

“IRAQ: THE CURRENT SITUATION AND THE WAY AHEAD”

STATEMENT BY

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JULY 13, 2006

Mr. Chairman, Senator Biden, and distinguished members, I welcome this opportunity to share my assessment of the situation in Iraq and my thoughts on the way ahead. I have seen many of you in Baghdad, and I want to thank you for traveling to Iraq. Your visits demonstrate your interest in achieving a good outcome in Iraq and your support for the many courageous Americans working in the U.S. Mission. I will be brief in my opening remarks, and I look forward to exchanging views with you in the remaining time.

I will begin by giving my bottom line assessment. Americans should be strategically optimistic about Iraq, even as the continuing difficulties in Iraq will require tactical patience. The challenges of curbing sectarian violence or defeating terrorism are difficult and will require the full commitment of the Iraqi government and the Coalition to resolve. However, the political progress that has been made in Iraq has created opportunities and put Iraq on the right trajectory.

The balance sheet in terms of key developments during the past year has many positives, as well some new and continuing causes for concern. The positive developments, which give the Iraqi government and friends of Iraq real hope, create opportunities going forward to improve the situation in Iraq. They include the following:

- A tectonic shift has taken place in the political orientation of the Sunni Arab community. Sunni Arabs, who boycotted the January 2005 election, have largely participated in the political process, with representation in the national assembly proportional to their share of the population.
- Shia Arabs, who have been the principal target of sustained attacks by terrorists, have exercised enormous restraint, even as some extremist Shia groups opted for sectarian retaliation.
- Kurdish leaders remain committed to a future as part of Iraq and have played constructive roles in shaping a cross-ethnic and cross-sectarian government.
- Iraqi leaders succeeded in forming Iraq's first ever government of national unity, with non-sectarian security ministers, agreements on rules for decision making on critical issues and on the structure of institutions of the executive branch, and a broadly agreed upon program.

- All elements of the government of national unity have endorsed Prime Minister Maliki's National Reconciliation and Dialogue Project, which is designed to address the fundamental issues dividing Iraqis and to induce elements of the armed opposition to lay down their arms and join the political process.
- A divide has opened up between the Iraqi Sunni Arab insurgency and al Qaeda and irreconcilable elements, as evidenced by the fact that some insurgent groups have offered to provide intelligence or to conduct operations against the terrorists.
- Key regional countries, as well as the international community, have reassessed their perspectives on the future of Iraq, with more and more coming to the view that the new government will succeed and opting to increase their non-military involvement in Iraq.

At the same time, several challenges to Iraq's new government persist or have become more severe and will require adjustments and new efforts to resolve:

- Terrorists have adapted by exploiting Iraq's sectarian fault lines, and sectarian violence has now become the significant challenge to Iraq's future.
- The security situation in Baghdad remains extremely difficult, as the capital has become the focal point of terrorist and sectarian violence.

- A few countries, particularly Syria and Iran, continue to engage in actions to destabilize Iraq, providing sanctuary, training, arms, and financing to the extremists fighting the new Iraqi government.

In light of these developments, we are adjusting our strategy and policies. The central focus is now to stem sectarian violence, both by political and security measures, even as we continue other efforts to stabilize the country.

First, we are working with Iraqi leaders to enhance unity and to take political measures to defuse sectarian violence. Iraqi leaders will soon begin to work on developing consensus approaches to several key issues arising out of the new constitution, including consideration of amendments under a fast-track process, enactment of legislation on the development of Iraq's oil and gas resources, and review of de-Baathification. In addition, Prime Minister Maliki's National Reconciliation and Dialogue Project will seek to capitalize on the expressions of interest among many insurgent groups to reconcile with the new government and join in a common fight against those who persist in terrorist actions.

Second, we are working with the Iraqi government to improve the effectiveness of the Iraqi security forces and to adopt security measures to curb sectarian violence. Building on the successes in standing up Iraqi forces, the Iraqi government and the Coalition will implement plans to accelerate the upgrading of Iraqi combat and support

capabilities. Prime Minister Maliki, as well as Minister of Interior Boulani, has made a top priority of reforming the Ministry of Interior, including the purging of sectarian forces in the police. Iraqi leaders, with Coalition support, are developing a program to demobilize and reintegrate armed militias. The Iraqi government and the Coalition will take advantage of the reconciliation process to widen the divisions between Sunni Arab insurgents and al Qaeda. The Iraqi government and the Coalition are carrying out a series of focused stabilization operations that will target sectarian militants and develop enduring security in major cities, starting with Baghdad.

Third, we are supporting the Iraqi government's new efforts to increase regional and international political and economic support. The new contacts and cooperation between Iraq and key regional countries, such as Saudi Arabia, the United Arab Emirates, and Kuwait are encouraging. Iraq's neighbors and the international community can do more to help the Iraqi people, and we will work actively to ensure the success of Iraqi efforts, in cooperation with the United Nations, to develop an international compact, which will commit Iraq to key reforms in exchange for assistance needed to complete Iraq's transition to free-market democracy. At the same time, we will work with the Iraqi government to end the destabilizing policies of Syria and Iran.

Fourth, we are implementing programs to help Iraqis improve governance from the top down and the bottom up. Ministry advisory teams have been deployed to ten key ministries. Five provincial reconstruction teams have been deployed and are engaged in

efforts to improve local governance and jump start economic development in the provinces.

Fifth, as these political, security, and diplomatic actions are pursued, we will support the new Iraqi government's strategy to realize the country's enormous economic potential. Prime Minister Maliki and Deputy Prime Minister Saleh have the right priorities. They are prepared to move forward with the difficult actions – for example, curbing subsidies and fighting corruption – that are essential to success. The United States and other friends of Iraq will help Iraq's new leaders deliver results.

In closing, I want to emphasize that despite the present difficult situation, a path exists to success in Iraq. Moreover, the success of Iraq is critical to the evolution of the Middle East. Most of the world's security problems emanate from the region from Morocco to Pakistan, and shaping its evolution has become the defining challenge of our time. The struggle for the future of Iraq is vital to the future of the world. If Iraqis work together against terrorism and sectarianism, and if Americans and other friends of Iraq support them, we will succeed.