

**CENTER FOR
STRATEGIC AND INTERNATIONAL STUDIES (CSIS)**

STATESMEN'S FORUM

WELCOME AND MODERATOR:

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SPEAKERS:

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RICK BARTON: Well, good afternoon. I'm Rick Barton, the co-director of the Post-Conflict Reconstruction Project with Karin von Hippel. On behalf of John Hamre, our president, I'm very pleased to welcome you all here today and to welcome our guest, Staffan de Mistura, who many of you know for his work over the years in a number of troubled places. But in particular, he's had four formal assignments and eight informal assignments in Iraq over the last dozen or so years. So he really has a great familiarity with the issue and is currently serving as the secretary general's special representative there.

We're looking forward to this being a conversation. Our guest has said that he does not want to stay up here and essay too long and really wants to move to the discussion with you. So our expectation is that he will in about fifteen minutes turn to your questions and finish sometime just before – just after 3:00. For those of you who had friends or want a review of what this program is covering today, it will be on our video and also podcast by CSIS over the next few days. You can pick that up on our website.

There are obviously a tremendous number of important issues today in Iraq that we want to hear about and that I think we'll get to: whether the U.S. redeployment is going to work, in our guest's mind; how the U.N. expansion into areas where the U.S. has probably been carrying the dominant role; what's happening with the upcoming national elections; his view of the recent local election; the return of refugees to the country. There's still a very full boat of issues that need to be addressed. And fortunately we have somebody of great international reputation and of real knowledge of this situation as our guest today. So, Staffan, please, welcome.

STAFFAN DE MISTURA: Thank you very much. Thank you, Rick, and I'm more than happy to have this opportunity. The CSIS has a major reputation with us, so – in fact, I asked to be re-put on the mailing list for further meetings. I will divide my short intervention on in two sectors. I will first look at the title, basically: opportunities and challenges in Iraq. And then list them, a little bit quickly, so we have them on our other screen, both the opportunities and the challenges; then link it up to what the U.N. can do, has been doing, could be doing; and then go for questions and brainstorming because on Iraq, you never have the total picture. We are constantly adjusting.

So, the good news, the opportunities – well, in 2009 started with a good opportunity, the elections. You all saw them? They were a major achievement for the Iraqis, by the Iraqis. We all contributed – the U.N. certainly did its part, but the Iraqis did their elections.

The elections were crucial for two reasons. The first one was that they are provincial elections, and therefore they are about real power. This means about what the governors will be doing, how the budget will be allocated, where the jobs would be found, in other words, the real power on the ground. The second is these were the elections on an open list. In other words, people could be choosing other people and not just parties. And they did. It was a very complicated process. I don't need to remind you what a complicated environment it was in order

to reach that point. I just listed two or three other areas because they were like a roller coaster, in a way. The electoral law was crucial.

But at a certain point we even wondered whether anybody wanted elections except us and a few others there. Ryan Crocker and the British ambassador were looking at each other and saying, does anyone in this country these days want an election because there was a feeling that for whatever reason, it was premature; it was not well-prepared. They should have positioned themselves better. Some people was afraid to losing elections, which is a natural feeling, and we sympathize with that, but democracy goes forward.

And finally, they came up with this Kirkuk problem, which is, as you know, a major issue but started hijacking the whole electoral law. So we had to defuse and deflect that one by creating a separate issue for Kirkuk and a separate election, which in a way – like every crisis is an opportunity – gave us the possibility of suggesting that Kirkuk needs special attention, needs a special, different perhaps format and formula. And that's why it was created through the electoral law, the possibility for the election of Kirkuk to take place later, through a committee, which we call Committee 23, which is going to work on the future election but also local power-sharing. You see how each problem, sometimes, was almost derailing the whole elections but then was able – we were all together able to divert it into an opportunity of having a niche on how to address the Kirkuk aspect.

Then we had the issue about the Christians and the minorities, which came up and suddenly became an extremely tragic, complicated environment where everybody was piggybacking by pulling a little bit the message about, we can protect the Kurds much better, no, you cannot protect them. Then al Qaeda jumping in and killing 13 Christians, more than we ever, ever seen in a year and then 4,000 families moving upwards, running away. But all that because there was an issue about whether they would have or not to have the right to have a seat or more than one seat on the elections.

