

## Reader Instructions: GROUP 1

# INSTRUCTIONS

We are studying how people interpret analytic forecasts.

To assist us with this study we ask that you imagine you are supporting a policy maker who insists on probabilistic forecasts as an input for his or her decision process. By probabilistic forecasts, we mean future events expressed as numerical likelihoods of occurrence (e.g., instead of words, forecasts that are presented as a 10% likelihood, 75% likelihood, etc.).

You have been given the following task

- Read four forecasting reports
- Translate the forecast event statements in each report into a probabilistic forecast.

Of course you raise several objections to this tasking, but you are simply told to “do it.” The only information you are provided is a list of forecast event statements and the report from which they were drawn.

- 1. Please read each report**
- 2. Review each forecast event statement listed below each report**
- 3. Assign each event a numeric probability that represents YOUR INTERPRETATION of how probable it is -- from the AUTHOR'S PERSPECTIVE – that an event will occur.**

***GUIDANCE:*** The probability you assign to each forecast is your interpretation of the author's intent. Refer to the entire report to arrive at your interpretation of author intent.

**Assigning a probability of 50% means that you think that the author thought the statement was as likely to occur as a head or tail when flipping a fair coin. Assigning a probability of 20% means that you think the author thought the statement has a 20% chance of happening, or to state it differently, an 80% chance of not happening.**

## Forecast Product #1: Stratfor 2006 Annual Forecast for Sudan

Among African countries, it is Sudan — with its plans to double oil output to 1 million barrels per day by the end of 2006 — that will emerge as the most dynamic economic player. Progress in Khartoum will be seen in an attempted peace deal with the Darfur rebels, the normalization of relations with countries in the Horn of Africa, and attempts to attract more business into the country, while further implementing the January 2005 peace agreement with the former rebels in the south.

| Report Statement In Context  | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| Among African countries, it is Sudan — with its plans to double oil output to 1 million barrels per day by the end of 2006 — that will emerge as the most dynamic economic player.   | <b>1. Sudan will double its oil output to 1 million barrels per day by the end of 2006.</b>  |   |
| Among African countries, it is Sudan — with its plans to double oil output to 1 million barrels per day by the end of 2006 — that will emerge as the most dynamic economic player.   | <b>2. Sudan will be the most dynamic economic player among African countries in 2006.</b>    |   |
| Progress in Khartoum will be seen in an attempted peace deal with the Darfur rebels, the normalization of relations with countries in the Horn of Africa, and attempts to attract more business into the country, while further implementing the January 2005 peace agreement with the former rebels in the south. | <b>3. Sudan will attempt a peace deal with the Darfur rebels in 2006.</b>                    |   |
| Progress in Khartoum will be seen in an attempted peace deal with the Darfur rebels, the normalization of relations with countries in the Horn of Africa, and attempts to attract more business into the country, while further implementing the January 2005 peace agreement with the former rebels in the south. | <b>4. Sudan's relations with countries in the Horn of Africa will be normalized in 2006.</b> |   |
| Progress in Khartoum will be seen in an attempted peace deal with the Darfur rebels, the normalization of relations with countries in the Horn of Africa, and attempts to attract more business into the country, while further implementing the January 2005 peace agreement with the former rebels in the south. | <b>5. Sudan will attempt to attract more business into the country in 2006.</b>              |   |

| Report Statement In Context   | Forecast Statement  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>Progress in Khartoum will be seen in an attempted peace deal with the Darfur rebels, the normalization of relations with countries in the Horn of Africa, and attempts to attract more business into the country, while further implementing the January 2005 peace agreement with the former rebels in the south.</p> | <p><b>6. Sudan will further implement the January 2005 peace agreement with the former rebels in the south in 2006.</b></p> |   |

## Forecast Product #2: *Stratfor 2006 Annual Forecast for South Africa*

South Africa will face political turmoil because of problems within the ruling African National Congress (ANC) that will seriously threaten the party's internal political succession in 2007 — raising concerns that internal divisions might cause the ANC to splinter, and calling into question the prospect of a peaceful succession of the country's presidency in 2009. These problems will peak in 2006 during ANC Deputy President Jacob Zuma's trials on charges of rape and corruption, while all sides of the tripartite alliance use the March 1 local elections to gauge their standing within the coalition ahead of the 2007 battle.

| Product Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>South Africa will face political turmoil because of problems within the ruling African National Congress (ANC) that will seriously threaten the party's internal political succession in 2007 — raising concerns that internal divisions might cause the ANC to splinter, and calling into question the prospect of a peaceful succession of the country's presidency in 2009.</p> | <p><b>7. South Africa will face political turmoil in 2006.</b></p>  |   |
| <p>South Africa will face political turmoil because of problems within the ruling African National Congress (ANC) that will seriously threaten the party's internal political succession in 2007 — raising concerns that internal divisions might cause the ANC to splinter, and calling into question the prospect of a peaceful succession of the country's presidency in 2009.</p> | <p><b>8. The African National Congress' (ANC's) internal political succession will be seriously threatened in 2007.</b></p> |   |
| <p>South Africa will face political turmoil because of problems within the ruling African National Congress (ANC) that will seriously threaten the party's internal political succession in 2007 — raising concerns that internal divisions might cause the ANC to splinter, and calling into question the prospect of a peaceful succession of the country's presidency in 2009.</p> | <p><b>9. The African National Congress (ANC) will splinter in 2006.</b></p>   |   |

| Product Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>South Africa will face political turmoil because of problems within the ruling African National Congress (ANC) that will seriously threaten the party's internal political succession in 2007 — raising concerns that internal divisions might cause the ANC to splinter, and calling into question the prospect of a peaceful succession of the country's presidency in 2009.</p> | <p><b>10. There will be a peaceful succession of South Africa's presidency in 2009.</b></p>   |   |
| <p>These problems will peak in 2006 during ANC Deputy President Jacob Zuma's trials on charges of rape and corruption, while all sides of the tripartite alliance use the March 1 local elections to gauge their standing within the coalition ahead of the 2007 battle.</p>  | <p><b>11. ANC's problems will peak in 2006 during ANC Deputy President Jacob Zuma's trials on charges of rape and corruption.</b></p>   |   |
| <p>These problems will peak in 2006 during ANC Deputy President Jacob Zuma's trials on charges of rape and corruption, while all sides of the tripartite alliance use the March 1 local elections to gauge their standing within the coalition ahead of the 2007 battle.</p>  | <p><b>12. All sides of South Africa's tripartite alliance will use the March 1, 2006 local elections to gauge their standing within the coalition ahead of the 2007 battle.</b></p> |   |

### **Forecast Product #3: *Stratfor 2006 Annual Forecast for Iran***

The crisis over the Iranian nuclear program will ratchet up to dangerous levels of brinkmanship with Israel and the United States. However, this likely will result in a negotiated settlement, with Tehran eventually backing down.

Iran seeks guarantees on Iraq and is playing the anti-Israeli card to pressure Washington into obtaining those guarantees. The emergence of a regime in Baghdad dominated by Tehran's allies among the Iraqi Shia, along with the negotiations over the long-term presence of U.S military forces in Iraq, will coincide with a deal on the nuclear issue. Iran is likely to achieve a deal that allows the clerical regime to have enrichment capability but that, to satisfy the Israelis, will prevent it from moving toward weaponization. This will be achieved with Russian involvement at the technical and political levels. Though the conflict will make its way to the United Nations Security Council, no substantive punitive measures are likely to be taken against Iran — the real issue is the back-channel talks between Washington and Tehran over Iran's strategic position regarding Iraq.

Iranian President Mahmoud Ahmadinejad's mentor, Ayatollah Mesbah Yazdi — a leading cleric within the ultraconservative camp — has a fair chance of making it into the Assembly of Experts when elections for the 86-member body take place. This organ of the regime is in charge of appointing the supreme leader of the radical Islamist Shiite republic, monitoring his performance and removing him if he is deemed incapable of fulfilling his duties. This suggests that there will be a lot of negotiations between the ultraconservatives and the pragmatic conservatives, as neither group can enforce its own choice for supreme leader unilaterally.

| Product Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| The crisis over the Iranian nuclear program will ratchet up to dangerous levels of brinkmanship with Israel and the United States.  | <b>13. There will be a crisis over the Iranian nuclear program with Israel in 2006.</b>                    |   |
| The crisis over the Iranian nuclear program will ratchet up to dangerous levels of brinkmanship with Israel and the United States.  | <b>14. There will be a crisis over the Iranian nuclear program with the United States in 2006.</b>         |   |
| However, this likely will result in a negotiated settlement, with Tehran eventually backing down.   | <b>15. There will be a negotiated settlement of the Iranian nuclear program crisis in 2006.</b>            |   |
| However, this likely will result in a negotiated settlement, with Tehran eventually backing down.   | <b>16. Iran will back down over its nuclear program in 2006.</b>   |   |
| Iran seeks guarantees on Iraq and is playing the anti-Israeli card to pressure Washington into obtaining those guarantees.  | <b>17. Iran will seek guarantees on Iraq from Washington in 2006.</b>                                      |   |
| Iran seeks guarantees on Iraq and is playing the anti-Israeli card to pressure Washington into obtaining those guarantees.  | <b>18. Iran will play the anti-Israel card to pressure Washington into obtaining guarantees in 2006.</b>   |   |
| The emergence of a regime in Baghdad dominated by Tehran's allies among the Iraqi Shia, along with the negotiations over the long-term presence of U.S military forces in Iraq, will coincide with a deal on the nuclear issue. | <b>19. A regime dominated by the Iraqi Shia will emerge in Baghdad in 2006.</b>                            |   |
| The emergence of a regime in Baghdad dominated by Tehran's allies among the Iraqi Shia, along with the negotiations over the long-term presence of U.S military forces in Iraq, will coincide with a deal on the nuclear issue. | <b>20. There will be negotiations over the long-term presence of U.S. military forces in Iraq in 2006.</b> |   |
| The emergence of a regime in Baghdad dominated by Tehran's allies among the Iraqi Shia, along with the negotiations over the long-term presence of U.S military forces in Iraq, will coincide with a deal on the nuclear issue. | <b>21. Iran will achieve a deal on the nuclear issue.</b>  |   |

| Product Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|--|---|---|
| Iran is likely to achieve a deal that allows the clerical regime to have enrichment capability but that, to satisfy the Israelis, will prevent it from moving toward weaponization.  | <b>22.Iran will achieve a deal that allows it to have enrichment capability in 2006.</b>                              |   |
| Iran is likely to achieve a deal that allows the clerical regime to have enrichment capability but that, to satisfy the Israelis, will prevent it from moving toward weaponization.  | <b>23.Iran will achieve a deal in 2006 on the nuclear issue that prevents it from moving toward weaponization.</b>    |   |
| This will be achieved with Russian involvement at the technical and political levels.  | <b>24.Russia will be involved in the deal on the nuclear issue at the technical level in 2006.</b>                    |   |
| This will be achieved with Russian involvement at the technical and political levels.  | <b>25.Russia will be involved in the deal on the nuclear issue at the political level in 2006.</b>                    |   |
| Though the conflict will make its way to the United Nations Security Council, no substantive punitive measures are likely to be taken against Iran — the real issue is the back-channel talks between Washington and Tehran over Iran's strategic position regarding Iraq. | <b>26.The Iranian nuclear program conflict will make its way to the United Nations Security Council in 2006.</b>      |   |
| Though the conflict will make its way to the United Nations Security Council, no substantive punitive measures are likely to be taken against Iran — the real issue is the back-channel talks between Washington and Tehran over Iran's strategic position regarding Iraq. | <b>27.No substantive punitive measures will be taken against Iran by the United Nations Security Council in 2006.</b> |   |
| Iranian President Mahmoud Ahmadinejad's mentor, Ayatollah Mesbah Yazdi — a leading cleric within the ultraconservative camp — has a fair chance of making it into the Assembly of Experts when elections for the 86-member body take place.                                | <b>28.Ayatollah Mesbah Yazdi will make it into the Assembly of Experts when elections take place in 2006.</b>         |   |



| Product Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|--|---|---|
| <p>This organ of the regime is in charge of appointing the supreme leader of the radical Islamist Shiite republic, monitoring his performance and removing him if he is deemed incapable of fulfilling his duties. This suggests that there will be a lot of negotiations between the ultraconservatives and the pragmatic conservatives, as neither group can enforce its own choice for supreme leader unilaterally.</p> | <p><b>29. There will be a lot of negotiations between the ultraconservatives and the pragmatic conservatives for choice of supreme leader of the Assembly of Experts in 2006.</b></p> |   |

#### **Forecast Product #4: *Jane's 2006 Annual Forecast for Iran***

The Islamic Republic of Iran is set to remain one of the major security concerns for the West during 2006. It is significant that there is a remarkable political unanimity between President Mahmoud Ahmadinejad and the rest of the hardline regime in Tehran. This is in marked contrast to the deep divisions that existed previously between the moderates led by former president Mohammad Khatami and the conservatives surrounding Iran's Supreme Leader, Ayatollah Ali Khamenei.

Ahmadinejad's recent provocative statements concerning Israel and the Holocaust mean that the West now has to cope with a radical figure who looks set to fill the vacuum left due to the 'rehabilitation' of some once notorious leaders such as Libya's Moammar Ghadaffi and the overthrow of others such as Saddam Hussein. However, as many regional analysts are pointing out, the new president is merely being more vocal in articulating policies and political positions dating back to the era of the late Ayatollah Ruhollah Khomeini. Khatami's main achievement had been to persuade some observers that the Islamic Republic had moved away from its radical origins.

The common consensus among the Western diplomatic community is that the time for hope that Iranian moderates might bring about a rapprochement with the US is long gone. Moreover, there is a hardening conviction in Washington that Tehran is actively pursuing a nuclear weapons programme and this is likely to lead to intense Western pressure being applied in a bid to delay, if not entirely derail, these nuclear ambitions.

