iraq, as well as having some presence at the six air PoEs and five seaports. An additional four PoEs in the KRG are not recognized or managed by the GoI. The PoED still does not have authority over the numerous tenant ministry organizations at the PoEs, its own operating and maintenance budget, or independent oversight of future construction efforts. In order to enhance vehicle screening capabilities, the GoI is in the last stages of selecting non-intrusive inspection equipment (NIIE) with X-ray capabilities for Iraq's land PoEs. Purchase and implementation of the NIIE will significantly reduce illegal cross-border transfers of contraband items and weapons, leading to increased security throughout the nation.

There are still a number of challenges that must be overcome; the most significant is increasing the effectiveness of the DBE and PoED sustainment systems. Poor management and the lack of fuel supply, electricity generation, and maintenance have hampered all aspects of border and PoE operations. In addition, the DBE and PoED are combating reported

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incidents of corruption, with ongoing ethics training for employees, re-assignment of personnel between PoEs, and routine swapping of DBE unit areas of operation on the borders.

### **Oil Police**

The Oil Police (OP) is responsible for protecting all GoI oil production infrastructure, including oil fields, pipelines, refineries, convoys, and retail stations, which are located in both remote and urban areas throughout Iraq. The OP has 47 battalions with personnel strengths that vary depending on the location and priority of resource being protected. The MoI OP are scheduled to assume full responsibility for this mission in late 2010. The IA presently guards four major sections of pipeline throughout Iraq, including three critical PEZs. The OP are developing four Mobile Emergency Battalions to execute an emergency response mission capability but still lack required basic equipment. The MoI and the OP are acquiring \$33 million worth of vehicles, communications gear, and other specialty equipment to fill shortfalls.

As of July 1, 2009, approximately 90% of the existing OP force has achieved training certification through the four-week OP course. OP leaders are actively involved in their organizations and are qualified for their positions with most officers trained in a police or military academy. The only significant shortfall in leadership is found in the junior officer and non-commissioned officer (NCO) ranks due to a lack of post-BRT training. This training gap must be reviewed within the MoI. The OP are planning to expand their training facility located within the Al Dora Oil Refinery. This expansion will create more classrooms and improve life support, which will allow them to provide better and more diverse training, such as NCO professional development. As with other police directorates, the OP is impacted by the lack of a MoI supply chain distribution system. Lack of fuel, spare parts, and power generation hamper daily operations.

### **Facilities Protection Services**

The Facilities Protection Services (FPS) is responsible for the protection of critical infrastructure throughout Iraq, including government buildings, mosques and religious sites, hospitals, schools and colleges, dams, highways, and bridges. Under CPA Order 27, FPS forces were decentralized within each ministry and province. If the FPS Reform Law is passed by the CoR, the GoI will consolidate all FPS within the MoI, except forces currently detailed to the MoO and MoE, as well as the HJC. The law still lingers between the CoM and the CoR, and no movement is expected in the near future.

As of July 31, 2009, the MoI FPS has approximately 17,000 IP employees, and another 75,000 FPS contractors work in other ministries. These contractors have met MoI hiring criteria, signed contracts, and receive their salaries through the MoI. Handover of operational control will occur when the FPS consolidation law is passed. The contract signing and payment by the MoI mark a significant step toward consolidation. The projected end strength of this force may be as high as 104,000 when consolidation is complete in late 2009. All MoI FPS personnel have been trained as of June 1, 2009. MoI FPS personnel are trained in the 240-hour IP course. Currently, 485 MoI FPS personnel who were trained when a three-week course was standard are being retrained in an IP course. A plan is being made to train contractors to the MoI IP standard. The United States, in cooperation with the MoI, is building a FPS training facility in Al Kut, Wasit Province, with a completion date expected in 2010. The FPS has traditionally been the unit with the lowest priority for equipment issue within the MoI and currently has less than 10% of its authorized equipment on hand.

### **2.3 Ministry of Defense**

As of August 2009, the MoD has approximately 250,000 personnel assigned. As the ground force nears completion, lack of a sustainment-funding plan and a centralized

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decision-making process continue to inhibit MoD force improvements. The Minister of Defense still reviews almost all procurement and maintenance funding decisions and approves most equipment purchases. From January through December 2008, the MoD executed \$2.9 billion of its \$5.2 billion budget (55%). The major challenge facing the MoD in 2009 is a limited budget of \$4.1 billion, as opposed to the \$8 billion in requirements. Although this amount is sufficient to pay and feed personnel, it will marginally sustain the current ground force and cannot support desired growth. Exacerbating the budget shortfall is the need to purchase logistics support and enabler unit equipment with associated sustainment costs. These requirements will constrain capital growth programs beyond 2009. In short, the economic downturn and concurrent drop in oil prices will drastically curtail the rate at which the Iraqi military forces can achieve foundational capabilities and purchase equipment.

### **Ministry of Defense and Joint Headquarters**

The JHQ is developing greater capability to provide operational-level advice to the MoD and is developing its capacity to plan and logistically resource operations. Despite the JHQ's progress, the Iraqi national security C2 architecture continues to be poorly defined and overly centralized, which inhibits planning, decision making, and the ability to execute coordinated operations at all levels.

### *Policy and Plans*

The MoD Directorate for Policy and Requirements is showing signs of an improving capability to develop relevant and applicable defense policies and plans. Although capability exists, there are limited processes for feedback, approval, and implementation of such guiding documents. The MoD leadership often disregards the requirements generated by its subordinate staffs and is resistant to tying capability requirements to national security documents. The linkage among capability requirements, strength levels, equipment purchasing, and budgeting is marginally

apparent. In August 2008, the Minister of Defense implemented a recruiting and hiring freeze for all positions. The following month, the Minister of Finance established a 253,000 personnel cap based on estimates of affordability related to the 2008 defense budget. Based on June 2009 pay data, the Iraqi Armed Forces, including military, civilians, and contractors, currently exceed the personnel cap by almost 10,500 personnel. Growing concerns with funding have resulted in personnel not being paid and stagnant personnel actions. Significant shortages in key enlisted, NCO, and junior officer positions are offset by excessive numbers of entry-level soldiers. These imbalances, when combined with growing operational demands and the current Iraqi leave policy, affect the ability to conduct current operations and to train and equip units simultaneously.

### *Budget Planning and Execution*

Manual processes continue to dominate budgetary management in the absence of networked computer solutions. However, the MoD Directorate General of Programs and Budget (P&B) is considering an automated stand-alone software package that will enhance its capacity to execute key financial management missions. The principal weakness of the P&B Directorate remains a limited capacity to provide forecasts of ministerial budget execution. This branch is capable of iterative planning with the MoF to finalize and subsequently reconcile the MoD's annual budget, accurately tracking expenditures and collating monthly reports. The 2009 budget does not support the full needs for sustainment of the force.

### *Acquisition*

The MoD's acquisition branches are marginally developing the capacity to routinely acquire the goods and services necessary to sustain and modernize the IJF. Responsibility for authorizing relatively low-level acquisitions, such as routine replacement of spare parts, requires decision approval by general officers. The MoD faces numerous challenges, including



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the lack of a multi-year acquisition strategy, weak requirements determination, late release of requirements funding, overly centralized decision-making authority, inadequately trained and inexperienced staff, and insufficient use of technology to optimize processes. There exists limited, but improving, ability to conduct simple contracts with a single vendor, with major overseas contracts and purchases personally negotiated by senior ministerial staff. Due to these limitations, the MoD continues to rely heavily on FMS to equip and sustain its forces. To address these limitations, MNSTC-I advisors continue to provide instruction and on-the-job training to the MoD's acquisition staff in contracting, purchasing, and acquisition. Recently, the advisor team has been augmented with additional logistics experts to accelerate progress within the acquisition arena.

