

FUNDING FOR IRAQ RECONSTRUCTION

FUNDING OVERVIEW	18
U.S. FUNDING	19
IRAQI FUNDING	39
INTERNATIONAL SUPPORT	40

SECTION

2

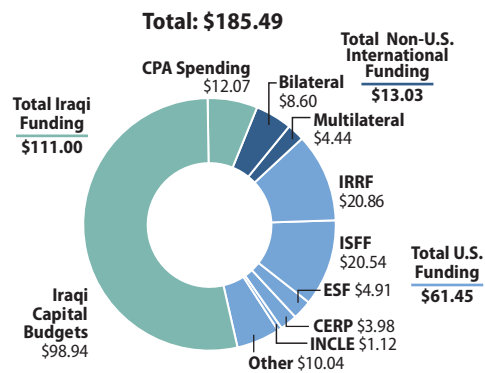
FUNDING OVERVIEW

As of March 31, 2011, \$185.49 billion had been made available for the relief and reconstruction of Iraq through three main sources:⁵⁸

- U.S. appropriations—\$61.45 billion
- Iraqi funds overseen by the Coalition Provisional Authority (CPA) and expenditures of the Iraqi capital budget—\$111.00 billion
- International commitments of assistance and loans from non-U.S. sources—\$13.03 billion

See Figure 2.1 for an overview of these funding sources. See Figure 2.2 for a historical comparison of cumulative U.S., Iraqi, and non-U.S. international funding for Iraq reconstruction. ♦

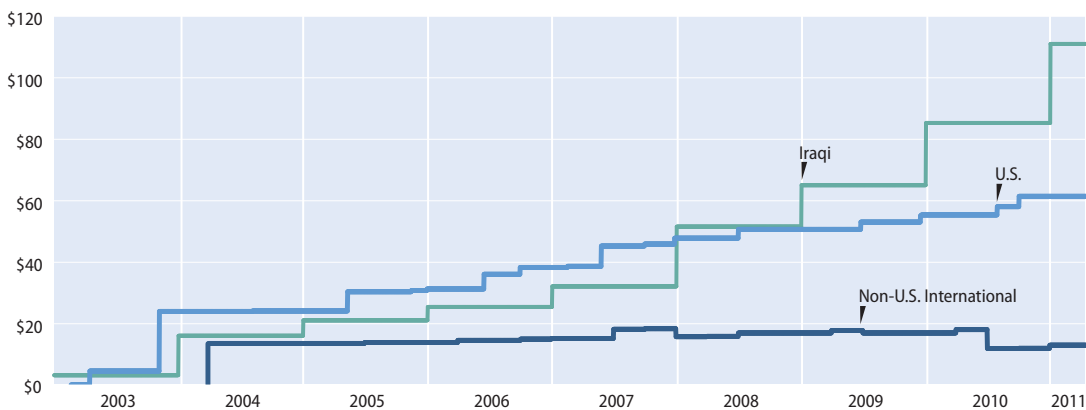
FIGURE 2.1
FUNDING SOURCES, 2003–2011
\$ Billions



Note: Data not audited. Numbers affected by rounding.

Sources: See Figure 2.2.

FIGURE 2.2
U.S., IRAQI, AND NON-U.S. INTERNATIONAL SUPPORT FOR RECONSTRUCTION, 2003–2011
\$ Billions



Note: Data not audited. Numbers affected by rounding. In the fiscal-year quarter ending on June 30, 2010, SIGIR switched its metric for tracking International support from pledged dollars to committed dollars, which accounts for the apparent drop in the International contribution on that date in this chart. P.L. 112-10, enacted on April 15, 2011, provided an estimated \$3.37 billion for FY 2011; this amount is represented here as available from the beginning of the fiscal year.

Sources: USACE, response to SIGIR data call, 10/6/2008; DoS, DRL, response to SIGIR data call, 4/12/2011; TFBSO, response to SIGIR data call, 1/4/2011; USAID, "U.S. Overseas Loans and Grants [Greenbook]," 2008, http://gbk.eads.usaidallnet.gov/query/do?_program=eads/gbk/countryReport&unit=N, accessed 4/15/2010; Justice Management Division, response to SIGIR data call, 4/5/2011 and 4/11/2011; NEA-I, responses to SIGIR data calls, 10/4/2010, 10/6/2010, 4/5/2011, 4/7/2011, and 4/15/2011; DoS, ECA, response to SIGIR data call, 4/14/2010; OUSD(C), response to SIGIR data call, 10/14/2010; U.S. Treasury, OTA, "Office of Technical Assistance Overview," 12/30/2005, ustreas.gov/offices/international-affairs/assistance/, accessed 10/16/2009; DoS, PIM, response to SIGIR data call, 3/28/2011; BBG, response to SIGIR data call, 3/7/2011; Congressional Budget Justification, Foreign Assistance Summary Tables, FY 2009–2011; USAID, responses to SIGIR data calls, 1/12/2009 and 4/8/2009; OMB, response to SIGIR data call, 6/21/2010; U.S. Embassy-Baghdad, response to SIGIR data call, 10/3/2009; GoI, CoR, "Federal Public Budget Law for the Fiscal Year 2011," 2/20/2011, Article 2; GoI, Presidential Council, "Federal Public Budget Law for the Fiscal Year 2010," 2/10/2010; U.S. Treasury, responses to SIGIR data calls, 1/4/2008 and 4/9/2009; "GOI Budget" (as approved by TNA and written into law December 2005); GoI, Presidency of the Iraqi Interim National Assembly, "The State General Budget for 2005," 2005; GoI, "Budget Revenues and Expenses 2003, July-December," 2003; SIGIR, *Quarterly and Semiannual Reports to the United States Congress*, 3/2004–1/2011; P.L. 108-7; P.L. 108-11; P.L. 108-106; P.L. 108-287; P.L. 109-13; P.L. 109-102; P.L. 109-148; P.L. 109-34; P.L. 109-289; P.L. 110-28; P.L. 110-92; P.L. 110-116; P.L. 110-137; P.L. 110-149; P.L. 110-161; P.L. 110-252; P.L. 111-32; P.L. 111-117; P.L. 111-118; P.L. 111-212; P.L. 111-242; P.L. 111-290; P.L. 111-317; P.L. 112-10.

U.S. FUNDING

Since 2003, the United States has appropriated or otherwise made available \$61.45 billion for reconstruction efforts in Iraq, including the building of physical infrastructure, establishment of political and societal institutions, reconstitution of security forces, and the purchase of products and services for the benefit of the people of Iraq.⁵⁹

As of March 31, 2011, \$51.41 billion had been made available through five major funds:⁶⁰

- Iraq Relief and Reconstruction Fund (IRRF)—\$20.86 billion
- Iraq Security Forces Fund (ISFF)—\$20.54 billion
- Economic Support Fund (ESF)—\$4.91 billion
- Commander’s Emergency Response Program (CERP)—\$3.98 billion

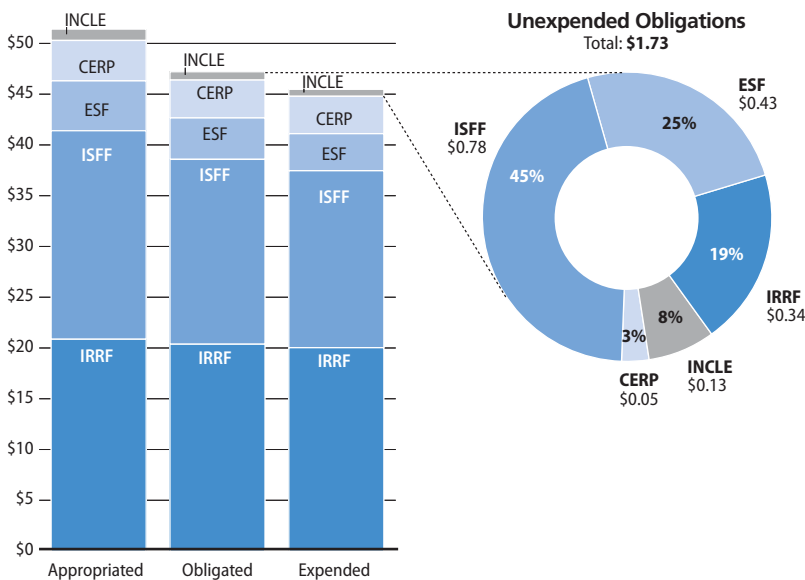
- International Narcotics Control and Law Enforcement (INCLE)—\$1.12 billion

As of March 31, 2011, \$4.46 billion in available budget authority remained unexpended for the five major funds (\$4.20 billion in unobligated funds plus \$1.73 billion in unexpended obligations minus \$1.48 billion in expired funds).⁶¹

The Congress also made \$10.04 billion available through several smaller funding streams.⁶²

For an overview of U.S. appropriations, obligations, and expenditures from the five major funds, see Figure 2.3. For details on appropriations and the status of all funds, see Table 2.1.

FIGURE 2.3
STATUS OF MAJOR U.S. FUNDS, AS OF 3/31/2011
\$ Billions



FY 2011 Appropriations

This quarter, the Congress appropriated an estimated \$3.37 billion in FY 2011 funding for Iraq reconstruction, comprising an estimated \$2.00 billion in new reconstruction assistance and an estimated \$1.37 billion in new funding for reconstruction-related operating expenses.⁶³ The funding was provided in the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (H.R. 1473),⁶⁴ which passed the House and Senate on April 14, 2011, and was signed into law (P.L. 112-10) on April 15, 2011.⁶⁵

P.L. 112-10 replaces a series of continuing appropriations that provided temporary extensions of agencies’ FY 2010 budget authority; it was signed into law just before the seventh continuing appropriation expired.⁶⁶ For details, see Table 2.2.

P.L. 112-10 is divided into two parts:⁶⁷

- The Department of Defense (DoD) received a full-year appropriation, which replaces previous extensions of FY 2010 budget authority, thereby providing more flexibility to reallocate funding, compared with a continuing appropriation.

Note: Data not audited. Numbers affected by rounding.

Sources: P.L. 108-7; P.L. 108-11; P.L. 108-106; P.L. 108-287; P.L. 109-13; P.L. 109-102; P.L. 109-148; P.L. 109-34; P.L. 109-289; P.L. 110-28; P.L. 110-92; P.L. 110-116; P.L. 110-137; P.L. 110-149; P.L. 110-161; P.L. 110-252; P.L. 111-32; P.L. 111-117; P.L. 111-118; P.L. 111-212; P.L. 112-10; USACE, response to SIGIR data call, 4/5/2011; NEA-I, responses to SIGIR data call, 3/25/2011, 3/28/2011, 4/5/2011, 4/12/2011, and 4/15/2011; INL, response to SIGIR data call, 4/6/2011; SIGIR Audit 11-007, “Iraq Relief and Reconstruction Fund 1: Report on Apportionments, Expenditures, and Cancelled Funds,” 12/28/2010; OSD, response to SIGIR data call, 4/18/2011; ABO, response to SIGIR data call, 4/18/2011.

