

CENTER for AMERICAN PROGRESS



Iraq After June 30: A Strategy for Progress

June 28, 2004

Center for American Progress
805 15th Street NW, Suite 400
Washington, D.C. 20005
www.americanprogress.org

INTRODUCTION

The return of sovereignty to Iraqi authorities on June 30, 2004 will be a critical milestone for both Iraq and the United States. The Iraqi people face an uncertain future marked by ongoing violence, ethnic and religious tensions, political instability, and troubled reconstruction efforts. As for the United States, Iraq continues to preoccupy our national security attention, intensify global terrorist threats, and damage our international credibility.

The road to the June 30 transition is littered with flawed plans and misguided policies put forth by the Bush administration. The record is not pretty: the administration politicized the intelligence as the pretext for going to war; marginalized the international community; failed to plan adequately for the post-conflict chaos predicted by experts; placed power in the hands of unknown and unpopular Iraqi exiles with dubious motives; put our soldiers at risk by assigning them tasks for which they were neither trained nor prepared; and cast aside international law, with disastrous consequences at Abu Ghraib.

As a result, Iraq remains dangerously unstable, America's credibility is in tatters, we remain isolated from our allies, and almost all of Iraqi society views us as hostile occupiers. For more than a year, the United States has promised a better life to average Iraqis. We have not delivered. The United States has promised security. We have not succeeded and Iraqi civilians pay the price every day. The United States has promised equal opportunity for all segments of Iraq's population, particularly those that suffered under Saddam Hussein. Iraqi faith in that pledge is perilously fragile.

Our possibilities for success in Iraq are constrained by the limited options we have. The rush to war and the subsequent mismanagement of the post-war aftermath have left us forced to

choose from bad options. President Bush's glowing rhetoric that Iraq will emerge from decades of tyranny as a model democracy in less than two years rings hollow in the face of a determined insurgency that should have been anticipated but has yet to be defeated. The president must confront hard realities in Iraq.

Undoubtedly, Iraqis are better off today without Saddam. But the assertion of a link between Iraq and the war on terrorism has become a tragic self-fulfilling prophecy and diverted our focus from the battle against al Qaeda. Following the U.S. invasion of Iraq, Abu Musab al-Zarqawi has emerged as a major terrorist threat and the CIA now considers him "the most dangerous and effective Islamic terrorist at large." According to the International Institute of Strategic Studies, pictures emanating from Iraq constitute tragically powerful recruiting posters

"As a result of the administration's policies, Iraq today represents a greater national security threat to the United States than when Saddam was in power but contained."

for new terrorist groups worldwide. As a result of the administration's policies, Iraq today represents a greater national security

threat to the United States than when Saddam was in power but contained.

We cannot dictate what is best for the Iraqi people. They must now determine their future. The United States has vital national interests at stake and a moral responsibility to carry through on our promises to the Iraqi people. We can – and must – help them reconcile political differences, improve security, and provide economic stability.

In May, the Center for American Progress released *Iraq: A Strategy for Progress*, which offered what *The New York Times* called the first detailed strategy for internationalizing the war in Iraq.¹ The Center continues to believe those who question the administration's policies must

¹ See *Iraq: A Strategy for Progress*, Center for American Progress, May 5, 2004. The report can be found at www.americanprogress.org/iraqstrategy.

do more than point fingers and criticize. As progressives, we have a responsibility to put concrete ideas on the table. This paper is offered in that spirit.

CHALLENGES AND THREATS

The new Iraqi government, the United States, and the international community will face four primary challenges and threats over the coming months: ongoing instability; ethnic and religious divisions; a crisis of credibility; and economic reconstruction of the country.

First and foremost, security conditions in Iraq continue to spiral out of control, and the situation on the ground is likely to remain highly volatile for months. Security is indispensable to free and fair elections and economic recovery. Despite tenuous agreements, insurgents and militia forces will continue to test the new government and the will of the United States. Difficult problems regarding Fallujah and radical Shiite cleric Muqtada al-Sadr continue to fester. Because the U.S. and Iraqi authorities have not yet worked out the thorny details about what actions can and cannot be undertaken and by whom, there is increased risk that mistakes and miscommunication will evolve into open disagreement between Washington and Baghdad. If the security situation does not improve over time, the default position for all elements of the new government will be to blame the United States.

