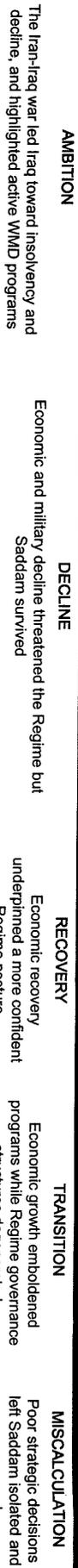


Regime Infection Points: Key Regime Strategic Intent Activities Across the Regime Timeline



Iran-Iraq war

Decision not to make full WMD Disclosure

Unilateral Destruction of WMD

Invasion of Kuwait

Acceptance of OFF

Reaction to Husayn Kamil fleeing Iraq

Iraqi Economy Bottoms-out

Economic recovery undermined a more confident Regime posture

Suspension of Co-operation with UNSCOM

Ill-considered Reaction to 9/11

- ▶ Active, advanced, and well-funded WMD programs were evident during the Ambition phase
- ▶ This phase was dominated by the Iran-Iraq war and its aftermath. Saddam recognized the importance of WMD to personal, Regime and national survival during Iran-Iraq war
- ▶ Saddam failed to enter the international mainstream after the Iran-Iraq war, and he dismissed the option of a strategic settlement with the West because of the risk to his own position
- ▶ Saddam funded the Iran-Iraq war through his national reserves and accumulated foreign debt. Saddam invaded Kuwait partly as a cash raid to recover from Iran-Iraq war
- ▶ The invasion of Kuwait and his possession of WMD added to Saddam's perception of his regional status and Arab leadership
- ▶ While Coalition forces ousted Iraq from Kuwait, Saddam maintained his grip on power inside Iraq, as well as his conviction that Iraq needed to possess WMD and effective means of delivering them. Saddam thus saw WMD as a strong symbol to support Regime power and the existence of WMD also helped to quell internal unrest
- ▶ Saddam believed that the existence of WMD, its tactical deployment, and the predelegated authority for its use deterred US drive to Baghdad following the first Gulf war
- ▶ The Regime was under significant threat during the Decline phase. The middle class was destroyed and Iraqis at all levels were impoverished, and the elite maintained wealth via corruption and patronage. Saddam misjudged the length and severity of sanctions, and the economy collapsed
- ▶ Iraqi infrastructure failed to recover from the two wars, and expertise and resources were diverted to rebuild the national infrastructure
- ▶ The Regime decision not to make full WMD disclosure was due to Saddam's wish to retain a WMD capability. This policy failed and he then sought to manage the problem by unilateral destruction and removal of the WMD signature. In a further attempt to counteract the intensive nature of the inspections, Saddam authorized Husayn Kamil to conduct unsupervised unilateral destruction of WMD stockpiles
- ▶ Unilateral WMD destruction sought to remove the reason for economic sanctions. The possession of WMD was important to Saddam but getting rid of sanctions was even more important; he calculated that the Regime must not do anything that caused delay to sanctions relief. Saddam intended to sustain his WMD options on a noninterference basis. Disclosure of fabrication was also a device by Saddam to retain power, control, and status
- ▶ The flight of Husayn Kamil was a body blow to the prestige and status of Saddam, and trust eroded between Saddam and his lieutenants. The detection forced a change of course
- ▶ Iraq had compounded high foreign debt during this phase. Saddam was reduced to rhetoric but he survived and endured, despite 1995 being the economic low point of the Regime
- ▶ Total economic collapse was averted through the acceptance of the UN Oil For Food program in mid-1996. The start of the Oil For Food exports in late 1996 was a key turning point for the Regime and rescued the Iraqi economy from terminal decline
- ▶ The revenue generated by Oil For Food allowed Iraq to recover in areas critical to the Regime; the accrual of resources commenced during this phase
- ▶ Saddam recovered but prioritized short-term economic gains over ending Regime isolation
- ▶ The attempt on Uday's life in December 1996 had a deep impact on Saddam; the extensive security infrastructure that was designed to protect him and his family had failed in a spectacular and public way. The attack marked the start of Saddam's decreased visibility with senior officials and his increased preoccupation with Regime and personal security
- ▶ The Transition phase saw the accrual of significant resources. By 2000-2001, Saddam had managed to mitigate many of the effects of sanctions and undermine their international support
- ▶ Sanctions and global solidarity were eroding, and Saddam may have been on the verge of having sanctions removed, but Saddam was too insular to compromise and capitalize fully on the UN mood
- ▶ The Regime began to degenerate to a cliché. Operation Desert Fox in December 1998, coupled with the earlier attempted assassination of Uday in 1996, sealed Saddam's concerns over his personal security. He became even more physically isolated
- ▶ UNSCOM and IAEA eviction and Oil For Food resources, allowed WMD planning to be developed. The lack of effective monitoring emboldened Saddam and his procurement activities
- ▶ Iraq remained isolated but the Regime showed some signs of sustaining illicit revenue
- ▶ Saddam had no effective strategy for the new Coalition resolve. Regime governance was failing, but Regime realists were devoid of influence
- ▶ Saddam miscalculated by missing the significance of 9/11, and reacted poorly to it. This failure to realign was further reinforced after President Bush's State of the Union "Axis of Evil" address in January 2002
- ▶ Saddam accepted UNMOVIC and IAEA back following President Bush's "Gathering Danger" speech at the UN General Assembly in September 2002, and in the face of growing international pressure. Further, Saddam apparently calculated that a surge in cooperation might have brought sanctions to an end

