

# Chairs' Update

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*To the Report of an Independent Task Force on Post-Conflict Iraq  
Sponsored by the  
Council on Foreign Relations*

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## CHAIRS' UPDATE

### INTRODUCTION AND SUMMARY OF KEY RECOMMENDATIONS

This memorandum focuses on key challenges in the postwar period in Iraq. It supplements the March 12, 2003, report, *Iraq: The Day After*, prepared by the Independent Task Force on Post-Conflict Iraq and sponsored by the Council on Foreign Relations. That report contained some 30 recommendations for U.S. postwar policy in Iraq. While some of the Task Force's recommendations addressed contingencies that did not occur (such as the use of weapons of mass destruction by Iraqi forces or large-scale refugee flight), the bulk of the recommendations remain applicable some three months after the release of the initial report. This supplement highlights a few key areas of continuing concern that we believe require attention by the administration.

This supplement is the product of a Task Force meeting held on May 27, 2003, and reflects the efforts of the co-chairs, Thomas R. Pickering and James R. Schlesinger, to describe and present the major recommendations made in that session. A summary of those recommendations appears directly below:

#### *Summary of Key Recommendations*

- ***A political vision and strategy for the transition process in Iraq:*** The lack of a clear vision and strategy to shape Iraq's political landscape has had negative implications for the success of U.S.-led postwar efforts. Several changes in approach have undermined U.S. credibility and created uncertainty among Iraqis about U.S. intentions. At the broadest level, the president should set the direction for his administration by making a major foreign policy address to the nation, explaining the importance of seeing the task through, as well as the costs and risks of U.S. engagement in postwar Iraq. Such an address would strengthen the position of the Coalition Provision Authority (CPA), which has recently announced its intention to foster the creation of an Iraqi interim administration consisting of a political council

and a constitutional conference. To advance a clearer political vision on the ground, the CPA should define the procedures surrounding the creation and the operation of the interim administration; develop a process for the transfer of authorities that is linked to specific benchmarks; and promote the development of local governance and local political institutions.

- ***Shaping public attitudes in Iraq:*** Although there is broad public support in many regions for the coalition presence, hostility toward the United States in some parts of Iraq threatens to undermine U.S. objectives. While U.S. officials should make information on U.S. policy much more accessible to Iraqi citizens through print and broadcast media, there are limits to U.S. ability to shape public consensus in Iraq through the traditional tools of public diplomacy. Thus, U.S. officials should make more concerted efforts to speak “through Iraqi leaders,” by broadening their interaction with leaders at the local, regional, and national levels. And although there are obvious risks, U.S. troops in Iraq serve important policy goals through broad interaction with the general public in a way that is reassuring about the coalition presence. Finally, public diplomacy programming should not only impart information, but should also emphasize political dialogue with Iraqis and the free flow of ideas as a means of promoting a more democratic political culture.
- ***Public security and the rule of law:*** The administration should sustain a large presence of U.S. military forces in Iraq as long as conditions so require, even as U.S. officials seek to recruit military forces from other capable states. The administration should also augment efforts to recruit international civilian police (civpol), deploy experts in criminal investigation, and establish institutions that will promote respect for the rule of law.
- ***Improving management and operations in the oil industry:*** The enactment of UN Security Council Resolution 1483 paved the way for the restoration of Iraq’s petroleum exports and for enhancing capacity over time, but substantial challenges remain. The administration should ensure a clear chain of command for decision-

making by striving harder to define the parameters of U.S. involvement and speaking with a consistent voice in providing guidance to Iraqi authorities. It should also take measures to ensure transparency and effective communication within the oil sector.

- ***Sharing the burden with international partners:*** The appointment of the UN secretary-general's special representative (SRSG) for Iraq has created opportunities for greater burden-sharing, which would lighten the load for the U.S. government and enhance international support for the postwar transition effort. Ambassador L. Paul Bremer should encourage active involvement of the SRSG in establishing interim political institutions and in garnering international support for the rebuilding effort.
- ***Preparing for the next peace stabilization and reconstruction challenge after Iraq:*** Iraq represents neither the first nor the last post-conflict peace stabilization and reconstruction operation which the United States will have embarked. The president should therefore commit the United States to a serious and sustained effort to build capacity in peace stabilization and post-conflict reconstruction, so that managing these operations can become a genuine national competence.