We finally got a formula for that, and then suddenly the whole issue of the Christians disappeared, which proves to us, as often is the case, they blow up like this; they become an issue which almost hijacks the bigger one. And then it becomes what it should be, one of the aspects that needs to be addressed. And then we had the elections, organizing them.

And look at just the figures and the amount which was involved – 7.5 million people went to vote in Iraq, which is still not Switzerland. It's improved, but it's not yet reached that point. With the 490,000 national observers, with 42,000 different polling stations – all of that taking place and smoothly. And the result is what we have seen: a very democratic result. Nobody totally a winner; there are some losers. Some, like Prime Minister Maliki, obviously having quite a good result but not sufficient to allow him to not want and need to make a compromise in dialogue with other parties. That's democracy.

Now, where are we going now? Well, the next thing would be the various governors to be elected, the provincial councils to be elected, and then odd elections. We have the KRG elections coming up, possibly the Kirkuk elections, the national elections, the most crucial ones – the ones which will be setting the scenario for the future towards the end of the year.

Next area: Kirkuk. The opportunity was that we avoided a war on Kirkuk in 2007 by deflecting and defusing their referendum, which was meant to take place in December 2007. We were all able to convince the Kurds that that was shooting themselves on the foot; it was not a win-win; but it was a lose-lose scenario. And then convince all sides that the best thing is a political dialogue, a political format, a political formula.

And starting not only from Kirkuk but from other what we call DIPs in our jargon – disputed internal boundaries, several – 14 of them. How to do that? Well, by gaining time, like you do with disease when you don't have a treatment; you try to identify a possible entry point, keeping the patient alive and meanwhile, also to see whether we find a treatment. And by doing so and concentrating on the analytical study of all these localities because each side has his own natural interpretation of justice, injustice, occupation, movement of people, history, administration, elections, we put it all together and we do have now 11 studies ready for presentation.

Studies, not solutions – if we say solutions, we'll be having immediately confrontation by all sides. This will be hopefully presented within the next two months, and it will be presented as a basis for discussions and negotiations among them, facilitated as an honest broker, as a facilitator, as a confidence builder, the U.N. and the international community, especially when they will get, as they always do, to a moment when they seem to be unable to blink. And that's where we have so far touching – we've been able to help them to blink in a way that win-win rather than lose-lose approach takes place.

Same applies for Kirkuk, which is the mother of all crises, which is called the Jerusalem of Iraq, which has got every ingredient in it which could be potentially explosive. But these days we are detecting positive signals of the Kirkukis themselves: Kurds, Arabs, Christians, Turkmen, feeling a little tired of being the center of attention and potential reason, *raison d'être* for attention between Erbil and Baghdad central government and regional government.

And the – in that context, being more and more keen in finding a formula for power-sharing locally. We will be working on that. If that humus (ph), that catalyzer exists there through the Article 23, through the fact that they must be some type of internal reform otherwise there will be no elections in Kirkuk, hope to be able to move in that direction. Will this be the final solution for Kirkuk or the ideal solution? We'll talk about it next time we see hopefully not too late.

Now, other issues – regional environment. Iraq is surrounded by a lot of very influential and interested neighbors. And what we have seen is a substantial improvement in the relation between Iraq and them and the so-called constructive engagement, I would say, by them with Iraq. There have been ups and downs; I don't need to elaborate. We can do it based on your questions so that I don't over-elaborate on one point over another.

But what we are seeing is a major Turkish involvement now in dealing with the Kurds in a much more strategic way and vice versa, which is great news. We're seeing in the issue about the relation with Syria improving with also an ambassador and with some attention more on

controlling those borders, which were a little bit porous, as you know, and causing a lot of problems regarding some movement of people. The – with Jordan and Syria the issue about refugees and the large number of refugees which are both present in Jordan and Syria and needed to be assisted but also assisted or at least helped if they want so to return when they feel that the circumstances, as they seem to be going in that direction, lead to more stability and tranquility.

In Kuwait there is a series of pending issues related to the old war, which we are actively involved in trying to intermediate between the government and Kuwait for having no more relations. The foreign minister just went. Embassies of Bahrain, Arab Emirates, the Arab League, Oman are already present. Conclusion: I think the regional environment is still requiring a little more facilitation and a little bit more feeling comfortable with Maliki and by Maliki in this government with the others.