In view of the latest moves to reactivate suspended nuclear programmes at Iran's Nantaz facility, there is an increased likelihood that Tehran will be referred to the UN Security Council in the coming months. However, JID also remains convinced that pre-emptive military strikes against suspected nuclear facilities in Iran during 2006 are a real possibility, with Israel likely to take the lead.

| Product Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>The Islamic Republic of Iran is set to remain one of the major security concerns for the West during 2006.</p>   | <p><b>30. Iran will be one of the major security concerns for the West during 2006.</b></p>                                      |   |
| <p>Ahmadinejad's recent provocative statements concerning Israel and the Holocaust mean that the West now has to cope with a radical figure who looks set to fill the vacuum left due to the 'rehabilitation' of some once notorious leaders such as Libya's Moammar Ghadaffi and the overthrow of others such as Saddam Hussein.</p>   | <p><b>31. Ahmadinejad will be the radical figure filling the vacuum in 2006 left by Moammar Ghadaffi and Saddam Hussein.</b></p> |   |
| <p>The common consensus among the Western diplomatic community is that the time for hope that Iranian moderates might bring about a rapprochement with the US is long gone. Moreover, there is a hardening conviction in Washington that Tehran is actively pursuing a nuclear weapons programme and this is likely to lead to intense Western pressure being applied in a bid to delay, if not entirely derail, these nuclear ambitions.</p> | <p><b>32. Iranian moderates will bring about a rapprochement with the United States in 2006.</b></p>                             |   |
| <p>The common consensus among the Western diplomatic community is that the time for hope that Iranian moderates might bring about a rapprochement with the US is long gone. Moreover, there is a hardening conviction in Washington that Tehran is actively pursuing a nuclear weapons programme and this is likely to lead to intense Western pressure being applied in a bid to delay, if not entirely derail, these nuclear ambitions.</p> | <p><b>33. Tehran will actively pursue a nuclear weapons program in 2006.</b></p>   |   |
| <p>The common consensus among the Western diplomatic community is that the time for hope that Iranian moderates might bring about a rapprochement with the US is long gone. Moreover, there is a hardening conviction in Washington that Tehran is actively pursuing a nuclear weapons programme and this is likely to lead to intense Western pressure being applied in a bid to delay, if not entirely derail, these nuclear ambitions.</p> | <p><b>34. Intense Western pressure will be applied in 2006 to delay Iranian nuclear ambitions.</b></p>                           |   |
| <p>In view of the latest moves to reactivate suspended nuclear programmes at Iran's Nantaz facility, there is an increased likelihood that Tehran will be referred to the UN Security Council in the coming months. However, JID also remains convinced that pre-emptive military strikes against suspected nuclear facilities in Iran during 2006 are a real possibility, with Israel likely to take the lead.</p>                           | <p><b>35. Tehran's nuclear program will be referred to the UN Security Council in 2006.</b></p>                                  |   |

| Product Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>In view of the latest moves to reactivate suspended nuclear programmes at Iran's Nantaz facility, there is an increased likelihood that Tehran will be referred to the UN Security Council in the coming months. However, JID also remains convinced that pre-emptive military strikes against suspected nuclear facilities in Iran during 2006 are a real possibility, with Israel likely to take the lead.</p> | <p><b>36. There will be pre-emptive military strikes against suspected nuclear facilities in Iran in 2006.</b></p>                      |   |
| <p>In view of the latest moves to reactivate suspended nuclear programmes at Iran's Nantaz facility, there is an increased likelihood that Tehran will be referred to the UN Security Council in the coming months. However, JID also remains convinced that pre-emptive military strikes against suspected nuclear facilities in Iran during 2006 are a real possibility, with Israel likely to take the lead.</p> | <p><b>37. Israel will take the lead in waging preemptive military strikes against suspected nuclear facilities in Iran in 2006.</b></p> |   |

**Thank you very much for assisting our study.**

*OPTIONAL: Please provide any comments you would like on this exercise.*

## Reader Instructions: Group 2

### INSTRUCTIONS

We are studying how people interpret analytic forecasts.

To assist us with this study we ask that you imagine you are supporting a policy maker who insists on probabilistic forecasts as an input for his or her decision process. By probabilistic forecasts, we mean future events expressed as numerical likelihoods of occurrence (e.g., instead of words, forecasts that are presented as a 10% likelihood, 75% likelihood, etc.).

You have been given the following task

- Read the following forecasting reports
- Translate the forecast event statements in each report into a probabilistic forecast.

Of course you raise several objections to this tasking, but you are simply told to “do it.” The only information you are provided is a list of forecast event statements and the report from which they were drawn.

#### **4. Please read each report**

#### **5. Review each forecast event statement listed below each report**

#### **6. Assign each event a numeric probability that represents YOUR INTERPRETATION of how probable it is -- from the AUTHOR’S PERSPECTIVE – that an event will occur.**

***GUIDANCE:*** The probability you assign to each forecast is your interpretation of the author’s intent. Refer to the entire report to arrive at your interpretation of author intent.

Assigning a probability of 50% means that you think that the author thought the statement was as likely to occur as a head or tail when flipping a fair coin. Assigning a probability of 20% means that you think the author thought the statement has a 20% chance of happening, or to state it differently, an 80% chance of not happening.

## Forecast Product #1: *Stratfor 2007 Annual Forecast for Sudan*

Conflict will continue in Sudan’s Darfur and southern regions, where insurgent groups remain intent on gaining greater autonomy or outright independence. The Darfur conflict has spilled into Chad and the Central African Republic — two countries that, along with Sudan, have armed and used militias against each other. Those militias have in turn fomented insurgencies against their own governments.

Because Khartoum feels it necessary to defeat the National Redemption Front — which is intent on acquiring greater autonomy for Darfur — no U.N. peacekeeping force will touch the ground in Darfur in spite of widespread international pressure on Sudan to accept such a force. Khartoum will continue opposing the idea of a U.N. peacekeeping force, based on fears that such a force will invade to occupy the country and bring criminal charges against the ruling regime for instigating genocide in Darfur.

As a result of this impasse between Khartoum and the Western governments and nongovernmental organizations that want the Darfur conflict to end, Sudanese President Omar al Bashir will accept a token reinforcement of the existing African Union (AU) mission in Darfur. The beefed-up AU force will likely prove no more successful at containing the humanitarian crisis in Darfur in 2007 than the existing force of 7,000 was in 2006.

| Report Statement In Context   | Forecast Statement  | Your Interpretation of Author’s Probability That Event will Occur |
|---|---|---|
| Conflict will continue in Sudan’s Darfur and southern regions, where insurgent groups remain intent on gaining greater autonomy or outright independence. | <b>1. Conflict will continue in Sudan’s Darfur region in 2007.</b>    |   |
| Conflict will continue in Sudan’s Darfur and southern regions, where insurgent groups remain intent on gaining greater autonomy or outright independence. | <b>2. Conflict will continue in Sudan’s southern regions in 2007.</b> |   |

| Report Statement In Context   | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>Conflict will continue in Sudan's Darfur and southern regions, where insurgent groups remain intent on gaining greater autonomy or outright independence.</p>  | <p><b>3. Sudan's insurgent groups will remain intent on gaining greater autonomy in 2007.</b></p>                                    |   |
| <p>Because Khartoum feels it necessary to defeat the National Redemption Front — which is intent on acquiring greater autonomy for Darfur — no U.N. peacekeeping force will touch the ground in Darfur in spite of widespread international pressure on Sudan to accept such a force.</p> | <p><b>4. No U.N. peacekeeping force will touch the ground in Darfur, Sudan in 2007</b></p>   |   |
| <p>Because Khartoum feels it necessary to defeat the National Redemption Front — which is intent on acquiring greater autonomy for Darfur — no U.N. peacekeeping force will touch the ground in Darfur in spite of widespread international pressure on Sudan to accept such a force.</p> | <p><b>5. There will be widespread international pressure on Sudan to accept a U. N. peacekeeping force in Darfur in 2007.</b></p>    |   |
| <p>Khartoum will continue opposing the idea of a U.N. peacekeeping force, based on fears that such a force will invade to occupy the country and bring criminal charges against the ruling regime for instigating genocide in Darfur.</p>   | <p><b>6. Khartoum, Sudan will continue opposing the idea of a U.N. peacekeeping force in 2007.</b></p>                               |   |
| <p>As a result of this impasse between Khartoum and the Western governments and nongovernmental organizations that want the Darfur conflict to end, Sudanese President Omar al Bashir will accept a token reinforcement of the existing African Union (AU) mission in Darfur.</p>         | <p><b>7. There will be an impasse in 2007 between Khartoum and the Western governments that want the Darfur conflict to end.</b></p> |   |

| Report Statement In Context   | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>As a result of this impasse between Khartoum and the Western governments and nongovernmental organizations that want the Darfur conflict to end, Sudanese President Omar al Bashir will accept a token reinforcement of the existing African Union (AU) mission in Darfur.</p> | <p><b>8. There will be an impasse in 2007 between Khartoum and the nongovernmental organizations that want the Darfur conflict to end.</b></p>     |   |
| <p>As a result of this impasse between Khartoum and the Western governments and nongovernmental organizations that want the Darfur conflict to end, Sudanese President Omar al Bashir will accept a token reinforcement of the existing African Union (AU) mission in Darfur.</p> | <p><b>9. Sudanese President Omar al Bashir will accept a token reinforcement of the African Union (AU) mission in Darfur in 2007.</b></p>          |   |
| <p>The beefed-up AU force will likely prove no more successful at containing the humanitarian crisis in Darfur in 2007 than the existing force of 7,000 was in 2006.</p>  | <p><b>10. The African Union (AU) force will prove no more successful at containing the humanitarian crisis in Darfur in 2007 than in 2006.</b></p> |   |



## Forecast Product #2: *Stratfor 2007 Annual Forecast for South Africa*

South Africa will continue to be paralyzed by infighting in the ruling ANC party, which will hold its leadership Congress in late 2007. The government will continue maligning Zuma to prevent him from contesting the party and state presidencies. South Africa begins 2007 with a two-year rotating seat on the U.N. Security Council, and though it will strive to strengthen its role as a mediator of conflicts in Africa and elsewhere, its internal divisions will prevent it from realizing that goal. Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement. As a result, South Africa will position itself as Africa’s champion to resist what will be perceived to be renewed colonial imposition.

| Product Statement In Context   | Possible Event   | Your Interpretation of Author’s Probability That Event will Occur |
|--|--|---|
| South Africa will continue to be paralyzed by infighting in the ruling ANC party, which will hold its leadership Congress in late 2007.  | <b>11. South Africa will be paralyzed in 2007 by infighting in the ruling African National Congress (ANC) party.</b> |   |
| The government will continue maligning Zuma to prevent him from contesting the party and state presidencies.   | <b>12. The South African government will malign Zuma in 2007.</b>  |   |
| South Africa begins 2007 with a two-year rotating seat on the U.N. Security Council, and though it will strive to strengthen its role as a mediator of conflicts in Africa and elsewhere, its internal divisions will prevent it from realizing that goal. | <b>13. South Africa will strengthen its role as a mediator of conflicts in Africa in 2007.</b>                       |   |

| Product Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| <p>South Africa begins 2007 with a two-year rotating seat on the U.N. Security Council, and though it will strive to strengthen its role as a mediator of conflicts in Africa and elsewhere, its internal divisions will prevent it from realizing that goal.</p>        | <p><b>14. South Africa will strengthen its role as a mediator of conflicts elsewhere in the world in 2007.</b></p> |   |
| <p>South Africa begins 2007 with a two-year rotating seat on the U.N. Security Council, and though it will strive to strengthen its role as a mediator of conflicts in Africa and elsewhere, its internal divisions will prevent it from realizing that goal.</p>        | <p><b>15. South Africa will not realize its goal as a mediator of conflicts in 2007.</b></p>                       |   |
| <p>Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement.</p> | <p><b>16. There will be increased Russian activity in Africa in 2007.</b></p>                                      |   |
| <p>Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement.</p> | <p><b>17. There will be increased Chinese activity in Africa in 2007.</b></p>                                      |   |
| <p>Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement.</p> | <p><b>18. There will be alarm in Pretoria about Russian activity in Africa in 2007.</b></p>                        |   |
| <p>Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement.</p> | <p><b>19. There will be alarm in Pretoria about Chinese activity in Africa in 2007.</b></p>                        |   |

| Product Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement. | <b>20. South Africa will welcome the investment and cooperation Russia will offer in 2007.</b>                       |   |
| Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement. | <b>21. South Africa will welcome the investment and cooperation China will offer in 2007.</b>                        |   |
| Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement. | <b>22. South Africa will resent the narrow terms and conditions that will accompany Russian involvement in 2007.</b> |   |
| Increased Russian and Chinese activity in Africa will cause alarm in Pretoria — which, while welcoming the investment and cooperation these countries will offer, will increasingly resent the narrow terms and conditions that will accompany their involvement. | <b>23. South Africa will resent the narrow terms and conditions that will accompany Chinese involvement in 2007.</b> |   |
| As a result, South Africa will position itself as Africa's champion to resist what will be perceived to be renewed colonial imposition.   | <b>24. South Africa will be Africa's champion to resist renewed colonial imposition in 2007.</b>                     |   |

### **Forecast Product #3: *Stratfor 2007 Annual Forecast for Iran***

For its part, Iran has been keen to bring the Americans to the negotiating table on its terms. It wields the ability, through militants, to manipulate the security situation in Iraq and thus to keep an effective government from taking power in Baghdad, but it lacks the means to impose a government of its own creation there. Tehran will focus this year on increasing the political and military costs of the United States remaining in Iraq — by lending more support to militants there, including Shiite gunmen and segments of the Sunni insurgency — but ultimately, given the limitations and uncertainties on both sides, it is possible that a political settlement of sorts, however weak and tenuous, will be forged in 2007.

Iran will also use this year to push its nuclear agenda forward. The U.N. Security Council will be unable to pressure Tehran into curtailing its nuclear program. Iran will use the U.S. distraction in Iraq to move closer to its objective of becoming a full-fledged nuclear power, which will in turn strengthen Tehran's bargaining position on Iraq and expand its influence in the region.

The United States and Israel are militarily occupied by Iraq and Hezbollah, respectively. The logic behind Iran's strategy is to use this window of opportunity to advance its nuclear program to the point where a nuclear Iran will have to be accepted as part of any deal the United States wants on Iraq.

All the pieces might appear to be falling into place for Iran, but a major shake-up in the Iranian regime is likely to happen this year, and it could upset Iran's calculus in dealing with the United States on Iraq. Iranian Supreme Leader Ayatollah Ali Khamenei is terminally ill with cancer and could die this year. His death will send a shockwave through the Iranian public, which will come to doubt the Iranian government's ability to navigate the country through this critical period. There will not, however, be a complete breakdown of the Iranian political system. There are mechanisms in place to ensure the leadership transition goes relatively smoothly.