## THE CONTEXT: SUMMARY OF *IRAQ: THE DAY AFTER*, PUBLISHED ON MARCH 12, 2003

The Task Force's initial report contained recommendations in four key areas<sup>1</sup>:

**1. *A political commitment to the future of Iraq:*** The Task Force recommended that the president and his administration make clear to Congress, the American people, and the people of Iraq, that the United States will stay the course after a war in Iraq. The Task Force estimated that postwar peace stabilization would cost \$20 billion or more per year for several years, and would require the deployment of tens of thousands of U.S. military and civilian personnel over this period. In light of this requirement, the Task Force urged that the administration first describe to the American people the critical interests at stake for the United States in postwar Iraq, so that they would be willing to bear the cost of peace stabilization and reconstruction; and that it make public that commitment, so Iraqis would understand that the United States will remain engaged until the vital tasks are completed.

**2. *Protecting Iraqi civilians—a key to winning the peace:*** The Task Force stressed that “none of the other U.S. objectives in rebuilding Iraq would be realized in the absence of public security,” and urged the broad deployment of U.S. forces to prevent reprisals and other lawlessness in the immediate aftermath of conflict. The Task Force also urged the administration to sustain this public security focus throughout the transition, by actively recruiting international civpol and constabulary forces to assist U.S. forces and train Iraqis.

**3. *Sharing the burden for post-conflict transition and reconstruction:*** The Task Force encouraged the administration to move quickly to involve international organizations and other governments in the post-conflict transition and reconstruction process. While recognizing that the United States and coalition partners would have to maintain responsibility for security and civil administration, the Task Force urged that the Bush

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<sup>1</sup> Independent Task Force on Post-Conflict Iraq, *Iraq: The Day After*, March 2003, Council on Foreign Relations, at [www.cfr.org/pdf/Iraq\\_DayAfter\\_TF.pdf](http://www.cfr.org/pdf/Iraq_DayAfter_TF.pdf).

administration support meaningful international participation and responsibility-sharing in the areas of humanitarian assistance, the political transition process leading to a new Iraqi government, management of oil during the transition, and financial assistance.

**4. *Ensuring that Iraqis are stakeholders throughout the transition process:*** The Task Force recommended that the administration seek to ensure that Iraqis continue to play key roles in the administration of public institutions, subject to adequate vetting, and work to establish Iraqi consultative mechanisms on political, constitutional, and legal issues, so that the period of interim governance would be limited and characterized by growing Iraqi responsibility on the political as well as administrative levels. At the same time, the Task Force noted that the post-conflict environment would be incompatible with the immediate reintroduction of indigenous sovereign authority and recommended against the appointment of a transitional administration in which opposition leaders who had lived outside the country would exercise exclusive political control.

#### **ASSESSING PROGRESS ON POSTWAR PEACE STABILIZATION AND RECONSTRUCTION**

***The conduct of the war helped create the basis for a durable peace:*** As Secretary of Defense Donald H. Rumsfeld has indicated, the speed and success of the administration's war plan helped to create conditions conducive to a successful postwar reconstruction effort.<sup>2</sup> In particular, the large majority of Iraq's oil facilities were not destroyed; bridges, roads, and rail lines were preserved; and the country's infrastructure is largely intact. In addition, large-scale refugee flight was avoided, and the coalition took great care in protecting civilians from the effects of armed conflict.

