φ governing
elections

INFO MEMO

March 26, 2004

FOR: Ambassador Jones

FROM: (b)(6)

SUBJECT: Background on Political Party Funding

The following is background on the questions you have posed in advance of our meeting tomorrow on political party funding.

1. **How is the money from the FY04 supplemental for democracy and political party building being spent? What has been allocated, vs. what is notionally allocated?**

Ambassador Bremer set aside $458 million of the '04 Emergency Supplemental for Iraq for democracy programs. All of the funds have been allocated. USAID received the bulk of the funding, $378 million, and DOS received $80 million.

USAID is funneling $282 million through existing mechanisms for civic education, small grants to burgeoning NGOs, women's programs, and its local government and community development programs. This includes OTI, RTI, and CAP (which incorporates Save the Children, CARE and other international NGOs in community development work.). The remaining $96 million is being competed and plans are for grants and contracts for these funds to be awarded and implementers in place in June. Three scopes of work have been developed for these awards: $47 million, civil society and media infrastructure development; $19 million for assistance to the Interim and Transitional National Governments; and $30 million for elections assistance, to include domestic and international election observation, get out the vote and elections adjudication.

For the Department of State, $40 million has been allocated to INL Bureau--$35 million for anti-corruption/transparency in government programs; and $5 million to assist the Office of Public Integrity. $40 million has been allocated to DRL Bureau--$30 million for the National Endowment for Democracy, and $10 million for women's programs. The NED programs will cover political party development and civil society programs, which include supporting local NGOs, as well as funding NGOs from Central and Eastern Europe to conduct capacity training for Iraqi NGOs. DOS women's programs will be coordinated with USAID and will focus more on women entrepreneurship, a U.S. - Iraqi Private Partnership program; and women in the media, while USAID programs will focus on women's NGO development and advocacy.

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2. **What programs is NDI doing or planning to do? What is IRI doing or planning? What is NED's role? RTI's role? IFES's role? OTI's? Do we know what international partners are doing?**

NDI and IRI will conduct political party building throughout the country. The Institutes have a long history of working together in countries around the world and coordinate their programs very closely to ensure that there is no duplication of effort. NDI and IRI are in the process of working this out, but have begun already to identify separate areas of emphasis. Both Institutes will train political parties on a variety of issues, especially coalition building. In addition, NDI and IRI have plans to set up democracy centers that will offer new political parties a place to receive training and have access to materials. Also, NDI will give special emphasis to a women-in-politics program that will include training for women candidates, while IRI plans to work with the political parties to encourage their outreach to women and promote women into the party leadership structures. IRI is supporting a local NGO to sponsor democracy dialogues on such issues as the election process and constitutional issues, and has a program for youth in politics, while NDI is conducting a civil society program that will emphasize domestic election observation, among other subjects.

NED is a grant making organization with four core non-governmental, non-profit institutes that are considered part of the NED "family." They are IRI, NDI, the Center for the International Private Enterprise (CIPE), and the American Center for International Labor Solidarity (ACILS). NED has also provided a grant to CIPE for programs that will emphasize free-market practices and entrepreneurship, and ACILS has just recently conducted an assessment in Iraq to determine appropriate programs for unions with NED funding.

IFES is not part of the NED family but is a non-governmental, non-profit organization that came into being in the early 80s as did the NED and associated institutes. Its main mission is to provide assistance to new democracies in election administration, election, law, etc. It cooperates with IRI and NDI in conducting complementary democracy programs throughout the world and is a member of a USAID funding consortium for democracy programs, called CEPPS, which includes IRI and NDI. IFES has been working in Iraq since last October, conducting two assessments of election needs, and will work in a yet to be determined capacity with the UN on elections planned for the end of 2004, January 2005. Its team of election experts will be returning to Iraq in the next week to begin laying the groundwork for an election management commission and administration, and to conduct a field test of the ration card system to determine requirements for a voter list.

The Office of Transition Initiatives is an office of USAID, designed to provide rapid turnaround of resources for a variety of projects in post-conflict countries. This ranges from refurbishment of offices for ministries and NGOs, to supporting civic education conferences and producing materials, to providing small grants for local NGOs projects. The Research Triangle Institute (RTI) is a USAID contractor in charge of the local government program, which includes development of municipal administrations and local councils and conducting civic education programs in the field.

