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**SECURING, STABILIZING,  
AND REBUILDING IRAQ**

**Progress Report: Some  
Gains Made, Updated  
Strategy Needed**

Statement of Gene L. Dodaro, Acting  
Comptroller General of the United States





Highlights of [GAO-08-1021T](#), a testimony before the Committee on Armed Services, House of Representatives

## Why GAO Did This Study

In January 2007, the President announced a new U.S. strategy to stem the violence in Iraq and help the Iraqi government foster conditions for national reconciliation. In *The New Way Forward*, the Administration articulated near-term goals to achieve over a 12- to 18-month period and reasserted the end state for Iraq: a unified, democratic, federal Iraq that can govern, defend, and sustain itself and is an ally in the war on terror. To support this strategy, the United States increased its military presence and financial commitments for Iraq operations.

This testimony discusses (1) progress in meeting key security, legislative, and economic goals of *The New Way Forward*; and (2) past and current U.S. strategies for Iraq and the need for an updated strategy.

GAO reviewed documents and interviewed officials from U.S. agencies, MNF-I, the UN, and the Iraqi government. GAO also had staff stationed in Baghdad. Since 2003, GAO has issued about 140 Iraq-related products, which provided baseline information for this assessment.

## What GAO Recommends

GAO recommended that DOD and State, in conjunction with relevant U.S. agencies, develop an updated strategy for Iraq. DOD and State disagreed, asserting that *The New Way Forward* remains valid and that the Joint Campaign Plan guides U.S. efforts in Iraq.

To view the full product, including the scope and methodology, click on [GAO-08-1021T](#). For more information, contact Joseph A. Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

# SECURING, STABILIZING, AND REBUILDING IRAQ

## Progress Report: Some Gains Made, Updated Strategy Needed

### What GAO Found

The United States has made some progress in achieving key goals stated in *The New Way Forward*. Looking forward, many challenges remain, and an updated strategy is essential.

- In the **security** area, violence—as measured by the number of enemy-initiated attacks—decreased about 80 percent from June 2007 to June 2008, trained Iraqi security forces have increased substantially, and many units are leading counterinsurgency operations. However, as of July 2008, 8 of 18 provincial governments do not yet have lead responsibility for security in their provinces, and DOD reported that, in June 2008, less than 10 percent of Iraqi security forces were at the highest readiness level and therefore considered capable of performing operations without coalition support. The security environment remains volatile and dangerous.
- In the **legislative** area, Iraq has enacted key legislation to return some Ba'athists to government, grant amnesty to detained Iraqis, and define provincial powers. The unfinished Iraqi legislative agenda includes enacting laws that will provide the legal framework for sharing oil revenues, disarming militias, and holding provincial elections.
- On **economic and infrastructure** issues, Iraq spent only 24 percent of the \$27 billion it budgeted for its reconstruction efforts between 2005 and 2007. Although crude oil production improved for short periods, the early July 2008 average production capacity of about 2.5 million barrels per day was below the U.S. goal of 3 million barrels per day. In addition, while State reports that U.S. goals for Iraq's water sector are close to being reached, the daily supply of electricity in Iraq met only slightly more than half of demand in early July 2008.

Since 2003, the United States has developed and revised multiple strategies to address security and reconstruction needs in Iraq. *The New Way Forward* responded to failures in prior U.S. plans and the escalating violence that occurred in 2006. However, this strategy and the military surge that was central to it end in July 2008, and many agree that the situation remains fragile.

GAO recommends an updated strategy for Iraq for several reasons. First, much has changed in Iraq since *The New Way Forward* began in January 2007. Violence is down, U.S. surge forces are leaving, and the United States is negotiating a security agreement with Iraq to replace the expiring UN mandate. Second, *The New Way Forward* only articulates U.S. goals and objectives for the phase that ends in July 2008. Third, the goals and objectives of *The New Way Forward* are contained in disparate documents rather than a single strategic plan. Furthermore, the classified MNF-I/U.S. Embassy Joint Campaign Plan is not a strategic plan; it is an operational plan with limitations that GAO will discuss during the closed portion of the hearing.

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Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss GAO's recent report on U.S. efforts to secure, stabilize and rebuild Iraq.<sup>1</sup> This report addressed (1) progress in meeting key security, legislative, and economic goals of *The New Way Forward*; and (2) past and current U.S. strategies for Iraq and the need for an updated strategy.

In January 2007, the President announced a new U.S. strategy to stem the high levels of violence in Iraq and help the Iraqi government foster conditions for national reconciliation. In *The New Way Forward*, the Administration articulated near-term goals to achieve over a 12- to 18-month period and reasserted the long-term goal or end state for Iraq: a unified, democratic, federal Iraq that can govern, defend, and sustain itself and is an ally in the war on terror. In support of this new strategy, the United States increased its military presence and financial commitments for operations in Iraq. In April 2008, the U.S. Ambassador to Iraq and the Commanding General of the Multinational Force-Iraq (MNF-I) testified that significant progress had been made toward achieving U.S. goals but that progress was fragile and reversible.

From fiscal year 2001 through July 2008, Congress provided more than \$800 billion to the Department of Defense (DOD) for the Global War on Terrorism.<sup>2</sup> The majority of this amount has been for military operations in support of Operation Iraqi Freedom. Moreover, since fiscal year 2003, about \$48 billion has been provided to U.S. agencies for stabilization and reconstruction efforts in Iraq, including developing Iraq's security forces,

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<sup>1</sup>GAO, *Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed*, [GAO-08-837](#) (Washington, D.C.: June 23, 2008).