***Initial post-conflict stabilization efforts needed clearer definition:*** At the same time, the administration was better prepared to win the war in Iraq than to win the peace. In particular, it was not until late January 2003 that President George W. Bush formally directed the Pentagon to take charge of planning the post-conflict peace stabilization,

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<sup>2</sup> Council on Foreign Relations, *A Meeting with Secretary of Defense Donald H. Rumsfeld*, May 27, 2003, at <http://www.cfr.org/publication.php?id=6001>.

political transition, and reconstruction efforts. It thus fell upon the appointed leader of that effort, retired General Jay Garner, to assemble a staff and quickly take charge of a variety of administration postwar planning exercises that had been underway for many months. Already complicated by the very short time frame, Garner's task was made even more difficult by the lack of definitive policy guidance on critical post-conflict issues, such as the role of the U.S. military in the provision of public security, and the organization and roles of the U.S.-led post-conflict civil administration. This uncertainty caused delays in rehabilitation efforts and undermined U.S. efforts to build broad support among the Iraqi people.

***Sharpening the American commitment to postwar Iraq:*** The administration has taken a range of actions in recent weeks to enhance the coherence and effectiveness of U.S. policy. First, the administration appeared to signal a strengthened political commitment to the future of Iraq with the appointment of L. Paul Bremer as U.S. civilian administrator—in particular, by providing him with the authority necessary to develop a coherent and comprehensive U.S. approach toward the rebuilding process. Ambassador Bremer reports directly to Secretary Rumsfeld, and administration officials have made clear that the new civilian administrator is empowered to make critical decisions impacting U.S. actions on rehabilitation, reconstruction, and the political transition. Moreover, Ambassador Bremer has asserted his authority, has been highly visible on the ground, and has sent strong signals that the United States will “stay the course” in Iraq.<sup>3</sup>

The administration has underscored this strengthened political commitment through a renewed emphasis on public security as the critical enabler for all other U.S. objectives. In recent weeks, American officials have indicated that U.S. force redeployments have been delayed to ensure adequate security throughout Iraq. Officials have substantially increased the number of U.S. military police in Iraq and have focused increased attention on the requirements of peace stabilization. In Baghdad, for example,

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<sup>3</sup> For example, while acknowledging President Bush's statement that the United States should stay in Iraq “only as long as it takes to do the job, and not a day longer,” Bremer has also emphasized that “we should make sure we don't leave a day earlier.” Scott Wilson, “Bremer Adopts a Firmer Tone for U.S. Occupation of Iraq,” *Washington Post*, May 26, 2003, A13, at <http://www.washingtonpost.com/ac2/wp-dyn/A38811-2003May25?language=printer>.

U.S. forces have increased neighborhood patrols and have expanded their presence.<sup>4</sup> In a speech to the Council on Foreign Relations on May 27, 2003, Secretary Rumsfeld made the point succinctly, when he said that “[t]he coalition will provide security,” and “will maintain as many security forces in Iraq as necessary, for as long as necessary.”<sup>5</sup>

Finally, in developing and enacting UN Security Council Resolution 1483, adopted on May 23, 2003, the administration and other governments on the Security Council have taken an important step toward promoting international support and burden-sharing in the postwar environment. The resolution provides a good basis on which to promote the active involvement of the international community in postwar stabilization, the political transition, and economic reconstruction.

## KEY CHALLENGES AND RECOMMENDATIONS

### *Crafting a Political Vision and Strategy for a Political Transition*

#### ***Background***

With the removal of the regime of Saddam Hussein, U.S. officials identified several policy imperatives that set boundaries for the shape of Iraq’s future political order: the United States will not permit the Ba’ath Party to return to power or permit others to obtain power through nondemocratic means, will not anoint a provisional government

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<sup>4</sup>Major General Ricardo Sanchez, commander of the First Armored Division, reflected on this new approach late last month. He commented that while he wanted to protect his troops, “[w]e must not let force protection become our overriding concern, so that we go to ground and build fortresses around ourselves and don’t do the mission we came to do.” Thomas E. Ricks, “U.S. Troops to Revamp Occupation,” *Washington Post*, May 25, 2003, at <http://www.bayarea.com/mld/cctimes/news/5942297.htm>. See, also, the following articles: U.S. Marine Corps Press Release, “Security Still Most Serious Concern for U.S. Forces in Iraq,” Release #0519-03-0631, May 15, 2003, at <http://www.usmc.mil/marinelink/mcn2000.nsf/77501a1757139f1685256cf5006d0193/bd3fc34fa2b698d385256d2b0039d693?OpenDocument>; and Michael Gordon, “How Much is Enough?” *New York Times*, May 30, 2003, at <http://www.nytimes.com/2003/05/30/international/worldspecial/30CND-GORDON.html?ex=1054958400&en=6671e8a5f6a1e22a&ei=5062&partner=GOOGLE>.

