

Report to Congress

**Submitted pursuant to U.S. Policy in Iraq Act, Section 1227 (c) of the National
Defense Authorization Act for Fiscal Year 2006 (PL 109-163)**

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Introduction

This report is submitted pursuant to Section 1227(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) concerning United States Policy in Iraq. The report covers the security, political, and economic measures that are being or have been undertaken primarily during the reporting period October 7, 2006 — January 5, 2007 (for convenience, referred to here as the Fourth Quarter of 2006). Against a backdrop of heightened sectarian violence, the President announced his new strategy for Iraq, and based on his revised plan, the ensuing report to Congress will reflect those changes.

Following this introduction, this report is organized into the following sections: (1) the current mission in Iraq and measures taken to support it; (2) Iraqi progress towards a sustainable political settlement; (3) conditions necessary for a transfer of security responsibility to Iraqi Security Forces (ISF); (4) ISF capacity and readiness; (5) criteria used to evaluate progress in that area; and (6) our plan for successfully completing the mission.

The focus of United States policy in Iraq remains on helping the Iraqi people build a constitutional, representative government that respects the rights of all Iraqis and has security forces capable of maintaining order and preventing the country from becoming a safe haven for terrorists and foreign fighters. The ultimate goal is an Iraq that is peaceful, united, stable, democratic, and secure, with institutions capable of providing just governance and security for all Iraqis. These goals will require the integrated efforts of the United States Government, the Government of Iraq (GOI), governments of Coalition states, and the active participation of the United Nations, other international organizations, and regional states. As noted in the National Strategy for Victory in Iraq (NSVI), U.S. policy outlines goals and measures progress along three tracks: security, political, and economic.

Security Track

Security in Iraq worsened during the reporting period, especially in and around Baghdad. Following the February 22, 2006, bombing of the al-Askariya Shrine in Samarra, sectarian violence rose markedly. During the fourth quarter of 2006, more than half of all attacks against Iraqi nationals occurred in two of Iraq's 18 provinces, Baghdad and Anbar. Although there are no firmly agreed upon casualty figures, most observers agree the violence was at its worst during the month of Ramadan, which began October 4, 2006, when hundreds died each week,

mainly in Baghdad. Following a relatively peaceful Eid al-Fitr, violence also peaked again later in November 2006 as insurgents continued their efforts to stoke intercommunal strife.

Throughout this period Coalition Forces (CF) sought to assess, adapt, and revise their efforts to work with the ISF to help set the conditions for improved security self-reliance. U.S. forces and international partners are also making the transition from a leadership role to a role of support and assistance to Iraqi security forces. In October 2006, President Bush and Iraqi Prime Minister al-Maliki agreed to form a high-level working group dedicated to accelerating the pace of achieving three common goals: training of the ISF, Iraqi assumption of operational control of its military forces, and transfer of security responsibilities to the GoI.

Iraqi forces have increasingly taken command and control responsibility and the operational lead of their security forces. During this reporting period, the Multi-National Corps-Iraq (MNC-I) made the third transfer of a major Army division to Iraqi Ground Forces Command (IGFC), returning command and control responsibilities of the 3rd Iraqi Army Division. The IGFC, as commanded by the Iraqi Joint Headquarters, currently commands the Iraqi Navy, Iraqi Air Force and three of ten Iraqi Army Divisions. Security responsibilities for the Najaf province were transferred to the Iraqi provincial governor and the Iraqi police, making it the third province whose security has returned to Iraqis.

The ISF have assumed more security responsibility and demonstrated an increasing capability to plan and execute counter-insurgency operations. As of December 27, 2006, there were 8 division Headquarters, 31 Brigade Headquarters, and 92 Iraqi Army battalions that had been assigned their own areas for leading counter-insurgency operations. The Multi-National Security Transition Command-Iraq (MNSTC-I) has trained over 323,000 Iraqi forces.

The Coalition is focusing on improving the proficiency of all Ministry of Defense (MOD) and Ministry of the Interior (MOI) units, primarily through the efforts of Military, Police, National Police, and Border Transition Teams. These 420 teams, composed of 6,000 international advisors, are embedded at all levels of Iraqi units in all major subordinate commands. The Coalition multinational division provides for approximately 15 percent of all teams; the United States provides the remainder.

Political Track

On the political track during the fourth quarter of 2006, Iraq made some progress against a background of escalating violence. However, many critical political obstacles, especially concerning national reconciliation, remain.

In September, 2006, Iraq's Political Committee on National Security (PCNS) agreed upon a set of political, security, and economic benchmarks. The Presidency Council reaffirmed the benchmarks on October 16, 2006. However, progress against these benchmarks has been limited so far. The Iraqi government began the process of a constitutional review through the establishment of the Constitutional Review Committee led by three of Iraq's most noted constitutional drafters and legislators. The GOI also completed the third of four national dialogue conferences, and a number of leading political figures began discussions to form a moderate political front to counter extremists.

On November 5, 2006, the Iraqi High Tribunal (IHT) rendered its judgment in the Dujail trial of Saddam Hussein and seven co-defendants. After having heard 38 days of testimony from dozens of witnesses, Saddam Hussein's trial ended. He, along with co-defendants Barzan al-Tikriti and Awad al-Bandar, were sentenced to death by hanging. Former Iraqi Vice President Taha Ramadan was sentenced to life in prison, while four other defendants were sentenced to 15 years in prison. One defendant, Mohammed Ali, was acquitted. The verdict was appealed to the IHT Appeals Court, which upheld the official judgment on December 26, 2006. Following a long, public trial that met international standards, Saddam Hussein's death sentence was carried out December 30, 2006 in a hanging widely criticized for its sectarian overtones.

On the international political stage, the United Nations Security Council (UNSC) unanimously approved UN Security Council Resolution 1723 on November 28, 2006, extending the mandate of the Multi-National Force-Iraq (MNF-I) for an additional year.

Provincial Reconstruction Teams (PRTs) are playing an increasing role in assisting the transition in Iraq. PRTs work closely with provincial council members, governors, local officials, community leaders, and criminal justice system officials to help them improve the implementation of provincial government responsibilities, to help build a fair and transparent justice sector, and to increase participation of private citizens in the governmental decision-making process. PRTs have been instrumental in working with local communities,

assessing and reporting on local issues, and facilitating political relationships. PRTs are designed to provide a link between provincial-level and national-level efforts.

