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THE EVOLVING NATIONAL STRATEGY FOR VICTORY IN IRAQ

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY, EMERGING THREATS, AND INTERNATIONAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

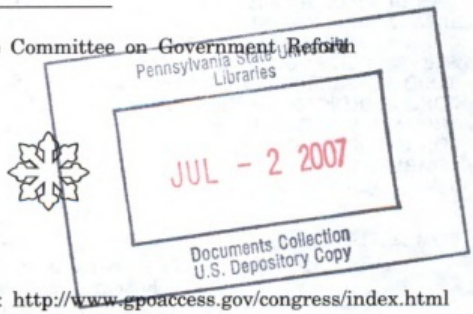
ONE HUNDRED NINTH CONGRESS

SECOND SESSION

JULY 11, 2006

Serial No. 109–228

Printed for the use of the Committee on Government Reform



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July 11, 2006

REBUILDING IRAQ

More Comprehensive National Strategy Needed to Help Achieve U.S. Goals and Overcome Challenges

GAO
Accountability Integrity Reliability
Highlights

Highlights of GAO-06-953T, a testimony before the Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, House of Representatives

Why GAO Did This Study

In November 2005, the National Security Council (NSC) issued the National Strategy for Victory in Iraq (NSVI) to clarify the President's strategy for achieving U.S. political, security, and economic goals in Iraq. The U.S. goal is to establish a peaceful, stable, and secure Iraq. In addition, in June 2006, the administration issued a fact sheet at Camp David discussing current progress and goals in Iraq.

This testimony (1) discusses the extent to which the NSVI and its supporting documents address the six characteristics of an effective national strategy, and (2) assesses how security, political, and economic factors will affect achieving the U.S. strategy for Iraq. In this testimony, the NSVI and supporting documents are collectively referred to as the U.S. strategy for Iraq.

What GAO Recommends

A GAO report issued today recommends that NSC, along with the Departments of Defense and State, complete the strategy by addressing all six characteristics of an effective national strategy in a single document. State commented that the NSVI's purpose is to provide a broad overview of the U.S. strategy in Iraq, not all details. GAO's analysis was not based exclusively on the NSVI but included all key supporting documents. Consequently, GAO retained the recommendation for a more complete and integrated strategy.

www.gao.gov/cgi-bin/getrpt?GAO-06-953T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph Christoff at (202) 512-8979 or christoffj@gao.gov.

What GAO Found

The NSVI is an improvement over previous U.S. planning efforts for stabilizing and rebuilding Iraq. However, the NSVI and supporting documents are incomplete as they do not fully address all the characteristics of an effective national strategy. Among its positive attributes, the strategy's purpose and scope is clear; it identifies U.S. involvement in Iraq as a "vital national interest and the central front in the war on terror." Also, the strategy generally addresses the threats and risks facing the coalition forces and provides a comprehensive description of U.S. political, security, and economic objectives in Iraq. However, the discussion of outcome-related performance measures to assess progress in achieving these goals and objectives is limited. Moreover, the strategy falls short in at least three areas. First, it only partially identifies the agencies responsible for implementing key aspects of the strategy. Second, it does not fully address how the U.S. will integrate its goals with those of the Iraqis and the international community, and it does not detail Iraq's anticipated contribution to its future needs. Third, it only partially identifies the current and future costs of U.S. involvement in Iraq, including maintaining U.S. military operations, building Iraqi government capacity, and rebuilding critical infrastructure. Furthermore, the June 2006 Camp David fact sheet provides additional detail but does not address these key shortfalls.

Security, political, and economic factors will hamper U.S. efforts to stabilize Iraq and achieve key U.S. goals. First, the U.S. and Iraq are trying to stabilize Iraq by training and equipping additional Iraqi security forces and securing Baghdad and other strategic cities. However, increases in attacks against the coalition and its Iraqi partners and the growing influence of militias will adversely affect U.S. and Iraqi efforts. Second, the U.S. and Iraq are trying to improve Iraq's capacity to govern by reconciling sectarian groups and building the capacity of national and provincial governments to provide security and services. However, sectarian conflicts, the lack of capacity in the ministries, and corruption serve to hinder these efforts. Third, the U.S. and Iraqi governments are trying to revitalize Iraq's economy and restore the oil, electricity, and other key sectors. However, these efforts have been impeded by security, corruption, fiscal, and other challenges.