<sup>5</sup> Council on Foreign Relations, *A Meeting with Secretary of Defense Donald H. Rumsfeld*, May 27, 2003, at <http://www.cfr.org/publication.php?id=6001>.



composed primarily of former Iraqi exiles, and will not permit Iran to “remake Iraq in Iran’s image.”<sup>6</sup>

These parameters, however, did not constitute a vision of what the United States sees as Iraq’s interim governing arrangements, or of how those arrangements will set the stage for a transition to permanent Iraqi sovereignty. The lack of a promising vision and a coherent strategy to shape Iraq’s political landscape has had serious implications for the success of the U.S.-led efforts in Iraq. Several changes in approach have undermined coalition credibility, and important decisions appear to have been taken ad hoc, with unwelcome consequences for the larger transition effort. For example, reasonable questions have been raised about the decision to completely disband the Iraqi army, especially without detailed plans in place to address the joblessness and additional security threats to the stabilization effort that may result. Further, the uncertainty among Iraqis about U.S. intentions has diminished their incentives to break ties with established political groupings whose commitment to democratic values is questionable.

In early June, Ambassador Bremer abandoned plans for an Iraqi national conference, and instead announced his intention to create an Iraqi interim administration, composed of a political council that would nominate Iraqis to serve as “interim ministers” in an advisory capacity, and to convene a constitutional conference to draft a new constitution.<sup>7</sup> In defending the change of policy, Ambassador Bremer suggested the new course of action would permit quicker Iraqi involvement in the process of governance. The new course may also grow out of understandable concern that the previously planned national conference would work to provide unfair advantage to established political groupings that may not be representative of large sectors of the Iraqi population. In any case, the major challenge will be to ensure that this approach does not become the latest in a series of false starts, but rather reflects a vision and strategy for Iraqi involvement in the political transition.

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<sup>6</sup> See *A Meeting with Secretary of Defense Donald H. Rumsfeld*, May 27, 2003, at <http://www.cfr.org/publication.php?id=6001>.

<sup>7</sup> Department of Defense, “Briefing on Coalition Postwar Reconstruction and Stabilization Efforts,” at <http://www.dod.gov/transcripts/2003/tr20030612-0269.html>. See also Charles Clover, “Bremer Defends ‘Big Tent’ Cancellation,” *Financial Times*, June 3, 2003, at <http://news.ft.com/servlet/ContentServer?pagename=FT.com/StoryFT/FullStory&c=StoryFT&cid=1054416357256>.

## ***Recommendations for Developing a Political Vision and Strategy***

***Defining a political strategy for the U.S. role in the transition:*** In announcing the modifications in U.S. policy, Ambassador Bremer appears to have been guided by several principles, which are listed below, that signal a more assertive and effective role for the Coalition Provisional Authority (CPA) in the political transition process. In light of prior uncertainties surrounding the U.S. approach, we encourage U.S. officials to emphasize publicly that these principles underlie U.S. policy, and to make them known widely among Iraqis. These principles are as follows:

- That the CPA will exercise sovereignty and executive authority over the country until internal political, security, and social conditions, as well as a new constitution, permit a full transfer of power to Iraqis;
- That prior to such a transfer, Iraqis will assume greater responsibilities for governance over time; that the CPA will create consultative mechanisms to ensure Iraqi involvement in the transitional administration; and that the process for promoting such involvement will be inclusive;
- That the CPA will not permit the existence of parallel power structures, obstructionist groups, or criminalized networks;
- That Ambassador Bremer will lead all U.S. activities in support of the transition effort; and
- That Ambassador Bremer will engage directly with influential Iraqi leaders to ensure their involvement in the transition process.