<sup>2</sup>This figure includes appropriations for domestic and overseas military operations in support of the Global War on Terrorism, such as Operation Noble Eagle, Operation Enduring Freedom, and Operation Iraqi Freedom, as well as stabilization and reconstruction appropriations for Iraq and Afghanistan. Of this amount, \$65.9 billion will be available October 1, 2008.

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enhancing Iraq's capacity to govern, and rebuilding Iraq's oil, electricity, and water sectors, among others.<sup>3</sup>

To complete our work, we reviewed documents and interviewed officials from the Departments of Defense, State, and the Treasury; MNF-I and its subordinate commands; the Defense Intelligence Agency; the National Intelligence Council; and the United Nations (UN). We also reviewed translated copies of Iraqi documents. In support of this work, we extensively utilized staff stationed in Baghdad from January through March 2008. Since 2003, we have issued about 140 Iraq-related reports and testimonies, which provided baseline information for our assessment.<sup>4</sup> We performed this work in accordance with generally accepted government auditing standards.

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## Summary

The United States has made some progress in achieving key goals stated in *The New Way Forward*. For example, overall violence in Iraq has declined. Iraq has also enacted key legislation to return some Ba'athists to government and give amnesty to detained Iraqis. However, we agree with assessments that progress made in Iraq is fragile and many unmet goals and challenges remain. Future U.S. strategies should build on recent security and legislative gains and address the remaining challenges for the near and long term.

- In the **security** area, violence—as measured by enemy-initiated attacks—decreased about 80 percent from June 2007 to June 2008, the number of trained Iraqi security forces has increased substantially, and many Iraqi units are leading counterinsurgency operations. However, as of July 2008, 8 of 18 provincial governments must still assume lead responsibility for security in their provinces. In addition, DOD reported that, in June 2008, less than 10 percent of Iraqi security forces were at the highest readiness level and therefore considered capable of performing operations without

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<sup>3</sup>This amount includes \$2 billion appropriated in June 2008 for reconstruction and stabilization activities in Iraq in the Emergency Supplemental Appropriations Act, 2008, P.L. 110-252. This amount does not include \$1.1 billion appropriated in the same Act for similar activities in Iraq after October 1, 2008. About \$20 billion for improving Iraqi security forces included in this amount is also included in DOD's reporting of Global War on Terrorism appropriations.

<sup>4</sup>To see GAO reports on Iraq, click on <http://GAO.gov/docsearch/featured/oif.html>.

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coalition support.<sup>5</sup> The security environment remains volatile and dangerous. DOD reports that the United States has not achieved its goal of defeating al Qaeda in Iraq, local security forces (such as Sons of Iraq) have not reconciled with the central government, and the cease-fire agreement with the Mahdi Army remains tenuous.

- In the **legislative** area, Iraq has enacted key legislation to return some Ba'athists to government, grant amnesty to detained Iraqis, and define provincial powers. However, questions remain about how the laws will be implemented and whether the intended outcomes can be achieved. Additionally, Iraq has not yet passed legislation that will provide the legal framework for sharing oil revenues, disarming militias, and holding provincial elections. The Iraqi government also faces logistical and security challenges in holding the scheduled 2008 provincial elections—a key element of reconciliation for Sunnis. Finally, the government has not completed its constitutional review to resolve issues such as the status of disputed territories and the balance of power between federal and regional governments.
- On **economic and infrastructure** issues, Iraq spent only 24 percent of the \$27 billion it budgeted for reconstruction efforts between 2005 and 2007. Although oil production improved for short periods, the July 2008 average crude oil production capacity of about 2.5 million barrels per day<sup>6</sup> was below the U.S. goal of 3.0 million barrels per day.<sup>7</sup> In addition, while State reports that U.S. goals for Iraq's water sector are close to being reached, the daily supply of electricity in Iraq met slightly more than half of demand in early July 2008.<sup>8</sup>

Since 2003, the United States has developed and revised multiple strategies and plans to address security and reconstruction needs in Iraq. The current strategy—*The New Way Forward*—responded to failures in prior U.S. plans that prematurely transferred security responsibilities to

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<sup>5</sup>DOD, *Measuring Stability and Security in Iraq: Report to Congress in Accordance with the Department of Defense Appropriations Act 2008, Section 9010, P.L. 109-289* (Washington, D.C.: June 2008).

<sup>6</sup>Department of State/Bureau of Near Eastern Affairs, *Iraq Weekly Status Report*, July 9, 2008.

<sup>7</sup>This is the U.S. goal as stated in *Secretary of the Army Update, Gulf Regional Division, Iraq*, April 3, 2008.

<sup>8</sup>*Iraq Weekly Status Report*, July 9, 2008.

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Iraqi forces or belatedly responded to growing sectarian violence. *The New Way Forward* was developed to address the escalating violence in 2006. However, this strategy and the military surge that was central to it are planned to end at the end of this month. Moreover, the UN mandate authorizing MNF-I to maintain security and stability in Iraq expires December 31, 2008.<sup>9</sup> The United States and Iraq are conducting negotiations to provide the legal basis for the United States and its coalition partners to continue operations to support the Iraqi government after the UN mandate ends. Accordingly, we recommended that the Departments of State and Defense develop an updated strategy for how the United States will help Iraq achieve key security, legislative, and economic goals. This strategy should build on recent security and legislative gains, address unmet near- and long-term goals, and clearly articulate future goals, objectives, roles, responsibilities, and resources needed. The departments stated that they will review and refine the current strategy as necessary but asserted that *The New Way Forward* remains valid. DOD also stated that the classified Joint Campaign Plan provides a comprehensive, government-wide plan to guide U.S. efforts in Iraq.

