

IRAQ RECONSTRUCTION FUNDING SOURCES AND PROGRAM MANAGEMENT

RECONSTRUCTION FUNDING SOURCES	18
RECONSTRUCTION MANAGEMENT IN TRANSITION	30

SECTION

2

RECONSTRUCTION FUNDING SOURCES

As of December 31, 2009, nearly \$141.49 billion had been made available for the relief and reconstruction of Iraq. These funds came from three main sources:³⁶

- Iraqi funds that were overseen by the Coalition Provisional Authority (CPA) and Iraqi capital budgets—\$71.19 billion
- International pledges of assistance from non-U.S. sources—\$17.01 billion
- U.S. appropriations—\$53.30 billion

See Figure 2.1 for an overview of these funding sources.

Iraqi Funding

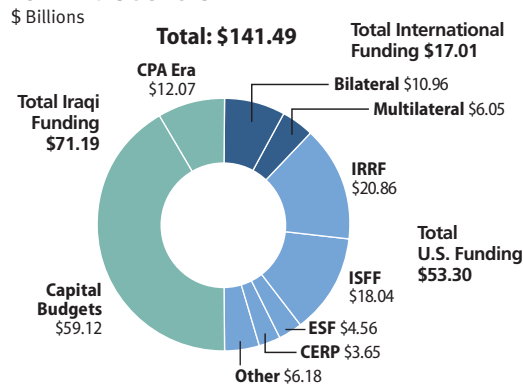
As of December 31, 2009, Iraq had provided \$71.19 billion for relief and reconstruction through Iraqi funding from the CPA era and its annual capital budgets.³⁷ This amount will increase by \$19.70 billion, to \$90.89 billion, in late January or early February if the proposed 2010 Iraqi budget is adopted.³⁸

The Iraqi budget outlook improved markedly through 2009. More than a year ago, the price of Kirkuk crude oil plummeted from a high of \$134.26 per barrel in the week of July 4, 2008, to a low of \$35.60 per barrel in the week of January 2, 2009. Oil prices rebounded in 2009 and have remained above \$50 per barrel (the price the Iraqi Ministry of Finance used to project 2009 oil revenues) since the week of May 8, 2009. Oil traded at \$78.88 per barrel in the week of January 8, 2010.³⁹

Current estimates of total 2009 oil and other revenues, through the end of the year, range from \$43 billion to \$45 billion. Data from the U.S. Treasury Attaché at U.S. Embassy-Baghdad indicates \$38.96 billion in revenues from the export of crude oil; the Ministry of Oil cites oil export revenues at

FIGURE 2.1

FUNDING SOURCES



Note: Data not audited. Numbers affected by rounding. CPA-Era Iraq funds include \$1.72 billion in vested funds, \$0.93 billion in seized funds, \$9.33 billion in DFI, and \$0.09 billion in CERP funds provided by the Central Bank of Iraq. OSD does not report CERP allocation, obligation, and expenditure data for project categories on a quarterly basis for all fiscal year appropriations; SIGIR pulls CERP allocation, obligation, and expenditure data from the IRMS, which lags in reporting by one quarter. Therefore, top-line totals here may not match values found in the Funding Uses section of this Report.

Sources: DFAS, response to SIGIR data call, 4/10/2009; GOI, "Republic of Iraq: Budget Revenues and Expenses 2003, July–December," 2003; GOI, "GOI Budget" (as approved by TNA and written into law December 2005), 2005; GOI, "Presidency of the Iraqi Interim National Assembly: The State General Budget for 2005," 2005; SIGIR, *Quarterly Report to the United States Congress*, 4/2009, p. 26; U.S. Treasury, responses to SIGIR data calls, 1/4/2008, 4/9/2009, 10/2/2009; P.L. 108-7; P.L. 108-11; P.L. 108-106; P.L. 108-287; P.L. 109-13; P.L. 109-102; P.L. 109-148; P.L. 109-234; P.L. 109-289; P.L. 110-28; P.L. 110-92; P.L. 110-116; P.L. 110-137; P.L. 110-149; P.L. 110-161; P.L. 110-252; P.L. 111-32; P.L. 111-117; P.L. 111-118.

\$41.6 billion, a figure that likely includes refined oil products in addition to crude exports.⁴⁰

Expenditures are more difficult to determine, given historically high rates of spending in the final months of the year and the unknown status of several large, outstanding budget items, most notably the Public Distribution System (PDS). Estimates of total Government of Iraq (GOI) expenditures for 2009 range from \$37 billion to \$46 billion, which would allow for a surplus or a small deficit for the year.⁴¹

According to Bayan Jabr, the Iraqi Minister of Finance, increased oil revenues and reduced Iraqi expenditures should allow Iraq to balance its

TABLE 2.1
COMPARISON OF GOI BUDGETS, 2007–2010
\$ Billions

	MINISTRY/AGENCY	2007	2008	2009	2010
Revenue	Oil	31.00	63.10	36.50	47.91
	Other	2.40	7.00	6.20	4.86
Total Revenue		33.38	70.10	42.70	52.77
Operating Expenditures	Finance	14.57	25.69	9.74	10.55
	Education	1.53	1.99	3.91	4.31
	Interior	3.14	5.16	5.27	5.89
	Defense	4.09	4.92	3.85	4.52
	Trade	0.03	0.04	3.62	4.03
	Justice	0.11	0.22	0.25	0.45
	KRG	3.19	4.24	5.07	6.03
	Other	4.34	8.81	14.17	15.82
	Subtotal	31.00	51.07	45.89	51.59
Capital Investment	Oil	2.38	2.26	2.21	2.65
	Electricity	1.38	2.32	1.08	3.49
	KRG	1.56	3.71	1.95	2.72
	Defense	0.05	4.92	0.27	0.38
	Interior	0.04	0.54	0.22	0.26
	Justice	0.01	0.02	0.11	0.13
	Provinces (Non-KRG)	2.10	6.40	2.17	2.18
	Other	2.53	10.13	4.73	7.89
	Subtotal	10.05	21.11	12.73	19.70
Total Expenditures		41.05	72.18	58.61	71.30
Surplus/Deficit		-7.67	-2.08	-15.91	-18.53

Note: Data not audited. Numbers affected by rounding. Revenue and expenditure figures reflect amounts budgeted by the GOI; they do not necessarily align with actual revenue and expenditures.

Source: U.S. Embassy-Baghdad, U.S. Treasury Attaché, response to SIGIR data call, 1/17/2010.

budget.⁴² In case revenues fall short, Iraq and the IMF are near agreement on a new three-year, \$3.8 billion Stand-By Arrangement (SBA).⁴³ Negotiations are also underway with the World Bank for \$500 million in additional financing that could be used to cover any remaining Iraqi budget deficits.⁴⁴

In 2010, Iraq may face a much larger deficit. The proposed Iraqi budget for 2010 calls for \$71.30 billion in expenditures: \$51.59 billion (72%) for operational expenditures and \$19.70 billion (28%) for capital projects. The GOI projects

\$52.77 billion in revenues: \$47.91 billion (91%) in oil revenues and \$4.86 billion (9%) in other revenues. Consequently, the estimated Iraqi budget gap for 2010 is \$18.53 billion.⁴⁵

If passed, the proposed 2010 budget would be the second largest in the post-Saddam period (in current dollars). Only the 2008 budget was higher, and it used an oil price of \$91 per barrel to project revenues, compared with \$60 per barrel for the 2010 budget.⁴⁶ For a comparison of the 2007 through 2010 Iraqi budget allocations, see Table 2.1.

International Funding

As of December 31, 2009, international donors had pledged \$17.01 billion: \$5.26 billion in grants and \$11.75 billion in loans, amounts unchanged from last quarter. Most pledges were made in 2003 at the Madrid Donors' Conference.⁴⁷

As of December 31, 2009, international donors had committed an estimated \$10.74 billion, an increase of \$92 million over the quarter. Iran committed an estimated \$100 million in soft loans to finance ongoing work in and around the Shia holy cities of Najaf and Kerbala, and the European Commission (EC) reported additional commitments to reflect their 2010 assistance budget for Iraq. On November 13, 2009, the EC and Iraq finalized their Partnership and Cooperation Agreement, which aims to promote dialogue and trade.