The formation of a permanent Iraqi government gives the U.S. an opportunity to re-examine its strategy for Iraq and align its efforts with Iraq and the international community. As a first step, NSC should complete the strategy by defining and disseminating performance metrics, articulating clear roles and responsibilities, specifying future contributions, and identifying current costs and future resources. In addition, the United States, Iraq, and the international community should (1) enhance support capabilities of the Iraqi security forces, (2) improve the capabilities of the national and provincial governments, and (3) develop a comprehensive anti-corruption strategy.

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The strategy reorganized U.S. government stabilization and reconstruction efforts along three broad tracks—political, security, and economic—and eight strategic objectives (see fig. 1).

Figure 1: U.S. National Strategy for Victory in Iraq

Source: GAO analysis of National Strategy for Victory in Iraq.

Overall, officials in DOD and State identified seven documents that describe the U.S. government strategy for Iraq in addition to the NSVI.[1] Figure 2 shows the NSVI and key supporting documents. The U.S. government uses these documents to plan, conduct, and track efforts at the strategic, operational, and implementation levels.

[1]Two separate campaign plans were included in our analysis: the August 2004 plan and the April 2006 Joint Campaign Plan issued by the Chief of Mission and the Commander of the MNF-I.

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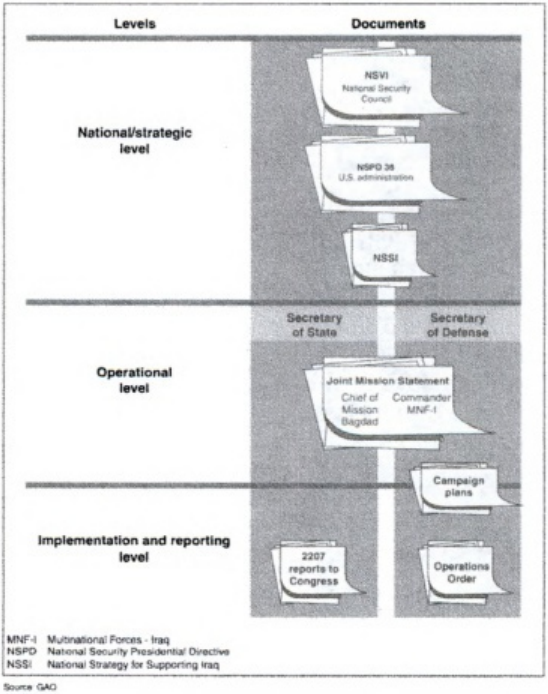
Figure 2: NSVI and Key Supporting Documents



Source: GAO

Our work has identified six characteristics of an effective national strategy. National strategies with these characteristics offer policymakers and implementing agencies a management tool that can help ensure

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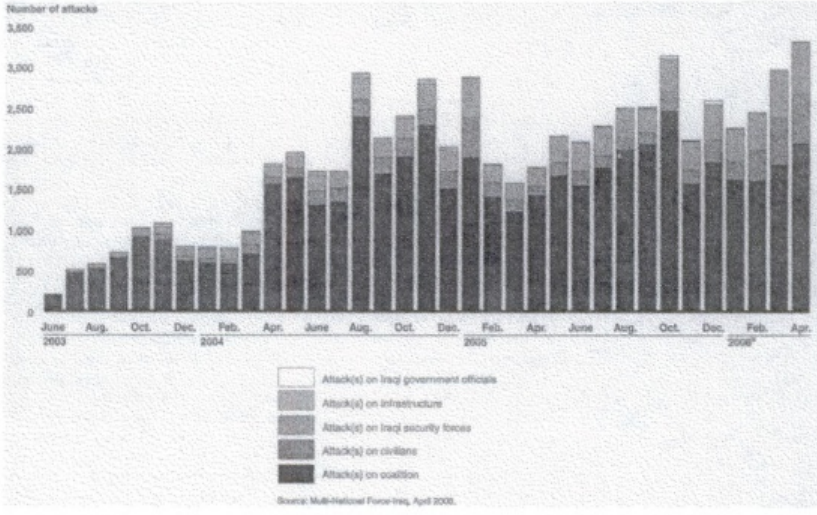
DOD publicly reported in May 2006 that the average number of weekly attacks was higher for the February to May 2006 time period than for any previous period. Further, in late June 2006 the MNF-I Commanding General publicly stated that attack levels in Iraq had increased. Moreover, a senior U.S. military officer said that the recent security operation in Baghdad had led to an increase in the number of attacks in the area.