Regime Inflection Points: Key Biological Weapons Activities Across the Regime Timeline



AMBITION

The Iran-Iraq War led Iraq toward insolvency and decline, and highlighted active WMD programs

Iran-Iraq war

Decision not to make full WMD Disclosure

Unilateral Destruction of WMD

Invasion of Kuwait

DECLINE

Economic and military decline threatened the Regime but Saddam survived

Acceptance of OFF

Reaction to Husayn Kamill fleeing Iraq

Iraqi Economy Bottoms-out

RECOVERY

Economic recovery underpinned a more confident Regime posture

Suspension of Co-operation with UNSCOM

TRANSITION

Economic growth emboldened illicit programs while Regime governance structures degenerated

Ill-considered Reaction to 9/11

MISCALCULATION

Poor strategic decisions left Saddam isolated and exposed

1980 1990 1991 1992 1993 1994 1995 1996 1996 1997 1998 1999 2000 2001 2002 2003

- ▶ Iraq founded a research institute that investigated BW at purpose-built facilities at Al Salman. The work faltered in 1978, but the facilities were retained and work continued at a low level. Iraq reinvested efforts to develop an offensive BW program in the mid-1980s. The offensive BW program was one of Iraq's most carefully guarded secrets
- ▶ In 1985, Al Muthanna commenced BW research against the backdrop of the Iran-Iraq war. In 1987 the BW R&D program was relocated again to the al Salman site, coincident with Husayn Kamill's ascendancy to Director General of the Military Industrial Commission
- ▶ The production facility at Al Hakam commenced operations in 1986, and weapons and agent testing proceeded. Botulinum toxin and anthrax were the backbone of the pre-1991 BW program
- ▶ In April 1990, Husayn Kamill ordered the BW program to go all out for weaponization. Weapons were made, filled, and were ready for use by early 1991
- ▶ In 1991, Iraq deployed a limited number of tactical and strategic BW weapons. The opening aerial bombardment of the Gulf war destroyed Iraq's most capable BW delivery system
- ▶ Following the Gulf war, under the direction of Husayn Kamill, Iraq admitted a defensive BW program only, deliberately concealing the offensive BW program. Saddam endorsed Husayn Kamill's plan not to declare Al Hakam as part of the BW program and to preserve it under cover of commercial animal feed production
- ▶ In mid-1991 Saddam authorized the unilateral destruction of weapons and bulk stocks, and the Regime attempted to preserve its main research, production and storage facility, Al Muthanna, with an elaborate cover program. All evidence of the program was to be erased and BW personnel sanitized the facilities and destroyed the weapons and their contents. This deception plan failed and the program was destroyed under UN supervision in 1996
- ▶ In 1991 and 1992, Iraq almost certainly destroyed its undeclared stocks of BW weapons and probably destroyed its remaining holdings of bulk BW agents and seed stocks clandestinely
- ▶ Regime actions in the months and years following the Gulf war indicated that Iraq intended to preserve its BW capability and return toward a mature BW program when the opportunity arose
- ▶ A few weeks before the flight of Husayn Kamill in 1995, Iraq admitted its BW program was offensive. This led to the UN-supervised destruction of much of its BW physical infrastructure at Al Hakam and Al Dawra, and the disclosure of its cadre of BW specialists
- ▶ The Iraqi economy hit rock-bottom in late 1995, and Saddam was unwilling to risk prolonging sanctions to sustain active WMD
- ▶ In 1996, after more than 20 years of systematic and methodological effort, the Iraqi BW program had not achieved maturity. It is likely that Iraq abandoned its existing BW program in 1996 and in practical terms, although BW knowledge and know-how remained, Iraq abandoned its ambition to procure BW weapons quickly
- ▶ During three decades, Iraq pursued the status conferred by the possession of WMD and BW was part of that ambition. The retention of the BW program had proved costly to Saddam's overarching priority of removing the stranglehold of economic sanctions. It appears that the Regime opted to defer a BW program until after the end of sanctions. Compared to the CW and nuclear capabilities, the Iraqi BW program could be quickly restarted; a relatively small physical base would be required for BW and the know-how was on-the-shelf among the BW scientific cadre