While his health further deteriorates, Khamenei will likely position former Iranian President Ali Akbar Hashemi Rafsanjani to lead the country. Rafsanjani is believed to be committed to Khamenei's vision for Iraq and the ascendance of a nuclear-powered Iran, but he also is known for his pragmatic leanings and ability to negotiate more easily with the United States. Rumors are also circulating that Iranian President Mahmoud Ahmadinejad's days could also be numbered, and that Khamenei will make the arrangements this year to remove the firebrand president from his post. Khamenei's health will likely dictate whether Rafsanjani receives the position as supreme leader or president before the end of the year.

The United States will keep a close eye on any potential shake-ups in Tehran to decide how to proceed in devising a diplomatic strategy. The questions surrounding the Iranian leadership will ensure that 2007 will largely be a waiting game over the fate of Iraq.

| Product Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>Tehran will focus this year on increasing the political and military costs of the United States remaining in Iraq — by lending more support to militants there, including Shiite gunmen and segments of the Sunni insurgency — but ultimately, given the limitations and uncertainties on both sides, it is possible that a political settlement of sorts, however weak and tenuous, will be forged in 2007.</p> | <p><b>25. Tehran will focus on increasing the political costs of the United States remaining in Iraq in 2007.</b></p> |   |
| <p>Tehran will focus this year on increasing the political and military costs of the United States remaining in Iraq — by lending more support to militants there, including Shiite gunmen and segments of the Sunni insurgency — but ultimately, given the limitations and uncertainties on both sides, it is possible that a political settlement of sorts, however weak and tenuous, will be forged in 2007.</p> | <p><b>26. Tehran will focus on increasing the military costs of the United States remaining in Iraq in 2007.</b></p>  |   |
| <p>Tehran will focus this year on increasing the political and military costs of the United States remaining in Iraq — by lending more support to militants there, including Shiite gunmen and segments of the Sunni insurgency — but ultimately, given the limitations and uncertainties on both sides, it is possible that a political settlement of sorts, however weak and tenuous, will be forged in 2007.</p> | <p><b>27. Tehran will lend more support to militants in Iraq in 2007</b></p>  |   |
| <p>Tehran will focus this year on increasing the political and military costs of the United States remaining in Iraq — by lending more support to militants there, including Shiite gunmen and segments of the Sunni insurgency — but ultimately, given the limitations and uncertainties on both sides, it is possible that a political settlement of sorts, however weak and tenuous, will be forged in 2007.</p> | <p><b>28. Tehran will lend more support to Shiite gunmen in Iraq in 2007.</b></p>                                     |   |

| Product Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>Tehran will focus this year on increasing the political and military costs of the United States remaining in Iraq — by lending more support to militants there, including Shiite gunmen and segments of the Sunni insurgency — but ultimately, given the limitations and uncertainties on both sides, it is possible that a political settlement of sorts, however weak and tenuous, will be forged in 2007.</p> | <p><b>29. Tehran will lend more support to segments of the Sunni insurgency in Iraq in 2007.</b></p>                       |   |
| <p>Tehran will focus this year on increasing the political and military costs of the United States remaining in Iraq — by lending more support to militants there, including Shiite gunmen and segments of the Sunni insurgency — but ultimately, given the limitations and uncertainties on both sides, it is possible that a political settlement of sorts, however weak and tenuous, will be forged in 2007.</p> | <p><b>30. A political settlement of sorts between the United States and Iraq will be forged in 2007.</b></p>               |   |
| <p>Iran will also use this year to push its nuclear agenda forward.</p>   | <p><b>31. Iran will push its nuclear agenda forward in 2007.</b></p>   |   |
| <p>The U.N. Security Council will be unable to pressure Tehran into curtailing its nuclear program.</p>   | <p><b>32. The U.N. Security Council will be unable to pressure Tehran in 2007 into curtailing its nuclear program.</b></p> |   |
| <p>Iran will use the U.S. distraction in Iraq to move closer to its objective of becoming a full-fledged nuclear power, which will in turn strengthen Tehran's bargaining position on Iraq and expand its influence in the region.</p>  | <p><b>33. Iran will move closer to its objective of becoming a full-fledged nuclear power in 2007.</b></p>                 |   |

| Product Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| Iran will use the U.S. distraction in Iraq to move closer to its objective of becoming a full-fledged nuclear power, which will in turn strengthen Tehran's bargaining position on Iraq and expand its influence in the region. | <b>34. Iran will strengthen its bargaining position on Iraq in 2007.</b>                                |   |
| Iran will use the U.S. distraction in Iraq to move closer to its objective of becoming a full-fledged nuclear power, which will in turn strengthen Tehran's bargaining position on Iraq and expand its influence in the region. | <b>35. Iran will expand its influence in the region in 2007.</b>  |   |
| The logic behind Iran's strategy is to use this window of opportunity to advance its nuclear program to the point where a nuclear Iran will have to be accepted as part of any deal the United States wants on Iraq.            | <b>36. Iran will advance its nuclear program in 2007.</b>   |   |
| The logic behind Iran's strategy is to use this window of opportunity to advance its nuclear program to the point where a nuclear Iran will have to be accepted as part of any deal the United States wants on Iraq.            | <b>37. A nuclear Iran will be accepted as part of any deal the United States wants on Iraq in 2007.</b> |   |
| All the pieces might appear to be falling into place for Iran, but a major shake-up in the Iranian regime is likely to happen this year, and it could upset Iran's calculus in dealing with the United States on Iraq.          | <b>38. There will be a major shakeup in the Iranian regime in 2007.</b>                                 |   |
| All the pieces might appear to be falling into place for Iran, but a major shake-up in the Iranian regime is likely to happen this year, and it could upset Iran's calculus in dealing with the United States on Iraq.          | <b>39. The Iranian regime's dealings with the United States on Iraq will be upset in 2007.</b>          |   |
| Iranian Supreme Leader Ayatollah Ali Khamenei is terminally ill with cancer and could die this year.  | <b>40. Iranian Supreme Leader Ayatollah Ali Khamenei will die in 2007.</b>                              |   |

| Product Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|--|---|---|
| <p>His death will send a shockwave through the Iranian public, which will come to doubt the Iranian government's ability to navigate the country through this critical period.</p>   | <p><b>41. The Iranian public will doubt the government's ability to navigate the country in 2007.</b></p>                   |   |
| <p>There will not, however, be a complete breakdown of the Iranian political system.</p>   | <p><b>42. There will not be a complete breakdown of the Iranian political system in 2007.</b></p>                           |   |
| <p>There are mechanisms in place to ensure the leadership transition goes relatively smoothly.</p>   | <p><b>43. The Iranian leadership transition will go relatively smoothly in 2007.</b></p>                                    |   |
| <p>While his health further deteriorates, Khamenei will likely position former Iranian President Ali Akbar Hashemi Rafsanjani to lead the country.</p>   | <p><b>44. Khamenei will position former Iranian President Ali Akbar Hashemi Rafsanjani to lead the country in 2007.</b></p> |   |
| <p>Rafsanjani is believed to be committed to Khamenei's vision for Iraq and the ascendance of a nuclear-powered Iran, but he also is known for his pragmatic leanings and ability to negotiate more easily with the United States. Rumors are also circulating that Iranian President Mahmoud Ahmadinejad's days could also be numbered, and that Khamenei will make the arrangements this year to remove the firebrand president from his post.</p>   | <p><b>45. Khamenei will arrange in 2007 to remove Iranian President Mahmoud Ahmadinejad from his post.</b></p>              |   |
| <p>Rafsanjani is believed to be committed to Khamenei's vision for Iraq and the ascendance of a nuclear-powered Iran, but he also is known for his pragmatic leanings and ability to negotiate more easily with the United States. Rumors are also circulating that Iranian President Mahmoud Ahmadinejad's days could also be numbered, and that Khamenei will make the arrangements this year to remove the firebrand president from his post. Khamenei's health will likely dictate whether Rafsanjani receives the position as supreme leader or president before the end of the year.</p> | <p><b>46. Rafsanjani will receive the position as supreme leader or president of Iran before the end of 2007.</b></p>       |   |



| Product Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>The United States will keep a close eye on any potential shake-ups in Tehran to decide how to proceed in devising a diplomatic strategy.</p> | <p><b>47. The United States will keep a close eye on Tehran in 2007.</b></p> |   |
| <p>The questions surrounding the Iranian leadership will ensure that 2007 will largely be a waiting game over the fate of Iraq.</p>             | <p><b>48. The fate of Iran will be a waiting game in 2007.</b></p>           |   |

## **Forecast Product #4: *Jane's Two 2007 Forecasts for Iran***

### ***1. US and Iran: Road Map to Conflict (February 16, 2007)***

#### Key Points

- In December 2006, UN Security Council Resolution 1737 banned all international trade with Iran that could help its nuclear programme.
- Despite the 21 February deadline given to Tehran to suspend all enrichment activities, the Iranian government has continued with uranium enrichment.
- The already tense stalemate is being exacerbated by US accusations of Iranian meddling in Iraq and by Iranian threats against the US military presence in the Persian Gulf.

Iran's continuous defiance of demands by the International Atomic Energy Agency and the EU-3 (Germany, France, Britain) led to Security Council Resolution 1737 in December 2006. The resolution banned all trade with Iran that would enhance its nuclear activities as well as imposing a set of restrictive measures targeting Iranian organisations, companies and individuals associated with the country's nuclear and ballistic missiles programmes. It also demanded that Iran suspend all enrichment-related and reprocessing activities and work on all heavy water-related projects. Diplomatic pressure via the Security Council was reinforced through an increased US military presence in the Persian Gulf.

However, far from increasing pressure on the government, the Iranian parliament passed a bill in December 2006 requiring the government to revise its co-operation with the IAEA and decided not to allow a delegation of 38 IAEA inspectors to enter the country in January 2007. In the same month, President Mahmoud Ahmadinejad announced the installation of another 300 centrifuges at the Natanz nuclear facility, with the intention of moving towards a total of 3,000 centrifuges. According to the Iranian Ministry of Foreign Affairs, the country currently has less than 1,000 centrifuges.

Washington's decision to increase military and intelligence efforts against what it considered Iranian operatives in Iraq has also upped the ante. While US forces had already captured a number of Iranian diplomats and military advisers in Baghdad and northern Iraq, President George W Bush has authorised US forces to "kill Iranian agents in Iraq". Part of Washington's new strategy has also been the January 2007 decision to disclose evidence that apparently shows that Iran has been providing the Iraq insurgency with weapons from as early as 2004. Iran retaliated by threatening to close the Strait of Hormuz to international shipping and launching large-scale

military manoeuvres.

These US moves are indicative of a more confrontational direction in the US's overall Iran policy. Washington's disclosure of Iran's military agenda in Iraq puts the Iranian government in an increasingly difficult position, although given Iran's maze of power centres it may be that the government is not aware of all of its activities in Iraq. However, the evidence adds to Iran's growing isolation. If the US continues to arrest and detain Iranian officials, elements in Iran's civilian or military hierarchy may feel inclined to retaliate. As far as the US is concerned, a US soldier killed by an Iranian would be a legitimate provocation for war.

### **Domestic pressure**

Domestically, the resolution against Iran and international pressure came at a crossroads in Iranian politics. Elections in December 2006 for the Assembly of Experts a powerful body that supervises and appoints the supreme leader and for the country's municipalities resulted in a serious defeat for Ahmadinejad. Pragmatists, most notably the former president Ali-Hashemi Rafsanjani, polled the largest number of votes for the Assembly of Experts and reformists took more than 70 per cent of council seats nationwide. Since the elections, high-profile politicians opposed to the president's nuclear policy have increased calls for moderation and flexibility. These have included the supreme leader, albeit indirectly through the media.

The pragmatists and conservatives, whose wealth and political power is linked to international trade, fear the effects of even limited sanctions. Given the pragmatists' political momentum and Rafsanjani's closeness to Supreme Leader Ayatollah Ali Khamenei, pressure on Ahmadinejad is mounting. Nevertheless, even given Ahmadinejad's growing isolation, an unprovoked attack arising from Iranian meddling in Iraq or a major air-campaign against military and nuclear installations in the country is likely to prove counter-productive. Far from further isolating the president, influential politicians and the public alike would rally behind Ahmadinejad.

### **Room for manoeuvre?**

Iran's 13 February offer to resume talks with the EU-3 seems to reflect the government's decision to attempt to de-escalate the situation in the short term, but it does not indicate a change in policy.

However, a more nuanced approach is likely and it is possible that Khamenei will look to replace some Iranian negotiators with more experienced and pragmatic diplomats. This would smooth relations with European diplomats who have already indicated an unwillingness to re-engage with Iran's current negotiating team. Khamenei's decision to appoint former foreign minister Ali Akbar Velayatti to head a new foreign policy council attached to his office may presage such moves.

Meanwhile, Ahmadinejad and his cabinet have made it increasingly difficult for themselves to come to a negotiated solution while still

saving face. The pragmatists are currently pushing to accept proposals that would see Russia enrich uranium to levels appropriate for power generation, but short of weapons-grade levels. Conversely, the president continues to push the EU for security guarantees for Iran, although given the substantial economic incentives already on the table and Iran's questionable regional agenda, such assurances are unlikely to be offered.

**FORECAST**

*While Iranians want to use negotiations as an end in itself, the EU has made it clear it will push for more sanctions if Iran continues its current policy. Together with Washington's new confrontational strategy, the situation will remain tense. Stricter economic sanctions against Iran are likely to be used by the domestic opposition to put pressure on Ahmadinejad. However, any military attack would not only strengthen his domestic position, but would risk escalation into a major conflict in which regular Iranian paramilitary forces and terrorist proxies could engage US troops in asymmetrical warfare across the region.*

| Product Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| While Iranians want to use negotiations as an end in itself, the EU has made it clear it will push for more sanctions if Iran continues its current policy. | <b>49. The EU will push for more sanctions against Iran in 2007.</b>         |   |
| Together with Washington's new confrontational strategy, the situation will remain tense.   | <b>50. The situation between Washington and Iran will be tense in 2007.</b>  |   |
| Stricter economic sanctions against Iran are likely to be used by the domestic opposition to put pressure on Ahmadinejad.                                   | <b>51. The domestic opposition will put pressure on Ahmadinejad in 2007.</b> |   |

## ***2. Larijani's Departure Fuels Iran Power Struggle, 11/08/07***

### Key Points

- Ali Larijani's resignation reflects the increasing gap between moderate conservatives and hardliners in government and comes as the United States government impose Iran's new unilateral sanctions against Iranian financial institutions.
- Larijani's replacement by Saeed Jalili, a deputy foreign minister, is the latest move by the government of filling high-level posts with officials who have close ties to President Mahmoud Ahmadinejad.
- With Ali Larijani's resignation the government's nuclear policy is likely to take a sharp turn to the right. However tension between hardline and conservative/pragmatist factions in Tehran is likely to increase.