Figure 4: Enemy-Initiated Attacks against the Coalition and Its Partners, by Category, June 2003 through April 2006



*The data for 2006 does not separate attacks against Iraqi government officials from attacks against Iraqi civilians.

I recently asked the Secretary of Defense to routinely declassify monthly attacks data in a timely manner. The enemy-initiated attacks data help inform Congress and the American public on progress in improving Iraq's

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Glidepath: Iraqi Security Forces

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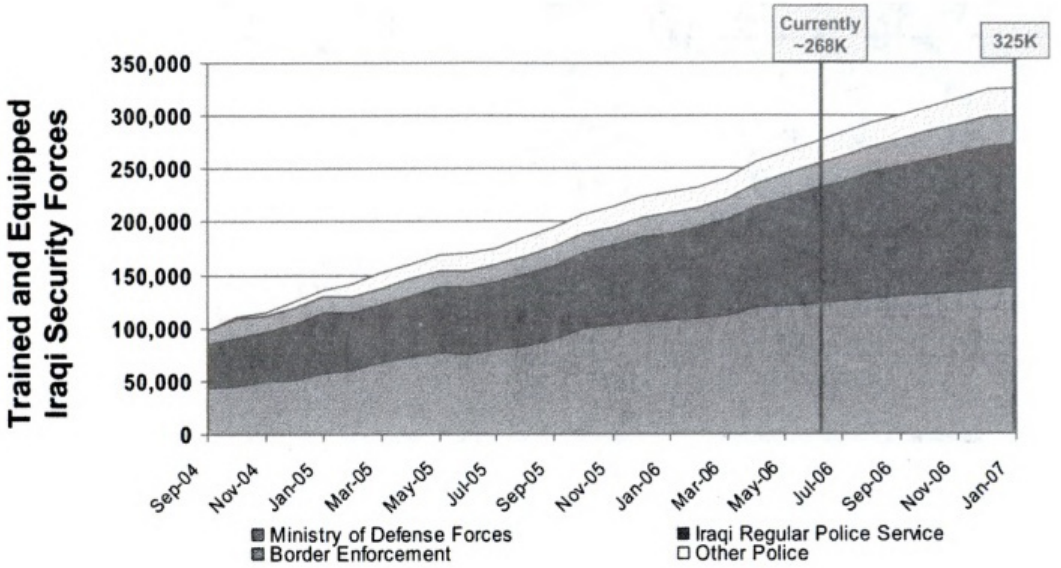

As of: 26 June 2006

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Iraqi Army Lead and National Police Lead

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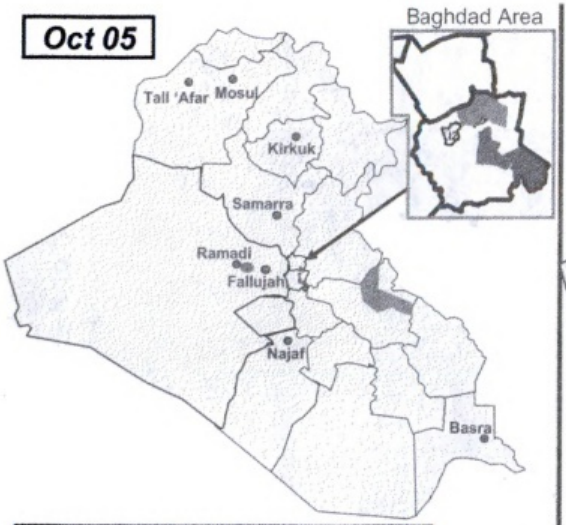
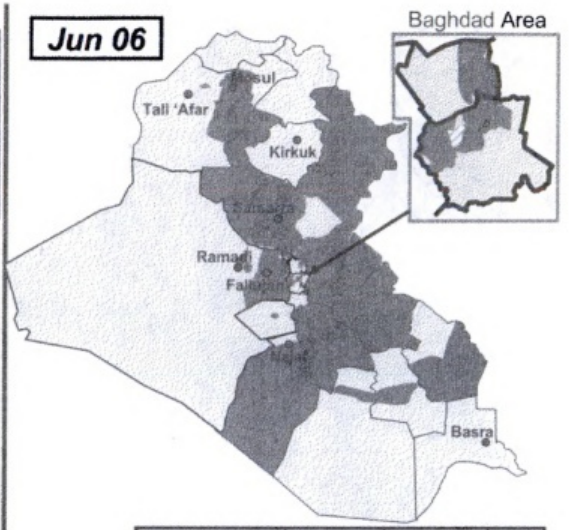


