



National Intelligence Estimate

Prospects for Iraq's Stability: Some Security Progress but Political Reconciliation Elusive

*Update to NIE, Prospects for Iraq's
Stability: A Challenging Road Ahead*



August 2007

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

The Director of National Intelligence serves as the head of the Intelligence Community (IC), overseeing and directing the implementation of the National Intelligence Program and acting as the principal advisor to the President, the National Security Council, and the Homeland Security Council for intelligence matters.

The Office of the Director of National Intelligence is charged with:

- Integrating the domestic and foreign dimensions of US intelligence so that there are no gaps in our understanding of threats to our national security;
- Bringing more depth and accuracy to intelligence analysis; and
- Ensuring that US intelligence resources generate future capabilities as well as present results.

NATIONAL INTELLIGENCE COUNCIL

Since its formation in 1973, the National Intelligence Council (NIC) has served as a bridge between the intelligence and policy communities, a source of deep substantive expertise on critical national security issues, and as a focal point for Intelligence Community collaboration. The NIC's key goal is to provide policymakers with the best, unvarnished, and unbiased information. Its primary functions are to:

- Support the DNI in his role as Principal Intelligence Advisor to the President and other senior policymakers.
- Lead the Intelligence Community's effort to produce National Intelligence Estimates (NIEs) and other NIC products that address key national security concerns.
- Provide a focal point for policymakers, warfighters, and Congressional leaders to task the Intelligence Community for answers to important questions.
- Reach out to nongovernment experts in academia and the private sector—and use alternative analyses and new analytic tools—to broaden and deepen the Intelligence Community's perspective.

NATIONAL INTELLIGENCE ESTIMATES AND THE NIE PROCESS

National Intelligence Estimates (NIEs) are the Intelligence Community's (IC) most authoritative written judgments on national security issues and designed to help US civilian and military leaders develop policies to protect US national security interests. NIEs usually provide information on the current state of play but are primarily "estimative"—that is, they make judgments about the likely course of future events and identify the implications for US policy.

The NIEs are typically requested by senior civilian and military policymakers, Congressional leaders, and at times are initiated by the National Intelligence Council (NIC). Before an NIE is drafted, the relevant National Intelligence Officer is responsible for producing a concept paper, or terms of reference (TOR), and circulates it throughout the Intelligence Community for comment. The TOR defines the key estimative questions, determines drafting responsibilities, and sets the drafting and publication schedule. One or more IC analysts are usually assigned to produce the initial text. The NIC then meets to critique the draft before it is circulated to the broader IC. Representatives from the relevant IC agencies meet to hone and coordinate line-by-line the full text of the NIE. Working with their Agencies, representatives also assign the level of confidence they have in key judgments. IC representatives discuss the quality of sources with collectors, and the National Clandestine Service vets the sources used to ensure the draft does not include any that have been recalled or otherwise seriously questioned.

All NIEs are reviewed by National Intelligence Board, which is chaired by the DNI and is composed of the heads of relevant IC agencies. Once approved by the NIB, NIEs are briefed to the President and senior policymakers. The whole process of producing NIEs normally takes at least several months.

The NIC has undertaken a number of steps to improve the NIE process under the DNI. These steps are in accordance with the goals and recommendations set out in the Senate Select Committee on Intelligence and WMD Commission reports and the 2004 Intelligence Reform and Prevention of Terrorism Act. Most notably, over the last two years the IC has:

- ***Created new procedures to integrate formal reviews of source reporting and technical judgments.*** The Director of CIA, as the National HUMINT Manager, as well as the Directors of NSA, NGA, and DIA and the Assistant Secretary/INR are now required to submit formal assessments that highlight the strengths, weaknesses, and overall credibility of their sources used in developing the critical judgments of the NIE.
- ***Applied more rigorous standards.*** A textbox is incorporated into all NIEs that explains what we mean by such terms as "we judge" and that clarifies the difference between judgments of likelihood and confidence levels. We have made a concerted effort to not only highlight differences among agencies but to explain the reasons for such differences and to display them prominently in the Key Judgments.

Scope Note

This assessment updates the January 2007 National Intelligence Estimate (NIE) on Iraq entitled, *Prospects for Iraq's Stability: A Challenging Road Ahead*; it has been prepared at the direction of the Director of National Intelligence in response to a request from the National Security Council. It provides the Intelligence Community's analysis of the status of the critical factors identified in the January Estimate that are driving Iraq's security and political trajectory. Using the January Estimate as a baseline, this update examines the prospects for progress on the security and national reconciliation fronts over the next six to 12 months.

