### DEVELOPMENTS IN IRAQ

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RESURGENT VIOLENCE

Iraq has become significantly more dangerous since SIGIR’s last report. Indeed, the last four months have been the most violent period in the country since the summer of 2008.

Among the parade of horrible events, the killings at Hawija on April 23 stand out. According to press and government reports, more than 50 people died when security forces raided an encampment of Sunni protesters near Kirkuk.

In the tense days that followed this tragedy, dozens of Sunni tribesmen and Iraqi police were killed in skirmishes in Kirkuk and the nearby provinces of Salah Al-Din, Anbar, and Nineveh—predominantly in the cities of Ramadi and Mosul. Kurdish Peshmerga troops moved farther south around Kirkuk to take up guard posts vacated by Iraqi Security Forces (ISF) near the northern oil fields, further escalating tensions between the Kurdistan Regional Government (KRG) and the Government of Iraq (GOI). Fighting in Syria has further complicated security in these areas, rendering control of the Syria-Iraq border beyond difficult. The disorder has facilitated the cross-border movements of personnel from al-Qaeda in Iraq (now called the Islamic State of Iraq and Sham, or ISIS) between the two countries.

According to the United Nations (UN), 963 civilians were killed and 2,191 were wounded in May, making it the deadliest month since 2008. May also saw the deadliest day in Iraq in five years—at least 86 people killed in bombings of both Shia and Sunni areas on May 20. As Figure 3.1 shows, July casualties rivaled the deaths in May, with relentless bombing, gunfire, and improvised explosive device (IED) attacks in several provinces each day.¹

A Very Bloody Ramadan

According to press reports, the month of Ramadan in Iraq—which began July 9 and culminated with the Eid al-Fitr celebrations on August 10—saw more than 1,000 killed in attacks around the country. Bombings in multiple cities killed worshippers exiting or entering mosques during the day and at cafes in the evenings, where Muslims gathered to break their fast. The final day of Ramadan proved to be bloodier than May 20. The Eid al-Fitr celebrations were marred by coordinated attacks across Iraq that killed at least 94 people. Baghdad sustained more than half of the casualties, and ISIS reportedly claimed responsibility for the attacks.

Although car and suicide bombings contributed most to the death toll, more than a third of the victims died by gunfire or IEDs. There were numerous reports of gunmen setting up fake checkpoints to target specific groups, including transportation convoys. On July 24, for example, 14 truck drivers were killed in an ambush in Salah Al-Din.

On Friday, August 1, the U.S. Department of State (DoS) announced that U.S. embassies in several countries (including Iraq) would be closed.
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Selected Major Attacks, 5/2013–7/2013

May 17
At least 73 killed, including 49 killed in car bombings near a Shia mosque in Ba’quba and 25 in bombings in Baghdad

May 20
At least 86 killed, including at least 48 in 10 bombings in Baghdad, 14 killed by a car bomb north of Baghdad in Balad, 14 killed in twin bombings at a restaurant and bus station in Basrah, and at least 9 Shia worshippers killed by a car bomb in Hilla

May 27
At least 66 killed in a coordinated wave of car bombings in mostly Shia areas in 11 Baghdad neighborhoods

June 10
At least 61 killed and many more wounded in bombings across Iraq, including more than 20 killed in separate bombings in Mosul, 15 others in bombings in Diyala, and 11 more in Salah Al-Din

June 16
At least 49 killed and dozens wounded in multiple suicide and car bombings in 9 cities in northern, central, and southern Iraq; gunmen killed at least 4 pipeline guards and wounded 5 others near Mosul

June 23–25
As many as 127 killed and hundreds wounded by gunfire, improvised explosive devices, and bombings across Iraq; Baghdad sustained heavy casualties

July 2
At least 59 killed by gunfire, car bombings, and IEDs in 10 cities, including at least 34 in Baghdad in predominantly Shia areas

July 11
At least 59 killed in attacks in 10 cities

July 14
At least 66 killed and dozens wounded in bombings in 11 locations around Iraq, including the Grand Musayab Mosque

July 20
As many as 80 killed in a wave of evening bombings coordinated to detonate where Iraqis congregated to break their fast

July 29
As many as 60 killed in at least 18 bombings during morning rush hour in marketplaces and other populated areas in Baghdad, Kut, Basrah, and Samawa

July 30
IEDs, gunfire, and car bombings killed as many as 50 in coordinated attacks in 11 cities

Provinces Where Most Attacks Occurred

Anbar, Baghdad, Diyala, Ninewa, Salah Al-Din, and Tameem provinces were most frequently attacked.
the following Sunday, citing reports of specific threats against facilities. The next day, DoS issued a worldwide travel warning to alert all U.S. citizens of the potential for terrorist attacks by al-Qaeda operatives, particularly in the Middle East and North Africa, through the end of August. U.S. Embassy-Baghdad reopened for business on Monday, August 5, but warnings for U.S. citizens traveling in Iraq continued.\(^3\)

**Mass Prison Breaks**

Al-Qaeda front group ISIS claimed responsibility for July 21 coordinated attacks that freed hundreds of inmates from Abu Ghraib Prison in Baghdad and Taji Prison north of Baghdad. During the attacks, inmates reportedly set fires and rioted as suicide bombers broke through. As many as 20 security personnel and 21 prisoners were reportedly killed during the attacks.