Ten PRTs are currently operational. The United States leads seven PRTs: (1) PRT Tamim (Kirkuk), (2) PRT Ninawa (Mosul), (3) PRT Babil (Hillah), (4) PRT Baghdad, (5) PRT Anbar (Ramadi), (6) PRT Diyala (Baquba), and (7) PRT Salah ad-Din (Tikrit). The United Kingdom leads PRT Basrah, and the Italians, who characterize their operation as a Reconstruction Support Unit, lead in Dhi Qar (Nasiriyah). The inauguration of the Korean-led Regional Reconstruction Team (RRT) in Irbil in January 2007 completed the slate of three Coalition-led PRTs. The U.S. Government also has established six Iraqi-staffed PRTs for Najaf, Karbala, Wasit, Qadisiyah, Maysan, and Muthanna. However, these PRTs do not have a permanent presence in the provinces served. PRTs Najaf, Karbala, Wasit, and Qadisiyah are co-located with PRT Babil in Hillah, and PRTs Maysan and Muthanna are co-located with Dhi Qar team at Camp Adder.

Iraq will confront many challenges in the next year: implementing a National Reconciliation Plan; passing implementing legislation for the constitution; passing de-Ba'athification legislation; and completing the constitutional review process, a possible constitutional referendum, provincial elections, and a constitutionally specified referendum on the status of Tamim province (Kirkuk). How Iraq deals with these challenges will have a profound influence on the future of the country.

Economic Track

Progress on the economic track was hampered by a decline in oil production and exports during the fourth quarter of 2006. Compared to the third quarter, crude oil production decreased by 4 percent, and exports decreased by 5 percent. While oil export prices remained above budget forecasts, the pull-back in oil prices during the fourth quarter caused real growth in the oil sector to decline relative to the third quarter. The International Monetary Fund (IMF) expected non-oil GDP growth in 2006 to grow at about 10 percent, but statistics are not yet available for the non-oil sector's performance during the reporting period.

On the monetary front, Iraq's Central Bank took several steps to combat inflation, which reached an annual rate of 48.2 percent by the end of November 2006. The Central Bank increased interest rates in November and December 2006 to 16 percent and began to aggressively appreciate the Iraqi Dinar,

as the IMF recommended. By December 2006, the Dinar had risen against the dollar by 9.86 percent, with plans for continued appreciation to 14.28 percent in 2007.

Although the overall economy has improved, the GOI does have immediate challenges it must address. First and foremost, it must continue the reforms agreed to in its December 2005 Stand-By Arrangement (SBA) with the IMF. These include reducing inflation, eliminating fuel subsidies, and improving its budget oversight and execution. Along with the response to the SBA, Prime Minister Nuri al-Maliki has announced a series of measures to address Iraq's most pressing economic issues, such as developing a modern market economy, improving the efficiency of the oil-sector, building capacity to manage the economy, fighting corruption, and improving the investment and business environments.

The Fuel Import Liberalization Law (FILL), which was passed by the Council of Representatives (CoR) September 6, 2006, and signed by the Presidency Council, allows private imports of refined fuel products. In passing this law, the Iraqi Parliament set the stage for the private importation of gasoline and diesel, but implementing regulations have yet to be issued. The CoR also has passed a national investment law, which aims to promote private sector (including foreign) investment in Iraq; the law was approved by the Presidency Council on November 30, 2006. Prime Minister al-Maliki's government has also announced its intention to pass a hydrocarbons law in early 2007 that would attract foreign investment in the petroleum sector and ensure that oil revenues promote national reconciliation and benefit all Iraqis.

Beyond the domestic measures taken, Iraq has turned to the international community for economic support. While the United States remains by far the largest single donor, other donors pledged over \$13.5 billion in assistance for Iraqi reconstruction at the Madrid Conference in 2003. This included \$8 billion in assistance from foreign governments and \$5.5 billion in lending from the World Bank and International Monetary Fund (IMF) – all to be disbursed under their own special programs between 2004 and 2007. In January 2006, \$3.2 billion of the pledges of non-U.S. assistance had been disbursed. By August 2006, disbursements of non-U.S. assistance had increased significantly, to about \$3.7 billion. Approximately \$3 billion of these disbursements was from other donor governments, either in bilateral projects, or through the World Bank and the UN-administered International Reconstruction Fund Facility for Iraq (IRFFI). By the end of December 2006, \$1.1 billion had been committed to specific projects, and \$586 million had been disbursed.

Of the \$456.8 billion pledged to the World Bank, \$411 million had been committed, and \$83 million had been disbursed. The IMF approved \$436 million in balance-of-payments support in September 2004 and an additional \$685 million of such support in December 2005.

In addition to international donations to Iraq, creditors also have provided significant debt relief. To date, sovereign and commercial creditors reached debt relief agreements with Iraq that will eventually reduce Iraq's foreign debt by more than \$50 billion, or about 40 percent of its estimated \$125 billion in external debt. Iraq's offer to commercial creditors and other official creditors was accepted by all large creditors. The United States Government is urging the Iraqi Government to increase its engagement with non-Paris Club creditors, especially from the Gulf States, to seek debt relief for Iraq on terms at least comparable to the Paris Club's 80 percent reduction. The U.S. Government provided Iraq 100 percent debt reduction and is encouraging Paris Club and other creditors to go beyond Paris Club terms as well.

The United States continues to work with other donors to coordinate efforts on assisting Iraq. Among the most important initiatives in this area is the International Compact with Iraq (ICI), launched by the Iraqi government and the United Nations on July 27, 2006. The Compact will provide a new framework for mutual policy commitments between Iraq and the international community, particularly Iraq's neighbors. In Kuwait on October 31, 2006, the Compact Preparatory Group met to endorse the contents of the Compact document, under which Iraq will commit to reforming its main economic sectors (e.g., oil, electricity, and agriculture), as well as establishing and building the laws and institutions needed to combat corruption, assure good governance, and protect human rights. In return, the international community will support Iraqi efforts to achieve economic and financial self-sufficiency over the next five years. On December 4, 2006, in Baghdad, Iraq's Council of Ministers approved the Compact document including Iraq's commitments. An international conference for Compact adoption by Iraq and its international partners is expected to be held during the first quarter of 2007.

I. The current military mission and the diplomatic, political, economic, and military measures that are being or have been undertaken to successfully complete or support that mission.