International assistance is evolving as donors more fully recognize Iraqi sovereignty. The International Compact with Iraq is expected to transition to a "New Partnership" that takes its priorities from Iraq's forthcoming National Development Plan. Support under the IRFFI is winding down

amid these changes. New projects must be started before June 20, 2010, and the Donors Committee is planning a lessons-learned report and follow-on donor coordination mechanisms.⁴⁸

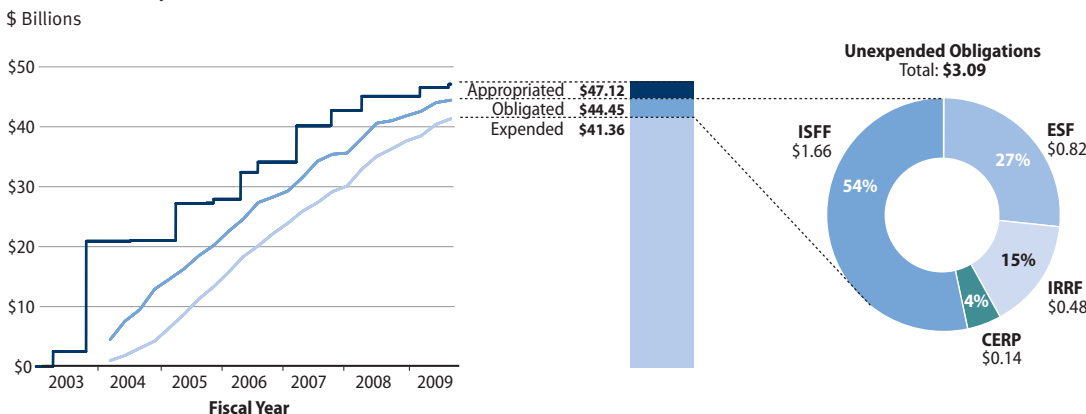
U.S. Funding

Since 2003, the U.S. Congress has appropriated or otherwise made available \$53.30 billion for reconstruction efforts in Iraq, including the building of physical infrastructure, the establishment of political and societal institutions, reconstitution of security forces, and the purchase of products and services for the benefit of the people of Iraq.⁴⁹

As of December 31, 2009, \$47.12 billion had been made available through four major funds:⁵⁰

- Iraq Relief and Reconstruction Fund (IRRF)—\$20.86 billion
- Iraq Security Forces Fund (ISFF)—\$18.04 billion
- Economic Support Fund (ESF)—\$4.56 billion
- Commander's Emergency Response Program (CERP)—\$3.65 billion

FIGURE 2.2
STATUS OF MAJOR U.S. FUNDS



Note: Data not audited. Numbers affected by rounding. OSD does not report CERP allocation, obligation, and expenditure data for project categories on a quarterly basis for all fiscal year appropriations; SIGIR pulls CERP allocation, obligation, and expenditure data from the IRMS, which lags in reporting by one quarter. Therefore, totals here may not match values found in the Funding Uses section of this Report.

Sources: DoS, response to SIGIR data call, 4/5/2007; NEA-I, responses to SIGIR data call, 1/13/2010 and 1/20/2010; OSD, responses to SIGIR data calls, 4/10/2009, 1/13/2010, and 1/14/2010; U.S. Embassy-Baghdad, responses to SIGIR data call, 1/11/2010, 1/14/2010, and 1/20/2010; U.S. Treasury, response to SIGIR data call, 4/2/2009; USACE, response to SIGIR data call, 1/2/2010; USAID, responses to SIGIR data calls, 4/13/2009 and 1/20/2010; USTDA, response to SIGIR data call, 4/2/2009; SIGIR, *Quarterly and Semiannual Reports to the United States Congress*, 3/2004–10/2009.

TABLE 2.2
FY 2009 AND FY 2010 APPROPRIATIONS
 \$ Millions

	FUND	FY 2009	FY 2010			APPROPRIATION
		APPROPRIATION	ADMINISTRATION REQUEST	HOUSE BILL	SENATE BILL	
Defense	ISFF	1,000.0	0	0	0	0
	CERP	336.1	300.0	*	200.0	200.0
	Subtotal	1,336.1	300.0	*	200.0	200.0
Foreign Operations	ESF	439.0	415.7	400.0	375.0	382.5
	INCLE	20.0	52.0	52.0	52.0	52.0
	NADR	20.0	30.3	*	30.3	*
	IMET	2.0	2.0	2.0	2.0	*
	Subtotal	481.0	500.0	*	459.3	466.8
Total		1,817.1	800.0	*	659.3	666.8

Note: Data not audited. Numbers affected by rounding. The * symbol denotes no specific allocation. The 2010 appropriation provided no specific allocations for the Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) fund or the International Military Education and Training (IMET) fund, but the difference between the budget authority provided under P.L. 111-117 and the allocations provided for the ESF and INCLE is equal to the requested amounts for the NADR and IMET, suggesting that among foreign operations accounts, only the ESF received a smaller appropriation than the administration requested.

Sources: OSD, response to SIGIR data call, 1/15/2010; DoD, "Fiscal Year 2010 Budget Request: Summary Justification," 5/2009, p. 5-19; House Appropriations Committee Report 111-230, "Department of Defense Appropriations Bill, 2010," 7/24/2009, pp. 6, 349; Senate Appropriations Committee Report 111-74, "Department of Defense Appropriations Bill, 2010," 9/10/2009, p. 244; P.L. 111-118; House of Representatives, "House Amendment to Senate Amendment to H.R. 3326 (in Congressional Record)," 12/16/2009, thomas.loc.gov/cgi-bin/query/z?r111:H16DE9-0030; accessed 1/5/2010; DoS, "Congressional Budget Justification for Fiscal Year 2010," 5/2009, p. 20; House Appropriations Committee Report 111-187, "State, Foreign Operations, and Related Programs Appropriations Bill, 2010," 6/26/2009, pp. 59, 75, 94; Senate Appropriations Committee Report 111-44, "Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2010," 7/9/2009, pp. 9, 48, 57; P.L. 111-117, Sec. 7042 (b)(1); House of Representatives Report 111-366, "Conference Report to Accompany H.R. 3288," 12/8/2009, pp. 1466, 1484.

Of this amount, \$44.45 billion (94%) had been obligated, and \$41.36 billion (88%) had been expended.⁵¹ The Congress also made \$6.18 billion available through several smaller funding streams.

For an overview of U.S. appropriations, obligations, and expenditures as of December 31, 2009, see Figure 2.2 and Table 2.3.

New Appropriations

This quarter, the Congress made up to \$666.8 million in new funding available for Iraq reconstruction.⁵²

On December 13, 2009, the Congress provided up to \$466.8 million in new foreign operations appropriations as part of H.R. 3288,⁵³ which was signed into law, P.L. 111-117,⁵⁴ on December 16, 2009.⁵⁵ On December 19, 2009, the Congress provided \$200.0 million in new defense funding to Iraq as

part of H.R. 3326, which was signed into law, P.L. 111-118, on the same day.⁵⁶ In total, new appropriations were \$133.2 million less than the administration's request.⁵⁷

For a breakdown of defense and foreign operations appropriations by year and fund, see Table 2.2.

Iraq Relief and Reconstruction Fund

The IRRF was the largest source of U.S. reconstruction funds, comprising \$20.86 billion made available through two appropriations: IRRF 1 (\$2.48 billion) and IRRF 2 (\$18.39 billion).⁵⁸ As of December 31, 2009, \$0.54 billion had expired, leaving \$20.32 billion in obligated funds. Of that amount, \$19.85 billion (98%) had been expended.⁵⁹

6 years ago
 this quarter

IRRF 2

On November 6, 2003, President Bush signed into law P.L. 108-106, which provided \$18.65 billion for the Iraq Relief and Reconstruction Fund. It was the largest single appropriation of the reconstruction effort.

IRAQ RECONSTRUCTION FUNDING SOURCES AND PROGRAM MANAGEMENT

TABLE 2.3

U.S. APPROPRIATED FUNDS

\$ Millions

APPROPRIATIONS BY FISCAL YEAR, FY 2003–FY 2008

	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
	2003	2004	2005	2006	2007	2008
MAJOR FUNDS						
Iraq Relief and Reconstruction Fund (IRRF 2) ^a		18,389				
Iraq Security Forces Fund (ISFF)			5,490	3,007	5,542	3,000
Economic Support Fund (ESF) ^b	50			1,545	1,478	664
Commander's Emergency Response Program (CERP) ^c		134	668	653	720	942
Iraq Relief and Reconstruction Fund (IRRF 1)	2,475					
Subtotal	2,525	18,523	6,158	5,205	7,740	4,606
OTHER ASSISTANCE PROGRAMS						
Natural Resources Risk Remediation Fund (NRRRF) ^d	801					
Iraq Freedom Fund (Other Reconstruction Activities) ^e	700					
Migration and Refugee Assistance (MRA)	37				45	438
International Narcotics Control and Law Enforcement (INCLE)	20			91	150	105
P.L. 480 Title II Food Aid	311		3			24
Democracy Fund (Democracy)					250	75
International Disaster Assistance (IDA)	144			8		95
Iraq Freedom Fund (TFBSO)					50	50
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) ^f					7	33
Child Survival and Health Programs Fund (CSH)	90					
International Disaster and Famine Assistance (IDFA)					45	5
Voluntary Peacekeeping Operations (PKO)	50					
Alhurra-Iraq Broadcasting		40				
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)		17				
Education and Cultural Exchange Programs (ECA)				6		11
International Affairs Technical Assistance (OTA)				13	3	
International Military Education and Training (IMET)			1		1	3
U.S. Marshals Service (Litigation Support Services)				1		2
Department of Justice (DoJ)					2	
Subtotal	2,153	57	4	119	553	841
RECONSTRUCTION-RELATED OPERATING EXPENSES						
Coalition Provisional Authority (CPA) ^g		833				
Project and Contracting Office (PCO) ^h				200	630	
USAID Operating Expenses (USAID OE)	21		24	79		98
Iraq Freedom Fund (PRT Administrative Costs)					100	
U.S. Contributions to International Organizations (IO Contributions)						68
Subtotal	21	833	24	279	730	166
RECONSTRUCTION OVERSIGHT						
Special Inspector General for Iraq Reconstruction (SIGIR)		75		24	35	39
DoD Office of Inspector General (DoD OIG)				5		21
USAID Office of Inspector General (USAID OIG)	4	2	3		1	10
Defense Contract Audit Agency (DCAA)					16	
DoS Office of Inspector General (DoS OIG)				1	2	10
Subtotal	4	77	3	30	53	80
Total	4,702	19,489	6,189	5,633	9,076	5,693

^a The Congress initially appropriated \$18,649 million to IRRF 2, but earmarked \$210 million to be transferred to other accounts for programs in Jordan, Liberia, and Sudan. The Administration transferred another \$562 million for Iraq-related programs that could be implemented only in other accounts (such as bilateral debt forgiveness). In FY 2006, the Congress transferred roughly \$10 million into the IRRF from the ESF. In FY 2008, P.L. 110-252 rescinded \$50 million.