Regime Inflection Points: Key Chemical Weapons Activities Across the Regime Timeline

AMBITION

The Iran-Iraq war led Iraq toward insolvency and decline and highlighted active WMD programs

Iran-Iraq War

Decision not to make full WMD Disclosure

Unilateral Destruction of WMD

Invasion of Kuwait

DECLINE

Economic and military decline threatened the Regime but Saddam survived

Acceptance of OFF

Reaction to Husayn Kamil fleeing Iraq

Iraqi Economy Bottoms-out

RECOVERY

Economic recovery undermined a more confident Regime posture

Suspension of Co-operation with UNSCOM

TRANSITION

Economic growth emboldened illicit programs while Regime governance structures degenerated

Ill-considered Reaction to 9/11

MISCALCULATION

Poor strategic decisions left Saddam isolated and exposed

1980 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003

- ▶ Iraqi intelligence Service founded CW research under civilian cover. Chemical Corps took over and started construction of Mulhanna for large-scale R&D, production, and storage. Building of completely indigenous precursor production plants in Faluljah illustrated a significant commitment to long-term CW program. Iraq planned, but failed, to acquire industrial capacity to make phosphorous
- ▶ Iraq became the first nation to use a nerve agent on the battlefield when it used Tabun against Iran in 1984; by the end of the Iran-Iraq war, Iraq had used over 100,000 chemical munitions against Iranian forces and its own Kurdish population
- ▶ By 1991, Iraq had amassed a sizeable CW arsenal, comprising thousands of short-range rockets, artillery shells, and hundreds of tons of bulk agent. It had also produced 50 nerve agent warheads for the 650-km-range Al Huseyn missile
- ▶ During the Iran-Iraq war, CW use helped turn back Iranian human-wave attacks when all other methods failed. Regime believed CW saved Iraq from disaster. Refining these perceptions, and in a bid to create a strategic deterrent, Mulhanna turned immediately after the Iran-Iraq war to the improvement of its CW program. Regime conducted the development of next-generation weapons, including true binary systems. Regime concealed procurement networks and sources
- ▶ Saddam assessed that the existence of WMD contributed to the US not going to Baghdad in the 1991 Gulf war
- ▶ Key personnel from the former CW program remained employed by the Regime in the chemical sector from 1991, though to the end of the Regime in 2003. A key concern of Saddam appeared to be the need to retain a cadre of skilled scientists to facilitate the reconstruction of CW programs after sanctions were lifted
- ▶ Following the 1991 Gulf war ceasefire the Regime used CW attack against Shi'a rebels in the Najaf-Karbala area
- ▶ Anticipating that inspections would be ineffective and short-lived, the Regime decided in early 1991 to hide significant undeclared components of the CW program, including weapons, precursors and equipment. Iraq concealed the extent of its knowledge of CW agent production and procurement to preserve the program
- ▶ Following a particularly effective International Atomic Energy Agency inspection in June 1991, Saddam decided to unilaterally destroy the most damning evidence. This undocumented and unwhitened destruction of undeclared munitions and agent, when slowly revealed over succeeding years, created an atmosphere of distrust of all Iraqi declarations. The UN subsequently supervised the destruction of the Mulhanna facility and the declared weapons
- ▶ In reaction to the flight of Husayn Kamil, Saddam decided to declare further details of Iraq's CW programs, and turned over WMD documentation, including 12 steel trunks of CW documents. This evidence revealed new agent research, true binary munitions development, and much more pre-1988 research on VX than had been admitted previously
- ▶ Following the Husayn Kamil incident, Saddam personally ordered the creation of the Industrial Committee to coordinate Iraqi industrial activities. This program included a centralized national effort to improve industrial infrastructure and develop chemical production capabilities as the Iraqi economy hit rock bottom
- ▶ OFF acceptance was the foundation of economic recovery. The chemical industry more finance became available. Iraq still lagged behind pre-Gulf war capabilities but it was able to divert a portion of revenue to purchase new plants and renovate existing ones, to renew its basic chemical industry
- ▶ Saddam remained committed to Industrial Committee projects for enhancing Iraq's industrial base. The Committee had considerable influence over the chemical industry's research agenda
- ▶ In 1995, the Industrial Committee initiated a process to identify all those chemicals needed by Iraq, some of which were dual-use and had potential to improve the limited capability to produce CW agents
- ▶ Iraq also continued to upgrade its manufacturing capability, pursuing glass-lining technology and manufacturing its own process control equipment
- ▶ Saddam expressed interest in CW production to his inner circle
- ▶ R&D continued on the Industrial Committee list of over 1,000 strategic chemicals at universities and companies nationwide, but fewer than 250 projects were approved for scaling-up. This included research and development for the production of dicyclohexylcarbodiimide (DCC), a VX stabilizer
- ▶ The National Project for Pharmaceuticals and Pesticides was established in 1999 in response to a written order from Saddam
- ▶ Throughout the period, Saddam remained committed to advancing capabilities with a view toward future reconstitution of a variety of WMD programs. There were indications that Saddam planned to restart programs prohibited by the UN upon the termination of sanctions
- ▶ Plans were made for a modern multi-purpose chemical production facility west of Baghdad
- ▶ The Industrial Committee allocated approx US \$12m for the construction of an integrated production facility but the construction was canceled immediately prior to Operation Iraqi Freedom
- ▶ Saddam's intent to maintain WMD capabilities and programs was well known in the Regime and often expressed privately
- ▶ 'Red Line' defensive measures continued to be part of Regime military planning, but there was no evidence of a plan by Iraq to use CW at a pre-positioned Red Line as the likely conflict approached
- ▶ Though on an upward trend since the late 1990s, Iraq's chemical industry was still not up to full capacity in 2003; but there was some evidence of a theoretical break-out capability for sulfur mustard CW agent