FUNDING FOR IRAQ RECONSTRUCTION

TABLE 2.1

U.S. APPROPRIATED FUNDS

\$ Millions

	APPROPRIATIONS BY FISCAL YEAR, FY 2003–FY 2009						
	P.L. 108-7, P.L. 108-11	P.L. 108-106, P.L. 108-287	P.L. 109-13	P.L. 109-102, P.L. 109-148, P.L. 109-234	P.L. 109-289, P.L. 110-5, P.L. 110-28	P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-149, P.L. 110-161, P.L. 110-252	P.L. 110-252, P.L. 111-32
	2003	2004	2005	2006	2007	2008	2009
MAJOR FUNDS							
Iraq Relief and Reconstruction Fund (IRRF 1 and IRRF 2) ^a	2,475	18,389					
Iraq Security Forces Fund (ISFF)			5,490	3,007	5,542	3,000	1,000
Economic Support Fund (ESF) ^b	50			1,545	1,478	664	439
Commander's Emergency Response Program (CERP) ^c		140	718	708	750	996	339
International Narcotics Control and Law Enforcement (INCLE)				91	170	85	20
Subtotal	2,525	18,529	6,208	5,351	7,941	4,745	1,798
OTHER ASSISTANCE PROGRAMS							
Migration and Refugee Assistance (MRA) and Emergency Refugee & Migration Assistance (ERMA)	40			0	78	278	260
Natural Resources Risk Remediation Fund (NRRRF) ^d	801						
Iraq Freedom Fund (Other Reconstruction Activities) ^e	700						
P.L. 480 Food Aid (Title II and Non-Title II)	368		3			24	
Democracy Fund (Democracy)					190	75	
International Disaster Assistance (IDA) and International Disaster and Famine Assistance (IDFA)	24		7	0	45	85	51
Iraq Freedom Fund (TFBSO)					50	50	74
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) ^f					19	16	36
Department of Justice (DoJ)	37		2	11	23	25	7
Child Survival and Health Programs Fund (CSH)	90						
Education and Cultural Exchange Programs (ECA)				7	5	7	7
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)	9	15	3				
International Affairs Technical Assistance				13	3		
U.S. Marshals Service	0	2		3	2	2	1
International Military Education and Training (IMET)					1	2	2
Alhurra-Iraq Broadcasting		5					
Subtotal	2,069	22	15	33	416	563	438
RECONSTRUCTION-RELATED OPERATING EXPENSES							
Diplomatic and Consular Programs ^g							
Coalition Provisional Authority (CPA) ^h		908					
Project and Contracting Office (PCO) ⁱ				200	630		
USAID Operating Expenses (USAID OE)	21		24	79	37	41	48
U.S. Contributions to International Organizations (CIO)						38	30
DoD OSC-I Support							
Iraq Freedom Fund (PRT Administrative Costs)					100		
Subtotal	21	908	24	279	767	79	78
RECONSTRUCTION OVERSIGHT							
Special Inspector General for Iraq Reconstruction (SIGIR)		75		24	35	3	44
USAID Office of the Inspector General (USAID OIG)	4	2	3		3	7	4
DoS Office of the Inspector General (DoS OIG)				1	3	4	6
DoD Office of the Inspector General (DoD OIG)				5		21	
Defense Contract Audit Agency (DCAA)					16		
Subtotal	4	77	3	30	57	34	54
Total	4,619	19,536	6,250	5,694	9,182	5,421	2,368

^a The Congress initially appropriated \$18,649 million to IRRF 2, but earmarked \$210 million to be transferred to other accounts for programs in Jordan, Liberia, and Sudan. In FY 2006, the Congress transferred roughly \$10 million into the IRRF from the ESF. In FY 2008, P.L. 110-252 rescinded \$50 million.

^b FY 2003 reflects \$40 million from the ESF base account that was not reimbursed and \$10 million from P.L. 108-11.

^c Generally, the Congress does not appropriate the CERP to a specific country, but rather to a fund for both Iraq and Afghanistan. SIGIR reports DoD's allocation to the CERP for Iraq as an appropriation.

^d Includes funds transferred from the Iraq Freedom Fund (IFF).

^e Includes funds appropriated to the IFF by P.L. 108-11, Title I, and transferred to reconstruction activities, with the exception of funds transferred to NRRRF, which are recorded under that fund.

^f The \$20 million reported for FY 2009 was appropriated by P.L. 111-8.

^g Diplomatic and Consular Programs comprises FY 2010 supplemental funding to support U.S. Embassy-Baghdad in establishing an enduring provincial presence.

^h Excludes \$75 million for the Special Inspector General for Iraq Reconstruction under P.L. 108-106.

ⁱ Reconstruction support funding is provided for Project and Contracting Office (PCO) activities per the P.L. 109-234 and P.L. 110-28 conference reports.

^j FY 2011 budget authority for civilian accounts is estimated based on FY 2010 allocations and the provisions of the FY 2011 full-year continuing appropriation (P.L. 112-10); SIGIR will report agency-reported values when they become available. P.L. 112-10 replaces all prior FY 2011 continuing appropriations.

	FY 2010			FY 2011		STATUS OF FUNDS		
	P.L. 111-117	P.L. 111-118	P.L. 111-212	P.L. 112-10 ^j	TOTAL APPROPRIATED	OBLIGATED	EXPENDED	EXPIRED
	12/16/09	12/19/09	7/29/10	4/15/11				
MAJOR FUNDS								
Iraq Relief and Reconstruction Fund (IRRF 1 and IRRF 2)					20,864	20,365	20,030	499
Iraq Security Forces Fund (ISFF)			1,000	1,500	20,539	18,212	17,430	509
Economic Support Fund (ESF)	383			346	4,905	4,085	3,654	244
Commander's Emergency Response Program (CERP)		263		70	3,984	3,727	3,675	226
International Narcotics Control and Law Enforcement (INCLE)	52		650	52	1,120	822	690	0
Subtotal	435	263	1,650	1,968	51,413	47,211	45,479	1,478
OTHER ASSISTANCE PROGRAMS								
Migration and Refugee Assistance (MRA) and Emergency Refugee & Migration Assistance (ERMA)	300				956	955	915	
Natural Resources Risk Remediation Fund (NRRRF)					801	801	801	
Iraq Freedom Fund (Other Reconstruction Activities)					700	680	654	
P.L. 480 Food Aid (Title II and Non-Title II)					395	395	395	
Democracy Fund (Democracy)					265	265	245	
International Disaster Assistance (IDA) and International Disaster and Famine Assistance (IDFA)	33		9		255	255	232	
Iraq Freedom Fund (TFBSO)					174	86	65	
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)	30			30	131	62	62	
Department of Justice (DoJ)	13				118	111	107	
Child Survival and Health Programs Fund (CSH)					90	90	90	
Education and Cultural Exchange Programs (ECA)	7			7	40			
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)					27	27	10	
International Affairs Technical Assistance					16	16	14	
U.S. Marshals Service	0				9	9	9	
International Military Education and Training (IMET)	2			2	9	9	6	
Alhurra-Iraq Broadcasting					5	5	5	
Subtotal	386		9	39	3,991	3,766	3,610	
RECONSTRUCTION-RELATED OPERATING EXPENSES								
Diplomatic and Consular Programs	1,122		1,030	1,119	3,271			
Coalition Provisional Authority (CPA)					908	832	799	
Project and Contracting Office (PCO)					830			
USAID Operating Expenses (USAID OE)	52			56	360			
U.S. Contributions to International Organizations (CIO)	33			31	132			
DoD OSC-I Support				129	129			
Iraq Freedom Fund (PRT Administrative Costs)					100			
Subtotal	1,207		1,030	1,336	5,730	832	799	
RECONSTRUCTION OVERSIGHT								
Special Inspector General for Iraq Reconstruction (SIGIR)	23			22	225	203	192	
USAID Office of the Inspector General (USAID OIG)	7				29			
DoS Office of the Inspector General (DoS OIG)	7			5	26			
DoD Office of the Inspector General (DoD OIG)					26			
Defense Contract Audit Agency (DCAA)					16			
Subtotal	37			27	322	203	192	
Total	2,064	263	2,689	3,370	61,455	52,012	50,080	1,478

Sources: ABO, response to SIGIR data call, 4/18/2011; BBG, response to SIGIR data call, 3/7/2011; Congressional Budget Justification, Foreign Assistance Summary Tables, FY 2009–2011; DoS, DRL, response to SIGIR data call, 4/12/2011; DoS, ECA, response to SIGIR data call, 4/14/2010; OMB, response to SIGIR data call, 6/21/2010; DoS, PM, response to SIGIR data call, 3/28/2011; INL, response to SIGIR data call, 4/6/2011; Justice Management Division, responses to SIGIR data call, 4/5/2011 and 4/11/2011; NEA-I, responses to SIGIR data calls, 10/4/2010, 10/6/2010, 3/25/2011, 3/28/2011, 4/5/2011, 4/12/2011, and 4/15/2011; SIGIR Audit 11-007, "Iraq Relief and Reconstruction Fund 1: Report on Apportionments, Expenditures, and Cancelled Funds," 12/28/2010; TFBSO, response to SIGIR data call, 1/4/2011; OSD, response to SIGIR data call, 4/18/2011; OUSD(C), response to SIGIR data call, 10/14/2010; U.S. Treasury, OTA, "Office of Technical Assistance Overview," 12/30/2005, ustreas.gov/offices/international-affairs/assistance/, accessed 10/16/2009; U.S. Embassy-Baghdad, response to SIGIR data call, 10/3/2009; USACE, responses to SIGIR data calls, 10/6/2008 and 4/5/2011; USAID, responses to SIGIR data calls, 1/12/2009 and 4/8/2009; USAID, "U.S. Overseas Loans and Grants [Greenbook]," 2008, gbk.eads.usaidallnet.gov/query/do?_program=eads/gbk/countryReport&unit=N, accessed 4/15/2010.

TABLE 2.2
FY 2011 CONTINUING APPROPRIATIONS

PUBLIC LAW	DATE ENACTED	EXPIRATION DATE
P.L. 111-242	9/30/2010	12/3/2010
P.L. 111-290	12/4/2010	12/18/2010
P.L. 111-317	12/18/2010	12/21/2010
P.L. 111-322	12/22/2010	3/4/2011
P.L. 112-4	3/2/2011	3/18/2011
P.L. 112-6	3/18/2011	4/8/2011
P.L. 112-8	4/9/2011	4/15/2011
P.L. 112-10	4/15/2011	9/30/2011

Note: P.L. 112-10 is a full-year continuing appropriation for DoS and other civilian agencies and a full-year appropriation for DoD.

Sources: P.L. 111-242; P.L. 111-290; P.L. 111-317; P.L. 111-322; P.L. 112-4; P.L. 112-6; P.L. 112-8; P.L. 112-10.

- The Department of State (DoS) and other civilian agencies received a full-year continuing appropriation, which again extends FY 2010 budget authority—but with alternate amounts in some cases. All amounts provided are subject to an overriding rescission of 0.2%.

The budget impact for U.S. activities in Iraq is not yet completely certain—particularly in the case of the ESF. For details, see Table 2.3.

FY 2011 ISFF and CERP Appropriations

P.L. 112-10 provides \$1.50 billion in FY 2011 funding to the ISFF,⁶⁸ \$500 million (25%) less than the \$2.00 billion requested,⁶⁹ but equal to the amount authorized by the FY 2011 National Defense Authorization Act (NDAA).⁷⁰

P.L. 112-10 provides \$500 million in FY 2011 funding to the CERP in Afghanistan and Iraq,⁷¹ of which \$70 million was allocated by DoD to the CERP in Iraq.⁷²

FY 2011 ESF Appropriations

P.L. 112-10 provides \$5.95 billion to the ESF worldwide (calculated as the amount provided in P.L. 112-10, Section 2109, subject to the 0.2% rescission provided in Section 1119),⁷³ a reduction of \$623 million (9%) from the FY 2010 enacted amount (inclusive of forward funding

and supplemental appropriations).⁷⁴ DoS has not yet determined the full-year FY 2011 allocation for Iraq. According to the Iraq office of the DoS Bureau of Near Eastern Affairs (NEA-I), once the top-line number for Iraq is available, it will work to allocate the funds among the various DoS bureaus and civilian agencies with which it partners, then share the ESF spend plan for Iraq with the Congress and SIGIR.⁷⁵

For the purposes of analysis, SIGIR has estimated the FY 2011 ESF allocation to Iraq based on the share of the FY 2010 ESF appropriation that was allocated to Iraq—which amounts to \$346 million, or approximately 6% of the total ESF appropriation.⁷⁶ This is approximately \$37 million (10%) less than DoS requested for Iraq.⁷⁷ However, as noted, this number is subject to change.

FY 2011 INCLE Appropriations

P.L. 112-10 provides \$1.84 billion to the INCLE worldwide (calculated as the amount enacted in FY 2010 subject to the 0.2% rescission provided in Section 1119).⁷⁸

According to the DoS Bureau of International Narcotics and Law Enforcement Affairs (INL), the FY 2011 budget impact on Iraq is still somewhat uncertain.⁷⁹ DoS requested \$315 million for INCLE in Iraq for FY 2011. P.L. 112-10 should provide approximately \$52 million in FY 2011 INCLE funding to Iraq—an amount slightly less than the FY 2010 regular appropriation (P.L. 111-117).⁸⁰ Coupled with \$200 million forward funding from the FY 2010 supplemental, that amounts to approximately \$252 million for FY 2011—or \$63 million (20%) less than requested for the year.⁸¹ For additional details on estimated FY 2011–FY 2012 costs for the INL’s Police Development Program (PDP) and the status of funding, see Section 3 of this Report.

For the purposes of analysis, SIGIR has estimated the FY 2011 INCLE allocation to Iraq based on the FY 2010 allocation to Iraq from the regular appropriation (P.L. 111-117)—which amounts to approximately \$52 million.⁸² As with ESF, this number is subject to change. The \$200 million in forward

The budget impact for U.S. activities in Iraq is not yet completely certain—particularly in the case of the ESF.