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

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

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

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

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

RECONSTRUCTION FUNDING SOURCES

	FY 2009		FY 2010		TOTAL APPROPRIATED	STATUS OF FUNDS		
	P.L. 111-32	P.L. 111-117	P.L. 111-118	OBLIGATED		EXPENDED	EXPIRED	
	06/24/09	12/16/09	12/19/09					
MAJOR FUNDS								
Iraq Relief and Reconstruction Fund (IRRF 2)					18,389	18,062	17,597	327
Iraq Security Forces Fund (ISFF)	1,000				18,039	16,746	15,088	
Economic Support Fund (ESF)	439	383			4,559	3,885	3,063	
Commander's Emergency Response Program (CERP)	336		200		3,653	3,496	3,358	
Iraq Relief and Reconstruction Fund (IRRF 1)					2,475	2,261	2,249	214
Subtotal	1,775	383	200		47,116	44,448	41,355	542
OTHER ASSISTANCE PROGRAMS								
Natural Resources Risk Remediation Fund (NRRRF)					801	801	801	
Iraq Freedom Fund (Other Reconstruction Activities)					700	680	654	
Migration and Refugee Assistance (MRA)					520	455	372	
International Narcotics Control and Law Enforcement (INCLE)	20	52			438	369	225	
P.L. 480 Title II Food Aid					338			
Democracy Fund (Democracy)					325	315	124	
International Disaster Assistance (IDA)					247	82	35	
Iraq Freedom Fund (TFBSO)					100			
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)	20	30			90	32	27	
Child Survival and Health Programs Fund (CSH)					90			
International Disaster and Famine Assistance (IDFA)					50			
Voluntary Peacekeeping Operations (PKO)					50			
Alhurra-Iraq Broadcasting					40			
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)					17			
Education and Cultural Exchange Programs (ECA)					16			
International Affairs Technical Assistance (OTA)					16	16	14	
International Military Education and Training (IMET)	2	2			10	4	3	
U.S. Marshals Service (Litigation Support Services)					3			
Department of Justice (DoJ)					2			
Subtotal	42	84			3,852	2,753	2,255	
RECONSTRUCTION-RELATED OPERATING EXPENSES								
Coalition Provisional Authority (CPA)					833	832	799	
Project and Contracting Office (PCO)					830			
USAID Operating Expenses (USAID OE)					222			
Iraq Freedom Fund (PRT Administrative Costs)					100			
U.S. Contributions to International Organizations (IO Contributions)					68			
Subtotal					2,053	832	799	
RECONSTRUCTION OVERSIGHT								
Special Inspector General for Iraq Reconstruction (SIGIR)	7	23			203	164	148	
DoD Office of Inspector General (DoD OIG)					26			
USAID Office of Inspector General (USAID OIG)					18			
Defense Contract Audit Agency (DCAA)					16			
DoS Office of Inspector General (DoS OIG)					13			
Subtotal	7	23			276	164	148	
Total	1,824	490	200		53,297	48,198	44,557	542

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

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

Iraq Security Forces Fund

The Congress has appropriated \$18.04 billion to the ISFF to support Iraq's Ministry of Defense (MOD) and Ministry of Interior (MOI) in developing the Iraqi Security Forces (ISF). On January 1, 2010, the Multi-National Security Transition Command-Iraq (MNSTC-I) was deactivated. The MNSTC-I mission and all related programs were transferred to the U.S. Forces-Iraq (USF-I), which includes the Iraq Training and Advisory Mission (ITAM) and the Iraq Security Assistance Mission (ISAM).⁶⁰

As of December 31, 2009, \$1.66 billion in unexpended obligations remain. A further \$1.29 billion remains unobligated, but only \$0.82 billion (64%) of these funds can be obligated to new projects.

In total, \$16.75 billion (93%) of the ISFF had been obligated and \$15.09 billion (84%) had been expended as of the end of the quarter.⁶¹ For the status of these funds, see Figure 2.3 and Table 2.4.

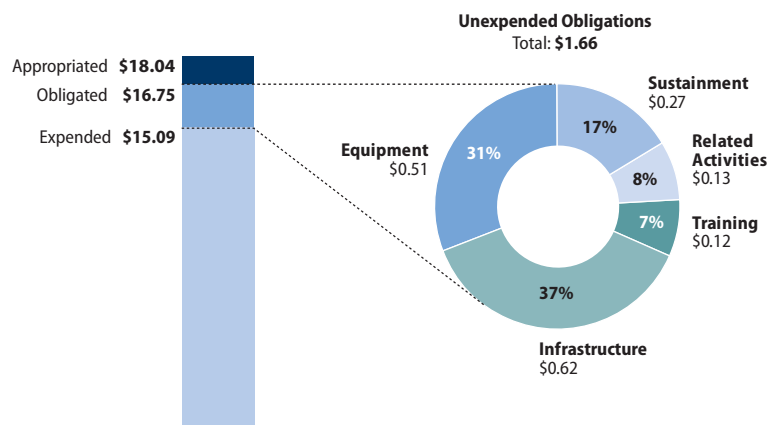
ISFF Quarterly Obligations and Expenditures by Sub-Activity Group

Of the \$18.04 billion appropriated to the ISFF, \$17.06 billion (95%) is allocated to four major sub-activity groups:

- Equipment—equipment and transportation for military and police, force protection, and communications equipment
- Infrastructure—training academies/areas, military bases, and police stations
- Sustainment—maintenance, weapons, ammunition, and logistics support
- Training—military and police training, ministerial capacity development, and instructor equipment and support

The remaining \$0.98 billion (5%) of the ISFF is allocated to smaller sub-activity groups. Collectively termed “Related Activities,” these smaller sub-activity groups include the ISFF Quick Response Fund, detainment centers, and rule-of-law complexes.⁶²

FIGURE 2.3
ISFF: STATUS OF FUNDS
\$ Billions



Note: Data not audited. Numbers affected by rounding.

Source: OSD, response to SIGIR data call, 1/13/2010.

Quarterly obligations and expenditures were down significantly from last quarter. This quarter, DoD obligated \$113.8 million and de-obligated \$40.8 million, for a net change of \$73.0 million in total obligations—7% of last quarter's total.⁶³ Obligations for the MOD were relatively balanced among sub-activity groups except for Infrastructure, which declined. The MOI's obligations for Training and Sustainment were almost wholly offset by de-obligations in Equipment and Infrastructure.⁶⁴

This quarter, total ISFF expenditures were less than a third of last quarter's.⁶⁵ Equipment procurement accounted for nearly half of new expenditures: \$115.3 million for the MOD and \$140.0 million for the MOI. Infrastructure expenditures accounted for roughly 15% of the total, versus 26% for Training and a negligible amount for Sustainment.⁶⁶

3 years ago this quarter

Iraq Study Group

On December 6, 2006, the *Iraq Study Group Report* was released. It cited the lack of adequate U.S. funding for the ISF, noting that the \$3 billion appropriated to the ISFF in FY 2006 was less than the amount required to sustain the U.S. military presence in Iraq for two weeks.