We affirm the need for an updated strategy for several reasons. First, much has changed in Iraq since January 2007, when the President announced *The New Way Forward*. Violence is down, U.S. surge forces are leaving, and a new framework for the U.S. presence in Iraq needs to be agreed upon beyond the UN mandate. Second, *The New Way Forward* only articulates U.S. goals and objectives for the phase that ends in July 2008. Third, the goals and objectives of *The New Way Forward* and the phase that follows it are contained in disparate documents rather than a single strategic plan. Furthermore, the classified Joint Campaign Plan<sup>10</sup> is not a strategic plan; it is an operational plan with limitations that we will discuss during the closed portion of this hearing.

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<sup>9</sup>UN Security Council Resolution 1790 (Dec. 18, 2007); S/RES/1790 (2007); S/RES/1546 (2004).

<sup>10</sup>GAO, *Stabilizing Iraq: DOD Should Identify and Prioritize the Conditions Necessary for the Continued Drawdown of Forces in Iraq*, [GAO-08-700C](#) (Washington, D.C.: June 2008).

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## Some Gains Made; Certain Security, Legislative, and Economic Challenges Remain

The United States has made some progress in achieving key goals stated in *The New Way Forward*; many challenges remain.

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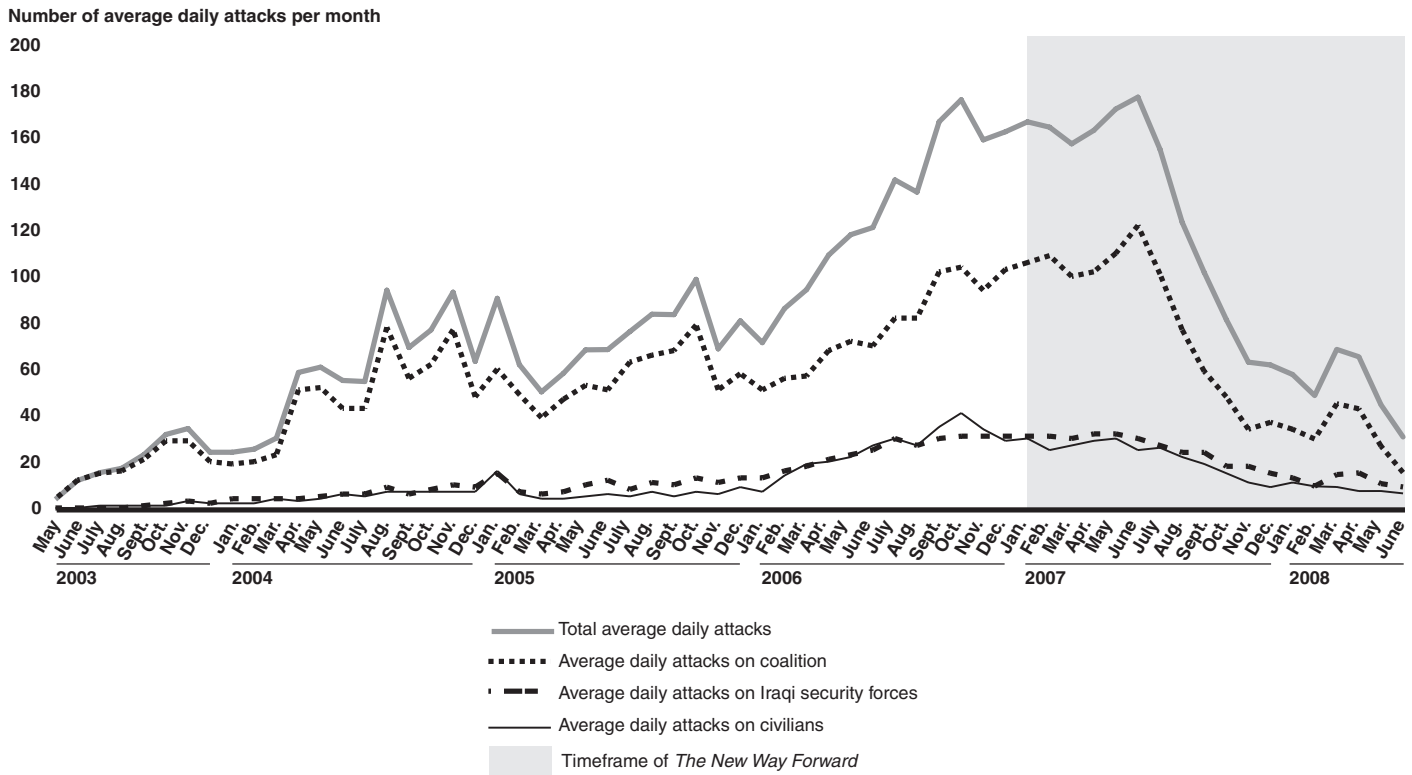
## Progress Made in Improving Security Conditions and Building Iraqi Security Forces, but Security Issues Still Need to be Addressed

Establishing a basic level of security is a key component of *The New Way Forward*. As we reported last month, overall violence fell from about 180 attacks per day in June 2007 to about 45 attacks per day in May 2008—primarily due to decreases in violence in Baghdad and Anbar provinces.<sup>11</sup> Since that report, the average number of enemy-initiated attacks decreased to 30 per day in June 2008, representing the lowest level of violence since March 2004. (See fig. 1.) DOD, State, and UN reports attribute the reduction in violence to (1) the increase in U.S. combat forces that allowed a change in tactics; (2) the creation of nongovernmental security forces, such as Sons of Iraq; and (3) the Mahdi Army's declaration of a cease-fire. DOD had planned to withdraw U.S. surge forces and draw down U.S. forces to 140,000 by the end of July 2008. DOD reported that the number of U.S. forces in Iraq was about 153,300 as of June 1, 2008.

