
March 2009

IRAQ

Key Issues for Congressional Oversight



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United States Government Accountability Office
Washington, DC 20548

March 24, 2009

Congressional Committees

To assist the 111th Congress, we have enclosed a series of issue papers for consideration in developing congressional oversight agendas and determining the way forward in securing and stabilizing Iraq. These papers are based on the continuing work of the U.S. Government Accountability Office (GAO) and the more than 130 Iraq-related products we have issued since May 2003.

Since fiscal year 2001, Congress has provided about \$808 billion to the Department of Defense (DOD) for military efforts primarily in support of the Global War on Terrorism.¹ The majority of this amount has been for military operations in support of Operation Iraqi Freedom. Moreover, since fiscal year 2003, about \$49 billion² has been provided to U.S. agencies for stabilization and reconstruction efforts in Iraq, including developing Iraq's security forces, enhancing Iraq's capacity to govern, and rebuilding Iraq's oil, electricity, and water sectors, among other activities. This report expands on issues discussed on GAO's transition Web site, <http://www.gao.gov/media/video/gao-09-294sp>.

In January 2007, President Bush announced *The New Way Forward* in Iraq to stem violence and enable the Iraqi government to foster national reconciliation. This strategy established goals and objectives through July 2008 and reasserted the long-term goal or end state for Iraq: a unified, democratic, federal Iraq that can govern, defend, and sustain itself and is an ally in the war on terror. To support the strategy, the United States increased its military presence through a surge of brigade combat teams and associated forces. In June 2008, we reported that the United States had made some progress in reducing overall violence in Iraq and working with the Iraqi

¹This figure includes appropriations for domestic and overseas military operations in support of the Global War on Terrorism, such as Operation Noble Eagle, Operation Enduring Freedom, and Operation Iraqi Freedom, as well as stabilization and reconstruction appropriations for Iraq and Afghanistan. See GAO, *Global War on Terrorism: Reported Obligations for the Department of Defense*, GAO-09-233R (Washington, D.C.: Dec. 15, 2008).

²Of this \$49 billion, about \$22 billion was provided to DOD for improving Iraqi security forces and is included in the \$808 billion provided primarily in support of the Global War on Terrorism.

government to pass legislation promoting national reconciliation. However, many unmet goals and challenges remained, including building capacity in Iraq's ministries, helping the government execute its capital investment budgets, and providing essential services to the Iraqi people.³

With the completion of *The New Way Forward* and the end of the military surge in July 2008, we recommended that the Administration develop an updated strategy that clearly articulates U.S. goals, objectives, roles and responsibilities, and the military and civilian resources needed to build on security and legislative gains. Furthermore, in a second report,⁴ we recommended revisions to the Joint Campaign Plan for Iraq—an operational plan for U.S. military and civilian activities in Iraq developed by the Multinational Force-Iraq (MNF-I) and the U.S. Embassy Baghdad—that would help Congress assess progress in achieving the conditions that would allow for the continued drawdown of U.S. forces in Iraq. Specifically, we recommended that DOD and the Department of State (State) identify and prioritize the conditions that must be achieved in each phase of the campaign to enable a drawdown; report the number of U.S. combat brigade teams and other forces required for each campaign phase; and estimate the time needed to reach the desired end state and end the military portion of the campaign. The strategic level actions we called for in our first report would guide revisions to the Joint Campaign Plan.⁵

In February 2009, President Obama described a new strategy for Iraq consisting of three parts: (1) the responsible removal of combat brigades, (2) sustained diplomacy on behalf of a more peaceful and prosperous Iraq, and (3) comprehensive U.S. engagement across the region. According to DOD, the United States plans to reduce the number of combat troops from about 140,000 projected in March 2009 to about 128,000 by September 2009—a difference of 12,000 troops representing two brigades and their support units. Under the schedule announced by the President, U.S. force

³GAO, *Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed*, GAO-08-837 (Washington, D.C.: June 23, 2008).

⁴GAO, *Stabilizing Iraq: DOD Should Identify and Prioritize the Conditions Necessary for the Continued Drawdown of U.S. Forces in Iraq*, GAO-08-700C (Washington, D.C.: June 23, 2008). In December 2008, DOD declassified the recommendations GAO made in this report. The body of the report remains classified.

