

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

**IRAQ: POLITICAL DEVELOPMENTS
SINCE THE SURGE**

SPEAKER:

RAFE AL-EISSAWI,
DEPUTY PRIME MINISTER FOR SERVICES AND DEVELOPMENT,
REPUBLIC OF IRAQ

WELCOME AND MODERATOR:

MICHELE DUNNE,
SENIOR ASSOCIATE,
CARNEGIE ENDOWMENT

MONDAY, JUNE 8, 2009

*Transcript by
Federal News Service
Washington, D.C.*

MICHELE DUNNE: Good afternoon, everyone. Welcome to the Carnegie Endowment for International Peace. My name is Michele Dunne. I'm a scholar in the Middle East program here.

We're delighted today to welcome Dr. Rafe Al-Eissawi, deputy prime minister of Iraq. I believe this is his first speaking engagement on his trip to Washington, and we're honored to host him.

Obviously with so much going on in Iraq, in the Middle East, and the departure of U.S. forces looming, this is an extremely important time to take a look at what's going on inside Iraq and in the relationship between Iraq and the United States.

Dr. Al-Eissawi is a native of the city of Fallujah in Anbar province and the leader of the Abu Eissa tribe. He obtained his medical degree at the University of Baghdad in 1989 and became director of Fallujah General Hospital in 2003.

In 2005 he was elected to the Iraqi parliament and became minister of state for foreign affairs until he left the government in 2007. He returned as deputy prime minister in 2008, overseeing services and development.

In 2008, Dr. Al-Eissawi left the Iraqi Islamic Party and joined with other nationalists to form the Iraqi Future Gathering. He serves as chief of its political bureau.

So Deputy Prime Minister Al-Eissawi is going to begin with about 15 minutes of remarks, after which we will open it up for questions and answers. Please join me in welcoming him.

(Applause.)

DR. RAFAEL AL-EISSAWI: Thank you very much, ma'am. Good afternoon, everyone, and thank you very much for arranging this important meeting and for the hospitality and the lunch presented. Let me put you in the exact situation in Iraq, security-wise, political-wise and services and challenges-wise.

And if we start from the security issue, which I'm sure that all of us are now observing and watching, the necessity of commitment or the implementation of SOFA agreement between Iraq and America, and that timing of withdrawal of the main troops from the main cities, and the capacity-building of the Iraqi security forces that will be able to cover the security vacuum that may take place accompanying the withdrawal.

Now, both ministries of defense and interior, the last report, and the council of ministers, presented their report of status of the security forces, which focused on the improvement of these forces and their capability of controlling the situation across the board all over the country.

And if we turn back a few steps to the last provincial election, we can see that these forces were directly, in fact, facing the security situation and securing the environment to provide a good environment for the last provincial election, which is considered to be testing for the compatibility or the capacity of these forces.

So the report of the ministries of defense and interior, the Iraqi one, said that now the capacity of these forces get improved more and more, and you may need the American forces the next period, say, focusing on more and more training and some logistical support, which is considered to be a tremendous change in the mission.

Now, with the approximation of the date of withdrawal, we consider there are two points to cover. One, we consider the Iraqi forces as competent or capable of controlling the situation, and second, we are realizing and fully aware about the challenges that may take place, accompanying this control or shift or power transition from mixed Iraqi-American to pure Iraqi security forces.

So at the time we are fully aware about the capability of the Iraqi security forces. We are fully aware also about the violations or the threatening that may take place accompanying this transition.

No doubt there is a tremendous change in the security situation. If you compare this year with the last year or last two or three years, this tremendous change is even in the hottest area in the country and the provinces that used to be incubated for the terrorists and insurgents. There is a change across the board.

Politically, more and more debate and discussion inside the parliament and the political activities regarding so many issues, national issues – (inaudible) – relationships before that. And I mention that simply because there is now the issue of – (inaudible) – forecast – Kirkuk, disputed areas, and before that the general amendment of the political processes, including the reform of the constitution.

Initiative like ex-Iraqi officers and their registration in the neighboring countries like Jordan and Syria and even in Egypt and other countries, and the dealing with the Sons of Iraq, the Awakening, is considered to be very vital and very important files that government is fully aware about that.

And even the reconciliation and de-Ba'athification causes it also to be one of the files that need to be fixed before the next election. Otherwise, we don't need to add to the fragility that used to be described, whether the security or despite all the improvement, we need to more and more improve and more and more put all the resources in one direction that is supporting the political president and the government.

So solving the issue of de-Ba'athification and what's call the Accountability Law, and the ex-Iraqi officer and the Awakening – despite all the actions that took place, they are arresting some of them, which is considered to be based on some intelligence information, still attacking or tackling Son of Iraq, we are afraid that may be reflecting negatively on the security situation.

The other challenge is the economic challenge with the collapse or squeeze of the budget simply because the Iraqi economy is directly connected to the oil, and principally to the oil. That is why they're oscillating with the international prices, keeping in mind also the other challenge in the Ministry of Oil and the necessity of export and production, or production and export mainly of 2 millions, which until now they are not achieving in the ministry itself.

So this will add to the challenges in front of the government. That's why we started to talk about covering other or seeking for other resources of revenues like investment in different sectors across the board.

I'm sure you and – we were the chamber of commerce. One of the most important points that they tackle is the corruption, and it was the measurement of the government against the corruption because also this is considered to be one of the challenges against all of the efforts that may add to the list of challenges in front of the government, and it is another type, in fact, of terrorism, or even it may be the way of financing the terrorist activity.