Regime Infection Points: Key Nuclear Weapons Activities Across the Regime Timeline

AMBITION

The Iran-Iraq war led Iraq toward insolvency and decline, and highlighted active WMD programs

Iran-Iraq war

Decision not to make full WMD Disclosure

Unilateral Destruction of WMD

Invasion of Kuwait

DECLINE

Economic and military decline threatened the Regime but Saddam survived

Acceptance of OFF

Reaction to Husayn Kamil fleeing Iraq

Iraq Economy Bottoms-out

RECOVERY

Economic recovery underpinned a more confident Regime posture

Suspension of Co-operation with UNSCOM

TRANSITION

Economic growth embodied illicit programs while Regime governance structures degenerated

Ill-considered Reaction to 9/11

MISCALCULATION

Poor strategic decisions left Saddam isolated and exposed

1980 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003

- ▶ There was an active, advanced, and well-funded nuclear weapons program during this phase. Iraq's pre-1991 clandestine nuclear weapons program achieved many significant milestones
- ▶ A well-funded Iraq Atomic Energy Commission (IAEC) existed during this period
- ▶ The Iraqi nuclear program elements were combined under Husayn Kamil in November 1988
- ▶ Dr. 'Amir Al Sadi, Presidential Advisor, estimated that in 1990 Iraq was two years away from fielding a nuclear weapon
- ▶ In August 1990, the 'Crash Program' was started to divert nuclear fuel to build a nuclear weapon. The plan included elements of uranium recovery, enrichment, machining, assembly, and delivery. (The 'Crash Program' was canceled in 1991, following the destruction of key facilities during the first Gulf war)
- ▶ Late 1990 was the zenith of the Iraqi nuclear program. The making of a nuclear weapon was on the near horizon and was central to Saddam's ambition
- ▶ The nuclear program was destroyed by war, sanctions, and the UN. Saddam's desire for a nuclear weapon remained strong but the first Gulf war effectively ended Iraq's nuclear weapons development program
- ▶ Husayn Kamil ordered the retention of a copy of all nuclear-related documents and some centrifuge components but he diverted nuclear expertise to help rebuild the national infrastructure. There was some retention of residual generic nuclear capabilities by adapting personnel and dual-use equipment to new programs
- ▶ It was discovered in 1991 that Iraq had calutrons (for uranium enrichment) and was moving them to an undisclosed location; this emphasized the maturity of the nuclear weapons development program. Further technical papers detailing Iraq's nuclear weapons development program were seized at this time
- ▶ In 1992, PC-3 (clandestine nuclear program) scientists migrated to the Military Industrial Commission (MIC); they were embedded in the industrial base to retain skills and to be positioned for potential nuclear reconstruction. Iraq did not have access to Highly Enriched Uranium after 1994
- ▶ The flight of Husayn Kamil in 1995 exposed the clandestine nuclear program and left a void in the leadership of the program. There was a noticeable decline in any nuclear-related research after 1995
- ▶ The Husayn Kamil incident also exposed the plans for the 1991 'Crash Program', designed to reprocess nuclear fuel for the weapons program. The UN follow-up delivered volumes of technical reports on the Iraqi nuclear weapons program
- ▶ Saddam suspended nuclear weapons work after sanctions took hold; he intended to defer reconstitution of the program until after sanctions were lifted. Sanctions relief was key to the Regime as the economy continued to deteriorate
- ▶ The IAEC continued to decline during this period. The nuclear program suffered additional setbacks as the UN sought to dismantle what remained of Iraq's nuclear weapons infrastructure
- ▶ A new Director General of the IAEC was appointed in late 1996
- ▶ The Full and Final Complete Disclosure, published in September 1996, provided an open disclosure of the Iraqi nuclear program
- ▶ Following the acceptance of the UN Oil For Food program and signs of economic growth, in late 1999 the Regime attempted to upgrade the educational system, and encouraged post-graduate research in basic sciences, including physics and nuclear engineering
- ▶ Dual-use technologies pursued by Iraq allowed Regime to maintain some specialized technical knowledge that could be applicable to nuclear weapons development, as the economy improved
- ▶ The intellectual corps required for a nuclear program, however, continued to decay as scientists and engineers drifted away or retired
- ▶ Continued low funding and poor nuclear infrastructure but circumstantial indications of intent to prepare for reconstitution after sanctions were lifted
- ▶ From 1998 onward, Saddam took an increasing interest in IAEC activities. Working conditions for IAEC and nuclear-related employees improved
- ▶ The Rail Gun project was restarted in 1999. This dual-use device had potential nuclear research and air defense applications
- ▶ Late 2001 saw the initiation of the IAEC Modernization Program. This program included budget, salary, and infrastructure improvements. The President of the IAEC persuaded Saddam to order MIC to give him any assistance he required for the Modernization Project
- ▶ The removal of sanctions remained Saddam's key priority, but he appeared intent to pursue nuclear reconstruction thereafter. If pursued, nuclear reconstruction would have been guarded and incremental to avoid international confrontation
- ▶ Dual-use technologies would have provided some knowledge and understanding to support any future nuclear program
- ▶ Considerable effort and future work would have been required to restart the nuclear program

Regime Inflection Points: Key Delivery Systems Activities Across the Regime Timeline

AMBITION

The Iran-Iraq war led Iraq toward insolvency and decline, and highlighted active WMD programs

Iran-Iraq war

Decision not to make full WMD Disclosure

Unilateral Destruction of WMD

Invasion of Kuwait

DECLINE

Economic and military decline threatened the Regime but Saddam survived

Acceptance of OFF

Reaction to Husayn Kamil fleeing Iraq

Iraqi Economy Bottoms-out

RECOVERY

Economic recovery undermined a more confident Regime posture

Suspension of Co-operation with UNSCOM

TRANSITION

Economic growth emboldened illicit programs while Regime governance structures degenerated