***Defining a vision and a strategy for Iraqi involvement in the transition:*** The principles that guide the U.S. role in the political transition must be accompanied by a vision and a

strategy for Iraqi involvement as well. In particular, U.S. and CPA officials must develop and articulate U.S. perspectives on the following issues:

- *The procedures surrounding the interim administration:* These include the ways in which Iraqis will be chosen for the political council and the constitutional conference, as well as the process for selecting interim ministers, their roles, and their authorities;
- *A transfer of authorities that is linked to specific benchmarks:* While it would be an error to establish an arbitrary timeline for a transition process, the CPA should establish specific benchmarks to be met over time and link them to a step-by-step transfer of authorities to Iraqi institutions. Benchmarks should relate, inter alia, to the establishment of public security, the development of a civil society, the completion of a constitution, and the initiation of an electoral process. These would serve the dual objectives of communicating a U.S. commitment to remain in Iraq as long as conditions demand and transferring power as soon as possible.
- *The development of local governance and political institutions, as well as civil society:* We believe the CPA should, in particular, emphasize capacity-building at the local level, which is also where the electoral process should begin. This approach offers the greatest potential for broad support among Iraqis for the transition, and will require efforts to develop civil society outside Baghdad. The CPA should work with local and international private voluntary agencies on rehabilitation projects that emphasize coordination at the neighborhood level.

### ***Shaping Public Attitudes in Iraq***

#### ***Background***

Although there is broad public support in many regions of Iraq for the U.S.-led coalition's presence, growing hostility in some parts of the country threatens to undermine U.S. objectives. These challenges appear to be greatest in Sunni-majority

areas that retain the strongest links to the former regime. In the most extreme cases, U.S. troops have responded with force to armed attacks by the former regime's supporters. But any U.S. military response to organized attacks must be coupled with a more vigorous public diplomacy effort to ensure that Iraqis understand and appreciate U.S. plans and objectives.

A prerequisite for an effective public diplomacy campaign is a coherent and effective political strategy and vision for the transition process. Thus, the effectiveness of the recommendations listed below depends on the successful implementation of actions described in the political strategy and vision section above.

### ***Recommendation for Shaping Public Attitudes, and the Limits of Traditional Public Diplomacy***

While U.S. officials should continue and expand their efforts to widely disseminate U.S. perspectives on critical post-conflict issues, there are limits to the ability of the United States to shape public consensus through the traditional tools of public diplomacy.<sup>8</sup> American officials remain outsiders in Iraq and have limited impact in a society where long-standing personal and group relationships are often the most effective vehicles for communication.

For this reason, U.S. officials should make more concerted efforts to “speak through Iraqi leaders,” by broadening their interaction with leadership at the local, regional, and national levels. To be sure, Iraqi leaders will hardly parrot U.S. messages. But if CPA officials are responsive to local concerns, local leaders are likely to be more inclined to convey positive perspectives on the U.S. role.

Public diplomacy broadcast programming should not only impart information, but should also focus on political dialogue with Iraqis and the free flow of ideas as a means of promoting a more democratic political culture. In doing so, it should emphasize respect for Iraqi culture and Iraqi traditions.

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<sup>8</sup> See Zahama, “U.S. Tries Again to Bridge Muslim Cultural Divide”, *Online Asia Times* (reprinted from *Foreign Policy in Focus*), June 17, 2003, at [http://www.atimes.com/atimes/Middle\\_East/EF17Ak03.html](http://www.atimes.com/atimes/Middle_East/EF17Ak03.html).

Finally, although there are obvious risks, U.S. troops in Iraq serve important policy goals through broad interaction with the general public in a way that is reassuring about the coalition presence.