In fulfillment of the Multinational Forces-Iraq (MNF-I) mandate under United Nations Security Council Resolution (UNSCR) 1546, as extended during

the reporting period on November 28 by UNSCR 1723 for another year, MNF-I, in partnership with the Iraqi Government, conducts full-spectrum counter-insurgency operations with the goal of isolating and neutralizing the enemy. MNF-I also helps the Iraqi Government organize, train, and equip the ISF in order to create and maintain a security environment that permits Iraq's political and economic development.

(A) Efforts to convince Iraq's main communities to make the compromises necessary for a broad-based and sustainable political settlement;

The United States remains actively engaged with Iraqi political, religious, and civil society leaders to assist in the transition to a stable unity government that represents all segments of the Iraqi population. In December 2006, President Bush, Secretary Rice, and other senior U.S. officials met separately in Washington with the chairman of the Supreme Council for Islamic Revolution in Iraq (SCIRI) Abd al-Aziz al-Hakim and Iraqi Vice President Tariq al-Hashimi, head of the Iraqi Islamic Party (IIP) and the Tawafuq Front (Sunni Arab). Both leaders came at the invitation of the United States to share their viewpoints about the situation in Iraq and to discuss how to improve it.

The National Strategy for Victory in Iraq (NSVI) supports a national compact among Iraqis as a means to separate terrorists and those insurgents who are unalterably opposed to the political process from those insurgents who may be willing to stop fighting and participate in Iraq's political process. The NSVI also envisions working with the Iraqi Government to develop opportunities for all Iraqis to partake in the political process and building effective and stable national institutions that will facilitate Iraq's full integration into the international community. These efforts are part of a long-term strategy to expand political space for all groups to participate in the democratic process for building consensus on issues that divide Iraqi communities.

With the rise of militias, current efforts for political progress in Iraq are also focused on national reconciliation and building international support for Iraq. These efforts have included active and direct engagement from the highest levels of the United States and Iraqi Governments. Since Iraqi Prime Minister al-Maliki presented his 24-point National Reconciliation Plan to the CoR earlier this year, three of four planned reconciliation conferences have convened. At the first conference, 500 tribal shaykhs endorsed the Prime Minister's National Reconciliation Plan, which called for an end to sectarian violence, disbanding of

militias, a delay in federalism, and a review of de-Ba'athification. The second, a conference for civil society leaders, drew approximately 800 attendees. The third conference for political parties, held on December 16-17, 2006, in Baghdad, included more than 250 representatives from Iraqi political parties and organizations. Its goal was to engage in a dialogue about political participation, national unity, and improving security. Prime Minister al-Maliki reached out to Ba'athists and invited them to rejoin the Iraqi military, but he cautioned that those who returned should be loyal to Iraq above any particular party, sect, or ethnicity. Finally, in early 2007, the Iraqi Government plans to convene conferences for religious scholars designed to further the reconciliation dialogue.

During a time of rising sectarian violence, the Iraqi Government has announced steps to try to increase national unity. On October 2, Prime Minister al-Maliki announced a four-point plan aimed at ending the deepening crisis between Shia and Sunni parties and uniting them behind the drive to stop sectarian killings. The plan called for the formation of civil subcommittees, a central follow-up committee, a committee to monitor the media, and monthly reviews of the plan. According to the plan, local committees made up of representatives of every party, religious and tribal leaders, and security officials would be formed in each Baghdad district to consult on security efforts. Although the committees would have no police powers, they would work with Iraqi authorities to set up checkpoints and identify dangers in the community, as well as advise police officers on other security issues. A central committee, also comprising all the parties, would coordinate with the armed forces. Little of this plan has been implemented to date, however.

Prime Minister al-Maliki also pledged to tackle illegal militias, which are widely blamed for the growing sectarian violence in the country. Attacks by Iraqi insurgents and sectarian militias jumped 22 percent from mid-August to mid-November 2006, and Iraqi civilians suffered the bulk of casualties, according to the quarterly report released by the Defense Department. Under pressure from Iraqi and U.S. officials, in a rare public rebuke of militias in late October, the Prime Minister ordered the Iraqi Security Forces (ISF) to crack down on unlawful acts by armed factions. Some progress had been made on this objective by the end of the reporting period, but not enough for this initiative to be considered a success.

The Council of Representatives (CoR) attained a major political milestone when it approved a regions formation law on October 11, 2006. The law, which will allow Iraq's provinces to hold referendums to merge themselves into larger federal regions, has been extremely controversial, with some leaders, primarily

Sunni and many Shia, fearing that it could lead to the break-up of Iraq. Supporters, primarily the Supreme Council for Islamic Revolution in Iraq (SCIRI) and the Kurdish parties, agreed as a compromise that the process of forming regions cannot begin until April 2008.

While there has been progress, political infighting has threatened to stall the Iraqi Government's ability to govern effectively. The CoR frequently has difficulty achieving a quorum (138 of its 275 members must be present in the council chamber). For example, Speaker of the CoR Mahmud Mashhadani cancelled the CoR session scheduled for November 1, when only 76 of the 275 legislators attended the session. At various times, Sunni parties and Sadrist members boycotted the parliament.

To address divisions within the government, Prime Minister al-Maliki told parliamentarians November 12, 2006, in a closed session that he was planning a "comprehensive" reshuffle of ministers in his national unity government, and he reportedly scolded lawmakers for failing to show their loyalty to a united Iraq. Al-Maliki did not disclose which ministers he planned to replace, and no changes have been publicly announced. Legislators close to the Prime Minister said he intends to maintain the political distribution of the current cabinet seats. Iraqi parliamentarians have been speculating about a reshuffle for months, but no one knows whether change in the government is actually imminent.

The Constitutional Review Committee, under the leadership of Shaykh Humam Hamudi, Fuad Masum, and Ayad al-Samarrai, conducted its first meeting November 15, 2006. This committee's role is to implement the review of the constitution agreed to on the eve of last year's constitutional referendum and provide amendment recommendations to the CoR.

In December 2006, speculation emerged into public view about the possible formation of a so-called moderate coalition of political parties to challenge extremism and violence from militias and others. While speculation continues whether certain parties are or are not part of this coalition, the core parties, by all accounts, include SCIRI, the Kurdistan Democratic Party (KDP), the Patriotic Union of Kurdistan (PUK), and the Tawafuq Front (or at least the Iraqi Islamic Party (IIP)), making it a genuinely cross-ethnic, cross-sectarian political coalition. While pledging to confront militias, the coalition has pledged loyalty to PM al-Maliki, provided he embraces their willingness to confront extremists. As of the

end of the fourth quarter of 2006, the future of the moderate coalition was unclear, with intra-Shia politics endangering its unity.