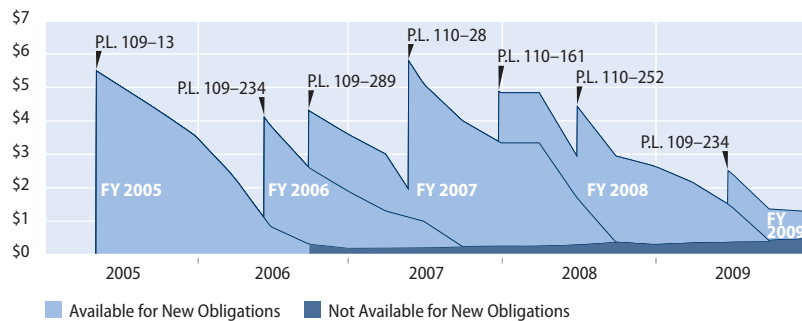
TABLE 2.4
ISFF: STATUS OF FUNDS, BY MINISTRY AND SUB-ACTIVITY GROUP
\$Millions

MINISTRY	SUB-ACTIVITY GROUP	STATUS OF FUNDS			QUARTERLY CHANGE	
		ALLOCATED	OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Defense	Infrastructure	3,272.1	3,084.7	2,740.8	-3.3 (0%)	45.1 (2%)
	Equipment	4,694.9	4,412.0	4,155.6	18.6 (0%)	115.3 (3%)
	Training	612.8	428.1	372.2	26.6 (7%)	46.2 (14%)
	Sustainment	1,940.2	1,858.5	1,649.8	25.4 (1%)	0.7 (0%)
	MOD Subtotal	10,520.0	9,783.4	8,918.4	67.3 (1%)	207.3 (2%)
Interior	Infrastructure	1,447.8	1,377.5	1,102.2	-2.1 (0%)	35.0 (3%)
	Equipment	1,899.2	1,699.8	1,441.4	-35.3 (-2%)	140.0 (11%)
	Training	2,585.4	2,422.3	2,359.6	23.6 (1%)	87.6 (4%)
	Sustainment	610.5	594.5	529.0	16.7 (3%)	7.5 (1%)
	MOI Subtotal	6,542.9	6,094.1	5,432.3	2.8 (0%)	270.1 (5%)
Other	Subtotal	976.4	868.1	737.3	2.9 (0%)	39.4 (6%)
Total		18,039.3	16,745.5	15,088.0	73.0 (0%)	516.8 (4%)

Note: Data not audited. Numbers affected by rounding.

Sources: OSD, response to SIGIR data call, 1/13/2010; SIGIR, *Quarterly Report to the United States Congress*, 10/2009.

FIGURE 2.4
UNOBLIGATED ISFF APPROPRIATIONS
\$ Billions



FISCAL YEAR	APPROPRIATED (\$ BILLIONS)	EXPIRES FOR NEW OBLIGATIONS	OBLIGATIONS CANCELED
2005	5.49	9/30/2006	9/30/2011
2006	3.01	9/30/2007	9/30/2012
2007	1.70	9/30/2008	9/30/2013
2007 (Sup)	3.84	9/30/2008	9/30/2013
2008	1.50	9/30/2009	9/30/2014
2008 (Sup)	1.50	9/30/2009	9/30/2014
2009	1.00	9/30/2010	9/30/2015

Total Unobligated: \$1.29 Billion

- \$0.82 Billion** Available for New Obligations (From FY 2009 Appropriation) - 64%
- \$0.47 Billion** Not Available for New Obligations - 36%

Note: Data not audited. Numbers affected by rounding.

Sources: OSD, response to SIGIR data call, 1/13/2010; SIGIR, *Quarterly and Semiannual Reports to the United States Congress*, 3/2004–10/2009.

Unobligated ISFF Appropriations

Only the 2009 ISFF appropriation remains available for new obligations; the 2005–2008 ISFF appropriations have expired, and are no longer eligible for new obligations.⁶⁷ Funds that have been obligated from the ISFF appropriations must be expended within five years of their expiration date or the obligations will be canceled and the money returned to the General Fund of the U.S. Treasury.⁶⁸

During this five-year period, USF-I may adjust obligations that were incurred before the budget authority expired. For example, USF-I may increase the amount of an obligation to an existing project if costs were greater than originally estimated. However, USF-I may not initiate an entirely new project or obligation.⁶⁹ For details on the spans of ISFF appropriations, and the availability of ISFF funds for new obligations, see Figure 2.4.

Economic Support Fund

Since 2003, the Congress has appropriated \$4.56 billion to the ESF to improve infrastructure and community security, promote democracy and civil society, and support capacity building and economic development.⁷⁰

As of December 31, 2009, \$822 million in unexpended obligations remain. A further \$674 million remains unobligated, but only the FY 2010 appropriation of \$382.5 million can be obligated to new projects.⁷¹

In total, \$3.88 billion (85%) of the ESF had been obligated and \$3.06 billion (67%) had been expended as of the end of the quarter.⁷² For the status of these funds, see Figure 2.5 and Table 2.6.

ESF Quarterly Obligations and Expenditures by Program

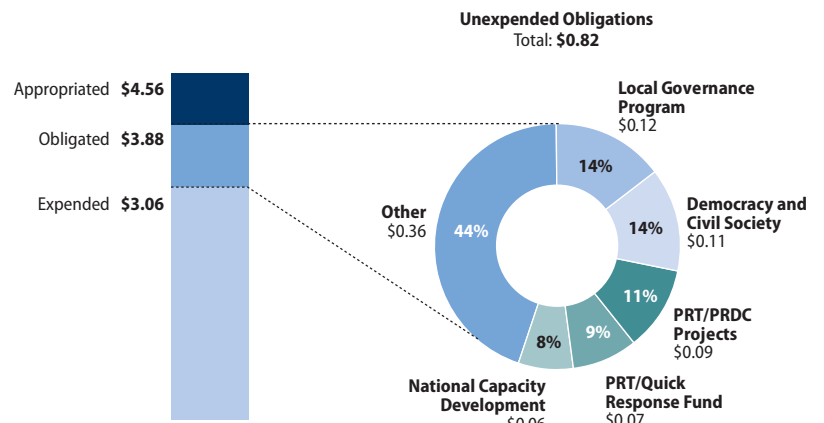
The ESF is allocated to programs in three tracks:

- Security—programs to reduce violence, improve infrastructure security, and strengthen government accountability
- Political—programs to increase national and provincial government capacity
- Economic—programs to increase Iraq’s operations and maintenance capabilities and stimulate private-sector growth

There were \$325.6 million in net obligations this quarter, a 9% increase in cumulative obligations since last quarter.⁷³ The Political track accounted for \$199.8 million (61%) of the net obligations, with the majority of obligations concentrated in the Iraqi Refugees (Jordan) and Democracy and Civil Society programs.⁷⁴ The Security track accounted for \$115.1 million (35%) of net obligations, mostly within the Community Action Program, which saw the addition of a new civil society development component focused on project identification and program management training for Iraqi partners.⁷⁵

There were \$295.7 million in net expenditures this quarter, an 11% increase in cumulative

FIGURE 2.5
ESF: STATUS OF FUNDS
\$ Billions



Note: Data not audited. Numbers affected by rounding.

Sources: U.S. Embassy-Baghdad, responses to SIGIR data call, 1/11/2010, 1/14/2010, and 1/20/2010; USACE, response to SIGIR data call, 1/2/2010; NEA-I, response to SIGIR data call, 1/20/2010.

TABLE 2.5
FY 2010 ESF BUDGET AUTHORITY
\$ Millions

PROGRAM	BUDGET AUTHORITY
Democracy and Civil Society	126.0
Civilian Assistance Program	50.0
Ministerial Capacity Development	50.0
Iraqi Minorities	10.0
Marla Ruzicka Fund	5.0
Not Specified	141.5
Total	382.5

Note: Democracy and Civil Society includes \$10.0 million for the Iraqi Women’s Democracy initiative.

Source: House of Representatives Report 111-366, “Conference Report to Accompany H.R. 3288,” 12/8/2009, p. 1466.

expenditures since last quarter.⁷⁶ Nearly half of net expenditures this quarter were in the Security track, with the Community Action Program and PRT/PRDC Projects accounting for the majority.⁷⁷ The Iraqi Refugees (Jordan) program, in the Political track expended the greatest amount—\$75.2 million—more than 25% of all quarterly expenditures.⁷⁸

TABLE 2.6
ESF: STATUS OF FUNDS, BY TRACK AND PROGRAM
 \$ Millions

TRACK	PROGRAM	STATUS OF FUNDS			QUARTERLY CHANGE	
		ALLOCATED	OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Security	PRT/PRDC Projects	717.3	510.8	417.2	21.4 (4%)	52.3 (14%)
	Community Stabilization Program	646.5	646.5	607.8	0.2 (0%)	-7.6 (-1%)
	Local Governance Program	410.5	410.5	295.0		23.6 (9%)
	Community Action Program	382.1	382.1	249.6	71.1 (23%)	56.6 (29%)
	PRT Quick Response Fund	242.0	220.1	146.2	19.6 (10%)	14.2 (11%)
	Infrastructure Security Protection	217.0	184.2	181.2	2.8 (2%)	1.9 (1%)
	Subtotal		2,615.3	2,354.2	1,896.9	115.1 (5%)
Political	National Capacity Development	309.4	309.4	244.5		21.2 (9%)
	Democracy and Civil Society	291.3	259.4	148.0	74.2 (40%)	3.5 (2%)
	Iraqi Refugees (Jordan)	165.3	165.3	111.2	107.3 (185%)	75.2 (209%)
	Economic Governance II, Policy and Regulatory Reforms	85.0	85.0	85.0		
	Ministerial Capacity Development	50.4	41.8	29.5	-1.3 (-3%)	0.5 (2%)
	Regime Crimes Liaison Office	33.0	29.8	28.8	-0.3 (-1%)	0.4 (1%)
	Elections Support	12.6	12.6	12.1	12.6	12.1
	Monitoring and Evaluation	7.3	7.3		7.3	
Subtotal		954.3	910.6	659.1	199.8 (28%)	113.0 (21%)
Economic	O&M Sustainment	285.5	272.2	267.0	2.1 (1%)	0.8 (0%)
	Inma Agribusiness Development	124.0	124.0	82.5		10.1 (14%)
	Provincial Economic Growth	85.8	85.8	48.7		12.9 (36%)
	Targeted Development Program	57.4	57.4	29.6	-0.4 (-1%)	8.3 (39%)
	Plant-Level Capacity Development & Technical Training	51.5	47.9	47.7	0.1 (0%)	0.6 (1%)
	Izdihar	32.8	32.8	31.4	9.0 (38%)	9.0 (40%)
	Subtotal		637.0	620.1	506.8	10.8 (2%)
Total		4,206.7	3,884.9	3,062.8	325.6 (9%)	295.7 (11%)

Note: Data not audited. Numbers affected by rounding.