The other point, the environment in Iraq used to discuss the relationship between Iraq and America only security-wise, so focusing over the military activities, over the type of relationship on the military side, and over the SOFA.

Now, as it's very well known, we have five committees in the strategic framework agreement. One of that is the Services and Telecommunication Committee, which is headed by me and it includes seven ministries: health, environment, agriculture, transport, municipality, communication, and water resources.

We want to just shift the attention; we want to just focus on the necessity of building a long, strategic relationship with the United States of America, not only based on the military or the security agreement, but focusing on this important agreement, as I mentioned, this strategic framework agreement, including all these ministries.

At least now at the delegation we have the deputy of – minister of municipality, who is the head of the seven deputies of the ministries and advisor for agricultural affairs – (inaudible) – who covers final agriculture. The mission of this delegation is mainly to activate or to trigger the process of the relationship on the side of this strategic framework agreement rather than only on the SOFA.

So I hope that, in brief, I put you in the picture. Leaving you time for discussion is better than – these are the main topics that I just want to stress in front of you and am ready to answer your questions. Thank you very much.

MS. DUNNE: Thank you, Mr. Deputy Prime Minister. If I might, I'd just like to open with a question as well, and I want to ask you about the importance of the parliamentary elections that are scheduled for next January. How do you see things shaping up for those elections? Do you expect them to bring about different changes in the Iraqi political scene than the 2005 elections did?

And also, you mentioned that the reconciliation process and de-Ba'athification need to be fixed before these elections. Maybe you could say a little bit more about that and how you see the political development of the Sunni Arab community in Iraq proceeding between now and those elections?

DR. AL-EISSAWI: Well, regarding the parliamentary election in January 2010, I think the government is committed to hold this election at that time, and all the preparation took place in this way. Keeping in mind that fixing the security, as I mentioned, and directing all the resources to make this parliamentary election successful is considered to be one of the most important duties of the government.

If you have a look over the provincial election, we can make some sort of finalities about the type of political mood of the vote of the people. Now, despite the fact that the constitution considered Iraq as a federal state, still now the finalization of exact type of state is not fixed, and this will be reflected in the Kurd-Arab relationship or Baghdad-Arab relationship.

Why isn't everything very well fixed? Because no one answers exactly what's the type of the state – the final type of the state. This is one. Second, because when we talk about constitution, also people and politicians talk about the necessity of reform of the constitution. So basically there is still debate on the fundamental things like the constitution, the type of state, and type of relationship between Baghdad and the regions.

Still, the last election gave the impression of people are sticking to the model of central type, despite all the decentralized authority and all the signals inside the constitution, talking about the federal type.

As well you find two types of competition, especially in the middle and south provinces, talking about the federal project, and the second one talking about more simpler slogans, saying that this is especially accompanied by a period of security and activity, security against insurgents in the middle and south. So there is the necessity of state of law. So the needs of people to the law make them more just toward the type of more central, more control of Baghdad.

I mean there is always change in the political mood of people. So don't be surprised if you see different results with different elections, including the next national election. Part of that, now people feel that they are more represented.

If we took a sample, for example in Nineveh or in Al-Anbar province, Al-Anbar province, for example, was classically dominated by IIP, Iraq Islamic Party. Because of the party's position, that period mainly was restricted, so neither the tribes nor other activities participated.

When the participation opened, the representation differs. It got wider. It was reflected to the satisfaction of people. People at the beginning I remember very well. They came to Baghdad with a decision from the provincial council of Al-Anbar. At the same time, some of the tribes sheikhs came to Baghdad to say that this is not the decision of the province. This is only the decision of IIP because there is only IIP in the province.

Now the new provincial council in Al-Anbar is widely representing people – tribes, sheikhs and IIP and other nationalist and different groups, I mean. So now we suppose that they will come to Baghdad in one vision.

The same thing is true in Ninawa. In Ninawa, the last period also people boycott the last election. Now, when there is wider participation, it reflects wider representation, which we suppose it will be reflected positively on the performance and on the stability, whether security or political.

One point, that we encourage the Mosulian representative to be wider in administration, not only in representation. In representation there is wider representation, but when they come to form a local government, it was formed merely from one group. According to our experience in

Baghdad, it's very necessary to include all people who win in the election, to make them part of the backup support to the local government.

We hope that and we talk. I traveled even to Kurdistan and to Mosul, focusing on trying to bridge between the Kurds and Arabs of that area, and I hope we'll keep focusing on that issue, just to encourage them for wider participation in the administration, rather than only representation, as I mentioned. So this is an example.

Next national election may present other surprising things. I mean, the national list, maybe liberal also, can find themselves in the next election and all the projects can be represented at that time in a balanced way or in a better way of participation.

Regarding reconciliation and de-Ba'athification, why I said we have to fix that before; when you want all the resources to be collected to a backup to support the government, you don't anyone to feel marginalized. So many of the initiatives was merged with the government, like reconciliation, and it was a very long time for a reconciliation initiative presented by Mr. Prime Minister and the government.

But practically until now people are talking. Now, if you talk to anyone from different groups, people have their own ideas or vision about how serious was the process of the reconciliation? The same thing is true regarding the de-Ba'athification.

De-Ba'athification, it's very well known that from the beginning the political process dealt with the Ba'ath Party politically, not judicially. Well, keeping in mind 30, 40 years of governing of Ba'ath to Iraq, anyone in the state that are in the country should be part, mostly, of Ba'ath Party.