The damage from these attacks is incalculable. Up to 500 inmates, many affiliated with al-Qaeda, may have escaped. Iraqi officials claim to have killed more than 100 and recaptured more than 300, but these are unconfirmed numbers. Reports of vendetta killings carried out by escaped prisoners surfaced a few days later. As many as 100 escapees may have crossed into Syria.

Prime Minister Nuri al-Maliki subsequently fired the head of Iraq’s prisons directorate and ordered senior police officers negligent in their duties to be detained. Several suspicious events reportedly occurred prior to the attacks at Abu Ghraib Prison, signaling possible conspiracies, including the disabling of the prison’s cell-phone jamming devices and the smuggling of phones into the prison.\(^4\)

**REFUGE FROM SYRIA**

From January 2012 through August 2013, the civil unrest in Syria drove an estimated 2 million Syrians from their homes into neighboring countries. While the vast majority crossed the border into Lebanon, Jordan, and Turkey, about 200,000 Syrian refugees sought protection in Iraq, primarily in the Kurdistan Region. Almost one-fourth of this refugee population in Iraq arrived during the last two weeks of August 2013.

As shown in Figure 3.2, the number of Syrian refugees registered by the United Nations High Commissioner for Refugees (UNHCR) in Iraq
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In January 2013, the refugee population in al-Qaim stood at almost 9,000; by July, this number had dropped to slightly more than 5,000 because of the growing number of Syrians opting to return home.

What had been the busiest entry point into Iraq, the Peshkapor border crossing in the Kurdistan Region, was closed on May 19, though exceptions were made for humanitarian and family-reunification cases. Despite the closure, UNHCR reported that a relatively small number of Syrian refugees continued to approach its offices in the region during June and July for registration. Some of those people probably crossed the border legally, while others may have entered illegally by crossing the river or paying smugglers.

On August 15, the growth trend that had been stifled in late May dramatically reasserted itself. The KRG opened a new pontoon bridge at Peshkapor. Within three days, an estimated 20,000 Syrians had streamed across the bridge into Iraq. The KRG then closed the bridge to refugee traffic, but allowed the influx to continue at the Sahela crossing south of Peshkapor. By the end of August, as many as 50,000 Syrians had crossed the border into Iraq. UNHCR called it “a major exodus … unlike anything witnessed entering Iraq previously.”

In response, UNHCR and its partners scrambled to erect shelters with plastic tarps to protect the refugees from the sun and heat. Relief agencies established an emergency refugee camp, with a planned capacity of 20,000, at Kowergosk in Erbil province. On August 20, Iraq’s Council of Ministers (CoM) agreed to allocate 15 billion dinar (about $13 million) in emergency funds to the GOI’s Ministry of Migration and Displacement to aid Syrian refugees in the Kurdistan Region.

Most of the new refugees apparently were Kurds escaping the escalating violence between al-Qaeda-affiliated groups and Kurdish militias vying to control Syria’s northeastern provinces. One new arrival told a reporter, “We fled because there is war, beheadings, and killings, and in addition to that, there is no work.”

rose steadily from July 2012 through May 2013. In the first four months of this year alone, the Syrian refugee population in Iraq doubled.

Al-Qaim border crossing in Anbar province was closed to new Syrian arrivals in October 2012, except to allow individuals to be treated for medical emergencies or to be reunited with their families. Those restrictions were further tightened in late March 2013, when the ISF closed the crossing to all entries into Iraq, while leaving it open to Syrians wanting to return to their home country.

Thousands of Syrians crossed a bridge over the Tigris River and entered the Kurdistan Region on August 15. (UNHCR photo)

**Figure 3.2**

**Syrian Refugees in Iraq, 1/2012–8/2013**

Cumulative Refugees Registered by UN at End of Month

![Graph showing cumulative refugees registered by UN at end of month from January 2012 to August 2013.](image)

*Note: August 2013 number includes UN estimate of new arrivals as of August 29.*

*Sources: UNHCR, Syria Regional Refugee Response Inter-agency Information Sharing Portal, data.unhcr.org/syrianrefugees/country.php?id=103.*
In addition to the Syrians who fled to Iraq, more than 75,000 Iraqis who sought a safe haven in Syria after the 2003 invasion returned to Iraq between January 1, 2012, and April 30, 2013. As shown in Figure 3.3, the number of returnees in 2012 was twice what it was in 2011, and the accelerated return rate continued during the first four months of 2013.5

**GOI-KRG TALKS**

On June 9, 2013, and then again on July 7, GOI Prime Minister Nuri al-Maliki and KRG President Masoud Barzani met to discuss the unresolved issues that have long created tensions between their two governments. The meetings, held in Erbil and Baghdad, were the first between the two leaders in more than two and a half years. Although neither the GOI nor the KRG issued a statement suggesting substantive progress, both the U.S. Embassy in Baghdad and the UN Special Representative of the Secretary-General for Iraq “welcomed” the talks as encouraging steps.