Second, growing ethnic and religious contradictions among Kurdish, Shiite, and Sunni elements will make political compromise very difficult. During the next eighteen months, jockeying for power, control of the country's natural resources, and the push for democratization may prove to be highly destabilizing. A climate of fear and suspicion continue to persist in Iraqi society, jeopardizing an inclusive government and popular support if

any faction loses faith in the transition process. Ultimately Iraqis themselves will be responsible for the state and government that emerge. But having rightly ceded responsibility by transferring sovereignty, the United States must now work to help reduce political tensions and prevent full-scale conflict.

Third, the new Iraqi government faces a crisis of credibility. It remains to be seen the extent to which Iraqis will embrace the new interim government, which includes members of the highly unpopular U.S.-picked Iraq Governing Council and Prime Minister Iyad Allawi, whose close connections to the CIA and the U.S. government could prove to be a liability.² The upcoming weeks will also be critical because factions of the now-defunct Iraq Governing Council may attempt to derail the National Conference, currently being organized by the United Nations to give broader voice to the Iraqi population. Unless "full sovereignty" is translated into empowerment of the Iraqi people and tangible peace dividends, it will end up being just the latest in a string of empty promises made by the United States.

Fourth, there are both short and long term challenges to economic recovery. In the short term, unemployment and underemployment threaten the stability and reconstruction of the country. Despite modest improvements in basic services, expectations and demands are high, and Iraqis have yet to enjoy the full benefits associated with liberation. In the long term, the almost exclusive focus on Iraq's oil resources could lead to a single-source economy that replicates the class and economic divisions that have colored Iraq's history. Diversification of the economy will be critical.

"The United States has vital national interests at stake and a moral responsibility to carry through on our promises to the Iraqi people."

² There is reason for optimism though, according to the *Washington Post*, June 25, 2004, a new survey shows six-eight percent have confidence in their new leaders.

GOALS AND PRINCIPLES

While the long term goal of the United States should be to enable Iraqis to create their own democracy, the focus now should be on keeping the country together and stabilizing the security situation. At the least, during the next 18 months, we should help to create conditions that will allow for free and fair elections, and the emergence of a credible and representative Iraqi government that:

- Works in the interest of its people and gives them a real voice in Iraq's future;
- Provides for a stable and functioning economy that provides basic services;
- Does not pose a threat to other nations in the region or the United States – either by supporting terrorism or proliferating nuclear, biological, and chemical weapons.

Following the passage of U.N. Security Council resolution 1546 and the return of Iraqi sovereignty, a new window of opportunity exists for encouraging our allies to provide financial and military support to operations in Iraq. After the United States made significant concessions at the United Nations, the burden is now on our allies to fulfill their end of the bargain.³ As the U.S. role in Iraq is redefined, the United Nations and NATO will be called upon to provide significant assistance to meet the needs of the Iraqi government.

Inevitably, the next 18 months will present many unforeseen challenges. We believe that for the good of all parties – the Iraqi people, the United States, and the international community – the following principles should guide U.S. engagement:

- The return of sovereignty should be genuine.

- As Iraqi capabilities grow, the United States should increasingly step into the background.
- U.S. assistance – economic, political, and security – should be more transparent at all levels.
- The United States should leverage increased international involvement and assistance.
- Conditions that allow democracy to flourish should be fostered.
- Iraq should be encouraged to promote constructive relations with those neighbors interested in a peaceful and stable region.
- U.S. policy should be flexible enough to respond rapidly to evolving demands.
- The Bush administration should respect Congress' essential oversight responsibilities and congressional leaders must assert their proper role.

³ See "The Allies Must Step Up," by Ivo Daalder and Robert Kagan, the *Washington Post*, June 20, 2004.

A STRATEGY FOR PROGRESS

Security

On June 30, Iraq will have a new government, but will face the same security threats. The United States has failed to achieve genuine security in Iraq over the past year because a mismatch remains between what is required and the resources that the Bush administration has been willing to commit. The lack of sufficient resources has been exacerbated by a failure to attract sufficient support and troops from other nations and the lackluster results of Iraqi training programs to this point. The absence of border control has allowed foreign elements to infiltrate Iraq and strengthen the insurgency. Attacks on vital infrastructure and other reconstruction projects have seriously undermined public confidence in and support for the U.S. presence in Iraq.