#### *Infrastructure - Maintenance and Construction*

The MoD still does not place a priority on facilities sustainment and recapitalization. The MoD maintenance budget for 2009 is only \$8.5 million. A conservative estimate for sustainment maintenance alone is \$360 million. Until the MoD and the GoI make maintenance a priority, facilities will continue to deteriorate at a rapid rate. The MoD General Directorate of Infrastructure was dissolved on April 1, 2009. The Military Works and the Military Housing and Real Estate sub-directorates were aligned under the Deputy Chief of Staff (DCoS) for Logistics within the JHQ, and the Facilities sub-directorate was completely eliminated.

On April 30, 2009, fiscal authority of \$20,000 was delegated to the DCoS for Logistics for infrastructure maintenance requirements. Though delegation did not extend further down the chain, this should improve the speed with which maintenance requests are processed, and thus improve the infrastructure sustainment capacity.

MoD Military Works personnel are beginning to receive training in basic project scoping, design and estimating, and basic project

management. These courses are taught on a weekly basis by U.S. advisors. Ideally, courses should be taught at the MTDC under a formal infrastructure curriculum. MoD Military Works will continue to struggle to build new, or maintain current, infrastructure due to the lack of authority, budget, and qualified engineers. Despite these challenges, Military Works is building capacity. It is making progress in processing maintenance requests. As of June 2009, they have processed 528 requests. This is a 260% increase over the total requests processed in 2007. In addition, it is successfully managing the largest active construction program sponsored by the GoI—the Location Command warehouses valued at \$376 million.

#### *Infrastructure-Real Estate*

In the aftermath of the fall of Saddam Hussein's regime in 2003, the former U.S Administrator of Iraq placed all MoD property land deeds under MoF control. As a result, the MoD has encountered numerous obstacles in constructing new projects on previous MoD land where a clear deed is not available. A Prime Minister memorandum issued on July 22, 2008, directed the return of property back to the MoD. However, despite this order, the MoF has been slow in returning the land. Of the 157 land requests submitted by the MoD, only 68 were approved and returned by MoF; some of these lacked the necessary information to determine the exact parcel of land.

#### *Personnel*

The MoD General Directorate for Personnel continues progress toward implementing a computer-supported, comprehensive personnel management system. Lack of decentralized decision-making authority affects this and other initiatives, including hiring. Approximately 40% of civilian positions across the MoD remain unfilled. Despite the overarching hiring freeze, some civilian positions are being recognized as critical needs and validated for fill. The most critical areas in the MoD staff requiring skilled employees are contracts, communications, infrastructure, and



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acquisition. There are also special populations of recruits awaiting entry into the Iraqi forces (SoI and former Army soldiers). These recruits should increase the number of experienced mid-grade officers and NCOs within the IA. The MoD is still working to develop plans to revise and fill the modified table of organization and equipment (MTOE) positions with capable employees and to develop and execute a veterans program and improve the retirement process.

The United States has trained MoD staff to operate and maintain the Human Resources Information Management System (HRIMS), which began operating in December 2008. The payroll feature remains the MoD's number one priority. Concurrent data entry is taking place into the legacy payroll system and HRIMS. On May 1, 2009, high-level users began inputting changes to pay data, personnel data, and MTOEs. HRIMS provides MoD the capability to produce a variety of personnel status reports. However, HRIMS will not be capable of full lifecycle management for approximately three years. Therefore, the MoD must continue to use the functioning paper-based system until HRIMS matures sufficiently as a system of record. The MoD is responsible for all costs associated with the HRIMS fielding and operation for 2009.

### *Inspector General*

The MoD Inspector General (IG) continues to explore the spirit and intent of the UNCAC objectives. The IG has expressed interest in measures promoting transparency of accountability and enforcement successes; however, the overall lack of transparency in ministry policies, regulations, and practices hinders development and implementation of professional IG accountability practices and procedures. In May 2009, the MoD IG and IG personnel participated in a Combating Corruption and Terrorism conference facilitated by the Defense International Institute for Legal Studies. Additionally, in June 2009, the MoD conducted a Fighting Corruption Conference, at which the focus was the Prime

Minister's 2008 anti-bribery campaign. The Military IG is actively engaged with advisors from MNSTC-I and is successfully executing an aggressive 2009 unit readiness inspection plan.

### *Human Rights*

The MoD maintains 31 detention facilities throughout Iraq designed to be temporary holding sites for pre-trial detainees. As of July 2009, there are more than 1,300 MoD detainees in custody with 90% held in the seven largest detention facilities. In some of the facilities, persistent overcrowding creates difficulties for both guards and detainees and contributes to an environment where human rights violations can occur. The inability of investigative judges to provide timely resolution of detainee cases further contributes to problems of overcrowding and can result in detainees remaining in detention facilities as long as 24 months. Detainees are often retained in custody despite issuance of legitimate judicial release orders and Iraqi law (which stipulates release orders be executed within 24 hours). From April-May 2009, MNSTC-I leaders and advisors worked with MoD officials to coordinate the release of 500 such detainees. U.S. force engagements have encouraged some improvement in both detainee releases and overall conditions. The involvement of U.S. advisors, the International Committee of the Red Cross, and UNAMI has been met by GoI leadership with an acceptance and recognition that both facility conditions and judicial disposition need improvement. One significant sign of progress is that 100% of MoD facilities now notify the detainee family members and afford family visitation in accordance with Iraqi law.

### *Military Justice*

There has been little change in the military justice system. Military courts continue to decide cases in Baghdad, Basrah, Mosul, Najaf, and Ramadi. Additionally, the Joint Military Court continues to decide cases that cross ministerial boundaries and the Military Court of Cassation in Baghdad continues as the

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functioning appellate court. The courts in Irbil, Diyala, and Baghdad (Rusafa) are slow to develop. Focused efforts are being made to open the Irbil and Rusafa courts in the short term.

### *Operations*

The JHQ is slowly improving operational C2 capabilities; however, the Iraqi Forces JOC remains heavily reliant on U.S. support for situational awareness and general intelligence gathering. In addition to the JHQ and the MoD, C2 of the ISF is exercised through a system of regional commands developed at the direction of Prime Minister Maliki. The system functions through the linkage of the Office of the Commander in Chief and Operations Commands for Baghdad, Basrah, Ninewa, and other provinces or groups of provinces. U.S. forces are working to enhance training and advisory support of Iraqi organic capabilities in the JOC. Staff planning is improved, but underutilized outside of the JHQ. MoD planning is hampered by a lack of delegation through the JHQ chain of command to appropriate directorates, and when accomplished, it is performed at the most senior level instead of through a staff planning process. The JHQ is becoming more focused on combined operations, and recent plans and operations have included representation by other Iraqi security stakeholders, including the MoI, the Director of Intelligence, the IGFC HQ, and others. However, logistics, sustainment of ISF personnel, equipment distribution, infrastructure maintenance, and force generation continue to pose obstacles to long-term operational capability.