### ***Public Security and the Rule of Law***

#### ***Background***

The administration has sought to enhance the capacity of U.S. troops to play a more pervasive role in ensuring public security throughout Iraq, and U.S. officials are actively recruiting forces from other governments to assist in this effort. In his May 27 speech to the Council on Foreign Relations, Secretary Rumsfeld stated that 39 nations have offered “stabilization forces or other needed assistance, and that number is growing.” Administration officials have also indicated that they are seeking both police and constabulary units from other governments. Foreign police could both assist U.S. forces in daily patrols, as well as help train a reconstituted Iraqi police force.<sup>9</sup>

The dual challenges of establishing public order and training police are compounded by the task of establishing the rule of law, key elements of which would include a broadly recognized legal code as well as reformed and reestablished courts and prisons. As coalition forces become more effective in arresting looters and others involved in acts of lawlessness, the CPA will find itself with a growing backlog of detainees, and growing challenges in this area.

#### ***Recommendations for Public Security and the Rule of Law***

- ***Sustain a large presence of U.S. military forces to ensure stability:*** There is good reason to attempt to replace U.S. military forces with constabulary and police units over time, as the latter are more suited to many of the public security and law enforcement tasks in the post-conflict environment. At the same time, it is not

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<sup>9</sup> *Agence France Presse*, “U.S. Asks Nearly Fifty Countries to Help Police Iraq; Seven Agree,” May 29, 2003, at [http://www.inq7.net/brk/2003/may/29/brkafp\\_1-1.htm](http://www.inq7.net/brk/2003/may/29/brkafp_1-1.htm).

possible to predict with precision the pace of deployments from other countries, the speed of their integration into coalition security operations, or the security conditions in Iraq in the months to come. For these reasons, U.S. officials must err on the side of caution. The administration should make clear that it is prepared to sustain, for as long as necessary, the current number of allied deployments within the region (now estimated at more than 200,000 if U.S. support troops in neighboring countries are included). In addition, even if large numbers of foreign troops could be recruited for duty in Iraq, it is not safe to assume that they could replace U.S. troops on a one-to-one basis. Although a small number of militaries that have participated in peace enforcement operations do have substantial capabilities, most do not—and their troops might add little value in terms of peace-enforcement capacity.

- ***Strengthen efforts to prevent the flow of arms and militants into Iraq:*** Non-Iraqis are believed to be responsible for attacks on coalition troops and acts of sabotage. In addition to sustaining adequate troop presence in border areas, cutting off the flow of arms and militants into Iraq will require that U.S. officials press governments in the region to make this issue a higher priority and to devote the resources necessary to prevent such movements.
- ***Augment efforts to recruit international civilian police and police monitors:*** It is unrealistic to assume that the CPA will be able to reconstitute quickly a credible and effective country-wide Iraqi law enforcement capability that can address the full range of serious law enforcement issues. Thus, the United States will have to achieve greater success in the effort to recruit international civpol. Ideally, such forces would be composed of self-contained units in most Iraqi towns and cities. Given the magnitude of the recruitment challenge, Ambassador Bremer should seek the active engagement of the SRS in a campaign to attract governments to provide qualified civpol personnel.
- ***Deploy U.S. and international experts in criminal investigation:*** In many peace operations over the past several years, the most significant threat to post-conflict

stability has been the growth of criminal syndicates, their connections to paramilitary organizations, and their access to means of violence. In Iraq, reports suggest that these powerful criminals are already in place and expanding their control, and addressing this challenge will require criminal investigation expertise in finance, customs, and related areas. Action on this issue will be critical to the establishment of a political economy in Iraq that is not dominated by black market activity.