But the fact that the Sunnis are part of the government, the fact that Prime Minister Maliki showed and proved that he can take even the extreme sides of the Shia who is the only sectarian identification or at the extreme side in Sadr City with Muqtada al Sadr and the same time, being forcefully confronting excessive, perceived ambitions of the Kurds on the border lines, has given him a certain feeling, in addition to having included now the Sunnis back in the government that he can talk to all of the neighbors without being labeled as an Iranian or whatever.

So what are the next challenges? Well, Maliki and the government has got a good boost out of this election, but now comes the real work for all of us. Basic services, next elections, the refugees and the IDPs need to be helped to return, and if they decide to return to not go into a destabilized environment. Unemployment – 18 percent in unemployment, which is not much if you look at it in other parts of the world. But it is substantial in Iraq, and even higher if you look at young men, and even higher if you look at young women.

The need of the private sector to become revitalized – the public sector cannot handle everything and cannot just use most of the budget for the army, which has become substantial, the police, and the inclusion of Sawa, of the so-called Awakening groups, which are a cost and they need to be reintroduced into the economy. And at the same time, the budget is being reduced by the financial crisis in general, but by the price of oil.

So that's quite a challenge. What is the U.N. and COIN, the U.N. can do in this? Well, first of all, being there. And I'm so happy to see how many of my brave and willing colleagues have joined us in the mission in Iraq because, don't forget, we come from a background where one of my friends and colleagues and many of our colleagues died in the Canal Hotel and that was a wake-up call for the whole U.N. system. But we are back. We are more than 354. We are having a footprint, not only in Baghdad, but in Arbil, in Basra, in Mosul, in Kirkuk, in Ramadi, in Al Jaffa (ph).

And we have access to everyone. I had the honor to see three times the Ayatollah al-Sistani. We are talking and been talked to by everyone. And, therefore, having the opportunity by being neutral or perceived to be impartial to also be those with whom they can discuss when

they get into a crunch all the sides. And expertise, the elections is our strength. We have proven it.

And impartiality in terms of legitimacy, when the Kurds wanted at any cost who were a friend among Kirkuk, our strong argument was, okay, you may do it, but then we will not provide any legitimacy to a hostile referendum done in this way. It would be like water, the day after would be just news one day on your local news, and that's it. Meanwhile, look what could happen, attention all over and where is the victory? Okay, if you don't give legitimacy, we need it; and if you want it, I said, then we have to play according to certain negotiating rules.

Capacity building, the Iraqis need it. They have got money. They have got bright people. They have got water. Very few countries in the world have got oil and water together in that part of the world. And they are brilliant people and they have proven to be so many times. But they do have a problem in the ministries of how to spend the money and make sure that the large amount of money – we're talking still about \$46 (billion), \$48 billion out of their own budget where used to be \$60 (billion), \$70 (billion), \$58 (billion), but not less than \$46 billion can be properly utilized in order to make sure that it makes a difference for the people down there. The elections took place. They were open lists. They people voted those they believed will deliver. At the national elections, they will be even more so. So there will be some acceleration in wanting to deliver and our support, not only the U.N. but everyone else in capacity building, will make a difference.

Human rights, big issue, still there, and improving. We have a human rights report. We have human rights monitors. We have got in the prisons, too. And we have also some capacity building in that field. But there is a need for improvement: rule of law, the feeling on how juveniles, women are treated in the country. The so-called horrific, horrible name called honor killings, which doesn't deserve that name, is something that is happening still in the country. So is some of the prison handling and the rule of law.

And then we need a little bit more acceleration on the regional context. Bottom line. Is the U.N. involved in it? Yes. Have we been helping? Yes. But we have been able to do so only because we were in a team. And that's why the U.N. gives its best. And I had the privilege, frankly, to work with a person called Ryan Crocker, the very, very effective and bright General Petraeus. We had a feeling of the European community being with us in supporting the U.N. and, at the same time, we could speak in one voice when we were telling to one side or the other, please, this is not the way to get it; we can't rock the boat; there is a need of elections, you will have a revolution if there are no elections, and then moving all together there.