Control of Iraq’s vast oil resources, as well as the Kurdistan Region’s disputed border with neighboring provinces, is at the core of the long-simmering power struggle. Although draft legislation setting out a basic framework for the hydrocarbon sector was approved by the CoM in 2006, it has yet to be enacted because of political differences. Meanwhile, the KRG has signed contracts with international companies to explore for and develop its oil and gas resources, but the GOI does not recognize the contracts, asserting that only the central government’s Ministry of Oil is authorized to enter into such agreements. As a result, oil companies operating in the Kurdistan Region have not always been paid, KRG and GOI officials have exchanged claims and counterclaims about how much money who owes whom, and oil exports from the Region have been on again, off again.6

**PROVINCIAL ELECTIONS**

Iraq held elections for Provincial Council seats in 12 of its 18 provinces on April 20, 2013, and then held elections in Anbar and Nineva on July 20. Elections in Tameem (Kirkuk) have been delayed indefinitely because of its “disputed territory” status, while elections in the Kurdistan Region’s three provinces are scheduled for November 21.

According to Iraq’s Independent High Electoral Commission, 51% of the eligible voters participated in the April 20 elections, while 50% voted in Anbar and 38% voted in Nineva on July 20.
Candidates in the 14 provinces were contending for 447 Provincial Council seats. Prime Minister al-Maliki’s State of Law Coalition won 97 seats, more than any other political block, but suffered an overall 24-seat loss. The Islamic Supreme Council of Iraq’s Citizen’s Alliance, headed by Shia cleric Amar al-Hakim, finished second with 61 seats, up from 58 seats in the 2009 elections. Former Prime Minister Ayad Allawi’s al-Iraqiya list won just 16 seats, down from 26 in 2009.

As of mid-August, the new Provincial Councils had all held their inaugural sessions and elected governors and council chairs.7

ENERGY

In mid-June, the GOI released its new Integrated National Energy Strategy (INES), which aims to develop Iraq’s deteriorated energy sector to meet domestic energy needs, foster the growth of a diversified national economy, improve the standard of living of Iraqi citizens, create employment, and position Iraq as a major player in regional and global energy markets.

To achieve this vision, the INES lays out a long-term plan of policy commitments, infrastructure development, and institutional reform. The plan covers upstream and downstream oil, natural gas, electric power, and industries that consume large quantities of energy either as fuel or as feedstock for production processes. The INES identifies six currently underdeveloped industries—petrochemicals, fertilizers, steel, aluminum, cement, and bricks—that could develop into significant and profitable producers if they were built to sufficient capacity and provided sufficient energy resources.

According to the INES, the recommended energy development program will require an investment of approximately $620 billion (in 2011 dollars) between 2012 and 2030. Over the same period, this investment is expected to generate $6 trillion in government revenues. And by 2022, domestic demand for energy (including demand for oil and gas as an industrial feedstock) is expected to be completely met through domestic production.

To ensure successful implementation, the INES calls for the establishment of special task forces within the Oil, Electricity, and Industry and Minerals Ministries; management “ownership” by the Prime Minister’s Office; a steering committee chaired by either the Deputy Prime Minister for Energy Affairs or the Chairman of the Prime Minister’s Advisory Commission (PMAC); and monitoring by the Council of Representatives (CoR).

The INES, developed by Booz & Company under a contract with the PMAC, took three years to complete. The World Bank provided $6.9 million for the project.8

Oil Production and Exports: Federal Iraq

During the first six months of 2013, crude oil production in the “Southern 15” provinces (that is, Iraq exclusive of the Kurdistan Region) averaged 3.00 million barrels per day (MBPD), an 8% increase from the first half of 2012 but a 3% drop from the second half. More than three-fourths of this year’s production came from Iraq’s oil-rich southern fields. One field alone, supergiant al-Rumaila in Basrah, reportedly was producing more than half of the southern output.

Figure 3.4 shows the trends in production during the four-year period ending June 30, 2013.

Under the middle of three growth scenarios in the INES, oil production in federal Iraq would increase from the current average of 3.00 MBPD to 4.50 MBPD by the end of 2014 and 9.0 MBPD in 2020. These targets are higher than the levels deemed realistic by the International Energy Agency in an October 2012 study but less ambitious than the GOI’s previous projections.