### *Logistics*

U.S. and IJF have created a strategic logistics task force to hasten the implementation and integration of a comprehensive strategy. Critical components include strategic logistics plans and doctrine supported by a requirements-based acquisition strategy, capable procurement specialists, and logistics managers. With considerable effort, the IJF is able to sustain itself with food rations for its

soldiers and refined petroleum products to fuel its ground combat vehicles, support vehicles, and generators. The MoD does not have an effective mechanism to program sustainment costs for major equipment purchases. These capabilities are critical for successful transition to full self-sufficiency.

The Iraqi Logistics Operations Center (ILOC) continues to establish its capabilities as the nerve center for logistics tracking, coordination, and reporting of the ISF logistical operations and materiel management. Two certification exercises have been conducted, validating existing procedures and testing connectivity with other MoD operation centers. The ILOC will prioritize its efforts to establish connectivity to the JHQ, JOC, IGFC, Location Commands, IqN, IqAF, sea and aerial ports, and national supply depots.

Maintaining IA vehicles is made more difficult by the large variety of vehicle manufacturers and types and the reluctance of the Iraqi system managers to distribute repair parts. This is primarily due to their continued use of the old system of approvals and lingering allegations of corruption. Efforts are underway to alleviate these problems by identifying suitable vehicle types to retain and development of repair parts stockage levels. The collaborative effort between U.S. partners and the Iraqi DCoS for Logistics to re-establish Iraqi logistics doctrine focused on fundamental principles, organization, methods, and procedures is continuing. Procedures are being validated through training exercises and senior leader engagement; a Combined Sustainment Council has been formed to recommend solutions to current gaps in the Iraqi logistics system. The Logistics Military Advisory Team and Logistics Training Advisory Team programs continue to improve the logistical readiness posture of the MoD units with whom they partner. This process has identified that the key inhibitors to Iraqi logistical self-reliance reside at the ministerial or JHQ level, not the tactical level.

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Fuel requirements need a concerted study, with a focus on quality control processes and laboratory operations, because of new weapons systems that will include M1A1 tanks, aircraft, and power generation units. For the IqAF, all aviation fuel is procured via FMS, and quality control activities are managed by U.S. forces. As U.S. forces draw down, the need to transition the responsibility of fuel accountability and quality assurance becomes increasingly important. The Iraqi Transportation and Provisions Directorate is laying groundwork toward implementing a viable quality control program, including courses at the Iraqi Logistics Affairs Training Institute and equipment required to provide unit-level sampling capability.

#### *Training and Doctrine*

The JHQ implemented a training assessment program and is generating a new Training Assessment Manual that will codify the inspection and assessment procedures. The DCoS-Training is expanding the roles and responsibilities of the Iraqi Ethics Center and the Iraqi Center for Army Lessons Learned. Out-of-country training opportunities, such as the Iraqi participation in the Jordanian Combined Arms “Infinite Moonlight” Exercise, are increasing.

Under DCoS-Training, M7, the doctrine section is tasked with coordinating the development, approval, printing, and distribution of doctrine and technical manuals for the IJF. Once a month, DCoS-Training chairs the Doctrine Review Committee that approves doctrine for Chief of Staff signature. The JHQ continues to work on improving these processes, and the advisory team is assisting the JHQ in conducting gap analysis and prioritizing future doctrine development.

#### *Surgeon General*

The Joint Forces Surgeon General leads the Directorate of Military Medical Services and has the responsibility to provide health service support to the IA, IqN, and IqAF. The biggest issue remains a shortage of health professionals—the IA is desperately short

medical personnel. As of June 2009, the MoD is staffed at 14% overall and 7% in the divisional units for physicians. The main reasons for the shortage are an overall lack of providers in Iraq (50% of pre-war levels), 15% lower pay than in the MoH, difficulty in recruiting personnel to remote assignments, limited opportunities for specialty training, and inability to conduct after hours services for supplemental income. The Minister of Defense asked the Prime Minister to increase Iraqi physician bonuses from \$518 to \$863 per month as a stopgap measure until the Law of Military Service and Retirement is passed. The United States is assisting with retention measures by starting a medical partnership program with Iraqi health professionals rotating through U.S. facilities in Iraq, as well as investing nearly \$500,000 in out-of-country training with clinical observerships and formal classes at the Army Medical Department Center and School. In addition, the United States is continuing its support, design, and construction of a new MoD Medical Institute that includes three classroom buildings and student housing. This new institute moves medical training from the Logistics Affairs Training Institute (LATI) at the Iraqi Army Support and Service Institute into Medical City, Baghdad to improve oversight issues and to leverage nearby MoH facilities.

Currently, the Surgeon General’s Office possesses inadequate C2 capabilities due to the reporting and the existing communications infrastructure (e.g. telephone, internet, or e-mail capability). The C2 ability to determine the needs of provincial clinics, direct central polices, and issue and receive timely information on both trauma and disease, as well as non-battle injuries is extremely difficult. This summer, the United States is supporting expansion of telephone and internet capability to the Surgeon General’s Office. The JHQ staff structure also makes it difficult for the Surgeon General to raise concerns directly to the CoS by placing the DCoS-Administration as his direct report. For 2009, only \$16 million were

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allotted for supplies for the entire Iraqi military medical system.

An emerging medical planning concern is the Surgeon General's Office inability to support mobile offensive operations. The Iraqi Ground Forces Command (IGFC) surgeon role has withered with the lack of robust staffing of divisional units, recent leadership issues, and limited equipment and supplies focusing with near exclusivity on keeping the fixed clinics running. Division staff and equipment are often cannibalized to support the garrison clinics. The division medical staffs typically look directly to the Surgeon General for direction rather than going to the IGFC for issues such as medical supply difficulties or personnel. This situation is likely to change with increased staffing of the divisions if the pay issues are corrected, and with more aggressive initiative and leadership in the IGFC surgeon position.

### **Iraqi Army**

The IA currently has 13 infantry divisions and one mechanized division organized under the IGFC. Ground forces include 189 fully generated and trained IA combat battalions and 54 IA brigades with a force generation focus on enabler units to complete the divisional force structure.

GoI budgetary constraints continue to affect the staffing of enabler combat support and combat service support units. The lack of soldiers entering the training base is forcing Iraqi leaders at all levels to staff enabler units from within their organizations by cross leveling from over-strength units, such as the ISR formations and HQ elements. The Iraqi M7 Training Directorate has adopted a conditions-based Unit Set Fielding (USF) scenario where units must meet a set of Iraqi developed staffing and training requirements in order to be scheduled for fielding. This will ensure the units will be properly manned and trained prior to fielding and, upon completion, return a functioning enabler capability back to the division. The near-term effect of MoD

budgetary and manning constraints was a significant shift to the right of the original 2009 USF schedule. The 12<sup>th</sup> Division Military Police Company and the 11<sup>th</sup> Field Engineering Regiment completed USF in July 2009.

Several units have been, or are in the process of being, validated by the M7 training directorate of the JHQ. These units are expected to execute USF in the August and September 2009 timeframe. Recent discussions with the IGFC G3/7 and G4 indicate the Division Field Workshops will likely become the IA priority units to go through the validation process and execute USF. This shift in priorities indicates the IA's recognition of shortfalls in maintenance and supply capabilities.

The United States continues to partner with the IA leadership and the MoD in supporting the IA M1A1 Program Manager Office, which is developing its ability to conduct life-cycle management, new-equipment training, and follow-on training and maintenance for the 140 M1A1 tanks purchased through FMS.

