Statement for the Record Joseph Pennington Deputy Assistant Secretary of State for Iraq

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Chairwoman Hartzler, Ranking Member Moulton, and Subcommittee members, thank you for inviting me to testify today. The State Department recognizes that stabilizing Iraq and Syria requires more than battlefield success. In Syria, it also requires a political transition, and in areas liberated from ISIS, strengthened local governance, unfettered humanitarian assistance, and economic prosperity. In Iraq, it requires political stability and economic growth. We are working with our partners in the 73-member Global Coalition to Defeat ISIS to promote stability and prosperity in areas liberated from ISIS, so that we can cement the military gains my colleagues discussed earlier, help ensure that groups like ISIS do not reemerge, and prevent Al-Qa'ida from filling the gap as ISIS collapses. Achieving stability and prosperity also helps blunt the appeal and influence of malign actors, like Iran. Despite challenges, we see significant progress with some of our key initiatives.

As a result of the stabilization component of our U.S.-led Coalition's efforts to defeat ISIS, more than 2.2 million Iraqis have returned home. The returns include over 280,000 who have gone back to Mosul, a city that was only recently liberated. In eastern Mosul, more than 97 percent of those displaced during the military campaign have already returned home. The numbers are similar in Tikrit, Ramadi, and Fallujah. Unfortunately, more than 3 million Iraqis remain displaced, but we will continue to work to help set conditions so that they can return home safely. We will also continue to provide support for those who remain displaced, including members of minority communities. The United States remains the largest donor to the Iraq response, providing nearly \$1.7 billion in humanitarian assistance for Iraqis in Iraq and the region since 2014.

To help stabilize areas liberated from ISIS, the United States has contributed \$115 million through USAID to the United Nations Development Program's (UNDP) Funding Facility for Stabilization (FFS), and in July announced an additional \$150

million. Nationwide, UNDP has implemented over 1,100 stabilization activities focused on restoring basic services and livelihoods in areas liberated from ISIS, including nearly 350 projects in Mosul. FFS has supported scores of projects in the Ninewa Plains and Sinjar, centers of Christian and Yezidi communities. These projects, many of which are ongoing, total \$22 million in Sinjar and \$34 million in the Ninewa Plains. These projects include the repair of 15,000 homes and scores of schools; 18 water and 26 electricity projects; cash grants for families to restock animals and assets; and cash-for-work projects.

Demining is critical to stabilization and returning Iraqis to their homes. Since April 2016, U.S.-funded programs have cleared over 10 million square meters of land and removed over 12,000 IEDs and other explosives.

As Secretary Tillerson has said, "As a coalition, we are not in the business of nation-building or reconstruction." We know that Iraq will need to diversify from oil, right-size its public sector, reduce corruption, and pave the way for foreign investment to promote economic development and longer-term reconstruction. U.S. businesses are ready to invest in Iraq if Baghdad makes necessary reforms to improve the business climate.

Iraqi politics have been characterized by positive, if halting, momentum since the formation of the Abadi government in 2014. The upcoming national and provincial elections scheduled for spring of 2018 provide another opportunity for Iraqis to make their voices heard.

However, Iraq is also facing a major challenge as a result of the destabilizing September 25 referendum held in the Iraqi Kurdistan Region and parts of the disputed territories. Baghdad-Erbil coordination against ISIS has continued, but the tenor of that cooperation has suffered. Prime Minister Abadi is under tremendous pressure from Iraq's parliament and hardliners to respond to Erbil's action and preserve the unity of the Iraqi state. While high-level negotiations on the future of Baghdad-Erbil relations may prove difficult in the near term, we strongly believe Baghdad-Erbil dialogue on more constrained matters, such as air transportation and border control, can begin to rebuild trust.

Although Iraq continues to suffer from ethno-sectarian divisions, it is notable this election season that Iraqi nationalists, who do not wish to see their country under

the thumb of Iran or any other power, are increasingly coming to the fore. We expect to see a significant number of cross-sectarian political coalitions or alliances during the next election and the government formation process that follows. Iraq's Sunnis are increasingly engaging in the political process.

Finally, the United States supports Iraq's efforts to reintegrate into the region, and we applaud the recent opening of Iraqi border crossings with Saudi Arabia and Jordan. We will support the planned Iraq-Saudi coordination committee that offers economic and security advantages for both countries.

In Syria, although the Assad regime is not a trusted host nation partner nor is there a UN stabilization coordinator, U.S.-supported UN agencies and NGOs continue to provide critical humanitarian assistance. We have also initiated stabilization assistance activities in areas that legitimate opposition groups have liberated from ISIS that have enabled tens of thousands of Syrians to return home. We continue to encourage our allies and the international community to focus stabilization efforts on liberated areas, and to refrain from providing assistance that will shore up the Assad's regime's dictatorial control and strengthen his resistance to a political transition. I will not say more on Syria at this point, but my colleague Pam Quanrud, from the Department's Office of the Special Presidential Envoy for the Global Coalition to Defeat ISIS, is here to take any additional questions on that subject.

I want to thank the Subcommittee again for the opportunity to discuss our initiatives to cement the significant military gains made in the fight against ISIS. I welcome your questions on Iraq.