



# Iraq: Regional Perspectives and U.S. Policy

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## Summary

Iraq's neighbors have influenced events in Iraq since the fall of the Saddam Hussein regime in 2003, and developments in Iraq have had political, economic, and security implications for Iraq's neighbors and the broader Middle East. Lower levels of violence in Iraq and the planned drawdown of U.S. forces in Iraq are fueling consideration of Iraq's future and the current and potential policies by Iraq's neighbors. Policy makers and observers are now considering several potential "Iraq scenarios," ranging from the resolution of outstanding Iraqi political disputes and the successful consolidation of Iraq's government and security forces, to a competition among Iraq's neighbors for influence in Iraq or the return to widespread civil violence.

Members of the 111<sup>th</sup> Congress have sought to understand regional perspectives on Iraq and the potential nature and likelihood of regional policies toward Iraq as they have considered planned troop withdrawals, the future of U.S. policy, the implementation of U.S.-Iraq security agreements, and annual appropriations and authorization legislation. The National Intelligence Estimate (NIE) on Iraq released in August 2007 assessed that "Iraq's neighbors will continue to focus on improving their leverage in Iraq in anticipation of a Coalition drawdown." The NIE identified Iranian assistance to armed groups and the "reluctance" of Iraq's Sunni Arab neighbors to support the Iraqi government as particularly problematic. More recent U.S. government assessments continue to express these concerns.

This report provides information about the current perspectives and policies of Iraq's neighbors; analyzes potential regional responses to renewed violence and longer-term stabilization efforts; discusses shared concerns and U.S. long-term regional interests; and reviews U.S. policy options for responding to various contingencies. For more information on Iraq and regional perspectives, see CRS Report RL31339, *Iraq: Post-Saddam Governance and Security*, by (name redacted); CRS Report RS22079, *The Kurds in Post-Saddam Iraq*, by (name redacted); CRS Report RS22323, *Iran's Activities and Influence in Iraq*, by (name redacted); and CRS Report RL33533, *Saudi Arabia: Background and U.S. Relations*, by (name redacted).

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**M**embers of the 111<sup>th</sup> Congress have sought to understand regional perspectives on Iraq and the policies of Iraq's neighbors as Congress has considered U.S. troop withdrawal plans, the implementation of U.S.-Iraq security agreements, and annual appropriations and authorization legislation. Principal current concerns include alleged Iranian political, financial, and military support for various Iraqi Shiite political parties and militia groups; Turkish military operations against the Kurdistan Workers Party in northern Iraq; and Sunni Arab states' anxiety about the future of Iraq's minority Sunni Arab population and the growth of Iran's regional influence. Longer-term concerns focus on the challenges likely to arise during the reintegration of a deeply changed Iraq into the region's strategic military balance, political system, and global economic and energy markets.

The recent history of conflict in Iraq suggests that if Iraqis are unable to resolve their differences and control the activities of armed groups, then widespread sectarian or ethnic violence could return to Iraq and draw Iraq's neighbors toward interference and intervention. Iraq's ongoing process of stabilization and development presents Iraq's neighbors with choices about how best to deepen their economic and political re-engagement with Iraqis while seeking to minimize the potential for the new Iraqi government to threaten their security or regional standing. Under any circumstances, Iraq's neighbors are expected to seek to defend their perceived national interests, and Iraq is likely to remain a field of political and economic competition for its neighbors as its people seek to define their own course on the regional and global stages.

## **Common Questions, Unique Concerns**

The United States, Iraq's neighbors, and Iraqi political groups have distinct views and interests with regard to a common set of policy questions about Iraq's future. As observers of and participants in Iraqi affairs, Iraq's neighbors are seeking to understand and influence changes in the following five areas:

- the regional strategic balance;
- prospects for sectarian and ethnic violence (in Iraq and elsewhere);
- the strength of Iraq-based transnational terrorist groups;
- the status of Iraqi refugees and internally displaced persons; and
- the emergence of viable long-term economic opportunities.

The manner in which the United States and regional parties prioritize and pursue their interests in these areas will influence whether greater cooperation or confrontation define Iraq's future and its long-term relations with its neighbors.

## **The Regional Strategic Balance and Political Stability**

The removal of the Saddam Hussein regime upset the tenuous political and economic balance that had existed in the Persian Gulf region since the end of the 1991 Gulf War. In political and military terms, the regime's fall and the subsequent dismantling of Iraq's armed forces removed a potential military threat to the Arab Gulf states but also eliminated a key strategic counterweight to Iran. Subsequent elections have installed a Shiite-dominated government, some of whose members are friendly to Iranian interests. In economic terms, the termination of the U.N. sanctions on Iraq created new trade and investment opportunities that have contributed to regional

economic growth but have remained limited by ongoing violence. Other trends that have defined the postwar environment in Iraq are reflected elsewhere in the region and are creating significant concern among regional powers, as the mobilization of populations along ethnic or sectarian lines and the emboldening of politically affiliated, armed non-state actors have upended established patterns of rule and challenged central government authority.<sup>1</sup>

From the U.S. perspective, regime change in Iraq brought an end to the need for a policy of containment toward Iraq and the attendant U.S. military posture that had supported it since the end of the 1991 Gulf War. Stabilization and training efforts in Iraq, regional counterterrorism activities, and the potential for confrontation with Iran have replaced containment of Saddam's Iraq as the principal strategic drivers of the U.S. military presence in the region. Subsequent developments in Iraq and Iran will affect future consideration of U.S. basing, access, and pre-positioning needs and, by extension, bilateral relations between the United States and a number of regional governments.<sup>2</sup>

## **Sectarian and Ethnic Politics and Violence**

The hardening of sectarian and ethnic identities in Iraq has created significant anxiety among Iraq's neighbors, many of whom also have religiously and ethnically diverse populations. Some Sunni Arab governments and religious figures have characterized the empowerment of Iraq's Shiite Arabs and close relationships between the Iranian government and some Iraqi and non-Iraqi Shiite political parties and armed groups as evidence of an emerging and potentially hostile "Shiite crescent." At the height of Iraq's sectarian violence, Sunni Arabs in Saudi Arabia, Jordan, and Egypt accused Iraqi Shiite militia groups and Shiite-dominated Iraqi security forces of targeting Sunni Arab civilians. Similarly, Shiites outside of Iraq expressed alarm about the targeting of Iraqi Shiite civilians by Sunni Arab-led insurgent and terrorist groups and the potential for Sunni Arab-led governments to intervene in Iraqi affairs to the detriment of Iraqi Shiites. Turkish concerns about Kurdish separatism and the fate of Iraq's ethnically Turkish Turkoman minority group are well documented and continue to drive Turkish policy toward Iraq.

The post-Saddam strengthening of Iraqi Shiite political parties and the Shiite *hawza*, or religious establishment, in the Iraqi city of An Najaf also have regional implications. Both phenomena contribute to concern in Saudi Arabia and Bahrain that indigenous Shiite Arabs may become more politically active or hostile, based on the example of Iraq's empowered Shiite population or in response to future pronouncements from Iraq-based clerics. Sectarian tension continues to characterize Bahrain's domestic politics, and Saudi Arabia's minority Shiite population has come under renewed scrutiny from some Sunni Saudis in spite of recent efforts toward rapprochement led by Saudi King Abdullah. Iran, the traditional target of Sunni Arab concerns about Shiite interference, also may harbor concerns that clerics in An Najaf could challenge or undermine the religious authority of the *hawza* in the Iranian city of Qom.

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<sup>1</sup> For a discussion of these trends, see Graham Fuller, "The Hizballah-Iran Connection: Model for Sunni Resistance," *Washington Quarterly*, Vol. 30, No. 1, Winter 2006-2007.

<sup>2</sup> See Dr. W. Andrew Terrill, *Regional Fears of Western Primacy and the Future of U.S. Middle Eastern Basing Policy*, U.S. Army War College, December 15, 2006.

## **Transnational and Nationalist Terrorism**

The United States and Iraq's neighbors have confronted various transnational terrorist organizations in Iraq since the fall of the Saddam Hussein regime. Still-tenuous security progress and the relative inexperience of Iraq's security establishment sustain fears among Iraq's neighbors that the country continues to have the potential to serve as an ungoverned or undergoverned space that terrorist organizations can exploit. Under the late Jordanian terrorist leader Abu Musab al Zarqawi, Al Qaeda in Iraq grew to embody these fears by creating a sophisticated Iraqi and regional terrorist network that claimed responsibility for deadly attacks in Iraq, as well as in neighboring Jordan. Ethnic nationalist terrorist organizations such as the People's Mojahedin Organization of Iran/Mojahedin-e Khalq (PMOI/MEK/MKO), the Party for Freedom and Life in Kurdistan (PJAK), and the Kurdistan Workers' Party (PKK) pose similar transnational threats to Turkey and Iran.<sup>3</sup> From a U.S. perspective, these groups may contribute to regional instability if their activities provoke hostile responses by Iraq's neighbors, as PKK terrorist attacks in Turkey have by provoking Turkish military operations in northern Iraq.

Broader international concerns focus on foreign fighters who have fought coalition forces and the Iraqi government. Although the overall numbers of volunteers reportedly remained limited and their survival rates have been reported to be quite low, the foreign fighter phenomenon has led many observers to suspect that non-Iraqi fighters who survive their experiences in Iraq may attempt to follow the example of the so-called "Afghan Arab" veterans of the anti-Soviet war in Afghanistan by returning to their countries of origin or traveling to other conflict zones and helping to ignite and sustain insurgencies and terrorist campaigns. Recent research has determined that experienced "Afghan Arab" fighters and their recent trainees formed the core cadre of Al Qaeda in the Arabian Peninsula and contributed to the group's lethality and resilience in the face of Saudi counter-terrorism efforts.<sup>4</sup> Continued coordination between the United States, regional governments, and the wider international community may be required to effectively stem the reverse flow of foreign volunteers from Iraq to other parts of the region.

## **Refugees and Internally Displaced Persons**

The conflict in Iraq has produced a serious humanitarian situation for millions of Iraqis who have become internally displaced or have fled Iraq to other regional countries. Non-Iraqi refugees within Iraq also have suffered. Iraq's neighbors are faced with the dual pressures of responding to the displaced Iraqis who have crossed their borders as well as to the needs of Iraqis and non-Iraqis displaced within Iraq. At the popular level, strong religious charitable imperatives and the bonds of ethnicity and sectarian concern have produced calls for greater involvement, while, in some countries, the massive influx of Iraqi refugees has created economic and political disruptions. The United Nations continues to call on the countries of the region and the international community to coordinate a more effective relief response. In the event of renewed civil conflict in Iraq, those needs could increase substantially.

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<sup>3</sup> The MEK is designated by the U.S. government as a Foreign Terrorist Organization (FTO). The U.S. military and U.S. intelligence services disarmed and screened over 3,000 MEK members present in Iraq, who remain at a facility northeast of Baghdad known as Camp Ashraf. U.S. forces transferred security control of the camp to Iraq.

<sup>4</sup> See Thomas Hegghammer, "Terrorist Recruitment and Radicalization in Saudi Arabia," *Middle East Policy*, Vol. XIII, No. 4, Winter 2006.

**Table I. Refugees and Internally Displaced Persons (IDPs)**

<b>Refugees and IDPs in Iraq</b>	
Internally Displaced Persons in Iraq (includes ~44,000 non-Iraqis)	2,803,717
<b>Host Country Estimates of Number of Iraqi Refugees, by Country (as of end-2008)</b>	
Jordan	450,000-500,000
Syria	1,000,000-1,500,000
Lebanon	50,000
Iran	>57,000
Gulf States	>200,000
Turkey	6,000-10,000
Egypt	20,000-40,000
Total Upper Estimate of Iraqi Refugees	2,357,000

**Source:** United Nations High Commissioner for Refugees (UNHCR), Iraq Fact Sheet, September 2008 and July 31, 2009.

## Economic Opportunities

Iraq's vast energy resources, its large consumer market, and its position as a geographic crossroads make it an attractive economic partner for its neighbors and the international community. However, since 2003, the lingering effects of over a decade of international sanctions, continuing postwar violence, and the lack or underdevelopment of commercial laws and regulations have created conditions that limit the ability of Iraq's neighbors to expand trade with and investment in Iraq to their full potential. Bilateral and intra-regional trade levels have increased from the Saddam era, especially with regard to regional demand for Iraq's energy resources. However, violence has limited the extent to which entities and individuals in the region have been willing and able to invest and conduct business in Iraq. Over the medium to long term, the rehabilitation of Iraq's oil production infrastructure and the expansion of exploration and production are expected to increase the availability of oil and refined petroleum products in the region, but may also create production quota competition within OPEC and affect prices and consumption patterns in global energy markets.

## Iraq's Future

The diversity of political actors in Iraq and the confluence of regional and international policy problems with Iraqi affairs complicate efforts to predict the course of events in Iraq. As U.S. policy and circumstances in Iraq and the region have changed since 2003, the perspectives and policies of Iraq's neighbors have evolved. Looking forward, Iraq's neighbors can be expected to react differently to different scenarios and U.S. policy choices. The following discussion uses a scenario-based framework to illustrate challenges that may confront the United States and Iraq's neighbors during the term of the 111<sup>th</sup> Congress.



## **Renewed Insurgency and Disorder?**

From mid-2003 through early 2006, the foremost concerns of U.S. policy makers and the new Iraqi government were the Sunni-led insurgency against coalition and Iraqi forces, the presence of foreign terrorist operatives in Iraq, and the growth of organized criminal activity such as kidnaping, extortion, and drug trafficking. The bombing of an important Shiite mosque in the Iraqi city of Al Samarra in February 2006 exacerbated preexisting cycles of retaliatory sectarian attacks between Sunnis and Shiites that continued in earnest through early 2007, leading many observers to characterize the violence between rival communities and militias as the beginnings of a civil war. U.S. forces embarked throughout 2007 on efforts to reduce sectarian and ethnic violence, which seriously jeopardized U.S. security goals and prevented the emergence of a stable Iraqi government. Since November 2007, U.S. and Iraqi officials have presented statistics showing a dramatic drop in sectarian violence—attributing the progress to the U.S. troop surge and the “ceasefire” of the Shiite Jaysh al Mahdi (JAM) militia affiliated with cleric Moqtada Al Sadr. The return of widespread sectarian violence could rekindle domestic pressure on the governments of Iraq’s neighbors to intervene on behalf of members of specific sects or ethnic groups.

