



**Special Inspector General
for Iraq Reconstruction**

**Quarterly Report to the
United States Congress**

[October 30, 2008]



MESSAGE FROM THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

I am pleased to provide SIGIR's 19th Quarterly Report to the Congress and the Secretaries of Defense and State. The issuance of this report coincides with the fourth anniversary of the Congress' creation of SIGIR to oversee the use of U.S. reconstruction funds in Iraq. SIGIR, the follow-on agency to the Coalition Provisional Authority's Inspector General, possesses a broad mandate to report on over \$50 billion in taxpayer dollars. The success of the SIGIR model spawned the creation of two more special IGs this year—the Special Inspector General for Afghanistan Reconstruction (SIGAR) and, very recently, the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). SIGIR provides administrative support to SIGAR.

The theme of this Quarterly Report, “A Nascent Normalcy: The Evolution of U.S. Assistance to a Sovereign Iraq,” reflects the recognition of a fundamental shift in the U.S. relief and reconstruction effort this year, which SIGIR dubbed in January “The Year of Transfer.” The most salient features of that fundamental shift include:


- the rising primacy of Iraq's capital budget as the chief funding source for further reconstruction, resulting in an appropriate decrease in U.S. assistance
- the strengthening of Iraq's security forces, evident in the recent transfer of security responsibilities in Anbar and Babylon to Iraqi control
- the incremental improvement in essential services across Iraq, highlighted by this quarter's record electricity output
- the increased velocity of economic activity prompted by Iraq's oil revenue windfall, which may soon be tempered by recent rapid declines in world oil prices
- the progress of the Maliki government on specific legislative items, most notably the passage of the Provincial Election Law

SIGIR's oversight teams produced seven audit reports and three inspection assessments this quarter, including:

- a congressionally mandated review identifying 310 contractors that have provided security services in Iraq, costing U.S. taxpayers about \$6 billion (with most of that money going to 77 of the contractors)
- an audit requested by Ambassador Ryan Crocker that reviewed U.S. Embassy procedures for reporting progress on reconstruction projects to the Chief of Mission, finding systemic weaknesses that the Embassy is acting quickly to ameliorate
- a focused financial review of two large USAID capacity-building contracts, finding significant shortcomings in invoice review, outcome reporting, and agency contract oversight
- an audit of IRRF contract terminations, which found very few adverse actions taken against contractors terminated for default
- an inspection of the Falluja Waste Water Treatment System, finding that the project will cost three times original estimates, will be completed over three years late, and will serve just over a third of the number of homes originally contemplated

This quarter, I traveled to Iraq for the 20th time since my appointment in 2004. During visits to Falluja and around Baghdad, I observed noticeable improvements in the security situation. Significantly, Haifa Street, once one of the most dangerous places in Baghdad, was bustling with commerce in mid-August. But, as MNF-I Commanding General Ray Odierno recently observed, the security situation remains fragile. I soon will travel again to Iraq to support SIGIR's 35 auditors, inspectors, and investigators who are working across the country on a wide spectrum of critical oversight issues.

Finally, on October 19, I was pleased to accept, on behalf of SIGIR, three awards from the President's Council on Integrity and Efficiency: one honored the loss last spring of SIGIR auditor Paul Converse (who was killed in a Green Zone rocket attack); one recognized the exemplary work accomplished by SIGIR's entire Audits Directorate; and one lauded the outstanding report on the Mosul Dam produced by SIGIR's Inspections Directorate. I remain proud of the dedicated SIGIR team, in both Baghdad and Arlington, which continues to carry out our complex mission with an enduring commitment to the highest standards of professionalism, productivity, and perseverance.

A handwritten signature in black ink, reading "Stuart W. Bowen, Jr." with a period at the end. The signature is written in a cursive, flowing style.

Stuart W. Bowen, Jr.
Special Inspector General for Iraq Reconstruction

SIGIR SUMMARY OF PERFORMANCE
AS OF OCTOBER 30, 2008

AUDITS

Reports Issued	129
Recommendations Issued	343
Dollars Saved and Recovered	\$81,600,000
Dollars Put to Better Use	\$224,720,000
Challenged Payments	\$14,930,000

INSPECTIONS

Project Assessments Issued	131
Limited On-site Assessments Issued	96
Aerial Assessments	640

INVESTIGATIONS

Investigations Initiated	374
Investigations Closed or Referred	307
Open Investigations	67
Arrests	16
Indictments	18
Convictions	11
Court-ordered Restitution/Forfeiture	\$17,414,000

HOTLINE CONTACTS AS OF SEPTEMBER 30, 2008

Fax	18
Telephone	75
Walk-in	110
E-mail	327
Referrals	26
Mail	28
SIGIR Website	97
Total Hotline Contacts	681

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*The complete version of this SIGIR Quarterly Report is available on the SIGIR website: www.sigir.mil. It is the official version of the Report, containing all appendices and corrections.

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SECTION 1

1

A NASCENT NORMALCY: THE EVOLUTION OF U.S. ASSISTANCE TO A SOVEREIGN IRAQ

This penultimate quarter of the Year of Transfer witnessed the emergence of nascent normalcy in Iraq. As U.S. reconstruction assistance continued to target civil and military capacity building, Iraq achieved progress on the security, political, and economic fronts. Violent incidents dropped to their lowest levels since 2004; the long-awaited Provincial Election Law finally passed; and commercial activity, spurred by Iraq’s oil-revenue windfall, continued to increase. But, as General Ray Odierno, the new Commanding General, Multi-National Force-Iraq (MNF-I), recently noted, Iraq “was a failed state [in 2006]. In 2008, it’s a fragile state. We’ve got to move it to a stable state.”¹ To sustain progress in this direction, Iraq must improve its provision of security and essential services, such as electricity, potable water, sewage systems, and health care services.

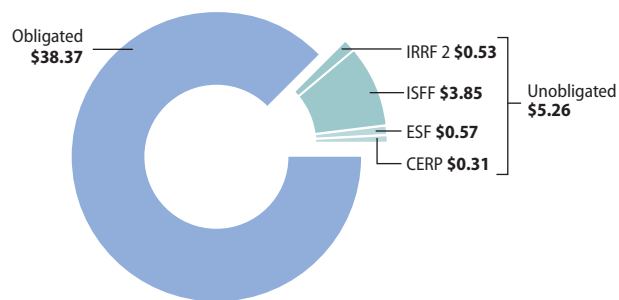
Iraq’s nascent normalcy follows upon—and, to some extent, stems from—the completion and transfer of most of the significant U.S. relief and reconstruction projects. Almost exactly five years ago, the Congress appropriated more than \$18 billion to the Iraq Relief and Reconstruction Fund (IRRF) to support the ambitious Coalition Provisional Authority (CPA) rebuilding program. On September 30, 2008, the authority of U.S. agencies to obligate IRRF funds for new obligations expired. At that point, over 97% was obligated, and nearly 94% was spent.² The \$17.94 billion Iraq Security Forces Fund (ISFF) also is drawing down, with \$3.85 billion left to obligate and \$6.90 billion to expend.³ The Department of State’s (DoS’s) Economic Support Fund (ESF) and the

Department of Defense’s (DoD’s) Commander’s Emergency Response Program (CERP) have \$1.81 billion and \$0.88 billion left to expend, respectively.⁴ In sum, about \$10.72 billion of the four major U.S. reconstruction funds has yet to be expended, and \$5.26 billion remains unobligated. For an overview of amounts available for obligation in the four major funds, see Figure 1.1.

The ESF program expends funds at a much slower rate than CERP due in part to DoS’s use of Interagency Agreements, which transfer ESF monies to DoD or the U.S. Agency for International Development (USAID) for execution. Oddly, DoS reported that, although 100% of 2008 ESF funds were obligated, 0% was expended this quarter. For an executive summary of SIGIR’s audit on this issue, see Section 4.

FIGURE 1.1

BALANCES OF THE FOUR MAJOR FUNDS
\$ Billions



Note: Numbers affected by rounding.

Sources: DoS, *Iraq Weekly Status Report*, 10/1/2008; OSD, response to SIGIR data call, 10/14/2008; DoS, response to SIGIR data call, 10/14/2007; ITAO, responses to SIGIR data call, 1/4/2008 and 10/14/2008; GRD, response to SIGIR data call, 10/6/2008; USAID, response to SIGIR data call, 10/14/2008; ITAO, *Essential Indicators Report*, 10/2/2008.

The Supplemental appropriations passed by the Congress last quarter imposed conditions for the use of certain types of new U.S. aid for Iraq. For example, the Congress prohibited expending new appropriations on prisons and mandated the submission of detailed plans before specified other funds could be used. The Supplemental further required the Government of Iraq (GOI) to match some U.S. foreign assistance on a dollar-for-dollar basis. This quarter, the principal U.S. entity charged with monitoring the GOI's compliance with these new matching requirements merely enumerated the capital allocations in the GOI's budget, counting them as matching funds.

The recent Duncan Hunter National Defense Authorization Act (NDAA) for Fiscal Year 2009 imposed a ceiling of \$2 million on the amount of CERP money that DoD could allocate to a single project. The new NDAA further requires the Secretary of Defense to approve CERP projects costing over \$1 million, certifying thereby that the project will meet Iraq's urgent humanitarian relief or reconstruction needs.

For the current range and median cost of CERP projects, see Figure 1.2.

In addition to imposing a cap on the amount of CERP funds that DoD can use on a reconstruction project, the NDAA:

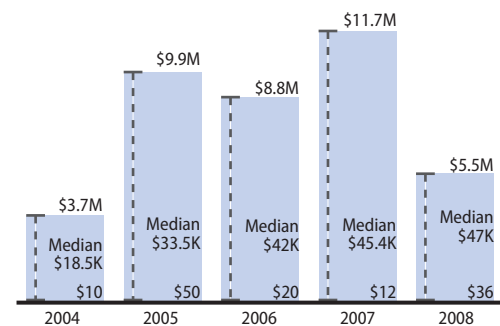
- requires the U.S. government to ensure that Iraqi funds are used to pay the costs of training, equipping, and sustaining the Iraqi Security Forces (ISF)
- requires the U.S. government to begin negotiations with the GOI on sharing the costs of combined operations
- expands the categories of security incidents that must be reported by private

security contractors operating in areas of combat operations

- limits certain noncompetitive contracts to no more than one year in duration
- requires additional regulations on the use of cost-reimbursable contracts
- mandates additional regulations for agencies other than the DoD to minimize the excessive use of tiering of subcontractors that add no or negligible value and to ensure that contractors or subcontractors do not receive indirect costs or profit on work performed by lower-tier subcontractors to which the higher-tier contractor adds no or negligible value
- imposes a prohibition on the use of funds to establish bases for the permanent stationing of U.S. troops in Iraq

FIGURE 1.2

RANGE AND MEDIAN COST OF CERP PROJECTS, 2004–2008
\$ Millions



Note: Numbers affected by rounding. Includes completed and ongoing projects.

Source: IRMS, CERP Excel Workbook, 10/3/2008.

THE DIPLOMATIC CONTOURS OF A NASCENT NORMALCY

Two bilateral accords are expected to define the continuing U.S. role in Iraq: the Strategic Framework Agreement (SFA) and the Status of Forces Agreement (SOFA).

The SFA formalizes the “Declaration of Principles for a Long-Term Relationship of Cooperation and Friendship Between the Republic of Iraq and the United States of America” that President Bush and Prime Minister Nouri al-Maliki signed in late 2007.⁵ It establishes the nature of continuing political, economic, and cultural relationships between the United States and the GOI.

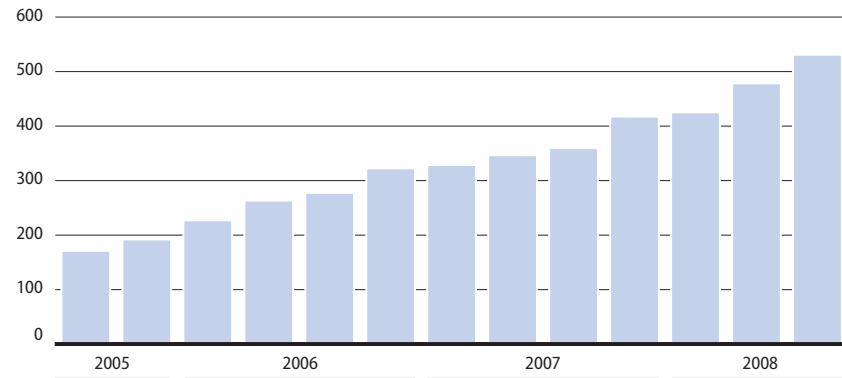
The more significant SOFA details the rights and responsibilities of U.S. personnel in Iraq after December 31, 2008. The SOFA would supersede UN Security Council Resolution 1511 (2003) as the legal basis for a continuing U.S. military and civilian presence in Iraq. Concerns about the immunity of U.S. military personnel from prosecution under Iraqi law have delayed this agreement. CPA Order 17 provided U.S. personnel with blanket immunity from prosecution under Iraqi law. The SOFA reportedly would waive contractor immunity and thus increase the cost of security for continuing U.S. relief efforts.

THE INCREASING FUNCTIONAL AUTONOMY OF A SOVEREIGN IRAQ

During this Year of Transfer, the GOI, a *de jure* sovereign entity since June 28, 2004, increasingly has asserted its *de facto* independence from U.S. supervision on matters of law, policy, and governance. This aspect of Iraq’s nascent normalcy has decreased GOI transparency for U.S. interlocutors who continue to engage Iraqis through capacity-building programs. For example, certain

Iraqi ministries deny U.S. advisors visibility into their budgets (e.g., the Ministry of Electricity), exacerbating the financial planning challenges caused by the volatile price of oil. The GOI committed just over \$20 billion for capital reconstruction projects in 2008.⁶ But lack of access to Iraqi budget data limits U.S. knowledge of actual budget execution rates.

FIGURE 1.3

TOTAL TRAINED IRAQI SECURITY FORCES, BETWEEN JULY 2005 AND AUGUST 2008
Thousands

Note: The trained number for November 2007 has been revised from 439,678 per March 9010 report.

Source: DoD, *Measuring Stability and Security in Iraq*, 7/2005, 10/2005, 2/2006, 5/2006, 8/2006, 11/2006, 3/2007, 6/2007, 9/2007, 12/2007, 3/2008, 6/2008, 9/2008.

Iraqi Security Forces in the Lead

The growth in ISF capabilities has permitted Coalition forces to shift from the lead in kinetic operations to supporting roles. This shift allows MNF-I to continue to provide critical assistance to the Iraqi Army (IA) by “enabling from overwatch.”⁷ Of the 164 IA battalions conducting operations nationwide, approximately 107 are either in the lead or operating independently.⁸

The IA, supported by Iraqi police, mounted sustained offensive operations this quarter in Diyala province. This successful offensive marked the continuation of a positive trend observed during the previous quarter when IA forces executed effective operations in Basrah.

The ISF’s Leadership Initiative

The ISF suffers from a leadership shortage. A SIGIR April 2008 audit observed that the IA must strengthen its officer and non-commissioned officer (NCO) corps if it is to succeed in its long-term security mission.⁹ To ameliorate the leadership shortfall, the Ministry of Defense (MOD) has initiated a robust recall effort to

reinstate IA officers and NCOs dismissed by the 2003 CPA order disbanding the Army. The MOD established centers across Iraq this quarter where former IA officers and NCOs could register to return to service. By early October 2008, approximately 97,000 officers and NCOs had signed up.¹⁰ These experienced officers and NCOs will provide leadership to the relatively inexperienced enlisted men who comprise the ISF. For the number of total trained ISF personnel, see Figure 1.3.

Enhanced International Involvement

The United Nations (UN) took steps this quarter to increase its involvement in Iraq by:

- announcing a new anticorruption initiative aimed at strengthening the GOI’s weakened anticorruption institutions
- brokering a political compromise within Iraq’s Council of Representatives (CoR) that helped pass the Provincial Election Law
- supporting the GOI’s efforts to control the spread of cholera¹¹



Jordan's Ambassador to Iraq presents his credentials to President Talabani. (GOI Photo)

The UN Secretary General recently stated: “There is new hope that the people and Government of Iraq are overcoming daunting challenges and working together to rebuild their country, after years of war, dictatorship and neglect.”¹² Buttressing this hope, the GOI broadened regional ties with several neighboring states including Kuwait, Jordan, Bahrain, and Syria, which sent ambassadors to Baghdad this quarter for the first time since before the 2003 invasion.

Normalizing the International Zone

Another striking sign of Iraq's nascent normalcy is the impending decrease in U.S. control of the International Zone (IZ). Created by the CPA in 2003 as the “Green Zone,” the IZ encompasses approximately 3.5 square miles of downtown Baghdad, stretching along the Tigris River. Coalition forces guard all access points to the IZ and strictly control entry. When the U.S. Embassy accomplishes its move to the New Embassy Compound (NEC), expected to be completed by the end of this year, the IZ's borders will contract, whereupon ISF personnel will assume security responsibilities for most of the area.

Key Developments Security

President Bush recently noted that “violence in Iraq is down to its lowest point since the spring of 2004.”¹³ Notwithstanding vast and palpable

improvements on the security front, the situation in Iraq remains tenuous.¹⁴ Secretary of Defense Robert Gates recently cited two specific areas of concern: (1) “the prospect of violence in the lead-up to the [provincial and national] election[s]” and (2) “worrisome reports about sectarian [Shia] efforts to slow the assimilation of the Sons of Iraq (SOI) into the Iraqi security forces.”¹⁵ For a snapshot of security incidents across a four-year span, see Figure 1.4.

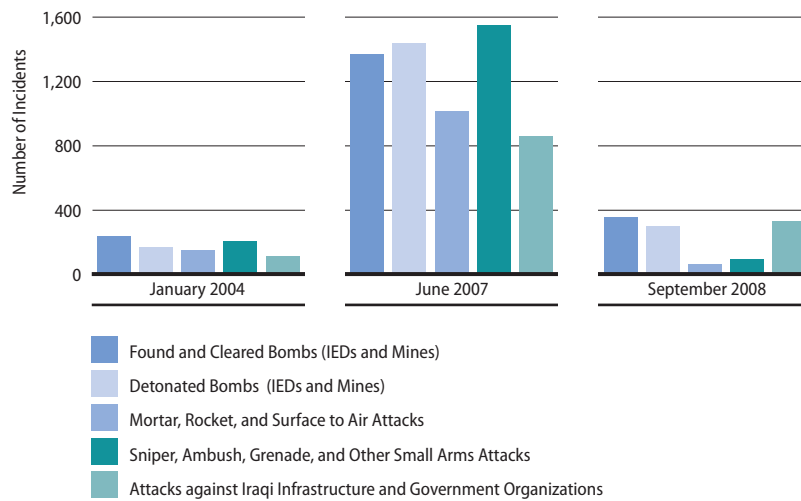
Provincial Elections

On September 24, 2008, the CoR passed the long anticipated Provincial Election Law, mandating that elections must occur before January 31, 2009. The law further provides that:¹⁶

- Of Iraq's 15 majority-Arab provinces, all but Tameem (Kirkuk) must conduct provincial elections by the end of January 2009.
- Provincial elections in the three Kurdish provinces must occur sometime later in 2009.
- 25% of the seats on each Provincial Council (PC) must be reserved for women.
- No seats on PCs will be reserved for Christians and other religious minorities.

Iraq's long-awaited provincial elections hopefully will repair some of the civil fissures caused by the Sunni boycott of the January 2005 provincial elections, setting the stage for the late 2009 parliamentary elections. The parliamentary elections will subject Prime Minister Maliki's administration to its first electoral review.

FIGURE 1.4
SECURITY INCIDENTS—THREE SNAPSHOTS IN TIME



Note: Numbers affected by rounding.
Source: OSD, response to SIGIR data call, 10/6/2008.

Sons of Iraq

In mid-summer 2007, the United States created the Sons of Iraq (SOI) to bring tens of thousands of disaffected Sunnis into Iraq’s civil security apparatus, thereby reducing the pool of potential insurgents. The SOI initiative, along with the Surge and the August 2007 Sadrist ceasefire, helped reduce attack levels in Iraq from their June 2007 peak to their current post-invasion lows. The United States pressed the Maliki government this quarter to integrate the SOI into the ISF. The GOI’s halting response underscores the continuing need for Sunni/Shia reconciliation.

There are approximately 95,000 members of the SOI, with 51,000 in Baghdad.¹⁷ Since the program’s inception in the summer of 2007, the United States has paid the SOI with CERP funds. On October 1, 2008, the GOI assumed responsibility for overseeing and paying just over 50,000 SOI members. The GOI stated that it intends to integrate only 20,000 of these into the regular ISF.¹⁸ The remainder will be pensioned off, hired for non-security-related government positions, or released from service entirely.

Provincial Iraqi Control—Anbar and Babylon

On September 1, 2008, the United States transferred Anbar province, once a hive of Sunni insurgent activity, to Provincial Iraqi Control (PIC). On October 23, 2008, Babylon became the 12th province to PIC.¹⁹ Current U.S. plans call for the transfer of Wassit province to Iraqi control before the end of 2008.²⁰

Continuing Challenges Rule of Law

Iraq’s rule-of-law system remains broken, most evidenced by the fact that Iraqi judges continue to be assassinated across the country. In 2008, terrorists have killed 7 judges, adding to the 11 murdered in 2007. Since 2003, over 40 judges and family members have been assassinated. The problem of judicial security, which SIGIR raised in its October 2007 Quarterly Report, remains unresolved. The Ministry of the Interior says it is working on a solution, but none has been forthcoming.

Iraqi Prime Minister Maliki and Chief Justice Medhat cut the ceremonial ribbon opening the new Rusafa Justice Palace in Baghdad on September 10, 2008. (USACE photo)



Corruption

Corruption afflicted Iraq for decades before the 2003 invasion, and it has continued to do so since, amounting to a “second insurgency.” As a recent IMF report stated, there is a continuing and compelling need for the GOI to press for reforms that could help it contain the corruption problem.²¹

Battling GOI corruption is chiefly the mission of the Board of Supreme Audit (BSA), the Commission on Integrity (CoI), and the Iraq Inspectors General (IGs). Each of these entities faces significant impediments to meeting their respective missions. The BSA released a report earlier this year indicating numerous weaknesses within the Iraq IGs. And the BSA’s audit burden has massively increased as Iraq’s budget has expanded.

The CoI, ostensibly the GOI’s chief fraud-fighting organization, reported this quarter that the new Amnesty Law, approved by the CoR in February, erased, by operation of law, more than half of its cases.²² As of September 30, 2008, 690 CoI corruption cases had been closed pursuant to the application of this law.²³ Other weaknesses hamper the CoI’s mission: it lacks an effective presence outside of Baghdad, its Commissioner has not been confirmed by the CoR, and its statutory authority remains in limbo. In sum, the CoI has limited capacity to fight corruption.

Corruption problems were observed during a recent SIGIR assessment of three schools in Sadr City,²⁴ which were funded with Iraqi money under the Iraq-Commander’s Emergency Response Program (I-CERP). SIGIR’s inspectors

discovered that a local Iraqi contractor working on the projects requested release from his contract because he had received multiple requests from GOI officials for bribes. When he refused to comply with the requests, he and his family were threatened. For an executive summary of the inspection, see Section 4.

Updating the Year of Transfer Oil Income and the Iraqi Budget

The Ministry of Finance (MOF) published the GOI’s new strategic budget plan this quarter, projecting that 94% of Iraq’s 2009 revenues will come from oil income and estimating that oil exports will average 1.9 million barrels per day at an average per barrel price of \$80.

On August 18, 2008, the IMF reported that Iraq’s “growth prospects have improved in 2008, underpinned by increasing oil production and exports.”²⁵ But if oil prices continue their recent declines, the GOI will need to revise its 2009 budget. In mid-October 2008, the price of Iraqi oil was down 39% from its mid-summer peak on July 4, 2008. See Figure 1.5.

FIGURE 1.5

KIRKUK CRUDE OIL PRICES

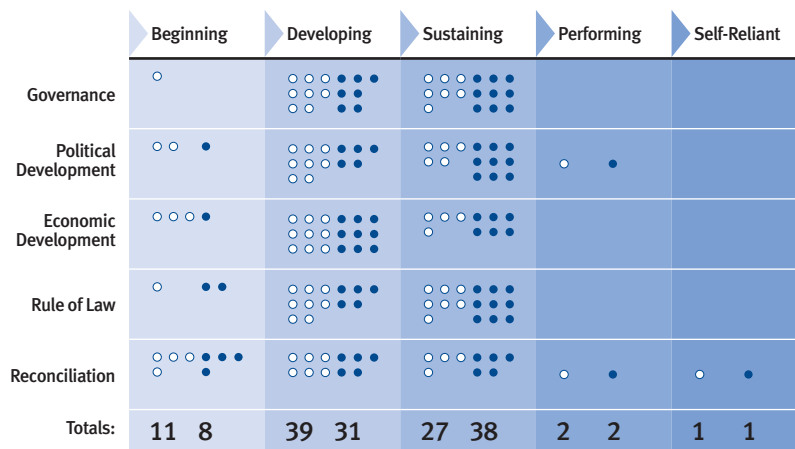
Dollars per barrel



Source: U.S. Energy Information Administration, “Weekly Iraq Kirkuk Netback Price at U.S. Gulf, 10/15/2008,” www.eia.doe.gov, accessed 10/17/2008.

FIGURE 1.6

PRT Assessment of Progress



Status as of 2/29/2008 ○ Status as of 5/31/2008 ●

Source: U.S. Embassy Baghdad, response to SIGIR data call, 10/2/2008.

A New U.S. Provincial Reconstruction Strategy

On September 7, 2008, the DoS and MNF-I issued a new “Strategic Framework to Build Capacity and Sustainability in Iraq’s Provincial Governments.” This Framework clarifies the roles and responsibilities of agencies supporting Provincial Reconstruction Teams (PRTs). It also lays the groundwork for the termination of the PRT program, noting that the mission will evolve

into a traditional USAID assistance program.²⁶

Section 3 of this Report expands on SIGIR’s provincial review of reconstruction, presenting detailed insights from PRT leaders on U.S.-funded relief and reconstruction efforts in each of Iraq’s provinces. SIGIR recently initiated another review of the PRT program, which will include an assessment of the PRT Capability Maturity Model. For the trend in PRT progress, as of May 2008, see Figure 1.6.

CONGRESS PASSES NEW LAW ON RECONSTRUCTION AND STABILIZATION

On October 14, 2008, the President signed into law “The Reconstruction and Stabilization Civilian Management Act of 2008” (RSCMA), as part of the Duncan Hunter National Defense Authorization Act for 2009. The RSCMA represents the most significant congressional legislation ever passed governing the structure and planning for contingency relief and reconstruction operations.

RSCMA addresses many recommendations for contingency operations reform that SIGIR has put forth through its Lessons Learned Initiative. Most notably, the RSCMA creates a structure to address planning shortfalls that SIGIR previously identified by placing responsibility for preparing the civilian side of contingency relief and reconstruction operations within DoS and directing the Secretary of State, in

consultation with the Administrator of USAID, to develop an interagency strategy to respond to reconstruction and stabilization operations.

The RSCMA provides for a presidentially appointed, Senate-confirmed Coordinator for Reconstruction and Stabilization, whose significant duties and responsibilities include:

- coordinating with relevant agencies to develop interagency contingency plans and procedures to mobilize and deploy civilian personnel and conduct reconstruction and stabilization operations to address the various types of crises
- identifying personnel in state and local governments and in the private sector who are available to participate in a Civilian Reserve Corps (CRC) or otherwise participate in or contribute to reconstruction and stabilization activities
- taking steps to ensure that training and education of civilian personnel to perform such reconstruction and stabilization activities is adequate and is carried out, as appropriate, with other agencies involved with stabilization operations
- planning, in conjunction with USAID, to address requirements—such as demobilization, disarmament, rebuilding of civil society, policing, human rights monitoring, and public information—that commonly arise in reconstruction and stabilization crises
- maintaining the capacity to field on short notice an evaluation team comprising personnel from all relevant agencies to undertake on-site needs assessment

The RSCMA further provides that the Secretary of State, in consultation with the USAID Administrator, may create a Response Readiness Corps (RRC) and a CRC. The RRC “shall be composed of active and standby components consisting of United States Government personnel, including employees of the Department of State, the United States Agency for International Development, and other agencies who are recruited and trained (and employed in the case of the active component) to provide such [contingency relief and reconstruction operations] assistance when deployed to do so by the Secretary to support the purposes of this Act.” The CRC employs and trains “individuals who have the skills necessary for carrying out reconstruction and stabilization activities, and who have volunteered for that purpose.”

This bold new policy authorization requires appropriations to support it. Some of that funding may come from the President’s FY 2009 budget request to the Congress, which included \$248.6 million for a Civilian Stabilization Initiative that would vastly improve civilian partnership with U.S. Armed Forces in post-conflict stabilization situations, including establishing an Active Response Corps of 250 persons, a Standby Response Corps of 2,000 persons, and a Civilian Response Corps of 2,000 persons.

In the FY 2008 supplemental appropriation, \$55 million was provided for the initial development and deployment of civilian capacity to respond to post-conflict stabilization and reconstruction challenges, for the active response and standby response components of the initiative; additional funds were provided for the same

purposes in the FY 2009 “bridge” appropriation (which covers part of that fiscal year).

RSCMA establishes in U.S. law a contingency operations program that the President set in motion with National Security Presidential Directive (NSPD) 44, “Management of Interagency Efforts Concerning Reconstruction and Stabilization.” Still unresolved, however, is how to integrate the civilian and military components of contingency

relief and reconstruction operations. DoD is well advanced in developing doctrine and programs responsive to DoD Directive 3000.05, “Military Support for Stability, Security, Transition, and Reconstruction Operations.” There exists significant mission overlap between RSCMA and DoD Directive 3000.05, which must be resolved to ensure unity of effort in future contingency relief and reconstruction operations.

SIGIR OVERSIGHT

Consistent with the expansion of its mandate in the National Defense Authorization Act for FY 2008, SIGIR has added more investigators, inspectors, and auditors to its staff. These new personnel, some based in Iraq and some in Virginia, have strengthened SIGIR’s oversight, particularly in the Investigations Directorate.

Investigations

As of October 14, 2008, the Investigations Directorate has 67 active criminal investigations. This quarter, 3 more individuals were convicted as a result of SIGIR investigations, bringing to 11 the total of persons convicted as a result of SIGIR’s work. Additionally, 1 defendant was indicted this quarter, bringing to 18 the total

number of persons indicted from SIGIR’s work. Currently, three defendants are on trial in federal court in Trenton, New Jersey, and four more are awaiting trial.

On October 9, 2008, work performed by SIGIR and its investigative partners resulted in a DoD contract employee pleading guilty to receiving almost \$160,000 in bribes from contractors in connection with his work at Balad Air Base in Iraq. Under the terms of the plea agreement, he will serve 50 months in prison and forfeit all of his ill-gotten gains. In an astonishing personnel oversight, the employee was hired even though he had served five years in prison on a second-degree murder conviction.



SIGIR's comprehensive review of the Falluja Waste Water Treatment System found that the project will cost three times original estimates, be completed three years late, and serve far fewer homes than originally contemplated.

Inspections

Improvements in the security situation, coupled with enhanced cooperation from MNF-I, have improved SIGIR's capacity to conduct on-site project assessments in Iraq. This quarter, SIGIR visited nine sites: the Sadr City R3 Water Treatment Plant, three I-CERP-funded schools in Sadr City, and five water sector projects in Falluja.

The Falluja inspection report stands out as one of SIGIR's most emblematic and comprehensive reviews. Ambassador Ryan Crocker requested SIGIR to assess this project, and the report reveals that the treatment plant, which had an original price tag of \$32.5 million, now will cost upwards of \$98 million. Moreover, the project will be completed more than three years late and will serve just over a third of the number of homes originally intended. SIGIR found that those desiring service from the system will have to secure access for themselves rather than have it provided through the project. This "last mile" shortfall is typical of poorly planned projects in Iraq.

Audits

SIGIR's Audit Directorate issued seven reports this quarter. Highlights include audits that:

- examined more than 1,200 terminated contracting actions, finding waste, incidents in which suspended contractors were given follow-on work, and one company that was paid \$31 million for a facility that was never built

- analyzed the cost, outcome, and oversight of USAID's Local Governance Program (LGP) and \$600 million in contracts with Research Triangle Institute (RTI)
- assessed the U.S. strategy for democracy and governance in Iraq and identified opportunities to improve the strategy and assess its results against strategic objectives
- provided new insight into the total number of private security contractors operating in Iraq, the costs of providing their services, and the overall need for improved reporting on this issue

The Reconstruction Data Gap

Under NSPD 36, the Chief of Mission (COM) is responsible for coordinating U.S. reconstruction efforts in Iraq. At Ambassador Crocker's request, SIGIR executed an audit this quarter examining the process by which information on reconstruction projects is reported to the COM. SIGIR found no formalized policies or guidance on when or how reconstruction project status is reported to the COM. SIGIR recommended that the Embassy Coordinator for Economic Transition in Iraq (CETI) establish a process to ensure that all projects, regardless of funding source or agency management, are accurately reported to the COM.

Joint Oversight of Private Security Contractors

The role of private security contractors (PSCs) in Iraq remains controversial. SIGIR is engaged in an intensive effort to evaluate these security contractors, in conjunction with the Inspectors General from DoS, DoD, and USAID. This quarter, SIGIR produced an overview of over 300 companies that provide security services in Iraq at a total cost of approximately \$6 billion. Of note, SIGIR has two ongoing audits of PSCs.

Forensic Auditing

Last year, SIGIR initiated a program to meet its forensic audit mandate, launching a series of focused financial reviews of large reconstruction contracts to examine outcomes, costs, and management oversight. SIGIR continues to produce these focused reviews—this quarter’s RTI audit being the latest—and, over the course of next year, will expand to contracts funded by all major reconstruction accounts.

To strengthen efforts to meet its forensic audit mandate, SIGIR has begun to use innovative technological tools to identify evidence of contract fraud. This new initiative will strengthen SIGIR’s audit and investigative efforts to address vulnerabilities to fraud that have plagued the Iraq reconstruction enterprise since 2003.

Special Inspector General for Afghanistan Reconstruction

In May 2008, President Bush appointed retired U.S. Marine Corps General Arnold Fields to be the Special Inspector General for Afghanistan Reconstruction (SIGAR). Explicitly modeled on SIGIR, SIGAR is responsible for the oversight of over \$25 billion invested in relief and reconstruction projects in Afghanistan. SIGIR continues to provide administrative support to Major General Fields and his team.

The Commission on Wartime Contracting

The NDAA for FY 2009 created the bipartisan Commission on Wartime Contracting in Iraq and Afghanistan, charging it to examine reconstruction, security, and logistical support contracts and to report on waste, fraud, abuse, and mismanagement. SIGIR and the Commission have established a close working relationship, and SIGIR will continue to support the Commission’s efforts throughout 2009.

THE HUMAN TOLL

While sporadic violence continues to plague Baghdad, relative quiet prevailed in the IZ this quarter. Importantly, this quarter saw a significant number of U.S. Embassy personnel relocate to hardened housing facilities at the NEC.

Contractors

The Department of Labor (DoL) reported 33 new death claims for civilian contractors working on U.S.-funded reconstruction projects in Iraq this quarter. This quarter, DoL also reported that at least 465 contractors sustained injuries that caused them to miss four or more days of work. Since Iraq reconstruction began, 1,264 death claims have been filed with DoL.

U.S. Civilians

DoS reported that four U.S. civilians died in Iraq this quarter, two of whom perished from injuries sustained in an improvised explosive device (IED) blast in Mosul. Since hostilities commenced in 2003, 276 U.S. civilians have died in Iraq.

Journalists

Journalists continue to risk their lives to report on developments in Iraq. This quarter, at least four reporters were killed there, with another assassinated in Kirkuk on October 10. In one particularly tragic case, a senior correspondent for Al-Sharqiya television and his two associates were kidnapped in Mosul while filming a reality-TV program that gave away free Iftar

meals to poor families (Iftar is the elaborate feast that breaks the Ramadan fast). Their bodies were later found a short distance from where they were abducted.²⁷ Since March 2003, 135 journalists and 51 media support workers have been killed in Iraq.²⁸

Internally Displaced Persons and Refugees

Continuing violence in Mosul caused approximately 1,000 Christian families to flee their homes in early October.²⁹ The GOI announced that it intends to investigate this situation and take whatever measures are necessary to control the violence and reassure local citizens.

In September 2008, U.S. officials reported that at least 12,118 Iraqi refugees had arrived in the United States since October 2007.³⁰ This surpassed the initial goal of admitting 12,000 Iraqi refugees by October 1, 2008. In addition, 870 Iraqis received Special Immigrant Visas (SIVs) between October 1, 2007 and August 31, 2008.

The European Commission (EC) recently issued a report on the Iraqi refugee crisis. The EC's report, which drew on a wide array of primary and secondary sources, estimated that there are approximately 1 million–1.5 million refugees from Iraq in Syria and 450,000–500,000 in Jordan.³¹ The EC report concluded that approximately “5 million Iraqis [are] living in temporary conditions in several countries,” of which 2.8 million are internally displaced persons (IDPs) adrift in their native land.³²

RECONSTRUCTION OVERVIEW

SUMMARY OF FUNDING FOR IRAQ RECONSTRUCTION

U.S. FUNDING

IRAQI FUNDING

INTERNATIONAL FUNDING

SUMMARY OF U.S. FUNDING

IRAQ RELIEF AND RECONSTRUCTION FUND

IRAQ SECURITY FORCES FUND

ECONOMIC SUPPORT FUND

COMMANDER'S EMERGENCY RESPONSE PROGRAM

CONTRACTING

USES AND OUTCOMES OF U.S. RECONSTRUCTION FUNDING

SECURITY

INFRASTRUCTURE

ECONOMY

GOVERNANCE

SECTION 2

2

SUMMARY OF FUNDING FOR IRAQ RECONSTRUCTION

Since 2003, the governments of the United States and Iraq, along with the international community, have collectively provided \$125.73 billion to support reconstruction in Iraq. These funds support programs that seek to strengthen Iraq's government, security, critical infrastructure, and economy. For an overview of funding for Iraq reconstruction, see Figure 2.1. Figure 2.2 presents a timeline of U.S. reconstruction appropriations

The Government of Iraq (GOI) is now the primary source of financing for the reconstruction effort. Revenues from Iraq's oil sector provide the economic resources for reconstruction efforts.

U.S. Funding (\$50.77 billion)

SIGIR reports on 33 U.S. funding accounts related to Iraq reconstruction efforts. Since 2003, the United States has appropriated \$50.77 billion for the efforts.

The Iraq Relief and Reconstruction Fund (IRRF), Iraq Security Forces Fund (ISFF), Commander's Emergency Response Program (CERP), and Economic Support Fund (ESF) account for 91% of these U.S. appropriations:

- The IRRF is now largely expended, and as of September 30, 2008, its funds are no longer available for new obligations.
- The ISFF, currently the largest U.S. funding stream supporting Iraq, totals \$17.94 billion.³³

- Of \$3.74 billion appropriated to the ESF, the U.S. Department of State (DoS) has obligated approximately \$1.25 billion through inter-agency agreements, grants, and cooperative agreements.³⁴
- Now totaling \$3.56 billion, the CERP has been placed under stricter project-approval guidelines under the recent National Defense Authorization Act for Fiscal Year 2009.

Table 2.1 shows total appropriations by fiscal year and Table 2.3 presents detailed information available for U.S. funding. Appendix E updates information on U.S. appropriations for Iraq relief and reconstruction, including allocations, obligations, and expenditures.

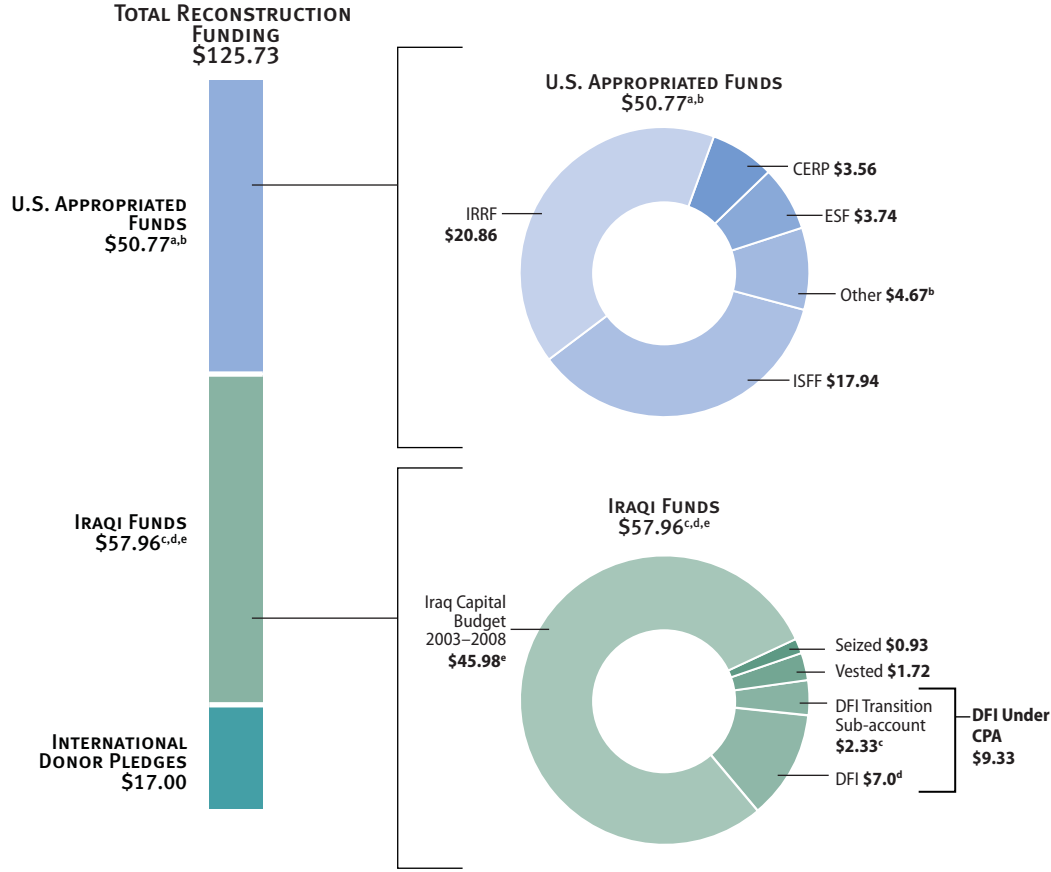
Iraqi Funding (\$57.96 billion)

Since 2003, the GOI has allocated \$45.98 billion for reconstruction through its capital budgets. Iraq's total budget for 2008 now exceeds \$72.1 billion, which includes the recently passed Iraqi supplemental of just over \$20 billion. Iraq has the second-largest budget among neighboring Middle Eastern and North African countries with similar populations (see Table 2.2). But this rich budget has not translated into a proportionate increase in per capita income. At only \$1,214, Iraq's per capita income is well behind the regional front runner,

FIGURE 2.1

SOURCES OF IRAQ RECONSTRUCTION FUNDING—\$125.73 BILLION

\$ Billions



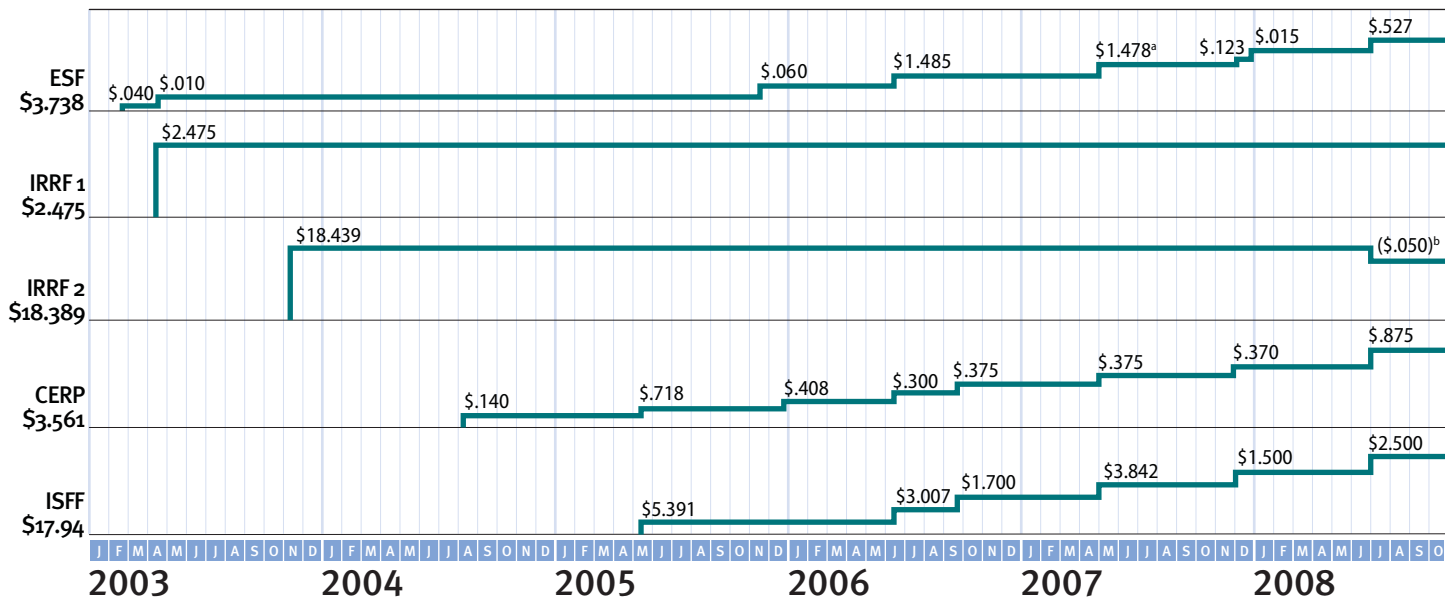
Note: Numbers affected by rounding.
^a See the Overview section for a description of funding changes in U.S. appropriations since the last Quarterly Report.
^b May include humanitarian aid or other types of assistance.
^c Includes 8/11/2004 transfer of \$86 million cash from the Central Bank of Iraq for CERP at the authorization of the Ministry of Finance.
^d In previous Quarterly Reports, SIGIR reported approximately \$20 billion in DFI cumulative deposits to fund Iraqi government operations and reconstruction programs. SIGIR has refined that number to reflect only reconstruction funding, which is approximately \$7 billion, according to GAO Report 05-876 (7/28/2005, p. 2).
^e In FY 2003, the budget covered the last half of 2003 only. FY 2008 includes Supplemental funding.

Sources: OMB, response to SIGIR data call, 9/18/2008; Ministry of Finance, Ministry of Planning, and Coalition Provisional Authority, "Republic of Iraq Budget Revenues and Expenses: July-December 2003 Budget Summary," p. 6; Ministry of Finance, response to SIGIR data call, 10/2008; NEA-I, response to SIGIR data call, 10/2/2008.

RECONSTRUCTION OVERVIEW

FIGURE 2.2

TIMELINE OF U.S. APPROPRIATIONS \$ Billions



Note: Funding totals are not to scale.

^a Includes FY 2007 rescission of \$76 million under P.L. 110-28.

^b Includes FY 2008 rescission of \$50 million under P.L. 110-252.

Source: SIGIR analysis of Iraq reconstruction funding appropriated by the Congress.

Saudi Arabia, which has a budget of \$118 billion and per capita income of \$15,440. By contrast, Algeria has a budget close to Iraq's and a per capita income of \$3,620, which is triple that of Iraq.³⁵

For an accounting of seized and vested assets, as well as the Development Fund for Iraq (DFI), see Appendix G.

International Funding (\$17 billion)

October 2008 marks the fifth anniversary of the Madrid International Donors' Conference, the first large-scale effort by the international community to provide assistance to Iraq. As of September 30, 2008, international donors had pledged \$17 billion. For more information on international donors, see Appendix H.

TABLE 2.1

U.S. SUPPORT FOR IRAQ RECONSTRUCTION (\$ BILLIONS)

U.S. FUND	APPROPRIATED	ALLOCATED	OBLIGATED	EXPENDED
IRRF 1	\$2.48	\$2.27	\$2.26	\$2.25
IRRF 2	18.39	18.33	17.86	17.26
IRRF Total	\$20.86	\$20.60	\$20.12	\$19.51
ISFF FY 2005	\$5.39	\$5.39	\$5.28	\$5.22
ISFF FY 2006	3.01	3.01	2.86	2.67
ISFF FY 2007	5.54	5.54	5.53	2.90
ISFF FY 2008	3.00	3.00	0.42	0.25
ISFF FY 2009 Bridge	1.00	-	-	-
ISFF Total	\$17.94	\$16.94	\$14.09	\$11.04
ESF FY 2003	\$0.05	\$0.05	\$0.05	\$0.05
ESF FY 2006	1.55	1.53	1.39	1.16
ESF FY 2007	1.60	1.60	1.35	0.72
ESF FY 2008	0.44	0.38	0.38	-
ESF FY 2009 Bridge	0.10	-	-	-
ESF Total	\$3.74	\$3.56	\$3.17	\$1.93
CERP FY 2004	\$0.14	\$0.14	\$0.14	\$0.13
CERP FY 2005	0.72	0.69	0.69	0.66
CERP FY 2006	0.71	0.69	0.69	0.64
CERP FY 2007	0.75	0.73	0.73	0.68
CERP FY 2008	1.24	1.00	1.00	0.57
CERP Total	\$3.56	\$3.25	\$3.25	\$2.68
Other Funding	\$4.67	\$0.26	\$0.26	\$0.08
Total U.S. Appropriated	\$50.77	\$44.61	\$40.89	\$35.24

Note: Numbers affected by rounding.

Sources: IRRF 1: USAID, response to SIGIR data call, 10/10/2008; Treasury, response to SIGIR data call, 10/3/2008; USTDA, response to SIGIR data call, 9/30/2008; DoS, response to SIGIR data call, 4/5/2007; DFAS, response to SIGIR data call, 10/10/2008. IRRF 2: DoS, *Iraq Weekly Status Report*, 10/1/2008. ISFF: OSD, response to SIGIR data call, 10/14/2008. ESF: DoS, response to SIGIR data call, 10/14/2007; ITAO, responses to SIGIR data call, 1/4/2008 and 10/14/2008; GRD, response to SIGIR data call, 10/6/2008; USAID, response to SIGIR data call, 10/14/2008; ITAO, *Essential Indicators Report*, 10/2/2008. CERP: OSD, response to SIGIR data call, 10/14/2008. Other Funding: INL, response to SIGIR data call, 10/7/2008.

TABLE 2.2

COMPARISON OF IRAQ'S FINANCIAL STATUS TO REGIONAL NEIGHBORS

COUNTRY	POPULATION (MILLIONS)	BUDGET (BILLIONS)	GNI PER CAPITA
Iraq	27.5	\$43.1	\$1,214
Saudi Arabia	24.2	\$118.3	\$15,440
Syria	19.9	\$11.2	\$1,760
Yemen	22.4	\$8.4	\$870
Algeria	33.9	\$40.5	\$3,620

Note: Comparison cites budgets for 2007. Gross National Income (GNI) includes Gross Domestic Product, as well as interest, dividends, and other receipts.

Sources: World Bank, www.worldbank.org/datastatistics/, accessed 10/12/2008; U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; *CIA World Factbook*, www.cia.gov, accessed 10/12/2008.

RECONSTRUCTION OVERVIEW

TABLE 2.3

U.S. APPROPRIATED FUNDS

FUNDING MECHANISM	PL. 108-7	PL. 108-11	PL. 108-106	PL. 108-287	PL. 109-113	PL. 109-102	PL. 109-148	PL. 109-234	PL. 109-289	PL. 110-28	2007 FOREIGN ASSISTANCE CONTINUING RESOLUTIONS	CONSOLIDATED APPROPRIATIONS ACT, 2008	SUPPLEMENTAL APPROPRIATIONS ACT, 2008 (INCLUDES FY 2008 AND FY 2009 BRIDGE FUNDING)	TOTAL APPROPRIATIONS
		EMERGENCY WARTIME SUPPLEMENTAL APPROPRIATIONS ACT, 2003	EMERGENCY APPROPRIATIONS ACT FOR THE DEFENSE AND FOR THE RECONSTRUCTION OF IRAQ AND AFGHANISTAN, 2004	DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2005	EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR DEFENSE, THE GLOBAL WAR ON TERROR, AND TSUNAMI RELIEF, 2005	APPROPRIATIONS FOR THE DEPARTMENT OF STATE, FY 2006	APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE, FY 2006	EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FY 2006	DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, FY 2007	U.S. TROOP READINESS, VETERANS' CARE, KATRINA RECOVERY, AND IRAQ ACCOUNTABILITY APPROPRIATIONS ACT, 2007	PL. 110-92, PL. 110-116, PL. 110-137, PL. 110-149	PL. 110-161	PL. 110-252 ¹	
Public Law #														
Date of Enactment	2/20/2003	4/16/2003	11/6/2003	8/5/2004	5/11/2005	11/14/2005	12/30/2005	6/15/2006	9/29/2006	5/25/2007	12/21/2007	12/26/2007	6/30/2008	
Major Funding Streams														
Iraq Relief and Reconstruction Fund (IRRF 2) ^a			\$18,439,000		\$5,391,000			\$3,007,000	\$1,700,000	\$3,842,300		\$1,500,000	\$2,500,000	\$18,389,000
Iraq Security Forces				\$140,000	\$718,000		\$408,000	\$300,000	\$375,000	\$375,400		\$370,000	\$875,000	\$17,940,300
Commander's Emergency Response Program (CERP) ^b														\$3,561,400
Economic Support Fund (ESF) ^c	\$40,000	\$10,000				\$60,390		\$1,485,000		\$1,478,000	\$122,800	\$14,879	\$526,500	\$3,737,569
Iraq Relief and Reconstruction Fund (IRRF 1)		\$2,475,000												\$2,475,000
Major Funding Stream Totals	\$40,000	\$2,485,000	\$18,439,000	\$140,000	\$6,109,000	\$60,390	\$408,000	\$4,792,000	\$2,075,000	\$5,695,700	\$122,800	\$1,884,879	\$3,851,500	\$46,103,269
Other Assistance Programs														
Natural Resources Risk Remediation Fund (NRRRF)														\$489,300
Department of State, Bureau of International Narcotics and Law Enforcement Affairs (DoS/INL)		\$20,000						\$91,400		\$150,000	\$20,048		\$85,000	\$366,448
Democracy Fund (State)										\$250,000			\$75,000	\$325,000
International Disaster and Famine Assistance ^d		\$143,800								\$45,000	\$5,000	\$50,000	\$45,000	\$288,800
Migration and Refugee Assistance ^d										\$45,000	\$20,000	\$149,400	\$269,000	\$483,400
Iraq Freedom Fund (Brinkley Initiative)										\$50,000			\$50,000	\$100,000
Child Survival and Health Programs Fund		\$90,000												\$90,000
PL 480 Title II Food Aid	\$68,000													\$68,000
Voluntary Peacekeeping Operations		\$50,000												\$50,000
Alhurra-Iraq Broadcasting			\$40,000											\$40,000
Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR)										\$7,000	\$12,350	\$15,975	\$4,500	\$39,825
Emergency Refugee and Migration Assistance		\$37,000												\$37,000
Overseas Humanitarian, Disaster and Civic Aid														\$17,000

SUMMARY OF FUNDING

FUNDING MECHANISM	EMERGENCY APPROPRIATIONS ACT FOR THE DEFENSE AND FOR THE RECONSTRUCTION AND DEVELOPMENT OF AFGHANISTAN, 2003	EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 2003	EMERGENCY APPROPRIATIONS ACT FOR THE DEFENSE AND FOR THE RECONSTRUCTION AND DEVELOPMENT OF AFGHANISTAN, 2004	DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2005	EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR THE GLOBAL WAR ON TERRORISM, 2005	EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR THE GLOBAL WAR ON TERRORISM, 2005	APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE, FY 2006	EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT FOR THE DEPARTMENT OF DEFENSE, FY 2006	DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2007	U.S. Troop Readiness, Veterans Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007	2007 FOREIGN OPERATIONS AND CONSOLIDATED APPROPRIATIONS ACT, 2007	PL. 110-116, PL. 110-137, PL. 110-149	PL. 110-161	PL. 110-252 ¹	SUPPLEMENTAL APPROPRIATIONS ACT, 2008 (INCLUDES FY 2008 FUNDING)	TOTAL APPROPRIATIONS
Public Law #	PL. 108-7	PL. 108-11	PL. 108-106	PL. 108-287	PL. 109-13	PL. 109-102	PL. 109-148	PL. 109-234	PL. 109-289	PL. 110-28	PL. 110-116, PL. 110-137, PL. 110-149	PL. 110-161	PL. 110-252 ¹			
Date of Enactment	2/20/2003	4/16/2003	11/6/2003	8/5/2004	5/11/2005	11/14/2005	12/30/2005	6/15/2006	9/29/2006	5/25/2007	12/21/2007	12/26/2007	6/30/2008			
International Affairs Technical Assistance								\$13,000								\$15,750
Education and Cultural Exchange Programs										\$2,750						\$12,300
Combatant Commander Initiative Fund (CIC Initiative Fund)		\$3,612														\$3,612
U.S. Marshals Service (Litigation Support Services)						\$1,000								\$1,648		\$2,648
International Military and Education Training (IMET)						\$693						\$1,138	\$242			\$2,073
Department of Justice; litigation support										\$1,648						\$1,648
Other Assistance Programs	\$68,000	\$833,712	\$57,000	\$0	\$0	\$693	\$0	\$105,400	\$0	\$551,398	\$64,686	\$221,767	\$530,148		\$2,432,804	
Reconstruction Related Operational Costs																
Coalition Provisional Authority (CPA) ^a			\$908,000													\$908,000
Project and Contracting Office ^f								\$200,000		\$630,000						\$830,000
Special Inspector General for Iraq Reconstruction (SIGIR)			\$75,000					\$24,000		\$35,000				\$39,000		\$173,000
Iraq Freedom Fund (PRT Administrative Costs)										\$100,000						\$100,000
USAID Administrative Expenses ^g			\$21,000					\$79,000								\$172,959
United States Agency for International Development, Office of Inspector General (USAID OIG)		\$3,500	\$1,900					\$2,500		\$2,756	\$542		\$3,025	\$5,500		\$19,723
Defense Contract Audit Agency (DCAA) ^h										\$16,372						\$16,372
Department of State, Office of Inspector General								\$1,000		\$1,300			\$1,300	\$3,800		\$8,900
DoD Office of the Inspector General								\$5,000								\$5,000
Reconstruction Related Operational Cost Totals		\$24,500	\$984,900	\$0	\$0	\$26,900	\$0	\$309,000	\$0	\$785,428	\$2,042	\$4,325	\$96,859		\$2,233,954	
Grand Total All U.S. Appropriated Funding For Iraq Reconstruction	\$108,000	\$3,343,212	\$19,480,900	\$140,000	\$6,135,900	\$61,083	\$408,000	\$5,206,400	\$2,075,000	\$7,032,526	\$189,528	\$2,110,971	\$4,478,507		\$50,770,027	

^a \$18.439 billion represents the amount appropriated by Congress for Iraq programs in IRRF 2, under P.L. 108-106, enacted in November 2003. Congress had initially appropriated \$18.649 billion to IRRF 2, but also earmarked that \$210 million be transferred to other accounts for programs in Jordan, Liberia, and Sudan. Of the remaining \$18.439 billion, the Administration transferred out of the IRRF to other accounts roughly \$562 million for Iraq-related programs that could be implemented only in other accounts, such as a \$352 million Iraq bilateral debt forgiveness program to the United States that required funding in a Treasury account. Congress was notified of all transfers out of the IRRF. In addition, in FY 2006 appropriations, Congress earmarked that \$9.95 million be transferred into the IRRF from the DoS Economic Support Fund account. Also includes \$50M rescission as identified in HR 2642.

^b Congress appropriated \$500M in CERF funding under P.L. 110-161; DoD allocated \$370 million for Iraq and \$130 million for Afghanistan.

^c \$40M from FY 2003 ESF base account that was not reimbursed; \$10M from P.L. 108-11. FY 07 ESF Emergency Supplemental includes \$76M rescission.

^d HR 2642 appropriated funding for International Disaster and Famine Assistance and Migration and Refugee Assistance is subject to change pending final worldwide allocation of these two funds.

^e Excludes \$75M for Special Inspector General for Iraq Reconstruction under P.L. 108-106.

^f Per conference reports for P.L. 109-234 and P.L. 110-28, reconstruction support funding is provided for Project and Contracting Office activities.

^g Incomplete pending further investigation into administrative expenses for all fiscal years.

^h As identified in 110-28 conference report. Includes Iraq reconstruction efforts for civilian personnel, temporary/additional duty and miscellaneous contracts.

ⁱ Additional funding under P.L. 110-252 reported by OMB will be reflected in future SIGIR Quarterly Reports.

^j Excludes \$99 million for a regional training center in Jordan. Future SIGIR reports will reflect this funding in ISF appropriation totals.

SUMMARY OF U.S. FUNDING

SIGIR reports on the oversight and accounting for U.S. monies appropriated or otherwise made available for the building of physical infrastructure, the establishment of political and societal institutions, and the purchase of products and services for the benefit of the people of Iraq.

The United States has made reconstruction assistance available through 33 funding streams. As of September 30, 2008, the Congress has appropriated more than \$50.77 billion to these accounts.³⁶

Evolving U.S. Reconstruction Program

The nascent normalcy in Iraq means that the U.S. reconstruction program has entered a new and more fiscally limited phase. Although many projects continue, the rate of U.S. appropriations notably declined this year, and most

large U.S.-funded reconstruction projects have been completed or discontinued. The FY 2008 Supplemental provided \$4.48 billion—36% less than the FY 2007 Supplemental. Table 2.4 summarizes appropriations for Iraq reconstruction by fiscal year, and Figure 2.3 shows an overview of the rate of U.S. appropriations made available for that fiscal year.

In addition to reducing funding levels, the Congress placed conditions on future U.S. funding. In the new National Defense Authorization Act (NDAA), the Congress authorized limited amounts of additional funding while placing limitations on the permissible uses of U.S. appropriations.³⁷ Moreover, recent appropriations require increased coordination of reconstruction spending with the GOI, particularly for projects currently funded through the CERP.³⁸

TABLE 2.4

U.S. APPROPRIATIONS FOR RECONSTRUCTION, BY FISCAL YEAR (\$ MILLIONS)

FY	APPROPRIATED
2003	\$3,451
2004	\$19,621
2005	\$6,136
2006	\$5,675
2007	\$9,108
2008/2009*	\$6,779
Total	\$50,770

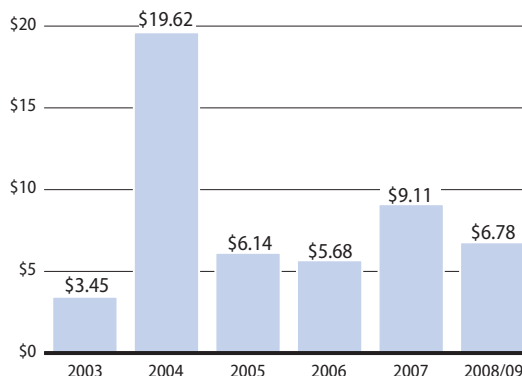
*Funds made available under this appropriation were for FY 2008 as well as FY 2009 bridge funding.

Source: 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. 110-28, P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-149, P.L. 110-161, P.L. 110-252.

FIGURE 2.3

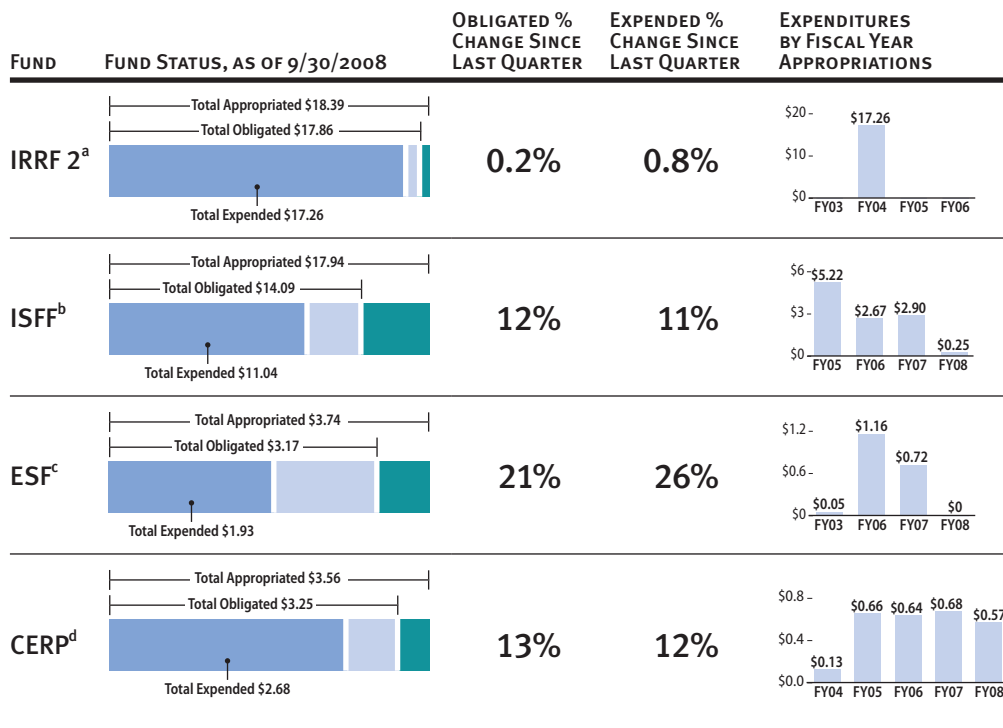
U.S. APPROPRIATIONS FOR RECONSTRUCTION, BY FISCAL YEAR

\$ Billions



Source: 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. 110-28, P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-149, P.L. 110-161, P.L. 110-252.

FIGURE 2.4
STATUS OF FUNDS OVERVIEW (\$ BILLIONS)



Notes: Numbers affected by rounding.

Sources:

^a P.L. 108-106; DoS, *Iraq Weekly Status Report*, 10/1/2008.
^b P.L. 109-13; P.L. 109-234; P.L. 109-289; P.L. 110-28; P.L. 110-161; P.L. 110-252; OSD, response to SIGIR data call, 10/14/2008.
^c P.L. 108-7; P.L. 108-11; 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; DoS, response to SIGIR data call, 10/14/2007; ITAO, responses to SIGIR data call, 1/4/2008 and 10/14/2008; GRD, response to SIGIR data call, 10/6/2008; USAID, response to SIGIR data call, 10/14/2008; ITAO, *Essential Indicators Report*, 10/2/2008.
^d P.L. 108-287; P.L. 109-13; P.L. 109-148; P.L. 109-234; P.L. 109-289; P.L. 110-28; P.L. 110-161; P.L. 110-252; OSD, response to SIGIR data call, 10/14/2008.

Overview of Major U.S. Funding Accounts

Nearly 91% of U.S. appropriations for Iraq reconstruction have been made available through four main accounts: the Iraq Relief and Reconstruction Fund (commonly referred to as IRRF 1 and IRRF 2), Iraq Security Forces Fund (ISFF), Economic Support Fund (ESF), and Commander’s Emergency Response Program (CERP). These four funding accounts have obligated \$40.63 billion and expended \$35.16 billion for reconstruction efforts in Iraq, including a 6.4% increase in obligations and 5.8% increase in expenditures over last quarter. Information on these major reconstruction funding shows:

- **IRRF:** Over 97% is obligated, and nearly 94% has been spent.³⁹

- **ISFF:** The ISFF has the largest amount of funds still available for new obligation—\$3.85 billion.⁴⁰
- **CERP:** The CERP has obligated and expended the highest percentage of its appropriated funds, excluding the IRRF.⁴¹
- **ESF:** The ESF lags the other main funds in expenditures, with more than 48% of ESF appropriations yet to be expended⁴² (compared with 6% for the IRRF 2, 25% for CERP, and 38% for the ISFF). For details on SIGIR’s review of the ESF account this quarter, see Section 4.

For the status of the major U.S. accounts supporting Iraq’s reconstruction, see Figure 2.4.

Iraq Relief and Reconstruction Fund

On September 30, 2008, the authority to obligate IRRF 2 funds for new projects expired. Of the more than \$17.86 billion obligated to date, \$17.26 billion has been expended and \$530 million remains unobligated.⁴³ These monies are no longer available for new obligations but will remain available for adjustments to current contracts.⁴⁴

Of the total obligated to date, only \$600 million remains available for expenditures.

IRRF 2 Sector Funding

Funds appropriated under the IRRF 2 were allocated among 10 project categories.⁴⁵ Of total program expenditures this quarter, the Electricity sector (\$62 million) and Water and Sanitation sector (\$22 million) recorded the highest amounts.⁴⁶ For the status of allocations to IRRF 2 sectors, see Table 2.5.

TABLE 2.5

ALLOCATIONS, OBLIGATIONS, AND EXPENDITURES, BY IRRF 2 SECTOR (\$ BILLIONS)

PROJECT TYPE	ALLOCATED	OBLIGATED	EXPENDED
Security and Law Enforcement	\$4.96	\$4.94	\$4.87
Justice, Public Safety, and Civil Society	2.30	2.26	2.18
Electricity Sector	4.18	4.07	3.94
Oil Infrastructure	1.72	1.61	1.58
Water and Sanitation	2.05	1.98	1.85
Transportation and Communications	0.46	0.46	0.42
Roads, Bridges, and Construction	0.32	0.28	0.26
Health Care	0.81	0.79	0.74
Private Sector Development	0.84	0.82	0.81
Education, Refugees, Human Rights and Governance	0.47	0.44	0.41
Administrative Expenses	0.22	0.22	0.21
Totals	\$18.33	\$17.86	\$17.26

Note: Numbers affected by rounding.

Source: DoS, *Iraq Weekly Status Report*, 10/1/2008.

TABLE 2.6

IRRF 2 PROJECT UPDATES, BY SECTOR

PROJECT CATEGORY	OUTPUTS AND OUTCOMES
Security and Law Enforcement	<ul style="list-style-type: none"> • 2 courthouses were completed this quarter in Diyala and Ninewa. • Work concluded on the Al-Chibayish Police Station in May 2008. • Phase I of the Nassriya Prison Facility was finished in May 2008.
Justice, Public Safety, and Civil Society	<ul style="list-style-type: none"> • Allocations decreased to efforts in the reconstruction and modernization of detention facilities by more than \$6 million. • Funding to democracy-building activities increased by \$24.80 million over last quarter.
Electricity Sector	<ul style="list-style-type: none"> • 1 distribution line was completed in Diyala. • Work concluded on a \$3.6 million substation in Anbar province.
Oil Infrastructure	<ul style="list-style-type: none"> • Oil reconstruction projects reached close-out. • Record oil output reached 2.47 MBPD.
Transportation and Communications	<ul style="list-style-type: none"> • The Digital Microwave Radio Communications Network/Computer Based Train Control System is scheduled to become operational before the end of 2008. • Progress continues on the Iraqi Computer Based Train Control (CBTC) project to rehabilitate housing and the Falluja station.
Water Resources and Sanitation	<ul style="list-style-type: none"> • Addition of 2.25 million cubic feet per day of treatment capacity. • The additional capacity would benefit as many as 8.4 million people.
Roads, Bridges, and Construction	<ul style="list-style-type: none"> • The \$4.9 million Sheikh Saad Bridge project was completed under a grant agreement with the Iraqi government. • A contract was initiated to add two lanes to the Babil Road Number 80.
Health Care	<ul style="list-style-type: none"> • 16 Primary Healthcare Centers were completed this quarter. • Renovations concluded on maternity and pediatric hospitals Al-Hilla Maternity Hospital and Children's Hospital and Baladi Maternity and Pediatric Hospital.
Private Sector Development	<ul style="list-style-type: none"> • Testing was completed for a local area network system for electronic trading on Iraq's stock exchange; electronic trading is expected to begin next quarter. • The U.S. Department of Energy assisted the Iraqis in the development of a national energy strategy.
Education, Refugees, Human Rights, and Governance	<ul style="list-style-type: none"> • Educational assistance was expanded to nearly 73,000 Iraqi refugees in Syria and Jordan. • Plans were accepted for the purchase of \$10.2 million in equipment and machinery for the Central Utilities Plant at the American University of Iraq in Sulaymaniyah. • Funding for governance activities increased by just more than \$18 million.