In line with these downward revisions, the GOI has been trying to renegotiate contracts it signed in
2009 with international oil companies to develop its oil fields. The aim is to lower the plateau production targets and extend output over a longer period of time. As of mid-August, the GOI had reached an agreement with the Eni-led consortium to lower the target at the Zubair field and with the Lukoil-led consortium to do the same at West Qurna-2. It reportedly was still in discussions with ExxonMobil to reduce the targeted output at West Qurna-1; with Shell, at Majnoon; and with BP, at al-Rumaila.

Exports of crude oil during the first half of 2013 averaged 2.46 MBPD and followed almost the same pattern as production—up almost 7% from the first half of 2012, but down more than 3% from the second half. Almost 90% of this year’s exports were shipped by tanker from Iraq’s facilities in the south.

Starting in early May, successive attacks on the country’s northern export pipeline continually disrupted the flow of oil destined for the Turkish port of Ceyhan:
- On May 6, an attack in Ninewa province shut the pipeline down for five days.
- On May 13, insurgents bombed the pipeline in Salah Al-Din, halting the flow for another three days.
- On May 17, pumping again was stopped by an attack southwest of Mosul.
- On June 4, a bombing shut the line down for three days.
- On June 21, an attack near Mosul put the pipeline out of service for almost a month.
- On July 28, an early morning bomb attack south of Mosul halted the oil flow for at least 10 days.
- On August 13, the flow was again stopped by an early morning blast.
- On August 16, a roadside bomb planted 40 miles south of Mosul disabled the pipeline for almost three days.
- On August 22, explosions in Ninewa and Salah Al-Din damaged four separate sections of the pipeline, not only shutting down the line, but also spilling oil into the Tigris River and threatening water supplies over a wide area.

Repairs were often impeded by the poor security situation in Ninewa and Salah Al-Din. These attacks, combined with leakages caused by the poor condition of the Kirkuk-Ceyhan pipeline and the KRG’s December 2012 decision to stop exporting oil produced in the Region through that pipeline, resulted in a 24% drop in northern exports during the first half of 2013, compared with the first half of 2012. In May and June, these exports fell to their lowest levels in more than five years. In June, northern exports averaged 0.19 MBPD, compared with 0.55 MBPD during the same month in 2011—a 65% decrease.
Figure 3.5 shows the trends in exports during the four-year period ending June 30, 2013.

The INES envisions that pipelines and offshore loading facilities in southern Iraq will be expanded to an overall capacity of 6.8 MBPD by 2014 and that pipelines in northern Iraq will be rehabilitated and expanded to allow the export of 3.75 MBPD by 2017. To provide greater flexibility in choosing export routes and markets, the INES also calls for the rehabilitation and expansion of Iraq’s internal system of pipelines linking the north and the south.

Oil Production and Exports: Kurdistan Region

The KRG has continued on its independent path to increase the Kurdistan Region’s oil production and exports. Crude-oil production in mid-2013 averaged about 200,000 barrels per day, and KRG Minister of Natural Resources Ashti Hawrami expected production to grow to 1 MBPD by 2015 and 2 MBPD by 2019.

Ignoring the GOI’s concerns, several major Western oil companies—including ExxonMobil, Chevron, Total, and a Turkish company (apparently a public-private venture)—have agreed to help the KRG develop its oil resources. Because the GOI’s Ministry of Oil did not approve the contracts for oil exploration in the Kurdistan Region, the GOI considers them to be illegal and has withheld payments to the KRG that would cover the oil companies’ costs. Furthermore, two of the exploration blocks recently awarded to the Turkish company extend into Iraq’s disputed territory.

Because of its disagreement with the GOI about oil-revenue sharing and payments to oil companies, the KRG stopped exporting its crude oil through the federal government’s Kirkuk-Ceyhan pipeline in December 2012. Since then, it reportedly has been trucking oil to Turkey, with estimates varying from 30,000 to 65,000 barrels per day (BPD).

At the same time, the KRG has been building its own oil-export pipeline connecting the Taq Taq field in Erbil and Fishkabur on the Turkish border and will likely complete it this year. The GOI claims that the KRG is prohibited from exporting oil without first getting permission from the Ministry of Oil. However, in April 2013, the KRG Parliament passed a law—the Law of Identifying and Obtaining Financial Dues to the Kurdistan Region of Iraq from Federal Revenue—justifying the export of crude oil. According to Dr. Hawrami, if the GOI defaults on its payments to the KRG, “then the KRG is authorized to sell oil produced in the Region to recover unpaid dues.” Dr. Hawrami expects the Kurdistan Region to be exporting 2 MBPD of crude oil by 2019.

Refineries

In June, the Ministry of Oil awarded French-based Technip a follow-on contract to manage the engineering, procurement, and construction phase of the 200,000 BPD Kerbala refinery. Two months later, the ministry reported that 13 companies had been qualified to participate in the bidding round, scheduled for December 2013, for development of the Nassiriyah oil field and construction of an accompanying refinery. With a capacity of 300,000 BPD, the refinery would be Iraq’s largest.