⁵Activities at the strategic level include establishing national and multinational military objectives, as well as defining limits and assessing risks for the use of military and other instruments of national power. In contrast, activities at the operational level establish objectives that link tactics on the ground to high-level strategic objectives.

levels would decline further by August 31, 2010, to no more than 50,000 troops. Under the November 2008 bilateral security agreement⁶ between the United States and Iraq, the United States must remove all of its remaining forces by December 31, 2011.

The issues discussed in the enclosures to this report should be considered in further defining the new strategy and its supporting operational plans. Key issues include:

- The security agreement establishes dates for repositioning U.S. forces in Iraq and removing them from the country—a significant change from the United States’ prior, conditions-based strategy for Iraq.⁷ A responsible drawdown in Iraq will need to balance the timetable established in the security agreement, military doctrine that calls for the delineation of conditions that must exist before military operations can end, and the wishes of the Iraqi government.
- If the United States adheres to the timetable contained in the security agreement, DOD will need to remove about 140,000 troops by the end of 2011. The redeployment of these forces and the removal of their equipment and material will be a massive and expensive effort.
- The large U.S. military presence has provided vital support to civilian operations and has undertaken many traditionally civilian tasks. In moving forward, the United States will need to consider how to transition from a predominantly military presence to a civilian one as U.S. forces draw down.
- As U.S. reconstruction efforts end, Iraq will need to develop the capacity to spend its resources, particularly on investment that will further economic development and deliver essential services to its people. GAO estimates that the Iraqi government had a cumulative budget surplus of \$47 billion at the end of 2008.

We obtained information from agency documents and interviews with U.S. officials in Iraq and Washington, D.C., including DOD, State, and the Departments of Energy and the Treasury; the U.S. Agency for International

⁶*Agreement Between the United States of America and the Republic of Iraq on the Withdrawal of United States Forces from Iraq and the Organization of Their Activities during Their Temporary Presence in Iraq*, November 17, 2008, that took effect January 1, 2009. DOD also refers to the security agreement as a status of forces agreement (SOFA).

⁷The agreement also defines Iraqi jurisdiction over U.S. forces, DOD civilian employees, and U.S. forces’ contractors in Iraq.

Development (USAID); the Army Corps of Engineers; MNF-I; and the Defense Intelligence Agency. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Appendix I contains additional details about our scope and methodology. Appendix II provides updated information on the levels of violence in Iraq, as measured by the number of enemy-initiated attacks, and on the number of U.S. troops in Iraq. Appendix IV contains a list of GAO products directly related to this letter and each of the enclosures.

The Department of the Treasury provided written comments on a draft of this report, which are reprinted in appendix III. Treasury agreed that although Iraq's end-2008 cumulative surplus fell short of GAO's earlier projection, Iraq's budget surpluses will sufficiently cover its projected 2009 budget deficit. Treasury also agreed that Iraq's inability to fully execute its budgets hampers the government's efforts to further reconstruction and economic growth. Treasury, DOD, State, and USAID also provided technical comments, which we have incorporated as appropriate.

We are sending copies of this report to the congressional committees listed below. In addition, we are sending copies of this report to the President and Vice President of the United States, and executive branch agencies. The report also is available at no charge on the GAO Web site at <http://www.gao.gov>. If you have any questions, please contact Joseph A. Christoff at (202) 512-8979 or christoffj@gao.gov, or the individual(s) listed at the end of each enclosure. Contact points for our Offices of Congressional Relations and Public Affairs can be found on the last page of this report. For press inquiries, please contact Chuck Young at (202) 512-4800. Key contributors to this report are included in appendix V.



Gene L. Dodaro
Acting Comptroller General of the United States

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United States Senate

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Background

In November 2008, the United States and Iraq signed a bilateral security agreement, which governs the operations of U.S. forces in Iraq. The security agreement entered into force on January 1, 2009.

