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## Future of the Development Fund for Iraq

### Issue:

The Development Fund for Iraq (DFI) as currently structured offers several important benefits, including immunity for Iraqi oil revenues and other assets deposited in the DFI and oversight by an international board, as mandated by UNSCR 1483. It is expected that the Transitional Administration scheduled to assume authority on July 1 will be considered an "internationally recognized, representative government" for purposes of UNSCR 1483. Absent other arrangements, the new Iraqi Transitional Administration would assume exclusive control over oil revenues and the Iraqi budget, while control over disbursements of funds that remain in the DFI should be addressed, since such control is currently assigned to CPA, which is scheduled to dissolve. The USG must determine whether to seek to terminate, preserve, enhance or otherwise modify the current DFI structure post-July 1, and develop a strategy to implement its decision.

Below are three major options for Principals to consider.

### Assumptions:

All the options discussed below assume the following:

- that a mechanism will be in place to ensure that 5 percent of oil revenues continue to be deposited into the UN fund to compensate those who suffered damages in the invasion of Kuwait;
- that there is some preservation of transparency/independent oversight of Iraqi finances, at least with respect to export oil sales;
- any option should be approved both by the Governing Council and subsequently accepted by the Transitional Administration;
- that Security Council members will recognize the need to revise UNSCR 1483 financial arrangements.

### Option 1: Close DFI on July 1 without successor arrangement

#### Key elements:

- DFI account at the NY Fed held by Central Bank of Iraq is closed in last days of CPA authority and balance transferred directly to Iraqi government account;
- oil revenues deposited directly to account identified by Finance Minister or other appropriate authority;

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- IAMB, per UNSCR 1483, continues to supervise audits of oil export sales to ensure consistency with international best practices, but does not review expenditures of oil export revenues. (In the alternative, Iraqi authorities might agree to another independent oversight mechanism for oil export sales.)

**PROs:**

- Relatively easy to sell to Iraqis;
- Consistent with UNSCR 1483, in that international recognition of Iraqi government ends requirement to deposit oil revenues into DFI;
- Continued audit of oil export sales by an auditor reporting to the IAMB (or alternative independent oversight mechanism for oil export sales).

**CONs:**

- Weak oversight over use of oil revenues, misappropriation/corruption are risks;
- Immunity would apply only to oil revenues, but not other sources of funds previously deposited into DFI (e.g., frozen assets);
- May increase risk of attachment for off-shore Iraqi government accounts; since immunity would remain only for oil revenues, per UNSCR 1483; creditors might argue that commingling with other government funds means loss of immunity;
- Would require new structure via UNSC resolution to meet international obligations regarding transfer of assets, as well as to deal with remaining OFF surplus;
- Does not bolster credit rating of Iraq so as to facilitate access to credit (primarily because expenditure decisions are not audited by outside entity and all oil revenues – which remain the primary revenue source for Iraq – retain immunity from attachment from all creditors through 2007).

**Option 2: Retain current DFI structure with some outside oversight and influence on Iraqi expenditures**

**Key elements:**

- DFI is preserved by new UNSCR, but signatory changed to Iraqi(s);
- Other arrangements remain as is, with 95 percent of oil revenues flowing into DFI (however, Iraqis could decide to move DFI from NY Fed to another bank); limited to transition period until an elected government rules under new constitution.

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- IAMB would continue to review audits of DFI and monitor oil export sales;
- General guidelines on purposes of DFI expenditures maintained (e.g. expenditures only for "operations of government ministries, promoting economic development and other activities benefiting the Iraqi people");
- Modify scope of immunity for DFI successor to preserve until end of 2007 only against all claims arising before July 1.

**PROs:**

- Greater transparency would encourage prudent use of public resources and sound debt management, thereby enhancing political stability;
- Could help reassure Iraqi factions on equitable sharing of oil revenues;
- Reduces risk of misappropriation/corruption;
- Compatible with some continued immunity (see next bullet) for Iraqi financial resources, including seized and frozen Iraqi assets;
- Facilitates access to credit by partial lifting of immunity for new creditors, while international oversight over oil revenues would mitigate some risk inherent in more limited immunity, by ensuring transparency of post-July 1 transactions;
- DFI could act as off-shore reserve fund, avoiding impact on exchange rate of unrestrained hard currency inflows;
- Could later provide the basis for an oil trust fund.

**CONs:**

- Iraqis may object to any continuation of outside monitoring of Iraq's oil sales or restrictions on the purposes for which proceeds may be spent; anti-Western parties could target international monitoring in 2005 elections;
- Reaching agreement on new UNSCR may be difficult;
- Risk of over-borrowing with lifting of immunity for post-July 1 claims (but risk would be mitigated, as ability of creditors to take legal action against revenues would impose some discipline on Transitional Administration );
- Lifting of immunity for post-July 1 claims effectively subordinates Paris Club and other pre-July 1 claims.

### **Option 3: Retain DFI structure with greater international oversight and control over expenditures**

#### **Key elements:**

- Similar to Option 2, except that the international influence would extend from monitoring to control;
- Continued deposit of 95 percent of oil revenue in the DFI subject to a dual-key structure, whereby transfers from the DFI/off-shore reserve could take place only with the consent of the international authority; limited to transition period until an elected government rules under new constitution.

#### **PROs:**

- Greater transparency would encourage prudent use of public resources, thereby enhancing political stability;
- Reduces further risk of misappropriation/corruption;
- Facilitates access to credit with lower risk of over-borrowing;
- Compatible with continued immunity for Iraqi government resources;
- DFI could act as reserve fund, avoiding impact on exchange rate of unrestrained hard currency inflows;
- Such an institutional structure could evolve into an oil trust fund.

#### **CONs:**

- UN or other international institutions may be reluctant to accept an active role in managing Iraqi financial resources;
- Reaching agreement on new UNSCR may be difficult;
- Iraqis will object to limited control over the bulk of their financial revenues.

**Note:** A related variant would utilize, in place of international control over an off-shore reserve, a separate Iraqi-controlled mechanism, similar in concept to Chad's revenue college. NGO representatives, civil servants, Parliament members, and others in Chad monitor financial flows, participate in budget formulation and monitor budget execution. Another possibility would be a mechanism including the central bank governor and finance minister on a financial control board. The greater the proportion of Iraqi revenues that are held in such a manner off-shore, however, the more difficult it would be to persuade Iraqis to give up control.

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Future of the DFI

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Clear: EB - E. Anthony Wayne - ok  
EB/IFD – L Greenwood –  
EB/IFD/OMA – T Engle – ok  
NEA – A. Farsakh – ok  
IO/PHO – G Southern – ok  
L/EB – K Loken – ok  
E – D Cade – ok  
Treasury – A Shah – ok

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Summary of Conclusions for  
Meeting of the Iraq Stabilization Group Economic Cell  
February 12, 2003, 3:00 - 4:30 P.M.  
Room 208, Eisenhower Building

PARTICIPANTS:

Chair

Gary Edson

CIA

David Gordon

State

Al Larson

Tony Wayne

Robin Raphael

Dayna Cade

CEA

Brent Neiman

OPIC

Ross Connelly

Robert Drumheller

Treasury

Randy Quarles

Larry McDonald

Juan Zarate

USAID

Gordon West

Defense

David Norquist

Cameron Leuthy

Cassie Strom

Benjamin Runkle

CPA

Joseph Benkert

Dayna Hutchings

Chris Spears

Olin Wethington

Michael Fleischer (via phone)

Commerce

Ted Kassinger

Susan Hamrock

NSC

John Simon

Adnan Kifayat

Rick Karp

Gary Peters

Cathy Taylor

OMB

Jackee Strasser

Vice President

Steve Claeys

Summary of Conclusions

Frozen Assets

- Syria: Syria is seeking to by-pass U.N. sanctioned approach and broker a deal directly with Iraqi interlocutors. State has drafted a cable in response. Olin Wethington will ensure the Finance Committee of the Iraq Governing Council names the appropriate delegation to visit Syria and deliver a clear