Iran and Turkey have engaged directly with Iraq’s Kurdish and Shiite Arab populations, respectively, in order to secure their interests and guard against some of the potentially negative implications of these problems. However, Iran’s intervention on behalf of Iraq’s Shiites may be contributing to the persistence of Sunni-led resistance activities, and Iraq’s Kurds remain wary of Turkish intentions, particularly in light of ongoing Turkish military operations in northern Iraq against the PKK. Members of Congress may be asked to consider various potential U.S. responses to efforts by Iraq’s neighbors to influence developments in Iraq through proxies or more direct intervention.

Relations between Iraq and its Sunni Arab neighbors remain characterized by limited diplomatic engagement, limited investment and trade, and general reluctance among Sunni Arab governments to embrace the Iraqi government. In much of the Arab world, governments and citizens remain divided on the question of whether the U.S. military presence in Iraq is an ultimately stabilizing or aggravating factor. Most Arab governments fear a general failure of the new Iraqi government and the prospect of chaos that could leave Iraq’s minority Sunni Arab population vulnerable or create opportunities for terrorist elements to prosper. Many Arab citizens oppose the U.S. military presence in Iraq and have applauded U.S. withdrawals, while others continue to view the current Iraqi government as an illegitimate outgrowth of U.S. military occupation. Reconciling these differences of opinion is likely to remain difficult and could complicate efforts to secure the cooperation of Iraq’s Arab neighbors in efforts to consolidate security gains in Iraq and support Iraq’s goals for completing its transition to stability and development.

## **A Stable Iraq?**

The Bush Administration claimed success in reversing the deterioration in security that became acute by the end of 2006, attributing the sizable reductions in violence to the troop surge strategy announced by President Bush on January 10, 2007, and to developments in Iraq such as the Al

Sadr cease-fire and the Sunni Awakening.<sup>5</sup> The Obama Administration supports the implementation of the December 2008 U.S.-Iraqi Security Agreement as a means of consolidating these security gains. Under the agreement, U.S. troops were required to withdraw from Iraqi cities by the end of June 2009; the withdrawal of U.S. forces from Iraqi cities is now complete. Further withdrawals of U.S. troops from Iraq are not likely to begin until after the Iraqi elections slated for January 2010. Current Administration plans call for a shift from a combat to a support and training role, with the number of U.S. troops declining to 35,000-50,000 by August 31, 2010. Barring major security disruptions or new requests from Iraq's political leadership, the Administration plans for a full withdrawal of U.S. forces by December 31, 2011.

While continuing to suggest that U.S. decisions about the timing and scope of troop withdrawals remain conditions based, the Obama Administration has built its policy toward Iraq on the assumption that sequential reductions in U.S. forces over time and the continued building and training of Iraq's security forces are likely to produce a central government able to defend itself. Some critics contend that, security improvements notwithstanding, the United States has not, to date, accomplished its primary goal—to translate improved security conditions into the achievement of political reconciliation among Iraq's key communities—and that any security gains therefore remain tenuous. Some of Iraq's neighbors, such as Saudi Arabia and Turkey, appear to share this perspective and continue to support an active role for U.S. forces in Iraq, while others, like Iran and Syria, remain concerned about the presence of U.S. forces in Iraq as a potential threat. Section 1 of the Iraqi-U.S. Strategic Framework Agreement and Article 27 of the Status of Forces Agreement (SOFA) state that “The United States shall not use Iraqi land, sea, and air as a launching or transit point for attacks against other countries; nor seek or request permanent bases or a permanent military presence in Iraq.”<sup>6</sup>

In considering longer-term possibilities for Iraq's stability and unity, the United States and Iraq's neighbors are seeking to determine and influence “which Iraq” will emerge from the current period of transition. Faced with the prospect of destabilizing violence in Iraq or terrorist threats from Iraq-based entities, such as the remnants of Al Qaeda in Iraq (AQI) and the Kurdistan Workers' Party (PKK), Iraq's neighbors may welcome and seek to promote the establishment of a strong central government in Iraq and oppose federal arrangements that could leave local security responsibilities in the hands of weaker or potentially less responsive regional actors. On the other hand, some analysts have argued that the “demonstration effect” of a united, democratic Iraq in which Islamist political parties, Shiites, and ethnic minority groups are represented in government and are allowed to participate freely would create political pressure on neighboring countries, where similar parties and groups do not enjoy comparable rights or privileges.

A stable Iraq, its neighbors, and the United States also will need to reconcile several outstanding differences in order to define the new Iraqi government's role in the region's economic and strategic environment. Long-term questions about key issues remain unresolved and could prove to be divisive, such as:

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<sup>5</sup> In August 2006, some Sunni Iraqis in Anbar Province sought U.S. military assistance to expel Al Qaeda operatives from their communities. The leading tribal figures behind this trend began calling themselves the “Awakening” (As Sahawa) or “Salvation Council” movement. For more information, see CRS Report RL34387, *Operation Iraqi Freedom: Strategies, Approaches, Results, and Issues for Congress*, by (name redacted).

<sup>6</sup> Full text of the SOFA agreement is available at: [http://georgewbush-whitehouse.archives.gov/infocus/iraq/SE\\_SOFA.pdf](http://georgewbush-whitehouse.archives.gov/infocus/iraq/SE_SOFA.pdf).

- Iraq's participation in OPEC and the Gulf Cooperation Council;<sup>7</sup>
- Iraq's future ability to project military force beyond its borders;
- the presence in Iraq after 2011 of U.S. or other military bases or personnel; and
- Iraq's sovereign economic, political, and military relations with regional actors such as Iran, Saudi Arabia, and Syria, and with global powers such as China and Russia.

**Figure 1. Iraq and its Neighbors**



Source: Map Resources. Adapted by CRS. (10/2009).

## **Iraq's Neighbors: Perspectives and Policies**

Official policy statements and independent sources of analysis are available that help to illustrate regional governments' perspectives and policies on Iraq. Nevertheless, there remain inherent

<sup>7</sup> The GCC members are Saudi Arabia, Kuwait, the UAE, Qatar, Bahrain, and Oman.

limits on the ability of outside observers to fully understand and describe the priorities, perspectives, and policies of foreign governments, particularly on an issue of such fluidity and importance. The influence of broader regional and international issues such as Arab-Israeli peace negotiations and Iran's nuclear program further complicate analysis. With these limits in mind, the profiles below seek to define the key interests of Iraq's neighbors, review their diplomatic engagement and trade with Iraq, and discuss their perspectives on Iraq's future in light of the issues and scenarios outlined above.

## **Iran<sup>8</sup>**

### **Perspectives and Interests**

Iran's interests in Iraq reflect its long-standing regional ambitions as well as its desire to affect its ongoing dispute with the United States over nuclear technology development and the Arab-Israeli conflict. With a conventional military and weapons of mass destruction (WMD) threat from Saddam Hussein's regime removed, Iran seeks to ensure that Iraq can never again become a threat to Iran, either with or without U.S. forces present in Iraq. Iran views Iraq's majority Shiite Arab population as a potential strategic asset in light of these interests, and thus, Iran's overall goals in Iraq have differed little from the main emphasis of U.S. policy—establishing a democratic process that reflects majority preferences and thereby empowers potential Shiite allies. Iran sees continued control by Iraq's diverse Shiite parties as providing Iran with "strategic depth" and ensuring that Iraq remains pliable and attentive to Iran's interests. Iran's reputed aid to some Iraqi Shiite parties and their militias has at times hindered U.S. efforts to stabilize Iraq, and has heightened the U.S. threat perception of Iran generally. However, Iran now faces difficult choices in Iraq as its protégé Shiite factions, formerly united, are competing and often fighting each other.

### **Policy Priorities**

In the first three years after the fall of Saddam Hussein, Iran's leaders and diplomats worked to persuade all Shiite Islamist factions in Iraq to work together through the U.S.-orchestrated political process, because the number of Shiites in Iraq (roughly 60% of the population) virtually ensures Shiite predominance of government. Iran's strategy bore fruit with victory by a Shiite Islamist bloc (the "United Iraqi Alliance" or UIA) in the two National Assembly elections in 2005. The UIA bloc, which won 128 of the 275 Assembly seats in the December 15, 2005, election, includes Iran's primary Shiite Islamist proteges in Iraq—the Islamic Supreme Council of Iraq (ISCI) and the Dawa (Islamic Call) party. Prior to 2007, the UIA also had the support of the faction of the mercurial young Shiite cleric Moqtada al Sadr, but Sadr's faction withdrew from the UIA in September 2007 after the United States insisted that the Iraqi government allow U.S. forces to pursue Mahdi Army (*Jaysh al-Mahdi*, JAM) militiamen as part of the 2007 troop surge.

Like his predecessor, Ibrahim al Jafari, the current Prime Minister, Nouri al Maliki, is from the Dawa Party. Al Maliki spent most of his exile in Syria. In contrast, most ISCI leaders spent their years of exile in Iran, and the organization is considered to be the most pro-Iranian of Iraq's Shiite political groups. The Sadr faction's ties to Iran were initially less extensive because his family remained in Iraq during Saddam's rule. Still, the Sadr clan has ideological ties to Iran; Moqtada al

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<sup>8</sup> Prepared by (name redacted), Specialist in Middle East Affairs. See also CRS Report RS22323, *Iran's Activities and Influence in Iraq*, by (name redacted).

Sadr's great uncle, Mohammad Baqr Al Sadr, was a political ally of Iran's Ayatollah Ruhollah Khomeini and was hung by Saddam Hussein in 1980. At one time, Iran saw Sadr's faction as a growing force in Iraq.

To the extent that Maliki is less pro-Iranian than is ISCI or Sadr, the January 31, 2009, elections represented a clear setback for Iran and its interests. ISCI, which was hoping to sweep the elections in the Shiite south, did not come in first in any Shiite province. In most of the Shiite provinces, the Maliki slate came in first, winning 28 out of the 57 seats on the Baghdad provincial council, and an outright majority in Basra—20 out of 35 seats on that provincial council. ISCI's best showing in the south was in Najaf, where it tied with the Maliki slate with seven seats each on the 28-seat provincial council. As a result, ISCI has had few opportunities to forge coalitions that will determine who will be governor of a particular province.

The March 2009 U.S. Defense Department "Measuring Stability and Security in Iraq" report acknowledged that Tehran suffered a setback in the elections, which were viewed as victories for parties favoring a strong central government, by stating that "Iraqi nationalism may act as a check on Iran's ambitions."<sup>9</sup> The report added that "Tehran has selectively reduced the number of militants it supports ... [h]owever, [it] has also simultaneously improved the training and weapons systems received by the proxy militants." Still, the report also said that Iran "continues to pose a significant challenge to Iraq's long-term stability and political independence" and that "Iran continues to support Sadr's religious studies in Qom, Iran [where Sadr is believed to have been for at least a year]." Some might argue—as discussed in sections below—that Maliki and his faction are pro-Iranian as well, and therefore Maliki's strong showing in the provincial elections does not necessarily mean that Iran's influence in Iraq is diluted.

These political developments have occurred in an environment where many of Iran's interests have been served by post-Saddam Iraqi leaders, although the Iraqi nationalism that has been emerging since 2007 has reduced Iraq's pliability to compromise with Iran on some long-standing disputes. During exchanges of high-level visits in July 2005, Iraqi officials took responsibility for starting the 1980-1988 Iran-Iraq war, indirectly blamed Saddam Hussein for using chemical weapons against Iranian forces in it, signed agreements on military cooperation, and agreed to Iranian consulates in Basra, Karbala, Irbil, and Sulaymaniyah. In response to U.S. complaints, Iraqi officials subsequently said that any Iran-Iraq military cooperation would not include Iranian training of Iraqi forces. On May 20, 2006, Iraq's Foreign Minister, Hoshyar Zebari, supported Iran's right to pursue "peaceful" nuclear technology.<sup>10</sup>

On the other hand, Iran has not returned the 153 Iraqi military and civilian aircraft flown to Iran at the start of the 1991 Gulf War, although it allowed an Iraqi technical team to assess the aircraft in August 2005. The ICRC is continuing to try to resolve the approximately 75,000 total Iranians and Iraqis<sup>11</sup> still unaccounted for from the Iran-Iraq war, although the two have continued to exchange bodies (most recently 241 exchanged in December 2008) and information when discovered. Another source of tension is Iran's allegation that Iraq is not doing enough to deny safe haven to the Party for Freedom and Life in Kurdistan (PJAK), an Iranian Kurdish separatist group, which Iran says is staging incursions into Iran. On February 5, 2009, that group was

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<sup>9</sup> Available at: [http://www.defenselink.mil/home/features/Iraq\\_Reports/](http://www.defenselink.mil/home/features/Iraq_Reports/).

<sup>10</sup> "Clarification Statement" issued by Iraqi Foreign Minister Hoshyar Zebari. May 29, 2006.

<sup>11</sup> ICRC estimates the number still unaccounted for as: 25,000 Iranians; and 50,000 Iraqis. June 2009.

named by the U.S. Treasury Department as a terrorism-supporting entity under Executive Order 13224.

Most territorial issues that have contributed to past disputes were resolved as a result of an October 2000 rededication to recognize the *thalweg*, or median line of the Shatt al Arab waterway as the water border (a provision of the 1975 Algiers Accords between the Shah of Iran and the Baathist government of Iraq, abrogated by Iraq prior to its September 1980 invasion of Iran). The water border is subject to interpretation, but the two sides agreed to renovate water and land border posts during the March 2008 Ahmadinejad visit. In February 2009, Foreign Minister Zebari urged Iran to move forward with these demarcations, suggesting Iranian foot-dragging to resolve an issue whose ambiguity now favors Iran.

In accordance with the entry into force of the U.S.-Iraq Security Agreement, Iraq has a greater degree of input over U.S. operations in Iraq. Iran has apparently sought to use this change to try to eliminate its Iraq-based opposition. At “Camp Ashraf” near the Iraq-Iran border, there are 3,400 residents associated with the Iranian opposition People’s Mojahedin Organization of Iran (PMOI), a group allied with Saddam against Iran.<sup>12</sup> Iran has urged Prime Minister Maliki and other pro-Iranian Shiite leaders in Iraq to expel the group, possibly including extraditing its members to Iran. Before and since the U.S.-Iraq Security Agreement took effect on January 1, 2009, Iraqi leaders, presumably reflecting Iran’s orientation as well as their own resentment that the PMOI was close to Saddam politically, said the Ashraf activists were no longer welcome and need to leave Iraq.<sup>13</sup> (Shiites and Kurds in Iraq say Saddam used PMOI forces to help put down uprisings by those communities after the 1991 Gulf war.) However, the State Department said in December 2008 that Iraqi leaders had pledged, in writing, to respect the residents’ human rights and not to expel them or force them to go to Iran. On July 28, 2009, the ISF attempted to assert its full control over Ashraf by establishing a police post inside its main gate, but the PMOI residents, although unarmed, resisted the ISF (mainly police), and altercations ensued. PMOI leaders say at least 10 residents have been killed in the violence, and numerous others injured. The U.S. position, articulated by Secretary of State Clinton on July 29, 2009, is that resolving the issue of Camp Ashraf and its residents is now an Iraqi matter.