The future looks, in my eyes, moderately bright. But as, I've been saying many times, I have a disease, which is a U.N. disease, which is chronic optimism – (laughter) – and that puts a sort of blinder in front of my eyes. But then I would have not worked for the U.N. otherwise, so you have to forgive me for that. But to me, it looks that if we avoid a war on Kirkuk, in other words, a tension, a major tension, which is possible, if we make sure that Iraqis are capable of seeing changes in their daily lives through basic services and more inclusiveness, which is already there, of all parties, and Sunnis, Shias, Kurds, and Christians inside the political environment, they will make it. And that will be a great feeling for all of us. Thank you.

MR. BARTON: Thank you.

(Applause.)

MR. BARTON: I think we – do we have a microphone? So just if you would raise your hand and I'll call on you and then please identify yourself. Why don't we start with these two great Iraq experts here in the first row to warm us up? We'll skip the moderator's prerogative here.

Q: Thank you. Tim Carney (sp), two tours in Iraq, most recently as coordinator for economic transition two years ago. Politically, it would seem as a result of the elections that the big argument remains a central or a federal Iraq. ISCI has lost ground. The question of a southern regional government is therefore far more at issue now than before the election. Could you give some thoughts on this central versus federal argument? Thank you.

MR. DE MISTURA: Thank you.

MR. BARTON: (Inaudible) – at the end.

MR. DE MISTURA: Okay, Rick, thank you. This question is one of the unresolved issues of the constitution, as you know. And it appeared to be extremely serious in a way, until very recently. But as you rightly said and you pointed it out, the elections were a wake-up call, was a revealing factor. The attempt of a referendum by the local fadillah (ph) people, particularly the governor, for a referendum for having a KRG-type of state for Basra, where the oil is available and so keeping the north and the south separated from the center, didn't work out even by their own people. They couldn't collect enough signatures. They couldn't get enough names to be able to get a referendum. I was expecting it because, you know, when you talk to your own people and say you can become richer by being on your own and still take advantage of being part of the country.

So the election sent a signal that the so-called federal, excessive federal approach, is not what Iraqis are currently willing to have. The government, and Maliki, in particular, is extremely in favor of the central government and he would be continuing pushing in that direction. At the same time, there has been some type of compromise there because the governors and the provincial councils, through the new law, are receiving by far more delegation and money, which is the thing that they look forward to have, much more, \$2.3 billion allocated for the governor trades and provincial councils. So in a way, they will have a lot of power without having to be able to push for a highly federalized state.

The KRG remains the exception. The KRG was happy to see the referendum taking place in the south because they would have justified and legitimized the tendency of very strong separatist formats. But that was not the answer by Iraqis. So at the moment, frankly, I would see this one in the back burner, comparing to, for instance, the oil issue which is in the constitution and is unresolved and has not been even addressed and is the key for making sure that people

start agreeing about it because, unfortunately, oil is money and money means serious discussions.

Q: (Inaudible) – from the United States Institute of Peace. I know Stefano as an Italian, not as a Swede – (laughter) – I know, so – (laughter). Stefano, I wanted to ask you about U.N. resources. I think when I visited you over a year ago in Baghdad, you were already close to the 350 or so that you have now. The president the other day, when he announced the drawdown, also said that there would be a buildup of political and diplomatic effort. I frankly have seen no sign of that yet on the American side. But I'm curious, are we going to see it on the U.N. side?

MR. DE MISTURA: This is a naughty question to Stefano, you know that. (Laughter.) Well, we have to – let's put it like this. There are two factors which are constant in my mind, one of which does not help me to sleep well at night. I cannot forget what happened to Sergio and to many others and I have a responsibility on behalf of the Secretary General Ban Ki-moon to make sure that we try to avoid any type of risk. At the same time, the Secretary General is very proactive in asking us to be proactive, and not only in Iraq, elsewhere is the approach of so-called deliverables. And I feel that that has been helping us, and me in particular, to be promoting initiatives in Iraq, rather than having to double guess constantly, no I cannot do it, where is the pro and cons and so on.

But the more we are proactive, the more we are visible. The more we are visible, the more we are identified potentially by the spoilers, and one in particular, al Qaeda as an element to disturb, to put it like this. But why be in Iraq then and not be proactive?