Sources: DoS, Section 2207 Report, 7/2008; GRD, response to SIGIR data call, 10/15/2008; USAID response to SIGIR data call, 10/14/2008; NEA-I, response to SIGIR data call, 10/14/2008.

TABLE 2.7

MAJOR ONGOING IRRF RECONSTRUCTION PROJECTS (\$ MILLIONS)

PROJECT	TOTAL BUDGETED COST	START DATE	ORIGINAL COMPLETION DATE	PROVINCE
Construct Qudas Power Plant Expansion	\$182.45	2/17/2007	12/31/2008	Baghdad
Farabi & Jamila 132kV S/S - Construct New	\$50.00	7/31/2006	12/31/2008	Baghdad
Construct Eastern Euphrates Drain (Zones 3B and 4)	\$38.50	11/25/2006	03/01/2009	Muthanna
Basrah Children's Hospital ^a	\$34.40	10/18/2006	01/31/2009	Basrah
Ramadi 132kV S/S Construct New	\$30.91	1/30/2007	10/15/2008	Anbar
Diwaniyah 132kV Ais Substation - Construct New	\$26.29	6/17/2007	10/31/2008	Qadissiya
SS-016 Construction Wastewater Treatment Plant Fallujah Ph 2	\$24.51	12/09/2006	09/22/2009	Anbar
Construct Al Mamoon Telephone Switch Buildings	\$24.15	12/26/2005	12/31/2008	Baghdad
Construct Meshkab Water Supply Project	\$23.53	9/20/2007	04/07/2009	Najaf
Construct Nassriyah Drainage Pump Station	\$20.00	3/01/2007	12/31/2008	Thi-Qar

Note: The budgeted costs listed in the table above represent the IRRF line item portion of each project as reported in the Iraq Reconstruction Management System (IRMS) and not total project costs. Line items may represent a portion of projects executed in multiple phases or multiple task orders.

^a GRD portion only.

Source: IRMS, ITAO Rollup, 10/1/2008.

TABLE 2.8

ISFF APPROPRIATIONS (\$ MILLIONS)

APPROPRIATION	PUBLIC LAW	AMOUNT
Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005	P.L. 109-13	\$5,391
Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006	P.L. 109-234	\$3,007
Department of Defense Appropriations Act, 2007	P.L. 109-289	\$1,700
U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007	P.L. 110-28	\$3,842
Consolidated Appropriations Act, 2008	P.L. 110-161	\$1,500
Supplemental Appropriations Act, 2008	P.L. 110-252	\$2,500
Total		\$17,940

Note: Numbers affected by rounding.

Ongoing IRRF 2 Projects

As of September 30, 2008, 297 IRRF 2 projects were ongoing, valued at \$1.10 billion. GRD projects account for about 75% of these costs, and as of October 15, 2008, 72 GRD projects were ongoing, costing \$826 million.⁴⁷ This quarter, GRD reported completing 54 construction projects and 8 non-construction projects.⁴⁸ Table 2.6 provides highlights of recent project activity, and Table 2.7 provides a list of some of the largest ongoing IRRF 2 reconstruction projects.

Iraq Security Forces Fund

The ISFF is the largest ongoing reconstruction fund in Iraq (\$17.94 billion).⁴⁹ Obligations total \$14.09 billion, of which \$11.04 billion has been expended, leaving \$6.9 billion to spend. Expenditures this quarter increased by \$1.11 billion over the prior quarter. For a listing of ISFF appropriations since authorization of the ISFF in 2005, see Table 2.8.

The most recent supplemental funding appropriation for FY 2008 and FY 2009 bridge funding added \$2.5 billion to the ISFF. However, total ISFF appropriations for FY 2008 dropped 35% from a year ago.

The Multi-National Security Transition Command-Iraq (MNSTC-I) administers

ISFF funding to assist the Iraqi government in developing, organizing, training, equipping, and sustaining the Iraqi Security Forces (ISF).⁵⁰ Recent trends indicate that ISFF spending focuses on building Iraq's logistics and sustainment capabilities.⁵¹

The combined 2008 GOI budget allocations for the Iraqi Security Forces fell 44.3% below requests.⁵²

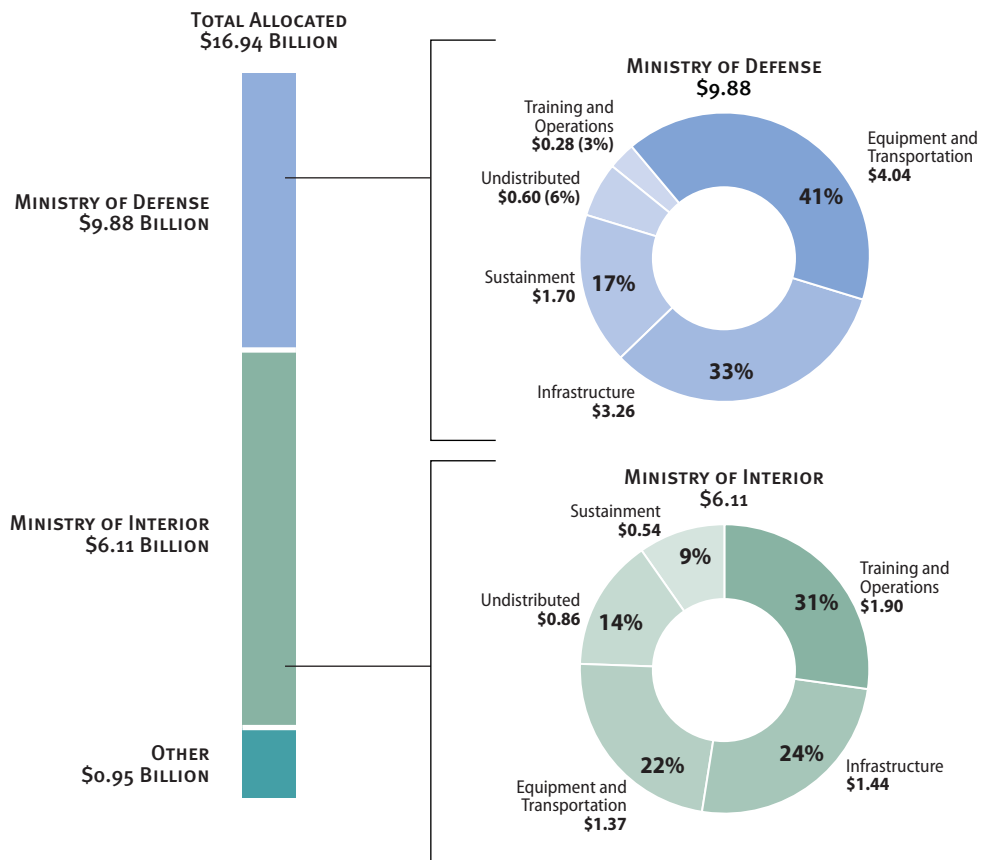
The NDAA underscores the Congress's view that funding for key aspects of Iraq's reconstruction must no longer come from U.S. tax dollars. The NDAA directs that the ISFF "may not be obligated or expended for the acquisition, conversion, rehabilitation, or installation of facilities in Iraq for the use of the Government of Iraq."⁵³ Further, Iraqi funds should be used to pay the costs of the salaries, training, equipping, and sustainment of Iraqi Security Forces.⁵⁴ For total ISFF allocations by sub-activity group, see Figure 2.5.

Spending by Budget Activity Group

All ISFF funds are implemented in the security sector and distributed between two primary budget activity groups that support efforts for the Ministry of Defense (MOD) and the Ministry of Interior (MOI). Most funding (58%) supports

FIGURE 2.5

ISFF ALLOCATIONS, BY SUB-ACTIVITY GROUP
\$ Billions



Note: Numbers are affected by rounding. Allocations do not include funds passed in the FY 2008 supplemental appropriation.

Source: OSD, response to SIGIR data call, 10/14/2008.

TABLE 2.9
LARGEST CATEGORIES BY SUB-ACTIVITY GROUP, AS OF 6/30/2008 (\$ MILLIONS)

MINISTRY	SUB-ACTIVITY GROUP	CATEGORY	OBLIGATIONS
Ministry of Defense	Equipment and Transportation	Vehicles, Generators & Repair Parts	\$890.60
		Logistical Self Reliance	\$241.34
	Infrastructure	MOD Infrastructure Requirements	\$1,028.09
		Iraqi Army - 6th Div (5 BDE)	\$238.30
	Sustainment	Logistical Sustainment Concept	\$350.10
		Contracted Maintenance	\$195.50
	Training and Operations	Information Technology, Equipment & Service	\$46.50
		Communication Equipment & Service	\$38.60
Ministry of Interior	Equipment and Transportation	Replenishment and Spare Stock Levels	\$332.50
		Vehicles, Generators & Repair Parts	\$134.30
	Infrastructure	Department of Border Enforcement & Point of Entry	\$252.30
		Infrastructure Supporting IPS, NP, and DBE	\$189.29
	Training and Operations	Contracted Instructor Support	\$765.40
		International Narcotics and Law Enforcement (INL)	\$454.00

Source: OSD, response to SIGIR data call, 10/2/2008.

the MOD, and projects are funded under four major sub-activity groups:

- Equipment and Transportation
- Sustainment
- Training and Operations
- Infrastructure

ISFF obligations have shifted from sustainment activities to support the fielding of ISF units, “accelerating the growth of logistical units and pursuing key supporting capabilities that will enable and sustain units already generated.”⁵⁵ For a summary of the most costly projects, by sub-activity, see Table 2.9.

MOD Budget Activity Groups

This quarter, \$502 billion was obligated to support Equipment and Transportation for the MOD, more than any other category. This represents 57% of the \$881 million in quarterly obligations for the MOD.⁵⁶ The MOD Equipment and Transportation sub-activity group has consistently received the highest allocation of the ISFF.

Expenditures for projects supporting MOD Infrastructure (\$271 million) outpaced spending on Equipment and Transportation projects (\$149 million) this quarter.⁵⁷ Expenditures supporting all MOD sub-activity groups increased by more than \$574 million. Table 2.10 shows the current status of MOD sub-activity groups.

TABLE 2.10

ISFF STATUS BY MOD SUB-ACTIVITY GROUP (\$ MILLIONS)

SUB-ACTIVITY GROUP	ALLOCATED	OBLIGATED	EXPENDED	% OBLIGATED	% EXPENDED
Equipment and Transportation	\$4,036.50	\$3,598.28	\$2,701.33	89%	67%
Infrastructure	3,256.52	2,849.26	2,196.95	87%	67%
Sustainment	1,696.36	1,691.71	1,375.25	100%	81%
Training and Operations	275.61	266.43	232.71	97%	84%
Undistributed	604.00	N/A	N/A	N/A	N/A
MOD Total	\$9,868.99	\$8,405.68	\$6,506.24	85%	66%

Source: OSD, response to SIGIR data call, 10/14/2008.

TABLE 2.11

ISFF STATUS BY MOI SUB-ACTIVITY GROUP (\$ MILLIONS)

SUB-ACTIVITY GROUP	ALLOCATED	OBLIGATED	EXPENDED	% OBLIGATED	% EXPENDED
Equipment and Transportation	\$1,367.05	\$1,346.73	\$926.39	99%	68%
Infrastructure	1,442.31	1,299.15	870.95	90%	60%
Sustainment	544.51	521.48	452.23	96%	83%
Training and Operations	1,904.91	1,877.40	1,859.05	99%	98%
Undistributed	856.00	N/A	N/A	N/A	N/A
MOI Total	\$6,114.78	\$5,044.76	\$4,108.62	83%	67%

Source: OSD, response to SIGIR data call, 10/14/2008.

MOI Budget Activity Groups

Equipment and Transportation also accounts for the largest percentage of new obligations to support projects for the MOI this quarter—more than \$218 million (43%). Expenditures for all projects supporting the MOI increased by more than \$506 million.⁵⁸ The Training and Operations sub-activity group recorded the largest amount expended since last quarter, at \$210 million,⁵⁹ and Sustainment projects expended the least. Table 2.11 shows the current status of MOI sub-activity groups.

Spending across Multiple Fiscal Years

Of total ISFF allocations to the MOD and MOI budget activity groups, just more than \$5.36 billion remains unexpended.⁶⁰ The largest amounts of unexpended obligations are within obligations to projects supporting the MOD—specifically for Equipment and Transportation and Infrastructure. Nearly \$900 million remains unexpended in Equipment and Transportation, and just over \$650 million within Infrastructure.

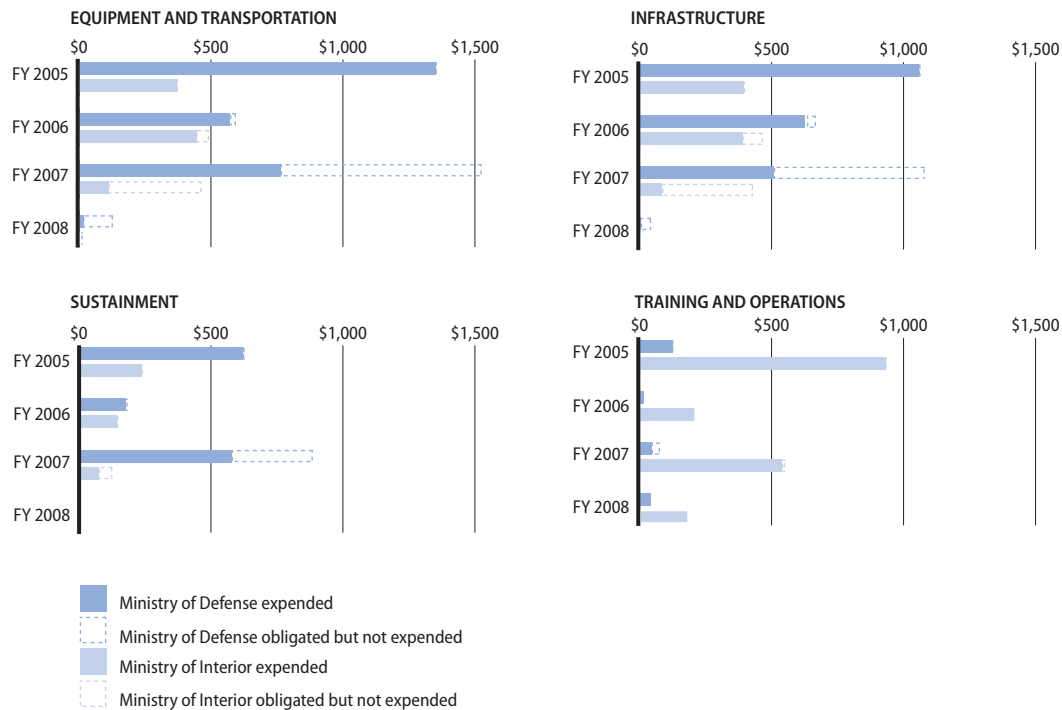
Of total ISFF obligations to support projects for the MOI, nearly \$430 million of

RECONSTRUCTION OVERVIEW

FIGURE 2.6

STATUS OF ISFF ALLOCATIONS, BY SUB-ACTIVITY GROUP, BY FISCAL YEAR

\$ Millions



Note: Numbers affected by rounding. Allocations do not include \$604 million in MOD budget activity group and \$856 million in the MOI budget activity group that have not yet been distributed to sub-activity groups.

Source: OSD, response to SIGIR data call 10/14/2008.

Infrastructure obligations and more than \$420 million of Equipment and Transportation obligations remain unexpended.⁶¹

Although about 78% of ISFF obligations have been expended, rates vary significantly between sub-activity groups and across fiscal years. Of MOD funds allocated in the past two fiscal years, 53% of FY 2007 and 4% FY 2008 obligations have been expended. Similarly, for MOI funds allocated during the same period, 51% of FY 2007 and 12% of FY 2008 obligations have been expended.⁶² Figure 2.6 illustrates the status of obligations and expenditures by sub-activity group for MOD and MOI allocations by fiscal year.

ISFF Project Status

A total of 857 completed ISFF projects are currently reported in the Iraq Reconstruction Management System (IRMS)⁶³ valued at more than \$2.34 billion, including 198 projects ongoing with a budgeted cost of \$1.34 billion.⁶⁴ As these numbers reveal, IRMS does not contain comprehensive reporting on ISFF projects. GRD administers many of these projects for MNSTC-I. A majority of ISFF projects (67%) are concentrated in the Baghdad, Anbar, Ninewa, and Basrah provinces.⁶⁵

Table 2.12 lists the 10 largest ISFF projects by budgeted costs as reported in the IRMS database.

TABLE 2.12

MAJOR ONGOING ISFF RECONSTRUCTION PROJECTS (\$ MILLIONS)

PROJECT	TOTAL BUDGETED COST	START DATE	PROJECTED COMPLETION DATE	PROVINCE
Location Command Tikrit	\$59.95	7/14/2008	1/24/2009	Salah Al-Din
Shaiba Location Command	\$37.89	5/30/2008	10/10/2009	Thi-Qar
Maymona Location Command	\$37.28	7/12/2008	4/6/2009	Missan
Construct Facilities at FOB Normandy	\$35.20	9/19/2007	10/31/2008	Diyala
Recruit Training Center, Baghdad Police College	\$31.11	4/9/2008	5/13/2009	Baghdad
Construct 1st Brigade 6th Div. IA HQs and 3 Battalions at FOB Justice	\$28.78	6/28/2007	7/15/2008	Baghdad
Complete Construction of Iraqi Air Force and Flight Training School at Kirkuk Regional Air Base	\$28.75	3/6/2008	1/30/2009	Tameem
Construct 1st BDE, 7th Div. HQ and 3 BNs at Ramadi	\$28.11	1/18/2007	2/25/2009	Anbar
Construct/Renovate facilities to support the 5th Div. NIA	\$27.99	5/31/2006	4/29/2008	Diyala
Construct Mosul Police Recruit Academy	\$27.69	6/16/2008	1/20/2009	Ninewa

Note: The budgeted costs listed in the table above represent the ISFF line item portion of each project as reported in the Iraq Reconstruction Management System (IRMS) and not total project costs. Line items may represent a portion of projects executed in multiple phases or multiple task orders.

Source: IRMS, *ITAO Rollup*, 10/1/2008.

Economic Support Fund

In the U.S. supplemental funding bill passed in June 2008, the ESF received a nearly 17% increase in total funding (\$526 million).⁶⁶ This amount, however, is a significant decrease from the \$1.48 billion provided by the 2007 supplemental appropriation. The total appropriations amounting to \$3.74 billion (see Table 2.13) to the ESF play a key role in sustaining small-scale infrastructure projects and developing the capacity of governments at the national and local levels.

DoS administers ESF funds, and the U.S. Agency for International Development (USAID) and the U.S. Army Corps of Engineers, Gulf Region Division (GRD), execute the funds through interagency agreements. These two agencies received approximately 89% of ESF allocations.

ESF Programs by Track

ESF programs are categorized into three tracks: economic, political, and security. The security track receives the largest allocation of funding, nearly 63% of total ESF appropriations.⁶⁷

For the distribution of ESF allocations among these tracks, see Figure 2.7. For the funding status of each of the various programs using ESF funds, see Table 2.14.

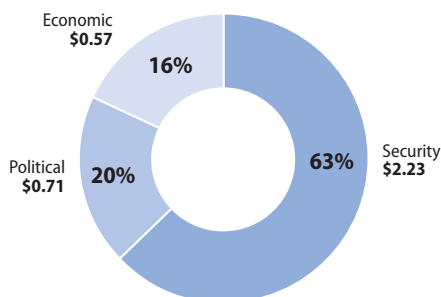
Economic Track. The largest economic program continues to be O&M Sustainment, which accounts for 50% of the funds for this track. The program provides services that assist Iraqis in sustaining U.S.-funded infrastructure.⁶⁸ Nearly 85% of the program's allocation has been expended.⁶⁹ The Targeted Development Program (TDP) has the largest percentage left to spend; as of September 30, 2008, only 5.3% of total allocations were expended. Total expenditures for the program rose by \$1.85 million this quarter to \$3.05 million.⁷⁰ This increase follows grant approvals for three large calls for proposals that consumed all of the TDP allocations.⁷¹

Political Track. The National Capacity Development (NCD) program has the highest allocation of all programs in the political track. In terms of expenditures, however, the Democracy and Civil Society program exceeded NCD's expenditure amount this quarter. The program

FIGURE 2.7

ALLOCATIONS OF ESF FUNDS BY TRACK

\$ Billions, % of \$3.5 Billion Allocated



Note: Numbers affected by rounding. The total amount represented is approximately 93% of all appropriated ESF funds for Iraq, which totals \$3.74 billion. Program and track-level details were not available for \$50 million of FY 2003 funding.

Sources: DoS, response to SIGIR data call, 10/14/2007; ITAO, responses to SIGIR data call, 1/4/2008 and 10/2/2008; GRD, response to SIGIR data call, 10/6/2008; USAID response to SIGIR data call, 10/2/08; ITAO, *Essential Indicators Report*, 10/2/2008.

TABLE 2.13



















ESF APPROPRIATIONS (\$ MILLIONS)

APPROPRIATION	PUBLIC LAW	AMOUNT
Consolidated Appropriations Resolution, 2003	P.L. 108-7	\$40
Emergency Wartime Supplemental Appropriations Act, 2003	P.L. 108-11	\$10
Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006	P.L. 109-102	\$60
Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006	P.L. 109-234	\$1,485
U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007	P.L. 110-28	\$1,478
Department of Defense Appropriations Act, 2008, and continuing appropriations for the fiscal year 2008	P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-149	\$123
Consolidated Appropriations Act, 2008	P.L. 110-161	\$15
Supplemental Appropriations Act, 2008	P.L. 110-252	\$527
Total		\$3,738

Note: Numbers affected by rounding.

TABLE 2.14

STATUS OF ESF PROGRAM FUNDING (\$ MILLIONS)

PROGRAM	TOTAL ALLOCATIONS	TOTAL OBLIGATIONS	TOTAL EXPENDED AS A % OF ALLOCATIONS	PROGRAM	TOTAL ALLOCATIONS	TOTAL OBLIGATIONS	TOTAL EXPENDED AS A % OF ALLOCATIONS
Economic				Security			
O&M Sustainment ^a	\$285.00	\$275.08	 85%	PRT/PRDC Projects ^a	\$700.00	\$412.70	 28%
Inma Private Sector Agribusiness Development	92.50	92.50	 42%	Community Stabilization Program	614.00	614.00	 69%
PEG	60.77	60.77	 17%	Community Action Program	225.00	225.00	 57%
Targeted Development Program	57.40	57.40	 5%	Infrastructure Security Protection ^a	217.00	178.80	 59%
Plant-Level Capacity Development and Technical Training ^a	51.97	41.78	 72%	PRT Quick Response Fund	134.78	134.78	 40%
Izdihar	23.83	23.83	 94%	Marla Ruzicka Iraqi War Victims Fund (transferred to IRRF)	14.96	14.96	 67%
Political							
National Capacity Development	\$264.33	\$264.33	 45%				
Democracy and Civil Society ^b	188.89	188.89	 65%				
Iraqi Refugees (Jordan)—transferred to Migration and Refugee Assistance ^c	95.00	95.00	 33%				
Economic Governance II, Policy, Subsidy, Legal, and Regulatory Reforms	85.00	85.00	 76%				
Ministerial Capacity Development	45.00	37.08	 56%				
Regime Crimes Liaison Office	33.00	32.02	 88%				

Notes: Numbers affected by rounding.
^a Obligations for the "PRT/PRDC Projects," "Infrastructure Security Protection," "Plant-level Capacity Development and Technical Training," and "O&M Sustainment" are reported by GRD and represent sub-obligations that GRD has awarded to a contract for a specific project.
^b Amounts in this category include programs reported as "Civil Society Development," "Civil Society-ADF and IFES," "Civil Society-IREX," "Democracy and Civil Society," "Democracy Funding for IRI NDI NED," and "USIP."
^c Amounts in this category include programs reported as "Iraqi Refugees (Jordan)—transferred to Migration and Refugee Assistance" and *Iraqi Scholars Program*, as per guidance given in an OMB response to SIGIR data call on January 3, 2008.
Sources: DoS, response to SIGIR data call, 10/14/2007; ITAO, responses to SIGIR data call, 1/4/2008 and 10/14/2008; GRD, response to SIGIR data call 10/6/2008; USAID, response to SIGIR data call, 10/14/08; ITAO, *Essential Indicators Report* 10/2/2008.

expended \$57.48 million this quarter, bringing total expenditures to nearly \$123 million.⁷²

Security Track. Among programs in the security track, PRT/PRDC projects receive the highest allocations—\$700 million to date.⁷³ These projects have the second lowest expenditure rates of this track with nearly 47% of allocations expended. This quarter, the Community Stabilization Program had the highest increase in expenditures over the previous quarter with over \$81 million expended since June 30, 2008.⁷⁴

For highlights of program outcomes for each of these tracks, see Table 2.15.

Fund Execution

The ESF implementing agencies currently execute projects using funds still available for new obligations under multiple appropriations from FY 2005 to present. SIGIR recently reviewed three interagency agreements funded by the ESF to determine the causes of the slower rate of expenditure for ESF funds in comparison to other funds used in Iraq. The agreements are valued at \$1.25 billion.⁷⁵ SIGIR's review identified

three interrelated factors that explain the delay in expenditure rate:

- The interagency agreements fall under the authority of the Foreign Assistance Act of 1961 and remain available for four years after the obligation expires.⁷⁶
- Although the funds identified in the agreements are obligated at the time the agreements are signed, contracts for projects are not always associated with the agreements at that time. For example, SIGIR determined that GRD has not awarded contracts for \$126 million from the FY 2006 ESF and \$224 million from the FY 2007 appropriation.
- The nature and purpose of the agreements—to develop the Iraqis' capabilities—is also a key contributor.⁷⁷ Since many of these programs include teaching and training activities, the process does not lend itself to rapid expenditure.⁷⁸

For details on SIGIR's ESF audit, see Section 4 of this Report. Table 2.16 details the portion of ESF funds that have been expended by fiscal year.

TABLE 2.15

ESF PROGRAM UPDATES

TRACK	PROJECT CATEGORY	HIGHLIGHTS
Economic	O & M Sustainment	<ul style="list-style-type: none"> Plants supported by O&M averaged 17% fewer outages than plants that were not supported by the program. A total of 51 projects worth \$267.2 million have been awarded, with 94% of available funds obligated.
	Inma - Private Sector Agribusiness Development	<ul style="list-style-type: none"> Inma jump-started the grants to loan program, issuing a solicitation to Iraqi private banks throughout the country. Once the banks are selected, Inma will award grants to provide loans specifically to the agribusiness sector. The Balad Canning Factory in Salah Al-Din is undergoing renovation. This \$5 million project will restore all 11 processing lines of Iraq's second largest food processing factory.
	Targeted Development Program	<ul style="list-style-type: none"> 25 grants were awarded totaling \$33,065,007. Funding for the development of a project to raise environmental awareness and safety procedures for children in primary schools. Granted funds for the rehabilitation of a concrete block making factory in order to jump-start economic growth in the Abu Ghraib district of Anbar province.
	Provincial Economic Growth	<ul style="list-style-type: none"> The Al Bashaer microfinance institution established a payment account with the Iraqi Middle Bank Jamila Branch to distribute loans and carry out repayment transactions. In the last quarter, the Iraq Company for Bank Guarantees (ICBG) approved 14 loans valued at \$787,000. Of the 14, the ICBG disbursed five loans valued at \$100,000 in total.
	National Capacity Development	<ul style="list-style-type: none"> The Minister of Health received assistance from USAID/Tatweer in drafting a strategic plan for Iraq's healthcare system. The Ministry held a workshop with its provincial partners to discuss the strategic plan and the way forward. In total, USAID/Tatweer has trained more than 26,000 civil servants. This core of trained civil servants covers all USAID/Tatweer disciplines and all 18 provinces. More than 50% of this training is done by GOI Training of Trainers' graduates as USAID transitions to GOI ownership of all competency training activities.
Political	Democracy and Civil Society	<ul style="list-style-type: none"> Established a press center for the Media Department of the Iraqi parliament to allow journalists improved access to lawmakers and legislative processes and upgraded computer facilities for filing stories electronically. Provided a three-day training to 360 men and women in Thi-Qar on gender-based violence and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).
	Economic Governance II, Policy & Regulatory Reforms	<ul style="list-style-type: none"> Restored the Iraq Financial Management Information System (IFMIS) to working order including all software updates; the 2008 Budget was uploaded and the Chart of Accounts (CoA) was updated. Focused on the following Pension Information Technology engagement: continued training of the provincial staff on two interim solutions USAID has developed and are in use by Iraq's Board of Pensions until the Pension Solution goes live; network rollout, including network security; and installation of the World Bank purchased oracle software.
	Iraqi Refugees (Jordan) - transferred to Migration and Refugee Assistance	<ul style="list-style-type: none"> The United States had resettled 12,118 refugees as of September 30, 2008, surpassing the FY 2008 goal of admitting 12,000 Iraqi refugees into the country. Congress created two Special Immigrant Visa (SIV) programs: the SIV program for Iraqi translators/interpreters and Kennedy SIV program for Iraqi employees and contractors and their families.
	Ministerial Capacity Development	<ul style="list-style-type: none"> U.S. advisors work directly with each ministry or executive-level entity. More than half of Tatweer-funded training is performed by Iraqis.
	Regime Crimes Liaison Office	<ul style="list-style-type: none"> Advised and assisted Iraqi High Tribunal personnel in legal matters related to the transfer of detainees to GOI custody. Developed and executing the plan for the draw down of RCLO operations and staff directed by the Department of State and Department of Justice.
	PRT/PRDC Projects	<ul style="list-style-type: none"> 13 PRDC projects were completed with a total contract value of \$12.9 million. The Abo Hussein Water Treatment Plant in Qadisiya completed this quarter will serve 10,000 villagers that have been without clean water for 36 years.
Security	Community Stabilization Program	<ul style="list-style-type: none"> CSP is now fully engaged in 18 cities throughout Iraq: Baghdad, Mosul, Telafar, Kirkuk, Ba'quba, Basrah, Iskandaria, Hillah, Falluja, Ramadi, Al-Ka'im, Habiniyah, Haditha, Heet, Baiji, Tikrit, Tooz, and Samarra. CSP successfully transitioned out of trash collection in Baghdad. The Baghdad municipal government (Amanat) is now responsible for trash collection. About 2,158 short-term jobs and 449 long-term jobs were created in Basrah.
	Local Governance Program	<ul style="list-style-type: none"> Initiated a pilot accounting and management system for Accelerated Development and Reconstruction Program projects in the provinces of Basrah, Missan, Najaf, and Babylon. Urban planning/GIS centers are now open in 17 of Iraq's 18 provinces.
	Infrastructure Security Protection	<ul style="list-style-type: none"> A security perimeter fence was completed for the Al Rashia Water Treatment Plant in the Diyala Province to secure the plant and facilitate operations. Phase 6 of Electrical Tower Hardening in the Salah Al-Din Province was completed.
	Community Action Program	<ul style="list-style-type: none"> There are 16,132,880 direct beneficiaries of local Community Action Group (CAG) activities. CAG community activities created 45,240 short-term jobs and 14,010 long-term jobs.
	PRT Quick Response Fund	<ul style="list-style-type: none"> Embassy QRF staff conducted outreach with each PRT in Iraq, resulting in an increase in the quantity and quality of Embassy Technical Evaluation Committee proposal submissions. A USAID implementing partner completed a database to track grant information, approvals and milestones.

Source: DoS, Section 2207 Report, 7/2008; USAID, response to SIGIR data call, 10/2/2008, USAID, response to SIGIR data call, 10/14/2008; U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

RECONSTRUCTION OVERVIEW

TABLE 2.16

STATUS OF ESF FUNDS, BY FISCAL YEAR (\$ MILLIONS)

	ALLOCATED	OBLIGATED	EXPENDED	% OBLIGATED	% EXPENDED
FY 2003	\$50.00	\$50.00	\$50.00	100.0%	100.0%
FY 2006	\$1,525.41	\$1,390.40	\$1,158.73	91.1%	75.9%
FY 2007	\$1,602.73	\$1,342.17	\$721.23	83.7%	45.0%
FY 2008	\$382.79	\$382.79	None	100.0%	0.0%

Source: DoS, response to SIGIR data call, 10/14/2007; ITAO, responses to SIGIR data call, 1/4/2008 and 10/14/2008; GRD, response to SIGIR data call, 10/6/2008; USAID, response to SIGIR data call 10/14/2008; ITAO, *Essential Indicators Report*, 10/2/2008.

TABLE 2.17

MAJOR ONGOING ESF RECONSTRUCTION PROJECTS (\$ MILLIONS)

PROJECT	TOTAL BUDGETED COSTS	START DATE	PROJECTED COMPLETION DATE	PROVINCE
Maysan Surgical Hospital, Phase 2	\$14.08	2/19/2008	5/19/2009	Missan
Provide & Install 132 kV Power Cable Feeder	\$13.10	3/22/2008	3/09/2009	Basrah
Oil Pipeline Exclusion Zone Bayji - Baghdad - 6	\$11.86	5/04/2008	1/11/2009	Salah Al-Din
Oil Pipeline Exclusion Zone Bayji - Baghdad - 5	\$10.50	5/13/2008	12/26/2008	Salah Al-Din
Water Reverse Feeding of Clean Water ESFPRDC 06	\$10.18	1/24/2008	12/18/2008	Basrah
Baqubah General Hospital EHC (PRDC)	\$9.61	3/15/2008	4/17/2009	Diyala
Oil Pipeline Exclusion Zone Bayji - Baghdad - 3	\$8.57	5/13/2008	12/26/2008	Salah Al-Din
Oil Pipeline Exclusion Zone Bayji - Baghdad - 2	\$8.11	5/15/2008	12/26/2008	Salah Al-Din
Oil Pipeline Exclusion Zone Bayji - Baghdad - 4	\$7.93	5/22/2008	12/18/2008	Salah Al-Din
Construct 80 Bed Hospital—Phase 1 (36 Beds)	\$7.61	11/29/2007	5/19/2009	Missan

Note: The budgeted costs listed in the table above represent the ESF line item portion of each project as reported in the Iraq Reconstruction Management System (IRMS) and not total project costs. Line items may represent a portion of projects executed in multiple phases or multiple task orders.

Source: IRMS, *ITAO Rollup*, 10/1/2008.

ESF Project Status

Currently, 9,850 ESF projects are ongoing, with budgeted costs of \$1.08 billion.⁷⁹ Several Pipeline Exclusion Zone (PEZ) projects are among them (see Table 2.17). An Infrastructure Security Protection (ISP) program's PEZ project was the subject of a SIGIR inspection last quarter. The inspection reported that the **Kirkuk-to-Baiji (Phase 3) PEZ project** contributed to an increase in northern crude oil exports.⁸⁰

Commander's Emergency Response Program

The CERP is administered by DoD and executed through the Multi-National Corps-Iraq (MNC-I)

to address the needs of the communities in which military commanders operate. For this reason, CERP projects vary in nature and scope. CERP programs are categorized by the permissible uses outlined in *Money As A Weapons System* (MAAWS), the CERP Standard Operating Procedures manual.

The Congress has appropriated \$3.56 billion to the CERP, with \$3.25 billion obligated, and \$2.68 billion expended.⁸¹ For all CERP appropriations, see Table 2.18

CERP Programs by Value

In the most recent defense authorization, the Congress directed the DoD to restrict future

TABLE 2.18

CERP APPROPRIATIONS (\$ MILLIONS)

APPROPRIATION	PUBLIC LAW	AMOUNT
Department of Defense Appropriations Act, 2005	P.L. 108-287	\$140
Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005	P.L. 109-13	\$718
Department of Defense Appropriations Act, 2006	P.L. 109-148	\$408
Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006	P.L. 109-234	\$300
Department of Defense Appropriations Act, 2007	P.L. 109-289	\$375
U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007	P.L. 110-28	\$375
Consolidated Appropriations Act, 2008	P.L. 110-161	\$370
Supplemental Appropriations Act, 2008	P.L. 110-252	\$875
Total		\$3,561

TABLE 2.19

AVERAGE CERP NON-CONSTRUCTION & RECONSTRUCTION PROJECT VALUES, BY YEAR

(\$ THOUSANDS)

	2004	2005	2006	2007	2008
Non-construction	\$42	\$71	\$76	\$81	\$80
Reconstruction	\$68	\$146	\$181	\$164	\$138

Source: IRMS, CERP Excel Workbook, 10/3/2008.

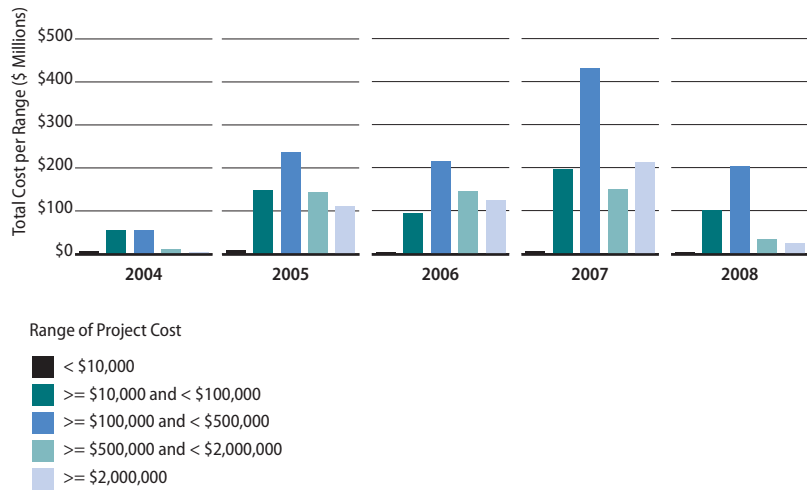
CERP appropriations from being used for projects valued at more than \$2 million, with some exceptions.⁸² This restriction on spending comes at a time when average project values for the CERP are trending slightly downward. Previously, average project values were on the rise for both non-construction projects and reconstruction (defined in IRMS as construction) projects.

After an initial spike in 2005, average project values remained high and peaked in 2007. In 2008, project values have remained higher than those awarded in earlier stages of reconstruction, but there has been a notable decrease.⁸³ Table

2.19 shows the average CERP project value by year, based on project start date.

In addition to increases in average project values, the distribution of project values further illustrates the evolving use of CERP funding. Although the majority of CERP projects fall below \$100,000, the percentage of project costs is disproportionately skewed toward larger projects. In 2007, projects with values over \$500,000 accounted for 3% of total CERP projects started that year, and consumed just over 36% of project costs.⁸⁴ Of projects started in 2008, however, 1% cost over \$500,000, consuming 16% of total costs.⁸⁵ Even as the distribution of CERP project

FIGURE 2.8
DISTRIBUTION OF CERP PROJECTS AND COSTS, BY RANGE AND YEAR



Note: Numbers affected by rounding. Includes completed and ongoing projects.

Source: IRMS, *CERP Excel Workbook*, 10/3/2008.

values has fluctuated, the median projects values have increased slightly each year. Figure 2.8 illustrates the distribution of project values by calendar year.

Spending by Program Category

The Water and Sanitation category has received the largest portion of CERP obligations to date. In FY 2008, obligations increased significantly within the Protective Measures category, which is now second in CERP obligations. This quarter, 258 Protective Measure projects were completed,

accounting for just more than 64% of the cost of all projects completed since June 30, 2008.⁸⁶

Figure 2.9 details the fund obligations, by project type and fiscal year.

CERP Reconstruction Status

As of September 29, 2008, 22,903 CERP projects have been completed.⁸⁷ These projects account for nearly 70% of all CERP obligations. This quarter, 499 CERP projects were completed.⁸⁸ According to the IRMS, 2,271 projects are still ongoing, with budgeted costs of \$516.50 million.

FIGURE 2.9

CERP OBLIGATIONS, BY PROJECT TYPE AND FISCAL YEAR (\$ MILLIONS)



Source: IRMS, MNC-I Quarterly Report, 10/15/2008.

Note: Numbers affected by rounding. Obligations by project type vary from topline obligations reported in the Summary of U.S. Funding. SIGIR did not receive project- or sector-level reporting for CERP from agencies.

RECONSTRUCTION OVERVIEW

TABLE 2.20

MAJOR ONGOING CERP RECONSTRUCTION PROJECTS (\$ MILLIONS)

PROJECT	TOTAL BUDGETED COST	START DATE	ORIGINAL COMPLETION DATE	PROVINCE
Electrical Distribution in Muhalla 312	\$11.68	10/18/2007	1/31/2009	Baghdad
Fallujah Sewer Pump Stations F1, F2	\$7.60	1/20/2006	2/02/2009	Anbar
Electrical Distribution in Muhalla 310	\$6.57	10/18/2007	10/24/2008	Baghdad
Rehabilitate Two BIAP Domestic Terminals	\$6.56	6/13/2007	10/12/2008	Baghdad
PIC Sewage Installation–Karmat Ali	\$6.56	8/11/2007	8/11/2008	Basrah
Kirkuk City Clean-Up Supplies and Materials	\$6.13	1/01/2007	3/01/2008	Tameem
Al Faw, Redundancy and Mitigation	\$5.92	6/30/2006	5/31/2008	Thi-Qar
Fallujah Solar Lights Phase II	\$5.50	6/06/2008	1/01/2009	Anbar
Sulaimanyah Votech new construction	\$5.20	12/02/2007	12/23/2008	Sulaymaniyah
Transformers for Baghdad PC	\$4.82	10/20/2006	6/30/2007	Baghdad

Note: The budgeted costs listed in the table above represent the CERP line item portion of each project as reported in the Iraq Reconstruction Management System (IRMS) and not total project costs. Line items may represent a portion of projects executed in multiple phases or multiple task orders.

Source: IRMS, *CERP Excel Workbook*, 10/3/2008.

Of ongoing projects, 933 have projected completion dates during the upcoming quarter.⁸⁹ For a list of major ongoing CERP projects see Table 2.20.

I-CERP Project Status

The I-CERP is a U.S.-administered emergency response fund intended to engage provincial-level officials in planning, coordinating, prioritizing, and transitioning projects that are paid for by the GOI.⁹⁰ Established and funded by the GOI in April 2008 with an expressed project focus on schools, water-purification plants, health clinics, city planning facilities, roads, sewers, and irrigation,⁹¹ the I-CERP aims to leverage Coalition tactical resources in the field and CERP mechanisms to expeditiously direct resources to projects that benefit the people of Iraq.

Allocation of the I-CERP is weighted by provincial population, and project status is reviewed quarterly in concert with the Iraq Supreme

Reconstruction Council (I-SRC). Projects are intended to serve as training opportunities for affiliated Iraqi personnel with the expectation that over time the program will be transitioned to the ISF and provincial officials.

To date, 216 I-CERP projects are ongoing. In addition, 432 projects are in the planning stages, and 71 have been completed.

Contracting

Six U.S. government organizations are primarily responsible for Iraq reconstruction contracts:⁹²

- U.S. Army Corps of Engineers, Gulf Region Division (GRD)
- Joint Contracting Command-Iraq/Afghanistan (JCC-I/A)
- Multi-National Corps-Iraq (MNC-I)
- Air Force Center for Engineering and the Environment (AFCEE)
- USAID
- DoS

Top 10 Contractors

More than \$12 billion in contract obligations have funded the top ten private contractors to the IRRF, ISFF, and ESF.

Since many IRRF projects are near completion and funds are no longer available for new obligations, the majority of the IRRF top contractors had little to no change in obligations and expenditures over last quarter. Obligations for Bechtel National, Inc., decreased by \$75 million over previously reported figures.⁹³

Top IRRF contractors remained relatively unchanged over last quarter with the exception of one contractor. Development Alternatives, Inc., does not appear on the Top ten IRRF 2 Contractor list this quarter. USAID, which reported a contract worth more than \$439 million with this contractor in previous quarters, did not provide updated figures on the full value of this contract in time for publication in this report.

Two ISFF top contractors had a relatively large increase in funding this quarter. The American Equipment Company had the highest change in obligation since June 30, 2008, with just over \$100 million in new obligations. The Environmental Chemical Corporation had the highest amount of new expenditures—just over \$100 million.⁹⁴

The top ESF contractors retained the same rank as reported last quarter. Obligations for contracts to International Relief and Development increased this quarter by \$137 million.⁹⁵ For top contractors of the IRRF, see Table 2.21; the ISFF Table 2.22; and the ESF Table 2.23.

Contract Terminations

This quarter, SIGIR reviewed Department of Defense (DoD) records and identified 1,262 projects that DoD had terminated—732 for the convenience of the government and 530 for contractor default.⁹⁶ These terminated projects had initial obligations of nearly \$1 billion, of which approximately \$600 million had been paid to contractors, including \$89.7 million to contractors on projects terminated for default.

SIGIR found that terminations for convenience were often due to changes in scope requirement or security problems, or because the project was no longer needed. Terminations for default were normally due to poor contractor and subcontractor performance. However, a few were also for security problems.⁹⁷

Contract Costs and Outcomes

SIGIR continued its reviews of the outcome, cost, and oversight of major Iraq reconstruction projects this quarter, issuing its eighth report. This report looked at two USAID contracts for local governance program activities, valued at \$598 million.

SIGIR determined that it is unclear what was accomplished during the first four years of the contracts because key plans and accomplishment reports required by the contract were not submitted.⁹⁸ Costs were also reported only at the aggregate level rather than at an activity level, which precludes an assessment of the cost and benefit of individual activities. USAID has since received the plans and accomplishment reports but costs are still not reported at a level that allows an assessment of the value of individual activities.⁹⁹

RECONSTRUCTION OVERVIEW

TABLE 2.21

TOP TEN IRRF 2 CONTRACTORS (\$ MILLIONS)

#	CONTRACTOR	OBLIGATED	EXPENDED
1	Bechtel National, Inc.	\$1,187	\$1,178
2	FluorAMEC, LLC	\$948	\$943
3	Parsons Global Services, Inc.	\$671	\$635
4	Parsons Iraq Joint Venture	\$636	\$621
5	Kellogg, Brown & Root Services, Inc.	\$630	\$618
6	Washington Group International	\$512	\$505
7	Environmental Chemical Corporation	\$351	\$349
8	Research Triangle Institute	\$287	\$255
9	Anham Joint Venture	\$259	\$259
10	Symbion Power, LLC	\$253	\$234

Note: Numbers affected by rounding. This list is produced by compiling contract-level obligation data provided by GRD and USAID only.

Sources: Corps of Engineers Financial Management System, "All Items Report for PMCON and All Items Report for PMNCN," 10/7/2008; USAID, response to SIGIR data call, 10/10/2008.

TABLE 2.22

TOP TEN ISFF CONTRACTORS (\$ MILLIONS)

#	CONTRACTOR	OBLIGATED	EXPENDED
1	AECOM, Government Services, Inc.	\$778	\$530
2	Environmental Chemical Corporation	\$772	\$697
3	Contract to DoS for INL Support	\$696	\$696
4	American Equipment Company	\$442	\$242
5	Contract to DoS for INL Support	\$386	\$386
6	International Military & Gov't LLC	\$332	\$48
7	Iraqi Contractor	\$303	\$238
8	Tetra International, LLC	\$290	\$247
9	Innovative Technical Solutions, Inc.	\$284	\$257
10	Toltest, Inc.	\$259	\$221

Note: Numbers affected by rounding.

Source: Corps of Engineers Financial Management System, 9/30/2008.

TABLE 2.23

TOP TEN ESF CONTRACTORS (\$ MILLIONS)

#	CONTRACTOR	OBLIGATED	EXPENDED
1	International Relief and Development	\$636	\$341
2	Research Triangle Institute	\$323	\$143
3	Management System International	\$264	\$111
4	Louis Berger Group	\$177	\$64
5	CHF International	\$145	\$112
6	Development Alternatives, Inc.	\$130	\$29
7	BearingPoint, Inc.	\$85	\$60
8	Wamar International	\$70	\$63
9	Parsons Brinckerhoff	\$58	\$58
10	Iraqi Contractor	\$43	\$34

Note: Numbers affected by rounding.

Source: Corps of Engineers Financial Management System, 9/30/2008; USAID, response to SIGIR data call, 10/10/2008.

USES AND OUTCOMES

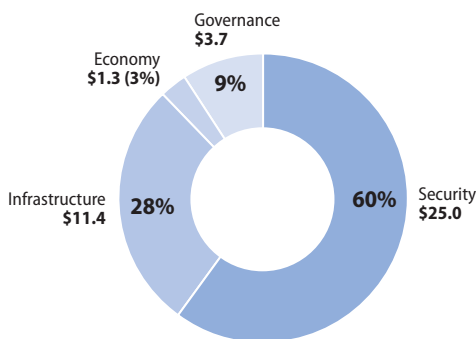
This section looks back at the outcomes and outputs of U.S. relief and reconstruction efforts to date. To analyze obligations and expenditures under the Iraq Relief and Reconstruction Fund (IRRF), the Iraq Security Forces Fund (ISFF), the Economic Support Fund (ESF), and the Commander's Emergency Response Program (CERP), as well as smaller accounts, SIGIR categorizes the activities and outcomes of U.S. programs into four main areas:

- **Security:** Security and Justice
- **Infrastructure:** Oil and Gas, Electricity, Water, Health Care, and Transportation and Communications
- **Economy:** Economic Development
- **Governance:** Capacity Development; Democracy; and Refugees, Human Rights, and Education

For the U.S. funding allocations to these four areas, see Figure 2.10, and for a cross-reference by program, see Appendix D.

FIGURE 2.10

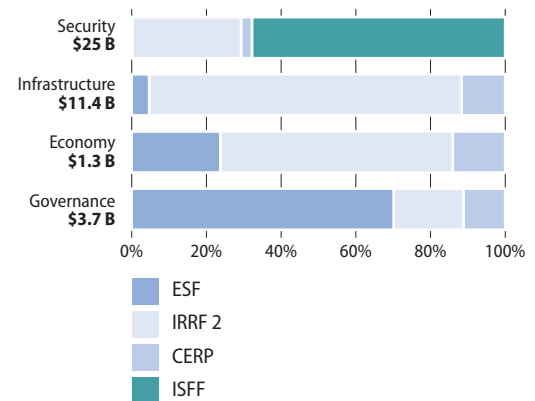
U.S. FUNDING ALLOCATIONS TO SECURITY, INFRASTRUCTURE, ECONOMY, AND GOVERNANCE
\$ Billions



Note: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the *Summary of U.S. Funding*. SIGIR did not receive project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 2, ISFF, ESF, and CERP funding, and accounts for about 82% of U.S. appropriations.

Sources: IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-1 Quarterly Report*, 10/14/2008; USAID, response to SIGIR data call, 10/14/2008; ITAO, responses to SIGIR data call, 1/4/2008 and 10/14/2008; ITAO, *Essential Indicators Report*, 10/2/2008; OSD, response to SIGIR data call, 10/14/2008.

% OF FUNDS ALLOCATED, BY RECONSTRUCTION AREA



Note: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the *Summary of U.S. Funding*. SIGIR did not receive project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only allocations for IRRF 2, ISFF, ESF, and CERP funding, and accounts for about 82% of U.S. appropriations.

Sources: IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-1 Quarterly Report*, 10/14/2008; USAID, response to SIGIR data call, 10/14/2008; ITAO, responses to SIGIR data call, 1/4/2008 and 10/14/2008; ITAO, *Essential Indicators Report*, 10/2/2008; OSD, response to SIGIR data call, 10/14/2008.

SECURITY

The United States has allocated nearly \$25 billion to support the Iraqi Security Forces (ISF) and justice system, obligated more than \$22 billion, and expended nearly \$19 billion. The Congress designates funds for security through several accounts, including the ISFF, CERP, IRRF, ESE, and funding through the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL).

For the status of U.S. funds for security and justice projects, see Figure 2.11.

Sustaining the Security Environment

Iraq's security situation is fragile,¹⁰⁰ with recent gains potentially reversible.¹⁰¹ Notwithstanding this cautious assessment, the ISF is growing in strength and capability, control of security authority has been returned to Iraq in 11 provinces, and violence has declined to the lowest levels since 2004. For example, attacks in Baghdad fell 61% from the second to the third quarter of this year.¹⁰²

Provincial Iraqi Control

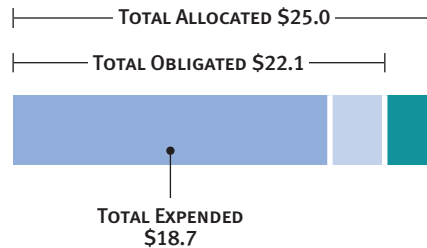
The Coalition returned security responsibility of Anbar to the Iraqis on September 1, 2008. Transitioning Anbar, formerly one of the most violent provinces in Iraq, is a significant milestone in the country's security progress.¹⁰³ On October 23, 2008, Babylon became the 12th province to PIC.¹⁰⁴

The United States was prepared to transfer control of Anbar in July 2008, but a number of

FIGURE 2.11

STATUS OF U.S. FUNDS SUPPORTING IRAQ'S SECURITY

\$ Billions



Note: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the *Summary of U.S. Funding*. SIGIR did not receive project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 2, ISFF, ESE, and CERP funding.

Sources: ITAO, *Essential Indicators Report*, 10/2/2008; USAID, response to SIGIR data call, 10/14/08; ITAO, response to SIGIR data call, 1/4/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008; OSD, response to SIGIR data call, 10/14/2008.

challenges caused delays. Most notably, tensions between Baghdad and Anbar's leadership over security policies contributed to postponing transfer of Anbar to Provincial Iraqi Control (PIC).¹⁰⁵

Of the six remaining provinces under coalition control, MNF-I reported that Wassit was also expected to transition by the end of October 2008.¹⁰⁶ Tameem and Salah Al-Din are expected to follow by the end of January 2009. The planned PIC date for Diyala is February 2009 and Ninewa should transfer by March 2009.¹⁰⁷ Baghdad will be the last to transition, scheduled for May 2009.¹⁰⁸

After a province achieves PIC status, the ISF provides virtually all security services. Some reliance on Coalition support capabilities, however, will continue.

The U.S. Army Corps of Engineers Gulf Region Division (GRD) informed SIGIR this quarter that operating in a post-PIC province does not dramatically affect its reconstruction efforts. GRD personnel report that they rely



As security improves, the United States and Iraq are working to remove walls in Baghdad that had been erected to minimize violence by separating Shia and Sunni neighborhoods. (DoS photo)

on either their own resources or the ISF for assistance after security incidents rather than Multi-National Force-Iraq (MNF-I).¹⁰⁹ However, the ISF can restrict U.S. personnel movements and require ISF escorts for private security contractors—and they have done so, particularly in Thi-Qar and Muthanna.¹¹⁰

Key U.S. Programs

Security and justice programs receive the largest portion of U.S. reconstruction funding in Iraq, facilitating the training of the ISF, providing equipment, strengthening Iraq's judiciary, and supporting the construction of prisons and courthouse facilities, among other activities.

Status of the ISF

Since 2003, the number of trained ISF personnel has increased from 87,414 to 531,000.¹¹¹ Assigned ISF data, which reflects payroll information, totals 591,695 personnel.¹¹² DoD considers assigned data to be a more realistic evaluation of current ISF staffing because trained figures do not reflect present-for-duty numbers and include personnel who are AWOL, away, or injured. For a comparison of these discrepancies, see Table 2.24.

This quarter, SIGIR followed up on its April 2008 report with an audit assessing the reliability of ISF reporting. SIGIR found numerous weaknesses arising from improper documentation, corruption, ghost personnel, unauthorized hires, and weak personnel management systems.¹¹³ Because reporting metrics and definitions have changed over time, SIGIR noted that meaningful ISF personnel trend analysis remains difficult. The United States funds an effort to develop an automated system for the Ministry of Defense (MOD), while the GOI is focusing on a system for the Ministry of Interior (MOI).¹¹⁴

Building the Capacity of the ISF

Security program managers face multiple challenges in their work to create a self-sufficient Iraqi military under the MOD, including an understaffed officer corps, inadequate logistics capacity, and poor procurement processes. Within the MOI, continuing corruption, sectarianism, command and control deficiencies, and maintenance limit progress.¹¹⁵

Although total budgets for the MOD and MOI have increased steadily since 2004, they continue to fall short of ministry requests. In 2008, the MOI requested \$10.3 billion, but only

RECONSTRUCTION OVERVIEW

TABLE 2.24
ASSIGNED AND TRAINED TOTALS FOR THE ISF, AS OF 8/15/2008

FORCE	SERVICE BRANCH	ASSIGNED	TRAINEES
Ministry of Defense	Iraqi Army	180,296	224,970
	Training and Support Forces	22,069	21,144
	Air Force	1,887	2,246
	Navy	1,872	1,494
	Total MOD	206,124	249,854
Ministry of Interior	Iraqi Police	299,170	192,028
	National Police	39,739	50,184
	Border Enforcement	43,073	34,370
	Total MOI	381,982	276,582
Counter-Terrorism Bureau	Special Operations	3,589	4,564
ISF Total		591,695	531,000

Note: Although assigned numbers illustrate payroll data, they do not reflect present-for-duty totals. Trained figures include personnel who are AWOL and are away because of injury.

Source: DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 33.

53% of that request was approved.¹¹⁶ The MOD received less than 63% of its request.¹¹⁷ These shortfalls, exacerbated by slow budget execution mechanisms, affect U.S efforts to develop ISF self-sufficiency.¹¹⁸

Notwithstanding these shortfalls, the ISF made progress this quarter. The MOD continues to improve interagency coordination, training, Army force generation, and to expand Iraq's Air Force and Navy.¹¹⁹ But basic training is limited by deteriorating equipment and facilities. The Coalition Army Advisory Training Team (CAATT) noted that substandard living conditions and damaged tents have reduced basic training capacity by 14%.¹²⁰

The MOI improved as well. It advanced on efforts toward securing 100 of the required 108 land deeds for future structures, opened 4 forensics laboratories, increased National Police (NP) forces and provincial police conferences, and expanded facilities (including the construction or refurbishment of 175 police stations).¹²¹

Growing the Commissioned and Non-commissioned Officer (NCO) Corps

SIGIR previously reported on the shortage of experienced commissioned and non-

commissioned officers in the ISF. The 12,000 NCOs trained from July 2007 to July 2008 met only one third of the end-state goal required to lead current force strength.¹²²

On September 6, 2008, the MOD sought to recall former NCOs and officers from the Saddam-era military. By October 6, 2008, nearly 97,000 former NCOs and officers had registered, which exceeded the GOI's initial target of 80,000.¹²³ MNC-I reported that those ranked below Colonel have the best chance of reinstatement.¹²⁴ The MOD has formally reinstated 738 officers and 1,425 NCOs who were registered by September 13, 2008. For an overview of former NCO and officer registration, see Table 2.25.

TABLE 2.25
REGISTRATION OF FORMER OFFICERS AND NCOs, AS OF 10/6/2008

RANK	# REGISTERED
General	1,321
Lt. Colonel to Colonel	4,163
Lieutenant to Major	8,299
NCO	83,178
Total	96,961

Source: MNF-I, response to SIGIR data call, 10/10/2008.

Supporting Training and Transition

Although Iraq is assuming a greater share of training and administrative duties for the ISF, the United States continues to provide critical advisory support to help leaders in the field and in the ministries reach their goal of “operational independence.”¹²⁵ The Multi-National Security Transition Command-Iraq (MNSTC-I) oversees advisors who work as part of nine teams that specialize in assisting Iraq’s security apparatus. In addition to advisory teams in the MOD, MOI, and Joint Headquarters, the Coalition provides personnel to police training teams (including 766 international police advisors),¹²⁶ border transition teams, and military assistance transition teams within each of Iraq’s military branches, including 179 U.S. advisors to Iraqi Army (IA) basic training.¹²⁷

Coalition forces oversee joint contingency operating facilities, which serve as shared bases of operation. Currently, 54 contingency operating bases and sites and more than 362 smaller contingency operating locations host ISF and Coalition forces.¹²⁸

DoD reports that the objective is to partially close or hand over these facilities to the ISF once security gains in an area are achieved. For example, during 2007, there were 63 major tracked bases during the height of the U.S. Surge, and as supplemental forces were withdrawn, 9 major bases and 17 smaller bases have either been handed over to the GOI or closed.¹²⁹

U.S. MOI advisors report improvement on budget execution processes, training capacity, and force-generation mechanisms but point to the challenges combating corruption and managing detainees.¹³⁰ Both the Civilian

Police Assistance Training Team and the MOI Transition Team report that poor strategic planning, inadequate training center capacity, structurally inadequate facilities, and slow assimilation and professionalization of MOI forces continue to hinder progress.¹³¹

Supporting Logistics and Maintenance

Coalition forces provide advisory support to help the MOD bolster acquisition, storage, maintenance, and distribution systems critical to equipping personnel in the field. However, progress in developing self-sustaining logistics and maintenance systems is slower than anticipated¹³² and remains problematic.¹³³

The United States is taking action to bolster the IA’s logistics capacity, including:¹³⁴

- training nearly 3,000 soldiers as part of several logistics initiatives this quarter
- developing a logistics doctrine and mechanisms
- creating training and guidance to improve core competencies
- standing up a general transportation regiment to move equipment and supplies from ports and depots to other facilities
- requesting \$18.75 million for upgrading antiquated equipment to meet long-haul requirements
- requesting nearly \$25 million in procurement actions to address equipment shortages at two motor transportation regiments
- supporting the production of a Highly Mobile Multipurpose Wheeled Vehicle program with \$45 million in supplies, repair parts, and a management team



U.S.-Iraqi ceremony with Sons of Iraq.
(MNF-I photo)

Completion of the U.S.-funded **Taji National Depot and Complex**—which will be the largest logistics facility in Iraq—is expected by early 2009. However, Coalition advisors will still be needed to train and oversee the facilities until the Iraqis can assume control.¹³⁵ The small arms shop was handed over in May 2008, and training began in October 2008.¹³⁶

Unlike the MOD, the MOI does not have a formally dedicated logistics system, and its maintenance capability is not robust enough to sustain vehicle rates above 85% readiness.¹³⁷ The MOI is in the process of developing a National Police Sustainment Brigade, which is expected to be completed by December 31, 2008. As of September 30, 2008, the brigade has approximately 46% of required personnel that comprise the maintenance, logistics, medical, and transportation companies.¹³⁸

Life-support Contracts

In October 2007, SIGIR began reporting on U.S. efforts to transfer life-support responsibility to the MOI and MOD for facilities, security, transportation, maintenance, logistics, and information technology. Of the 33 contracts that the United States targeted for transition, 19 contracts for the MOD are valued at \$181 million, and MOI's 14 contracts total nearly \$267 million. MNSTC-I reported that all contracts to the MOI will be transferred by December 31, 2008.¹³⁹

As of September 8, 2008, 13 contracts worth \$150 million have been transferred.¹⁴⁰ This total is less than what was reported to SIGIR in July

2008 because MNSTC-I decided to retain control over seven contracts, which total nearly \$94 million.¹⁴¹

Since July 2008, three contracts for \$10 million were transferred, which leaves nearly \$300 million in contracts retained by the Coalition.¹⁴²

Transitioning the Sons of Iraq Program to Iraqi Control

In 2007, the United States began funding the Sons of Iraq (SOI) from CERP's protective measures money, which has since become the largest CERP category. Nearly \$368 million of the CERP has been spent on the SOI program.¹⁴³ Although monthly funding for the SOI has increased since the program's inception, the average monthly spending per person has fallen consistently since late 2007, reflecting the sharp rise in SOI membership.

As of October 1, 2008, the GOI agreed to assume payment responsibilities for the 51,000 SOI members operating in Baghdad.¹⁴⁴ This is the first step in transitioning the SOI program from U.S. to Iraqi management. MNC-I reported that it plans to transfer the remaining 44,000 members across the country over the next six months.¹⁴⁵ MNC-I also noted that the United States will continue to support the rest of the SOI members until it can work with the GOI to transition them into meaningful permanent employment into civilian employment or to the ISF.¹⁴⁶

Although Iraq's Prime Minister has publicly said that he supports the transition,¹⁴⁷ the MOI and some Iraqi leaders have been reticent to

support the plan amid sectarian tension.¹⁴⁸ The United States hopes to transition about 20% of SOI members into the ISF, but transfers to the Iraqi Police over the last three months have shown “slow to no progress.”¹⁴⁹ Additionally, DoD has reported that some SOI members are being targeted by the GOI.¹⁵⁰

In addition to coordinating SOI transfer and pay, the GOI and MNC-I must finalize a memorandum of understanding to reduce operational tensions between the Coalition and the IA while the responsibility for oversight of the SOI is transitioned.¹⁵¹

MNC-I established a reconciliation cell to engage the Iraqi Implementation and Follow-up Committee for National Reconciliation,¹⁵² which conducts vetting of police recruits and works with provincial and local governments on reconciliation issues.¹⁵³ The Prime Minister tasked the committee with overseeing the SOI program transition. MNC-I has also conducted two new initiatives:

- setting up pay stations to begin acclimating the IA to the administration of the group by executing payroll for the SOI using U.S. funds¹⁵⁴
- holding joint registration with the IA to help enroll SOI members for benefits under the transition program¹⁵⁵

Facilitating Foreign Military Sales

The Foreign Military Sales (FMS) program allows Iraq to quickly procure defense-related goods, equipment, and services from the United States. The Defense Security Cooperation Agency (DSCA) oversees this process, which supplies a range of equipment to the Iraqis,

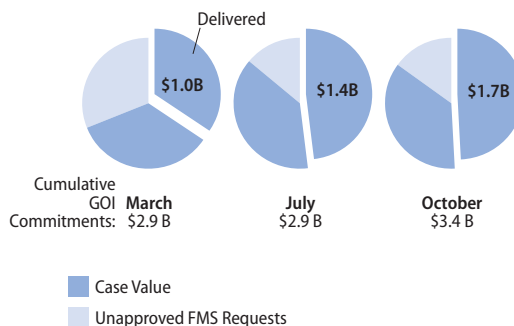
including small arms, clothing, tanker trucks, trailers, and repair parts.¹⁵⁶ More recently, Iraqis have requested more substantial equipment, including reconnaissance helicopters and transport aircraft.¹⁵⁷

Since September 2007, Iraq has committed \$3.4 billion to the program.¹⁵⁸ As of October 15, 2008, the total value of FMS cases is \$2.9 billion (85% of the total committed), and the total amount delivered is nearly \$1.7 billion. To see the progress on FMS since March 2008, see Figure 2.12.

Between March 2008 and October 2008, the amounts committed by the GOI to FMS outpaced deliveries. Lengthy processing times had previously contributed to delays in approval and delivery. To streamline the FMS process, DoD

FIGURE 2.12

STATUS OF FOREIGN MILITARY SALES WITH IRAQ, 2008



Note: Numbers affected by rounding.

Sources: DoD, *Measuring Stability and Security in Iraq*, 3/2008; MNSTC-I, response to SIGIR data call, 4/2008; SIGIR Deputy Inspector General, interview with OSD, Principal Deputy Assistant Secretary of Defense, Global Security Affairs, 7/7/2008; DSCA, response to SIGIR data call, 10/15/2008.

established a task force to improve processing speed,¹⁵⁹ and DSCA moved from a policy and oversight role to a more operational stance.¹⁶⁰

The DSCA has strengthened delivery mechanisms by improving relationships with the leadership of the U.S. Transportation Command, elevating shipping priority for FMS goods, relying on air transport, and switching the terminus for ocean shipments from ports in Kuwait to Umm Qasr.¹⁶¹

Recently, GRD has become the executing agent for several cases and components of cases.¹⁶² As of October 14, 2008, GRD was managing one case for the construction of a \$45 million pier and seawall project in Umm Qasr.¹⁶³ GRD has also received funding for other cases, valued collectively at \$128.4 million.¹⁶⁴

Shaping Iraq's Justice System

U.S. assistance to Iraq's justice system focuses on judicial security, training, and construction projects. Recognizing that stability and security for these institutions will require years of effort, the United States has been pursuing a variety of initiatives, including:

- addressing inadequate judicial security mechanisms
- improving the court system
- alleviating overcrowding in prisons

Protecting Judicial Personnel

Serious threats continue to impede Iraq's judiciary. Personnel contend with intimidation, corruption, and assassination when investigating and prosecuting cases in an understaffed and under-trained field. DoD reported that “intimidation

significantly hinders administration of the criminal justice system and is the most immediate threat to advancement of the rule of law in Iraq.”¹⁶⁵

Since June 2003, 38 judges have been assassinated (7 killed in 2008), and 6 family members of judicial employees have been killed (none this quarter).¹⁶⁶ Since June 2004, 99 other judicial staff members have been targeted.¹⁶⁷ The United States provides secure housing for 29 judges and their families.¹⁶⁸

Between July 2008 and October 2008, the MOI issued 65 weapons permits for judicial staff.¹⁶⁹ This brings the total number of permits to 470, but amounts to less than 10% of all judicial security personnel. The Higher Judicial Council (HJC) is unable to generate adequate support for a Judicial Protection Service (JPS). Although it received some funding to pay for personal security details and Facility Protection Service members, the HJC did not receive enough to maintain sufficient personnel.¹⁷⁰

U.S. agencies are coordinating with the HJC and MOI to support an order by the Prime Minister that directs the MOI to assume greater responsibility for judicial security.¹⁷¹ INL notes that “the future of judicial security” across Iraq depends on the plan.¹⁷²

INL is also funding Deputy U.S. Marshals and a contractor to evaluate judicial security nationwide, to establish policies and plans for judicial security personnel, to develop security assistance, and to work with GOI officials to develop security training classes for the **Judicial Education and Development Institute**.¹⁷³

Red carpet awaits dignitaries at September 10, 2008, opening of new Rusafa Palace of Justice. (USACE photo)



Improving Iraq’s Judicial Facilities

In Rusafa, U.S. agencies helped move the court and personnel to the new U.S.-constructed, \$11.3 million courthouse (known as the Palace of Justice).¹⁷⁴ The 10,200 sq. ft. courthouse opened in September 2008 to serve more than one million citizens. The facility includes a witness protection facility, living quarters for judges and legal staff, and numerous buildings for security, maintenance, and food service.¹⁷⁵ Although the United States considers the complex to be a model that can be applied across Iraq, the HJC is hesitant to replicate it.¹⁷⁶

Since July 2008, 9 new courts have opened, bringing the total to 664 nationwide.¹⁷⁷ By October 3, 2008, security upgrades to courthouses in Mosul and Kirkuk were nearing completion.¹⁷⁸ The U.S. Marshals and INL have identified 27 more courthouses that require security upgrades.¹⁷⁹

In addition to courthouse construction, the United States funds witness protection facilities to be located with courthouses. The lack of formal facilities forces witnesses and legal counsel to be housed in camps. Since October 2007, nearly 300 witnesses and defense lawyers stayed in these camps. From July 1 to September 17, 2008, 8 defense attorneys and 17 witnesses stayed for more than 6 weeks. The U.S. Justice Attaché noted that the camps were handed over to the GOI on September 30, 2008.¹⁸⁰

By October 2, 2008, both of the newly completed witness protection facilities were part of Central Criminal Court of Iraq (CCC-I) compounds—one in Karkh and the other in part of the Palace of Justice compound, in Baghdad. For an update on these facilities, see Table 2.26.