Under Prior Administration, Conditions-based Strategy Shifted to a Time-based Approach for Drawing Down U.S. Forces

Enclosure I: Determining What Conditions Need to Be Met to Undertake a Responsible Drawdown of U.S. Forces

Issue

The security agreement between the United States and Iraq establishes a timetable—but no conditions—for drawing down U.S. forces from Iraq by the end of 2011. Adopting a drawdown timetable marks a major change from the prior U.S. approach of drawing down forces based on security and other conditions in Iraq. Military doctrine states that effective campaign planning cannot occur without a clear understanding of the conditions that must exist to draw down forces. In February 2009, the President described a new strategy in Iraq, calling for a responsible drawdown of U.S. forces. In further defining this strategy and revising the Joint Campaign Plan for Iraq, the administration will need to clarify what conditions need to be met to undertake this drawdown responsibly.

Key Findings

Before signing the security agreement with Iraq, the prior administration had linked the drawdown of U.S. forces to the achievement of security, political, economic, and diplomatic conditions. Meeting these conditions would enable the United States to achieve its strategic goal for Iraq: a unified, democratic, and federal Iraq that could govern, defend, and sustain itself and become an ally in the war on terror. Some conditions the United States sought to achieve in Iraq included an improved security situation; more capable Iraqi security forces; improved essential services such as access to clean water and reliable electricity; and the passage of legislation promoting national reconciliation, such as laws governing the distribution of oil revenues and amnesty for former insurgents.

As GAO has previously reported, progress toward achieving these conditions has been mixed. For example, while the security situation remains tenuous, violence has decreased significantly over the past 2 years: enemy-initiated attacks decreased from a peak of almost 180 per day in June 2007 to about 27 per day in January 2009 (see app. II). Further, the number of Iraqi army and police forces nearly doubled from about 320,000 in January 2007 to just over 600,000 in October 2008. However, according to the Department of Defense (DOD), over the same period, the number of Iraqi army units capable of conducting operations independently remained at about 10 percent of total units.

The November 2008 security agreement marked a major shift from a conditions-based strategy to a time-based approach for drawing down U.S. forces. The security agreement sets a two-phase timetable—but with no security, political, economic, or other conditions—for removing U.S. forces from Iraq over a 3-year period, primarily because the Iraqi government did not agree to include conditions, according to DOD and State officials:

- **June 30, 2009:** U.S. combat forces must withdraw from Iraqi cities, villages, and localities. According to DOD officials, U.S. combat forces would continue to conduct combined operations in these areas from bases located outside Iraqi cities, villages, and localities. Further, some U.S. forces who train Iraqi forces may be co-located with Iraqi units in these areas.
- **December 31, 2011:** All U.S. forces must leave Iraq. According to DOD and Department of State (State) officials, the agreement does not envision any U.S. forces remaining in Iraq after that date.

Iraq and the United States Could Move Forward or Extend the Drawdown Time Frame

The Administration Should Further Define What Conditions Must Be Achieved to Allow a Responsible Drawdown of U.S. Forces

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Either government can unilaterally terminate the security agreement by providing 12 months advance notice. Without a security agreement or other mandate, U.S. forces would lack the authority to continue operating in Iraq and would have to leave. For example, if Iraqis reject the security agreement in a referendum that may be held in July 2009, the Iraqi government has said it would abide by the results of this referendum. Thus, Iraq would likely terminate the security agreement, and U.S. forces would have to leave Iraq by as early as July 2010.

In addition, DOD and State officials noted that the U.S. and Iraqi governments can amend the security agreement by mutual agreement. Such amendments could include an extension of the drawdown timetable or an authorization of a residual U.S. force to continue training Iraqi security forces after 2011. However, according to officials at State and DOD, the Iraqi government did not agree to include conditions-based provisions in the security agreement due to political pressure against a continued U.S. presence.

The new administration has emphasized the importance of a responsible drawdown of U.S. forces but has not yet defined this term. In February 2009, the President announced a significant drawdown of U.S. forces by August 31, 2010 and, consistent with the security agreement, the removal of all U.S. forces by the end of 2011. According to DOD and Multinational Force-Iraq (MNF-I) officials, the United States plans to reduce the U.S. force level from about 140,000 projected in March 2009 to about 128,000 by September 2009, where it would remain through Iraq's national election scheduled at the end of 2009. Based on conditions in Iraq, the MNF-I Commanding General may recommend further reductions prior to the election. A few months after the election, the United States plans to reduce forces to no more than 50,000 troops by August 2010 (see app. II).