So not necessary all those who are members of Ba'ath Party are Ba'athist by ideology or behavior. And even those who prove not to be guilty or criminal to Iraqis should be part of the political process, to be integrated very easily.

What happened also until now, people are complaining that they don't feel that they are really dealt judiciary-wise. Until now they feel that they are dealt with political-wise. So the next election we may focus this by more opening towards these men, Awakenings, more and more reconciliation and de-Ba'athification because it will encourage the government more.

It will fix the political situation more, and it will decrease the number of people who are against the political forces. This is the idea.

MS. DUNNE: Thank you. Okay, let's open up the discussion. Please – we have a couple of microphones, so put your hand up; I'll recognize you. Wait for a microphone to come to you, and please state your name and affiliation. Also, please keep your questions brief so we can take as many as possible. I think you were first.

Q: Actually, Mr. Deputy Prime Minister, I just wanted – you mentioned the strategic framework agreement – I'm sorry, Zaidoon Abdulwahab, international relations advisor to the Iraqi government.

You mentioned the strategic framework agreement. I just want to make sure that you can get into, what is the strategic framework agreement? Because everyone here in the U.S. talks about the SOFA but no one mentions the framework agreement.

And if people here in the U.S. feel that, you know, the U.S. is done with Iraq, how much longer, what type of relationship do you see between Iraq and the United States?

DR. AL-EISSAWI: Well, thank you very much. I just want to stress again the necessity of focusing on the strategic framework agreement. Now, last period all people, including America and Iraq, focus on the security agreement only.

The strategic framework agreement is another issue, focus on other ministries. That's why now we want to activate the relationship between different ministries in Iraq and the United States of America, just to trigger the process of this relationship.

We started early in Baghdad, meeting with the embassy site, focusing on these important files, starting from health, passing to all other ministries. And, as I mentioned, the committee that I'm responsible about is the service and telecommunication.

We started so many meetings. We put the plans of the ministries and the articles of the strategic framework agreement, talking about building the systems of the ministries, bilateral relationship between the ministries in Baghdad and in Washington, and at the same time, the opportunities of fellowships and twining of the universities, and different other programs.

We put the plans of the ministries and the articles of the strategic and tried to mix them to see the area of cooperation. I feel optimistic and sure that the next period we can move forward in the strategic framework not only in the security.

Q: Thanks, Mr. Deputy Prime Minister. I'm Gary Mitchell from the Mitchell Report, and I think my question is – I suspect there are a lot of people in the room who already know the answer to this question, but there are a handful of us at least, I would guess – I'm certainly one of them – who don't.

As I looked through your biography, it seems to me you have three principal forms of identification. You are the deputy prime minister of the national government. You are a major factor, I gather, in the Iraqi Future Gathering. And I have a feeling that the last sentence in your biography is more important than it may seem. It says that you hail from the Abu Eissa – if I pronounced that correctly – tribe in Fallujah and is authorized to speak on behalf of the tribe.

For someone who doesn't understand the implications, particularly of the tribal association, I wonder if you could tell us a little bit – I don't know whether I want to say whether this means you wear three different hats at different points in time, but I'm trying to get a sense of the sort of relative importance of your tribal association and why it's significant that you're authorized to speak for the tribe.

It doesn't say that, for example, with respect to the Iraqi Future Gathering. So I'm asking – I'm really trying to get a sense of what the relative importance of each of these stations, if you will,

in your life are, and whether they're sometimes in conflict, whether they – maybe I'll stop the question because I don't really know where to go.

(Laughter.)

DR. AL-EISSAWI: Well, thank you very much. Being a deputy prime minister I'm part of the government and I'm committed to the program of the government, which doesn't mean at the end of the day that I don't have a vision inside the government.

Definitely there is a difference, but at the end of the day I'm committed to the final program of the government and I am a part of it. Is there any conflict between the three? Are there three hats? In fact, I can imagine it is a cauliflower hat rather than three hats, so one hat with three parts to it.

Let me jump to the tribe before talking about the Iraqi national Future Gathering that I talk in the brief about it, I think maybe not presented well in the issue of the tribe.

I am from one of the biggest tribes in Fallujah in the Al-Anbar province. I am not talking on behalf of the tribe, but when there is dialogue or negotiation within the tribes, I try to bridge the relationship between them. Otherwise, I am not a sheikh in the tribe so I can't speak tribal-wise on behalf of them.

The main issue, because, you know, that tribes get indulged and degraded and incorporated into the political process, especially in Al-Anbar province, the Awakenings and – so you may find that tribal sessions or tribal meetings, sometimes you find it political meetings.

Being part of a tribe with good relations with the sheikhs of the tribe makes it easier to bridge the relationship between them. This is the idea. So I'm not talking on behalf of them, but definitely I can cover their ideas, their visions, their disputes sometimes – different tribes, not only Abu Eissa tribe.

And this goes back to two factors: one, as I mentioned, being part of this tribe, and second, I was director general of Al-Anbar province. So I used to visit different centers, medical centers and hospitals, across the province, from Saudi Arabia border, Syria and Jordan to Baghdad. This is a very big province, in fact.

So I come to the political process with a very wide tribal public, say, relationship with the people in Al-Anbar province before I come to Baghdad. This is the explanation of the issue of tribes talking on behalf or not on behalf.