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message per the State cable. (Action: CPA (B). Timing: February 18)

- State will revise its cable to reflect the role of the Iraq Governing Council in appointing a delegation to Damascus. (Action: State. Timing: February 13)
- Jordan: Jordan intends to pay out an additional \$15 million in claims. Treasury will obtain a rationale from GOJ for this payout, an apparent violation of their earlier commitment to postpone further payouts until an Iraqi review of the claims. (Action: Treasury. Timing: February 17)
- Kuwait: Kuwait has yet to transfer \$85 million in frozen assets. Dov Zakheim will intervene to ensure this transfer occurs. (Action: Defense. Timing: February 17)
- Treasury will meet with the Communications cell to discuss ways to make public the successes of the frozen asset recovery effort. (Action: Treasury. Timing: February 18)

#### Future of the DFI

- NSC will circulate the U.K. paper on the topic. (Action: NSC. Timing: February 13)
- NSC will forward the State/ Treasury paper - with amendments to highlight the case for preserving the DFI to the Iraqis and the notion of its transitional nature - to its Principal for further discussions with State, Treasury, and CPA at the Principal level. (Action: NSC. Timing: February 17)

#### Central Bank Reserves

- Treasury, Olin Wethington, and Rodney Bent will develop a paper expressing a consolidated view of the appropriate reserve level for the Central Bank and recommendations for achieving that level. (Action: Treasury, CPA (B). Timing: February 18)

#### Private Sector Development

- OPIC will update its table of credit facilities, including a column for expected start date, funding source, and status of discussions with OMB. (Action: OPIC. Timing: February 17.)
- OPIC will discuss with Rodney Bent how to access the \$10 million CPA contribution to the IFC SME Facility. (Action: OPIC with CPA (B). Timing: February 17.)

Data Issues

- CPA (W) will work to get Booz-Allen to assist with National Account data by March 1. (Action: CPA (W). Timing: Immediately)

Oil-for-Food Transition

- Ambassador Raphael will produce a paper with recommendations for the OFF program issues, to be discussed with CPA (W) and DoD. (Action: State. Timing: February 17)
- CPA (W) will investigate the strike at Um Qasr and inform the Econ Cell of progress in resolving it. (Action: CPA (W). Timing: February 17)
- State and CPA (B) will identify the impact of the Strike on the Food Pipeline. (Action: State, CPA (B). Timing: February 17)



	Goals for Transition of Sovereignty	Lead Agency1	Supporting Agency2	Oversight IA Cell3	Execution Lead in Iraq4	Milestone (M8) Tracking	Progress (R,Y,G)	Transition Dates DC/PC/NSC Review	Comment from
<b>ECONOMIC - TREASURY/STATE<sup>2</sup> (Comment from NSC ECON) STATE<sup>2</sup> (Comment from DOD)</b>									
<b>E.1. Major Objective: Create Sound Fiscal, Monetary &amp; Exchange Policies (STATE<sup>2</sup>) (Comment from DOD)</b>									
E.1.1	Currency exchange completed.	TREAS	TREAS	ECON	CPA	15-Jan	Done		
	Point person (Washington): Tom Simpson								
E.1.1.2	Complete exchange of 25 Swiss dinar notes	TREAS				17-Apr			
E.1.2	Produce balanced budgets for 2004/2005 <sup>5,2</sup>	OMB	TREAS/DOD	ECON	CPA				NSC ECON
E.1.3	Obtain IGC approval of Central Bank Law; Build Central Bank reserves; Central Bank and Finance Ministry performing core functions/Regulatory structure in place	TREAS	TREAS	ECON	CPA				TREAS, NSC ECON
	Sound monetary and exchange rate policies:								
	Point person (Washington): Tom Simpson								
	Obtain Governing Council approval of the Central Bank Law					End February			
	Establish a monetary policy task force (CBI/CPA joint) to develop monetary policy framework document					Task force set up by end February			
	Seek Central Bank concurrence that joint monetary policy task force will, as an interim measure, conduct monetary policy operations within the context of the framework					End February			
	Liberalize deposit and lending interest rates					End March			
	Introduce operations using treasury bills and other monetary instruments					End April			
	Institute regulatory framework for conducting monetary policy, including foreign exchange trading to ensure broader participation, transparency, and absence of manipulation					30-Jun			
	Develop expertise within the Central Bank in the formulation and conduct of monetary policy by training Bank management and staff					30-Jun			
	Continued consultation with IMF on monetary policy and technical assistance					Ongoing			
	Effective Central Bank regulatory function:								
	Point person (Washington): Rebecca Richards-Webb								
	Insert a Treasury/OCC-led team into Central Bank to assess the condition, capabilities, and needed improvements of the bank supervision and regulation department ("Bank Control Department")					Done			
	Receive recommendations of assessment team. Begin drafting procedures and regulations necessary to implement assessment team recommendations					Early March			
	Commence training for Central Bank staff to implement assessment team recommendations. Coordinate with IMF and other providers of training					End March			
	Restructure bank supervision department as necessary to implement assessment team recommendations					End March			
	Regulations supporting the CBI and banking law have been issued and enforcement measures are in place					30-Jun			
	Supervisors have been trained on international best practices					30-Jun			

	Governor and appointed senior supervisory official have been integrated into the BIS and Middle East Central Bank supervisory meetings					30-Jun			
	Finance Ministry: establish sound and transparent budget framework and processes critical to the functioning of the government and to economic stability					30-Jun			
E.1.4	Select foreign banks to operate in Iraq <sup>6-1</sup>	TREAS	TREAS	ECON	CPA	28-Jan			NSC ECON
	Point person (Washington): Fred Buhler								
	Central Bank of Iraq appoints selection committee					End December	Done		
	Central Bank of Iraq selects foreign banks, subject to due diligence review					28-Jan	Y		
	Central Bank completes due diligence review					End February			
	Approved foreign banks up and running					By 30-Jun			
E.1.5	Strengthen tax administration/reform tax policies	TREAS	USAID	ECON	CPA				TREAS, NSC ECON
<b>E.2. Major Objective: Debt Relief/ Repatriation of Assets (TREAS<sup>5</sup>) (Comment from DOD)</b>									
E.2.1	Maximum reduction in value of Iraq's external debt.	TREAS	STATE	ECON	CPA	1-Jul			DOD, NSC ECON
	Point person (Washington): Clay Lowery, John Ralyea, Chris Walker								
	CPA to assist Iraqis in procuring independent accountants to assist with debt reconciliation					12-Feb (proposals due)			
	CPA to assist Iraqis in procuring independent legal and financial advisors on debt restructuring					by end March			
	Undertake analysis of debt burden, debt sustainability, and future debt management strategy					by end March			
	Assist Iraqi government in organizing staff internally to engage in debt negotiations					by end March			
	Conduct comprehensive mapping of external debt claims, undertaken jointly by Central Bank and MoF					30-Jun (substantial progress)			
	Reach informal agreement among sovereign creditors					30-Jun			
E.2.2	Achieve substantial return of assets <sup>6-1</sup>	TREAS	STATE	ECON	CPA				NSC ECON
	Point person (Washington): Anne Wallwork								
E.2.2.1	Ensure procedures/systems in place for Iraq to address commercial claims against the former gov't of Iraq	TREAS	STATE	ECON	CPA				TREAS, NSC ECON
<b>E.3. Major Objective: Mobilize IFIs and Other External Financing and Re-integrate Iraq into the World Economy (STATE<sup>5</sup>) (Comment from DOD)</b>									
E.3.1	Ensure International Financial Institutions commence funded programs and projects by July 1st <sup>6-1</sup>	TREAS	TREAS	ECON	CPA	1-Jul			TREAS/NSC ECON
	Point person (Washington): Karen Mathiasen								
	IMF:								
	IMF staff to produce "road map" of steps needed for IMF support					Late January			
	IMF to meet with Iraqi ministers to discuss post-conflict facility					6/7-Feb			
	IMF to conclude draft letter of intent/statement of economic principles for post-conflict facility					Mid-March/April			