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<sup>11</sup>According to DIA, the incidents captured in military reporting do not account for all violence throughout Iraq. For example, they may underreport incidents of Shi'a militias fighting each other and attacks against Iraqi security forces in southern Iraq and other areas with few or no coalition forces. DIA officials stated, however, that they represent a reliable and consistent source of information that can be used to identify trends in enemy activity and the overall security situation.

**Figure 1: Average Daily Attacks, May 2003 to June 2008**



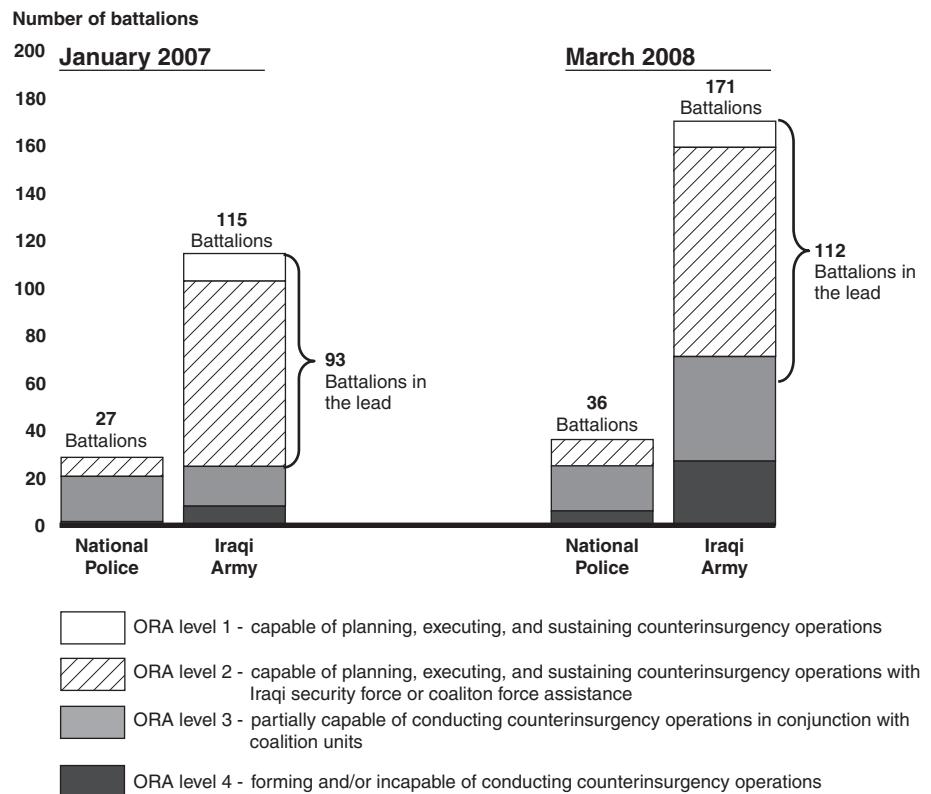
Source: GAO analysis of DIA-reported Multi-National Force-Iraq data, June 2008.

*The New Way Forward* also set the goal of developing capable Iraqi security forces and transferring security responsibilities to the Iraqi government. Since 2003, the United States has provided more than \$20 billion to develop Iraqi security forces. The number of trained Iraqi forces increased from about 323,000 in January 2007 to about 478,500 as of April 30, 2008. DOD reports that about 65 percent of Iraqi army battalions are leading counterinsurgency operations. However, the number of units at the highest readiness level, as assessed by DOD, accounts for less than 10 percent of total units (see fig. 2). The development of independent Iraqi security forces was a benchmark established by Congress and derived from commitments made by the Iraqi government. The number of independent Iraqi security forces as measured by Operational Readiness Assessments (ORA) level 1 continues to be an important measure of the capabilities of Iraqi security forces. In late June 2008, DOD reported that 12 Iraqi army battalions were capable of planning, executing, and



sustaining counterinsurgency operations (ORA level 1) in January 2007 and April 2008.

**Figure 2: Iraqi Security Force Operational Readiness, January 2007 and March 2008**



Source: GAO analysis of data presented in testimony by the Commanding General of MNF-I and MNC-I documents.

Several factors have complicated the development of capable Iraqi security forces, including the lack of a single unified force, sectarian and militia influences, continued dependence on U.S. and coalition forces for logistics and combat support, and training and leadership shortages.

*The New Way Forward* also stated that the Iraqi government would take responsibility for security in all 18 provinces by November 2007. However, as of mid-July 2008, 8 provincial governments do not yet have lead responsibility for security in their provinces. According to the MNF-I Commanding General, the coalition continues to provide planning, logistics, and other assistance even after security responsibilities have transferred to provincial Iraqi control.