(B) Engaging the international community and the region in efforts to stabilize Iraq and to forge a broad-based and sustainable political settlement;

During this reporting period, the Iraqi Government continued to work with the international community to promote security, economic growth, and political progress in Iraq. A variety of Iraqi leaders have visited regional and European capitals to engage the international community. To improve Iraq's economic outlook, international partners continued preparatory work on the International Compact with Iraq (ICI), in addition to other initiatives during this period. There were also significant political developments, which included the restoration of Iraq-Syrian relations for the first time in twenty-five years and the Iraq-Iran meeting in Tehran in November 2006.

On November 28, 2006, the United Nations Security Council (UNSC) unanimously approved UN Security Council Resolution 1723, extending the mandate of the Multi-National Force-Iraq (MNF-I) for an additional year. Thirty-three countries currently provide 14,138 troops, with the United Kingdom, Poland the Republic of Korea, and Australia leading the effort.

The Saudi Arabian Council of Ministers (i.e., the Saudi Cabinet) also announced that Saudi Arabia would actively support Iraqi forces to maintain Iraqi unity. Iraqi Muslim religious leaders representing both Shiite and Sunni sects were in Saudi Arabia for a two-day meeting sponsored by the Organization of the Islamic Conference (OIC). The meeting concluded on October 20, 2006, with the signing of the Mecca Declaration, which called for an immediate halt to sectarian killings in Iraq. Statements by a political commentator in the Washington Post in November suggesting that Saudi Arabia might intervene on behalf of Sunnis in Iraq were quickly disowned by the Government of the Kingdom of Saudi Arabia.

In addition, the European Union Council of Foreign Ministers extended the mandate of the EU Integrated Rule of Law Mission for Iraq (EUJUST LEX) until December 31, 2007. EUJUST LEX is designed to provide senior members of the judiciary, police, and corrections officials with management and criminal investigation training in EU states as well as in Baghdad.

Multilateral and bilateral engagement on strengthening the Iraqi economy also increased during this reporting period. Kuwait hosted a preparatory group meeting for the International Compact with Iraq (ICI) on October 31, 2006. This group included delegates from the UN, the United States, the United Kingdom, the United Arab Emirates, Kuwait, the World Bank, the International Monetary Fund, the European Union, the Islamic Development Bank, France, Germany, Italy, Japan, Saudi Arabia, South Korea, and Spain. In addition to ongoing ICI work, Saudi Arabian and Iraqi delegations met on October 8 to discuss bilateral debt relief.

On November 20, 2006, the European Commission launched talks with the Iraqi Government in Brussels on a bilateral trade and cooperation agreement to boost the European Union's relations with Iraq and integrate Iraq into the world economy. Iraq was also admitted into the UN Economic and Social Council (ECOSOC), receiving 181 of 191 possible votes during the UN General Assembly elections on November 2, 2006. To date, the European Commission has contributed more than \$460 million to the International Reconstruction Fund Facility for Iraq (IRFFI), making it the largest contributor to the United Nations Development Group (UNDG) International Trust Fund (ITF).

Bilateral engagement in the petroleum sector also increased. As a part of its \$3.5 billion soft-loan package, Japan agreed October 23 to offer financing for three projects in southern Iraq aimed at helping the country bolster exports. The loans will finance the redevelopment and upgrade of a refinery in Basrah, improvements to oil export infrastructure, and a project to increase production of liquefied petroleum gas.

International engagement in Iraq's political future was particularly active in November following the end of Ramadan. Iraq and Syria restored diplomatic relations that were severed 25 years ago due to Syria's support of Iran during the Iraq-Iran war. On November 27, Iraqi President Jalal Talabani met with Iranian counterpart Mahmoud Ahmadinejad in Tehran to discuss Iran's possible role in aiding Iraq.

A number of states also took steps toward establishing official Iraqi representation within their territories. The Iraqi Ministry of Foreign Affairs received official letters from South Korea, Ukraine, Denmark, Slovakia, Serbia, the Philippines, Sri Lanka, and Nigeria agreeing to the opening of new Iraqi embassies in their countries. The Council of Ministers endorsed the proposal of the Foreign Ministry to open 15 new Iraqi diplomatic missions abroad. The countries in which

Iraq will open these missions include Hungary, Norway, Denmark, Ukraine, Switzerland, Serbia, Slovakia, South Korea, Philippines, Sri Lanka, Senegal, Kenya, Nigeria, Mauritania, and Argentina.

(C) Strengthening the capacity of Iraq's government ministries;

The United States is pursuing several initiatives to improve the capacity of Iraqi ministries, both in Baghdad and at the local level. A number of projects using the Iraq Relief and Reconstruction Fund (IRRF) will have an ongoing impact on building capacity, such as assisting the Ministry of Finance to prepare and implement banking and financial reforms; assisting the Ministry of Labor and Social Affairs to develop a social safety net and a viable pension system; providing assistance to the Ministry of Agriculture in the development of a national water strategy; improving the institutional capacity of the Ministry of Health to deliver care and fight disease; and developing an Education Management Information System for the Ministry of Education to improve management of human and physical resources. The United States Government also has dedicated significant resources to rehabilitating and building new infrastructure, while working alongside the staff at the Ministries of Electricity, Municipalities and Public Works, Water Resources, and Oil, to improve the ability of their national, regional, and local staff to operate and maintain United States Government-funded facilities, systems, and equipment on a sustainable basis.

The Embassy is also implementing a broader program to improve the capacity of key ministries to carry out core functions, such as strategic planning, budgeting, training, and managing a personnel system. The National Capacity Development Program (NCDP) and other targeted bilateral assistance programs are helping the Iraqi Government strengthen the core functions necessary for the efficient administration of its key national ministries, the Prime Minister's Office, inspectors general of the participating ministries, and anti-corruption organizations such as the Commission on Public Integrity (CPI) and the Board of Supreme Audit (BSA). The program is organized into two phases to enable rapid response to short-term priorities while concurrently building the foundation for long-term needs. Ministry Advisory Teams, composed of experts from the Mission, Iraqis, and other international donors, provide policy and programmatic advice and work jointly with the ministries to develop and address ministry priorities. The longer-term NCDP track focuses on increasing the capacity of national public administration centers to train ministry employees, as well as on a long-term, cross-ministry training program in core functions (financial management, human resources, strategic planning, leadership, and communications). The first training

sessions on budget and procurement have already taken place and were well-received by the Iraqi participants from the Ministries of Oil, Water Resources, Electricity, Planning and Development Cooperation, as well as from the national training center.