Currently, the country’s refineries produce too much low-grade fuel oil and too little higher-grade products, such as gasoline. According to the INES, the upgrade of existing and construction of new refineries will approximately double Iraq’s current refining capacity (to 1.4 MBPD) and, equally significant, allow for a mix of petroleum products that matches domestic demand. Until those projects are completed, Iraq will continue to require imported petroleum products to meet domestic needs. In March 2013, the National Iranian Oil Refining and Distribution Company agreed to supply Iraq with 2 million liters (about 525,000 gallons) of diesel fuel per day for an unspecified period of time. The contract was revised in May to allow Iraq to import up to 5 million liters per day.
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Supplies was made worse by the Ministry of Oil’s inability to provide sufficient fuel of the needed quality to existing power plants and also by contractors (some of whom apparently blamed the security situation or technical obstacles) falling behind schedule in the construction of new plants.

This year’s increase in violence has resulted in relatively minor disruptions in electricity service. On May 21, bomb attacks destroyed seven transmission towers on a high-capacity line running between Baghdad and Baiji. The MOE returned the line to service in two weeks.

Although most of the MOE’s new power-plant projects were progressing more slowly than planned, the ministry did report two significant milestones this reporting period:

- In March, Shanghai Electric completed the first generating unit, with a capacity of 330 MW, at al-Zubaidya thermal plant in Wassit. According to the MOE, the plant’s capacity will reach 1,320 MW by the end of 2013 and 2,540 MW by March 2016, which would then likely make it the largest power plant in the Middle East.
- In April, Çalık Enerji of Turkey completed construction of the first power plant that uses combustion turbines purchased in the December 2008 “Mega Deal” with General Electric. Although the GOI bought 56 GE turbines with a total nameplate capacity of 7,000 MW in 2008, none came out of storage until more than three years later.

Natural Gas

The Basrah Gas Company—a joint venture between the Ministry of Oil’s South Gas Company, Shell, and Mitsubishi—commenced formal operations in May 2013. Its mandate is to capture the natural gas that is produced along with crude oil at al-Rumaila, West Qurna-1, and Zubair, thereby reducing wasteful and environmentally damaging flaring and providing gas to fuel Iraq’s combustion-turbine power plants.

According to the INES, all of Iraq’s domestic gas requirements will be satisfied by domestic production by 2015. After that time, however, continued growth in production will result in surplus gas, which will have to be either exported or flared.12

Electricity

Inadequate electricity supplies have plagued Iraq since the 1990s. Outages and poor power quality, particularly in the hot summer months, have created widespread public discontent and occasional violent demonstrations. The GOI has promised to close the supply-demand gap, but these promises remain unkept.

In mid-June, the Ministry of Electricity (MOE) reported that total generating capacity on its national grid, including electric power imported from Iran, had climbed to 10,000 megawatts (MW). More than one-fifth of that capacity, however, was unproductive because of lack of fuel, low water levels at hydroelectric plants, and temporary shutdowns for maintenance. As a result, actual supply at the point of generation averaged about 7,800 MW. Furthermore, because of Iraq’s inefficient power transmission and distribution networks, the amount of electricity that reached end users likely was less than 5,500 MW. In contrast, according to the MOE’s own estimate, demand for electric power at the time totaled about 14,700 MW.

As it has done each summer over the past few years, the MOE said that the shortfall in power supplies was made worse by the Ministry of Oil’s inability to provide sufficient fuel of the needed quality to existing power plants and also by contractors (some of whom apparently blamed the security situation or technical obstacles) falling behind schedule in the construction of new plants.

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The 1,250 MW al-Qaryat power plant in Kerbala was completed in April 2013, marking the first completion of a plant built around turbines the GOI purchased in the GE “Mega Deal.” (Çalık Enerji photo)
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supply gas to many of its power plants, so the plants burn oil (when available) instead. By capturing associated gas in Iraq's southern oil fields, the Basrah Gas Company is meant to solve this supply problem, but that project is still in its early stages. Meanwhile, the MOE signed a contract on July 22 to purchase 25 million cubic meters (about 850 million cubic feet) of gas per day from Iran for a period of four years once a gas pipeline currently being constructed by an Iranian firm is completed.

Both before and after al-Maliki's comments, the MOE issued press releases reiterating its message that the supply-demand gap would be closed by the end of 2013. The INES offered a more tempered, but still optimistic, view: The power plants currently planned or under construction will more than triple effective generating capacity between now and 2016—from 7 gigawatts to 22 gigawatts—an amount sufficient to meet peak demand and end Iraq's need for imported electricity.13

WATER

Iraq continues to contend with the diplomatically delicate issue of water scarcity, and, ironically, it suffered this year from its most damaging flooding in decades.