	IMF and Iraqi authorities conclude negotiations					End June			
	World Bank:								
	World Bank Board to approve trust fund and transition strategy					29-Jan			
	World Bank to host first meeting of donor committee of Multilateral Trust Fund and identify priority projects for funding and sectors for TA					End February			
	World Bank concludes grant agreement with Iraqi authorities and begins disbursements from Trust Fund					End June			
E.3.2	Assure coordination of all international donor assistance and encourage additional donations.	STATE	TREAS	ECON	CPA				STATE, TREAS, DOD, NSC ECON
E.3.3	Reach agreement covering scope & mechanism for US bilateral assistance post-June 30 <sup>6.2</sup>	STATE	USAID	ECON	CPA				STATE, TREAS, DOD, NSC ECON
E.3.4	Secure WTO Observer Status	USTR	STATE	ECON	CPA	12-Feb			TREAS, NSC ECON
E.3.4.1	Complete Memorandum of Foreign Trade for WTO	USTR	STATE	ECON	CPA	1-Jul			NSC ECON
<b>E.4. Major Objective: Establish framework to facilitate Job Creation and Growth of Free Market Economy (TREAS<sup>5</sup>) (Comment from DOD)</b>									
E.4.1	Revise the Company Law and ensure adequacy of commercial code to facilitate foreign and domestic investment	COMMERCE/TREAS	DOD/USAID	ECON	CPA	1-Jul			STATE, TREAS, NSC ECON
E.4.2	Leverage public spending to encourage job creation through mechanisms such as the MoPW Public Works programs and the Supplemental <sup>6.2</sup>	DOD	USAID	ECON	CPA				NSC ECON
E.4.3	Rapidly facilitate credit to private sector <sup>6.1</sup>	TREAS	USAID	ECON	CPA				TREAS, NSC ECON
	Point person (Washington): Fred Buhler, Rebecca Richards-Webb								
	Legal/regulatory reforms: identify weaknesses and propose specific amendments to strengthen laws and regulations applicable to securitized transactions, leasing, and bankruptcy					End March	G		
	Business services: CPA works with Iraqi Bankers' Association and Iraqi business associations to develop training for and foster links between lenders and borrowers					End April			
	Initiate program to strengthen private sector commercial risk insurance capability					End April			
	Legal/regulatory reforms approved by Iraqi authorities					30-Jun			
E.4.3.1	Make IFC SME Financing Facility operational	TREAS	OPIC	ECON	CPA				TREAS, NSC ECON
	Point person (Washington): Karen Mathiasen								
	Determine "short list" of Iraqi banks (participating financial institutions, or "PFIs") to work with IFC and OPIC					12-Feb			
	Arrange for initial contributions (US and DFID?) to be transferred to trustee (IFC?)					13-Feb			
	Select and conclude terms of agreement with PFIs					21-Mar			
	Begin training program for PFIs					22-Mar			
	Negotiate and execute final agreements with PFIs					9-Apr			
	Commit first batch of loans					30-Apr			
E.4.3.2	Rehabilitate State-owned banks	TREAS	TREAS	ECON	CPA				TREAS
	Point person (Washington): Fred Buhler								

	Complete initial assessments of the state-owned banks					End January	G		
	Acquire and deploy Bearing Point resources to provide training and technical support as needed on an interim basis					End February	G		
	Begin working with Iraqis to build consensus and reach agreement on specific rehabilitation/resolution strategies					End March			
	Decide whether and when to issue a Request for Proposals for foreign firm(s) to provide management/advisory services					End March			
	Evaluate proposals, select firms, and begin engagements					30-Jun			
	Appoint a legal team to address the attachment risks now carried by the state-owned banks					End February	G		
	Agree on and begin to implement the attachment risk strategy, as recommended by the legal team					End June			
E.4.4	Establish procedure to turn over control of DFI to Iraqis revise as necessary UNSCR 1483	STATE	TREAS	ECON	CPA				STATE, NSC ECON
E.4.5	Ensure establishment of corporate reform and training programs for Iraq State owned enterprises and development of severance policies for employees	COMMERCE	USAID	ECON	CPA				STATE, TREAS, NSC ECON
E.4.6	Establish, fund, operate Property Claims Commission	STATE	USAID	ECON	CPA				STATE, TREAS, DOD, NSC ECON
<b>E.5. Major Objective: Enable Iraqis to manage their own oil resources to the greatest benefit of all citizens (STATE<sup>5</sup>) (Comment from DOD)</b>									
E.5.1	Develop framework and institutions to manage the Iraqi oil sector openly and efficiently, in accordance with international best practices, including the establishment of a National Oil Company	STATE	TREAS/CPA /DOE	ECON	CPA				STATE, TREAS, NSC ECON
E.5.2	Review options by new Iraqi government for use of oil, including trust fund, if it chooses	STATE	TREAS	ECON	CPA				STATE, TREAS, NSC ECON

	Goals for Transition of Sovereignty	Lead Agency <sup>1</sup>	Supporting Agency <sup>2</sup>	Overnight IA Cell <sup>3</sup>	Execution Lead in Iraq <sup>4</sup>	Milestone (MS) Tracking	Progress (R,Y,G)	Transition Dates DC/PC/NSC Review	Comment from
<b>ESSENTIAL SERVICES - DEFENSE<sup>5</sup> (Comment from NSC Def Pol) (STATE<sup>6</sup>) (Comment from DOD)</b>									
<b>ES.1. Major Objective: Restore &amp; Improve ES Infrastructure, and employ Iraqis while improving their lives (STATE<sup>5</sup>) (Comment from DOD)</b>									
ES.1.1	Establish baseline for rehabilitation and improvement of key elements of all essential services infrastructures	NSC	DOD	ESG	CPA	1-Feb			NSC
ES.1.1.1	CPA to oversee management of projects before June 30 and devise appropriate structure to manage reconstruction contracts after transition to Iraqi Sovereignty <sup>6,2</sup>	STATE	DOD	ESG	CPA	30-Jun			DOD
ES.1.1.2	Generate, transmit, and distribute electricity to meet country-wide daily demand by July 1 <sup>st</sup>	DOD	DOD/USAID	ESG	CPA	1-Jul			NSC Def Pol
ES.1.1.3	Increase oil production and exports to 2.5 MBPD and 1.6 MBPD, respectively by April 1 <sup>st</sup> ; by December 31 <sup>st</sup> , increase production and exports to 3.0 MBPD and 2.2 MBPD respectively.	DOD	DOD	ESG	CPA	Apr 1; Dec 31			NSC Def Pol
ES.1.1.4	Meet daily demand for key petroleum products: gasoline; diesel; kerosene; and LPG, while building product inventories to represent 15 days of demand	DOD	DOD	ESG	CPA	1-Jul			NSC Def Pol
ES.1.1.5	Ensure establishment of an Iraqi telecommunications regulatory agency	DOD (STATE)	STATE(DOD) /COMMERCE	ESG	CPA	1-Feb			STATE, DOD, COMMERCE NSC Def Pol
ES.1.2	Award contracts for substantial portion of \$18.6 billion in USG supplemental; complete rehabilitation of key elements of infrastructure <sup>6,1</sup>	DOD	STATE	ESG	CPA	1-Mar			NSC Def Pol
ES.1.2.1	International Donor Coordination; spending strategy complementary to Supplemental	STATE	DOD	ECON	CPA				STATE, NSC ECON
ES.1.2.2	Build capabilities to assist refugees returning to Iraq	STATE	DOD	ESG	CPA	1-Mar			DOD, NSC ECON
ES.1.3	Transfer logistics responsibilities to ministries for OFF-purchased commodities	STATE	DOD/USAID /TREAS	ECON	CPA	21-Nov			DOD, NSC ECON
ES.1.3.1	Ensure systems exist to identify and respond to gaps in food commodity pipelines	STATE	DOD/USAID	ECON	CPA	15-Jan			DOD, NSC ECON