## **Economic and Diplomatic Relations**

Iran has exploited its close ties to Iraqi leaders to build broad political and economic influence over outcomes in Iraq, although Iran’s commerce with and investment in Iraq do not necessarily conflict with U.S. goals. Reports suggest that Iran made some effort to derail Iraq’s acceptance of the U.S.-Iraq Status of Forces Agreement. Some Iranian leaders publicly opposed the pact as an infringement of Iraq’s sovereignty—criticism that likely masked Iran’s fears that the pact is a U.S. attempt to consolidate its “hold” over Iraq and encircle Iran militarily. As an example of the extent to which Iran reputedly tried to derail the agreement, General Ray Odierno said on October 12, 2008, that intelligence reports suggested that Iran may have tried to bribe Iraqi parliamentarians to vote against the agreement.<sup>14</sup> Even after the pact took effect, Iran’s Supreme

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<sup>12</sup> Brian Knowlton, “Hunger Strikers Press for Iraq’s Release of Iranian Exiles,” *New York Times*, September 18, 2009.

<sup>13</sup> In December 2008, Iraq’s national security adviser, Mowaffaq al Rubaie, visited Camp Ashraf and reportedly told the residents that “staying in Iraq is not an option.” Jonathan Steele, “Iraq plans to close Iranian dissidents’ border camp,” *The Guardian*, January 2, 2009.

<sup>14</sup> U.S. Central Command Press Release, “U.S. will continue to aid improving Iraqi security,” October 15, 2008.

Leader Ali Khamene'i reportedly warned Maliki in January 2009 that the United States cannot be trusted to implement its pledges under the pact.

Overall, Iran has welcomed the positions of post-Saddam Iraqi leaders on several previously unresolved diplomatic disputes. Suggesting the degree to which the Iraqi government views Iran as a benefactor, Maliki has visited Iran four times as Prime Minister to consult on major issues and to sign agreements. The visits were:

- September 13-14, 2006, resulting in agreements on cross-border migration and intelligence sharing;
- August 8-9, 2007, resulting in agreements to build pipelines between Basra and Iran's city of Abadan to transport crude and oil products for their swap arrangements (finalized on November 8, 2007);
- June 8, 2008, resulting in agreements on mine clearance and searches for the few Iran-Iraq war soldiers still unaccounted for; and,
- January 4-5, 2009, primarily to explain to Iran the provisions of the U.S.-Iraq pact but also to continue Iraqi efforts to buy electricity from Iran.

On March 2-3, 2008, Ahmadinejad visited Iraq, a first since the 1979 Islamic revolution. In conjunction, Iran announced \$1 billion in credits for Iranian exports to Iraq (in addition to \$1 billion in credit extended in 2005, used to build a new airport near Najaf, opened in August 2008, which helps host about 20,000 Iranian pilgrims per month who visit the Imam Ali Shrine there).<sup>15</sup> The visit also produced seven agreements for cooperation in the areas of insurance, customs treatment, industry, education, environmental protection, and transportation. In 2005, Iran agreed to provide 2 million liters per day of kerosene to Iraqis. Suggesting Iran's earlier generosity is being reciprocated, in February 2009, the Iraqi government awarded a \$1 billion contract to an Iranian firm to help rebuild Basra, and to repair ancient Persian historical sites in southern Iraq.

Trade relations have burgeoned. As of the beginning of 2009, the two countries now conduct about \$4 billion in bilateral trade, according to Iraq's Trade Minister, and the February 2009 visit of Iranian Foreign Minister Mottaki resulted in a plan to increase that trade to \$5 billion annually through increases in oil- and electricity-related trade. The two countries have developed a free trade zone around Basra, which buys electricity from Iran.

In a policy shift conducted in concert with the 2007 U.S. "troop surge" and in light of the trends discussed above, the United States agreed to bilateral meetings with Iran, in Baghdad, on the Iraq issue, led by then-U.S. Ambassador to Iraq Ryan Crocker and Iranian Ambassador Kazemi-Qomi. The first was on May 28, 2007. A second round, held on July 24, 2007, established a lower-level working group, which met on August 6, 2007. Talks in Baghdad scheduled for December 18, 2007, were postponed by Iran. On May 6, 2008, Iran said it would not continue the dialogue because U.S. forces were causing civilian casualties in Sadr City, and reiterated its desire not to hold further Iraq-focused talks in February 2009.<sup>16</sup> The Iranian position may have reflected a broader assessment by the Iranian government that it did not need to make concessions to the United States in Iraq as the U.S. finalized its general withdrawal plans. Iranian decision makers

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<sup>15</sup> Sudarsan Raghavan and Amit R. Paley, "Iranian Leader, in Baghdad, Hails 'New Chapter' in Ties with Iraq," *Washington Post*, March 3, 2008.

<sup>16</sup> Alissa J. Rubin, "Iran Halts Talks With U.S. on Iraq," *New York Times*, May 6, 2008; and,

may judge that the U.S. drawdown signals a gradual diminishing of U.S. influence in Iraq and an end to the potential threat that Iran may perceive from U.S. forces in Iraq.

## **Prospects**

Even if Iraq is stabilized under leadership similar to that now in power in Iraq, various alternative scenarios might not necessarily be beneficial to Iran. Were a secular, strong Arab nationalist leader, whether Sunni or Shiite, to emerge in Iraq, Iran might face a far-less-pliable Baghdad than it does now. Some analysts believe that Iran's clerical leadership fears a successful non-cleric-led democracy in Iraq because that outcome would increase pressure for political liberalization in Iran—and maybe for an end to clerical rule there. These fears may be exacerbated by ongoing political unrest in Iran and the potential for anti-regime activists to gain a foothold in neighboring Iraq. Others feel that a stable Iraq would help the traditional center of Shiite theology, Iraq's An Najaf, reassert itself to the detriment of Iran's holy city of Qom, which benefitted during Saddam's secular rule in Iraq. On the other hand, Iran's position might be further enhanced if its main ally, ISCI, remains empowered.

By all accounts, Iran's influence in Iraq remains substantial, as evidenced by Iraq's attempts to gain control over Camp Ashraf, but some aspects of Iranian influence—particularly its efforts to sustain Shiite militias—are waning. Some experts have long predicted that Iran's influence will gradually fade as Iraq asserts its nationhood, as the security situation has improved, and as Arab-Persian differences reemerge. As noted, some of these trends are starting to appear, but it is unlikely that anything close to the enmity that existed when Saddam Hussein was in power will return.

## **Turkey<sup>17</sup>**

### **Perspectives and Interests**

For years, fears about Kurdish separatism and ambiguity toward the regime of Saddam Hussein and its successors defined Turkey's relationship with Iraq. Nonetheless, after the 1991 Gulf war, Turkey allowed U.S. and British planes flying from Incirlik Air Base in southeast Turkey to enforce a no-fly zone over northern Iraq (Operation Provide Comfort/Operation Northern Watch) in order to protect Iraq's Kurds from Saddam Hussein and to monitor Iraq's armed forces. This protective shield enabled an autonomous Iraqi Kurdish administration to develop despite Turkish unease about its potential as a role model for Turkish Kurds. Turkish leaders later expressed doubts about U.S. regime change plans for Iraq before the 2003 invasion and, on March 1, 2003, the Turkish parliament refused to authorize the deployment of U.S. forces to Turkey for the purpose of opening a northern front against Iraq.

In the aftermath of the war, Turkey has sought a stable, democratic, and unified Iraq. Foremost, Turkish officials desire an Iraq that retains its territorial integrity, without being dismembered or dominated by any ethnic or sectarian group, an outcome they view as key to regional stability. They have some concern, mainly voiced in private, that Iran could gain control over a Shiite-dominated Iraq. They also are apprehensive that a U.S. military withdrawal will lead to chaos in

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<sup>17</sup> Updated by (name redacted), Specialist in Middle Eastern Affairs, September 3, 2009.



Iraq and the region. In order to avoid that outcome, Turkey has established a dialogue with and encouraged all Iraqi parties to resolve problems through reconciliation and negotiation and to participate in the Baghdad government. It wants the federal structure of Iraq to function and the Kurds to play a constructive role in it. As a related issue, Turks care especially about the Iraqi Turkomen (or Turkmen), their ethnic kin, although they claim that it is the same as their concern for all Iraqis. They also seek to strengthen bilateral economic ties. In August 2009, Turkish Foreign Minister Ahmet Davutoglu stated that Iraq was a strategic partner and friendly country for Turkey, adding that every development in Iraq would affect Turkey, too.<sup>18</sup>

Turkey's interest in regional stability has extended to assisting Iraq and Syria to reduce bilateral tensions that arose after the former accused the latter of harboring Iraqi Ba'athist terrorists responsible for deadly bombings in Iraq on August 19, 2009, which Syria denies.

## **Policy Priorities**

The high priority that Turkey puts on Iraq's territorial integrity stems from its desire to thwart the emergence of an independent Iraqi Kurdish state that could serve as a model for separatist Turkish Kurds and a staging site for anti-Turkish terror. From 1984 to 1999, Turkey fought a war costing more than 30,000 lives against the separatist PKK, mainly in southeast Turkey. The U.S. State Department lists the Kongra-Gel(KGK)/PKK as a Foreign Terrorist Organization (FTO). Of an estimated 4,000-5,000 PKK members, about 3,000-3,500 are believed to be in the Qandil (or Kandil) Mountains of northern Iraq.<sup>19</sup> The Turkish government has deployed military forces into northern Iraq to combat the threat, and increasingly also has engaged in diplomacy with Iraqi and Iraqi Kurdish officials for that and broader reasons. Ankara maintains that if Iraq is unable to stop terrorists from using its territory against Turkey, then it is Turkey's right under international law to defend itself. While Ankara addressed Baghdad on this issue, it also challenged Washington because most Turks viewed the United States as the authority in Iraq.

In the summer of 2006, Turkey mobilized military forces on the border to signal impatience with the continuing PKK presence in northern Iraq. The Bush Administration responded by appointing retired General Joseph Ralston, former Vice Chairman of the Joint Chiefs of Staff and former NATO Supreme Allied Commander Europe (SACEUR), as Special Envoy for Countering the PKK. His mission was to coordinate with the governments of Turkey and Iraq in order to eliminate the threat of the PKK operating across the border. The Turkish government initially viewed Ralston's appointment positively as an indication of high-level U.S. interest and named a retired general to be his counterpart. However, Ralston never achieved concrete results, traveled to the region infrequently, and even suggested that his mission was reconciling Turkey and the Iraqi Kurds, not combating the PKK.<sup>20</sup> In October 2007, the State Department confirmed that

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<sup>18</sup> "Turk FM Leaves for Iraq, Davutoglu: Turkey-Iraq Relations Develop Around a New Partnership Model," *Anatolia*, August 11, 2009, Open Source Center Document GMP20090811737001.

<sup>19</sup> U.S. State Department, *Country Reports on Terrorism 2008*, released April 30, 2009, accessible at <http://www.state.gov/s/ct/rls/crt/2007/>. In November 2003, the PKK began to call itself the People's Congress of Kurdistan (Kongra-Gel/KGK). The U.S. State Department uses both names, but the group still is commonly referred to as the PKK. On June 27, 2007, then Turkish Land Forces Commander (now Chief of Staff) General Ilker Basbug reported somewhat different figures: between 2,800 and 3,000 PKK terrorists in northern Iraq out of a total group strength of 5,150 to 5,650. "Live Press Briefing on War Against Terrorism," CNN Turk, June 27, 2007, Open Source Center Document GMP20070627734009.

<sup>20</sup> "US Strategy to Contain PKK in Turkish Election Year," *Turkish Daily News*, April 5, 2007.

Ralston had resigned. His appointment succeeded only in preventing Turkey from acting against the PKK for a year, which Turks believe was his purpose.

Another Turkish military buildup occurred in spring 2007, but action then was limited to increased operations within southeast Turkey and to “hot pursuit” raids and artillery shelling of alleged PKK camps in northern Iraq. Later in 2007, Ankara opened a diplomatic track. On August 7, at the invitation of Turkish Prime Minister Recep Tayyip Erdogan, Iraqi Prime Minister Nuri al Maliki visited Ankara to sign a memorandum of understanding (MOU) on countering terrorism, including the PKK. However, Maliki noted that the MOU needed parliamentary approval, and he was unable to implement it without the cooperation of the Kurdistan Regional Government (KRG) in northern Iraq. At the time, Turkey would not engage the KRG because its president, Massoud Barzani, used inflammatory language regarding Turkey and admitted that he supported the PKK.<sup>21</sup>

After a spate of deadly PKK attacks in southeast Turkey in September and October 2007, Turkish forces again massed on the border. Fearing that an invasion would destabilize Iraq, President Bush invited Prime Minister Erdogan to the White House on November 5. The President referred to the PKK as “our common enemy” and promised the Turks “real time” or “actionable” intelligence. He also established consultations among then Commander of the Multinational Force in Iraq General David Petraeus, then Deputy Chief of the U.S. Joint Chiefs of Staff General James Cartwright, and then Turkish Deputy Chief of the General Staff General Ergin Saygun. As a result, the Turks concluded that the United States was finally taking their concerns seriously. General Ray Odierno and General Hasan Igsiz, the successors of Petraeus and Saygun, continued the consultation; the KRG was not included in any of these discussions.

After the November White House meeting, Turkish forces conducted frequent, targeted air strikes against the PKK. On February 21, 2008, Turkish special forces launched a week-long incursion into the Iraqi border area of Zap.<sup>22</sup> The operation was said to have seriously degraded PKK communications, supply depots, and training facilities, and Turkish officials expressed pleasure with U.S. intelligence assistance.<sup>23</sup> They were less pleased when President Bush and Secretary of Defense Robert Gates called for Turkish troops to withdraw rapidly.