TABLE 2.3
REGULAR AND SUPPLEMENTAL APPROPRIATIONS AND REQUESTS, FY 2010–FY 2012
\$ Millions

	FUND	FY 2010 APPROPRIATIONS			FY 2011 REQUEST AND APPROPRIATIONS		FY 2012 REQUEST			
		REGULAR	SUPPLEMENTAL	TOTAL	REQUEST	APPROPRIATION	BASE	OCO	TOTAL	
Foreign Assistance	Defense	ISFF		1,000.0	1,000.0	2,000.0	1,500.0			
		CERP	239.9		239.9	200.0	70.0			
		Subtotal	239.9	1,000.0	1,239.9	2,200.0	1,570.0			
	Foreign Operations	INCLE	52.0	650.0	702.0	315.0	51.9		1,000.0	1,000.0
		FMF							1,000.0	1,000.0
		ESF	382.5		382.5	383.0	346.2	325.7		325.7
		MRA/ERMA	300.0		300.0					
		NADR	30.3		30.3	29.8	29.8	32.4		32.4
		IDA/IDFA	32.7	9.7	41.9					
		IMET	2.0		2.0	2.0	2.0	2.0		2.0
		Subtotal	799.5	659.7	1,458.7	729.8	429.9	360.1	2,000.0	2,360.1
	Subtotal	1,039.3	1,659.7	2,698.5	2,929.8	1,999.9	360.1	2,000.0	2,360.1	
	Operating Expenses	DoD	OSC-I Support			245.0	129.1		524.0	524.0
DoS		D&CP	1,121.6	1,030.0	2,151.6	1,787.1	1,119.4	495.9	3,229.5	3,725.4
		CIO	33.0		33.0		31.0	44.3		44.3
		ECSM						37.0		37.0
		ECA	7.4		7.4		6.9	7.0		7.0
		Subtotal	1,162.0	1,030.0	2,192.0	1,787.1	1,157.3	584.2	3,229.5	3,813.7
Other Civilian		USAID	51.9		51.9	62.8	56.5	75.4		75.4
		DoS OIG	5.0		5.0		4.9	9.2		9.2
		SIGIR	23.0		23.0	22.0	22.0		18.5	18.5
		Subtotal	79.8		79.8	84.8	83.4	84.6	18.5	103.1
Subtotal		1,241.8	1,030.0	2,271.8	2,116.9	1,369.7	668.8	3,772.0	4,440.8	
Total	2,281.1	2,689.7	4,970.4	5,046.7	3,369.6	1,028.9	5,772.0	6,800.9		

Note: Data not audited. Numbers affected by rounding. FY 2011 budget authority for civilian accounts is estimated based on FY 2010 allocations and the provisions of the FY 2011 full-year continuing appropriation (P.L. 112-10); SIGIR will report agency-reported values when they become available. DoD Operating Expenses include only those funds requested to support the Office of Security Cooperation-Iraq; in FY 2010–FY 2012, an additional \$119 billion was appropriated or requested for Operation Iraqi Freedom/New Dawn (\$62 billion in FY 2010, \$46 billion in FY 2011, and \$11 billion in FY 2012). DoS and USAID Operating Expenses include funds for operations (including diplomacy for DoS), security, construction, and all other purposes other than foreign assistance. FY 2010 appropriations are as enacted, except for MRA/ERMA and IDA/IDFA, which are contingency accounts for humanitarian crises; funding is not requested by country, but will rather be allocated during the fiscal year as needs arise.

Sources: P.L. 111-117; P.L. 111-118; P.L. 111-212; P.L. 112-10; DoS, “Congressional Budget Justification, Volume 1: Department of State Operations, FY 2012,” 2/14/2011, p. 779; DoS, “Executive Budget Summary: Function 150 & Other International Programs, FY 2012,” 2/14/2011, pp. 155, 162, 167, 171, 776; DoS, “Congressional Budget Justification: Foreign Assistance Summary Tables, FY 2011,” p. 88; DoS, “Congressional Budget Justification: Foreign Assistance Summary Tables, FY 2012,” p. 101; DoD, “Fiscal Year 2012 Budget Request: Overview,” 2/2011, p. 6-6.

funding discussed above is shown in this Report under the FY 2010 supplemental appropriation.⁸³

FY 2012 Budget Request

On February 14, 2011, the Administration released its budget request for FY 2012, which starts on October 1, 2011. More than \$6.80 billion was requested for foreign assistance and operating expenses for Iraq, \$1.83 billion (37%) more than was appropriated in FY 2010.⁸⁴

The Administration’s FY 2012 budget request draws close parallels between ongoing Overseas

Contingency Operations (OCO) in Iraq, Afghanistan, and Pakistan but bifurcates the DoS budget in those countries between OCO and base budgets. This new practice matches the precedent set by DoD and, according to the Administration, will improve transparency for “extraordinary and temporary” costs.⁸⁵ For details, see Table 2.3.

Overseas Contingency Operations Budget

The Administration’s OCO budget request for Iraq supports “key efforts” related to the transition from military to civilian-led reconstruction, including:⁸⁶

- drawing down all U.S. troops in Iraq by December 31, 2011, in accordance with the U.S.-Iraq Security Agreement
- establishing two consulates and two Embassy Branch Offices (EBOs) and having DoS take responsibility for more than 400 “essential” activities that DoD currently performs
- establishing police and criminal justice hub-facilities and security cooperation sites to continue enhancing security forces and ministry capabilities

Retroactive analysis by DoS indicates that approximately \$2.19 billion in FY 2010 DoS operating expenses would have been classified as OCO costs under FY 2012’s criteria (exclusive of oversight costs associated with SIGIR). Compared with the request for FY 2012, this represents a \$1.04 billion (47%) increase to \$3.23 billion.⁸⁷ According to the Administration, this increase is “more than offset” by the decreased request for DoD, which is attributable to the withdrawal of U.S. forces from Iraq by December 31, 2011.⁸⁸

In addition, the Administration is requesting \$2.00 billion in foreign assistance under two accounts in the FY 2012 OCO budget for DoS.⁸⁹

- \$1.00 billion for the INCLE to support INL’s PDP
- \$1.00 billion for the Foreign Military Financing (FMF) program to provide security assistance to the Iraqi military

Both programs that the requested funding is meant to support are being transitioned from DoD to DoS on October 1, 2011. According to DoS, the request supports “primarily short-term engagement programs . . . meant to assist the GOI until it has the capacity and resources to perform critical government security functions on its own.”⁹⁰

Base Budget

In addition to the OCO budget, the Administration has requested “significant” resources in the base budget for Iraq to support core Embassy functions and assistance programs.⁹¹ The \$584 million DoS budget justification for civilian operating

expenses is intended to fund full-year operations for the planned DoS presence outside of Baghdad and provide for the transition of DoD’s remaining Baghdad facilities to Chief of Mission control.⁹²

DoS will also continue assistance programs related to employment, agriculture, and essential services. According to Secretary of State Hillary Clinton, “these programs are designed to work themselves out of existence,” and Iraq already “matches our assistance dollar-for-dollar.”⁹³ Toward this end, the Administration is requesting \$360 million under three accounts in the FY 2012 base budget for DoS:⁹⁴

- \$326 million for the ESF—mostly to help “promote an Iraqi Government that is just, representative, and accountable” (\$202 million), but also to promote economic growth and opportunity (\$88 million) and support health, education, and other social services (\$36 million)
- \$32 million for Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR)—to support security sector reform and counterterrorism efforts
- \$2 million for the International Military Education and Training (IMET)—to support military professional development courses

Of the three, the NADR and IMET requests are similar to appropriations in prior years, but the ESF request is \$57 million (15%) less than the FY 2010 appropriation.⁹⁵

Foreign Assistance Trends

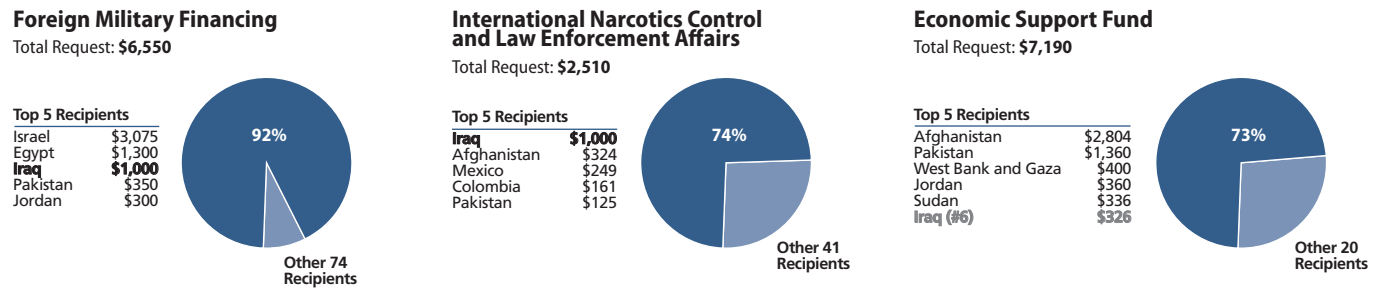
Iraq continues to be exceptional among recipients of U.S. foreign assistance. In the Administration’s FY 2012 congressional budget justification, allocations to Iraq ranked third among the three major civilian funding streams combined. For details, see Figure 2.4. Although FY 2012 marks a major shift away from DoD appropriations to DoS appropriations, support for the Iraqi Security Forces (ISF) remains the priority.⁹⁶ For details, see Figure 2.5.

According to Secretary of State Hillary Clinton, “these programs are designed to work themselves out of existence.”

FIGURE 2.4

CIVILIAN FUNDING STREAMS: ADMINISTRATION REQUESTS FOR FY 2012 APPROPRIATIONS

\$ Millions

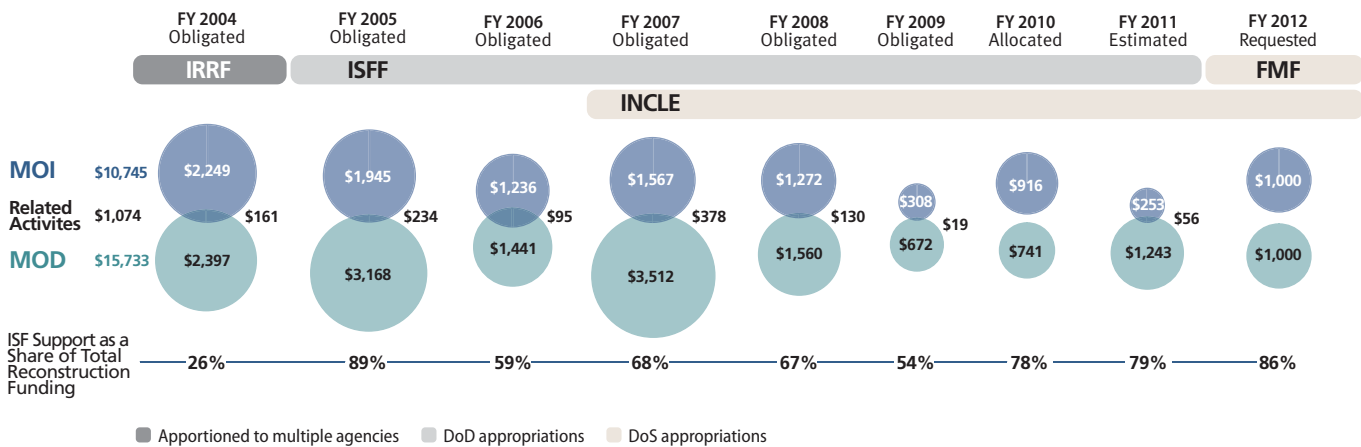


Source: DoS, "Executive Budget Summary, Function 150 & Other International Programs, Fiscal Year 2012," 2/14/2011, pp. 155-171.

FIGURE 2.5

U.S. SUPPORT FOR THE IRAQI SECURITY FORCES FROM THE FIVE MAJOR FUNDS, FY 2004-FY 2012

\$ Millions



Note: Data not audited. Numbers affected by rounding. U.S. support for the ISF includes: all of ISFF; the INCLE "Police Advisors" program; and selected subsectors of the IRRF 2 "Security & Law Enforcement" sector (Facilities Protection Service, IAF Equipment, IAF Facilities, IAF Training and Ops., ING Equipment, ING Facilities, ING Ops. & Personnel, ISF QRF, Police Training and Tech. Assist.). Funding excludes broader rule-of-law support to courts, prisons, and anti-corruption institutions. "Share of Total Reconstruction Funding" represents support for the ISF as a percentage of all activities supported by the five major funds, as well as FMF for FY 2012.