- ***Accelerate efforts to establish transitional justice mechanisms as well as longer-term reform and training programs for police, the criminal justice system, and the judiciary:*** To be sure, there have been recent coalition efforts to get courts up and running, but the personnel devoted to the task has not matched the magnitude of the requirement.<sup>10</sup> Moreover, through the end of May, at least some of the longer-term reform and training programs (for police, courts, and prisons) were apparently still in the “assessment” phase. The urgency of the situation requires quicker movement.
- ***Create a Civilian Conservation Corps for immediate employment:*** This effort could be directed primarily at members of the military, who could aid in reconstruction and rebuilding, clearance of war debris, and, with training, mine clearance. It would both provide them with regular income and make use of their labor in rebuilding the country.<sup>11</sup>

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<sup>10</sup> See Peter Slevin, “U.S. Starts Remake of Iraqi Judicial System,” *Washington Post*, May 9, 2003, p. A18, at <http://www.washingtonpost.com/ac2/wp-dyn?pagename=article&node=&contentId=A32106-2003May8&notFound=true>; and BBC, “British troops reopen Basra prison,” June 3, 2003, at [http://news.bbc.co.uk/2/hi/middle\\_east/2958416.stm](http://news.bbc.co.uk/2/hi/middle_east/2958416.stm).

<sup>11</sup> We note that as this paper was being prepared for publication, the U.S. civil administrator, Paul Bremer, announced a \$100 million jobs plan, to be financed by funds in the Iraqi Central Bank, as well as money seized by coalition forces. See Chandrasekaran, “U.S. Official Announces Iraq Jobs Plan,” *Washington Post*, June 11, 2003, p. A17.

## *The Oil Industry*

### *Background*

Enactment of UN Security Council Resolution 1483, which lifted sanctions and provided the legal basis for Iraqi oil sales, paved the way for the restoration of Iraq's petroleum exports and for enhancing the industry's capacity over time. The petroleum sector did not suffer from severe physical damage during hostilities, as it was taken under central control by coalition forces. At the same time, prior to the war the industry had suffered more than a decade of underinvestment, as well as declines in production. In addition, oil facilities experienced the same kind of postwar looting and sabotage as other areas of Iraq, resulting in the postponement of renewed export sales and greater uncertainty about Iraq's initial production capability. These challenges are compounded by obstacles in areas relating to security, chain of command, transparency, and communications.

### *Recommendations for the Oil Industry*

- ***The need for social order and stability:*** Like other sectors, the oil industry will only be able to operate successfully if there is continued progress in establishing public order and security (see recommendations above). Absent progress in this area, oil workers will not return to work, field repairs will not be carried out, refinery operations will not be restored, and energy supplies will not be adequate for the Iraqi people, let alone be available for export.
- ***The importance of a clear chain of command:*** The basic approach of the administration has been to guide and support Iraqi leadership in the shaping of an overall strategy regarding management of the oil sector. Indeed, the newly appointed Iraqi authorities in the Oil Ministry and in the State Oil Marketing Organization (SOMO) have attempted to articulate policy preferences relating to these issues. At the same time, some U.S. officials have publicly expressed views—on issues such as privatization, oil sales policy, and Iraq's future relationship with the Organization of



Petroleum Exporting Countries (OPEC)—that imply a heavier U.S. hand in decision-making than stated U.S. policy would seem to suggest. This has created uncertainty on the part of Iraqis, and also risks creating investor uncertainty. The administration should make greater efforts to identify the parameters of U.S. involvement, and then speak with a consistent voice in providing guidance to Iraqi authorities.

- ***Transparency—a key objective:*** Coalition authorities should take a range of actions to promote transparency in the management of Iraq’s petroleum sector. Transparency is required both in the letting of contracts to assist in sectoral reconstruction and in assuring that oil sales maximize revenues for the Iraqi government and are not diverted for any unmonitored purpose. While the U.S. government has indicated its intention to establish an oil board to advise the Pentagon’s Office of Reconstruction and Humanitarian Assistance, only two members have thus far been named. Putting in place a full board, with international representation, would not only enhance transparency, but would also ensure that decisions about the oil sector are vetted among professionals. Other means to ensure such transparency could include the engagement of accountants to monitor oil-sales payments, the establishment of working groups to assist the acting oil minister and head of SOMO in day-to-day operations, and the circulation of public announcements on procedures for doing business with the Iraqi government.
- ***Enhancing communications:*** Coalition authorities should do much more to improve internal communications within the oil industry in Iraq, and between the industry and the outside world. Authorities have been too slow to create satellite communications links between the new authorities at Iraq’s State Oil Marketing Organization and the other countries. In addition, SOMO, under the guidance of coalition authorities, must more effectively communicate to the outside world how oil sales will be arranged—including the nature of the term and spot contracts it will be using, as well as procedures for opening letters of credit, bills of lading, and similar instruments.