TABLE 2.26

U.S.-FUNDED WITNESS PROTECTION FACILITIES, AS OF 9/30/2008

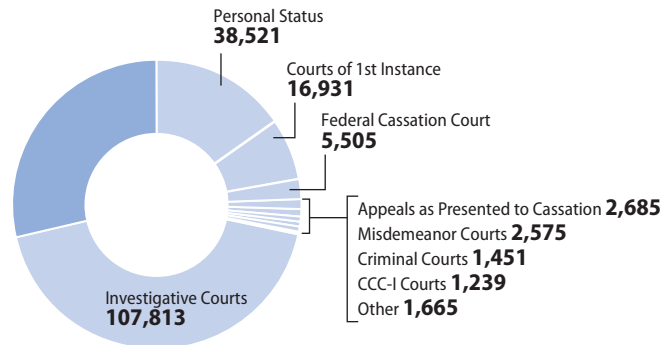
LOCATION	COST (MILLIONS)	COST TO COMPLETE (MILLIONS)	ANTICIPATED END DATE	% COMPLETE	CHANGE FROM 7/2008
Basrah	\$1.9	\$0.1	10/15/2008	98%	2% increase
Rusafa	\$2.9	\$0	Complete	100%	Complete
Karkh	\$2.0	\$0	Complete	100%	None

Source: INL, response to SIGIR data call, 10/3/2008.

FIGURE 2.13

NUMBER OF CASES SETTLED BY IRAQ'S FEDERAL APPEALS COURTS, 5/2008-7/2008

250,371 Cases Presented, 71% Settled



Note: Federal Cassation is similar to the U.S. Supreme Court. "Appeals as originally presented" and "Appeals as presented to Cassation" designate courts that are similar in operation to the U.S. intermediate circuit courts. CCC-I are U.S.-supported courts that handle corruption and insurgent-related cases. Labor, Court of 1st Instance, Personal Status (Family), and Religious courts are civil courts. Misdemeanor, Juvenile, Commerce, and Investigative courts are all criminal courts. Others include: Juvenile Courts, Courts for Religious groups other than Muslim; Labor Courts, Commerce Courts, and Appeals as originally presented.

Source: U.S. Justice Attaché, "HJC Statistical Report," response to SIGIR data call, 10/2/2008.

Building the Capacity of Iraq's Courts

The number of court personnel has been increasing and now includes 482 new judges, 287 investigative judges, 689 investigators, 313 prosecutors, and 4,482 protection staff.¹⁸¹ However, the judiciary continues to be overwhelmed by the vast number of cases.

The United States has undertaken a three-step approach to assist Iraq in addressing the backlog of cases. In the near term, rule-of-law advisors are addressing immediate issues, such as electrical service and file management for the MOI.¹⁸² In the long term, INL and other DoS offices are helping develop the **HJC Court Administration Project**, which focuses on building capacity for implementing and standardizing case management. The United States is also helping to coordinate the locations of administrative office space within new courts because they lack centralization.¹⁸³

The U.S. Embassy's Law and Order Task Force (LAOTF), MNF-I, and PRT Baghdad contribute logistical and technical support to the CCC-I.¹⁸⁴ In Karkh, efforts include bolstering advisory capacity for processing evidence, coordinating witnesses, and providing direct security and logistical support for transporting prisoners.¹⁸⁵

Settling Cases

Between January and March 2008, more than 200,000 cases were presented before Iraq's federal appeals courts.¹⁸⁶ Between May 2008 and July 2008, 22% more cases were presented than during the first quarter of calendar year (CY) 2008, maintaining a high rate of case settlement.¹⁸⁷ In

Iraq, any allegation supported by two or more witnesses becomes a case. Once filed, the case is presented to an Investigative Judge (IJ) who endeavors to discover facts while simultaneously representing the interests of Iraq. The IJ is responsible for supervising the gathering of the evidence necessary to resolve the case or move it to a higher court, regardless of the case's validity or relevance. Thus, the requirement accounts for the immense number of cases heard in Iraq's court system. The IJ then decides whether to continue the case or settle it without further action. For a summary of case settlements, see Figure 2.13.

U.S. efforts include advising Commission on Integrity (CoI) staff (who develop and send cases to the investigative courts), increasing the number of cases referred from the CoI, and training IJs and judicial investigators.¹⁸⁸ Moreover, the United States is attempting to alleviate tensions between IJs and police, which can cause delays in transferring files and cooperation.¹⁸⁹

TABLE 2.27
QUARTER-ON-QUARTER CHANGES FOR ELIGIBLE AMNESTY LAW CASES, CY Q1–Q2 2008

ELIGIBLE DETAINEES	ELIGIBLE PRISONERS	ELIGIBLE ON BAIL	ELIGIBLE FUGITIVES	DENIED
+ 14.09%	+ 22.16%	+ 26.07%	+ 32.26%	+ 13.30%

Source: U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.

PRT Baghdad and the LAOTF opened the **Rusafa Legal Defense Center** in May 2008 to offer legal counsel for detainees. By October 2008, more than 4,200 consultations (83 per day) had been conducted to support the release or transfer of 2,176 detainees—1,024 released under the Amnesty Law.¹⁹⁰

INL has supported the development of a criminal justice tracking system, known as the Iraq Justice Integration Project (IJIP). After a change in implementing contractors, the project has been reinvigorated. In September 2008, three staff began working with the MOI to streamline detainee information, which will also be available to HJC and Ministry of Justice to improve coordination of detainee status.¹⁹¹

Expanding Amnesty Law Cases

By September 24, 2008, the HJC reported that 151,219 cases were brought before the courts as a result of February's Amnesty Law. Nearly 122,000 were deemed eligible.¹⁹²

The largest rate of increase for eligible cases is for fugitives, which rose by more than 32% between the first and second quarters of CY 2008.¹⁹³ DoS noted that amnesty panels focus on reviewing and resolving those cases where the individual is not in custody (or whereabouts unknown).¹⁹⁴ To view the quarter-on-quarter rates of change of eligible Amnesty Law cases, see Table 2.27.

According to the HJC, nearly 80% of these cases have been granted.¹⁹⁵ However, the Justice Attaché reported that the number of actual releases is unclear. Administrative delays, database deficiencies, and the lack of coordination between the HJC, the MOI, MOD, Ministry of Justice, and the Ministry of Labor and Social Affairs often prevents the execution of release orders.¹⁹⁶ However, the Prime Minister's Office and the Minister of Human Rights are working to improve synchronization among implementing ministries and other GOI entities.¹⁹⁷

Addressing Overcrowded Prison and Detention Facilities

As of October 8, 2008, there were 31,578 detainees and 10,169 prisoners in Iraq.¹⁹⁸

Overcrowding in prisons and the comparatively large detainee population are placing stress not only on the courts but also on Iraq's detention systems. Mistreatment of detainees and prisoners also compounds the challenges facing Iraq's criminal justice system. The United States is attempting to alleviate some of the stress by training corrections service personnel and constructing new prisons. The United States is funding the construction of six prisons, valued at \$89.5 million. These facilities have a combined holding capacity of 8,089 prisoners and detainees.¹⁰⁰ For an overview of these facilities, see Table 2.28.

RECONSTRUCTION OVERVIEW

TABLE 2.28

PRISON CONSTRUCTION

PRISON	VALUE (\$ MILLIONS)	LOCATION	EST. DATE OF COMPLETION	EST. CAPACITY	STATUS
Basrah Central	\$9.4	Basrah	9/2009	1,500 beds	Contract awarded 8/10/2008; partial notice to proceed with design work and repair to a damaged perimeter wall issued 8/29/2008. An NP unit occupied the facility for billeting purposes from late summer 2007 until November 2007, at which point all action was stopped. Since then, the statement of work was revised and a new IGE was developed.
Chamchamal	\$32.0	Sulaymaniyah	2/2009	3,000 beds	52% complete as of 9/7/2008; in response to weather delays, a 23-day extension was granted by GRN.
Fort Suse: Phase I	\$6.5	Sulaymaniyah	4/2009	689 beds	42% complete as of 9/7/2008; a USACE review of the 30% design contract modification caused an 80-day extension; contractor was given more days because of security and weather delays, including vehicle curfews imposed by local authorities.
Fort Suse: Phase III	\$11.5	Sulaymaniyah	8/2009	1,000 beds	Contract awarded 6/08/2008; support agreement with INL pending.
Nassriya: Phase II	\$7.3	Thi-Qar	1/2009	400 beds	45% complete, as of 10/13/2008; original completion date shifted from 11/2008 to 12/2008 after workers were moved to Phase I to help complete that project on schedule. An additional contract modification to upgrade the sewage plant has delayed the completion date until January 2009.
Ramadi	\$22.8	Anbar	TBD	1,500 beds	Disputes over title to the land have placed the project on hold.

Note: Value of Basrah Central was calculated by adding 6.5% S&A and 7.5% contingency reserve to the actual contract award amount. The last report was based on the IGE.

Source: INL, response to SIGIR data call, 10/3/2008 and 10/15/2008.

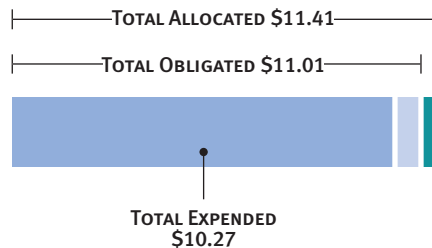
INFRASTRUCTURE

The United States has obligated nearly \$11.01 billion and expended nearly \$10.27 billion¹⁹⁹ to address Iraq’s critical infrastructure needs in these reconstruction sectors:

- oil and gas
- electricity
- water
- health care
- transportation and communications

For the status of U.S. funding across infrastructure projects and programs, see Figure 2.14, and for a sector breakout, see Figure 2.15.

FIGURE 2.14
STATUS OF U.S. FUNDS FOR INFRASTRUCTURE
\$ Billions

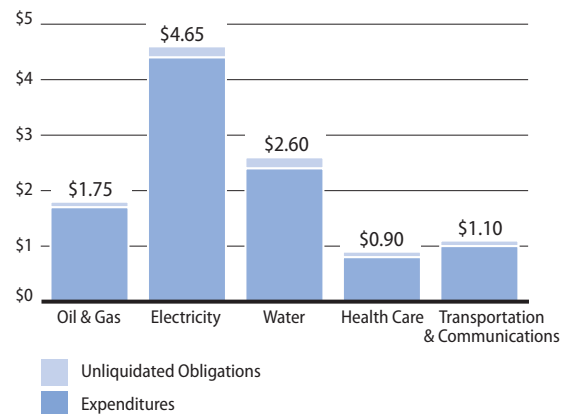


Note: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the *Summary of U.S. Funding*. SIGIR did not receive project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 2, ESF, and CERP funding.

Sources: IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008.

As of September 30, 2008, nearly 94% of IRRF 2 appropriations had been expended.²⁰⁰ The focus of residual U.S. support for infrastructure reconstruction has shifted from major projects to small-scale rebuilding and repair, as well as targeted technical assistance. At the beginning of FY 2008, the U.S. Embassy realigned remaining IRRF funds to focus on economic, governance, and capacity development efforts, marking the end of new reconstruction projects funded by the IRRF.²⁰¹

FIGURE 2.15
U.S. OBLIGATIONS FOR INFRASTRUCTURE, BY SECTOR
\$ Billions



Note: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by Infrastructure area, see Appendix D. Figure does not account for \$1.3 million in U.S. funding obligated and expended for ISP and O&M Sustainment projects categorized as “Buildings.” Figure includes only IRRF 2, ESF, and CERP funding.

Sources: IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008.

Oil and Gas

The United States has obligated more than \$1.75 billion and expended nearly \$1.69 billion in the oil and gas sector.²⁰²

For 2008, the GOI allocated \$2 billion to the Ministry of Oil for capital projects. As of June 2008,²⁰³ more than \$482 million of this amount had been released to the ministry, which had expended \$410 million.²⁰⁴ In the 2008 Iraqi supplemental, passed in August, the GOI budgeted an additional \$260 million for the Ministry of Oil.²⁰⁵

Oil Production and Exports

Crude oil production this quarter hit a post-war record, averaging 2.47 million barrels per day (MBPD)²⁰⁶—a 2% increase from the figure reported last quarter and an 18% rise from the same quarter last year.²⁰⁷

Exports of crude oil averaged 1.73 MBPD—an 8% decrease from last quarter and a 2% decrease from the same quarter last year.²⁰⁸ The recent decline in exports has been attributed to at least two factors:

North: In early September 2008, the North Oil Company reported a break in the main export line to Ceyhan, resulting in the halt of oil exports to the North for about a week until repairs were completed, by mid-month.

South: Bad weather delayed loading at the oil terminal in Basrah.²⁰⁹

Year-to-date average exports of 1.86 MBPD is slightly below the goal of 1.9 MBPD established by the Ministry of Oil.²¹⁰

Oil Prices and Revenues

Iraq's 2008 oil revenues reached \$55.4 billion.²¹¹ GAO forecasts that 2008 oil revenues could range from \$66.5 billion to \$79.2 billion, but oil prices have sharply declined from the record levels reached in mid-2008.²¹² Thus, Iraq's annual oil income will likely settle at the lower end of the spectrum. Kirkuk Crude oil averaged \$113 per barrel this quarter, but the weekly average for October 10, 2008, dropped below \$82.²¹³

In its 2009-2011 Strategic Plan, the GOI calculated export prices of \$80 per barrel for 2009, \$85 for 2010, and \$90 for 2011.²¹⁴ For a summary of recent trends in Iraqi crude oil production and exports, see Table 2.29.

Refined Fuels

The GOI continues to struggle to meet the country's internal demand for refined fuels. For example, daily averages for refined fuel supplies for the week ending September 21, 2008, were:²¹⁵

- 41% below the target levels for gasoline
- 29% below the target levels for diesel
- 28% below the target levels for kerosene
- 8% below the target levels for liquefied petroleum gas (LPG)

TABLE 2.29

CRUDE OIL PRODUCTION, EXPORTS, PRICES, AND REVENUES

	QUARTERLY AVERAGE 7/1/2008–9/30/2008	CHANGE FROM SAME QUARTER LAST YEAR	TRENDS FOR MONTHLY AVERAGES
Production ^a	ITAO 2.50 MBPD	↑ 19%	
	NEA 2.47 MBPD	↑ 18%	
Exports ^a	ITAO 1.83 MBPD	↑ 3%	
	NEA 1.73 MBPD	↓ 2%	
Price Iraq Receives for Oil ^b	\$108.20/Barrel (Basrah Light)	↑ 54%	
	\$113.03/Barrel (Kirkuk Crude)	↑ 59%	
Cumulative Oil Revenues for 2007–2008 ^c (estimated)	\$17.6 Billion	↑ 54%	

Notes:

Numbers affected by rounding. MBPD denotes millions of barrels per day.

^aHistorically, SIGIR has based oil export and production trends on information compiled by ITAO. Varying quarterly averages for production and exports were reported by DoS, Bureau of Near Eastern Affairs-Iraq (NEA-I). This quarter SIGIR used historic figures provided by U.S. Embassy to create the trend lines.

^bQuarterly price averages were provided by NEA-I; however, the trend line was created from ITAO data, which includes Basrah Light and Kirkuk Crude prices through 9/5/2008.

^cThe trend line is cumulative oil revenues since January 2007. The quarterly average for oil revenues was provided by NEA-I, response to SIGIR data call, 10/14/2008. However, historic figures used to create the trend line were compiled from DoS, *Iraq Weekly Status Reports*. In a response to SIGIR data call, U.S. Treasury commented that the oil revenue figures provided by the DoS, *Iraq Weekly Status Reports*, are high compared to their figures for CBI oil receipts. U.S. Treasury data shows \$46.6 billion in CBI receipts through August 2008; DoS, *Iraq Weekly Status Report*, 8/27/2008, notes a \$48.2 billion estimated oil revenues.

Sources: U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; DoS, *Iraq Weekly Status Report*, 1/31/2007, 2/28/2007, 3/28/2007, 4/25/2007, 5/30/2007, 6/27/2007, 7/11/2007, 8/29/2007, 9/26/2007, 10/31/2007, 11/28/2007, 12/12/2007, 1/3/2008, and 1/16/2008; NEA-I, response to SIGIR data call, 10/14/2008.

The country continues to rely heavily on imports to meet some of the demand. Nearly 63% of the target supply for LPG was imported.²¹⁶ This quarter, daily average imports of LPG increased 280% from the same quarter last year.²¹⁷ For a summary of production and imports of refined fuels, see Table 2.30.

To increase refining capabilities and capacity in Iraq, the Ministry of Oil has plans to start construction of a refinery in Kerbala in 2012 and one in Nassriya in 2013. This quarter, the United States completed a \$6.5 million CERP project to construct truck lanes and install security cameras and barriers at the Baiji refinery.²¹⁸

IRRF Sector Closeout

This quarter, GRD announced the closeout of its oil program,²¹⁹ which spent \$1.7 billion on projects funded by the IRRF.²²⁰ Although almost all of the 184 projects are physically complete, JCC-I/A is still performing contract closeout work.²²¹

Through these projects, GRD reported that it reached its goal of increasing crude oil production capacity to 3.0 MBPD.²²² The pre-war capacity level for daily crude oil production was 2.8 MBPD.²²³ GRD projects also created increased LPG production capacities up to 3,000 metric tons per day and natural gas productions up to 800 million standard cubic feet per day.

U.S. efforts in the oil and gas sector continue through ESF funding.²²⁴ For the summaries of completed and ongoing projects funded by both the ESF and IRRF, as reported in the Iraq Reconstruction Management System (IRMS), see Table 2.31.

ESF-funded Pipeline Exclusion Zones

The Infrastructure Security Protection (ISP) program, funded by the ESF, is a key continuing initiative in the oil sector. Pipeline Exclusion Zone (PEZ) projects executed through the program have reduced interdictions and improved the reliability of crude oil and petroleum product delivery. As of September 30, 2008, about \$129 million had been expended for the ISP.²²⁵

GRD provided an update this quarter on three phases of the PEZ program:²²⁶

Baiji-to-Baghdad (156 km): GRD has completed 50% of the U.S. component of the project, but work stopped on the GOI portion because of contractual issues with the Ministry of Defense. This PEZ project was allocated \$41.5 million of the ESF. The original completion date was scheduled for December 2008.

Kirkuk-to-Baiji (96 km): The U.S. portion of the project, funded with \$32.5 million, is now complete. SIGIR's inspection of this project last quarter showed it to be a success. Work on the Iraqi portion of the project, funded by \$13.5 million from the GOI, has ceased. The project had been scheduled for completion in September 2008, and a revised date has not been reported.

Doura-to-Hillah Road (41 km): The U.S.-funded work (\$13.1 million) on this project is 97% complete. The GOI contribution, supported by \$5.6 million from the Ministry of Interior, is still in planning stages without an estimated start date.

TABLE 2.30

QUARTERLY TRENDS—IMPORTS AND PRODUCTION OF REFINED FUELS

	PRODUCTION		IMPORTS	
	QUARTERLY AVERAGE 7/1/2008–9/30/2008	CHANGE FROM SAME QUARTER LAST YEAR	QUARTERLY AVERAGE 7/1/2008–9/30/2008	CHANGE FROM SAME QUARTER LAST YEAR
LPG	ITAO: 2,478 MTPD NEA: 2,664 MTPD	+64% +76%	ITAO: 3,677 MTPD NEA: 3,791 MTPD	+269% +280%
Kerosene	ITAO: 10,650 MLPD NEA: 8,280 MLPD	+90% +110%	ITAO: 527 MLPD NEA: 479 MLPD	- 5% +2%
Gasoline	ITAO: 7,598 MLPD NEA: 8,485 MLPD	+93% +10%	ITAO: 4,651 MLPD NEA: 3,829 MLPD	+12% -19%
Diesel	ITAO: 16,273 MLPD NEA: 17,015 MLPD	+96% +105%	ITAO: 1,789 MLPD NEA: 1,779 MLPD	+31% +31%

Note: Numbers affected by rounding.

Source: U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; NEA-I, response to SIGIR data call, 10/14/2008.

TABLE 2.31

STATUS OF U.S. OIL AND GAS PROJECTS

	COMPLETED PROJECTS	COMPLETED PROJECT VALUES	ONGOING PROJECTS	ONGOING PROJECT VALUES
Capacity Building	305	\$480,439,002	0	\$0
Dedicated Power	7	\$36,197,774	0	\$0
Infrastructure Security ^a	41	\$172,288,172	14	\$85,174,683
LPG/LNG Plant Rehab	8	\$151,550,252	0	\$0
Misc Facilities ^b	147	\$932,314,094	4	\$78,689,054
Spare Part Replenishment	7	\$330,736	0	\$0
Storage/Distribution	1	\$11,213	0	\$0
Sustainment (O&M)	3	\$124,819,164	0	\$0
Water Injection Pump Stations	30	\$34,605,759	0	\$0
Totals	549	\$1,932,556,167	18	\$163,863,737

Note: This list of reconstruction project values is based on information provided by the Iraq Reconstruction Management System (IRMS). SIGIR has reported that IRMS data is not fully accurate or complete. Therefore, project totals may not reconcile with top-line obligations and expenditures provided by the agencies. This table includes project values and not obligations or expenditures.

^a This category includes additional projects beyond the projects from the Infrastructure Security Protection (ISP) program. ITAO ISP reported that there are 52 completed projects for infrastructure security, valued at \$74.2 million. ITAO ISP, response to SIGIR data call, 10/14/2008.

^b All but one ongoing project are funded by the ESF. As of October 1, 2008, IRMS reported one ongoing IRRF project, valued at \$58,031,544. This project is included in the table under "Misc Facilities." On 8/4/2008, GRD reported that two administrative task orders were open for final closeout activities.

Source: IRMS, ITAO Rollup, 10/1/2008.

Southern Export Redundancy/Single Point Mooring Project

The United States is assisting the Ministry of Oil on the “largest and most critical single project involving Iraq’s national economy,” according to GRD.²²⁷ With funding chiefly provided by the GOI, the \$5 billion **Southern Export Redundancy/Single Point Mooring** project started in August 2007. The project will provide new sub-sea pipelines in the northern gulf that extend from shore to the fixed terminals and single-point moorings. The on-shore work will consist of new storage tanks, pipelines, pumps, and control equipment. These are the two phases of the project.²²⁸

- Phase 1 will provide redundancy for the existing 1.6 MBPD of export capacity.
- Phase 2 will enable the Ministry of Oil to increase export capacity in southern Iraq to 4.5 MBPD.

Electricity

The United States has obligated \$4.65 billion and expended nearly \$4.42 billion for Iraq’s electricity sector.

In 2008, the GOI allocated \$1.3 billion for electricity capital projects. As of June 2008, \$708 million of this amount had been released to the ministry, which had expended nearly \$229 million.²²⁹ In the 2008 Iraq budget supplemental passed in August,²³⁰ the GOI provided an additional \$1.03 billion to the Ministry of Electricity.²³¹

Record Production

Average daily electricity generation set a post-war record this quarter with an average of 4,919 megawatts (MW) per day (including a daily average of 319 MW imported). This average was 12% higher than last quarter and 8% higher than the same quarter last year.²³²

Despite these gains in electricity production, the GOI continues to struggle with meeting increased demand.²³³ Use of electronic consumer goods—such as computers, refrigerators, and air-conditioning units—has increased significantly since 2003, pushing up demand for electricity.²³⁴

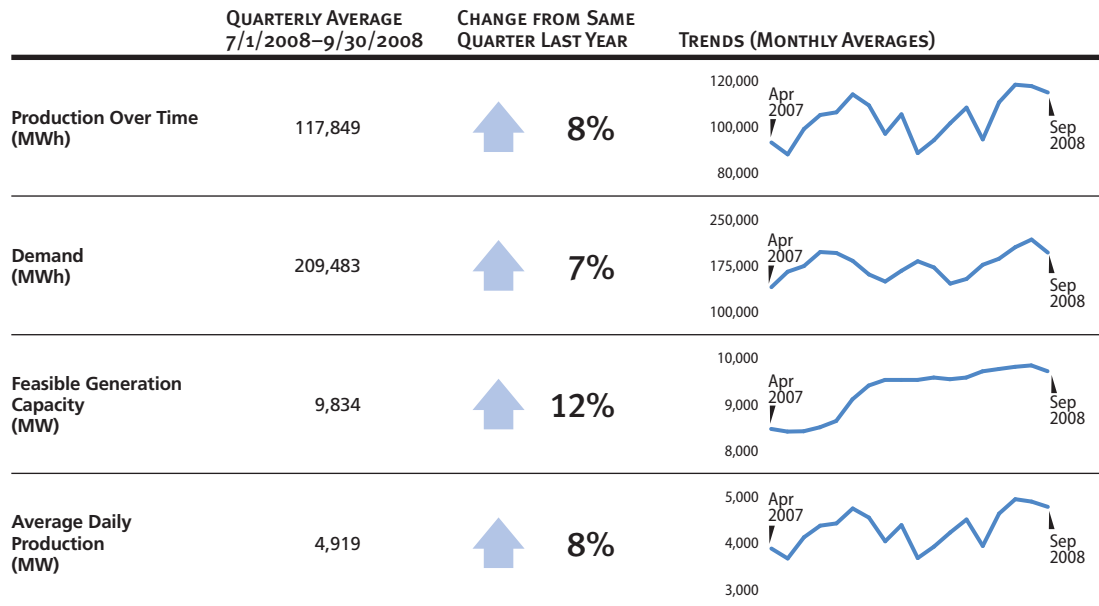
The average output capacity of Iraq’s generation plants to produce electricity over time is a useful measurement of how customers experience power usage. This quarter, output averaged 117,849 megawatt-hours (MWh) per day—an increase of 12% from last quarter and 8% from the same quarter last year.²³⁵ On August 8, 2008, production reached 127,511 MWh, a new record for one-day output.²³⁶ The U.S. Embassy reports that the Iraqi grid produced about 90,000 MWh per day before the war.²³⁷ For a quarterly update on Iraq’s electricity production and demand, as well as the capacity of Iraq’s grid, see Figure 2.16.

Generation Capacity

The recent feasible generation capacity for Iraqis is about 9,600 MW.²³⁸ The gap between capacity and production stems from poor maintenance practices, the use of sub-optimal fuels, the lack of proper fuel distribution, and insufficient water supply.²³⁹

FIGURE 2.16

ELECTRICITY PRODUCTION, DEMAND, AND CAPACITY



Note: Numbers affected by rounding.

Sources: ITAO, IRMO Electricity Daily Units Performance Report, 7/1/2006–9/30/2008.

The Ministry of Oil recently requested assistance from USAID to gather flared gas at the Zubair oil field in Basrah. The Ministry of Oil completed the construction of a gas-gathering plant in 2003 but security issues have prevented startup of the plant. USAID will assist in commissioning the plant, which will capture enough flare gas to potentially generate \$1 billion in annual revenue and increase the capacity of the electrical grid by 3,500 MW.²⁴⁰

The Ministry of Electricity announced this quarter that it had signed deals—totaling \$8 billion—with several Western firms to build power plants to add 11,000 MW of capacity to the Iraqi electricity grid. The ministry awarded the largest contract to General Electric to build plants capable of producing 6,800 MW.²⁴¹

U.S. Operation, Maintenance, and Sustainment Programs

Power plants supported by the U.S. Operations, Maintenance, and Sustainment (OMS) program sustained fewer outages in 2008 by a monthly average of 17%.²⁴² The OMS program includes 95 projects in the electricity, health care, transportation and communications, and water sectors. Electricity projects have received more than 80% of the \$275 million total program obligations.²⁴³ Of the \$222 million obligated for O&M electricity projects, nearly \$198 million has been expended.²⁴⁴

Last quarter, SIGIR reported on the pending September 2008 conclusion of U.S. support for the OMS program to assist the Ministry of Electricity. The U.S. Embassy reported this quarter that the Ministry has been authorized by the Council of Ministers to assume the OMS contract.²⁴⁵ The terms, conditions, and price of

the contract with the current vendor are under negotiation. U.S. funding of this program was set to expire unconditionally in mid-October 2008.

IRRF Electricity Projects

Approximately 550 IRRF projects, valued at \$4.3 billion, have added about 2,500 MW to the Iraqi grid—a 40% increase to the overall capacity.²⁴⁶ For an overview of GRD’s completed and ongoing IRRF 2 projects in the electricity sector, see Table 2.32. For the metrics and goals set by GRD for electricity projects, see Table 2.33.

USAID completed its \$2.3 billion IRRF program in the electricity sector in 2006. According to USAID, 42 generation projects added capacity to Iraq’s grid, and 25 projects rehabilitated distribution substations. USAID also trained 240 MOE officials, plant managers, and engineers on the operation and maintenance of power plants.²⁴⁷

Ongoing U.S. Efforts

U.S. reconstruction managers are continuing projects in the electricity sector through other funding mechanisms. For example, this quarter, GRD awarded a \$6.5 million contract to upgrade the electrical distribution system for the Ministry of Interior. ISFF funding will support this effort.²⁴⁸ Table 2.34 provides the status of U.S. projects in this sector.

Water

The United States has obligated \$2.60 billion and expended nearly \$2.38 billion in the water sector since 2003.²⁴⁹

In 2008, the GOI allocated \$375 million for capital projects in its original budget for 2008. As of June 2008, \$327 million of this amount had been released to the ministry, which expended about \$113 million.²⁵⁰ In the 2008 supplemental

TABLE 2.32

IRRF ONGOING ELECTRICITY PROJECTS

	TOTAL COMPLETED PROJECT VALUES	ONGOING PROJECTS	TOTAL ONGOING PROJECT VALUES	ESTIMATED CLOSEOUT	NOTABLE PROJECTS
Generation	\$343.0 million	9	\$430.3 million	Unknown	Qudas Power Plant Expansion: \$176.8 million Status: Contractor remains behind schedule and may not complete work by the end of 2008.
Transmission	\$627.2 million	17	\$232.8 million	3/31/2009	Ghammas Substation (Grant with GOI): \$14.7 million Status: The project is 85% complete, and civil work is 45% complete; excavations for equipment foundations are ongoing. Estimated completion date is 3/31/2009.
Distribution	\$689.8 million	3	\$12.2 million	9/30/2008	Buhriz 33/11-kV Substation: \$3.6 million Status: The descoping modification for electrical installation is complete, and completion of the remaining civil work is estimated for 9/30/2008.

Note: Ongoing generation project statistics include those funded by the ESF.

Source: GRD, *Bi-Weekly Directorate SITREP*, 8/4/2008, pp. 3-4; GRD, *Monthly Directorate SITREP*, 8/31/2008.

TABLE 2.33

IRRF ELECTRICITY PROGRAM—GRD METRICS AND GOALS

METRIC	U.S. GOALS	ACTUAL ACHIEVED (8/17/2008–8/30/2008)
Hours of Power per Day Equivalent, Nation ^a	10-12 hours	12.0 hours
Hours of Power per Day Equivalent, Baghdad	10-12 hours	11.0 hours
132kV and 400kV Substations Completed	43	29
33/11kV Substations Completed	89	87

Note: Metrics and goals are as reported by GRD.

^a Does not represent actual hours received at households; includes essential services, which receive 24/7 power, as well as Government/Universities, which receive 12 hours/day.

Sources: GRD, *Bi-Weekly Directorate SITREP*, 8/4/2008, pp. 3-4; GRD, *Monthly Directorate SITREP*, 8/31/2008.

TABLE 2.34

STATUS OF U.S. ELECTRICITY PROJECTS

	COMPLETED PROJECTS	COMPLETED PROJECT VALUES	ONGOING PROJECTS	ONGOING PROJECT VALUES
Capacity Building	2	\$2,056,854	20	\$163,148,883
Distribution	699	\$1,250,527,640	1	\$133,707
Generation	630	\$2,241,828,848	14	\$214,864,827
Infrastructure Security	5	\$4,374,743	1	\$1,989,238
Monitoring and Control	11	\$130,845,590	2	\$9,923,465
Spare Part Replenishment	5	\$2,619,648	0	\$0
Sustainment (O&M)	181	\$340,265,710	23	\$54,040,193
Transmission	399	\$994,785,984	14	\$170,282,969
Electricity	337	\$58,026,377	10	\$4,998,485
Other	195	\$38,061,147	1	\$940,082
Misc Facilities	42	\$58,124,832	2	\$184,317,943
No Category Provided	940	\$365,212,804	97	\$66,415,861
Totals	3,446	\$5,486,730,176	185	\$871,055,653

Note: Numbers affected by rounding. This list of reconstruction projects is based on information provided by the Iraq Reconstruction Management System. SIGIR has reported that IRMS data is not fully accurate or complete. Therefore, project totals may not reconcile with top-line obligations and expenditures provided by the agencies. This table includes project values and not obligations or expenditures.

Sources: IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008.

passed in August,²⁵¹ the GOI budgeted an additional \$241 million to the Ministry of Water Resources.²⁵² The GOI recently awarded a tender to a French-Iraqi group for a \$1 billion water project to be completed in Rusafa over the next 28 months.²⁵³ The project plans to restore eastern Baghdad's water supply.²⁵⁴

IRRF projects have restored or added the capacity to treat 2.25 million cubic meters of water per day, potentially serving 8 million Iraqis.²⁵⁵ Approximately 58% of Iraqis feel that they can

get safe clean drinking water at least some of the time.²⁵⁶

Due to reprogrammings of funds in 2005, GRD received only half of the initial \$2.05 billion allocated from the IRRF for projects in the water sector.²⁵⁷ GRD projects valued at more than \$267 million remain ongoing, and projects valued at \$10 million have not started.²⁵⁸ For the status of ongoing projects in the water sector, see Table 2.35.

Sadr City R3 Water Treatment Plant

This quarter, SIGIR inspected Baghdad's **Sadr City R3 Water Treatment Plant**, a project aimed at providing 4,000 cubic meters per hour of potable water to about 192,000 residents in Sadr City. Upon completion, this new treatment plant will increase water access from 46 liters per capita to 200—more than a 300% increase. SIGIR's inspection concluded that the \$65.8 million project—which is 92% complete—should result in a functional water treatment plant.²⁵⁹

Falluja Waste Water Treatment System

At the request of the U.S. Ambassador to Iraq, SIGIR reviewed the **Falluja Waste Water Treatment System** this quarter. The \$98 million project is the only major new sewage system being constructed in Iraq.²⁶⁰

SIGIR assessments concluded that the project will only be able to provide the backbone for Falluja's wastewater treatment system and not a comprehensive system for the city as originally planned. Moreover, the project will be completed three years later than scheduled and will cost \$65 million more than the original \$32.5 million price tag. Only a third of the number of homes originally targeted will have access to the system, and the project did not connect these homes to the system.²⁶¹

While the contractors' quality control plans were sufficiently detailed and the government quality assurance program was effective, sustainability was not adequately addressed for the project.²⁶² SIGIR recommendations included better coordination with the GOI in supplying permanent power and adequate fuel to the plant,

ensuring that remaining contractors are paid, and guaranteeing that house connections are made to tie the collection areas into the sewer system.²⁶³ For more detailed information about these SIGIR inspections, see Section 4 of this Report.

Health Care

The United States has obligated \$896 million and expended \$824 million in the health care sector.²⁶⁴

In 2008, the GOI allocated \$83 million in its original budget for capital projects for health care. As of June 2008, nearly \$43 million of this total budgeted amount had been released to the ministry, which expended more than \$8 million.²⁶⁵ In the 2008 supplemental passed in August,²⁶⁶ the GOI budgeted an additional \$51 million to the Ministry of Health.²⁶⁷

U.S. Hospital Projects

The **Missan Surgical Hospital** is one of the largest ongoing health care projects. Construction of the facility was funded with nearly \$13 million of the ESF. GRD reported that the Iraqi Minister of Health views the project as the most important one in the province. Project work is only 10% complete, but facilities will include a main hospital, emergency department, and several support services. Completion is scheduled for August 2009.²⁶⁸ Table 2.36 shows the status of U.S. health care projects.

Construction of the main building of the \$164 million **Basrah Children's Hospital** was completed this quarter.²⁶⁹ The final completion of GRD contracts, including the integration of

TABLE 2.35

STATUS OF U.S. WATER PROJECTS

	COMPLETED PROJECTS	COMPLETED PROJECT VALUES	ONGOING PROJECTS	ONGOING PROJECT VALUES
Water Distribution	442	\$275,998,466	27	\$50,180,579
Water-General	1,477	\$251,666,611	45	\$25,611,853
Water Resource	7	\$131,989,768	8	\$69,093,692
Misc Facilities	457	\$123,960,089	11	\$18,260,163
Sewage Collection	26	\$118,688,157	17	\$34,939,470
Irrigation	7	\$14,473,904	1	\$20,019,000
Sewage Treatment	4	\$7,482,005	2	\$24,846,342
Sanitation	134	\$31,131,516	1	\$4,885,126
MFS	7	\$1,441,495	0	\$0
Infrastructure Security	5	\$1,221,813	0	\$0
Civil Infrastructure	1	\$55,415	0	\$0
Solid Waste	0	\$0	1	\$905,616
Capacity Building	17	\$16,786,061	5	\$3,242,975
Misc. Procurement	134	\$179,290,313	7	\$30,702,012
O & M Sustainment	338	\$410,191,463	3	\$6,594,878
Water Treatment	237	\$776,079,849	18	\$86,449,391
Other	5	\$381,900	1	\$84,670
Category Not Provided	1,721	\$497,622,395	167	\$55,572,177
Totals	5,019	\$2,838,461,220	316	\$430,887,944

Note: Numbers affected by rounding. This list of reconstruction projects is based on information provided by the Iraq Reconstruction Management System. SIGIR has reported that IRMS data is not fully accurate or complete. Therefore, project totals may not reconcile with top-line obligations and expenditures provided by the agencies. This table includes project values and not obligations or expenditures.

Sources: IRMS, ITAO Rollup, 10/1/2008; IRMS, CERP Excel Workbook, 10/3/2008.

equipment, is scheduled for January 31, 2009.

In 2003, the Congress authorized \$50 million of the IRRF for the Basrah hospital.²⁷⁰ A July 2006 SIGIR review found that the estimated cost had grown to approximately \$98 million, and the estimated completion date had slipped to July 31, 2007.²⁷¹ The original completion date was December 31, 2005.²⁷² USAID turned over management of the project to GRD in July 2006.²⁷³

Work continued this quarter on the \$7.4 million PRDC project to build an emergency health clinic at the **Baquba General Hospital**. After completion in April 2009, the facility will serve more than 300,000 Iraqis with additional beds and advanced-technology surgical suites.²⁷⁴

Primary Healthcare Centers

The **Primary Healthcare Center (PHC) program** is close to completion, with 25 PHCs turned over to the GOI this quarter. Overall, 122 PHCs of the target 142 centers have been completed and turned over to the Ministry of Health, as of September 25, 2008.²⁷⁵ Seven additional PHCs await acceptance letters from the ministry. Table 2.37 shows the status of the PHC program compared to the update from last quarter.

The Ministry of Health is planning to build 6 new hospitals and up to 1,000 public health care centers in the next 10 years.²⁷⁶

RECONSTRUCTION OVERVIEW

TABLE 2.36

STATUS OF U.S. HEALTH CARE PROJECTS

	COMPLETED PROJECTS	COMPLETED PROJECT VALUES	ONGOING PROJECTS	ONGOING PROJECT VALUES
Primary Health Centers/Clinics	378	\$151,824,596	79	\$141,762,386
Health Programs and Equipment	22	\$84,945,650	73	\$28,366,468
Health Care	202	\$13,654,802	8	\$1,367,875
Clinics	157	\$12,019,038	2	\$568,950
Hospital	138	\$135,061,941	15	\$75,523,744
Primary Health	2	\$1,968,664	0	\$0
Civil Infrastructure	1	\$91,616	0	\$0
Infrastructure Security	1	\$25,210	0	\$0
Capacity Building	1	\$10,000	1	\$790,000
Sustainment (O&M)	0	\$0	2	\$7,008,061
Other	6	\$962,840	1	\$27,338
Misc Facilities	354	\$58,988,767	70	\$233,601,288
No Category Provided	585	\$63,903,429	40	\$10,242,837
Totals	1,847	\$523,297,350	291	\$499,258,947

Note: Numbers affected by rounding. This list of reconstruction projects is based on information provided by the Iraq Reconstruction Management System. SIGIR has reported that IRMS data is not fully accurate or complete. Therefore, project totals may not reconcile with top-line obligations and expenditures provided by the agencies. This table includes project values and not obligations or expenditures.

Source: IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008.

Transportation and Communications

The United States has obligated nearly \$1.10 billion and expended \$964 million for transportation and communications projects.²⁷⁷ Table 2.38 provides the status of U.S. projects as reported in the Iraq Reconstruction Management System.

In 2008, the GOI investments in these areas include:²⁷⁸

- **Ministry of Transportation:** The GOI allocated \$301 million for capital projects in its original budget for 2008. As of June 2008, nearly \$77 million of this amount had been released to the ministry, which expended nearly \$40 million.
- **Ministry of Communications:** The GOI allocated \$250 million for capital projects in its original budget for 2008. As of June 2008, more than \$51 million of this amount had been released to the ministry, which expended about \$39 million.

Delivery of Aircraft Delayed

Last quarter, the GOI announced a nearly \$5 billion order for 40 commercial aircraft from Boeing and Bombardier. Since the signing of the

deal, Kuwait has filed a \$1.2 billion lawsuit in Canada against Iraqi Airways and the GOI for assets and revenue lost during the Gulf War.²⁷⁹ As a result, the first Bombardier aircraft—which was due for delivery earlier this year—was delayed by a Canadian court injunction issued on behalf of Kuwaiti Airlines.²⁸⁰ One Bombardier aircraft arrived in Iraq on October 7, 2008; however, the issue of compensation to Kuwait has not yet been resolved.²⁸¹

The first Boeing aircraft is currently scheduled for delivery in 2010, after completion of assembly and production at Boeing, although if previous orders slip, early delivery is a possibility. The DoD Task Force for Improving Business and Stability Operations provided procurement support to the GOI during negotiations to acquire the aircraft.²⁸²

Airport Openings

On August 22, 2008, the Mosul Airport opened for commercial passenger operations. On September 1, 2008, Iraqi Airways started weekly scheduled service to Mosul from both Baghdad and Basrah.²⁸³

TABLE 2.37

STATUS OF PHC PROGRAM

REPORTING DATE	TURNED OVER	CONSTRUCTION COMPLETE	UNDER CONSTRUCTION	COMPLETE WITH SECURITY IMPACT	CANCELLED	TOTAL
7/2/2008	97	16	19	0	10	142
9/25/2008	122	6	3	1	10	142
Change	+25	-10	-16	+1	0	0

Source: GRD, responses to SIGIR data call, 7/2/2008 and 10/7/2008.

TABLE 2.38

STATUS OF U.S. PROJECTS IN TRANSPORTATION AND COMMUNICATIONS

	COMPLETED PROJECTS	COMPLETED PROJECT VALUES	ONGOING PROJECTS	ONGOING PROJECT VALUES
Ports	65	\$157,986,244	0	\$0
Communication Equipment	116	\$157,269,695	4	\$6,848,954
Transportation (Other)	72	\$127,219,317	4	\$1,527,330
Airports	62	\$105,516,835	13	\$59,851,321
Railroad Stations	214	\$99,457,590	6	\$1,891,811
Village Roads	116	\$97,944,358	14	\$24,540,871
Roads	673	\$89,837,465	10	\$1,200,572
Bridges	98	\$22,164,143	11	\$15,032,736
Telecom	194	\$19,134,980	3	\$327,471
Expressways	2	\$13,677,027	3	\$36,650,463
Postal Facilities	29	\$13,652,254	0	\$0
Outside Plant	3	\$1,762,848	5	\$27,597,334
Civil Infrastructure	1	\$827,600	0	\$0
Railroad	5	\$739,790	0	\$0
Economic Financial Management	2	\$80,290	0	\$0
Miscellaneous	2	\$25,267	0	\$0
Infrastructure Security	1	\$0	1	\$525,000
Other	2	\$612,554	0	\$0
Not Categorized	1,173	\$493,003,845	91	\$37,672,807
Totals	2,830	\$1,400,912,102	165	\$213,666,669

Note: Numbers affected by rounding. This list of reconstruction projects is based on information provided by the Iraq Reconstruction Management System. SIGIR has reported that IRMS data is not fully accurate or complete. Therefore, project totals may not reconcile with top-line obligations and expenditures provided by the agencies. This table includes project values and not obligations or expenditures.

Sources: IRMS, ITAO Rollup, 10/1/2008; IRMS, CERP Excel Workbook, 10/3/2008.

TABLE 2.39

RECENT DEVELOPMENTS IN TRANSPORTATION

RECENT DEVELOPMENTS	
Aviation	Basrah Airport Review: Acceptance testing was completed in September 2008, and a flight check of the IRRF-funded radar system is planned for October 2008. Two other systems already passed flight checks. Air traffic control training is scheduled for completion by January 2009, and U.S.-funded projects have an October 2008 completion forecast.
Roads and Bridges	Budget Update: The Ministry of Construction and Housing's State Commission for Road and Bridges has spent 67% of its 2008 maintenance budget and 66% of its capital budget. Preliminary 2009 allocations appear to be insufficient for an adequate highway and maintenance program.
Railways	<p>Iraqi Republic Railway (IRR): The preliminary estimate for train movements this quarter is 2,200, a 40% increase from last quarter. The security situation has continued to improve over the third quarter of 2008, allowing the IRR to continue to increase total train movements.</p> <p>The Iraqi Ministry of Transportation has earmarked \$960 million for the reconstruction of the IRR between Baghdad and Rabiya and Baghdad and Basrah. The Ministry of Transportation has indicated that the additional capital funding will be used to buy construction materials for the rail project and that the IRR will supply construction management and manpower to complete the project. Funding is expected to be available in the 2009 GOI budget.</p>
Ports	Umm Qasr Port Development: Office of Transportation Attaché continues on the current path toward rehabilitation and commercial development of the Port of Umm Qasr, including encouraging the new Minister of Transportation to approve the hiring of an experienced international port consultancy to provide advice and counsel on national port development. The Attaché is also working with GRD and JCC-I/A to complete refurbishment of two Nelcon gantry cranes at Berths 5 and 6 in the Port of Umm Qasr. Completion of this IRRF-funded project is expected before January 2009. Limited use of CERP funding is planned for additional port improvement projects in the Port of Umm Qasr, including the repair of container stacker vehicles for the GOI and repairs to perimeter security fencing in the port.

Sources: U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; ITAO, *Essential Indicators Report*, 8/28/2008; GRD, response to SIGIR data call, 10/1/2008.

The Najaf Airport opened on July 20, 2008. The U.S. Office of the Transportation Attaché and the PRT in Najaf facilitated the construction and impending operational certification of the airport by Iraq's Civil Aviation Authority. Officials estimate that about 4,000 residents of the province will use the airport during the upcoming Hajj.²⁸⁴

For additional updates in Iraq's transportation sector, see Table 2.39.

Telecommunications Infrastructure

The U.S. Embassy reported this quarter that 1.3 million Iraqis subscribe to landline telephone services—an 8% increase from last quarter; 827,500 subscribe to the Internet—a 10%

increase since last quarter. Nearly 13 million Iraqis subscribe to wireless telephone services.²⁸⁵ About \$4 billion in private equity has flowed into the telecommunications sector since 2003.²⁸⁶ However, reliable business-class broadband remains unavailable because the core fiber infrastructure restricts advancements in modern data services, including banking services, inventory, and management control systems.²⁸⁷

The United States continues to provide support to this sector, but work has stalled on the Al-Mamoon Telecom Center,²⁸⁸ the only telecom center being built in the country.²⁸⁹ Completion of this U.S. project—which includes new switching and transmission systems—will slip into 2009.²⁹⁰

ECONOMY

The United States has allocated nearly \$1.35 billion, obligated \$1.29 billion, and expended nearly \$1.10 billion for economic development activities in Iraq. For the status of these funds, see Figure 2.17.

Increasing oil revenues in 2008 bolstered Iraq's economy.²⁹¹ In September, an International Monetary Fund (IMF) report stated that:²⁹²

- Iraq's prospects for sustained economic growth have improved.
- Economic activity in non-oil sectors appears to have increased during the first half of 2008, except in the drought-ridden agriculture sector.
- Iraq's inflation slowed with consumer price inflation in the single digits since December 2007.

For an overview of inflation, exchange, and interest rates, as well as GDP and government oil revenues, see Figure 2.18.

Economic Challenges

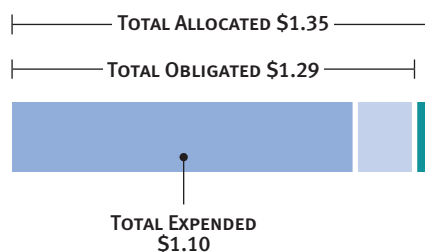
Despite recent fiscal progress, Iraq's economy remains subject to a variety of considerable risks.²⁹³ Many Iraqis still struggle to meet their basic economic needs. The United Nations (UN) reported that "unemployment rates remain high, and many governorates rate consistently low on key socioeconomic indicators, such as unemployment, malnutrition, and illiteracy."²⁹⁴

Since 2003, Iraq reportedly has averaged a 60% rate of underemployment plus unemployment,²⁹⁵ but the exact figure is difficult to measure.²⁹⁶ Official GOI estimates for unemployment remain at nearly 18% and underemployment

FIGURE 2.17

STATUS OF U.S. FUNDS SUPPORTING IRAQ'S ECONOMY

\$ Billions



Note: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the *Summary of U.S. Funding*. SIGIR did not receive project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 2, ESF, and CERP funding.

Sources: USAID, response to SIGIR data call, 10/14/2008; ITAO, response to SIGIR data call, 10/14/2008; IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008.

at 38%.²⁹⁷ The UN estimates that over half of all Iraqis do not have access to one or more essential services.²⁹⁸

Developing Iraq's Oil Fields

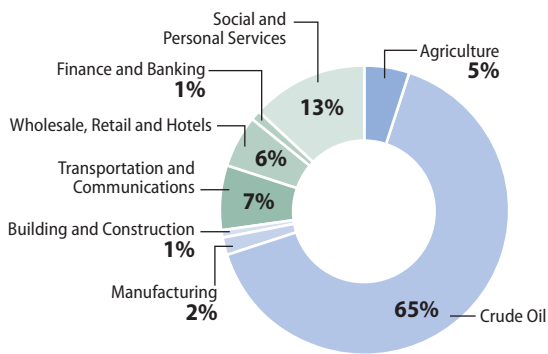
The lack of a hydrocarbon law has delayed negotiations with potential foreign investors interested in developing Iraq's oil fields. On September 9, 2008, the Minister of Oil announced cancellation of plans to provide short-term technical service contracts to several western oil companies. But on October 13, 2008, Ministry of Oil officials opened bidding for 20-

FIGURE 2.18

Iraq's Economic Highlights

GDP BY SECTOR

% of 77.72 Trillion Iraqi Dinars

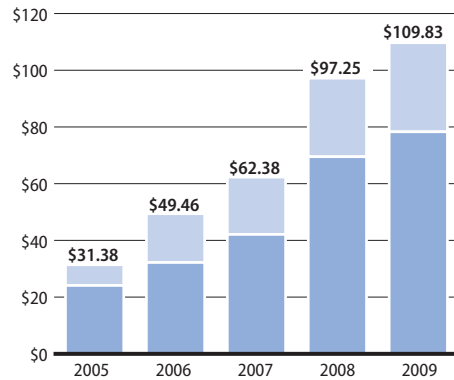


Note: Percentages are based on 2006 provisional estimates (at current prices) of GDP activities. Two sectors (Other Mining and Electricity/Water) contributed less than one percent toward the GDP.

Source: IMF, "Country Report No. 07/294," 8/2007.

IRAQ'S NOMINAL GDP GROWTH

\$ Billions



Other GDP Activities
Government Oil Revenue

Note: Numbers affected by rounding. Data for crude oil revenues was provided as a percentage of GDP. Data for 2005, 2006 estimated; 2007 preliminary; 2008, 2009 projected.

Source: IMF, "Country Report No. 08/303," 9/2008, p. 17.

INTEREST, EXCHANGE, AND INFLATION RATES IN IRAQ

Lending Interest Rate (Policy Rate)

Interest rate paid by Central Bank of Iraq (CBI) for commercial bank deposits.

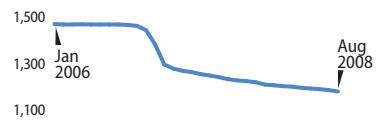
- In November 2006, the CBI began raising interest rates to keep inflation under control.
- At the beginning of July 2008, the CBI loosened monetary control over inflation by lowering the policy interest rate from 17% to 16%.



Exchange Rate

Average for the Iraqi dinar (ID) exchange rates against the U.S. dollar (USD) in the daily CBI auction.

- The ID has appreciated against the USD by more than 24% since November 2006, when CBI began targeting interest rates to control rising inflation.
- To keep inflation under control, CBI will increase the pace of currency appreciation to 0.5% per month during the second half of 2008.



Overall Price Inflation

Year-on-year comparison of monthly averages for the overall consumer price index.

- The steady appreciation of the dinar and an improving security environment have contributed to the continued stabilization of the overall consumer price inflation rate.
- Year-on-year consumer price inflation was negative for June, July, and August 2008, meaning that prices were lower than the same time period in 2007.



Core Inflation

Year-on-year comparison of monthly averages for the core consumer price index that excludes the costs of fuel, electricity, transportation, and communications.

- Higher food prices contributed to a spike after March 2008, but core inflation normalized to approximately 12% in June 2008, and it remained relatively steady this quarter.
- Food prices continue to drive core inflation above overall price inflation.



Sources: IMF, "Country Report No. 08/303," 9/2008; CBI, "Key Financial Indicators," 9/24/2008, www.cbi.iq, accessed 10/2/2008; DoD, *Measuring Stability and Security in Iraq*, 9/26/2008; NEA-I, response to SIGIR data call, 10/14/2008.

TABLE 2.40

IRAQ STOCK EXCHANGE ACTIVITY

ACTIVITY	2007 (FULL YEAR)	2008 (8 MONTHS)
Listed Companies	94	95
Trading Sessions	119	98
Shares Traded	153 billion shares	124 billion shares
Value of Trades	\$357 million	\$211 million
Foreign Shares Traded	7 billion shares	12 billion shares
Value of Foreign Trades	\$14 million	\$14 million

Source: U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

year contracts, covering 6 oil fields and 2 natural gas fields. Under the terms of the contracts, the GOI would require companies to form joint ventures with Iraqi state-owned companies, who would maintain majority ownership.²⁹⁹

Other negotiations and arrangements for the development of Iraq's natural resources are proceeding:

- In September 2008, the GOI approved a preliminary gas deal between Royal Dutch Shell and the Iraqi South Gas Company to establish a joint venture for processing natural gas produced in Basrah.³⁰⁰
- The China National Petroleum Corporation (CNPC) is pursuing a joint venture with Iraq's North Oil Company to develop the Ahdab oil field. As of October 2, 2008, Iraq's Council of Ministers (CoM) had approved the broad terms of the \$3 billion deal, but the Minister of Oil and CNPC had yet to sign a contract outlining the terms of the venture.³⁰¹ Of note, in 2007, China signed a memorandum of understanding to forgive \$8.5 billion of Iraq's external debt,³⁰² and negotiations continue on a final debt agreement between the two countries.³⁰³

Continuing Corruption in the Oil Sector

This quarter, the IMF reported that Iraq had made progress in strengthening governance and fighting corruption in the hydrocarbon sector through oil metering and Iraq's commitment to participate in the Extractive Industries Transparency Initiative (EITI).³⁰⁴ The EITI stresses the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability.³⁰⁵ This quarter, the GOI appointed an Iraqi EITI coordinator.³⁰⁶

Bolstering Foreign Investment

This quarter marked one year since trading on the Iraq Stock Exchange (ISX) opened to foreign investors. Foreign investment in the ISX continues to lag domestic investment, but the United States believes foreign investment will increase after Iraq lifts the requirement to deliver share documents sold on the exchange to brokers.³⁰⁷ For an overview of the ISX activity, see Table 2.40.

The United States continues to support the development of Iraq's capital markets in several ways, including:³⁰⁸

- standing up the independent Iraq Securities Commission
- fully automating the ISX
- supporting the Iraq Association of Securities Dealers
- drafting the permanent Iraq Securities Law

Iraq's National Investment Commission (NIC), established in February 2007, formulates national investment policy, guidelines, and regulations and serves as a national regulatory agency for all investments except those in the banking, insurance, and oil and gas extraction and production industries.³⁰⁹ Regional and provincial commissions coordinate with the NIC to create investment plans for their provinces. There are currently 15 Provincial Investment Commissions. Only Diyala, Kirkuk, and Anbar have yet to establish commissions. Other private-sector activity includes the U.S.-Iraq Business Dialogue and the Organization of Economic Cooperation and Development Investment Reform Program.³¹⁰

Costly Public Food Distribution System

Iraq's Public Distribution System (PDS) provides a monthly food basket to each Iraqi citizen as part of the basic entitlement system. More than 12 million Iraqis depend on the food basket as their primary source of nutrition.³¹¹ The Ministry of Trade requested a \$7.3 billion budget to cover the PDS for 2008; the GOI allocated less than three-fourths that amount, \$5.3 billion

(\$3.3 billion in the 2008 budget and \$2 billion in the GOI 2008 Supplemental).³¹²

Rising food prices will likely affect the GOI plan to continue the PDS.³¹³ Moreover, the system "has had perverse effects on agriculture because of its heavy reliance on imports and the artificially low prices caused by large injections of food into the Iraqi market."³¹⁴ This quarter, PRT Ninewa noted that the "PDS system delivers a fraction of entitlements to beneficiaries, and then only sporadically."³¹⁵

Debt Burden

Since 2003, Iraq has benefited from extraordinary and unprecedented international debt forgiveness. Of Iraq's \$142 billion in external debt prior to the 2004 Paris Club agreement, \$43 billion in total debt remains (according to IMF estimates).³¹⁶ The third stage of debt reduction under the Paris Club agreement, which will reduce Iraq's external debt by an additional \$10 billion,³¹⁷ is pending a December 2008 IMF review of the country's performance under the Stand-by Arrangement.³¹⁸

Since May 2007—which marked the beginning of the International Compact with Iraq—bilateral agreements with Russia, Bulgaria, Bosnia, and Slovakia have reduced Iraq's debt obligations to those countries from \$26 billion to about \$900 million. The United Arab Emirates recently announced that it would cancel \$7 billion of Iraq's debt; however, a formal agreement has not yet been signed.³¹⁹

The IMF reported that Iraq is currently negotiating with 11 non-Paris Club creditor countries to settle an additional \$16 billion.³²⁰ Iraq signed

TABLE 2.41

U.S. FINANCIAL ASSISTANCE PROGRAMS

PROGRAM	PROGRAM UPDATE
CERP Micro-grants	<ul style="list-style-type: none"> • Program obligated \$4.2 million in micro-grants through 8/31/2008—a 38% increase over the obligations made last quarter. • As of 9/30/2008, total obligations for the program for FY 2007 and FY 2008 had topped \$30 million, and nearly \$10 million had been disbursed through micro-grants. • Total number of grants made in FY 2007 and for the first three quarters of FY 2008 total 2,229 grants, with an average approval per grant of \$13,815.
Izdihar Program	<ul style="list-style-type: none"> • Program closed on 3/31/2008. • Izdihar provided more than \$27 million in micro-loans between 8/2003 and 3/2008. • USAID reports a repayment rate of nearly 99%.
Tijara Program	<ul style="list-style-type: none"> • Three grant proposals for \$2 million in loan capital were approved this quarter. • Also called the Provincial Economic Growth program, the program is helping microfinance institutions establish payment accounts with Iraqi bank branches to expedite loan disbursements and repayment transactions. • As of 10/14/2008, the program has yet to make any grants and will initiate its Grants-to-Loan program in the first quarter of FY 2009.
Community Stabilization Program	<ul style="list-style-type: none"> • USAID has made more than 8,500 CSP business-development grants to Iraqi entrepreneurs. • As of 9/23/2008, more than \$68 million in grants had been approved, and nearly \$35 million had been completed. • Grants to businesses in Baghdad accounted for about 46% of the total expenditures, and businesses in Anbar were granted nearly 27% of expended amounts.
Quick Response Fund	<ul style="list-style-type: none"> • Under the ESF, the program extends financing opportunities to Iraqi entrepreneurs. • As of 9/23/2008, USAID had approved large grants totaling at more than \$34 million. • DoS approved small grants totaling \$1.5 million, micro-purchases of \$17 million, and direct procurements totaling \$16 million. About 50% of the approved amounts have been disbursed.
Targeted Development Program	<ul style="list-style-type: none"> • Administered by ITAO, the program places grant funding with non-governmental organizations. • Program conducted three calls for proposals and awarded 32 grants valued at more than \$57.4 million—exhausting the entire ESF allocation for this program.
Iraqi Company for Bank Guarantees	<ul style="list-style-type: none"> • Company was formed by 11 private Iraqi banks with USAID support. • Organization provides access to loans for small and medium-sized businesses. • This quarter, 14 loans were approved, valued at \$787,000.

Sources: U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; DoS, *Section 2207 Report*, 9/2008; USAID, response to SIGIR data call, 10/14/2008; OSD, response to SIGIR data call, 10/2/2008; DoS, *Quick Response Fund Newsletter*, 9/25/2008; U.S. Embassy, response to SIGIR data call, 10/2/2008; ITAO IMU, response to SIGIR data call, 10/14/2008.

a memorandum of understanding with China to reach agreement for \$8.5 billion in debt.³²¹ These are the largest remaining debt balances:³²²

- Saudi Arabia: \$15 billion–\$39 billion
- China: \$8.5 billion
- Kuwait: \$8.2 billion
- Qatar: \$5 billion

In a debt-for-bond swap, Iraqi commercial debt was reduced by \$16 billion. Creditors acquired Iraqi bonds valued at \$0.20 for every dollar of debt owed, and the price of tradable bonds approached \$0.75 in October 2008.³²³

U.S. Financial Assistance Programs

The United States conducts several programs to support Iraq's economic development. Activities

started under the IRRF continue with funding from the ESF and CERP. Several U.S. programs have offered financing tools to support Iraqi business development. Table 2.41 provides details on several U.S. programs extending financing mechanisms to spur Iraqi business development.

U.S. Agriculture Projects

Of 581 irrigation and agriculture projects, about 68% have been completed.³²⁴ More than 56% of the total cost of U.S. agriculture projects is concentrated in four provinces—Diyala, Basrah, Baghdad, and Kerbala. Half of that total is allocated for projects in the Diyala province alone.³²⁵ For the status of reconstruction funding in this sector, see Table 2.42.



Euphrates Fish Farm. (USAID photo)

Inma Agribusiness Program

Several ESF-funded programs continue to support ongoing projects in the agriculture sector. The **Inma Agribusiness Program** aims to stimulate growth in agribusinesses and expand agricultural outputs to increase productivity.

- **Balad Canning Factory** (Salah Al-Din)—\$5 million project to restore all 11 processing lines of Iraq’s second largest food processing factory³²⁶
- **Euphrates Fish Farm** (Babylon)—\$3.6 million forward contract agreement to provide the hatchery with up-front funding to purchase fingerlings, helping the farm double its expectations by producing 12 million fingerlings³²⁷
- **Taji-Abu Ghraib Vegetable Project**—provides 900 farmers the same collection of seeds and plastic sheeting to protect the vegetables during the winter³²⁸
- **Basrah Tomato Enterprise**—plans for a fully-integrated fresh and processed private tomato enterprise and includes state-of-the-art packaging and processing facilities³²⁹
- **Nissan Market** (Baghdad)—plans to refurbish

a market in Baghdad and will include the completion of display stands, roller shutters on the stalls, and electrical and plumbing installation³³⁰

Inma started a grants-to-loan program this quarter that will increase the funding available to agricultural businesses. Through the program, Inma will award grants to select banks that will extend loans to the agribusiness sectors.³³¹

In an audit of Inma activities, USAID Office of Inspector General reported problems in 2 of the 12 agribusiness activities:³³²

- **Increasing the gross sale of dates by 150% over three years:** The audit found that this goal was too ambitious given the current state of the date industry, which is struggling with the drought and continuing pest problems. Further, the Inma program did not build on the efforts of a previous USAID agriculture initiative.
- **Providing master’s degrees in agribusiness subjects to 25 Iraqis over three years:** The audit found that the \$5 million allocated to

TABLE 2.42

STATUS OF U.S. RECONSTRUCTION PROJECTS IN THE AGRICULTURE SECTOR

STATUS	AGRICULTURE		IRRIGATION	
	# OF PROJECTS	VALUE OF PROJECTS	# OF PROJECTS	VALUE OF PROJECTS
Proposed	4	\$3.50 million	14	\$110.17 million
Planned	4	\$0.58 million	7	\$14.13 million
In-Progress	27	\$18.21 million	16	\$21.48 million
Completed	248	\$40.62 million	261	\$44.82 million
Total	283	\$62.91 million	298	\$190.60 million

Source: ITAO IMU, “Iraq Agriculture & Irrigation Overview,” 6/2008, p. 9.

cover costs of likely Iraqi participants will not be used because few qualified candidates have been identified. The audit recommended that those funds be reprogrammed for use elsewhere.

PRT Agricultural Efforts

The U.S. Department of Agriculture (USDA) has 23 agricultural advisors serving in PRTs across 15 provinces.³³³ The PRT agricultural advisors, the USDA, and GOI officials are working together to address the effects of the drought affecting Iraq's agricultural sector. In August 2008, the GOI allocated \$167 million through the supplemental budget to support drought mitigation efforts.³³⁴

DoD Task Force To Improve Business and Stability Operations in Iraq

Launched in June 2006, the Task Force to Improve Business and Stability Operations in Iraq (Task Force) has focused its efforts on stimulating economic recovery and employment

in Iraq. The Task Force was allocated about \$210 million in DoD funding; more than 34% has been expended.³³⁵ For the distribution of Task Force allocations to activity groups, excluding administrative and support service expenses, see Table 2.43.

The Task Force's efforts to expand banking capabilities and promote investment in Iraq continued this quarter:

- **Strengthening Iraq's banking and financial networks.** To facilitate wider adoption of electronic funds transfer (EFT) capabilities, the Task Force supports the EFT Assistance Center in Baghdad. Although center operations face the challenge of a continuing lack of trust in the Iraqi banks, thus far the center has not reported experiencing corruption issues.³³⁶ About 94% of JCC-I/A's contract payments are now executed using EFT. In the second half of FY 2008, nearly \$82 million in contracts for Iraqi First vendors were paid via EFT, compared to only \$2 million in the first five months.³³⁷

TABLE 2.43

OVERVIEW AND STATUS OF TASK FORCE ACTIVITIES

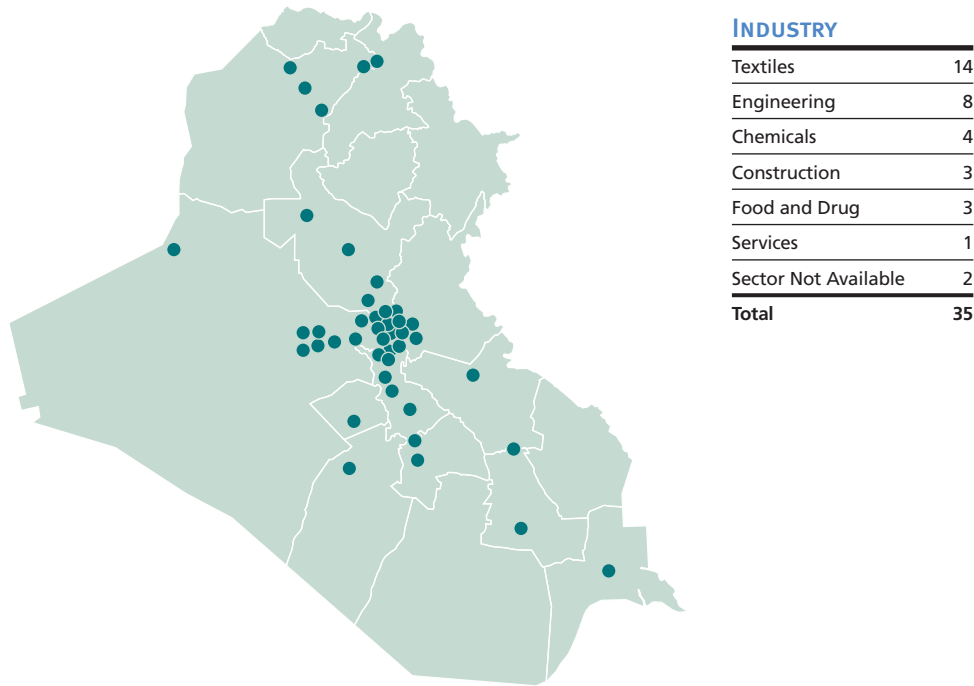
FOCUS AREA	STRATEGY	ESTIMATED FUNDING ALLOCATION (\$ MILLIONS)	% CHANGE FROM JULY 2008
Industrial Capacity Restoration	Restart and restore production to idled Iraqi industrial base	\$76.20	+45%
Private Investment/Privatization	Facilitate direct investment opportunities from institutions, private equity, and corporations	\$36.00	+6%
Communications Infrastructure	Incentivize the development of necessary wireless and wire-line communications infrastructure capable of supporting economic activity	\$17.50	No change
Direct Economic Stimulus through DoD Contracts	Support JCC-I/A through policies, processes, and systems to direct U.S. government contracts to private Iraqi business	\$13.50	No change
Banking and Financial Networks	Incentivize the development of private sector financial services and associated infrastructure	\$6.00	No change
Total		\$149.20	+21%

Note: The Task Force reports that allocations of funding between the various key elements are difficult to specify because funds are often placed against efforts that support more than one element. Also, the portion of the funds used for administrative and support services, such as security, life support, and travel, are not included.

Sources: SIGIR Audit 08-024, "Information on a Special Department of Defense Program to Foster Economic Recovery in Iraq," 7/29/2008; TFSO, response to SIGIR data call, 10/2/2008.

FIGURE 2.19

STATE-OWNED ENTERPRISE FACTORIES SUPPORTED BY THE U.S. TASK FORCE TO IMPROVE BUSINESS AND STABILITY OPERATIONS



Note: Locations are approximate. The Task Force provided a map showing locations where it has "impacted a factory," as well as a list of SOEs, by industry, supported by its activities.

Source: OSD, response to SIGIR data call, 10/2/2008.

- Facilitating opportunities for international corporate investors.** DoD reported that foreign direct investment facilitated by the Task Force will exceed \$1 billion in new businesses this year and more than \$1 billion in private investment into Iraq's state-owned enterprises (SOEs). As of September 26, 2008, more than 50 international proposals were in process for investment projects facilitated by the Task Force, such as the new luxury hotel that broke ground in Baghdad recently.³³⁸

In its review of Task Force efforts last quarter, SIGIR reported that nearly \$50 million had been allocated to restart factories in Iraq. The Task Force estimated that these restarts resulted in employment of 25,000 Iraqis.³³⁹ Figure 2.19 provides the sector and the location of the factories

receiving assistance from the Task Force. SIGIR will release another review of Task Force initiatives next quarter.

Iraqi First Program

Reconstruction managers have sought to enhance local economic development by encouraging the procurement of goods and services from local nationals. JCC-I/A has worked with the Task Force to identify Iraqi vendors for reconstruction contracts. Between August 1, 2007, and August 31, 2008, JCC-I/A executed nearly 15,000 contracting actions, valued at more than \$3 billion.³⁴⁰

Through August 2008, nearly 21% of all JCC-I/A awards for the year had been awarded to Iraqi vendors.³⁴¹

GOVERNANCE

Since 2004, the United States has allocated \$3.7 billion, obligated \$3.36 billion, and expended \$2.21 billion for governance activities in Iraq, including democracy and capacity-building programs, refugee assistance, and programs to support human rights and education.³⁴² Of these amounts, the Department of State (DoS) and U.S. Agency for International Development (USAID) have obligated more than \$1.9 billion for democracy programs.³⁴³

For the status of U.S. reconstruction funds in the programs that carry out governance activities, see Figure 2.20. For the categorization of various reconstruction programs under the SIGIR-defined sectors, see Appendix D.