The UK's Department of International Development (DfID) is the only international partner currently actively working on democracy programs. It is also conducting various assessments on civil service reform and women's program needs in Iraq. DfID recently announced a political

participation fund that will support programs for "marginalized and vulnerable groups" in political decision-making, legislative drafting, definition of procedures and structures of institutions; electoral management bodies, observation and monitoring; and constitution-drafting. The Westminster Foundation came to Iraq last summer but we have not heard what follow up it is planning to assist political parties. A Canadian representative conducted an assessment last fall to determine democracy programming needs and other countries such as Italy and Australia have contacted this office for information on elections or civil society support.

3. **Are promising political parties and proto-parties being identified and nurtured, if so, how?**

CPA Governance and OPO have identified promising parties, and have directed them to IRI and NDI. The political party institutes' main mission is to help these parties develop, build coalitions and prepare for elections and participation in Iraq's political environment. Organizations such as the Iraqi Dignitaries Council and the Iraqi National Gathering are examples. CPA has also assisted promising coalitions of parties to hold meetings and conferences to encourage continuing working relationships.

4. **What is our ability to give direct budget support to the small, promising political parties to help them compete with Iranian-backed parties and others?**

Currently, there is no available supplemental funding for direct support to political parties. USAID has a policy in place that allows up to $50,000 annually commodity support for political parties that meet certain criteria. Cash grants would require a waiver. A policy for wider direct funding of Iraqi political parties warrants discussion through the interagency process. If the decision is made to pursue this, some options exist:

1. Current funding of political parties could be redistributed so that promising political parties are included;
2. It may be possible to identify funds in the Iraqi National Budget and establish a fund that would be administered by the independent election commission to political parties that meet certain requirements for participation in a national election.

Some 200 political parties or movements have been identified; the large number typical of post-conflict societies. While it is too early to know whether many of the emerging political parties are viable (and IRI and NDI are in the process of weeding these out through various conference and meetings), there are a handful of political parties that clearly are already fairly well-organized and could use funding for operations now, and as many as 15 to 20 political parties may be identified in the near future as viable for such funding.

5. **Is there a recommended timeline by which these new parties are to have achieved certain milestones, e.g., identify candidates to run in the December/January elections, or established a list of members/supporters, or trained political party office managers?**

A legal framework for political parties and their participation in elections must be established immediately. If elections are to be held by the end of December 2004/January 2005, political

parties must begin work now to organize properly, develop clear party platforms, recruit real members, identify candidates for training, among many other things. They should be prepared for possibly three possible timelines: June/July party registration; July/August certification for elections participation; and August/September candidate registration.

ATTACHMENTS: USAID Political Party Assistance Policy

COORDINATION: Governance (b)(6)
                 (b)(6)

Mandatory Reference: 200-203
File Name: 200maz_100103_cd33
New Reference: 10/01/03
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USAID Political Party Assistance Policy

Role of Political Parties in Democracy

Competitive political parties are central to any democracy. They perform a number of functions that, in combination, distinguish them from any other civic or social organization. They recruit and nominate candidates for elected office with the intent to govern. In the process, they develop positions on issues of public concern, stimulate public discourse, and formulate governing platforms during election campaigns. After an election, parties form either the government or the opposition. Governing requires a different set of capabilities to translate electoral platforms into performance. The credibility and legitimacy of political parties in the public mind rest primarily on performance while in office rather than on election campaigns.

The United States Interest

The spread of stable democratic governments is in the long-term interest of the United States. Assistance in strengthening political parties—both in government and in opposition—is one important way that the United States can support its friends and allies who are engaged in democratization in developing and transitional societies. Moreover, political party assistance provides an important means to engage a nation's future leadership, a factor often key to advancing U.S. interests over time. For these reasons, the U.S. Government encourages assistance to democratic political parties.

GOALS of USAID Political Party Assistance

The goals of USAID's political party assistance are to:

- Develop and consolidate representative democracies,
- Develop transparent political environments,
- Establish viable democratic parties, and
- Ensure conduct of free and fair elections.

Policy

Political party assistance is a new USAID policy priority, one that requires commitment and innovation. This policy defines a political party as any entity that competes for elected office, whether a political movement, party, electoral coalition, or alliance. The policy also applies to nongovernmental organizations (NGOs) that operate as de facto political parties.

Two principles govern USAID's political party assistance policy:

- USAID programs support representative, multiparty systems; and
- USAID programs do not seek to determine election outcomes.