When Iranian government spokesman, Gholam-Hossein Elham, announced the resignation of the country's nuclear negotiator, Ali Larijani, on 20 October, it appeared his unexpected departure had been forced on him rather than because of the personal reasons numerous officials and parliamentarians stated. The low-key introduction of his successor, Saeed Jalili, a deputy foreign minister with close ties with President Mahmoud Ahmadinejad and no note of gratitude being offered to Larijani, was interpreted as further evidences that he was forced to leave.

Before taking on the role as chief nuclear negotiator, Ali Larijani was head of the state-run Islamic Republic of Iran Broadcasting, the country's largest media network, for 10 years. Part of his strength is that he belongs to the conservative elite - the revolution's 'Second Generation' - and had always enjoyed the support of the supreme leader.

To a large extent, Larijani draws his political clout from his prominent clerical lineage. He is Ayatollah Mirza Hashem Amoli's son, which gave him and his brothers the opportunity to develop clan-like links within the political structure. Because of this pedigree, Larijani enjoys a respectable level of influence with Ayatollah Ali Khamenei, who held him in high esteem. It was Khamenei who appointed Larijani as head of the Nuclear Negotiation Team and the National Security Council in 2004.

However, when Ahmadinejad became president, he expressed serious concerns about what he called the "retreat and passivity" of Iran's right to nuclear enrichment and his uneasy feelings about Larijani's strategy and diplomatic leverage, because of his affinity to Khamenei. From the outset, Ahmadinejad favoured a more radical foreign policy.

During 2006, the power struggle between Larijani and the president gradually intensified, leading Ahmadinejad to undercut and embarrass the chief negotiator by contradicting many of his statements on the progress of negotiations and the country's nuclear agenda. He even sent independent negotiating teams comprising his own advisers to meet with European diplomats instead of Larijani.

### **Two men, two agendas**

The most recent public display of discord between Ahmadinejad and Larijani followed Russian President Vladimir Putin's day-long visit to Tehran on 16 October. After Putin's visit, Larijani stated publicly that the Russian president had proposed a new deal about

resolving the ongoing nuclear stalemate. Less than 24 hours later, Ahmadinejad faced the same journalists and dismissed Larijani's claim, denying that Putin had made any new suggestions on the issue.

The seeds of this open discord were planted two years ago when Larijani was appointed as secretary of the country's National Security Council. Since then, Larijani has changed his views towards Iran's nuclear negotiations with the International Atomic Energy Agency (IAEA) and the UN Security Council, visibly drawing himself closer to more pragmatic and conciliatory policies.

As far as the hardliners were concerned, the issue about who controlled nuclear policy became more pressing as Larijani began developing personal and cordial relations with the EU foreign policy chief, Javier Solana, and IAEA Director Mohammed ElBaradei. As far as Ahmadinejad and his advisers were concerned, this increasingly compromised his position as Iran's negotiator. Furthermore, Larijani's opponents, including the president, believe that resolutions and even trade embargos lack any real teeth and cannot harm Iran. Before his resignation, Larijani had tried to avert a third round of sanctions being imposed by the UN Security Council by agreeing on a new timetable for negotiations and actively seeking a middle ground on the nuclear stalemate. Larijani, with the tacit approval of the supreme leader, was also instrumental at pushing for direct talks with the US over the security of Iraq.

Actively undermining this, Ahmadinejad, partly encouraged by hardliner ideological counsel and confident about the assumption that either the lack of means or the political resolve on the part of the US prevents it from exploring military options, declared the "nuclear case as closed" in August. Therefore it is unsurprising that Larijani's resignation is seen as a victory for Ahmadinejad and his hardline supporters - a development, which many see as having fatal consequences for the country's security.

This feeling is further hardened by Larijani's replacement with a president's confidant in what is seen as the latest move by Ahmadinejad of bringing his cronies into key positions. With the foreign, interior and intelligence ministries and part of the Ministry of Oil already under his firm control, Ahmadinejad's hardliner civil servants will increasingly dictate the future direction of Iranian policy.

#### ***FORECAST***

***There is little doubt that Larijani's departure will help Ahmadinejad to cement complete control of Iran's nuclear negotiation strategy, which will veer to the right in the coming months. However, the president's accumulation of greater political power and his seeming disregard for the consequences of further economic sanctions is bringing him into increasing conflict with influential pragmatists such as Ali Hashemi-Rafsanjani and conservative circles close to the supreme leader, who all have large stakes in Iran's economy and are therefore vulnerable to the effects of sanctions. As the economy continues to falter and political discontent rises, the tension between hardliners on the one hand and conservatives and pragmatists on the other looks only set to increase.***

| Product Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>There is little doubt that Larijani's departure will help Ahmadinejad to cement complete control of Iran's nuclear negotiation strategy, which will veer to the right in the coming months.</p>  | <p>52. Ahmadinejad will cement complete control of Iran's nuclear negotiation strategy in the next year (November 2007-November 2008).</p>                  |   |
| <p>There is little doubt that Larijani's departure will help Ahmadinejad to cement complete control of Iran's nuclear negotiation strategy, which will veer to the right in the coming months.</p>  | <p>53. Iran's nuclear negotiation strategy will veer to the right in the next year (November 2007-November 2008).</p>                                       |   |
| <p>However, the president's accumulation of greater political power and his seeming disregard for the consequences of further economic sanctions is bringing him into increasing conflict with influential pragmatists such as Ali Hashemi-Rafsanjani and conservative circles close to the supreme leader, who all have large stakes in Iran's economy and are therefore vulnerable to the effects of sanctions.</p> | <p>54. There will be increasing conflict between Iran's president and influential pragmatists in the next year (November 2007-November 2008).</p>           |   |
| <p>However, the president's accumulation of greater political power and his seeming disregard for the consequences of further economic sanctions is bringing him into increasing conflict with influential pragmatists such as Ali Hashemi-Rafsanjani and conservative circles close to the supreme leader, who all have large stakes in Iran's economy and are therefore vulnerable to the effects of sanctions.</p> | <p>55. There will be increasing conflict between Iran's president and conservative circles close to him in the next year (November 2007-November 2008).</p> |   |
| <p>As the economy continues to falter and political discontent rises, the tension between hardliners on the one hand and conservatives and pragmatists on the other looks only set to increase.</p>   | <p>56. The Iranian economy will continue to falter in the next year (November 2007-November 2008).</p>  |   |

| Product Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| As the economy continues to falter and political discontent rises, the tension between hardliners on the one hand and conservatives and pragmatists on the other looks only set to increase. | 57. Political discontent will rise in Iran in the next year (November 2007-November 2008).                             |   |
| As the economy continues to falter and political discontent rises, the tension between hardliners on the one hand and conservatives and pragmatists on the other looks only set to increase. | 58. Tension between Iranian hardliners and conservatives will increase in the next year (November 2007-November 2008). |   |
| As the economy continues to falter and political discontent rises, the tension between hardliners on the one hand and conservatives and pragmatists on the other looks only set to increase. | 59. Tension between Iranian hardliners and pragmatists will increase in the next year (November 2007-November 2008).   |   |

**Thank you very much for assisting our study.**

***OPTIONAL: Please provide any comments you would like on this exercise.***



## Reader Instructions: Group 3

### INSTRUCTIONS

We are studying how people interpret analytic forecasts.

To assist us with this study we ask that you imagine you are supporting a policy maker who insists on probabilistic forecasts as an input for his or her decision process. By probabilistic forecasts, we mean future events expressed as numerical likelihoods of occurrence (e.g., instead of words, forecasts that are presented as a 10% likelihood, 75% likelihood, etc.).

You have been given the following task

- Read the following 2 forecasting reports
- Translate the forecast event statements in each report into a probabilistic forecast.

Of course you raise several objections to this tasking, but you are simply told to “do it.” The only information you are provided is a list of forecast event statements and the report from which they were drawn.

7. Please read each report
8. Review the forecast event statements listed below each report
9. Assign each event a numeric probability that represents **YOUR INTERPRETATION** of how probable it is -- from the **AUTHOR'S PERSPECTIVE** – that an event will occur.

***GUIDANCE:*** The probability you assign to each forecast is your interpretation of the author's intent. Refer to the entire report to arrive at your interpretation of author intent.

Assigning a probability of 50% means that you think that the author thought the statement was as likely to occur as a head or tail when flipping a fair coin. Assigning a probability of 20% means that you think the author thought the statement has a 20% chance of happening, or to state it differently, an 80% chance of not happening.

**The boxed areas that appear on pages 2 and 3 are included for background and context. The actual forecast event statements that you are asked to rate are drawn from the KEY JUDGEMENTS section of the report starting on page 3.**

## **NIE # 1: Prospects for Iraq’s Stability: A Challenging Road Ahead, NIE (January 2007)**

### **THE IRAQ ESTIMATE: HOW IT WAS PRODUCED**

The Iraq Estimate, *Prospects for Iraq’s Stability: A Challenging Road Ahead*, followed the standard process for producing National Intelligence Estimates (NIEs), including a thorough review of sourcing, in-depth Community coordination, the use of alternative analysis and review by outside experts. Shortly after receiving the Congressional request, the NIC organized a workshop with academic and former government experts to scope out terms of reference (TOR) for the Estimate. IC drafters compiled the initial draft that was reviewed by the NIC and DNI in December. A revised draft was submitted to IC analysts in advance of a three-day coordination meeting in mid-January. National Clandestine Service officers and the other collection agencies reviewed the text for the reliability and proper use of the sourcing. As part of the normal coordination process, analysts had the opportunity to register “dissents” and provide alternative analysis. Reactions by the three outside experts who read the final product were highlighted in the text. The National Intelligence Board, composed of the heads of the 16 IC agencies and chaired by the DNI, reviewed and approved the Estimate on 29 January. As with other NIEs, it is being distributed to senior Administration officials and Members of Congress.

### **What We Mean When We Say: An Explanation of Estimative Language**

When we use words such as “we judge” or “we assess”—terms we use synonymously—as well as “we estimate,” “likely” or “indicate,” we are trying to convey an analytical assessment or judgment. These assessments, which are based on incomplete or at times fragmentary information are not a fact, proof, or knowledge. Some analytical judgments are based directly on collected information; others rest on previous judgments, which serve as building blocks. In either type of judgment, we do not have “evidence” that shows something to be a factor that definitively links two items or issues.

Intelligence judgments pertaining to likelihood are intended to reflect the Community's sense of the probability of a development or event. Assigning precise numerical ratings to such judgments would imply more rigor than we intend. The chart below provides a rough idea of the relationship of terms to each other.

We do not intend the term "unlikely" to imply an event will not happen. We use "probably" and "likely" to indicate there is a greater than even chance. We use words such as "we cannot dismiss," "we cannot rule out," and "we cannot discount" to reflect an unlikely—or even remote—event whose consequences are such it warrants mentioning. Words such as "may be" and "suggest" are used to reflect situations in which we are unable to assess the likelihood generally because relevant information is nonexistent, sketchy, or fragmented.

In addition to using words within a judgment to convey degrees of likelihood, we also ascribe "high," "moderate," or "low" confidence levels based on the scope and quality of information supporting our judgments.

- "High confidence" generally indicates our judgments are based on high-quality information and/or the nature of the issue makes it possible to render a solid judgment.
- "Moderate confidence" generally means the information is interpreted in various ways, we have alternative views, or the information is credible and plausible but not corroborated sufficiently to warrant a higher level of confidence.
- "Low confidence" generally means the information is scant, questionable, or very fragmented and it is difficult to make solid analytic inferences, or we have significant concerns or problems with the sources.

## KEY JUDGEMENTS

**Iraqi society's growing polarization, the persistent weakness of the security forces and the state in general, and all sides' ready recourse to violence are collectively driving an increase in communal and insurgent violence and political extremism.**

**Unless efforts to reverse these conditions show measurable progress during the term of this Estimate, the coming 12 to 18 months, we assess that the overall security situation will continue to deteriorate at rates comparable to the latter part of 2006.**

If strengthened Iraqi Security Forces (ISF), more loyal to the government and supported by Coalition forces, are able to reduce levels of violence and establish more effective security for Iraq's population, Iraqi leaders could have an opportunity to begin the process of political compromise necessary for longer term stability, political progress, and economic recovery.

- Nevertheless, even if violence is diminished, given the current winner-take-all attitude and sectarian animosities infecting the political scene, Iraqi leaders will be hard pressed to achieve sustained political reconciliation in the time frame of this Estimate.

**The challenges confronting Iraqis are daunting, and multiple factors are driving the current trajectory of the country's security and political evolution.**

- Decades of subordination to Sunni political, social, and economic domination have made the Shia deeply insecure about their hold on power. This insecurity leads the Shia to mistrust US efforts to reconcile Iraqi sects and reinforces their unwillingness to engage with the Sunnis on a variety of issues, including adjusting the structure of Iraq's federal system, reining in Shia militias, and easing de-Bathification.
- Many Sunni Arabs remain unwilling to accept their minority status, believe the central government is illegitimate and incompetent, and are convinced that Shia dominance will increase Iranian influence over Iraq, in ways that erode the state's Arab character and increase Sunni repression.
- The absence of unifying leaders among the Arab Sunni or Shia with the capacity to speak for or exert control over their confessional groups limits prospects for reconciliation. The Kurds remain willing to participate in Iraqi state building but reluctant to surrender any of the gains in autonomy they have achieved.
- The Kurds are moving systematically to increase their control of Kirkuk to guarantee annexation of all or most of the city and province into the Kurdistan Regional Government (KRG) after the constitutionally mandated referendum scheduled to occur no later than 31 December 2007. Arab groups in Kirkuk continue to resist violently what they see as Kurdish encroachment.
- Despite real improvements, the Iraqi Security Forces (ISF)—particularly the Iraqi police—will be hard pressed in the next 12-18 months to execute significantly increased security responsibilities, and particularly to operate independently against Shia militias with success. Sectarian divisions erode the dependability of many units, many are hampered by personnel and equipment shortfalls, and a number of Iraqi units have refused to serve outside of the areas where they were recruited.
- Extremists—most notably the Sunni jihadist group al-Qa'ida in Iraq (AQI) and Shia oppositionist Jaysh al-Mahdi (JAM)—continue to act as very effective accelerators for what has become a self-sustaining inter-sectarian struggle between Shia and Sunnis.
- Significant population displacement, both within Iraq and the movement of Iraqis into neighboring countries, indicates the hardening of ethno-sectarian divisions, diminishes Iraq's professional and entrepreneurial classes, and strains the capacities of the countries to which they have relocated. The UN estimates over a million Iraqis are now in Syria and Jordan.