Democracy and Reconciliation

The following key legislative and executive actions are essential to helping Iraq move more quickly toward national reconciliation:

- implementation of provincial elections
- enforcement of Article 140 of the Iraq Constitution
- passage of the hydrocarbon legislation
- implementation of anticorruption legislation
- implementation of constitutional reform
- passage of private security contractor legislation

For a timeline of progress on key Iraqi legislative measures, see Figure 2.21.

Provincial Elections

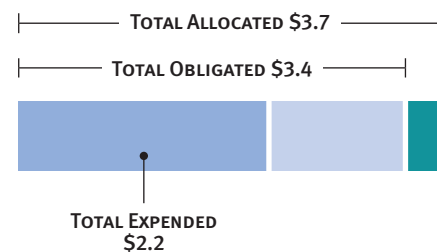
Provincial elections have long been pending in Iraq. The *Provincial Election Law*, which will govern them, was finally passed by the Council of Representatives (CoR) on September 24, 2008.³⁴⁴ With the exception of Tameem province and Kurdistan, Iraq is scheduled to hold provincial elections by January 31, 2009.³⁴⁵

According to Article 23 of the Provincial Election Law, the Kurdistan provinces (Dahuk, Erbil, and Sulaymaniyah) will hold elections later in the year because of the ongoing dispute over

FIGURE 2.20

STATUS OF U.S. FUNDS SUPPORTING IRAQ'S GOVERNANCE

\$ Billions



Note: Numbers affected by rounding. For the methodology on how SIGIR grouped U.S. programs by category (Security, Infrastructure, Economy, and Governance), see Appendix D. Obligations and expenditures by SIGIR category may vary from top-line obligations and expenditures reported in the *Summary of U.S. Funding*. SIGIR did not receive project- or sector-level reporting from all agencies, and some information was compiled from the IRMS. Figure includes only IRRF 2, ESF, and CERP funding.

Sources: USAID, response to SIGIR data call, 10/14/2008; ITAO, response to SIGIR data call, 10/14/2008; IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008; ITAO, *Essential Indicators Report*, 10/2/2008; GRD, response to SIGIR data call, 10/6/2008.

RECONSTRUCTION OVERVIEW

FIGURE 2.21

STATUS OF IRAQI LEGISLATION TO PROMOTE NATIONAL RECONCILIATION

	LAWS DRAFTED AND REVIEWED	DRAFT REFERRED TO COUNCIL OF REPRESENTATIVES/ COMMITTEE	DRAFT AMENDED BY COMMITTEE	VOTE TAKEN	RATIFICATION PROCEDURES	LAW PUBLISHED IN GAZETTE	STATUS
Government of Iraq Constitution	✓ June 2005	✓ August 2005	✓ Date Unknown	✓ October 2005	✓ Date Unknown	✓ October 2005	Iraq's Constitution was approved in a national referendum in October 2005, but the GOI has not completed its constitutional review to resolve the status of disputed territories and the balance of power between federal and regional governments.
National Election Law	✓ August 2005	✓ January 2004	✓ Date Unknown	✓ June 2004	✓ October 2004	✓ November 2005	The first national election occurred on 12/15/2005, and the next election is planned for 12/2009.
Provincial Election Law	✓ October 2007	✓ January 2008	✓ July 2008	✓ February 2008	✓ September 2008	✓ September 2008	Iraq is scheduled to hold provincial elections by 1/31/2009, with the exception of Kurdistan and Tameem province.
Provincial Powers Law	✓ October 2007	✓ January 2008	✓ August 2008	✓ February 2008	✓ Date Unknown	✓ February 2008	The law takes effect once provincial elections occur (planned for 1/31/2009).
Amnesty Law	✓ October 2007	✓ January 2008	✓ Date Unknown	✓ February 2008	✓ Date Unknown	✓ February 2008	Implementation is in process; however, the number of detainees and prisoners eligible for release under the law is unclear because Iraqi agencies lack integrated and updated databases for tracking the detainee population.
Hydrocarbon Law	✓ February 2007	✓ March 2007	✓ July 2007				The GOI drafted three of four interrelated pieces of legislation needed to establish control and management of Iraq's hydrocarbon resources and to ensure equitable distribution of revenues. Only the hydrocarbon framework draft has progressed to the CoR. Kurdistan and the federal government disagree on many areas of proposed legislation—particularly about how much control the KRG will have in managing its oil resources.
Private Security Contractor Law	✓ August 2008	✓ September 2008					The CoR Security and Defense Committee is discussing merging two drafts of the law. The second reading has not yet occurred.

Sources: Iraq Ministry of Justice, www.iraqilegislations.org/laws, accessed 10/14/08; Iraqi Council of Representatives, "Law Drafts," <http://www.parliament.iq/>, accessed 10/14/08; Council of Representatives, "Law Publications," <http://www.parliament.iq/>, accessed 10/14/08; GAO, *Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed*, 7/23/2008; U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

sectarian demographics.³⁴⁶ In the other provinces, all major parties have announced their support for these elections—a major step forward in Iraq’s political development that will set the stage for national elections in December 2009.³⁴⁷

Article 50

The Provincial Election Law did not include *Article 50* of the Transitional Administrative Law, which would set aside seats for minorities on several Provincial Councils (PCs).³⁴⁸ The United Nations Assistance Mission for Iraq (UNAMI) continues its consultations with political leaders and minority groups to ensure that the provision can be reintroduced to the CoR.³⁴⁹

Article 140

This quarter, limited progress was made on *Article 140*, which mandates a process of normalization and referendum for disputed territories. UNAMI has been providing assistance to the Iraqi leaders and recently completed findings on these disputed areas in northern Iraq:³⁵⁰

- Akre
- Hamdaniya
- Makhmur Districts
- Mandali Sub-Districts in Baladrooz

UNAMI plans to release reports on the remaining disputed areas in northern Iraq, including Tameem, next quarter.³⁵¹

Passed in October 2006, the *Regions Formation Law* contained a provision that the law would not take effect until April 2008. In

February 2008, the CoR passed the companion *Law Governing Powers of Provinces not Formed into Regions*. The steps to form a region are actions to be taken by PCs that will be elected under the Provincial Election Law by the end of January 2009. The Shia Islamic Supreme Council of Iraq (ISCI) and Fadhilah parties are interested in region formation in the south.³⁵²

Organizing Elections

In July 2008, the Independent High Electoral Commission (IHEC) began preparing for provincial elections to ensure that Iraqis have timely access to information on the electoral process.³⁵³ The United Nations (UN) is assisting in the effort to organize the elections, training and building the capacity of the electoral staff and assisting hundreds of national non-governmental organizations (NGOs) to launch the Electoral Education Foundation.

The IHEC must overcome logistical and organizational challenges in organizing its local operations, executing complicated procurements, and assembling and distributing election materials. USAID obligated more than \$102 million and expended more than \$61 million to support the IHEC with preparations for the provincial elections.³⁵⁴ Through advisors embedded in the IHEC organization and working in the provinces with the Governorate Election Offices (GEOs), USAID is providing training and management support to facilitate national and local elections.³⁵⁵

Hydrocarbon Legislation

Progress on the *hydrocarbon legislation package* remains stalled. The government thus will be limited to awarding contracts to foreign oil firms on an ad hoc basis until the four pieces of hydrocarbon legislation are passed.³⁵⁶

Amnesty Law

In February 2008, the GOI passed the *Amnesty Law*, which allows detainees in Iraqi custody to be granted amnesty if they are not already sentenced to death or if the charges against them are not included in the list of exemptions.³⁵⁷

However, detainees are required to petition for amnesty through committees that must first be established in each province. The number of detainees and prisoners eligible for release under the Amnesty Law is unclear because Iraqi agencies lack integrated and updated databases of the detainee population.³⁵⁸ Often, court release orders are not executed because of administrative deficiencies and lack of coordination among the ministries. The Minister of Human Rights and the Office of the Prime Minister are working to unify the efforts of other ministries for more efficient application of the law.³⁵⁹

Anticorruption Legislation

The proposed legislation pertaining to the powers of the Commission on Integrity (CoI), the Board of Supreme Audit (BSA), and the ministry inspectors general (IGs) failed to complete a second reading in the CoR in June 2008 and was later pulled back by the Prime Minister's Office. The new legislation attempts to codify the

authorities of Iraq's anticorruption agencies first laid out under Coalition Provisional Authority (CPA) Orders 55, 57, and 77. Although informal drafts of the new national anticorruption laws have circulated since June 2008, no formal presentations have been made to the CoR.³⁶⁰

International Anticorruption Efforts

In September 2008, the UN launched a five-year plan to assist Iraq with preventing and combating corruption.³⁶¹ This initiative, partly funded by the UNDG ITF, will be carried out by the United Nations Office of Drugs and Crime (UNODC) and the UNDP to strengthen Iraq's main anticorruption bodies and to promote cooperation among them through the Joint Anti-Corruption Council. In line with the UN anticorruption treaty, projects will be directed at strengthening prevention, transparency, accountability, and integrity in the private and public sectors. The program also aims to strengthen the capacity of Iraqi anticorruption officials to prevent, detect, and investigate money laundering and to enable asset recovery.³⁶²

U.S. Anticorruption Efforts

The U.S. Embassy and DoS continue to revise their plan for managing anticorruption activities in support of the GOI. The Embassy's Anticorruption Coordination Office (ACCO) awarded an \$8 million grant to the UNDP and UNODC this quarter to conduct two years of anticorruption programming in Iraq.³⁶³

The program will focus on compliance with the United Nations Convention Against

Corruption, which Iraq adopted this year. Activities include conducting a comprehensive assessment of corruption in Iraq and working with the GOI to develop a national anticorruption strategy to promote accountability, transparency, and good governance at the regional and provincial levels of government. The ACCO is also in the final stages of awarding a grant to strengthen Iraq's anticorruption legislative framework and to enhance the public outreach of Iraqi anticorruption bodies.

The DoS Bureau of International Narcotics and Law Enforcement Affairs (INL) continues to sponsor the International Criminal Investigative Training Assistance Program (ICITAP). Advisors administered nearly 1,756 hours of investigation mentoring training to CoI investigators and 720 hours of investigative training. This quarter, 30 new cases were forwarded to Iraq's Investigative Judges, and their docket now lists 188 cases in progress.³⁶⁴

Constitutional Reform

The 29-member Constitutional Review Committee (CRC) is responsible for review and proposed reform of the evolving Constitution. The draft final report was produced in August 2008—17 months after its original proposed

deadline—and involved agreements on more than 50 constitutional amendments. In May 2007, the CRC issued an interim report, which highlighted the need to address three issues still unresolved by the Executive Council:³⁶⁵

- Presidential powers
- regional versus federal powers
- status of Tameem (Article 140)

Private Security Contractor Legislation

The CoR held first readings of the two draft laws that govern private security contractor (PSC) immunity. Both drafts withdraw immunity for PSCs, but the shorter draft would retain the licensing and registration scheme that is less cumbersome than the one in the first draft. The CoR Security and Defense Committee is currently in discussions about merging the two drafts, and the second reading has not yet occurred.³⁶⁶

Changes to PSC immunity would affect reconstruction efforts in Iraq. During informal discussions with the U.S. Embassy, many PSCs indicated that they would leave Iraq once immunity is lifted. If PSCs depart in large numbers, U.S. reconstruction efforts will be forced to rely on U.S. military security, to augment foreign PSCs with local security, or to reduce operations.³⁶⁷

TABLE 2.44

ONGOING USAID AND DoS DEMOCRACY-BUILDING ACTIVITIES

PROGRAM	OBLIGATIONS (\$ MILLIONS)	OBJECTIVE	SCHEDULED COMPLETION
USAID Programs			
Local Governance Program	\$370	To strengthen local governments	12/2008
National Capacity Development Program	\$339	To build the capacity of Iraqi national government ministries	7/2009
Community Action Program	\$150	To promote and provide economic and social stability in Iraqi communities	9/2008
Quick Response Fund	\$30	To support civil society and build democratic practices through provincial reconstruction teams	12/2008
Iraq Rapid Assistance Program	\$53	To provide technical assistance to IHEC in preparation for elections	12/2010
Policy and Regulatory Reform	\$24	To improve the legislative and regulatory framework of the government of Iraq	9/2010
DoS Programs			
National Endowment for Democracy–Grant	\$71	To assist democratic transformation in Iraq and to promote the development of a legal civil society and media to operate independently	3/2009
National Democratic Institute–Grant	\$50	To encourage constructive political dialogue and participation of the GOI	3/2009
International Republican Institute–Grant	\$50	To assist in training for Iraqi governance, civil society, and political parties	3/2009
Smaller Grants	\$44	The remaining 11 grants average about \$4 million each and fund support for independent media in Iraq, national reconciliation training, and democratic transformation assistance, among other activities.	Not Available
Total Ongoing Programs	\$1,181		

Note: Numbers affected by rounding.

Source: SIGIR Audit 09-001, “Opportunities to Enhance U.S. Democracy-Building Strategy for Iraq,” 10/2008.

U.S. Programs Supporting Democracy Building in Iraq

Since 2004, DoS and USAID have obligated nearly \$2 billion for democracy-building programs in Iraq—more than 93% under USAID management.³⁶⁸ Of these obligations, nearly \$1.2 billion in projects remain ongoing. For an overview of the ongoing democracy-building activities of these two agencies, see Table 2.44. With the closeout of construction projects, democracy and governance programs have received a relatively higher allocation of U.S. reconstruction funding.

This section highlights several ongoing Economic Support Fund (ESF) funded programs carried out by USAID and DoS, and provides examples of democracy-building activities as reported by the agencies.

Strategic Plan for Future Democracy Efforts

DoS and USAID manage U.S. strategy for advancing and strengthening democracy and governance in Iraq. A SIGIR audit this quarter found that the strategy *does not* meet the following goals:³⁶⁹

- address how U.S. goals and objectives will be integrated with the Iraqi government and international organizations
- include the current and future costs to implement the strategy, such as the costs of building GOI capacity at the provincial and national level
- assign accountability for implementing major aspects of the strategy

The audit noted that DoS and USAID could improve their assessments of progress in achieving the strategy's objectives. Although DoS and USAID receive reports describing the progress of individual programs, they do not entirely show progress toward the strategy's broad objectives or expected outcomes. For a summary of findings and recommendations, see Section 4 of this Report.

Community Action Program

In August 2008, the USAID Office of the Inspector General performed an audit of the Community Action Program II, providing four recommendations. Currently, USAID is addressing two of four recommendations:³⁷⁰

- Reevaluate whether current targets are realistic and ensure that realistic targets are included in the performance management plan and Project Reporting System.
- Develop procedures to ensure that changes to performance indicators and targets are properly documented.

Local Governance Program

Since 2005, more than 32,600 Iraqis have participated in 8,300 meetings to educate citizens on democracy and political transitions through USAID's Local Governance Program (LGP).³⁷¹

Additionally, the LGP has trained 8,825 council members, 18 governors, 18 deputy governors, and 330 Directors General, as well as key staff in 400 departments and all of the PCs elected in January 2005.³⁷²

Recently, the LGP hosted an accountability workshop that aimed to bring more transparency into the government. More than 70 Iraqi leaders from the Baghdad PC joined the Baghdad district councils and Baghdad governor's office for meetings.³⁷³

This quarter, SIGIR conducted a focused contract audit on the USAID contractor that implements the LGP.³⁷⁴ The audit examined two contracts, valued at more than \$598 million, which were awarded to the Research Triangle Institute (RTI) in 2003, finding that costs were not easily linked to outcomes and that contract achievements were initially unclear. However, contract management and oversight has improved in the past few years. For a summary of findings and recommendations, see Section 4 of this Report.

Quick Response Fund

DoS and USAID are jointly executing Quick Response Fund (QRF) projects to accelerate capacity at the local government level and catalyze local development in a wide range of sectors,

TABLE 2.45

SECTORS USING QRF GRANTS

SECTORS	APPROVED	DISBURSED	% DISBURSED
Agriculture	\$6,923,436	\$4,400,134	64%
Economic Development	\$9,605,862	\$4,968,626	52%
Civil Society	\$7,439,275	\$4,711,082	63%
Education	\$10,743,455	\$3,492,752	33%
Governance	\$9,740,459	\$4,490,880	46%
Business Development	\$4,470,426	\$2,645,945	59%
Health	\$6,643,737	\$2,333,938	35%
Women's Programs	\$3,842,897	\$2,714,296	71%
Youth Programs	\$2,983,371	\$2,552,730	86%
Rule of Law	\$2,624,780	\$1,431,864	55%
Other	\$3,337,604	\$210,520	6%

Source: DoS, *Quick Response Funds Newsletter*, 9/25/2008.

including agriculture, education, media, microfinance, and the rule of law.³⁷⁵

As of September 23, 2008, \$68.4 million has been approved through QRF grants for 2,065 programs, and \$34 million has been disbursed.³⁷⁶ For a summary of QRF grants by objective, see Table 2.45.

A new QRF grant was signed this quarter to provide critical medical supplies and equipment worth \$200,000 to strengthen the **Iskandariya Hospital** emergency response capacity in Babylon.³⁷⁷

Community Stabilization Program

The Community Stabilization Program (CSP) responds to key needs in Iraqi communities and is conducted in close collaboration with the national and local governments, private sector, and Provincial Reconstruction Teams (PRTs).³⁷⁸

The CSP and the Ministry of Youth have organized soccer leagues modeled after those in the United States.³⁷⁹ The soccer tournaments aim to keep the youth engaged in constructive alternatives to militia recruitment activities. The CSP sponsored 14 soccer tournaments (at a cost

of \$1.1 million) across the Baghdad province. The program allowed more than 40,000 Iraqi boys and girls to participate in the events, which are held at refurbished parks.³⁸⁰

U.S. Capacity Development Programs

Coalition efforts to build Iraqi ministerial capacity continue to focus on improving internal oversight and expanding Coalition advisory teams. USAID and the Iraq Transition Assistance Office (ITAO) lead efforts to assess current ministerial performance and to follow through with prioritized action plans, milestones, and outcomes. U.S. advisors work directly with each ministry or executive-level entity. For a breakout of civilian staff in the ministries as of September 22, 2008, see Table 2.46.

As of September 30, 2008, nearly \$300 million in allocations has been obligated to the National Capacity Development (NCD) program, also known by the Arabic name for development, "Tatweer."³⁸¹ The program has been assisting the GOI since August 2006, building the capacity of public management and professional training.

TABLE 2.46

U.S. ADVISORS IN GOI MINISTRIES AND EXECUTIVE OFFICES

GOI MINISTRIES	U.S. EMBASSY ADVISORS	USAID ADVISORS
PMO/ComSec	12	5
Electricity	9	7
Oil	5	10
Health	6	4
Justice	7	1
Planning and Development	55	7
Agriculture	11	5
Education	2	0
MPW	0	3
Water	2	5
Finance	9	4
Transportation	11	0
Multiple	49	16
Trade	0	7
L&SA	0	1
Total	178	75

Source: USAID, response to SIGIR data call, 10/14/2008.

TABLE 2.47

HIGHLIGHTS OF TATWEER ACTIVITIES IN THE IRAQI MINISTRIES

MINISTRY	STATUS
Ministry of Electricity	USAID/Tatweer and the Ministry of Electricity signed a memorandum of understanding to reinforce U.S. government commitment to continue assisting the ministry in improving administrative systems and training, with an emphasis on fiscal management, budget preparation and execution, procurement, and project management.
Ministry of Municipalities and Public Works	USAID/Tatweer advisors provided training to the Ministry of Municipalities and Public Works on 15 Provincial Planning Units in Visual FoxPro. The software is used to store and analyze capital investment project information and will allow provincial planning units to track and report progress on their own projects directly to Baghdad.
Ministry of Health	The Minister of Health received assistance from USAID/Tatweer in drafting a strategic plan for Iraq's healthcare system. An outcome of the workshop was a vision statement for the Ministry, and USAID/Tatweer is playing a key role in drafting the Ministry of Health's 2009–2013 Strategic Plan.

Note: Since early 2008, USAID has provided training to the IGs in at least 10 ministries.

Source: U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

The Tatweer program conducted several activities across all provinces this quarter, including:³⁸²

- 371 classes for nearly 7,500 people
- anticorruption, procurement, and human resource training for 283 members of the ministry IG staff

USAID has been transitioning ownership of a growing training capacity to the GOI, and now more than half of Tatweer-funded training is performed by Iraqis.³⁸³ Table 2.47 provides additional updates on Tatweer activities within the Iraqi ministries this quarter.

U.S.-funded Procurement Assistance Centers

The GOI continues to review U.S. support for its public procurement activities. The Iraqi-led Procurement Assistance Center (PAC) program and the Provincial Procurement Assistance Teams (PPATs) are funded and managed by the Task Force to Improve Business and Stability Operations (Task Force). There are three PAC offices (two in Baghdad and one in Erbil). The PPATs are currently in all provinces except Dahuk and Missan, and Baghdad is supported by the PAC.³⁸⁴

The United States analyzes the procurement data reported by each PPAT and assists the Baghdad support team of local nationals through a coaching and mentoring program. The ongoing support has enabled more consistent reporting from the provinces and is building trust between the PPATs and the PAC offices. The PACs provide direct assistance and training to 19 ministries and to the Provincial Procurement Offices in 16 provinces.³⁸⁵

Refugees and IDPs

The DoS Bureau for Population, Refugees, and Migration (PRM) was allocated \$20 million in March 2008 to respond to the UN Health Appeal for Iraqis. Of this funding, the United Nations High Commissioner for Refugees (UNHCR) received \$12.4 million, the World Health Organization (WHO) received \$4.6 million, and the United Nations Children’s Fund (UNICEF) received \$3 million.³⁸⁶

In September 2008, PRM received \$45 million in ESF funding for Iraqi refugees in Jordan from the FY 2008 Emergency Supplemental Appropriations. Funds were distributed to the following organizations, but no expenditures have been reported to date:³⁸⁷

- \$36.6 million for UNHCR’s 2008 Supplemental Appeal for Iraq
- \$4.1 million for the UNICEF Education Appeal program
- \$2.6 million for WHO’s Health Appeal program
- \$1.7 million for UNICEF

Refugees

As of September 2008, the United States had resettled 12,118 refugees, surpassing the FY 2008 goal of admitting 12,000 Iraqi refugees.³⁸⁸ To protect many Iraqis who work for or on behalf of the United States, the Congress created two Special Immigrant Visa (SIV) programs.³⁸⁹

- SIV program for Iraqi translators/interpreters
- Kennedy SIV program for Iraqi employees and contractors and their families

TABLE 2.48

ESTIMATED REFUGEE POPULATIONS (THOUSANDS)

Syria	1,200-1,400
Jordan	450-500
Lebanon	50
Egypt	20-40
Turkey	5-10
Gulf States	More than 200

Source: DoS, “Status of U.S. Refugee Resettlement Processing for Iraqi Nationals,” Report Number MERO-IQO-08-02, 7/2008.

TABLE 2.49

U.S. FUNDING FOR HUMANITARIAN ASSISTANCE—FY 2007 AND FY 2008 (\$ MILLIONS)

AGENCY	INTERNATIONAL ORGANIZATIONS	NGOs	FY 2008 TOTAL	FY 2007 TOTAL
DoS	\$207.80	\$3.50	\$211.30	\$122.81
USAID	66.70	40.20	106.90	48.25
Total	\$274.50	\$43.70	\$318.20	\$171.06

Source: DoS, Office of the Spokesman, "U.S. Surpasses Goal of Admitting 12,000 Iraqi Refugees in Fiscal Year 2008; Assistance Reaches New Heights," 9/12/2008.

Between October 1, 2007, and August 31, 2008, SIVs were issued to 870 Iraqis. More than 1,000 Iraqis had made travel plans to visit the United States by the end of September.³⁹⁰ For an estimate of Iraqi refugee populations in other nations, see Table 2.48.

As a result of increased processing capacity throughout the region, DoS expects that at least 17,000 Iraqi refugees will be admitted to the United States in FY 2009.³⁹¹ Processing of Iraqi refugees for resettlement requires cooperation between many parties, including DoS, the Department of Homeland Security, UNHCR, Overseas Processing Entities, the International Organization for Migration, the International Catholic Migration Commission, and the GOI.

IDPs

In September 2008, the Iraqi Prime Minister issued an eviction order for all Baghdad squatters so that the displaced owners of these homes could return. Although militant groups illegally occupy some properties, a substantial number of squatters are internally displaced persons (IDPs) who could become secondarily displaced. When these families vacate, they will be entitled to a government rental subsidy of approximately \$250 each month for six months.³⁹²

In Tameem, ethnic tensions between Arabs, Kurds, and Turkmen have resulted in displacement of hundreds of families. They are facing the effects discrimination in high rent assessments and poor access to basic services and employment.³⁹³

Returnees

Returns of IDPs to Baghdad and Diyala are increasing as the GOI continues to encourage Iraqis to return to their homes. This year there are approximately 16,000 returnees in Iraq.³⁹⁴ The Ministry of Displacement and Migration announced that it will grant approximately \$600 to every returnee family previously registered with the Ministry.³⁹⁵

Humanitarian Assistance to Iraqis

U.S. humanitarian aid for Iraqi refugees, conflict victims, and IDPs increased to more than \$318 million in FY 2008. This is an increase over last year's total of \$171 million.³⁹⁶ Since 2003, the United States has been the largest contributor to programs assisting displaced Iraqis, funding programs for food, health, education, water and sanitation, emergency shelter, and protection.³⁹⁷ For an overview of U.S. funding by agency, see Table 2.49.

Education

The U.S. program continues to support the construction and rehabilitation of Iraq's schools. As of September 30, 2008, the United States has obligated \$723.45 million and expended \$622.31 million in the education sector.³⁹⁸ Table 2.50 provides a sample of several large ongoing projects in the education sector.

SIGIR assessed three Iraq-Commander's Emergency Response Program (I-CERP) school refurbishment projects in Sadr City. The inspections found that the schools—Al Quds, Al

Mualameen, and Al Faoo—were incomplete at the time of the SIGIR site visit on September 17, 2008. The original completion date for the projects was July 29, 2008.³⁹⁹

The Iraqi contractor did not complete the refurbishments because he requested to be released from the contracts. The contractor stated that he received threats for not paying bribes to GOI representatives. One of SIGIR's recommendations was for the Multi-National Corps-Iraq (MNC-I) to initiate another contract to complete the school refurbishments.⁴⁰⁰

TABLE 2.50

ONGOING PROJECTS IN THE EDUCATION SECTOR (\$ MILLIONS)

PROJECT NAME	TOTAL BUDGETED COST	FUND TYPE	PROVINCE	PROJECT START DATE	FORECASTED COMPLETION DATE
Sulaimanyah Votech New Construction	\$5.20	CERP	Sulaymaniyah	12/2/2007	12/23/08
Construct a New Elementary School ESFPRDC	\$4.26	ESF	Baghdad	11/28/2007	9/18/08
BE/Zanobiya New Elementary Sch BSP-154	\$4.25	ESF	Baghdad	11/19/2007	2/14/09
BE/Desgn-Cnstr Salwa New Elementary School	\$3.92	ESF	Baghdad	12/10/2007	11/15/08
Renovate Al Mujtameh Al Jadded (New Society) Elementary School	\$3.02	ESF	Baghdad	7/21/2008	12/17/08

Source: IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008.

PROVINCIAL OVERVIEW

PROVINCE SNAPSHOTS

PRT UPDATES

GRD AND USAID UPDATES

SECTION 3

3

PROVINCE SNAPSHOTS

This section focuses on U.S. reconstruction efforts in Iraq's provinces. SIGIR provides information on funding, security, governance, and the economy, as well as updates reported by the Provincial Reconstruction Teams (PRTs) and program managers from the U.S. Army Corps of Engineers, Gulf Region Division (GRD), and the U.S. Agency for International Development (USAID).

U.S. programs in the provinces focus on strengthening provincial governance, economic support systems, essential services, and security. These initiatives draw from a wide range of expertise in both civilian and military organizations.

For a province-level overview of security, infrastructure, economy, and governance indicators, see Table 3.1.

PRT Updates

The fundamental aim of the U.S. PRTs in Iraq is to build the capacity of local governments to provide for the needs of the population.

As of September 2008, 27 PRTs were operating in Iraq: 14 permanent teams at the provincial level and another 13 embedded PRTs (ePRTs) that operate alongside U.S. Brigade Combat Teams (BCTs).⁴⁰¹ The U.S. reconstruction strategy relies on the ability of PRTs to provide a balance of diplomatic, military, and economic development capabilities.

In late 2007, the U.S. Embassy's Office of Provincial Affairs (OPA) developed the Capability Maturity Model (CMM) for use by PRTs in the provinces. SIGIR is providing updates based on the most recent report, which was completed in May 2008. The CMM is an

assessment system that uses standardized rankings to measure provincial progress in achieving five PRT objectives:⁴⁰²

- **Governance:** Assist in the development of sub-national governments that are self-sufficient, transparent, accountable, and capable of identifying, prioritizing, and servicing the needs of the citizens.
- **Political Development:** Promote the development of an engaged local population and effective political parties, institutions, representatives, and officials that respect rights of individuals and groups, promote pluralism, and peacefully transfer power.
- **Economic Development:** Help sub-national governments and the private sector to establish and implement broad-based and comprehensive economic development strategies that promote equitable and sustainable growth.
- **Rule of Law:** Enhance the quality of justice enjoyed by the populace by improving the accountability, effectiveness, and consistency of services administered by policing, corrections, judicial, and other legal institutions.
- **Reconciliation:** Assist conflicting parties to resolve their differences by engaging in direct and peaceful dialogue to identify and pursue shared aims and interests.

Every PRT and ePRT rates the progress of its regional, provincial, and municipal area of operation relative to five stages of development:⁴⁰³

1. *Beginning* indicates a base line status, with little progress on most issues. These issues include minimal decision-making processes, provision of ad hoc services, underdeveloped political participation, corrupt law enforcement

organizations, few civil liberties, limited infrastructure and financial systems, and high unemployment rates.

2. *Developing* denotes minimal improvements in the economic, governance, and security systems. Serious deficiencies remain, including undeveloped planning and budget capacities, limited civil society and political participation, short-term job creation, few banks, and continued corruption in security apparatuses.
3. *Sustaining* suggests increased effectiveness of localized strategies, but continued coordination inefficiencies. These issues include limited dialogue between provincial and national organizations, consolidation of political parties, focused political participation, unbalanced supply-chain processes, opening of private and national banks, continued tribal influences, and improved policing abilities.
4. *Performing* reflects predominantly functional social, financial, and infrastructure mechanisms. Governance is typified by improved coordination, representation, participation, and transparency among various entities. Economically, more banks are opened, the supply chain becomes increasingly functional (with some severe disruptions), and transportation becomes more widespread. Law enforcement improves as tribal leaders increasingly support legal institutions and local security forces progress with limited oversight. The judiciary endures continued docket backlog, but is growing in independence and objectiveness.
5. *Self-reliance* indicates a complete evolution to independence, organizational coordination, and civil freedoms. Security, political, and economic mechanisms are characterized by full

participation, general situational and religious tolerance, functional economic and financial operations, an open and fair legal system, and self-sufficient security institutions.

In September 2008, U.S. Embassy-Baghdad and the Multi-National Force-Iraq (MNF-I) developed a new strategic framework to rebuild capacity in Iraq's provincial governments. The framework provides updated guidance for PRTs and includes goals and objectives, clear lines of authority, measures for coordinating provincial reconstruction efforts, and a training plan that supports the PRT program more effectively.⁴⁰⁴

SIGIR has announced a new review of the PRT program, including an assessment of the CMM.

PRT Leadership Insights

OPA provided SIGIR with a compilation of observations from PRT/ePRT leaders. These self-reported observations are summarized in each province as "PRT Leadership Insights."

GRD and USAID Updates

Each province snapshot also includes a synopsis of GRD and USAID projects and programs. Both agencies provided to SIGIR quarterly updates on reconstruction progress, including the outcomes of completed construction and capacity-development projects. The updates are not comprehensive reports of GRD or USAID activities, but they do provide brief insight into the focus of reconstruction in each province.

PROVINCIAL OVERVIEW

TABLE 3.1

SELECTED COMPARISONS OF IRAQ'S PROVINCES

Province	POPULATION STATISTICS		U.S. FUNDING, PER CAPITA				IRAQI FUNDING	SECURITY			ECONOMY
	Population ^a	Internally Displaced Persons (IDPs) ^b	IRRF 2 Project Costs ^c	ISFF Project Costs ^d	ESF Project Costs ^e	CERP Project Costs ^f	2008 Provincial Capital Budget (\$ millions) ^g	Total Attacks 4/1/2008–7/1/2008 ^h	Total Attacks 7/1/2008–9/30/2008 ⁱ	Provincial Iraqi Control ^j	State Owned Enterprises (SOEs)—Factories ^k
Kurdistan (Dahuk, Erbil, and Sulaymaniyah)	4,621,600	4,213	\$232.59	\$19.38	\$49.07	\$21.92	\$2,533.20	3	6	May 2007	2
Ninewa	2,473,700	158,683	\$315.91	\$310.74	\$32.03	\$71.69	\$357.70	1,041	924	Mar 2009	13
Tameem	839,100	59,541	\$1,202.77	\$274.34	\$267.37	\$176.95	\$143.50	248	245	Jan 2009	4
Salah Al-Din	1,077,800	87,065	\$641.69	\$187.38	\$290.16	\$184.59	\$147.40	717	486	Jan 2009	5
Anbar	1,280,000	79,763	\$845.42	\$1,303.78	\$104.72	\$349.04	\$323.00	275	209	Sep 2008	16
Diyala	1,373,900	550,477	\$622.38	\$319.23	\$22.01	\$135.54	\$167.90	537	533	Feb 2009	1
Baghdad	6,386,100	1,785,680	\$772.47	\$545.11	\$158.55	\$168.83	\$884.50	2,221	867	May 2009	48
Wassit	941,800	6,179	\$447.12	\$154.58	\$81.90	\$67.81	\$134.70	34	8	Oct 2008	1
Babylon	1,444,400	25,839	\$216.22	\$31.04	\$39.56	\$122.52	\$200.80	81	54	Oct 2008	10
Qadissiya	866,700	843	\$244.32	\$67.31	\$32.17	\$95.47	\$132.40	17	7	Jul 2008	4
Kerbala	756,000	562	\$187.29	\$1.30	\$58.33	\$70.36	\$115.20	1	4	Oct 2007	3
Najaf	946,300	—	\$266.87	\$70.61	\$52.97	\$41.06	\$142.30	4	1	Dec 2006	5
Muthanna	536,300	281	\$663.61	\$5.47	\$76.83	\$46.00	\$83.40	2	1	Jul 2006	3
Thi-Qar	1,427,200	1,966	\$1,012.95	\$121.39	\$41.41	\$28.69	\$215.80	17	21	Sep 2006	2
Missan	743,400	281	\$348.76	\$102.98	\$84.87	\$29.75	\$120.50	12	43	Apr 2007	4
Basrah	1,761,000	46,060	\$1,576.53	\$159.23	\$226.05	\$147.04	\$306.10	108	26	Dec 2007	9
Totals	27,475,300	2,807,433	\$9,596.92	\$3,673.85	\$1,618.00	\$1,757.25	\$5,009.40	5,318	3,435		130

Note: Numbers affected by rounding. Total project costs for the various funds are as reported in the Iraq Reconstruction Management System (IRMS). They do not represent actual obligations or expenditures.

^a Total number of people residing in the province, as measured by the UN in November 2007. UNOCHA, "Iraq—Population by Governorate," 11/19/2007.

^b Number of Iraqis displaced from their homes who have resettled to that province. IDP figures for Dahuk were not provided; total reflects Erbil and Sulaymaniyah only. U.S. Embassy—Baghdad, response to SIGIR data call, 10/2/2008.

^c Numbers affected by rounding. Historically, SIGIR has reported the budget cost for USAID projects from the quarterly USAID *Activities Report*, but they will no longer be produced. SIGIR will now use information from the IRMS, which differs from previously reported totals. IRMS, *ITAO Rollup*, 10/1/2008.

^d Numbers affected by rounding. Historically, SIGIR has reported the budget cost for USAID projects from the quarterly USAID *Activities Report*, but they will no longer be produced. SIGIR will now use information from the IRMS, which differs from previously reported totals. IRMS, *ITAO Rollup*, 10/1/2008.

^e Numbers affected by rounding. Historically, SIGIR has reported the budget cost for USAID projects from the quarterly USAID *Activities Report*, but they will no longer be produced. SIGIR will now use information from the IRMS, which differs from previously reported totals. IRMS, *ITAO Rollup*, 10/1/2008.

^f Numbers affected by rounding. Historically, SIGIR has reported the budget cost for USAID projects from the quarterly USAID *Activities Report*, but they will no longer be produced. SIGIR will now use information from the IRMS, which differs from previously reported totals. IRMS, *ITAO Rollup*, 10/1/2008; CERP Excel Workbook, 10/3/2008.

^g The amounts allocated to each province by GOI for reconstruction efforts. Treasury, "MOF Capital Report: 06/2008," response to SIGIR data call, 10/8/2008.

^h Total number of attacks occurring within the province 4/1/2008–7/1/2008. OSD, response to SIGIR data call, 10/6/2008.

ⁱ Total number of attacks occurring within the province 7/1/2008–9/30/2008. OSD, response to SIGIR data call, 10/6/2008.

^j Date of transfer of security authority to the Iraqis. DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32; CENTCOM, response to SIGIR data call, 10/15/2008.

ECONOMY		INFRASTRUCTURE			GOVERNANCE					
Iraqi First Contract Actions ^l	Avg. Load Served (MWh) for the Quarter ^m	Avg. Demand (MWh) ⁿ	Internet Users ^o	U.S.-supported Primary Healthcare Centers ^p	Total PRDC Budgeted FY 2006 and FY 2007 (\$ millions) ^q	% of PRDC Budgeted Awarded ^r	Voter Registration, as of 7/14/2008 ^s	Tatweer Trainees by Province 7/1/2008–9/20/2008 ^t	Community Action Program (CAP) Projects ^u	Value of CAP Projects (\$ millions) ^v
53	12,725	20,746	530,000	16	\$81.14	89%	2,386,861	1,046	69	\$6.47
588	9,751	19,359	18,000	9	\$27.43	60%	1,530,291	1,063	62	\$3.04
748	4,291	7,373	30,000	5	\$27.10	65%	688,242	353	60	\$2.89
4,733	5,359	8,754	500	8	\$24.30	44%	633,692	49	169	\$4.31
1,028	4,728	7,488	3,000	7	\$52.28	55%	730,195	121	126	\$3.54
183	3,256	5,299		9	\$24.36	76%	758,886	76	74	\$3.21
5,331	28,863	60,246	152,000	30	\$147.53	64%	4,288,019	1,543	1,076	\$34.00
283	3,089	6,914	1,000	7	\$27.92	91%	588,821	385	81	\$4.36
381	4,387	9,678	3,000	7	\$26.85	126%	882,206	412	95	\$6.87
266	2,925	5,760	8,000	5	\$24.63	75%	570,810	271	60	\$5.68
14	3,035	6,222	15,000	7	\$23.31	70%	518,042	307	74	\$8.90
15	3,999	8,525	11,000	6	\$25.72	33%	638,496	392	68	\$2.85
10	2,380	4,610		3	\$24.95	50%	346,666	264	60	\$1.78
836	6,030	9,215	2,000	8	\$25.80	43%	913,686	453	63	\$6.21
4	2,747	6,222	1,000	4	\$25.94	73%	514,122	339	79	\$6.12
441	15,576	20,966	53,000	11	\$66.95	73%	1,357,045	387	125	\$8.32
14,914	—	—	827,500	142	\$656.21	—	17,346,080	7,461	2,341	\$108.55

^k Total number of factories of state-owned enterprises in the province. An additional SOE listed separately under Kirkuk was combined with the total for Tameem. TF-BSO, response to SIGIR data call, 10/2/2008.

^l Total number of contracts that vendors received from Iraqi First program awards 8/1/2007–8/1/2008. OSD, response to SIGIR data call, 10/2/2008.

^m The average number of MWhs used per day to satisfy the load served, as estimated by the Ministry of Electricity and reported by ITAO. ITAO, *IRMO Electric Daily Units Performance Report, 7/2/2008–9/30/2008*. Actual production in MWh averaged 117,849 for the quarter. Actual production varies from load served.

ⁿ The average number of MWhs demanded, as estimated by the Ministry of Electricity and reported by ITAO. ITAO, *IRMO Electric Daily Units Performance Report, 7/2/2008–9/30/2008*.

^o Number of Internet users in the province. The total by the Embassy read 1.12 million, but SIGIR calculations indicate the figure to be 933,500. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

^p The cumulative number of clinics built, upgraded, or refurbished using U.S. funding under GRD's PHC program. GRD, response to SIGIR data call, 10/8/2008.

^q The total amounts budgeted for each province in PRT/PRDC program funds, for both the FY 2006 and FY 2007 Supplemental appropriations. OPA, response to SIGIR data call, 10/15/2008.

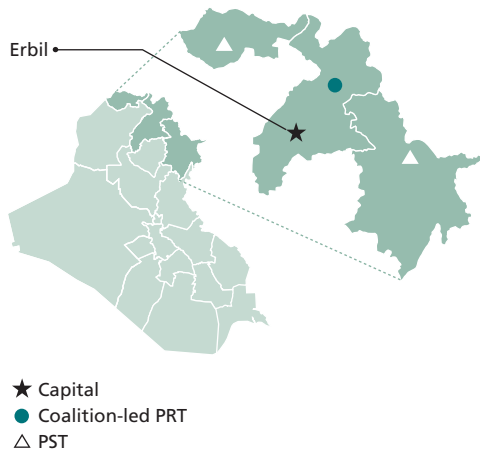
^r PRDC award amounts as a percentage of PRDC budgeted amounts. OPA, response to SIGIR data call, 10/15/2008.

^s Cumulative number of residents aged 18 and older. Citizens listed in the Public Distribution System's database are automatically registered to vote. The data represents all Iraqis who were in the database before the Voter Registration Update (VRU). U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

^t Number of Iraqis trained by the Tatweer program 7/1/2008–9/20/2008. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

^u Total number of ongoing U.S. Projects funded by the ESF and implemented by USAID. Projects aim to strengthen links between the Iraqi government and local communities by facilitating community coordination with local and provincial governments. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

^v Total value of ongoing U.S.-funded CAP projects. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.



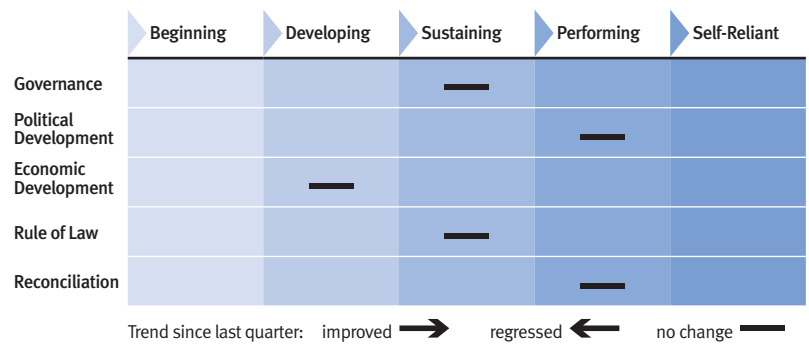
KURDISTAN (KRG)

Population:^a **4.6 million**
 Religion:^b **71% Sunni, 7% Shia, 22% Other**
 Capital Budget:^c **\$2.5 billion, 61% expended**
 U.S. Projects:^d **1,988**
 U.S. Project Costs:^d **\$874.3 million**
 PIC Date:^e **May 2007**

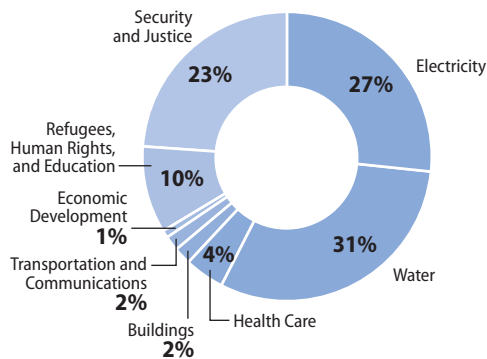
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	2	\$0.36	-	-
Electricity	83	\$233.47	1	\$0.10
Water	227	\$252.21	11	\$18.43
Health Care	90	\$34.33	8	\$4.88
Transportation and Communications	36	\$10.38	4	\$5.44
Buildings	119	\$2.65	4	\$11.39
Total	557	\$533.40	28	\$40.24

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.

^f OSD, response to SIGIR data call, 10/6/2008.

^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. According to these sources, the Oil and Gas sector accounted for less than one-half percent of the funding.

ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Kurdistan at a Glance

Funding per Capita	IRRF 2 Project Costs	\$233
	ISFF Project Costs	\$19
	ESF Project Costs	\$49
	CERP Project Costs	\$22
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$2.53 B
Security	Total Attacks 4/1/2008–7/1/2008	3
	Total Attacks 7/1/2008–9/30/2008	6
	Provincial Iraqi Control	May 2007
Economy	State Owned Enterprises (SOEs)–Factories	2
	Iraqi First Contract Actions	53
Infrastructure	Avg. Load Served (MWh) for the Quarter	12,725
	Avg. Demand (MWh)	20,746
	Internet Users	530,000
	U.S.-supported Primary Healthcare Centers	16
Governance	Internally Displaced Persons (IDPs)	4,213
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$81.14 M
	% of PRDC Budgeted Awarded	89%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	1,046
	Community Action Program (CAP) Projects	69
	Value of CAP Projects	\$6.47 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

Regional Reconstruction Team Updates

Three provinces—Dahuk, Erbil, and Sulaymaniyah—form the region of Kurdistan, which is governed by the Kurdistan Regional Government (KRG). As part of the PRT program, the United States operates a Regional Reconstruction Team (RRT) in Erbil.

Leadership Insights. Quick Response Fund (QRF) projects in the region address several unmet needs, including:⁴⁰⁵

- economic opportunities for women
- shelters for victims of gender-related violence

- training for young lawyers
- preservation of Kurdish cultural heritage in textile arts

The RRT in Erbil is focusing on building the region's capacity to increase government financial support for projects and programs. It has expressed concerns about potential corruption, the need for a more diverse political system, the disconnect between the ruling elite and the populace, and the need for an improved banking system.⁴⁰⁶ Further, the RRT also has been unable to take advantage of opportunities to expand



Renovated school in Erbil. (USACE photo)

its involvement with the Kurdistan Regional Government due to logistical constraints.⁴⁰⁷

Capacity Development. This quarter, the Tatweer program provided training to 135 government officials, and the LGP program trained 92 government officials.⁴⁰⁸ Six courses included classes in procurement and performance management, as well as a two-day workshop for technicians and engineers from geographic information system centers in Erbil, Dahuk, Sulaymaniyah, Ninewa, and Tameem.

GRD Reconstruction Updates

For a summary of ongoing and completed projects in Kurdistan, see Table 3.2.

Health Care. In March 2008, construction began on an emergency clinic at Sarsink City, valued at \$194,000. Work was completed in August 2008, and GRD estimates that nearly 10,000 Iraqi citizens will benefit from the

facility.⁴⁰⁹ Work continued this quarter on the **Erbil Orphanage-Senior Center** (\$3.7 million) to build separate quarters that can house up to 165 boys, 180 girls, and 60 seniors.⁴¹⁰

Water. This quarter, construction continued on the \$1.5 million **Masike & Jamai Bini Water Networks** to provide water pipes with valves and manholes to improve access to potable water for about 75,000 Iraqis in two neighborhoods in the city of Dahuk.⁴¹¹ Work is now just more than half finished, and completion is expected by November 20, 2008.⁴¹² Local employment in Erbil is fostered by the **Rosti Valley Joint Venture Phase II** project, which employs nearly 200 local laborers.⁴¹³ The project is only 24% complete, but its construction of weirs and irrigation inlets is expected to reduce flood damage for the 30,000 residents of the Rosti Valley.⁴¹⁴

Security and Justice. Work concluded this quarter on the \$10 million **Erbil Police**

TABLE 3.2

GRD PROJECTS IN KURDISTAN

PROVINCE	ONGOING PROJECTS	VALUE OF ONGOING PROJECTS (\$ MILLIONS)	COMPLETED PROJECTS	VALUE OF COMPLETED PROJECTS (\$ MILLIONS)	PROJECT HIGHLIGHT
Dahuk	8	\$12.69	160	\$99.25	Five planned projects are valued at \$5.64 million.
Erbil	5	\$10.92	79	\$310.62	GRD started one project this quarter, valued at \$750,000.
Sulaymaniyah	20	\$66.09	95	\$114.95	Nearly \$55 million has been spent on security and justice projects. In total, GRD started 6 projects this quarter, valued at \$11.6 million.

Note: Completed project information for Erbil was not available to SIGIR at time of publication. Numbers affected by rounding.

Source: GRD, *Monthly Project Management Update*, 7/2008; GRD, responses to SIGIR data call, 10/15/2008 and 10/20/2008.

Academy project, which can accommodate up to 650 cadets.⁴¹⁵ Prison construction continues on two prisons in the Sulaymaniyah province: **Fort Suse Prison Phase 1** and **Chamchamal Prison**. Fort Suse is a \$5.5 million project that is now 30% complete. The existing facility is being modernized and expanded to provide an additional 689 medium-security beds. Valued at \$27.5 million, the Chamchamal Prison project is converting an existing fort into a prison with 2,000 medium-security beds and 1,000 high-security

beds.⁴¹⁶ The project is almost half finished and scheduled to end in February 2009.

Education. Since December 2007, construction has been underway to build the **Sulaymaniyah Vocational Technical School**, and the project is now 31% complete. The estimated completion date is December 2008. When finished, this 16-classroom school will be used to provide training for local craftsmen.⁴¹⁷

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN KURDISTAN

DEMOCRACY AND GOVERNANCE

Local Governance Program II—The LGP facilitates arrangements for legislative drafting and hosts workshops on parliamentary governance for Kurdistan National Assembly members and the executive branch. The program has also facilitated two courses on metering and billing for the collection staff of the Erbil Ministry of Electricity and Dahuk Electricity Directorate. The Director General for Metering of the KRG Ministry of Electricity approached LGP to discuss creating a metering and billing system throughout Kurdistan.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—USAID is supporting a local NGO in Dahuk to train teachers from 12 secondary schools on best practices for managing teenage aggression and stress, psychologically troubled adolescents, and juvenile delinquents in a seven-month program. About 12,000 students will benefit from this grant.

Iraq Community-based Conflict Mitigation (ICCM)—ICCM has prepared a conflict assessment in each of the KRG provinces to examine the specific needs of the community as well as the sources of conflict to develop quick-impact projects.

Community Action Program (CAP II)—73 CAP projects are ongoing in Kurdistan, including an apprenticeship program for unemployed youth, renovations to schools, community power grid upgrades, improvements to water-distribution networks, and the establishment of an agricultural research center.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

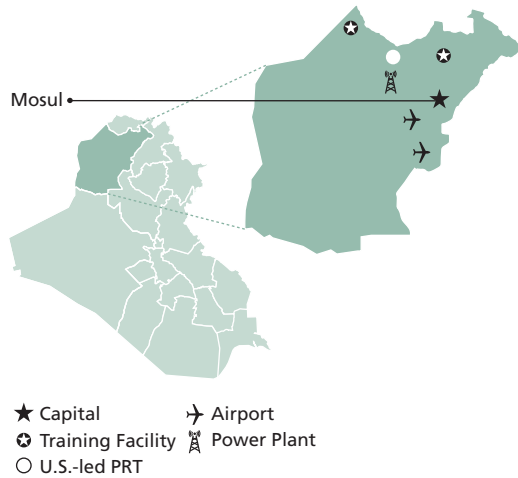
Provincial Economic Growth (PEG)—Tijara supports five microfinance institutions in the KRG. Dahuk (1 institution): 879 loans disbursed since inception, valued at \$2,552,450; 752 loans outstanding, valued at \$1,538,209. Erbil (2 institutions): 3,742 loans disbursed to date, valued at \$10,310,730; 2,083 loans outstanding to date, valued at \$3,748,381. Sulaymaniyah (2 institutions): 530 loans disbursed since inception, valued at \$1,321,970; 438 loans outstanding at an estimated value of \$562,990.

Agriculture Project—Inma has begun facilitating the export of pomegranates from the Sulaymaniyah region through traders in Dubai. The program recently finalized an air freight study to Dubai. The largest importer of fruits and vegetables in the United Arab Emirates is ready to place orders.

National Capacity Development (NCD)—Tatweer has trained more than 6,772 KRG officials in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership, communication, information technology, and anticorruption, as well as project, human resource, and financial management.

Community Stabilization Program—This program is not active in the region.

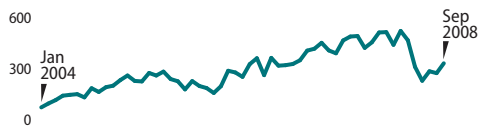
Source: USAID, response to SIGIR data call, 10/2/2008.



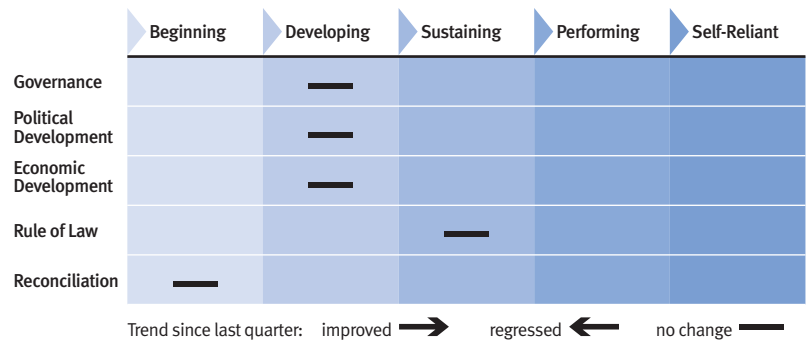
NINEWA

Population:^a **2.5 million**
 Religion:^b **42% Sunni, 5% Shia, 53% Other**
 Capital Budget:^c **\$357.7 million, 0.4% expended**
 U.S. Projects:^d **4,062**
 U.S. Project Costs:^d **\$1.0 billion**
 PIC Date:^e **March 2009**

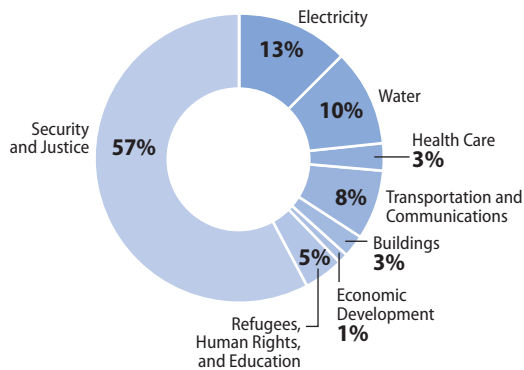
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	2	\$0.08	—	—
Electricity	111	\$121.89	3	\$7.72
Water	500	\$90.30	6	\$19.72
Health Care	174	\$30.90	8	\$0.74
Transportation and Communications	312	\$78.02	5	\$0.84
Buildings	64	\$26.56	—	—
Total	1,163	\$347.74	22	\$29.02

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. According to these sources, the Oil and Gas sector accounted for less than one-half percent of the funding.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Ninewa at a Glance

Funding per Capita	IRRF 2 Project Costs	\$316
	ISFF Project Costs	\$311
	ESF Project Costs	\$32
	CERP Project Costs	\$72
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$357.70 M
Security	Total Attacks 4/1/2008–7/1/2008	1,041
	Total Attacks 7/1/2008–9/30/2008	924
	Provincial Iraqi Control	March 2009
Economy	State Owned Enterprises (SOEs)–Factories	13
	Iraqi First Contract Actions	588
Infrastructure	Avg. Load Served (MWh) for the Quarter	9,751
	Avg. Demand (MWh)	19,359
	Internet Users	18,000
	U.S.-supported Primary Healthcare Centers	9
Governance	Internally Displaced Persons (IDPs)	158,683
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$27.43 M
	% of PRDC Budgeted Awarded	60%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	1,063
	Community Action Program (CAP) Projects	62
	Value of CAP	\$3.04 M

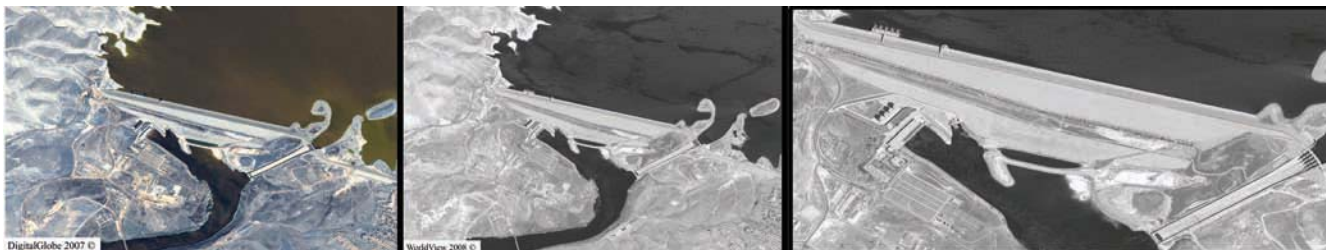
Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. Although Ninewa province has seen a reduction in violence over the last nine months, it still ranks as one of the most violent places in Iraq. PRT Ninewa reports that residents, especially those in the rural areas, lack adequate access to essential services. Moreover, budget execution remains slow, and expenditure data is not being reported transparently.⁴¹⁸

Unemployment continues to be a problem in the province. Drought puts the economic security of approximately 75,000 rural households at risk.⁴¹⁹ The GOI allocated \$167 million for drought relief to three provinces, but the funds were insufficient to counter the problems in Ninewa. Funding only benefited a small number of landowners, and Ninewa continues to face shortages of diesel, gasoline, and kerosene.



The Mosul Dam on the Tigris River in Ninewa. (DigitalView 2007 and WorldView 2008 photos)

An additional \$100 million for reconstruction provided by the Prime Minister’s office has yet to produce tangible benefits to the province.⁴²⁰

Many parts of Ninewa’s territory are under the control of the KRG, and the issue of internal boundaries continues to divide groups within the province.⁴²¹ The PRT reports that the Sunni Arab majority remains largely excluded from the political and economic life of the province; the Sunnis constitute the largest pool of insurgent recruits. Kurds have a clear advantage in physical and economic security.⁴²²

Security and Justice. This quarter, for the first time, PRT Ninewa’s rule-of-law team visited the chief judge of the Mosul Region to assess the courthouse and discuss Ministry of Interior (MOI) trial procedures and logistical matters.⁴²³ However, PRT Ninewa reports that the rule of law has yet to be established in the province, and ethno-sectarian divisions complicate recruitment of army and police personnel.⁴²⁴

Education. The Iraqi Ministry of Education and the Ninewa Provincial Council assisted in bringing Scholastic’s “My Arabic Library” program to the province. This fall, Arabic classroom books will be provided in 460 schools for students in first through sixth grade.⁴²⁵

GRD Reconstruction Updates

GRD reports 12 projects ongoing, valued at \$16.39 million.⁴²⁶ By the end of this quarter, 478 projects had been completed, valued at \$268.75 million.

Security and Justice. Renovations continued this quarter on the **Ninewa Operations Command** project,⁴²⁷ which is transforming a portion of a U.S. Forward Operating Base into an Iraqi Army operations center and logistics support area. The area will be used to coordinate Coalition forces, military transition teams, and Iraqi Army operations. A \$1.7 million project is underway to improve the officers’ quarters.⁴²⁸

Water. Work continued on the **Al Hadher Drinking Water Treatment Plant**, which will improve access to potable water for residents of Mosul. The project includes pump repairs and installation of 16,000 meters of new pipe, as well as electrical work. Valued at \$2.4 million, the project was completed in September 2008.⁴²⁹ These upgrades are expected to increase access to potable water for more than 22,000 Iraqis.⁴³⁰

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN NINEWA PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program II (LGP II)—Under the Public Distribution System-Based Projects, LGP prepared eight new project packets to obtain I-CERP funds and submitted seven nomination forms for school clusters. The program is advising on upcoming I-CERP proposals for utilities to seven new schools, three road-paving projects, and a solar-powered street lighting project in Mosul.

Iraq Community-based Conflict Mitigation (ICCM)—Under the Conflict Management and Negotiation Skills program, 60 male and female students from Mosul University were trained in conflict management and negotiation skills, helping to establish “peace-builders” within the student body.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—USAID is supporting a grant through the QRF/IRAP mechanism to fund wheelchairs that will be distributed to 1,300 children through the Iraq Red Crescent Organization.

Marla Ruzicka War Victims Fund—There are 35 Marla Ruzicka War Victims Fund projects in Ninewa (28 in Mosul). The projects help war victims to replace lost incomes, equip hospitals, and facilitate the local production and distribution of wheelchairs.

Community Action Program (CAP II)—Under the CAP II, 27 community projects in Ninewa are supporting education, small-scale service delivery, apprenticeship training, and the construction of bus shelters in Mosul and other cities.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

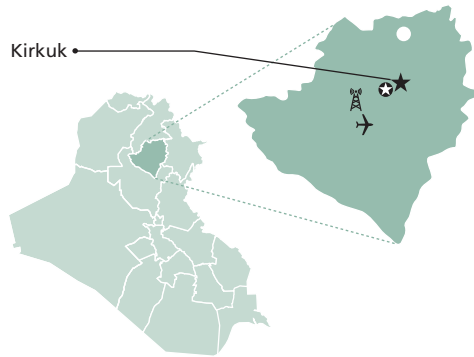
Community Stabilization Program (CSP)—More than 2,638 people have graduated from vocational training programs in Mosul and Telafar, and another 745 are currently enrolled in the programs. The CSP has approved 852 grants in the province, valued at \$7.1 million, to create more than 606 long-term jobs.

Provincial Economic Growth (PEG)—Tijara supports microfinance institutions in the province with more than \$3 million in loans to 1,357 businesses. The rate of repayment has been 97%. Currently, 566 loans remain outstanding, valued at \$942,784.

National Capacity Development (NCD)—Tatweer has trained more than 2,518 officials from Ninewa in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA trained 40 medical staff in Telafar on managing childhood illness, Acute Respiratory Infection (ARI), pneumonia, and diarrhea, as well as maternal and newborn care. Nearly 20,000 IDPs have benefited.

Source: USAID, response to SIGIR data call, 10/2/2008.



- ★ Capital
- ✈ Airport
- ⚡ Power Plant
- 🏠 Training Facility
- U.S.-led PRT

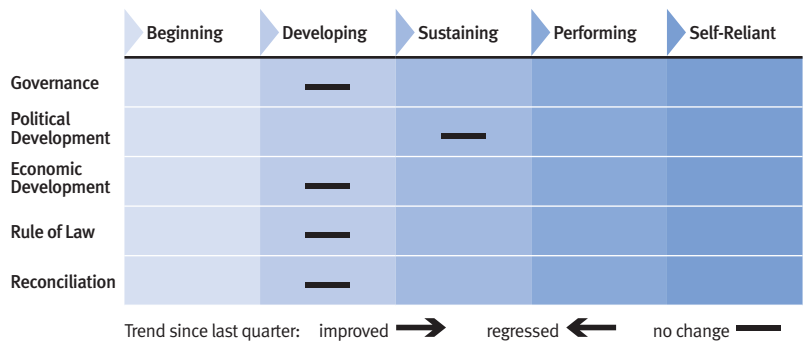
TAMEEM

Population:^a **839,000**
 Religion:^b **73% Sunni, 22% Shia, 5% Other**
 Capital Budget:^c **\$143.5 million, 26% expended**
 U.S. Projects:^d **3,596**
 U.S. Project Costs:^d **\$1.0 billion**
 PIC Date:^e **January 2009**

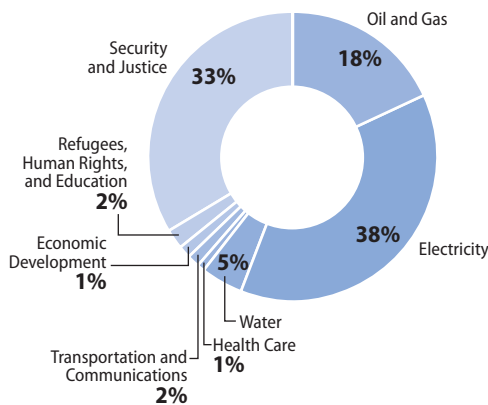
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	57	\$186.82	—	—
Electricity	121	\$356.64	2	\$38.26
Water	172	\$44.30	4	\$2.32
Health Care	83	\$8.74	1	\$0.59
Transportation and Communications	74	\$15.44	1	\$0.44
Buildings	111	\$3.90	1	\$0.19
Total	618	\$615.84	9	\$41.80

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

- ^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
- ^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
- ^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
- ^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

- ^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
- ^f OSD, response to SIGIR data call, 10/6/2008.
- ^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
- ^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. According to these sources, the Democracy and Buildings sectors accounted for less than one-half percent of the funding.
- ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Tameem at a Glance

Funding per Capita	IRRF 2 Project Costs	\$1,203
	ISFF Project Costs	\$274
	ESF Project Costs	\$267
	CERP Project Costs	\$177
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$143.50 M
Security	Total Attacks 4/1/2008–7/1/2008	248
	Total Attacks 7/1/2008–9/30/2008	245
	Provincial Iraqi Control	January 2009
Economy	State Owned Enterprises (SOEs)–Factories	4
	Iraqi First Contract Actions	748
Infrastructure	Avg. Load Served (MWh) for the Quarter	4,291
	Avg. Demand (MWh)	7,373
	Internet Users	30,000
	U.S.-supported Primary Healthcare Centers	5
Governance	Internally Displaced Persons (IDPs)	59,541
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$27.10 M
	% of PRDC Budgeted Awarded	65%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	353
	Community Action Program (CAP) Projects	60
	Value of CAP	\$2.89 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. The staffs of PRT Kirkuk and the USAID Local Governance Program continue to emphasize the development of institutional capacity for the province. This includes operational and management capacity as well as the associated budget development process.⁴³¹ This quarter, the PRT and GRD initiated development of a master plan for sewerage and storm water systems in Kirkuk City. The project—developed in close collaboration with the Kirkuk Sewerage Directorate and other provincial

government offices—is the first comprehensive urban infrastructure strategy in Iraq.

The PRT developed a scope of work and plan to repair the only existing publicly owned wastewater treatment structure in Kirkuk City. Linked to a collection pipe network that has not been operational for almost two decades, the facility will be refurbished through a QRF grant of \$490,000.⁴³²

PRT Kirkuk developed a feasibility study on a potential project at Naher Al. The project would develop a high-lift pump station, piping network,



Tameem oil fields. (USACE photo)

and booster pumping system that can transfer and treat water from the Tigris River for the residents of Kirkuk City. The project is estimated to cost \$285 million, and it would be supported by GRD, Iraqi Directorates, and the PRT. The project could be fully implemented in three to four years.⁴³³ The PRT also developed and constructed a trial slow-sand-filter water treatment plant as a short-term solution. This potable water production unit employs low-cost technology that is easily operated and maintained.⁴³⁴

This quarter, the Kirkuk Mobile Health Clinic completed its first two months of operation in the southeastern part of Tameem. PRT Kirkuk, Coalition forces, and the Kirkuk Director General of Health started this project in early 2008, and Iraqi authorities now operate it.⁴³⁵

Security. The issue of who controls the oil-rich city of Kirkuk is still unresolved; thus, security in Tameem remains tenuous as ethnic tensions occasionally erupt in violence.⁴³⁶ Insurgent groups—including al-Qaeda in Iraq, Jaysh al-Islam, and the Naqshabandi Army—also

continue to operate in the province. Coalition forces, Iraqi Security Forces, and the Sons of Iraq are working jointly to counteract terrorism throughout the province.⁴³⁷

Education. In September 2008, the PRT economics and agriculture team organized the first monthly Veterinary Clinical Competency training. More than 100 participants from the Kirkuk Veterinary Syndicate will receive new textbooks, clinical manuals, stethoscopes, thermometers, obstetrics kits, and access to one of the 15 clinical microscopes located at clinics throughout the province.⁴³⁸ Other training sessions will focus on production agriculture and public health themes.

Facilities. PRT Tameem coordinated with U.S. Air Force members serving in northern Iraq to help Iraqis improve waste-management practices in the region. Military personnel helped train Iraqis on maintaining newly acquired equipment used for trash collection in Kirkuk. The PRT purchased new vehicles and hired experts to overhaul the city's waste-management system. Plans are being made to

create transfer centers for holding waste en route to an improved landfill site that will serve more than 700,000 Tameem residents. One transfer station has been constructed and will be ready for operation before delivery of PRT-donated vehicles.⁴³⁹

GRD Reconstruction Updates

GRD has 6 projects ongoing in Tameem province, funded by \$4.3 million.⁴⁴⁰ To date, nearly \$86 million has been spent on GRD reconstruction work in Kirkuk City alone.⁴⁴¹

Water. This quarter, construction continued on the **Athreban Water Project**, valued at \$872,000.⁴⁴² The project will install pipes, pumps,

and tanks to transport water from the Tigris River, which will provide potable drinking water for nearly 8,000 Iraqis.⁴⁴³ The project was completed in September 2008.⁴⁴⁴

Education. GRD recently completed work on the **Kombatlar Mud Hut School Conversion**, valued at \$89,000. The project replaced mud-hut construction with a modern building that houses 6 classrooms and accommodates 100 students.⁴⁴⁵

Health Care. The **Kirkuk Magnetic Resolution Image Facility** was completed this quarter, offering greater diagnosis and treatment options for patients in Kirkuk City.⁴⁴⁶

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN TAMEEM PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program II—The LGP II delivered 9 training sessions on the new Provincial Law for 85 local councils. Also, 14 local council coordinators participated in 3 training sessions on the Council's bylaw. LGP staff members continue to meet with provincial officials on the Kirkuk Provincial Development Plan, which will include a final master projects list for 2009.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—QRF/IRAP funding is supporting the Kirkuk Press Media Briefing Room Training Center and the Kirkuk Governorate Building Network Training Center. The grants also support an agricultural training center.

Iraq Community-based Conflict Mitigation (ICCM)—A local non-governmental organization will be equipped with all the necessary materials and instruments (violins and drawing tools) to establish a music and arts training center to train young men and women. The courses will enroll 40 youth from multiethnic groups in Kirkuk City.

Community Action Program (CAP II)—The CAP II has 40 community projects ongoing in Tameem, including an apprenticeship program for unemployed youth, renovations to schools, upgrades to the power grid, improvements to water-distribution networks, and construction of sheep disinfecting pools, seed warehouses, and school classrooms. CAP II also provides much-needed computer equipment and supplies to schools.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—This quarter, more than 2,400 short-term jobs and nearly 750 long-term jobs were created under the CSP. More than 1,800 trainees have graduated from CSP-sponsored construction and non-construction courses, and nearly 545 vocational training course graduates have been placed in apprenticeship programs. The CSP created another 659 long-term jobs through business grants.

