



Highlights of [GAO-08-231T](#), testimony before the Committee on Appropriations, Subcommittee on State, Foreign Operations, and Related Programs, House of Representatives

Why GAO Did This Study

Since 2003, the Congress has obligated nearly \$400 billion for U.S. efforts in Iraq, of which about \$40 billion has supported reconstruction and stabilization efforts. Congressional oversight of this substantial investment is crucial as the Administration requests additional military and economic funds for Iraq.

This testimony summarizes the results of recent GAO audit work and proposes three areas for which continued oversight is needed: (1) progress in improving security and national reconciliation, (2) efforts to develop clear U.S. strategies, and (3) Iraqi and international contributions to economic development.

We reviewed U.S. agency documents and interviewed agency officials, including the departments of State, Defense, and Treasury; and the U.S. Agency for International Development; the UN; and the Iraqi government. We also made multiple trips to Iraq as part of this work.

What GAO Recommends

GAO reports have recommended that the Administration, in conjunction with the Iraqi government, develop clear and complete strategic plans for overall and sector specific efforts in Iraq. The agencies generally agreed on the importance of having clear strategies but provided various comments on how best to implement these strategies.

To view the full product, including the scope and methodology, click on [GAO-08-231T](#). For more information, contact Joseph A. Christoff at (202) 512-8979 or christoffj@gao.gov.

SECURING, STABILIZING, AND REBUILDING IRAQ

GAO Audits and Key Oversight Issues

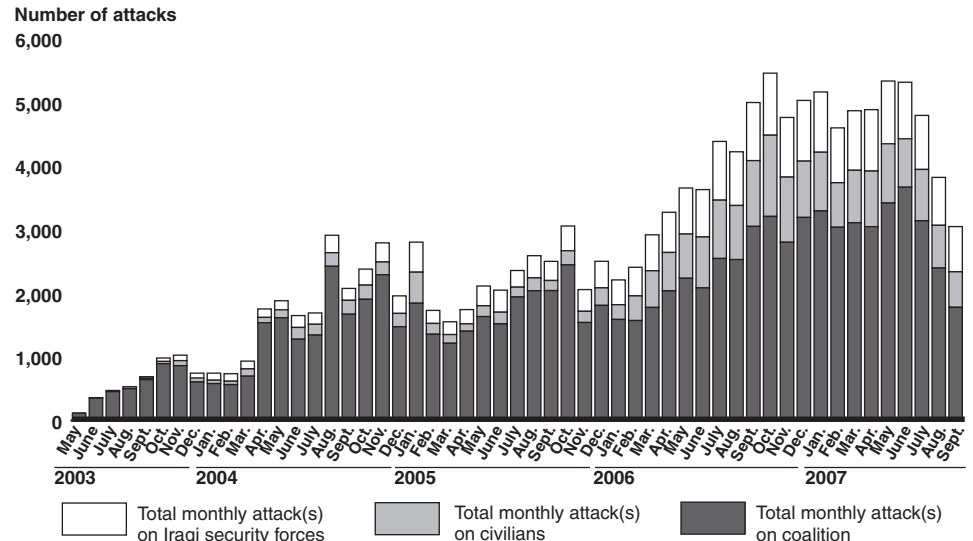
What GAO Found

Since GAO last reported in September 2007, on the status of the 18 Iraqi benchmarks, the number of enemy attacks in Iraq has declined. While political reconciliation will take time, Iraq has not yet advanced key legislation on equitably sharing oil revenues and holding provincial elections. In addition, sectarian influences within Iraqi ministries continue while militia influences divide the loyalties of Iraqi security forces.

U.S. efforts lack strategies with clear purpose, scope, roles, and performance measures. The U.S. strategy for victory in Iraq partially identifies the agencies responsible for implementing key aspects of the strategy and does not fully address how the United States would integrate its goals with those of the Iraqis and the international community. U.S. efforts to develop Iraqi ministry capability lack an overall strategy, no lead agency provides overall direction, and U.S. priorities have been subject to numerous changes. The weaknesses in U.S. strategic planning are compounded by the Iraqi government's lack of integrated strategic planning in its critical energy sector.

The U.S. strategy assumed that the Iraqis and international community would help finance Iraq's reconstruction. However, the Iraqi government has limited capacity to spend reconstruction funds. For example, Iraq allocated \$10 billion of its revenues for capital projects and reconstruction in 2007. However, a large portion of this amount is unlikely to be spent, as ministries had spent only 24 percent of their capital budgets through mid-July 2007. Iraq has proposed spending only \$4 billion for capital projects in 2008, a significant reduction from 2007. The international community has pledged \$15.6 billion for reconstruction efforts in Iraq, but about \$11 billion of this is in the form of loans.

Enemy-Initiated Attacks May 2003 through September 2007



Source: GAO analysis of DIA-reported Multi-National Force-Iraq data, September 2007.