### *Training*

The IA's capabilities continue to grow as they increase their institutional training capacity. This effort emphasizes enhancing special skills, and improving the training of enabler units to develop the depth and quality of individual soldier skills. The on-going Warrior Training Program is indicative of continued improvement in training capacity and capability at the divisional, regional, and combat training centers. Since the program began in June 2008, twelve battalions have completed training.<sup>34</sup> Exercises are now scheduled and conducted by the IA with U.S. forces in support when needed. Nearly 4,000 soldiers have completed Military Occupation Specialty Qualification (MOSQ) courses in maintenance, transportation, signal, supply, administration, weapons armorer, military police, and medical fields in 2009.

The shift toward generating enabler units has also increased the need for individual Military Occupation Specialty (MOS) school autonomy.

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The LATI is now separated into its individual component schools of transportation, maintenance, and logistics. More autonomy will facilitate advanced education and technical training in multiple support disciplines. Combined MOSQ and transportation, maintenance, and logistical courses have trained 30% of the soldiers required for force generation units for 2009. Besmaya is now the home of the new Field Artillery School. The school has completed training a new cadre of instructors and will soon be home to soldiers prepared to receive instruction on the 120mm mortar system, considered light artillery in the IA.

The Iraqi Counterinsurgency School (ICS) continues to provide the IA with relevant and responsive training, and developing IA leaders to meet the needs of the evolving operational environment. Courses are focused at both the NCO and officer levels and provide resident training in COIN, civil military operations, and civil affairs. The ICS also partners with the Iraqi Ethics Center and the Lessons Learned Center to promote and enhance the highest level of professionalism among military leaders.

### *Materiel*

The IA self-sustainment capability continues to improve through multiple programs and an increasing awareness of the maintenance requirements. The SINCGARS and Harris radio fielding provide the IA with a secure tactical communication and an increased C2 capability. Although combat units were initially the priority for distribution, service and service support units are now receiving these assets. The IA assumed responsibility in April 2009 for continuation of M16 and M4 fielding and weapon training. More than 55,000 of these weapons have been issued through July 2009. Weapons accountability is maintained through frequent inventories and multiple checks of proper identification, including biometric data.

In May 2009, U.S. forces transferred full control of the Iraqi Light Armored Vehicle (ILAV) maintenance facility at Taji to the ISF. The ISF now possess the capability to execute all ILAV maintenance operations. Planning continues for a full transition of all maintenance activities belonging to the Taji National Maintenance Depot, including tracked and wheeled vehicle maintenance, to ISF control before the end of the calendar year.

### *Leadership and Education*

The IA continues to develop a NCO education system (NCOES) that emphasizes small unit leadership, with nearly 14,000 graduates from NCOES courses to date. The IA approved an NCOES campaign plan developed in October 2008 with implementation to begin on January 1, 2010. The new NCOES is controlled by the DCoS - Training Directorate, which standardizes all IA NCOES education in Iraq and links promotions to graduation. The system identified the requirement to develop a Master Instructor course to improve and standardize the quality of instruction for the NCO education system and to train other Iraqi Instructors. A course was developed, and is currently on its fourth iteration. The NCOES career progression path culminates at the sergeant major level with the Senior NCO course. This course continues to be refined by U.S. forces and IA representatives; it completed its second iteration on May 28, 2009, with 21 graduates.

The basic combat training campaign plan generated a review of all basic combat training modules in order to improve the quality of graduating soldiers. It identified a requirement to develop a Drill Instructor Course, as well as a Basic Combat Instructor. The Basic Combat Instructor Course is designed to reinforce skills required to instruct basic combat trainees using practical exercises. The courseware material has been completed and approved by the Basic Tactical Training Directorate, and two cycles of this course have been completed.



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The Iraqi Center for Military Values, Principles, and Leadership Development continues to provide the capability to professionalize the IA, offering instruction in five areas, including professional military values, leadership and the profession of arms, law of armed conflict, human rights, and the role of the military in a democracy. The center is delivering these blocks of instruction to division-level leadership and will train to lower tactical units in the near future. Mobile Training Teams have conducted train-the-trainer classes for 250 officers and NCOs, in addition to training nearly 100 instructors at Regional Training Centers.

### *Personnel*

As of July 2009, the IA was manned at 80% of its officers and 50% of its NCOs, with 88% of total MTOE authorizations. The average leave rate is currently 25% of assigned personnel. The most critical personnel challenge is developing a formal manpower management strategy aligned with a current annual budget and expenditure plan that will permit informed personnel reductions and force shaping. Improving personnel accountability procedures and streamlining personnel administrative processes are also critical issues to be addressed. The promotion system continues to move toward a merit-based system, but promotions have slowed due to budget limitations. The IA has not recruited soldiers through normal accessions since the hiring freeze imposed in September 2008.

### *Facilities*

Currently, 9 of 10 planned Divisional Training Centers, Regional Training Centers, and a Combat Training Center are complete with a combined capacity of 14,600 students. Each of these centers includes a range complex, combat assault course, live fire shoot house, and outdoor classrooms. They support both Brigade Combat Team and collective training exercises for the IA. Billeting continues to be limited, however, constraining the use of the centers. The construction of 12 Location Commands continues. These Location

Commands consist of warehousing, third line maintenance, fuel storage, billeting, and life-support facilities. Location Commands are targeted for completion by December 31, 2009; however, anticipated construction delays may move the completion into 2010. Despite significant improvements, several shortfalls remain in IA infrastructure, most significantly the unavailability of electricity. Only one base is connected to the national power grid; all others rely on generator-produced power, which is costly and inconsistent at best. Connecting the remaining bases to the power grid will greatly reduce the cost of fuel and maintenance requirements.

### *Iraqi Air Force*

The challenge for the IqAF is to expand current capabilities and build the foundation of a credible and enduring IqAF for the future. Currently, the IqAF has minimal foundational capability to support the COIN fight. Progress is being made in ISR, airlift (fixed/rotary wing), and training and developing Iraqi airmen. The IqAF should achieve foundational capability in these areas by December 2010. Ground attack, airspace control, and C2 lag behind, but foundational capabilities in these areas are expected by December 2012. The ability to secure air sovereignty will occur post-2012 due to resources and time needed to equip and train forces. Despite growth in the past year, the IqAF will require continued U.S. support and a long-term strategic partnership.

### *Doctrine*

The IqAF has taken important steps to develop its doctrine. Iraqi and U.S. partners have begun codifying their ISR lessons learned in tasking, collecting, processing, exploiting, and disseminating information. Additionally, the capstone document codifying Air Force-level aircraft maintenance procedures and initial standardization was developed and signed by IqAF leadership. In kinetic operations, the IqAF is approaching operations of its first precision air-to-ground attack capability. Aircrew and munitions load training are nearing completion, while preliminary rules-of-



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engagement, a targeting approval process, and C2 procedures are being developed and coordinated for GoI approval.

### *Organization*

Over the past quarter, the IqAF aircraft sortie rate has remained steady, and its proficiency in scheduling and conducting flight operations continues to improve. Processes to efficiently prioritize mission requests are becoming increasingly effective. The current focus is on improving their capability to conduct operational level planning and link national military strategies to tactical capabilities present in the IqAF. Today, the IAOC provides C2 of more than 350 sorties per week spanning training, ISR, and airlift missions.