Militias associated with political parties, if not disbanded, will continue to harm Iraqi civilians and poison the political discourse. The agreement reached earlier this month by the interim government must be properly implemented and expanded to include additional armed elements; otherwise, the militias will undermine the credibility of upcoming elections, and potentially spark civil war.⁴

Under the authority of U.N. Security Council resolution 1546, the central mission of U.S. forces should be to support Iraqi efforts to provide for Iraq's own security. Building indigenous Iraqi security forces is the long-term solution. However, they are largely ill-equipped and untrained, and lack necessary command

structures.⁵ International programs to provide training and equipment must be expanded, improved, and accelerated.

Since security is now a shared responsibility, the relationship between Iraqi authorities and U.S. forces requires greater clarity. The occupation needs to end both in name and in fact. While U.S. forces must always be allowed to defend themselves without awaiting approval from Iraqi or any other authorities, there should be extensive and regular consultations with the transitional government on security issues. Particularly with respect to planned military operations, U.S. forces need to act – and to be seen as acting – in support and with the approval of the Iraqi government. This will be critical to building the legitimacy and authority of the new government.

Recommendations

Increase the troop level of the multinational force to improve security at critical milestones. It remains our view that there are not enough forces in the country to improve security between now and the January 2005 elections. Any reduction from the level of 138,000 U.S. soldiers would be irresponsible before the election at the earliest. Indeed, the Army is reportedly making plans for providing about 25,000 additional troops to augment the existing force.⁶ The mission's security mandate should include countering the insurgency, including securing borders and protecting reconstruction efforts.

Conclude a status of forces agreement (SOFA) and make it public. Although aspects

⁴ The deal announced on June 9, 2004 would disband nine militias and integrate their members into new Iraqi security forces by the beginning of next year. The agreement excludes the Mehdi Army of radical Shiite cleric Muqtada al-Sadr, which launched an uprising against coalition forces two months ago. For more information, see www.cnn.com/2004/WORLD/meast/06/07/iraq.main.

⁵ According to the U.S. Department of Defense's "Working Papers on Iraq Status," dated June 5, 2004, only 6,702 out of the required 35,000 Iraqi Armed Forces are on duty or in training. Similarly, roughly half of the required Iraqi Civil Defense Corps are on duty.

⁶ See "Iraq Force May Grow by 25,000," *Baltimore Sun*, June 23, 2004. *Iraq: A Strategy for Progress* called for a troop increase to 150,000 U.S. forces.

of the relationship between U.S. forces and Iraqi authorities have been outlined, those arrangements fail to explain how disagreements will be handled.⁷ A SOFA should immediately be negotiated by the two parties. In the interim, unilateral implementation of immunity for U.S. military and civilian personnel by the Coalition Provisional Authority would undermine the legitimacy of the new Iraqi government and therefore should be negotiated or approved by Iraqi authorities.⁸ Consistent with previous SOFAs negotiated by the United States, any agreement should include a provision granting immunity from prosecution for U.S. forces acting in their capacity to support the military mission and for employees of civilian contractors for actions to fulfill their contracts. The agreement should also include a provision that explicitly extends U.S. jurisdiction over private contractors acting in their official capacity.

Push NATO to assume a formal role in Iraq.

The core of an adequate NATO force in Iraq already exists and could begin with the two sectors in southern Iraq currently under the command of Poland and the United Kingdom. A formal NATO commitment would ensure a more sustainable force among existing contributors and open the door to broader participation by non-NATO countries, especially moderate Muslim countries.⁹ A formal NATO mission would also reduce the U.S. footprint in the country. Given global attitudes toward the Bush

administration, this has to be viewed as a long and difficult diplomatic undertaking.

Secure Iraq's borders. Existing border security forces should be better equipped and more effectively employed. Second only to police training programs, programs for border guards should be expanded and given high priority. In early diplomatic exchanges with neighboring countries, the new Iraqi leadership should make this a priority and seek bilateral cooperation. The United States should use its diplomatic leverage to cut the flow of foreign fighters and support for insurgent elements.

Increase international involvement in Iraqi security training.

As soon as possible after June 30, the administration should be prepared to support efforts by the new interim government and the United Nations to convene a ministerial-level conference to obtain international commitments for training Iraqi security forces, including the army, police, civil defense, and border patrol. Regardless of prior disagreements, there is a broad international interest in promoting stability in Iraq and helping Iraq build an indigenous security capability.

Reduce the presence of U.S. private security contractors.

The more than 20,000 private security contractors in the country – many of whom are unqualified and lacking adequate oversight – complicate the security situation.¹⁰ The kidnappings and murder of civilian contractors demonstrate that they can be security liabilities even as they perform their responsibilities. As quickly as possible, the duties of all U.S. contractors should be handed over to Iraqis and oversight assumed by Iraqi ministries. In the meantime, proper rules of engagement must be developed and put into place to define the relationship between U.S. forces and private military contractors.

