## Congressional Testimony of Secretary of State Condoleezza Rice The New Way Forward in Iraq Submitted for the Record to the Senate Foreign Relations Committee Thursday, January 11, 2007

Mr. Chairman, members of the committee:

As I come before you today, America faces a crucial moment. We all know that the stakes in Iraq are enormous. And we all share the belief that the situation in Iraq is unacceptable. On this we are united.

The new way forward that President Bush outlined last night requires us to do things differently. Most importantly, the Iraqis have devised their own strategy, and our efforts will support theirs. To do so, we will further decentralize and diversify our civilian presence in Iraq to better assist the Iraqi people. We will further integrate our civilian and military operations. And we will fashion a regional strategy that supports reformers and responsible leaders in Iraq and across the Broader Middle East.

Among Americans and Iraqis, there is no confusion over one basic fact: It is <u>Iraqis</u> who are responsible for what kind of country Iraq will be. It is <u>they</u> who must decide whether Iraq will be characterized by national unity or sectarian conflict. The President has conveyed to the Iraqi leadership that we will support their good decisions, but that America's patience is limited.

Iraqis are now engaged in a task without precedent in their history. Iraq rests on the main religious and ethnic fault lines in the Middle East, and for centuries, Iraqis have settled their differences through oppression and violence. Now they are attempting to do so peacefully and politically. This is not easy, and as one could expect, many Iraqis have deep grievances, which some violent men interpret as a license to kill innocent people.

Baghdad has become the center of this conflict. We know that Al-Qaeda deliberately sought to provoke sectarian violence in Iraq by targeting Shia civilians. With last February's bombing of the Golden Mosque in Samarra, the success of their plan accelerated. Sectarian passions, incited to violence, now threaten to overwhelm Iraq's fragile, yet promising, process of reconciliation – a process that has produced successful elections and a new constitution, substantial agreement on a law to share Iraq's oil fairly, and commitment to a more reasonable approach to "de-baathification."

To succeed with national reconciliation, the Iraqi government must improve security for its people, particularly in Baghdad. Iraqis themselves must take up this essential challenge. They must protect their population from criminals and violent extremists who kill innocent Iraqis in the name of sectarian grievance. The Iraqi government must reestablish civil order in Baghdad to regain the trust of its people and control of its capital. President Bush has decided to augment our forces to help the Iraqis achieve this mission. Secretary Gates will have more to say on this.

Success in Iraq, however, relies on more than military efforts alone; it also requires robust political and economic progress. Our military operations must be fully integrated with our civilian and diplomatic efforts, across the entire U.S. government, to advance the strategy that I laid out before you last year: "clear, hold, and build." All of us in the State Department fully understand our role in this mission, and we are prepared to play it. We are ready to strengthen, indeed to "surge", our civilian efforts.

Our political and economic strategy mirrors our military plan: Iraqis are in the lead; we are supporting them. Improvement in the security situation, especially in Baghdad, will open a window of opportunity for the Iraqi government to accelerate the process of national reconciliation. We can and will measure whether this work is being done. We recognize that the trend of political progress in Iraq is just as important as the end result. On the hydrocarbon law, for example, Iraqis are transcending sectarian differences and achieving a national purpose. The is a positive trend, and the process is moving in the right direction.

Iraqis must also take steps that accelerate economic development and growth. The government of Iraq has taken many important steps already on key economic issues, including policies to open Iraq's economy more fully and responsibly to foreign investment. The Iraqi government must now move urgently, especially in the most troubled areas, to deliver essential services to its people – programs that improve lives in meaningful ways, that restore confidence in national and local governance, and provide a stake in the country's future for all Iraqis who wish to see an expansion of hope rather than a continuation of violence. The Iraqi government is committing \$10 billion of its own resources to help create jobs, to break the logjams to growth in their economy, and to further national reconciliation.

To better disperse these new resources throughout the country, Iraqis are building new governmental structures. One innovation they have proposed is the creation of a new National Reconstruction Development Council, which would enable the Prime Minister to deliver resources faster and more effectively for major infrastructure projects. This Council will also help take the place of our own Relief and Reconstruction Fund. Another Iraqi innovation is the development of Project Management Units, to help Iraqis use their own resources more effectively to implement programs.