Capacity building efforts for the Ministries of Defense and Interior are led by the DoD and are addressed in Section IV (D) on pages 22-23.

(D) Accelerating the delivery of basic services;

The United States continues to assist Iraq with improving its ability to maintain critical infrastructure, particularly in water and electricity. The Embassy is implementing a \$180 million program to continue sustainment efforts in the electricity and water sectors and provide support to additional sectors to help Iraq maintain its infrastructure. Of the \$180 million, \$110 million is in the water sector, \$61 million is in the electricity sector, and \$9 million is in the additional areas of communications, transportation, and health. These programs are having a significant impact on the long-term viability of existing infrastructure. Keeping Iraqi plants online makes it possible to improve the levels of service offered to the average Iraqi. The Embassy is augmenting this program with \$355 million from the FY 2006 Supplemental to continue both sustainment and capacity development efforts at plant-level facilities.

Reconstruction continues to face insurgent attacks that drive up the cost of doing business, both in terms of financial costs and human resources. Protection of oil pipelines and electrical power transmission lines has proven especially difficult. Targeted attacks on Iraq's infrastructure, as well as dramatic increases in the demand for electricity and fuel driven by subsidized prices, also have contributed to the challenges of increasing hours of available electricity. Work in the oil and electricity sectors, moreover, has been affected by decades of mismanagement, corruption, decay, dilapidated and insufficient infrastructure, and poor maintenance. Despite this and other challenges, the United States Government, in cooperation with the Iraqi government, has rehabilitated water and sewage services and immunized children against infectious diseases.

U.S. assistance programs helped to build or refurbish the basic infrastructure that will enable Iraqis to significantly expand the delivery of basic services. In addition to ongoing projects, this expansion will be further enhanced by improvements in Iraqi capacity, subsidy, and pricing reforms. Over the last quarter, the

Iraqi Government has completed projects to increase redundancy in the electrical system.

Oil production and exports steadily improved in 2006 relative to 2005, resulting in the highest annual export average since 2001. As a result of increased exports and higher crude oil prices, 2006 oil revenues are about \$2 billion ahead of IMF revenue targets. While the annual average has increased, both production and exports declined in the fourth quarter due to a variety of factors, including equipment and maintenance problems, intermittent power failures, inadequate funding for repairs, and the early arrival of wintry storms in the Gulf. Compared to the third quarter, crude oil production for the fourth quarter decreased by 4 percent to 2.17 million barrels per day (mbpd), and exports decreased by 5 percent to 1.48 mbpd. The 2006 annual production average is 2.13 mbpd, and the annual export average is 1.50 mbpd.

(E) Securing the delivery of pledged economic assistance from the international community and additional pledges of assistance;

The United States is working closely with Iraq and international donors to increase international support for Iraq. The primary focus of the International Compact with Iraq (ICI) is to build a framework for Iraq's economic transformation and integration into the world economy. The Compact announcement received strong endorsements from the United States, the European Union and Commission, Britain, Italy, Japan, and Spain. In four months, Iraq and the UN made significant progress, and produced a draft of the Compact that was approved by the Preparatory Group on October 31, 2006, in Kuwait. The Iraqi Council of Ministers unanimously approved this draft at the end of November. A final signing ceremony is expected to take place early in 2007.

The Compact is a statement of Iraq's intent to become a united, federal, democratic country at peace with itself and its neighbors, on its way to sustainable economic self-sufficiency and prosperity, and integrated into the world economy. On September 18, 2006, at high-level meetings held alongside the United Nations General Assembly meeting in New York and the IMF/World Bank meeting in Singapore, the ministers of foreign affairs and finance from more than 35 countries and institutions expressed their strong support for the Compact. In written and oral statements, a broad segment of the international community expressed support for the Compact. Particularly noteworthy were the positive comments of Iraq's regional neighbors (the UAE, Kuwait, Saudi Arabia, and Turkey) and regional

institutions (the Islamic Development Bank and the Arab Fund for Economic and Social Development).

The Compact can enhance the efficacy and increase the real benefits of current and future donor assistance. As part of the process of formulating its side of the Compact, the Iraqi Government is coming to terms with some of its own weaknesses. Under the Compact, with its specific goals and benchmarks, the Iraqi Government should be taking ownership and responsibility for making the necessary improvements. Moreover, the Compact should broaden the base of support and interest in Iraq's reconstruction to include a much larger group of countries, especially Iraq's neighbors. The Compact will not replace the International Reconstruction Fund Facility for Iraq (IRFFI), but rather will help IRFFI to deliver donor assistance in a more targeted and effective manner. Finally, the Compact aims explicitly to bring increasing amounts of private capital into Iraq, since international businesses and investors will ultimately have a greater impact on Iraq's future than government assistance. Iraq's commitments to basic economic reforms and good governance will be particularly important to Iraq's economic success over the long term.

At the October 2003 Madrid International Donors' Conference, partners other than the United States pledged over \$13.5 billion in assistance. This included \$8 billion in assistance from foreign governments and up to \$5.5 billion in lending from the World Bank and International Monetary Fund (IMF) to be disbursed over four years (2004-2007). Since Madrid, donors have pledged an additional \$514 million to support Iraq's reconstruction and development. As of December 2006, about \$3.7 billion of the pledges of non-U.S. assistance has been disbursed. Approximately \$3 billion came from other governments either in bilateral projects or through the World Bank and the UN-administered IRFFI, and the remainder was received from multilateral institutions. (Donor government "disbursements" are defined here as the funds from donor government treasuries.) There are currently 118 IRFFI projects (103 UN, 15 World Bank) in various stages of completion in the water, electricity, education, health, and other sectors. At the end of August 2006, of the total \$1.16 billion in the UN Trust Fund, \$861 million has been committed to specific projects, and \$534 million disbursed. Of the \$456.8 million pledged to the World Bank Trust Fund, \$395 million has been committed to specific projects, \$140 million in contracts has been awarded, and \$67.5 million disbursed.