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Security conditions remain volatile and dangerous. In June 2008, DOD reported that the influence and areas of operation of al Qaeda in Iraq have been degraded, but the terrorist group remains a dangerous and adaptable enemy capable of carrying out high-profile attacks. Thus, the United States has not achieved its goal of defeating al Qaeda in Iraq and ensuring that no terrorist safe haven exists in Iraq. In addition, Sons of Iraq have not reconciled with the Iraqi government and the cease-fire agreement with the Mahdi Army is tenuous.<sup>12</sup> According to MNF-I, various Sons of Iraq groups total at least 105,000 members while the Mahdi Army has 25,000 to 40,000 active members. Violence also has displaced many Iraqis from their homes. The UN estimates that 2.7 million people have been displaced in Iraq and 2 million additional Iraqis have fled the country, primarily to Jordan and Syria.

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### Iraq Has Enacted Legislation to Promote Reconciliation, but Critical Laws Are Still Being Debated

To facilitate national reconciliation, *The New Way Forward* identified legislation that the Iraqi government committed to enact with U.S. support and set a goal for enacting all key legislation by December 2007. In early 2008, the Iraqi government enacted laws to return some Ba'athists to government service, give amnesty to certain detainees in Iraq's justice system, and define provincial powers. However, questions remain about how these laws will be implemented and whether the intended outcomes can be achieved. For example, the government has not established the commission needed to reinstate former Ba'athists in the government or released most of the 20,000 prisoners and detainees approved for release.

Three additional laws considered critical for national reconciliation have not been enacted. These include laws that set the rules for Iraq's provincial elections, define the control and management of Iraq's oil and gas resources, and provide for disarmament and demobilization of Iraq's armed groups. The Iraqi government also faces logistical and security challenges in holding the scheduled 2008 provincial elections—a key element of reconciliation for Sunnis. UN and IFES reports estimate that it would take about 8 months to prepare for the elections, while State estimates that elections could be held 4 to 5 months after an elections law

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<sup>12</sup>DOD, *Measuring Stability and Security in Iraq: Report to Congress in Accordance with the Department of Defense Appropriations Act 2008, Section 9010, P.L.109-289* (Washington, D.C.: March and June 2008).

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is passed.<sup>13</sup> Finally, the government has not completed its constitutional review to resolve issues such as the status of disputed territories and the balance of power between federal and regional governments.

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### Iraq Has Made Limited Progress in Spending Its Capital Investment Budgets and Has Not Met Oil Production Goals or Demand for Electricity

*The New Way Forward* emphasized the need to build capacity in Iraq's ministries and help the government execute its capital investment budget; this is particularly important as the \$48 billion in U.S. funding for Iraq reconstruction and stabilization efforts is almost 90 percent obligated. However, expenditure data from Iraq's Ministry of Finance show that, between 2005 and 2007, Iraq spent only 24 percent of the \$27 billion it budgeted for its own reconstruction efforts.

As displayed in figure 3, total government spending for capital investments increased from 23 percent in 2005 to 28 percent in 2007.<sup>14</sup> However, Iraq's central ministries, responsible for security and essential services, spent only 11 percent of their capital investment budgets in 2007<sup>15</sup>—a decline from similarly low spending rates of 14 and 13 percent in 2005 and 2006, respectively. Spending rates for central ministries critical to the delivery of essential services varied from the 41 percent spent by the Water Resources Ministry to the less than 1 percent spent by the Ministries of Oil and Electricity in 2007. Iraq is expected to have additional resources to spend on reconstruction projects in 2008. As of May 2008, Iraqi crude oil was selling at about \$104 per barrel, higher than the \$57 per barrel used to develop Iraq's 2008 budget.<sup>16</sup>

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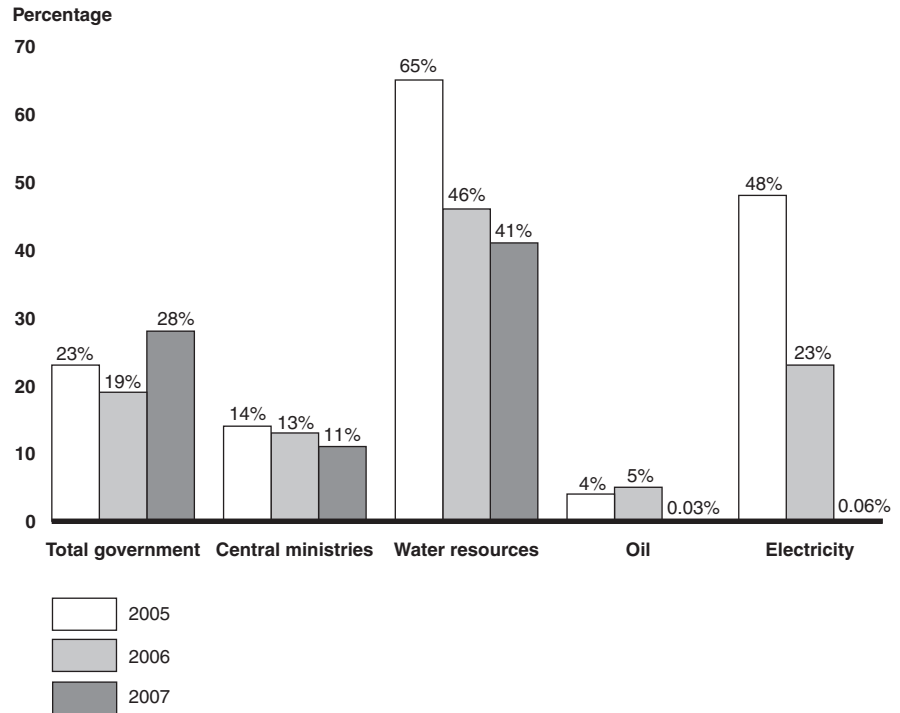
<sup>13</sup>IFES, formally known as the International Foundation for Electoral Systems, is an international election assistance organization. In Iraq's 2005 elections, IFES provided election assistance to the Iraqi government. IFES is also providing support for Iraq's upcoming provincial elections.