Expedite sending add-on armor kits for lightly armored Humvees. Roadside explosives remain the leading cause of American casualties

⁷ Letters exchanged between Secretary of State Powell and Prime Minister Iyad Allawi are amended to U.N. Security Council resolution 1546. See www.un.org/news/press/docs/2004/sc8117.doc.htm

⁸ See “U.S. Immunity In Iraq Will Go Beyond June 30,” *Washington Post*, June 24, 2004.

⁹ If requested by Iraqi authorities, NATO should consider establishing a dedicated force with troops from acceptable and moderate Muslim nations to help secure religious and cultural sites. This recommendation is drawn from the Center’s previous report, *Iraq: A Strategy for Progress*.

¹⁰ See “In Iraq, Army of Private Contractors Is Set to Stay Entrenched,” *Los Angeles Times*, May 23, 2004.

in Iraq. One year after the end of the war, 5,000 add-on armor kits have yet to reach lightly armored Humvees in the region. In addition, the Army should make meeting the goal of 4,400 heavily armored Humvees the highest priority.

Transfer the Iraqi Survey Group mission to U.N. weapons inspectors. Efforts to account for Iraq's weapons of mass destruction programs should be immediately transferred back to the U.N. mission, consistent with existing U.N. Security Council resolutions. The United States should move to immediately revisit the mandates of the U.N. Monitoring, Verification, and Inspection Commission and the International Atomic Energy Agency, as called for in U.N. Security Council resolution 1546. The U.S. government's work in this area should be completed as soon as possible.

Governance

Although physical security will dominate the agenda for the upcoming weeks, the new interim government must work on ensuring that the Iraqi people have a tangible stake in the outcome of their future and gain experience with democratic processes and institutions. The national consultative process, coupled with elections slated for January 2005, represents the best chance for laying the foundation for political credibility and democracy. If the January elections are not accepted as free, fair and transparent by the population and key political leaders, they could end up having an adverse effect on the society.

The controversy over the existing Transitional Administrative Law passed by the Interim Governing Council could bring down the country's already fragile political arrangements.¹¹ Stark differences in the

interpretation of the law – pitting Iraq's Kurdish minority, which continues to press for greater autonomy, against Shiite cleric Ayatollah Sistani – were compounded by the U.N. Security Council's failure to deal with the issue. It remains unclear whether these disagreements will need to be addressed before the January elections.

In the interim, the United States must do everything possible to take its fingerprints off the internal political affairs of Iraq. After June 30, the United Nations should replace the United States as the lead international facilitator of the political transition. The United States should be prepared to provide the necessary diplomatic support, financial resources, and physical protection to help facilitate the activities of the new Special Representative of the Secretary-General, who will have a tough task guaranteeing the political process.

Recommendations

Set up an Iraq Contact Group to develop a strategy to support the elections and transition process in Iraq. Consistent with U.N. Security Council resolution 1546, Secretary of State Colin Powell should work with Iraqi authorities, members of the Security Council, and the U.N. Special Representative and immediately convene a meeting overseas to endorse the new Iraqi government, solicit its needs, and strike concrete agreements with other key nations.¹² The meeting's primary goal should be to establish an Iraq Contact Group that would assume an international advisory role for the United Nations Special Representative of the Secretary General.

“The United States must do everything possible to take its fingerprints off the internal political affairs of Iraq.”

¹¹ The text of the Transitional Administrative Law can be found at www.cpairaq.org/government/TAL.html.

¹² The Center for American Progress recommended the creation of a high-level contact group and an emergency international summit on Iraq in *Iraq: A Strategy for Progress*.

Invest in the United Nations Assistance Mission in Iraq. The administration should immediately make a substantial financial contribution to UNAMI's operating budget.¹³ The UNAMI presence, under the direction of the Special Representative of the Secretary-General, will be critical throughout the transition. The United States should be prepared to provide the necessary financial, security, and in-kind support to expedite and enlarge the mission's international presence.