From these principles flow the following guidelines. When it serves U.S. foreign policy interests, however, these guidelines may be waived.

- USAID programs must make a good faith effort to assist *all democratic* parties with equitable levels of assistance. Assistance to non-democratic parties is prohibited. Where there are too many democratic political parties to assist all effectively, USAID will assist *all significant* democratic parties. The relevant U.S. Government Mission will determine which parties are significant.

- Commodity support valued at $50,000 or less may be provided annually to each political party that qualifies for assistance.

- Political party assistance should be suspended for a reasonable time period prior to voting. Thirty days is a usual period, but it will vary depending upon the lead-time before an election.

Prohibited activities linked to influencing election outcomes that would require a waiver include

- Offering assistance to only one political candidate, party, or electoral coalition;
- Providing commodity support valued over $50,000 to any individual party;
- Providing cash grants to any political party;
- Paying salaries, wages, fees, or honoraria to any candidate, political party leader, or campaign official during a campaign period;
- Paying for private polls for only one party or candidate;
- Organizing public meetings that endorse or feature only one candidate or political party;
- Paying for a media message that specifically endorses or supports one candidate or political party; and
- Making payments to individuals with the intention of influencing votes.

Policy Exceptions

Washington concurrence is required for activities deviating from this policy that use Economic Support Funds (ESF), Freedom Support Act (FSA), Assistance for Eastern European and Baltic States (AEEB), and Transition Initiative (TI) funds. No waiver is possible, however, for use of Development Assistance (DA) funds.

To obtain a waiver, an Action Memorandum must be submitted to the USAID Administrator for approval. The Action Memorandum may be drafted by USAID (in Washington or in the field), the State Department (in Washington or in the field), or by the National Security Council. The Action Memorandum must be cleared by State and USAID regional bureaus, State's Bureau for Democracy, Human Rights and Labor, USAID's Bureau of Democracy, Conflict, and Humanitarian Assistance, USAID's Bureau for Policy and Program Coordination, and USAID's Office of the General Counsel.

The Action Memorandum must identify and provide a rationale for the specific aspects of the policy to be waived. It must also describe the proposed program and how it will be implemented, and explain how the proposed deviation is consistent with U.S. Government policy in the country in question.

Concurrence must be obtained before funds are obligated. All practicable steps will be taken to ensure that the waiver process does not exceed two weeks. A waiver to support a single democratic electoral coalition will require a particularly rapid decision, and for this reason, a decision against such assistance must be made by Washington within two weeks of receipt.

Implementation Guidance

USAID's Political Party Assistance Policy sets forth the principles that govern the Agency's engagement in the field. This implementation guidance is designed to help USAID staff and decisionmakers in Washington and the field

- Determine if a program is subject to the policy,
- Define key terms used in the policy, and
- Elaborate standards that must be met if seeking a waiver to the policy.

Which Programs Are Subject to USAID Political Party Assistance Policy?

Direct political party assistance programs are subject to the policy. Also subject to the policy are assistance programs that indirectly benefit political parties, including—but not limited to—media assistance, get-out-the-vote programs, public opinion polling, and voter education activities. All such programs must adhere to the principle of supporting representative, multiparty systems, and must not determine election outcomes.

How Should USAID Determine whether a Political Party is "Democratic"?

This judgment should be based on party actions, taken while either in government or in the opposition, within a time frame appropriate to the evolving conditions within a country. Other evidence that could be used includes written materials, such as party platforms and propaganda; broadcast messages, such as television and radio commercials; and interviews with party leaders.

Key indicators of a political party's democratic credentials include

- Support for peaceful, democratic means to obtain power

  o Does the political party eschew the use of violence to overthrow democratic institutions in practice as well as in policy?
  o If it endorsed or sponsored violence in the past, has it renounced these practices and broken ties to violent groups or organizations?
  o Does the political party accept competitive elections?

- Respect for human rights and the rule of law

  o Does the political party reject the use of political terror, unjustified imprisonment, exile, or torture against political opponents in practice as well as in theory?
  o Does the political party obey the laws of the country?
  o Has or would the political party adhere to legal decisions rendered (recognizing that it is not uncommon for democratic political parties to be involved in legal action)?

- Respect for freedom of religion, press, speech, and association

  o Does the political party campaign or take actions to restrict or constrain the independence of religious institutions and/or free and independent media that are not engaged in or espouse militant extremism?
  o Has the party taken action to undermine freedom of expression or association to restrict political opposition?