In late January, torrential rains caused the Tigris River flowing from Turkey to rise to its highest level in 50 years and overflow its banks, submerging several villages in north-central Iraq and displacing an estimated 5,000 people. Then, in May, the southern provinces of Thi-Qar, Missan, and Wassit were hit hard, with floodwaters coming from mountainous areas of Iran covering highways and destroying agricultural lands. The GOI declared a state of maximum alert over these floods.

This year’s flooding, however, was not the norm. Since 2007, Iraq has suffered from drought conditions that have diminished the productivity of croplands and devastated livestock populations. Ensuring adequate supplies of water for drinking,
agriculture, and other uses therefore remains a pressing, long-term problem for Iraq, and one with regional political implications.

Iraq depends primarily on surface water, predominantly from the Tigris and Euphrates Rivers, to meet its needs. In a typical year, precipitation in Iraq contributes little to its surface water, with annual precipitation averaging just 8.5 inches (but ranging from 47 inches in the Kurdistan Region to less than 4 inches in most of the south). While some of Iraq’s surface water originates in Syria and Iran, most comes from Turkey, where the average annual precipitation exceeds 23 inches.

Since the mid 1970s, Turkey has been planning and developing the Southeastern Anatolia Project, which includes 22 dams, 19 power plants, and numerous networks of irrigation canals within the Tigris-Euphrates basins. The entire project is scheduled for completion in 2023. The largest of the dams, the Ilisu, is being built on the Tigris and is expected to be completed in mid-2014. Turkey asserts that the dam will help Iraq by limiting the amount of water flowing downstream during the flood season, while increasing it during droughts. However, environmentalists and others in Iraq are concerned that the dam will further cut Iraq’s water supply and stop the rebuilding of the country’s marshes, which were heavily depleted during the Saddam era.

Iran has its own ambitious program for building dams, including on tributaries of the Tigris River. In mid-2013, 135 new dams were under construction throughout the country. One of them, Bakhtiari Dam, was being built in the Zagros Mountains of southwestern Iran and reportedly will be the world’s tallest concrete dam. Precipitation in the area averages about 44 inches annually. If unimpeded, the waters of the Bakhtiari River eventually flow to the Shatt al-Arab, the withering, increasingly saline waterway along Iraq’s southernmost border with Iran. Various Iraqi provincial leaders and members of the CoR have criticized Iran for already reducing river flows into Iraq. In mid-July, the Governor of Diyala reportedly accused Iran of committing “a crime against humanity and a violation of traditions and divine religions” for allegedly drying up a river that enters Diyala from Iran.

Prime Minister al-Maliki stressed that the water issue should be resolved through dialogue with Iraq’s neighbors. On July 8, the Prime Minister chaired a meeting of the High National Commission on Water, which focused on securing Iraq’s needs for water. Al-Maliki reportedly discussed the need to work with Turkey, Iran, and other neighboring countries on the management of shared water resources. He also addressed the demand side, saying that Iraqis needed to minimize waste by adopting modern irrigation and water-conservation techniques.14
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CORRUPTION AND INTEGRITY

In June, the GOI’s Commission of Integrity (COI), with the support of the Central Statistics Office, released the findings of its study of corruption and integrity in Iraq’s public sector. The study was based on analyses of a 2011 survey of 31,000 civil servants, another 2011 survey of 29,000 households, and COI data on corruption cases from 2006 through 2011. The study provides further evidence that corruption remains a major challenge in Iraq:

- Slightly more than half the people surveyed believed corruption was on the rise, while one-third perceived it to be decreasing.
- Almost 12% of Iraqis who had contact with a public official during the preceding year said that they paid a bribe.
- On average, citizens who paid bribes did so almost four times during the year.
- The prevalence of reported bribery was highest amongst citizens dealing with police, land registry, and tax and revenue officers.
- In absolute terms, bribes reportedly were most frequently paid to nurses in public health facilities, public utilities officers, and police officers.
- Citizens reported that almost two-thirds of bribes paid are requested by the civil servant involved either by an explicit request (41%) or in an indirect and implicit way (23%), 14% of the bribes are requested by a third party, and 19% are initiated by the citizen.
- Almost 60% of civil servants said they had been offered bribes.
- 35% of civil servants were hired without undergoing a formal selection process.
- More than 66% of the civil servants reportedly did not feel comfortable reporting instances of corruption.
- Less than 7% of civil servants said that they had ever attended integrity and anticorruption training.15

INTERNATIONAL RELATIONS

U.S.-Iraq Strategic Partnership Meetings

As of the end of August, three meetings were held in 2013 as part of the ongoing implementation of the U.S.-Iraqi Strategic Framework Agreement (SFA). Signed by the United States and the GOI in November 2008, the SFA provides the basis for the bilateral relationship between the two countries. Issues covered by the SFA include political relations and diplomacy, defense and security, trade and finance, energy, judicial and law-enforcement issues, services, science, culture, education, and the environment. The joint U.S.-GOI Higher Coordinating Committee has overall responsibility for the SFA, while the work of implementing the agreement is managed by seven sector-specific Joint Coordinating Committees (JCCs).