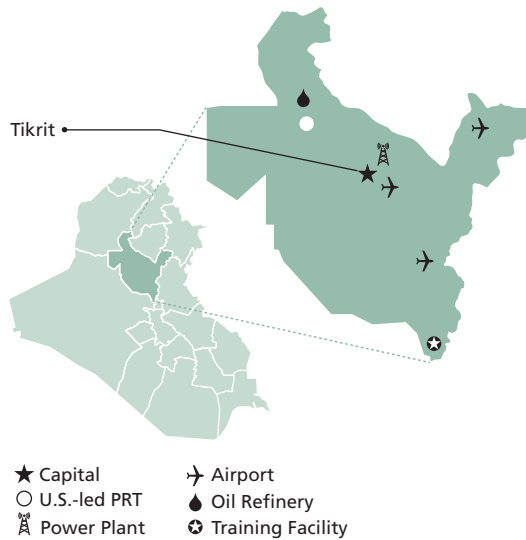
Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 2,169 outstanding loans, valued at \$2,971,769. Since inception, 8,460 loans have been disbursed at a combined value of \$19,137,646.

Agriculture Project—Inma is developing additional sources of alfalfa for feedlot development, but progress depends on the availability of water and Ministry of Agriculture approval of improved seed use.

National Capacity Development (NCD)—There are no Tatweer activities in this province.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA provides basic health services to the neediest IDP families in Tameem, with priority given to children and women. Project work has been implemented in partnership with the Directorate General of Health. Services are provided free of charge in mobile centers.

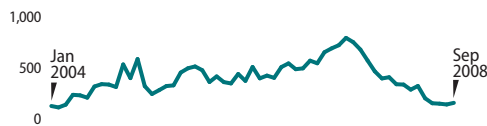
Source: USAID, response to SIGIR data call, 10/2/2008.



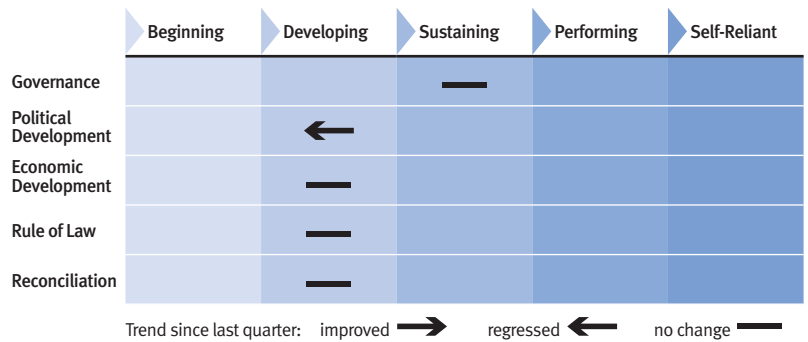
SALAH AL-DIN

Population:^a **1.1 million**
 Religion:^b **96% Sunni, 4% Shia**
 Capital Budget:^c **\$147.4 million, 25% expended**
 U.S. Projects:^d **3,440**
 U.S. Project Costs:^d **\$924.7 million**
 PIC Date:^e **January 2009**

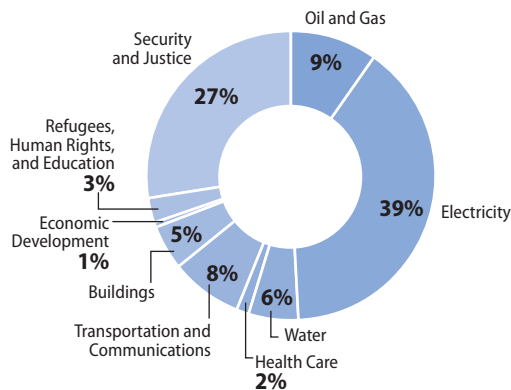
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	21	\$28.14	10	\$62.47
Electricity	223	\$358.81	5	\$5.27
Water	316	\$49.02	8	\$2.53
Health Care	157	\$15.09	4	\$0.03
Transportation and Communications	232	\$37.39	9	\$36.82
Buildings	11	\$39.39	22	\$4.79
Total	960	\$527.85	58	\$111.91

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

- ^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
- ^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
- ^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
- ^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

- ^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
- ^f OSD, response to SIGIR data call, 10/6/2008.
- ^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
- ^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.
- ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Salah Al-Din at a Glance

Funding per Capita	IRRF 2 Project Costs	\$642
	ISFF Project Costs	\$187
	ESF Project Costs	\$290
	CERP Project Costs	\$185
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$147.40 M
Security	Total Attacks 4/1/2008–7/1/2008	717
	Total Attacks 7/1/2008–9/30/2008	486
	Provincial Iraqi Control	January 2009
Economy	State Owned Enterprises (SOEs)–Factories	5
	Iraqi First Contract Actions	4,733
Infrastructure	Avg. Load Served (MWh) for the Quarter	5,359
	Avg. Demand (MWh)	8,754
	Internet Users	500
	U.S.-supported Primary Healthcare Centers	8
Governance	Internally Displaced Persons (IDPs)	87,065
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$24.30 M
	% of PRDC Budgeted Awarded	44%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	49
	Community Action Program (CAP) Projects	169
	Value of CAP	\$4.31 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. The PRT at Salah Al-Din reports a close working relationship with its partner brigade combat team, and this quarter it coordinated with provincial authorities on several activities:⁴⁴⁷

- The PRDC approval process is available to support all infrastructure projects—not just those funded by the U.S. government.
- GRD is integrating provincial authorities into its project contracting and supervision process.

- Although not required, I-CERP infrastructure projects are vetted by the PRDC to ensure that they meet Iraqi standards and that Iraqi funds are committed for operations and maintenance.

The PRT also partnered with the provincial investment commission to increase awareness of private-sector investment opportunities with investors from neighboring countries.⁴⁴⁸



The Baiji Oil Refinery. (Digital Globe 2006 and WorldView 2008 photos)

Security. The PRT is working to alleviate overcrowding and poor conditions in the jails of Tikrit. PRT health and judiciary experts worked with Iraqis to improve corrections and investigator training for local police as part of this effort.⁴⁴⁹

Governance. The database program developed by PRT Salah Al-Din to improve tracking of infrastructure projects was handed over to the Provincial Council this quarter. The program will help the provincial government manage its budget and contracting process.⁴⁵⁰ The software's consistency and flexibility promises to provide more transparency to counteract widespread corruption.⁴⁵¹

Education. The PRT, the Provincial Council, and USACE have coordinated to stop 23 school projects because of poor-quality contractor work. Contractors are now being held accountable for their products.⁴⁵²

Agriculture. In cooperation with an MND-N agriculture adviser and veterinarian, the PRT is assisting the revitalization of the poultry industry with a QRF grant of \$50,000 to the newly created Salah Al-Din Poultry Producers Association.⁴⁵³ The PRT facilitated the formation of an Agricultural Task Force, which is introducing provincial agricultural leaders to a range of new technologies and techniques.⁴⁵⁴

GRD Reconstruction Updates

This quarter, GRD started 26 new projects in Salah Al-Din, bringing the total of ongoing projects to 54, valued at \$258.09 million.⁴⁵⁵ GRD has completed 298 projects to date, valued at just more than \$741.83 million.⁴⁵⁶

Education. Last quarter, construction began on the **Seba Elementary School for Girls**—a \$162,000 project.⁴⁵⁷ The project is currently 20% complete and will replace the mud-hut school in Seba. The school will have six classrooms, a playground, and drinking water.⁴⁵⁸

Security and Justice. Completed this quarter, the **Convert Baiji Warehouse to Barracks Projects** created temporary housing for nearly 650 Iraqi troops.⁴⁵⁹ The \$2 million project converted two ammunition warehouses into the temporary barracks for the Iraqi security personnel who guard the **Baiji Oil Refinery**.⁴⁶⁰

Oil. Since May 2008, work has been ongoing on the \$5.9 million **Baiji to Baghdad Oil Pipeline Exclusion Zone Phase 5**. The project is now 29% finished, and completion is expected by December 2008. GRD reports that 15 kilometers of ditches, berms, grubbing, and clearing are now complete. The goal of the project is to reduce pipeline interdictions, which hinder crude and refined oil delivery.⁴⁶¹

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN SALAH AL-DIN PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—The LGP II conducted district and sub-district forums to promote transparency and wider public participation in project selection and recommendations for the 2009 budget and facilitated completion of the Provincial Development Plan. The program also provided technical training for 400 key local government employees in management, operation, and maintenance of essential infrastructure services.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—QRF/IRAP funding is supporting the **Salah Al-Din Governorate Electoral Office** as well as a women's computer training program and equipment for nursing, medical textbooks, and support to Salah Al-Din School of Medicine.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM initiated a conflict assessment to examine the needs of Salah Al-Din communities and the history and sources of conflict within them to develop quick-impact projects.

Community Action Program (CAP II)—Under the CAP II, 35 community projects have provided an apprenticeship program for youth, renovations to schools, upgrades to the power grid, improvements to water-distribution networks, restoration of a public library, and the construction of a center assisting the handicapped.

Marla Ruzicka War Victims Fund—There are 135 projects in Salah Al-Din, including construction of the Samara Bakery, establishment and expansion of retail shops (home catering, grocery, mobile phone, and electrical appliances), rehabilitation of Dijla Hospital's hydrotherapy toolkit, and provision of equipment to schools and hospitals.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

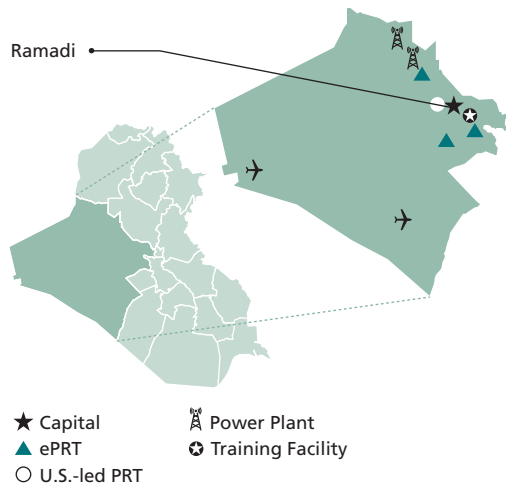
Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 438 outstanding loans, valued at \$562,990. Since inception, 530 loans have been disbursed at a combined value of \$1,321,970. Tijara also provides technical assistance, training, and capacity building to Iraqi-owned Small Business Development Centers (SBDCs), such as the Sahara Economic Development Organization. Generally, SBDCs offer training and consultative products in the local community.

Agriculture Project—Inma has enabled the Balad Canning Factory to re-establish the electricity and water supplies necessary to resume production of snack chips, bottled water, and fruit-flavored drinks.

Community Stabilization Program (CSP)—This quarter, 200 short-term jobs and 70 long-term jobs were created under the CSP. Work started on developing and rehabilitating **Al-Atebaa street** and the **Hy Al-Basha public garden and parking area**. The CSP also sponsored 240 children for a Ramadan Soccer Tournament and coordinated with the Tikrit Industrial School and the Ministry of Education to develop 4 trade courses.

National Capacity Development (NCD)—Tatweer has trained 101 officials from Salah Al-Din in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption.

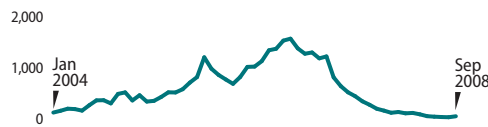
Source: USAID, response to SIGIR data call, 10/6/2008.



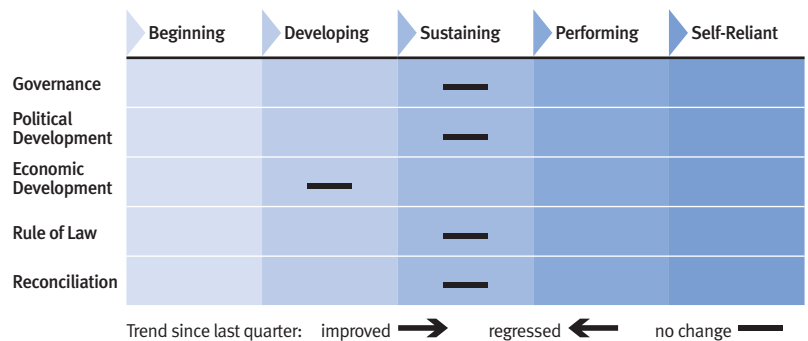
ANBAR

Population:^a **1.3 million**
 Religion:^b **99% Sunni, 1% Shia**
 Capital Budget:^c **\$323.0 million, 42% expended**
 U.S. Projects:^d **7,593**
 U.S. Project Costs:^d **\$1.8 billion**
 PIC Date:^e **September 2008**

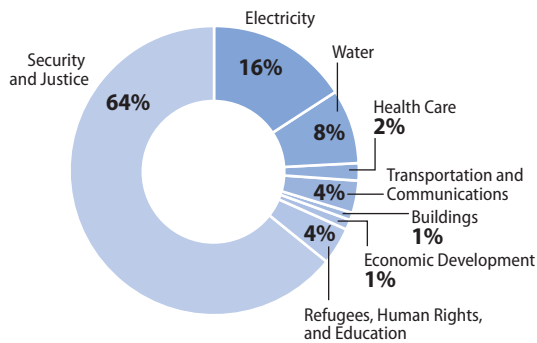
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	417	\$220.71	36	\$71.34
Water	603	\$103.29	47	\$55.22
Health Care	160	\$27.59	22	\$6.13
Transportation and Communications	406	\$55.84	30	\$10.14
Buildings	30	\$3.61	4	\$10.02
Total	1,616	\$411.04	139	\$152.85

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Anbar at a Glance

Funding per Capita	IRRF 2 Project Costs	\$845
	ISFF Project Costs	\$1,304
	ESF Project Costs	\$105
	CERP Project Costs	\$349
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$323.00 M
Security	Total Attacks 4/1/2008–7/1/2008	275
	Total Attacks 7/1/2008–9/30/2008	209
	Provincial Iraqi Control	September 2008
Economy	State Owned Enterprises (SOEs)–Factories	16
	Iraqi First Contract Actions	1,028
Infrastructure	Avg. Load Served (MWh) for the Quarter	4,728
	Avg. Demand (MWh)	7,488
	Internet Users	3,000
	U.S.-supported Primary Healthcare Centers	7
Governance	Internally Displaced Persons (IDPs)	79,763
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$52.28 M
	% of PRDC Budgeted Awarded	55%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	121
	Community Action Program (CAP) Projects	126
	Value of CAP	\$3.54 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. PRT Anbar has undertaken multiple initiatives to enhance the province's budget execution processes, including:⁴⁶²

- establishing a project-management accounting system
- improving dialogue between district and provincial officials
- training the provincial accounting department
- implementing a geographic information system to illustrate the locations of capital investment projects

The ePRTs have noted improvements in the province's economic well-being, including reinvigorated state-owned enterprises, microfinance initiatives, reductions in fuel shortages after a refinery in Husaybah began operations, and completion of more than \$5.5 million in QRF projects.

Despite the progress, many challenges remain, including improving the capacity of the Iraqis to commit to operations and maintenance of completed reconstruction projects,



Wastewater treatment facility in Falluja.

overcoming terrain and weather, and securing adequate funding for project commitments.⁴⁶³ The ePRT in Western Anbar reported that U.S.-funded reconstruction efforts “may have helped foster a culture of entitlements.”⁴⁶⁴

Water. The PRT reported that for the first time in three years, Falluja will have better access to clean, inexpensive drinking water because solar-powered water purification units have been delivered to the city.⁴⁶⁵ These units do not require electricity, fuel, or chemicals. Residents draw water from a storage tank or directly from the unit. Each unit can produce 30,000 gallons of drinking water per day.⁴⁶⁶ To extend the reach of this potable water source, some sites are considering ways of delivering water to homes via tankers. Nearly \$1.3 million in equipment was donated by a private company, and ePRTs assisted with installation.⁴⁶⁷

Rule of Law. The Iraqi Police (IP) in Anbar report that they do not have adequate equipment, training, facilities, and resources. Internal promotion processes for the police are hindered by a lack of transparency and insufficient record-keeping mechanisms.⁴⁶⁸ Threats made against judges are related to tribal associations, and the intercession of IP members on behalf of tribal leaders continues to be a problem.⁴⁶⁹ Judges have also noted disappointment in the IP’s unresponsiveness to their orders and requests. As a result,

criminal trials for threats made in Falluja have moved to the Ramadi courts.⁴⁷⁰

Health Care. In July 2008, the ePRT in Anbar sponsored the province’s first major health conference, in Ramadi. More than 100 Iraqi doctors attended, including 3 female doctors from the **Women’s and Children’s Hospital**.⁴⁷¹

Governance. On September 1, 2008, Anbar became the eleventh province to transition from Coalition oversight back to Iraqi control. Once the most violent province in Iraq, the handover marked a milestone for Anbari and U.S. efforts to stabilize the area’s security.

At the end of the quarter, the Special Representative for the UN Secretary General formally announced the established presence of the UN in the province. The United Nations Development Programme (UNDP) is the first UN organization to be present in the province, followed by UNAMI’s Human Rights Office.⁴⁷²

GRD Reconstruction Updates

Throughout Anbar province, GRD has completed 453 projects, valued at \$751.46 million; and 50 ongoing projects are valued at more than \$252 million.⁴⁷³ There are 43 planned projects, valued at \$170 million.

Electricity. As part of the effort to extend electricity access to all areas of Anbar, four ongoing projects are installing overhead electrical

lines. GRD has completed two new 33kV substations, one rehabilitated substation, solar street lighting, and 33kV underground feeders.⁴⁷⁴ These efforts have been undercut by transmission line interdictions and diversion of power to west Baghdad, which have reduced the overall availability of power in Ramadi.⁴⁷⁵ In Falluja, work continues on the \$14.7 million **NW 132kV Substation Rehabilitation** project. Completion is expected in November 2008.⁴⁷⁶

Water. To increase the supply of potable water in Anbar, GRD reports that improvements are necessary to the public works systems in Falluja and Ramadi.⁴⁷⁷ Falluja's residents do not

have operational sewage lines at this time.⁴⁷⁸ To date, GRD has completed 109 water projects in the province, valued at \$87.8 million. Work continues on 33 public works and water projects.⁴⁷⁹ For details on the **Falluja Waste Water Treatment System**, which SIGIR inspected this quarter, see Section 4.

Transportation and Communications. This quarter, \$3.9 million repair of northbound and southbound rail tracks in Anbar was completed.⁴⁸⁰ Six transportation and communications projects remain ongoing, valued at \$39.9 million.⁴⁸¹

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN ANBAR PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—The governor of the province signed a memorandum of agreement to adopt the Governorates Accounting and Project Tracking Information System (GAPTIS) after the LGP team presented it in September. The program also assisted provincial officials in preparing a prioritized list of capital projects for the budget and spearheaded the budget through the legislative process for approval.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—The QRF/IRAP funded the distribution of portable radios and supported radio programming in Falluja, as well as the Anbar Governorate Election Office and automation of Anbar Government Center.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM brought 360 people together for a community tournament to play a traditional Ramadan sporting event.

Community Action Program (CAP II)—Under the CAP II, 49 projects have provided sewing and nursing courses for women, upgrades to the power grid, improvements to water-distribution networks, renovation of schools, and construction of new facilities for a hospital.

Marla Ruzicka War Victims Fund—There are 77 projects in Anbar. Examples of projects include training courses for the disabled, construction of single-family homes, and supply of electrical equipment to shops. Emergency assistance is also provided to victim families of Coalition military operations.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Provincial Economic Growth (PEG)—Tijara supports microfinance institutions (MFIs). One Iraqi-owned MFI has three branch offices in Falluja, Ramadi, and Al-Qaim, with 1,605 outstanding loans, valued at \$2,451,789. Since inception, 1,647 loans have been disbursed at a combined value of \$3,832,050.

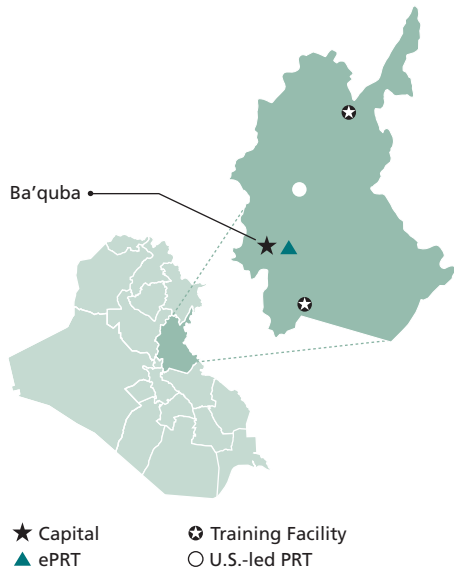
Agriculture Project—Inma carried out maize planting and environmental monitoring of winter crop demonstrations in Anbar.

Community Stabilization Program (CSP)—This quarter, 7,526 short-term and 2,934 long-term jobs were created under the CSP. More than 10,400 youth have participated in CSP-sponsored youth activities, and more than 1,300 trainees have graduated from CSP construction and non-construction courses throughout Anbar. More than 200 graduates have been placed in apprenticeship programs, and nearly 2,600 long-term jobs were created through business grants.

National Capacity Development (NCD)—Tatweer has trained 288 officials from Anbar in public administration and management. The program can respond to specific needs of ministry staff with tailored workshops and a train-the-trainer program that allows the ministries to deliver their own internal curriculum.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA provides support to IDPs in Anbar, through five implementing partners, in these sectors: health; non-food items; protection; shelter and settlements; water/sanitation and hygiene; humanitarian coordination and information; and economy and market systems.

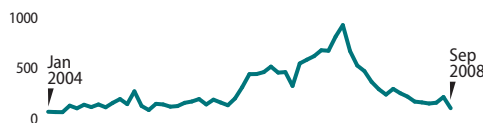
Source: USAID, response to SIGIR data call, 10/6/2008.



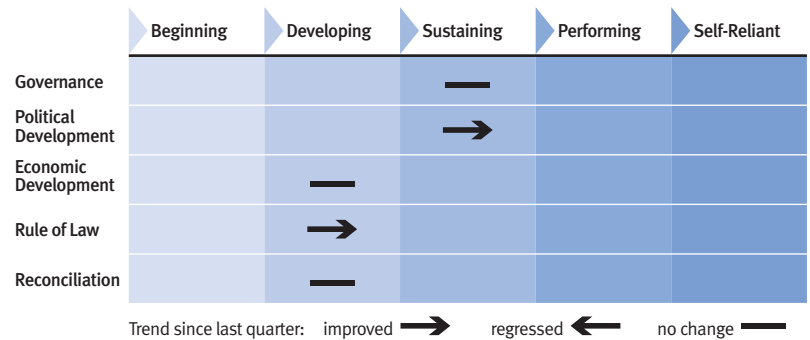
DIYALA

Population:^a **1.4 million**
 Religion:^b **52% Sunni, 48% Shia**
 Capital Budget:^c **\$167.9 million; 0% expended**
 U.S. Projects:^d **3,231**
 U.S. Project Costs:^d **\$933.0 million**
 PIC Date:^e **February 2009**

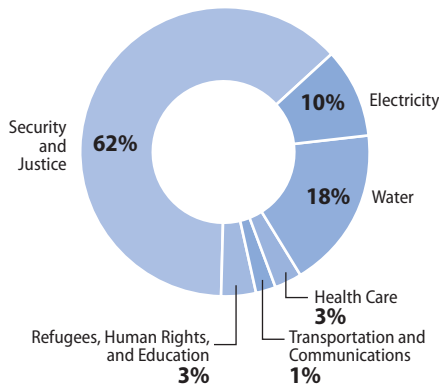
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	1	\$2.89	—	—
Electricity	151	\$87.79	7	\$3.50
Water	334	\$143.86	9	\$27.51
Health Care	105	\$17.26	10	\$14.14
Transportation and Communications	192	\$18.41	6	\$1.17
Buildings	11	\$0.76	4	\$1.49
Total	794	\$270.97	36	\$47.81

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq—Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.

^f OSD, response to SIGIR data call, 10/6/2008.

^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. According to these sources, the Oil and Gas, Buildings, and Economic Development sectors accounted for less than one-half percent of the funding.

ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Diyala at a Glance

Funding per Capita	IRRF 2 Project Costs	\$622
	ISFF Project Costs	\$319
	ESF Project Costs	\$22
	CERP Project Costs	\$136
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$167.90 M
Security	Total Attacks 4/1/2008–7/1/2008	537
	Total Attacks 7/1/2008–9/30/2008	533
	Provincial Iraqi Control	February 2009
Economy	State Owned Enterprises (SOEs)–Factories	1
	Iraqi First Contract Actions	183
Infrastructure	Avg. Load Served (MWh) for the Quarter	3,256
	Avg. Demand (MWh)	5,299
	Internet Users	N/A
	U.S.-supported Primary Healthcare Centers	9
Governance	Internally Displaced Persons (IDPs)	550,477
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$24.36 M
	% of PRDC Budgeted Awarded	76%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	76
	Community Action Program (CAP) Projects	74
	Value of CAP	\$3.21 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. For a province the GOI classified as “lost to al-Qaeda” in mid-2007, Diyala has seen dramatic changes this year. However, security challenges remain. This quarter, the ePRT reported that violent insurgent activities continue to limit the team’s engagement with local Iraqis, and the risk to the local nationals who meet with the ePRT is high.⁴⁸²

Notwithstanding the limitations in movement, PRT Diyala reported supporting these activities in the province:⁴⁸³

- supporting 40 trials in the first half of 2008, up from zero in 2007
- completing a transparent and competitive contract award system
- creating a provincial technical committee to replace the defunct PRDC
- establishing a reconstruction operations center made up of nearly 40 engineers and several

lawyers to provide oversight of projects in the province

- forming a private-sector organization to promote modern technology in the agriculture sector

PRT Diyala is preparing for its expansion this quarter. PRT representatives traveled to two Forward Operating Bases (FOBs) to establish new living and working facilities.⁴⁸⁴

The ePRT in Diyala is working to improve governance capacity in the province. With coaching from the ePRT, working relationships were improved between officials of Nahiya and other Mukhtar leaders, who attend Kana’an Nahiya Council meetings. Moreover, the ePRT reports that “fostering close co-operation with Nahiya and Qada Councils has proven a successful approach to increasing the capacity of the local government.”⁴⁸⁵



Kahn Bani Sa'ad Correctional Facility in Diyala. (Digital Globe 2007 and WorldView 2008)

Security. In July 2008, nearly 80 women graduated from the first Daughters of Iraq training class in Al Abarra, Diyala.⁴⁸⁶ Graduates will be employed by Coalition forces and the Iraqi Police to search women at checkpoints and entrances to government facilities. This is an important step in addressing the increased use of female suicide bombers in Diyala over the past six months. Coalition forces may expand the program across the province.⁴⁸⁷

Health Care. The Directorate Governor of Health is revamping the medical system in Diyala, and the capacity to provide quality health care throughout the province is growing. In September 2008, a new **Primary Healthcare Clinic**, built by GRD, opened in Al-Khalis. Four other clinics are scheduled to open in October.⁴⁸⁸

In August 2008, the PRT health team attended the opening of two recovery wards in the Muqdadiah General Hospital. The PRT health team also observed training on immuno-analyzers that were purchased by the PRT QRF program at the **Al Batol Women and Children's Hospital**. This new capability allows for early diagnosis of diabetes in children, diagnosis of growth hormone abnormalities, and monitoring and assisting with infertility.⁴⁸⁹

Agriculture. PRT agricultural advisors introduced the concept of cooperatives to

farmers in Hib, and the new **Hib Poultry Co-op** selected an egg-laying facility as its first project to provide fresh eggs to the markets in Baquba and Baghdad. The PRT assisted by securing a QRF grant, which provides 40% of the initial cost for the project; the remaining 60% will be provided by the Co-op.⁴⁹⁰ The Co-op expects to achieve profitability within a year,⁴⁹¹ and the PRT continues to assist the poultry producers by holding farming seminars in Shia and Sunni regions of Diyala.⁴⁹²

Water. Diyala's drought this year brought hardship to the province's residents; however, with support from the PRT, the governor has acquired additional water flow from Kurdistan. Also, PRT Diyala prepared technical specifications for procurement of 20 horizontal pumps to increase the flow of water for irrigation.⁴⁹³ In addition, the Department of Wells started a campaign to rehabilitate existing wells, and drill 184 new wells. As of July 2008, 48 wells had been drilled, and 4 new wells are completed each week. The water crisis in Diyala continues, but the province's government is addressing the problem and is better able to develop solutions.⁴⁹⁴

Banking. Diyala's banks are experiencing a severe shortage of paper money. This is causing the province's government to postpone payments of payrolls and bills from contractors and

suppliers. In late August and September, budget execution and regular payroll and pension payments came to a halt when the Rafidain Bank branches ran out of cash.⁴⁹⁵

GRD Reconstruction Updates

GRD reports 9 projects ongoing, funded with \$19.61 million.⁴⁹⁶

Security. Diyala was ranked the third most violent province in Iraq this quarter.⁴⁹⁷ The first two were Baghdad and Ninewa. This quarter, security activity increased as the Iraqi Security Forces began formal operations⁴⁹⁸ and joined with Coalition forces against al-Qaeda in Iraq. Violence rose from July 2008, when 18 GRD construction projects were canceled for security reasons.⁴⁹⁹ A month earlier, 12 projects were canceled.⁵⁰⁰

Health Care. This quarter, GRD continued work on the **Ba'qubah General Hospital**

Expansion. Funded by \$7.4 million of the ESF, the project began in March 2008 and is currently 14% complete. Completion is expected by April 2009⁵⁰¹ on this two-story building, which will include an emergency room, surgical and trauma operating rooms, an intensive care unit, and other required support areas with the capacity to serve a population of 300,000.⁵⁰²

Electricity. Construction continued this quarter on the \$3.5 million IRRF **Baladroz Water Treatment Plant Power Supply**,⁵⁰³ and the project is nearly complete. Once operational, the plant will be used to provide the permanent electric power necessary for the **Baladroz Water Treatment Plant**, which will supply drinking water to approximately 72,000 Iraqis.⁵⁰⁴ The **Diyala Weir Rehabilitation Project** was completed this quarter and will increase the amount of farmable land by more than 30% of the current capacity.⁵⁰⁵

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN DIYALA PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—Following the Baladruz Satellite PRT feasibility report and the Khanaqin water conditions assessment, the LGP II recommended training on basic engineering project planning and management, budgeting process and management, and improved irrigation systems. The program also supported the Directorate of Wells with operational and monitoring activities at 10 rehabilitation sites in Baladruz and delivered the annotated Arabic version of the five-year work plan prepared by the PRT water advisor.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—QRF/IRAP funding supports projects to increase the effectiveness of the Agricultural Extension and set up demonstration farms on plasti-culture and propagation of seedlings.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM initiated a conflict assessment to examine the needs of Diyala's communities and the history and sources of conflict within them to develop quick-impact projects.

Community Action Program (CAP II)—Under the CAP II, 31 projects are renovating schools, upgrading the power grid, improving water-distribution networks, and dredging irrigation canals. The program has also provided much-needed equipment and supplies to schools, a health center, and a veterinary dispensary laboratory.

Marla Ruzicka War Victims Fund—There are 44 projects in Diyala. Examples include construction of a multi-purpose hall for the disabled and establishment and expansion of retail shops (clothing, grocery, mobile phone, electrical appliances).

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—This quarter, 120 short-term and 178 long-term jobs were created under the CSP. About 14 projects have been completed, including a trash and rubble removal project in Al Mualmeen. More than 2,820 children have participated in CSP-sponsored youth activities, and more than 70 long-term jobs were created through businesses grants.

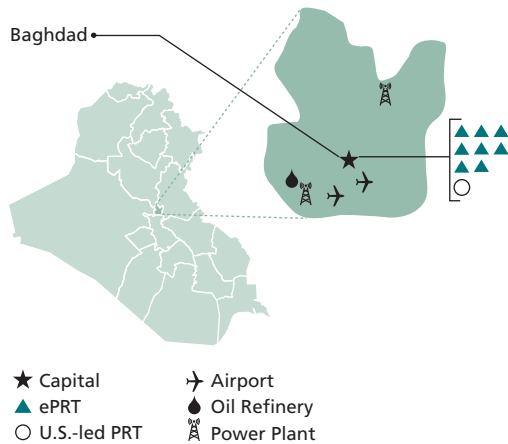
Provincial Economic Growth (PEG)—Tijara supports microfinance institution with 900 outstanding loans, valued at \$1,387,355. Since inception, 2,390 loans have been disbursed at a combined value of \$5,369,112.

Agriculture Project—Inma carried out maize planting and environmental monitoring of winter crop demonstrations in Diyala.

National Capacity Development (NCD)—Tatweer has trained more than 310 officials from Diyala in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, and anticorruption.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA funding supports renovation of the Qahira Primary School for Boys in Ba'quba. To generate income in the community and increase access to education, OFDA began the project through local partnerships and in coordination with the U.S. Department of Education. The project is 20% complete.

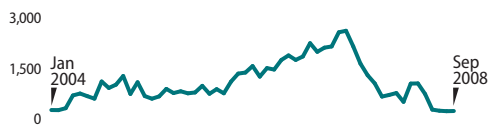
Source: USAID, response to SIGIR data call, 10/6/2008.



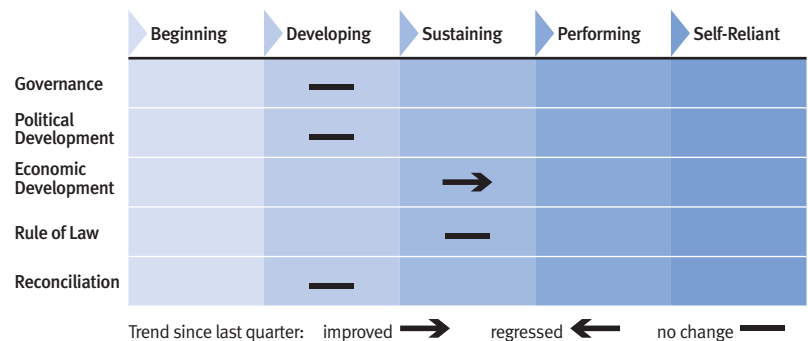
BAGHDAD

Population:^a **6.4 million**
 Religion:^b **20% Sunni, 80% Shia**
 Capital Budget:^c **\$884.5 million, 25% expended**
 U.S. Projects:^d **18,257**
 U.S. Project Costs:^d **\$6.7 billion**
 PIC Date:^e **May 2009**

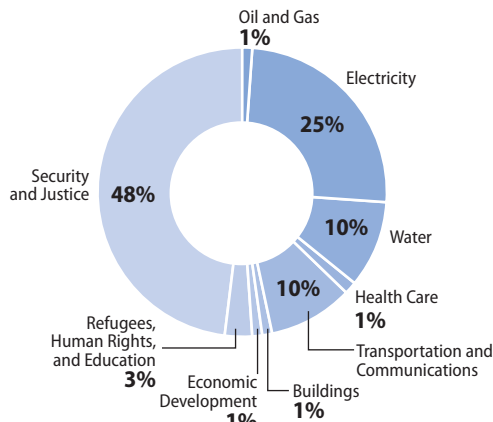
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	22	\$22.50	4	\$24.62
Electricity	739	\$1,291.51	75	\$416.05
Water	1,131	\$509.10	140	\$154.50
Health Care	262	\$72.53	37	\$14.48
Transportation and Communications	524	\$580.95	51	\$60.29
Buildings	82	\$39.07	7	\$1.00
Total	2,760	\$2,515.65	314	\$670.94

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Baghdad at a Glance

Funding per Capita	IRRF 2 Project Costs	\$772
	ISFF Project Costs	\$545
	ESF Project Costs	\$159
	CERP Project Costs	\$169
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$884.50 M
Security	Total Attacks 4/1/2008–7/1/2008	2,221
	Total Attacks 7/1/2008–9/30/2008	867
	Provincial Iraqi Control	May 2009
Economy	State Owned Enterprises (SOEs)–Factories	48
	Iraqi First Contract Actions	5,331
Infrastructure	Avg. Load Served (MWh) for the Quarter	28,863
	Avg. Demand (MWh)	60,246
	Internet Users	152,000
	U.S.-supported Primary Healthcare Centers	30
Governance	Internally Displaced Persons (IDPs)	1,785,680
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$147.53 M
	% of PRDC Budgeted Awarded	64%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	1,543
	Community Action Program (CAP) Projects	1,076
	Value of CAP	\$34.00 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. PRT Baghdad and eight ePRTs have capitalized on the decrease in violence to strengthen public services across the city's districts and neighborhoods. The groups have noted a number of recent successes:⁵⁰⁶

- transferring joint U.S.-Iraqi reconstruction committees (in both rural and urban Baghdad) to Iraqi control
- enhancing project coordination and dialogue between provincial, national, and district representatives
- providing communication and media training to journalists and government spokespersons
- establishing a legal clinic that has offered counsel to 8,000 detainees
- expending \$7.5 million in CERP grants for small businesses
- supporting NGO activities that initiate local projects, including providing 10 contracts to conduct classes on clerical work, literacy, sewing, and artisan skills
- providing fuel to Sadr City and Adhamiyah



Hope and Riley, Bengal tigers donated to the Baghdad Zoo from the North Carolina Conservators' Center. (U.S. Embassy photo)

- publishing, distributing, and supporting revenue-generating ideas for the new Mansour newspaper
- supporting the creation of eight community councils, eight agricultural unions, and five business associations around Mahmudiyah Qada

Rural efforts focus on bolstering agricultural capacity. In the poultry industry, \$800,000 in CERP funding was used to rehabilitate poultry facilities and to purchase eggs and feed. Plans are underway to establish a processing plant to attract investment for the industry. In other areas, an ePRT helped revitalize three factories that support the local agriculture industry.

To strengthen essential services delivery, the ePRTs helped to establish four Public Works Substations next to Joint Security Stations. Addressing potable water shortages also continues to be a focus. The United States has purchased a pipe to complete a crucial water line between Mahmudiyah and Al-Rasheed.

Other efforts have addressed economic development.⁵⁰⁷

- mentoring municipal staff to improve budget, planning, and communications
- sponsoring trade shows to support small and medium-size businesses
- holding meetings with political and religious representatives to promote reconciliation

Despite efforts to promote political reconciliation, the PRTs and ePRTs have reported several vacancies in provincial council seats as well as the assassination of council members.⁵⁰⁸

Water. PRT Baghdad and MND-B are working with city officials on potable water for Baghdad city. Potential sites were examined to install equipment supplied by the division to help alleviate the potable water shortage. Funding for storage and distribution networks for the potable water produced by these units will be provided by the Amanat and the Provincial Council (PC).⁵⁰⁹

TABLE 3.3
U.S. EFFORTS TO SUPPORT THE BAGHDAD ZOO

PROJECT NAME	CONSTRUCTION COST	DATE COMPLETED	% COMPLETED
Black 601, Baghdad Zoo Generator Repair	\$84,000.00	7/10/2007	100%
Baghdad Zoo Incinerator	\$49,900.00	5/14/2005	100%
Baghdad Zoo Renovation	\$26,650.00	7/29/2007	100%
Black 620, Porcupine Habitat	\$25,000.00	Not Yet Completed	50%
Baghdad Zoo Arabian Horse Walker	\$3,800.00	6/14/2005	100%
Humane Slaughter at Baghdad Zoo	\$1,000.00	4/17/2005	100%

Source: IRMS, *CERP Excel Workbook*, 10/3/2008.

Facilities. Trash pickup services will no longer be funded under the U.S. Community Stabilization Program. The Amanat (City Hall) in Baghdad is concerned that it will have to assume this role across Baghdad city.⁵¹⁰

Community Support. In the Khadamiya district, Community Action Program staff and the Commander's Action Group worked on a firehouse project that provided additional sleeping space for firefighters, fire support equipment, and covered parking.⁵¹¹

Tourism. In August 2008, the North Carolina Conservators' Center donated two rare Bengal tiger cubs to the Baghdad Zoo.⁵¹² Funding for transporting the tigers to Iraq was provided by the U.S. Embassy at a cost of more than \$66,000. The zoo is in a safe location and is provided with 24-hour security inside and outside its gates. There are nearly 10,000 visitors every Friday and Saturday and 2,000 to 3,000 visitors on weekdays. Zoo attendance has increased significantly since 2006, when only about 150 people visited each day. The zoo cares for 788 animals in 62 exhibits.⁵¹³ The United States funded Baghdad Zoo

renovation efforts with \$190,000 of CERP funds. For a list of zoo projects, see Table 3.3.

Justice. ITAO, GRD, Embassy Rule of Law, PRT Baghdad, and other U.S. agencies worked together to inaugurate the new **Rusafa Central Court House** (also known as the **Palace of Justice**). The work was completed on time, and the judiciary is ready to begin court operations.⁵¹⁴

Although Baghdad continues to experience bombings and other attacks, the overall rate of violence has fallen to the lowest levels since 2004. According to DoD, al-Qaeda in Iraq has attempted to regenerate basing around the city's northwest and southeast regions.⁵¹⁵

GRD Reconstruction Updates

Valued at more than \$3 billion, 1,352 GRD projects support the Baghdad province. Of this total, 1,202 have been completed, 104 are ongoing, and 46 are planned to begin.⁵¹⁶ The largest percentage of completed and ongoing project costs was devoted to electricity projects. GRD reports that electricity projects totaling more than \$255 million remain ongoing.⁵¹⁷

Electricity. Currently, 75% of Baghdad homes and businesses are connected to electrical distribution lines. Several projects are nearing completion to increase the generation, transmission, and distribution of electricity in the province.⁵¹⁸ This quarter, work concluded on the **11kV Feeders Abu Deshir** project, which provided 12 new distributors. The \$1.7 million project is expected to serve up to 20,000 Iraqis. Two key projects are slated for completion in December 2008.⁵¹⁹ Since February 2007, work has been progressing on the \$161 million **Al Qudas Gas Turbine Expansion**. Now 85% complete, this project will provide power to an additional 180,000 homes on the Baghdad/Anbar Grid. When completed, the \$48 million **Jameela, Farabi, Mu 132kV Substation** transmission project would assist nearly 70,000 Iraqi customers.⁵²⁰

Water. Projects related to public works and water make up the third-largest portion of ongoing project costs in Baghdad. The goal of these projects is to create access to potable water and sewage services for all residents. Currently, only 30% of Baghdad residents are connected to water

distribution lines.⁵²¹ To increase the distribution of potable water, work on the \$1.2 million **Al Doura M826 Water Network** will construct a pipe system that will serve nearly 15,000 residents. The project is currently 90% complete.⁵²²

Facilities. This quarter work concluded on the Rusafa Central Court House, which is intended to serve the more than one million residents of Rusafa.⁵²³ Construction began on the \$7.9 million courthouse in November 2006, and it will serve as a model for future courthouses in Iraq.⁵²⁴

Communications. Ongoing telecommunications projects in the Baghdad province are currently valued at just under \$70 million.⁵²⁵ This quarter, the **Al Mamoon Exchange & Telecommunication Center** faced several challenges related to project redesigns and material delivery. GRD reports that the design process has been slow and work force reductions were observed in the month of June. The \$22.7 million project has been delayed halfway through construction of the center, which will include offices, switchgear, and a communications tower.⁵²⁶

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN BAGHDAD PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—This quarter, the Baghdad Provincial Council approved the Provincial Development Plan for 2009, which was created with support from the LGP II. The plan prioritizes 324 projects from 22 sectors and it was delivered by the governor's office to the Minister of Planning in September. The LGP II funds professional training for three positions at each of the region's 15 district councils, totaling 20 administrators, 15 engineers, and 10 accountants. The program also funded 20 positions at the Baghdad Provincial Council that were filled in August. The **Baghdad Amanat Training Center** (built with LGP support in 2004) was expanded to increase its volume from 400 to 900 trainees per month to work in mapping, geographic information systems (GIS), and water treatment. The center provides specialized training for testing potable water, and during the last 2 quarters, 44 faulty sewage systems were repaired, 2 sewer networks renewed, and 10 pump stations were rehabilitated. Two landfills, 9 transfer stations, 180 trash collection trucks, and 14 maintenance centers have been put into place.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—The program allows PRTs and ePRTs to fund activities in support of development plans, including the PRT/ePRT Work Plan, the local Unified Common Plan (UCP), and the Provincial Development Strategy. The QRF/IRAP established two newspapers—one that targets youth and sports and the other a general newspaper for mass consumption—and assisted the independent newspaper Albilad Alyom. The program also funded a **Baghdad Provincial Council Media Committee Briefing Room** and renovation of the **Hawr Rajab Veterinary Clinic**, **Saydiyah Fish Market**, and **9 Nissan Markets**.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM completed a conflict assessment to examine the needs of Baghdad communities and the history and sources of conflict within them to develop quick-impact projects. The program also funded **Training for Disenfranchised Women of Adhamiya**, a project focused on equipping widows with alternate livelihoods. Another project hosted the Global Youth Day Marathon, celebrating diversity during "Karada Day" and featuring disabled participants. The goal of the marathon was to bring together a diverse mix of more than 1,000 young Iraqis to participate in healthy sports competition.

Community Action Program (CAP II)—Under the CAP II, 727 projects are constructing schools, an Internet and communication center, and an ultrasound examination clinic; upgrading the power grid; improving water-distribution networks; and establishing nursing homes, retail stores, grocery shops, factories, and livestock and poultry farms. The project also provided much-needed equipment and supplies to hospitals and schools.

Marla Ruzicka War Victims Fund—There are 468 Marla Ruzicka War Victims Fund projects in Baghdad, creating sewing workshops for women, setting up of stationery and grocery shops, constructing single-family homes, and providing medical treatment and physical therapy to patients. Artificial limbs and emergency assistance are offered to victims and their families of Coalition Force operations.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—This quarter, 22,125 short-term and 479 long-term jobs were created under the CSP. Approximately 16 projects were completed, including the **Taji Market Revitalization**, which created 549 months of employment. The **Belat Al Shuhada'a Health Center** was rehabilitated and supplied with equipment to improve and increase service. The CSP sponsored nearly 20,000 young Iraqis for soccer tournaments and fine arts exhibits, and 3,615 trainees have graduated from CSP-sponsored construction and non-construction courses throughout Baghdad. The program also funded apprentice training for 145 vocational school graduates. Through small CSP grants, more than 230 long-term agricultural jobs were created, including work with the **Jassim Fish Lakes**, in Mahmodiyah/Radhwaneya, and the **Fanar Greenhouse Farm**, in Istiqlal.

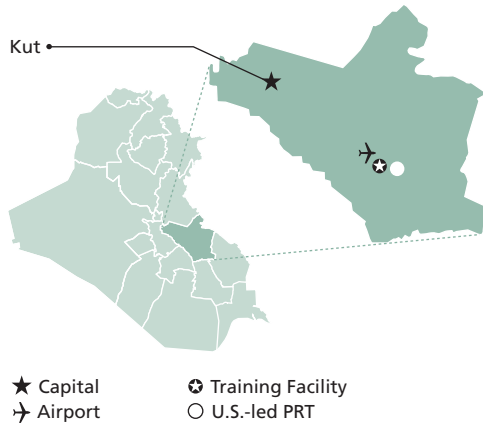
Provincial Economic Growth (PEG)—Tijara supports two microfinance institutions in Baghdad: **Al-Bashair**, the Iraqi-owned and operated microfinance centers with headquarters in Mansour, and the **Cooperative House Foundation**, with headquarters in Hilla, Babylon. Since inception, 13,948 loans have been disbursed, valued at \$24,809,702. Currently, 4,519 loans remain outstanding, with a collective value of \$5,237,539. Tijara also provides technical assistance, training, and capacity building for Iraqi-owned Small Business Development Centers (SBDCs), such as the **Iraqi Association of Securities Dealers (IASD)**. Generally, SBDCs offer training and consultative products in the local community.

Agriculture Project—Inma has several agricultural initiatives in Baghdad province. Examples include greenhouse demonstration projects in Taji and rehabilitation of the **New Baghdad Market**, and distribution of high-quality seeds and plastic for greenhouses in Taji and the Abu Ghraib region, as well as provision of non-electric water pumping for feedlots and nurseries.

National Capacity Development (NCD)—Tatweer has trained more than 7,400 officials from Baghdad in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption. The program can respond to specific needs of the ministry staff with tailored workshops and a train-the-trainer program that allows the ministries to deliver their own internal curriculums.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA assists IDPs in Baghdad, through three implementing partners, in these sectors: health; logistics and relief commodities; protection; shelter and settlements; water, sanitation and hygiene; and economy and market systems.

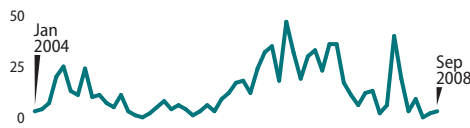
Source: USAID, response to SIGIR data call, 10/6/2008.



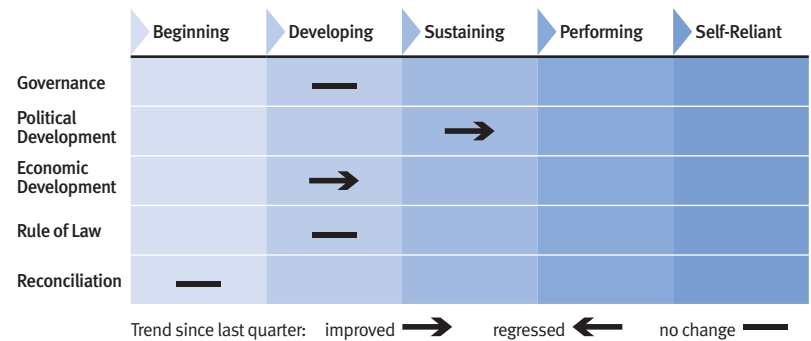
WASSIT

Population:^a **942,000**
 Religion:^b **100% Shia**
 Capital Budget:^c **\$134.7 million, 25% expended**
 U.S. Projects:^d **1,431**
 U.S. Project Costs:^d **\$457.7 million**
 PIC Date:^e **October 2008**

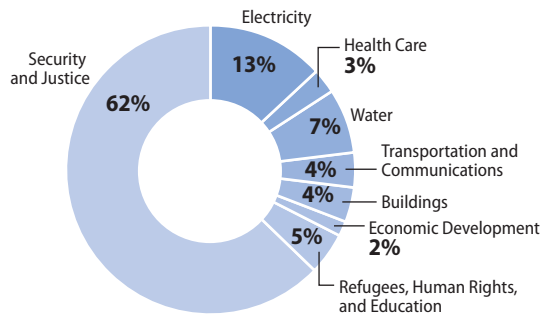
Total Security Incidents by Month^f



PRT Maturity Model^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	128	\$53.38	3	\$6.78
Water	221	\$31.12	10	\$2.02
Health Care	90	\$11.69	4	\$0.89
Transportation and Communications	82	\$17.56	4	\$0.89
Buildings	88	\$12.16	2	\$5.61
Total	609	\$125.91	23	\$16.18

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Wassit at a Glance

Funding per Capita	IRRF 2 Project Costs	\$447
	ISFF Project Costs	\$155
	ESF Project Costs	\$82
	CERP Project Costs	\$68
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$134.70 M
Security	Total Attacks 4/1/2008–7/1/2008	34
	Total Attacks 7/1/2008–9/30/2008	8
	Provincial Iraqi Control	October 2008
Economy	State Owned Enterprises (SOEs)–Factories	1
	Iraqi First Contract Actions	283
Infrastructure	Avg. Load Served (MWh) for the Quarter	3,089
	Avg. Demand (MWh)	6,914
	Internet Users	1,000
	U.S.-supported Primary Healthcare Centers	7
Governance	Internally Displaced Persons (IDPs)	6,179
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$27.92 M
	% of PRDC Budgeted Awarded	91%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	385
	Community Action Program (CAP) Projects	81
	Value of CAP	\$4.36 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. PRT Wassit reported an increase in political engagement this quarter. Wassit political parties are eager to demonstrate more progress to their constituents as elections draw near. The elections are providing a neutral opportunity for discussion with various political parties and organizations, as well as with civil society actors.⁵²⁷

PRT support for reconstruction has been hampered by the lack of control over operations and maintenance funding. The governor of Wassit and the Provincial Council (PC) wrestle over control of the Agricultural Reconstruction and Development Program budgets. Both the governor and the PC have asked the PRT to mediate a compromise on the 2008 supplemental budget.⁵²⁸



The newly completed Jamaheer clinic in Kut. (USACE photo)

Agriculture. PRT Wassit has identified agriculture and manufacturing as “engines for driving local economic prosperity.”⁵²⁹ Through the Provincial Economic Growth Program, PRT Wassit purchased 50 vouchers to send farmers, engineers, and other business professionals to the local **Small Business Development Center** for training this quarter.⁵³⁰

Education. This quarter, PRT Wassit sponsored the first journalism conference held in southern Iraq. The conference was organized by Iraqi professionals from the media and education sectors, and discussion centered on the role of free press in Iraq’s democracy and the current challenges faced by Iraqi journalists. The three-day conference concluded on July 23, 2008, in Kut.⁵³¹

GRD Reconstruction Updates

GRD reported 6 projects ongoing in Wassit province, valued at \$12.47 million.⁵³²

Health Care. Work concluded on the \$300,000 **Primary Health Center** in Al Jamaheer this quarter. Construction began in August 2006.⁵³³

Transportation. Rehabilitation on a 25-km road was completed this quarter. The \$2.4 million project included the **Ahrar-Numaniyah Road** and a portion of the **Numaniyah-Zubadieyah Road** in Wassit.⁵³⁴

Water. Since July 2006, work has been underway to construct a new water treatment plant for the village of Al Jazaer. Work included installation of a compact-unit water treatment plant with a capacity of 50 cubic meters per hour, an above-ground storage reservoir, and nearly 10.2 linear kilometers of water networks.⁵³⁵

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN WASSIT PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—The quarter, the LGP II delivered training to 100 people on public budgeting and auditing, as well as administrative courts, institutional development, election systems, negotiation and problem solving, rural economic development, project implementation, basic management, and district reconstruction strategies. The program provided additional training on leadership and management for the provincial and local councils, including media and public relations committees and other key officials.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—The program allows PRTs and embedded PRTs to fund development planning activities, producing the PRT/ePRT Work Plan, the Local Unified Common Plan (UCP), and the Provincial Development Strategy (PDS).

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM prepared a conflict assessment to examine the needs of Wassit's communities and the history and sources of conflict within them to develop quick-impact projects.

Community Action Program (CAP II)—Under the CAP II, 6 projects are renovating facilities and supplying equipment for the hearing and speaking impaired at information technology labs in 5 vocational schools.

Marla Ruzicka War Victims Fund—There are no Marla Ruzicka War Victims Fund projects in Wassit.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—CSP is not active in Wassit.

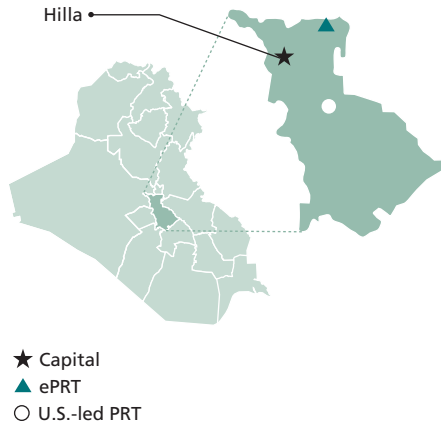
Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 337 outstanding loans, estimated at \$598,400.

Agriculture Project—Inma is conducting a tomato demonstration trial in Kut with a select group of farmers. The purpose of the trial is to demonstrate the profit potential of producing new high-solid tomato varieties. Inma also provides seed, fertilizer, soil-testing, and technical support.

National Capacity Development (NCD)—Tatweer has trained more than 1,030 officials from Wassit in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA assists IDPs in Wassit, through three implementing partners, in these sectors: health; logistics and relief commodities, protection; shelter and settlements; water/sanitation and hygiene; humanitarian coordination and information; and economy and market systems.

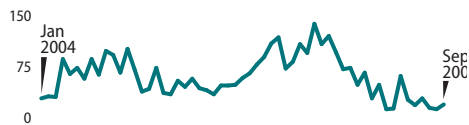
Source: USAID, responses to SIGIR data call, 10/2/2008 and 10/6/2008.



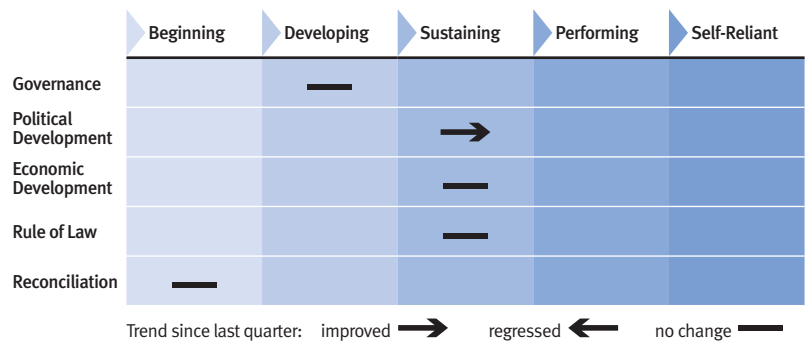
BABYLON

Population:^a **1.4 million**
 Religion:^b **5% Sunni, 95% Shia**
 Capital Budget:^c **\$200.8 million, 43% expended**
 U.S. Projects:^d **2,277**
 U.S. Project Costs:^d **\$451.2 million**
 PIC Date:^e **October 2008**

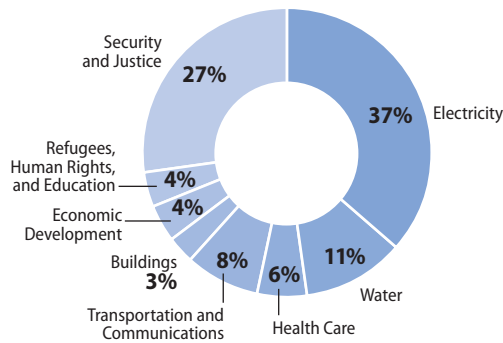
Total Security Incidents by Month^f



PRT Maturity Model^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	145	\$161.74	5	\$2.84
Water	226	\$46.02	14	\$5.33
Health Care	92	\$17.71	8	\$7.64
Transportation and Communications	175	\$25.36	8	\$11.67
Buildings	64	\$9.74	2	\$4.73
Total	702	\$260.57	37	\$32.21

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Babylon at a Glance

Funding per Capita	IRRF 2 Project Costs	\$216
	ISFF Project Costs	\$31
	ESF Project Costs	\$40
	CERP Project Costs	\$123
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$200.80 M
Security	Total Attacks 4/1/2008–7/1/2008	81
	Total Attacks 7/1/2008–9/30/2008	54
	Provincial Iraqi Control	October 2008
Economy	State Owned Enterprises (SOEs)–Factories	10
	Iraqi First Contract Actions	381
Infrastructure	Avg. Load Served (MWh) for the Quarter	4,387
	Avg. Demand (MWh)	9,678
	Internet Users	3,000
	U.S.-supported Primary Healthcare Centers	7
Governance	Internally Displaced Persons (IDPs)	25,839
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$26.85 M
	% of PRDC Budgeted Awarded	126%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	412
	Community Action Program (CAP) Projects	95
	Value of CAP	\$6.87 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. PRT Babylon and the ePRT reported their clear shift of focus from infrastructure construction projects and immediate security needs to capacity-development and sustainment initiatives. Since 2006, the PRT has constructed multiple schools and health clinics in addition to these U.S. programs and projects.⁵³⁶

- funding a \$3.2 million CERP-funded project to create the **Central Euphrates Farmers Market and Agricultural Center** (also supported by the Ministry of Agriculture)

- establishing a Water/Sewage Technical Committee with members of the local Provincial Council and Directors General to develop a 10-year plan for the water sector
- training new PRT agricultural advisors
- developing microfinance organizations with \$370,000 through a local NGO, **Izdiaharona for Economic Development**

The PRT also noted significant challenges to their work:⁵³⁷

- Security tensions between Coalition forces and provincial entities arose after the removal of



Musayib Maternity Hospital under construction in Babylon. (USACE photo)

20 detainees from Iraqi custody without any record of the extractions. The PRT is working to engage moderates from the Jaysh al-Mahdi and the military on the release of a party leader.

- Extensive time is required to approve projects valued at more than \$25,000. For example, delays to build a bypass around Hilla have caused “bad feelings in the provincial capital.”

Health. Provincial authorities are successfully handling the recent outbreak of cholera in Babylon. They have been able to test and treat suspected cases using existing resources.⁵³⁸

In August 2008, more than 400 Iraqis in Jazira village received basic health services from the Civil Affairs Office (CA), the Iraq Procurement Assistance Office, doctors and nurses from Al-Hillah Hospital, and a team of U.S. special forces medics and medical professionals. The CA also provided school supplies, toys, and personal hygiene items to residents.⁵³⁹

Agriculture. The GOI allocated \$500,000 to support the replacement of refrigeration lines at the **Hillah Cold Storage Plant**. This effort builds on the other elements of the \$1.8 million CERP project and signifies a “major collaborative infrastructure project.” This project will expand agricultural activities while the province awaits the delivery of new refrigeration system

equipment, such as compressors, condensers, and evaporators.⁵⁴⁰

Security. Nearly 750 Iraqi Police (IP) trainees have graduated and will enter the new IP Emergency Battalion to be deployed in south Babylon. The trainees received more than two months of theoretical and practical classes in law, human rights, and military fields.

The United States transferred control of security to the Iraqi Security Forces (ISF) on October 23, 2008.⁵⁴¹ U.S. military leaders report that improvements to local ISF capabilities and contributions from the Sons of Iraq have established an environment where the population feels safer and the economy continues to expand.⁵⁴²

GRD Reconstruction Updates

GRD reported 16 projects ongoing in Babylon province, valued at \$30.20 million.⁵⁴³

Health Care and Education. Of the total ongoing project costs, buildings, health care, and education account for 42%, at a combined cost of \$12.6 million. This quarter, construction of the \$5.0 million **Musayib Maternity Hospital** continued.⁵⁴⁴ Construction began in July 2007, and the project is now 70% complete. Work concluded this quarter on the \$2.8 million **Al Hilla Medical and Children’s Hospital**. This project completed renovations required to bring the hospital up to new Iraqi and international codes.⁵⁴⁵

Last quarter, a contract was awarded for the **Al-Hassan School** project, valued at \$400,000. This quarter, work began to construct a 12-classroom school that will include equipment and furniture.⁵⁴⁶

Security and Justice. Work continues this quarter on the construction of the new **Al Hillah Courthouse**. The project, valued \$6.6 million, is now 61% complete.⁵⁴⁷ GRD estimates that work will conclude in November 2008.⁵⁴⁸

Transportation. This quarter, three transportation and communication projects were in progress at a combined cost of \$5.9 million.⁵⁴⁹

PRDC Babil Road, 80th Street was the central focus of work in the sector, valued at \$4.2 million. The project paved 10.6 kilometers of four-lane highway in Hilla.⁵⁵⁰

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN BABYLON PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—The LGP II continues to provide training on the new Provincial Law to provincial and local council members. The program also helped organize a regional conference on women’s political participation that drew more than 275 participants from the central government and provincial officials from five south-central provinces, as well as civil society organizations (CSOs) and universities. The LGP II assisted the Babylon Provincial Council in organizing a conference to strengthen the agricultural extension services provided to farmers. Central and local government officials of the region’s five provinces attended.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—The program funded basic school supplies for children, distribution of GOI election information and voter registry, as well as the rehabilitation of the Khidr Economic Council and Al Ghoroni Tribal Area facilities and a portion of the electrical grid in Hilla.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM prepared a conflict assessment to examine the needs of Babylon’s communities and the history and sources of conflict within them to develop quick-impact projects.

Community Action Program (CAP II)—Under the CAP II, 15 projects are rehabilitating a primary school, upgrading the power grid, and providing medical equipment to a local clinic.

Marla Ruzicka War Victims Fund—There were two Marla Ruzicka War Victims Fund projects in Babylon, which provided livestock to victims’ families.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

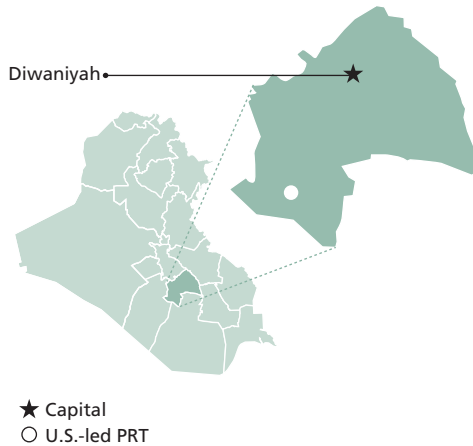
Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 199 outstanding loans, valued at \$655,900. Since inception, 879 loans have been disbursed, with a combined value of \$2,552,450. Tijara also provides technical assistance, training, and capacity building for Iraqi-owned Small Business Development Centers (SBDCs). Generally, SBDCs offer training and consultative products in the local community.

Agriculture Project—Inma is improving fish farming across Iraq’s Babylon Province, home to 70% of Iraq’s fisheries, including the **Euphrates Fish Farm**. The program established five packing sheds feeding into the Baghdad urban area to improve quality, handling, packaging, and marketing of locally produced fruits and vegetables.

Community Stabilization Program (CSP)—This quarter, about 2,580 short-term jobs and 1,300 long-term jobs were created under the CSP. The program sponsored soccer tournaments for nearly 1,100 children, a water-conservation campaign, and other community events. The CSP has placed 183 vocational school graduates in apprenticeship programs and sponsored enrollment for 750 trainees in construction and non-construction courses. Approximately 325 CSP grants were awarded at a combined value of \$1.4 million.

National Capacity Development (NCD)—Tatweer trained more than 755 officials from Babylon in public administration and management areas.

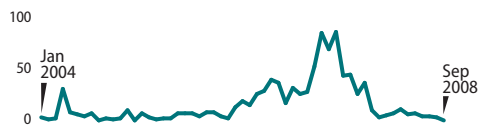
Source: USAID, response to SIGIR data call, 10/6/2008.



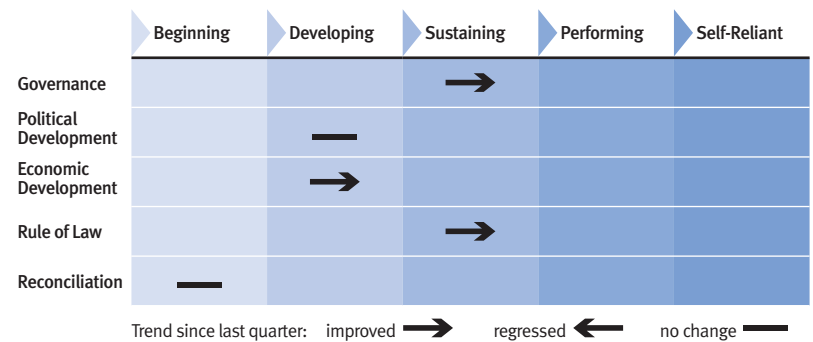
QADISSIYA

Population:^a **867,000**
 Religion:^b **100% Shia**
 Capital Budget:^c **\$132.4 million, 18% expended**
 U.S. Projects:^d **1,479**
 U.S. Project Costs:^d **\$298.3 million**
 PIC Date:^e **July 2008**

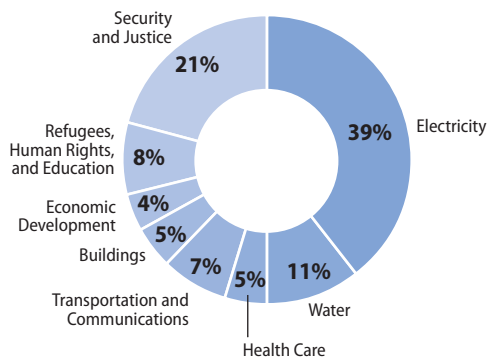
Total Security Incidents by Month^f



PRT Maturity Model^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	126	\$91.38	2	\$26.35
Water	186	\$28.72	14	\$3.13
Health Care	76	\$13.79	1	\$0.56
Transportation and Communications	70	\$21.32	2	\$0.99
Buildings	56	\$13.66	—	—
Total	514	\$168.87	19	\$31.03

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Qadissiya at a Glance

Funding per Capita	IRRF 2 Project Costs	\$244
	ISFF Project Costs	\$67
	ESF Project Costs	\$32
	CERP Project Costs	\$95
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$132.40 M
Security	Total Attacks 4/1/2008–7/1/2008	17
	Total Attacks 7/1/2008–9/30/2008	7
	Provincial Iraqi Control	July 2008
Economy	State Owned Enterprises (SOEs)–Factories	4
	Iraqi First Contract Actions	266
Infrastructure	Avg. Load Served (MWh) for the Quarter	2,925
	Avg. Demand (MWh)	5,760
	Internet Users	8,000
	U.S.-supported Primary Healthcare Centers	5
Governance	Internally Displaced Persons (IDPs)	843
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$24.63 M
	% of PRDC Budgeted Awarded	75%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	271
	Community Action Program (CAP) Projects	60
	Value of CAP	\$5.68 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. PRT Qadissiya reports that conditions in the province have improved tremendously, especially since transfer of security control to the ISF in July 2008.⁵⁵¹

PRT Qadissiya reports facing challenges coordinating with the Coalition forces (CFs).⁵⁵² The PRT has not been able to ensure that military units fully evaluate the consequences of projects

funded by the CERP or that they receive Iraqi buy-in before implementation. The PRT has recommended that CFs coordinate with PRT advisors on CERP and I-CERP projects.⁵⁵³

Security. The Ministry of Interior allocated \$6 million to build a police training center in the province. Previously, Qadissiya officials depended on neighboring provinces to provide training facilities.⁵⁵⁴



Construction of the Diwaniyah 132kV AIS Substation in Qadissiya now completed. (USACE photo)

Water. Access to clean drinking water continues to concern the provincial council. The PRT reported this quarter that many of the province's residents continue to purchase bottled water because of the lack of capacity at the main water treatment plant in Qadissiya.⁵⁵⁵

After an outbreak this quarter in Missan province, Qadissiya health officials took precautions to prevent the spread of cholera. The Health Ministry distributed medication to outlying districts and villages in Qadissiya province.⁵⁵⁶

Agriculture. The PRT reported this quarter that the province's date palms are threatened by disease and insect infestation because of a lack of insecticides and minimal government support in recent years. Poor weather conditions further exacerbate the situation.⁵⁵⁷

Transportation. PRT Qadissiya reported that the construction of the main road through the Al Mukdad neighborhood is 50% complete.

The road project, which is part of the province's 2008 provincial development strategy, is scheduled for completion by the end of 2008.⁵⁵⁸

Education. Construction of 8 new schools and refurbishment of 14 schools were completed this quarter in time for the start of a new school year. The PRT reported that school enrollment appears to be up as a result of the improved economic and security situation in the province.⁵⁵⁹

GRD Reconstruction Updates

GRD reports 5 projects ongoing in Qadissiya province, valued at \$33.67 million.⁵⁶⁰

Education. In an effort to support education for under-privileged female students in Qadissiya, work continues on the \$1.2 million **Al Irshad Secondary School for Girls**, which will offer higher education to female honor students who cannot afford higher education. Students will be accepted to the school through

a nomination process from their local principals as well as the governor of Qadissiya. The finished school will be able to accommodate 360 students.⁵⁶¹

Health Care. Since March 2008, construction has been underway on a new **Primary Healthcare Center** in Qadissiya. The \$500,000 project is currently 40% complete, and when finished, it will serve the nearly 15,000 residents of

a distressed neighborhood. GRD estimated that the project would be completed in December 2008.⁵⁶²

Electricity. This quarter, the largest project completion in Qadissiya was the **Diwaniyah 132kV AIS Substation**, valued at \$24.8 million. The substation will reduce the burden of the two existing substations and increase electricity delivery to nearly 400,000 residents.⁵⁶³

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN QADISSIYA PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—This quarter, provincial authorities signed a memorandum of understanding to install the **Governorates Accounting and Project Tracking Information System (GAPTIS)** after the LGP II demonstrated the system. The program also trained more than 100 local and provincial officials on administrative courts, institutional development, election systems, negotiation and problem solving, rural economic development, project implementation, basic management, and district reconstruction strategies. Also, council officials and key administrators received training on leadership and management.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—Program funding supports the Governorate Election Office and Afak Courthouse Project.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM organized a cultural fair showcasing artistic talent of the region for 800 attendees. The fair incorporated a variety of organizations, religions, and nationalities to promote nationalism through diversity. The program also plans to construct playgrounds throughout the province to distract children from violence and encourage peer bonding.