Many political parties in countries where USAID works fall somewhere between fully democratic and nondemocratic. In the interest of inclusiveness, parties making a good faith reform effort should be eligible for assistance. Antidemocratic parties are ineligible for assistance.

How Should USAID Determine If a Political Party is "Significant"?

Where there are a large number of political parties, providing assistance to them all may not be practical or cost-effective. Moreover, in such an environment, support for all parties could encourage a fractured political system. Determining whether a democratic political party is, or has the potential to become, an important force within the political system and therefore "significant" is a judgment to be made by the U.S. Mission. The judgment should be based on transparent, objective evidence, such as national and local election results, opinion poll results, and/or demographic data. Criteria to determine whether a democratic political party is significant include

- The size of the party's base of support compared with other democratic political parties
  - o Do polls, political analysis, or other objective information show that the party is or has the potential to gain seats in local, regional, or national legislatures?

- The level of success in previous elections compared with other political parties

  - o Is the number of votes won nationally or regionally by the party high relative to other parties?
  - o Is the party currently seated in national, regional or local government?
  - o What is its representational strength in national, regional, or local government relative to other parties?

- The potential for future success

  - o Does the party represent a formerly unrepresented but important group?
  - o Does the political party's leadership have a history of mobilizing substantial numbers of people or resources?
  - o Having met other criteria noted above, could political party assistance help a party gain a sizeable share of seats in local, regional, or national legislatures according to objective analysis?

What Standards Must Be Met when Seeking a Waiver of the Policy?

Waivers should be the exception and must meet certain standards to justify

- Excluding a significant democratic party,
- Including a non- or anti-democratic party, or
- Supporting a single democratic party or coalition.

While it is impossible to anticipate every eventuality, the following examples from the past would merit a waiver from the policy:

- Reasons for excluding a democratic political party

  - o *The party represents a danger to particular populations or nations.* "Democratic" political parties may also be xenophobic, exclusionary, radically anti-American, or involved in illegal practices (e.g., narcotrafficking). Waivers to exclude democratic political parties on these grounds, if supported with substantial evidence, will be favorably considered.

- Reasons to include a nondemocratic political party

  - o *Exclusion would place democratic parties and USAID implementers at risk.* If by excluding the nondemocratic party, it is impossible to assist democratic political parties without putting them and implementers at risk, inclusion may be justified.

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However, in such cases, the Mission should carefully consider whether assistance in this environment is warranted at all.

o *There is evidence that the nondemocratic party may reform through assistance.* If there is a strong likelihood that democratic reformers within the party will use assistance to reform the party and, as a result, the party becomes democratic within the program period, then assistance may be merited if supported with substantial evidence.

- Reasons to support a single democratic party or coalition

  o *Fragmenting assistance may undermine democracy goals.* Competition is essential to democracy. However, in a strict authoritarian system, a fragmented opposition may be counterproductive to democracy goals. Thus, an appropriate response may be to assist democratic parties in their efforts to establish a new coalition.

The USAID Political Party Development Assistance Handbook provides additional information on technical assistance.
http://www.usaid.gov/democracy/pdfs/pnace500.pdf

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Draft Memo on Political Parties Law

The Problem

Iraq faces numerous obstacles to free and fair elections. Many of these have to do with the sheer administrative and logistical hurdles that must be overcome. But some very important ones involve the heavily skewed distribution of resources among Iraqi political parties. Two resources that often come into play in transitional elections are force and finance. In newly emerging and post-conflict democracies, political parties that have never contested democratic elections before tend to fall back upon their worst instincts and experience. They buy votes, and frequently they buy electoral officials. They establish themselves as hegemonic actors within certain neighborhoods or regions that become "no-go" areas for any opposition party. They use armed thugs to intimidate opposition, and even to assassinate opponents. On election day, if the worst actors are not reined in and deterred, they may use force and fraud to steal or stuff the ballot boxes.

These desecrations of the democratic electoral process are difficult to eliminate completely in a country that has never known democratic pluralism and free elections. But they must be sharply constrained if elections are to have meaning and legitimacy, and if democracy is to have a chance to take root.

Beyond limiting force and fraud in the electoral process, the most important goal of a transitional election is to sustain and defend pluralism—to prevent the establishment, nationally or in particular regions—of political hegemony by a single party or coalition that might stifle competition for years or decades to come.