Analytic Caution: Driven largely by the accelerating pace of tribal engagement and the increasing tempo of Coalition operations, developments in Iraq are unfolding more rapidly and with greater complexity today than when we completed our January NIE. Regional variations in security and political circumstances are great and becoming increasingly more distinct—for example, intra-Shia violence in southern Iraq is very different from patterns of violence elsewhere. The intelligence assessments contained in this NIE largely focus on only a short period of the Iraqi conflict—the last six months—and in circumscribed areas—primarily the central provinces, which contain the center of gravity for Iraq's security prospects and in which we have a greater Coalition presence and therefore more information. The unfolding pace and scope of security and political realities in Iraq, combined with our necessarily limited focus of analysis, contain risks: our uncertainties are greater, and our future projections subject to greater chances of error. These issues, combined with the challenges of acquiring accurate data on trends in violence and continued gaps in our information about levels of violence and political trends in areas of Iraq without a substantial Coalition presence and where Intelligence Community collectors have difficulty operating, heighten our caution. Nonetheless, we stand by these judgments as our best collective assessment of security and political conditions in Iraq today and as likely to unfold during the next six to 12 months.

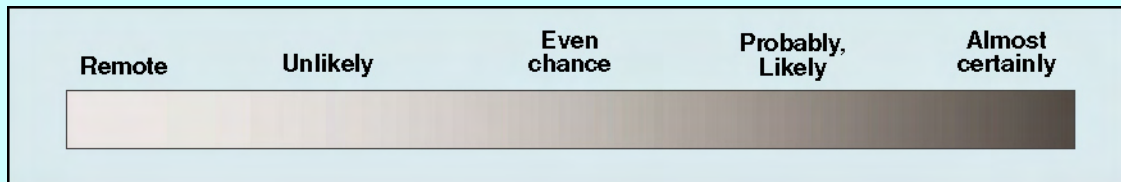
HOW THIS ESTIMATE WAS PRODUCED

This Estimate followed the standard process for producing National Intelligence Estimates (NIEs), including a thorough review of sourcing, in-depth Community coordination, and consideration of alternative analysis. The NIC circulated a terms of reference (TOR) for the Estimate to IC agencies for review. Analysts from throughout the Community contributed to the draft. A draft was submitted to Intelligence Community (IC) officers in advance of coordination meetings. The National Clandestine Service, FBI, and other IC collection officers reviewed the text for the reliability and proper use of the sourcing. As part of the normal coordination process, analysts had the opportunity and were encouraged to register “dissents” and provide alternative analysis. The National Intelligence Board, composed of the heads of the 16 IC agencies and chaired by the ODNI, reviewed and approved the Estimate on 17 August. As with other NIEs, it is being distributed to senior Administration officials and Members of Congress.

What We Mean When We Say: An Explanation of Estimative Language

When we use words such as “we judge” or “we assess”—terms we use synonymously—as well as “we estimate,” “likely” or “indicate,” we are trying to convey an analytical assessment or judgment. These assessments, which are based on incomplete or at times fragmentary information are not a fact, proof, or knowledge. Some analytical judgments are based directly on collected information; others rest on previous judgments, which serve as building blocks. In either type of judgment, we do not have “evidence” that shows something to be a fact or that definitively links two items or issues.

Intelligence judgments pertaining to likelihood are intended to reflect the Community’s sense of the probability of a development or event. Assigning precise numerical ratings to such judgments would imply more rigor than we intend. The chart below provides a rough idea of the relationship of terms to each other.



We do not intend the term “unlikely” to imply an event will not happen. We use “probably” and “likely” to indicate there is a greater than even chance. We use words such as “we cannot dismiss,” “we cannot rule out,” and “we cannot discount” to reflect an unlikely—or even remote—event whose consequences are such it warrants mentioning. Words such as “may be” and “suggest” are used to reflect situations in which we are unable to assess the likelihood generally because relevant information is nonexistent, sketchy, or fragmented.

In addition to using words within a judgment to convey degrees of likelihood, we also ascribe “high,” “moderate,” or “low” confidence levels based on the scope and quality of information supporting our judgments.