Community Action Program (CAP II)—Under the CAP II, 5 projects are renovating facilities, providing computer equipment to schools, supporting a literacy campaign for women, and constructing a children's playground.

Marla Ruzicka War Victims Fund—There are no Marla Ruzicka War Victims Fund projects in Qadissiya.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—CSP is not active in Qadissiya.

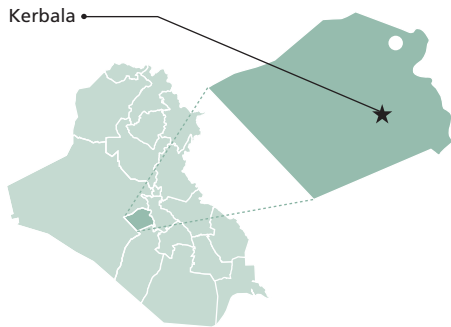
Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 63 outstanding loans, valued at \$173,400. The program also continues to provide technical assistance, training, and capacity building to the Iraqi-owned Al Murshid Center, one of many Small Business Development Centers around Iraq.

Agriculture Project—Inma is not active in Qadissiya.

National Capacity Development (NCD)—Tatweer has trained more than 629 officials from Qadissiya in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption. The program can respond to specific needs of the ministry staff with tailored workshops and a train-the-trainer program that allows the ministries to deliver their own internal curriculum.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA assists IDPs in Qadissiya, through three implementing partners, in these sectors: health; logistics and relief commodities, protection; shelter and settlements; water/sanitation and hygiene; humanitarian coordination and information; and economy and market systems.

Source: USAID, response to SIGIR data call, 10/6/2008.



★ Capital
○ U.S.-led PRT

KERBALA

Population:^a 756,000

Religion:^b 100% Shia

Capital Budget:^c \$115.2 million, 22% expended

U.S. Projects:^d 751

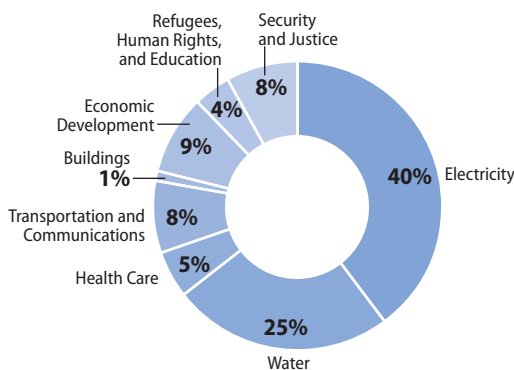
U.S. Project Costs:^d \$202.8 million

PIC Date:^e October 2007

Total Security Incidents by Month^f



Project Cost by Sector^h

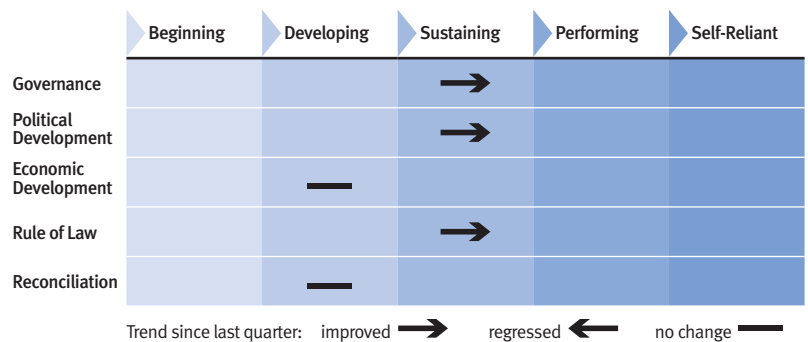


Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

- ^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
- ^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
- ^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
- ^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

PRT Assessment of Progress^g



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	48	\$80.36	5	\$0.40
Water	69	\$44.82	4	\$5.20
Health Care	59	\$10.43	6	\$0.36
Transportation and Communications	40	\$10.18	8	\$6.14
Buildings	27	\$2.34	—	—
Total	243	\$148.14	23	\$12.10

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.

^f OSD, response to SIGIR data call, 10/6/2008.

^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Kerbala at a Glance

Funding per Capita	IRRF 2 Project Costs	\$187
	ISFF Project Costs	\$1
	ESF Project Costs	\$58
	CERP Project Costs	\$70
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$115.20 M
Security	Total Attacks 4/1/2008–7/1/2008	1
	Total Attacks 7/1/2008–9/30/2008	4
	Provincial Iraqi Control	October 2007
Economy	State Owned Enterprises (SOEs)–Factories	3
	Iraqi First Contract Actions	14
Infrastructure	Avg. Load Served (MWh) for the Quarter	3,035
	Avg. Demand (MWh)	6,222
	Internet Users	15,000
	U.S.-supported Primary Healthcare Centers	7
Governance	Internally Displaced Persons (IDPs)	562
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$23.31 M
	% of PRDC Budgeted Awarded	70%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	307
	Community Action Program (CAP) Projects	74
	Value of CAP Projects	\$8.90 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. PRT Kerbala reported that residents and officials were not aware of the substantial expenditure of U.S. funds on civil projects in the province, such as a major sewage treatment plant and several electrical substations.

That aside, the PRT noted rapid improvements in the province.⁵⁶⁴

- return to Provincial Iraqi Control in October 2007
- increased security
- increased capability of the government branches



Shia and Sunni Muslims make their way to the Imam Husayn Shrine in Kerbala, during their pilgrimage in observance of the Arba'een and Ashura holidays. (USACE photo)

This quarter marked a notable rule-of-law success in the province. A Jaysh al-Mahdi (JAM) leader, wanted for murder and other crimes, was prosecuted in late August 2008 and sentenced to death. The PRT noted that the conviction and sentencing “represent a triumph for the rule of law inconceivable a year ago when provincial leaders launched their campaign to end the free rein the JAM and other militias enjoyed in Kerbala.”⁵⁶⁵

GRD Reconstruction Updates

GRD has completed 77 projects in the province, valued at \$63.65 million, and 9 remain ongoing, valued at \$11.43 million.⁵⁶⁶ Most of the ongoing work is occurring in two projects which address communications and water infrastructure.⁵⁶⁷

Communications. Work concluded this quarter on the \$2.1 million **Al Ghadeer Al Askary Al Muhandiseen** project.⁵⁶⁸ The goal of the project was to construct telecommunications networks in three neighborhoods in Kerbala.

Contractors also began construction on two \$300,000 projects on communications buildings in Hussainiyah and Al Ghadeer. The contractor at the Al Ghadeer site took corrective action this quarter to improve performance after receiving a letter of concern about marginal results.⁵⁶⁹

Water. The **Al Hussain Water Network** is 75% complete.⁵⁷⁰ Nearly 6,000 residents will rely on the water main and network constructed as a result of this project. The project has also provided an opportunity to train local water-sector employees.⁵⁷¹

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN KERBALA PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—The LGP helped organize a regional conference on political participation that drew more than 275 female participants from the central provincial governments and 5 south-central provinces, as well as Civil Society Organizations (CSOs) and universities. More than 100 people, including provincial and local council members, CSOs, tribal leaders, and dignitaries, attended the grand opening ceremony of the Kerbala Public Participation Unit.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—QRF/IRAP funding is supporting coordination of distribution of GOI election information and vote registry.

Iraq Community-based Conflict Mitigation (ICCM)—One project promotes gender equity, diversity, and community development by organizing a network of teachers, students, and leaders in the community. This quarter, 30 female students from various departments were trained in the concepts of civil society, conflict resolution, team building, and tolerance.

Community Action Program (CAP II)—The CAP II has 29 community projects in Kerbala, including an apprenticeship program for unemployed youth, renovations to schools, community power grid upgrades, sewage system repairs, improvements to water-distribution networks, the construction of new facilities for a center assisting the handicapped, and establishment of a women's center, a radio station, and an agricultural research center. The CAP II has also supplied much-needed equipment and supplies to schools.

Marla Ruzicka War Victims Fund—One project in Kerbala reconstructed a single-family home.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 292 outstanding loans, estimated at \$719,900. Tijara also provides technical assistance, training, and capacity building to Iraqi-owned Small Business Development Centers (SBDCs), such as the Women Empowerment Organization. Generally, SBDCs offer training and consultative products in the local community.

Agriculture Project—Inma has provided demonstrations of high-value date syrup as an alternative to industrial date export.

National Capacity Development (NCD)—Tatweer has trained 700 officials from Kerbala in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption. The program can respond to specific needs of the ministry staff with tailored workshops and a train-the-trainer program that allows the ministries to deliver their own internal curriculum.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA provides assistance to IDPs in Kerbala, through two implementing partners, in these sectors: health; protection; shelter and settlements; logistics and relief commodities, water/sanitation and hygiene; humanitarian coordination and information; and economy and market systems.

Source: USAID, response to SIGIR data call, 10/6/2008.



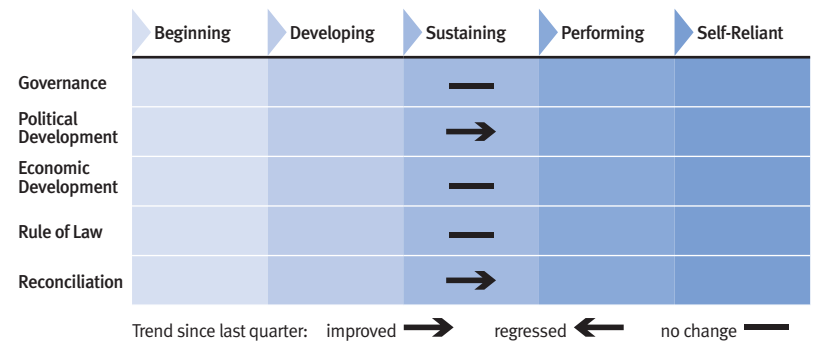
NAJAF

Population:^a **946,000**
 Religion:^b **100% Shia**
 Capital Budget:^c **\$142.3 million, 65% expended**
 U.S. Projects:^d **1,158**
 U.S. Project Costs:^d **\$276.1 million**
 PIC Date:^e **December 2006**

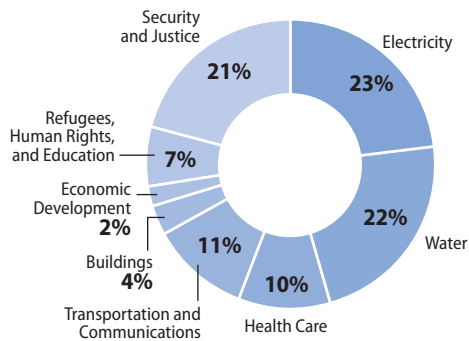
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Electricity	22	\$49.22	1	\$14.70
Water	103	\$36.93	13	\$25.30
Health Care	52	\$28.44	2	\$0.29
Transportation and Communications	75	\$27.18	2	\$2.84
Buildings	44	\$9.12	1	\$0.63
Total	297	\$150.89	19	\$43.76

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was received from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. According to these sources, the Oil and Gas sector accounted for less than one-half percent of the funding.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was received from IRMS. According to these sources, the Oil and Gas sector accounted for zero percent of the funds.

Najaf at a Glance

Funding per Capita	IRRF 2 Project Costs	\$267
	ISFF Project Costs	\$71
	ESF Project Costs	\$53
	CERP Project Costs	\$41
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$142.30 M
Security	Total Attacks 4/1/2008–7/1/2008	4
	Total Attacks 7/1/2008–9/30/2008	1
	Provincial Iraqi Control	December 2006
Economy	State Owned Enterprises (SOEs)–Factories	5
	Iraqi First Contract Actions	15
Infrastructure	Avg. Load Served (MWh) for the Quarter	3,999
	Avg. Demand (MWh)	8,525
	Internet Users	11,000
	U.S.-supported Primary Healthcare Centers	6
Governance	Internally Displaced Persons (IDPs)	N/A
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$25.72 M
	% of PRDC Budgeted Awarded	33%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	392
	Community Action Program (CAP) Projects	68
	Value of CAP Projects	\$2.85 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

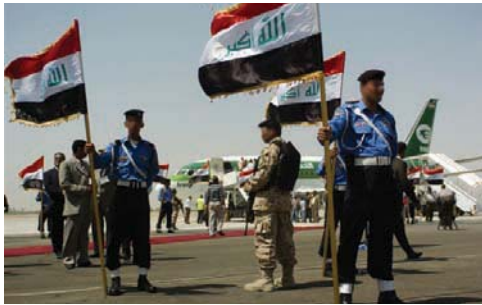
Leadership Insights. Although the provincial authorities do not need the U.S. government to assist with large-scale reconstruction projects, they encourage PRT Najaf and MND-C to coordinate with contractors on these efforts.⁵⁷²

This quarter, the PRT assisted provincial authorities in opening the **Najaf International Airport**, reporting that it employs thousands of local residents and many local firms for construction activities. The PRT aims to replicate this form of partnership in other PRT activities,

especially in the tourism and agriculture sectors.⁵⁷³

Governance. Implementation of the province's **Accounting and Project Tracking Information System** started, and LGP staff members are preparing training courses for the provincial accounting unit staff. Implemented by USAID and its partners, this project aims to link the province to 250 federal ministry departments by the end of 2008.⁵⁷⁴

Work also continues on the **Kufa District Council Meeting Hall**, which was half finished



Iraqi police officers stand guard during the Najaf International Airport inauguration ceremony July 20, 2008. (MND photo)

as of September 20, 2008. The hall received a Wi-Fi microphone system, computer, furniture, and LCD projectors. The District Council is now exploring how to implement electronic government service kiosks to deliver permits to the district's citizens.⁵⁷⁵

Economic Development. Members of the Task Force to Improve Business and Stability Operations (Task Force) visited Najaf province this quarter to review the **Najaf Garment Factory**. The Task Force was following up with a potential large-scale manufacturing operation to provide modern body armor for the Iraqi Army.⁵⁷⁶

Agriculture. To address the lack of electricity to power irrigation pumps, the PRT is exploring use of wind and solar energy in the province. This quarter, PRT officials met with representatives from Najaf's Date Palm Nursery Station and Agriculture Extension Service to implement a QRF-funded model for windmills and solar-panel pumps. The PRT plans to fund five windmills in the province.⁵⁷⁷

Education. PRT officials provided more than 400 new Arabic-language law books to university law faculty at Kufa University through funding from the QRF.⁵⁷⁸ The president of the university also requested that a PRT advisor give several lectures on the U.S. Constitution.

GRD Reconstruction Updates

This quarter, GRD had 4 projects ongoing in Najaf province, valued at \$42.89 million. Nearly \$30 million has funded buildings, health, and education projects.⁵⁷⁹

Water. The **Meshkab Water Supply** project was begun by the GOI and is currently being administered by GRD.⁵⁸⁰ The project aims to increase the quantity and quality of potable water available to the local residents in the city of Al Mishkhab and the surrounding population. The plant will be constructed on the banks of the Euphrates River with the capacity to serve more than 110,000 residents.⁵⁸¹

Transportation and Communications. Seven transportation and communications projects have been completed in Najaf.⁵⁸² This quarter, a \$1.7 million project was completed to restore **Al-Hizam Street** between Kerbala Road and Al-Ada'la Street. Also completed this quarter, the **Kufa Third Bridge** project built a 12-meter concrete bridge across the Euphrates River for \$6.5 million.⁵⁸³

Education. Most funding for projects already completed was allocated to the Building, Health, and Education category. Another education project nears completion as work concludes at **Kufa University**.⁵⁸⁴ The \$2.8 million project to construct the mechanical engineering wing of the engineering building started in September 2007 and was expected to be complete in September 2008.⁵⁸⁵

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN NAJAF PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—The LGP provided technical assistance to four provincial government offices: **Roads and Bridges Department**—on local revenue bookkeeping, improving revenue collection procedures, and bank requisitions for the actual deposit revenues bank account; **Provincial Council Accounting Unit**—on clarification of the 2008 budget execution and improved report preparation and other operational activities; **Provincial General Inspector's Office**—on the government's general auditing system to support efforts to combat corruption and monitor fiscal deviation; **Departments of Health and Electricity**—on 2008 budget execution instructions, preparing operational activity reports, and calculating rates of budget execution.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—QRF/IRAP funding is supporting coordination of distribution of GOI election information and vote registry.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM has prepared a conflict assessment that examines the needs of Najaf's communities and the history and sources of conflict within them to develop quick-impact projects. The project also provides skills training for youth of employable age in computer, television, and small-generator maintenance skills, which are in high demand in Najaf.

Community Action Program (CAP II)—The CAP has seven community projects in Najaf, including building renovations and supply of much-needed equipment to schools, youth centers, and a children's playground.

Marla Ruzicka War Victims Fund—Projects were undertaken by the Marla Ruzicka War Victims Fund to reconstruct a single-family home and provide inventory for a vendor's kiosk.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—CSP is not active in Najaf.

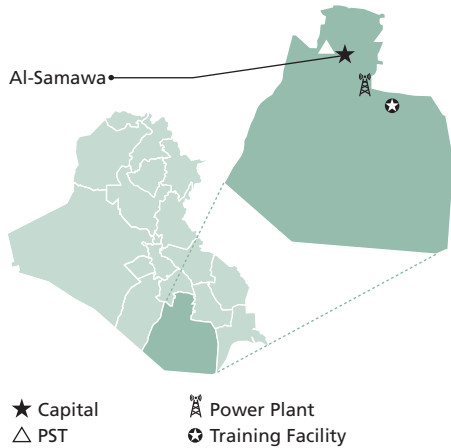
Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 187 outstanding loans, estimated at \$610,980. Since inception, 530 loans have been disbursed with a total value of \$1,321,970. Tijara also provides technical assistance, training, and capacity building to Iraqi-owned Small Business Development Centers (SBDCs), such as the Women Empowerment Organization. Generally, SBDCs offer training and consultative products in the local community.

Agriculture Project—Inma is not active in Najaf.

National Capacity Development (NCD)—Tatweer has trained 660 officials from Najaf in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA provides assistance to IDPs in Kerbala, through three implementing partners, in these sectors: health; protection; shelter and settlements; logistics and relief commodities, water/sanitation and hygiene; humanitarian coordination and information; and economy and market systems.

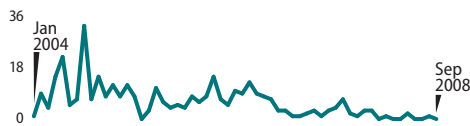
Source: USAID, response to SIGIR data call, 10/6/2008.



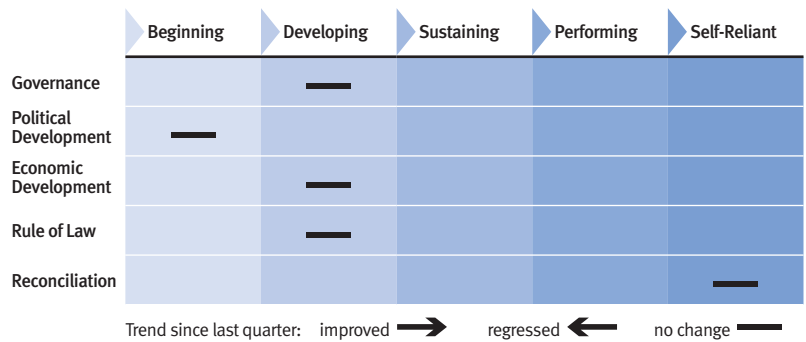
MUTHANNA

Population:^a 536,000
 Religion:^b 100% Shia
 Capital Budget:^c \$83.4 million, 9% expended
 U.S. Projects:^d 742
 U.S. Project Costs:^d \$314.5 million
 PIC Date:^e July 2006

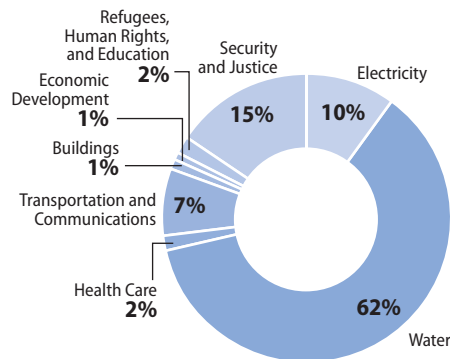
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	3	\$0.47	—	—
Electricity	61	\$27.37	2	\$4.08
Water	91	\$151.91	2	\$41.51
Health Care	37	\$5.01	1	\$0.02
Transportation and Communications	49	\$19.52	3	\$4.01
Buildings	29	\$3.30	—	—
Total	270	\$207.58	8	\$49.62

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.

^f OSD, response to SIGIR data call, 10/6/2008.

^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.

^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. According to these sources, the Oil and Gas sector accounted for less than one-half percent of the funding.

ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Muthanna at a Glance

Funding per Capita	IRRF 2 Project Costs	\$664
	ISFF Project Costs	\$5
	ESF Project Costs	\$77
	CERP Project Costs	\$46
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$83.40 M
Security	Total Attacks 4/1/2008–7/1/2008	2
	Total Attacks 7/1/2008–9/30/2008	1
	Provincial Iraqi Control	July 2006
Economy	State Owned Enterprises (SOEs)–Factories	3
	Iraqi First Contract Actions	10
Infrastructure	Avg. Load Served (MWh) for the Quarter	2,380
	Avg. Demand (MWh)	4,610
	Internet Users	N/A
	U.S.-supported Primary Healthcare Centers	3
Governance	Internally Displaced Persons (IDPs)	281
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$24.95 M
	% of PRDC Budgeted Awarded	50%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	264
	Community Action Program (CAP) Projects	60
	Value of CAP Projects	\$1.78 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. Travel for the staff of PRT Muthanna is facilitated each day by the U.S. Embassy Regional Security Office and the 4th Brigade, 1st Cavalry. The PRT facilitates many engagements with tribal, civic, and business leaders. Although attention was primarily devoted to tribal outreach, the PRT has now changed its approach to include working strategically with the Provincial Council (PC).⁵⁸⁶

The QRF program has 138 projects in progress, and 50 more have already been

completed.⁵⁸⁷ PRT leaders report that their engineers work closely with Iraqis to ensure project success. The PRT staff communicates with the governor's office often and meets with the directors general on a regular basis.⁵⁸⁸

Education. On September 14, 2008, PRT-trained staff from Muthanna's Department of Education held a second workshop for local teachers, who have received laptops through the One Laptop per Child initiative.⁵⁸⁹ Iraq's Ministry of Education established a committee to evaluate the program for possible implementation across

Iraq. Students at three Muthanna schools are scheduled to receive nearly 250 laptops by the end of October 2008.⁵⁹⁰

Community Involvement. The PRT led three distribution drives, which provided food for 600 families to celebrate Iftar.⁵⁹¹ Provincial officials, police, and U.S. soldiers worked with the PRT to gather and distribute food.

Agriculture. Two PRT leaders attended the ribbon-cutting ceremony for four new irrigation pumps, which paved the way for discussions on local agricultural issues. PRT personnel, leaders from the agricultural cooperative, and members of the local tribe addressed the financial and physical requirements to maintain the irrigation pumps, PRT policies, and tribal differences.⁵⁹²

Health Care. Members of the PRT and U.S. military delivered heart defibrillator pads and defibrillator test equipment to a local hospital. During the visit, hospital personnel noted a number of shortages, including textbooks for its first class of medical students, MRI machines, cardiac catheter equipment, and dialysis machines.⁵⁹³

GRD Reconstruction Updates

GRD reports that 5 projects are currently ongoing in the Muthanna Province, valued at \$44.12 million.⁵⁹⁴

Transportation. Two road construction projects concluded this quarter. In August, the \$2.9 million **Muthanna Village Roads** project was completed; it paved 34 kilometers of rural road.⁵⁹⁵ In September, the \$1.6 million **Al Khidr-Al Warkaa Ruins Road** project was finished; it paved 11 kilometers of road from Al Khidr to Al Warkaa Ruins.⁵⁹⁶

Electricity. Work began this quarter on the **Samawa 33kV Underground Feeder project**, which is valued at \$1.8 million.⁵⁹⁷

Water. With the closeout of the fund this quarter, few IRRF projects remain. However, several large projects are nearing completion. For example, the **Eastern Euphrates Drain**, a \$38 million IRRF project, is currently 63% complete. Construction began on November 25, 2006, and is expected to be completed by March 2009. Project construction will also include vehicle bridges.⁵⁹⁸



PRT Muthanna meets with local industrialists. (U.S. Embassy photo)

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN MUTHANNA PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—The LGP conducted five training classes on the new Provincial Law for Muthanna Provincial Council members. Also, the LGP Geographic Information Systems (GIS) team has continued work to combine 53 maps, which cover all areas within the boundary of Al-Samawa City, to draw the first electronic base map for the area. Under the title “Women are Fundamental Partners in Society,” the LGP conducted a women’s conference dealing with violence, political participation, and literacy. Participants included members of Muthanna’s provincial and local councils, directorates, and women’s community service organizations.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM prepared a conflict assessment that examines the needs of Muthanna’s communities and the history and sources of conflict within them to develop quick-impact projects. More than 140 youth gathered this quarter from different areas and ethnicities in Muthanna for sports competition, providing a medium for constructive and positive interaction through activities and discussions on various means of conflict resolution.

Community Action Program (CAP II)—There were no new CAP II projects in Muthanna this quarter.

Marla Ruzicka War Victims Fund—There were no Marla Ruzicka War Victims Fund projects in Muthanna this quarter.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—CSP is not active in Muthanna.

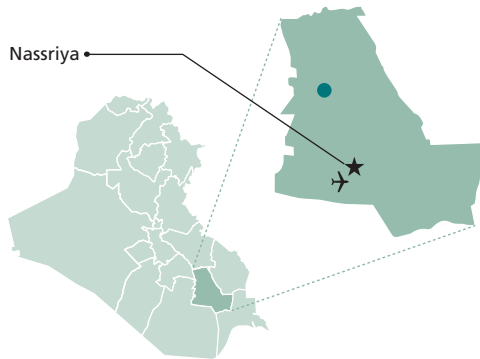
Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 89 outstanding loans, valued at \$239,300.

Agriculture Project—Inma is not active in Muthanna.

National Capacity Development (NCD)—Tatweer has trained more than 650 officials from Muthanna in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption. The program can respond to specific needs of the ministry staff with tailored workshops and a train-the-trainer program that allows the ministries to deliver their own internal curriculums.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA provides assistance to IDPs in Muthanna, through one implementing partner, in these sectors: health; logistics and relief commodities; protection; shelter and settlements; water/sanitation and hygiene; and economy and market systems.

Source: USAID, response to SIGIR data call, 10/6/2008.

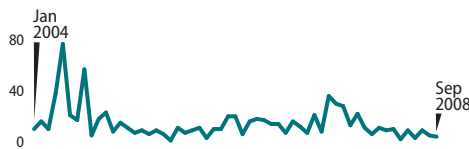


- ★ Capital
- Coalition-led PRT
- Airport

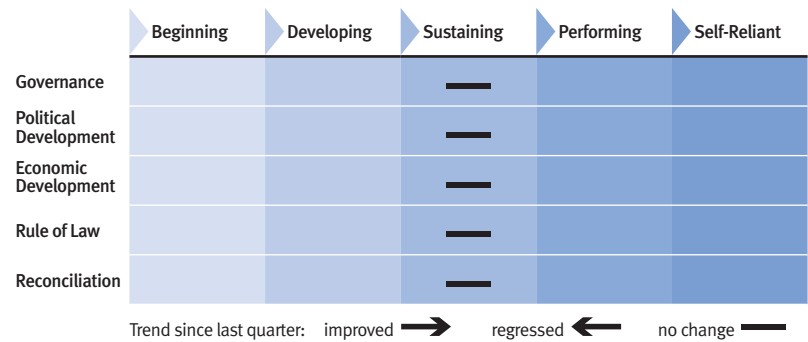
THI-QAR

Population:^a **1.4 million**
 Religion:^b **100% Shia**
 Capital Budget:^c **\$215.8 million, 17% expended**
 U.S. Projects:^d **1,234**
 U.S. Project Costs:^d **\$912.8 million**
 PIC Date:^e **September 2006**

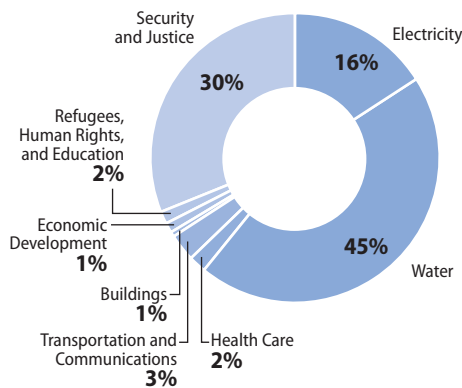
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	3	\$0.43	—	—
Electricity	66	\$132.25	4	\$13.81
Water	169	\$383.30	15	\$26.82
Health Care	80	\$17.11	13	\$0.50
Transportation and Communications	112	\$26.76	6	\$1.34
Buildings	94	\$5.99	1	-
Total	524	\$565.84	39	\$42.47

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

- ^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
- ^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
- ^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
- ^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

- ^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
- ^f OSD, response to SIGIR data call, 10/6/2008.
- ^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
- ^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. According to these sources, the Oil and Gas sector accounted for less than one-half percent of the funding.
- ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Thi-Qar at a Glance

Funding per Capita	IRRF 2 Project Costs	\$1,013
	ISFF Project Costs	\$121
	ESF Project Costs	\$41
	CERP Project Costs	\$29
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$215.80 M
Security	Total Attacks 4/1/2008–7/1/2008	17
	Total Attacks 7/1/2008–9/30/2008	21
	Provincial Iraqi Control	September 2006
Economy	State Owned Enterprises (SOEs)–Factories	2
	Iraqi First Contract Actions	836
Infrastructure	Avg. Load Served (MWh) for the Quarter	6,030
	Avg. Demand (MWh)	9,215
	Internet Users	2,000
	U.S.-supported Primary Healthcare Centers	8
Governance	Internally Displaced Persons (IDPs)	1,966
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$25.80 M
	% of PRDC Budgeted Awarded	43%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	453
	Community Action Program (CAP) Projects	63
	Value of CAP Projects	\$6.21 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. PRT Thi-Qar reports that the major constraint to provincial development is the lack of expertise in nearly all fields.⁵⁹⁹ Previously, the PRT focused on infrastructure development, but recently it began to emphasize capacity building in all projects. The PRT is working on a new project registry system that will promote more efficient administration of

ongoing projects and improve coordination between parties.⁶⁰⁰

Education. This quarter, PRT Thi-Qar provided an opportunity for local surgeons to learn new treatment techniques for dwarfism. The PRT also administered rule-of-law seminars taught by Italian professors on topics such as freedom of religion, women's rights, and evidence gathering for police inspectors. Other



Nassriya Prison Facility. (Digital Globe 2006, 2007 photos)

training courses introduced Iraqi professionals to the international standards for their fields.⁶⁰¹

In August 2008, the **Nassriya Cultural Week** attracted 200 to 300 people each day. Outdoor activities, theatre, and movies were offered, and the **Movable Library** traveled through the city distributing general-knowledge Arabic books.⁶⁰²

Agriculture. The QRF-funded **Jatropha Nursery** is under construction at the Camp Mittenca Training center. The facility will raise seedlings for test plots at the local university, and the school's agriculture engineers are conducting plant nursery training. *Jatropha's* seeds produce oil that could be used locally as a bio-fuel or exported abroad for medicines and other uses.⁶⁰³

The PRT also organized training on more effective ways of processing dairy products and safer methods for harvesting dates.⁶⁰⁴

Water. This quarter, the PRT provided a mobile reverse-osmosis unit to the Iraqi-controlled Camp Thi-Qar. These purification units provide potable water for 1,500 soldiers. Once the larger, fixed purification plant at Camp Thi-Qar is repaired, the mobile unit will be relocated to villages in need.⁶⁰⁵

GRD Reconstruction Updates

GRD reports 23 ongoing projects in Thi-Qar province at a total cost of \$160.62 million.⁶⁰⁶ The largest ongoing projects address security; public works and water; and electricity.⁶⁰⁷

Justice. Last quarter, the first phase of the **Nassriya Prison Facility** was completed. Work continues on the remaining stages of the prison project. Efforts to construct four additional cell blocks are on schedule.⁶⁰⁸ The \$6.2 million project is currently 41% complete. Phase III of the prison construction, a \$7.3 million project, has begun and is 5% complete.⁶⁰⁹

Water. The Government of Iraq is constructing one of the largest water projects in Thi-Qar through a grant program with GRD. The \$20 million Nassriya Drainage Pump Station⁶¹⁰ is now 72% complete.⁶¹¹ As larger projects draw to a close in the province, several smaller projects are just beginning.

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN THI-QAR PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program II—The LGP conducted a workshop on the budget execution law for 2008 for governor’s office staff, Provincial Council members, the finance committee, staff of the accounting unit, and the directors general. LGP work to draw and edit maps in the Urban Planning directorates continues and is nearly complete.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—QRF/IRAP funding is supporting the Thi-Qar Provincial Elections Office as well as the Thi-Qar Businessmen’s Union and Nassriya Small Business Development Center.

Iraq Community-based Conflict Mitigation (ICCM)—An ICCM project addresses a dispute between tribal clans in the village of El Hadji Kmiaze, near Nassriya. It creates a mechanism for cooperation among young people by establishing shared rules that each clan recognizes. The approach is a valuable educational and regulatory process to mitigate tensions between the youth of the village.

Community Action Program (CAP II)—Under the CAP II, 15 community projects are renovating schools, upgrading the community power grid, repairing the sewage system, improving water-distribution networks, constructing a center to assist disabled residents, and establishing a women’s center. The program has also supplied much-needed equipment and supplies to schools.

Marla Ruzicka War Victims Fund—Six projects were undertaken by the Marla Ruzicka War Victims Fund to assist in setting up small businesses in Thi-Qar, such as a carpet shop, and refurbishing kiosks.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 128 outstanding loans, valued at \$254,600. Tijara also provides technical assistance, training, and capacity building to Iraqi-owned Small Business Development Centers (SBDCs), such as the Women Empowerment Organization. Generally, SBDCs offer training and consultative products in the local community.

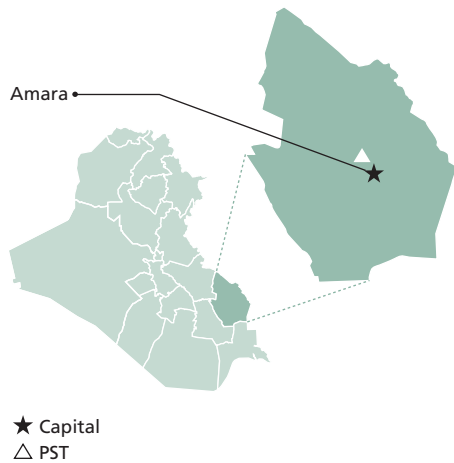
Agriculture Project—Inma is not active in Thi-Qar.

Community Stabilization Program (CSP)—CSP is not active in Thi-Qar.

National Capacity Development (NCD)—Tatweer has trained more than 1,710 officials from Thi-Qar in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA is not active in Thi-Qar.

Source: USAID, response to SIGIR data call, 10/6/2008.



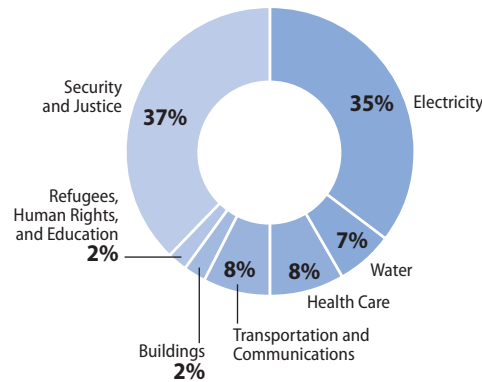
MISSAN

Population:^a **743,000**
 Religion:^b **100% Shia**
 Capital Budget:^c **\$120.5 million, 41% expended**
 U.S. Projects:^d **756**
 U.S. Project Costs:^d **\$323.4 million**
 PIC Date:^e **April 2007**

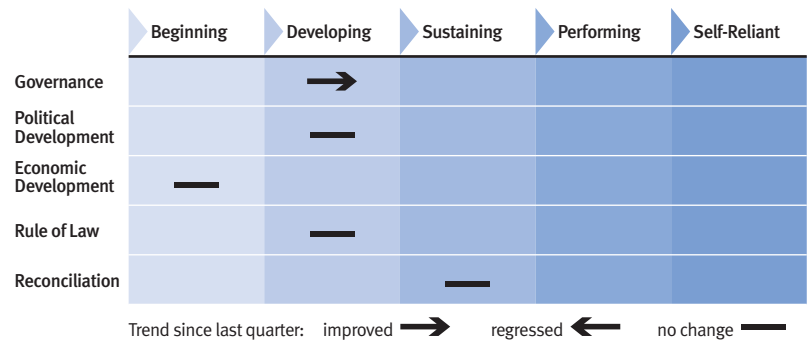
Total Security Incidents by Month^f



Project Cost by Sector^h



PRT Assessment of Progress^g



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	3	\$0.80	—	—
Electricity	35	\$96.35	1	\$17.38
Water	98	\$20.11	1	\$0.91
Health Care	26	\$4.94	3	\$21.70
Transportation and Communications	24	\$16.11	2	\$8.56
Buildings	18	\$7.94	—	—
Total	204	\$146.24	7	\$48.54

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:

^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. According to these sources, the Oil and Gas, and Economic Development sectors accounted for less than one-half percent of the funding.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Missan at a Glance

Funding per Capita	IRRF 2 Project Costs	\$349
	ISFF Project Costs	\$103
	ESF Project Costs	\$85
	CERP Project Costs	\$30
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$120.50 M
Security	Total Attacks 4/1/2008–7/1/2008	12
	Total Attacks 7/1/2008–9/30/2008	43
	Provincial Iraqi Control	April 2007
Economy	State Owned Enterprises (SOEs)–Factories	4
	Iraqi First Contract Actions	4
Infrastructure	Avg. Load Served (MWh) for the Quarter	2,747
	Avg. Demand (MWh)	6,222
	Internet Users	1,000
	U.S.-supported Primary Healthcare Centers	4
Governance	Internally Displaced Persons (IDPs)	281
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$25.94 M
	% of PRDC Budgeted Awarded	73%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	339
	Community Action Program (CAPS) Projects	79
	Value of CAP Projects	\$6.12 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. PRT Missan received permission this quarter to travel into the province, and because of the increased interaction with the provincial officials, the PRT was invited to relocate there to operate full time.⁶¹² However, the team's core membership was limited to only five personnel because of its previous status; now more staffing is required.⁶¹³

In October 2008, PRT Missan staff had their first overnight stay in the province. Office arrangements and residential accommodations are being set up to allow more team members to spend several days and nights in the province.⁶¹⁴

PRT Missan continues to engage the Provincial Council (PC) to work through political tensions and push initiatives forward. The PRT is also being proactive in providing election training for the provincial leaders.⁶¹⁵



Iraqi laborers working on the new surgical hospital in Amara. (USACE photo)

GRD Reconstruction Updates

To date, 152 projects have been completed in Missan province, valued at \$140.21 million. Most funding supports electricity (\$68.8 million) and security (\$50.4 million).⁶¹⁶ GRD has 5 projects ongoing, valued at nearly \$25 million.⁶¹⁷

Sanitation and Health. This quarter, work continues on the \$800,000 **Rehab of Amara Landfill Site**. The project will provide residents

of Amara with a modern landfill and incinerator. Work continues this quarter on **Phases I and II** of the **Maysan Hospital**.⁶¹⁸

Transportation. Work on the **Al Amara—Al Maymunah Carriageway** project has been underway since October 2006 to construct three bridges and 40 kilometers of two-lane highway. The \$6.2 million project is now 85% complete.⁶¹⁹

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN MISSAN PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program (LGP II)—The LGP held training on public budgeting and auditing for local government, including demonstrations of the Governorates Accounting and Project Tracking Information System (GAPTIS). Provincial officials have signed a memorandum of understanding for the installation of the system. LGP work in the province to draw and edit maps in the Urban Planning directorates continues and is nearly complete.

Quick Response Fund/Iraq Rapid Assistance Program (QRF/IRAP)—QRF/IRAP funding supports local entrepreneurs and craftsman through the Al Teeb Community Carpet Project and makes information seminars and distribution of public health information possible.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM prepared a conflict assessment that examines the needs of Missan’s communities and the history and sources of conflict within them to develop quick-impact projects. Another project is organizing the Missan marathon to unite different social elements in the community. Sports competitions have a significant impact on communication between young people, and the local government is including youth organizations and NGOs in planning for the event.

Community Action Program (CAP II)—Under the CAP II, 3 community projects are assisting local entrepreneurs with training and renovations to local clinics.

Marla Ruzicka War Victims Fund—There are no Marla Ruzicka War Victims Fund projects in Missan.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—CSP is not active in Missan.

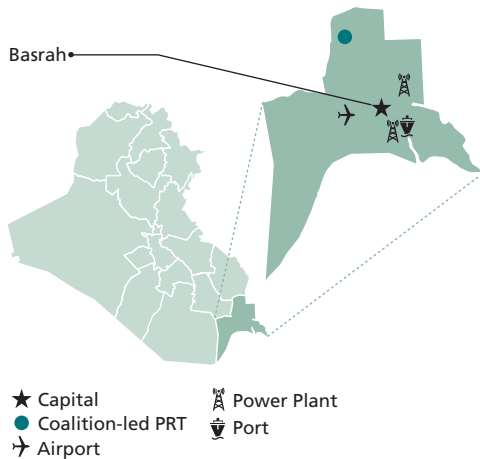
Provincial Economic Growth (PEG)—Tijara supports microfinance institutions with 152 outstanding loans, valued at \$180,350.

Agriculture Project—Inma is not active in Missan.

National Capacity Development (NCD)—Tatweer has trained more than 880 officials from Missan in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption. The program can respond to specific needs of the ministry staff with tailored workshops and a train-the-trainer program that allows the ministries to deliver their own internal curriculum.

USAID/Office of Foreign Disaster Assistance (OFDA)—OFDA is not active in Missan.

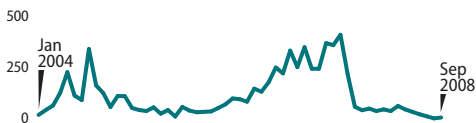
Source: USAID, response to SIGIR data call, 10/6/2008.



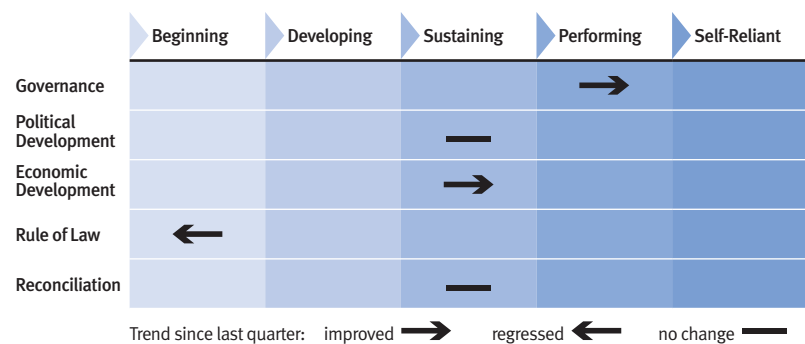
BASRAH

Population:^a **1.8 million**
 Religion:^b **0% Sunni, 100% Shia**
 Capital Budget:^c **\$306.1 million; 0.4% expended**
 U.S. Projects:^d **3,345**
 U.S. Project Costs:^d **\$2.2 billion**
 PIC Date:^e **December 2007**

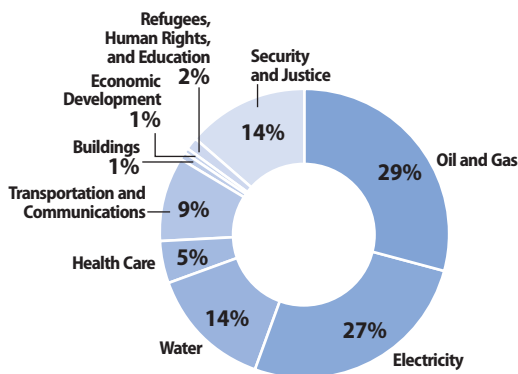
Total Security Incidents by Month^f



PRT Assessment of Progress^g



Project Cost by Sector^h



Ongoing and Completed Infrastructure Projectsⁱ (\$ Millions)

	COMPLETED PROJECT COUNT	COMPLETED PROJECT COST	ONGOING PROJECT COUNT	ONGOING PROJECT COST
Oil and Gas	146	\$624.50	3	\$18.74
Electricity	474	\$562.31	5	\$22.75
Water	294	\$280.99	7	\$25.00
Health Care	159	\$64.49	13	\$36.87
Transportation and Communications	216	\$174.87	13	\$35.99
Buildings	270	\$13.12	1	\$0.44
Total	1,559	\$1,720.28	42	\$139.79

Note: Locations on map are approximate. Numbers affected by rounding.

Sources:
^a UNOCHA, "Iraq-Population by Governorate," 11/19/2007.
^b IOM, "IOM Displacement Data Used for Associated Press Interactive Website," 5/2008, www.iom-iraq.net.
^c Ministry of Finance, *Capital Report*, 6/2008, provided by the U.S. Embassy-Baghdad, 10/2/2008.
^d IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS. Figures for source d include ongoing and completed projects, and account for the IRRF, ISFF, ESF, and CERP funds.

^e DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 32.
^f OSD, response to SIGIR data call, 10/6/2008.
^g U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
^h IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Includes only ongoing and completed projects. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.
ⁱ IRMS, *ITAO Rollup*, 10/1/2008; IRMS, *CERP Excel Workbook*, 10/3/2008. Project count and cost may be different from the count and cost reported last quarter because USAID data was obtained from IRMS.

Basrah at a Glance

Funding per Capita	IRRF 2 Project Costs	\$1,577
	ISFF Project Costs	\$159
	ESF Project Costs	\$226
	CERP Project Costs	\$147
Iraqi Funding	2008 Provincial Capital Budget Allocation	\$306.10 M
Security	Total Attacks 4/1/2008–7/1/2008	108
	Total Attacks 7/1/2008–9/30/2008	26
	Provincial Iraqi Control	December 2007
Economy	State Owned Enterprises (SOEs)–Factories	9
	Iraqi First Contract Actions	441
Infrastructure	Avg. Load Served (MWh) for the Quarter	15,576
	Avg. Demand (MWh)	20,966
	Internet Users	53,000
	U.S.-supported Primary Healthcare Centers	11
Governance	Internally Displaced Persons (IDPs)	46,060
	Total PRDC Budgeted (FY 2006 and FY 2007)	\$66.95 M
	% of PRDC Budgeted Awarded	73%
	Tatweer Trainees by Province 7/1/2008–9/20/2008	387
	Community Action Program (CAP) Projects	125
	Value of CAP Projects	\$8.32 M

Note: Numbers affected by rounding.

Source: See Province Comparison Table 3.1 for sources.

PRT Reconstruction Updates

Leadership Insights. The PRT’s governance team is supporting the Basrah Budget Execution Action Plan, which combines efforts by the United States, the United Kingdom, and the United Nations Development Programme to improve budget processes. Moreover, this joint effort is conducting analyses of management and contracting mechanisms and enhancing capacity development through an information system

to track projects more effectively. PRT Basrah reports that “progress is apparent,” citing the full obligation of the 2008 capital budget.⁶²⁰

The PRT and U.S. Embassy are also trying to improve infrastructure development—particularly electricity. This summer, Basrah’s population endured scorching temperatures with no more than eight hours of electricity per day. The PRT is trying to assist the provincial government in improving access to this essential service, but



Workers repair Sajad school in Basrah. (USAID photo)

control over power stations and the national grid remains centralized in Baghdad under the Ministry of Electricity.⁶²¹ Quick Response Fund approvals, contracts, and completion rates have increased over the summer, however PRT is now seeking a new project management partner since Gulf Region South is no longer able to deliver this service to the PRT.

This quarter, PRT Basrah distributed an annual report on reconstruction and development as part of an outreach effort to publicize Iraqi plans under the 2008 Provincial Resource Statement and to support the Ministry of Finance in implementing them for all provinces.⁶²²

Economic Development. Activities to promote investment continued in Basrah this quarter. A major international airport group visited **Basrah International Airport** to discuss possible investment, which would include training for support staff.⁶²³

The PRT economics team is promoting investment by assisting the provincial government with the creation of a Basrah Investment Commission (BIC)⁶²⁴ and other investment activities.⁶²⁵

- Pending completion of the refurbishment of BIC facilities, the launch date for BIC has been set for November 1, 2008.

- Visits to the province by two new investors were confirmed, and the U.S. advisor to BIC continues negotiations with the Northern Ireland local authority to cement a more permanent relationship between Basrah and investors there.
- The National Investment Commission has agreed that BIC should have control of its budget from the Ministry of Finance. However, GOI 2008 funding is not sufficient for the launch, and the PRT will be providing additional resources.

Infrastructure. The Community Stabilization Program (CSP) is implementing 34 infrastructure projects in Basrah, and another 12 projects are currently under development. In FY 2008, 328 business development grants were made available under the program. The PRT economics team continues to research ways to expand lending to small- and medium-size enterprises.⁶²⁶

Governance. PRT Basrah's governance team has supported the development of the **Essential Services Plan**, which aims to direct international attention to the improvement of essential service areas of sewerage, water, electricity, and trash removal. Working with Iraqi stakeholders, the initiative would establish a medium-term strategy

for incorporation in the province's 2010–2013 Provincial Development Strategy.⁶²⁷

GRD Reconstruction Updates

GRD has completed 269 projects in Basrah province, valued at \$1.02 billion.⁶²⁸ This quarter, 16 projects were ongoing, valued at more than \$112 million.

Justice. The **Basrah Witness Protection Facility Annex Building** was completed this quarter. Construction on the \$2.0 million project began in July 2006. The new \$8.3 million **Basrah Courthouse** was also completed this quarter.⁶²⁹

Health. After facing several project delays, the Basrah Children's Hospital is 94%

complete.⁶³⁰ Work is scheduled to conclude on January 31, 2009, and services will be provided through an outpatient facility, operating rooms, and radiology and physical therapy clinics.

Six other projects remain ongoing, including two \$300,000 projects to construct **Primary Healthcare Centers at Hai Al Hussein and Al-Kahlj Al-Arabia.**⁶³¹

Electricity. Several substation rehabilitation projects are approaching completion. GRD reports that the Harbour, Hammar, Garma, Qurna, and Toba 132kV Subs Rehab projects, valued at \$50.1 million, are 95% complete.⁶³²

USAID Reconstruction Updates

SUMMARY OF USAID EFFORTS IN BASRAH PROVINCE

DEMOCRACY AND GOVERNANCE

Local Governance Program II (LGP II)—The LGP coordinated the Basrah Economic Development Survey, which identified opportunities for foreign investment. Eighteen professors and 50 students from Basrah University compiled economic baseline data for the survey. The LGP also held training on planning and budgeting, capital investment, budget execution, financial analysis, and financial and administrative regulations for 46 provincial officials, including demonstrations of the Governorates Accounting and Project Tracking Information System (GAPTIS). Provincial officials have signed a memorandum of understanding for the installation of the system.

Iraq Community-based Conflict Mitigation (ICCM)—The ICCM prepared a conflict assessment to examine the needs of Basrah's communities and the history and sources of conflict within them to develop quick-impact projects. Another project organized a cultural fair for 2,500 residents to showcase the diverse artistic talent of the region while promoting national spirit.

Community Action Program (CAP II) Community Projects—Under the CAP II, 12 community projects are providing basic supplies to primary schools and information technology (IT) equipment to vocational schools, as well as renovating health clinics.

ECONOMIC, AGRICULTURE, CAPACITY DEVELOPMENT

Community Stabilization Program (CSP)—This quarter, 2,158 short-term jobs and 449 long-term jobs were created under the CSP. Nearly 4,000 young people have participated in CSP-sponsored activities, such as a soccer tournament, a water-conservation campaign, and other community events. Approximately 1,060 trainees are enrolled in CSP-sponsored construction and non-construction courses, and nearly 735 vocational training course graduates have been placed in apprenticeship programs. The CSP also funded 315 grants this quarter, valued at \$1,899,526.

Agriculture Project—Inma is not active in this province.

Provincial Economic Growth (PEG)—Tijara supports a microfinance institution in the province with 319 outstanding loans, valued at \$865,800.

National Capacity Development (NCD)—Tatweer has trained more than 1,820 officials from Anbar in public administration and management through 8 courses introduced at various competency levels. Subjects include leadership and communication, project management, human resource management, fiscal management, procurement, information technology, and anticorruption.

Source: USAID, response to SIGIR data call, 10/6/2008.

SIGIR OVERSIGHT

SIGIR AUDITS
SIGIR INSPECTIONS
SIGIR INVESTIGATIONS
SIGIR HOTLINE
SIGIR WEBSITE
LEGISLATIVE UPDATE

SECTION 4

4

SIGIR AUDITS

From August 1, 2008, to October 30, 2008, SIGIR completed seven new audit products. Since March 2004, SIGIR has issued 129 audit products. Table 4.1 lists these audit products.

This quarter, SIGIR audits addressed a diverse range of issues:

- strengths and weaknesses in Department of State (DoS) and U.S. Agency for International Development (USAID) program management of democracy-building efforts in Iraq, and opportunities to strengthen managing for results
- continuing limitations regarding the reliability and usefulness of data on the number of Iraqi Security Forces who have been assigned and trained
- three reports on contracting issues: one providing available data on the number of private security contractors in Iraq and associated obligations; one focusing on contract terminations and limited adverse actions against

problem contractors; and the eighth in a continuing series of focused contract audits dealing with outcomes, costs, and oversight issues associated with major reconstruction contracts in Iraq

- why DoS expenditure rates on obligations for Economic Support Fund activities conducted under interagency agreements are lower than the expenditure rates of other appropriations used in Iraq
- why the U.S. Ambassador in Iraq has not always received information on problems and delays associated with reconstruction projects

SIGIR performs audit work under generally accepted government auditing standards.

SIGIR's reports have produced scores of recommendations designed to achieve management improvements and to suggest corrective actions needed in reconstruction and relief activities. The implementation of audit recommendations is crucial. SIGIR auditors regularly follow up

TABLE 4.1

SIGIR AUDIT PRODUCTS SINCE 8/1/2008

REPORT NUMBER	REPORT TITLE	DATE ISSUED
09-001	Opportunities To Enhance U.S. Democracy-building Strategy for Iraq	10/2008
09-002	Challenges in Obtaining Reliable and Useful Data on Iraqi Security Forces Continue	10/2008
09-003	Cost, Outcome, and Oversight of Local Governance Program Contracts with Research Triangle Institute	10/2008
09-004	Iraq Reconstruction Project Terminations Represent a Range of Actions	10/2008
09-005	Agencies Need Improved Financial Data Reporting for Private Security Contractors	10/2008
09-006	Status of Department of State Economic Support Fund Interagency Agreements with the U.S. Army Corps of Engineers in Iraq	10/2008
09-007	Improvements Needed in Reporting Status of Reconstruction Projects to Chief of Mission	10/2008

on open recommendations to achieve their full implementation to the extent practical.

- For information on all SIGIR audit projects issued as of October 2008, see Appendix I.
- For the full text of all final audit products, see the SIGIR website: www.sigir.mil.
- For information on the status of implementation of SIGIR audit recommendations and the recommendations that remain open, see Appendix J.

In addition to specific recommendations to improve management processes, SIGIR has also identified numerous lessons learned in Iraq that may also apply to other ongoing and future contingencies.

SIGIR's work is well coordinated with other audit entities engaged in Iraq-related work; that coordination is reinforced by representatives of these entities who meet quarterly on the Iraq Inspectors General Council (IIGC) to prevent duplication of effort and to share information and experiences gained from ongoing audit activity. On August 20, 2008, the IIGC met at SIGIR headquarters in Arlington, Virginia; some members participated by phone from Baghdad and U.S. locations. The meeting participants included representatives from SIGIR, the Department of Defense Office of Inspector General, Department of State Office of Inspector General, U.S. Agency for International Development Office of Inspector General, Defense Contract Audit Agency, U.S. Army Audit Agency, and the Government Accountability Office.

Final SIGIR Audit Products for This Quarter

Opportunities To Enhance U.S. Democracy-building Strategy for Iraq (SIGIR-09-001, OCTOBER 2008)

Introduction

Since 2004, the Department of State (DoS) and U.S. Agency for International Development (USAID) have obligated more than \$1.9 billion for democracy-building programs in Iraq. Public Law 110-28 requires the Secretary of State to provide the Senate and House Committees on Appropriations a “comprehensive, long-term strategy, with goals and expected results, for strengthening and advancing democracy in Iraq.” In July 2007, DoS and USAID issued an overall strategy for democracy and governance in Iraq for 2007 through 2010. The overall goal is for Iraqi citizens, civil society, and democratic institutions to work cooperatively to reduce violence and build a sustainable, accountable, and responsive system of governance. To help achieve this goal, the strategy contains three strategic objectives:

1. Institutionalize democratic political and legislative processes that resolve disputes peacefully.
2. Improve the capacity and accountability at all levels of government.
3. Foster the environment for and development of Iraq's civil society and media to operate independently, freely, and effectively to promote democracy, transparency, tolerance, and respect for human rights.

A SIGIR review of prior Government Accountability Office (GAO) reports showed that GAO has identified six characteristics of an effective national strategy that offer policymakers and implementing agencies a management tool to help ensure accountability and more effective results. GAO identified these six desirable characteristics based on their underlying support in legislative or executive guidance and the frequency with which they were cited in other sources. These are the six characteristics, as adapted for this review:

- a clear purpose, scope, and methodology
- a detailed discussion of the problems, risks, and threats the strategy is intended to address
- the desired goals and objectives and outcome-related performance measures
- a description of the U.S. resources needed to implement the strategy
- a clear delineation of the U.S. government roles, responsibilities, and mechanisms for coordination
- a description of how the strategy is integrated internally among U.S. agencies and externally with the Government of Iraq and international organizations

These characteristics are in line with the results-oriented principles outlined in the Government Performance and Results Act. SIGIR's reporting objectives were to determine the extent to which the:

- U.S. strategy for democracy and governance in Iraq contains the characteristics of an effective strategy

- DoS and USAID efforts to assess their progress in meeting the goals and objectives of the strategy

Results

DoS and USAID have developed a U.S. strategy for advancing and strengthening democracy and governance in Iraq. The strategy contains a number of characteristics that are necessary for an effective strategic plan. At the same time, the strategy can be enhanced as a planning tool and vehicle for informing the Congress about progress toward achieving the plan's strategic objectives. SIGIR's analysis of the strategy shows that it:

- includes a purpose and a scope that is clearly stated and notes that U.S. involvement is critical to help build a responsive, representative, democratic Government of Iraq (GOI)
- recognizes the need to develop a government that seeks to resolve Iraq's differences peacefully while healing sectarian and ethnic divides
- provides a comprehensive description of the strategic objectives and performance measures to assess progress in achieving stated goals and objectives
- does not include the current and future costs to implement the strategy, such as the costs of building the capacity of the Iraqi government at the provincial and national level
- does not clearly assign accountability for implementing key aspects of the strategy
- does not address how U.S. goals and objectives will be integrated with the GOI and international organizations

SIGIR also noted that DoS and USAID can improve assessments of progress in achieving the strategy's strategic objectives. Although DoS and USAID have quarterly meetings to assess implementation of the strategy, they do not prepare written reports that document the results of these meetings. DoS and USAID officials stated that the quarterly reviews are based on the progress reports of their individual democracy-building programs. DoS receives quarterly progress reports from its grantees, and USAID receives monthly, quarterly, or semiannual progress reports, depending on the individual program. Although these reports describe the progress of individual programs, they do not fully show progress toward the strategy's three broad strategic objectives or expected outcomes, such as improving the capacity and accountability of all levels of government. In addition, no one office is responsible for assessing progress toward achieving the three strategic objectives.

In the near future, SIGIR plans to conduct follow-up work on the program management and oversight of selected DoS grants.

Recommendations

To increase the effectiveness of the strategy as a planning tool and to improve its usefulness to the Congress, SIGIR recommends that the Secretary of State direct that the following actions be taken:

- Require DoS and USAID program managers to revise the strategy to include the current and future costs needed for implementation.
- Clarify the roles and responsibilities of DoS and USAID in implementing the strategy; state how U.S. goals and objectives will be integrated with the goals and objectives of the GOI and international organizations.
- Designate an office to be accountable for overseeing progress toward achieving the three strategic objectives.
- Require DoS and USAID program managers to document the results of quarterly progress meetings during which they assess strategy implementation.

Management Comments and Audit Response

DoS provided comments about the overall report but did not specifically address the recommendations.

Challenges in Obtaining Reliable and Useful Data on Iraqi Security Forces Continue (SIGIR-09-002, OCTOBER 2008)

Introduction

Under Section 9204 of the Supplemental Appropriations Act of 2008, Public Law 110-252, the Secretary of Defense is required to submit a quarterly report to the Congress presenting a comprehensive set of performance indicators and measures of progress toward military and political stability in Iraq. Two indicators in the Department of Defense (DoD) September 2008 report, *Measuring Stability and Security in Iraq*, are the number of Iraqi Security Forces (ISF) assigned and the number trained. The number of ISF assigned is derived from payroll data from the Ministry of Defense (MOD) and

the Ministry of Interior (MOI). The number of personnel trained represents those who complete specific basic-level training, as reported by Coalition training teams.

In April 2008, SIGIR issued an interim report on the reliability and usefulness of the reported number of ISF personnel and the methodology used to determine and review those numbers. SIGIR concluded that although DoD was making efforts to improve the reliability of the information, there was a need for caution regarding its accuracy and usefulness. In addition, SIGIR reported that DoD made efforts to assess data reliability, but it will have less visibility over the data as the Government of Iraq (GOI) assumes more control over the training of its forces. Last, SIGIR reported on efforts to automate human resource and payroll systems to improve data accuracy and reliability within the MOD. This report provides additional information about these topics:

- the process for compiling data on ISF assigned and trained, including the accuracy and usefulness of data subsequently used for U.S. reporting, and its comparability over reporting periods
- the status of and challenges to improving data accuracy and reliability by developing automated human resource and payroll systems to be used by the MOD and MOI

Results

The data on Iraqi forces assigned and trained continues to contain inaccuracies, and comparability among DoD's quarterly reports is difficult because of changing metrics and definitions.

Inaccuracies in the data persist because Iraq's payroll systems contain improper documentation and reporting of personnel actions and unauthorized employees. They also contained inconsistent information as a result of corrupt and irregular practices. In addition, the usefulness of data on Iraqi police assigned and trained continues to be limited because not all police assigned to the force have been trained. Furthermore, not all those trained—both police and military—are available for duty: some of those reported as assigned have completed their obligation, some are on leave or are absent without leave, and others have been injured or killed. Because reporting metrics and definitions have changed, meaningful trend analysis remains difficult.

U.S. and Iraqi-funded efforts are continuing to automate human resource and payroll systems and improve the ability of the MOD and MOI to better manage their personnel. Although the systems offer some capabilities, they are still incomplete and not fully implemented. According to DoD officials, problems with data entry, staff training and proficiency, and supporting infrastructure are hindering full implementation of the MOD's Human Resource Information Management System (HRIMS) and the MOI's e-Ministry system. In addition, poor requirements definition and unsatisfactory contractor performance have delayed development of the HRIMS system, which cost \$21.2 million in U.S.-appropriated monies from the Iraq Security Forces Fund (ISFF). The GOI is funding MOI's e-Ministry system at an estimated cost of \$27.8 million. However, resistance to accountability and identification of individuals may affect

accurate data entry and reduce e-Ministry's ability to provide reliable information when completed.

Lessons Learned

Neither the Joint Contracting Command-Iraq/Afghanistan nor the Multi-National Security Transition Command-Iraq included specific or measurable deliverables in the statement of work of the HRIMS contract. As a result, even though officials were not satisfied with the contractor's performance, they could not terminate the contract for cause because they could not cite the contractor for a failure to meet contract requirements. If the U.S. government is to hold contractors responsible for poor performance, it must clearly specify in the contract what it expects in "deliverables" and contract performance.

Management Comments and Audit Response

MNSTC-I provided comments on a draft of this report in which it generally concurred with the report's conclusions and lessons learned.

Cost, Outcome, and Oversight of Local Governance Program Contracts with Research Triangle Institute

(SIGIR-09-003, OCTOBER 2008)

Introduction

A December 2006 amendment to SIGIR's enabling legislation requires that SIGIR prepare a forensic audit report on funds made available to the Iraq Relief and Reconstruction Fund. The 2008 Defense Authorization Act extended this same requirement to other funds, including the Economic Support Fund. Under this

requirement, SIGIR has undertaken a series of focused contract reviews examining major Iraq reconstruction contracts. The objective of these audits is to examine contract cost, outcome, and management oversight, emphasizing issues related to vulnerabilities to fraud, waste, and abuse.

This report, the eighth in the series of focused contract reviews, examines two contracts for local governance program (LGP) activities to help the Iraqis in creating a more favorable environment for local governance and to build the capacity of representative councils and subnational offices of central government ministries to manage more effective, efficient, and responsive customer services. In 2003 and 2005, the U.S. Agency for International Development (USAID) awarded two contracts to Research Triangle Institute (RTI). The total contract value of the two contracts (LGP-1 and LGP-2) was \$598,218,622, as of June 30, 2008.

SIGIR's objectives were to determine the costs and outcomes of RTI's work under its contracts and to evaluate USAID's oversight of the contracts.

Results in Brief

Costs Are Not Easily Linked to Outcomes.

As of June 30, 2008, the total value of the LGP-1 and LGP-2 contracts is \$598,218,622—\$239,317,322 for the LGP-1 contract and \$358,901,300 for the LGP-2 contract. Of this amount, \$513,027,336 has reportedly been disbursed—\$239,317,322 from the LGP-1 contract, and \$273,710,014 from the LGP-2 contract. Before April 2007, RTI reports did not identify costs for individual activities; costs were

identified at an aggregate level. Consequently, for the first four years of the contract, SIGIR could not assess the outcomes associated with the cost of individual activities. For details on the obligations of each contract and its disbursements, see Table 4.2.

The LGP-1 contract was funded by multiple appropriations, including:

- the first Iraq Relief and Reconstruction Fund (IRRF 1) (Public Law 108-11)
- the second Iraq Relief and Reconstruction Fund (IRRF 2) (Public Law 108-106)
- USAID’s Economic Support Fund (ESF)
- the Development Fund for Iraq (DFI)

IRRF 1 provided approximately \$104.7 million, IRRF 2 provided approximately \$125.7 million; ESF provided approximately \$6 million, and the DFI provided about \$2.9 million. The LGP-2 contract is funded by IRRF 2 and the ESF. IRRF 2 provided about \$107 million, and ESF provided about \$251 million.

Contract Outcomes Were Initially Unclear.

Since USAID approved RTI’s first performance monitoring plan in April 2007, program results

have begun to be better documented. However, although SIGIR’s current work suggests that the current outcomes of this program are positive, SIGIR could not determine whether the government received appropriate value for the amount invested over the life of these contracts for two reasons. First, for the first four years of the project, no process was in place to identify project objectives and assess outcomes. Second, the program costs were reported at the aggregate level for the first four years, rather than at an activity level, which precludes an assessment of the efficiency, effectiveness, or value of individual activities.

Two reports issued by the USAID Regional Inspector General (USAID/RIG) found that for the first four years USAID did not enforce its requirement that the contractor submit plans and progress reports needed to identify outcomes including:

- a Performance Monitoring Plan to identify benchmarks and targets
- Quarterly Work Plans (later called Quarterly Implementation Plans) to identify activities that RTI planned to carry out

TABLE 4.2

LGP CONTRACT VALUE AND DISBURSEMENTS, AS OF 6/30/2008

CONTRACT	PERIOD OF PERFORMANCE	OBLIGATIONS	DISBURSEMENTS
Local Governance Program (LGP 1) EDG-C-00-03-00010-00	3/26/2003–5/9/2005	\$239,317,322	\$239,317,322
Local Governance Program (LGP 2) 267-C-00-05-00505-00	5/9/2005–12/31/2008	\$358,901,300	\$273,710,014
Total		\$598,218,622	\$513,027,336

Note: SIGIR did not audit the data or verify RTI computer system controls.

Source: SIGIR review of RTI contracts, RTI financial reports, and RTI invoices.

- semiannual Performance Monitoring Reports that would report progress toward the benchmarks and targets

As a result, the USAID/RIG concluded that it could not determine if the contracts were improving Iraq's local governance capabilities.

SIGIR's review looked specifically at the program since the last USAID/RIG report (July 2007), which stated that in April 2007 USAID approved RTI's Performance Monitoring Plan, and RTI submitted its first Quarterly Implementation Plan. SIGIR reviewed these and subsequent plans and progress reports and found that they contain the needed information on current contractor activities, along with benchmarks for assessing progress. Together, the documents show that for the last 18 months progress has been made in improving local governance. SIGIR chose two activities for assessment—the development of Provincial Development Strategies and a Geographical Information System to help the Iraqis map government infrastructure—and found that outcomes are better documented. SIGIR also interviewed personnel knowledgeable about LGP activities, including DoS officials responsible for provincial affairs and military and civilian personnel located in the provinces. All of the personnel endorsed the program.

SIGIR also noted that RTI's activity reporting—particularly training activity reporting—is sometimes not linked to specific program goals and objectives. Although measuring the effect of training is unquestionably difficult, SIGIR believes that improvements can be made in this area.

Contract Management and Oversight Has Improved Over Time.

Although USAID did not establish a process for identifying project objectives and assessing outcome for these contracts during their first four years of activity, recent changes have improved oversight. For example, in December 2006 USAID shifted greater program oversight responsibility to USAID representatives assigned to Provincial Reconstruction Teams (PRTs). These representatives, called activity managers, assist in overseeing contract activity. USAID was developing an operations manual that formalizes the role of the PRT representative, but this effort still needs to be finalized. SIGIR identified a number of other contract management and oversight problems, including:

- Initially, USAID did not assign sufficient personnel to manage the contract. During most of the contracts' period of performance, one Cognizant Technical Officer (CTO) was assigned. The number of CTOs assigned is an agency decision; nevertheless, SIGIR believes that one CTO could not manage these contracts effectively because of the size and scope of the LGP contracts (\$598 million with activities in 18 provinces) and the associated responsibilities conferred on the CTO. The appointment of USAID representatives at the PRTs to assist in oversight should improve this situation.
- USAID is required to evaluate the contractor's performance annually, but for the last three years these evaluations have been completed late. USAID's evaluation of RTI for the year ending in May 2006 was not finalized until

May 23, 2007; the evaluation for the year ending in May 2007 was not finalized until August 29, 2007. Nonetheless, USAID exercised two option periods for LGP-2—in July and December 2006—without essential performance information on which to base the decision. USAID/RIG reported this in its July 2007 report. SIGIR found that the evaluation report for the period ending May 2008 has also not been finalized. However, on September 23, 2008, USAID provided SIGIR with documents showing that the 2008 evaluation is in process.

- USAID’s review and approval process for RTI invoices and vouchers is inadequate. Section G.1 of the LGP-2 contract states that the CTO is the authorized representative of the government to approve vouchers under this contract. The CTO’s signed designation letter also requires the CTO to provide administrative approval of contractor vouchers or invoices. However, because the contract states that payment is to be made by means of a letter of credit, RTI draws funds in advance. Consequently, the CTO is not approving the vouchers. The CTO is in the best position to determine whether RTI expenditures listed on monthly invoices are appropriate. SIGIR found no evidence of written CTO approval of RTI invoices.
- During the course of its work on the LGP contract, RTI physically lost \$185,000. With the concurrence of the contracting officer, RTI claimed the loss as an allowable expense and submitted an invoice for the lost money. The invoice included RTI’s General and Administrative fee and its fixed fee. The

government subsequently paid RTI \$56,906 for both of these fees. SIGIR questions the decision to pay fees on the lost money.