Sources: SIGIR, Quarterly and Semiannual Reports to the United States Congress, 3/2004-1/2011; OUSD(C), response to SIGIR data call, 4/18/2011; INL, response to SIGIR data call, 4/6/2011; NEA-I, response to SIGIR data call, 4/5/2011; P.L. 112-10; DoS, "Congressional Budget Justification: Foreign Operations, Annex: Regional Perspectives, FY 2012," 3/2011, pp. 523, 872; USF-I, "Iraq Security Forces Fund (ISFF), FY 2011 Spend Plan: Fourth Continuing Resolution through March 4, 2011," 2/2011, pp. 3, 7.

DoS Budget Constraints

In a letter to the chairman of the House Appropriations Committee, Secretary of State Clinton expressed her concern that Congress's proposed cuts to the Administration's budget request, "occur at exactly the most sensitive juncture as we transition from [a] military-lead to civilian-run programs and operations."⁹⁷ In March, the Under Secretary of State for Management testified before Congress that "to slash the State Department's budget in this way at this time is not only irresponsible, but it is a clear

and present danger to our national security." He also agreed with the proposition that, without full appropriation of the FY 2011 and FY 2012 DoS requests for Iraq, the United States risks "mission failure."⁹⁸

According to an October 2010 report issued by the DoS OIG, "it appears that provincial staffing is now being driven by budget constraints, rather than an appraisal of what is needed to accomplish the mission; certainly there is no indication that the missions have been redefined or reduced as funding and staffing projections shrink."⁹⁹

Iraq Security Forces Fund

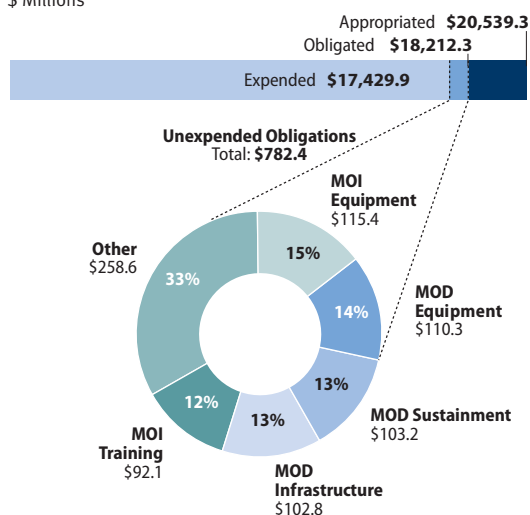
Since 2005, the Congress has appropriated \$20.54 billion to the ISFF to enable U.S. Forces-Iraq (USF-I) and its predecessor, Multi-National Force-Iraq, to support Iraq’s Ministry of Defense (MOD) and Ministry of Interior (MOI) in developing the ISF and increasing ministerial capacity.¹⁰⁰ This includes \$1.50 billion provided by P.L. 112-10.¹⁰¹

As of March 31, 2011, \$18.21 billion of ISFF had been obligated, surpassing the \$18.14 billion obligated for IRRF 2.¹⁰² By this measure, ISFF is the largest reconstruction fund for Iraq.

As of March 31, 2011, \$782 million of obligated ISFF funds had not been expended. An additional \$2.33 billion had not been obligated, but \$509 million of this amount has expired. This leaves \$1.82 billion available for obligation to new projects. In total, \$2.60 billion in available budget authority remained unexpended for the ISFF.¹⁰³

For the status of the ISFF, including a breakdown of unexpended obligations, see Figure 2.6.

FIGURE 2.6
ISFF: STATUS OF FUNDS, AS OF 3/31/2011
\$ Millions



Note: Data not audited. Numbers affected by rounding.

Sources: P.L. 109-13; P.L. 109-102; P.L. 109-234; P.L. 110-28; P.L. 110-92; P.L. 110-116; P.L. 110-137; P.L. 110-149; P.L. 110-161; P.L. 110-252; P.L. 111-32; P.L. 111-212; P.L. 111-290; P.L. 111-317; P.L. 112-10; OSD, response to SIGIR data call, 4/18/2011.

ISFF Quarterly Obligations and Expenditures

As of March 31, 2011, \$18.52 billion (95%) of the \$20.54 billion appropriated to the ISFF had been allocated to four major sub-activity groups: Equipment, Infrastructure, Sustainment, and Training. The remainder has been allocated to “related activities.”¹⁰⁴

For the status and quarterly change of the ISFF, by ministry and sub-activity group, see Table 2.4.

ISFF Requests and Appropriations

Since 2005, the Administration has requested \$22.90 billion for the ISFF, and the Congress has appropriated \$20.54 billion. Appropriations were generally larger at the beginning of the program, averaging \$3.51 billion in FY 2005–FY 2007 and \$1.30 billion in FY 2008–FY 2011. Supplemental appropriations have been approximately twice the size of regular appropriations—\$2.97 billion versus \$1.55 billion—and were provided at amounts closer to the Administration’s request.¹⁰⁵

At the beginning of the program, larger appropriations were coupled with greater rates of obligation. Even so, available budget authority (unobligated funds less expired funds) remained in excess of \$1.00 billion until late 2009. As the size of appropriations decreased in FY 2009–FY 2010, available budget authority dwindled and the rate of obligation slowed significantly. With the appropriation of \$1.50 billion to the ISFF by P.L. 112-10, available budget authority is at its highest level since 2008.¹⁰⁶

The FY 2005–FY 2009 ISFF appropriations have expired. USF-I cannot obligate funds from these appropriations to new projects, but can adjust existing obligations and expend funds for a period of five years after their respective expiration dates. The FY 2005 appropriation, which expired on September 30, 2006, will be canceled on September 30, 2011; any unexpended obligations will be canceled, and all unexpended funds will be returned to the U.S. Treasury. Over the course of the ISFF program, quarterly obligations have averaged \$792 million,

By this measure, ISFF is the largest reconstruction fund for Iraq.

TABLE 2.4
ISFF: STATUS OF FUNDS, BY MINISTRY AND SUB-ACTIVITY GROUP,
AS OF 3/31/2011
\$ Millions

MINISTRY	SUB-ACTIVITY GROUP	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Defense	Equipment	4,858.9	4,748.6	66.5 (1%)	89.2 (2%)
	Infrastructure	3,074.7	2,971.9	-0.2 (0%)	36.8 (1%)
	Sustainment	2,264.9	2,161.7	30.0 (1%)	44.5 (2%)
	Training	600.0	526.3	4.5 (1%)	22.4 (4%)
	Subtotal	10,798.5	10,408.5	100.8 (1%)	192.9 (2%)
Interior	Training	2,660.3	2,568.2	8.8 (0%)	159.0 (7%)
	Equipment	1,921.5	1,806.1	-27.3 (-1%)	39.1 (2%)
	Infrastructure	1,346.9	1,259.9	-30.8 (-2%)	48.7 (4%)
	Sustainment	628.4	566.2	-0.8 (0%)	3.9 (1%)
	Subtotal	6,557.1	6,200.4	-50.0 (-1%)	250.7 (4%)
Varies	Related Activities	856.6	821.0	-5.9 (-1%)	-1.4 (0%)
Total		18,212.3	17,429.9	44.8 (0%)	442.1 (3%)

Note: Data not audited. Numbers affected by rounding.

Sources: OSD, responses to SIGIR data calls, 1/13/2011 and 4/18/2011.

In their final quarters of availability, USF-I obligated nearly 36% and 47% of the FY 2008 and FY 2009 appropriations, respectively.

and quarterly expenditures have averaged \$758 million (which amounts to approximately \$8.5 million and \$8.1 million per day, respectively). In their final quarters of availability, USF-I obligated nearly 36% and 47% of the FY 2008 and FY 2009 appropriations, respectively, suggesting a “rush to commit” these appropriations before they expired.¹⁰⁷

For details on ISFF appropriations, see Figure 2.7 and Table 2.5.

ISFF Allocations, FY 2005–FY 2008

In the first four years of the ISFF, FY 2005–FY 2008, USF-I allocated \$16.96 billion to five sub-activity groups:¹⁰⁸

- Equipment—\$6.21 billion (37%)
- Infrastructure \$4.70 billion (28%)
- Training—\$2.76 billion (16%)
- Sustainment—\$2.41 billion (14%)
- Related Activities—\$885 million (5%)

USF-I allocated more funding to Equipment than any other sub-activity group in every year but 2006, when Infrastructure received nearly \$160 million more.¹⁰⁹

USF-I divided allocations for Equipment, Infrastructure, Training, and Sustainment between the MOD (\$9.90 billion, or 58%) and MOI (\$6.17 billion, or 36%). Allocations for Related Activities are not made to a specific ministry.¹¹⁰ For details, see Figure 2.8.

ISFF Allocations, FY 2009

In FY 2009, USF-I allocated \$680 million (68%) of the FY 2009 ISFF to support the MOD. More than half of the MOD’s allocation—\$359 million (36% of the total appropriation)—was for Equipment, including significant allocations for command and control equipment. The largest single line item was \$107 million for equipment to modernize the Iraqi Navy.¹¹¹ USF-I allocated \$300 million of the FY 2009 ISFF to support the MOI. The largest single line item was \$72 million for International Police Advisors (IPAs), who are contracted through INL.¹¹²

FY 2009 was the first year in which no money was allocated to Infrastructure, because of a congressional prohibition of such spending in the FY 2009 NDAA.¹¹³

For details, see Figure 2.8 and Table 2.6.

ISFF Allocations, FY 2010

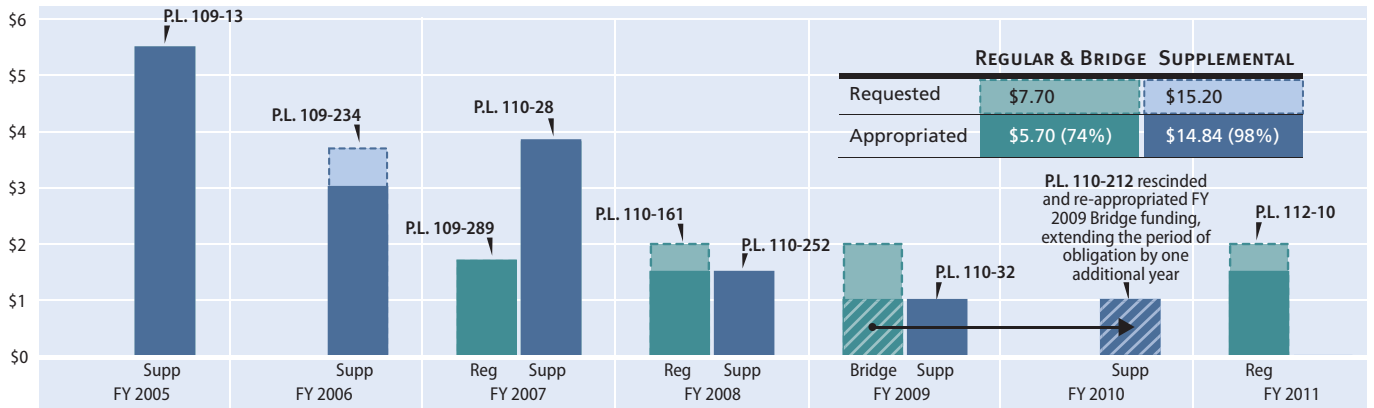
According to USF-I, the \$1.00 billion FY 2010 ISFF appropriation (P.L. 111-212, which expires on September 30, 2011) was intended to enable USF-I to continue to sustain, equip, train, and ensure that the ISF achieves minimum essential capability (MEC). In particular, the FY 2010 ISFF spend plan prioritized:¹¹⁴

- modernization of the Iraqi Army 9th Mechanized Division
- procurement and employment of “enablers” for MOD infantry divisions and artillery battalions
- development of “enduring” sustainment capability
- “police primacy,” through support for ministerial and professional development, forensic labs, and K9 support services
- integration of the Kurdistan Regional Guard within the ISF