Sources: NEA-I, response to SIGIR data call, 1/20/2010; U.S. Embassy-Baghdad, responses to SIGIR data call, 1/11/2010, 1/14/2010, and 1/20/2010; USACE, response to SIGIR data call, 1/2/2010; USAID, response to SIGIR data call, 1/20/2010.

Normalizing the ESF and Other Civilian Assistance Funds

According to the U.S. Embassy-Baghdad, the United States is moving toward a conventional civilian assistance program in Iraq. As part of the new requirements for all U.S. Embassies around the world, U.S. Embassy-Baghdad submitted its first civilian-assistance Operation Plan (OP) and Performance Plan and Report (PPR) in 2009. In addition, foreign operations funding was requested and appropriated as part of the normal budget process for the first time in FY 2010. In future

fiscal years, the Administration will continue to request foreign operations funding as part of the normal budget process to meet evolving U.S. civilian assistance goals.⁷⁹

This quarter, the Congress appropriated up to \$382.5 million to the ESF,⁸⁰ 13% less than was appropriated last year and 8% less than the administration's request.⁸¹ Of the FY 2010 ESF appropriation, \$241.0 million was earmarked for specific purposes, focusing primarily on democracy promotion.⁸² For details on the 2010 ESF budget authority, see Table 2.5.

Commander's Emergency Response Program

Since 2004, the Congress has provided \$3.65 billion to the CERP for Iraq, enabling military commanders to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility.⁸³ As of December 31, 2009, \$138 million in unexpended obligations remain. A further \$158 million remains unobligated.⁸⁴

In total, \$3.50 billion (96%) of the CERP had been obligated and \$3.36 billion (92%) had been expended as of the end of the quarter.⁸⁵ For the status of these funds, see Figure 2.6.

CERP Quarterly Obligations and Expenditures by Sector

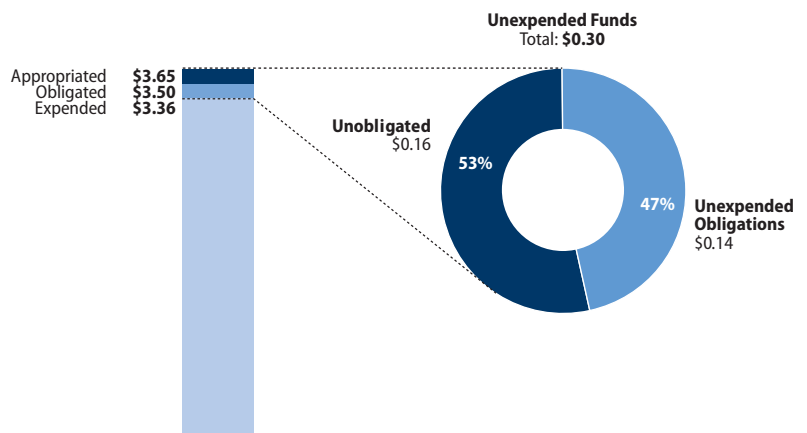
DoD reported that, as of September 30, 2009, \$339 million had been obligated and \$213 million had been expended from the FY 2009 CERP appropriation. The largest expenditures of the FY 2009 appropriation were for Temporary Contract Guards for Critical Infrastructure (\$35 million) and Civic Cleanup Activities (\$32 million).⁸⁶ For the status of FY 2009 CERP funds, see Table 2.7.

DoD does not report each quarter on the allocation, obligation, and expenditure data—by project category—for all fiscal year appropriations. Consequently, SIGIR cannot provide a full account of quarterly obligations and expenditures by project category for prior year appropriations, and must rely on the *MNC-I Quarterly Report* available from the Iraq Reconstruction Management System (IRMS) for that data.⁸⁷ Cumulative data by project category is drawn from the IRMS for the Funding Uses and Outcomes section of this report.

CERP Coordination and Project Approval Requirements

The CERP funds both counterinsurgency and broader reconstruction and development projects. USF-I establishes policies by which Division and Brigade Commanders expend CERP funds to support security and stability.⁸⁸ Official policy

FIGURE 2.6
CERP: STATUS OF FUNDS
\$ Billions



Note: Data not audited. Numbers affected by rounding. OSD does not report allocation, obligation, and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. Consequently, SIGIR cannot provide a full account of quarterly obligations and expenditures by project category. Top-line totals may not match project category totals found in the Funding Uses section of this report.

Source: OSD, response to SIGIR data call, 1/13/2010.

is recorded in the *Money as a Weapon System (MAAWS)* manual, which was last updated on November 1, 2009.⁸⁹

For non-security-related reconstruction and development projects, USF-I works with U.S. Embassy-Baghdad's Office of Provincial Affairs and interagency partners to develop CERP guidance and priorities. Military commanders coordinate with Provincial Reconstruction Teams (PRTs) in the nomination and execution of projects, and must inform PRTs in their areas of operation about all CERP expenditures greater than \$50,000 or at a lower level if not proposed solely for security reasons. If a military commander proceeds with a CERP-funded project that is opposed by a PRT, the disagreement is documented and communicated within each organization's chain of command.⁹⁰

In May 2009, Fragmentary Order 380 (FRAGO 380) directed military units, in partnership with PRTs, to aggressively use the CERP in support of provincial government capacity development and maintenance of security ahead of the Iraqi national elections and the drawdown of U.S. forces.⁹¹

TABLE 2.7
CERP: STATUS OF FY 2009 APPROPRIATION, BY PROJECT CATEGORY
 \$ Millions

PROJECT CATEGORY	OBLIGATED	EXPENDED
Temporary Contract Guards for Critical Infrastructure	35.15	34.87
Civic Cleanup Activities	49.01	31.52
Economic, Financial, and Management Improvements	28.34	24.52
Water & Sanitation	38.69	20.10
Electricity	37.72	19.79
Education	34.62	18.08
Transportation	21.37	11.78
Protective Measures	15.72	10.57
Agriculture	26.99	10.19
Other Humanitarian or Reconstruction Projects	10.89	8.30
Repair of Civic & Cultural Facilities	8.58	6.66
Healthcare	7.42	5.25
Civic Support Vehicles	11.13	3.67
Rule of Law & Governance	6.35	3.51
Condolence Payments	1.92	1.91
Battle Damage Repair	1.95	1.29
Food Production & Distribution	2.68	0.87
Telecommunications	0.49	0.43
Former Detainee Payments	0.02	0.02
Hero Payments	0.02	0.02
Total	339.05	213.36

Note: Data not audited. Numbers affected by rounding.

Source: OSD, response to SIGIR data call, 1/13/2010

Smaller Funding Streams

The Congress has appropriated, or otherwise made available, at least \$6.18 billion in smaller funding streams for Iraq reconstruction.⁹² Most of these funding streams are managed by DoS, although other departments and temporary agencies play important roles. Given the number of agencies and funding streams, and the complicated way funds in these streams have been transferred between agencies, the status and exact uses of funds are difficult to determine.

As of December 31, 2009, at least \$3.75 billion had been obligated, and at least \$3.20 billion had been expended.⁹³ SIGIR has classified these funding streams into three categories:

- Other Assistance Programs—\$3.85 billion
- Reconstruction-related Operating Expenses—\$2.05 billion
- Reconstruction Oversight—\$0.276 billion

For details on the status of the smaller funding streams, see Table 2.3.

Five of the smaller funding streams received new funding this quarter. For reconstruction and development, the Congress appropriated \$52.0 million to INCLE, but stipulated that none of the funds may be used for new construction.⁹⁴ In addition, the Congress appropriated up to \$32.3 million to NADR and IMET. The conference report provided no specific allocations to these funds, but the available budget authority is equal to the sum of the administration's requested amounts—\$30.3 million for NADR and \$2.0 million for IMET.⁹⁵ Last year, \$20.0 million was appropriated to NADR and \$2.0 million was appropriated to IMET.⁹⁶

For oversight, the Congress appropriated \$23.0 million to SIGIR.⁹⁷ The conference report also noted that a portion of the \$20.1 million available to the DoS Office of Inspector General for activities in the Middle East and South Asia would support its efforts in Iraq.⁹⁸ ♦

RECONSTRUCTION MANAGEMENT IN TRANSITION

As the United States transitions to a diplomatic and development mission in Iraq, \$3.09 billion in obligated funds remain for expenditure on new reconstruction projects, the completion and closeout of ongoing projects, and sustainment.⁹⁹ The U.S. posture in Iraq has begun to reflect a more traditional bilateral relationship, with a reduced security footprint and continuing assistance moving into normalized budget cycles. Still, relatively significant levels of support appear to be necessary in the near term as security and reconstruction responsibilities are transitioned to Iraq.