Component	DIV HQs	BDE HQs	BNs
Iraqi Army	1	4	23
National Police	0	2	6
Total	1	6	29

Source: MNC-I, C3 as of 30 Oct 2005



Component	DIV HQs	BDE HQs	BNs
Iraqi Army	3	18	69
National Police	0	0	2
Total	3	18	71

Source: MNC-I, C3 as of 19 Jun 2006

Iraqi Army Lead

National Police Lead

As of: 26 June 2006

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Ministry of Defense Forces

Force	Size/Strength	U.S. Funds Allocated
Iraqi Army	114,700 total; goal is 131,000. Forces in units are in 104 battalions (about 70,000 personnel), with 71 battalions (about 50,000) able to lead operations. 57 battalions (about 40,000) control their own "battle space." Trained for eight weeks, paid $60/month. Has mostly East bloc equipment, including 77 T-72 tanks donated by Poland.	$1.097 billion for facilities; $707 million for equipment; $656 million for training, personnel, and operations
Iraqi Intervention Force	About 3,000 personnel, included in Army total above. Trained for 13 weeks.	
Special Operations Forces	About 1,600 divided between Iraqi Counter-Terrorist Force (ICTF) and a Commando Battalion. Trained for 12 weeks, mostly in Jordan.	
Strategic Infrastructure Battalions	About 2,900 personnel in seven battalions to protect oil pipelines, electricity infrastructure. The goal is 11 battalions.	
Mechanized Police Brigade	About 1,500. Recently transferred from Ministry of Interior control.	
Air Force	About 600, its target size. Has 9 helicopters, 3 C-130s; 14 observation aircraft. Trained for six months. UAE and Jordan to provide other aircraft and helos.	$28 million allocated for air fields (from funds for Iraqi Army, above)
Navy	About 800, about the target size. Has a Patrol Boat Squadron and a Coastal Defense Regiment. Fields about 35 patrol boats for anti-smuggling and anti-infiltration. Controls naval base at Umm Qasra, Basra port, and Khor al-Amaya oil terminals. Some training by Australian Navy.	
Totals	116,100	
U.S./Other Trainers	U.S. training, including embedding trainers with Iraqi units, involves about 10,000 U.S. forces, run by MNSTC-I. Training at Taji, north of Baghdad; Kirkush, near Iranian border; and Numaniya, south of Baghdad. All 26 NATO nations at NATO Training Mission - Iraq (NTM-I) at Rustamiyah (300 trainers). Others trained at NATO bases in Norway and Italy. Jordan, Germany, and Egypt also have done training.	

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ADVANCING THE PRESIDENT'S NATIONAL STRATEGY FOR VICTORY IN IRAQ

FUNDING IRAQ'S TRANSITION TO SELF-RELIANCE IN 2006 AND 2007 AND SUPPORT FOR THE COUNTERINSURGENCY CAMPAIGN

UNITED STATES DEPARTMENT OF STATE
FEBRUARY 2006

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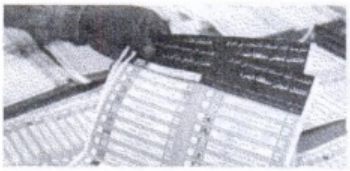
ADVANCING THE PRESIDENT'S NATIONAL STRATEGY FOR VICTORY IN IRAQ:

FUNDING IRAQ'S TRANSITION TO SELF-RELIANCE IN 2006 AND 2007



TWO FUNDAMENTAL PRINCIPLES

Success in Iraq requires progress on all three tracks — political, security, and economic — of the President's National Strategy for Victory in Iraq. The three tracks are fundamental to our counter-insurgency, counterterrorism campaign and our effort to help Iraqis build a democratic, stable and prosperous country that is a partner in the war against terrorism. The Departments of State, Defense, Justice, Homeland Security, Treasury, and USAID coordinate closely to carry out their respective roles in each track.

As the strategy states, "progress along one of the political, security and economic tracks reinforces progress along the other tracks."

- The first fundamental operating principle is that transition to Iraqi responsibility *cannot be sustained* without integrated progress on all three tracks. For instance, the ability of Iraqi Security Forces to maintain stability and security in an area relates not only to their capabilities, but also to the capabilities of the local and provincial governments, as well as the economic climate and the willingness of local leaders to engage in politics and not violence. Because success in the political, security, and economic realms are intertwined, foreign assistance funding must be seen as an important tool in our overall effort to defeat the terrorists and neutralize the insurgency. Funding just one element of our strategy will produce lopsided effects in what must ultimately be an integrated effort for Iraqis to succeed, and for us to complete our mission in Iraq.