Ill-considered Reaction to 9/11

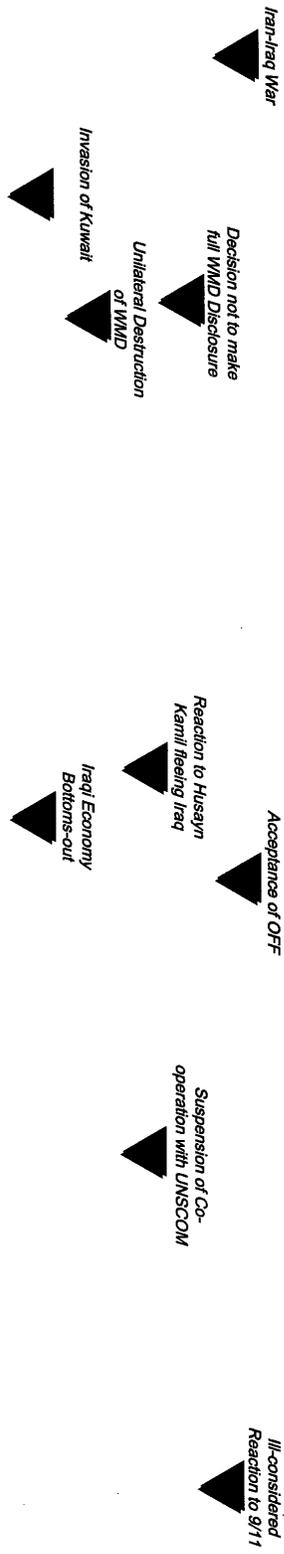
MISCALCULATION

Poor strategic decisions left Saddam isolated and exposed

1980 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003

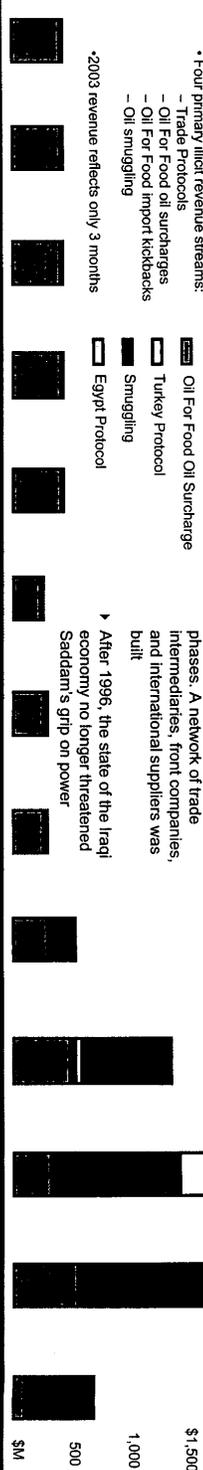
- ▶ Iraq was determined to acquire a robust delivery system capability during this period of ambition and beyond
- ▶ Iraq built ballistic missile and CBW warhead capabilities during this phase, including aspirations for intercontinental range
- ▶ Iraq needed to develop long-range missile technology because Iraq could strike Iraqi cities with SCUDs but Iraq could not strike Tehran with similar range systems. Iraq required greater range
- ▶ Saddam believed that use of ballistic missiles during the war of the cities accelerated the ending of the Iran-Iraq war
- ▶ Iraq failed in its efforts to acquire further long-range delivery systems to replace stocks exhausted in the Iran-Iraq war. This drove Iraq to develop indigenous delivery systems production capabilities
- ▶ By 1990, Iraq had demonstrated the ability to modify some delivery systems to increase range and to develop WMD dissemination options. Al Husayn missile system was a step in this direction
- ▶ By 1991, Iraq had purchased the missiles and infrastructure that formed the basis for nearly all future missile developments
- ▶ Basic understanding of ballistic missile design and development grasped by the end of this phase. Guidance and propulsion the key missing elements
- ▶ UNSCR 687 prohibited Iraq from having ballistic missiles with ranges in excess of 150 km, this was later expanded to prohibit all delivery systems with ranges in excess of 150 km. This enabled Iraq to keep scientists employed and its missile infrastructure and manufacturing base largely intact. This positioned Iraq for a potential breakout capability in later years
- ▶ Saddam was surprised by the detail required by UNSCOM to prove unilateral destruction. UN inspections hindered return to Iraqi methodology
- ▶ The initial efforts to build UN compliant ballistic missile systems experienced difficulties
- ▶ Resources were devoted to the physical rebuilding of infrastructure. The rapid civilian rebuilding included civil engineering associated with many former Military Industrial Commission factories
- ▶ Husayn Kamil was the key to the design and procurement process, being closely involved in important design reviews and key personnel appointments. His flight from Iraq effectively ended all work on long-range missiles until the ideas were resuscitated after 1998