On August 15, 2013, the Political and Diplomatic JCC met at the Department of State in Washington, D.C. The meeting was co-chaired by U.S. Secretary of State John Kerry and Iraqi Foreign Minister Hoshyar Zebari.

During the meeting, the U.S. delegation offered its full support for Iraq’s efforts to strengthen ties with Kuwait and other regional partners, emphasizing the importance of working together to bolster moderate forces and isolate extremists in the region. The United States also affirmed its strong commitment to help the GOI defeat al-Qaeda and other terrorist groups that continue to threaten Iraq and the entire region.

According to their joint statement at the close of the meeting, both delegations emphasized their commitment to close and ongoing security cooperation, pledged to enhance this cooperation in pursuit of their joint interests in denying terrorists safe haven anywhere in Iraq, and explored areas of potential cooperation relative to the ongoing crisis.
in Syria, particularly on humanitarian issues and 
border security. The U.S. delegation emphasized 
the importance of providing refuge and services to 
people fleeing the violence in Syria, and the Iraqis 
reiterated their commitment to deter the transit of 
weapons through its territory and welcomed the re-
cent notification to the U.S. Congress of the GOI’s 
potential purchase of an integrated air-defense 
system to protect its airspace. Both sides said they 
were committed to a “Syrian-led political transition 
leading to a pluralistic political system representing 
the will of the Syrian people.”

The U.S. delegation also pledged to assist Iraq 
in implementing the national elections scheduled 
for 2014 and to continue supporting GOI efforts to 
combat trafficking in persons and provide security 
for all Iraqis.

The other two JCC meetings this year were held 
in Baghdad. The first took place on March 6 and 
was the inaugural meeting of the Trade and Finance 
JCC. The stated goal of this JCC is to strengthen the 
GOI’s “capacity to build a diversified and advanced 
economy that ensures Iraq’s integration into the 
international community and meets the needs of the 
Iraqi people.” The Iraqi delegation was jointly headed 
by Deputy Prime Minister for Economic Reform 
Dr. Rowsch Shaways and Minister of Trade Khair 
Allah Babakir, while Assistant U.S. Trade Represen-
tative Michael Delaney led the U.S. delegation. They 
reaffirmed each country’s commitment to increasing 
bilateral trade and U.S. investment in Iraq.

On June 4, Acting Higher Judicial Council Chair-
man Judge Hassan al-Humairy and Assistant Chief 
of Mission Ambassador James Knight co-chaired a 
meeting of the Law Enforcement and Judicial Coop-
eration JCC. The two sides said that they emphasized 
the importance of continued close cooperation on 
law-enforcement and judicial matters, and they 
discussed ways to expand cooperation to advance 
the GOI’s efforts to strengthen the administration of 
justice for women, children, and other vulnerable 
groups; prevent gender-based violence; combat 
trafficking in persons; and enhance the effective-
ness of police-training institutions.16

Easing of Chapter VII Sanctions

On June 27, the UN Security Council voted 
unanimously to further ease the sanctions placed 
on Iraq after its 1990 invasion of Kuwait by 
moving the issue of missing Kuwaitis and Kuwaiti 
property from Chapter VII to Chapter VI of the 
UN Charter. Before this change, Iraq was obligated 
to release all Kuwaiti and third-country nationals 
detained in Iraq, return the remains of any of 
them who were deceased, and return all Kuwaiti 
property seized by Iraq; and failure to do so could 
subject Iraq to sanctions or military intervention. 
The resolution adopted in June called on the GOI 
to continue searching for missing persons and 
remains, as well as seized property, but removed 
the threat of military action.

Two and a half years earlier, in December 2010, 
the United Nations ended trade sanctions related to 
weapons of mass destruction, extended protection 
of Iraqi oil funds until December 2011, and ended 
all activities related to the Oil for Food program. 
The recent move leaves only a limited arms 
embargo and repayment of the final $11 billion of 
the $52 billion in compensation owed by Iraq to 
Kuwait under Chapter VII. Iraq expects to pay off 
the remainder by 2015.

The GOI has been pushing for several years to 
be removed from the international sanctions. Until
recently, however, Kuwait continued to urge the United Nations not to lift them. With the resolution of some remaining issues and continued diplomatic work, particularly over the past year, Kuwait agreed to support Iraq’s request.17

**Extension of DFI Protection**

On May 17, 2013, President Obama continued for one year the national emergency with respect to the stabilization of Iraq originally declared by President George W. Bush a decade earlier. Executive Order 13303, which President Bush signed on May 22, 2003, protected the Development Fund for Iraq (DFI), Iraqi petroleum and petroleum products, and certain other financial instruments in which Iraq has an interest from attachment or judicial processes. The stated purpose of the order was to help ensure these assets would be available for “the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in the country, and the development of political, administrative, and economic institutions in Iraq.”