- “High confidence” generally indicates our judgments are based on high-quality information and/or the nature of the issue makes it possible to render a solid judgment.
- “Moderate confidence” generally means the information is interpreted in various ways, we have alternative views, or the information is credible and plausible but not corroborated sufficiently to warrant a higher level of confidence.
- “Low confidence” generally means the information is scant, questionable, or very fragmented and it is difficult to make solid analytic inferences, or we have significant concerns or problems with the sources.

Key Judgments

There have been measurable but uneven improvements in Iraq's security situation since our last National Intelligence Estimate on Iraq in January 2007. The steep escalation of rates of violence has been checked for now, and overall attack levels across Iraq have fallen during seven of the last nine weeks. Coalition forces, working with Iraqi forces, tribal elements, and some Sunni insurgents, have reduced al-Qa'ida in Iraq's (AQI) capabilities, restricted its freedom of movement, and denied it grassroots support in some areas. **However, the level of overall violence, including attacks on and casualties among civilians, remains high; Iraq's sectarian groups remain unreconciled; AQI retains the ability to conduct high-profile attacks; and to date, Iraqi political leaders remain unable to govern effectively.** There have been modest improvements in economic output, budget execution, and government finances but fundamental structural problems continue to prevent sustained progress in economic growth and living conditions.

We assess, to the extent that Coalition forces continue to conduct robust counterinsurgency operations and mentor and support the Iraqi Security Forces (ISF), that Iraq's security will continue to improve modestly during the next six to 12 months but that levels of insurgent and sectarian violence will remain high and the Iraqi Government will continue to struggle to achieve national-level political reconciliation and improved governance. Broadly accepted political compromises required for sustained security, long-term political progress, and economic development are unlikely to emerge unless there is a fundamental shift in the factors driving Iraqi political and security developments.

Political and security trajectories in Iraq continue to be driven primarily by Shia insecurity about retaining political dominance, widespread Sunni unwillingness to accept a diminished political status, factional rivalries within the sectarian communities resulting in armed conflict, and the actions of extremists such as AQI and elements of the Sadrist Jaysh al-Mahdi (JAM) militia that try to fuel sectarian violence. Two new drivers have emerged since the January Estimate: expanded Sunni opposition to AQI and Iraqi expectation of a Coalition drawdown. Perceptions that the Coalition is withdrawing probably will encourage factions anticipating a power vacuum to seek local security solutions that could intensify sectarian violence and intra-sectarian competition. At the same time, fearing a Coalition withdrawal, some tribal elements and Sunni groups probably will continue to seek accommodation with the Coalition to strengthen themselves for a post-Coalition security environment.

- Sunni Arab resistance to AQI has expanded in the last six to nine months but has not yet translated into broad Sunni Arab support for the Iraqi Government or widespread willingness to work with the Shia. The Iraqi Government's Shia leaders fear these groups will ultimately side with armed opponents of the government, but the Iraqi Government has supported some initiatives to incorporate those rejecting AQI into Interior Ministry and Defense Ministry elements.

- Intra-Shia conflict involving factions competing for power and resources probably will intensify as Iraqis assume control of provincial security. In Basrah, violence has escalated with the drawdown of Coalition forces there. Local militias show few signs of reducing their competition for control of valuable oil resources and territory.
- The Sunni Arab community remains politically fragmented, and we see no prospective leaders that might engage in meaningful dialogue and deliver on national agreements.
- Kurdish leaders remain focused on protecting the autonomy of the Kurdish region and reluctant to compromise on key issues.

The IC assesses that the emergence of “bottom-up” security initiatives, principally among Sunni Arabs and focused on combating AQI, represent the best prospect for improved security over the next six to 12 months, but we judge these initiatives will only translate into widespread political accommodation and enduring stability if the Iraqi Government accepts and supports them. A multi-stage process involving the Iraqi Government providing support and legitimacy for such initiatives could foster over the longer term political reconciliation between the participating Sunni Arabs and the national government. **We also assess that under some conditions “bottom-up initiatives” could pose risks to the Iraqi Government.**

- We judge such initiatives are most likely to succeed in predominantly Sunni Arab areas, where the presence of AQI elements has been significant, tribal networks and identities are strong, the local government is weak, sectarian conflict is low, and the ISF tolerate Sunni initiatives, as illustrated by Al Anbar Province.
- Sunni Arab resistance to AQI has expanded, and neighborhood security groups, occasionally consisting of mixed Shia-Sunni units, have proliferated in the past several months. These trends, combined with increased Coalition operations, have eroded AQI’s operational presence and capabilities in some areas.
- Such initiatives, if not fully exploited by the Iraqi Government, could over time also shift greater power to the regions, undermine efforts to impose central authority, and reinvigorate armed opposition to the Baghdad government.
- Coalition military operations focused on improving population security, both in and outside of Baghdad, will remain critical to the success of local and regional efforts until sectarian fears are diminished enough to enable the Shia-led Iraqi Government to fully support the efforts of local Sunni groups.