- ▶ After the flight of Husayn Kamil, Iraq admitted hiding SCUD-variant missiles through 1991 to aid future reconstruction, but declared that they had been unilaterally destroyed. UN could not verify these claims, became more wary of Iraqi admissions, and instituted a regime of more intrusive inspections
- ▶ Iraqi decisions to accept the UN Oil For Food program in 1996, and to cease UNSCOM and IAEA cooperation in 1998, spurred an increase in activity in delivery system development
- ▶ This phase saw the rebuilding of the military-industrial complex within a rebuilt civilian infrastructure
- ▶ The improved infrastructure allowed liquid-propellant designs to be built and flight tested
- ▶ There was rapid growth in missile system programs compared to the previous five years. New ideas for longer-range missiles, some based on old concepts
- ▶ UN-permitted designs kept missile teams together. Middle management changes led to designs that pushed UNSCR limits
- ▶ Al Samud technical problems were still troublesome
- ▶ Saddam ordered the development of longer-range delivery systems after 2000. Infrastructure growth accelerated, especially regarding solid propellants
- ▶ Procurement was aggressive and expanded after UNSCOM departure. Large, illegal importation of SA-2Vojga liquid engines
- ▶ Work commenced on developing a long-range solid-propellant system
- ▶ Drawings produced for SA-2Vojga engine clusters. If developed, such systems would have been capable of 500-1,000-km ranges
- ▶ New 1,000-km cruise missile efforts and significant progress in UAVs
- ▶ Russian missile experts were working in Baghdad, plus other foreign company involvement
- ▶ Al Samud II took over from al Samud due to instability problems; the Al Fath system advanced. The deployment of al Samud II to the Army commenced in December 2001
- ▶ Illicit revenue picks-up and further resources were available for missile system development
- ▶ Secret designs for rocket engine clusters were produced but destroyed; work on long-range solid project ceased
- ▶ Some evidence of inventory building of SA-2 engines; suitable for clustered engines
- ▶ Al Samud II was identified as illegal by the UN and destruction began; missile destruction was not completed before inspectors were withdrawn in March 2003
- ▶ Al Samud II and Al Fath missiles were deployed for the upcoming war. Al Samud II failed and was withdrawn after a few rounds
- ▶ By the start of Operation Iraqi Freedom, a guided version of the Al Fath was close to being tested. Even without a guidance system, the Al Fath proved a viable system and 12-16 were fired during OIF. But Al Fath inaccuracies highlighted
- ▶ Propulsion, guidance, and control were still the key missile system problems