The IMF approved \$436 million in balance-of-payments support through its Emergency Post-Conflict Assistance (EPCA) program in September 2004. It

approved a \$685 million in balance-of-payments support as part of its Stand-By Arrangement (SBA) for Iraq in December 2005, although Iraq has not asked for any disbursements thus far under the SBA. The Iraqi government sets the priorities for reconstruction and assistance programs and coordinates their annual budgets with the IMF in order to meet agreed upon targets in the SBA. The United States and other donors work closely with the Iraqi Government and with each other to ensure that the projects and programs are not duplicative, and that they are integrated with the Iraqi Government's development planning. In July 2005, the Iraqi government set up a Baghdad Coordination Group (BCG) consisting of United States embassy and other donor representatives to improve further donor coordination. The BCG meets frequently and has developed synergies between donor programs in several areas.

Reduction of Iraq's external debt burden to sustainable levels, another top priority for Iraq's economic development, is a key component of U.S. donor coordination. Although little specific progress was made in the reporting quarter, overall, Iraq has achieved significant progress on debt relief, with more efforts underway at the end of the reporting quarter and still more efforts coming in the run-up to the conclusion of the ICI. To date, sovereign and commercial creditors reached debt relief agreements with Iraq that will eventually reduce Iraq's foreign debt by more than \$50 billion, or about 40 percent of its estimated \$125 billion in external debt. In November 2004, the Paris Club group of creditors agreed to forgive, in phases, 80 percent of the approximately \$40 billion in Iraqi debt held by its members. As of December 2006, 17 out of 18 Paris Club members, offering at least 80 percent debt reduction of \$37 billion of debt, have now signed bilateral debt agreements with Iraq. Russia, whose debt claim is \$3.5 billion, reiterated on September 18 its intention to write-off 80 percent of Iraq's Saddam-era debts. The United States itself went beyond Paris Club terms and has forgiven 100 percent of the \$4.1 billion in U.S.-held Iraqi debt.

Progress with official non-Paris Club creditors remains slow; however, Iraq has begun to reach out to the Gulf countries, an essential step. The largest non-Paris Club creditors are the Gulf countries, which represent an estimated \$45 billion in claims. The United States continues to encourage all non-Paris Club creditors to provide debt reduction to Iraq on terms at least comparable to those offered by the Paris Club. With regard to commercial debt, three cash offers to small creditors and the debt exchange offers to large creditors resulted in over 10,000 claims worth more than \$19.7 billion having been treated, with 96 percent (by value) of creditors receiving offers having accepted.

The United States, in coordination with the Iraqi Government, actively encourages its international partners and allies to make new pledges of assistance, and bilateral or multilateral aid, as well as to disburse existing pledges committed to in Madrid in 2003. The United States is in regular high-level and working-level contact with current and prospective international donors. In May 2006, the World Bank announced plans to open an office in Iraq headed by a Country Director, whom the World Bank is expected to name soon.

(F) Training Iraqi Security Forces and transferring additional security responsibilities to those forces and the Iraqi government;

The Ministry of Defense (MOD) and the Ministry of Interior (MOI) security forces continue to increase in size and capability and are increasingly taking over lead combat responsibility from Coalition forces. MNF-I continues to support and assist the ISF as they move toward conducting fully independent operations and achieving security self-reliance.

More than 45,000 additional Iraqi soldiers and police have completed initial training and equipping since August 2006, bringing the total number of ISF who have been trained and equipped to about 323,000, consisting primarily of 188,000 Ministry of Interior and 135,000 Ministry of Defense forces. The Prime Minister's ISF initiative will add approximately 30,000 troops, which increases final force authorizations to more than 353,000 security forces.

As mentioned previously, the ISF demonstrated an increased capability to plan and execute counter-insurgency operations. As of December 11, 2006, 8 Division Headquarters, 31 Brigade Headquarters, and 92 Iraqi Army battalions had been assigned their own areas for leading counter-insurgency operations. The Iraqi Ground Forces Command (IGFC), a corps-level organization, now has operational control of the 8th, 4th, and 3rd Iraqi Army Divisions, Iraqi Navy, and Iraqi Air Force. The IGFC will assume control of several more Iraqi Army Divisions in early 2007.

The Iraq Minister of Interior, with the assistance of the Coalition, has begun a four-phased National Police transformation plan that, over time, is aimed at creating a highly professional police force loyal to the Government of Iraq. All National police brigades will undergo a four-week program, one brigade at a time. This focused training phase of the transformation plan should be complete in the summer of 2007. The final phase will be dispersal of National Police units to each Iraqi province, providing a civil security force that can respond as a paramilitary force, avoiding the need for a military response.

Despite training efforts, though, there is evidence that Jaysh al-Mandi (JAM), a militia force created by Muqtada al-Sadr, and other militias have infiltrated elements of the police force. There have been repeated reports of sectarian violence and kidnappings committed by militia members wearing police-issued uniforms and using police vehicles. Meanwhile, some police units have been pulled from circulation for retraining due to poor performance. As a result, public trust in the police is low.

The Secretary of Defense's quarterly report to Congress, Measuring Security and Stability in Iraq, provides more extensive measurements and indicators of the training and performance of the ISF and of Iraq's current security environment.

II. Whether the Iraqis have made the compromises necessary to achieve the broad-based and sustainable political settlement that is essential for defeating the insurgency in Iraq

Despite rising sectarian violence, there have been signs that some Iraqis are attempting to make compromises towards a sustainable political settlement and defeating insurgents. Iraqi political parties agreed on October 7, 2006, on the make-up of the Central Committee for Peace and Security, which will include four representatives each from the Shia Coalition that dominates parliament and the main Sunni Coalition, along with one representative each from the Kurds and the Iraqiyya List. Iraqi government officials announced October 10, 2006, that Iraqi political parties agreed that every security checkpoint in Baghdad will have an equal number of Shia and Sunni troops in an effort to ensure the security forces do not allow sectarian attacks. The arrangement was the first made under Prime Minister al-Maliki's newly-introduced four-point security plan. The extent to which this plan is actually being implemented, however, is not clear.

Iraq's courts charged 57 employees, including high-ranking officers, with human rights crimes for their roles in the torture of hundreds of detainees once jailed in a notorious eastern Baghdad prison known as Site 4. Although the accused have not yet been arrested, the charges marked the first time the Iraqi Government has initiated criminal action against members of its own security forces for operating torture chambers inside Interior Ministry prisons. We continue to press for arrests and prosecution of those responsible

Most Iraqi officials agree that the insurgency cannot be defeated by military means alone and that a political solution is essential. Despite strong, positive statements by PM al-Maliki and numerous other officials calling for reconciliation,

the CoR has not implemented legislation to enact a reconciliation plan into law. Nor have reforms been made to the powers of the Higher National De-Ba'athification Commission, for example, which is at or near the top of the list of steps many Sunni Arabs say must be taken to persuade other Sunnis to abandon the insurgency. Questions remain about the commitment of some members of the government to genuine reconciliation. Some Iraqis would prefer to see the present conflict continue until the other side concedes defeat, a notion that most Iraqi Government officials, as well as the United States Government and most outside observers, would say is entirely mistaken.