<sup>14</sup>The total government budget includes the central government ministries, provinces, and Kurdistan region. The central government ministries include the ministries of oil, water, electricity, public works, health, housing and construction, defense, interior, and other spending units.

<sup>15</sup>The central government ministries include the ministries of oil, water, electricity, public works, health, housing and construction, defense, interior, and other spending units. We use the term "investment budgets" to refer to capital goods and capital projects.

<sup>16</sup>GAO will issue a separate report on Iraq's estimated unspent and projected oil revenues from 2003 through 2008.

**Figure 3: Iraqi Budget Execution Ratios for Total Government and Selected Ministries, 2005 to 2007**



Source: GAO analysis of official Ministry of Finance budget and expenditure data.

U.S. government, coalition, and international agencies have identified a number of factors that challenge the Iraqi government’s efforts to fully spend its budget for capital projects. These challenges include violence and sectarian strife, a shortage of trained staff, and weak procurement and budgeting systems.

Developing competent and loyal Iraqi ministries is critical to stabilizing and rebuilding Iraq. In 2005 and 2006, the United States provided about \$169 million for programs to help build the capacity of key civilian ministries and the Ministries of Defense and Interior. As part of *The New Way Forward*, the Administration sought an additional \$395 million for these efforts in fiscal years 2007 and 2008. We found that multiple U.S. agencies were leading individual efforts and recommended that Congress consider conditioning future appropriations on the completion of an

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integrated strategy for U.S. capacity development efforts.<sup>17</sup> In June 2008, State noted that the embassy was in the process of implementing GAO's recommendation.

Providing essential services to all Iraqi areas and communities and helping Iraq maintain and expand its oil exports are key goals of *The New Way Forward*. Overall crude oil production has increased or improved for short periods; however, the early July 2008 average crude oil production capacity of about 2.5 million barrels per day has not reached the U.S. goal of 3 million barrels per day.<sup>18</sup> Meanwhile, the daily supply of electricity met only 54 percent of demand in early July 2008.<sup>19</sup>

The State Department reports that U.S. goals for Iraq's water sector are close to being reached. Since April 2006, U.S. efforts have focused on producing enough clean water to reach up to an additional 8.5 million Iraqis. As of March 2008, State reported that U.S.-funded projects had provided an additional 8 million Iraqis with access to potable water. Several factors present challenges in delivering essential services, including an unstable security environment, corruption, a lack of technical capacity, and inadequate strategic planning. Our May 2007 report recommended that U.S. agencies work with the Iraqi government to develop an integrated energy strategy for the oil and electricity sectors.<sup>20</sup> In June 2008, State indicated that it was encouraging the Iraqi government to develop an integrated energy strategy.

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## Need for Updated U.S. Strategy in Iraq

Since late 2003, the United States has employed numerous strategies and plans to address the security and reconstruction needs of Iraq. For example, the multinational force's security transition plan called for Iraqi security forces to assume security responsibilities on an accelerated basis during spring 2004. This attempt failed when Iraqi security forces performed poorly during an insurgent uprising. Further, a series of

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<sup>17</sup>GAO, *Stabilizing and Rebuilding Iraq: U.S. Ministry Capacity Development Efforts Need an Overall Integrated Strategy to Guide Efforts and Manage Risk*, [GAO-08-117](#) (Washington, D.C.: Oct. 1, 2007).

<sup>18</sup>This is the U.S. goal as stated in *Secretary of the Army Update, Gulf Regional Division, Iraq*, April 3, 2008.

<sup>19</sup>*Iraq Weekly Status Report*, July 9, 2008.

<sup>20</sup>GAO, *Rebuilding Iraq: Integrated Strategic Plan Needed to Help Restore Iraq's Oil and Electricity Sectors*, [GAO-07-677](#) (Washington, D.C.: May 15, 2007).

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campaign plans and a strategy document attempted to integrate U.S. military and civilian efforts in Iraq but did not anticipate the escalation in violence during 2006. To address the high levels of violence, the administration announced *The New Way Forward* strategy in January 2007. While the documents that comprise *The New Way Forward* and the phase that follows clearly state the importance the Administration places on continued U.S. support for Iraq, they represent an incomplete strategic plan because they only articulate goals and objectives for the near-term phase that ends in July 2008.

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## The United States Has Used Several Strategies to Address Security and Reconstruction Challenges in Iraq

In October 2003, the multinational force outlined a four-phased plan for transferring security missions to Iraqi security forces.<sup>21</sup> The plan's objective was to allow a gradual drawdown of coalition forces first in conjunction with the neutralization of Iraq's insurgency and second with the development of Iraqi forces capable of securing their country.<sup>22</sup> Citing the growing capability of Iraqi security forces, MNF-I attempted to shift responsibilities to them in February 2004 but did not succeed in this effort. Iraqi police and military units performed poorly during an escalation of insurgent attacks against the coalition in April 2004.