Recommendations

SIGIR recommends that the USAID Mission Director-Iraq take these actions:

- Direct USAID officials to establish a time-frame for completing the operations manual that provides guidance to activity managers for overseeing contractor performance.
- Direct the CTO to review and approve RTI vouchers and invoices as required by the contract. Also, require the CTO to maintain documentation of the approvals in the contract file.
- Direct that action be taken to recover the General and Administrative fee and the fixed fee paid to RTI on the \$185,000 in lost funds.

Lesson Learned

The overall success of a contract is determined by the success of its individual activities or tasks. Consequently, management needs information at the activity level on expected outcomes, progress toward achieving outcomes, and costs to determine how discrete activities contribute to overall program goals and objectives. This is particularly true for large dollar-value contracts.

Management Comments and Audit Response

USAID concurred with the report’s findings and identified steps it is taking to address each recommendation. According to USAID, it has already issued guidelines for its PRT representatives that clarify their role and has improved its voucher and invoice review processes. It also

agreed that the amounts paid to RTI for the lost funds were inappropriate and stated that it would include this matter as part of the closeout process.

Iraq Reconstruction Project Terminations Represent a Range of Actions

(SIGIR-09-004, OCTOBER 2008)

Introduction

Since 2003, the U.S. government has appropriated more than \$50 billion for Iraq reconstruction. More than \$46 billion was appropriated through four Iraq reconstruction accounts, which were managed primarily by two Department of Defense (DoD) agencies:

- the Gulf Region Division (GRD) of the U.S. Army Corps of Engineers
- the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A)

As of July 2008, approximately \$38.37 billion of this amount had been obligated, much of it under contractual arrangements.

SIGIR has often been asked about problems in the U.S. reconstruction program, including the extent to which contracts have been terminated because of poor performance by contractors. Government contracts generally contain clauses that allow the U.S. government to end a contract for a number of reasons, including:

- if the need for the supplies or services no longer exists
- if the contractor's performance becomes unsatisfactory
- if some other situation develops that warrants contract closure

To initially address the issue of contract terminations, SIGIR previously prepared an interim report on the availability of aggregate information on such contract actions involving Iraq reconstruction managed by DoD implementing agencies. That interim report provided an overview of the process for contract termination for convenience and default, as well as available information about contract terminations. This follow-on report provides additional insights on factors and circumstances related to contract terminations of selected projects and the reasons for them.

In this report, SIGIR's objectives were to determine:

- the numbers, types, and basis for all DoD terminations of Iraq reconstruction contracts, as well as the characteristics of selected terminations actions
- whether terminated projects resulted in wasted government resources
- whether DoD agencies ensured the integrity and competence of companies selected for contracts terminated for default, and whether they took appropriate action—including suspension and debarment—against poor-performing contractors
- whether funds were still obligated against terminated contracts

SIGIR's review was limited somewhat by the incompleteness of the contract files for the projects reviewed, which made it difficult to thoroughly evaluate the reported terminations. Although most files contained termination modifications or notices, only a few contained

other required management documents, such as a record of the required legal review of awards, rights of parties, termination procedures, liabilities, settlement proposals and agreements, and other contractual matters. Few files contained any information on the percentage of work completed by the contractor at termination; when a percentage was cited, often it was simply a calculation of the amount of funds expended. Also, the contract files rarely contained records of agency actions to determine contractors' prior awards and performance before awarding new contracts.

Results

As of June 2008, SIGIR identified 1,262 projects that DoD had terminated, including 732 for the convenience of the government, and 530 for default on the part of the contractor. These terminated projects had initial obligations of about \$1 billion, of which approximately \$600 million had been paid to contractors, including \$89.7 million to contractors on projects terminated for default. Although a few projects were nearly completed at the time, the vast majority were not. SIGIR selected 195 terminations for more detailed review, drawing largely from projects valued at \$1 million or more, which account for approximately 80% of the initial obligation amounts.

SIGIR reviewed 135 terminations for convenience, 56 terminations for default, and 4 terminations incorrectly identified in the Iraq Reconstruction Management System. SIGIR found that terminations for convenience were

often the result of changes in scope or requirement, security problems, or because the projects were no longer needed. In a few cases, the projects were terminated because the Government of Iraq (GOI) did not provide the expected support. Several projects were terminated for convenience despite indications of inadequate contractor performance. SIGIR also noted that several other contractors received contracts to complete work that had been terminated for convenience.

SIGIR reviewed 56 terminations for default: 39 from GRD, 16 from JCC-I/A, and 1 from Multi-National Corps-Iraq. Most of the contracts were terminated for poor performance by contractors and subcontractors, but a few were terminated for security reasons. Some of the projects were later completed by other contractors.

Waste can result if projects are terminated prior to completion and not subsequently completed or used. SIGIR identified several large projects that were started, terminated (some more than once), and not subsequently completed. Other projects were terminated shortly after work began, requiring the U.S. government to pay for contractor-incurred expenses. For these projects, it appears that millions of dollars might have been wasted.

Regarding the projects reviewed, SIGIR found no records of any action taken to suspend or debar defaulting contractors for poor performance. Some contractors were awarded additional contracts. Although the Federal Acquisition Regulation does not require agencies

to suspend or debar contractors for poor performance, agencies are authorized to suspend or debar contractors for failure or refusal to perform on a contract—and for any other serious, compelling action affecting responsibility.

SIGIR found that in two instances the government awarded new reconstruction contracts to suspended or debarred companies on the Excluded Parties List System (EPLS), based on activities unrelated to the projects that SIGIR reviewed. In addition, SIGIR identified two contractors on the EPLS that continue to work on contracts awarded to them before their suspension. Subsequently, DoD initiated actions to terminate one of these contracts. The other contract was delayed because the GOI did not provide title to the land on which the school was to be built. In summary, DoD continues to use two contractors that have been suspended for fraud and responsibility issues.

Finally, SIGIR found that terminated projects contained about \$16.62 million in unliquidated obligations that the government may be able to deobligate. JCC-I/A officials speculated that the contract terminating official may not have released the funds. However, GRD officials said that the U.S. Army Corps of Engineers Financial Management System should identify why the funds were being held. After SIGIR informed the DoD agencies of these unliquidated obligations in June 2008, the agencies stated that they would investigate all of the obligations and take any necessary actions to deobligate unneeded funds. As of September 2008, \$14.50 million in unliquidated obligations remained.

Recommendations

SIGIR recommends that GRD and JCC-I/A reinforce the importance of screening contractors to ensure that they have not been suspended or debarred. SIGIR also recommends that GRD, JCC-I/A, and the Air Force Center for Engineering and the Environment review all terminated contracts to ensure that unneeded funds have been deobligated.

Management Comments and Audit Response

GRD and JCC-I/A provided written comments concurring with SIGIR's recommendations. GRD and JCC-I/A, as well as MNF-I and MNC-I, provided technical comments that were considered in finalizing this report.

Agencies Need Improved Financial Data Reporting for Private Security Contractors (SIGIR-09-005, OCTOBER 2008)

Introduction

Since April 2003, private sector companies and individuals, commonly known as private security contractors (PSCs), have provided physical security services to protect the personnel, facilities, and property of the U.S. government and its contractors, subcontractors, and other parties supporting the U.S. mission in Iraq. The National Defense Authorization Act for Fiscal Year (FY) 2008 requires SIGIR to develop a “comprehensive plan for a series of audits of contracts, subcontracts, and task and delivery orders...” relating to the performance of security and reconstruction functions in Iraq. As part of this mandate, SIGIR reviewed available data from the Department of Defense (DoD), Department

of State (DoS), U.S. Agency for International Development (USAID) and other government sources on U.S.-funded private security services provided to the U.S. government and its contractors and grant recipients in Iraq. These services are defined in this report as guarding sites (static security), escorting individuals and equipment convoys, and providing security advice and planning.

The objective for this report was to determine the extent to which federal agencies have systematically captured financial data for private security services in Iraq since 2003, and to attempt to identify the number of contracts and costs for private security services in Iraq from available data sources.

Results

DoD, DoS, and USAID have not been required to systematically identify financial data for private security contractor (PSC) services. Consequently, financial management systems do not routinely capture data that would show how much has been obligated and spent for these individual services. Obtaining data from multiple government sources, SIGIR identified:

- 77 PSCs with associated obligations of about \$5.3 billion in direct contracts and subcontracts to provide security services to U.S.-funded projects and programs since 2003.
- an additional 233 contractors with about \$662 million in associated obligations for contracts to provide security services that could be for providing guards or escorts, but the descriptions of work were so general that they could

be for other services such as providing network security

This is the best information available because agencies were not required to specifically identify and aggregate this data. It likely means that the obligations identified from various government sources are understated. For example:

- There was no financial information on obligations for 191 companies identified in various data bases as having contracts for security services.
- Financial data on subcontracts to prime contractors implementing reconstruction programs is limited. DoD, DoS, and USAID are not required to routinely track these costs in general and do not do so for security costs. However, from various data bases and other sources, SIGIR identified \$1.2 billion in subcontract costs for security. This number is likely low given the limited data available on subcontracts.

Having more complete financial data would provide managers with better information in two key areas to support future decisions to invest resources. First, as the reconstruction effort evolves from large-scale infrastructure projects to capacity building, physical security could become a larger portion of total contract cost. Such an increase could make it more important to weigh the potential value of a project outcome against the potentially larger security costs. Second, to the extent U.S. forces are withdrawn, and assuming that significant civilian technical

assistance missions remain, requirements for private security services for DoS and USAID would likely increase to compensate for support previously provided by the military. PSC requirements could also increase because the recent reduction in violence enables more frequent personnel movements within Iraq but with private security contractor support still being needed for all trips outside of U.S. secured areas.

Finally, there are additional costs associated with providing security that are also relevant, including procuring armored vehicles, hardening office and employee residences, and prime contractor overhead expenses that are charged for security subcontracting. Financial information for these contracts and subcontracts would allow U.S. agencies to assess their security costs relative to expected project benefits and costs, and it can also be useful in planning for other contingency operations

Recommendations

SIGIR recommends that the Secretary of Defense, Secretary of State, and USAID Administrator take the following actions:

1. Develop processes for routinely capturing financial information for all contracts and subcontracts for private security services. This should also include such ancillary costs as government furnished equipment and hardening of offices.
2. Direct program managers to consider the costs of security relative to the expected benefits for all new projects.

3. Identify security costs at the subcontractor level for all new projects.

Lessons Learned

At the beginning of reconstruction activities in 2003, the high costs associated with providing security for U.S. personnel in Iraq were not readily apparent. Further, because there was no requirement to track these costs, it was not completely clear for several years that security costs were consuming large portions of reconstruction budgets. However, it is now clear that these costs were extremely high. As a result, SIGIR believes that an important lesson learned from the experience in Iraq is the need to include security costs in decision-making when engaging in and contracting for reconstruction activities in any contingency operation including Afghanistan.

Management Comments and Audit Response

SIGIR received technical comments on the draft report from DoS, USAID, and MNF-I, and addressed these comments in the report where appropriate. SIGIR did not obtain comments from DoD in time to be included in the report.

Status of Department of State Economic Support Fund Interagency Agreements with the U.S. Army Corps of Engineers in Iraq

(SIGIR-09-006, OCTOBER 2008)

Introduction

The Economic Support Fund (ESF) is an appropriation account authorized by the Foreign

Assistance Act of 1961. Specific ESF dollar amounts are requested in the President's Budget to Congress and approved by the Congress under the Department of State's International Affairs - Foreign Operations, Export Financing and Related Program (Foreign Operations), Other Bilateral Economic Assistance, budgetary account. Since 2003, the Congress has appropriated \$3.20 billion to ESF for Iraq reconstruction. ESF advances U.S. foreign policy interests by:

- increasing the role of the private sector in the economy, reducing government controls over markets, enhancing job creation, and improving economic growth
- developing an effective, accessible, independent legal system operating under the rule of law
- assisting in the transition to transparent and accountable governance and the empowerment of citizens
- developing and strengthening the institutions necessary for sustainable democracy
- strengthening the capacity to manage the human dimension of the transition to democracy and a market economy and to help sustain the neediest sectors of the population during the transition

Since mid-2006, DoS, through the Director of Foreign Assistance, has been responsible for ESF programming decisions. The U.S. Agency for International Development and DoS bureaus have each been given responsibility for implementing ESF funds for Iraq.

In 2006, DOS entered into three interagency agreements with USACE to execute programs

in Iraq. In these agreements, ITAO and USACE were assigned roles in carrying out ESF activities, in coordination with DoS. ITAO's role is to coordinate and oversee the process for selecting and approving projects, particularly for the PRDC interagency agreement.

The Foreign Assistance Act of 1961 requires agencies to spend ESF funds for the activities, programs, and projects justified to the Congress. However, changes to activities, programs, and projects are permitted if the appropriate congressional committees are notified.

In 2006, DoS and USACE executed three interagency agreements under the authority and funding provided by Public Law 109-234, which provided funding to carry out the purposes of the Foreign Assistance Act of 1961. The appropriation had a two-year life: the funds would expire on September 30, 2007.

Objectives

SIGIR has frequently been asked why the expenditure rate for ESF funds is relatively low, compared to other appropriations being used in Iraq. To determine why this occurs, SIGIR analyzed the status of obligations and expenditures for three ESF-funded interagency agreements valued at \$1.25 billion and the practices used to obligate and expend funds.

Results

SIGIR identified three significant and interrelated issues that affect the rate of obligation and expenditure for the ESF appropriations funding these agreements. First, although the ESF appropriation is a two-year appropriation, obligations

recorded based on interagency agreements under the authority of the Foreign Assistance Act of 1961 do not automatically deobligate after the period of availability. Instead, the funds remain available for deobligation and subsequent reobligation for a period of four years after the obligation expires. Second, although the funds identified in the agreements are obligated at the time the agreements are signed, projects are not always associated with the agreements at that time. SIGIR's review shows that USACE has not awarded contracts for \$126 million from the FY 2006 ESF appropriation (15%), and \$224 million from the FY 2007 appropriation (58%). Third, the purpose and nature of the agreements—to develop the Iraqis' capabilities—also contributes to a slower expenditure rate than would typically occur.

The three agreements that SIGIR reviewed were intended to fund projects supporting:

- Provincial Reconstruction Teams and Provincial Reconstruction Development Committees
- infrastructure security protection for oil, water, and electricity sectors
- sustainment and technical capacity development in the electricity, water, health, transportation, and communication sectors

USACE executes projects under these agreements after they have been identified and approved by ITAO, which selects projects after reviewing requests from other program elements in Iraq. Once ITAO approves a project and USACE awards a contract, it is recorded as

a subobligation of funds against those already obligated to pay for the projects.

SIGIR's review of funds obligated under these agreements shows that the current total value of the agreements is approximately \$1.25 billion, as of September 22, 2008. Of this amount, USACE has disbursed approximately \$587 million—about 47% of the total value of the agreements. The expenditure rate is low partly because only about 72% of the \$1.25 billion has been subobligated, which means that USACE has awarded a contract for a specific project. USACE has not awarded contracts for \$350 million (28%) in ESF funds. These funds remain available to DoS.

Recommendations

This report was provided for information purposes only and did not contain any recommendations.

Management Comments and Audit Response

SIGIR received written comments from DoS, GRD, and ITAO on a draft of this report. All three questioned SIGIR's statement that funds under these agreements are being expended at a slower rate than would typically occur. SIGIR has added a section to the draft that discusses expenditure rates. GRD also provided additional detail on the projects funded by these agreements to show how the funds are being used. SIGIR agrees with the information provided and believes it adds to the explanation for the pace of expenditure. DoS expressed concern that the draft report contained inaccurate information and misleading conclusions about DoS's legal

authorities and the nature of the agreement. SIGIR is not questioning the authority of DoS to enter into these agreements, nor does SIGIR believe that DoS's management of these agreements is improper. However, the study's objective was to determine why funds that were reported as fully obligated—some almost two years ago—have been only 47% disbursed. SIGIR identified two reasons for the low expenditure rate in the original draft and, based on the written comments SIGIR received, added a third reason—the nature of the agreements. SIGIR believes that these reasons accurately explain the expenditure rates for these three agreements.

Improvements Needed in Reporting Status of Reconstruction Projects to Chief of Mission

(SIGIR-09-007, OCTOBER 2008)

Introduction

In July 2008, the U.S. Ambassador to Iraq (Chief of Mission, or COM) raised questions about the availability of management information needed for oversight of agency reconstruction projects. At the COM's request, SIGIR initiated a review to identify and determine the adequacy of the processes used to provide the current status of reconstruction projects to the COM.

On May 23, 2007, the U.S. Embassy-Baghdad's Organization and Staffing Report formalized a number of changes designed to improve the overall efficiency and effectiveness of organizations in support of operations and ongoing efforts for the transition in Iraq. The report recommended scheduled meetings at the

post level to allow greater coordination on cross-cutting issues and daily briefings to the COM.

The Economic Minister plays an important role in the new organizational alignment, serving as the Coordinator for Economic Transition in Iraq (CETI). The CETI coordinates U.S. government policy on economic development in Iraq—including coordinating all relevant elements of the U.S. Embassy—to facilitate a smooth transition from U.S. government and other external assistance. Managing the flow of information is a key element of this responsibility. The CETI reports directly to the COM and Deputy Chief of Mission.

Results

The Department of State (DoS) has various avenues for communicating information on Iraq reconstruction projects, but they fall short of ensuring that the COM receives information critical for making decisions on reconstruction projects. The current process for reporting reconstruction status to the COM includes three sources of information:

- The Reconstruction Core Group, which meets weekly with representatives from key reconstruction organizations, is the COM's primary source of project-related information.
- The *Section 2207 Report*, a quarterly report to Congress, estimates the cost to complete individual projects funded by the Iraq Relief and Reconstruction Fund (IRRF).
- The Iraq Reconstruction Management System provides aggregate data on Iraq reconstruction efforts funded by the U.S. government.

Despite these reporting mechanisms, there are no formalized policies or guidance to outline what, when, or how to report reconstruction project status to the COM, according to senior officials. In addition, there is no systematic process or criteria to analyze the cost, schedule, performance, or associated impact that automatically initiate reporting to the COM based on these criteria. Project reporting is left to the discretion of project managers, subject matter experts, and other senior leaders. For example, until recently, the COM was unaware of various issues impacting the successful completion of the Falluja wastewater project, the only wastewater system built from the “ground up.” Security concerns, inadequate design, poor contractor performance, and work stoppages for non-payment of contractor invoices caused repeated delays in the project. Without a formalized reporting process or established reporting criteria, projects with substantial delays, spiraling costs, security concerns, or other high-risk issues may not be brought to the COM’s attention, potentially resulting in poor management decisions and wasted taxpayer dollars.

Recommendations

SIGIR recommends that the U.S. Ambassador to Iraq take these actions:

1. Establish and publish policy and guidance to uniformly report the status of reconstruction projects to the U.S. Ambassador. The policy and guidance should consider stratifying and prioritizing projects to be reported to the U.S. Ambassador. Furthermore, the policy and guidance should establish a means of identifying key elements of a project—such as cost, schedule, and performance—to objectively provide the status of a project.
2. Direct the Coordinator for Economic Transition in Iraq to establish a process based on the new policy guidance to ensure that all reconstruction projects, regardless of funding source or agency management, are accurately and adequately reported to the U.S. Ambassador. If a project is delayed or terminated, the Coordinator should also consider the associated impact on quality of life and diplomatic relationships. Any project deviating from established criteria should trigger required notification to the Ambassador.

Management Comments and Audit Response

In written comments on a draft of this report, the Deputy COM and the Commanding General, U.S. Army Corps of Engineers Gulf Region Division (GRD), concurred with the report, and the Deputy COM stated that action to implement SIGIR’s recommendations is underway. The Deputy Chief of Mission indicated that she had requested the Coordinator for Economic Transition in Iraq to design a process to report project status, with some measure of objectivity, for problem projects.

The Deputy COM suggested that for clarity’s sake, the second recommendation involving “all projects, regardless of funding source or agency management” should be refined to read “all non-military projects, regardless of funding source or agency management,” indicating that the COM does not have authority over projects funded by the U.S. military. SIGIR did not

change the recommendation because the majority of remaining reconstruction projects are funded by DoD. Consequently, SIGIR believes that the process being developed to provide the COM information should include reconstruction projects funded by DoD. Although SIGIR realizes that there is a division of responsibilities between the Embassy and MNF-I, that does not exclude the sharing of information of mutual interest. Moreover, National Security Presidential Directive (May 11, 2004) states that “The Secretary of State shall be responsible for the continuous supervision and general direction of all assistance for Iraq.” Consequently, SIGIR believes that the process being developed to provide the COM information should include reconstruction projects for the benefit of Iraq, funded by DoD. Including such information is consistent with the collaborative working relationship between the COM and the Commanding General, MNF-I. The extent and scope of the information would be decided as part of the ongoing process described in the Deputy COM’s comments.

MNF-I and GRD provided additional comments, which for the most part included suggestions for technical changes to the report. SIGIR considered these comments in preparing this final report and made changes considered appropriate.

Ongoing and Planned Audits

SIGIR conducts primarily performance audits that assess the economy, efficiency, effectiveness, and results of Iraq reconstruction programs,

often with a focus on the adequacy of internal controls and the potential for fraud, waste, and abuse. This includes a series of focused contract audits⁶³³ of major Iraq reconstruction contracts to enable SIGIR to respond to a congressional mandate for a “forensic audit” of U.S. spending associated with Iraq reconstruction.

Ongoing Audits

SIGIR is currently working on these ongoing audits:

- SIGIR-8003: Review of Spending and Performance under Kellogg Brown & Root Services, Inc. (KBR) Reconstruction Projects—Oil Sector (focused contract audit)
- SIGIR-8017: Review of Department of Defense Contracts in Iraq with the Aegis Private Security Company
- SIGIR-8018: Review of Quick Response Fund (QRF) and Iraq Rapid Assistance Program (IRAP)
- SIGIR-8019: Joint Review with Department of State Office of Inspector General of Blackwater Contract and Associated Task Orders for Worldwide Personal Protective Services (replaces former SIGIR Project 7018)
- SIGIR-8022: Review of the Transition of Iraq Reconstruction Projects to the Government of Iraq
- SIGIR-8031: Review of Military Field Commanders’ Experiences Working with and Managing Private Security Contractors in the Iraqi Theater of Operations
- SIGIR-8032: Review of DoD’s Theater-wide Security Services (TWISS) Contract

- SIGIR-8033: Review of U.S. Plans and Outcomes of Training and Equipping Iraqi Security Forces
- SIGIR-8034: Review of Opportunities To Increase Cost-sharing Arrangements for Reconstruction of Iraq
- SIGIR-8035: Review of DoD's Program To Help the Government of Iraq Restart State-owned Factories
- SIGIR-8036: Review of the Effectiveness of Provincial Reconstruction Teams' Use of Performance Measures in Iraq
- SIGIR-8037: Review of the National Maintenance Contract and Related Contracts (focused contract audit)
- SIGIR-8038: Review of DoS Management Practices Related to Grants to the International Republican Institute and National Democratic Institute for Democracy-building Projects in Iraq
- SIGIR-8039: Review of the Planning, Management, and Impact of U.S. Capacity-development Activities in Iraq

Planned Audits

SIGIR's audit planning is aligned with two key goals contained in SIGIR's strategic audit plan:

- improving business practices and accountability in managing contracts and grants associated with Iraq reconstruction
- assessing and strengthening the economy, efficiency, and effectiveness of programs and operations designed to facilitate Iraq reconstruction

SIGIR's strategic plan recognizes two specific legislative mandates affecting SIGIR audits. The first is the mandate for SIGIR to complete a forensic audit report on all amounts appropriated or otherwise made available for Iraq reconstruction before SIGIR goes out of existence. As part of that effort, SIGIR has completed eight focused contract audits dealing with the outcomes, cost, and oversight associated with major reconstruction contracts in Iraq, as well as vulnerabilities to fraud, waste, and abuse. Another such review is ongoing, and others are planned. The second mandate gave SIGIR a lead role in developing a comprehensive audit plan for a series of audits of federal agency contracts, subcontracts, task orders, and delivery orders for the performance of security and reconstruction functions in Iraq, in consultation with other inspectors general. SIGIR's strategic audit plan can be found at http://www.sigir.mil/audits/pdf/Audit_Strategic_Plan.pdf.

During this quarter SIGIR—in consultation with DoD OIG, DoS OIG, and USAID OIG—completed the comprehensive audit plan audits of private security contractors. Although some of the audits identified in the plan will be completed by SIGIR, others are expected to be completed by the other inspector general agencies. This quarter, SIGIR issued the first report under this mandate—SIGIR-09-005, “Agencies Need Improved Financial Data Reporting for Private Security Contractors.” Other private security contractor audits are ongoing. This plan may be found at <http://www.sigir.mil/audits>.

SIGIR INSPECTIONS

This quarter, SIGIR Inspections conducted nine assessments, issued in three reports. Three of the nine projects were assessments of relief and reconstruction work funded under the Iraq-Commander's Emergency Response Program (I-CERP). The remaining six assessments comprised three IRRF-funded projects, two DFI-funded projects, and one CERP-funded project.

SIGIR's construction assessments addressed these general questions:

- Were the project components adequately designed before construction or installation?
- Did the construction or rehabilitation meet the standards of the design?
- Were the contractor's quality control (QC) and the U.S. government's quality assurance (QA) programs adequate?
- Were project sustainability and operational effectiveness adequately addressed?
- Were the project results consistent with the original objectives?

SIGIR's sustainment assessments focus on whether the projects delivered to the Iraqis were operating at the capacity planned in the original contract or task order objective. To accomplish this, SIGIR determined whether the projects were at planned capacity when accepted by the U.S. government, when transferred to Iraqi operators, and during the assessment. In addition, SIGIR determined whether sustainability was

adequately planned for and whether it is likely to continue.

Since the Inspections program began in summer 2005, SIGIR has completed 131 project assessment reports, 96 limited on-site inspections, and 640 aerial assessments.

This quarter, for the first time, SIGIR Inspections assessed activities funded by the I-CERP; these funds are Development Fund for Iraq (DFI) monies transferred to the United States for disbursement in accordance with the I-CERP Standard Operating Procedures issued by MNC-I. The **Al Quds**, **Al Mualameen**, and **Al Faoo school projects** were all funded under I-CERP.

At the time of the inspections, the three school projects were not complete. MNC-I representatives reported that the local Iraqi contractor requested to be released from the contracts because he had received multiple solicitations for bribes from Government of Iraq (GOI) representatives. The Iraqi contractor stated that he refused to make the bribe payments and had received threats against himself, his colleagues, and his family. MNC-I representatives reported that Coalition forces closed the contracts and made partial payments to the contractor for work completed at the time the projects were closed out. MNC-I reports that attempts were underway to obtain another contractor to complete the refurbishments.

TABLE 4.3

NINE PROJECTS ASSESSED THIS QUARTER (\$ THOUSANDS)

PROJECT NAME	ASSESSMENT TYPE	PROVINCE	BUDGETED COST	EXECUTING AGENCY	FUNDING SOURCE	CONTRACTOR	GRD REGION
Sadr City R3 Water Treatment Plant	Construction	Baghdad	\$65,848	GRC	IRRF	Washington International, Inc./ Black & Veitch	Central
Falluja Waste Water Treatment Plant	Construction	Anbar	\$29,558	GRC	IRRF	FluorAMEC	Central
Falluja Sewer—Area A Construction and Repair	Construction	Anbar	\$2,906	GRC	IRRF	Local	Central
Falluja Sewer—Pump Station 1&2	Construction	Anbar	\$7,223	GRC	CERP	Local	Central
Falluja Sewer—Force Main	Construction	Anbar	\$1,804	GRC	DFI	Local	Central
Falluja Sewer—Earthwork for the WWTP	Construction	Anbar	\$2,769	GRC	DFI	Local	Central
Al Quds School	Sustainment	Baghdad	\$420	MNC-I	I-CERP	Local	Central
Al Mualameen School	Sustainment	Baghdad	\$389	MNC-I	I-CERP	Local	Central
Al Faoo School	Sustainment	Baghdad	\$441	MNC-I	I-CERP	Local	Central

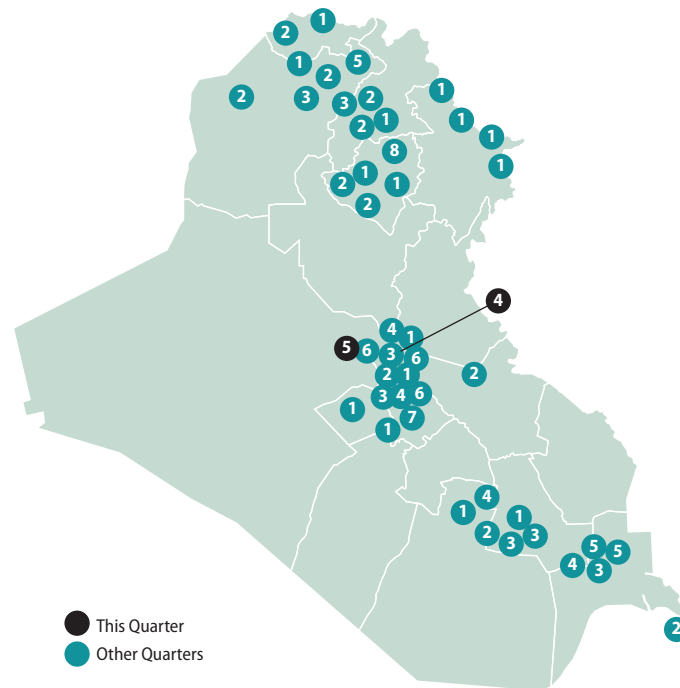
The **Falluja Waste Water Treatment System** was originally planned to cost \$32.5 million, to be completed in January 2006, and to serve the entire city of Falluja. Now, it will cost at least three times as much as originally planned, will be only partially functioning in April 2009 at the earliest, and will serve less than half of the area originally intended.

The wastewater treatment plant for the Falluja Waste Water Treatment System was originally designed using a lagoon system; however, at the insistence of the Ministry of Municipalities and Public Works, it was re-designed to use a mechanical, activated-sludge system. The work completed appeared to meet the contract specifications as a result of good quality assurance on the part of the government. Before any of the residents of Falluja can receive the benefits of a wastewater treatment system, a number of problems must still be overcome:

- A sufficient supply of fuel to operate generators or power from the Iraqi national grid must be made available to continuously operate the generators at the wastewater treatment plant and pump stations.
- Provision must be made to connect homes to the wastewater collection system. Currently, neither the U.S. government nor the GOI has funding in place to connect the houses to the system.
- A number of contractors with contracts funded by the DFI have not received payment for their work from the GOI for extended time periods—some for almost two years. Failure to pay contractors promptly has impeded progress and resulted in one instance in which a contractor denied the use of a force main pipeline to the wastewater treatment system by locking the manholes and valve boxes.

FIGURE 4.1
PROJECT ASSESSMENTS

Approximate locations of the 131 projects where inspections were conducted, analyzed, and reported to date.



The inspection of the IRRF-funded **Sadr City R3 Water Treatment Plant** revealed a project originally to be built under a U.S. Agency for International Development contract with Bechtel National, Inc. (Bechtel). Bechtel sub-contracted with Parsons Global Services, Inc. (Parsons) for the design and construction of the project. When the project was reported to be 85% complete, Bechtel and Parsons departed Iraq, and the project was turned over to the U.S. Army Corps of Engineers (USACE) to be finished. USACE contracted with Washington International, Inc./ Black & Vietch to complete the design and construction of the project. Although problems were

identified with the design and construction work under the original contract, adequate construction and effective contractor QC and government QA under the USACE have resulted in a project currently estimated to be 92% complete, functioning at nearly full design capacity and capability.

Table 4.3 lists the project assessments that SIGIR completed this quarter. For a complete list of project assessments from previous quarters, see Appendix J.

Figure 4.1 shows the approximate location of each project assessed this quarter and in previous quarters.



Falluja wastewater project: Inlet tank and screen structure.



Falluja wastewater project: Oil and grit tank and classifier.

SIGIR Project Assessments

This section provides summaries of SIGIR project assessment reports completed this quarter. For the full reports, see the SIGIR website, www.sigir.mil.

Falluja Waste Water Treatment System, Falluja, Iraq

SIGIR PA-08-144

SIGIR PA-08-145

SIGIR PA-08-146

SIGIR PA-08-147

SIGIR PA-08-148

In July 2008, the U.S. Ambassador became “extremely concerned” that the Falluja Waste Water Treatment System⁶³⁴ had “gone so far off track and for so long.” Specifically, a project that was originally planned to cost \$32.5 million, be completed in 18 months in January 2006 by one contractor, and serve the entire city of Falluja, now would cost \$98 million, be only partially completed in 56 months in April 2009 under the original contract and 45 others, and serve only 9,300 homes—only 38% of the city of Falluja. The Ambassador was concerned not only with the costs, timeliness, and extent of, but also with the adequacy of progress reporting. This inspection report addresses the Ambassador’s concerns

about the costs, timeliness, and extent of construction. The Audit Directorate is addressing the Ambassador’s concerns about the adequacy of progress reporting in SIGIR Audit 09-007, “Improvements Needed in Reporting the Status of Reconstruction Projects to Chief of Mission.”

On March 23, 2004, an indefinite delivery/indefinite quantity, cost-plus award-fee contract to restore, rebuild, and develop water, wastewater, and solid waste projects to assist in the restoration of the Iraqi infrastructure was awarded to FluorAMEC of Greenville, South Carolina. On June 26, 2004, a delivery order against the contract for \$32.5 million was issued to design and construct a new wastewater treatment system, comprising a sewer collection network, trunk lines, pump stations, and a wastewater treatment plant for the city of Falluja. The projected start date was July 1, 2004; the project was scheduled to be completed in 18 months. In September 2005, after the project experienced schedule delays and cost growth of approximately \$25.8 million, the Iraq Reconstruction Management Office⁶³⁵ terminated the original FluorAMEC contract. At that time, only a portion of one collection network was complete. Since then, 45 separate contracts have been awarded to Iraqi contractors to complete

portions of the wastewater treatment system and provide needed equipment and supplies. At the time of the SIGIR assessment, the costs of the Falluja Waste Water Treatment System had risen to \$98 million, of which \$18.7 million had been expended under the FluorAMEC delivery order, and \$79.3 million had been obligated for the 45 contracts to complete the system.

SIGIR subjectively chose five contracts to review in its assessment report. The contracts selected provide coverage of all three funding sources and multiple facets of the project, including sewer collection Area A, the force main, and the wastewater treatment plant.

Project Assessment Objectives

The objective of these project assessments was to provide real-time information on relief and reconstruction projects to interested parties to enable appropriate action, when warranted.

SIGIR conducted these project assessments in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency. The assessment team comprised an engineer/inspector and an auditor/inspector.

Project Objective

The original objective of the FluorAMEC contract delivery order was to design and construct a wastewater treatment system to serve the then-estimated 24,400 homes in the entire city of Falluja. The system was to include eight sewer collection networks, trunk and force main pipelines, seven pump stations, a wastewater treatment plant, and an effluent pump station

with outfall to the Euphrates River. However, the objective was ultimately modified to design and construct collection systems for 9,300 homes in only three of the eight areas within the city of Falluja, trunk and force main pipelines, three pump stations, a wastewater treatment plant, and an effluent pump station with outfall to the Euphrates River.

Costing approximately \$98 million,⁶³⁶ the Falluja Waste Water Treatment System is the only major new sewage system being constructed and is one of the largest water projects funded by the U.S. government in Iraq. This project has been identified as a priority project for the U.S. government and the GOI because it is to provide sewage treatment for a predominantly Sunni area.

Issues Affecting the Costs, Timeliness, and Extent of Construction

Although several factors contributed to the project slipping drastically behind schedule and escalating costs, the main reasons involve:

- unrealistic expectations by the U.S. government with regard to schedule and cost estimates, considering the security situation
- the decision to redesign the wastewater treatment plant from a lagoon system to an activated-sludge system
- funding and contracting issues
- indecision by the U.S. government with regard to identifying a path forward for this project
- limited contractor and subcontractor pool to choose from and the resulting quality issues
- workplace safety issues at the project sites

Conclusions

The assessment determined that:

1. The wastewater treatment plant for the Falluja Waste Water Treatment System was originally designed using a lagoon system; however, because the Ministry of Municipalities and Public Works refused to even consider a lagoon system, the U.S. government agreed to re-design the wastewater treatment plant using a mechanical system (activated-sludge units). According to representatives of the Iraq Transition Assistance Office and the U.S. Army Corps of Engineers, the design drawings for both the wastewater treatment plant and the pump stations were “technically inadequate,” which required the U.S. government to contract with Washington International, Inc./Black & Vietch to complete the construction package. For example, the contractor’s design

submittal for the wastewater treatment plant had “many technical issues” requiring Washington International, Inc./Black & Vietch to develop detailed designs for the chlorination system, scrubber, polymer slab, and polymer system design. In addition, a peer design review was required to bring the pump stations “up to international safety and engineering code compliance.” Also, the original designs for all three collection systems were technically inadequate because the original design engineer was unable to complete site surveys due to security concerns.

After the project was re-designed two separate times at significant additional cost to the U.S. government, the contract’s design and specifications were eventually revised to be specific enough to construct



Falluja wastewater project: effluent pump station construction.



Falluja wastewater project: F1 Pump Station wall construction.

the wastewater treatment plant and associated facilities. The revised design has taken into consideration the sequencing of work and the relationship to other contract work. The revised drawings and specifications appear to be complete and consistent with the contract's requirements. However, it must be noted that the primary design concern of the Ministry of Municipalities and Public Works—the odor produced by a lagoon system—was not addressed by the original design of the wastewater treatment plant with the activated-sludge units. During the design review process, this was identified; however, because of project funding constraints, it was not remedied. Consequently, the residents of Falluja, many of whom will not have access to the sewer system, will be subjected to significant odors emitted from the wastewater treatment plant.

2. The majority of the work observed met the standards of the revised designs. Because of the security situation, the inspection team was able to inspect only the wastewater treatment plant and Pump Station F1. At the wastewater treatment plant, no significant deficiencies were observed; however, at Pump Station F1, the inspection team observed an area of inadequately poured concrete. According to a representative of the Camp Falluja Resident Office of the U.S. Army Corps of Engineers Gulf Region Central, the unacceptable concrete work had previously been identified on a deficiency list and will be inspected for removal and

replacement prior to issuance of final payment. The inspection team concluded that the Camp Falluja Resident Office provided adequate oversight to ensure that construction met the standards of the design.

3. The contractors' QC plans were sufficiently detailed, including the use of daily QC reports to document construction deficiencies. The daily QC reports documented the number of workers on site, the construction activities performed, and provided numerous photographs of work activities performed. According to Camp Falluja Resident Office representatives, the contractor's daily QC reports were useful but showed what the contractor wanted them to see.

The government QA program was effective in ensuring that construction of the entire Falluja Waste Water Treatment System was adequate. The security situation in and around this project has been extremely volatile, which severely limited the ability of Camp Falluja Resident Office representatives to perform the depth of QA oversight required for a project this large and complex. The constant threat of attacks either on site or during the drive to and from the site limited the frequency and duration of Camp Falluja Resident Office representatives' project visits to an hour or two every other week.

Technical precision and contractor safety issues for the wastewater treatment system

required more QA oversight than the Camp Falluja Resident Office could provide because of the security situation. Therefore, a contract was awarded to a local contractor that employed Iraqi engineers from the Falluja area as QA representatives to perform field engineering and inspections services during construction. The QA representatives were on site during construction events, monitored field activities, and completed daily QA reports that documented significant construction activities and included photographs of construction work performed throughout the day. According to Camp Falluja Resident Office representatives, the QA representatives served as their “eyes and ears on the ground.”

The lack of local contractors with the technical capabilities to perform construction activities that comply with international standards presented a constant challenge. According to Camp Falluja Resident Office representatives, their goal was to achieve a “minimum acceptable quality” at the project sites, which they believed was a realistic approach to managing this project. Camp Falluja Resident Office representatives believe that this goal does not mean diminished quality, but rather a practical approach when taking into consideration security, safety, and the desire for project progress.

Camp Falluja Resident Office representatives have instituted improved concrete

specifications for the wastewater treatment plant and pump stations, which provided vastly improved durability from higher concrete density and provided concrete compressive-strength test results that are well above the minimum required characteristic strength. Camp Falluja Resident Office representatives consider this an “insurance policy” to overcome the “inherent flaws in concrete production and placement that exist in the Iraqi construction industry at present.” In addition, Camp Falluja Resident Office representatives mentor the local Iraqi contractors with safety briefings and construction techniques. Throughout the duration of this project, Camp Falluja Resident Office representatives made a concerted effort to promote safety as much as quality with the local contractors. Several accidents have occurred at the project sites—resulting in four fatalities. The deaths are a testament to the refusal of the local contractors to conform to the safety practices recommended by the Camp Falluja Resident Office representatives.

The Camp Falluja Resident Office’s robust QA program compensated for the technical and safety limitations of the local contractors. Specifically, the QA program encouraged safety and quality while ensuring the completion of the project.

4. Sustainability was not adequately addressed for this project. At the inception of the

project, the U.S. government wanted the wastewater treatment plant to use a lagoon system because it required little power, no skilled personnel, and little maintenance to operate; however, the Ministry of Municipalities and Public Works (the Ministry) rejected the lagoon system because it was for “third-world countries.” Instead the Ministry requested the use of a mechanical (activated-sludge unit) system. Ultimately, the U.S. government accepted the Ministry’s proposal to use a mechanical system; this decision will have significant, irreversible, and long-term ramifications on the future operation and maintenance of the wastewater treatment plant and associated facilities.

When the original delivery order was awarded in mid-2004, little permanent power was required because the wastewater treatment plant was designed with a lagoon system. In November 2005, when the U.S. government agreed to redesign the wastewater treatment plant from a lagoon to a mechanical system, the need for permanent, reliable power became critical. In June 2006, a contract funded with DFI funds was awarded to provide power to operate the newly designed mechanical wastewater treatment plant and Pump Station F1—specifically, feeder lines connecting the plant and pump station to a local substation.

However, by July 2007, U.S. government representatives realized that the Iraqi National

Grid would not provide “any significant improvements [for permanent power] in the foreseeable future.” As a result, the solution to the lack of permanent power was to further redesign the wastewater treatment plant to operate by continuous-use generators, instead of standby generators.

According to Gulf Region Division representatives, it will take approximately 520 gallons of fuel per hour (12,480 gallons per day) to operate the generators for the full running of the wastewater treatment system (all four wastewater treatment plant trains and three pump stations for eight collection areas); although it will require 200-250 gallons of fuel per hour (4,800-6,000 gallons per day) to operate the limited service portion of this project (two of the four wastewater treatment plant trains and two pump stations for three collection areas).

Currently, no contract exists to provide the fuel needed to operate the generators at the wastewater treatment plant and pump stations. The inspection team was told that the Ministry would be responsible for providing the fuel. Unfortunately, the Ministry of Municipalities and Public Works has not yet committed to providing the fuel that will be required to run the wastewater treatment plant and three pump stations.

This sustainability issue presents a serious problem for both the U.S. government and the GOI. Specifically, if the GOI cannot provide an adequate amount of fuel to

continuously operate the wastewater treatment plant and pump stations, the Falluja Waste Water Treatment System will not operate, and the substantial investment by the U.S. government will be wasted.

5. The results of the Falluja Waste Water Treatment System project will not be consistent with either the original or revised project objectives. Originally, the project objective was to provide a comprehensive wastewater treatment system for the entire city of Falluja; however, due to significantly increased costs and project delays, the objective was modified to provide the backbone to the wastewater treatment system (i.e., wastewater treatment plant, pump stations, and trunk lines) and make it available to only three of Falluja's eight collection areas. The original intent was to provide house-connection pipes to within one meter of the property line, and the Ministry of Municipalities and Public Works would be responsible for making the connections from each house to the collection system. In a cost-saving measure, the Ministry has proposed allowing each homeowner to make the connection to the collection system. Camp Falluja Resident Office representatives are concerned about this proposal: they believe that homeowners will simply knock a hole through the manhole walls, damaging the collection system. Without house connections to the collection systems, there will be no method of transferring wastewater from individual houses to the wastewater

treatment system. Currently, neither the U.S. government nor the GOI has funding in place to perform the house-connection work; therefore, no Falluja residents will benefit from the wastewater treatment system.

In addition, a number of contractors with contracts funded by the DFI have not received payment for their work on the wastewater treatment system for extended time periods. For example, the contractor who constructed the Force Main pipeline is owed approximately \$1.3 million by the Ministry of Finance under his contract. The Iraq Transition Assistance Office has been actively pursuing the payment of the DFI-funded contracts with the Ministry of Finance. Subsequent to the issuance of the draft report, the Iraq Transition Assistance Office representatives stated that two payments, totaling approximately \$570,000, have been made by the Ministry of Finance.

According to U.S. government representatives, the Ministry of Finance is "days away" from making the payment to the contractor; however, this payment is almost two years overdue. Until payment is received, the contractor has denied use of the Force Main pipeline to the wastewater treatment system by locking the manholes and valve boxes. Without the use of the Force Main pipeline, no wastewater will travel from Pump Station F1 to the wastewater treatment plant.

Recommendations

To protect the U.S. government's investment of approximately \$98 million, SIGIR recommends that the Iraq Transition Assistance Office Director:

- Coordinate efforts with the GOI to ensure that an adequate amount of fuel is provided until permanent, reliable power is available to operate the wastewater treatment plant and the pump stations.
- Coordinate efforts with the GOI to ensure a solution to permanent power for the wastewater treatment plant and pump station.
- Coordinate with the GOI to guarantee that the house connections are made to tie the three collection areas into the sewer network system.
- Continue efforts with the GOI to ensure that the remaining contractors with outstanding balances from the DFI contracts are paid.

Management Comments

SIGIR received comments on its draft report from the U.S. Embassy-Iraq, concurring with the recommendations in the report. Specific comments were also provided to clarify technical aspects of the report. The Gulf Region Division of the U.S. Army Corps of Engineers also provided technical comments for clarification. SIGIR reviewed the comments provided by both the U.S. Embassy-Iraq and the Gulf Region Division and revised the final report as appropriate. SIGIR appreciates the concurrence of the U.S. Embassy-Iraq with the recommendations of the draft report.

Sadr City R3 Water Treatment Plant, Baghdad, Iraq

SIGIR PA-08-143

This project assessment was initiated as part of SIGIR's continuing assessments of selected reconstruction activities in the water sector. This project assessment was conducted in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency. The assessment team comprised a professional engineer/inspector and an auditor/inspector.

Project Objectives

The objective of the **Sadr City R3 Water Treatment Plant** is to provide 4,000 cubic meters (4 million liters) per hour of potable water to serve approximately 192,000 residents in Sadr City. It was designed to receive untreated water from the existing raw water supply system and supply treated potable water to the existing distribution system. The plant is to employ approximately 150 operations, maintenance, and management personnel.

The Sadr City R3 Water Treatment Plant was originally to be built under a U.S. Agency for International Development (USAID) contract with Bechtel National, Inc. (Bechtel). Bechtel sub-contracted with Parsons Global Services, Inc. (Parsons) for the design and construction of the project. When the project was reported to be 85% complete, Bechtel and Parsons departed Iraq and the project was turned over to the U.S. Army Corps of Engineers (USACE) to be finished. USACE contracted with Washington International, Inc./Black & Vietch to complete the design and construction of the project.



Sadr City water project:
flocculation tanks.

Project Assessment Objectives

The objective of this project assessment was to provide real-time information on relief and reconstruction projects to interested parties to enable appropriate action, when warranted.

Conclusions

The assessment determined that:

1. The final plans and designs for the Sadr City R3 Water Treatment Plant were effective for the construction of the facility. Buildings and facilities for the Sadr City R3 Water Treatment Plant were initially designed by Bechtel and Parsons under a USAID contract. Upon transfer of the project to USACE for completion, USACE contracted with Washington International, Inc./Black & Vietch, which supplemented the original design appropriately because of deficiencies that should have been clarified and/or changed in the contract drawings and/or specifications provided by Bechtel and Parsons. The Gulf Region Division of USACE, the Iraq Transition Assistance Office, and the USAID Baghdad Office initiated preliminary action to notify Bechtel of the intent to file a claim for latent defective design and construction work.

The contractor was required to design and construct a residual solids pipeline, which

would dump the residual solids solution into the existing Police Canal. Because of environmental concerns, the contractor determined that a three-cell lagoon would be constructed to settle out the solids in the residual solids solution. The U.S. government issued a grant agreement with the Ministry of Water Resources to construct three residual sludge lagoons for the Sadr City R3 Water Treatment Plant for \$4,161,176. As of August 2008, the lagoon construction had been delayed due to indecision on the location, identification of the property owners, and the relocation of the residents living on the property. Until the lagoons are completed, the residual solids from the Sadr City Water Treatment Plant sedimentation and filtration processes will be pumped into the Police Canal.

2. The observed construction work associated with the project appeared to effectively meet the standards of the design. USACE and Washington International, Inc./Black & Vietch maintained an active role in managing the project to ensure quality and compliance with the contract requirements. For example, the northeast wall of the filter structure showed signs of significant concrete repair work. The repair work was to correct a deficiency identified on the

contractor's punch list. At the time of the inspection, the concrete repair work was not leaking. However, the re-work has delayed the project completion date and has cost the U. S. government additional funds to repair the deficiency.

3. The contractor's QC was effective in guiding the contractor's QC program. The contractor's daily QC reports contained required project and work activity information to document construction progress and identify problems with the required corrective action. The contractor's adequate quality control will help supply 4,000 cubic meters per hour of potable water to Sadr City.

The government QA program was effective in monitoring the contractor's QC program. The QA representative maintained a presence at the construction site and provided daily QA reports that contained project-specific information to document construction progress and highlight deficiencies. The quality assurance representative also supplemented the daily reports with detailed photographs that reinforced the narrative information provided in the reports.

4. Sustainability was addressed in the contract requirements. The contract required the contractor to train the appropriate individuals; provide operation and maintenance support during the construction, startup, and commissioning phases of the project;

complete commissioning and startup activities; and provide options for potential plant expansion.

Washington International, Inc./Black & Vietch has been providing training on use of the lab equipment, management of a drinking water system, operation of the chemical building, operation and maintenance of chemical systems, pipe and pipe repair, ductile iron pipe repair, and pumping of the water treatment plant. The operation and maintenance manuals provide an overview of the equipment by identifying the major process units, listing the equipment components and their capacities, and explaining the main operating practices and maintenance requirements of the plant as a whole unit. In addition, the manuals identify preventive maintenance tasks and equipment lubrication schedules.

The Baghdad Water Authority is required to provide the consumables for operation of the water treatment plant—such as alum, chlorine, polymer, and diesel fuel—to support continued operation. The original design of the facility was for 4,000 cubic meters per hour of potable water; however, the design provides for a future capacity expansion to accommodate 6,000 cubic meters per hour in multiple cell expansions. The contract between USAID and Bechtel required a one-year after-turnover warranty. The warranty is supported by and



Sadr City water project: raw water metering and flow-control station.

the responsibility of the local Iraqi subcontractor. The warranty letter, signed by the local Iraqi subcontractor, warrants that on written notice of defect, the subcontractor will promptly furnish—at no cost to the contractor or owner—all labor, equipment, and materials necessary to correct such defects and cause the work to comply fully with the foregoing warranties. Washington International, Inc./Black & Vietch identified 93 deficiencies in design and construction.

With the concurrence of USACE, Washington International, Inc./Black & Vietch agreed to rehire the same local Iraqi subcontractor to finish the project. The terms included:

- The local Iraqi subcontractor would complete items identified as the uncompleted portion of the project for the unpaid balance on the prior subcontract.
- Any other items, including correction of prior defects, would be identified as “Discovery Items,” which would be the subject of additional compensation.

This agreement resulted in additional cost to the government for repair or replacement of defective work.

Washington International, Inc./Black & Vietch provided technical information to the local Iraqi subcontractor to support the U.S. government in its effort to enforce the warranty claims. USACE sent a letter to the Iraq Transition Assistance Office requesting notification to USAID to file a formal notification to Bechtel of the intent to file a claim for latent defective work. This letter reports that the discovery of defective work has resulted in millions of dollars of re-work.

5. The Sadr City R3 Water Treatment Plant project should result in a functional project. At the time of the assessment, the project was reported to be 92% complete. If the current quality of construction and effective project management continues, the Sadr City R3 Water Treatment Plant will be completed, and the project results will be consistent with the original objectives.



Al Mualameen school: painted exterior.



Al Faoo school: painted exterior.

Recommendations

SIGIR recommends that:

1. The Commanding General, Gulf Region Division, continue to provide information and documentation to assist the U.S. Agency for International Development in evaluation of faulty design and construction work.
2. The Mission Director of the Baghdad Office of the U.S. Agency for International Development and the Director, Iraq Transition Assistance Office, evaluate the issues raised in SIGIR's report and take appropriate action.

Management Comments

SIGIR received comments on its draft report from the Gulf Region Division, Iraq Transition Assistance Office, and USAID. The comments were in response to an understanding of SIGIR's original recommendations that required legal action for the potential claim for faulty design and construction work. The Iraq Transition Assistance Office and USAID also stated that they had not been provided sufficient time to consider whether legal action is warranted. USAID further indicated that material statements in the report contained errors, discrepancies, deficiencies, and/or omissions, though no instances or examples were provided. SIGIR's intent was not to require legal action, but to recommend an evaluation of the issues raised in this report and then take appropriate action.

Al Quds, Al Mualameen, and Al Faoo Schools, Baghdad, Iraq

SIGIR PA-08-149

SIGIR PA-08-150

SIGIR PA-08-151

SIGIR is assessing projects funded by the GOI under the Iraq-Commander's Emergency Response Program (I-CERP) to provide real-time information on relief and reconstruction projects to interested parties to enable appropriate action, when warranted.

Project Assessment Objectives

The objective of these project assessments was to determine whether the projects were operating at the capacity stated in the original contract. To accomplish the objective, the assessment team sought to determine whether the projects were at full capability or capacity when accepted by the U.S. government, when transferred to Iraqi operators, and during the site inspection on September 17, 2008. SIGIR conducted these limited scope assessments in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency. The assessment team comprised an engineer/inspector and an auditor/inspector.

The overall objective of the project was to rehabilitate the Al Quds, Al Mualameen, and Al Faoo Schools, in Sadr City's Jamilla neighborhood in Baghdad, Iraq, to benefit approximately 350 to 400 students at each of the three schools.



No screens in windows and debris in the schoolyard at the Al Quds school.



Improper electrical connection at the Al Mualameen school.

On June 29, 2008, firm-fixed-price contracts were awarded to a local contractor. The Al Quds, Al Mualameen, and Al Faoo Schools rehabilitation projects were scheduled for completion on July 29, 2008.

Conclusions

At the time of the SIGIR site visits on September 17, 2008, the Al Quds, Al Mualameen, and Al Faoo Schools refurbishment projects were incomplete. Multi-National Corps-Iraq (MNC-I) representatives reported that the local Iraqi

contractor requested to be released from the contracts because he had received multiple solicitations for bribes from GOI representatives. The Iraqi contractor stated that he refused to make the bribe payments and had received threats against himself, his colleagues, and his family. MNC-I representatives reported that Coalition forces closed the contracts and made partial payments to the contractor for work completed at the time the projects were closed out. MNC-I reports that attempts were underway to obtain another contractor to complete the refurbishments.

During the site visits, SIGIR observed that a majority of the Statement of Work requirements for the refurbishment of the three schools appeared to be complete. However, a number of contractual items were incomplete; for example the electrical panel area was not secured, and debris and furniture that were to be removed were still on site. The condition of the electrical panel created a risk of electrical shock and fire, and the debris and discarded furniture presented an unsafe condition.



The Al Quds school: painted exterior.

The contracts' Statements of Work sufficiently identify the portions of the schools to be refurbished—specifically, the school areas, equipment, and facilities to be installed or replaced. Also, provisions were included that required that materials and equipment would be replaced with new equipment, not used equipment. The contract terms also specified that the quality of work must meet the standards of the Ministry of Education. Other than that, the contract terms did not identify the standards to which work was to be performed or the quality of materials to be used. Neither MNC-I nor the 926th Engineer Brigade was able to obtain the Ministry of Education standards. Consequently, although the contract terms provided sufficient identification of the work to be performed, the specifications to which the work was to be performed were not adequate.

Established and funded by the GOI, the purpose of the I-CERP is to enable commanders to execute urgently needed reconstruction projects for the benefit of the Iraqi people. The MNC-I Standard Operating Procedure Handbook, *Money as a Weapon System*, which

prescribes guidance for the I-CERP, provides that the overall success of the program's reporting is based on checks and balances and GOI oversight of the program, which requires bi-weekly reports of projects to be submitted to the GOI for review. The guidance also requires that project data in the Iraq Reconstruction Management Systems be accurate and updated weekly to ensure synchronization of projects among the GOI ministries.

Documentation provided to the assessment team summarized the financial and contractual start of the project. However, neither MNC-I nor the 926th Engineer Brigade provides bi-weekly reports or status reports describing the site progress during construction.

Recommendations

SIGIR recommends that the Commander, MNC-I, and the Commander, 926th Engineer Brigade take these actions:

1. Initiate another contract to complete the school refurbishments, particularly the portions of the contracts that present safety issues—such as the electrical panel, which presents a risk of electrical shock and fire,



Aerial Imagery of the Ar Ar Point of Entry station, taken on 4/4/2007 and 7/16/2008. SIGIR plans to conduct a project assessment of this site.

and the debris and discarded furniture which present an unsafe condition. In addition, the warranty, which is no longer valid from the original contractor, should be addressed, as well as incomplete items from the original contracts—such as the missing window screens, inoperable air-conditioning units, undelivered school supplies, etc.

2. Ensure that future contracts for the I-CERP not only identify the work to be performed, but also the specifications to which the work is to be performed.
3. Comply with the provisions of the MNC-Iraq Handbook, *Money as a Weapon System*, specifically:
 - Submit bi-weekly reports of projects for GOI review.
 - Update project data in the Iraq Reconstruction Management Systems on a weekly basis to ensure synchronization of projects among the GOI ministries.

Management Comments

SIGIR received informal comments on its draft

report from the Multi-National Force-Iraq (MNF-I), advising that MNF-I concurred with the report's findings and recommendations. SIGIR appreciates the concurrence by the MNF-I with the draft report's recommendations.

Aerial Project Survey Program

The SIGIR Satellite Imagery Group, based in Arlington, Virginia, performs aerial assessments of U.S.-funded reconstruction project sites throughout Iraq. The SIGIR satellite imagery analyst provides current imagery, imagery-based intelligence, and map products to the SIGIR directorates—Inspections, Audits, and Investigations. This has enabled SIGIR to provide current information on remote site locations and to track construction progress at project sites throughout Iraq.

This quarter, SIGIR conducted imagery analysis of 129 images and created 92 imagery products, using satellite imagery and limited available contract information. The imagery provides visual assessment of progress at reconstruction site locations throughout Iraq. The SIGIR imagery analyst assessed and reviewed I-CERP



Aerial imagery of the Sadr City R3 Water Treatment Plant taken on 6/26/2006, 11/24/2006, and 5/22/2008. This quarter, SIGIR conducted an assessment of the Sadr City R3 Water Treatment Plant.

and IRRF projects evaluated this quarter. For an overview of the images produced, see Table 4.4.

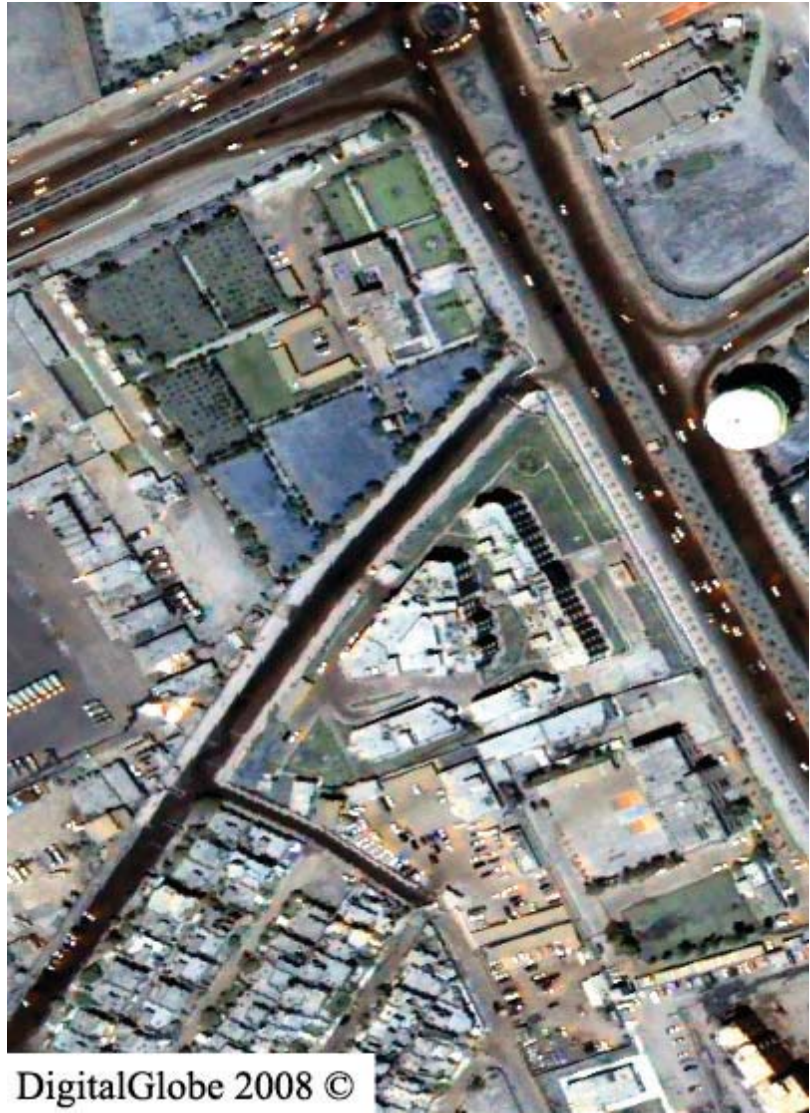
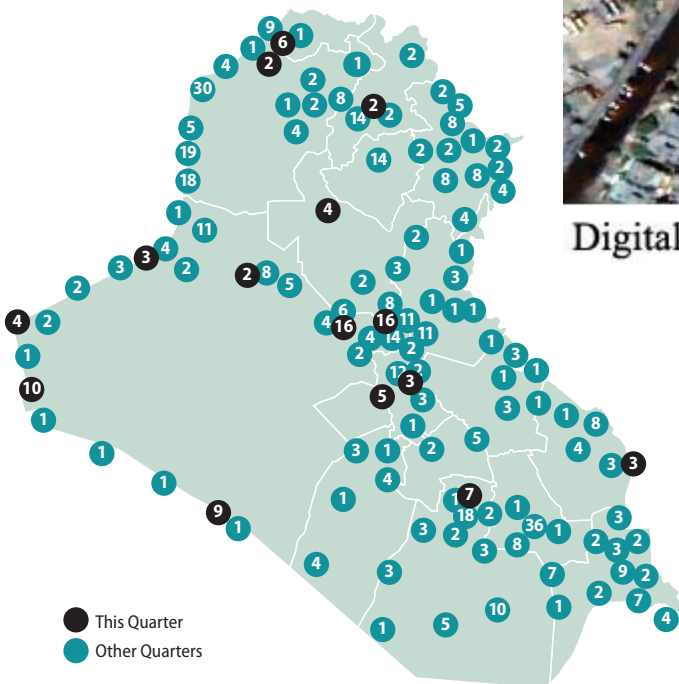
Imagery support products—including site overviews, project site break-outs, and site assessments—are used to prepare for inspection site visits and to identify possible problems. This quarter, 92 imagery products were produced to assist inspectors with their project assessments of the 9 sites assessed this quarter and to provide analyses of potential future sites.

In partnership with the National Geospatial-Intelligence Agency and the National Ground Intelligence Center, SIGIR imagery analysis has resulted in 640 cumulative satellite imagery assessments and products (Figure 4.2).

TABLE 4.4
IMAGERY ASSESSED SUPPORTING PROJECT ASSESSMENTS

PROJECT TYPE	NUMBER OF PRODUCTS
Falluja Waste Water Treatment Plant	11
Sadr City R3 Water Treatment System	7
Al Quds School	3
Al Mualameen School	3
Al Faoo School	3
Al Iqitadar School	3
Sagrah School	2
Al Shurhabil School	2
FOLLOW-UP ASSESSMENTS	
Al Muthanna Roads	7
Dahuk Rehabilitation Facility	6
Karbala Library	5
Maysan—Al Sheeb Border Post	3
Babil Police Station—Special Missions	3
Mosul Dam	2
Kurdistan Ministry of Interior	2
ADDITIONAL PRODUCTS	
Trebil Point of Entry—Al Anbar	10
Ar Ar Point of Entry—Al Anbar	9
Salah ad Din—Baiji Oil Refinery	4
Al-Waleed Point of Entry—Al Anbar	4
Qiam Point of Entry—Al Anbar	3

FIGURE 4.2
AERIAL IMAGERY ASSESSMENTS



Aerial imagery taken on 6/25/2008, of the KRG Ministry of Interior Building, previously assessed in SIGIR PA-o8-119.

SIGIR INVESTIGATIONS

SIGIR Investigations continues its work with a wide range of U.S. agency partners to pursue allegations of fraud, waste, and abuse in Iraq reconstruction, through 67 open investigations. This quarter, SIGIR Investigations had 5 personnel assigned to Baghdad; 8 special agents at SIGIR headquarters in Arlington, Virginia; and 11 special agents in offices in Pennsylvania, Florida, Ohio, Michigan, Maryland, and Texas to support current investigations and task forces in those areas.

To date, the work of SIGIR investigators has resulted in 16 arrests, 18 indictments, 11 convictions, 5 imprisonments, and more than \$17 million in fines, forfeitures, recoveries, and restitution. Three defendants are currently standing trial in federal court in Trenton, New Jersey, and four other defendants await the scheduling of trial dates.

For a comprehensive list of indictments and convictions, see Appendix L.

Legal Actions This Quarter

This quarter, SIGIR investigations continued to lead a number of significant criminal prosecutions related to Iraq reconstruction.

New Trial Began in September

Three additional alleged conspirators from the “Bloom Stein scheme” are currently on trial in federal court in Trenton, New Jersey. **Col. Curtis Whiteford**, **Lt. Col. Michael Wheeler**, and civilian **Seymour Morris Jr.** were charged

in a 25-count indictment for related charges in connection with the scheme, including conspiracy, bribery, money laundering, and others. Whiteford was a senior official in the Coalition Provisional Authority (CPA); Wheeler was a CPA advisor for Iraq reconstruction projects; and Morris owned and operated a Cyprus-based financial services business.

Two others were charged in the indictment: **Lt. Col. Deborah Harrison**—the acting Comptroller at CPA-SC who oversaw the expenditure of CPA-SC funds for reconstruction projects—and her husband, **William Driver**. Harrison entered a guilty plea, and Driver will be tried later.

When this Quarterly Report went to press, the jury was deliberating. In the January 2008 Quarterly Report, SIGIR will provide details of the outcome of the trial.

This case was investigated by SIGIR, U.S. Immigration and Customs Enforcement (ICE), the Internal Revenue Service (IRS), and the Federal Bureau of Investigation (FBI).

Bribery at Camp Arifjan

On August 13, 2008, a U.S. Army Major pleaded guilty to bribery and conspiracy to commit bribery arising out of his activities as a contracting officer in Camp Arifjan, Kuwait, in 2005 and 2006. According to the plea agreement entered on August 13, 2008, in the U.S. District Court for the District of Columbia, **Major James Momon, Jr.**, was involved in a criminal conspiracy to



Collapsing septic system at Hilla Police Academy: an example of poor construction under contracts awarded to Philip Bloom.



Reinforcement for collapsing building roofs at Hilla Police Academy: another example of poor construction under a contract awarded to Bloom.

accept cash bribes from five DoD contracting firms that supplied goods and services to U.S. military bases in Kuwait. In return, he awarded contracts and blanket purchase agreement (BPA) calls to those contractors. Momon agreed to accept about \$5.8 million from his co-conspirators as payment for his actions. He faces up to 5 years in prison for the conspiracy count and up to 15 years in prison for each bribery count, as well as fines of \$250,000 for each count. He has also agreed that \$5.8 million in restitution is owed to the U.S. government.

This case was investigated by SIGIR, the U.S. Army Criminal Investigation Command–Major Procurement Fraud Unit (CID-MPFU), Defense Criminal Investigative Service (DCIS), FBI, ICE, and IRS.

On September 4, 2008, a federal grand jury in the District of Columbia returned a superseding indictment against a **civilian contractor** for allegedly paying bribes to U.S. Army contracting officials at Camp Arifjan and for committing honest services wire fraud in connection with the same conduct. The superseding indictment charges the contractor with one count of conspiracy to commit bribery, two substantive bribery counts, and two honest services wire fraud counts. The contractor was originally indicted on

November 20, 2007, and charged with one count of bribery of a U.S. Army contracting official at Camp Arifjan. The contractor operated several companies that had contracts with the U.S. military in Kuwait, including Freedom Consulting and Catering Co. (FCC) and Total Government Allegiance (TGA). The superseding indictment reflected that FCC and TGA received approximately \$17 million from contracts to deliver bottled water and to erect security fencing for DoD in Kuwait and Iraq, and it alleges that the contractor bribed two Army majors who served as Army contracting officials at Camp Arifjan between 2004 and 2006.

On October 9, 2008, David Ricardo Ramirez, a DoD contract employee at Balad Air Base, Iraq, pleaded guilty in U.S. District Court, San Antonio, Texas, to charges of smuggling cash in bulk and structuring bank transactions to evade cash-reporting requirements. In March 2008, Ramirez was indicted on the cash smuggling and structuring charges. As a result of the plea, Ramirez agreed to be sentenced in January 2009 to 50 months in prison and to forfeit a \$95,000 condominium, a \$25,000 lot, a \$33,000 2007 Ducati motorcycle, and an \$80,000 1989 Lamborghini. The total amount of cash involved was \$159,425.

The funds in question were sent from Balad to Texas, where they were deposited into his account from January to October 2007. Ramirez worked for Readiness Management Support (RMS), a DoD contractor at Balad Air Base from November 2006 to November 2007. RMS had contracts funded by ISFF totaling more than \$33 million, as well as U. S. Air Force contracts funded by U. S. Air Force Operations and Maintenance funds. Ramirez helped plan base facilities construction. Ramirez also failed to disclose his long criminal record, which included a second-degree murder conviction.

This case is being investigated by SIGIR, U.S. Army CID-MPFU, U.S. Air Force Office of Special Investigations (OSI), ICE, and FBI.

Suspensions and Debarments

Since SIGIR's July 2008 Quarterly Report, the Procurement Fraud Branch has suspended 33 more individuals and companies, based on allegations of fraud and misconduct connected to reconstruction and contractor fraud in Iraq, Kuwait, and Afghanistan, bringing the total suspensions to date to 101. In addition, 26 individuals and companies have been proposed for debarment, bringing the total proposed debarments to 69. Sixteen additional companies and individuals were debarred; the total number of final debarment actions is now 41.