**The Intelligence Community judges that the term “civil war” does not adequately capture the complexity of the conflict in Iraq, which includes extensive Shia-on-Shia violence, al-Qa’ida and Sunni insurgent attacks on Coalition forces, and widespread criminally motivated violence. Nonetheless, the term “civil war” accurately describes key elements of the Iraqi conflict, including the hardening of ethno-sectarian identities, a sea change in the character of the violence, ethno-sectarian mobilization, and population displacements.**

**Coalition capabilities, including force levels, resources, and operations, remain an essential stabilizing element in Iraq.** If Coalition forces were withdrawn rapidly during the term of this Estimate, we judge that this almost certainly would lead to a significant increase in the scale and scope of sectarian conflict in Iraq, intensify Sunni resistance to the Iraqi Government, and have adverse consequences for national reconciliation.

- If such a rapid withdrawal were to take place, we judge that the ISF would be unlikely to survive as a non-sectarian national institution; neighboring countries—invited by Iraqi factions or unilaterally—might intervene openly in the conflict; massive civilian casualties and forced population displacement would be probable; AQI would attempt to use parts of the country—particularly al-Anbar province—to plan increased attacks in and outside of Iraq; and spiraling violence and political disarray in Iraq, along with Kurdish moves to control Kirkuk and strengthen autonomy, could prompt Turkey to launch a military incursion.

**A number of identifiable developments could help to reverse the negative trends driving Iraq’s current trajectory. They include:**

- **Broader Sunni acceptance of the current political structure and federalism** to begin to reduce one of the major sources of Iraq’s instability.
- **Significant concessions by Shia and Kurds** to create space for Sunni acceptance of federalism.
- **A bottom-up approach**—deputizing, resourcing, and working more directly with neighborhood watch groups and establishing grievance committees—to help mend frayed relationships between tribal and religious groups, which have been mobilized into communal warfare over the past three years.

A key enabler for all of these steps would be stronger Iraqi leadership, which could enhance the positive impact of all the above developments.

**Iraq’s neighbors influence, and are influenced by, events within Iraq, but the involvement of these outside actors is not likely to be a major driver of violence or the prospects for stability because of the self-sustaining character of Iraq’s internal sectarian**

**dynamics.** Nonetheless, Iranian lethal support for select groups of Iraqi Shia militants clearly intensifies the conflict in Iraq. Syria continues to provide safehaven for expatriate Iraqi Bathists and to take less than adequate measures to stop the flow of foreign jihadists into Iraq.

- For key Sunni regimes, intense communal warfare, Shia gains in Iraq, and Iran’s assertive role have heightened fears of regional instability and unrest and contributed to a growing polarization between Iran and Syria on the one hand and other Middle East governments on the other. But traditional regional rivalries, deepening ethnic and sectarian violence in Iraq over the past year, persistent anti-Americanism in the region, anti-Shia prejudice among Arab states, and fears of being perceived by their publics as abandoning their Sunni co-religionists in Iraq have constrained Arab states’ willingness to engage politically and economically with the Shia-dominated government in Baghdad and led them to consider unilateral support to Sunni groups.

- Turkey does not want Iraq to disintegrate and is determined to eliminate the safehaven in northern Iraq of the Kurdistan People’s Congress (KKG, formerly PKK)—a Turkish Kurdish terrorist group.

**A number of identifiable internal security and political triggering events, including sustained mass sectarian killings, assassination of major religious and political leaders, and a complete Sunni defection from the government have the potential to convulse severely Iraq’s security environment. Should these events take place, they could spark an abrupt increase in communal and insurgent violence and shift Iraq’s trajectory from gradual decline to rapid deterioration with grave humanitarian, political, and security consequences. Three prospective security paths might then emerge:**

- **Chaos Leading to Partition.** With a rapid deterioration in the capacity of Iraq’s central government to function, security services and other aspects of sovereignty would collapse. Resulting widespread fighting could produce de facto partition, dividing Iraq into three mutually antagonistic parts. Collapse of this magnitude would generate fierce violence for at least several years, ranging well beyond the time frame of this Estimate, before settling into a partially stable end-state.

- **Emergence of a Shia Strongman.** Instead of a disintegrating central government producing partition, a security implosion could lead Iraq’s potentially most powerful group, the Shia, to assert its latent strength.

- **Anarchic Fragmentation of Power.** The emergence of a checkered pattern of local control would present the greatest potential for instability, mixing extreme ethno-sectarian violence with debilitating intra-group clashes.

| Iraq NIE Statement In Context  | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| Iraqi society's growing polarization, the persistent weakness of the security forces and the state in general, and all sides' ready recourse to violence are collectively driving an increase in communal and insurgent violence and political extremism.  | <b>1. There will be an increase in communal violence in Iraq in the January 2007 to July 2009 time frame.</b>  |   |
| Iraqi society's growing polarization, the persistent weakness of the security forces and the state in general, and all sides' ready recourse to violence are collectively driving an increase in communal and insurgent violence and political extremism.  | <b>2. There will be an increase in insurgent violence in Iraq in the January 2007 to July 2009 time frame.</b>   |   |
| Iraqi society's growing polarization, the persistent weakness of the security forces and the state in general, and all sides' ready recourse to violence are collectively driving an increase in communal and insurgent violence and political extremism.  | <b>3. There will be an increase in political extremism in Iraq in the January 2007 to July 2009 time frame.</b>  |   |
| Unless efforts to reverse these conditions show measurable progress during the term of this Estimate, the coming 12 to 18 months, we assess that the overall security situation will continue to deteriorate at rates comparable to the latter part of 2006.   | <b>4. The overall security situation in Iraq will deteriorate in the January 2007 to July 2009 time frame at rates comparable to the latter part of 2006.</b>                                      |   |
| If strengthened Iraqi Security Forces (ISF), more loyal to the government and supported by Coalition forces, are able to reduce levels of violence and establish more effective security for Iraq's population, Iraqi leaders could have an opportunity to begin the process of political compromise necessary for longer term stability, political progress, and economic recovery. | <b>5. Iraqi leaders will begin the process of political compromise necessary for longer term stability, political progress, and economic recovery in the January 2007 to July 2009 time frame.</b> |   |

| Iraq NIE Statement In Context   | Forecast Statement  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>Nevertheless, even if violence is diminished, given the current winner-take-all attitude and sectarian animosities infecting the political scene, Iraqi leaders will be hard pressed to achieve sustained political reconciliation in the time frame of this Estimate.</p>                 | <p><b>6. Iraqi leaders will not achieve sustained political reconciliation in the January 2007 to July 2009 time frame.</b></p>   |   |
| <p>The Kurds are moving systematically to increase their control of Kirkuk to guarantee annexation of all or most of the city and province into the Kurdistan Regional Government (KRG) after the constitutionally mandated referendum scheduled to occur no later than 31 December 2007.</p> | <p><b>7. The Kurds will increase their control of Kirkuk in the January 2007 to July 2009 time frame.</b></p>   |   |
| <p>Arab groups in Kirkuk continue to resist violently what they see as Kurdish encroachment.</p>  | <p><b>8. Arab groups in Kirkuk will resist violently what they see as Kurdish encroachment in the January 2007 to July 2009 time frame.</b></p>                             |   |
| <p>Despite real improvements, the Iraqi Security Forces (ISF)—particularly the Iraqi police—will be hard pressed in the next 12-18 months to execute significantly increased security responsibilities, and particularly to operate independently against Shia militias with success.</p>     | <p><b>9. Iraqi Security Forces (ISF) will be hard pressed in the January 2007 to July 2009 time frame to execute significantly increased security responsibilities.</b></p> |   |



| Iraq NIE Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>Despite real improvements, the Iraqi Security Forces (ISF)—particularly the Iraqi police—will be hard pressed in the next 12-18 months to execute significantly increased security responsibilities, and particularly to operate independently against Shia militias with success.</p>   | <p><b>10. Iraqi Security Forces (ISF) will be hard pressed in the January 2007 to July 2009 time frame to operate independently against Shia militias with success.</b></p> |   |
| <p>Coalition capabilities, including force levels, resources, and operations, remain an essential stabilizing element in Iraq. If Coalition forces were withdrawn rapidly during the term of this Estimate, we judge that this almost certainly would lead to a significant increase in the scale and scope of sectarian conflict in Iraq, intensify Sunni resistance to the Iraqi Government, and have adverse consequences for national reconciliation.</p> | <p><b>11. Coalition capabilities will be a stabilizing element in Iraq in the January 2007 to July 2009 time frame.</b></p>   |   |
| <p>Iraq's neighbors influence, and are influenced by, events within Iraq, but the involvement of these outside actors is not likely to be a major driver of violence or the prospects for stability because of the self-sustaining character of Iraq's internal sectarian dynamics.</p>   | <p><b>12. The involvement of outside actors will not be a major driver of violence in Iraq in the January 2007 to July 2009 time frame.</b></p>                             |   |

| Iraq NIE Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| Iraq's neighbors influence, and are influenced by, events within Iraq, but the involvement of these outside actors is not likely to be a major driver of violence or the prospects for stability because of the self-sustaining character of Iraq's internal sectarian dynamics.                        | <b>13. The involvement of outside actors will not be a major driver of stability in Iraq in the January 2007 to July 2009 time frame.</b>         |   |
| Syria continues to provide safe haven for expatriate Iraqi Bathists and to take less than adequate measures to stop the flow of foreign jihadists into Iraq   | <b>14. Syria will provide a safe haven for expatriate Iraqi Bathists in the January 2007-June 2009 time frame.</b>                                |   |
| Syria continues to provide safe haven for expatriate Iraqi Bathists and to take less than adequate measures to stop the flow of foreign jihadists into Iraq   | <b>15. Syria will take less than adequate measures to stop the flow of foreign jihadists into Iraq in the January 2007- June 2009 time frame.</b> |   |
| Turkey does not want Iraq to disintegrate and is determined to eliminate the safehaven in northern Iraq of the Kurdistan People's Congress (KGK, formerly PKK)—a Turkish Kurdish terrorist group.   | <b>16. Turkey will eliminate the safe haven in northern Iraq of the Kurdistan People's Congress in the January 2007 to July 2009 time frame.</b>  |   |
| A number of identifiable internal security and political triggering events, including sustained mass sectarian killings, assassination of major religious and political leaders, and a complete Sunni defection from the government have the potential to convulse severely Iraq's security environment | <b>17. There will be sustained mass sectarian killings in Iraq in the January 2007 to July 2009 time frame.</b>                                   |   |

| Iraq NIE Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| A number of identifiable internal security and political triggering events, including sustained mass sectarian killings, assassination of major religious and political leaders, and a complete Sunni defection from the government have the potential to convulse severely Iraq's security environment  | <b>18. Major religious leaders in Iraq will be assassinated in the January 2007 to July 2009 time frame.</b>                 |   |
| A number of identifiable internal security and political triggering events, including sustained mass sectarian killings, assassination of major religious and political leaders, and a complete Sunni defection from the government have the potential to convulse severely Iraq's security environment. | <b>19. Major political leaders in Iraq will be assassinated in the January 2007 to July 2009 time frame.</b>                 |   |
| A number of identifiable internal security and political triggering events, including sustained mass sectarian killings, assassination of major religious and political leaders, and a complete Sunni defection from the government have the potential to convulse severely Iraq's security environment, | <b>20. There will be a complete Sunni defection from the government in Iraq in the January 2007 to July 2009 time frame.</b> |   |
| Should these events take place, they could spark an abrupt increase in communal and insurgent violence and shift Iraq's trajectory from gradual decline to rapid deterioration with grave humanitarian, political, and security consequences.  | <b>21. There will be an increase in communal violence in Iraq in the January 2007-July 2009 time frame</b>                   |   |
| Should these events take place, they could spark an abrupt increase in communal and insurgent violence and shift Iraq's trajectory from gradual decline to rapid deterioration with grave humanitarian, political, and security consequences.  | <b>22. There will be an increase in insurgent violence in Iraq in the January 2007-July 2009 time frame</b>                  |   |

| Iraq NIE Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>With a rapid deterioration in the capacity of Iraq's central government to function, security services and other aspects of sovereignty would collapse. Resulting widespread fighting could produce <i>de facto</i> partition, dividing Iraq into three mutually antagonistic parts. Collapse of this magnitude would generate fierce violence for at least several years, ranging well beyond the time frame of this Estimate, before settling into a partially stable end-state.</p> | <p><b>23. Iraq's central government's capacity to function will deteriorate in the January 2007-July 2009 time frame.</b></p> |   |
| <p>With a rapid deterioration in the capacity of Iraq's central government to function, security services and other aspects of sovereignty would collapse. Resulting widespread fighting could produce <i>de facto</i> partition, dividing Iraq into three mutually antagonistic parts. Collapse of this magnitude would generate fierce violence for at least several years, ranging well beyond the time frame of this Estimate, before settling into a partially stable end-state.</p> | <p><b>24. Iraq's security services will collapse in the January 2007-July 2009 time frame.</b></p>                            |   |

| Iraq NIE Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>With a rapid deterioration in the capacity of Iraq's central government to function, security services and other aspects of sovereignty would collapse. Resulting widespread fighting could produce <i>de facto</i> partition, dividing Iraq into three mutually antagonistic parts. Collapse of this magnitude would generate fierce violence for at least several years, ranging well beyond the time frame of this Estimate, before settling into a partially stable end-state.</p> | <p><b>25. There will be widespread fighting in Iraq in the January 2007-July 2009 time frame.</b></p>     |   |
| <p>With a rapid deterioration in the capacity of Iraq's central government to function, security services and other aspects of sovereignty would collapse. Resulting widespread fighting could produce <i>de facto</i> partition, dividing Iraq into three mutually antagonistic parts. Collapse of this magnitude would generate fierce violence for at least several years, ranging well beyond the time frame of this Estimate, before settling into a partially stable end-state.</p> | <p><b>26. Iraq will be divided into three parts in the January 2007-July 2009 time frame.</b></p>         |   |
| <p>Instead of a disintegrating central government producing partition, a security implosion could lead Iraq's potentially most powerful group, the Shia, to assert its latent strength.</p>   | <p><b>27. Iraq's Shia will assert their latent strength in the January 2007-July 2009 time frame.</b></p> |   |

| Iraq NIE Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>The emergence of a checkered pattern of local control would present the greatest potential for instability, mixing extreme ethno-sectarian violence with debilitating intra-group clashes.</p> | <p><b>28. There will be a checkered pattern of local control in Iraq in the January 2007-July 2009 time frame.</b></p> |   |
| <p>The emergence of a checkered pattern of local control would present the greatest potential for instability, mixing extreme ethno-sectarian violence with debilitating intra-group clashes.</p> | <p><b>29. There will be ethno-sectarian violence in Iraq in the January 2007-July 2009 time frame.</b></p>             |   |
| <p>The emergence of a checkered pattern of local control would present the greatest potential for instability, mixing extreme ethno-sectarian violence with debilitating intra-group clashes.</p> | <p><b>30. There will be intra-group clashes in Iraq in the January 2007-July 2009 time frame.</b></p>                  |   |

## **NIE #2: Declassified Key Judgments of the National Intelligence Estimate “Trends in Global Terrorism: Implications for the United States” dated April 2006**

### **Key Judgments**

United States-led counterterrorism efforts have seriously damaged the leadership of al-Qa’ida and disrupted its operations; however, we judge that al-Qa’ida will continue to pose the greatest threat to the Homeland and US interests abroad by a single terrorist organization. We also assess that the global jihadist movement—which includes al-Qa’ida, affiliated and independent terrorist groups, and emerging networks and cells—is spreading and adapting to counterterrorism efforts.