After the collapse of the Iraqi security forces in early 2004, the Administration completed three key documents that outlined the evolving U.S. strategy for Iraq. First, during the summer of 2004, MNF-I completed a campaign plan that elaborated on and refined the original strategy for transferring security responsibilities to Iraqi forces at the local, regional, and national levels. Further details on this campaign plan are classified.<sup>23</sup> Second, in November 2005, the National Security Council (NSC) issued the National Strategy for Victory in Iraq (NSVI) to clarify the President's existing strategy for achieving U.S. political, security, and economic goals in Iraq. The administration prepared this strategy document in response to a study of the U.S. mission that found, among other things, that no unified

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<sup>21</sup>See GAO, *Rebuilding Iraq: Preliminary Observations on Challenges in Transferring Security Responsibilities to Iraqi Military and Police*, [GAO-05-431T](#) (Washington, D.C.: Mar. 15, 2005).

<sup>22</sup>For more information on this security transition plan, see GAO, *Rebuilding Iraq: Resource, Security, Governance, Essential Services, and Oversight Issues*, [GAO-04-902R](#) (Washington, D.C.: June 28, 2004).

<sup>23</sup>See GAO's classified report, *Rebuilding Iraq: DOD Reports Should Link Economic, Governance, and Security Indicators to Conditions for Stabilizing Iraq*, [GAO-05-868C](#) (Washington, D.C.: Sept. 29, 2005).

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strategic plan existed to effectively integrate U.S. government political, military, and economic efforts.<sup>24</sup> Third, in April 2006, MNF-I and the U.S. embassy in Baghdad issued the first joint campaign plan, which attempted to integrate U.S. political, military, and economic efforts in Iraq. Further details of this campaign plan are classified.<sup>25</sup>

In July 2006, we reported that the NSVI represented an incomplete strategy.<sup>26</sup> The NSVI's purpose and scope were clear because the strategy identified U.S. involvement in Iraq as a vital national interest and Iraq as a central front in the war on terror. The strategy also discussed the threats and risks facing the coalition forces and provided a comprehensive description of U.S. political, security, and economic goals and objectives in Iraq over the short, medium, and long term. However, the NSVI only partially identified the agencies responsible for implementing it, the current and future costs of U.S. involvement in Iraq, and Iraq's contribution to its future needs.

The NSVI did not anticipate that security conditions in Iraq would deteriorate as evidenced by the increased numbers of attacks that followed the February 2006 bombing of the Golden Mosque in Samarra. Enemy-initiated attacks against the coalition and its Iraqi partners increased through October 2006 and remained at high levels through the end of the year. During 2006, according to State and UN reports, insurgents, death squads, militias, and terrorists increased their attacks against civilians, largely on a sectarian basis.

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## Current Strategic and Operational Plans for Iraq

In response to the escalating violence, the President in January 2007 announced *The New Way Forward*, which established a new phase in U.S. operations in Iraq. The strategy altered the administration's assumptions regarding the security and political conditions in Iraq and their effect on

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<sup>24</sup>GAO, *Rebuilding Iraq: More Comprehensive National Strategy Needed to Help Achieve U.S. Goals*, [GAO-06-788](#) (Washington, D.C.: July 11, 2006).

<sup>25</sup>See GAO's classified report, *Plans for Stabilizing Iraq*, [GAO-06-152C](#) (Washington, D.C.: Oct. 18, 2006).

<sup>26</sup>See [GAO-06-788](#). The desirable characteristics of an effective national strategy are purpose, scope, and methodology; detailed discussion of problems, risks, and threats; the desired goal, objectives, activities, and outcome-related performance measures; description of future costs and resources needed; delineation of U.S. government roles, responsibilities, and coordination mechanisms; and a description of the strategy's integration among and with other entities.

the achievement of U.S. goals. The administration, however, has not revised its strategic plan for Iraq to include U.S. goals and objectives for *The New Way Forward*, which ends this month, or for the phase that follows. Instead, according to State and DOD officials, the administration is relying on a set of 8 documents to explain U.S. strategic goals and objectives for Iraq (see table 1).<sup>27</sup> Four documents defined the original strategic goals and objectives of *The New Way Forward* phase. The administration believed the strategy's goals and objectives were achievable by the end of a 12 month- to 18 month-long phase, which ends in July 2008. Four different documents describe the phase that follows *The New Way Forward*.

**Table 1: Documents That Explain the Current U.S. Strategy for Iraq**

| <b><i>New Way Forward</i> phase<br/>(January 2007 through July 2008)</b>                                                                                                                                                                                                                                                                                                                      | <b>“<i>Way Forward</i>” Phase<br/>(begins July 2008)</b>                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Highlights of the Iraq Strategy Review, NSC, January 2007</li> <li>• The President’s address to the nation, January 10, 2007</li> <li>• Fact Sheet: <i>The New Way Forward</i> in Iraq, January 10, 2007</li> <li>• Background Briefing by Senior Administration Officials, Office of the Press Secretary, White House, January 10, 2007.</li> </ul> | <ul style="list-style-type: none"> <li>• The President’s address on Iraq, September 13, 2007</li> <li>• The President’s address on Iraq, April 10, 2008</li> <li>• Fact Sheet: “The Way Forward in Iraq,” April 10, 2008</li> <li>• The testimony of the Secretary of Defense, April 10, 2008.</li> </ul> |

Source: Information from State and DOD officials.