At the August 15 meeting of the Political and Diplomatic JCC, the U.S. and Iraqi delegations discussed President Obama’s decision to extend protections for the DFI. The Iraqi side affirmed its commitment to resolve outstanding claims over the coming months to set the conditions for those protections to expire in 2014.18

**HUMAN RIGHTS**

**Latest UN Assessment**

The resurgent violence that started in 2012 is a central concern in the latest UN semiannual report on human rights in Iraq. In releasing the report on June 27, Martin Kobler, the former Special Representative of the Secretary-General for Iraq, said: “We have consistently urged Iraqi leaders to engage in dialogue and develop policies that address the root causes of the problem. Too many innocent lives have been lost.”

The report, which focused on the second half of 2012, included the following observations:

- While improvements were seen in prisons run by the Ministry of Justice (MOJ), many detainees continued to complain of abuse, mistreatment, and torture at the hands of Ministry of Interior personnel following arrest and during the investigation phase, often with the intention of forcing confessions, before transfer to MOJ facilities.
- Courts remain under-resourced, contributing to long delays in processing cases beyond time limits established by law and overcrowding in many prisons and detention centers.
- Weaknesses identified in Iraq’s criminal justice system raise serious concerns about Iraq’s use of the death penalty.
- Women and children continue to suffer from domestic and other forms of violence, and women face discrimination and other barriers in accessing economic, social, and educational opportunities.
- Persons with disabilities continue to suffer from discrimination in relation to health care, education, employment, and economic opportunity; and the CoR has yet to pass a law to ensure compliance with the Convention on the Rights of Persons with Disabilities, which the GOI signed in January 2012 and ratified in March 2013.
- Iraq’s various ethnic and religious groups, especially members of the Turkmen community, are subjected to various acts of violence, including kidnapping, murder, harassment, and other threats.
- Freedom of expression, opinion, and assembly are matters of concern, with journalists continuing to suffer harassment, abuse, and sometimes violence in carrying out their professional duties (five were killed in 2012) and authorities restricting some peaceful demonstrations by citizens for political reasons.

The UN report generally did not lump the Kurdistan Region with the rest of Iraq and noted...
that the overall human rights situation in the Region continued to improve, though concerns remain over respect for freedoms of assembly and expression, as well as the protection of journalists. During the reporting period, the Kurdistan Region experienced almost no insurgent violence, but civilians living in areas close to the international borders continued to suffer from the effects of cross-border shelling and military operations conducted by foreign forces.19

Human Trafficking

On June 19, DoS released its Trafficking in Persons Report for 2013, placing Iraq among the so-called Tier 2 countries—those whose governments do not fully comply with the Trafficking Victims Protection Act’s minimum standards but are making significant efforts to bring themselves into compliance. Iraq had been on the Tier 2 Watch List for the previous four years. DoS found that Iraq had made significant progress, justifying an upgrade to Tier 2.

Iraq passed the Anti-Trafficking in Persons Law in April 2012. Under this law, the government established an antitrafficking department within the MOI, which collected law-enforcement data and operated a new antitrafficking hotline. Also under the law, Iraq created the Central Committee to Combat Trafficking in Persons, which actively furthered the government’s antitrafficking efforts. It met multiple times, televised a few of the meetings to raise awareness about trafficking, and included participants from international organizations, foreign governments, and nongovernmental organizations (NGOs).

While citing Iraq’s improvement, DoS’s 2013 report included the following observations:

• Despite its progress, Iraq remains a source and destination country for men, women, and children subjected to sex trafficking and forced labor.
• The GOI conducted some investigations and at least one prosecution under the new law. However, it continued to fail to investigate and punish government officials complicit in trafficking offenses.
• The GOI has done little to help victims of forced labor and sex trafficking, and it continues to prosecute victims and prohibit NGOs from running shelters for them. However, the GOI identified trafficking victims (none had been identified in previous years) and identified some victims who had been imprisoned for prostitution. The Ministry of Human Rights recommended that the Higher Judicial Council reopen their cases under the antitrafficking law. The GOI also has established a temporary shelter, identified a location for a permanent shelter, and drafted shelter guidelines.
• Although the GOI prohibits NGOs from operating shelters for trafficking victims, some government officials cooperate with NGOs and occasionally refer victims to them. A national trafficking victim referral mechanism has been drafted, but has not yet been finalized.
• Iraqi women and girls are often lured into forced prostitution both within Iraq and in neighboring countries.
• Iraq’s large population of internally displaced persons and refugees are particularly vulnerable to forced labor and sex trafficking. Refugees from Syria have been subjected to a wide spectrum of activities: women enter into commercially dependent relationships with Iraqi men, men work without contracts, and children are pressured into begging.
• Iraq is a destination for migrants from many countries who are either lured to Iraq under false pretenses or subjected to involuntary servitude or forced prostitution once they arrive.20