On the same day that the offensive was launched, Turkish President Abdullah Gul invited Iraqi President Jalal Talabani to visit Ankara on March 7, 2008, to begin a mutual effort to ease tensions. Talabani is a Kurd who has described the PKK as a terrorist organization, although he also has called on Turkey to resolve the issue by non-military means. Prime Minister Erdogan then visited Iraq on July 10, 2008, the first such visit by a Turkish prime minister in 18 years. During the visit, the two governments decided to set up a High-Level Strategic Cooperation Council with the prime ministers as co-chairs. Then, in March 2009, President Gul became the first Turkish president to visit Iraq in 33 years. He met in Baghdad with President Talabani, who gave the PKK two choices: lay down its guns or leave Iraq. Gul also met KRG Prime Minister

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<sup>21</sup> In a March 2007 Al Arabiya TV interview broadcast on April 6, Barzani threatened to interfere in predominantly Kurdish populated southeast Turkey if Turkey intervened in northern Iraq. Such comments may have been in response to Turkish saber-rattling.

<sup>22</sup> Then Chief of Turkish General Staff General Yasar Buyukanit said that Zap was targeted because it is the PKK “nerve center” where actions are planned. “Gen Buyukanit Briefs Media on Turkish Cross-Border Operation,” *Anatolia*, March 3, 2008, Open Source Center Document GMP20080304016007.

<sup>23</sup> Overview by U.S. Ambassador to Turkey Ross Wilson in Turkey, March 28, 2008.

Nechirvan Barzani, who promised, “We will not allow (Kurdistan) to be a launching pad for attacks against neighboring countries.”<sup>24</sup>

Turkey’s diplomatic moves have not ended terror, as its forces suffer casualties regularly. On October 3, 2008, some 350 PKK terrorists carried out an especially deadly attack at the Turkish border outpost of Aktüntün, killing 17 soldiers. Then, on October 7, the group attacked a police bus in Diyarbakir, in southeast Turkey, killing 6. Turkey responded with more air strikes and, on October 10, the Turkish parliament extended the government’s authority to order cross-border operations into northern Iraq for another year. Yet, unexpectedly, the government at that time also decided to engage Massoud Barzani and authorized Special Envoy to Iraq Murat Ozelik and a military/diplomatic delegation to meet the KRG leader in Baghdad on October 14, 2008. KRG Prime Minister Nechirvan Barzani reported, “I can confirm that much progress has taken place.... I am personally very optimistic about the future of the diplomatic relations between the Kurdistan region and Turkey.”<sup>25</sup>

A new trilateral mechanism including Turkey, Iraq, and the United States began to operate to counter terrorism, this time with the participation of KRG representatives. In August 2009, Massoud Barzani stated, “The PKK cannot maintain an armed struggle. The people will not support them.” He encouraged (Turkish) Kurds to demand their rights in a peaceful way, not through violence.<sup>26</sup> On October 6, 2009, the Turkish parliament extend the mandate for another year.

Turkey’s security cooperation with Iraq is multifaceted. On June 9, 2009, the two countries’ deputy chiefs of staff signed a memorandum of understanding on military training and technical and scientific cooperation. Other forms of bilateral cooperation are increasing as well. According to the International Strategic Research Institute, an independent Turkish think tank, in October 2009, the High-Level Strategic Cooperation Council is scheduled to establish a common security framework, a high-level political dialogue, formal efforts for economic mutual interdependence, and cultural cooperation; toward these ends, ministerial-level meetings will be held three times a year.<sup>27</sup>

The Iraqi Turkomen, ethnic kin of the Turks who reside alongside the Kurds in northern Iraq, continue to be a policy concern for Turkey.<sup>28</sup> Ankara sympathizes with Turkomen complaints of

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<sup>24</sup> Charles Recknagel, “Iraq, Turkey Nearing Deal to Deprive PKK of Bases,” Radio Free Europe/Radio Liberty, March 24, 2009.

<sup>25</sup> “Senior Turkish Diplomat Meets Iraqi President, Premier, Regional Administration Head,” *Anatolia*, October 14, 2008, Open Source Center Document GMP20081014017011; “Kurdish Region President Discusses Iraq-US Pact, Relations with Turkey,” *Khabat* (Arbil), October 21, 2008, BBC Monitoring Middle East, October 23, 2008; “Hope in Iraq-Turkey Relations, Dimming at Home Amid Tension,” *Hurriyet*, October 22, 2008, Open Source Center Document GMP20081022017014; “Turkey Ponders Three-Way Mechanism to Combat PKK,” *Turkish Daily News*, October 21, 2008; Barzani interview with *Al-Sharq al-Awsat*, November 5, 2008, BBC Monitoring Middle East, November 6, 2008.

<sup>26</sup> Interview with Massoud Barzani conducted by Nur Batur, “PKK will be Forces to Lay Down Its Arms,” *Sabah*, date not given, BBC Monitoring Middle East, August 3, 2009.

<sup>27</sup> Serpil Acikalın, “Turkish-Iraqi Relations in Light of Davutoglu’s Visit to Iraq,” USAK/ISRO website, Open Source Center Document GMP20090902737010.

<sup>28</sup> Before the Iraq war, the Turkish government and Turkomen leaders claimed that there were 3 million Turkomen in Iraq out of a total population of about 25 million. Sources suggest, however, that this number is highly inflated and estimate that Turkomen number about 330,000 and that they have assimilated with other Iraqi groups for years. See Colbert C. Held, *Middle East Patterns: Places, Peoples, and Politics*, Boulder, Colorado, Westview Press, 2000; according to the author, there are about 1.5 million Turkomen in the Middle East, residing in Iraq, Iran, and Turkey.

being displaced and outnumbered by Iraqi Kurds returning to the north. (Saddam Hussein suppressed Turkomen rights and forcibly removed some Turkomen from the region.)<sup>29</sup> Although the Turkomen issue appeared less acute after 2005 Iraqi national elections in which the group's turnout was far less than Turkey had expected, it still is important because Ankara and the Turkomen are concerned about Kirkuk, a multiethnic city claimed by the Iraqi Kurds situated in the heart of an oil-producing region.<sup>30</sup> Ankara advocates postponing a referendum on the fate of Kirkuk, fearing that it could prove that the city is predominantly Kurdish at the expense of Turkomen residents and that the oil resources on which the city sits could be used to finance an independent Iraqi Kurdish state. Turkish officials argue that Kirkuk and Iraq's natural resources must be equitably shared by all Iraqis. Turkish unease abated somewhat as Iraqi officials postponed both the referendum and a national census that also would affect the fate of the city, but Turkey remains watchful.

### **Economic and Diplomatic Relations**

Turks have taken advantage of economic opportunities offered in post-Saddam Iraq. The neighbors hope that closer economic ties will stimulate economic development on both sides of the border and provide a foundation for other forms of cooperation. Iraq is Turkey's fifth-largest market and Turkey is Iraq's largest trading partner, and they reportedly plan to sign a free trade agreement. Turkish officials hope to increase trade from \$7 billion in 2008 to \$20 billion by 2011.<sup>31</sup> Some 3,000-4,000 trucks loaded with Turkish goods cross into Iraq daily, and the Iraqi Kurds collect tariffs on this trade. There also are plans to establish a common industrial zone on the border.

Bilateral cooperation in the energy field also is growing. In the fall of 2008, the state-run Turkish Petroleum Company (TPAO) and the Pipeline and Petroleum Transport Corporation (BOTAS) signed an agreement with the Shell Oil Company to cooperate in the exploration, operation, and transportation of oil in northern Iraq. The Baghdad government wants TPAO to help rehabilitate oil fields in Basra and elsewhere in Iraq. The Kirkuk-Yumurtalik oil pipeline is a source of income for both countries, and there are plans to construct a twin pipeline parallel to it and increase capacity. In June 2009, a small amount of oil (est. 90,000 barrels per day) began to flow from KRG-administered fields to the Turkish terminal at Ceyhan with Baghdad's consent. The volume is expected to more than double by mid-2010. Turkey would like Iraq to use the planned Nabucco natural gas pipeline (from the Caspian to Europe) to export gas to Europe in order to make the project viable should some Central Asian governments decide not to participate. Iraqi shipments via Nabucco would depend on the production of more gas. Prime Minister Nuri al Maliki attended the signing ceremony for the Nabucco agreement in July 2009, which some Turks view as a hopeful sign.

With an economic dimension, bilateral water issues are sometimes problematic as Turkey is the controlling, upstream partner on the Tigris and Euphrates Rivers and has dams on the latter, while

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<sup>29</sup> Minority Rights Group International, "World Directory of Minorities and Indigenous Peoples - Iraq : Turkomans," April 2008.

<sup>30</sup> The electoral slate of the Iraqi Turkomen Front won 3 seats in the January 2005 Iraqi parliamentary election, but only 1 out of 275 total seats in the December 2005 election in which Sunnis also ran.

<sup>31</sup> Joint news conference by Iraqi Foreign Minister Hoshiyar Zebari, Turkish Foreign Minister Ahmet Davutoglu, and Turkish Foreign Trade Minister (misidentified), Al -Iraqiyah Television, August 11, 2009, Open Source Center Document GMP20090811640001.

Iraq is the dependent, downstream riparian. (The Tigris flows directly from Turkey into Iraq, while the Euphrates flows through Syria before reaching Iraq.) In 2009, Iraq has claimed, as it had in prior years, that the flow of water from the Euphrates had fallen. However, Turkey insists that it has kept its commitment to provide Iraq and Syria with 500 cubic meters per second from the river despite severe drought conditions that lowered water levels.<sup>32</sup> All sides appear to want to address the issue in a cooperative, technological way. On September 3, the Turkish Minister of Environment and Forestry, Iraqi Minister of Water and Natural Resources, and Syrian Irrigation Minister signed a memorandum of understanding to establish joint measurement stations on both the Tigris and Euphrates, and on related matters.

In light of Iraq's importance, Turkey has an ambassador in Baghdad, an ambassadorial-level Special Representative to Iraq, an ambassador based in Ankara responsible for reconstruction in Iraq and Afghanistan, a consulate in Mosul, and plans for a consulate in Basra. In late September 2009, Prime Minister Erdogan also announced plans to open a consulate in Irbil (Arbil) in the territory that the KRG administers, perhaps thereby emphasizing the increased importance that Ankara is according to its relations with the KRG. Iraq has an ambassador in Ankara. The Turkish government kept its embassy in Baghdad open despite a suicide bombing against it in 2003 and attacks on its diplomats.

## **Prospects**

A unilateral declaration of an independent Iraqi Kurdistan might trigger a very large-scale Turkish military invasion as well as a breach in U.S.-Turkish ties. For now, however, Turkish authorities accept the Iraqi Kurds' claim that independence is not their goal and say that they will respect decisions made by all of the Iraqi people. As noted above, Ankara has made overtures to all Iraqi ethnic groups, encouraging Sunni Arab participation in elections and establishing good relations with Shiite prime ministers and other figures, such as Moqtada al Sadr, in an effort to further Iraqi unity and bilateral relations. Turkey has improved ties with Iran and Syria and consults them regularly about Iraq. Kurdish and other media reports have alleged that Turkish military forces have operated with Iranians against the PKK and the Party for Freedom and Life in Kurdistan (PJAK), a related Iranian Kurdish group, in northern Iraq. Such cooperation is likely to continue. Turkish officials insist that multilateral contact groups include all of Iraq's neighbors, meaning Syria and Iran, and meetings of neighbors have included Turkey, Syria, Iraq, Iran, Jordan, the United States, the United Kingdom, and the Arab League.

Turkish officials contend that the public attitudes toward the United States, which had deteriorated due to the PKK issue, have been changing in a positive direction since President Bush's November 2007 meeting with Prime Minister Erdogan, subsequent U.S. intelligence support for Turkish military operations against the PKK, and President Obama's visit to Turkey in April 2009. Yet, public opinion polls do not support that conclusion. A Pew Global Attitudes Project public opinion survey published in July 2009 found that the United States had only a 14% favorability rating in Turkey, which was practically unchanged from the prior year and the lowest

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<sup>32</sup>The commitment is in a section of a July 17, 1987 Protocol, which states, "The Turkish side undertakes to release a yearly average of more than 500 cubic meters a second at the Turkish/Syrian border and in cases where the monthly flow falls below the level of 500 cubic meters, the Turkish side agrees to make up the difference during the following month." Turkish Ministry of Foreign Affairs website, <http://www.mfa.gov.tr>.

of countries surveyed.<sup>33</sup> This is related to U.S. policies toward Muslim-majority countries, notably Iraq. According to the Pew survey, Turks have little confidence that efforts to establish a stable government in Iraq will succeed. Therefore, the prospects for a decrease in Turkish anti-Americanism may be poor.

Nonetheless, Turkey is likely to support the U.S. withdrawal from Iraq, and its officials have indicated a willingness to facilitate the withdrawal of U.S. troops and materiel via its Incirlik Air Base and the port of Mersin, provided that the United States ensures that no arms will fall into the hands of the PKK in northern Iraq. The United States has not (yet) made a formal request to use these installations, but one can be anticipated.

## **Saudi Arabia<sup>34</sup>**

### **Perspectives and Interests**

Saudi Arabia's relationship with Iraq has been tense historically, although periods of Saudi-Iraqi cooperation have occurred when supported by convergent interests, most notably during the Iran-Iraq war of the 1980s. Saudi Arabia publicly opposed the U.S.-led invasion of Iraq in 2003, but provided logistical support to U.S. forces,<sup>35</sup> and Saudi officials have called on U.S. forces not to leave Iraq on an "uninvited" basis.<sup>36</sup> Saudi Arabia's principal interests with regard to Iraq are: first, to prevent instability and conflict in Iraq from threatening Saudi Arabia's internal security and stability; second, to prevent the repression of Iraq's Sunnis by newly dominant Shiites; and, third, to limit the regional influence of a potentially hostile Iran.<sup>37</sup> Saudi Arabia's longer-term interests include ensuring that the revival of Iraq's oil industry does not threaten Saudi preeminence and preferences in global energy markets and that Iraq does not re-emerge as a strategic military threat to the kingdom or to the other Arab Gulf states.

### **Policy Priorities**

The Saudi Arabian government has refrained from overt political or military intervention in Iraq since 2003, in spite of the threat that instability in Iraq has posed to Saudi Arabia's national security. To date, Saudi policy initiatives have sought to meet the humanitarian needs of Iraqis displaced by violence; to promote political and religious reconciliation among Iraqis by hosting and participating in various regional conferences; and to take preventive security measures to limit the spread of violence from Iraq into Saudi Arabia. Some analysts believe that Saudi Arabia has not fulfilled pledges of aid to Iraq because it does not want to support an Iraqi government

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<sup>33</sup>The Pew Global Attitudes Project, released July 23, 2009, available at: <http://pewglobal.org>.