For these efforts to succeed, our support will be crucial. Since 2004, we have used money from the Iraq Relief and Reconstruction Fund and other programs to build infrastructure and help the central government move toward self-reliance. As we enter 2007, despite many problems, we have substantially and successfully completed this phase. As Iraqis take charge, we will narrow our focus in how we help their central government. Using FY 2006 Supplemental funding, we have worked with the Iraqis to improve their capacity to govern. Now, our advisory efforts will concentrate on the most vital ministries. We will advise and invest our resources where we judge that our efforts will be most effective.

To oversee our economic support for the Iraqi people, and to ensure that it is closely integrated with our security strategy, I have appointed Tim Carney to the new position of coordinator for Iraq Transitional Assistance. He will be based in Baghdad and will work with Iraqi counterparts to facilitate a maximum degree of coordination in our economic and development efforts.

As Iraqis intensify efforts to improve lives, the main focus of our support will continue to shift toward helping the Iraqi government expand its reach, its relevance, and its resources beyond the Green Zone. We will help local leaders improve their capacity to govern and deliver public services. Our economic efforts will be more targeted on specific local needs with proven records of success, like micro-credit programs. And we will engage with leading private sector enterprises and other local businesses, including the more promising state-owned firms, to break the obstacles to growth.

Our decentralization of effort in Iraq will require a more decentralized presence. We must continue to get civilians and diplomats out of our embassy, out of the capital, and into the field, all across the country. The mechanism to do this is the Provincial Reconstruction Team, or PRT. We

currently have ten PRTs deployed across Iraq, seven American and three coalition. Building on this existing presence, we plan to expand from 10 to at least 18 teams. For example, we will have six PRTs in Baghdad, not just one. We will go from one team in Anbar province to three – in Fallujah, Ramadi, and al Qaim. These PRTs will closely share responsibilities and reflect an unprecedented unity of civilian and military effort.

Expanding our PRT presence will also enable us to diversify our assistance across all of Iraq. Iraq has a federal government. Much of the street-level authority, and much of the opportunity for positive change in Iraq, lies outside the Green Zone, in local and provincial governments, with party leaders and tribal chiefs. By actively supporting these provincial groups and structures, we diversify our chances of success in Iraq. Our PRTs have had success working at the local level in towns like Mosul, Tikrit, and Tal Afar. Now we will invest in other parts of Iraq, like Anbar province, where local leaders are showing their desire and building their capacity to confront violent extremists and build new sources of hope for their people.

All total, we seek to deploy hundreds of additional civilians across Iraq to help Iraqis build their nation. And we will ask Congress to provide funding to support and secure our expanded civilian presence. We want to give our civilians, deployed in PRTs, the flexibility to devote extra resources where they can do the most good at the local level. Our expanded PRT presence will be a powerful tool to empower Iraq's reformers and responsible leaders in their struggle against violent extremism. We therefore plan to request, as part of our FY 2007 Supplemental, significant new operating funds for our PRTs, as well as hundreds of million of dollars to fund their programs. When we add in relevant USAID projects, we hope to approximately double our resource commitment to help local Iraqi communities through PRTs.

These commitments will not be indefinite. As I said earlier, one of our main objectives in this phase is to help the Iraqis use their own money to rebuild their country. The Iraqis have budgeted billions of dollars for this mission in 2007, and as their efforts become more effective, we have kept our FY 2008 requests limited. We want Iraqis to rely more and more on their own resources, their own people, and their own efforts. Therefore, by 2008 and 2009, the burden of local assistance should be assumed more effectively by the Iraqi government. In the meantime, though, our efforts will be vital.

The final piece of our effort is the development of a regional diplomatic strategy, which was a key recommendation of the Iraq Study Group. Iraq is central to the future of the Middle East. The security of this region is an enduring vital interest for the United States. America's presence in this part of the world contributes significantly to its stability and success. So as we recommit ourselves in Iraq, we are also enhancing our efforts to support reformers and responsible leaders in the region – and to deter and counter aggression to our friends and allies.

Our regional diplomacy is based on the substantially changed realities of the Middle East. Historic change is now unfolding in the region, and it is unleashing a great deal of tension, anxiety, and violence. But it is also revealing a new strategic alignment in the Middle East. This is the same alignment we see in Iraq. On one side are the many reformers and responsible leaders, who seek to advance their interests peacefully, politically, and diplomatically. On the other side are extremists, of every sect and ethnicity, who use violence to spread chaos, to undermine democratic governments, and to impose agendas of hate and intolerance.