Regarding the Iraqi Future Gathering, I was part of Iraqi Islam Party. During the period of Fallujah I was director of Fallujah Hospital. And, as I mentioned, then I was selected as director general of health of the province.

And in the election there is only the United Iraqi Alliance list and Tawafuq or Iraq Islamic Party list and the Kurd list. You have to be one of that. By any means you have no other – I mean, you have no other political entity to be part of that to present yourself in the election.

So I was part of IIP, Iraq Islamic Party. In the election I was a member in the Iraqi parliament for two or three months, and, as I look at it, as state minister for foreign affairs, and after that DPM. All that was presented as a candidate from IIP.

But reading the political situation in Iraq, I found it is very hard for Iraqis and for me to accept the idea of being part of small – whether to be described as sectarian or non-sectarian is another issue, but at least a small political project that can represent only in a few areas. So if you are talking about Tawafuq or IIP, it's presented only in Sunni and I don't need to talk on behalf of Sunni or Shiite. I will just talk on behalf of Iraqis.

So now, if you are part of the United Alliance, or if you – (inaudible) – project, or Tawafuq or IIP – (inaudible) – it means, generally speaking, you are just moving in local or small or restricted projects. I took that decision to quit from IIP and I sent them a letter that you are free to withdraw my position I'm in regarding DPM because it is a position of IIP during the negotiation.

So now, I respect your choice if you want to say you have to quit, and at that time I feel that I gain my new political project, which is – I suppose it to be a national project, should contain all the Iraqis, Sunni, Shiites or Kurds across the board. This is the idea of changing – (inaudible) – in fact, different situations rather than different visions or different, say – (inaudible).

The tribe, I explain it, because being from a tribe, and the Iraqi national Future Gathering, because my assessment, it's better to present a more national-wide liberal model to the Iraqis rather than the local restricted projects, both in Sunni or Shiite sides. This is the idea.

MS. DUNNE: Thank you.

DR. AL-EISSAWI: I hope that I answered your question.

Q: Henri Barkey from the Carnegie Endowment. It was announced yesterday that your colleague, Barham Saleh, is going to resign and run for the elections in Kurdistan. Can you please tell us who will replace him, and then the impact of Barham's departure from – and given the fact that you've been working with him so closely all these years?

DR. AL-EISSAWI: Well, thank you very much. In fact, Dr. Barham Saleh, who was one of – is one of my closest friends, and we used to work inside the government as one team – my office and his office and me and him.

And, simply, you know, because of the agreements inside Kurdistan KRG, now Barham should be presented as a candidate for the prime minister inside the region, inside Kurdistan. So this belongs to the Kurd friends rather than to Baghdad or to the national unity government. So this thing belongs to them.

To me it is a big loss to lose Barham Saleh. Still, I am sure that the Kurds will substitute him with a good candidate. Until now no one mentioned exactly who it will be. It belongs to them. I hope that he will be as competent as Barham Saleh.

MS. DUNNE: Thank you.

DR. AL-EISSAWI: Definitely I wish all the success to Barham in his KRG new job.

MS. DUNNE: David Mack. Wait for the microphone, David. Thanks.

Q: David Mack, with the Middle East Institute, Your Excellency. From what you've said about your own perspectives, the fact that you've already been trying to facilitate the process of political change in Nineveh province, and then what you've just said about the Iraqi national Future Gathering, I gather that in U.S. political terms, we would describe you as a federalist, the way we did Alexander Hamilton and James Madison – two of our Founding Fathers.

If that's a correct perspective, could you give us a few thoughts on how you might help your country overcome some of the bad tensions that have existed between at least part of the Shia population and part of the Sunni population?

DR. EISSAWI: Well, thank you very much. I always try to assume or propose that I try to bridge the relationship inside the government or between the groups. And I started that in Al-Anbar province as I mentioned between the tribes – or between the Awakening and IIP trying to calm down. And when we succeed, some people consider that IIP – just to explain that – IIP lost in Al-Anbar. But I feel that Iraqis who are Anbarian – including IIP – because at the beginning people are looking cautiously to the control of IIP over their province, now people feel that they are more represented.

So I started my trend of bridging the relationship between the tribes and different political groups in Al-Anbar to move towards Baghdad. I also used the same trend to bridge the relationship between the groups – different groups – I don't need to nominate (ph); it's very well known, the Sunni-Shia-Kurd. And finally I traveled to Kurdistan and to Mosul, trying to calm down – I don't need the tension of Arab tension to change into conflict.

The men say – step in front of the Iraqi government to deal with is to take all these files as a package files rather than separated files. If we are talking about the (cordiality?) relationship, for example. We used to have delegations from Baghdad or from Erbil to sit discussing only the issue of 17 percent share of Kurdistan from the budget of Iraq. And it is all right for them – no comment on that.

But I mean it's better not to focus on that because next year we have also the problem of 17 percent. And until the census is achieved – so every year you will see the problems issued. My advice inside the government was to take all of these files, to put them on the table as one package.

The relationship type of the state, the relationship between Erbil and Baghdad, disputed area, Peshmerga and Iraqi army relationships and different other issues.

Until now I feel that we need more and more, in fact, efforts to fix this and to bridge the relationship. But I feel promising last visit to Mosul, to Nineveh and to Kurdistan – that what the Kurd and Atheel al-Najafi, the governor of Nineveh, started to realize the necessity of sitting, talking and reaching some sort of understanding. It's promising but needs a lot of effort.