	Goals for Transition of Sovereignty	Lead Agency1	Supporting Agency2	Oversight IA Cell1	Execution Lead in Iraq1	Milestone (MS) Tracking	Progress (R,Y,G)	Transition Dates DC/PC/NSC Review	Comment from
<b>POLITICAL/GOVERNANCE - STATE<sup>5</sup></b>									
<b>G.1. Major Objective: Implement November 15th Agreement and set conditions for stable, broadbased Government (STATE<sup>5</sup>) (Comment from DOD)</b>									
G.1.1	Transitional Administrative Law (TAL) prepared and agreed <sup>6-1</sup>	STATE	STATE	GOV	CPA	28-Feb			STATE, DOD
G.1.2	Prepare Interim government to function; Security Agreement in place; Ministries transitioned <sup>6-2</sup>	NSC	STATE/DOD	GOV	CPA				DOD, NSC SPSWA
G.1.2.1	Determine legal basis for US law enforcement activities in Iraq; coordinate continued presence w/ Iraq	JUSTICE	STATE	GOV	CPA				
G.1.2.2	Begin reform of the civil service; ensure capable and honest government	STATE	STATE	GOV	CPA				
G.1.2.3	Develop strategic plan for Refugee/IDP return and reintegration	STATE	DOD	GOV	CPA				STATE, DOD
<b>G.2. Major Objective: Robust engagement policy/actions with Sunnis and other ethnic and religious groups (STATE<sup>5</sup>) (Comment from DOD)</b>									
G.2.1	Finalize and implement reasonable exemption policy for de-Ba'athification	STATE	DOD	GOV	CPA	30-Jan			DOD
G.2.2	Coordinate outreach by Saudi Arabia, Kuwait, and Jordan to tribes	STATE	DOD	GOV	CPA	30-Jan			NSC SPSWA
G.2.3	Identify prominent Sunnis to help with drafting of Transitional Administrative Law and implementation of caucuses	STATE	DOD	GOV	CPA	30-Jan			NSC SPSWA
<b>G.3. Major Objective: Establish Legislative Capability (STATE<sup>5</sup>) (Comment from DOD)</b>									
G.3.1	Convene Transitional National Assembly	STATE	DOD	GOV	CPA	31-May			DOD
G.3.1.1	Establish rules, procedures, and mechanisms to select the Transitional National Assembly and related party activity	STATE	STATE	GOV	CPA				STATE, NSC SPSWA
G.3.2	Census underway.	STATE	STATE /COMMERCE	GOV	CPA				COMMERCE
<b>G.4. Major Objective: Prepare the Judicial Branch and develop adherence to Rule of Law (JUSTICE<sup>5</sup>) (Comment from DOD)</b>									
G.4.1	Establish a functioning Iraqi Justice and Penal System	STATE /JUSTICE	DOD	GOV	CPA				STATE, DOD
G.4.1.1	Determine continued role of US in Central Criminal Court of Iraq, Iraqi Special Tribunal, MOJ Directorates, etc.	JUSTICE	STATE/DOD	ESG	CPA				STATE, DOD
G.4.1.2	Complete vetting of judges prior to transition or establish procedures to continue the process	JUSTICE	DOD	ESG	CPA				DOD
G.4.1.3	Identify Iraqi court cases to be completed before transition	JUSTICE	JUSTICE	ESG	CPA				
G.4.1.4	Investigation and Disposition/Trial of Non-HVD Detainees <sup>6-1</sup>	DOD	JUSTICE	GOV	CPA				DOD
G.4.2	War Crimes and Accountability: Assist Iraqi Government and Iraqi Special Tribunal with investigation and prosecution of Saddam and HVDs	JUSTICE	DOD	GOV	CPA				DOD, NSC Legal
G.4.3	Establish laws & institutions to root out corruption / Plan for transition of Office of Public Integrity <sup>6-2</sup>	STATE	JUSTICE	GOV	CPA				STATE, DOD
G.4.3.1	Develop Iraqi laws capable of addressing terrorism, narcotics, money-laundering, preventing proliferation, etc.	STATE	JUSTICE/DOD	CT	CPA				STATE, DOD

G.5. Major Objective: Transition to Embassy/Executive Functions/US-Iraq Relations (STATE <sup>5</sup> ) (Comment from DOD)									
G.5.1	Prepare for the establishment of a U.S. Embassy <sup>6-1</sup>	STATE	DOD	GOV	CPA				DOD
G.5.1.1	US Gov & Iraqi Gov prepared to establish formal relations; appropriate ancillary agreements negotiated	STATE	DOD	GOV	CPA				DOD
G.5.1.2	Seek Iraqi commitment to abide by treaty and other international obligations	STATE	STATE	GOV	CPA				STATE, NSC SPSWA
G.6. Major Objective: Engage the United Nations, major, and regional powers (STATE <sup>5</sup> ) (Comment from DOD)									
G.6.1	UN fully active in Iraq; SRSG appointed <sup>6-2</sup>	STATE	STATE	GOV	CPA				DOD, NSC SPSWA
G.6.1.1	Propose UNSCR endorsing the interim government, adjusting the MNF (as necessary), establishing a relationship between the UN and transitional government, and tying up loose ends from previous resolutions <sup>6-1</sup>	STATE	STATE	GOV	CPA				STATE, DOD, NSC SPSWA
G.6.1.2	Iraq's right to vote in UNGA temporarily restored, outline plan to address Iraqi arrears to UN.	STATE	STATE	GOV	CPA				STATE, DOD, NSC SPSWA
G.6.2	Engage the Major Powers actively in Iraq	STATE	STATE	GOV	CPA				STATE, DOD, NSC SPSWA
G.6.3	Implement regional strategy to secure neighbors active support for political transition process	STATE	STATE	GOV	CPA				NSC SPSWA
G.6.3.1	Secure full diplomatic recognition of Transitional Government from all countries in the region	STATE	STATE	GOV	CPA				NSC SPSWA
G.6.3.2	Explore possible "Friends of Iraq" Group	STATE	STATE	GOV	CPA				NSC SPSWA
G.7. Major Objective: Establish framework to ensure future compliance with international standards for human rights and democracy (STATE <sup>5</sup> ) (Comment from DOD)									
G.7.1	Seek necessary legislation and institutional arrangements that guarantee basic civil, political, and human rights <sup>6-2</sup>	STATE	STATE	GOV	CPA				STATE
G.7.2	Seek Iraqi commitment to sign international human rights and international humanitarian law commitments	STATE	STATE	GOV	CPA				STATE
G.7.3	Advance plan for holding elections consistent with international standards for democratic elections <sup>6-1</sup>	STATE	STATE	GOV	CPA				STATE
G.7.4	Establish laws and institutions to ensure equal opportunities, protection, and full political participation of women	STATE	STATE	GOV	CPA				STATE
G.7.5	Establish programs for long-term political party building and civil society activism	STATE	STATE	GOV	CPA				STATE, NSC SPSWA