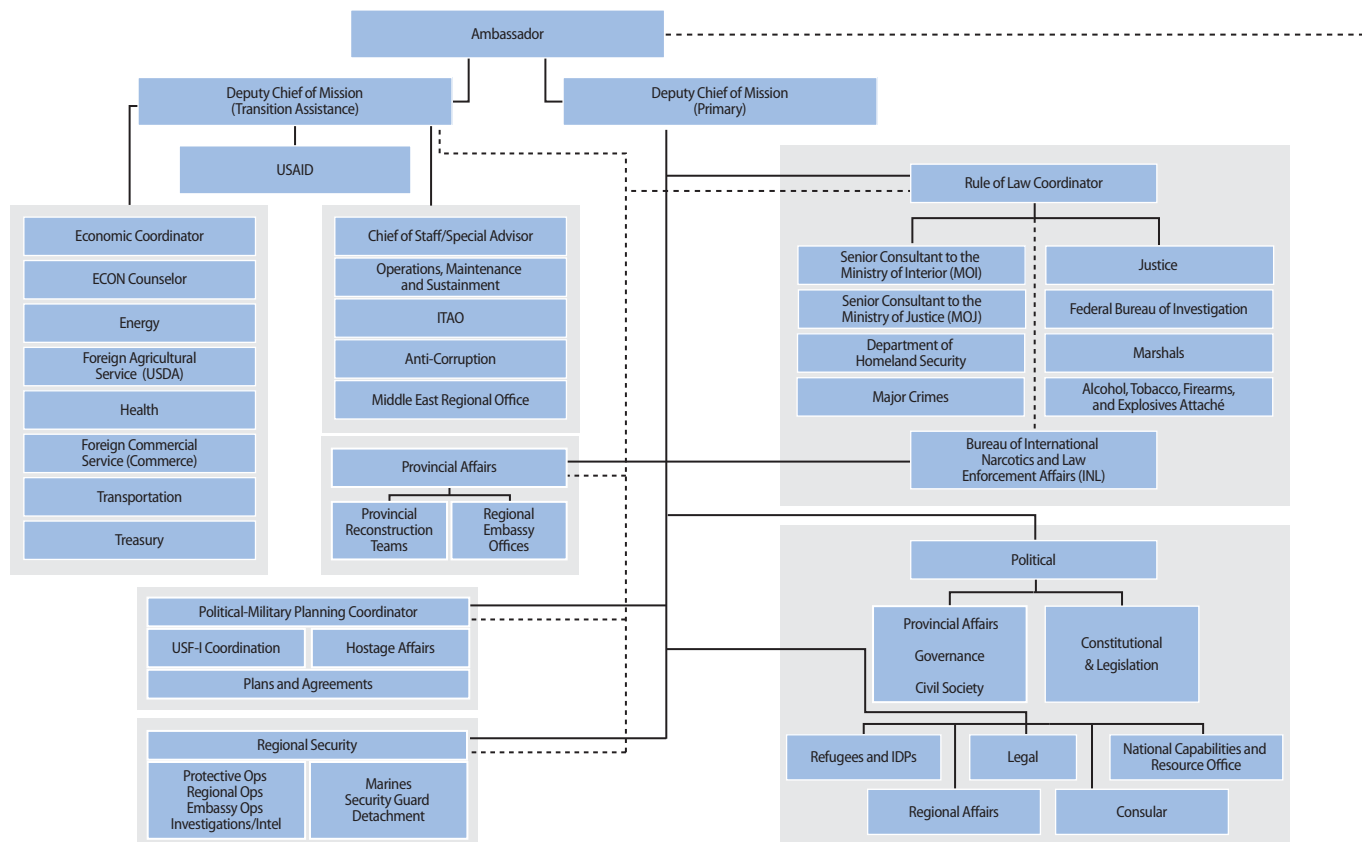
SIGIR and the Government Accountability Office (GAO) reported again this quarter on the need for better planning and contractor oversight to address the challenges associated with the complicated transition from DoD command to DoS management of assistance programs supporting GOI institutions.¹⁰⁰ In addition, the DoS Office of Inspector General (DoS OIG) expressed reservations about DoS's management of the transition.

The transfer of equipment and resources associated with the drawdown of U.S. military

Drawing down must be closely managed. Lingered tensions could flash. But sustained security gains to date and Iraq's continued progress have placed it on a positive note for the future. We must finish well in Iraq.¹⁰¹

—Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, December 22, 2009

FIGURE 2.7
U.S. EMBASSY-BAGHDAD AND USF-I: CURRENT ORGANIZATIONAL STRUCTURES



Sources: U.S. Embassy-Baghdad, response to SIGIR data call, 1/4/2010; USF-I, response to SIGIR data call, 1/4/2010.

forces also appears to represent an opportunity to support the GOI and minimize U.S. transition expenses, but according to DoS OIG, it is not clear whether this process was sufficiently well-planned.¹⁰² Currently, \$1.1 billion in U.S.-purchased equipment and other resources have been identified for transfer to the GOI as part of the disposition of U.S. military equipment.¹⁰³

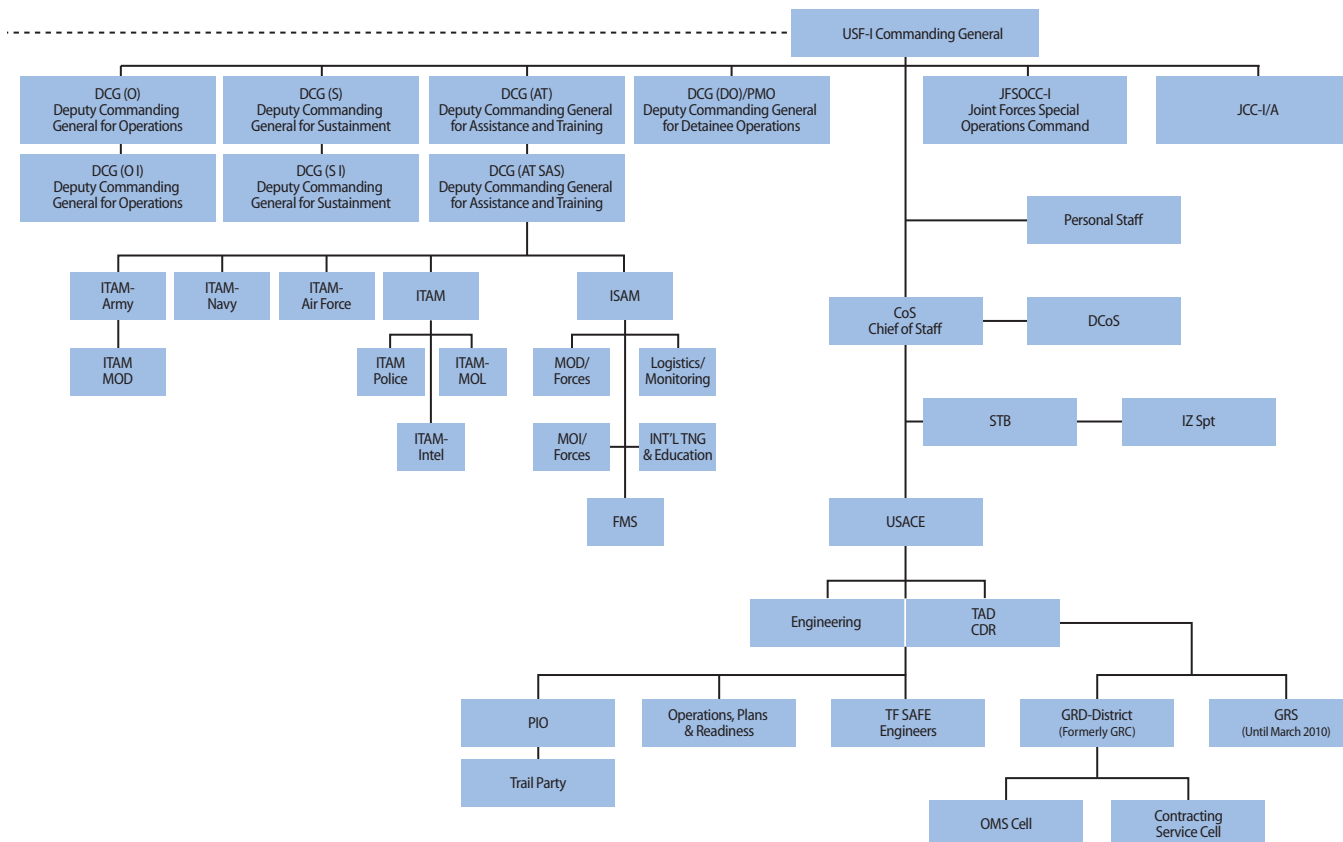
Organizing for the Transition: An Emerging Picture

On January 1, 2010, the U.S. forces deployed to Iraq in five major command groups merged under one single command, U.S. Forces-Iraq (USF-I), which will manage the continued drawdown in

coordination with DoS.¹⁰⁴ For details on the USF-I command structure and U.S. Embassy-Baghdad organization, see Figure 2.7.