MS. DUNNE: Thank you. Ellen Laipson, the back of the room.

Q: Thanks, Michelle. Ellen Laipson, the Stimson Center. Mr. Deputy Prime Minister, I was hoping you could share some information on the issue of refugees and IDPs and what priority your government is giving to – I think one of the strongest signs that Iraq is more stable and secure would be the willingness and ability of refugees to return home. I wonder if you could tell us what priority this gets when the ministers meet, what kind of resources are being dedicated to facilitating the repatriation of refugees? Thank you.

DR. AL-EISSAWI: Well, thank you very much. Honestly speaking, this is one of the very painful challenges to the Iraq government because you are talking about internally displaced people from different provinces based on the previous sectarian conflicts. And on the outside migrants – inside Jordan, Syria, Egypt and different part of the world.

To be very honest with you, until now, the plan of the ministry of migration is not very compatible or parallel to the needs of these people. That's why we need, until now, the help of the support of the international committee on that issue. And the American are helping, the U.N. also are helping.

The main factor that affect negatively on the IDPs and refugees at the beginning was the security. And because of the security they were outside their districts and houses and provinces. Now, when we want to return back them to their houses or to their districts, we find two difficulties.

One, they need to be 100-percent satisfied that everything is secured. This is very difficult to give such a commitment not because their security is not improved but because the psychological. He feels that since he is kicked outside his district based on sectarian, he needs to be reassured; this is one.

Second, the budget of the government is not enough. The budget of the ministry – let me talk – is not enough to cover all their needs – keeping in mind some of them, they are not owning houses – they are hiring houses. So now they may return back to their district and not find houses neither to hire nor to purchase or buy.

One of the ideas with IOM was to share the ministry of municipality to give them pieces of lands. And some of these organizations, including the Iraqi government, may pay them some money to build a very small, say, residence, but still it is an idea just to convince them to return back.

Until now it is not satisfying to even – (inaudible) – the number of people who will return back from both sides – whether internally displaced and the outside migrants. It is a big challenge for the government who needs the help of the international organization.

MS. DUNNE: Thanks. Diyana, there is a young man back there on your side of the room.

Q: Michael Clayman with FWH and Associates. I was wondering if you could speak to the oil minister's view on the northern region and the Kurds and whether that's politically driven or what they think is best for the oil exports and imports of Iraq – or exports?

DR. EISSAWI: The ministry of oil has a problem of the hydrocarbon law, to start with, before we are talking about management of the ministry or the relationship even between the

ministry between the ministry in Baghdad and in Erbil, and the relationship between them and the type of contracts that took place.

Until now, two drafts sent from the cabinet were in fact different drafts to the parliament and the hydrocarbon law until now has not passed in the parliament. One of the things that would facilitate the investment or accelerating the issue of ministry of oil is the passage of the hydrocarbon law in the parliament. Still, the challenge now is in the ministry of oil – two branch or two sides.

One, the production and export rate, which is until now not reaching the 2 million per year – per day – the plan of the ministry of oil. And the second the prices because when put the budget of 2 million by \$50 per barrel. Now the price has started to increase again, but unfortunately the production and exporting now is not that well. We hope that the first round of contracts that will be declared in few days, inshallah, will accelerate the process of production and export of the ministry of oil.

MS. DUNNE: Across the table – yeah.

Q: Hi. I'm Elise Salmon. I'm with the Iraq and Afghanistan reconstruction task forces with the Department of Commerce. And I was just wondering if you could tell us a little bit about the general consensus or the views of the Iraq people right now with this power transition that we're seeing from an Iraqi-U.S. leadership more towards the Iraqi, or full Iraqi leadership as well as the reconstruction efforts that are going on right now? If you could just tell us a little bit about how the Iraqi people are viewing us whether there's an optimistic or a pessimistic view to this all? Thank you.

DR. EISSAWI: Thank you very much. And, as I mentioned, people are observing, looking to the – I can't say the shift of America towards Afghanistan, but to the necessity of the presence of America elsewhere – but still they put it in a very clear – say, area – of cooperation on the security issues – training, logistics, et cetera; and the commitment of the SOFA.

And focusing on the strategic framework agreement. Now, because of the direct connection of the Iraqi economic and the budget directly to the oil, it create a problem to the government of oscillating over the prices and the collapse of the budget – (inaudible) of 2009, and the challenge to – (inaudible) – indefinitely.

That's why the government now start to think about the necessity of opening the investment across the board, investment in all sectors. And we were in the chamber of commerce, we distributed the – what's called the national investment map, and national investment law – just to encourage the non-Iraqi, or the former investors to come to Iraq. People – I can't say optimistic or pessimistic because I am part of the government; you can make interview with people to see whether they are – but definitely we are in need of more and more services because services are bad until now.

MS. DUNNE: Ah, let's see. This young woman's been waiting – Diyana – with the white blouse. Yeah. Thanks.

Q: Thank you so much. Mina Al-Oraibi, Asharq Alawsat Newspaper. I'd like to ask you about the issue of the next elections and how you think the formation of the next government can be. There's clearly – from what you said – an eagerness not to have government posts given out on

sectarian or ethnic clines – at the same time there is fear when you say about – for example – if there is going to be whoever wins the most votes gets the most government posts – and this is something that Prime Minister Maliki brought up and there was a huge backlash. So how do you get the balance between having representation from all but at the same time not just giving out posts depending on people's ethnicity and sect? Thank you.

