



Highlights of [GAO-05-872](#), a report to Congressional Committees

Why GAO Did This Study

After security conditions in Iraq began to deteriorate in June 2003, the U.S.-led Coalition Provisional Authority (CPA) included restoring essential services in Iraq, such as water and sanitation, as part of its strategy for establishing a secure, peaceful, and democratic Iraq. From 1991 to 2003, a decreasing number of Iraqis had access to safe drinking water and sanitation services, and water-borne disease rates rose. The United States has made available \$2.6 billion for rebuilding the water and sanitation sector.

As part of GAO's review of Iraq reconstruction under the Comptroller General's authority, we assessed U.S. activities in the water and sanitation sector, including (1) the funding and status of U.S. activities, (2) U.S. efforts to measure progress, (3) the factors affecting the implementation of reconstruction activities, and (4) the sustainability of U.S.-funded projects.

What GAO Recommends

We recommend that the Secretary of State (1) establish and monitor improved indicators and measures that assess how U.S. efforts are improving water and sanitation services in Iraq and (2) work with Iraqi ministries to assess and obtain the resources needed to operate and maintain facilities. State agreed with our findings and recommendations and stated that it has begun taking steps to implement them.

www.gao.gov/cgi-bin/getrpt?GAO-05-872.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph Christoff at (202) 512-8979 or christoffj@gao.gov.

REBUILDING IRAQ

U.S. Water and Sanitation Efforts Need Improved Measures for Assessing Impact and Sustained Resources for Maintaining Facilities

What GAO Found

The United States has made some progress in rebuilding Iraq's water and sanitation sector. As of July 2005, State had allocated \$2.6 billion; of this amount, agencies had obligated \$1.8 billion and disbursed an estimated \$450 million, mostly to support large-scale water and wastewater treatment projects. In addition, about \$384 million in Iraqi and international funds had been obligated for the sector—about 21 percent of U.S. obligations. As of June 2005, 18 of 54 task orders for projects under five major U.S. contracts had been completed. For example, USAID's contractor repaired six sewage treatment plants, two water treatment plants, and an urban water supply in southern Iraq.

State has set broad goals for providing essential services in Iraq, but the lack of sound performance data and measures for the water and sanitation sector present challenges in determining the impact of U.S. projects. State's ability to measure the provision of essential services, such as access to water and sanitation, is limited by a lack of water metering and measures of water quality in Iraq. In the absence of such measures, State tracks the number of projects started and completed, but State was unable to substantiate which projects were included in its reported numbers. Moreover, because these data do not measure the availability or quality of water and sanitation services, it is difficult to determine how U.S. efforts are contributing to the goal of improving access to essential services. However, USAID-funded surveys report that Iraqis experience low levels of access and satisfaction with water and sanitation services. These surveys demonstrate the potential for gathering data over time that could be used to gauge the progress of U.S. reconstruction efforts.

Poor security and management challenges have adversely affected the U.S. water and sanitation reconstruction program, leading to project delays and increased costs. One U.S. agency estimated that the security environment has added an average of about 7 percent to its water sector project costs. Initial cost estimates of 25 to 50 percent below actual costs and delays in funding and awarding task orders also led to a reduced program scope and delays in starting projects. Other factors that impede progress and increase cost include lack of agreement on project scope, staffing turnover, inflation, unanticipated site conditions, and uncertain ownership of project sites.

As of June 2005, projects costing about \$52 million and turned over to Iraqi management were not operating as intended due to looting, unreliable electricity, or inadequate Iraqi staff and supplies. In March 2005, State reallocated \$25 million for additional support at USAID's completed projects, and agencies have begun risk forecasting and planning to address sustainability issues. However, these efforts are in their early stages, and it is unclear if they will address the long-term ability of the Iraqi government to support, staff, and equip remaining large-scale water and sanitation projects for which the United States has obligated more than a billion dollars.