### *Training*

Training remains a top priority within the IqAF as it strives to reach 6,000 personnel accessed and trained by 2010. To date, the IqAF has 97 officer and enlisted specialties spread across ten functional areas. Over the past quarter, enlisted Basic Technical Training (BTT) courses in fuels, ground radio, sheet metal, education and training, plans and scheduling, electrical, and aircraft armament were successfully accomplished, some for the first time. New BTT syllabi currently in development will expand training in operations, maintenance, supply, and infrastructure support personnel.

The GoI budget process, along with the personnel-hiring freeze has severely hampered enlisted Basic Military Training (BMT) since October 2008. This threatens the IqAF ability to meet its planned end strength goals. However, in the area of officer accessions, 85 new IqAF officers graduated from the Iraq Military Academy at Rustamiyah (IMAR) in July 2009, bringing the total number of officer training graduates to 374. In addition, 252 officer cadets completed BMT at IMAR and the Iraq Military Academy at Zahko. These cadets have now entered the Air Force Officers Course and English Language Training (ELT) at IMAR, with graduation anticipated in

January 2010. ELT continues to be a top training priority for IqAF leaders. ELT currently focuses on aircrew, aircraft maintenance, air traffic control, and communications personnel. Although the United States continues to provide the vast majority of ELT instruction, efforts are underway to generate an Iraqi ELT program with an annual capacity of nearly 600 students.

The IqAF pilot production program continues to expand, with 128 students in the pipeline spread among 96 Iraq-based and 32 out-of-country active training slots. The first Aviation Leadership Program graduate received his T-6 fixed-wing pilot wings from the United States on July 24, 2009. The Flying Training Wing at Kirkuk Air Base supports 90 students in undergraduate pilot training. Six legacy pilots are enrolled in ELT prior to entry into instructor training. The first rotary-wing training class graduated in August 2009 with 11 pilots, and the first rotary-wing instructor pilot course began with four instructor students. The fixed-wing Pilot Instructor Training class has six students who will qualify as flight instructors. Acquisition of the T-6A trainer aircraft, critical for the advanced pilot training plan, has been finalized with the first aircraft due to arrive at Tikrit in December 2009.

### *Materiel*

The IqAF added additional aircraft in the third quarter of 2009 to reach a total of 94 assigned aircraft.<sup>35</sup> The IqAF will achieve an initial precision air-to-ground attack capability, forecast for mid to late 2009, as the Hellfire missile equipped AC-208 and associated command and control processes reach operational status. Plans call for adding another 34 aircraft in 2009. The IqAF's inexperience in acquisition and the GoI budget forecast continue to make procurement a challenge, complicated by a requirement for the Defense Minister to make most acquisition decisions. The IqAF demonstrated a positive trend toward an effective capability in requirements generation, FMS case development, and source selection. They

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established a General Officer-level Acquisitions Committee to develop procedures and prioritize requirements. Faced with recent budget shortfalls, the IqAF, in concert with MoD committees, was able to prioritize requirements and reduce content to fit several procurements within budgetary constraints.

### *Personnel*

The IqAF continues to slowly increase personnel staffing, but has filled only 72% of its authorized military and civilian strength. However, this percentage will decrease to approximately 43% when new authorizations are approved in the near future. IqAF personnel numbers must grow significantly in the future to match anticipated growth in aircraft numbers. The GoI and the MoD must show a genuine commitment to assess additional IqAF personnel, or it is improbable that they will meet critical personnel strength targets in line with their service plan. A severe shortage of mid-career officers continues to be of special interest. Over 50% of pilots and 30% of ground officers will reach retirement age before 2020, and those remaining lack flying experience. These numbers point to a pending shortage of senior IqAF leaders in ten years. This could have been mitigated by the review and accession of the more than 2,400 former Iraqi military members evaluated for return to active duty or retirement; however, only 103 were selected for return to the IqAF. Finally, the IqAF must identify mid-career officers with potential to serve in the highest ranks and guide them through rigorous professional military development.

### *Facilities*

On-going projects at Taji, Kirkuk, Tikrit, and New Al-Muthanna Air Base will increase training capacity and adequately support the requisite growth in IqAF personnel through the spring of 2010. Over the next four years, the IqAF plans to expand to 11 main operating bases. Current IqAF priorities include moving the IqAF HQ from the International Zone (IZ) to Victory Base Complex (VBC) at the Baghdad International Airport (BIAP), moving

training from IMAR and Kirkuk to Tikrit, and moving ISR assets from Basrah to Ali. Working with the United States, they have found a new HQ location on VBC that meets their needs, and has been approved by the United States and the GoI. The facilities will be available by the middle of August and the IqAF is planning its move. In addition, the IqAF has identified an advance team that will move to Tikrit and begin planning the beddown of T-6A aircraft and the move of the IqAF Officer's College. These two initial moves will lay the groundwork for making Tikrit the primary IqAF training base. U.S. turnover of key infrastructure, including aircraft parking ramps, hangars, and dormitories is critical to growth, but the IqAF has limited capability to conduct infrastructure maintenance; U.S. advisors are helping by creating training programs for engineers.

### *Iraqi Navy*

#### *Organization*

The IqN HQ is co-located in the Baghdad MoD building, from where maritime policy and strategic guidance for the Navy is established. To counter 2009 budgetary constraints, the staff has developed a plan for phased delivery of Patrol Boats and Offshore Support Vessels in 2010 through the beginning of 2012. The HQ focus in 2009 is to improve staff capability to support the new fleet and prepare the institutional Navy for future growth.

#### *Training*

Despite the withdrawal of the 84 UK trainers from Iraq, U.S. training for the IqN continues, albeit at a reduced pace. The United States has approximately 35 U.S. Navy, Marine Corps, and Coast Guard personnel dedicated to training the Iraqi Navy and Marines and maintaining life support in Umm Qasr. Until additional U.S. Navy personnel arrive in Umm Qasr in October 2009, the reduced training capacity will continue to affect Patrol Ship training, ELT, and all associated shipboard training. The Patrol Ship Fatah completed its initial sea trials. The crew proved to be inexperienced, but highly motivated, and is

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working to overcome identified deficiencies. The UK departure will cause a minimum of a 90-day delay in operational sea trials with an expected commencement in mid-December.

Progress has been made in growing and professionalizing the IqN. The force gained 400 basic training graduates. Also, the training of the Oil Platform Defense and Vessel Board Seize and Search Marine Platoons will be complete this quarter. The training focus for the remainder of 2009 will be on the Versatile Marine Training Program. Cross training the 1<sup>st</sup> and 2<sup>nd</sup> Iraqi Marine Battalions will yield a more flexible force. In July 2009, U.S. Marines began to pair with and mentor Iraqi Marines. The Basrah Maritime Academy is now under MoD control, and negotiations have begun between MoD and MoI to rebuild the faculty and curriculum. The International Maritime Organization maintains that the Academy is still accredited, and the Navy aspires to rebuild this facility and resume its position as the single Academy in Iraq to train all maritime-related personnel (port and harbor staff, merchant marine, coastguard, and police). This will re-establish the New Entry Training Institution for the IqN and assure the long-term well being of the service.

### *Materiel*

The arrival of the first three (of four) Patrol Ships from Italy by the end of 2009 will establish the first real capability increase for the IqN. Without significant improvement in the HQ command and staff capacity, they will find it increasingly difficult to support their growing fleet.