Since December 2005, SIGIR has worked closely with the Department of Justice (DoJ), Army Criminal Investigation Command,

Defense Criminal Investigative Service, and Army Legal Service Agency's Procurement Fraud Branch to suspend and debar contractors for fraud or corruption within the Army, including those involving Iraq reconstruction or Army support contracts in Iraq and Afghanistan. These cases arise as the result of criminal indictments filed in federal district courts and allegations of contractor irresponsibility that require fact-based examination by the Army's Suspension and Debarment Official.

SIGIR and the Defense Finance and Accounting Service Invoice Review Project

SIGIR continues to support the ongoing Defense Finance and Accounting Service (DFAS) invoice review project in Rome, New York. DCIS launched this proactive project to analyze more than \$10 billion in payment vouchers related to U.S. Army purchases to support the war effort in Iraq. The project has identified suspected fraudulent activity related to the war effort in Iraq, and referrals for investigation have been provided to the agencies of the International Contract Corruption Task Force (ICCTF), including SIGIR.

The Commercial Accounts Payable System (CAPS) information has been obtained from the deployed disbursing stations and placed into a database that will be used to identify fraudulent activity through the utilization of data mining. This involves about 800,000 vouchers valued at

approximately \$13 billion to \$14 billion. In addition to the analytical efforts to develop cases, the DFAS data is also being provided for use by the participating agencies to support ongoing investigations involving fraud and corruption in Iraq.

DFAS began scanning all of the historical vouchers related to these contingency payments at DFAS-Rome. DFAS deployed scanners to Iraq and Kuwait to scan new vouchers as they are processed for payment. DFAS has agreed to give access to this data to develop new cases

and support ongoing investigations. This DFAS database, coupled with the CAPS database, will significantly assist investigators pursuing fraud in Southwest Asia.

Other Agency Investigations in Iraq

SIGIR regularly coordinates with other government agencies conducting investigations in Iraq. For statistics of investigative activities from other agencies, see Table 4.5.

TABLE 4.5

INFORMATION PROVIDED BY OTHER U.S. AGENCIES, AS OF 9/30/2008

	INVESTIGATORS IN IRAQ	INVESTIGATORS IN KUWAIT	OPEN/ ONGOING CASES*
CID/MPFU	8	4	96
DCIS	6	2	134
DoS/OIG	0	0	4
FBI	4	2	79
USAID	2	0	6
Total	20	8	319

* Numbers include pending cases worked with other agencies.

SIGIR HOTLINE

The SIGIR Hotline facilitates the reporting of fraud, waste, abuse, mismanagement, and reprisal in all programs associated with Iraq reconstruction efforts funded by the U.S. taxpayer. When the SIGIR Hotline receives cases that are not related to programs and operations funded with amounts appropriated or otherwise made available for the reconstruction of Iraq, SIGIR transfers them to the appropriate entity. The SIGIR Hotline receives walk-in, telephone, mail, fax, and online contacts from people in Iraq, the United States, and throughout the world.

Third-Quarter Reporting

As of September 30, 2008, the SIGIR Hotline had initiated 681 cases. Of these cases, 592 have been closed, and 89 remain open. For a summary of these cases, see Table 4.6:

New Cases

During this reporting period, the SIGIR Hotline received 17 new complaints, bringing the cumulative total to 681 Hotline cases. The new complaints were classified in these categories:

- 12 involved contract fraud.
- 2 involved miscellaneous issues.
- 2 involved personnel issues.
- 1 involved waste.

The SIGIR Hotline receives most reports of perceived instances of fraud, waste, abuse, mismanagement, and reprisal by email. SIGIR's 17

TABLE 4.6

SUMMARY OF SIGIR HOTLINE CASES, AS OF 9/30/2008

OPEN CASES				
Investigations				77
Audits				11
Inspections				1
Total Open				89

CLOSED CASES	1ST QTR	2ND QTR	3RD QTR	CUMULATIVE*
	2008	2008	2008	
FOIA	0	0	0	4
OSC Review	0	0	0	2
Assists	1	0	0	46
Dismissed	4	3	1	120
Referred	10	10	7	259
Inspections	0	0	0	79
Investigations	1	1	1	73
Audits	0	0	0	9
Total Closed	16	14	9	592
Cumulative* Open & Closed				681

*Cumulative totals cover the period since the SIGIR Hotline began operations—from 3/24/2004, to 9/30/2008.

new Hotline complaints were received by these means:

- 10 by electronic mail
- 5 by SIGIR website
- 2 by SIGIR Hotline telephone

Closed Cases

During this quarter, SIGIR closed 9 Hotline cases:

- 7 were referred to other inspector general agencies.
- 1 was dismissed for being outside of SIGIR's investigative purview.
- 1 was closed by SIGIR Investigations.

Referred Complaints

Following a thorough review, SIGIR referred 7 complaints to outside agencies for proper resolution:

- 5 were sent to the Department of Defense Office of Inspector General (OIG).
- 1 was sent to the Multi-National Force-Iraq OIG.
- 1 was sent to the U.S. Army OIG.

SIGIR WEBSITE

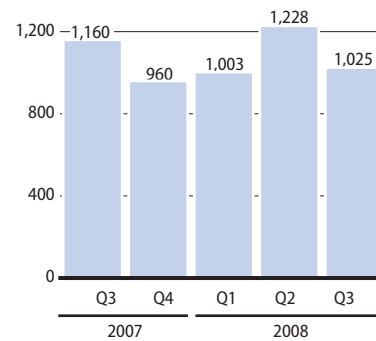
During this reporting period, the SIGIR website, www.sigir.mil, recorded these activities:

- More than 94,000 users visited the SIGIR website this quarter—1,025 users per day.
- Most users were from within the United States (80%). The remaining 20% were from 165 different countries, mainly in Western Europe (7%), Asia (4%), and the Middle East (2%).
- The Arabic language section of the site received more than 1,481 visits.
- A significant percentage of visitors to the SIGIR website were from government agencies, most notably DoD and DoS, and the U.S. House of Representatives.
- Users visited the SIGIR Reports section most often.
- The most frequently downloaded documents were SIGIR's Quarterly Reports to the Congress.

For an overview of daily visits to the SIGIR website, see Figure 3.3.

FIGURE 3.3

AVERAGE NUMBER OF VISITORS PER DAY TO SIGIR WEBSITE



Source: Web Analytics, as of 9/30/2008.

LEGISLATIVE UPDATE

On October 14, 2008, the President signed Public Law 110–417, the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009. It makes important changes affecting the Iraq reconstruction program and federal acquisition policy. Several of the changes appear to be intended to deal with issues raised in the course of SIGIR’s work.

Also on October 14, 2008, the President signed Public Law 110–409, the Inspector General Reform Act of 2008. This statute changes the way that some offices of Inspector General will operate across the government, for example by providing that Inspectors General receive independent legal advice. Those changes were already substantially in effect with respect to SIGIR.

Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417)

Contractors Performing Security Functions in Areas of Combat Operations. Section 853 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (the Act) expands the categories of incidents that must be reported by private security contractors operating in areas of combat operations. It reemphasizes that private security contractors working for all federal agencies are to comply with regulations prescribed by the Secretary of Defense, other applicable laws and regulations, and orders and directives issued by commanders on the battlefield.

Crimes by Contractors. Under Section 854 of the Act, the Secretary of Defense is required to report crimes against contractor personnel in Iraq and Afghanistan and to ensure that victims of such crimes receive appropriate assistance. It applies to contractors of the Department of Defense (DoD), Department of State (DoS), and the U.S. Agency for International Development (USAID), including individuals or subcontractors at any tier.

Statute of Limitations. Section 855 of the Act extends certain statutes of limitations during and after the use of U.S. Armed Forces in some circumstances.

Status of Forces Agreement. Section 1212 of the Act requires detailed reporting on (or the provision of the text of) any “status of forces agreement” that the United States may reach with Iraq.

U.S.-led Provincial Reconstruction Teams in Iraq. Section 1213 of the Act requires that the President have a strategy to ensure that (1) PRTs in Iraq are supporting the operational and strategic goals of Coalition forces in Iraq, and (2) the PRTs are developing the capacity of the Government of Iraq (GOI) and other civil institutions to assume increasing responsibility for the formulation, implementation, and oversight of reconstruction and development activities.

Commander’s Emergency Response Program (CERP). Section 1214 of the Act authorizes \$1.7 billion for the activities of this program for FY 2008, and \$1.5 billion for FY 2009.

The provision also imposes a limit of \$2 million on the amount of U.S. CERP funds that could be contributed to any individual humanitarian and reconstruction project in Iraq. The provision allows the Secretary of Defense to waive this limitation if the Secretary determines that a waiver is required to meet urgent humanitarian relief and reconstruction requirements that will immediately assist the Iraqi people. The limitation does not apply if funds managed by DoD under the CERP program were derived from outside DoD. The provision also requires the Secretary, or the Deputy Secretary of Defense, to certify that any project funded with U.S. CERP funds at a level of \$1 million or more addresses urgent humanitarian relief and reconstruction requirements that will immediately assist the Iraqi people.

The amendment requires that additional elements be included in the quarterly CERP reports to the congressional defense committees. It expresses the sense of the Congress that the GOI should assume increasing responsibility for funding and carrying out projects currently funded by the United States through CERP, and the GOI should assume all costs associated with the Sons of Iraq as expeditiously as possible.

Police Transition Teams. Section 1218 of the Act requires a study and report, with recommendations—by the Secretary of Defense, in consultation with the Secretary of State and the GOI—on Police Transition Teams to train, assist, and advise the Iraqi National Police Service.

Limitation on Iraq Security Forces Fund. Section 1505 subjects funds authorized in the Act—or appropriated in the Supplemental Appropriations Act, 2008 (Public Law 110–252),

and made available to DoD for the Iraq Security Forces Fund—to the conditions set forth in subsections (b) through (g) of section 1512 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181). These conditions relate to the types of assistance allowed, a requirement that the Secretary of State concur in the assistance provided, certain transfer authorities, notices, and reports required to be provided to the Congress, and other matters.

Prohibition on Use of U.S. Funds for Certain Facilities Projects in Iraq; Iraqi Cost-sharing for Certain Operations. Section 1508 of the Act prohibits the use of funds authorized to be appropriated in Title XV of the Act, or in Chapter 2 of Title IX of the Supplemental Appropriations Act, 2008 (mainly for the Iraq Security Forces Fund) to be obligated or expended for the acquisition, conversion, rehabilitation, or installation of facilities for the use of the GOI, political subdivisions of Iraq, or agencies, departments, or forces of the GOI or its subdivisions. An exception is provided for CERP, Military Construction (as defined in statute), or technical assistance.

Section 1508 also requires the U. S. government to begin negotiating an agreement with the GOI to share the costs of combined operations between the GOI and Multi-National Force-Iraq. The provision requires that the U.S. government act to ensure that Iraqi funds are used to pay the costs of training, equipping, and sustaining the Iraq Security Forces. Reports are required to be submitted on the efforts of the U.S. government on the actions and negotiations mentioned in this paragraph.

Acquisition Matters. In addition to the three items mentioned above (relating to sections 853 through 855 of the Act), Title VIII of the Act comprises a number of other far-reaching changes to federal acquisition law:

- Section 833 provides for **expedited hiring authority** for the acquisition workforce.
- Section 834 requires that policies be established within major DoD organizations to provide for **career paths that attract the highest quality military personnel** to the acquisition field, including the reservation of billets in that field for general and flag officers.
- Section 841 is intended to **strengthen ethics safeguards related to contractor conflicts of interest** when performing acquisition functions closely associated with inherently governmental functions, including the development, award, and administration of government contracts.
- Section 843 requires the adoption of an acquisition strategy for **Defense Base Act** insurance.
- Section 844 requires a report on the **use of off-shore subsidiaries** by defense contractors.
- Section 862 generally **limits certain noncompetitive contracts** to no more than one year in duration.
- Section 864 requires an amendment of the Federal Acquisition Regulation to provide additional **regulations on the use of cost-reimbursable contracts** and also requires reporting on such contracts by the Office of Management and Budget and a review by certain executive agency Inspectors General of agency compliance with the new regulations.
- Section 866 requires additional regulations, for agencies other than the DoD, to **minimize the excessive use of tiering of subcontractors** that add no or negligible value, and to ensure that contractors or subcontractors do not receive indirect costs or profit on work performed by lower-tier subcontractors to which the higher-tier contractor adds no, or negligible, value.
- Section 867 requires a **link of award and incentive fees to acquisition outcomes** in agencies other than the DoD.
- Section 870 which requires the establishment of a “Governmentwide **Contingency Contracting Corps**,” consisting of existing government federal employees and members of the Armed Forces, to be available for deployment in responding to an emergency or major disaster, or a contingency operation, within or outside the United States.
- Section 872 provides for the establishment by the Administrator of the General Services Administration of a **database of information regarding the integrity of performance of persons awarded federal agency contracts**. This database which would include information about whether the person, in connection with the award or performance of a federal grant or contract, was convicted of a crime; was found in an administrative or civil procedure to have been at fault and to have had to pay a fine or reimbursement, restitution, or damages of a specified size; was suspended or debarred; had entered into an administrative agreement to resolve a suspension or debarment proceeding; or had a federal contract

or grant terminated for default. An official awarding a grant or contract in excess of the simplified acquisition threshold shall review the database and consider information in it with regard to any proposal or in making any responsibility determination or past performance evaluation of a contract offeror.

Civilian Reconstruction and Stabilization Management. Title XVI of the Act incorporates many of the provisions of the Reconstruction and Stabilization Civilian Management Act of 2008 (H.R. 1084), which passed the House of Representatives on March 5, 2008, and a Senate companion bill, S. 613, which had been reported by the Senate Committee on Foreign Relations on April 10, 2007, but had not been acted on by the full Senate.

- Section 1605 establishes within DoS the Office of the Coordinator for Reconstruction and Stabilization and authorizes the establishment of a Response Readiness Corps and a Civilian Reserve Corps to provide assistance in support of reconstruction and stabilization operations.
- Section 1607 directs the Secretary of State, in consultation with the Administrator of USAID, to develop an interagency strategy for responding to stabilization and reconstruction operations.
- Section 1608 directs the Secretary of State to report annually to the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs on the implementation of Title XVI.

OTHER AGENCY OVERSIGHT

INTRODUCTION

OTHER AGENCY AUDITS

OTHER AGENCY INVESTIGATIONS

SECTION 5

5

INTRODUCTION

In March 2004, SIGIR formed the Iraq Inspectors General Council (IIGC) to provide a forum for discussion of oversight in Iraq and to enhance collaboration and cooperation among the inspectors general (IGs) of the agencies that oversee Iraq reconstruction funds. Representatives of member organizations meet quarterly to exchange details about current and planned audits, identify opportunities for collaboration, and minimize redundancies.

The most recent meeting was held on August 20, 2008, at the SIGIR office in Arlington, Virginia. The following organizations attended the meeting:

- Department of Defense Office of Inspector General (DoD OIG)
- Department of State Office of Inspector General (DoS OIG)
- U.S. Army Audit Agency (USAAA)
- U.S. Agency for International Development Office of Inspector General (USAID OIG)
- Government Accountability Office (GAO)
- Defense Contract Audit Agency (DCAA)
- SIGIR

Each quarter, SIGIR requests updates from member organizations on their completed, ongoing, and planned oversight activities. This section summarizes the audits and investigations reported to SIGIR this quarter by DoD OIG,

DoS OIG, USAID OIG, GAO, and USAAA. For DCAA updates, see Appendix M. The U.S. Department of the Treasury and the U.S. Department of Commerce did not complete or initiate any new audits this quarter.

OTHER AGENCY AUDITS

This section updates the audits that IIGC member agencies reported to SIGIR:

- For recently completed oversight report activity, see Table 5.1.
- For ongoing oversight report activity of other U.S. agencies during this reporting period, see Table 5.2.
- For more information on other agency audits, including audit summaries, see Appendix M.
- For a complete historical list of audits and reviews on Iraq reconstruction by all entities, see Appendix N.

TABLE 5.1

RECENTLY COMPLETED OVERSIGHT REPORTS OF OTHER U.S. AGENCIES, AS OF 9/30/2008

AGENCY	REPORT NUMBER	REPORT DATE	REPORT TITLE
DoD	D-2008-137	9/30/2008	Controls Over the Contractor Common Access Card Life Cycle
DoD	D-2008-133	9/25/2008	Joint Follow-On Evaluation of the Equipment Status of Operation Iraqi Freedom Forces
DoD	D-2008-135	9/29/2008	Requiring Radio Frequency Identification in Contracts for Supplies
DoD	D-2008-132	9/26/2008	Payments for Transportation Using PowerTrack®
DoD	D-2008-131	9/16/2008	Security Over Radio Frequency Identification
DoD	D-2008-115	8/6/2008	Status of Training Vehicles for U.S. Ground Forces Deploying in Support of Operation Iraqi Freedom
DoD	D-2008-086	7/18/2008	Summary of Issues Impacting Operations Iraqi Freedom and Enduring Freedom Reported by Major Oversight Organizations Beginning FY 2003 through FY 2007
DoD	D-2008-107	7/3/2008	Defense Hotline Allegations Concerning Contracts Issued by U.S. Army TACOM Life Cycle Management Command to BAE Systems Land and Armaments, Ground Systems Division
DoD	D2007-D000IG-0239.000	7/3/2008	Accountability of Munitions Provided to the Security Forces of Iraq
DoD	IE-2008-010	7/31/2008	Information Report on the Assessment of DoD Support to the Iraqi Security Forces Inspectors General
DoS	MERO-IQO-08-01	Jul-08	Status of Iraqi Special Immigrant Visa Programs
DoS	MERO-IQO-08-02	Jul-08	Status of U.S. Refugee Resettlement Processing for Iraqi Nationals
GAO	GAO-08-905RSU	9/26/2008	Provincial Reconstruction Teams in Iraq and Afghanistan
GAO	GAO-08-1144T	9/16/2008	Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures, and Surplus
GAO	GAO-08-1031	8/5/2008	Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures, and Surplus
GAO	GAO-08-1128R	9/15/2008	Global War on Terrorism: Reported Obligations for the Department of Defense
GAO	GAO-08-930	9/10/2008	Operation Iraqi Freedom: Actions Needed to Enhance DOD Planning for Reposturing of U.S. Forces from Iraq
GAO	GAO-08-966	7/31/2008	Rebuilding Iraq: DOD and State Department Have Improved Oversight and Coordination of Private Security Contractors in Iraq, but Further Actions Are Needed to Sustain Improvements
GAO	GAO-08-1021T	7/23/2008	Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed
USAAA	A-2008-0286-ALL	9/30/2008	Management of Shipping Containers in Southwest Asia--Kuwait
USAAA	A-2008-0287-ALL	9/30/2008	Followup Audit of Asset Visibility and Container Management--Operation Iraqi Freedom, U.S. Central Command
USAAA	A-2008-0255-FFS	9/30/2008	Accountability of Contractors on the Battlefield
USAAA	A-2008-0178-FFI	7/1/2008	Operational Purchases of Information Technology Equipment, Systems, and Services-U.S. Army Forces Command
USAAA	A-2008-0182-FFS	7/15/2008	Temporary Change of Station Orders and Housing for Mobilized Soldiers
USAAA	A-2008-0190-ALM	7/22/2008	Reset Metrics-Sustainment Maintenance
USAAA	A-2008-0234-FFF	9/2/2008	Use of Role-Players for Training at Combat Training Centers
USAAA	A-2008-0213-ALA	9/5/2008	Rapid Fielding Initiative--Program Executive Office Soldier, Fort Belvoir, Virginia
USAAA	A-2008-0256-ALM	9/17/2008	Overseeing Contracts for Field-Level Reset, U.S. Army Sustainment Command
USAAA	A-2008-0179-FFI	9/25/2008	Operational Purchases of Information Technology Equipment, Purchases, and Services-Iraq and Kuwait
USAID	E-267-08-006-P	9/30/2008	USAID/Iraq's Agribusiness Program
USAID	E-267-08-005-P	8/5/2008	Audit of USAID/Iraq's Community Action Program
USAID	E-267-08-004-P	7/3/2008	Audit of USAID/Iraq's Monitoring and Evaluation Performance Program

OTHER AGENCY OVERSIGHT

TABLE 5.2

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF 9/30/2008

AGENCY	PROJECT NUMBER	DATE INITIATED	PROJECT DESCRIPTION
DoD	D2008-D000AE-0287.000	9/23/2008	Using System Threat Assessments in the Acquisition of Tactical Wheeled Vehicles
DoD	D2008-D000AB-0266.000	9/18/2008	Defense Contract Management Agency Acquisition Workforce for Southwest Asia
DoD	D2008-D000AE-0280.000	9/16/2008	Ground Standoff Mine Detection System Contract
DoD	D2008-D000LF-0267.000	9/12/2008	Medical/Surgical Prime Vendor Contracts Supporting Coalition Forces in Iraq and Afghanistan
DoD	D2008-D000FL-0253.000	9/3/2008	Department of the Army Deferred Maintenance on the Bradley Fighting Vehicle as a Result of the Global War on Terror
DoD	D2008-D000JC-0274.000	8/28/2008	Update - Summary Report on Challenges Impacting Operations Iraqi Freedom and Enduring Freedom Reported by Major Oversight Organizations Beginning FY2003 through FY 2008
DoD	D2008-D000FN-0230.000	8/28/2008	Information Assurance Controls Over the Outside the Continental United States Navy Enterprise Network as related to the Global War on Terror
DoD	D2008-D000LD-0245.000	8/27/2008	Central Issue Facilities
DoD	D2008-D000AS-0270.000	8/25/2008	Transition Planning for the Logistics Civil Augmentation Program IV Contract
DoD	D2008-D005PO-0271.000	8/19/2008	Accountability of Night Vision Devices
DoD	D2008-D000JA-0263.000	8/14/2008	DoD Testing Requirements for Body Armor
DoD	D2008-D000CD-0256.000	8/7/2008	Research on DoD Body Armor Contracts
DoD	D2008-D000JC-0258.000	8/6/2008	Potable and Non-Potable Water in Iraq Update
DoD	D2008-D000FP-0252.000	8/1/2008	Department of the Air Force Military Pay in Support of the Global War on Terror
DoD	D2008-D000AS-0255.000	7/31/2008	Contracts Supporting the DoD Counter Narcoterrorism Program
DoD	D2008-D000AE-0251.000	7/21/2008	Army's Use of Award Fees on Contracts That Support the Global War on Terror
DoD	D2008-D000AE-0247.000	7/18/2008	Rapid Acquisition and Fielding of Material Solutions Within the Navy
DoD	D2008-D000AS-0248.000	7/17/2008	Logistics Support for the United States Special Operations Command
DoD	D2008-D000LH-0249.000	7/14/2008	Equipment Repair and Maintenance Contracts for Aircraft and Aircraft Components Supporting Coalition Forces in Iraq and Afghanistan
DoD	D2008-D000LF-0241.000	7/14/2008	Health Care Provided by Military Treatment Facilities to Contractors in Southwest Asia
DoD	D2008-D000LH-0250.000	7/14/2008	Selection of Modes for Transporting Material in Support of Operations in Iraq and Afghanistan
DoD	D2007-DINT01-0092.005	6/10/2008	Investigation of Possible Use of Mind Altering Substances by DoD Personnel during Interrogations of Detainees and/or Prisoners Captured during the War on Terror
DoD	D2008-DIPOE2-0196.000	5/12/2008	Review of Contracting Actions Relating to the Electrocution Death of SSG Ryan Maseth
DoD	2008C003	2/7/2008	Evaluation of DoD Sexual Assault Response in Operations Enduring Freedom and Iraqi Freedom Areas of Operation
DoD	D2008-DIP0AI-0086.000	11/8/2007	Contract Audit Follow-Up Review Related to Iraq Reconstruction Activities
DoD	D2006-D000AE-0225.000	7/10/2006	Conditional Acceptance and Production of the Army Medium Tactical Vehicles in Support of the Global War on Terror
DoD	D2008-D00LH-0235.000	6/26/2008	Contracting for Purchased and Leased Nontactical Vehicles in Support of Operation Iraqi Freedom and Operation Enduring Freedom
DoD	D2008-D000FH-0225.000	6/20/2008	The U.S. Air Force Deferred Maintenance on the C-130 Aircraft as a Result of the Global War on Terror
DoD	D2008-D000CH-0236.000	6/19/2008	The Army Procurements for the High Mobility Multi-Purpose Wheeled Vehicles

Continued on next page

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF 9/30/2008

AGENCY	PROJECT NUMBER	DATE INITIATED	PROJECT DESCRIPTION
DoD	D2008-D000CE-0221.000	6/9/2008	DoD and DoD Contractor Efforts to Prevent Sexual Assault/ Harassment Involving Contractor Employees Within Operations Enduring Freedom and Iraqi Freedom Areas of Operation
DoD	D2008-D000FC-0208.000	6/9/2008	Controls Over Unliquidated Obligations on Department of the Air Force Contracts Supporting the Global War on Terror
DoD	D2008-D000FJ-0210.000	5/30/2008	Department of the Army Deferred Maintenance on the Abrams Tank Fleet as a Result of the Global War on Terror
DoD	D2008-D000FD-0214.000	5/20/2008	Defense Logistics Agency Contracts for Combat Vehicle Parts in Support of the Global War on Terror
DoD	D2008-D000JC-0203.000	5/12/2008	Assignment and Training of Contracting Officer's Representatives at Joint Contracting Command-Iraq/Afghanistan
DoD	D2008-D000JC-0202.000	5/12/2008	Air Force Contract Augmentation Program in Southwest Asia
DoD	D2008-D000FC-0189.000	5/13/2008	Controls Over the Department of the Navy Military Payroll Disbursed in Support of the Global War on Terror
DoD	D2008-D000AB-0193.000	4/24/2008	Organic Ship Utilization in Support of the Global War on Terror
DoD	D2008-D000CE-0187.000	4/23/2008	Acquisition of Ballistic Glass for the High-Mobility Multipurpose Wheeled Vehicle
DoD	D2008-D000JC-0186.000	4/23/2008	Class III Fuel Procurement and Distribution in Southwest Asia
DoD	D2008-D000AE-0174.000	3/10/2008	Marine Corps Implementation of the Urgent Universal Need Statement Process for Mine Resistant Ambush Protected Vehicles
DoD	D2008-D000CK-0161.000	2/26/2008	War Reserve Materiel Contract
DoD	D2008-D000FP-0132.000	2/25/2008	Internal Controls over Army, General Fund, Cash and Other Monetary Assets Held in Southwest Asia
DoD	D2008-D000AB-0133.000	2/19/2008	Air Force Combat Search and Rescue Helicopter
DoD	D2008-000IG-0141.000	2/13/2008	Accountability of Munitions Provided to the Security Forces of Iraq-Phase II
DoD	D2008-D000CG-0123.000	2/7/2008	Price Reasonableness for Contracts at U.S. Special Operations Command
DoD	D2007-D000LA-0199.002	1/24/2008	Controls Over the Contractor Common Access Card Life Cycle in Southwest Asia
DoD	D2008-D000FI-0083.000	12/27/2007	Controls over the Reporting of Transportation Costs in Support of the Global War on Terror
DoD	D2008-D000FE-0106.000	12/19/2007	Defense Emergency Response Fund for the Global War on Terror
DoD	D2008-D000LF-0093.000	11/28/2007	Medical Equipment Used To Support Operations in Southwest Asia
DoD	D2008-D000AB-0091.000	11/27/2007	Expeditionary Fire Support System and Internally Transportable Vehicle Programs
DoD	D2008-D000FJ-0014.000	10/11/2007	Small Arms Ammunition Fund Management in Support of the Global War on Terror
DoD	D2007-D000FL-0252.000	8/31/2007	Internal Controls and Data Reliability in the Deployable Disbursing System
DoD	D2007-DINT01-0092.003	8/31/2007	Audit of the Management of Signals Intelligence Counterterrorism Analysts
DoD	D2007-D000LG-0228.000	8/6/2007	End-Use Monitoring of Defense Articles and Services Transferred to Foreign Customers
DoD	D2007-D000CK-0230.000	7/13/2007	Procurement and Delivery of Joint Service Armor Protected Vehicles
DoD	D2007-D000FB-0198.000	6/19/2007	Funds Appropriated for Afghanistan and Iraq Processed Through the Foreign Military Trust Fund
DoD	D2007-D000CK-0201.000	6/18/2007	Operations and Maintenance Funds Used for Global War on Terror Military Construction Contracts
DoD	D2007-DINT01-0092.001	6/14/2007	Review of Intelligence Resources at the Joint Intelligence Task Force Combating Terrorism and Special Operations Command in Support of Operation Enduring Freedom and Operation Iraqi Freedom
DoD	D2007-D000LD-0129.000	4/13/2007	Marine Corps' Management of the Recovery and Reset Programs
DoD	D2007-D000FN-0142.000	2/27/2007	Internal Controls over Navy General Fund, Cash, and Other Monetary Assets Held Outside the Continental United States

Continued on next page

OTHER AGENCY OVERSIGHT

ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF 9/30/2008

AGENCY	PROJECT NUMBER	DATE INITIATED	PROJECT DESCRIPTION
DoD	D2007-D000LC-0051.000	12/14/2006	Hiring Practices Used To Staff the Iraqi Provisional Authorities
DoD	D2006-D000AE-0241.000	8/4/2006	DoD Use of GWOT Supplemental Funding Provided for Procurement and Research, Development, Test and Evaluation
DoD	D2006-D000LG-0136.000	3/1/2006	Export Controls Over Excess Defense Articles
DoD	D2005-DINT01-0122	2/14/2005	U.S. Government's Relationship with the Iraqi National Congress
DoS	03AUD3023	7/2008	Audit of Contract Administration, Commissioning and Accreditation of the NEC Baghdad
DoS	08 MER03005	6/2008	Review of the Activities of DynCorp International and Triple Canopy under the State Department's Worldwide Personal Protective Service Contracts (WPPS) in Iraq
DoS	08 MER03004	6/2008	Review on the Implementation of Recommendations from the Report of the Secretary of State's Panel on Personal Protective Services in Iraq (commonly known as the Kennedy Report on Personal Protective Service (WPPS) in Iraq
DoS	08 MER03003	6/2008	Review on the Role, Staffing, and Effectiveness of Diplomatic Security in the Development and Implementation Personal Protective Services (PPS) in Iraq
DoS	07AUD3034	4/2007	Review of Procurement Competition: New Embassy Compound Baghdad
DoS	08AUD-3016	3/2008	Joint Review of Blackwater Contract for Worldwide Personal Protective Services
GAO	Not Reported	9/2008	Readiness of the Army Active/Reserve Component Forces
GAO	Not Reported	9/2008	Readiness of the Active and Reserve Components of the Navy and Marine Corps
GAO	351271	9/2008	DOD Plans to Support Unmanned Aircraft System Programs
GAO	351166	2/2008	Incentives, Compensation, and Medical Care for Deployed Federal Civilians
GAO	351231	6/2008	Joint IED Defeat Organization (JIEDDO) Technology Assessment Management
GAO	351230	6/2008	Joint IED Defeat Organization (JIEDDO) Strategic Management
GAO	351236	6/2008	Urgent Wartime Requirements
GAO	351172	3/2008	Fuel Demand at Forward Locations
GAO	320587	3/2008	Status of Economic Support Funds for Iraq
GAO	120724	2/2008	Contracting in Iraq and Afghanistan
GAO	351155	1/2008	Analysis of DoD's Fiscal Year 2008 Costs and Funding for Global War on Terrorism
GAO	320557	12/2007	Iraqi Security Forces and the Transfer of Security Responsibilities
GAO	N/A	11/2007	U.S. and International Assistance for Iraq Refugees and Internally Displaced Persons (IDPs)
GAO	351096	10/2007	DoD Plans for Unmanned Aircraft
GAO	351076	8/2007	Body Armor Programs and Testing
GAO	351083	8/2007	Use of Private Security Contractors in Iraq
GAO	351016	3/2007	Joint IED Defeat Organization (JIEDDO) Processes to Coordinate Counter-Improvised Explosive Devices (IED) Intelligence Support
USAAA	A-2008-ALL-0401.000	4QR/FY 2008	Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan - Salerno & Kabul
USAAA	A-2008-ALL-0403.000	4QR/FY 2008	Housing Contracts- Area Support Group (ASG) - Kuwait
USAAA	A-2008-ALL-0501.000	4QR/FY 2008	Controls Over Vendor Payments - U.S. Army Contracting Command (USACC), SWA-Kuwait - Phase I
USAAA	A-2008-ALL-0398.000	4QR/FY 2008	Controls over Logistics Civil Augmentation Program (LOGCAP) - White Property
USAAA	A-2008-ALL-0685.000	4QR/FY 2008	U.S. Army Corps of Engineers Contracting Functions in Iraq - Phase II
USAAA	A-2008-ALA-0640.000	4QR/FY 2008	Body Armor Testing
USAAA	A-2008-FFM-0630.000	4QR/FY 2008	Assessing Future Base Budget Requirements (Audit Control Point)
USAAA	A-2008-FFM-0549.000	4QR/FY 2008	Assessing Future Base Budget Requirements - Manning Program Evaluation Group (PEG)

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ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF 9/30/2008

AGENCY	PROJECT NUMBER	DATE INITIATED	PROJECT DESCRIPTION
USAAA	A-2008-ALA-0498.000	4QR/FY 2008	Assessing Future Base Budget Requirements - Equipping Program Evaluation Group (PEG)
USAAA	A-2008-FFF-0647.000	4QR/FY 2008	Assessing Future Base Budget Requirements - Training Program Evaluation Group (PEG)
USAAA	A-2008-ALO-0741.000	4QR/FY 2008	Assessing Future Base Budget Requirements - Installation Program Evaluation Group (PEG)
USAAA	A-2008-FFS-0660.000	4QR/FY 2008	Assessing Future Base Budget Requirements - Organizing Program Evaluation Group (PEG)
USAAA	A-2008-ALM-0690.000	4QR/FY 2008	Assessing Future Base Budget Requirements - Sustaining Program Evaluation Group (PEG)
USAAA	A-2008-ALE-0090.000	4QR/FY 2008	Assessing Future Base Budget Requirements - Europe
USAAA	A-2008-FFS-0443.000	4QR/FY 2008	Requirements Validation for CONUS Based Mobilized Soldiers
USAAA	A-2008-ALA-0468.000	4QR/FY 2008	Army Authorized Acquisition Objective (AAO) Process
USAAA	A-2008--ALL-0625.000	3QR/FY 2008	Follow up Audit of Contracting Operations, U.S. Army Contracting Command (USACC), SWA-Kuwait (Phase I)
USAAA	A-2008-ALL-0624.000	3QR/FY 2008	Commander's Emergency Response Program (CERP) - Iraq
USAAA	A-2007-ALM-0306.002	3QR/FY 2008	Field Level Reset Requirements - Army National Guard
USAAA	A-2008-ALL-0633.000	3QR/FY 2008	U.S. Army Corps of Engineers (USACE) Pilot Defense Base Act (DBA) Insurance Program
USAAA	A-2007-ALL-0081.005	2Q/FY 2007	Management of Shipping Containers in SWA-Afghanistan
USAAA	A-2007-ALL-0858.000	3Q/FY 2007	Retrograde Operations in SWA-Kuwait
USAAA	A-2007-ALL-0858.001	4Q/FY 2007	Retrograde Operations in SWA-Kuwait (Rear Support)
USAAA	A-2007-ALL-0887.002	4Q/FY 2007	Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan - Victory
USAAA	A-2007-ALR-0259.002	2Q/FY 2008	Container Detention Billing for the Global War on Terrorism, Military Surface Deployment and Distribution Command
USAAA	A-2007-FFD-0067.000	2Q/FY 2007	Body Armor Requirements
USAAA	A-2007-ALA-0978.000	4Q/FY 2007	Impact of Mine Resistant Ambush Protected Vehicle Acquisitions on Other Systems
USAAA	A-2008-ALM-0312.000	2Q/FY 2008	Automatic Reset Items—Retrograde
USAAA	A-2007-ALM-0306.000	3Q/FY 2007	Contracts for Reset
USAAA	A-2008-FFS-0101.000	2Q/FY 2008	Army Reserve Premobilization Training
USAAA	A-2008-FFS-0353.000	1Q/FY 2008	National Guard Premobilization Training
USAAA	A-2008-ALR-0307.000	2Q/FY 2008	Property Book Unit Supply Enhanced, 3rd Infantry Division (ID)
USAAA	A-2008-ALR-0360.000	2Q/FY 2008	Property Book Unit Supply Enhanced, 10th Mountain Division
USAAA	A-2008-ALR-0357.000	2Q/FY 2008	Property Book Unit Supply Enhanced, I Corps
USAAA	A-2008-FFF-0148.000	1Q/FY 2008	Use of Role Players Armywide (less Combat Training Centers (CTCs))
USAAA	A-2007-ALR-0259.001	3Q/FY 2007	Establishing Rates for Shipping Containers
USAAA	A-2007-ZBI-0344.003	1Q/FY 2008	Army Foreign Language Program-Contracting
USAAA	A-2008-ALM-0311.000	2Q/FY 2008	DOL Workload Supporting Reset
USAAA	A-2008-FFF-0044.000	2Q/FY 2008	Management of the Prepositioned Fleet at Combat Training Centers
USAAA	A-2008-ALR-0039.000	1Q/FY 2008	Property Book Unit Supply Enhanced; ACP
USAAA	A-2008-ALL-0466.000	3QR/FY 2008	Follow Up of Offline Purchases
USAAA	A-2008-ALM-0313.000	3QR/FY 2008	Automatic Reset Items—Depot
USAAA	A-2008-ALM-0247.000	3QR/FY 2008	Sustainment of Left Behind Equipment
USAAA	A-2008-FFD-0098.000	3QR/FY 2008	Advanced Training for Explosive Ordnance Disposal Soldiers
USAAA	A-2008-ALL-0320.001	2Q/FY 2008	Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan-Bagram
USAAA	A-2008-ALL-0319.000	2Q/FY 2008	Audit of Contracting Operations at the Joint Contracting Command-Iraq/Afghanistan-Balad
USAAA	A-2008-ALL-0318.000	2Q/FY 2008	Audit of Army Corps of Engineers Contracting Functions in Iraq (Gulf Region Division)

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ONGOING OVERSIGHT ACTIVITIES OF OTHER U.S. AGENCIES, AS OF 9/30/2008

AGENCY	PROJECT NUMBER	DATE INITIATED	PROJECT DESCRIPTION
USAAA	A-2008-ALL-0204.000	2Q/FY 2008	Audit of Government Property Provided to Contractors–Kuwait Base Operations
USAAA	A-2007-ALL-0081.000	4Q/FY 2006	Management of Shipping Containers in Southwest Asia Summary
USAAA	A-2007-ALL-0887.001	4Q/FY 2007	Audit of Joint Contracting Command-Iraq-Baghdad
USAAA	A-2007-ALL-0212.001	4Q/FY 2007	Audit of LOGCAP Operations in Support of OIF-Power Generators
USAAA	A-2007-ALL-0329.000	1Q/FY 2007	Audit of U.S. Army Contracting Command Southwest Asia-Kuwait
USAAA	A-2006-ALL-0397.000	3Q/FY 2006	Retrograde Operations in Southwest Asia
USAID	Not Reported	4QR/FY 2008	Follow-up Audit of USAID/Iraq's Local Governance
USAID	Not Reported	4QR/FY 2008	Audit of USAID/Iraq's Economic Governance Program II
USAID	Not Reported	4QR/FY 2008	Audit of USAID/Iraq's Oversight of Private Security Contractors in Iraq
USAID	Not Reported	Not Reported	USAID/Iraq's National Capacity Development Program

OTHER AGENCY INVESTIGATIONS

SIGIR regularly coordinates with other government agencies conducting investigations in Iraq. For statistics of investigative activities from other agencies, see Table 5.3.

TABLE 5.3

STATUS OF INVESTIGATIVE ACTIVITIES FROM OTHER U.S. AGENCIES, AS OF 9/30/2008

AGENCY	INVESTIGATORS IN IRAQ	INVESTIGATORS IN KUWAIT	OPEN/ONGOING CASES*
U.S. Army Criminal Investigation Command, Major Procurement Fraud Unit	8	4	96
Defense Criminal Investigative Service	6	2	134
DoS OIG	0	0	4
FBI	4	2	79
USAID	2	0	6
Total	20	8	319

*Numbers include pending cases worked with other agencies within the JOC.

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136. MNSTC-I, “Some shops within each of the Wheeled and Tracked Depots have commenced OJT but a handover is not scheduled until OJT is complete and low scale production is due to commence,” MNSTC-I, response to SIGIR data call, “U.S. Efforts to Help IA Logistics,” 9/29/2008; MNF-I, response to SIGIR data call, 10/2/2008.
137. DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 40.
138. DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 40.
139. OSD, “MNSTC-I: MOD & MOI Life Support Transfers,” response to SIGIR data call, 9/22/2008.
140. OSD, “MNSTC-I: MOD & MOI Life Support Transfers,” response to SIGIR data call, 9/22/2008.
141. MNF-I, response to SIGIR data call, 7/7/2008; OSD, “MNSTC-I: MOD & MOI Life Support Transfers,” response to SIGIR data call, 9/22/2008. Other documents indicate that those seven contracts have been transferred; OSD, “Training Data: M-34 Oct. 2008,” response to SIGIR data call, 10/2/2008.
142. OSD, response to SIGIR data call, 10/2/2008.
143. MNC-I, response to SIGIR data call, 10/15/2008.
144. MNC-I, response to SIGIR data call, 10/15/2008.
145. MNC-I, response to SIGIR data call, 10/15/2008.
146. MNC-I, response to SIGIR data call, 10/15/2008.
147. MNC-I, response to SIGIR data call, 10/15/2008.
148. MNF-I, response to SIGIR data call, 6/2008.
149. OSD, response to SIGIR data call, 10/3/2008; MNC-I, response to SIGIR data call, 10/15/2008.
150. DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. v.
151. MNF-I, response to SIGIR data call, 10/3/2008.
152. MNC-I, response to SIGIR data call, 10/15/2008.
153. DoS, *Section 1227 Report*, 1/6/2008, p. 20.
154. OSD, response to SIGIR data call, 10/3/2008.
155. MNC-I, response to SIGIR data call, 10/15/2008.
156. MNF-I Press Release, “Iraq Purchases Small Arms through Foreign Military Sales,” 12/7/2007; MNF-I Press Release, “Iraq Army Receives \$5.2 million of Equipment via Foreign Military Sales,” 5/3/2008, accessed 10/18/2008.
157. DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, p. 39.
158. DSCA, response to SIGIR data call, 10/15/2008.
159. DoD, *Measuring Stability and Security in Iraq*, 9/30/2008, pp. 38-39.
160. DSCA, response to SIGIR data call, 10/15/2008.
161. DSCA, response to SIGIR data call, 10/15/2008.
162. GRD, response to SIGIR data call, 10/15/2008.
163. GRD, response to SIGIR data call, 10/15/2008.
164. GRD, *Bi-Weekly Programs SITREP*, 8/18/2008, p. 18.
165. DoD, *Measuring Stability and Security in Iraq*, 9/30/2008.
166. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
167. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
168. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
169. INL, response to SIGIR data call, 10/3/08.
170. INL, response to SIGIR data call, 10/3/08.
171. INL, response to SIGIR data call, 10/3/08; U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
172. INL, response to SIGIR data call, 10/3/08.
173. INL, responses to SIGIR data call, 10/3/08 and 10/15/2008.
174. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
175. Smith, Kendal and Polli Keller, GRD Press Release, “New Court House opens in Baghdad,” 9/10/2008.
176. DoD, *Measuring Stability and Security in Iraq*, 9/30/2008.
177. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
178. INL, response to SIGIR data call, 10/3/08.
179. DoS, *Section 2207 Report*, July 2008, p. III-19.
180. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
181. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
182. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
183. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
184. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
185. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
186. U.S. Rule of Law Coordinator, response to SIGIR data call, 7/2008.
187. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
188. INL, response to SIGIR data call, 10/3/2008; U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
189. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008; U.S. Embassy-Baghdad, “Anbar PRT,” response to SIGIR data call, 10/2/2008.

190. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
191. INL, response to SIGIR data call, 10/3/2008.
192. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
193. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
194. U.S. Justice Attaché, response to SIGIR data call, 10/14/2008.
195. Detainees may have multiple cases or release orders, which affects total case numbers. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
196. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
197. U.S. Justice Attaché, response to SIGIR data call, 10/2/2008.
198. MNF-I, response to SIGIR-Baghdad, “BUA Update: 10/8/2008.”
199. IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008. Figures include obligations and expenditures for IRRF 2 and CERP funding.
200. DoS, *Iraq Weekly Status Report*, 10/1/2008.
201. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
202. IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008. Figures include obligations and expenditures for IRRF 2, ESF, and CERP funding.
203. NEA-I, response to SIGIR data call, 10/14/2008.
204. U.S. Embassy-Baghdad, “Ministry of Finance Report on Capital June 2008,” response to SIGIR data call, 10/2/2008.
205. U.S. Embassy-Baghdad, “2008 Budget Supplemental,” response to SIGIR data call, 10/2/2008.
206. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008, reported oil figures that averaged 2.50 MBPD for the quarter. SIGIR updated its previously reported oil figures based on data received from NEA-I. The data provided is unofficial and meant only for general awareness. NEA-I, response to SIGIR data call, 10/14/2008.
207. In the July 2008 Quarterly Report, SIGIR reported a quarterly daily production average of 2.43 MBPD. This figure was compiled from the 30-day rolling averages reported by the Energy Fusion Cell (EFC) on April 30, May 29, and June 30, 2008. For the October 2008 Report, SIGIR reported oil figures as provided by the DoS Bureau of Near Eastern Affairs-Iraq (NEA-I). At the time of publication, SIGIR did not have access to NEA-I’s quarterly production averages for last quarter.
208. NEA-I, response to SIGIR data call, 10/14/2008. SIGIR used NEA-I oil figures this quarter. This differs from the previous quarter, when ITAO was the primary source for oil statistics. This quarter, the U.S. Embassy-Baghdad reported average exports of 1.83 MBPD, which is 3% above average exports from the same quarter in 2007.
209. *Economist Intelligence Unit*, “Country Report Iraq,” August 2008.
210. DoS, *Iraq Weekly Status Report*, 9/10/2008, p. 14; NEA-I, response to SIGIR data call, 10/14/2008. This quarter, SIGIR reported oil statistics from NEA-I, which may vary from the historic oil production and export figures provided by ITAO and the EFC in previous Quarterly Reports.
211. U.S. Treasury reported that CBI oil receipts through August 2008 were \$46.6 billion. U.S. Treasury, response to SIGIR data call, 10/15/2008.
212. GAO 08-1144T, “Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures, and Surplus,” 9/16/2008. DoS, *Iraq Weekly Status Report*, 10/15/2008, p. 12.
213. Energy Information Administration, “Weekly Iraq Kirkuk Netback Price at U.S. Gulf (Dollars per Barrel)”, 10/5/2007-10/10/2008, www.eia.doe.gov, accessed 10/20/2008.
214. GOI, “Strategic Planning: 2009-2011,” translated, no date, p. 5.
215. DoS, *Iraq Weekly Status Report*, 9/24/2008, p. 18.
216. DoS, *Iraq Weekly Status Report*, 9/24/2008, p. 18. This figure for the week ending 9/21/2008.
217. NEA-I, response to SIGIR data call, 10/14/2008. NEA reported that their figures differed from those reported by the U.S. Embassy-Baghdad (through ITAO).
218. GRD, *Weekly SITREP*, 9/26/2008.
219. Some non-GRD projects remain ongoing. In a response to SIGIR data call, USTDA reported the agency has yet to expend \$59,000 in IRRF 2 money that was obligated for a multifaceted training program for the Ministry of Oil. The \$2 million IRRF 2 program trained more than 500 representatives. Reported outcomes for graduates of the management and technical/engineering training programs include promotions, monetary compensation, and new assignments based on acquired skills. USTDA, response to SIGIR data call, 10/14/2008.
220. GRD, *Monthly Project Management Plan*, 7/2008, p. 2.
221. DoS, *Section 2207 Report*, 9/2008, p. I-24.
222. In a response to a SIGIR data call, NEA-I noted that it is unclear whether the goal of reaching 3.0 MBPD for installed crude oil capacity has actually taken place. NEA-I stated, “We believe that pipelines cannot handle 3.0 MBPD in their current state.” NEA-I, response to SIGIR data call, 10/14/2008.
223. Pre-war numbers—DOE Country Analysis Brief, meeting with DOE officials on May 31, 2006.
224. On August 4, 2008, GRD reported that there were two administrative task orders that remain open while closeout actions are finalized. As of October 1, 2008, IRMS reported one open IRRF project valued at \$58,031,544.
225. GRD, response to SIGIR data call, 10/6/2008.
226. GRD, responses to SIGIR data call, 10/1/2008 and 10/14/2008.
227. GRD, *Monthly Project Management Plan*, 7/2008, p. 3.

228. GRD, response to SIGIR data call, 10/14/2008.
229. U.S. Embassy-Baghdad, "Ministry of Finance Report on Capital June 2008," response to SIGIR data call, 10/2/2008.
230. U.S. Treasury-Baghdad, response to SIGIR data call, 10/17/2008.
231. U.S. Embassy-Baghdad, "2008 Budget Supplemental," response to SIGIR data call, 10/2/2008.
232. ITAO, *IRMO Electricity Daily Units Performance Report (7/1/2006–9/30/2008)*.
233. DoD, *Measuring Stability and Security in Iraq*, 9/26/2008, p. vi.
234. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
235. ITAO, *IRMO Electricity Daily Units Performance Report (7/1/2006–9/30/2008)*.
236. ITAO, *IRMO Electricity Daily Units Performance Report (7/1/2006–9/30/2008)*.
237. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
238. GRD EFC, response to SIGIR data call, 10/15/2008.
239. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
240. U.S. Embassy-Baghdad, "USAID/Iraq Helps Capture \$1 Billion per Year Flare Gas for Power Plant Fuel," 9/8/2008.
241. DoS, *Iraq Weekly Status Report*, 10/8/2008, p. 11.
242. DoS reported that "OMS plants have experienced fewer outages in 2008 by a monthly average of 17%." DoS, *Section 2207 Report*, 9/2008, p. I-19.
243. GRD, response to SIGIR data call, 10/6/2008; IRMS, *ITAO Rollup*, 9/29/2008.
244. IRMS, *ESF Cost to Complete*, 9/30/2008.
245. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
246. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
247. USAID, "Electricity: Expanding Access to Electricity," 4/19/2007, www.usaid.gov, accessed 9/11/2008.
248. GRD, *Weekly SITREP*, 9/26/2008.
249. IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008. Figures include obligations and expenditures for IRRF 2, ESF, and CERP funding.
250. U.S. Embassy-Baghdad, "Ministry of Finance Report on Capital June 2008," response to SIGIR data call, 10/2/2008.
251. U.S. Treasury-Baghdad, response to SIGIR data call, 10/17/2008.
252. U.S. Embassy-Baghdad, "2008 Budget Supplemental," response to SIGIR data call, 10/2/2008.
253. DoS, *Iraq Weekly Status Report*, 10/1/2008, p. 15.
254. DoS, *Iraq Weekly Status Report*, 10/1/2008, p. 15.
255. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
256. DoD, *Measuring Stability and Security in Iraq*, 9/26/2008, p. 18.
257. DoS, *Iraq Weekly Status Report*, 10/1/2008.
258. GRD, *Monthly Directorate SITREP*, 8/31/2008.
259. SIGIR PA-08-143, "Sadr City R3 Water Treatment Plant – Baghdad, Iraq," 10/2008.
260. SIGIR PA-08-144, 145, 146, 147, 148, "Falluja Waste Water Treatment Plant-Falluja," 10/2008.
261. SIGIR PA-08-144, 145, 146, 147, 148, "Falluja Waste Water Treatment Plant-Falluja," 10/2008.
262. SIGIR PA-08-144, 145, 146, 147, 148, "Falluja Waste Water Treatment Plant-Falluja," 10/2008.
263. SIGIR PA-08-144, 145, 146, 147, 148, "Falluja Waste Water Treatment Plant-Falluja," 10/2008.
264. IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008. Figures include obligations and expenditures for IRRF 2, ESF, and CERP funding.
265. U.S. Embassy-Baghdad, "Ministry of Finance Report on Capital June 2008," response to SIGIR data call, 10/2/2008.
266. U.S. Treasury-Baghdad, response to SIGIR data call, 10/17/2008.
267. U.S. Embassy-Baghdad, response to SIGIR data call, 10/17/2008. On 10/18/2008, U.S. Treasury provided an alternate figure of \$1.34 million.
268. GRD, response to SIGIR data call, 10/1/2008.
269. GRD, response to SIGIR data call, 10/14/2008.
270. SIGIR Audit 06-026, "Review of the U.S. Agency for International Development's Management of the Basrah Children's Hospital Project," 7/31/2006.
271. SIGIR Audit 06-026, "Review of the U.S. Agency for International Development's Management of the Basrah Children's Hospital Project," 7/31/2006.
272. SIGIR Audit 06-026, "Review of the U.S. Agency for International Development's Management of the Basrah Children's Hospital Project," 7/31/2006.
273. GRD, response to SIGIR data call, 10/1/2008.
274. GRD, *Weekly SITREP*, 9/26/2008.
275. GRD, response to SIGIR data call, 10/7/2008.
276. DoD, *Measuring Stability and Security in Iraq*, 9/26/2008, p. 19.
277. IRMS, *ESF Cost to Complete*, 9/30/2008; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008. Figures include obligations and expenditures for IRRF 2, ESF, and CERP funding.
278. U.S. Embassy-Baghdad, "Ministry of Finance Report on Capital June 2008," response to SIGIR data call, 10/2/2008.
279. OSD, response to SIGIR data call, 10/3/2008.

280. NEA-I, response to SIGIR data call, 10/14/2008.
281. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
282. OSD, response to SIGIR data call, 10/3/2008.
283. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
284. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; DoD, “Najaf Airport Provides Boost to Iraq’s Southern Provinces,” 7/22/2008, www.defenselink.mil, accessed 10/3/2008.
285. Figures are estimates. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; ITAO, response to SIGIR data call, 7/7/2008.
286. Senior Consultant, Telecommunications and IT, U.S. Embassy-Baghdad, 9/1/2006–3/31/2008; “Reconstruction in Iraq: Telecommunications”; 6/29/2008.
287. Senior Consultant, Telecommunications and IT, U.S. Embassy-Baghdad, 9/1/2006–3/31/2008; “Reconstruction in Iraq: Telecommunications”; 6/29/2008.
288. ITAO, response to SIGIR data call, 10/14/2008.
289. Construction of the buildings, a \$22.6 million project obligated under IRRF FY 2004 funds, is referenced as 56% complete and estimated to be completed in December 2008. GRD, response to SIGIR data call, 10/1/2008.
290. ITAO, response to SIGIR data call, 10/14/2008.
291. IMF, “Country Report No. 08/303,” 9/2008; DoD, *Measuring Stability and Security in Iraq*, 9/26/2008, p. vi.
292. IMF, “Country Report No. 08/303,” 9/2008.
293. IMF, “Country Report No. 08/303,” 9/2008.
294. UNAMI, “Time for Iraqis to make political progress, UN political chief says,” 8/6/2008, www.uniraq.org, accessed 10/14/2008.
295. SIGIR Audit 08-024, “Information on a Special Department of Defense Program to Foster Economic Recovery in Iraq,” 7/29/2008.
296. DoD, *Measuring Stability and Security in Iraq*, 9/26/2008, p. 12.
297. These COSIT estimates have not been updated since June 2007. DoD, *Measuring Stability and Security in Iraq*, 9/26/2008, p. 11.
298. UNAMI, “Time for Iraqis to make political progress, UN political chief says,” 8/6/2008, www.uniraq.org, accessed 10/14/2008.
299. DoS, *Iraq Weekly Status Report*, 10/15/2008, p. 12.
300. DoS, *Iraq Weekly Status Report*, 9/10/2008, p. 12.
301. U.S. Embassy-Baghdad reported that these updates were provided by *Oil Daily* reports and other Embassy sources. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
302. IMF, “Country Report No. 08/303,” 9/2008, p. 10.
303. IMF, “Country Report No. 08/303,” 9/2008, p. 38.
304. IMF, “IMF Executive Board Completes First Review of Iraq’s Stand-By Arrangement,” 9/3/2008, www.imf.org, accessed 9/5/2008.
305. EITI, “EITI Fact Sheet,” 8/2008, www.eitransparency.org, accessed 9/29/2008.
306. EITI, “EITI announcement,” 10/7/2008 www.eitransparency.org, accessed 10/19/2008.
307. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
308. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
309. Chairman, National Investment Commission, Iraq Reconstruction Forum; “Iraq’s New Investment Law: Global Outreach,” International Reconstruction Fund Facility for Iraq (IRFFI) Fifth Donor Committee Meeting Istanbul, Turkey; 3/19/2007.
310. NEA-I, response to SIGIR data call, 10/14/2008.
311. UN, “Iraq Consolidated Appeal 2008,” 6/2008, p. 10.
312. U.S. Foreign Agricultural Service, response to SIGIR data call, 10/14/2008.
313. UN, “Iraq Consolidated Appeal 2008,” 6/2008, p. 10.
314. GOI, “National Development Strategy: 2005–2007,” 6/30/2005, p. 11. In a response to a SIGIR data call, NEA-I noted that “the PDS has various effects on Iraq’s domestic agriculture markets. The PDS’s heavy reliance on imports reduces the potential demand for certain domestic products, but the GOI often pays higher than world-market prices when it does purchase domestic wheat, rice, and barley. The GOI provides subsidies for domestic production of wheat, rice, and barley, which discourages the production of higher value crops. And since a large portion of the food supply is free through the PDS, the PDS discourages the development of retail agriculture markets and skews consumption toward commodities in the PDS food basket.” NEA-I, response to SIGIR data call, 10/14/2008.
315. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
316. IMF, “Country Report No. 08/303,” 9/2008, p. 29. A CRS report noted that Iraq’s Saddam-era debt totaled \$125 billion. CRS, “Iraq’s Debt Relief: Procedure and Potential Implications for International Debt Relief,” 3/31/2008. NEA-I reports that Iraq’s remaining external debt ranges between \$53 billion and \$76 billion. NEA-I, response to SIGIR data call, 10/3/2008.
317. IMF, “Country Report No. 08/303,” 9/2008, p. 29. The third stage of debt reduction in 2008 assumes precautionary Stand-by Arrangement during 2005-2009.
318. NEA-I, response to SIGIR data call, 10/3/2008.
319. NEA-I, response to SIGIR data call, 10/3/2008.
320. IMF, “Country Report No. 08/303,” 9/2008, p. 10.
321. IMF, “Country Report No. 08/303,” 9/2008, p. 10.
322. NEA-I, response to SIGIR data call, 10/3/2008.
323. NEA-I, response to SIGIR data call, 10/3/2008.
324. IMU, “Iraq Agriculture & Irrigation Overview,” 6/2008, p. 9.
325. IMU, “Iraq Agriculture & Irrigation Overview,” 6/2008, p. 9.

326. USAID, response to SIGIR data call, 10/14/2008.
327. USAID OIG Report No. E-267-08-006-P, "Audit of USAID/Iraq's Agribusiness Program," 9/30/2008.
328. USAID OIG Report No. E-267-08-006-P, "Audit of USAID/Iraq's Agribusiness Program," 9/30/2008.
329. USAID OIG Report No. E-267-08-006-P, "Audit of USAID/Iraq's Agribusiness Program," 9/30/2008.
330. USAID OIG Report No. E-267-08-006-P, "Audit of USAID/Iraq's Agribusiness Program," 9/30/2008.
331. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
332. USAID OIG Report No. E-267-08-006-P, "Audit of USAID/Iraq's Agribusiness Program," 9/30/2008.
333. DoD, *Measuring Stability and Security in Iraq*, 9/26/2008, p. 15.
334. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
335. TF-BSO, response to SIGIR data call, 10/2/2008.
336. OSD, response to SIGIR data call, 10/2/2008.
337. OSD, response to SIGIR data call, 10/5/2008.
338. DoD, *Measuring Stability and Security in Iraq*, 9/26/2008, p. 12.
339. SIGIR 08-024, "Information on a Special Department of Defense Program to Foster Economic Recovery in Iraq," 7/29/2008.
340. OSD, response to SIGIR data call, 10/3/2008.
341. JCC-I/A, "YTD Unique Iraqi Vendors," 9/4/2008.
342. ITAO, *Essential Indicators Report*, 10/2/2008; USAID, response to SIGIR data call, 10/14/08; DoS, *Iraq Weekly Status Report*, 10/1/2008; IRMS, *MNC-I Quarterly Report*, 10/14/2008; GRD, response to SIGIR data call, 10/6/2008; ITAO, response to SIGIR data call, 10/14/2008.
343. SIGIR Audit 09-001, "Opportunities to Enhance U.S. Democracy-Building Strategy in Iraq" 10/2008.
344. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
345. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
346. The sectarian percentage debate is about the Arab settlers who moved to the Kurdistan states during the Saddam era. They were given land and homes as enticement to migrate to the region. If these settlers move back to their original home areas, Kurds will become the largest ethnic minority. The debate is being waged over the central issues of how to compensate the Arabs and where to relocate them.
347. U.S. Embassy-Baghdad, Testimony of Ambassador Ryan C. Crocker before the Senate Armed Services Committee, 4/2008; "Iraqi Council of Representatives," Election Law, 10/15/2008, www.parliament.ia/Iraq, accessed 10/15/2008.
348. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008. The Transitional Administrative Law (TAL), the Iraqi provisional constitution in the immediate postwar period, was signed on March 8, 2004 by the Iraqi Governing Council. It came into effect on June 28, 2004 following the official transfer of power from the Coalition Provisional Authority (led by the United States), to a sovereign Iraqi government. The Law remained in effect until the formation of the current government in May 2006, when it was superseded by the permanent constitution that had been approved by referendum on October 15, 2005.
349. UNAMI, "SRSF Staffan de Mistura Urges Reinstating Article 50 in the Election Law," 10/2/2008.
350. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
351. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
352. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
353. UNAMI, "Voter Registry's Update started on July 15, 2008," 7/15/2008.
354. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
355. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
356. *Economist* Intelligence Unit, *Country Report: Iraq*, 8/2008.
357. U.S. Embassy-Baghdad, "Press Conference with Attorney General Michael B. Mukasey and Ambassador Ryan Crocker," 2/13/2008.
358. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
359. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
360. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
361. UNAMI, "United Nations: Iraq's anti-corruption efforts receive boost from UN partners," 9/29/2008.
362. UNAMI, "United Nations: Iraq's anti-corruption efforts receive boost from UN partners," 9/29/2008.
363. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
364. INL, response to SIGIR data call, 10/3/2008.
365. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
366. U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008.
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635. In 2007, IRMO became the Iraq Transition Assistance Office.
636. The \$98 million comprises \$18.7 million expended under the FluorAMEC contract delivery order and \$79.3 million in contracts obligated to complete the Falluja Sewer Network project. This number is subject to increase due to pending contracting actions, such as contract modifications and awards of new contracts.

Sources for the graphics shown in the insert to this Report:

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ACRONYMS AND DEFINITIONS

This section contains all of the abbreviations and acronyms found in the SIGIR Quarterly and Semiannual Report to the Congress.

ACRONYM	DEFINITION
AAO	Authorized Acquisition Objective
ACCO	Anticorruption Coordination Office
ARCENT	U.S. Army Central
ARFORGEN	Army Force Generation
ASC	U.S. Army Sustainment Command
BCT	Brigade Combat Team
BIC	Basrah Investment Commission
BPA	Blanket Purchase Agreement
BSA	Board of Supreme Audit
CA	Civil Affairs
CAATT	Coalition Army Advisory Training Team
CAP	Community Action Program
CAPS	Commercial Accounts Payable System
CBI	Central Bank of Iraq
CCC-I	Central Criminal Court of Iraq
CENTCOM	U.S. Central Command
CERP	Commander's Emergency Response Program
CETI	Coordinator for Economic Transition in Iraq
CF	Coalition Forces
CHRRP	Commander's Humanitarian Relief and Reconstruction Program
CID-MPFU	U.S. Army Criminal Investigation Command-Major Procurement Fraud Unit
CIO	Chief Information Officer
CMM	Capacity Maturity Model
CNPC	China National Petroleum Corporation
Col	Commission on Integrity (previously known as Commission on Public Integrity)
CoM	Chief of Mission Council of Ministers
CoR	Council of Representatives
CPA	Coalition Provisional Authority
CPA-SC	South Central Region of the Coalition Provisional Authority
CPATT	Civilian Police Assistance Training Team

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ACRONYMS & DEFINITIONS

ACRONYM	DEFINITION
CRC	Civilian Reserve Corps Constitutional Review Committee
CSO	Civil Society Organization
CSP	Community Stabilization Program
CTC	Combat Training Center
CY	Calendar Year
DAD	Development Assistance Database
DCIS	Defense Criminal Investigative Service
DCS	Deputy Chief of Staff
DFAS	Defense Finance and Accounting Service
DFI	Development Fund for Iraq
DHS/USCIS	Department of Homeland Security Citizen and Immigrant Services
DoD	Department of Defense
DoS	Department of State
DoS OIG	Department of State Office of Inspector General
DSCA	Defense Security Cooperation Agency
EFT	Electronic Funds Transfer
EITI	Extractive Industries Transparency Initiative
EPCO	Emergency Project Coordination Office
EPLS	Excluded Parties List System
ePRT	Embedded Provincial Reconstruction Team
ESF	Economic Support Fund
FBI	Federal Bureau of Investigation
FCC	Freedom Consulting & Catering Co.
FMS	Foreign Military Sales
FOB	Forward Operating Base
FY	Fiscal Year
GAO	Government Accountability Office
GAPTIS	Governorates Accounting and Project Tracking Information System
GEO	Governorate Election Office
GIS	Geographic Information Systems
GOI	Government of Iraq
GRD	Gulf Region Division
GWOT	Global War on Terror
HHS	Department of Health and Human Services
HJC	Higher Judicial
HMMWV	High Mobility Multipurpose Wheeled Vehicles
HQSOCEUR	U.S. Army Headquarters, Special Operations Command-Europe
HRIMS	Human Resource Information Management System
IA	Iraqi Army
IASD	Iraq Association of Securities Dealers
IBS-CMM	Integrated Booking System Container Management Module

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ACRONYM	DEFINITION
ICCM	Iraq Community-based Conflict Mitigation
ICCTF	International Contract Corruption Task Force
ICE	U.S. Immigration and Customs Enforcement
I-CERP	Iraq-Commander's Emergency Response Program
ICITAP	International Criminal Investigative Training Assistance Program
ID	Iraqi Dinar Infantry Division
IDA	International Development Association (World Bank)
IDP	Internally Displaced Person
IED	Improvised Explosive Device
IG	Inspector General
IHEC	Independent High Electoral Commission
IIGC	Iraq Inspectors General Council
IIGF	Iraq Interim Government Fund
IJ	Investigative Judge
IJIP	Iraq Justice Integration Project
IMET	International Military and Education Training
IMF	International Monetary Fund
INL	Bureau of International Narcotics and Law Enforcement Affairs (DoS)
IP	Iraqi Police
IRAP	Iraq Rapid Assistance Program
IRFFI	International Reconstruction Fund Facility for Iraq
IRMS	Iraq Reconstruction Management System
IRRF	Iraq Relief and Reconstruction Fund
IRRF 1	Iraq Relief and Reconstruction Fund
IRRF 2	Iraq Relief and Reconstruction Fund
IRS	Internal Revenue Service
IASD	Iraqi Association of Securities Dealers
ISCI	Islamic Supreme Council of Iraq
ISF	Iraqi Security Forces
ISFF	Iraq Security Forces Fund
ISP	Infrastructure Security Protection
ISX	Iraq Stock Exchange
ITAO	Iraq Transition Assistance Office
IZ	International Zone
JAM	Jaysh al-Mahdi
JCC-I/A	Joint Contracting Command-Iraq/Afghanistan
JIEDDO	Joint IED Defeat Organization
JPS	Judicial Protection Service
km	Kilometer
KPP	Key Performance Parameter
KRG	Kurdistan Regional Government

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ACRONYMS & DEFINITIONS

ACRONYM	DEFINITION
kV	Kilovolt
LAOTF	Law and Order Task Force
LGP	Local Governance Program
MAAWS	Money as a Weapon System
MAT	Munitions Assessment Team
MBPD	Million Barrels Per Day
MFI	Microfinance Institution
MNC-I	Multi-National Corps-Iraq
MNF-I	Multi-National Force-Iraq
MNSTC-I	Multi-National Security Transition Command-Iraq
MOD	Ministry of Defense
MOI	Ministry of Interior
MW	Megawatt
MWh	Megawatt-hour
NCD	National Capacity Development
NCO	Non-commissioned Officer
NDAA	National Defense Authorization Act
NEA-I	Bureau of Near Eastern Affairs-Iraq (DoS)
NEC	New Embassy Compound
NGO	Non-governmental Organization
NIC	National Investment Commission
NP	National Police
NRRRF	Natural Resources Risk Remediation Fund
OEF	Operation Enduring Freedom
OFDA	Office of Foreign Disaster Assistance
OIF	Operation Iraqi Freedom
OMA	Operation and Maintenance, Army
OMB	Office of Management and Budget
OMS	Operations, Maintenance, and Sustainment
ONE-NET	Outside the Continental United States Navy Enterprise Network
OPA	Office of Provincial Affairs
OPE	Overseas Processing Entity
OPIC	Overseas Private Investment Corporation
OPTEMPO	Operating Tempo
OSI	U.S. Air Force Office of Special Investigations
OTI	Office of Transition Initiatives
PAC	Procurement Assistance Center
PC	Provincial Council
PDS	Public Distribution System
PEG	Provincial Economic Growth
PEZ	Pipeline Exclusion Zone
PIC	Provincial Iraqi Control

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ACRONYM	DEFINITION
P.L.	Public Law
PPAT	Provincial Procurement Assistance Teams
PPS	Personal Protective Services
PRDC	Provincial Reconstruction Development Council
PRM	Bureau of Population, Refugees, and Migration
PRT	Provincial Reconstruction Team
PSC	Private Security Contractor
PST	Provincial Support Team
QA	Quality Assurance
QC	Quality Control
QRF	Quick Response Fund
RDT&E	Research, Development, Test, and Evaluation
RFI	Rapid Fielding Initiative
RIE	Restore Iraqi Electricity
RIO	Restore Iraqi Oil
RMS	Readiness Management Support
RRC	Response Readiness Corps
RRT	Regional Reconstruction Team
RSCMA	Reconstruction and Stabilization Civilian Management Act of 2008
RTI	Research Triangle Institute
SBA	Stand-By Arrangement (IMF)
SBDC	Small Business Development Center
SDDC	Military Surface Deployment and Distribution Command
SFA	Strategic Framework Agreement
SIGIR	Special Inspector General for Iraq Reconstruction
SIV	Special Immigrant Visa
SOE	State-owned Enterprise
SOFA	Status of Forces Agreement
SOI	Sons of Iraq
SPOT	Synchronized Predeployment Operational Tracker
TCS	Temporary Change of Station
TGA	Total Government Allegiance
Treasury	U.S. Department of Treasury
UAS	Unmanned Aircraft Systems
UCP	Unified Common Plan
UN	United Nations
UNAMI	UN Assistance Mission for Iraq
UNDG ITF	United Nations Development Group Iraq Trust Fund
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNODC	United Nations Office of Drugs and Crime

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ACRONYMS & DEFINITIONS

ACRONYM	DEFINITION
UNOPS	United Nations Office of Project Services
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USAID OIG	U.S. Agency for International Development Office of Inspector General
USAID/RIG	U.S. Agency for International Development Regional Inspector General
USDA	U.S. Department of Agriculture
USIP	U.S. Institute of Peace
USTDA	U.S. Trade and Development Agency
VRU	Voter Registration Update
WB ITF	World Bank Iraq Trust Fund
WHO	World Health Organization