	Goals for Transition of Sovereignty	Lead Agency <sup>1</sup>	Supporting Agency <sup>2</sup>	Oversight IA Cell <sup>3</sup>	Execution Lead in Iraq <sup>4</sup>	Milestone (MS) Tracking	Progress (R,Y,Q)	Transition Dates DC/PC/NSC Review	Comment from
<b>SECURITY - DEFENSE<sup>5</sup></b>									
<b>S.1. Major Objective: Reshape Iraqi Security Forces and Military and Prepare the Iraqis to assume their own security (DOD<sup>6</sup>) (Comment from DOD)</b>									
S.1.1	Assess short and long term security forces (NIA, ICDC, FP, Border, Police) requirements	DOD	STATE	ESG	CPA				DOD
S.1.1.1	Recruit, train, equip, structure Iraqi Armed Forces, (Army, Air Force, and Naval (Coastal Patrol) Forces	DOD	STATE	ESG	CJTF-7				DOD
S.1.1.2	Recruit, train, equip, structure the ICDC	DOD	STATE	ESG	CJTF-7				DOD
S.1.1.3	Recruit, train, equip, structure the FP	DOD	STATE	ESG	CJTF-7				DOD
S.1.1.4	Recruit, train, equip, structure the BP	STATE(DOD)	DOD(STATE)	ESG	CJTF-7				DOD
S.1.1.5	Recruit, train, equip, structure the Police <sup>6-1</sup>	STATE(DOD)	DOD(STATE) /JUSTICE	ESG	CJTF-7				DOD, NSC Def Pol
S.1.1.5.1	Hire and deploy CIVPOL and police trainers to help train and mentor Iraqi police <sup>6-2</sup>	STATE(DOD)	DOD(STATE) /JUSTICE	ESG	CJTF-7				STATE, DOD
S.1.2	Determine disposition of EPWs & other detainees	DOD	STATE	ESG	CJTF-7				DOD
<b>S.2. Major Objective: Establish organizations (Coalition and Iraqi) to ensure internal and external security (DOD<sup>6</sup>) (Comment from DOD)</b>									
S.2.1	Determine responsibilities for Coalition and Iraqis for internal and external security <sup>6-2</sup>	DOD	STATE	ESG	CPA/CJTF-7				DOD, NSC Def Pol
S.2.1.1	Establish a multinational partnership C2 structure to ensure internal and external security	DOD	STATE	GOV	CPA/CJTF-7				DOD
S.2.2	Complete Security Agreement, SOFA, and related agreements (incl. Article 98) with U.S. <sup>6-1</sup>	STATE(DOD)	DOD(STATE)	GOV	CPA/CJTF-7				OVP, STATE, DOD, NSC SPSWA, NSC Def Pol
S.2.3	Initiate Border Security agreements with neighboring countries (i.e. Saudi, Jordan)	STATE	DOD	GOV	CPA				DOD, NSC SPSWA
<b>S.3. Major Objective: Sever Terrorist Links in Iraq/Stop Flow of Foreign Fighters (DOD<sup>6</sup>) (Comment from DOD)</b>									
S.3.1	Arrange for cooperation between intelligence services of US & Iraq Government <sup>6-2</sup>	CIA	CIA	CT	CIA				DOD
S.3.1.1	Iraqi Intel Service Operational <sup>6-1</sup>	CIA	CIA	CT	CIA				DOD
S.3.1.2	Attack critical nodes of the insurgency	DOD	CIA	CT	CJTF-7/CIA				NSC OCT
S.3.1.3	Target Terrorist infiltration into and activity inside Iraq	DOD	CIA	CT	CJTF-7/CIA				NSC OCT
S.3.1.3.1	MEK & PKK presence ended in Iraq	DOD	CIA/STATE	CT	CPA/CJTF-7				STATE, DOD
S.3.2	Determine missions/composition of Iraq's counter-terrorism forces & their proper location within Iraq's security structure.	DOD	CIA/STATE	CT	CJTF-7				STATE, DOD
<b>S.4. Major Objective: Eliminate capability/prevent proliferation of WMD's (STATE<sup>6</sup>) (Comment from DOD)</b>									
S.4.1	Assess previous Iraqi treaty obligations and determine potential for new obligations. Seek Iraqi agreement to ratify international nonproliferation agreements and to abide by the guidelines and rules of multinational nonproliferation export regimes <sup>6-2</sup>	STATE	STATE(DOD)	ESG	CPA				STATE, DOD
S.4.1.2	Decide whether to alter scope of Iraq WMD & missile restrictions, restrictions on peaceful nuclear activities, & arms embargo (will require revision of applicable UNSCRs).	STATE	DOD	ESG	CPA/CJTF-7				STATE, DOD



S.4.1.3	Legal & logistical framework for WMD personnel redirection effort in place & ready to continue operation under an Iraqi government <sup>6-1</sup>	STATE	DOD	ESG	CPA/CJTF-7				STATE, NSC Def Pol
S.4.1.4	Establish Iraqi export controls & radioactive source safety & security programs.	STATE	DOD/DOE /COMMERCE	ESG	CPA/CJTF-7				STATE, COMMERCE NSC Def Pol
S.4.1.5	Remove yellowcake and RDD-useable radioactive sources	DOD	DOE	ESG	CJTF-7				DOD

	Goals for Transition of Sovereignty	Lead Agency <sup>1</sup>	Supporting Agency <sup>2</sup>	Overnight IA Cell <sup>3</sup>	Execution Lead in Iraq <sup>4</sup>	Milestone (MS) Tracking	Progress (R,Y,G)	Transition Dates DC/PC/NSC Review	Comment from
<b>STRATEGIC COMMUNICATIONS - NSC<sup>5</sup></b>									
<b>SC.1. Major Objective: Articulate U.S./Coalition Intentions Domestically/Internationally and in Iraq (NSC<sup>5</sup>) (Comment from DOD)</b>									
SC.1.1	Develop & implement strategic comm plan for Iraqi Governance Transition <sup>6-1</sup>	NSC	DOD/STATE	COMM	CPA				STATE, DOD, NSC
SC.1.1.1	Intensify outreach to Congress, American public, Intl Audiences <sup>6-2</sup>	NSC	DOD/STATE	COMM	CPA				NSC
SC.1.1.2	Establish realistic expectations for media and domestic/intl community on Transition objectives	NSC	DOD/STATE	COMM	CPA				NSC PRESS
SC.1.1.3	Establish effective communications with the Iraqi people regarding the Transition plan and actions	NSC	DOD/STATE	COMM	CPA				NSC PRESS
SC.1.1.4	Develop, Coordinate, Implement PA rollout plans to support policy initiatives/decisions and task execution	NSC	DOD/STATE	COMM	CPA				NSC PRESS
<b>SC.2. Major Objective: Persuade Iraqis to participate in government reform process &amp; in establishing civil society (NSC<sup>5</sup>) (Comment from DOD)</b>									
SC.2.1	Develop Iraq Media Network (IMN) and al-Iraqiyah direction, management, production, and operations plan <sup>6-1</sup>	DOD	STATE	COMM	CPA				STATE, NSC
SC.2.2	Execute coordinated Information Operations <sup>6-2</sup>	DOD	DOD	COMM	CPA/CJTF-7				

## NOTES:

1. Lead Agency - Agency with primary responsibility for providing policy guidance, task assignments, and ensuring adequate resources are requested/provided. NSC as lead agency indicates PC direction, not NSC staff
  2. Supporting Agencies - Supports the Lead Agency by providing one or more of the following: Policy, funding, personnel, contracting, or procurement support
  3. IA cell monitoring execution and assisting Lead agency with interagency coordination and tasking.
  4. Agency executing tasks in Iraq.
  5. Cabinet Agency with overall responsibility for sector/major objectives (Comment from DOD)
  6. CPA Priorities within Sectors and Major Objectives
- Final DOD recommendations as of 15 January at 10:00 AM