Structure the embassy presence to reflect the new U.S. role. The responsibilities of the new U.S. embassy in Baghdad, which will be the largest diplomatic mission in the world, should be limited to protecting U.S. interests in Iraq. Functions of personnel dedicated to supporting the political and economic reconstruction should be transferred whenever possible to UNAMI. A reduction in the estimated 3,000 embassy personnel would logically follow.¹⁴

Support Iraqi efforts to accelerate timetables for holding local and regional snap elections. The new Iraqi government may turn to the Iraqi Election Commission to schedule local and regional elections before January 2005 to give Iraqis a tangible stake in governments at all levels. This could be done on a "rolling" basis to establish the basis for local management of day-to-day affairs and would help enhance political activity in anticipation of the country's first national elected government.

¹³ The mission will be funded as a U.N. political mission under the auspices of the Office of the Secretary-General. Unlike peacekeeping missions, which are funded from U.N. assessments, political missions are supported through voluntary contributions. The annual operating budget for the United Nations Mission in Afghanistan (UNAMA) is roughly \$50 million. For more information, see www.uniraq.org.

¹⁴ For details on the planned U.S. embassy in Baghdad, see "State Dept. Details Shape of U.S. Embassy in Baghdad," *New York Times*, April 22, 2004.

Encourage an international role within the Special Tribunal for Iraq. By entering into an agreement with the United Nations and receiving broader international assistance, the Iraqi government could mitigate security and legal concerns regarding the custody of Saddam Hussein and other prisoners. The legitimacy offered by the United Nations and the participation of non-U.S. donors is needed to salvage the tribunal.¹⁵ The tribunal's current administrator, Salem Chalabi, should be removed in order to counter perceptions that the tribunal is an American-dominated institution designed to settle old scores.¹⁶

Support the establishment of a National Truth and Reconciliation Commission. Trials for Saddam and other senior regime leaders should await a duly elected government. In the interim, working with the Office of the United Nations High Commissioner for Human Rights, the government should begin to assess the needs of the population to see whether a truth and reconciliation process would be useful to address a range of lesser crimes against the Iraqi people. If requested by Iraqi authorities, the United Nations and interested donor states should offer to underwrite the costs and provide technical expertise for a national truth and reconciliation commission along the lines of the models undertaken in South Africa, Peru, and elsewhere.

¹⁵ The entire \$75 million budget for the two-year tribunal is being provided by the United States. This is in contrast to the international tribunals for the former Yugoslavia and Rwanda, where the United States provides 27 percent of the costs. See "Justice for Saddam Has Hefty Price Tag," *Boston Herald*, April 21, 2004.

¹⁶ Salem Chalabi is the nephew of Ahmed Chalabi and a high-ranking Iraqi National Congress official with strong ties to administration officials in the Pentagon. He was appointed to the position after being nominated by a committee of the Interim Governing Council, which included his uncle. See James Zogby's "Outside View: Chalabi, Feith, and Co.," United Press International, June 4, 2004.

Reconstruction

If implemented wisely, the reconstruction effort in Iraq can foster both stability and pluralism. But getting there requires fundamental shifts in approach. The United States must do much more to include the Iraqi private sector and civil society in reconstruction and rehabilitation efforts. U.S. reconstruction assistance, moreover, should focus on three specific goals: addressing mass unemployment and other conditions that fuel instability; creating conditions that allow for full Iraqi participation, particularly in the management of the day-to-day decisions that affect them; and providing tangible peace dividends.

To date, the U.S.-led development strategy in Iraq has focused on building large infrastructure projects, creating new economic institutions and policies, and rehabilitating the oil industry. Although major infrastructure and a viable macro-economic framework are important, it is imperative that reconstruction efforts focus on jumpstarting the economy in the rural areas, where the majority of Iraqis reside, which should ensure far greater participation by Iraqis.

Creating an economy that raises living standards for Iraqi citizens requires providing basic services outside the capital and major cities, extending small-scale credit to new entrepreneurs, and expanding communications capacity and infrastructure throughout the country. It also requires shifting from an almost exclusive focus on oil to a diversified economy that will yield results for Iraqis unlikely to benefit from oil profits.

Finally, it is imperative that the entire reconstruction effort – from contracting to decision-making to evaluation and auditing – be more transparent in the eyes of the Iraqi people, other donors to Iraq, and American taxpayers. The United States should eliminate the current bias that rewards contracts to private American companies, such as Halliburton.

Recommendations

Invest greater authority in Iraqis for the management of U.S. reconstruction funds.