Military doctrine states that effective planning cannot occur without a clear understanding of the end state for U.S. operations and the conditions that must exist to end military operations and draw down forces. According to doctrine, military operations generally should be driven by conditions rather than time requirements. However, DOD officials stated they are well aware that a 3-year timetable now exists for removing all U.S. forces from Iraq.

In further defining a new U.S. strategy and revising the Joint Campaign Plan for Iraq, the administration must establish the parameters of a responsible drawdown, including clarifying the end state for U.S. military operations and prioritizing the conditions that would allow U.S. troops to draw down. It should also consider how the United States would respond if it does not achieve the conditions necessary for a responsible drawdown within the security agreement timetable. The administration must work with the Iraqi government in further defining the new strategy for Iraq.

Oversight Questions

1. How does the administration define a responsible drawdown from Iraq?
2. What is the current strategic goal for Iraq and how does it differ from the prior goal of a unified, democratic, and federal Iraq that can govern, defend, and sustain itself and become an ally in the war on terror?
3. To what extent will the administration's plans for removing U.S. forces be based on achieving specified conditions in Iraq?
4. To what extent will the United States attempt to renegotiate provisions of the security agreement if security conditions deteriorate or other conditions are deemed insufficient to draw down responsibly?
5. What are the U.S. contingency plans in the event that Iraqis vote against the security agreement in July 2009?



Enclosure II: Implementing Key Operational Requirements of the U.S.-Iraq Security Agreement

Background

The U.S.-Iraq security agreement provides the basis for a U.S. military presence in Iraq, which previously was authorized by United Nations (UN) Security Council resolutions. It also defines legal jurisdiction over U.S. servicemembers and DOD civilians and contractors in Iraq, which previously were covered by a Coalition Provisional Authority (CPA) order.

Iraqi Government Must Agree to All U.S. Military Operations in Iraq

Security Agreement Defines U.S. and Iraqi Legal Jurisdiction over U.S. Military Servicemembers and DOD Civilians and Contractors

Issue

In addition to setting a timetable for drawing down U.S. forces, the security agreement governs the operations of U.S. forces supporting Iraqi efforts to maintain security and stability. It requires Iraqi agreement for U.S. military operations; defines U.S. and Iraqi legal jurisdiction over individual members of U.S. forces, Department of Defense (DOD) civilian employees, and U.S. forces' contractors in Iraq; and generally requires all U.S.-held detainees to be released or transferred to Iraqi custody. However, many implementing details remain to be resolved. In further defining the U.S. strategy and Joint Campaign Plan for Iraq, the administration will need to accommodate the substantial changes in U.S. operational authority in Iraq.

Key Findings

The security agreement marks a change in the nature and authority of the U.S. military presence in Iraq; its implementation will require a shift in how U.S. forces plan, coordinate, and execute operations in the country. From 2003 through 2008, the UN Security Council authorized the U.S.-led multinational force to take all necessary measures to maintain security and stability in Iraq. Acting under this mandate, U.S. forces were able to conduct combat operations against violent groups, search for and secure weapons, and detain Iraqis and others considered to be a threat to Iraq's security and stability.

Under the security agreement, all U.S. military operations in Iraq must be conducted with the Iraqi government's concurrence and fully coordinated with Iraqi authorities through a new Joint Military Operations Coordinating Committee. For example, U.S. forces must obtain Iraqi warrants or other legal authorization to detain individuals and search homes, except during combat operations undertaken with Iraqi concurrence. U.S. forces retain the right of self-defense in Iraq, as defined in international law.

According to DOD and Department of State (State) officials, many implementing details in the security agreement must be resolved. For example, it is unclear whether U.S. forces will have a "blanket" authorization to conduct certain types of operations, such as medical evacuations or routine joint patrols. As of mid-January 2009, the new joint coordinating committee had held two initial meetings to develop details on implementing the security agreement's requirements for U.S. military operations in Iraq.