So comes to next factor. Since we have decided that we take a calculated risk in being proactive in spite of all this, and that – we didn't know at the time – but we were hoping and worked all together for an improvement of the security and stabilization. So that has helped a little bit reduction of the risk aspect a little bit. Then the other element is to do what and how and with whom? And there the answer is quality, not quantity.

So please continue counting this 354 in the future – I don't think they will become 529. But the quality – the level of them – will be very high. And I think I have the privilege of having one of the most qualified missions I've seen in my 38 years of career in the U.N. There is also reason for that, that the Iraqis, being rich and quite advanced, don't need people to come in and tell you how to vaccinate the children or do the vaccination for you. We are not doing that there.

There was a period when we were in emergency mode three years ago when nothing was functioning and nobody could do anything and we had to use our national staff for doing the basic emergency. There is no humanitarian crisis in Iraq, thank god. There is a potential crisis – there is problem with refugees and IDP but none of them are starving. So quality and provide the government with capacity building through that quality with a small but high-quality number. That would be the answer.

Q: I'm Alan Beneden (ph) with the Department of Defense and a veteran of lots of post-conflicts. So I feel in good company here and wanted to thank you for the role that the U.N. has been playing in the whole sphere of Iraq. And just in terms of teamwork, I remember a number

of video teleconferences that we had with various agencies and the U.N. to help address special problems. And the teamwork aspect was tremendous.

I think where Dan was headed – and I'll draw this out a little bit more – is that in the past the operating hypothesis was that as U.S. forces drew down that somehow civilian agencies would rise up and do even more than they're doing now. And point of fact, there are indications that the opposite may be true, that civilian agencies also will mirror the drawdown of US forces; in which case, do we have a disaster in the making or, building on what you were just saying, should the emphasis on foreign assistance now for Iraq be more in the technical assistance domain – the capacity building or that sort of thing – quality rather than quantity – and try to encourage agencies to focus on that?

And an adjunct to that question is, then do you expect that the EU and the U.N. will be able to address some of those more specialized needs and a drawdown on the civilian side would not be necessarily as harmful as it may seem on the face of it? Thank you.

MR. MISTURA: Good, thank you for raising this because it gives me an opportunity of brainstorming myself about what we have been discussing about the immediate future. There is another factor that we have to be always constantly in mind – bear in mind, which in a way helps us to make these types of decisions. It is the factor A: the assertiveness, the pride of the Iraqis. They are more and more in need – in urgent need – of feeling that they can take their destiny in their hands.

They may be able, may not be able – less able, but they feel that strongly. So if I came and said Mr. Prime Minister or Mr. Minister, here I've got 500 U.N. staff available here to help you running the whole thing of – thank you. No, no, no – I need two Nobel Prize-type of people to explain to me how I can make sure that this investment that we are doing on the issue of health is properly done. That's what I need and not more than that.

In fact if you do more than that, I'm starting feeling that you are trying to neocolonize – what is this? Okay, he never told me that because we never told him about 500, okay? And I don't think we will ever do. So I think that will help us to fine-tune between what type of incremental assistance they will be requiring when you draw down the multinational forces and they have to draw up their own commitment. It will be quality again.

And even if we didn't want to – and we wanted to flood them with volunteers, that would be their answer. And I think it's a proper answer. We have Darfur, as you know. We have many places. We have got Afghanistan, where people are not rich and not as equipped as in Iraq where perhaps there may be even more need than that. So it's the quality, but the message is still the same. And the president was totally right when he said that, in fact, we need to have some different type of engagement, but not in numbers – in quality.

Q: Hi, I'm Brian Katulis, from the Center for American Progress. Thanks for your important work out there. I think it's really vital. You mentioned some of these issues in talking about federalism and other issues. Where does the constitutional review process stand? As you know – you were out there – a promise was made on the eve of the October 2005 referendum to

review the constitution. What's your understanding of where that process is? What's the U.N.'s role in that?

And also, there have been some debates and some discussion about whether this process should essentially remain on hold until the next national elections? Do you have a view on that?