First, the United States should allocate no less than \$2 billion of the remaining funds to an Iraqi-led foundation. The foundation, with the appropriate U.S. oversight required by law, would be empowered to identify and fund small-scale community development efforts more easily undertaken by local Iraqis than by larger international firms or NGOs. Second, Ambassador John Negroponte should set up a mechanism to enable Iraqi government, civil society, and business leaders to set their own priorities and provide recommendations on how those U.S. reconstruction grants are spent. Third, contracts should be opened to allow local NGOs and businesses to bid independently – not through U.S. companies.¹⁷ Where necessary, Iraqi entities should be provided with the assistance required to meet U.S. procurement, financial and other legal requirements.

Focus U.S. programs on job creation and the provision of basic social services, with specific emphasis on programs for demobilized soldiers.¹⁸

Working with the U.N. Special Representative, World Bank and other donors, the United States should support a demobilization program that provides job

¹⁷ As of May 2004, less than \$6 billion of the \$18.7 billion in reconstruction funding provided in the last supplemental had been spent, and more than 50 percent of those expended funds were spent on security, insurance, and administrative needs. According to testimony by Deputy Defense Secretary Paul Wolfowitz before the House Armed Services Committee on June 22, 2004, 10 to 15 percent of funds spent are used to provide security for contractors. See Sheba Crocker's "With Money Comes Power," *Washington Post*, June 20, 2004.

¹⁸ According to a report released by the Education for Peace in Iraq Center on June 23, 2004, out of a workforce of 7-8 million, 2 million Iraqis remain unemployed. *Iraq: A Strategy for Progress* highlighted the need to address the demobilization and reintegration of members of the Iraqi army.

training and start-up capital to demobilized soldiers. Credits should be provided to companies that hire demobilized soldiers for reconstruction contracts. To reintegrate soldiers from rural backgrounds, the transitional authority should work with local authorities to identify training and employment opportunities.

Mobilize broader international financial support, including relief of Iraq's odious debt obligations. Former Secretary of State James Baker's current mandate should be broadened to seek greater financial support for the reconstruction efforts in Iraq, particularly from Middle East and Gulf states. Special emphasis should be placed on making sure nations and international institutions deliver on pledges made at the October 2003 Madrid donors' conference. The United States should build upon agreements reached at the recent G-8 Summit and launch an initiative to eliminate odious debt for all countries in transition, with Iraq being the first country considered for inclusion.¹⁹ Finally, efforts should also be made to eliminate Iraq's outstanding reparations to Kuwait from the invasion, by Saddam, of that country.²⁰ The termination of the reparations agreement should be the first in a broader international program to review war reparations that damage the financial health of post-conflict countries.

Release CPA audits of contracts funded by the Development Fund for Iraq.²¹ The International Advisory and Monitoring Board,

¹⁹ The idea for a broader debt relief initiative was recommended in *Iraq: A Strategy for Progress*.

²⁰ Five percent of Iraq's oil revenue is currently set aside to pay the government of Kuwait. Last year, Kuwait reported a \$1.94 billion surplus in its national budget, most of which came from Iraq's payment.

²¹ Authorized by U.N. Security Council resolution 1483, the Development Fund for Iraq is the current mechanism for collecting and disbursing Iraqi oil revenues, repatriated assets, remaining oil-for-food funds, and interest earned on those funds. For more information about the DFI and the International Advisory and Monitoring Board, see www.iamb.info.

the watchdog agency responsible for monitoring the funds, has failed to get the Coalition Provisional Authority to provide audits of how it spent money from the DFI, specifically for the contract awarded to Halliburton and the state-owned firm that markets Iraqi oil. The administration should immediately make public those audits.

Support the creation of an oil trust fund. The government should be encouraged to create an Iraqi oil trust fund with a board comprised of Iraqis and international representatives that can provide training and seed capital to increase Iraqi capacity to manage the oil revenues and support environmental, social, and job creation programs in oil producing areas. The United States should provide an initial source of capital with a specific line item budget in the Economic Support Funds. This would be similar to programs run by the SEED funds, managed by a dedicated office at the State Department.²²

Plan for sequenced, partial privatization of the oil sector. An immediate priority should be to develop a transparent mechanism, which includes representatives of civil society, to track and spend oil revenues. The United States should work with the Iraqi government to develop a plan for a transparent, partial privatization of the sector beginning in 2005. The oil industry will remain an important source of revenue for the government, but downstream businesses, such as refining and distribution, could be candidates for privatization. Privatization should ensure that the fruits of Iraq's oil industry are shared by its citizens.