### *Personnel*

The Iraqi Marines expect additional recruits in the near future to bring them to full strength. Budgetary constraints have put IqN accessions on hold and the IqN estimates that it will not access new Sailors until 2010. Achieving the IqN target of 2,900 personnel by the end of 2010 may not be possible.

### *Facilities*

Construction of the new pier and seawall at Umm Qasr has met with initial delays due to unforeseen issues with soil quality. A new target date for completion (late December 2009 or early January 2010) will continue to support revised watercraft delivery schedules. A resolution of MoD contractual difficulties will allow renovation of existing facilities including additional Iraqi barracks and dining facilities started in late 2008 that were not completed under a previously awarded contract. U.S. assistance, in partnership with the Iraqi MoD, is planned to deliver warehouse facilities, a Command HQ, and an ammunition storage magazine.

## **2.4 Iraqi National Counter-Terrorism Force**

The INCTF is headed by the Counter-Terrorism Service (CTS), formerly known as the Counter-Terrorism Bureau, and includes the Counter-Terrorism Command (CTC) and two ISOF Brigades. Under Prime Minister Directive 61, signed in April 2007, the INCTF is independent of both the MoD and MoI. The CTS law still awaits CoR approval to establish the CTS as a separate agency, formalizing the ministerial-level position of the CTS Director and providing for appropriations and funding. The proposed CTS law, officially entitled the Law of Counter-terrorism Mechanism, initially submitted in September 2008 and returned to the CoM, had its first reading in the CoR in July 2009. Up to three readings may be required by the CoR before it is submitted for a vote. The CoR's delay in addressing the CTS Law makes the Prime Minister's ability to fund CTS problematic and is impacting maintenance and sustainment programs in the CTS.

### *Organization*

The CTS continues to improve coordination with the MoD, MoI, and INIS on strategic-level planning, targeting, and intelligence fusion. The CTS operates on discretionary funding from the Prime Minister, as well as through partial logistical and funding support from the MoD. INCTF continues to receive limited MoD support as outlined in the 2008 MOA

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signed by the Prime Minister, the MoD, and the CTS. The MOA addressed MoD support of CTS on matters relating to personnel, logistics, medical issues, aviation support for INCTF-TT transportation and reconnaissance operations, training, infrastructure, and the payment of the base salaries for INCTF. Despite on-going efforts, the 2009 MOA remains unsigned. In February 2009, the MoD issued a memorandum to the IqAF commander stating that all training with ISOF must be approved by the MoD. The MoD continues to provide very limited aviation support to CTS in accordance with the 2008 MOA. In a positive recent development, the CTS and the IqAF met in June 2009—their first significant meeting in eight months—to discuss ways to improve coordination between the two organizations.

The CTC is the operational HQ for combating terrorism in Iraq. CTC exercises C2 of ISOF units that execute combat operations. On July 1, 2009, the CTS established the 2<sup>nd</sup> ISOF Brigade HQ in order to improve span of control and C2 of ISOF. Both the 1<sup>st</sup> and 2<sup>nd</sup> Brigades conduct tactical operations in conjunction with U.S. advisors. These units are also capable of conducting limited unilateral operations. The 1<sup>st</sup> ISOF Brigade is composed of five battalions: the 1<sup>st</sup> Battalion (Bn) (Commando); 2<sup>nd</sup> Bn, which is designated the ICTF; 3<sup>rd</sup> Bn (Support); 4<sup>th</sup> Bn (RECCE); and 5<sup>th</sup> Bn, which conducts the Iraqi Special Warfare Center and School (ISWCS).

In 2008, the ISOF underwent expansion to include four 440-man regional commando battalions (RCB), which comprise the 2<sup>nd</sup> ISOF Brigade. The 6<sup>th</sup> RCB is based in Basrah, the 7<sup>th</sup> RCB in Mosul, the 8<sup>th</sup> RCB in Diyala, and 9<sup>th</sup> RCB in Al Asad. Collocated at each Regional Commando Base is a Regional Counter-Terrorism Center (RCC), a Regional Reconnaissance Team, and a Garrison Support Unit (GSU). The 6<sup>th</sup> and 7<sup>th</sup> Bns achieved full operational capability (FOC) in mid-2008. Manning shortfalls remain the primary barrier for both the 8<sup>th</sup> and 9<sup>th</sup> RCBs reaching FOC. The RCCs will have intelligence fusion cells

that will be linked to the CTC. To date, the RCCs have not been integrated into the MoD and MoI intelligence networks. A separate RCC is also planned for Baghdad. This central RCC will be the focal point for collection, analysis, coordination, and dissemination of counter-terrorism intelligence. It will also serve as the training center for all RCC personnel.

Until recently, the United States had provided secure communications and information networks for use throughout INCTF. Beginning in January 2009, the CTS, using GoI funds, contracted with local Iraqi vendors to provide the necessary enduring communications. In July 2009, CTS and INIS successfully connected the Counter-Terrorism Network and the Iraqi Intelligence Network (I2N) in order to facilitate information sharing among the intelligence and counter-terrorism communities. In a recent initiative, the United States is providing hardware and installation of I2N at CTS, CTC, and both ISOF Brigades. Access to I2N will allow intelligence and operational information to be transmitted to and from other Ministries and agencies to all INCTF elements.

In June 2009, the Prime Minister ordered a 12-day operational pause of all counter-terrorism operations that allowed a thorough review of targeting processes. A second operational pause occurred in early July 2009 as INCTF leaders reviewed the evolving role of U.S. advisors in light of the SA. GoI control measures and oversight provide checks and balances to prevent INCTF from operating without restraint and pursuing sectarian or political agendas. Although the INCTF targeting process accepts targets from a variety of sources and levels, all targets must have a warrant issued from the Central Criminal Court of Iraq and be vetted in a rigorous process before an individual target or person of interest can be detained. High-value target packets are brought before the Ministerial Council for National Security (MCNS) and, depending on time-sensitivity of the target, to the Prime



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Minister's office. A recent Prime Minister policy change mandates that all counter-terrorism targets must go to the Prime Minister and MCNS for approval. The INCTF will pass targets that are not appropriate for it to prosecute (low-level henchmen, early warning scouts, other criminals, etc.) to other ministries for action. With this process, no single ministry can solely execute a target without support or approval from another ministry. In June 2009, the CTS Director demonstrated his commitment to professionalism by authorizing the new IG to conduct limited inspections of the CTS Directorate, an important first step toward a fully resourced and functioning IG program.

### *Training*

The ISWCS is scheduled to conduct three rotational courses to meet force generation requirements. The first is the three-week Assessment and Selection Course; the attrition rate for candidates in this rigorous screening course is greater than 40%. The top graduates are sent to the eight-week Operators Training Course for follow on assignment to the 2<sup>nd</sup> Battalion (ICTF), 1<sup>st</sup> ISOF Brigade. The next tier of graduates attends the six-week Commando Course. The remaining graduates are assigned to the Support Battalion and the GSU. Four Assessment and Selection Courses are conducted annually. In July 2009, 36 out of 41 soldiers graduated from the Assessment and Selection Course; 61 soldiers graduated from the third of five Commando Courses scheduled for 2009.