MR. MISTURA: Okay, there is a tendency in Iraq and perhaps not only in Iraq that when difficult issues need to be solved, you want to be counted – count yourself and see the real strength. For instance, many things regarding Kirkuk and so on. We're waiting for the provincial elections. So I'm not surprised that there will be a – by at least some strong arguments are saying why rock the boat before we know where we stand here on the Sunni-Shia real balance regarding the constitutional process?

The constitutional process, yes, was promised to be revitalized and revisited. But they have learned from the U.N. When you have a problem with them, you create a commission and you try to postpone this issue later on. And when they have done it many times – (chuckles) – we didn't teach them; they've been studying carefully. (Laughter.) And that's why when we add the Kirkuk problem – okay, we make a commission 23, on the Kirkuk and then, Allah Karim, we'll see what happens.

And the same on the constitution – the same applied when actually Sofavoth (ph) voted. There was a referendum proposed – we'll see whether it will take place or not, but that was the way to take care and postpone the confrontation by those who were hard-lining and saying no, no, no way. So what I'm trying to say, I believe, is that the constitutional process is there. There seems to be no frantic hurry by anybody to actually solve it. And we have a team poised and working on facilitating that.

My personal belief is that the constitutional process a word; but it is made of concrete things. One of them is federalism; the other one is oil law, for instance, and the power sharing and so on. Well, these are real things. Imagine that federalism is being diffused by elections and by the will of people or by the general feeling that it will be, let's say, attenuated. So no need to really qualify it too much.

Imagine that the oil law, which needs to be addressed, is actually solved and imagine then there is a session of half an hour at the parliament, they vote about it and they amend the constitution accordingly taking that into account. So let's put it into – at least as far as I'm concerned – into that context. The moment we have solved two or three of those constitutionally tense issues, which are real issues, you would see the constitution adjusting accordingly and easily voting and not the other way around.

Q: Could you follow up perhaps on the oil law in particular because that's been the subject of so much discussion – and how you see that being resolved and what are the hopeful openings there?

MR. MISTURA: Well, that's a complicated one because it's about very substantial issues. As you know, the KRG is in favor of having their own contracts and their own approach

to contracts. The government is very strongly feeling that the oil should be going through the government and any contracts signed by the KRG is null and void. At the same time, the KRG is getting currently 17 percent of the oil revenues, which is 95 percent of their own internal – (inaudible) – is \$4.5 billion.

So they are doing okay but they feel that this is not secure enough. So there is a need of a revenue oil-sharing agreement. And that is where it is basically between Kurds and the government and the Arabs. They have not reached that point – we have been trying to see any entry point where we could facilitate oil – put oil into it – and try to in a way have an honest broker on it. But they are still positioning themselves without blinking. I don't move on this, I don't move on that.

So I can't answer at this stage, but I can tell you that we are looking for any opportunity to push it. One way is to raise constantly – also through this government and the Europeans and others – a reminder to the Iraqis that without a proper oil law, the suspicion between Kurds and Arabs and the position will continue to be there. And if you take away oil, Kirkuk is just Kirkuk.

Q: Hi, my name is Samantha Vinagrette (ph), I was deputy treasury attaché to Iraq for a year. Last spring I had the opportunity to attend Barham Salih's anticorruption conference – I know that the U.N. was very involved. I'm wondering what sort of anticorruption efforts you see going forward.

MR. MISTURA: Professor Barham – Barham Salih, as you know, is the deputy prime minister of Iraq and a person (I trained ?). I'm more than happy to comment on his initiative. He had the vision and courage – because it was not at all fashionable to raise the issue about anticorruption and make sure that through two conferences and the establishment of a mechanism, the anti-corruption issue became very much on the radar screen of everyone. The U.N. and UNDP have been providing capacity building in that – we have expertise through that.

And I think the common knowledge is that Iraq has got substantial corruption. But it's also very refreshing to know – it's like when a country has AIDS and does not recognize it, it is very bad news because then it just goes rampant. And when they start recognizing it, it is already beginning of moving into that direction. Barham is still insisting and it is more an internal thing.

The moment that from the conferences and the awareness we move into a lull that becomes – makes accountable people who are corrupted and then to see one or two people being punished for that, and that becomes a reality then we would have gone one step further. Yes sir? You – yes, the gentleman with the jacket, yeah.