DR. EISSAWI: Thank you very much. As I mentioned, the political Iraqi political moods changed based on the previous sectarian conflict. So all the Iraqis now talking about the – (inaudible) – of national projects, being Iraqi rather than being Sunni or Shia Muslim or non-Muslim Kurd.

That fact would be reflected definitely in the next election. The suggestion of Mr. Maliki about the necessity of the consensus, I think it was a suggestion rather than a project because it was – as you know very well – it was opposed by different groups. We are in transitional period – we are not in deeply rooted, longstanding democracy to talk about the winning party and the opposition. So the winning could form everything. Talking about – if that's true, now, where is the participation of the court, before we are talking about – I don't need to talk about – (inaudible).

But let us talk about Kurd and Arab. Suppose we form a very big party that win the absolute majority and it is asked to form the government. Does that mean that the court will be staying in Kurdistan and not participating in Baghdad – this will threaten the political process, in fact.

So, I mean, it was only a suggestion because of the problems and conflict rather than a change – I don't think it will be a very easy change; very difficult now to shift towards non-consensus or non-national consensus of projects. We will be for a transitional period in need definitely of wide participation or of different representation to give the impression of participation. And I think already, the example of Al-Anbar and the shift between IIP and wider participation – the same thing is true of the national election.

The second question, I don't know that I answered or not. Okay? Thanks.

MS. DUNNE: Okay, thank you. Diyana, in the center of the room here, the gentleman with the blue shirt?

Q: Bill Tucker. Mr. Deputy Prime Minister, thank you for coming here, today. All Iraq, as you know, is that you need revenue to rebuild your infrastructure. And only a primary source of revenue is to sell your oil and gas. And there seems to be a stand-off between Iraq and the major oil companies in the world. And those major oil companies would make huge investments in the country and produce all the oil and revenue that you want and you need if you would reconcile these differences. And how close are you to doing that?

DR. EISSAWI: You know, the necessity of having good revenues for reconstruction of buildings is a fact in the Iraqi government. And even focusing on opening investment in different sectors doesn't mean that we are not focusing on the necessity of investment in oil and hydrocarbons law. The problem that the hydrocarbon law was subjected to different readings inside the political activities in Iraq. One looked at it as some sort of investment that will bring more and more revenues to the Iraqi government to build, to reconstruct. And the other is pure political.

That is, the type of contracts – production sharing end. And to only focus on the production-sharing end, they feel that is against the interest of the Iraqis.

Now, the question, if we produce more and more even in the production sharing, this is my opinion: It means we will have more and more money, which means more and more projects. Now, within shared – or even non-shared – production, there is delay in the contracts of minister of oil, reflected negatively on the budget. Which means now, I hope, that there is a debate now between the government and the parliament trying to pass the hydrocarbon law. At that time, I think it will be an excellent, positive signal to the investors in the hydrocarbon oil sector to come to Iraq.

Q: But I mean, when is that going to happen?

DR. EISSAWI: In fact, the only one who is able to answer is the parliament. (Chuckles.) And being now, not a member in the parliament, it is very difficult for me to say when. But I hope, depending upon their debate and their promises, that the next few weeks they may present it to the parliament.

MS. DUNNE: Okay, on the left side of the room? Is that Heba? You had your hand up, didn't you? Thanks.

Q: Heba El-Shazli – (in Arabic), the Solidarity Center with the American Labor Movement. I wanted to ask you about a very important group in Iraq– working men and women. And what are your thoughts about – since we've been talking about law – a law, a framework, that provides and respects their rights at work for good conditions and decent work. And also, what are your thoughts in terms of training and providing them skills, vocational training and all kinds of things that can bring the Iraqi worker to be the most productive within the framework of, again, respecting the rights to organize and to freely associate? And I mean, by trade unions. Thank you?

DR. EISSAWI: So the training of all Iraqi workers or the women you are focusing on?

Q: Oh, no – both.

DR. EISSAWI: And the first question was, working women and men? Okay.

Q: (In Arabic.)

DR. EISSAWI: Okay, thank you very much. You know, I was heading the committee of the election of the unions and associations, including those labors and both men and women. And working just to respect their rights to hold the election according to their bylaws and according to their laws inside their association. And we're very clear from the beginning to say that they have the right to hold their election without any interference from the government. And we fixed that in the recommendation that we presented to the council of the ministers that we approved – we sent it to them to hold their own election – this formal point of view.

But participation of workers – women and men – I don't think this is a problem in Iraq. Now the participation is both. And if you look to the political process before looking to the

working, you'll find that the representation of women causes there to be one of the best percentages all over the world.

The capacity-building and the training – now it is part of the program of this visit of this delegation to focus on the strategic framework agreement. Part of that – some of that – is focused on capacity-building and necessity of training. Iraq is high potential regarding resources – including human resources – but, unfortunately, because of sanctions and multiple boards, the issue of propagating and training and skills needs to be activated. So this is part of our mission and part of the delegation's mission.

MS. DUNNE: Okay, the gentleman in the front of the room.