Ramp-up of U.S. Troop Withdrawal

President Obama has set August 31, 2010, for the formal conclusion of the U.S. combat mission in Iraq. DoD's phased plan for withdrawal is framed by the goals and deadlines set forth under the Security Agreement between the U.S. government and the GOI. After the combat mission in Iraq ends, 50,000 U.S. troops will remain to train, advise, and equip the Iraqi Security Forces (ISF) and to conduct targeted counterterrorism missions.¹⁰⁵ Their role is expected to conclude with the withdrawal of all remaining U.S. forces by the end of 2011. During the drawdown, U.S. forces will





Removal of U.S. military equipment from Baghdad, November 2009. (USF-I photo)

- Potential costs and other concerns of transitioning key contracts may outweigh potential benefits.
- DoD lacks sufficient numbers of contract oversight personnel.
- Key decisions about the disposition of some equipment have yet to be made.
- The effective disposition of military equipment may be undermined by computer technology incompatibility and the DoD's lack of precise visibility over its inventory of some equipment and shipping containers.

The efficient execution of the security transition—and the provision of material benefit to the ISF through equipment disposal processes—depends on DoD's ability to mitigate these challenges.

continue to assist the ISF in conducting security operations, especially those conducted ahead of the March 7, 2010, elections.¹⁰⁶

In GAO testimony before the Commission on Wartime Contracting in Iraq and Afghanistan, the Director of Defense Capabilities and Management cited several challenges to successful execution of DoD's phased drawdown plan:¹⁰⁷

- DoD has yet to fully determine its future needs for contracted services.

Disposition of U.S. Military Equipment

As of November 2009, USF-I controlled about 3.3 million pieces of equipment in Iraq.¹⁰⁸ DoD planners continue to assign equipment to one of four categories for processing:¹⁰⁹

- refurbished and shipped to U.S. forces in Afghanistan
- returned to home stations
- transferred to U.S. depot/reset programs
- transferred to GOI or the government of Afghanistan

FIGURE 2.8

DISPOSITION OF U.S. EQUIPMENT

Pieces of Equipment, Millions



Source: DoD, *Measuring Stability and Security in Iraq*, 11/4/2009, p. 36.

To achieve successful removal, demilitarization, or transfer of its equipment by the end of December 2011, USF-I had emphasized that it must receive timely disposition instructions and expanded authority to declare equipment as excess. On July 7, 2009, the Deputy Under Secretary of Defense for Logistics and Materiel Readiness extended authorities aimed at speeding disposition of U.S. equipment and transfer to the GOI.¹¹⁰

- The single-transaction dollar limit of materiel that may be transferred to the GOI was raised from \$5 million to \$15 million.
- USF-I was delegated the authority to transfer barrier materials (such as fencing, t-walls, and other protective equipment) with no dollar limit.
- Military commanders may apply depreciated value instead of acquisition value to equipment being transferred.

See Figure 2.8 for a timeline of equipment disposition.

Contractors Continue To Play a Central Role

The level of contracting services needed to support the drawdown of troops and equipment from Iraq has yet to be fully identified.¹¹¹ Contractors will continue to provide a wide range of tasks essential for operations and for reconstruction programs, but DoD announced plans for a 30% reduction in overall contractor support (to a force of 75,000) by the end of FY 2010.¹¹² As of January 22, 2010, USF-I reported 100,035 DoD contractors working in Iraq.¹¹³

- 51,990 third-country nationals
- 27,843 U.S. citizens
- 20,202 Iraqi nationals

Program Management

U.S. Embassy-Baghdad continues to lead all ongoing U.S. assistance programs. This includes:¹¹⁴

- overseeing reconstruction programs to their conclusion
- managing remaining infrastructure and equipment projects and programs that extend beyond 2011 (including FMS projects and sales)
- assuming responsibility for the police training program currently being conducted by the USF-I

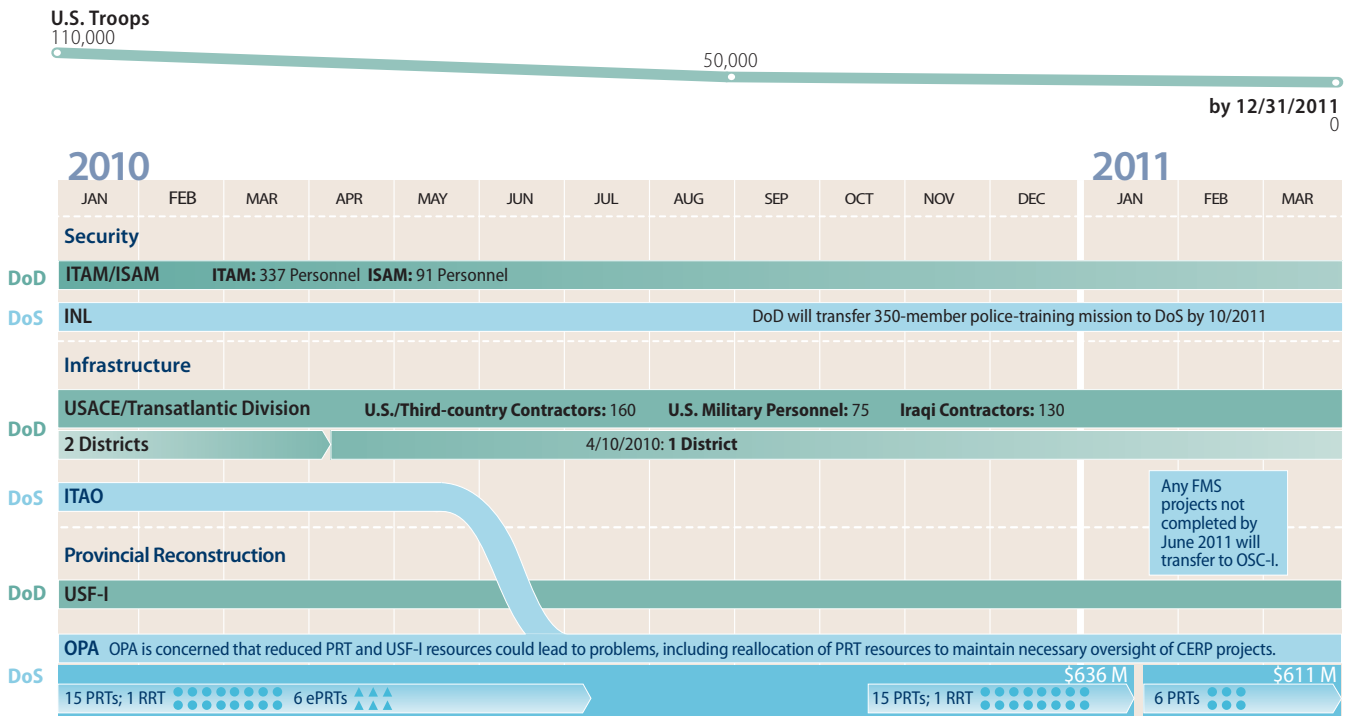
For a timeline of DoD and DoS transfer of management for reconstruction projects, see Figure 2.9.

GRD and ITAO

The Gulf Region Division (GRD) of the U.S. Army Corps of Engineers (USACE) provided engineering and construction management support for Iraq reconstruction from its inception in January 2004 through its deactivation on October 23, 2009. USACE reported that GRD completed 4,697 projects, valued at \$7.3 billion.¹¹⁵ Two USACE units remain in Iraq, under the authority of the Transatlantic Division, to finish the reconstruction mission: Gulf Region District, South (headquartered in Tallil), and the Gulf Region District (headquartered in Baghdad).¹¹⁶

The Executive Order that enabled DoS's Iraq Transition Assistance Office (ITAO) to provide programming and oversight during the conclusion of remaining large infrastructure projects in Iraq expires on May 8, 2010. However, U.S. Embassy-Baghdad plans to retain a small ITAO unit for approximately one year to ensure project completion and financial closeout of ongoing reconstruction and assistance projects. By summer 2010, functions performed by ITAO will fall under the responsibility of the Office of Provincial Affairs (OPA) instead of the U.S. Embassy's Executive Office.¹¹⁷

FIGURE 2.9
U.S. RECONSTRUCTION MANAGEMENT IN TRANSITION, AS OF 1/15/2010



Note: Estimated operating costs shown above the PRT footprint were reported by DoS OIG in Audit MERO-A-09-10, released in 8/2009. The audit reported \$484 million for FY 2009, \$636 million for FY 2010, and \$611 million for FY 2011. These transitions are still in the planning stages, and final decisions have not been made.