- A second principle is that 2006 will be a critically important year: it is the year of *transition to greater Iraqi self-reliance*, which requires helping Iraqis sustain their infrastructure, and build greater Iraqi civilian capacity at the national, provincial and municipal levels for better, more responsive and more transparent governance.

Accordingly, the State Department's portion of the Administration's request for Iraq constitutes $3.252B in the FY 2006 Supplemental ($1.610B for foreign assistance and $1.642B for State and AID operating expenses), and $771M in the FY 2007 foreign assistance budget for Iraq for a total of $4.023B.

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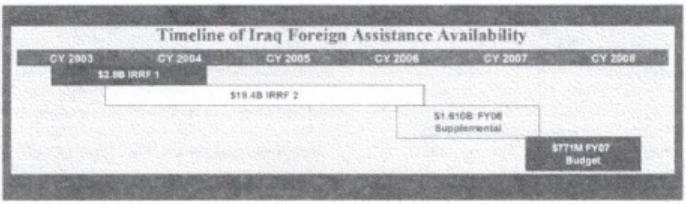
Transition from the Iraq Relief and Reconstruction Fund 1 and 2

Congress provided $20.9B in Iraq Relief and Reconstruction Fund (IRRF) 1 and 2 funds in 2003 and 2004, as documented in the Department of State's report: *U.S. Achievements Through the Iraq Relief and Reconstruction Fund,* February 2006 (http://www.state.gov/documents/organization/60952.pdf). While our overarching policy goals in Iraq have remained constant, we strategically re-allocated funds with the approval of Congress, and refined our programs in order to respond to evolving events on the ground, lessons learned, and emerging Iraqi priorities. Furthermore, this flexible approach will enable the Administration and Congress to carefully examine the 2006-2007 foreign assistance requirements supporting Iraq's transition to self-reliance.

Almost all of the large infrastructure projects funded under IRRF 2 will be completed within the new Iraqi government's first year and many by the end of summer 2006. IRRF 2 will be fully obligated by the close of FY 2006, and will not be available to fund the critical requirements in the FY 2006 Supplemental and FY 2007 request. Of the $18.4B IRRF, we have obligated $15.810B and disbursed $10.875B as of February 22, 2006. We have an FY 2006 obligation plan for the remaining $2.629B that is managed daily, and updated monthly, which indicates we could have less than $1.5B to obligate by April 2006. Approximately 60% is for water and electricity projects, vital for the government to retain civilian support for the counter-insurgency effort; and approximately 40% is for oil, security, justice and other programs.

These remaining IRRF funds serve as the principal tool the United States has to improve the Iraqi civilian authorities' ability to form and run the government, sustain political support for the counterinsurgency effort, and bolster Iraqi self-reliance, thereby showing America's commitment to the new government and the people of Iraq.

IRRF, FY 2006 Supplemental and FY 2007 budget request can be seen as phases in U.S. foreign assistance for Iraq, which is strategically calibrated to the changing needs in Iraq. The IRRF was used to *kick-start reconstruction.* The FY 2006 Supplemental and the FY 2007 budget request will *support the counterinsurgency (COIN) campaign and develop the capacity to sustain Iraqi self-reliance.* To start, we re-positioned $288M of the IRRF to programs and activities that in 2006 support the COIN campaign and the transition to Iraqi self-reliance through the Security, Economic, and Political Tracks.[1] We need follow-on FY 2006 Supplemental and FY 2007 funding for these programs and activities to be successful.



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programs, including training provincial public prosecutors and corrections officers, human rights in the criminal justice system, anti-corruption, criminal justice integration, Rule of Law outreach, increased prison capacity, and judges' protection.

- *$61M ($24M FY 2007 Budget + $37M Supplemental)* for the Regime Crimes Liaison Office (RCLO) to support the Iraqi High Tribunal, operation of current and upcoming trials, and related programs.
- ***$17.82M (FY 2007 Budget)*** to continue non-proliferation programs, anti-terrorism assistance, counterterrorism finance programs, the terrorist interdiction program and IMET programs.
- ***$20M (FY 2007 Budget)*** for migration and refugee assistance.