Regime Inflection Points: Key Regime Finance and Procurement Activities Across the Regime Timeline

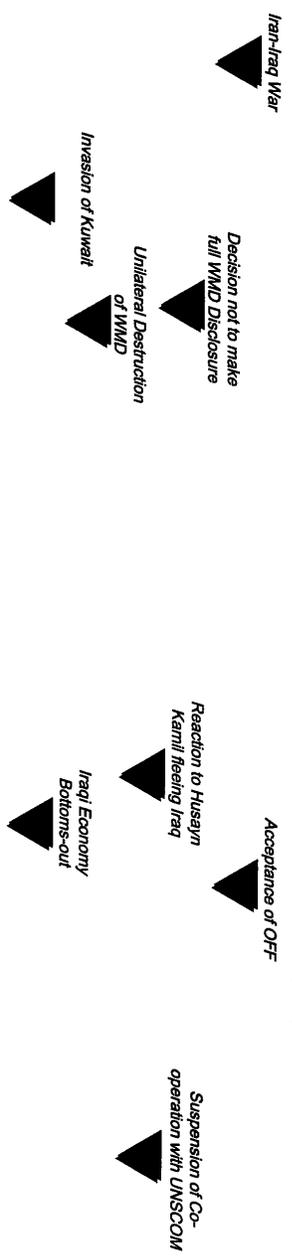


1980 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003

- ▶ The Iraqi economy was geared to supporting the Iran-Iraq war. Poor fiscal policy compounded the economic crisis, spurred on by the ongoing war
- ▶ The Iran-Iraq war exhausted and crippled the Iraqi economy. The Regime re-imposed price controls, nationalization and subsidies in 1987 but these economic reforms pushed the Iraqi economy further into crisis
- ▶ Iraq accrued massive foreign debt to finance the Iran-Iraq war and economic recovery. The Iraqi economy was pushed toward catastrophe by Saddam's inability to address or resolve a number of economic realities
- ▶ The initiation of the invasion of Kuwait stemmed primarily from economic reasons
- ▶ Restoration of military capability became an economic priority
- ▶ The possession of WMD was important to the Regime, but the ending of UN sanctions was even more important. Saddam needed economic growth and sanctions relief above all else as the economy hit rock bottom
- ▶ The poor handling of WMD disclosures hardened the international community against Baghdad. As Saddam stubbornly refused to comply with UN resolutions in the early 1990s, the Iraqi economy crashed to a low point at the end of 1995. From the Iraqi perspective, the UN Security Council Resolutions accelerated this economic downward spiral
- ▶ Iraq economy was gripped by poor management; the Iraqi Dinar declined; bankruptcy became widespread; incompetence and patronage. These factors caused the collapse of the Iraqi middle class
- ▶ Iraqi procurement mechanisms partially restricted by foreign compliance coupled with UN monitoring. International pressure increased following WMD disclosures triggered by the flight of Husayn Kamil
- ▶ Iraqi revenue during this phase generated primarily by oil smuggling via Arabian Gulf and Jordan
- ▶ Humanitarian crisis was avoided with the introduction of the UN Oil For Food program
- ▶ The illicit revenue and procurement effort expanded as Iraq manipulated the Oil For Food program.
- ▶ Perverted economy during these phases: Government revenue growth was based on schemes outside of the UN Oil For Food program
- ▶ After 2000, Iraqi economic growth slowed for a number of reasons, mostly involving oil infrastructure, productivity, and sale of oil
- ▶ Iraq found it easier to procure and purchase goods, both legally and illicitly
- ▶ 'Sanctions fatigue' or the erosion of political support within the UNSC peaked. This period was characterized by:
 - Failure to approve 'Smart Sanctions', following voting divisions among permanent members of the UNSC
 - Increased oil allocation quotas to individuals, companies, and agents from permanent UNSC member states
 - Percentage of oil revenue for UN Compensation Fund decreased from 30% to 25%. Russian draft proposed a further 5% drop