The security agreement covers individual U.S. military service members, DOD civilian employees, and U.S. contractors and subcontractors, as well as their employees in Iraq that supply goods, services, and security to or on behalf of U.S. forces under a contract with or for those forces. Before the security agreement, CPA Order 17 granted immunity from the Iraqi legal process to U.S. military personnel under the multinational force and to U.S. contractors operating in Iraq for acts performed pursuant to the terms and conditions of their contracts.

Under the security agreement, Iraq has the primary right to exercise jurisdiction over members of U.S. forces and the civilian component for as-yet-unspecified, grave premeditated felonies, when such crimes are

Reports Raise Concerns about Iraqi Judicial System

Security Agreement Requires U.S. Forces to Release or Transfer Detainees

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committed outside agreed facilities and duty status. The United States has jurisdiction over all other crimes. The security agreement requires Iraqi authorities to notify U.S. authorities immediately if they detain U.S. service members or DOD civilians and transfer them to U.S. custody within 24 hours.

Under the security agreement, Iraq has the primary right to exercise jurisdiction over U.S. forces' contractors, subcontractors, and their employees in Iraq. In addition, Iraqi authorities have recently suspended CPA Order 17, making all U.S. and foreign contractors and their employees in Iraq subject to Iraqi law, according to U.S. officials. According to State, a joint U.S.-Iraqi committee is working to establish procedures and guidelines for exercising Iraqi jurisdiction for private contractors operating in Iraq, including those covered by the security agreement.

DOD, UN, and human rights reports have identified significant shortcomings in Iraq's judicial system. A December 2008 Human Rights Watch report, for example, concluded Iraq's central criminal court "seriously" failed to meet international standards of due process and fair trials. Some of these reports raise concerns that detainees in Iraqi custody may be tortured or mistreated because Iraqi officials often rely on coerced confessions instead of physical evidence, particularly in criminal cases. Whether contractors could renegotiate their contracts given the changes in circumstances would depend on the terms of their contracts, according to DOD officials. These officials said that U.S. contractors and their employees are subject to host government jurisdiction in other countries where U.S. forces operate under a status of forces agreement. Moreover, they note that many U.S. contractor employees are Iraqi nationals and, as such, would be subject to Iraqi jurisdiction.

The security agreement requires the release or transfer to Iraqi authorities of all detainees held by U.S. forces in Iraq unless otherwise requested by the Iraqi government. Acting under UN mandate, U.S. forces detained thousands of Iraqis and others considered a threat to Iraq's security and stability. As of January 2009, more than 15,000 detainees remained in U.S. custody, according to State and DOD. DOD officials plan to release or transfer to Iraqi custody about 1,200 to 1,500 detainees per month based on their assessment of Iraqi authorities' ability to process and absorb these transfers. Under the security agreement, U.S. forces are to provide available information about all detainees in their custody to Iraqi authorities, who will then obtain arrest warrants for persons wanted by those authorities. U.S. forces are to transfer custody of those detainees subject to an arrest warrant and release the remaining detainees unless otherwise requested by the Iraqi government. According to DOD and State, many implementing details for this process must be resolved.

Oversight Questions

1. To what extent will the change in authority for the U.S. military operations affect U.S. planning efforts in Iraq?
2. To what extent will the security agreement's provisions granting Iraq primary legal jurisdiction over U.S. contractors and their employees in Iraq affect the availability and cost of contractors to support U.S. forces?
3. What kinds of legal protection, if any, could the United States provide to contractors in Iraq given the current state of the Iraqi judicial system?
4. To what extent have Iraqi and U.S. officials identified appropriate legal authority and developed options for detaining individuals that pose continuing security threats to Iraqi or U.S. forces?
5. What possible amendments to the security agreement, if any, should the United States seek to negotiate with Iraq?



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Background

Department of Defense (DOD) guidance emphasizes the importance of early planning for redeploying U.S. forces and equipment.

DOD's Initial Plans for Redeploying U.S. Forces from Iraq Focused on Three Key Assumptions

DOD Should Consider Key Issues in Developing a Comprehensive Plan for Redeploying U.S. Forces from Iraq

Enclosure III: Managing the Redeployment of U.S. Forces and Equipment from Iraq

Issue

The exact pace for redeploying U.S. forces from Iraq has yet to be determined. If the United States adheres to the timeline contained in the security agreement, DOD will need to remove about 140,000 troops by the end of 2011. In addition, the redeployment of U.S. forces and the removal of their equipment and material will be a massive and expensive effort. As of March 2008, the United States had in place about 170,000 pieces of equipment worth about \$16.5 billion that would need to be removed from Iraq.