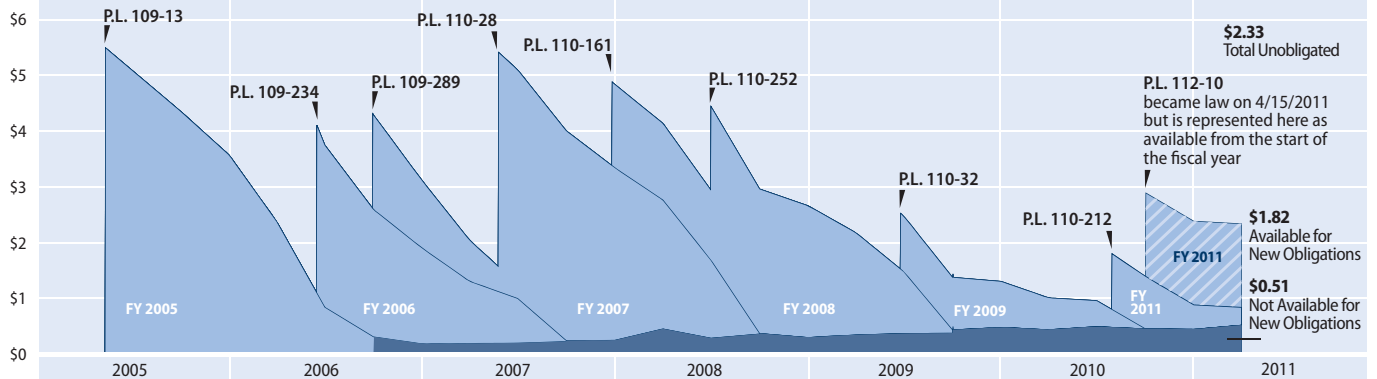
FUNDING FOR IRAQ RECONSTRUCTION

FIGURE 2.7
ISFF: APPROPRIATIONS, OBLIGATIONS, AND EXPENDITURES, FY 2005–FY 2011
 \$ Billions

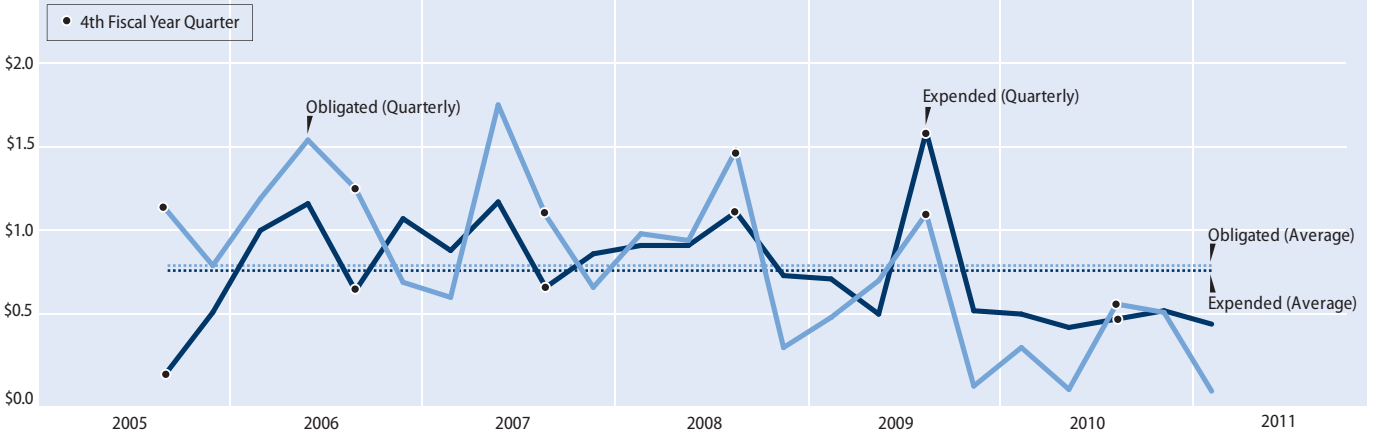
Regular, Bridge, and Supplemental Appropriations, FY 2005–FY 2011



Unobligated ISFF Appropriations



ISFF: Obligation and Expenditure Rates



Note: Data not audited. Numbers affected by rounding.

Sources: See Table 2.5.

TABLE 2.5
ISFF: REQUESTS, JUSTIFICATIONS, APPROPRIATIONS, AND EARMARKS, FY 2005–FY 2011

\$ Billions

FY REQUEST	ADMINISTRATION'S BUDGET JUSTIFICATION	APPROPRIATION	CONGRESSIONAL EARMARKS AND RESTRICTIONS
FY 2005 Supplemental \$5.70	Provide assistance to the ISF to enable independent counterinsurgency operations and a secure environment; build institutional logistics and training capacity; help field and increase capabilities of security and support forces; improve equipment, sustainment, and command and control; and provide Quick Response Funding	P.L. 109-13 \$5.49 Expired 9/30/2006	Provides \$5.70, of which \$0.21 was transferred to the Army O&M account to reimburse for costs incurred to train and equip the ISF; provides broad transfer authority to other accounts or agencies to fulfill purpose and provide for contributions to ISFF from other governments and international organizations (both requiring notification and continuing into future FYs)
FY 2006 Supplemental \$3.70	Continue current train-and-equip program, build operational units' capabilities and readiness, and develop institutional logistics and administrative functions	P.L. 109-234 \$3.01 Expired 9/30/2007	Conference agreement notes that it would not have been possible for the full request to be fully obligated and expended in the remaining months of FY 2006 and that "the reduction is taken without prejudice;" conference report urges DoD and Administration to seek support for the ISF from regional countries
FY 2007 Regular \$1.70	Joint regular and supplemental appropriations request to build and sustain ISF institutional capability and generate a professional and capable ISF; reorient ISF to quell sectarian violence; provide MoD logistics capabilities, combat support units, mobility/force protection, and equipment; provide MoI with embedded U.S. advisors	P.L. 109-289 \$1.70 Expired 9/30/2008	Conference report directs DoD to provide comprehensive financial plans for the ISF
FY 2007 Supplemental \$3.80		P.L. 110-28 \$3.84 Expired 9/30/2008	Includes funding to disarm, demobilize, and reintegrate militias; requires OMB to submit cost-to-complete reports on a project-by-project basis and an estimated total cost to train and equip the ISF
FY 2008 Regular \$2.00	Continue ministerial development and advisory functions to enhance Iraqi air and naval capabilities; develop IED defeat capabilities; standardize weapons and vehicle fleets; support logistics development, primarily at Taji	P.L. 110-161 \$1.50 Expired 9/30/2009	Includes standard appropriation language for ISFF
FY 2008 Supplemental \$1.00	Includes additional FY 2008 appropriation to support adding 100,000 ISF personnel "required for Iraq to concurrently secure its borders and conduct COIN operations," as well as to hold areas recently cleared as U.S. forces increasingly assume an overwatch mission	P.L. 110-252 \$1.50 Expired 9/30/2009	Prohibits ISFF to be "utilized for the provision of salaries, wages, or bonuses to personnel of the Iraqi Security Forces"
FY 2009 Bridge \$2.00	Enable the GoI to improve its ability to manage Iraqi security institutions and increase the operational independence of the ISF; support ministerial development, logistics and sustainment capacity, equipment replenishment, and equipment for enabler units	P.L. 110-252 \$0.00 Expired 9/30/2009	Appropriates \$1.00, which is later rescinded by P.L. 111-32; FY 2009 bridge funding is under a separate heading of the same name as the FY 2008 supplemental funding; (the FY 2009 NDAA prohibits ISFF spending on new infrastructure)
FY 2009 Supplemental \$0.00	Request to extend the period of obligation for FY 2009 bridge funding through 9/30/2010 (no new funding)	P.L. 111-32 \$1.00 Expired 9/30/2010	Rescinds \$1.00 in FY 2009 bridge funding and appropriates the same amount to remain available until 9/30/2010; does not include authority to transfer ISFF to other accounts or agencies, which was provided FY 2005–2008; sets limits on "investment unit cost" of purchased items
FY 2010 Supplemental \$1.00	Strengthen the ISF "to fulfill their vital role" and ensure "no degradation in progress;" focus on MOD sustainment, including transfer of U.S. equipment, modernization of mechanized division, improved asset management, and aircraft sustainment; support MOI training and advisory activities	P.L. 111-212 \$1.00 Expires 9/30/2011	Includes standard appropriation language for ISFF (without authority to transfer funds to other accounts or agencies); conference report directs DoD to submit monthly commitment, obligation, and expenditure data to the congressional committees no later than 30 days after each month
FY 2011 Regular \$2.00	Achieve "minimum essential capability" prior to U.S. withdrawal; focus on remaining MOD equipment requirements, including divisional-level ISR and signal capabilities and full organizational communications and armored transport; continued training of defense forces and equipping and sustaining the police	P.L. 112-10 \$1.50 Expires 9/30/2012	Requires notification from DoD of any proposed new projects or transfer of funds between budget sub-activity groups in excess of \$0.02

Note: Numbers affected by rounding.

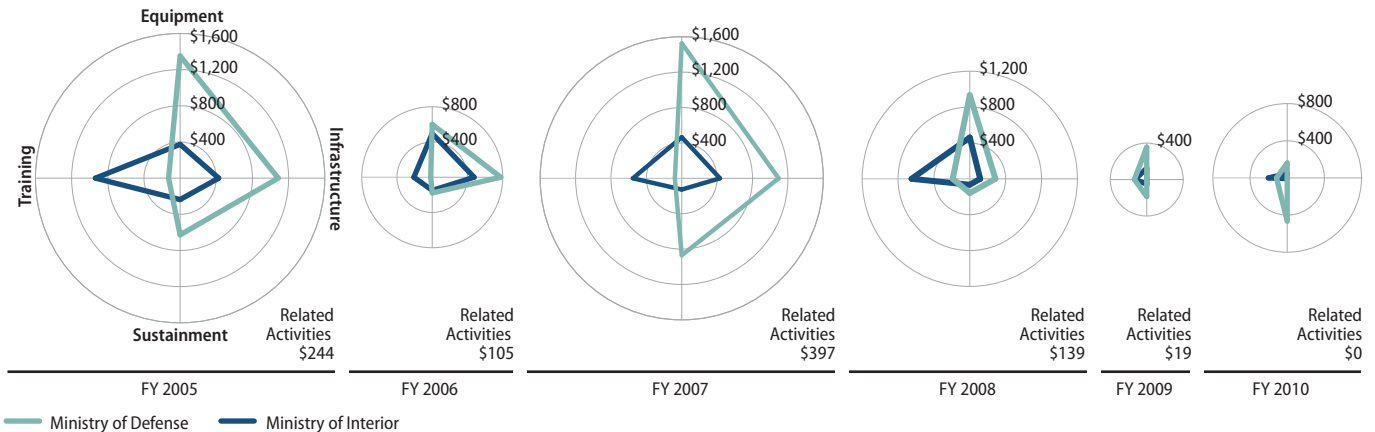
Sources: OSD, response to SIGIR data call, 4/18/2011; DoD, "FY 2005 Supplemental Request for Operation Iraqi Freedom (OIF), Operation Enduring Freedom (OEF), and Operation Unified Assistance," 2/2005, pp. 78-79; DoD, "FY 2006 Supplemental Request for Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF)," 2/2006, pp. 60-61; DoD, "Amendment to FY 2007 Emergency Supplemental Request for the Global War on Terror," 3/2007, p. 5; DoD, "FY 2007 Emergency Supplemental Request for the Global War on Terror," 2/2007, pp. 38-49; DoD, "FY 2008 Global War on Terror Request," 2/2007, pp. 34-40; DoD, "FY 2008 Global War on Terror Amendment, Department of Defense," 10/2007, pp. 26-27; DoD, "FY 2009 Global War on Terror Bridge Request," 5/2008, pp. 15-16; DoD, "FY 2009 Supplemental Request," 4/2009, pp. 41-43; DoD, "FY 2011 Budget Request Overview," 2/2010, pp. 6-8-6-9; P.L. 109-13; P.L. 109-234; P.L. 109-252; P.L. 109-289; P.L. 110-161; P.L. 110-28; P.L. 111-212; P.L. 111-32; P.L. 112-10; House Report 109-234, to accompany H.R. 4939, 6/8/2006, pp. 83-84; House Report 109-676, to accompany H.R. 5631, 9/25/2006, p. 365; House Report 110-107, to accompany H.R. 1591, 4/24/2007, p. 131; Senate Report 111-188, to accompany H.R. 4899, 5/14/2010, p. 25.