<sup>34</sup> Prepared by (name redacted), Analyst in Middle Eastern Affairs.

<sup>35</sup> See CRS Report RL33533, *Saudi Arabia: Background and U.S. Relations*, by (name redacted) for a full discussion of Saudi support for U.S. combat efforts. See also "U.S. And Saudis Agree On Cooperation," *Washington Post*, February 26, 2003; and John Solomon, "Saudis had wider role in war," *Associated Press*, April 26, 2004.

<sup>36</sup> In October 2006, and repeatedly thereafter, then-Saudi Ambassador to the United States Prince Turki al Faisal argued that, "The kingdom's position has always been that since the United States came into Iraq uninvited, they shouldn't leave uninvited." Arshad Mohammed, "Saudi envoy warns US against abrupt Iraq withdrawal," *Reuters*, October 30, 2006.

<sup>37</sup> For the Saudi cabinet's statement of its key principles for Iraq, see *Saudi Press Agency* (Riyadh), "King Abdullah Chairs Cabinet's Session," November 20, 2006.

that many Saudis believe has a Shiite sectarian agenda. Other observers also speculate that the Saudi government may be offering financial support to Sunni Arab individuals and groups in Iraq, including tribal leaders and others associated with the so-called “Awakening” movement.

The willingness of influential Saudi clerics, wealthy Saudi individuals, and young Saudi citizens to offer rhetorical,<sup>38</sup> financial,<sup>39</sup> or personal support to various combatants in Iraq remains a challenge. However, official Saudi clerics, including Grand Mufti Shaykh Abd al Aziz bin Abdallah Al Shaykh, repeatedly have released religious judgments stating that travel to Iraq for the purpose of participating in violent activity is illegitimate and not religiously sanctioned.<sup>40</sup> Nevertheless, the phenomenon of Saudis traveling to Iraq to fight alongside other foreign fighters has created a long-term security risk for both countries: Saudi veterans of similar conflicts in Afghanistan, Bosnia, Chechnya, and other regions constituted the hard core of the Al Qaeda-affiliated group responsible for the series of successful and attempted terrorist attacks that occurred in the kingdom from late 2002 through early 2006. In August 2007, Prince Saud al Faisal dismissed reports that Saudis were traveling to Iraq as combatants in disproportionate numbers and argued that volume of “the traffic of terrorists” from Iraq to Saudi Arabia was greater than the volume flowing in the other direction.<sup>41</sup> U.S. military assessments have suggested that Saudi efforts to more carefully control exit visas contributed to a significant decline in the number of Saudi fighters reaching Iraq.

Estimates of the number of Saudis who have traveled to Iraq to fight remain imprecise and difficult to verify. In November 2006, a U.S. military spokesman stated that of the approximately 1,100 foreign fighters who had been killed or captured in Iraq during the previous 12 months, 12% were Saudi nationals.<sup>42</sup> One July 2007 press report cited unnamed U.S. military and intelligence officials as claiming that 30 to 40 Saudis were traveling to Iraq to fight each month and that the majority of foreign suicide bombers in Iraq were Saudis.<sup>43</sup> To help prevent the return of Saudi volunteers or the flow of other combatants and materiel from Iraq into Saudi Arabia, Saudi officials are implementing a significant border security infrastructure improvement program.<sup>44</sup> On July 1, 2009, Saudi Arabia awarded an estimated \$2 billion contract to the

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<sup>38</sup> “Saudi Clerics Appeal Iraqi Islamic Insurgency Factions to Unite Against ‘Enemy,’” Open Source Center (OSC) Document GMP20070411860009, April 11, 2007; “Saudi Cleric Al Jibrin Statement Denounces Shiites’ Acts Against Sunnis in Iraq,” OSC Document GMP20070122836001, January 20, 2007; “Saudi Arabian Clerics Issue Statement Backing Iraq’s Sunni Muslims,” OSC Document GMP20061211837002, December 10, 2006.

<sup>39</sup> Saudi officials generally deny that Saudi citizens provide financial support for Iraqi combatants, and little specific information is publicly available to corroborate claims to the contrary. Nevertheless, a number of press reports citing unnamed U.S. officials allege that such support exists and the Iraq Study Group report (p. 25) stated that, “funding for the Sunni insurgency comes from private individuals within Saudi Arabia and the Gulf States.”

<sup>40</sup> “Iraqi Newspaper Reports on Saudi Fatwas Forbidding Travel to Fight in Iraq,” OSC Document GMP20070610621002, June 3, 2007.

<sup>41</sup> Transcript of Press Availability with U.S. Secretary of State Condoleezza Rice, U.S. Secretary of Defense Robert Gates, and Saudi Arabian Foreign Minister Prince Saud al Faysal, Jeddah, Saudi Arabia, August 1, 2007.

<sup>42</sup> In a February 13, 2006, interview, Prince Turki al Faisal said that as of mid-2005 approximately 10% of captured foreign fighters held in Iraq were Saudis. See Mark Huband and William Wallis, “Saudi Arabia Fears Attacks from Insurgents Battle-hardened in Iraq,” *Financial Times* (London), December 20, 2004; “U.S. Faults Saudi Efforts on Terrorism,” *Los Angeles Times*, January 15, 2006; and, Remarks by Major General William Caldwell, Spokesman, Multinational Force-Iraq, Defense Department News Briefing, November 20, 2006.

<sup>43</sup> Helene Cooper, “U.S. Officials Voice Frustrations With Saudis, Citing Role in Iraq,” *New York Times*, July 27, 2007.

<sup>44</sup> According to press reports, Saudi Arabia is considering plans to construct a high-tech system of fences and detection systems along its entire 900 kilometer border with Iraq, but some Saudi officials have stated that the structures will be targeted to certain key areas rather than stretching along the entire border. The Saudi government claims to have spent \$1.8 billion on strengthening the border with Iraq since 2004. See P.K. Abdul Ghafour, “Work on Iraq Border Fence (continued...)”

European defense firm EADS to build a 5,600-mile security system along the Saudi borders with Yemen and Iraq.

Saudi official and public views of Iraq reflect concern about the empowerment of Iraq's Shiite Arab population and the perceived growth of Iranian influence in the Gulf region and broader Middle East. During a well-publicized speech in New York in September 2005, Saudi Foreign Minister Prince Saud al Faisal commented that the effect of U.S. policy was "handing the whole country [Iraq] over to Iran without reason," and warned of increased Sunni-Shiite violence.<sup>45</sup> The historically tense relationship between Saudi Arabia's Sunni Arab majority and Shiite Arab minority further compounds the situation: some Saudi Shiites have welcomed the empowerment of Iraq's Shiite Arabs and recognize Iraq-based Shiite clerics as their religious leaders. In turn, some conservative Sunni Saudis regard the Shiite minority as religiously aberrant and potentially politically disloyal.<sup>46</sup> Clashes between Saudi Shiites and religious police and security forces in the city of Medina and in the Eastern Province in 2009 have elevated the issue of Sunni-Shiite tensions on Saudi Arabia's domestic agenda.

## **Economic and Diplomatic Relations**

Sectarian and strategic anxieties complicate Saudi efforts to engage the Iraqi government, to establish strong trade links, and to discourage and prevent Saudi clerics and individuals from supporting Sunni Arab insurgents or terrorists in Iraq. Saudi leaders maintain regular contact with prominent Iraqi government officials, clerics, and political figures, and Saudi and Iraqi security services have increased their cooperation. Nevertheless, some accounts suggest that Iraqis are frustrated by the slow pace of official Saudi-Iraqi rapprochement and the Saudi government's unwillingness or inability to prevent individuals in Saudi Arabia from engaging in sectarian incitement. In September 2009, Iraqi Foreign Minister Hoshyar Zebari said in a media interview that, "To be frank and clear, I will say there is really a problem in Iraqi-Saudi relations. We are doing the impossible to correct these relations and place them on the right track."<sup>47</sup>

Iraq maintains an embassy in Riyadh and a consulate in Jeddah. A Saudi Foreign Ministry delegation visited Iraq in August 2007 to explore the possibility of reopening an embassy in Baghdad, and in January 2008, Prince Saud al Faisal announced that an ambassador had been chosen and that Saudi Arabia hoped to open an embassy in Baghdad "in the next few months."<sup>48</sup> However, in October 2008 he appeared to place an indefinite delay on plans to send an ambassador to Baghdad because, in the Saudi government's view, security concerns would limit the ability of any Saudi representative to operate effectively.<sup>49</sup> A regional press report in April

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Starts in 2007," *Arab News*, November 15, 2006; and Raid Qusti, "Kingdom Denies Plans to Build Fence on Border With Iraq," *Arab News*, November 20, 2006.

<sup>45</sup> *Reuters*, "Saudi Says U.S. Policy Handing Iraq over to Iran," September 20, 2005.

<sup>46</sup> See International Crisis Group, *The Shiite Question in Saudi Arabia*, Middle East Report No. 45, September 19, 2005; and John Solomon, "Saudi Arabia's Shiites and their Effect on the Kingdom's Stability," *Terrorism Monitor*, Volume 4, Issue 15, July 27, 2006.

<sup>47</sup> OSC Report GMP20090918643001, "Al-Jazirah Interviews Iraq's Zebari on Syrian-Iraqi Crisis, Ties With Neighbors," September 18, 2009.

<sup>48</sup> Prince Saud al Faisal quoted in "U.S. Secretary of State Condoleezza Rice Remarks With Saudi Arabia Minister of Foreign Affairs, His Royal Highness Prince Saud Al-Faisal," State Department Press Releases and Documents, January 15, 2008.

<sup>49</sup> Donna Abu-Nasr, "Saudi Arabia, citing security, delays opening embassy in Baghdad," *Associated Press*, October (continued...)



2009 appeared to confirm that advanced preparations for an eventual Saudi diplomatic presence in Baghdad have been made, but quoted Saudi officials as indicating that security concerns continue to limit their willingness to send high-level diplomatic personnel to Iraq on a permanent basis. The bombing of Iraqi government ministries in August 2009 likely confirmed Saudi views of insecurity in Baghdad following the withdrawal of U.S. forces from Iraq's cities. As of September 2009, a Saudi Embassy had not been opened and no ambassador had been publicly identified.

Debt forgiveness remains a key outstanding issue in Iraqi-Saudi relations. As of January 2004, Iraq reportedly owed the Saudi government \$9 billion for debt incurred under the Saddam Hussein regime (mostly during the Iran-Iraq war of the 1980s). Private Saudi firms and banks hold about \$19 billion in additional Iraqi debt.<sup>50</sup> Questions have been raised about whether Iraq's debt to Saudi Arabia should be subject to interest payments, and both parties have agreed to discuss the matter further. U.S. officials have encouraged Saudi Arabia and Kuwait to forgive Iraq's outstanding debt to support Iraqi reconstruction and economic recovery efforts. The Saudi government has pledged \$500 million from the Saudi Development Fund to sponsor Iraqi government-requested development projects, along with \$500 million to finance potential bilateral trade and close to \$90 million in humanitarian relief assistance.<sup>51</sup> However, since 2003, trade between Iraq and Saudi Arabia has remained very limited.

## **Prospects**

The Saudi Arabian government's restraint from overt interference in Iraq stands in contrast to reported patterns of private Saudi support for anti-coalition and anti-Iraqi government activity. The Saudi government is likely to continue to refrain from providing direct support for anti-government forces in order to avoid confrontation with the United States and out of fear that the collapse of Iraq's government could strengthen Iraq-based transnational terrorist elements hostile to the Al Saud family. However, a return to sectarian violence in Iraq or more assertive Iranian policy there could undermine domestic support for a policy of restraint among Saudis. From late 2006 through mid-2007, a number of influential figures and religious scholars in Saudi Arabia called for their government and fellow citizens to provide direct political and security assistance to Iraq's Sunni Arab community and to confront what they perceived as Iranian-led Shiite ascendance in the region.<sup>52</sup> Since that time, official Saudi clerics have released statements forbidding Saudis from traveling to Iraq to fight, but popular support for anti-U.S. or anti-Iranian activity may remain strong.

Prince Saud al Faisal has dismissed calls for direct involvement and has stated, that "since the start of the crisis in Iraq ... the Kingdom has said it will stand at an equal distance from all Iraqi

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21, 2008.

<sup>50</sup> For more information, see CRS Report RL33376, *Iraq's Debt Relief: Procedure and Potential Implications for International Debt Relief*, by (name redacted), "Opposing Views of the Kingdom to Come," *Middle East Economic Digest*, January 23-29, 2004, p. 1.

<sup>51</sup> Statement of Foreign Minister Prince Saud al Faisal to United Nations meeting on Iraq, September 18, 2006. Available at <http://www.mofa.gov.sa/Detail.asp?InNewsItemID=55259>.

<sup>52</sup> Nawaf Obaid, "Stepping Into Iraq: Saudi Arabia Will Protect Sunnis if the U.S. Leaves," *Washington Post*, November 29, 2006.

groups and does not describe itself as the guardian of any group or sect.”<sup>53</sup> Nevertheless, Saudi officials have delayed a full embrace of the current Iraqi government and reportedly remain frustrated with what they perceive to be Prime Minister Al Maliki’s anti-Sunni sectarian policy approach and his administration’s unduly close relationship with Iran. Changes in Iraqi government makeup or policy after the January 2010 elections could alter these calculations.

Reconciliation and long-term stability in Iraq could ease Saudi fears of creeping instability, but could also create new challenges. Saudi Arabia’s immediate concern remains the reintegration or elimination of returning Saudi militants. The outcome of reconciliation or conflict in Iraq and the leadership and character of Iraq’s government will determine whether Saudi fears about the empowerment of Shiite Arabs and the growth of Iranian influence persist or diminish. Future Iraqi choices in key areas such as energy and military policy will have important implications for Iraqi-Saudi relations over the long term.<sup>54</sup>

## Syria<sup>55</sup>

### Perspectives and Interests

For over three decades, Syria and Iraq were rivals,<sup>56</sup> though the two sides were in the process of making amends prior to the 2003 U.S. invasion of Iraq. The overthrow of the Saddam Hussein regime forced the Syrian government to adjust to radically changed political circumstances inside Iraq, a process they were diplomatically ill equipped to handle due to the years of neglect in their bilateral relationship.<sup>57</sup> In addition, Syrian opposition to the U.S. presence in Iraq forestalled any attempt to formulate a coherent Iraq policy other than one that was obstructionist and deliberately detrimental to coalition forces and the nascent Shiite- and Kurdish-dominated Iraqi government.