Treatment of Detainees

The failure to act decisively on Abu Ghraib – either before or after the explosive charges and images were publicly aired – has irreparably harmed America's image across the globe and compromised the safety of U.S. soldiers.

²² SEED funds refer to the assistance for Eastern Europe and the Baltic states in the foreign operations appropriations bill.

Although much of the damage is done, critical questions remain regarding the status of the prisons and U.S. policies regarding torture and Geneva Convention protections. Every day that passes inflicts more damage on our reputation. In Baghdad, the United States should work with Iraqi and international partners to demonstrate our support and adherence to international standards. At home, the administration should level with the American public about the policies that may have opened the door to abuse, and allow investigations to go as far up the chain of command as necessary.

Recommendations

The United States should recommit itself to the Geneva Conventions. The Bush administration’s decision that the Geneva Conventions did not apply to the war on terrorism was a fundamental strategic mistake. Effective and disciplined military operations take place when there is a single set of well-understood rules of engagement. Developing one set of rules for Afghanistan and another for Iraq has had devastating consequences and increased the risk to our military and civilian personnel working in Iraq. The only way to repair the damage caused by Abu Ghraib is to reaffirm that the “old rules” that have served the United States well in the past and provided suitable protections to our military forces again apply.

“The president should immediately appoint an independent commission of former military and civilian judges to investigate allegations of abuse in U.S.-run prisons in Iraq and elsewhere.”

The Coalition Provisional Authority must reach an agreement with the interim Iraqi government regarding the continued detention of Iraqi and foreign prisoners. It is vital that the coalition reach an agreement with the Interim Iraqi Government detailing upon whose authority prisoners will be detained after the June 30 handover. According to the International Committee of the Red Cross, pursuant to the provisions of the Geneva Conventions, once the occupation ends on June

30, the coalition must release prisoners or transfer them to Iraqi custody where criminal charges must be filed.

Immediately establish a Permanent Committee for Monitoring Prison Conditions to formally oversee the prison system.²³ A permanent committee to monitor conditions should be immediately established and should include representatives from the Iraqi caretaker government, Iraqi civil society, the ICRC, the International Committee of the Red Crescent, and the Office of the U.N. High Commissioner for Human Rights, as well as coalition forces. Representatives of the Committee should be granted unfettered access to prison facilities in Iraq.

Allow Iraqis to determine the fate of Abu Ghraib. President Bush’s announcement that the United States would raze the prison has faced resistance from Iraqi civil society and members of the new interim government. Following the conclusion of military court martial hearings and the end of the prison’s designation as a crime scene, the decision of what to do with Abu Ghraib should be left to the Iraqis. One idea gaining increasing credence in Iraq is to turn the prison into a memorial and museum to those who suffered under Saddam Hussein, as has been done with the Tuol Sleng prison in Cambodia.

Immediately remove employees of civilian contractors from interrogation teams. The reliance on private contractors to conduct interrogations of prisoners and determine conditions for detainees is inexplicable. Under an Army policy issued in 2000, the use of

²³ This recommendation and the one following were originally made in *Abu Ghraib: Implementing Reforms, Taking Responsibility*, Center for American Progress, May 12, 2004. The report can be found at www.americanprogress.org/abughraib.

private contractors for intelligence-gathering and analysis is barred.²⁴ They should be immediately removed from these teams and an investigation should be launched into the origins of the practice.

Order a thorough and independent investigation of abuse in U.S. prisons abroad.

The president should immediately appoint an independent commission of former military and civilian judges to investigate allegations of abuse in U.S.-run prisons in Iraq, Afghanistan, and Guantanamo. The investigation should have a similar mandate to the 9/11 Commission and have access to critical government documents and witnesses.

Public Diplomacy

The United States cannot succeed in Iraq as long as the Iraqi people perceive the U.S. presence as an abusive occupying power. Since the start of the war, the United States has made fundamental mistakes in its relations with the Iraqi people. These mistakes, dramatically compounded by Abu Ghraib, have fueled anti-American sentiment and acts of rebellion and violence. The fact that the U.S. embassy will operate out of one of Saddam’s palaces only reinforces the arrogant image of the United States. Although public diplomacy efforts are only as good as the policies they support, a real U.S. commitment is desperately needed to engage in a new dialogue with the Iraqi people. The end of the Coalition Provisional Authority and the establishment of a new U.S. embassy give the United States an opportunity to begin to repair the damage.

“A real U.S. commitment is desperately needed to engage in a new dialogue with the Iraqi people.”