FUNDING FOR IRAQ RECONSTRUCTION

FIGURE 2.8

ISFF: ALLOCATIONS, BY MINISTRY AND SUB-ACTIVITY GROUP, FY 2005–FY 2010

\$ Millions



Note: Data not audited. Numbers affected by rounding. Allocations for Related Activities are not made to a specific ministry.

Source: OSD, response to SIGIR data call, 4/18/2011.

USF-I allocated \$741 million (74%) of the FY 2010 ISFF to support the MOD. Most of the MOD’s allocation—\$464 million (46% of the total appropriation)—went to Sustainment, which includes “modernization,” life support, logistics, spare parts, and maintenance.¹¹⁵ The largest line item for the MOD was \$243 million for modernization of the 9th Mechanized Division.¹¹⁶

USF-I allocated \$259 million (26%) of the FY 2010 ISFF to support the MOI. Most of the MOI’s allocation—\$200 million (20% of the total appropriation)—went to Training, which includes Department of Homeland Security border support and professional development programs. The largest line item for the MOI was \$175 million for IPAs. According to USF-I, the number of planned IPAs was reduced in FY 2010 to more closely match the projected footprint of the PDP, which is scheduled to start on October 1, 2011. However, the reduction was not expected to “impact the level of service or period of performance.”¹¹⁷ For details, see Figure 2.8 and Table 2.6.

As of March 31, 2011, 91% of the FY 2010 allocation to the MOI had been obligated and 71% had been expended. In contrast, of the allocation to the MOD, only 60% had been obligated and 53% had been expended.¹¹⁸ The FY 2010 appropriation to the ISFF expires on September 30, 2011.¹¹⁹

ISFF Allocations, FY 2011

As with FY 2010 appropriation, the intent of the FY 2011 ISFF appropriation—according to

USF-I—is to sustain, equip, and train the ISF to reach MEC by the “end of mission” on December 31, 2011. In particular, the FY 2011 spend plan prioritizes:

- sustainment of MOD forces through procurement of repair parts for the Iraqi Army’s key weapon systems, including tanks, trucks, armored personnel carriers, and artillery systems
- equipment for Corps Headquarters that will allow the Iraqi Ground Forces Command to support divisional units at Iraqi border protection locations, including an Iraqi Special Forces Academy and unmanned aerial vehicle services
- equipment for the 5th Federal Police Division, including surveillance and identification systems to conduct counterterrorism

The most recent spend plan available from USF-I was current as of the fourth continuing appropriation, which provided ISFF funding through March 4, 2011, at rates slightly reduced from FY 2010. That spend plan provides allocations for just \$388 million (26%) of the \$1.50 billion ultimately appropriated on April 15, 2011, all of which USF-I intended to execute in the second quarter of FY 2011. As such, it provides only an approximate guide of USF-I’s intentions through September 30, 2012, when the FY 2011 appropriation is set to expire.¹²⁰ More than half of the Administration’s \$2.00 billion request was to be allocated to MOD equipment.¹²¹ For details, see Table 2.7.

The intent of the FY 2011 ISFF appropriation is to sustain, equip, and train the ISF to reach MEC by December 31, 2011.

TABLE 2.6

ISFF ALLOCATIONS, BY MINISTRY, SUB-ACTIVITY GROUP, AND PROJECT, FY 2009–FY 2010

\$ Millions

MINISTRY	SUB-ACTIVITY GROUP	FY 2009 (P.L. 111-32)		FY 2010 (P.L. 111-212)		
		PROJECT	COST	PROJECT	COST	
Defense	Equipment	Modernize Iraqi Navy and Support Equipment	107.2	Kurdish Regional Guard Integration	93.4	
		Location Commands	88.8	Air Force Equipment	34.9	
		Mobility and IED Defeat Engineering Structure	41.8	Iraqi International Academy	10.0	
		Complete Signal Battalion Structure	36.9	JFSOCC-I Equipment	10.0	
		Trainers at Units and Institutions	28.0	M109A5 Self-Propelled BN and Artillery School	5.0	
		Comm. for Intelligence, C2, and Air Traffic Control	18.6	Other	7.3	
		Training Capability for Enablers	18.1			
		Air Traffic Command and Control	12.3			
		Other	7.0			
		Subtotal	358.7	Subtotal	160.6	
	Sustainment	Logistic Operations Sustainment	93.6	9th Mech DIV Modernization (USETTI Program)	243.1	
		Combat Enablers Training Facilities Sustainment	37.2	Strategic Logistics	106.2	
		Training Facilities Sustainment	20.9	Infantry Division Round-Out (USETTI Program)	34.3	
		Logistics Support to IAF Data Links	20.0	King Air 350	25.0	
		Sustainment of IED Defeat Engineering Structure	7.5	Armed & ISR Caravan Sustainment	22.3	
		Other	7.1	Supply Chain Management	17.0	
				Other	16.5	
		Subtotal	186.3	Subtotal	464.4	
	Training	Training Capability for Enablers	83.1	Ministry of Defense Advising and Training	43.5	
		Trainers at Units and Institutions	33.2	RW/FW Training	36.0	
		Complete Signal Battalion Structure	6.7	Signal Professional Development Training	14.0	
		Mobility & IED Defeat Engineering Structure	6.6	Infantry Division Round-Out (USETTI Program)	10.3	
		Other	5.9	Other	12.0	
		Subtotal	135.4	Subtotal	115.8	
		Subtotal	680.4		740.7	
	Interior	Equipment	Future Force Modernization	63.6	KMOI Integration	24.7
			National Police Equipment	50.3	ICDD and ERB Equipment	7.8
Other			8.3	Other	19.2	
		Subtotal	122.2	Subtotal	51.6	
Sustainment		Equipment Support	27.4	Other	8.1	
		Vehicle Sustainment	23.0			
		Other	0.7			
		Subtotal	51.0	Subtotal	8.1	
Training		International Narcotics and Law Enforcement (INL)	71.8	International Police Advisors	175.0	
		Ministerial Capacity Development	41.2	Ministry of Interior Advising and Training	8.0	
		Command and Control for Ports of Entry	7.1	Professional Development & Training	7.7	
		Border/Ports of Entry Screening and Capacity	6.0	DHS Border Mentors/Support	7.5	
		Other	0.9	Other	1.4	
		Subtotal	127.0	Subtotal	199.6	
		Subtotal	300.2		259.3	
Related Activities	Quick Response Fund	10.9				
	Other	8.5				
	Subtotal	19.4	Subtotal	0.0		
Total		1,000.0		1,000.0		

Note: Data not audited. Numbers affected by rounding.

Source: OUSD(C), response to SIGIR data call, 1/13/2011.

TABLE 2.7
ISFF ALLOCATIONS, BY MINISTRY AND SUB-ACTIVITY GROUP, FY 2011
\$ Millions

MINISTRY	SUB-ACTIVITY GROUP	ADMINISTRATION REQUEST	4TH FY 2011 CONTINUING APPROPRIATION	APPROPRIATION (P.L. 112-10)
Defense	Equipment	1,067.7	125.3	FY 2011 allocations, by ministry and sub-activity group, were not yet available as of 4/23/2011
	Sustainment	341.1	144.8	
	Training	248.1		
	Subtotal	1,656.9	270.2	
Interior	Equipment	220.5	95.0	
	Sustainment	47.6	18.0	
	Subtotal	268.1	113.0	
Related Activities	Quick Response Fund	75.0	5.0	
Total		2,000.0	388.2	1,500

Note: Data not audited. Numbers affected by rounding. Budget authority for the 4th continuing appropriation was through March 4, 2011.

Sources: DoD, "FY 2011 Budget: Military Personnel Programs (M-1); Operation and Maintenance Programs (O-1); Revolving and Management Funds (RF-1)," p. 14, 2/2010; USF-I, "Iraq Security Forces Fund (ISFF), FY 2011 Spend Plan: Fourth Continuing Resolution through March 4, 2011," 2/2011, pp. 3, 7.

The House Armed Services Committee expressed several concerns about the FY 2011 ISFF budget request in its report accompanying the FY 2011 NDAA, including:¹²²

- planned procurement of systems and support contracts that the GOI apparently did not consider as priorities and for which it did not provide its own funds, including kitchen equipment, office supplies, basic first-aid kits, and other "easily obtainable items" that the committee found "less than compelling"
- lack of full commitment from the GOI in maintaining capabilities provided by the United States, in particular those associated with logistics and sustainment
- inapplicability of many planned equipment purchases to meeting the Administration's goal of "minimum essential capability" for the ISF prior to the withdrawal of all U.S. troops

The committee expressed its belief that the ISFF should instead be used to purchase significant military equipment, which both governments view as vital, to "enhance Iraqi capabilities as well as to provide a foundation for a close security relationship in the future." Finally, the committee expressed its concern that building

consensus with the GOI over what capabilities should be pursued may not be possible before the withdrawal of U.S. troops.¹²³

According to USF-I, any FY 2011 ISFF funds remaining after December 31, 2011—the deadline for withdrawal—would be executed from Kuwait in coordination with U.S. Embassy-Baghdad's Office of Security Cooperation-Iraq (OSC-I). However, as of March 31, 2011, it had yet to be determined who would be designated to oversee the ISFF once the USF-I commander (the current designee of the Secretary of Defense) leaves Iraq.¹²⁴

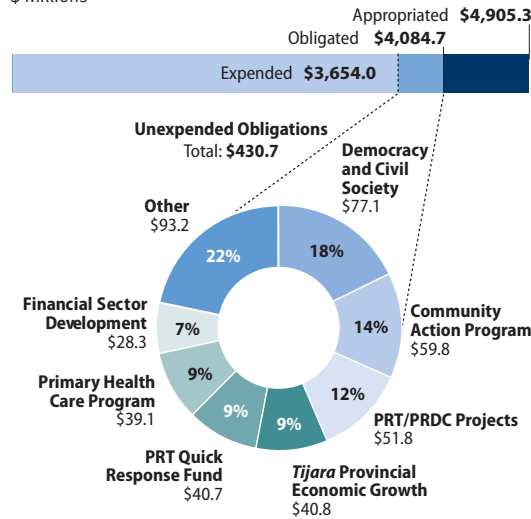
It had yet to be determined who would oversee the ISFF once the USF-I commander leaves Iraq.

Economic Support Fund

Since 2003, the Congress has appropriated \$4.91 billion to the ESF to improve infrastructure and community security, promote democracy and civil society, and support capacity building and economic development.¹²⁵ This includes an estimated \$346 million provided by P.L. 112-10.¹²⁶

As of March 31, 2011, \$431 million of obligated ESF funds had not been expended. An additional \$821 million had not been obligated, but \$244 million of this amount has expired. This leaves \$577 million available for obligation to new projects.

FIGURE 2.9
ESF: STATUS OF FUNDS, AS OF 3/31/2011
\$ Millions



Note: Data not audited. Numbers affected by rounding.
Sources: P.L. 108-7; P.L. 109-102; P.L. 110-28; P.L. 110-161; P.L. 111-32; P.L. 111-117; P.L. 111-242; P.L. 111-290; P.L. 111-317; P.L. 112-10; USACE, response to SIGIR data call, 4/5/2011; NEA-I, responses to SIGIR data call, 3/25/2011, 3/28/2011, 4/5/2011, 4/12/2011, and 4/15/2011.

In total, \$1.01 billion in available budget authority remained unexpended for the ESF.¹²⁷

For the status of the ESF, including a breakdown of unexpended obligations, see Figure 2.9.

ESF Quarterly Obligations and Expenditures

The ESF has been allocated to programs in three tracks: Security, Political, and Economic. The majority of ESF allocations have been made to the Security track each year.¹²⁸

For the status and quarterly change of the ESF, by track and program, see Table 2.8.

Commander’s Emergency Response Program

Since 2004, the Congress has provided \$3.98 billion to the CERP in Iraq for the purpose of enabling military commanders to respond to urgent humanitarian relief and urgent reconstruction

requirements within their areas of responsibility.¹²⁹ This includes \$70 million provided by P.L. 112-10.¹³⁰

As of March 31, 2011, \$52 million of obligated CERP funds had not been expended. An additional \$257 million had not been obligated, but \$226 million of this amount has expired. This leaves \$30 million available for obligation to new projects. In total, \$82 million in available budget authority remained unexpended for the CERP.¹³¹

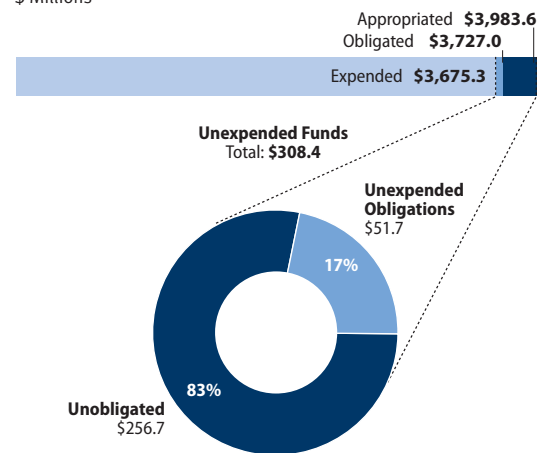
For the status of the CERP, including a breakdown of unexpended funds, see Figure 2.10.