- Although we cannot measure the extent of the spread with precision, a large body of all-source reporting indicates that activists identifying themselves as jihadists, although a small percentage of Muslims, are increasing in both number and geographic dispersion.
- If this trend continues, threats to US interests at home and abroad will become more diverse, leading to increasing attacks worldwide.
- Greater pluralism and more responsive political systems in Muslim majority nations would alleviate some of the grievances jihadists exploit. Over time, such progress, together with sustained, multifaceted programs targeting the vulnerabilities of the jihadist movement and continued pressure on al-Qa’ida, could erode support for the jihadists.

We assess that the global jihadist movement is decentralized, lacks a coherent global strategy, and is becoming more diffuse. New jihadist networks and cells, with anti-American agendas, are increasingly likely to emerge. The confluence of shared purpose and dispersed actors will make it harder to find and undermine jihadist groups.

- We assess that the operational threat from self-radicalized cells will grow in importance to US counterterrorism efforts, particularly abroad but also in the Homeland.
- The jihadists regard Europe as an important venue for attacking Western interests. Extremist networks inside the extensive Muslim diasporas in Europe facilitate recruitment and staging for urban attacks, as illustrated by the 2004 Madrid and 2005 London bombings.

We assess that the Iraq jihad is shaping a new generation of terrorist leaders and operatives; perceived jihadist success there would inspire more fighters to continue the struggle elsewhere.

- The Iraq conflict has become the cause célèbre for jihadists, breeding a deep resentment of US involvement in the Muslim world and cultivating supporters for the global jihadist movement. Should jihadists leaving Iraq perceive themselves, and be perceived, to have failed, we judge fewer fighters will be inspired to carry on the fight.

We assess that the underlying factors fueling the spread of the movement outweigh its vulnerabilities and are likely to do so for the duration of the timeframe of this Estimate.

- Four underlying factors are fueling the spread of the jihadist movement: (1) Entrenched grievances, such as corruption, injustice, and fear of Western domination, leading to anger, humiliation, and a sense of powerlessness; (2) the Iraq jihad; (3) the slow pace of real and sustained economic, social, and political reforms in many Muslim majority nations; and (4) pervasive anti-US sentiment among most Muslims all of which jihadists exploit.

Concomitant vulnerabilities in the jihadist movement have emerged that, if fully exposed and exploited, could begin to slow the spread of the movement. They include dependence on the continuation of Muslim-related conflicts, the limited appeal of the jihadists, radical ideology, the emergence of respected voices of moderation, and criticism of the violent tactics employed against mostly Muslim citizens.

- The jihadists' greatest vulnerability is that their ultimate political solution -- an ultra-conservative interpretation of *shari'a*-based governance spanning the Muslim world -- is unpopular with the vast majority of Muslims. Exposing the religious and political straitjacket that is implied by the jihadists' propaganda would help to divide them from the audiences they seek to persuade.
- Recent condemnations of violence and extremist religious interpretations by a few notable Muslim clerics signal a trend that could facilitate the growth of a constructive alternative to jihadist ideology: peaceful political activism. This also could lead to the consistent and dynamic participation of broader Muslim communities in rejecting violence, reducing the ability of radicals to capitalize on passive community support. In this way, the Muslim mainstream emerges as the most powerful weapon in the war on terror.
- Countering the spread of the jihadist movement will require coordinated multilateral efforts that go well beyond operations to capture or kill terrorist leaders.

If democratic reform efforts in Muslim majority nations progress over the next five years, political participation probably would drive a wedge between intransigent extremists and groups willing to use the political process to achieve their local objectives. Nonetheless, attendant reforms and potentially destabilizing transitions will create new opportunities for jihadists to exploit.

Al-Qa'ida, now merged with Abu Mus'ab al-Zarqawi's network, is exploiting the situation in Iraq to attract new recruits and donors and to maintain its leadership role.



- The loss of key leaders, particularly Usama Bin Ladin, Ayman al-Zawahiri, and al-Zarqawi, in rapid succession, probably would cause the group to fracture into smaller groups. Although like-minded individuals would endeavor to carry on the mission, the loss of these key leaders would exacerbate strains and disagreements. We assess that the resulting splinter groups would, at least for a time, pose a less serious threat to US interests than does al-Qa'ida.
- Should al-Zarqawi continue to evade capture and scale back attacks against Muslims, we assess he could broaden his popular appeal and present a global threat.
- The increased role of Iraqis in managing the operations of al-Qa'ida in Iraq might lead veteran foreign jihadists to focus their efforts on external operations.

Other affiliated Sunni extremist organizations, such as Jemaah Islamiya, Ansar al-Sunnah, and several North African groups, unless countered, are likely to expand their reach and become more capable of multiple and/or mass-casualty attacks outside their traditional areas of operation.

- We assess that such groups pose less of a danger to the Homeland than does al-Qa'ida but will pose varying degrees of threat to our allies and to US interests abroad. The focus of their attacks is likely to ebb and flow between local regime targets and regional or global ones.

We judge that most jihadist groups -- both well-known and newly formed -- will use improvised explosive devices and suicide attacks focused primarily on soft targets to implement their asymmetric warfare strategy, and that they will attempt to conduct sustained terrorist attacks in urban environments. Fighters with experience in Iraq are a potential source of leadership for jihadists pursuing these tactics.

- CBRN capabilities will continue to be sought by jihadist groups.

While Iran, and to a lesser extent Syria, remain the most active state sponsors of terrorism, many other states will be unable to prevent territory or resources from being exploited by terrorists.

Anti-US and anti-globalization sentiment is on the rise and fueling other radical ideologies. This could prompt some leftist, nationalist, or separatist groups to adopt terrorist methods to attack US interests. The radicalization process is occurring more quickly, more widely, and more anonymously in the Internet age, raising the likelihood of surprise attacks by unknown groups whose members and supporters may be difficult to pinpoint.

- We judge that groups of all stripes will increasingly use the Internet to communicate, propagandize, recruit, train, and obtain logistical and financial support.

| Global Terrorism NIE Statement In Context   | Forecast Statement  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>United States-led counterterrorism efforts have seriously damaged the leadership of al-Qa'ida and disrupted its operations; however, we judge that al-Qa'ida will continue to pose the greatest threat to the Homeland and US interests abroad by a single terrorist organization.</p> | <p><b>31. Al-Qa'ida will pose the greatest threat to the Homeland by a single terrorist organization during the April 2006 to April 2007 timeframe.</b></p>       |   |
| <p>United States-led counterterrorism efforts have seriously damaged the leadership of al-Qa'ida and disrupted its operations; however, we judge that al-Qa'ida will continue to pose the greatest threat to the Homeland and US interests abroad by a single terrorist organization.</p> | <p><b>32. Al-Qa'ida will pose the greatest threat to US interests abroad by a single terrorist organization during the April 2006 to April 2007 timeframe</b></p> |   |
| <p>We also assess that the global jihadist movement—which includes al-Qa'ida, affiliated and independent terrorist groups, and emerging networks and cells—is spreading and adapting to counterterrorism efforts.</p>   | <p><b>33. The global jihadist movement will spread and adapt to counterterrorism efforts during the April 2006 to April 2007 timeframe.</b></p>                   |   |
| <p>Although we cannot measure the extent of the spread with precision, a large body of all-source reporting indicates that activists identifying themselves as jihadists, although a small percentage of Muslims, are increasing in both number and geographic dispersion.</p>            | <p><b>34. Activists identifying themselves as jihadists will increase in number during the April 2006 to April 2007 timeframe.</b></p>                            |   |
| <p>Although we cannot measure the extent of the spread with precision, a large body of all-source reporting indicates that activists identifying themselves as jihadists, although a small percentage of Muslims, are increasing in both number and geographic dispersion.</p>            | <p><b>35. Activists identifying themselves as jihadists will increase in geographic dispersion during the April 2006 to April 2007 timeframe.</b></p>             |   |

| Global Terrorism NIE Statement In Context   | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>Greater pluralism and more responsive political systems in Muslim majority nations would alleviate some of the grievances jihadists exploit. Over time, such progress, together with sustained, multifaceted programs targeting the vulnerabilities of the jihadist movement and continued pressure on al-Qa'ida, could erode support for the jihadists.</p> | <p><b>36. There will be greater pluralism in Muslim majority nations during the April 2006 to April 2007 timeframe.</b></p>  |   |
| <p>Greater pluralism and more responsive political systems in Muslim majority nations would alleviate some of the grievances jihadists exploit. Over time, such progress, together with sustained, multifaceted programs targeting the vulnerabilities of the jihadist movement and continued pressure on al-Qa'ida, could erode support for the jihadists.</p> | <p><b>37. There will be more responsive political systems in Muslim majority nations during the April 2006 to April 2007 timeframe.</b></p>                            |   |
| <p>Greater pluralism and more responsive political systems in Muslim majority nations would alleviate some of the grievances jihadists exploit. Over time, such progress, together with sustained, multifaceted programs targeting the vulnerabilities of the jihadist movement and continued pressure on al-Qa'ida, could erode support for the jihadists.</p> | <p><b>38. Some of the grievances jihadists exploit will be alleviated in Muslim majority nations during the April 2006 to April 2007 timeframe.</b></p>                |   |
| <p>Greater pluralism and more responsive political systems in Muslim majority nations would alleviate some of the grievances jihadists exploit. Over time, such progress, together with sustained, multifaceted programs targeting the vulnerabilities of the jihadist movement and continued pressure on al-Qa'ida, could erode support for the jihadists.</p> | <p><b>39. There will be sustained, multifaceted programs targeting the vulnerabilities of the jihadist movement during the April 2006 to April 2007 timeframe.</b></p> |   |

| Global Terrorism NIE Statement In Context   | Forecast Statement  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>Greater pluralism and more responsive political systems in Muslim majority nations would alleviate some of the grievances jihadists exploit. Over time, such progress, together with sustained, multifaceted programs targeting the vulnerabilities of the jihadist movement and continued pressure on al-Qa'ida, could erode support for the jihadists.</p> | <p><b>40. There will be continued pressure on al-Qa'ida during the April 2006 to April 2007 timeframe.</b></p>                            |   |
| <p>Greater pluralism and more responsive political systems in Muslim majority nations would alleviate some of the grievances jihadists exploit. Over time, such progress, together with sustained, multifaceted programs targeting the vulnerabilities of the jihadist movement and continued pressure on al-Qa'ida, could erode support for the jihadists.</p> | <p><b>41. Support for the jihadists will erode during the April 2006 to April 2007 timeframe.</b></p>                                     |   |
| <p>We assess that the global jihadist movement is decentralized, lacks a coherent global strategy, and is becoming more diffuse.</p>  | <p><b>42. The global jihadist movement will be more diffuse during the April 2006 to April 2007 timeframe.</b></p>                        |   |
| <p>New jihadist networks and cells, with anti-American agendas, are increasingly likely to emerge.</p>  | <p><b>43. New jihadist networks and cells, with anti-American agendas, will emerge during the April 2006 to April 2007 timeframe.</b></p> |   |
| <p>The confluence of shared purpose and dispersed actors will make it harder to find and undermine jihadist groups.</p>   | <p><b>44. It will be harder to find jihadist groups with anti-American agendas during the April 2006 to April 2007 timeframe.</b></p>     |   |

| Global Terrorism NIE Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| The confluence of shared purpose and dispersed actors will make it harder to find and undermine jihadist groups.  | <b>45. It will be harder to undermine jihadist groups with anti-American agendas during the April 2006 to April 2007 timeframe.</b>   |   |
| We assess that the operational threat from self-radicalized cells will grow in importance to US counterterrorism efforts, particularly abroad but also in the Homeland.                         | <b>46. The operational threat from self-radicalized cells will grow in importance to US counterterrorism efforts abroad during the April 2006 to April 2007 timeframe.</b>          |   |
| We assess that the operational threat from self-radicalized cells will grow in importance to US counterterrorism efforts, particularly abroad but also in the Homeland.                         | <b>47. The operational threat from self-radicalized cells will grow in importance to US counterterrorism efforts in the Homeland during the April 2006 to April 2007 timeframe.</b> |   |
| We assess that the Iraq jihad is shaping a new generation of terrorist leaders and operatives; perceived jihadist success there would inspire more fighters to continue the struggle elsewhere. | <b>48. The Iraq jihad will shape a new generation of terrorist leaders and operatives during the April 2006 to April 2007 timeframe.</b>  |   |
| We assess that the underlying factors fueling the spread of the movement outweigh its vulnerabilities and are likely to do so for the duration of the timeframe of this Estimate.               | <b>49. The Iraq jihadist movement will spread during the April 2006 to April 2007 timeframe.</b>  |   |