III. Any specific conditions included in the April 2005 Multi-National Force-Iraq campaign action plan (referred to in United States Government Accountability Office October 2005 report on Rebuilding Iraq; DOD Reports Should Link Economic, Governance, and Security Indicators to Conditions for Stabilizing Iraq), and any subsequent updates to that campaign plan, that must be met in order to provide for the transition of additional security responsibility to Iraqi Security Forces

Following the publication of the October 2005 GAO report, the President published the National Strategy for Victory in Iraq (NSVI), which lays out the goals and general framework to achieve security and stability in Iraq. Although the NSVI is not a detailed plan for achieving specific objectives, consistent with the public nature of that document, it delineates measurable trends along each of these tracks to indicate where programs are achieving success and where it is necessary to increase efforts or adjust implementation of the strategy. Consistent with the NSVI, MNF-I and Embassy Baghdad updated the Joint Campaign Plan in April 2006. A policy review is currently underway and will be announced soon, but not in time for the present report.

The Iraqi Government, jointly with military and political leadership of the United States and Coalition partners in Iraq, will assess when conditions permit handing over security responsibility for specific areas from Coalition forces to the Iraqi civil authorities. The Joint Committee to Transfer Security Responsibility (JCTSR) has developed criteria to guide the transfer of security responsibility.

Recommendations for transfer include an assessment of conditions in four categories:

1. Threat Assessment
2. ISF Readiness
3. Local Governance Capability
4. MNF-I Ability to Respond Quickly to Major Threats, if needed

In mid-December 2006, responsibility for the security of Najaf Province was transferred from MNF-I to the Iraqi Provincial Governor and the civilian-controlled Iraqi police. Najaf is the third of Iraq's 18 provinces to make this transition. Pending successful negotiations between the Government of Iraq and the Kurdistan Regional Government, security responsibility for Dahuk, Irbil and Sulamaniyah Provinces will be transferred to the Kurdistan Regional Government as soon as conditions warrant.

The President of the United States and the Prime Minister of Iraq agreed during the reporting period to form a high-level working group dedicated to achieving three common goals: accelerating the pace of training of the ISF, Iraqi assumption of operational control of its military forces, and transfer of security responsibilities to the Government of Iraq. To this end, three committees were formed to address training and resources, security transfer, and security coordination.

IV. To the extent that these conditions are not covered under paragraph III, the following should also be addressed

(A) The number of battalions of the Iraqi Armed Forces that must be able to operate independently or to take the lead in counter-insurgency operations and the defense of Iraq's territory;

As of December 11, 2006, 119 Iraqi Army, Special Operations, and Strategic Infrastructure Battalions are now conducting counter-insurgency operations, with 92 battalions assessed as capable operating "in the lead" or independently. Iraqi Security Forces have been independently conducting up to one-third of all reported company-sized operations. As Iraqis take the lead for security, Coalition forces will increasingly shift to supporting roles.

Recently Prime Minister al-Maliki received support for his ISF expansion initiative, which will add approximately 37,000 security forces including an additional Iraqi Army division headquarters. Details of the final authorized end-strength plus up of the Ministry of Defense Iraqi Armed Forces and Ministry of Interior security forces have not been revealed by the Iraqi government.

(B) The number of Iraqi special police units that must be able to operate independently or to take the lead in maintaining law and order and fighting the insurgency;

The Iraqi Government's civil security forces consist of the Iraqi Police Service (IPS), National Police (formerly the Special Police, comprising the Police Commandos, Public Order Police, and the Mechanized Police), Department of Border Enforcement, and the Center for Dignitary Protection.

As of December 11, 2006, 188,300 civil security personnel (135,000 IPS personnel and 53,300 other Ministry of Interior forces, including 27 National Police Force battalions) have been trained and equipped. Two of these units are assessed capable of operating in the lead or independently. There is no specific threshold for the number of Iraqi National Police units that must be judged capable of operating independently or in the lead before U.S. force levels can be reduced. As noted above, militia infiltration of the IPS, and reports of sectarian violence committed by militia members wearing police uniforms and using police equipment, have undermined public confidence in IPS as a force for maintaining law and order.

(C) The number of regular police that must be trained and equipped to maintain law and order

As of December 11, 2006, over 135,000 IPS have been trained and equipped. These IPS personnel work alongside the 53,300 other Ministry of Interior forces described in the previous section. The IPS is responsible for security measures in over 130 districts and nearly 1,000 stations throughout Iraq.

Police Transition Teams (PTTs), National Police Transition Teams (NPTTs), Border Transition Teams (BTTs), and Customs and Border Protection Teams (CBPTs) mentor civil security forces. Police transition teams are embedded in an advisory capacity within the Iraqi Police Service in the outlying provinces to mentor and conduct joint patrols with MOI security forces on a daily basis. There are over 170 Police Transition Teams. Each team has approximately 11-15 members, of which 3-4 members are International Police Liaison Officers hired as State Department contractors. The remainder are military personnel, many of whom are Military Police.

Law and order is more than a function of the number of trained and equipped police. Achieving law and order in Iraq will require addressing militia infiltration of the IPS and winning the trust of the Iraqi public, regardless of sect.

(D) The ability of Iraq's federal ministries and provincial and local governments to independently sustain, direct, and coordinate Iraq's security forces;

Embedded transition teams continue to provide mentoring support to all senior Ministry of Defense (MOD) and Ministry of Interior (MOI) officials; however, competence levels in both ministries remain low. The current MOD team consists of fewer than 50 advisors including civilian advisors from other Coalition countries. The Coalition Police Assistance Transition Teams (CPATT) work closely with the MOI on developing and assessing ministerial capacity. The MOI Transition Team is composed of over 100 advisors. These advisory efforts are vital to support the ministries as they strive to meet new and ambitious challenges.

Corruption, illegal activity, and sectarian influence have also constrained progress in developing MOI forces. Minister of Interior Jawad al-Bulani says he is intent on removing corrupt leaders and instituting policies to eliminate corruption. Some officers have been removed, but the MOI continues to be regarded by most Iraqis as notoriously corrupt.