Q: Thank you. Peter Schoettle from Brookings. I wonder if you could give us a candid, off-the-record assessment of the effectiveness of U.S. government public diplomacy. PR in Iraq. There was an article in the Washington Post a few days ago reporting on a newspaper that I don't even know the name of. And generally was described as pretty ineffective and nobody bothers to read it. So your candid discussion of how effective the U.S. government is in communicating with your public. Thanks

DR. EISSAWI: Honestly speaking, the last period – because as I mentioned, the files of many security – you'll find the army very active. But they used to come in joint committees or joint teams with the diplomats or with the ambassador. The only period is the period of power transition. I mean, during the period of Khalilzad; before that, of Negroponte, Khalilzad and after that, Mr. Crocker. All of them were very active in their relationship with the government from the regions, the provinces and in Baghdad. They have excellent relations with different parts of the government. They are very active in follow-up.

The only period – the few weeks of the absence of the ambassador when Mr. Crocker came back to the States and until Mr. Hill came to Baghdad. This was – you can say – a declining period because there was no ambassador. Otherwise, now, Mr. Hill came to Baghdad very actively. He started to rebuild the active relationship with all the different groups of the government. And I received in my office, the prime minister and –

Q: I'm sorry. My question was not so much relations with your government, but communication to the Iraqi public – getting the message out about U.S. policy, U.S. goals, U.S. objectives to the ordinary citizen.

DR. EISSAWI: Well, you'd have to ask the embassy rather than me why. (Laughter.) Simply, maybe also because the focus was on the military security. And now I think focusing or triggering the process of necessity of focusing on this strategic force agreement will give them more and more space to talk. Previously, they used to talk on the agreements necessary to achieving the security. And security is a sensitive issue – nobody wants to tackle it in the media. It may be just like that. But you can ask Mr. Hill or Mr. Crocker about why.

MS. DUNNE: Okay, Phebe Marr.

Q: Dr. Phebe Marr, historian of modern Iraq. Trying to figure out where Iraq is going to go. Thank you very much, Dr. Eissawa, for a very illuminating discussion. And I'd like to follow up

on several questions that have already been raised and that you've addressed – and perhaps push the envelope a little further. In addressing this whole issue of the Mahasiswa system – and you've indicated that your Iraqi Future Gathering wants to bridge gaps between, perhaps, sects – obviously keeping the Kurds in Iraq and cooperating and so on. And representatives from the provinces.

But now we have a national election. And as Prime Minister Maliki has suggested, a majority could push the country in a clear direction one way or the other. You've indicated it's going to be very difficult to get from this Mahasiswa to a more national project. Can you discuss a little more how you would see that moving over, maybe if not the next election, the one after it? How about your own grouping? You've mentioned outreach to Kurds, outreach to Shia, outreach to other groups. How do you see yourself and your party and the country moving beyond that? Because it seems to me a lot of people have complained about that system.

DR. EISSAWI: Well, again, it's very difficult for any politician, including Mr. Prime Minister, to suggest a specific model because, at the end, it belongs to the different political parties and entities to accept that model or not. That's why I said from the beginning, it was a suggestion rather than a solution because even selecting the presidency model rather than the – it would be, at the end of the day, also, the solution of the parliament. Now, the issue of national Future Gathering – that's what I'm talking about – and the necessity of working with different Iraqis – say, jumping or bridging the sectarian grab or the sectarian sense – gives hope to the Iraqis.

Now, if you recreate the sectarian projects again, it means accumulation of one project at one area – the Shiite project for the Shiite people and the Sunni project – which means some sort of subdivision. The Iraqis were very frank in diffusing the division. So keeping thinking in such a way – it means division in one way or another. That's why all the politicians are now starting to be closer towards the national projects.

Me, as part of the national project, I feel that one of the key factors in this solution is the wider participation. We don't need to feel or give them the impression of marginalization of any group – regardless of ethnic – I don't just mean margins of just Sunni or Shiite. Even on political background, we don't need to have such a sense of feeling because we experienced such a feeling in Mosul. There is, of now, you see it. We experienced it in Al-Anbar – there is a change there. We don't need also the government to be threatened by such behavior of refusing the national consensus towards the restricted political parties or divisions.

Now, I think the national projects will win. Now, what is the national project? This is the idea. I don't think that the sectarian projects, whether Sunni or Shiite, can change by only changing the name. This is the type of representation, first, and the projects, the behavior. So let us work on the projects rather than ideological backgrounds or on sectarian backgrounds. I feel that the next national election will give an excellent opportunity to people to select.

The only main pitfall in that is the closed list because people will select, totally, the list. Otherwise, if we are able to convince the parliament or to present a reform of the election law to have the open list, definitely people will select those candidates who are trusted more and more – are jumping the sectarian and localities. Again, I hope that the next election can give the opportunity for people to select the national people and to have good time to check, who is the national?

MS. DUNNE: Diyana, the front table? This young man here.

Q: Thank you. I'm Gabriel Palman from Yale University and the office of Senator Lieberman. With the upcoming elections – the upcoming Kurdish elections in July – do you see these elections will occur differently from those in 2005? And if so, how? And is your government seeking to establish any reconciliation between Iraq and the Kurdish peoples in the near future? Thank you.

DR. EISSAWI: Well, thank you very much. I think in Iraq, everything is changeable. And you can read that from the last provincial election. There is change on the level of the provinces and different provinces. In fact, it's not only Anbar or Nineveh – in the middle and south, also, there is a change. And even in Karbala. The main winner in Karbala was an independent person simply because the image of that man was an excellent or good image in the memory of the Karbala citizens.

I think, yes, there will be change with the next national election, simply because people will select the national candidates. And I hope – despite the fact that I don't think that the parliament will pass or even the government representatives – it depends on the political parties' selection of type of election law.