| Global Terrorism NIE Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>Concomitant vulnerabilities in the jihadist movement have emerged that, if fully exposed and exploited, could begin to slow the spread of the movement. They include dependence on the continuation of Muslim-related conflicts, the limited appeal of the jihadists, radical ideology, the emergence of respected voices of moderation, and criticism of the violent tactics employed against mostly Muslim citizens.</p> | <p><b>50. The spread of Iraq jihadist movement will begin to slow during the April 2006 to April 2007 timeframe.</b></p> |   |
| <p>Concomitant vulnerabilities in the jihadist movement have emerged that, if fully exposed and exploited, could begin to slow the spread of the movement. They include dependence on the continuation of Muslim-related conflicts, the limited appeal of the jihadists, radical ideology, the emergence of respected voices of moderation, and criticism of the violent tactics employed against mostly Muslim citizens.</p> | <p><b>51. Muslim related conflicts will continue during the April 2006 to April 2007 timeframe.</b></p>                  |   |
| <p>Concomitant vulnerabilities in the jihadist movement have emerged that, if fully exposed and exploited, could begin to slow the spread of the movement. They include dependence on the continuation of Muslim-related conflicts, the limited appeal of the jihadists, radical ideology, the emergence of respected voices of moderation, and criticism of the violent tactics employed against mostly Muslim citizens.</p> | <p><b>52. Respected Muslim voices of moderation will emerge during the April 2006 to April 2007 timeframe.</b></p>       |   |

| Global Terrorism NIE Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>Concomitant vulnerabilities in the jihadist movement have emerged that, if fully exposed and exploited, could begin to slow the spread of the movement. They include dependence on the continuation of Muslim-related conflicts, the limited appeal of the jihadists, radical ideology, the emergence of respected voices of moderation, and criticism of the violent tactics employed against mostly Muslim citizens.</p> | <p><b>53. There will be Muslim criticism of violent tactics employed against mostly Muslim citizens during the April 2006 to April 2007 timeframe.</b></p> |   |
| <p>Recent condemnations of violence and extremist religious interpretations by a few notable Muslim clerics signal a trend that could facilitate the growth of a constructive alternative to jihadist ideology: peaceful political activism.</p>  | <p><b>54. Peaceful political activism in Iraq will grow during the April 2006 to April 2007 timeframe.</b></p>   |   |
| <p>This also could lead to the consistent and dynamic participation of broader Muslim communities in rejecting violence, reducing the ability of radicals to capitalize on passive community support. In this way, the Muslim mainstream emerges as the most powerful weapon in the war on terror.</p>  | <p><b>55. Broader Iraqi Muslim communities will reject jihadist violence during the April 2006 to April 2007 timeframe.</b></p>                            |   |
| <p>This also could lead to the consistent and dynamic participation of broader Muslim communities in rejecting violence, reducing the ability of radicals to capitalize on passive community support. In this way, the Muslim mainstream emerges as the most powerful weapon in the war on terror.</p>  | <p><b>56. The Muslim mainstream will emerge as the most powerful weapon in the war on terror during the April 2006 to April 2007 timeframe.</b></p>        |   |

| Global Terrorism NIE Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| <p>If democratic reform efforts in Muslim majority nations progress over the next five years, political participation probably would drive a wedge between intransigent extremists and groups willing to use the political process to achieve their local objectives.</p>  | <p><b>57. There will be progress in democratic reform efforts in Muslim majority nations during the April 2006 to April 2007 timeframe.</b></p>  |   |
| <p>If democratic reform efforts in Muslim majority nations progress over the next five years, political participation probably would drive a wedge between intransigent extremists and groups willing to use the political process to achieve their local objectives.</p>  | <p><b>58. A wedge will be driven in Muslim majority nations between intransigent extremists and groups willing to use the political process to achieve their local objectives during the April 2006 to April 2007 timeframe.</b></p> |   |
| <p>If democratic reform efforts in Muslim majority nations progress over the next five years, political participation probably would drive a wedge between intransigent extremists and groups willing to use the political process to achieve their local objectives. Nonetheless, attendant reforms and potentially destabilizing transitions will create new opportunities for jihadists to exploit.</p> | <p><b>59. There will be destabilizing transitions to democratic reform in Muslim majority nations during the April 2006 to April 2007 timeframe.</b></p>   |   |
| <p>Nonetheless, attendant reforms and potentially destabilizing transitions will create new opportunities for jihadists to exploit.</p>  | <p><b>60. There will be new opportunities for jihadists to exploit during the April 2006 to April 2007 timeframe.</b></p>  |   |



| Global Terrorism NIE Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>The focus of their attacks is likely to ebb and flow between local regime targets and regional or global ones.</p>   | <p><b>61. Attacks by Sunni extremist organizations, such as Jemaah Islamiya, Ansar al-Sunnah, and several North African groups will ebb and flow between local regime targets and regional or global ones during the April 2006 to April 2007 timeframe.</b></p> |   |
| <p>We judge that most jihadist groups -- both well-known and newly formed -- will use improvised explosive devices and suicide attacks focused primarily on soft targets to implement their asymmetric warfare strategy, and that they will attempt to conduct sustained terrorist attacks in urban environments. Fighters with experience in Iraq are a potential source of leadership for jihadists pursuing these tactics.</p> | <p><b>62. Most jihadist groups will use improvised explosive devices focused primarily on soft targets during the April 2006 to April 2007 time frame.</b></p>   |   |
| <p>We judge that most jihadist groups -- both well-known and newly formed -- will use improvised explosive devices and suicide attacks focused primarily on soft targets to implement their asymmetric warfare strategy, and that they will attempt to conduct sustained terrorist attacks in urban environments. Fighters with experience in Iraq are a potential source of leadership for jihadists pursuing these tactics.</p> | <p><b>63. Most jihadist groups will use suicide attacks focused primarily on soft targets during the April 2006 to April 2007 time frame.</b></p>  |   |

| Global Terrorism NIE Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>We judge that most jihadist groups -- both well-known and newly formed -- will use improvised explosive devices and suicide attacks focused primarily on soft targets to implement their asymmetric warfare strategy, and that they will attempt to conduct sustained terrorist attacks in urban environments. Fighters with experience in Iraq are a potential source of leadership for jihadists pursuing these tactics.</p> | <p><b>64. Most jihadist groups will attempt to conduct sustained terrorist attacks in urban environments during the April 2006 to April 2007 time frame.</b></p>                          |   |
| <p>We judge that most jihadist groups -- both well-known and newly formed -- will use improvised explosive devices and suicide attacks focused primarily on soft targets to implement their asymmetric warfare strategy, and that they will attempt to conduct sustained terrorist attacks in urban environments. Fighters with experience in Iraq are a potential source of leadership for jihadists pursuing these tactics.</p> | <p><b>65. Fighters with experience in Iraq will be a source of leadership for jihadists groups using improvised explosive devices during the April 2006 to April 2007 time frame.</b></p> |   |
| <p>We judge that most jihadist groups -- both well-known and newly formed -- will use improvised explosive devices and suicide attacks focused primarily on soft targets to implement their asymmetric warfare strategy, and that they will attempt to conduct sustained terrorist attacks in urban environments. Fighters with experience in Iraq are a potential source of leadership for jihadists pursuing these tactics.</p> | <p><b>66. Fighters with experience in Iraq will be a source of leadership for jihadists groups using suicide attacks during the April 2006 to April 2007 time frame.</b></p>              |   |

| Global Terrorism NIE Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>We judge that most jihadist groups -- both well-known and newly formed -- will use improvised explosive devices and suicide attacks focused primarily on soft targets to implement their asymmetric warfare strategy, and that they will attempt to conduct sustained terrorist attacks in urban environments. Fighters with experience in Iraq are a potential source of leadership for jihadists pursuing these tactics.</p> | <p><b>67. Fighters with experience in Iraq will be a source of leadership for sustained terrorist attacks in urban environments during the April 2006 to April 2007 time frame.</b></p> |   |
| <p>CBRN capabilities will continue to be sought by jihadist groups.</p>   | <p><b>68. CBRN capabilities will be sought by Iraqi jihadist groups during the April 2006 to April 2007 time frame.</b></p>   |   |
| <p>While Iran, and to a lesser extent Syria, remain the most active state sponsors of terrorism, many other states will be unable to prevent territory or resources from being exploited by terrorists.</p>   | <p><b>69. Iran will be the most active state sponsor of terrorism during the April 2006 to April 2007 time frame.</b></p>   |   |
| <p>While Iran, and to a lesser extent Syria, remain the most active state sponsors of terrorism, many other states will be unable to prevent territory or resources from being exploited by terrorists.</p>   | <p><b>70. Syria, to a lesser extent than Iran, will be an active state sponsor of terrorism during the April 2006 to April 2007 time frame.</b></p>                                     |   |
| <p>While Iran, and to a lesser extent Syria, remain the most active state sponsors of terrorism, many other states will be unable to prevent territory or resources from being exploited by terrorists.</p>   | <p><b>71. Many states beyond Iran and Syria will be unable to prevent territory and resources from being exploited by terrorists in the April 2006 to April 2007 time frame.</b></p>    |   |

| Global Terrorism NIE Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|--|---|---|
| <p>Anti-US and anti-globalization sentiment is on the rise and fueling other radical ideologies. This could prompt some leftist, nationalist, or separatist groups to adopt terrorist methods to attack US interests. The radicalization process is occurring more quickly, more widely, and more anonymously in the Internet age, raising the likelihood of surprise attacks by unknown groups whose members and supporters may be difficult to pinpoint.</p> | <p><b>72. Anti-US sentiment will rise during the April 2006 to April 2007 time frame.</b></p>   |   |
| <p>Anti-US and anti-globalization sentiment is on the rise and fueling other radical ideologies. This could prompt some leftist, nationalist, or separatist groups to adopt terrorist methods to attack US interests. The radicalization process is occurring more quickly, more widely, and more anonymously in the Internet age, raising the likelihood of surprise attacks by unknown groups whose members and supporters may be difficult to pinpoint.</p> | <p><b>73. Anti-globalization sentiment will rise during the April 2006 to April 2007 time frame.</b></p>  |   |
| <p>Anti-US and anti-globalization sentiment is on the rise and fueling other radical ideologies. This could prompt some leftist, nationalist, or separatist groups to adopt terrorist methods to attack US interests. The radicalization process is occurring more quickly, more widely, and more anonymously in the Internet age, raising the likelihood of surprise attacks by unknown groups whose members and supporters may be difficult to pinpoint.</p> | <p><b>74. Some leftist, nationalist, or separatist groups will adopt terrorist methods to attack US interests during the April 2006 to April 2007 time frame.</b></p> |   |

| Global Terrorism NIE Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| <p>Anti-US and anti-globalization sentiment is on the rise and fueling other radical ideologies. This could prompt some leftist, nationalist, or separatist groups to adopt terrorist methods to attack US interests. The radicalization process is occurring more quickly, more widely, and more anonymously in the Internet age, raising the likelihood of surprise attacks by unknown groups whose members and supporters may be difficult to pinpoint.</p> | <p><b>75. There will be surprise terrorist attacks by unknown groups during the April 2006 to April 2007 time frame.</b></p> |   |
| <p>We judge that groups of all stripes will increasingly use the Internet to communicate, propagandize, recruit, train, and obtain logistical and financial support.</p>   | <p><b>76. Terrorist groups will increase their use of the Internet during the April 2006 to April 2007 time frame.</b></p>   |   |

Thank you very much for assisting our study.

*OPTIONAL: Please provide any comments you would like on this exercise.*

# Reader Instructions: Group 4

## INSTRUCTIONS

We are studying how people interpret analytic forecasts.

To assist us with this study we ask that you imagine you are supporting a policy maker who insists on probabilistic forecasts as an input for his or her decision process. By probabilistic forecasts, we mean future events expressed as numerical likelihoods of occurrence (e.g., instead of words, forecasts that are presented as a 10% likelihood, 75% likelihood, etc.).

You have been given the following task

- Read the following 2 forecasting reports
- Translate the forecast event statements in each report into a probabilistic forecast.

Of course you raise several objections to this tasking, but you are simply told to “do it.” The only information you are provided is a list of forecast event statements and the report from which they were drawn.

**10. Please read each report**

**11. Review the forecast event statements listed below each report**

**12. Assign each event a numeric probability that represents YOUR INTERPRETATION of how probable it is -- from the AUTHOR'S PERSPECTIVE – that an event will occur.**

***GUIDANCE:*** The probability you assign to each forecast is your interpretation of the author's intent. Refer to the entire report to arrive at your interpretation of author intent.

Assigning a probability of 50% means that you think that the author thought the statement was as likely to occur as a head or tail when flipping a fair coin. Assigning a probability of 20% means that you think the author thought the statement has a 20% chance of happening, or to state it differently, an 80% chance of not happening.

## Stratfor's Text for 2011 "Sudan" Forecast

A referendum on Southern Sudanese independence takes place in January. However, if the referendum passes, the south cannot declare independence until July. Thus, Southern Sudan will be in a period of legal limbo for the first half of the year. These months will be defined by extremely contentious negotiations between north and south, centered primarily on oil revenue sharing. Khartoum will grudgingly accept the results of the referendum, and both sides will criticize each other for improprieties during the voter registration period and polling.