Key Findings

It is unclear how the timeline in the security agreement and operations in Afghanistan will affect DOD plans for redeploying U.S. forces and equipment from Iraq. As of September 2008, DOD's redeployment plans for Iraq were based on three key assumptions that may no longer be applicable:

- Any redeployment will be based on Multinational Force-Iraq (MNF-I) and Department of State assessments of security and other conditions in Iraq.
- There will be sufficient lead time to refine redeployment plans once an order with a specific timetable and force posture in Iraq is issued.
- The redeployment of forces will be deliberate and gradual, predicated on a 180-day process for units leaving Iraq and an estimated flow of no more than 2.5 brigades' worth of equipment and materiel out of Iraq through Kuwait each month.

Based on discussions with DOD officials and an analysis of planning efforts, GAO found that the effectiveness and efficiency of DOD's redeployment efforts will depend on the extent to which it develops plans that address several issues. For example:

- *Roles and responsibilities for managing and executing the return of materiel and equipment.* Although the U.S. Central Command has designated an executive agent to coordinate the redeployment of U.S. forces from the Iraqi theater, no unified structure exists to coordinate the teams and units engaged in efforts to manage and execute the return of materiel and equipment. This results in confusion on the ways in which those teams should be utilized. Joint doctrine states that an unambiguous chain of command and clear responsibilities and authorities are necessary for any such effort. In September 2008, GAO recommended that DOD take steps to clarify a unified or coordinated chain of command over logistical operations. In commenting on our draft report, DOD indicated it was taking steps to implement this recommendation.
- *Time and cost estimates for base closures.* Closing or handing over U.S. installations in Iraq will be time consuming and costly. As of

November 2008, there were 283 U.S. installations in Iraq that will need to be closed or turned over to Iraqi forces. According to U.S. Army officials, experience has shown that it takes 1 to 2 months to close the smallest platoon- or company-size installations, which contain between 16 and 200 combat soldiers or marines. However, MNF-I has never closed large, complex installations—such as Balad Air Force Base, which contains about 24,000 inhabitants and has matured over 5 years. U.S. Army officials estimate it could take longer than 18 months to close a base of that size.

- *Uncertainties regarding redeployment of contractors.* Maintaining accountability for and managing the disposition of U.S. government property under the control of contractors may present challenges to redeploying U.S. forces from Iraq. According to Defense Contract Management Agency officials, there is at least \$3.5 billion worth of contractor-managed government-owned property in Iraq. From late 2007 through July 2008, planning for the redeployment of U.S. forces did not include a theater-wide plan for redeploying contractors.
- *Use of facilities in Kuwait and other neighboring countries.* The pace at which units can be redeployed and U.S. equipment returned would be governed by the capacity of facilities in neighboring countries, and restrictions on their use. According to DOD, Kuwait is the main point of exit for all personnel, equipment, and materiel in Iraq. There are nine installations that the United States uses to support operations in Iraq, and the U.S.-Kuwait Defense Cooperation Agreement governs their use. Any redeployment must consider the terms of this agreement, particularly given Kuwait's desire to limit the U.S. footprint in Kuwait, according to DOD.
- *Availability of transportation and security assets and route restrictions.* The availability in theater of military owned and operated heavy equipment transports and convoy security assets, combined with limits on the primary supply route, could inhibit the flow of materiel out of Iraq. According to DOD, two types of heavy equipment transports support U.S. forces in the Iraqi theater of operations: commercially contracted unarmored transports and armored military transports. Any increase in the number of civilian transports without a corresponding increase in military transports to facilitate control and security increases the risk of accidents. However, DOD officials have reported shortages of military transports in theater.