This is why the proper partners in our regional diplomacy are those who share our goals. In this group, I would count, of course, our democratic allies, Turkey and Israel. I would also count the governments of the Gulf states plus Egypt and Jordan, or the "GCC + 2." We have established unprecedented consultation with this group of countries. In fact, I will be returning to the region, and to this process, later this week. I would also count among our key partners the democratic reformers and leaders in places like Lebanon, the Palestinian territories, and of course, Iraq. Our most important goal now is to use our diplomacy to empower democratic and other responsible leaders across the region. We must help them show their fellow citizens that it is they, not violent extremists, who can best protect their lives, promote their interests, and advance a future of hope.

On Iraq, in particular, our regional diplomacy has several components. One concerns Iraq's neighbor to the north: Turkey. President Bush and I have engaged retired General Joe Ralston to work with Iraq and Turkey on concerns about terrorism from the Kurdish Worker's Party. Those efforts have helped to ease tensions, but we will do more to protect our ally, Turkey, from terrorist attacks. Over the last six months, we have also supported significant progress in crafting an International Compact between the Iraqi government and the international community. Working with more than forty countries, Iraq has developed a set of written commitments to action on political, security, and economic targets. The creation of the Compact has been guided by a diplomatic process that has already met at the level of foreign ministers. This group involves all of Iraq's neighbors – including Iran – and other states that have invested significantly in Iraq's future. Iraq has led the Compact process. The United Nations has served as co-chair. And the World Bank has assisted. This diplomatic process also provides a structure that can easily accommodate flexible, informal meetings of smaller groups of countries about other topics of common concern.

While many of us are working to strengthen peace in the region, two governments have unfortunately chosen to align themselves with the forces of violent extremism – both in Iraq and across the Middle East. One is Syria. Despite many appeals, including from Syria's fellow Arab states, the leaders in Damascus continue to destabilize Iraq and their neighbors and support terrorism. The problem here is not a lack of talk with Syria but a lack of action by Syria.

Iran is the other. If the government in Tehran wants to help stabilize the region, as it now claims, it should end its support for violent extremists who destroy the aspirations of innocent Lebanese, Palestinians, and Iraqis. And it should end its pursuit of a nuclear weapons capability. I repeat my offer today: If Iran suspends its enrichment of uranium – which is, after all, an international demand, not just an American one – then the United States is prepared to reverse 27 years of policy, and I will meet with my Iranian counterpart – anytime, anywhere – to discuss every facet of our countries' relationship. Until then, we will continue to work with the Iraqis and use all of our power to limit and counter the activities of Iranian agents who are attacking our people and innocent civilians in Iraq.

Mr. Chairman, members of the committee: I know there are no guarantees or magic formulas on the question of Iraq. I know that most Americans are skeptical and concerned about the prospects of success. I know and share the concern for those who remain in harm's way that all Americans feel, as well as the heartbreak they feel for the families who have lost loved ones. I also know that, over the past several weeks, President Bush and our entire national security team have carefully considered a full range of new ideas. The President has heard from those of his advisors, like me, who have been around from the very beginning, and who bear responsibility for our policy thus far – its successes <u>and</u> its setbacks. He has also heard from new advisors who bring a fresh perspective. In addition, the President has weighed the thoughtful advice given to him by members of Congress, by our friends and allies abroad, and by outside experts, like the gracious public servants who made up the Iraq Study Group.

The conclusion the President reached, with which I fully agree, is that the most urgent task now is to help the Iraqi government establish confidence that it can – <u>and will</u> – protect <u>all</u> of its citizens, regardless of their sectarian identity, from violent extremists who threaten Iraq's young democracy – and that it will reinforce security with political reconciliation and economic support. Implementing this strategy will take time to succeed, and I fully expect that mistakes will be made along the way. I also know that violent extremists will retain their capacity and their appetite to murder innocent people. But reestablishing civil order – the willingness and the capacity of the Iraqi government to meet its responsibilities to its people – is essential.

The situation in Iraq is unacceptable, and the stakes are extraordinary – for the United States, for the region, and for the entire international community. It was, after all, the trouble and turmoil of the Middle East that produced the violent extremist ideology of Al-Qaeda, which led 19 young men to crash airplanes into our cities five years ago on September 11. It is clear that, now and for many years to come, the crucible of the Middle East will remain the center of gravity for American and international interests.

There have been other critical times for America, when we have united as one nation to meet great challenges. Now must be such a time, for it is a national desire and a national imperative not to fail in Iraq. This, we believe, is the best strategy to ensure success. And I ask that you give it a chance to work.