The south knows it must placate Khartoum in the short term, and it will be forced to make concessions on its share of oil revenues during the negotiations. Juba will also seek to discuss other options for oil exports in the future during the year, with Uganda and Kenya playing a significant role in those talks. However, any new pipeline is at least a decade away. This will reinforce Khartoum and Juba's mutual dependency in 2011.



| Stratfor Sudan Statement In Context  | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| 1. A referendum on Southern Sudanese independence takes place in January. However, if the referendum passes, the south cannot declare independence until July. | <b>1.2 The independence referendum will pass in Jan-Feb 2011.</b>  |   |
|  | <b>1.3 Southern Sudan will declare its independence in July 2011</b>   |   |
| 2. Thus, Southern Sudan will be in a period of legal limbo for the first half of the year.   | <b>2.1 Southern Sudan will be in legal limbo for the first half of the 2011.</b>   |   |
| 3. These months will be defined by extremely contentious negotiations between north and south, centered primarily on oil revenue sharing.                      | <b>3.1 There will be extremely contentious negotiations between northern and southern Sudan from February through June, 2011</b>               |   |
|  | <b>3.2 There will be negotiations between northern and southern Sudan from Feb. through June 2011 that will center on oil revenue sharing.</b> |   |

| Stratfor Sudan Statement In Context  | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| 4. Khartoum will grudgingly accept the results of the referendum, and both sides will criticize each other for improprieties during the voter registration period and polling. | <b>4.1 Khartoum will grudgingly accept the results of the Southern Sudan referendum by July 1, 2011.</b>   |   |
|  | <b>4.2 Northern and Southern Sudan will criticize each other between Feb. and July 1, 2011 for improprieties during the voter registration period and polling.</b> |   |
| 5. The south knows it must placate Khartoum in the short term, and it will be forced to make concessions on its share of oil revenues during the negotiations.                 | <b>5.2 Southern Sudan will make concessions on its share of oil revenues during the negotiations with the North before July 1, 2011.</b>                           |   |
| 6. Juba will also seek to discuss other options for oil exports in the future during the year, with Uganda and Kenya playing a significant role in those talks.                | <b>6.1 During 2011, Southern Sudan will discuss options for future oil exports with Uganda.</b>  |   |

| Stratfor Sudan Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
|  | <b>6.2 During 2011, Juba will discuss options for future oil exports with Kenya.</b> |   |
| 7. However, any new pipeline is at least a decade away. This will reinforce Khartoum and Juba's mutual dependency in 2011. | <b>7.1 There will be a new oil pipeline out of Southern Sudan before 2021.</b>       |   |
|  | <b>7.2 There will be a mutual dependency between Khartoum and Juba in 2011.</b>      |   |

| Stratfor Sudan Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| 8. The northern and southern Sudanese governments will maintain a heightened military alert on the border, and small clashes are not unexpected                                 | <b>8.1 The northern and southern Sudanese governments will maintain a heightened military alert on the border during 2011.</b> |   |
|   | <b>8.2 There will be small clashes along the northern and southern Sudanese border during 2011.</b>                            |   |
| 9. Minor provocations on either side could spark a larger conflict, and while neither side's leadership wants this to happen, Sudan will be an especially tense place all year. | <b>9.1 There will be minor provocations between northern and southern Sudan in 2011.</b>                                       |   |
|   | <b>9.2 Northern Sudan's leadership will want a larger conflict with southern Sudan in 2011.</b>                                |   |

| Iraq NIE Statement In Context | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|-------------------------------|---|---|
|                               | 9.3 Southern Sudan's leadership will want a larger conflict with Northern Sudan in 2011.                          |   |
|                               | 9.4 There will be a conflict between northern and southern Sudan that is larger than a minor provocation in 2011. |   |
|                               | 9.5 Sudan will be a tense place during 2011.  |   |

## Stratfor's Text for 2011 "South Africa" Forecast

South Africa will carry into 2011 a predominantly cooperative relationship with countries in the southern African region, notably Angola. Pretoria will use that cooperation to gain regional influence. Negotiations with Angola over energy and investment deals agreed to in principle during Angolan President Eduardo dos Santos' visit to South Africa at the end of 2010 will continue during the first half of 2011, with both governments sorting through the details of — and inserting controls over — this cooperation. Relations between the two governments will be superficially friendly, but privately guarded and dealt with largely through the presidents' personal envoys.

| Stratfor South Africa Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>1. South Africa will carry into 2011 a predominantly cooperative relationship with countries in the southern African region, notably Angola. Pretoria will use that cooperation to gain regional influence.</p>  | <p><b>1.3 South Africa will gain regional influence during 2011</b></p>   |   |
| <p>2. Negotiations with Angola over energy and investment deals agreed to in principle during Angolan President Eduardo dos Santos' visit to South Africa at the end of 2010 will continue during the first half of 2011, with both governments sorting through the details of — and inserting controls over — this cooperation</p> | <p><b>2.1 There will be negotiations between South Africa and Angola during the first half of 2011 over energy deals agreed to in principle during Angolan President Eduardo dos Santos' visit to South Africa at the end of 2010 .</b></p>     |   |
|   | <p><b>2.2 There will be negotiations between South Africa and Angola during the first half of 2011 over investment deals agreed to in principle during Angolan President Eduardo dos Santos' visit to South Africa at the end of 2010 .</b></p> |   |
|   | <p><b>2.3 South Africa and Angola will insert controls during the first half of 2011 over the amount of cooperation between them.</b></p>   |   |

| Stratfor South Africa Statement In Context  | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| 3. Relations between the two governments will be superficially friendly, but privately guarded and dealt with largely through the presidents' personal envoys.  | <b>3.1 Relations between the South African and Angolan governments will be superficially friendly during 2011.</b>                                     |   |
|   | <b>3.2 Relations between the South African and Angolan governments will be privately guarded during 2011.</b>  |   |
|   | <b>3.3 Relations between the South African and Angolan governments will be dealt with largely through the presidents' personal envoys during 2011.</b> |   |
| 4. Beyond the commercial and regional influence interests Pretoria holds in Angola, the South African government will push for infrastructure development initiatives with other southern and central African countries to emerge as the dominant power in the southern half of Africa. | <b>4.2 The South African government will push for infrastructure development initiatives with other southern African countries during 2011.</b>        |   |
|   | <b>4.3 The South African government will push for infrastructure development initiatives with central African countries during 2011.</b>               |   |
|   | <b>4.4 South Africa will be the dominant power in the southern half of Africa by the end of 2011.</b>  |   |



## Stratfor's Text for 2011 "Iran & Iraq" Forecast

The most important question in the Persian Gulf is the degree to which the United States will draw down its forces in the region. The answer to this question determines the region's geopolitical reality.

Other than the United States, the greatest military power in the Persian Gulf region is Iran. Whether or not Iran acquires nuclear weapons, it is the major conventional power. Should the United States remove all effective military force in Iraq and limit its forces in Kuwait, two things would happen. First, Iraq would fall under Iranian domination. Second, the states on the Arabian Peninsula would have to accommodate the new balance of power, making concessions to Iranian interests.

Should the United States not remove its forces from the region, Iran would have the option of launching guerrilla operations against U.S. forces, using its surrogates in Iraq. That would escalate casualties in Iraq at a time when the U.S. presidential campaign would be getting under way.

The core prediction STRATFOR needs to make for the region, therefore, is whether the United States will withdraw its forces. We do not believe a withdrawal is likely in 2011. While a new Iranian-sponsored insurgency is a possibility, a dramatic shift in the balance of power due to withdrawal would be a certainty. Pressure on the United States from Saudi Arabia and its allies in Iraq not to withdraw will be heavy, so the United States will keep enough forces in Iraq to block Iran. STRATFOR expects this will lead to greater instability in Iraq, but the United States will be prepared to pay that price.

The chance of surgical strikes targeting Iranian nuclear facilities is very low, inasmuch as the Iranian response would be to attempt to block the Strait of Hormuz. While it is possible for the U.S. Navy to keep the strait clear, it cannot control the market reaction to military activity there. The consequences of failure for the global economy would be enormous and too great a risk without a much broader war designed to destroy Iran's conventional forces (naval, air and land) from the air. This could be done, but it would take many months and also run huge risks.

Given that the United States will not completely withdraw and will not launch a major military strike unless pressed by

| Stratfor Iran/Iraq Statement In Context   | Forecast Statement   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>1. The most important question in the Persian Gulf is the degree to which the United States will draw down its forces in the region. The answer to this question determines the region's geopolitical reality.</p>   | <p><b>1.2 The degree to which the U.S. draws down its forces in the Persian Gulf will determine the region's geopolitical reality in 2011.</b></p> |   |
| <p>3. Should the United States remove all effective military force in Iraq and limit its forces in Kuwait, two things would happen. First, Iraq would fall under Iranian domination. Second, the states on the Arabian Peninsula would have to accommodate the new balance of power, making concessions to Iranian interests.</p> | <p><b>3.1 The United States will remove all effective military forces in Iraq during 2011.</b></p>   |   |
|   | <p><b>3.2 The U.S. will limit its forces in Kuwait during 2011.</b></p>  |   |
|   | <p><b>3.3. Iraq will fall under Iranian domination during 2011.</b></p>  |   |
|   | <p><b>3.4 States on the Arabian Peninsula will accommodate the new balance of power during 2011.</b></p>   |   |

| Stratfor iran/Iraq Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
|   | <b>3.5 States on the Arabian Peninsula will make concessions to Iranian interests during 2011.</b>                           |   |
| 4. Should the United States not remove its forces from the region, Iran would have the option of launching guerrilla operations against U.S. forces, using its surrogates in Iraq. That would escalate casualties in Iraq at a time when the U.S. presidential campaign would be getting under way. | <b>4.1 The United States will remove its forces from the region during 2011.</b>   |   |
|   | <b>4.2 Iran will launch guerrilla operations against U.S. forces in Iraq during 2011.</b>                                    |   |
|   | <b>4.3 Iran will use its surrogates in Iraq against U.S. forces during 2011.</b>   |   |
|   | <b>4.4 U.S. casualties in Iraq will escalate during the time that the U.S. presidential campaign gets under way in 2011.</b> |   |

| Stratfor iran/Iraq Statement In Context  | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|--|--|---|
| <p>5. The core prediction STRATFOR needs to make for the region, therefore, is whether the United States will withdraw its forces. We do not believe a withdrawal is likely in 2011. While a new Iranian-sponsored insurgency is a possibility, a dramatic shift in the balance of power due to withdrawal would be a certainty.</p> | <p><b>5.2 The U.S. will withdraw its forces from the Persian Gulf region during 2011.</b></p>                    |   |
|  | <p><b>5.3 There will be an Iranian-sponsored insurgency in Iraq in 2011.</b></p>                                 |   |
|  | <p><b>5.4 There will be a dramatic shift in the balance of power in the Persian Gulf region during 2011.</b></p> |   |

| Stratfor Iran/Iraq Statement In Context   | Possible Event   | Your Interpretation of Author's Probability That Event will Occur |
|---|--|---|
| <p>6. Pressure on the United States from Saudi Arabia and its allies in Iraq not to withdraw will be heavy, so the United States will keep enough forces in Iraq to block Iran. STRATFOR expects this will lead to greater instability in Iraq, but the United States will be prepared to pay that price.</p> | <p><b>6.1 Saudi Arabia will put heavy pressure on the U.S. not to withdraw its forces from the Persian Gulf region in 2011.</b></p>                  |   |
|   | <p><b>6.2 Saudi Arabia's allies in Iraq will put heavy pressure on the U.S. not to withdraw its forces from the Persian Gulf region in 2011.</b></p> |   |
|   | <p><b>6.3 The U.S. will keep enough forces in Iraq during 2011 to block Iran.</b></p>  |   |
|   | <p><b>6.4 There will be greater instability in Iraq during 2011.</b></p>   |   |

| Stratfor Iran/Iraq Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|--|---|---|
|  | <b>6.5 The U.S. will pay the price of greater instability in Iraq during 2011.</b>                                    |   |
| 7. The chance of surgical strikes targeting Iranian nuclear facilities is very low, inasmuch as the Iranian response would be to attempt to block the Strait of Hormuz. While it is possible for the U.S. Navy to keep the strait clear, it cannot control the market reaction to military activity there. | <b>7.1 Surgical strikes targeting Iranian nuclear facilities will be made during 2011.</b>                            |   |
|  | <b>7.2 Iran will block the Strait of Hormuz in 2011.</b>  |   |
|  | <b>7.3 The U.S. Navy will keep the Strait of Hormuz clear during 2011.</b>  |   |
|  | <b>7.4 The U.S. Navy will control the market's reaction to military activity in the Strait of Hormuz during 2011.</b> |   |

| Stratfor Iran/Iraq Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|--|---|---|
| <p>8. The consequences of failure for the global economy would be enormous and too great a risk without a much broader war designed to destroy Iran's conventional forces (naval, air and land) from the air. This could be done, but it would take many months and also run huge risks.</p> | <p><b>8.1 There will be enormous consequences for the global economy during 2011.</b></p>   |   |
|  | <p><b>8.2 The U.S. will conclude in 2011 that surgical strikes against Iran's nuclear facilities are too great a risk.</b></p>                    |   |
|  | <p><b>8.3 There will be a much broader war during 2011 designed to destroy Iran's conventional forces (naval, air and land) from the air.</b></p> |   |
|  | <p><b>8.4 There will be a much broader war by the US against Iran during 2011 that will take many months.</b></p>                                 |   |
|  | <p><b>8.5 There will be a much broader war by the U.S. against Iran in 2011 that will run huge risks.</b></p>                                     |   |

| Stratfor Iran/Iraq Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|--|---|---|
| <p>9. Given that the United States will not completely withdraw and will not launch a major military strike unless pressed by unforeseen circumstances, it is likely that the United States will reach out to Iran — either the government or significant factions within it — in order to reach some sort of accommodation guaranteeing U.S. interests in the Persian Gulf and Iranian interests in Iraq.</p> | <p><b>9.1 The United States will completely withdraw from the Persian Gulf region in 2011</b></p>   |   |
|  | <p><b>9.2 The United States will launch a major military strike in the Persian Gulf region in 2011.</b></p>   |   |
|  | <p><b>9.3 The United States will be pressed by unforeseen circumstances to launch a major military strike in the Persian Gulf region in 2011.</b></p> |   |
|  |   |   |



| Stratfor Iran/Iraq Statement In Context   | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|---|---|---|
| <p>10. Given that the United States will not completely withdraw and will not launch a major military strike unless pressed by unforeseen circumstances, it is likely that the United States will reach out to Iran — either the government or significant factions within it — in order to reach some sort of accommodation guaranteeing U.S. interests in the Persian Gulf and Iranian interests in Iraq.</p> | <p><b>10.1 The United States will reach out to the Iranian government in 2011.</b></p>  |   |
|   | <p><b>10.2 The United States will reach out to significant factions within the Iranian government in 2011.</b></p>                |   |
|   | <p><b>10.3 The United States and Iran will reach an accommodation guaranteeing U.S. interest in the Persian Gulf in 2011.</b></p> |   |
|   | <p><b>10.4 The United States and Iran will reach an accommodation guaranteeing Iranian interests in Iraq in 2011.</b></p>         |   |

| Stratfor Iran/Iraq Statement In Context  | Possible Event  | Your Interpretation of Author's Probability That Event will Occur |
|--|---|---|
| 11. These talks will likely be a continuation of secret talks held in the past, and if an accommodation is reached, it might be informal in order to minimize political repercussions in both countries. | <b>11.1 The talks between the United States and Iran during 2011 will be held in secret.</b>                                    |   |
|  | <b>11.2 The accommodation reached between the U.S. and Iran in 2011 will be informal.</b>                                       |   |
|  | <b>11.3 The accommodation reached between the U.S. and Iran will have political repercussions in the United States in 2011.</b> |   |
|  | <b>11.4 The accommodation reached between the U.S. and Iran will have political repercussions in Iran in 2011.</b>              |   |

Thank you very much for assisting our study.

*OPTIONAL: Please provide any comments you would like on this exercise.*