Iraqi Security Forces involved in combined operations with Coalition forces have performed adequately, and some units have demonstrated increasing professional competence. However, we judge that the ISF have not improved enough to conduct major operations independent of the Coalition on a sustained basis in multiple locations and that the ISF remain reliant on the Coalition for important aspects of logistics and combat support.

- The deployment of ISF units from throughout Iraq to Baghdad in support of security operations known as Operation *Fardh al-Qanun* marks significant progress since last year when large groups of soldiers deserted rather than depart their home areas, but Coalition and Iraqi Government support remains critical.
- Recently, the Iraqi military planned and conducted two joint Army and police large-scale security operations in Baghdad, demonstrating an improving capacity for operational command and control.
- Militia and insurgent influences continue to undermine the reliability of some ISF units, and political interference in security operations continues to undermine Coalition and ISF efforts.
- The Maliki government is implementing plans to expand the Iraqi Army and to increase its overall personnel strength to address critical gaps, but we judge that significant security gains from those programs will take at least six to 12 months, and probably longer, to materialize.

The IC assesses that the Iraqi Government will become more precarious over the next six to 12 months because of criticism by other members of the major Shia coalition (the Unified Iraqi Alliance, UIA), Grand Ayatollah Sistani, and other Sunni and Kurdish parties. Divisions between Maliki and the Sadristes have increased, and Shia factions have explored alternative coalitions aimed at constraining Maliki.

- The strains of the security situation and absence of key leaders have stalled internal political debates, slowed national decisionmaking, and increased Maliki's vulnerability to alternative coalitions.
- We judge that Maliki will continue to benefit from recognition among Shia leaders that searching for a replacement could paralyze the government.

Population displacement resulting from sectarian violence continues, imposing burdens on provincial governments and some neighboring states and increasing the danger of destabilizing influences spreading across Iraq's borders over the next six to 12 months. The polarization of communities is most evident in Baghdad, where the Shia are a clear majority in more than half of all neighborhoods and Sunni areas have become surrounded by predominately Shia districts. Where population displacements have led to significant sectarian separation, conflict levels have diminished to some extent because warring communities find it more difficult to penetrate communal enclaves.

The IC assesses that Iraq's neighbors will continue to focus on improving their leverage in Iraq in anticipation of a Coalition drawdown. Assistance to armed groups, especially from Iran, exacerbates the violence inside Iraq, and the reluctance of the Sunni states that are generally supportive of US regional goals to offer support to the Iraqi Government probably bolsters Iraqi Sunni Arabs' rejection of the government's legitimacy.

- Over the next year Tehran, concerned about a Sunni reemergence in Iraq and US efforts to limit Iranian influence, will continue to provide funding, weaponry, and training to Iraqi Shia militants. Iran has been intensifying aspects of its lethal support for select groups of Iraqi Shia militants, particularly the JAM, since at least the beginning of 2006. Explosively formed penetrator (EFP) attacks have risen dramatically.
- Syria has cracked down on some Sunni extremist groups attempting to infiltrate fighters into Iraq through Syria because of threats they pose to Syrian stability, but the IC now assesses that Damascus is providing support to non-AQI groups inside Iraq in a bid to increase Syrian influence.
- Turkey probably would use a range of measures to protect what it perceives as its interests in Iraq. The risk of cross-border operations against the People's Congress of Kurdistan (KG) terrorist group based in northern Iraq remains.

We assess that changing the mission of Coalition forces from a primarily counterinsurgency and stabilization role to a primary combat support role for Iraqi forces and counterterrorist operations to prevent AQI from establishing a safehaven would erode security gains achieved thus far. The impact of a change in mission on Iraq's political and security environment and throughout the region probably would vary in intensity and suddenness of onset in relation to the rate and scale of a Coalition redeployment. Developments within the Iraqi communities themselves will be decisive in determining political and security trajectories.

- Recent security improvements in Iraq, including success against AQI, have depended significantly on the close synchronization of conventional counterinsurgency and counterterrorism operations. A change of mission that interrupts that synchronization would place security improvements at risk.