Once full-blown sectarian warfare reached its height between 2006 and 2007, Syria re-engaged Iraq, as nearly 1.3 million Iraqi refugees flooded Damascus and its suburbs, bringing the conflict to Syria’s doorstep. Between 2007 and 2009, as Iraq stabilized, Syria improved its ties not only with the Maliki government, but with the myriad of other Iraqi religious and sectarian actors. As a

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<sup>53</sup> *Arab News* (Jeddah), “Kingdom Won’t Take Sides in Iraq, Says Saud,” December 20, 2006; and Robin Wright, “Royal Intrigue, Unpaid Bills Preceded Saudi Ambassador’s Exit,” *Washington Post*, December 23, 2006.

<sup>54</sup> With regard to oil policy, there is a possibility, in the words of one analyst, that over the long term, “the Saudi interest in moderate prices and preserving market share will run afoul of the Iraqi need for maximum production at high prices to fund national reconstruction.” See Joseph McMillan, *Saudi Arabia and Iraq: Oil, Religion, and an Enduring Rivalry*, USIP, Special Report No. 157, January 2006, p. 14.

<sup>55</sup> Prepared by (name redacted), Specialist in Middle Eastern Affairs.

<sup>56</sup> For many years, Syria and Iraq had an uneven and often troubled relationship, stemming from political disputes, border tensions, demographic differences, and personal animosity between the two countries’ late leaders: Syrian President Hafiz al Asad and Iraqi President Saddam Hussein. Moreover, the two countries were governed by rival wings of the pan-Arab Baath Party. Syria severed diplomatic relations with Iraq in 1982 after it accused Saddam Hussein’s regime of inciting and supporting Syrian Muslim Brotherhood-led riots. In the late 1990s bilateral relations improved markedly, primarily in the economic sphere. The two countries formally restored relations in November 2006.

<sup>57</sup> According to one *International Crisis Group* report, “neither country had an embassy in the other’s capital, there were no formal visits, no cultural exchanges and no telephone lines linking the two. Syrians wanting a travel permit would get the words ‘All Arab countries except Iraq’ stamped on their passports.” See, “Failed Responsibility: Iraqi Refugees in Syria, Jordan, and Lebanon,” *International Crisis Group*, Middle East Report, Number 77, July 10, 2008.

majority Sunni Arab country with a strategic relationship with a Shiite Persian Iran, Syria plays different sides of the Iraqi sectarian equation.

In the first half of 2009, Syrian-Iraqi relations improved further as a result of stronger U.S.-Syrian ties.<sup>58</sup> The latter improved under the Obama Administration, as U.S. and Syrian officials discussed how to tighten security along the Syrian-Iraqi border and improve Syrian-Iraqi relations overall. In the summer of 2009, two delegations of U.S. officials from U.S. Central Command (CENTCOM) traveled to Damascus for high-level meetings with their Syrian counterparts on Iraqi border security issues. As a result of these meetings, all sides agreed to establish a tripartite committee to better monitor the Syrian-Iraqi border. Syrian officials have vocally expressed their willingness to cooperate with the Obama Administration on Iraq. According to Syria's Ambassador to the United States Imad Moustapha, "Iraq was one of the knotty issues between Syria and the United States during former President George Bush's administration. Now there is American talk about a clear timetable for withdrawal from Iraq. This is a Syrian demand. This drives us toward cautious optimism.... In this context, we can cooperate with the United States to help Iraq become more stable so that larger numbers of refugees can return to Iraq and the regional tension created by the American presence can end."<sup>59</sup>

Nevertheless, old Syrian-Iraqi enmities persist, as evidenced by the intense diplomatic dispute that arose in the aftermath of a series of August 2009 bombings in Baghdad, which killed nearly 100 people and were, according to the Maliki government, allegedly carried out by Al Qaeda operatives based in Syria with support from the remnants of Saddam Hussein's Baath Party and Syrian intelligence. Syrian President Bashar al Asad denied Syrian responsibility for the attack, calling Iraqi charges "immoral." The Iraqi government responded by broadcasting video of a confession by a suspected Al Qaeda militant claiming to have been trained by Syrian intelligence agents in Syria.<sup>60</sup> As part of the bilateral acrimony, both countries recalled their respective ambassadors from the other's capital.

## **Policy Priorities**

Despite several years of improved Syrian-Iraqi bilateral relations, a more receptive U.S. Administration to Syrian-Iraqi cooperation, and the beginning of a U.S. troop withdrawal from Iraq, U.S. officials assert that Syria continues to harbor groups both politically and violently opposed to the Maliki government. According to the latest U.S. Department of Defense (DoD) report on Iraqi stability:

Although the Government of Syria has made security improvements to its border with Iraq, it needs to do more to address border security and foreign fighter networks transiting Syria into Iraq. Syria's tolerance of AQI [Al Qaeda in Iraq] facilitation activity on Syrian territory will likely obstruct further progress on joint economic or political fronts with Iraq. Although

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<sup>58</sup> By now, U.S. demands of Syria in Iraq are well known; the Obama Administration, like its predecessor, is seeking Syrian assistance in securing its 450-mile porous border with Iraq, battling Al Qaeda-affiliated militants operating in Syrian territory, sharing intelligence with Iraqi Security Forces on Sunni insurgents and Jihadists operating in Western and Northern Iraq, strengthening the Iraqi central government, and returning thousands of Iraqi refugees to their homeland. U.S. officials also may push for the Syrian government to either capture or expel Sunni Baathist leaders from Saddam Hussein's regime who openly operate in Syria.

<sup>59</sup> Open Source Center, "Envoy Says Syria Ready To Cooperate With US Administration on Iraq, Refugees," *Syria News*, March 24, 2009, p. Document ID# GMP20090324644004.

<sup>60</sup> "Iraq Challenges Syria to Explain Militant Aid," *Daily Star (Beirut)*, September 4, 2009.

Syria has detained some AQI facilitators and operatives and the foreign fighter flow from Syria into Iraq has decreased, Syria remains the primary gateway for Iraq-bound foreign fighters.<sup>61</sup>

Some observers have speculated that the Asad regime continues to harbor Al Qaeda in Iraq operatives and former Baath party officials in order to use these groups as leverage in negotiations with the United States and the Iraqi government over improving U.S.-Syrian ties and Syrian-Iraqi economic relations, respectively. Others believe that Syria is waiting for more meaningful Iraqi political reconciliation to take place before it makes any grand gestures toward the Maliki government. The Maliki government has insisted that relations will only improve once Syria demonstrates greater resolve to limit the flow of foreign fighters into Iraq and crack down on Al Qaeda in Iraq's Syrian network.<sup>62</sup> Iraqi Foreign Minister Hoshiyar Zebari recently stated that "We have been raising this issue promptly through diplomatic channels, with the leaders of these countries, and (told them) that these activities taking place against the Iraqi government are unfriendly acts."<sup>63</sup>

Despite some Syrian cooperation<sup>64</sup> along its border with Iraq, various reports indicate that Al Qaeda in Iraq operatives, along with former Baath party officials, continue to operate inside Syria, where they funnel personnel, arms, and funds over the border to fighters inside Iraq. The U.S. Department of the Treasury has designated several Syrian-based former Baath Party officials, including Meshaan al Jabouri (sanctioned January 9, 2008), a former Iraqi parliamentarian who has provided support to Al Qaeda in Iraq and run an Iraqi-insurgent friendly satellite TV station.<sup>65</sup> In May 2009, the Treasury Department designated Syria-based Sa'ad Uwayyid 'Ubayd Mu'jil al Shammari (aka Abu Khalaf) for serving as a senior member of Al Qaeda in Iraq's Syria-based facilitation network.<sup>66</sup>

Syrian harboring of Al Qaeda in Iraq and Baath party elements and lax border security have disrupted bilateral Syrian-Iraqi relations on several occasions. Syrian-Iraqi relations suffered a setback after the Iraqi government initially reacted positively to the October 30, 2008, U.S. air strike inside Syrian territory that killed a high-level Al Qaeda operative who smuggled foreign fighters into Iraq. Reportedly, Iraqi Government spokesperson Ali al-Dabbagh stated after the strike that "the Syrian Abu Kamal region near the border with Iraq has been a theater of insurgent activities against Iraq, using Syria as a launch pad."<sup>67</sup> Iraq later condemned U.S. "aggression"

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<sup>61</sup> Measuring Stability and Security in Iraq, June 2009. Available online at: [http://www.defenselink.mil/home/features/Iraq\\_Reports/](http://www.defenselink.mil/home/features/Iraq_Reports/)

<sup>62</sup> In February 2008, General David Petraeus stated that the flow of foreign militants entering Iraq to fight for Al Qaeda has fallen by half, but that "It's a result not just of Syrian activity, although there has been some. It's the result of source countries making it tougher to fly as a military age male."

<sup>63</sup> "Syria PM Visits Iraq to Discuss Rebels and Oil," *Reuters*, April 21, 2009.

<sup>64</sup> According to one Syria expert, "Damascus only recently introduced a centralized computer system to monitor entries and exits. Despite an antiquated approach to illegal crossings, notable efforts have been made, such as engaging tribes, improving routine controls, and even cracking down on corrupt magnates in order to better protect Syrian territory. Ironically, Syrian officials now complain that the United States and Iraq aren't doing enough on the Iraqi side to seal the border." See, Peter Harling, "Stable Iraq Key to U.S.-Syria Dialogue," *DefenseNews.com*, June 1, 2009.

<sup>65</sup> See, "Treasury Designates Individuals, Entity Fueling Iraqi Insurgency," U.S. Department of the Treasury, January 9, 2008.

<sup>66</sup> See, "Treasury Targets Key al-Qa'ida in Iraq Operative," U.S. Department of the Treasury, May 14, 2009.

<sup>67</sup> "Iraqi Tribal Chief Al-Hatam Confirms Militants Enter Iraq Through Syrian Border," *Al-Sharq al-Awsat Online* (London), October 30, 2008.

against Syria, though officials acknowledged that the Al Qaeda leader killed in the attack had been wanted by Iraq for years. According to Iraqi Foreign Minister Hoshiyar Zebari, who visited Syria to smooth over relations, “This incident, and others, shows the need for security coordination. I received assurances from President Asad that Syria is ready to discuss this issue professionally.”<sup>68</sup> The Syrian government vociferously demanded that the U.S.-Iraqi Status of Forces Agreement (SOFA) include provisions that prevent the United States from using its bases in Iraq to conduct raids against neighboring countries. After the raid, Iraqi officials told Syria that their territory would not be used as a base of operations to conduct raids into Syria.

As previously mentioned, a series of Al Qaeda in Iraq bomb attacks on August 19, 2009, at the Iraqi foreign and finance ministries, which killed about 100 people and injured hundreds more, seriously disrupted Syrian-Iraqi relations after the Maliki government directly accused the Asad regime of hosting terrorist training camps and those responsible for the attacks. A series of heated exchanges between Syrian and Iraqi leaders that followed Iraq’s accusations was particularly damaging to their diplomatic relationship, as the acrimony followed several recent breakthroughs in bilateral relations, including a visit by Prime Minister Maliki to Syria and the formation of a Syria-Iraq-United States tripartite committee to monitor the Syrian-Iraqi border.

In September, Maliki stated, “Why must they insist on sheltering the armed organizations and those wanted by Iraqi courts and Interpol on Syrian lands?... The crisis with Syria is not new. We have made contacts with Syrian officials regarding the activity of leaders from the disbanded Baath Party and terrorist organizations that work against Iraq from Syrian lands.” He then mentioned that during his August trip to Damascus, he presented Syrian authorities with evidence that Iraqi Baathists and Al Qaeda in Iraq operatives were meeting in the presence of Syrian intelligence.<sup>69</sup> Several days earlier, Syrian President Bashar al Asad stated that “When Syria is accused of killing Iraqis at a time it’s hosting around 1.2 million Iraqis ... the least that can be said about this accusation is that it’s immoral.”

In the continued aftermath of the bombing, relations have spiraled downward even further. Iraq is demanding that Syria extradite Mohammad Younis al Ahmed<sup>70</sup> and Sattam Farhan, two operatives the Iraqis believe to be in Syria and involved in the August bombings. The Maliki government also has called for the convening of an international tribunal similar to the United Nations Hariri tribunal that was created to try and convict the alleged Syrian-sponsored assassins of the late Lebanese Prime Minister Rafik Hariri, a gesture that would appear to be designed to further provoke the Asad regime. Iraq also sent extra police and soldiers to the Syrian border to stem further infiltration.

On September 8, 2009, Iraq’s Presidency Council, led by President Jalal Talabani, a Kurd, issued a press release objecting to the prime minister’s tough stance against Syria. According to Talabani, “This is not in the interest of Syria, Iraq or (other) Arab nations. Such a stand from the Iraqi government, without consultation with the presidency council, is illegal.”

The Iraqi refugee crisis has been another constraint on Syrian-Iraqi relations. Syria, which has absorbed the most Iraqi refugees (an estimated 1.3 million) of any neighboring country, feels that

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<sup>68</sup> Khaled Yacoub Oweis, “Syria to host Iraq security meeting despite US raid,” *Reuters*, November 12, 2008.

<sup>69</sup> “Iraq Challenges Syria to Explain Militant Aid,” *Daily Star (Beirut)*, September 4, 2009.

<sup>70</sup> Muhammad Younis al-Ahmed is a former high-ranking Baath Party official who has been on Iraq’s most-wanted list for several years.

it has expended significant resources in hosting displaced Iraqis with very little acknowledgment or support from the nascent Iraqi government. Iraqi refugees have settled at least temporarily in the Damascus suburbs, changing the character of entire neighborhoods and creating strains on the Syrian domestic economy in the form of inflation, rising rents, housing demands, and impending water and electricity shortages. The sex trade in Syria has grown, as many Iraqi women work as prostitutes in Syria. The Iraqi refugee population in Syria has more female-headed households in which mothers lack personal savings and cannot work legally. Syrian authorities maintained an open-door policy regarding new arrivals until they imposed a visa requirement in September 2007, and demanded more Iraqi government and international assistance. So far, the Maliki government has provided very little, pledging only \$15 million to Syria in April 2007. In addition, Syria's own cumbersome rules have dissuaded international aid organizations from working with the inefficient Syrian bureaucracy. As a result, international aid organizations claim that Iraqis in Syria have received insufficient support, though it appears that only the most destitute have been forced to return to Iraq.