Promoting pluralism and electoral fairness in Iraq will involve defending the smaller and newer parties (which often tend to be the more democratic parties) against the hegemonic aspirations of larger and more established parties. These goals require some leveling of the playing field with respect to finance, and a more dramatic leveling with respect to access to the means of violence.

Party Finance

It is widely believed by other Iraqi political actors and observers that two major political parties in Iraq, SCIRI and Dawa, are receiving significant financial support from Iran. There is concern that Muktada Sadr is also receiving such support, which he could also use to contest elections in some areas. The two Kurdish parties also appear to be well funded.

Most of the other political parties complain of the difficulty in finding the financial resources to organize, mobilize support, and prepare to contest elections.

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Several have appealed directly, if discreetly, for some kind of international assistance, including from the United States. In a previous (anti-communist) era, Western countries, including the U.S., channeled covert resources to political parties that appeared more moderate and democratic, and more pro-Western. That is no longer possible or sensible. The only way that the political party financing landscape can be leveled even somewhat is through the transparent distribution of financial support to any and all political parties that meet certain objective standards. Many developing and established democracies have provisions for extensive public financing of political parties and their election campaigns. These provisions are not without significant problems and drawbacks. In the case of Iraq, however, there is no other way of facilitating a fair political process except through the provision of some transparent access to party finance. And it may be necessary for international donors to contribute to an **Iraqi Political Parties Fund** for that purpose.

Alternative mechanisms to level the playing field are unlikely to work. Some democracies address the problem by prohibiting foreign contributions to political parties, or requiring comprehensive (and even fairly rapid) disclosure by political parties of all their contributions. Some also limit the size of contributions that may be made. Many have limits on the amount that parties and candidates can expend. In developing democracies especially, these limits tend to be wildly unrealistic and routinely and flagrantly violated, undermining respect for the rule of law.

Regulating contributions may make sense in established democracies, but for the transitional period, and probably for many years to come, Iraq is likely to lack the administrative capacity to monitor and enforce compliance with such provisions. The only way to generate any fairness at all in party finance will therefore be to provide a floor of funding for some of the weaker parties.

However, any system for partial public finance of political parties faces several dilemmas. The most acute of these is the inducement it provides toward the proliferation of parties (and toward internal corruption in parties). Therefore, public funding must be limited to political parties that can demonstrate some significant base of popular support or membership in the country. And it may need to require parties to account, at least in some rudimentary fashion, for the funds they receive and expend.

There are many ways that such a system could work. Models around the world would need to be examined, and the technical experts of the UN and IFES, as well as other groups (such as the Research Committee on Political Finance, of the International Political Science Association) would need to be consulted.

Here is a brief sketch of a hypothetical system:

The Parties Law would establish (or would authorize the Iraqi Independent Electoral Commission to establish) minimum criteria of support or membership for parties to receive grants from the Iraqi Political Parties Fund. I have been asking some party leaders and advisors what they would regard as reasonable. They are thinking

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about it. It is difficult to judge, because some parties claim hundreds of thousands of supporters, and I believe these claims are wildly inflated.

If the law is to be realistic in enbabling new democratic parties to receive support, while weeding out small, personalistic, or very narrowly based parties (in one town or province), it must set significant but realistic thresholds for support. For example, to qualify for funding, a party might have to present 5,000 signatures of eligible voters from each of at least five different provinces. Each signature would need to be accompanied by an address or location and a valid form of identification (ration card number?). The Electoral Commission would need enough information to be able to verify that the signatures are authentic.

It is possible that well more than 25,000 signatures total should be required. But particularly if the law forbids a voter from signing more than one party petition, it needs to be careful about setting the bar too high. (And if it does not forbid the voter from endorsing multiple parties, will it be at all meaningful?).

Distribution is an important consideration. Any political party that meets minimal requirements should be allowed to contest the first election. (So should coalitions of parties, and independents). But only parties that can demonstrate some base of support in several provinces should qualify for funding. (I don't know how many provinces. Five is probably a minimum. We definitely want more than three!).

The Parties Fund should be administered by the Electoral Commission. It could have its staff in each province spot check the lists to ensure that there was no systematic fraud. It would then certify which parties qualified for distribution from the Parties Fund.

An important principle should be equality in distribution among the parties that qualify. If funds are distributed in proportion to the number of party supporters, parties will be induced to cheat and inflate their numbers, the process will become unmanageable, and the parties that are already strong will be helped disproportionately, defeating the aim of the effort.

