



Highlights of [GAO-08-1021T](#), a testimony before the Committee on Armed Services, House of Representatives

Why GAO Did This Study

In January 2007, the President announced a new U.S. strategy to stem the violence in Iraq and help the Iraqi government foster conditions for national reconciliation. In *The New Way Forward*, the Administration articulated near-term goals to achieve over a 12- to 18-month period and reasserted the end state for Iraq: a unified, democratic, federal Iraq that can govern, defend, and sustain itself and is an ally in the war on terror. To support this strategy, the United States increased its military presence and financial commitments for Iraq operations.

This testimony discusses (1) progress in meeting key security, legislative, and economic goals of *The New Way Forward*; and (2) past and current U.S. strategies for Iraq and the need for an updated strategy.

GAO reviewed documents and interviewed officials from U.S. agencies, MNF-I, the UN, and the Iraqi government. GAO also had staff stationed in Baghdad. Since 2003, GAO has issued about 140 Iraq-related products, which provided baseline information for this assessment.

What GAO Recommends

GAO recommended that DOD and State, in conjunction with relevant U.S. agencies, develop an updated strategy for Iraq. DOD and State disagreed, asserting that *The New Way Forward* remains valid and that the Joint Campaign Plan guides U.S. efforts in Iraq.

To view the full product, including the scope and methodology, click on [GAO-08-1021T](#). For more information, contact Joseph A. Christoff at (202) 512-8979 or christoffj@gao.gov.

SECURING, STABILIZING, AND REBUILDING IRAQ

Progress Report: Some Gains Made, Updated Strategy Needed

What GAO Found

The United States has made some progress in achieving key goals stated in *The New Way Forward*. Looking forward, many challenges remain, and an updated strategy is essential.

- In the **security** area, violence—as measured by the number of enemy-initiated attacks—decreased about 80 percent from June 2007 to June 2008, trained Iraqi security forces have increased substantially, and many units are leading counterinsurgency operations. However, as of July 2008, 8 of 18 provincial governments do not yet have lead responsibility for security in their provinces, and DOD reported that, in June 2008, less than 10 percent of Iraqi security forces were at the highest readiness level and therefore considered capable of performing operations without coalition support. The security environment remains volatile and dangerous.
- In the **legislative** area, Iraq has enacted key legislation to return some Ba'athists to government, grant amnesty to detained Iraqis, and define provincial powers. The unfinished Iraqi legislative agenda includes enacting laws that will provide the legal framework for sharing oil revenues, disarming militias, and holding provincial elections.
- On **economic and infrastructure** issues, Iraq spent only 24 percent of the \$27 billion it budgeted for its reconstruction efforts between 2005 and 2007. Although crude oil production improved for short periods, the early July 2008 average production capacity of about 2.5 million barrels per day was below the U.S. goal of 3 million barrels per day. In addition, while State reports that U.S. goals for Iraq's water sector are close to being reached, the daily supply of electricity in Iraq met only slightly more than half of demand in early July 2008.

Since 2003, the United States has developed and revised multiple strategies to address security and reconstruction needs in Iraq. *The New Way Forward* responded to failures in prior U.S. plans and the escalating violence that occurred in 2006. However, this strategy and the military surge that was central to it end in July 2008, and many agree that the situation remains fragile.

GAO recommends an updated strategy for Iraq for several reasons. First, much has changed in Iraq since *The New Way Forward* began in January 2007. Violence is down, U.S. surge forces are leaving, and the United States is negotiating a security agreement with Iraq to replace the expiring UN mandate. Second, *The New Way Forward* only articulates U.S. goals and objectives for the phase that ends in July 2008. Third, the goals and objectives of *The New Way Forward* are contained in disparate documents rather than a single strategic plan. Furthermore, the classified MNF-I/U.S. Embassy Joint Campaign Plan is not a strategic plan; it is an operational plan with limitations that GAO will discuss during the closed portion of the hearing.