Q: Thank you. I'm Leonard Oberlander, I'm in independent consulting/international liaison. This is sort of a unique opportunity to get a perspective on this question. Prime Minister al Maliki has visited several nations' capitals and heads of other states have visited him in Baghdad. Some of the discussions – bilateral – with al Maliki – had to do with oil, and others don't. The ones that do have to do with oil have to do with contracts that existed before Saddam Hussein was overthrown.

Can you give us a perspective on how these bilateral visits and talks are coordinated or affect how the United Nations, and your role in particular, may be affected by them?

MR. MISTURA: Are you a consultant for an oil company? No, you're not. (Laughter.) No, no – good. Okay, just in case. I really don't get into that – no, I don't – because I have a high respect and we all have – and I must say Ambassador Ryan Crocker has shown the same during his tenure – for making sure that Iraqis feel what they should be feeling; that they are sovereign in their decisions in their meetings.

Sometimes we don't even know if he's traveling abroad, like should be normal in a country where the prime minister may decide for security reasons to just travel and then learn about it after he has gone to Kuwait or – (inaudible). So we are not part of that briefing or debriefing. What I think Prime Minister Maliki is particularly doing when he goes to the neighboring countries is trying to convince them to reengage with Iraq.

And certainly on issues of business, but bear in mind that all the neighbors except Jordan seem to have some oil themselves. So it's more about trade and then more about recognition – more about mutual recognition of the sensitivities of both sides. But he has been very active and so has been Talabani – President Talabani and Barham Salih and the others who have been very proactive in traveling around. Foreign Minister Zebari is well known for being a wonderful communicator of the willingness of the Iraqis to outreach and not be isolated anymore.

That leads us, of course, to their concern that they should not continue, in their eyes, once they are resolute and chapter seven is over and, you know, the stuff has been signed – they should be continuing paying a huge price for what has happened during the First Gulf War when they occupied Kuwait. And therefore just in these days there is a very active momentum in discussion between Kuwaitis and Iraqis on how to address some of the pending dossiers. And so we can turn the page and look at Iraq in a different way and vice versa. Thank you.

Q: Sam Parker, US Institute of Peace. I wanted to ask what your opinion is of the idea that people refer to as a grand bargain between the KRG and Baghdad. It was given its fullest expression in an ICG report by Yos Tilterman, as I'm sure you're aware. But just in broad contours, the idea is the Kurds get the right for contracting and in return, they either cede Kirkuk or kick the can down the road 10 years or something like that.

First of all, do you see that as realistic? Do you think that there is ground prepared on both sides for that kind of deal or negotiation to take place? And second, do you see a necessary US diplomatic role in bringing in those players or parties concerned to the table end – you know, trying to get them to agree? Thank you.

MR. MISTURA: Okay, the issue about the grand bargain is something that Yos and ourselves have been discussing often. And we called it like that, then we started wondering whether perhaps the word grand bargain would not be scary to everyone – you know, it looks big. So sometimes the banana approach in the Arab world – you never mention the salami, as you know. So slice – one slice per time would be perhaps the best thing and then still concluding

with an overall bargain which can be called grand bargain. What I'm trying to say is I agree with Yos and we are working on the possibility of what could be defined as a grand bargain.

B, that both this administration, the Europeans and the U.N. can, and I think must, help both sides to realize that there is a need for an agreement on what are the most dangerous, thorny issue, which is a confrontation, potentially, between Kurds and Arabs in Iraq on Kirkuk or on any related subject, and that in order to deflect that, one was is to have, as we said, a bargain on the issue of oil.

Now, whether that alone will be enough to actually untangle the issue of Kirkuk, that's something to be said. We tend to believe that there are several ingredients, including – and above all – oil, which need to be taken into account – power sharing for instance. At the local level there is a historical issue about that – how you face-save the fact that you believe that Kirkuk was yours and so do the Turkomans, so do, to a certain degree, the Arabs and so do definitely the Kurds.

That needs to be deflected through a proper presentation which could be power sharing at the local level or special format, without calling it special status; but something which also takes care of the intangible aspect and not only the tangible one. So oil is crucial – not everything, but crucial.

Q: Staffan, could you briefly comment on your own dealings with Ayatollah Sistani and what you see his future role in solving some of these political questions that you've raised?