Distribution from the fund could come in phases. The first phase should come early to enable political parties to establish themselves around the country, and to professionalize themselves with hired staff. (This would also provide more paid employment in the country, which could be useful). Then parties could get one or more more later distributions of funding to assist their campaigns.

To continue to qualify for funding, parties would have to observe certain basic rules of the game, including complete cooperation in the disarmament and demobilization of their militias, and the observance of a **code of conduct** that forbids the use of violence, intimidation, or bribery in party politics and electioneering.

The law should provide for stiff penalties if parties systematically forge signatures or use violence and intimidation, including possible disqualification of individual candidates or of the party itself by the Electoral Commission.

Disarmament and Demobilization

The Parties Law should make some mention of the ban on party militias, and it should cooperation with the provisions of the order on militia disarmament a condition for obtaining and retaining certification from the Electoral Commission to contest the election.

OPINION ANALYSIS

March 25, 2004   M-40-04

In Baghdad, Basrah, Babylon, and Suleymania, Iraqis Feel Economic Conditions Are Improving
Many Rely on Mix of Income Sources and Household Cutbacks to Make Ends Meet

Recent surveys show that outside predominantly Sunni areas, many Iraqis feel the economic conditions have gotten better since the war. Unemployment, rising prices, and tight family budgets may contribute to more negative evaluations. Across cities, Iraqis tend to rely on multiple income sources and budget cutbacks to support their families. Though most think the CPA is doing a poor job providing adequate electricity, many are satisfied with the CPA's progress in refurbishing schools and training new Iraqi police. *

Key Findings

- A February poll shows that majorities in Baghdad, Basrah, Babylon, and Suleymania believe that the economic situation has improved since the war, both for Iraq and for their own families. By contrast, views tend to be more negative in predominantly Sunni areas.

- Those who are unemployed or having difficulty making ends meet are more likely to have negative evaluations of the economic situation since the war. A January poll shows that perceptions of rising prices also contribute to these views.

- Earnings from full-time jobs are an important income source for many Iraqi families. Even those with full-time work, however, also rely on income from second jobs, part-time jobs or pensions to maintain their standard of living.

- Many Iraqi families are making ends meet by cutting back on non-essentials and expensive items, but in Mosul and Babylon, about 40 to 50 percent are having a hard time meeting their basic needs.

- Electricity shortages, more so than drinking water or gasoline shortages, are a problem for many households, though in Basrah, large numbers report having electricity available for extended hours.

- Although many Iraqis give the CPA very poor marks in providing electricity, many report that the CPA has made progress refurbishing schools and training new Iraqi police.

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* Findings are based on several face-to-face surveys commissioned by the Office of Research and the CPA. Figures draw primarily on a survey conducted between February 23 and 29, 2004, although some figures are taken from polls conducted in January. Unless otherwise noted, poll results cited in the text are from the February survey (n=1,484). Interviews were conducted among urban Iraqi adults ages 18 and over for all polls. Although the cities included in each survey vary somewhat, Baghdad, Basrah, and Mosul are included in each. The margin of error is approximately ±4 percent for each poll, but varies among cities. Please see appendix for specifics and methodological details.

-- In spite of what is sometimes reported in the international media, I want to assure you of my personal commitment to work with you to achieve our common desire for a free, democratic Iraq.

-- We share with you the belief that elections are in the best interests of Iraq. It is for this reason that direct elections, to the constitutional conference and to the government that will be formed under the constitution, are the cornerstone of the November 15 agreement.

-- Our debate is not over the goal, but how best to achieve it while respecting the Iraqi people's desire for an early return of sovereignty.

-- It was only with great reluctance and after thorough study that we came to the conclusion that direct elections would not be feasible by this summer. We therefore agreed with the Governing Council to transfer sovereignty to a government formed by a transitional national assembly. This assembly will be chosen by the Iraqi people through a transparent, open democratic process, although not by direct elections.

-- We acknowledge and respect your desire for an independent assessment of the feasibility of elections and your good intentions in seeking the visit of a UN team in this regard. I want to assure you that we will not oppose the visit of such a team and that we will view its findings with an open mind.

-- Please accept the assurance of my highest esteem for all you are doing to help the transition of Iraq to democracy.