The Ministry of Interior's Internal Affairs Directorate conducted 228 human rights-related investigations through September 2006. Of these, 76 resulted in disciplinary punishment, 10 were closed due to insufficient evidence, and 142 awaited Judicial Review. Internal Affairs also initiated a specialized training curriculum tailored to the needs of Internal Affairs investigators. By the end of September 2006, 650 Internal Affairs officers had received specialized training out of an estimated 1,000 full-time employees.

Along with the Minister of Interior's minor improvements, there has been some success in stabilizing the Ministry of Defense, which suffered through assassinations, widespread intimidation and death threats against employees, and a major corruption scandal in the year following its establishment in March 2004. Minister of Defense Abd al-Qadr Muhammad Jassim al-Mufraji sees his post as long term and has begun to re-shape the MOD. He recognizes the importance of forging a close partnership with the Coalition and emphasizes joint initiatives such as force replenishment and improvement of force deployability. Procurement to

meet force modernization goals is accelerating and is supported by an increasingly robust internal system to determine priorities.

Within the MOD, Inspectors General offices conduct some spot inspections of MOD detention facilities – more are needed. The IG has also published standard operating procedures for detention operations, although enforcement is not comprehensive. MOD's Human Rights Division established a public hotline for human rights abuse reporting. It also reviews Coalition reports of violations, conducts investigations of substantiated abuse, and forwards findings to the Minister for action. Specialized human rights training is provided to all commanders up to the division level. This training also is being incorporated into service academy courses. As with the MOI, MOD must make substantial improvements in human rights.

Competence levels in certain parts of the MOD remain low. The Coalition's MOD Transition Team is providing mentoring support to all senior MOD officials to develop their capacity to manage key ministerial functions. These institutions will require strong support and partnership for a number of years.

V. The criteria to be used to evaluate progress toward meeting such conditions necessary to provide for the transition of additional security responsibilities to the Iraqi Security Forces

Security transition can only occur after four criteria are met:

- **Implementation of Partnerships**—MNF-I and its Major Subordinate Commands must establish and maintain partnerships across the entire spectrum of Iraqi Security Forces units, from battalion through to ministerial level;
- **Achievement of Iraqi Army Lead (IAL)**—Process during which Iraqi Army units progress through stages of capability from unit formation to the ability to conduct counter-insurgency operations;
- **Attainment of Provincial Iraqi Control (PIC)**—Iraqi civil authorities satisfy the conditions required to assume control and exercise responsibility for the security of their respective provinces. This is achieved by attaining the previously mentioned four criteria: the ability of Coalition forces to reinforce the ISF if necessary; readiness and capabilities of ISF; levels of present and projected insurgent activity; and the readiness and capabilities of relevant government institutions;

• **Iraqi Security Self-Reliance**—The Iraqi government achieves PIC (or a combination of PIC and IAL) throughout Iraq; and the government, through its security ministries, is capable of planning, conducting, and sustaining security operations and forces. The four criteria—implementation of partnership, IAL, PIC, and Iraqi Security Self-Reliance—are proceeding at a different pace in each province. That is, some provinces will have achieved full Iraqi Security Self-Reliance while others are working to achieve an Iraqi Army Lead.

VI. A plan for meeting such conditions, an assessment of the extent to which such conditions have been met, information regarding variables that could alter that plan, and the reasons for any subsequent changes to that plan

In consultation with the military commanders in Iraq, the Iraqi government, and Coalition partners, the U.S. Department of Defense, under Secretary Robert Gates' leadership, will continue to advise the President on the appropriate level of U.S. forces in Iraq and the surrounding theater of operations based on current conditions. These conditions include, but are not limited to, key elements of the MNF-I Campaign Plan, such as the increasing responsibility of the ISF in counter-insurgency operations and ownership of areas of responsibility and progress in the political process.

During the past three months, attack levels were at the highest on record, due in part to what has become an annual cycle of increased violence during the month of Ramadan. Baghdad was the focus of much of Iraq's violence, but it was also significant in Diyala and Anbar Provinces and in the cities of Kirkuk, Mosul, Basrah, Al Amarah, and Balad. The most noteworthy development in the Iraqi security environment was the growing role of Shia militants who were likely responsible for more civilian casualties than those associated with terrorist organizations.

Due to a recently demonstrated inability of the Iraqi Army to deploy units to Baghdad in support of operations, the Minister of Defense formed a committee to determine how to improve the deployability of the Iraqi Army. The committee recommended identifying a battalion from all but four of Iraqi army divisions to serve as a rapid deployment force for that division. The battalion and its commander will be handpicked by the MOD committee and the unit will receive priority on equipment and training. It will be filled to 100 percent authorized strength and the soldiers will receive "deployment" incentive pay as a reward for volunteering.

To increase the predictability of deployments for soldiers, the committee also recommended a four-phase, 180-day deployment cycle that all units will complete prior to movement from their home base. This Iraqi solution to the deployability problem exemplifies Iraq's increasing willingness to shoulder the responsibility of a sovereign nation.

In an effort to help Iraq shoulder their responsibility, the President announced in his new strategy that he will send more than 20,000 additional troops to Iraq to help Iraq carry out its campaign against sectarian violence and secure Baghdad. The majority of those troops will be deployed to Baghdad, will work alongside Iraqi units, and will be embedded in their formations. The troops will help Iraqis secure their neighborhoods, protect the population, and ensure the Iraqi forces left behind are capable of providing the security Iraq needs.

In addition to the above descriptions of the plan for meeting conditions, please reference National Strategy for Victory in Iraq at www.whitehouse.gov and Report to Congress, "Measuring Stability and Security in Iraq," August 29, 2006, at <http://www.defenselink.mil/>, pages 59-63.

For additional details on Iraqi Security Forces training, performance, and progress reference August 29, 2006, "Measuring Stability and Security in Iraq," <http://www.defenselink.mil/>, pages 41-58.

For more specific force generation and force requirement information, reference the classified annex to the Report to Congress, "Measuring Stability and Security in Iraq."

For additional information on reconstruction, assistance, and the delivery of essential services, please reference the 2207 Quarterly Report to Congress on The Iraq Relief and Reconstruction Fund (IRRF), <http://www.state.gov/p/nea/r1s/rpt/2207>, or for general information on the status of political, economic, and security efforts, the Weekly Status Report, <http://www.state.gov/p/nea/r1s/rpt/iraq/status/2006/c16536.htm>.