CERP Quarterly Obligations and Expenditures

For the status and quarterly change of the CERP, by project category, as of March 31, 2011, see Table 2.9. The table compares aggregate category-level data provided by USF-I through its quarterly CERP reports to the Congress with the accurate top-line financial data provided by the Army Budget Office (ABO).

As shown in the table, the USF-I quarterly reports to the Congress have generally overstated the amount of CERP funds ultimately obligated from any given fiscal-year appropriation, presumably because obligations are canceled during the

FIGURE 2.10
CERP: STATUS OF FUNDS, AS OF 3/31/2011
\$ Millions



Note: Data not audited. Numbers affected by rounding.
Source: ABO, response to SIGIR data call, 4/18/2011.

FUNDING FOR IRAQ RECONSTRUCTION

TABLE 2.8
ESF: STATUS OF FUNDS, BY TRACK AND PROGRAM, AS OF 3/31/2011
 \$ Millions

TRACK	PROGRAM	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Security	Community Stabilization Program	619.3	608.6		-10.3 (-2%)
	PRT/PRDC Projects	586.3	534.6	5.9 (1%)	29.1 (6%)
	Local Governance Program	435.5	409.5		13.2 (3%)
	Community Action Program	384.3	324.5		5.4 (2%)
	PRT Quick Response Fund	273.8	233.1	3.1 (1%)	10.1 (5%)
	Infrastructure Security Protection	194.8	189.5		1.4 (1%)
	Subtotal		2,494.0	2,299.9	9.0 (0%)
Political	Tatweer National Capacity Development	309.4	299.3		2.6 (1%)
	Democracy and Civil Society	260.6	183.5		14.9 (9%)
	Iraqi Refugees	95.0	93.2		
	Economic Governance II, Policy and Regulatory Reforms	85.0	83.9		-1.1 (-1%)
	Ministerial Capacity Development	37.6	35.5	-0.1 (0%)	1.0 (3%)
	Regime Crimes Liaison Office	28.5	28.4		0.4 (1%)
	Elections Support	13.9	13.8		
	Monitoring and Evaluation	8.5	5.4		0.3 (5%)
	Subtotal		838.6	743.1	
Economic	O&M Sustainment	275.2	273.7		0.3 (0%)
	Inma Agribusiness Development	144.8	128.9		4.9 (4%)
	Tijara Provincial Economic Growth	117.8	77.0		2.1 (3%)
	Targeted Development Program	60.4	45.9		4.8 (12%)
	Plant-Level Capacity Development & Technical Training	50.4	50.1		
	Primary Health Care Program	39.1		39.1	
	Izdiyar Private Sector Development	32.8	32.2		0.4 (1%)
	Financial Sector Development	31.6	3.3		0.6 (24%)
	Subtotal		752.1	611.0	39.1 (5%)
Total		4,084.7	3,654.0	48.1 (1%)	79.9 (2%)

Note: Data not audited. Numbers affected by rounding.

Sources: USAID, response to SIGIR data call, 1/10/2011; USACE, responses to SIGIR data calls, 1/4/2011 and 4/5/2011; NEA-I, responses to SIGIR data calls, 12/20/2010, 12/21/2010, 1/7/2011, 1/10/2011, 3/25/2011, 3/28/2011, 4/5/2011, 4/12/2011, and 4/15/2011.

reporting and outlay phase (the five-year period after an appropriation expires for new obligations), on which USF-I does not report. FY 2006 is a notable exception because USF-I understated the amount of funds ultimately obligated by \$136.7 million.¹³² This discrepancy is most likely explained by the uniquely long period of obligation for funds appropriated to the CERP by the

FY 2006 supplemental appropriation. In contrast to the regular FY 2006 appropriation to the CERP, which expired for new obligations on September 30, 2006, the supplemental appropriation was made available until December 31, 2007.¹³³ This means that USF-I was still obligating FY 2006 CERP after it stopped reporting on those obligations to the Congress.

TABLE 2.9
CERP: STATUS OF FUNDS, BY PROJECT CATEGORY, AS OF 3/31/2011
\$ Millions

	PROJECT CATEGORY/FISCAL YEAR	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Status of Funds, by Project Category, According to the USF-I CERP Project Tracker	Water & Sanitation	673.7	219.4	11.8 (2%)	3.4 (2%)
	Protective Measures	490.2	267.5	1.1 (0%)	0.6 (0%)
	Electricity	444.5	131.6	3.2 (1%)	0.5 (0%)
	Education	428.3	177.5	3.7 (1%)	1.7 (1%)
	Transportation	385.9	148.1	2.1 (1%)	0.5 (0%)
	Civic Cleanup Activities	240.5	116.5	1.3 (1%)	0.7 (1%)
	Other Urgent Humanitarian or Reconstruction Projects	224.3	83.6	7.5 (3%)	2.4 (3%)
	Agriculture	208.4	74.3	2.0 (1%)	0.3 (0%)
	Economic, Financial, and Management Improvements	183.0	76.3	1.6 (1%)	0.8 (1%)
	Health Care	152.0	60.4	2.5 (2%)	1.6 (3%)
	Rule of Law & Governance	112.2	44.7	19.2 (21%)	1.2 (3%)
	Civic Infrastructure Repair	67.5	23.9		
	Repair of Civic & Cultural Facilities	63.1	27.1	0.5 (1%)	
	Civic Support Vehicles	58.5	30.8	4.6 (8%)	1.6 (5%)
	Condolence Payments	50.7	35.4	0.1 (0%)	0.1 (0%)
	Telecommunications	39.6	10.2		
	Temporary Contract Guards for Critical Infrastructure	35.6	35.3		
	Battle Damage Repair	23.7	17.9	0.1 (0%)	0.1 (0%)
	Food Production & Distribution	21.2	8.0	0.3 (2%)	0.2 (3%)
	Non-FMR	5.8		-21.8 (-79%)	
	Detainee Payments	1.0	0.6		
	Iraqi Hero Payments	0.7	0.7	0.0 (2%)	0.0 (1%)
	Subtotal		3,910.3	1,589.8	39.8 (1%)
Difference between ABO Financial Data and USF-I CERP Project Tracker, by Fiscal Year	FY 2004	-5.8	133.6		
	FY 2005	-49.2	404.4		
	FY 2006	136.7	499.8	0.1 (0%)	1.2 (0%)
	FY 2007	-180.5	324.0	0.1 (0%)	0.1 (0%)
	FY 2008	-91.4	513.7	-2.9 (3%)	1.3 (0%)
	FY 2009	-9.2	116.0	-1.5 (19%)	2.5 (2%)
	FY 2010	16.1	94.0	38.6 (-172%)	107.9 (-777%)
	FY 2011				
	Subtotal		-183.3	2,085.5	34.3 (-16%)
Total, According to ABO Financial Data		3,727.0	3,675.3	51.6 (1%)	114.9 (3%)

Note: Data not audited. Numbers affected by rounding. Table compares project category totals from the USF-I CERP Project Tracker with financial data from ABO, by fiscal year. Project Categories reported in the USF-I CERP Project Tracker were inconsistent across fiscal years, but most aberrations could be matched with a Project Category provided for in the DoD FMR. Project Categories reported by USF-I that could not be matched to a Project Category provided for in the DoD FMR were classified as "Non-FMR" in this table.

Sources: ABO, responses to SIGIR data calls, 10/4/2010, 10/8/2010, 12/6/2010, 12/22/2010, 4/5/2011, and 4/18/2011.

Also evident in the table is that the USF-I quarterly reports to the Congress have generally understated the amount of CERP funds ultimately expended from any given fiscal-year appropriation, often to a significant degree. For example, in FY 2006 and in FY 2008, USF-I's reporting did not account for approximately \$500 million.¹³⁴ Presumably this is because USF-I does not report on a CERP appropriation beyond the fiscal year in which it was appropriated. Historically, more than half of CERP expenditures occurred during the five-year reporting and outlay phase, which contributes to the reporting gap at the project and category levels.¹³⁵

Project- and Category-level CERP Data

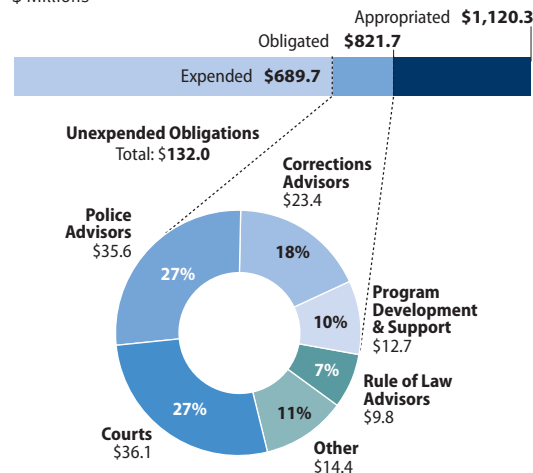
Because of the data problems that SIGIR identified in the January 2011 Quarterly Report, SIGIR has determined that it is unable to readily or completely match the financial data provided by ABO to individual project data provided by USF-I or to project categories defined by DoD's Financial Management Regulation (FMR). Unless SIGIR is able to obtain consistent and complete records for prior fiscal-year appropriations—including Document Reference Numbers—SIGIR can no longer provide relatively complete CERP project-level and category-level data in its Quarterly Reports.¹³⁶

International Narcotics Control and Law Enforcement

Since 2006, the Congress has appropriated \$1.12 billion to the INCLE in Iraq to support rule-of-law activities.¹³⁷ This includes roughly \$52 million provided by P.L. 112-10.¹³⁸ As of March 31, 2011, \$132 million of obligated INCLE funds had not been expended. An additional \$299 million had not been obligated, nearly all of which is available for new projects. In total, \$431 billion in available budget authority remained unexpended for the INCLE.¹³⁹

For the status of the INCLE, including a breakdown of unexpended obligations, see Figure 2.11.

FIGURE 2.11
INCLE: STATUS OF FUNDS, AS OF 3/31/2011
\$ Millions



Note: Data not audited. Numbers affected by rounding.

Sources: P.L. 109-234; P.L. 110-5; P.L. 110-28; P.L. 110-252; P.L. 111-32; P.L. 111-117; P.L. 111-212; P.L. 111-242; P.L. 111-290; P.L. 111-317; P.L. 112-10; INL, response to SIGIR data call, 4/6/2011.

INCLE Quarterly Obligations and Expenditures

The INCLE has been allocated to 11 programs in four sectors: criminal justice, corrections, counter-narcotics, and other (which includes funding for program development and support). The majority of INCLE obligations to date have been made to programs in the criminal justice sector.¹⁴⁰

For the status and quarterly change of the INCLE, by program, see Table 2.10.

Iraq Relief and Reconstruction Fund

The IRRF comprises \$20.86 billion made available through two appropriations: IRRF 1 (\$2.48 billion) and IRRF 2 (\$18.39 billion).¹⁴¹ The IRRF 1 was canceled on September 30, 2009, and there is no longer authority to obligate or expend any funds from it.¹⁴² P.L. 109-234 and P.L. 110-28 extended the period of obligation for some of the IRRF 2 until September 30, 2008. Consequently, some IRRF 2 funds will

The majority of INCLE obligations to date have been made to programs in the criminal justice sector.