²⁴ The policy reads, “. . . the intelligence function under the operational control of the Army performed by military in the operating forces is an inherently governmental function barred from private sector performance.” It can be found at www.public-i.org/wow/docs/25-d_Intelligence.pdf.

Recommendations

Appoint a new Undersecretary of State for Public Diplomacy.

Leadership is needed to fix America’s tarnished image abroad. The government’s highest level position dedicated to winning the war of ideas has been vacant since April 30, 2004. Last year, a blistering report released by a State Department Advisory Commission led by former Ambassador Edward Djerjerian called for “an immediate end to the absurd and dangerous underfunding of public diplomacy in a time of peril.”²⁵ The commission called for increases in funding, seamless interagency cooperation, and a long-term commitment to seeing through much needed reforms. Unfortunately, the administration has yet to meet the challenge.

Allow Iraqi voices to fill the airwaves.

The United States should minimize the time that U.S. military officers spend on television, and encourage Iraqi and European voices to speak about developments whenever possible. The first step should be to terminate the employment of CPA Spokesman Dan Senior. The new embassy must offer a spokesman fluent in Arabic who does not carry the baggage of the Coalition Provisional Authority.

Launch a campaign to promote moderate radio programs.

By donating shortwave radios to the Iraqi people, the United States could help promote moderate Arabic stations, the British Broadcasting Corporation, and the Voice of America. Those programs could be far more effective than distributing U.S.-produced pamphlets and television shows. The free flow of information would help the new government consolidate its authority throughout the country. If requested by the Iraqi government, the United States should provide mobile transmitters and

²⁵ The State Department’s Advisory Commission for Public Diplomacy October 2003 report can be found at <http://www.state.gov/r/adcompd/rls/>.

boosters to allow greater access to rural and remote areas, as in Kosovo where the United States constructed radio transmission towers throughout the region.

Evaluate educational and other cultural exchange programs. Consistent with security concerns, short term exchange programs for Iraqis should be funded to allow government officials and students to spend more time in the United States and other democratic countries. Such programs have proven effective in exposing individuals from the Middle East to American values and ideas.

On the Home Front

The president must level with the American people about mistakes that have been made, the cost to the American taxpayers, the requirements ahead, and an exit strategy that prevents Iraq from becoming a significant threat to U.S. security. The failure to do so threatens further damage to the administration's credibility at home and abroad, and would erode public support for stabilizing Iraq in the months and years ahead.

Recommendations

Expand the mandate of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction.²⁶ The Commission should be asked to specifically investigate whether sensitive information was passed by Ahmed Chalabi to the Iranian government.²⁷ (If true, the

²⁶ The Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction was established on February 6, 2004 by Executive Order 13328. It is charged with assessing whether the intelligence community is sufficiently capable and ready to support the U.S. government's efforts to respond to the proliferation of weapons of mass destruction. See www.wmd.gov.

²⁷ See "Chalabi Reportedly Told Iran That U.S. Had Code," *New York Times*, June 2, 2004.

disclosure represents a significant intelligence breach that damages U.S. national security.) The Commission should leave no stone unturned in examining all aspects of Chalabi's connections with Iran and members of the Bush administration.

Reimburse members of the Armed Forces who purchased their own body armor. As late as March 2004, soldiers heading to Iraq were still buying their own body armor despite assurances from the military that the equipment would be available before they deployed.²⁸ Several bills have been introduced in Congress to reimburse soldiers or their families that purchased the life-saving vests when military-issued armor was unavailable. Congress and the administration should act to expedite enactment of an adequate reimbursement plan.

Recapitalize National Guard equipment. National Guard units are leaving their equipment in Iraq and coming back to a shortage of supplies, often having to take the equipment of other troops that are serving in Iraq. Coupled with the extended tours of Guard units, the lack of equipment is hurting the Guard's readiness to respond to natural disasters or terrorist attacks in the United States.

Immediately send the FY05 supplemental budget request to Congress. Administration officials have indicated the FY05 supplemental budget request, which will likely amount to more than \$50 billion, will not be submitted to Congress until after the U.S. presidential election in November. Those funds will be necessary to fund critical defense, diplomatic, and other operations in Iraq and Afghanistan. In addition to providing the equipment and services to support our troops abroad, the supplemental should specifically include funds to cover the U.S. share of costs associated with the work of the United Nations Assistance Mission in Iraq.

²⁸ See "Troops in Iraq Now Have Body Armor," Associated Press, June 7, 2004.