	Goals for Transition of Sovereignty	Lead Agency1	Supporting Agency2	Overnight IA Cell3	Execution Lead in Iraq4	Milestone (MS) Tracking	Progress (R,Y,G)	Transition Dates DC/PC/NSC Review	Comment from
<b>ECONOMIC - TREASURY/STATE<sup>5</sup> (STATE5) (Comment from DOD)</b>									
<b>E.1. Major Objective: Create Sound Fiscal, Monetary &amp; Exchange Policies (TREAS<sup>5</sup>)</b>									
E.1.1	Currency exchange completed.	TREAS	TREAS	ECON	CPA	15-Jan			
E.1.2	Produce balanced budgets for 2004/2005 <sup>6,2</sup>	OMB	TREAS/DOD	ECON	CPA				NSC ECON
E.1.3	Obtain IGC approval of Central Bank Law; Build Central Bank reserves; Central Bank and Finance Ministry performing core functions/Regulatory structure in place	TREAS	TREAS	ECON	CPA				TREAS, NSC ECON
E.1.4	Select foreign banks to operate in Iraq <sup>6,1</sup>	TREAS	TREAS	ECON	CPA	28-Jan			NSC ECON
E.1.5	Strengthen tax administration/reform tax policies	TREAS	USAID	ECON	CPA				TREAS, NSC ECON
<b>E.2. Major Objective: Debt Relief/ Repatriation of Assets (TREAS<sup>5</sup>)</b>									
E.2.1	Maximum reduction in value of Iraq's external debt.	TREAS	STATE	ECON	CPA	1-Jul			DOD, NSC ECON
E.2.2	Achieve substantial return of assets <sup>6,1</sup>	TREAS	STATE	ECON	CPA				NSC ECON
E.2.2.1	Ensure procedures/systems in place for Iraq to address commercial claims against the former gov't of Iraq	TREAS	STATE	ECON	CPA				TREAS, NSC ECON
<b>E.3. Major Objective: Mobilize IFIs and Other External Financing and Re-Integrate Iraq into the World Economy (STATE<sup>5</sup>)</b>									
E.3.1	Ensure International Financial Institutions commence funded programs and projects by July 1st <sup>6,1</sup>	TREAS	TREAS	ECON	CPA	1-Jul			TREAS/NSC ECON
E.3.2	Assure coordination of all international donor assistance and encourage additional donations.	STATE	TREAS	ECON	CPA	1-Jul			STATE, TREAS, DOD, NSC ECON
E.3.3	Reach agreement covering scope & mechanism for US bilateral assistance post-June 30 <sup>6,2</sup>	STATE	USAID	ECON	CPA	1-Jul			STATE, TREAS, DOD, NSC ECON
E.3.4	Secure WTO Observer Status	USTR	STATE	ECON	CPA	12-Feb			TREAS, NSC ECON
E.3.4.1	Complete Memorandum of Foreign Trade for WTO	USTR	STATE	ECON	CPA	1-Jul			NSC ECON
<b>E.4. Major Objective: Establish framework to facilitate Job Creation and Growth of Free Market Economy (TREAS<sup>5</sup>)</b>									
E.4.1	Revise the Company Law and ensure adequacy of commercial code to facilitate foreign and domestic investment	STATE	USAID	ECON	CPA	1-Apr			STATE, TREAS, NSC ECON
E.4.2	Leverage public spending to encourage job creation through mechanisms such as the MoPW Public Works programs and the Supplemental <sup>6,2</sup>	DOD	USAID	ECON	CPA				NSC ECON
E.4.3	Rapidly facilitate credit to private sector <sup>6,1</sup>	TREAS	USAID	ECON	CPA				TREAS, NSC ECON
E.4.3.1	Stand up the IFC SME Financing Facility	TREAS	OPIC	ECON	CPA	15-Feb			TREAS, NSC ECON
E.4.3.2	Rehabilitate State-owned banks	TREAS	TREAS	ECON	CPA				TREAS
E.4.4	Establish procedure to turn over control of DFI to Iraqis revise as necessary UNSCR 1483	STATE	TREAS	ECON	CPA	TBD*			STATE, NSC ECON
E.4.5	Ensure establishment of corporate reform and training programs for Iraq State owned enterprises and development of severance policies for employees	COMMERCE	USAID	ECON	CPA				STATE, TREAS, NSC ECON

E.4.6	Establish, fund, operate Property Claims Commission	STATE	USAID	ECON	CPA	1-Apr			STATE, TREAS, DOD, NSC ECON
<b>E.5. Major Objective: Enable Iraqis to manage their own oil resources to the greatest benefit of all citizens (STATE<sup>5</sup>)</b>									
E.5.1	Develop framework and institutions to manage the Iraqi oil sector openly and efficiently, in accordance with international best practices, including the establishment of a National Oil Company	STATE	TREAS/CPA /DOE	ECON	CPA	30-Nov			STATE, TREAS, NSC ECON
E.5.2	Review options by new Iraqi government for use of oil, including trust fund, if it chooses	STATE	TREAS	ECON	CPA	1-Jul			STATE, TREAS, NSC ECON

	Goals for Transition of Sovereignty	Lead Agency1	Supporting Agency2	Oversight IA Cell <sup>3</sup>	Execution Lead in Iraq <sup>4</sup>	Milestone (MS) Tracking	Progress (R,Y,Q)	Transition Dates DC/PC/NSC Review	Comment from
<b>ESSENTIAL SERVICES - DEFENSE<sup>5</sup> (STATE<sup>6</sup>) (Comment from DOD)</b>									
<b>ES.1. Major Objective: Restore &amp; Improve ES Infrastructure, and employ Iraqis while improving their lives (STATE<sup>7</sup>)</b>									
ES.1.1	Establish baseline for rehabilitation and improvement of key elements of all essential services infrastructures	NSC	DOD	ESG	CPA	1-Feb			NSC
ES.1.1.1	CPA to oversee management of projects before June 30 and devise appropriate structure to manage reconstruction contracts after transition to Iraqi Sovereignty <sup>8,2</sup>	STATE	DOD	ESG	CPA	1-Jul			DOD
ES.1.1.2	Generate, transmit, and distribute electricity to meet country-wide daily demand by July 1 <sup>st</sup>	DOD	DOD/USAID	ESG	CPA	1-Jul			NSC Def Pol
ES.1.1.3	Increase oil production and exports to 2.5 MBPD and 1.6 MBPD, respectively by April 1 <sup>st</sup> ; by December 31st, increase production and exports to 3.0 MBPD and 2.2 MBPD respectively.	DOD	DOD	ESG	CPA	Apr 1; Dec 31			NSC Def Pol
ES.1.1.4	Meet daily demand for key petroleum products: gasoline, diesel, kerosene, and LPG, while building product inventories to represent 15 days of demand	DOD	DOD	ESG	CPA	1-Jul			NSC Def Pol
ES.1.1.5	Ensure establishment of an Iraqi telecommunications regulatory agency	DOD (STATE)	STATE(DOD)/COMMERCE	ESG	CPA	1-Feb			STATE, DOD, COMMERCE NSC Def Pol
ES.1.2	Award contracts for substantial portion of \$18.6 billion in USG supplemental; complete rehabilitation of key elements of infrastructure <sup>9,1</sup>	DOD	STATE	ESG	CPA	1-Mar			NSC Def Pol
ES.1.2.1	International Donor Coordination; spending strategy complementary to Supplemental	STATE	DOD	ECON	CPA	1-Jul			STATE, NSC ECON
ES.1.2.2	Build capabilities to assist refugees returning to Iraq	STATE	DOD	ESG	CPA	1-Mar			DOD, NSC ECON
ES.1.3	Transfer logistics responsibilities to ministries for OFF-purchased commodities	STATE	DOD/USAID/TREAS	ECON	CPA	1-Jul			DOD, NSC ECON
ES.1.3.1	Ensure systems exist to identify and respond to gaps in food commodity pipelines	STATE	DOD/USAID	ECON	CPA	1-Jul			DOD, NSC ECON