An ongoing initiative to identify Iraqi soldiers for the Assessment and Selection Course is coming to fruition; the CTS has commenced visits to IA divisions to identify soldiers to attend the Assessment and Selection Course. This influx of soldiers will be sufficient to fully man the commando battalions in the 1<sup>st</sup> and 2<sup>nd</sup> ISOF Brigades to full operational capability. The time required to assess, train, equip, and integrate new ISOF soldiers into the force is approximately nine months from the time the MoD provides soldiers to INCTF for the

Assessment and Selection Course to the time when these units reach manning FOC. ISWCS continues to encounter difficulties in obtaining support from the MoD for ammunition, equipment, and pay for the trainees, resulting in postponement or cancellation of courses.

INCTF also sends soldiers to other countries to participate in training and educational events. During this reporting period, 14 senior members are scheduled to participate in International Military Educational Training (IMET) in the United States, Germany (NATO), and Jordan. Out-of-country educational opportunities include attendance at counter-terrorism seminars and symposia, which afford INCTF leaders a venue to discuss Iraqi counter-terrorism operations with an international audience. One high-profile training opportunity is the selection of a non-commissioned officer from the CTS to attend the Air Force Senior NCO Academy at Maxwell Air Force Base in Alabama in August 2009. This initiative represents an important first step toward the creation of a professional NCO Corps within INCTF.

### *Materiel*

In 2008, the ISOF brigades relied on the MoD for ammunition, vehicle and weapons maintenance, and spare parts. As of June 2009, the ISOF Brigades had 1,015 vehicles, including 420 HMMWVs, delivered to its units. No additional vehicles of any type are expected to be provided by the United States under the Cascade Program, by which U.S. up-armored vehicles are refurbished at Taji National Depot. The ISOF brigades have received 98% of all ISFF-funded materiel in eight of its nine battalions. The operational impact of not having an approved budget and the corresponding resource constraints is becoming apparent. Training, maintenance, soldier pay, and power generation at the ISOF base in Baghdad are affected.

### *Leadership and Education*

In September 2008, INCTF submitted to the MoD a list of college-educated candidates for

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admission to the four regional military academies to help alleviate a critical officer shortage in the ISOF brigades; the MoD approved seven names. At the direction of the Prime Minister, 10 graduates from each of the four military academies (Rustamiyah, Zahko, Nasiriyah, and Qualachulon) and the staff college at Rustamiyah were to be assigned to INCTF. To date, the MoD assigned 60 military academy graduates to INCTF and three staff college graduates. INCTF is participating in an IMET program for officer development. Currently, NCO training within CTS is accomplished by on-the-job training at the unit level.

### *Personnel*

INCTF is a non-sectarian force, as reflected in its leadership, its personnel, and the methodologies with which it conducts operations. INCTF personnel generally reflect the Shi'a, Sunni, Kurdish, and other minorities' breakdown in the units' composition. INCTF's non-sectarian approach is also seen in the internal vetting of personnel in key positions. CTS and CTC are ahead of any other ISF organizations with respect to the number of personnel voluntarily screened by U.S. counterintelligence assets. This screening consisted of both interviews and polygraphs to verify background investigation data and is primarily scheduled by the Iraqis with a U.S. liaison officer to act in an advisory role.

The INCTF is manned at 60%, a manning increase of 6.5% over last year. The CTS is currently manned at 51%; the CTC at 49%.

The 1<sup>st</sup> ISOF Brigade has 68% of its assigned strength; the 2<sup>nd</sup> ISOF Brigade 54% as of June 2009. Unit strengths remain low due to the decision in May 2008 to double authorized strength; future growth is unpredictable due to the lack of a budget and the time required for specialized training. INCTF advisors continue to monitor personnel accountability, promotions, and personnel policies of ISOF. This is a command priority that continues to be emphasized at all senior leader engagements. However, failure to resolve funding issues and to provide incentive counter-terrorism pay will have a significant impact on INCTF's sustainment capability.

### *Facilities*

The INCTF leadership for CTS and CTC is housed in two separate compounds in the IZ. The two ISOF Brigades are located on a base near BIAP. The INCTF expansion plan includes establishing four RCBs located at Al Asad, Basrah, Diyala, and Mosul to provide force projection throughout Iraq. Each RCB template contains a commando battalion with a platoon-sized reconnaissance unit and a company-sized GSU. The RCB at Mosul was completed in June 2008; the base in Al Asad completed in December 2008 turned out so well that it is considered one of the premier facilities of its kind in Iraq. Key Iraqi leaders, along with their U.S. advisors, conducted a formal ribbon-cutting ceremony in early June 2009. The RCB in Diyala is scheduled to be completed in September 2009, and the base in Basrah in May 2010.



## Annex A

### List of Acronyms and Abbreviations

AAH	Asa'ib Ahl Haqq
AQI	Al-Qaeda in Iraq
BIAP	Baghdad International Airport
BMT	Basic Military Training
Bn	Battalion
BOC	Bagdad Operations Center
BPC	Baghdad Police College
BRT	Basic Recruit Training
BTT	Basic Technical Training
C2	Command and Control
CBI	Central Bank of Iraq
CCCI	Central Criminal Court of Iraq
CET	Counter Explosive Teams
CLS	Combat Lifesaver
CNPC	China National Petroleum Corporation
COB	Contingency Operating Base
COI	Commission on Integrity
COIN	Counterinsurgency
COL	Contingency Operating Location
CoM	Council of Ministers
CoR	Council of Representatives
COS	Contingency Operating Site
COTS	Commercial Off-The-Shelf
CTB	Counter-Terrorism Bureau
CTC	Counter-Terrorism Command
CTF	Counter-Terrorism Force
CTS	Counter-Terrorism Service
DBE	Directorate of Border Enforcement
DCoS	Deputy Chief of Staff
DIB	Disputed Internal Boundary
DoD	Department of Defense
DoI	Daughters of Iraq
DTC	Division Training Center
EFP	Explosively-Formed Penetrator
ELT	English Language Training
EOD	Explosive Ordinance Disposal
ePRT	Embedded Provincial Reconstruction Team
FMS	Foreign Military Sales
FOC	Full Operational Capability
FP	Federal Police (formerly known as the National Police)
FPS	Facilities Protection Service
FY	Fiscal Year
GDP	Gross Domestic Product
GE	General Electric
GoI	Government of Iraq
GSU	Garrison Support Unit

HJC	Higher Judicial Council
HMMWV	High Mobility Multipurpose Wheeled Vehicle
HoP	Hours of Power
HPA	High-Profile Attack
HQ	Headquarters
HRIMS	Human Resource Information Management System
IA	Iraqi Army
IAOC	Iraqi Air Operations Center
IDP	Internally Displaced Person
IED	Improvised Explosive Device
IFCNR	Implementation and Follow-up Committee for National Reconciliation
IFMIS	Iraqi Financial Management Information System
IG	Inspector General
IGFC	Iraqi Ground Forces Command
IHEC	Independent High Electoral Commission
IJF	Iraqi Joint Forces
IKP	Iraqi Kurdistan Parliament
ILOC	Iraqi Logistics Operation Center
IMAR	Iraqi Military Academy at Rustamiyah
IMAS	International Mine Action Standards
IMET	International Military Education and Training
IMF	International Monetary Fund
IMSS	Intelligence and Military Security School
INCTF	Iraqi National Counter-Terrorism Force
IOM	International Organization for Migration
IP	Iraqi Police
IPA	International Police Advisor
IPS	Iraqi Police Service
IqAF	Iraqi Air Force
IqIC	Iraqi Intelligence Community
IqN	Iraqi Navy
IRFF	International Reconstruction Fund Facility
IRFFI	International Reconstruction Fund Facility for Iraq
ISF	Iraqi Security Forces
ISFF	Iraqi Security Forces Funds
ISOF	Iraqi Special Operations Forces
ISR	Intelligence, Surveillance, and Reconnaissance
ITAM	Iraqi Training and Advisory Mission
IZ	International Zone
JAM	Jaysh al-Mahdi
JC	Joint Committee
JCC	Joint Coordination Center
JHQ	Joint Headquarters
JMC	Joint Ministerial Committee
JMOCC	Joint Military Operations Coordinating Committee
JOC	Joint Operations Center
JSC	Joint Sub-Committee
JSCAFA	Joint Sub-Committee for Agreed Facilities and Areas
KGK	Kurdistan People's Congress (Kongra Gel)