MR. MISTURA: I had the privilege of meeting Ayatollah Sistani three times and there was a ruling I imposed on myself and when Antonio Gutierrez came with me, he applied the same – we will never comment on our meetings with him as a matter of respect to him and on the fact that he should be the only one saying what he said to us and what he felt. In other words, we were not translating to English what he has the privilege of telling us.

But about his role I would be commenting. And his role is crucial – fundamental. He is a person who has consistently – that was, with Sergio. With Sergio and onwards, always had been in favor of a stable, democratic and moderate Iraq. And he has proven it when many times in the past he had been sending messages about moderation to the Iraqis and also when they were hesitant about believing that these elections would make any difference. He was the one who urged Iraqis – whatever they would be voting for – to go and vote, because that aids the strength of this new democracy – this new page in Iraq.

And I noticed when I was traveling the region how much respect he has towards him from not only Shia but Sunnis and Muslims in general in the rest of the Arab world. So he has been a profound force of balance and stability in Iraq. And we all recognize it with respect, I must say.

MR. BARTON: I think we have time for these last two questions

MR. MISTURA: Dawn.

Q: Dawn Calabria, Refugees International. There are 2 million internally displaced in Iraq and over 2 million refugees. Most of the refugees are not Shia. You mentioned basic services, and one of the problems with return is obviously a lack of basic service or questions about ethnically cleansed areas and property rights. Any progress that you can report on those issues, and also the government of Iraq's willingness to assist in the care and maintenance of those refugees while they are living abroad?

MR. MISTURA: It's been an uphill issue, as you probably know – you know better than I do, I'm sure – that for a period the government was not that keen in supporting the refugees in Jordan and in Syria. Perhaps one of the reasons was, as you rightly mentioned, that most of them were not Shia but Sunnis. Many of them were perhaps identifiable with the previous regime or with some of the support or sympathy for some of the insurgency taking place on the Sunni side in particular in Anbar – you know, there's various reasons.

And there was a certain lack of knowledge and some type of need of educational curve on the part of the government to understand that when the units here or the NGOs that support refugees doesn't mean that they are supporting them to stay forever and building hotels, houses as they seem to imply. That's why we don't want this money to go and make sure that these people become, you know permanent refugees. We want them back – that type of aspect.

The combination of all that produced a non-extremely cooperative attitude. This has been changing. It has been changing because the Sunnis are back into the government because they say financial and the security situation has improved because the elections have also empowered the Sunnis, and therefore in the areas where they felt disenfranchised they are back – but not enough. We are talking about 183,000 people have returned, of which 26,000 refugees – they are these IDPs.

The IDPs are even more important – with all due respect, because we are keen in attending all of them – than the refugees because at least the refugees have got godfathers and godmothers – means units or activities outside – means the host country – bilaterally the US has been extremely generous. The IDPs, we don't have a clear contact with them. We don't know how to help them except through the ministry of refugees and displaced, which needs a lot of capacity building to say the least. Thank you.

MR. BARTON: Last question.

Q: Hi, Robert Curelic (ph) from Deloitte. I'd just like to ask you to comment on reconstruction efforts in Iraq. What should the international community learn from past efforts of reconstruction in Iraq; what should be the future priorities. You spoke about the need of quality rather than quantity. What should that quality be refocused on?

MR. MISTURA: The quality would not be, I'm presuming, reconstructing buildings and bridges and so on. The Iraqis are pretty good at that if they get their act together; they've proven it in the past. And they've got enough money to get the best companies from all over the world

to actually rebuild houses, buildings, bridges. What they do need is a set of formats in their own structure that will be conducive to attract private, not only outside but Iraqi private investment.

That's why we are focusing now on special loads, facilitations, the rules of game guarantees for private sector and improving the public sector from their efficiency point of view. I don't think we should go far beyond that. We are talking about a country which does have the resources and therefore trying to do what they didn't do and they can do, would not be the right thing. Plus, as you all know we do not have the resources; so it's up to them. We are there to there to help them, advise them, support them when they have a problem to be an honest broker but it's up to them.

MR. BARTON: Please join me in thanking our guest, Staffan de Mistura.

(Applause.)

(END)