Sources: OSD, responses to SIGIR data calls, 9/30/2009 and 1/15/2010; DoS OIG Audit MERO-A-09-10, "Embassy Baghdad's Transition Planning for Reduced United States Military Presence in Iraq," 8/2009, pp. 1-22; House Appropriations Committee Report 111-230, "Department of Defense Appropriations Bill, 2010," 7/24/2009, pp. 6-7, 349-350; Commander, MNF-I, testimony before the House Armed Services Committee, "The Status of Ongoing Efforts in Iraq," 9/30/2009; U.S. Embassy-Baghdad, "Baghdad: INL Program Management and Contractor Performance," No. 2694, 10/7/2009; USACE, "Cumulative Reconstruction Fact Sheet," www.grd.usace.army.mil, data as of 9/1/2009; Inspector General Stuart Bowen, letter to U.S. Chief of Mission, U.S. Embassy-Iraq, and Commanding General, MNF-I, 8/18/2009; U.S. Embassy-Baghdad, responses to SIGIR data call, 10/4/2009 and 10/6/2009; USACE, response to SIGIR data call, 1/4/2009; U.S. Embassy-Baghdad, responses to SIGIR data call, 1/4/2010 and 1/15/2010.

Iraq Reconstruction Management System

This quarter, SIGIR released an audit of the DoS contract awarded to study the Iraq Reconstruction Management System (IRMS), a database originally intended to house information on projects funded by the IRRF. Through the years, the system has added information about projects funded by the ISFF, CERP, and ESF, but its reliability and usefulness remain in question. DoS reported that a recent memorandum of understanding on asset transfer, signed with the GOI, calls for data on U.S. projects to be transferred via spreadsheet (in both English

and Arabic) rather than through an active data-base or system. Formal transfer of information via spreadsheet began in November 2009.¹¹⁸

SIGIR's audit found that investing \$5 million at this time for an updated IRMS design will not likely provide any meaningful improvements or benefits to U.S. Embassy-Baghdad or any other IRMS users. Moreover, according to the audit, the principal agencies that will be involved in reconstruction beyond October 2010 have existing systems that can track reconstruction activities.¹¹⁹ For a more detailed summary of the audit's findings and recommendations, see Section 4.

USF-I/INL Police Training

USF-I now has oversight of programs funded by the ISFF to train and equip the ISF and construct security facilities. According to DoD, more than 800,000 Iraqi personnel have received some form of training, but specialized training, force replenishment, and train-the-trainer programs remain significant outstanding requirements for the ISF.¹²⁰ By October 2011, the USF-I units conducting police training will hand over responsibility for the police development mission, including 350 international police advisors (IPAs), to U.S. Embassy-Baghdad's Bureau of Narcotics and Law Enforcement Affairs (INL) office. To administer this program, INL reports that its staff of 15 will need to grow to 21 in 2010, and to 27 by 2011.¹²¹

INL has reported plans to build on basic police training provided under the current military-led program by providing ministry-level assistance and support among the senior ranks in line with the GOI's expressed needs. The INL program will focus on providing specialized training and mentoring in areas such as management, leadership, strategic planning, criminal investigation, and IT development.¹²² For a timeline of transitioning responsibility for police training, see Figure 2.10.

This quarter, SIGIR also released an audit of DoS's oversight of the DynCorp contract for



GRD prepares to case colors during a deactivation ceremony in Baghdad on October 24, 2009. (USACE photo)

support of the Iraqi police training program. SIGIR found that INL continues to exhibit weak oversight of the DynCorp task orders for support of the Iraqi police training program. To correct these long-standing weaknesses, SIGIR recommends that the Deputy Secretary of State for Management and Resources direct an immediate examination

FIGURE 2.10
TRANSITION OF IRAQI POLICE TRAINING, 1/2010–12/2011



Note: The nature of this transition is still in the planning stages, and final decisions have not been made.

Sources: U.S. Embassy-Baghdad, INL, responses to SIGIR data call, 1/4/2010 and 1/15/2010.

of the organization responsible for managing the contract to determine if it is structured, staffed, and managed to effectively and efficiently oversee the contracts under its responsibilities.¹²³ For further details on the SIGIR audit, see Section 4.

Provincial Reconstruction Teams

OPA has completed the planning process for consolidating the remaining 6 ePRTs into the main PRTs in Baghdad and Anbar. This will leave 15 main PRT locations and 1 Regional Reconstruction Team (RRT), along with smaller satellite locations established in coordination with the local U.S. military commander, to focus on capacity-building activities and projects in the immediate vicinity of these locations. PRT satellite locations remain in operation only if military support is available and only if programs, projects, or engagements deemed vital to U.S. interests remain in progress. The current PRT Operation Plan anticipates maintaining the 15 fully functioning PRTs and 1 RRT into the summer of 2011. The U.S. civilian presence beyond that time is still under review by senior interagency leadership.¹²⁴

Anticipated changes in funding available to support PRT staffing requirements and the availability of military support for the PRTs will almost certainly affect PRT operations. OPA has instituted changes in its operations to identify and respond to issues generated by the anticipated changes in PRT staffing and military support available to the PRTs.¹²⁵ On December 15, 2009,

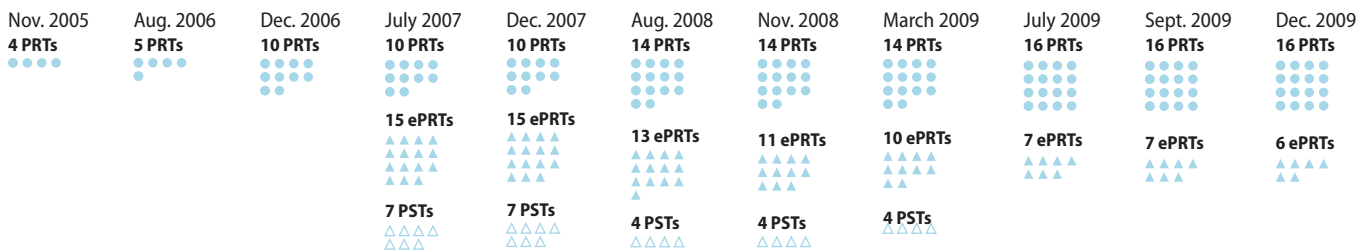
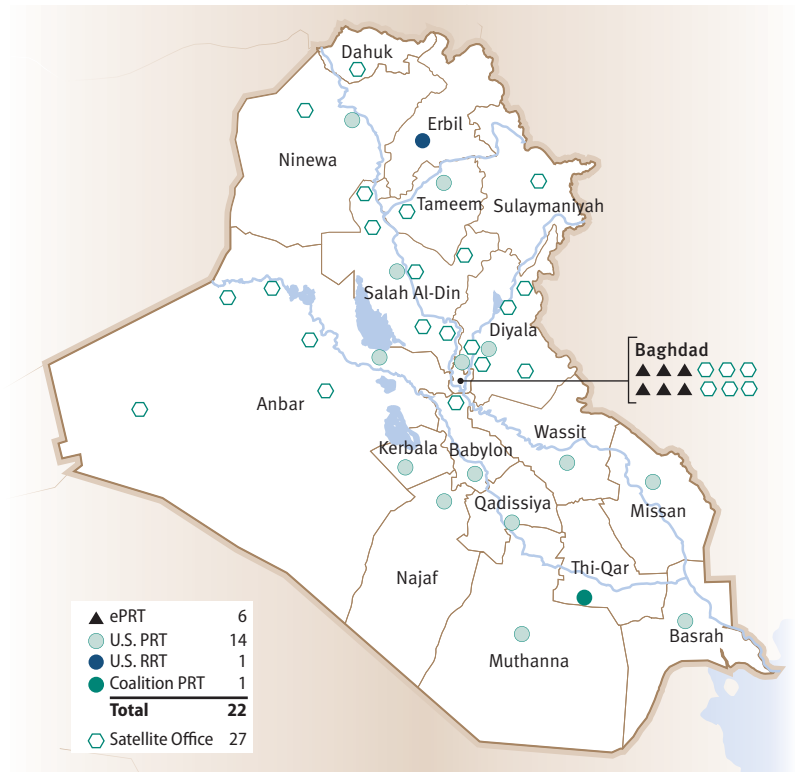
the Regional Embassy Office in Hilla closed. Its ongoing initiatives have been assumed by PRT Babylon.¹²⁶ For the current PRT footprint, see Figure 2.11. ♦

4 years ago
4 this quarter

Launching the PRT Program

On November 11, 2005, the first Provincial Reconstruction Team was inaugurated in Mosul. The PRT program established a formal framework in which military and civilian personnel could work as an integrated team, rather than as a partnership between separate military and civilian offices.

FIGURE 2.11
PROVINCIAL RECONSTRUCTION TEAM FOOTPRINT, AS OF 12/31/2009



Sources: GAO Audit 09-86R, "Provincial Reconstruction Teams in Afghanistan and Iraq," 10/1/2008, pp. 4-5; DoS, *Iraq Status Report*, 8/9/2006, slide 29; SIGIR Audit 07-014, "Status of the Provincial Reconstruction Team Program Expansion in Iraq," 7/28/2007, p. 2; SIGIR, *Quarterly Report and Semiannual Report to the United States Congress*, 1/2008, p. 81; SIGIR Audit 09-013, "Provincial Reconstruction Teams' Performance Measurement Has Improved," 1/28/2009, p. 2; SIGIR Audit 09-020, "Provincial Reconstruction Teams: Developing a Cost-tracking System Will Enhance Decision-making," 4/28/2009, p. 2; U.S. Embassy-Baghdad, response to SIGIR data call, 7/6/2009; U.S. Embassy-Baghdad, OPA, PRT response to SIGIR data call, 1/4/2010.