KH	Kata'ib Hizbollah
KRG	Kurdistan Regional Government
LATI	Logistics Affairs Training Institute
mbpd	Million Barrels Per Day
MNF-I	Multi-National Force-Iraq
MNSTC-I	Multi-National Security Transition Command-Iraq
MoA	Ministry of Agriculture
MoD	Ministry of Defense
MoE	Ministry of Electricity
MoF	Ministry of Finance
MoH	Ministry of Health
MoI	Ministry of Interior
MoO	Ministry of Oil
MOSQ	Military Occupational Skills Qualification
MOU	Memoranda of Understanding
MTDC	Ministerial Training and Development Center
MTOE	Modified Table of Organization and Equipment
MW	Megawatts
MWH	Megawatt Hours
NCC	National Command Center
NCO	Non-Commissioned Officer
NCOES	Non-Commissioned Officer Education System
NIIA	National Information and Investigation Agency
NTC	National Training Center
NTM-I	NATO Training Mission-Iraq
O&M	Operations and Maintenance
OP	Oil Police
P&B	Programs and Budget
PDB	Promised Day Brigade
PDS	Public Distribution System
PEZ	Pipeline Exclusion Zone
PJCC	Provincial Joint Coordination Center
PMNOC	Prime Minister's National Operations Center
PoE	Ports of Entry
PoED	PoE Directorate
PPL	Provincial Powers Law
PRT	Provincial Reconstruction Team
PTT	Police Training Team
PUK	Patriotic Union of Kurdistan
RCB	Regional Commando Battalion/Base
RCC	Regional Counter-Terrorism Centers
ROLC	Rule of Law Complex
RTC	Regional Training Center
SA	Security Agreement
SADIQ	Situational Awareness Display-Iraq
SBE	Stay Behind Equipment
SFA	Strategic Framework Agreement
SINCGARS	Single Channel Ground and Airborne Radio Systems
SoI	Sons of Iraq

SVBIED	Suicide Vehicle-Borne Improvised Explosive Device
TA	Technical Arrangement
TFBSO	Task Force to Improve Business and Stability Operations-Iraq
TOA	Transfer of Authority
TQI	Training Qualification Institute
UN	United Nations
UNAMI	United Nations Assistance Mission Iraq
UNSCR	UN Security Council Resolution
USAID	U.S. Agency for International Development
USCENTCOM	United States Central Command
USDA	U.S. Department of Agriculture
VBIED	Vehicle-Borne Improvised Explosive Device
WFX	Warfighter Exercise

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<sup>1</sup> This report was previously submitted pursuant to Section 9010 of the Department of Defense Appropriations Act 2007, Public Law 109-289, as amended.

<sup>2</sup> The data cutoff date for this report, unless otherwise stated, is August 31, 2009.

<sup>3</sup> The GoI assumed control of the SoI program on October 1, 2008. SoI transitions prior to transfer of the program to GoI control include 8,777 to the ISF and 2,364 to non-security employment. SoI transitions since the GoI assumed control include 4,565 to the ISF and 7,310 to non-security employment.

<sup>4</sup> Core inflation excludes fuel, electricity, transportation, and communications prices.

<sup>5</sup> "Comprehensive Food Security and Vulnerability Analysis In Iraq", United Nations World Food Programme, 2008.

<sup>6</sup> *Inma* translates as "growth" in Arabic.

<sup>7</sup> Nationwide Survey, August 2009. For security reasons, to protect the integrity of the data and the anonymity of the individuals involved with the polling data and their association with the U.S. Government, the survey questions and supporting data can be found in the classified annex to this report. This note applies to footnotes 7 through 29.

<sup>8</sup> Nationwide Survey, August 2009.

<sup>9</sup> Nationwide Survey, August 2009.

<sup>10</sup> Nationwide Survey, August 2009.

<sup>11</sup> Nationwide Survey, August 2009.

<sup>12</sup> Nationwide Survey, August 2009.

<sup>13</sup> Nationwide Survey, August 2009.

<sup>14</sup> Nationwide Survey, August 2009.

<sup>15</sup> Nationwide Survey, August 2009.

<sup>16</sup> Nationwide Survey, August 2009.

<sup>17</sup> Nationwide Survey, August 2009.

<sup>18</sup> Nationwide Survey, August 2009.

<sup>19</sup> Nationwide Survey, August 2009.

<sup>20</sup> Nationwide Survey, August 2009.

<sup>21</sup> Nationwide Survey, August 2009.

<sup>22</sup> Nationwide Survey, August 2009.

<sup>23</sup> Nationwide Survey, August 2009.

<sup>24</sup> Nationwide Survey, August 2009.

<sup>25</sup> Nationwide Survey, August 2009.

<sup>26</sup> Nationwide Survey, August 2009.

<sup>27</sup> Nationwide Survey, August 2009.

<sup>28</sup> Nationwide Survey, August 2009.

<sup>29</sup> Nationwide Survey, August 2009.

<sup>30</sup> Assigned and projected personnel strength numbers may vary based on when the reports are generated due to personnel movements in theater. Detailed monthly assigned and projected numbers can be found in the classified annex to this report.

<sup>31</sup> DoD previously reported on the number of Iraqi Security Forces personnel authorized and assigned by the Ministries of Defense and Interior and trained with the assistance of Coalition forces. With the expiration of the mandate of UNSCR 1790, the data is now included in the classified annex to this report.

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<sup>32</sup> This paragraph is pursuant to Section 1508(c) of the Department of Defense Authorization Act for 2009, Public Law 110-417.

<sup>33</sup> Distribution of Police Training Teams in Iraq - Baghdad:80, Babil:10, Wasit:10, Qadisiyah:11, Maysan:7, Diyala:18, Kirkuk: 7, Ninewa:33, Salah ad Din:23, Anbar:22, Dhi Qar: 3, Basrah: 25.

<sup>34</sup> The War Fighter Exercise (WFX) program rotates battalions through four-week-long collective training cycles focused on platoon and company level skills, staff leader training, and battalion collective training.

<sup>35</sup> The current IqAF fleet consists of 41 fixed-wing aircraft and 53 rotary-wing aircraft (17 Mi-17, 16 UH-1, 10 Bell Jet Ranger, 10 OH-58C, 3 C-130E, 6 King Air 350 ISR/LTA, 12 C-172 Cessna, 5 TC-208 Caravan, 3 ISR Caravans, 2 AC-208, 2 Seabird Seekers, and 8 CH-2000).