TABLE 2.10

INCLE: STATUS OF FUNDS, BY SECTOR AND PROGRAM, AS OF 3/31/2011

\$ Millions

SECTOR	PROGRAM	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Criminal Justice	Police Advisors	432.4	396.8	375.9 (665%)	395.2 (24,609%)
	Courts	104.4	68.3	2.9 (3%)	5.5 (9%)
	Public Integrity	33.7	27.1		0.3 (1%)
	Rule of Law Advisors	26.0	16.1	3.6 (16%)	3.7 (30%)
	Major Crimes Task Force	13.1	9.1		0.8 (9%)
	Justice Integration	6.8	5.5		0.1 (1%)
	Legal Framework	2.5	2.5		
	Subtotal	618.9	525.5	382.5 (162%)	405.5 (338%)
Corrections	Advisors	88.0	64.6	1.5 (2%)	3.1 (5%)
	Construction	83.7	82.2		11.7 (17%)
	Subtotal	171.7	146.8	1.5 (1%)	14.8 (11%)
Other	Program Development and Support	30.1	17.4	3.1 (12%)	-0.1 (0%)
Counternarcotics	Counternarcotics	1.0	0.0	1.0	
Total		821.7	689.7	388.0 (89%)	420.3 (156%)

Note: Data not audited. Numbers affected by rounding.

Sources: INL, responses to SIGIR data calls, 1/10/2011 and 4/6/2011.

remain available for expenditure until September 30, 2013.¹⁴³ As of March 31, 2011, \$335 million of obligated funds had not been expended from the IRRF 2.¹⁴⁴ For the status and quarterly change of the IRRF, see Table 2.11.

This quarter, SIGIR released an audit of the status of IRRF 2 as of September 30, 2010. According to the audit, \$18.45 billion was appropriated for security, relief, rehabilitation, and reconstruction in Iraq, all of which was apportioned to five agencies: DoD/U.S. Army, USAID, DoS, U.S. Treasury, and the U.S. Institute of Peace (USIP). For details, see Table 2.12. It should be noted that these amounts differ from those reported by the agencies and reflected in SIGIR's October 2010 Quarterly Report. All IRRF 2 funds that remain unexpended as of September 30, 2013, will be canceled and returned to the U.S. Treasury's General Fund.¹⁴⁵

Smaller Funds

The Congress has appropriated or otherwise made available nearly \$10.04 billion in smaller funding streams for Iraq reconstruction. SIGIR has classified them into three categories:¹⁴⁶

- Other Assistance Programs—\$3.99 billion
- Reconstruction-related Operating Expenses—\$5.73 billion
- Reconstruction Oversight—\$322 million

As of March 31, 2011, at least \$4.80 billion (48%) of these funds had been obligated, and at least \$4.60 billion (46%) had been expended.¹⁴⁷ However, agency reporting is inconsistent for the smaller funds, and these values likely understate actual obligations and expenditures through these funding streams. For details on the status of funds, see Table 2.1. ♦

FUNDING FOR IRAQ RECONSTRUCTION

TABLE 2.11

IRRF: STATUS OF FUNDS, BY APPROPRIATION AND SECTOR, AS OF 3/31/2011

\$ Millions

APPROPRIATION	SECTOR	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
IRRF 1	Subtotal	2,227.7	2,227.7		
IRRF 2	Security & Law Enforcement	4,929.0	4,892.8		
	Electric Sector	4,117.4	4,076.1	9.3 (0%)	13.9 (0%)
	Justice, Public Safety Infrastructure, & Civil Society	2,309.2	2,209.4	-0.1 (0%)	
	Water Resources & Sanitation	1,968.0	1,957.8		1.8 (0%)
	Oil Infrastructure	1,604.2	1,593.1		
	Private Sector Development	860.0	830.0		
	Health Care	816.7	802.8		0.4 (0%)
	Education, Refugees, Human Rights, Democracy, & Governance	519.5	447.6		
	Transportation & Telecommunications Projects	469.0	463.3	0.2 (0%)	1.9 (0%)
	Roads, Bridges, & Construction	280.5	275.7		1.2 (0%)
	Administrative Expenses	219.5	217.9		
	ISPO Capacity Development	44.9	36.3		1.2 (3%)
	Subtotal	18,137.8	17,802.8	9.4 (0%)	20.4 (0%)
Total		20,365.5	20,030.4	9.4 (0%)	20.4 (0%)

Note: Data not audited. Numbers affected by rounding.

Sources: NEA-I, responses to SIGIR data calls, 12/28/2010 and 4/5/2011; OSD, response to SIGIR data call, 4/10/2009; DoS, response to SIGIR data call, 4/5/2007; USDA, response to SIGIR data call, 4/2/2009; U.S. Treasury, response to SIGIR data call, 4/2/2009; USAID, response to SIGIR data call, 7/8/2010; SIGIR Audit 11-007, "Iraq Relief and Reconstruction Fund 1: Report on Apportionments, Expenditures, and Cancelled Funds," 12/28/2010.

TABLE 2.12

IRRF 2: AUDITED STATUS, AS OF 9/30/2010, BY AGENCY

\$ Millions

	APPORTIONED	OBLIGATED	EXPENDED	UNOBLIGATED BALANCES	UNLIQUIDATED OBLIGATIONS
DoD/U.S. Army	13,521.06	12,966.79	12,868.55	311.00	98.24
USAID	3,043.57	3,048.01	3,040.39	28.90	7.62
DoS	1,483.31	1,344.68	1,306.08	62.34	38.60
U.S. Treasury	391.38	39.06	38.33	0.04	0.73
USIP	10.00	9.82	9.76	0.18	0.06
Subtotal				402.46	
OMB				26.62	
Total	18,449.32	17,408.36	17,263.11	429.08	145.25

Source: SIGIR Audit 11-013, "Iraq Relief and Reconstruction Fund 2: Report on Apportionments, Expenditures, and Status at End of Fiscal Year 2010," 4/22/2011.

IRAQI FUNDING

As of March 31, 2011, Iraq had provided \$111.00 billion for relief and reconstruction through Iraqi funding from the CPA era and its annual capital budgets.¹⁴⁸ This includes \$25.70 billion from the 2011 budget.¹⁴⁹

2011 Iraqi Budget

On February 20, 2011, the Iraqi Council of Representatives (CoR) approved the 2011 GOI budget. The budget projects \$69.18 billion in revenue, based mostly on an estimated oil price of \$76.50 per barrel and an estimated export rate of 2.20 million barrels per day (MBPD).¹⁵⁰ This is an increase of \$14.00 (22%) per barrel in price and 0.10 MBPD (5%) in export volume over the estimates used to project the 2010 GOI budget.¹⁵¹ This differs slightly from the budget approved by the Council of Ministers—which was subsequently reviewed and amended by the CoR—on which SIGIR reported last quarter.

The budget projects \$82.62 billion in expenditures, leaving a projected deficit of \$13.44 billion. According to the budget, this deficit will be covered by unspent 2010 budget allocations and from

internal and external borrowing. Accordingly, the budget authorizes the Minister of Finance to borrow \$4.5 billion from the International Monetary Fund (IMF), \$2.0 billion from the World Bank, \$1.8 billion in Special Drawing Rights (SDR) from the IMF, and an undefined amount of domestic treasury transfers. In addition, the budget notes that a \$500 million loan from the “British Oil Company” will also be used to help cover the deficit.¹⁵²

The GOI’s final budget broadly categorizes expenditures as those related to operations (\$56.92 billion) and capital investment (\$25.70 billion).¹⁵³ As of April 23, 2011, CoR-approved budget allocations to the ministries were not yet available.

GOI Revenue for 2011

During the first three months of 2011, the GOI received \$16.31 billion in oil receipts, 32% more than the \$12.32 billion during the first three months of 2010, and 6% more than the \$15.36 billion projected in the 2011 GOI budget.¹⁵⁴ Over the course of 2011, Iraq has received an average of \$91.94 per barrel of oil exported,¹⁵⁵ well above the price of \$76.50 per barrel used to project Iraqi oil revenues for 2011.¹⁵⁶ ♦

The budget projects \$69.18 billion in revenue, based mostly on an estimated oil price of \$76.50 per barrel and an estimated export rate of 2.20 million barrels per day.

INTERNATIONAL SUPPORT

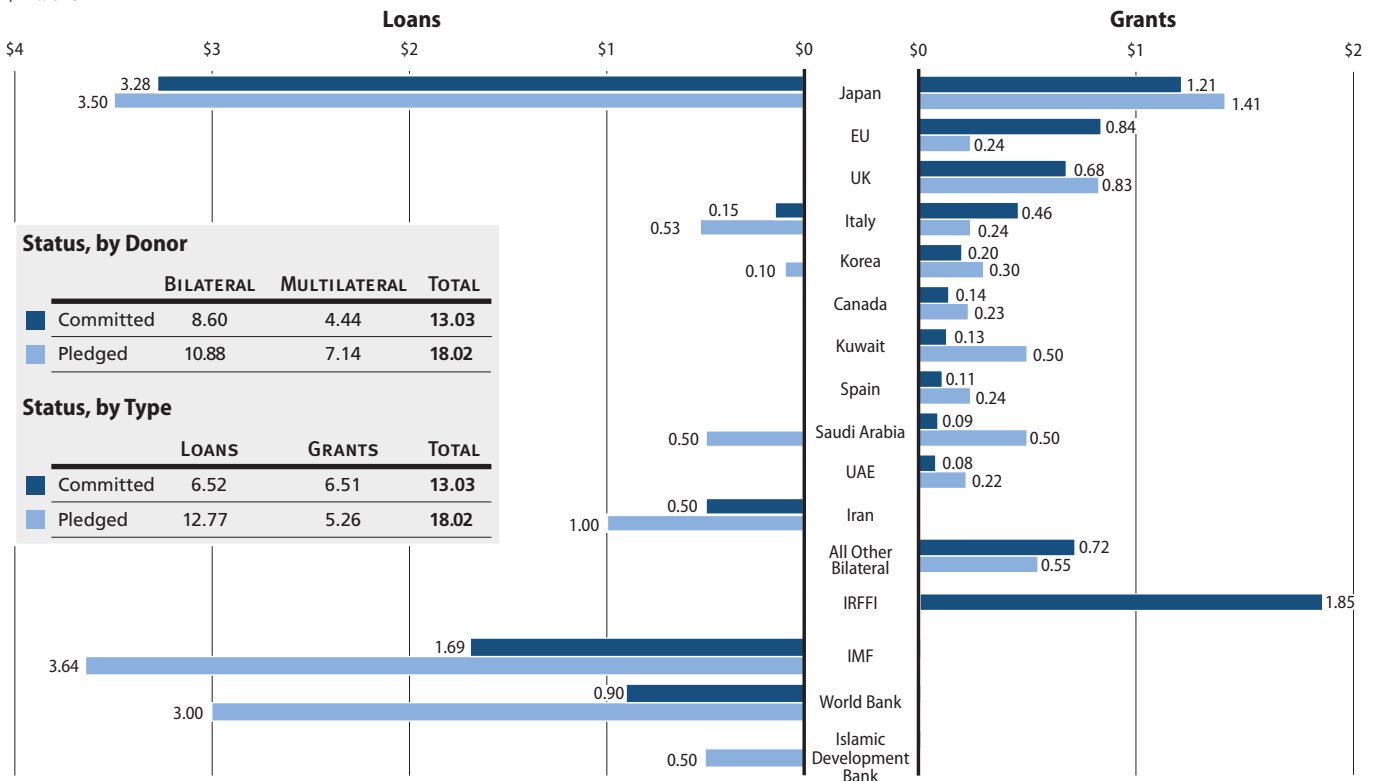
As of March 31, 2011, international (non-U.S.) donors had committed \$13.03 billion for the relief and reconstruction of Iraq: \$6.51 billion in grant assistance and \$6.52 billion in loans.¹⁵⁷ This quarter, the IMF approved disbursement of the second tranche of a \$3.77 billion Stand-By Arrangement to help ensure the country's macroeconomic stability and provide a framework for structural reforms. The payment of \$471 million brought the amount Iraq has drawn under the arrangement to about \$1.69 billion.¹⁵⁸

As of March 31, 2011, international donors had pledged \$18.02 billion: \$5.26 billion in grant assistance and \$12.77 billion in loans.¹⁵⁹ As of March 31, 2011, commitments totaled 72% of pledges, but the percentage varied considerably among donors. Some donors, notably in the Middle East, have committed far less than they pledged.¹⁶⁰

For a breakdown of pledges and commitments, by type of assistance and donor, see Figure 2.12. ♦

FIGURE 2.12

INTERNATIONAL GRANTS AND LOANS, BY TYPE OF ASSISTANCE, STATUS, AND DONOR, AS OF 3/31/2011
\$ Billions



Note: Data not audited. Numbers affected by rounding. Bilateral commitments exclude IRFFI deposits. Amounts may differ from prior quarters due to changes in foreign exchange rates.

Sources: NEA-I, responses to SIGIR data call, 4/5/2011 and 4/7/2011.