### **Economic and Diplomatic Relations**

At the official level, Syria has engaged Prime Minister Maliki's government on a variety of issues, including energy cooperation, water, and border security. In September 2008, Syria appointed its first ambassador to Iraq in decades following similar moves by other Arab states.<sup>71</sup> As noted above, at present, both countries have withdrawn their ambassadors in relation to the ongoing bilateral dispute over security issues. In August 2007, Maliki paid his first visit to Syria to discuss security issues, the possible reactivation of commercial agreements that pre-date the U.S. invasion of Iraq in 2003, and the possible reopening of an oil pipeline between the two countries.<sup>72</sup> In April 2009, as U.S.-Syrian relations warmed and focused on possible cooperation with Iraq, Syrian Prime Minister Mohammed Naji Otri made a high-level visit to Iraq, pledging to increase border and energy cooperation.

However, in light of continued bilateral tensions over alleged Syrian support for Al Qaeda in Iraq terrorists, cooperation on energy and other issues has stalled. In 2007, Syria and Iraq reportedly agreed to revive the Kirkuk-Banias pipeline to facilitate Iraqi oil exports through Syria. However, repair work along the pipeline, which has a maximum capacity to carry 300,000 barrels per day, has yet to begin despite earlier reports that the Russian firm Stroytransgaz had secured a contract to start repairs. According to a Syrian government spokesperson, "The Russian company failed to do the job and now we are seeking other foreign firms to evaluate the damage and rebuild the pipeline."<sup>73</sup> In April 2009, Syria and Iraq again announced that the two sides had reached agreement on repairing the pipeline, though there have been no new reports of any follow-through on the deal.

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<sup>71</sup> The new Syrian Ambassador to Iraq is Nawaf al-Fares, the former head of the Baath Party in Deir ez-Zour province and is the leader of the powerful 'Uqaydat tribe who live near the Syrian-Iraqi border.

<sup>72</sup> The Kirkuk-Banias pipeline was used to ship Iraqi oil to the Syrian port of Banias for export from 1952 to 1982. It was shut off after Syria supported Iran during the Iran-Iraq war. As part of a partial rapprochement between the two countries that began in the late 1990s, the pipeline was reopened in 2000, and Iraq shipped 200,000 barrels per day to Syria through the Kirkuk-Banias pipeline; these shipments were halted by allied coalition forces after the overthrow of Saddam Hussein in April 2003. The United States bombed the pipeline on the Iraqi side of the border during the initial U.S. invasion.

<sup>73</sup> "Iraq Seeks Bidders to Restart Syria Oil Pipeline," *Reuters*, April 21, 2009.

Beyond the prime minister's office, Syria has reached out to other Iraqi parties. Among Iraqi Shiites, Syria has developed ties with both the Islamic Supreme Council of Iraq (ISCI) and the Sadrists. In July 2008, Syrian President Bashar al-Asad met with Deputy Chairman of Supreme Islamic Iraqi Council Amar Abdul Aziz al-Hakim, the son of the Iraqi Shiite leader Abdul Aziz al-Hakim. Several months earlier, Muqtada al-Sadr visited Syria, where he was treated as a head of state. As Iranian influence among Iraq Shiites has expanded since 2003, Syria has been compelled to engage these groups to retain a broader degree of influence in Iraqi affairs. President Asad also maintains a good relationship with Kurdish leader and Iraqi President Jalal Talabani, who spent several years in exile in Syria.

The total volume of Syrian-Iraqi trade reached an estimated \$6.6 billion in 2008.<sup>74</sup>

## **Prospects**

Based on the diplomatic fallout arising from alleged Syrian involvement in the August 19, 2009, multiple bomb attacks in Baghdad, which targeted government structures, Syrian-Iraqi relations will remain encumbered by alleged Syrian support for Sunni insurgents, former Baath officials, and Al Qaeda in Iraq terrorists. Until Syria determines that the benefits of an improved relationship with Iraq outweigh the costs of their continued support for these groups, the situation may remain static despite the limited success of the Obama Administration's diplomatic efforts so far. On the other hand, it also is possible that Syrian support for Sunni terrorist activity against Iraq is less direct than Prime Minister Maliki alleges, as the Asad regime may be unwilling to jeopardize improved relations with the United States, which have come partially as a result of its previous cooperation on Iraq. What is clear is that without sustained bilateral cooperation, neither party is able to realize the full potential economic benefits of partnership, such as favorable energy deals and broader access to new markets.<sup>75</sup>

## **Jordan<sup>76</sup>**

### **Perspectives and Interests**

Jordan's relations with Iraq during the Saddam Hussein era were strong. In 2003, Jordan publicly opposed military action against Iraq, but it informally and quietly provided logistical support to the U.S.-led campaign to oust Saddam Hussein. Since 2003, Jordanians have repeatedly criticized what they perceive to be the political marginalization of Iraq's Sunni Arab population. Unlike Iraq's other neighbors, Jordan has a limited ability to intervene in Iraq's affairs at present, and, since 2003, Jordanian leaders have been far more concerned with Iraq's influence on the kingdom's own politics, trade, and internal security.

### **Policy Priorities**

Jordan continues to be both a source of foreign fighters joining the Sunni insurgency and a target of Al Qaeda-inspired terrorist groups. The industrial town of Zarqa, several miles northeast of

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<sup>74</sup> International Monetary Fund Direction of Trade Statistics, Iraq, September 2009.

<sup>75</sup> See, "Syria Looks to Iraq for an Economic Boost," *Wall Street Journal*, June 1, 2009.

<sup>76</sup> Prepared by (name redacted), Specialist in Middle Eastern Affairs.

Amman, has been well documented as a source of Sunni militancy, as dozens of its young men have traveled to Iraq to die as suicide bombers. According to one Islamist community leader in Zarqa, “Most of the young people here in Zarqa are very religious.... And when they see the news and what is going on in the Islamic countries, they themselves feel that they have to go to fight jihad. Today, you don’t need anyone to tell the young men that they should go to jihad. They themselves want to be martyrs.”<sup>77</sup>

Potential threats from transnational terrorism also dominate Jordan’s Iraq policy agenda. Despite the killing of Jordanian terrorist mastermind Abu Musab al Zarqawi in June 2006 by U.S. and Iraqi forces (reportedly with assistance from Jordanian intelligence), the threat of Al Qaeda-affiliated or -inspired terrorists using Iraq’s predominately Sunni Al Anbar Province as a launching pad to destabilize Jordan remains a concern. On November 9, 2005, near-simultaneous explosions at three Western-owned hotels in Amman killed 58 persons and seriously wounded approximately 100 others. Al Qaeda in Iraq claimed responsibility for the attacks. In late 2006, Jordanian intelligence authorities thwarted a potential bomb attack against foreign tourists traveling through Queen Alia Airport in Amman. Several of the convicted conspirators were Iraqis, and one of the ringleaders of the plot reportedly had sought to place a bomb in a sports bag using the explosive PE-4A, which is used by insurgents in Iraq.<sup>78</sup>

With over half of Jordan’s population claiming Palestinian descent, the kingdom has coped with refugee issues for decades. Nevertheless, the estimated 400,000-500,000 Iraqis living in Jordan have an ambivalent relationship, at best, with the government and face difficult day-to-day circumstances there. For a small, relatively poor country such as Jordan, the Iraqi influx is creating profound changes in Jordan’s economy and society. Inflation has soared, creating hardships for middle-class Jordanians of all backgrounds. In early 2007, Jordan sealed its borders and has since tried to stop any further inflow of Iraqis into the capital (Amman) and its environs. Some Jordanians now express concerns about sectarian Sunni-Shiite tension inside Jordan, which previously was not an issue of concern.

In addition to concerns over absorbing more Iraqis, the Jordanian government may be treating the steady inflow of Iraqi refugees as a national security issue. Jordanian authorities have imposed restrictions on young Iraqi males to prevent their entering the country in response to security concerns. The Jordanian government classifies displaced Iraqis living in Jordan as “visitors” or “guests,” not refugees, as Jordan does not have a domestic refugee law, nor is it a party to the 1951 UN refugees’ convention.<sup>79</sup> Iraqis who are able to deposit \$150,000 in Amman banks are granted residency almost instantly, while the vast majority of Iraqis in Jordan have become illegal aliens due to the expiration of their visitor visas.<sup>80</sup>

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<sup>77</sup> “In Jihadist Haven, a Goal: To Kill and Die in Iraq,” *New York Times*, May 4, 2007.

<sup>78</sup> “Militants Widen Reach as Terror Seeps Out of Iraq,” *New York Times*, May 28, 2007.

<sup>79</sup> According to the UNHCR’s representative in Jordan, Robert Breen, “The term ‘refugee’ has political implications for the government and Iraqis because of the Palestinian question.... Most Iraqis, who represent a very diverse group here, don’t view themselves as refugees.” See, “Uncertain Future for Jordan’s ‘Guests,’” *Financial Times*, March 12, 2007.

<sup>80</sup> Many Iraqis in Jordan lack valid residency permits or visas altogether. “Uneasy Havens Await Those Who Flee Iraq,” *New York Times*, December 8, 2006.



## **Economic and Diplomatic Relations**

In 2008, as the situation in Iraq somewhat stabilized, Jordan moved to normalize its relations with the predominately Shiite Iraqi government. In August 2008, perhaps as a response to U.S. demands that Arab states end their isolation of Iraq, King Abdullah II became the first Arab leader to visit Iraq since the fall of the Saddam Hussein regime in 2003. Earlier in the year, Jordan announced that it had appointed an ambassador to Baghdad, the first nation to do so since all Arab governments withdrew their ambassadors after the 2005 kidnapping and murder of Egypt's former envoy.<sup>81</sup>

Jordan also has sought to reap tangible benefits from relations with its larger, oil-rich neighbor. During the Saddam Hussein regime, Iraq provided nearly all of Jordan's domestic oil needs, half of it free of charge.<sup>82</sup> After the U.S. invasion in 2003 and until 2008, Jordan was forced to receive or purchase its oil elsewhere, as its relationship with a fledgling, Shiite-dominated Iraqi government in the throes of an insurgency and civil war hindered the normalization of bilateral ties. The two sides reached a tentative oil deal in August 2006; however, security and logistical concerns prevented the resumption of oil shipments.

After years of delay, Iraqi crude oil shipments began arriving in Jordan in September 2008. Under the original terms of their agreement, Jordan was to receive approximately 10,000 barrels of oil per day (roughly 10% of its daily consumption) from Iraq, at a price between \$10-\$18 per barrel. This quantity would increase to 30,000 barrels at a later stage, based on the memorandum of understanding signed between the two countries. Due to spiraling global oil prices, Iraq revised the agreement in 2008 to provide crude oil to Jordan at \$22 per barrel—still a substantial discount from the international market price for Brent crude oil.

Jordan and Iraq had discussed the construction of a pipeline from Iraq to the Jordanian port of Aqaba but cost projections have scuttled this proposal. Reportedly, the Jordanian government is now seeking international financing for the construction of a 600-mile railroad system to ferry Iraqi crude oil directly to Jordan's sole refinery in the industrial town of Zarqa.<sup>83</sup>

In September 2009, Jordanian Prime Minister Nader Dahabi traveled to Iraq for meetings with Prime Minister Maliki and President Talabani. As a result of the visit, Iraq and Jordan signed an agreement to set up a free trade zone in a bid to increase the volume of bilateral trade. According to the IMF, Iraqi-Jordanian trade reached \$1 billion in 2008.<sup>84</sup> According to reports, discussions also covered Iraqi outstanding debts to Jordan. The Iraqi central bank's debts to its Jordanian counterpart are estimated at more than \$1 billion.<sup>85</sup>

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<sup>81</sup> In August 2003, 17 people were killed outside the Jordanian embassy in an insurgent attack designed to deter Arab cooperation with coalition forces.

<sup>82</sup> During the decade preceding Operation Iraqi Freedom while Iraq was under an international economic embargo, Jordan imported between 70,000 and 95,000 barrels per day of oil and oil products from Iraq. Jordan bought the oil at discounted prices, and actual payments were made in commodities rather than cash, through shipments of humanitarian goods from Jordan to Iraq. These transactions were outside the U.N.-approved oil-for-food program; however, the United Nations "took note" of Jordan's position that it had no other source of oil, and U.S. administrations waived legislation that would have penalized Jordan for these transactions on this basis.

<sup>83</sup> "Jordan Plans Regional Railway, Oil Link with Iraq," *Agence France Presse*, July 27, 2008.

<sup>84</sup> IMF Direction of Trade Statistics, Iraq, September 2009.

<sup>85</sup> "Jordanian PM Reiterates Support for Iraq's Stability, Sovereignty," *Jordan Times*, September 6, 2009.

## **Prospects**

Militant Islamist groups operating inside Iraq remain a significant threat to Jordan. As U.S. forces begin to withdraw from Iraq as called for in the ratified SOFA, the status of Al Qaeda in Iraq and other terrorist groups with significant foreign elements remains uncertain. On the one hand, these groups may maintain their safe havens in Iraq to conduct operations inside Jordan or even influence domestic Jordanian militants. On the other hand, as Iraq's Shiite-dominated central government consolidates its power, veteran fighters may soon leave Iraq to fight elsewhere, such as in Jordan. Nevertheless, Jordan's intelligence services and internal security forces are formidable, as Jordan is more at risk of experiencing a single but perhaps large-scale terrorist attack similar to the 2005 hotel bombings rather than an Islamist-led revolution.

At the official level, government-to-government relations between Jordan and Iraq are likely to improve as long as Iraq remains stable and relatively free of sectarian bloodshed. Nevertheless, Jordan's Sunni tribal Arab elite had strong ties to the Saddam Hussein regime, and few analysts expect Jordanian-Iraqi relations to revert back to earlier times. In the months and years ahead, both sides will have to tackle the Iraqi refugee issue, energy deals, border security, and, most importantly, their relationship with Iran. Jordan, like other Sunni Arab states, is suspicious of Iranian intentions in the region.

## **Kuwait and the Gulf Cooperation Council States<sup>86</sup>**

Prior to the U.S. intervention in Iraq, the Sunni Arab-led governments of the Gulf Cooperation Council had predicted that removing the Saddam Hussein regime would not necessarily produce stability in Iraq, and several were reluctant to support U.S. military operations. For the most part, Gulf leaders publicly indicated that they would only support a U.S. attack if such action were authorized by the United Nations and had broad international support. Two of the Gulf states, Kuwait and Qatar, were more openly supportive of U.S. plans.<sup>87</sup>

The fall of the Saddam Hussein regime initially generated a sense of relief by removing the principal conventional threat to the Gulf states' security. However, instability and violence in Iraq, coupled with Arab perceptions of an emboldened and potentially hostile Iran, created new, shared fears among Gulf leaders. During the period of escalating sectarian violence in Iraq, Gulf leaders feared that sectarian clashes could draw in Iraq's neighbors and bring them into conflict with Iran.