	Goals for Transition of Sovereignty	Lead Agency <sup>1</sup>	Supporting Agency <sup>2</sup>	Oversight IA Cell <sup>3</sup>	Execution Lead in Iraq <sup>4</sup>	Milestone (MS) Tracking	Progress (R,Y,G)	Transition Dates DC/PC/NSC Review	Comment from
<b>POLITICAL/GOVERNANCE - STATE<sup>5</sup></b>									
<b>G.1. Major Objective: Implement November 15th Agreement and set conditions for stable, broadbased Government (STATE<sup>5</sup>)</b>									
G.1.1	Transitional Administrative Law (TAL) prepared and agreed <sup>6-1</sup>	STATE	STATE	GOV	CPA	28-Feb			STATE, DOD
G.1.2	Prepare interim government to function; Security Agreement in place; Ministries transitioned <sup>6-2</sup>	NSC	STATE/DOD	GOV	CPA				DOD, NSC SPSWA
G.1.2.1	Determine legal basis for US law enforcement activities in Iraq; coordinate continued presence w/ Iraq	JUSTICE	STATE	GOV	CPA				
G.1.2.2	Begin reform of the civil service; ensure capable and honest government	STATE	STATE	GOV	CPA	15-Feb			
G.1.2.3	Develop strategic plan for Refugee/IDP return and reintegration	STATE	DOD	GOV	CPA	20-Feb			STATE, DOD
<b>G.2. Major Objective: Robust engagement policy/actions with Sunnis and other ethnic and religious groups (STATE<sup>5</sup>)</b>									
G.2.1	Finalize and implement reasonable exemption policy for de-Ba'athification	STATE	DOD	GOV	CPA	30-Jan			DOD
G.2.2	Coordinate outreach by Saudi Arabia, Kuwait, and Jordan to tribes	STATE	DOD	GOV	CPA	30-Jan			NSC SPSWA
G.2.3	Identify prominent Sunnis to help with drafting of Transitional Administrative Law and implementation of caucuses	STATE	DOD	GOV	CPA	30-Jan			NSC SPSWA
<b>G.3. Major Objective: Establish Legislative Capability (STATE<sup>5</sup>)</b>									
G.3.1	Convene Transitional National Assembly	STATE	DOD	GOV	CPA	31-May			DOD
G.3.1.1	Establish rules, procedures, and mechanisms to select the Transitional National Assembly and related party activity	STATE	STATE	GOV	CPA	28-Feb			STATE, NSC SPSWA
G.3.2	Census underway.	STATE	STATE /COMMERCE	GOV	CPA	30-Sep			COMMERCE
<b>G.4. Major Objective: Prepare the Judicial Branch and develop adherence to Rule of Law (JUSTICE<sup>5</sup>)</b>									
G.4.1	Establish a functioning Iraqi Justice and Penal System	STATE /JUSTICE	DOD	GOV	CPA	TBD**			STATE, DOD
G.4.1.1	Determine continued role of US in Central Criminal Court of Iraq, Iraqi Special Tribunal, MOJ Directorates, etc.	JUSTICE	STATE/DOD	ESG	CPA				STATE, DOD
G.4.1.2	Complete vetting of judges prior to transition or establish procedures to continue the process	JUSTICE	DOD	ESG	CPA				DOD
G.4.1.3	Identify Iraqi court cases to be completed before transition	JUSTICE	JUSTICE	ESG	CPA				
G.4.1.4	Investigation and Disposition/Trial of Non-HVD Detainees <sup>6-1</sup>	DOD	JUSTICE	GOV	CPA				DOD
G.4.2	War Crimes and Accountability: Assist Iraqi Government and Iraqi Special Tribunal with investigation and prosecution of Saddam and HVDs	JUSTICE	DOD	GOV	CPA				DOD, NSC Legal
G.4.3	Establish laws & institutions to root out corruption / Plan for transition of Office of Public Integrity <sup>6-2</sup>	STATE	JUSTICE	GOV	CPA	TBD**			STATE, DOD
G.4.3.1	Develop Iraqi laws capable of addressing terrorism, narcotics, money-laundering, preventing proliferation, etc.	STATE	JUSTICE/DOD	CT	CPA	30-Sep			STATE, DOD

<b>G.5. Major Objective: Transition to Embassy/Executive Functions/US-Iraq Relations (STATE<sup>5</sup>)</b>									
G.5.1	Prepare for the establishment of a U.S. Embassy <sup>6-1</sup>	STATE	DOD	GOV	CPA	Ongoing			DOD
G.5.1.1	US Gov & Iraqi Gov prepared to establish formal relations; appropriate ancillary agreements negotiated	STATE	DOD	GOV	CPA	30-Jun			DOD
G.5.1.2	Seek Iraqi commitment to abide by treaty and other international obligations	STATE	STATE	GOV	CPA	30-Jun			STATE, NSC SPSWA
<b>G.6. Major Objective: Engage the United Nations, major, and regional powers (STATE<sup>5</sup>)</b>									
G.6.1	UN fully active in Iraq; SRSG appointed <sup>6-2</sup>	STATE	STATE	GOV	CPA	1-Mar			DOD, NSC SPSWA
G.6.1.1	Propose UNSCR endorsing the interim government, adjusting the MNF (as necessary), establishing a relationship between the UN and transitional government, and tying up loose ends from previous resolutions <sup>6-1</sup>	STATE	STATE	GOV	CPA	TBD*			STATE, DOD, NSC SPSWA
G.6.1.2	Iraq's right to vote in UNGA temporarily restored, outline plan to address Iraqi arrears to UN.	STATE	STATE	GOV	CPA	30-Aug			STATE, DOD, NSC SPSWA
G.6.2	Engage the Major Powers actively in Iraq	STATE	STATE	GOV	CPA	Ongoing			STATE, DOD, NSC SPSWA
G.6.3	Implement regional strategy to secure neighbors active support for political transition process	STATE	STATE	GOV	CPA	Ongoing			NSC SPSWA
G.6.3.1	Secure full diplomatic recognition of Transitional Government from all countries in the region	STATE	STATE	GOV	CPA	31-Jul			NSC SPSWA
G.6.3.2	Explore possible "Friends of Iraq" Group	STATE	STATE	GOV	CPA	1-Mar			NSC SPSWA
<b>G.7. Major Objective: Establish framework to ensure future compliance with international standards for human rights and democracy (STATE<sup>5</sup>)</b>									
G.7.1	Seek necessary legislation and institutional arrangements that guarantee basic civil, political, and human rights <sup>6-2</sup>	STATE	STATE	GOV	CPA	30-Jun			STATE
G.7.2	Seek Iraqi commitment to sign international human rights and international humanitarian law commitments	STATE	STATE	GOV	CPA	30-Jun			STATE
G.7.3	Advance plan for holding elections consistent with international standards for democratic elections <sup>6-1</sup>	STATE	STATE	GOV	CPA	30-Jun			STATE
G.7.4	Establish laws and institutions to ensure equal opportunities, protection, and full political participation of women	STATE	STATE	GOV	CPA	30-Sep			STATE
G.7.5	Establish programs for long-term political party building and civil society activism	STATE	STATE	GOV	CPA	1-Mar			STATE, NSC SPSWA