We found that the documents for the phase that follows *The New Way Forward* do not specify the administration’s strategic goals and objectives in Iraq or how it intends to achieve them, although they clearly state the importance the administration places on continued U.S. involvement in and support for Iraq. Further, while they predict continued progress in the security, political, and economic areas, they do not address the remaining

<sup>27</sup>DOD also identified the testimonies of the current and prospective Commanding Generals of MNF-I, May 22, 2008, as articulating future U.S. goals and objectives. However, DOD did not provide written statements for either officer’s testimony.



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challenges to achieving either unmet U.S. goals and objectives or the desired U.S. end state for Iraq.<sup>28</sup>

Moreover, the current UN mandate for the multinational force in Iraq, under Security Resolution 1790, will expire December 31, 2008, without further UN action. This resolution reaffirmed MNF-I's authority to take all necessary measures to maintain security and stability in Iraq, in accordance with the Iraqi government's request for the continued presence of MNF-I. The United States and Iraq are negotiating an agreement to provide the United States and its coalition partners with the legal basis necessary to conduct operations to support the Iraqi government after the UN mandate ends.

State and DOD cite the classified MNF-I/U.S. Embassy Joint Campaign Plan as providing a roadmap for future U.S. operations in Iraq.<sup>29</sup> According to a May 2008 State Department report, the Joint Campaign Plan supports the implementation of U.S. efforts in Iraq along four lines of operation: political, security, economic, and diplomatic. The plan recognizes the importance of enhancing security and protecting the Iraqi population and of advancing the political line of operation to help Iraqis establish legitimate, representative governance in their country at both the national and provincial levels.

A campaign plan, however, is an operational, not a strategic plan, according to DOD's doctrine for joint operation planning.<sup>30</sup> A campaign plan must rely on strategic guidance from national authorities for its development. For example, the April 2006 MNF-I/U.S. embassy Baghdad Joint Campaign Plan relied on the NSC's prior strategic plan, the NSVI, as

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<sup>28</sup>These documents also discuss the ongoing drawdown of U.S. troops in Iraq that will end in July 2008 and generally describe the U.S. military transition that would occur in Iraq over an unspecified period of time in the future. The U.S. military would continue to (1) conduct combat operations; (2) train, equip, and support Iraqi security forces; (3) transfer security responsibilities to them as provinces become ready; and (4) over time move into an overwatch role. In this role, U.S. forces would increasingly focus on targeted raids against the terrorists and extremists, continue to train Iraqi forces, and be available to help Iraq's security forces if required.

<sup>29</sup>State Department, *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 (P.L. 109-163), as amended by Section 1223 of the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181)*; May 2008.

<sup>30</sup>DOD, *Joint Publication 5-0: Joint Operation Planning*, Dec. 26, 2006.

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a basis for the plan's development.<sup>31</sup> Activities at the strategic level include establishing national and multinational military objectives, as well as defining limits and assessing risks for the use of military and other instruments of national power. In contrast, activities at the operational level establish objectives that link tactics on the ground to high-level strategic objectives. The development of a campaign plan, according to doctrine, should be based on suitable and feasible national strategic objectives formulated by the President, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff—with appropriate consultation with additional NSC members, other U.S. government agencies, and multinational partners.

Joint doctrine also states that effective planning cannot occur without a clear understanding of the end state and the conditions that must exist to end military operations and draw down forces. According to doctrine, a campaign plan should provide an estimate of the time and forces required to reach the conditions for mission success or termination. Our review of the classified Joint Campaign Plan, however, identified limitations in these areas, which are discussed in a classified GAO report.<sup>32</sup> We will provide more information on the Joint Campaign Plan in the closed portion of this hearing.

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## Recommendation

*The New Way Forward* and the military surge that was central to it end in July 2008. Moreover, the UN mandate authorizing MNF-I to maintain security and stability in Iraq expires December 31, 2008; the United States and Iraq are negotiating the legal framework to allow the United States and its coalition partners to conduct operations to support the Iraqi government after the UN mandate ends. Given these uncertainties, the decreasing levels of enemy-initiated attacks, and weaknesses in current DOD and State plans, an updated strategy is needed for how the United States will help Iraq achieve key security, legislative, and economic goals. Accordingly, we recommend that DOD and State, in conjunction with relevant U.S. agencies, develop an updated strategy for Iraq that defines U.S. goals and objectives after July 2008 and addresses the long-term goal of achieving an Iraq that can govern, defend, and sustain itself. This strategy should build on recent security and legislative gains, address the remaining unmet goals and challenges for the near and long term, clearly

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<sup>31</sup>GAO-06-788.

<sup>32</sup>GAO-08-700C.

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articulate goals, objectives, roles and responsibilities, and the resources needed, as well as address prior GAO recommendations.

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Mr. Chairman, this concludes my statement. I would be pleased to answer questions that you or other Members have at this time.

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## **GAO Contact and Staff Acknowledgments**

For questions regarding this testimony, please call Joseph A. Christoff, Director, International Affairs and Trade, on (202) 512-8979. Other key contributors to this statement include Audrey Solis, Assistant Director; Judith McCloskey, Assistant Director; Ashley Alley; Monica Brym; Daniel Chen; Lynn Cothorn; Leah DeWolf; Walker Fullerton; Tetsuo Miyabara; and Kathleen Monahan. Edward George, Jr.; Andrea Miller; Jena Sinkfield; and Cynthia Taylor provided technical assistance.

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