Despite the return of relative calm, the rise of Shiite Islamist factions in post-Saddam Iraq has created a residual threat perception among some in the Gulf. Several of the Gulf states have substantial Shiite populations, but most Gulf Shiite communities consider themselves to be under-represented in government and to lack key economic opportunities. Nevertheless, some Gulf states have reached out to the Iraqi government in an attempt to open a new chapter in their respective bilateral relations. In June 2008, the United Arab Emirates appointed an ambassador to Iraq and, the following month, wrote off \$7 billion (including interest) in Iraqi debt. Bahrain also

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<sup>86</sup> Prepared by (name redacted), Analyst in Middle Eastern Affairs, and (name redacted), Specialist in Middle Eastern Affairs.

<sup>87</sup> Both governments hosted buildups of U.S. forces and equipment that were used in the offensive against Iraq. Kuwait, which wanted to see its former invader, Saddam Hussein, overthrown, hosted the bulk of the personnel and equipment used in the ground assault.

appointed an ambassador, who presented his credentials in October 2008. Iraq sent an ambassador to Qatar in March 2009, and Iraqi Airways resumed flights to Doha in September 2009.

Gulf governments generally believe that parts of Iraq could become a safe haven for terrorists if security gains are reversed or if the United States military withdrawal from Iraq occurs so long as Iraqi police and military forces are inadequately trained and equipped. In response to these and other concerns, the Gulf states and the United States have renewed security discussions under the framework of multilateral consultations and bilateral consultations under the Gulf Security Dialogue.<sup>88</sup>

In July 2009, Iraqi Prime Minister Nouri al Maliki visited Washington, DC, to discuss Iraq's efforts to close a series of issues left over with the United Nations Security Council from the Saddam era. Article 25 of the U.S.-Iraq Security Agreement commits the United States to "us[ing] its best efforts to help Iraq take the steps necessary to" return Iraq to the legal and international standing it enjoyed prior to the Iraqi invasion of Kuwait.<sup>89</sup> Almost all of these provisions were adopted under Chapter VII of the U.N. Charter, which refers to peace and security issues. Paragraph 5 of U.N. Security Council Resolution 1859 (December 22, 2008), which is discussed further below, decided to review all outstanding U.N. Security Council resolutions that stem from the Iraqi invasion of Kuwait in August 1990.

In debate over that Resolution, the United States supported that review. However, Kuwaiti leaders, in letters to the U.N. Secretary General, have insisted that unresolved issues remain open, whereas Iraq is pressing for an early closing of these issues even if not fully resolved. As discussed below, a key difference between the two involves continuing reparations to Kuwait from the 1990 Iraqi invasion—reparations that cost Iraq \$660 million in 2009 (January-June 2009), according to a report of the Secretary General on Resolution 1859 ("The 1859 Report").<sup>90</sup>

Iraq views this continuing reparations process as unnecessarily siphoning off oil-revenue funds that could otherwise be used for economic development for its people. Kuwait argues it should be fully compensated for the effects of the Saddam invasion. However, many observers feel that Kuwait is fully reconstructed and remains wealthy, and should offer to end the reparations process in the interests of regional harmony and good relations with post-Saddam Iraq. The United States considers Kuwait a close ally, and remains dependent on Kuwait for facilities and logistical assistance as it withdraws from Iraq, and has not openly sided with the Iraqi position. The Amir of Kuwait, Shaykh Sabah al Ahmad al Jabir Al Sabah, visited the United States and met with President Obama on August 3, 2009. The visit came a few weeks after the Maliki visit, but the official statements by President Obama and Emir Al Sabah after the meeting made no mention of the Chapter VII issue. Still, observers said this was almost certainly discussed at the meeting and during the remainder of the emir's U.S. visit.<sup>91</sup> Some observers have argued that Kuwait's system of government may allow the emir to divert blame for Kuwait's intransigence on a proposed

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<sup>88</sup> See CRS Report RL34322, *The Gulf Security Dialogue and Related Arms Sale Proposals*, by (name redacted) and (name redacted).

<sup>89</sup> Text of the "Strategic Framework Agreement for a Relationship of Friendship and Cooperation Between the United States of America and the Republic of Iraq." Available at: [https://www.mnf-iraq.com/images/CGs\\_Messages/strategic\\_framework\\_agreement.pdf](https://www.mnf-iraq.com/images/CGs_Messages/strategic_framework_agreement.pdf).

<sup>90</sup> S/2009/385, "Report of the Secretary General Pursuant to Paragraph 5 of Resolution 1859 (2008)," July 27 2009.

<sup>91</sup> CRS specialist conversations with observers in Kuwait and in the United States, August 2009.

agreement with Iraq to the Kuwaiti parliament, where opposition figures routinely delay measures they find objectionable.<sup>92</sup>

## **Issues for Congress**

The divergent interests and policies of Iraq's neighbors and the United States' need to reconcile its policy in Iraq with the pursuit of wider regional interests create a challenging context for U.S. policy makers and Members of Congress. During the 111<sup>th</sup> Congress, Members have been asked to consider policy proposals to modify U.S. policy in Iraq and to ensure comprehensive regional and international support for Iraq's stabilization. Congress and the Obama Administration continue to provide and execute funding for U.S. support to the Iraqi government, Iraqi IDPs and refugees, and initiatives to promote economic reform in Iraq and Iraq's reintegration in the region. The following section reviews stated U.S. objectives in Iraq and the region and outlines how Congress may influence the new Administration's use of various instruments of national power to pursue them.

## **U.S. Regional Interests and Concerns**

### **Maintaining Political Stability and Energy Security**

The security and stability of the Persian Gulf region and its energy resources are of critical strategic and economic importance to the United States, Iraq's neighbors, and the wider international community. Insurgency and sectarian violence in Iraq created unique political challenges and security threats for Iraq's neighbors, contributing to regional uncertainty and insecurity. As those threats have subsided, the reintegration of Iraq in the region's security balance has emerged as a pressing issue. The U.S. military presence in Iraq and elsewhere in the Middle East remains politically unpopular in the region in spite of a measure of support from Sunni Arab-led governments and Sunni citizens' fears of terrorist threats and possible Iranian ambitions. As U.S. forces withdraw from Iraq, popular perceptions of the United States in the region may shift, and changes are likely to occur in the use and posture of U.S. military facilities in neighboring countries.

Disputes between Iran and the United States over Iraq, Iran's nuclear program, and Iranian support for terrorist groups opposed to peace with Israel are likely to continue to create regional tension. Insurgent and terrorist threats to energy infrastructure in the region constitute the other main security risk. Greater coordination between the United States and its regional allies may improve U.S. chances of meeting and overcoming these challenges. However, regional political rivalry and local political developments may limit the ability of governments to respond effectively to these threats or to coordinate among themselves and with the United States.

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<sup>92</sup> "There is little chance of an agreement between the [Kuwaiti] executive and the legislature on this, which in many ways plays into the government's hands. It is a good cop, bad cop scenario where they can say the want to help but can't." Georgetown University professor Jean-Francois Seznec quoted in Peter Salisbury, "Iraq's War on Debt," *Middle East Economic Digest*, August 21-27, 2009.

## **Eliminating Transnational Terrorist Threats**

The success of U.S. efforts to contain terrorist elements within Iraq and reduce the flow of foreign fighters to and from Iraq remains largely dependent on the success of Iraq's security forces, who now hold responsibility for security in Iraq, and the cooperation of regional governments. The concern over potential Iraqi government cooperation with terrorist groups that drove U.S. policy toward Iraq in 2002 and early 2003 has given way to a wider concern that instability in Iraq created safe havens for expanded operations by Al Qaeda and regional terrorist entities such as the PKK. Success against Al Qaeda in Iraq has reduced these threats, although Iranian and Turkish concerns about Kurdish militants persist, and Sunni governments are uniformly wary about returning fighters from Iraq. While Al Qaeda's presence in Iraq is now reportedly small and under threat, its organization there could regenerate in an atmosphere of renewed instability. The dispute between Iraq and Syria following the August 2009 ministry bombings in Baghdad illustrated the potential for continuing tension stemming from allegations of cross-border interference.

## **Managing the Rise of Iran**

Iran's role in the strategic balance of the Persian Gulf region has been a central policy concern for the United States since the Second World War. The removal of the Saddam Hussein regime and the disbanding of Iraq's armed forces removed the region's principal military counterweight to Iran. The subsequent political successes of Iraq's Shiite Arab majority have created new opportunities for the expansion of Iran's political influence. However, some built-in barriers to the spread of Iranian influence in the region persist, such as political divisions among Iraq's Shiite Arab population, Arab-Persian ethnic and linguistic differences, and policy coordination mechanisms such as the GCC and the Arab League. Israel and the Sunni Arab-led governments of the region largely share U.S. apprehension about Iran's regional ambitions, its nuclear program, and the potential consequences of armed confrontation with Iran. Political sensitivities and the priorities of individual governments will continue to complicate U.S. consultations and cooperation with these countries and their citizens with regard to Iran.

## **Promoting Political and Economic Reform**

The Bush Administration made the advancement of political and economic reform a centerpiece of its Middle East policy agenda, in spite of difficulties it found in reconciling reform goals with other national priorities. In some countries, governments and interest groups have carried out parallel reform efforts to increase political participation and broaden economic development, fueled by shared concerns about the potential for political dissatisfaction and limited economic prospects among young, growing populations. Reformers and their opponents have closely monitored the course of the U.S.-led intervention in Iraq and the establishment of the democratically elected, yet politically divided Iraqi government. Some observers have suggested that events in Iraq have encouraged Islamist parties, opposition groups, and minorities to push for greater representation and reform, while others warn that Iraq's instability and political paralysis have tarnished the image of groups promoting political and economic change. In the event of renewed conflict in Iraq, regional governments and some of their citizens may begin to favor steps that promote short-term stability and security at the expense of reforms designed to meet long-term development goals and requirements. Iraq's successful transition to political reconciliation and economic development may have the opposite effect and could increase regional demands for more participatory and accountable government.

## Policy Options

For Members of the 111<sup>th</sup> Congress, consideration of annual appropriations and authorization legislation, as well as ongoing oversight activities and outreach efforts by individual Members and committees, will provide opportunities to discuss proposals and recommendations for strengthening Iraq's relationships with its neighbors. Issues of interest may include U.S. diplomatic engagement with Iraq's neighbors, efforts to contain the negative side effects of conflict to Iraq, and preparations to facilitate Iraq's reintegration into the regional security balance and economy.

## Regional Diplomatic Engagement

From early 2003 through early 2007, the United States engaged regularly with Iraq's neighbors, with the exception of Syria and Iran, on Iraq-related issues of common concern.<sup>93</sup> U.S.-supported diplomatic efforts include the international conference on Iraq that was held in November 2004, in Sharm al Shaykh, Egypt, which included high-level representatives from Iraq, its key neighbors (including Iran and Syria), the G-8, the United Nations, the European Union, the Arab League, and the Organization of the Islamic Conference.<sup>94</sup> Select multilateral fora, such as the meetings of the U.N.-sponsored International Compact for Iraq, also provided opportunities for U.S. officials to hear from and potentially interact with Iraq's neighbors, including their Iranian and Syrian counterparts. During the Bush Administration, engagement efforts also focused on a series of ministerial conferences of Iraq's neighbors: the last was held in April 2008 in Kuwait.

Iraq is now a member of what the U.S. government refers to as the "GCC plus three" group, which includes the six members of the Gulf Cooperation Council plus Jordan and Egypt. The group met in New York in September 2009. U.S. engagement with Syria and Iran on matters pertaining to Iraq has grown since early 2007. U.S. dialogue with Syria began when then-U.S. Secretary of State Condoleezza Rice met with Syrian Foreign Minister Walid Muallam in May 2007 at the International Compact for Iraq meeting in Sharm el Shaykh; the Obama Administration has continued and expanded this dialogue since March 2009. As described above, the Bush Administration also opened discussions with Iranian government representatives regarding Iraq, and a working group chaired by the U.S. and Iranian ambassadors to Iraq met periodically in Baghdad.

The key questions with regard to diplomatic outreach proposals remain: how much political and material support will Iraq's neighbors be willing to provide to sustain the implementation of Iraqi reconciliation arrangements; and, which Iraqis will be willing to cooperate with regionally supported initiatives? Statements agreed to and commitments made by Iraqis and their neighbors in regional conferences held since 2003 generally have not been implemented, although as security conditions have improved, some neighboring states have expanded their engagement with Iraq.

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<sup>93</sup> Then-Secretary of State Colin Powell traveled to Syria in May 2003 in an unsuccessful attempt to secure Syria's support for U.S. counterterrorism policy and U.S. efforts to stabilize Iraq. After the February 2005 assassination of former Lebanese Prime Minister Rafiq Hariri, widely blamed on Syrian agents, then-U.S. Secretary of State Rice recalled U.S. Ambassador to Syria Margaret Scobey to Washington for consultations. As of October 7, 2009, she had not been replaced.

<sup>94</sup> See *Agence France Presse*, "List of Participants at Iraq Conference," November 22, 2004; "Egypt: Summit's Final Communique Reaffirms Iraqi Sovereignty, Unity," OSC Document GMP20041124000066, November 24, 2004.

## **Potential Containment Strategies**

The ability and willingness of the Iraqi people and their leaders to resolve outstanding political differences and to eliminate residual security threats from insurgents, terrorists, and criminal organizations may remain limited or deteriorate significantly. Although the U.S.-Iraq Strategic Framework Agreement and Status of Forces Agreement place the United States in a conditional assistance role vis-à-vis the Iraqi government, new U.S. efforts to help contain the negative effects of potential renewed insurgency, civil conflict, and criminality in Iraq may become necessary in order to preserve wider regional interests. Such steps could require requests for new congressional authorization and appropriations or require expanded oversight, and could include:

- appropriation and authorization requests for increased levels of military and counterterrorism assistance for Iraq or some of Iraq's neighbors;
- border security cooperation and/or joint efforts to target transnational groups of primary concern to the U.S. and Iraq's neighbors, such as the Kurdistan Worker's Party (PKK);
- modification of sanctions laws targeting Iran and Syria, or introduction of new sanctions legislation targeting other governments;
- efforts to restrict the reverse flow of foreign fighters and other combatants from Iraq; or
- the provision of emergency support for humanitarian operations.

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