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MNFI Strategic Effects

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Embassy Annex, International Zone, Baghdad

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Abstract

This was a quick overview of Strategic Effects from Scott's perspective. It's perspective on individuals (b)(3), (b)(6) Barhim Saleh, and Iraqi difficulties talking to one another make it worth listening to. Transcription priority: medium.

We have to maintain the momentum we have achieved. We have an opportunity to move forward, and we have to maintain it. With increased security, it is time for legislation to move forward. We do not have an indefinite window of opportunity. Iraqis are looking to the GoI for employment. They expectations and demands mean we must move forward. The reconciliation is from the ground up. The Awakening Movement is ground based and moving upward. We are using American DDR (Disarmament, Demobilization, Reintegration) funds of \$155 million on employment initiatives. We did the appropriate notification to Congress. The funds will not last forever.

In December, the PM directive to Council of Ministers called for 150 billion dinars for CLC reintegration. Budget enactment is on-going. At the senior levels, Iraqis understand the issues and they are debating them.

Economically, inflation is under control. We show 18-19% unemployment, but 30 to 40% are underemployed. We are dealing with the state-owned enterprises and the population being accustomed to stipends.

Diplomatically, Iraq is moving forward. They have power imports of electricity from Turkey and fuel from Kuwait.

The political issues are Iraqis problems, let them figure it out. The art is finding a solution set that the Iraqis can embrace as their solution set. USDA keeps talking about Iraqis needing an Ag policy, but it has to be an Iraqi policy.

The Ministry of Displacement and Migration has to solve the refugees and IDPs in their own way.

A typical problem we find is the mayors of Tal 'Afar and Mosul not talking. With DPM and MOD, we have to bring the parties together or they can't/won't solve them. They can work out a solution. Scott has seen a Sadrist and a Sunni figure out the way ahead on parliamentary issues.

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The Deputy Prime Minister is Dr. Barhim Saleh. Been there for two years, handles economics, is enthusiastic, pro-Iraq, facilitating forums. He is the highest ranking Kurd, and he's very non-sectarian. He may rotate, but we don't know about pending changes.

Ferari is the Minister of Industrial Minerals. Scott works with Ferari's deputy. Also works with many other deputy ministers.

(b)(6) is handling the investment commission. The CoR passed the needed law a year ago, but you can't enact it until the have the commission in place. Once Dr. Riba is fully vetted, it will be a big step for him to serve as investment commissioner.

The privatization law is working on 50-year land leases. Provincial investments are allowed up to \$250,000,000 without Baghdad's approval.

The Provincial Powers Law depends on figuring out if centralized system will be more federal or more de-centralized.

(b)(6) brings tremendous knowledge to his position. He served on the White House staff, was DCG MND(N), Joint Staff, Iraqi Desk, Strategic perspective, and knows the SecDef. His insight makes him an unsung hero.

Most impressive event was going to Ba'qubah in August 2007. He went to a marketplace with the Deputy Prime Minister. A soldier there told him 5 days ago, you could not do this, the market then was a hellish battle zone. What felt really good was the young soldiers' enthusiasm. 60% of the market was open, with more to come.

We have an opportunity here in Iraq to normalize and stabilize the country. We have to seize the opportunity, and we can not fail.

The risk we face is things are fragile, but the GoI is gradually gaining strength.

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