So the challenge for this election is the closed list. An open list will give more and more space to select the initial. Anyhow, not only the persons can be national; the projects can also be national so people have the good period – the last few years – to check the political projects, whether national or not, and even the persons and their behavior, whether national or not. And supposing that this good time will be reflected on their selection or the choices of the initials. Keep in mind, again, everything is changeable in Iraq – including the political mood.

MS. DUNNE: Diyana, this gentleman right here.

Q: Good afternoon, I'm Ron Baygents with Kuwait News Agency in Washington. Thanks for coming. I just wanted you to touch on the relationships between Iraq and your immediate neighbors. As far as I know, you're talking about internal politics, but how much, at this stage, are those relationships having a bearing on the internal politics? And are you comfortable with the way that's evolving, now? And also, could you mention something specifically about the Iraq-Kuwaiti relationship going forward? Thank you.

DR. EISSAWI: It was clear in the last period Iraq started to be re-integrated in the international community and in the neighboring countries, to some extent. Keeping in mind, to be very honest, also, that there are complaints from Iraqis of the interference from more than one of the neighbors. How much it affects? In the last period, there was a negative impact on the internal situation. And we hope that, now, as I mentioned, the people will be free to select – hoping that they will be free to select the national, liberal – I'll say – projects.

The Iraqi-Kuwait relationship – by the way, I will just say that the Iraqi diplomacy was very active in the last few years to convince their – more than neighbors, but really the international community – to re-integrate Iraq in this international and neighbors. Regarding the Iraqi and Kuwaiti relationship, the main problem is the issue of building trust. We respect all the concerns of Kuwaitis; that's based on the long history of fluctuant relationships between different governments

of Iraq and the Kuwaitis. And we respect the territory of Kuwaitis. We respect all the rights of our neighbors and our brothers in Kuwait.

The problem is that now the discussion is outside the Iraqi diplomacy. This pulls the issue to the focus of the media. Politicians, some of the members of the parliament and people on the streets start to talk about the issue, which means discussing the issue outside the diplomatic channels. We don't need, in fact, to discuss outside the diplomatic channels. We respect the concerns of the Kuwaitis and the necessity of building trust and their concerns. A long history of problems ended in 1990 by occupation of Kuwait. We need to reassure the Kuwaitis – now this agitation or these sensitive points were touched by the media or politicians or some members of parliament, I think create a very muddy environment – or it muddies the water.

Now I hope that the active Iraqi diplomacy can fix these things. And now, in the next few days, inshallah, we'll have a bilateral meeting between the minister of foreign affairs – the Iraqi and Kuwait one – to deal with. Maybe that stressing the issue of bilateral solving of the issue between Iraq and Kuwait – bilateral outside the U.N. Security Council – it was the point that aggravated the situation. We respect all the concerns of Kuwaitis, and again, they need reassurance. And we are ready to reassure them because we are in a new Iraq that no more threatens its neighbors.

MS. DUNNE: Ah, yes, last question. Right here.

Q: Judyt Mendel, URS Corporation. I'm sorry I missed your discussion this morning at the Chamber of Commerce, but as American companies look at investing and doing business in Iraq, we look not only at the funding of projects but also at political risk – ensuring that money is paid and ensuring that liability issues and such are addressed in a way that makes American companies comfortable. And you mentioned that there's a new investment law, but could you, perhaps, just very briefly, outline some of the other steps that are being taken or that are being considered to address issues like the corruption in contracting and to address political, economic and financial risks so that American companies are more comfortable doing business in Iraq – including our own.

DR. EISSAWI: Thank you very much. I think this is a very important question because we discussed part of that in the morning meeting with the Chamber of Commerce. We hope that the big American companies or businessmen can come to Iraq early. And I mentioned that, in September, we'll have the Japanese forum of the businessmen in Baghdad. Between 100 and 150 will attend Baghdad to hold the Japanese-Iraqi Economic Forum in Baghdad. And this excellent relationship between Iraq and America – we have to have the momentum of this relationship keeping in mind that the strategic framework agreement also focuses on the cooperation between the economic entities here and there.

Regarding the risk, whether political or security, it's very well-known that Iraq is a member in MIGA (ph), association that – to preserve or to protect against all these risks. This is one. And the Iraqi government also keeps saying that the government is committed to the commitment. Whether this government or any government – you are dealing with governments rather than parties or groups. So you can act without the improvement in the security situation. All this means that the investment environment has improved.

Regarding the investment law called Investment Law 13 of 2006, which opened up investment across the board in different ministries and in all projects, and we numerated some of

these projects in the morning, and in fact we gave a hard and soft copy of these projects and the investment clause in Arabic and English in the morning.

The main issue that presented to reform the law – last cabinet meeting was the ownership of the land. That you achieve your projects over it. At the beginning, to have only the right for Iraqis to have ownership of the piece of land that you are planning your project on. Now, both Iraqis and non-Iraqi investors have the right to – especially in reconstruction projects – building and reconstruction. And Investment Law 13 for 206 covers the investment in non-hydrocarbon – mainly in other sectors. Part of all hydrocarbons, which is down and mid-stream included in Law 13. Upstream is only in the hydrocarbon law which is not achieved until now.

MS. DUNNE: Mr. Deputy Prime Minister, I want to thank you for your patience, for the frankness of your answers and for sharing your vision of growing national cohesion in Iraq. Thank you very much for coming to the Carnegie Endowment and we wish you success with your visit.

(END)