***Sharing the Burden of Postwar Reconstruction:  
Enhancing the Involvement of the UN and Others***

***Background***

The appointment of the UN SRSG for Iraq has created opportunities for greater burden-sharing in the rebuilding effort, but reports from Iraq suggest that the SRSG's arrival has yet to change the general Iraqi perception that post-conflict reconstruction is an exclusively American project.

***Recommendation for Promoting a Strong Role for the Special Representative of the Secretary-General***

The Civil Administrator should seek to empower the SRSG, Sergio Vieira de Mello. A stronger role for the SRSG will help lighten the load for U.S. officials, enhance international support for U.S. efforts, and increase the likelihood of international donor assistance for reconstruction. UN Security Council resolution 1483 directs the SRSG to work intensively with the CPA on the establishment of representative institutions in Iraq, and such involvement would take advantage of this particular SRSG's considerable expertise on issues of transitional governance. In addition, Ambassador Bremer should work with the SRSG in garnering international support for the rebuilding effort. For example, the two officials could work together in encouraging the involvement of Arab governments in the rehabilitation of major cities such as Basra and Umm Qasr, as well as in the repairs of hospitals, schools, and related facilities.<sup>12</sup>

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<sup>12</sup>We note that one priority should be augmenting electrical generating capacity well beyond short-term rehabilitation goals. In addition to foreign donor involvement, we believe that the Export-Import Bank of the United States could be a vehicle for financial support of such efforts.

***Drawing Lessons from Iraq:  
Preparing for the Next Peace Stabilization Challenge***

***Background***

Iraq represents neither the first nor the last post-conflict peace stabilization and reconstruction operation on which the United States will have embarked. It is, in fact, the sixth time in twelve years that the United States has intervened abroad and then used U.S. troops to underpin a process of stabilization and reconstruction. It is the fourth time in six years that it has done so in a Muslim country. And while the prior administration launched one such operation about every two years, the current administration has done so twice within eighteen months. It is time that the United States stopped treating these exercises as if they were extraordinary events. Instead, officials at the State and Defense Departments, as well as the National Security Council, should begin investing in the capacity to conduct these operations more effectively in the future to ensure that peace stabilization and post-conflict reconstruction become a national competence.

***Recommendation for a Presidential Initiative on Post-Conflict Peace Stabilization***

We recommend that the president commit the United States (possibly through a National Security Presidential Directive) to a serious and sustained effort to build capacity in peace stabilization and post-conflict reconstruction. We believe that any such effort should examine enhancements in the training of troops for the kinds of constabulary functions that are common to stabilization operations. The administration should also engage on this issue with members of Congress, who are now considering legislation that would establish a permanent mechanism and a formalized process within the U.S. government for post-conflict reconstruction. The legislation would authorize expanded training in post-conflict peace stabilization and encourage greater coherence in the U.S.

government's management of these issues.<sup>13</sup> The legislation provides an excellent vehicle for moving this process forward and could complement a presidential initiative.

## CONCLUSION

As indicated in *Iraq: The Day After*, the United States has critical interests in Iraq, and the success of the peace-stabilization and political-transition process will have an enduring impact on America's ability to pursue its objectives effectively in the region. It is our hope that the foregoing memorandum, which offers several recommendations for midcourse adjustments, may help to enhance the quality of the American response to this formidable challenge.

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<sup>13</sup> For information on this legislation, see materials produced by the Center for Strategic and International Studies (CSIS), which has been deeply involved in this issue, [http://www.csis.org/press/pr03\\_39.htm](http://www.csis.org/press/pr03_39.htm).

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