Regime Infection Points: Key Regime Finance and Procurement Activities Across the Regime Timeline



1980 **1990** **1991** **1992** **1993** **1994** **1995** **1996** **1997** **1998** **1999** **2000** **2001** **2002** **2003**

- ▶ The Iraq economy was geared to supporting the Iran-Iraq war. Poor fiscal policy compounded the economic crisis, spurred on by the ongoing war
- ▶ The Iran-Iraq war exhausted and crippled the Iraqi economy: the war depleted reserves and drained the economy. The Regime re-imposed price controls, nationalization and subsidies in 1987 but these economic reforms pushed the Iraqi economy further into crisis
- ▶ Iraq accrued massive foreign debt to finance the Iran-Iraq war and economic recovery. The Iraqi economy was pushed toward catastrophe by Saddam's inability to address or resolve a number of economic realities
- ▶ The initiation of the invasion of Kuwait stemmed primarily from economic reasons
- ▶ Restoration of military capability became an economic priority
- ▶ The possession of WMD was important to the Regime, but the ending of UN sanctions was even more important. Saddam needed economic growth and sanctions relief above all else as the economy hit rock bottom
- ▶ The poor handling of WMD disclosures hardened the international community against Baghdad. As Saddam stubbornly refused to comply with UN resolutions in the early 1990s, the Iraqi economy crashed to a low point at the end of 1995. From the Iraqi perspective, the UN Security Council Resolutions accelerated this economic downward spiral
- ▶ Iraq economy was gripped by poor management: the Iraqi Dinar declined; bankruptcy became widespread; incompetence and patronage. These factors caused the collapse of the Iraqi middle class
- ▶ Iraq procurement mechanisms partially restricted by foreign compliance coupled with UN monitoring. International pressure increased following WMD disclosures triggered by the flight of Husayn Kamiri
- ▶ Iraqi revenue during this phase generated primarily by oil smuggling via Arabian Gulf and Jordan
- ▶ Humanitarian crisis was avoided with the introduction of the UN Oil For Food program
- ▶ The illicit revenue and procurement effort expanded as Iraq manipulated the Oil For Food program
- ▶ Perverted economy during these phases: Government revenue growth was based on schemes outside of the UN Oil For Food program
- ▶ After 2000, Iraqi economic growth slowed for a number of reasons, mostly involving oil infrastructure, productivity, and sale of oil
- ▶ Iraq found it easier to procure and purchase goods, both legally and illicitly
- ▶ Sanctions fatigue or the erosion of political support within the UNSC peaked. This period was characterized by:
 - Failure to approve 'Smart Sanctions'; following voting divisions among permanent members of the UNSC
 - Increased oil allocation quotas to individuals, companies, and agents from permanent UNSC member states
 - Percentage of oil revenue for UN Compensation Fund decreased from 30% to 25%. Russian draft proposed a further 5% drop