	Goals for Transition of Sovereignty	Lead Agency1	Supporting Agency2	Oversight IA Cell <sup>3</sup>	Execution Lead in Iraq <sup>4</sup>	Milestone (MS) Tracking	Progress (R,Y,G)	Transition Dates DC/PC/NSC Review	Comment from
<b>SECURITY - DEFENSE<sup>5</sup></b>									
<b>S.1. Major Objective: Reshape Iraqi Security Forces and Military and Prepare the Iraqis to assume their own security (DOD<sup>6</sup>)</b>									
S.1.1	Assess short and long term security forces (NIA, ICDC, FP, Border, Police) requirements	DOD	STATE	ESG	CPA				DOD
S.1.1.1	Recruit, train, equip, structure Iraqi Armed Forces, (Army, Air Force, and Naval (Coastal Patrol) Forces	DOD	STATE	ESG	CJTF-7				DOD
S.1.1.2	Recruit, train, equip, structure the ICDC	DOD	STATE	ESG	CJTF-7				DOD
S.1.1.3	Recruit, train, equip, structure the FP	DOD	STATE	ESG	CJTF-7				DOD
S.1.1.4	Recruit, train, equip, structure the BP	STATE(DOD)	DOD(STATE)	ESG	CJTF-7	TBD**			DOD
S.1.1.5	Recruit, train, equip, structure the Police <sup>6.1</sup>	STATE(DOD)	DOD(STATE)/JUSTICE	ESG	CJTF-7	TBD**			DOD, NSC Def Pol
S.1.1.5.1	Hire and deploy CIVPOL and police trainers to help train and mentor Iraqi police <sup>6.2</sup>	STATE(DOD)	DOD(STATE)/JUSTICE	ESG	CJTF-7				STATE, DOD
S.1.2	Determine disposition of EPWs & other detainees	DOD	STATE	ESG	CJTF-7				DOD
<b>S.2. Major Objective: Establish organizations (Coalition and Iraqi) to ensure internal and external security (DOD<sup>6</sup>)</b>									
S.2.1	Determine responsibilities for Coalition and Iraqis for internal and external security <sup>6.2</sup>	DOD	STATE	ESG	CPA/CJTF-7				DOD, NSC Def Pol
S.2.1.1	Establish a multinational partnership C2 structure to ensure internal and external security	DOD	STATE	GOV	CPA/CJTF-7				DOD
S.2.2	Complete Security Agreement, SOFA, and related agreements (incl. Article 98) with U.S. <sup>6.1</sup>	STATE(DOD)	DOD(STATE)	GOV	CPA/CJTF-7	1-Jul			OVP, STATE, DOD, NSC SPSWA, NSC Def Pol
S.2.3	Initiate Border Security agreements with neighboring countries (i.e. Saudi, Jordan)	STATE	DOD	GOV	CPA	31-May			DOD, NSC SPSWA
<b>S.3. Major Objective: Sever Terrorist Links in Iraq/Stop Flow of Foreign Fighters (DOD<sup>6</sup>)</b>									
S.3.1	Arrange for cooperation between intelligence services of US & Iraqi Government <sup>6.2</sup>	CIA	CIA	CT	CIA				DOD
S.3.1.1	Iraqi Intel Service Operations <sup>6.1</sup>	CIA	CIA	CT	CIA				DOD
S.3.1.2	Attack critical nodes of the insurgency	DOD	CIA	CT	CJTF-7/CIA				NSC OCT
S.3.1.3	Target Terrorist infiltration into and activity inside Iraq	DOD	CIA	CT	CJTF-7/CIA				NSC OCT
S.3.1.3.1	MEK & PKK presence ended in Iraq	DOD	CIA/STATE	CT	CPA/CJTF-7				STATE, DOD
S.3.2	Determine missions/composition of Iraq's counter-terrorism forces & their proper location within Iraq's security structure.	DOD	CIA/STATE	CT	CJTF-7				STATE, DOD
<b>S.4. Major Objective: Eliminate capability/prevent proliferation of WMD's (STATE<sup>5</sup>)</b>									
S.4.1	Assess previous Iraqi treaty obligations and determine potential for new obligations. Seek Iraqi agreement to ratify international nonproliferation agreements and to abide by the guidelines and rules of multinational nonproliferation export regimes <sup>6.2</sup>	STATE	STATE(DOD)	ESG	CPA	1-Apr			STATE, DOD
S.4.1.2	Decide whether to alter scope of Iraq WMD & missile restrictions, restrictions on peaceful nuclear activities, & arms embargo (will require revision of applicable UNSCRs).	STATE	DOD	ESG	CPA/CJTF-7	1-Apr			STATE, DOD



S.4.1.3	Legal & logistical framework for WMD personnel redirection effort in place & ready to continue operation under an Iraqi government <sup>8-1</sup>	STATE	DOD	ESG	CPA/CJTF-7	15-Mar			STATE, NSC Def Pol
S.4.1.4	Establish Iraqi export controls & radioactive source safety & security programs.	STATE	DOD/DOE /COMMERCE	ESG	CPA/CJTF-7	30-Jun			STATE, COMMERCE NSC Def Pol
S.4.1.5	Remove yellowcake and RDD-useable radioactive sources	DOD	DOE/STATE	ESG	CJTF-7				DOD

	Goals for Transition of Sovereignty	Lead Agency <sup>1</sup>	Supporting Agency <sup>2</sup>	Overnight IA Cell <sup>3</sup>	Execution Lead in Iraq <sup>4</sup>	Milestone (MS) Tracking	Progress (R,Y,Q)	Transition Dates DC/PC/NSC Review	Comment from
<b>STRATEGIC COMMUNICATIONS - NSC<sup>5</sup></b>									
<b>SC.1. Major Objective: Articulate U.S./Coalition Intentions Domestically/Internationally and in Iraq (NSC<sup>5</sup>)</b>									
SC.1.1	Develop & implement strategic comm plan for Iraq Governance Transition <sup>6,1</sup>	NSC	DOD/STATE	COMM	CPA				STATE, DOD, NSC
SC.1.1.1	Intensify outreach to Congress, American public, Int'l Audiences <sup>6,2</sup>	NSC	DOD/STATE	COMM	CPA				NSC
SC.1.1.2	Establish realistic expectations for media and domestic/int'l community on Transition objectives	NSC	DOD/STATE	COMM	CPA				NSC PRESS
SC.1.1.3	Establish effective communications with the Iraqi people regarding the Transition plan and actions	NSC	DOD/STATE	COMM	CPA				NSC PRESS
SC.1.1.4	Develop, Coordinate, Implement PA rollout plans to support policy initiatives/decisions and task execution	NSC	DOD/STATE	COMM	CPA				NSC PRESS
<b>SC.2. Major Objective: Persuade Iraqis to participate in government reform process &amp; in establishing civil society (NSC<sup>5</sup>)</b>									
SC.2.1	Develop Iraq Media Network (IMN) and al-Iraqiyah direction, management, production, and operations plan <sup>6</sup>	DOD	STATE	COMM	CPA				STATE, NSC
SC.2.2	Execute coordinated Information Operations <sup>6,2</sup>	DOD	DOD	COMM	CPA/CJTF-7				

## NOTES:

1. Lead Agency - Agency with primary responsibility for providing policy guidance, task assignments, and ensuring adequate resources are requested/provided.  
NSC as lead agency indicates PC direction, not NSC staff

2. Supporting Agencies - Supports the Lead Agency by providing one or more of the following: Policy, funding, personnel, contracting, or procurement support

3. IA cell monitoring execution and assisting Lead agency with interagency coordination and tasking.

4. Agency executing tasks in Iraq.

5. Cabinet Agency with overall responsibility for sector/major objectives

6. CPA Priorities within Sectors and Major Objectives

STATE DEPT NOTES: TBD\* - Pending further political and legal evaluation; TBD\*\* Pending results of Jan 26-28 mtg in Amman to set milestones for Justice related tasks

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