$1.707B Operating Expenses Budget in FY 2006 Supplemental and FY2007 Budget

$1.707B ($1.642B in the Supplemental and $65M in the FY 2007 budget) supports the Department of State and AID operating expenses along with a State Department carryover of $633M. It provides:

- ***$997.5M (Supplemental)*** for logistical, security and other costs associated with United States Mission operations in Iraq.
- ***$100M (Supplemental)*** for the provision of overhead cover in Baghdad and at four regional sites. The funding will provide protection from indirect fire attacks at mission housing and common-use facilities.
- ***$400M (Supplemental)*** for Provincial Reconstruction Team (PRT) personal security details (PSDs), and security and site infrastructure.
- ***$25.3M (Supplemental)*** $1.3M for State Inspector General and $24M for SIGIR oversight activities for Iraq programs and operations.
- ***$119.6M (Supplemental)*** for USAID operating expenses.
- ***$65M (FY 2007 Budget)*** for core Embassy functions.

[1] Security Track: $152M for PRT/PRDC projects, local government capacity development, and employment generation and local business development in strategic cities; Economic Track: $5M for agriculture; and Political Track: $131M for capacity development, rule of law, refugee assistance, demining, and boarder security programs.

[2] DoD's Supplemental includes: The Commanders' Emergency Relief Program (CERP); Iraq Security Force logistical and other sustainment support; military and police equipment and infrastructure and training; border enforcement support; quick response funds; institutional capacity development of the ministries of defense and interior; and programs to transfer detainee operations.

[3] PRTs are joint civilian-military interagency teams used to coordinate and prioritize U.S. political and economic policy, including foreign assistance and programs in the provinces. They integrate civilian and military efforts in the provinces to strengthen governmental capacity and accelerate the transition to self-reliance. PRDCs are composed of local Iraqi Governments and other Iraqi leaders, as well as USG or Coalition representatives to provide a process that gives the people of the provinces the opportunity to participate in reconstruction and development decision making.

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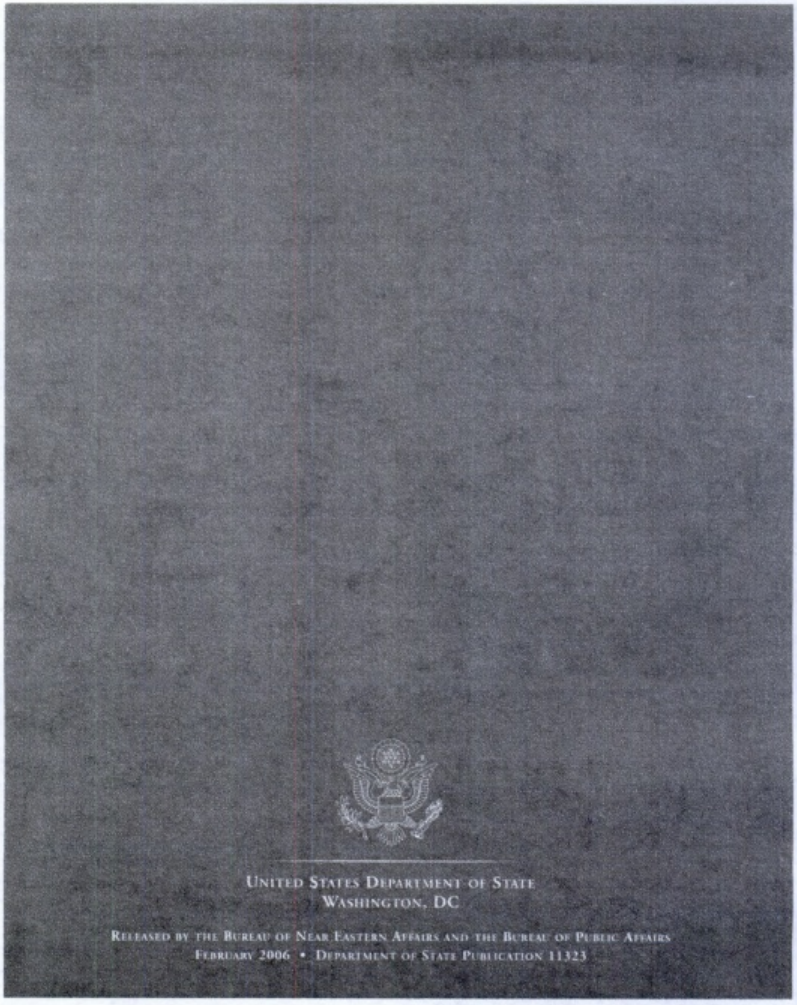

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