1/13/04

Draft : DJ.
(lear. Imad Dhiyc
Meghan O'Sullivan

Approved LPB

DRAFT   DRAFT   DRAFT   *Not sent*

January 13, 2004

Your Eminence:

It is my pleasure to write to you again now that our mutual friend has returned and offered us the opportunity to renew our dialogue. He returned from the U.S. only last night but I thought it important to take our dialogue forward sooner rather than later.

I also write to you to assure you of my personal ~~desire~~ to work with you *to achieve* to chart the path to the best future for Iraq. I have become concerned about *our* media reports suggesting that our views on the path forward and the November *common* 15 Agreement are diverging. I am sure that you have been hearing these same *desire for* reports and would agree that they are not productive. Since arriving in Iraq I *a free*, have followed a policy of not discussing our exchanges of letters to the press. I *democratic* continue to have confidence in our ability to come to a mutually satisfying *Iraq -* outcome.

It is now nine months since the Coalition came to liberate all Iraqis from a brutal and oppressive dictator who deprived Iraqis of their civil, political and religious rights. This noble objective was achieved at the cost of our sons and daughters as well as your own. Now, working with the Iraqi people, the Coalition seeks to restore those rights to all Iraqis. We hope for the support of all sectors of Iraqi society, including yours, for this endeavor.

To that end, the Governing Council and the Coalition have worked to create a new and democratic future for Iraq, a future full of hope for all her citizens. On the 15th of November, the Governing Council and the Coalition concluded an historic agreement that lays the foundation for democracy and majority rule in Iraq. We agreed that this should be done on the basis of a constitution written by elected representatives of all Iraqi people for the benefit of all those people.

We understand your desire for elections. We share with you the belief that an elected government is in the best interests of Iraq. It is for this reason that elections – to the constitutional conference and to the government that will be formed under the constitution – are the cornerstone of the plan laid out in the November 15 Agreement.

The UN Secretary General and other independent organizations, however, advised us that it is not possible to hold elections under the timeframe put forward in the November 15 Agreement. But given the desire of the Iraqi people country-wide to regain Iraq's sovereignty as soon as possible, we agreed to transfer sovereignty to an Iraq governed under a transitional assembly that would

be chosen by the Iraqi people, although not in direct elections. We, with your
encouragement, have taken a number of steps to ensure that the process of
selecting this transitional assembly is ~~as legitimate~~ and representative as
possible. For instance, with the help of Iraqis in the governorates, we are
actively reforming the Provincial Councils to ensure ~~their role~~ in the November 15
process ~~is legitimate~~.

[handwritten above first line: through transparent, open democratic process]
[handwritten: fair]
[handwritten: as broadly]
[handwritten: interest ?]
[handwritten: they better represent the local community as they take part all in some search for]

We acknowledge and understand your interest in getting the informed
opinion of a United Nations team on the question of elections. We respect your –
~~and the Governing Council's~~ right to ask for ~~this~~ body to come to Iraq. We fully
agree that the entry of such a ~~team will~~ be in the interest of Iraq if it helps us ~~understand~~
ensure we have the best system for selecting members to the transitional
assembly in place. For this reason, we will join our Iraqi counterparts in asking
the United Nations at the meeting on January 19 to send a team to Iraq.

[handwritten note at left: good intentions in asking]

I am grateful for your taking the time to receive my friend and colleague
and I welcome your thoughts on the future of our joint efforts to bring Iraq a
legitimate and democratic government.

With my deepest respect and appreciation. *[handwritten signature]*

L. Paul Bremer

⊄ Governance
Elections

COALITION PROVISIONAL AUTHORITY

BAGHDAD

1 December 2003

His Eminence Grand Ayatollah
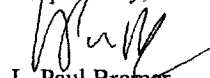Al-Sayyid Ali Al-Sistani
Najaf, Iraq

Your Eminence,

Thank you for meeting recently with my colleague, Mr. Dhia, to discuss your views on the political and constitutional process in Iraq. I appreciate your warm welcome of Mr. Dhia and would like to continue to use him as my confidential channel to you.

I recognize your concerns regarding the implementation of the November 15 agreement. I believe that the November 15 Agreement addresses our overriding mutual objective that the permanent constitution be written for Iraqis, by Iraqis. The best way to ensure this is through the direct elections to the constitutional convention provided for in the Agreement.

I have asked Mr. Dhia to make himself available to meet with you at any time in order to continue our confidential dialogue.

Respectfully,

L. Paul Bremer