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SEP 1 9 2004

FOR DEPUTY SECRETARY OF DEFENSE

FROM: Peter W. Rodman, Assistant Secretary of Defense (ISA) SEP 9 2004

SUBJECT: IIG Way Ahead on Kurds and Sunnis in Northern Iraq

- The Secretary asked for a proposal on how the Iraqis might solve the [property] problem between the Kurds and Sunnis. (Tab C)
- MG Stratman (Deputy CG, MNF-I) recently approved a situation report on Iraqi Internally Displaced Persons (IDPs) (Tab A) which says in summary:
 - The Iraqi Property Claims Commission (IPCC) is to work this problem.
 - Roughly 17,000 claims have been filed; at least 100,000 more are expected.
 - Judgments and compensation payments will not occur for at least 6 months.
 - Currently, the IIG has budgeted \$180 million to fund the IPCC.
 - Compensation claims are estimated to total \$2.2 billion.
 - The Kirkuk Provincial Council has begun to address the IDP problem, but it has only taken the first few steps. (Tab B)
 - Roughly 50,000 Kurds have moved to Kirkuk; 10,000 of them live in squalor.
 - The PUK and KDP, as well as the Kurdish Regional Government, appear to be sponsoring this migration in an attempt to ensure a Kurdish majority in Kirkuk

RMG

Way Ahead

- We should push for accelerated property settlements under the IPCC.
- We should work with the IIG, the UN, and humanitarian relief NGOs to prevent any humanitarian crisis around Kirkuk, without incentivizing additional internal migration.
- We should push the Iraqis to eliminate ethnic/sectarian data from the census.
- We should not delay the census, which MNF-I advocates, unless we cannot convince the Iraqis to drop ethnic/sectarian data from the census.
 - MNF-I (MG Stratman) believes delaying the census will reduce the incentive for Kurds to relocate to Kirkuk and buy time.
 - Buying time may only allow more Kurds to be resettled in Kirkuk.

9 Sep 04



USD (NESA) *WB 9 Sep 04*

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