Oversight Questions

1. To what extent has planning begun for the drawdown of U.S. forces from Iraq in accordance with the security agreement?
2. What are the plans and processes by which U.S. installations in Iraq will be turned over to the Iraqis?
3. What are the plans and processes for determining the disposition of contractor-managed, U.S.-government-owned property in Iraq?
4. To what extent will neighboring countries be able to support the drawdown of U.S. forces from Iraq in accordance with timelines outlined in the security agreement?
5. What effect, if any, will the expansion of operations in Afghanistan have on the drawdown of U.S. forces from Iraq?

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Background

The Departments of Defense (DOD) and State (State) have relied heavily on contractors in Iraq to support troops, civilian personnel, and reconstruction efforts. As of October 2008, DOD estimated it had more than 163,000 contractors under its contracts. Contractors have provided security services, life support, and facilities maintenance, among other things.

DOD and State Have Had Difficulties Managing and Overseeing Contractors in Iraq

DOD's and State's Capacity to Provide Personnel to Oversee Contractors Remains Uncertain

Enclosure IV: Managing and Overseeing U.S. Government Contractors in Iraq during a Drawdown

Issue

Over the past 6 years, contractors have played a key role in U.S. efforts to stabilize and rebuild Iraq. As the U.S. and Iraqi governments implement the November 2008 security agreement that governs the presence, activities, and drawdown of U.S. forces from Iraq, DOD and State will need to assess the type and level of contractor support needed during the drawdown of U.S. forces. At the same time, both departments will need to overcome challenges in providing a sufficient number of trained personnel to effectively manage and oversee contractor performance. As the administration further defines its plans for Iraq, it will need to consider the implications of the changing nature of contractor support, as well as ways to enhance DOD's and State's management capacity.

Key Findings

Both DOD's and State's ability to effectively manage their contractors in Iraq has been hindered by several challenges. The challenges experienced by one or both of these agencies include a failure to adequately plan for the use of contractors and clearly define their requirements, a lack of acquisition and trained contract management and oversight personnel with experience working in contingency operations, and a lack of policies and procedures. Further, both DOD and State have had difficulties identifying the number of contractor personnel in Iraq. The lack of visibility makes it difficult for commanders and other senior leaders to make informed decisions on the food, housing, and security needed for contractors who reside on U.S. facilities. In July 2008, DOD and State entered into an agreement to use a common database to track contractor personnel in Iraq; however, DOD officials have acknowledged that there are weaknesses in the systems designed to track contractor personnel in theater.

The lack of a sufficient number of trained acquisition and contractor oversight personnel continues to present a considerable challenge to both DOD and State. This has contributed to higher costs and schedule delays and has hindered operations. For example,

- In September 2008, GAO reported that the lack of qualified personnel to oversee contracts, including those providing linguistic services and maintaining the military equipment used in Iraq, hindered efforts to oversee and, as necessary, correct poor contractor performance in a timely manner. For example, in many cases, the contractor presented military equipment that failed government inspection and had to be repaired again at additional expense and time to the government. DOD personnel indicated they lacked the resources to perform data analyses, identify trends in contractor performance, and improve quality processes.
- In July 2008, GAO raised concerns about whether DOD could sustain increased levels of oversight on its private security contractors. GAO found, for example, that the Defense Contract Management Agency (DCMA), which had been recently tasked to provide contract administration over private security contracts, increased the number of its

Level and Nature of Future Contractor Support Needs to Be Assessed

personnel in Iraq by shifting personnel from other locations and had no strategy for sustaining this increase.

- In January 2009, State's Office of the Inspector General reported that the department's Bureau of Diplomatic Security did not have a strong control environment to ensure its primary security service contract in Iraq is effectively managed due, in part, to frequent changes in management personnel and understaffing combined with a drastic increase in workload. In response, State noted that it planned to increase the number of contract oversight personnel in Iraq for its private security contract and develop additional policy and guidance to better manage these contractors.

As the drawdown of U.S. military forces occurs, DOD will need to assess the proper mix, roles, and responsibilities of military, civilian, and contractor personnel during this transitional period. Our prior work has shown that the nature and relative degree of contractor support can change as the military's mission changes. For example, in Bosnia and Kosovo, contractors assumed responsibility for certain support functions that had been previously performed by military personnel. Moreover, State's reliance on contractors may increase as the department currently depends on DOD to provide some services. The U.S.-Iraq security agreement complicates this assessment because it changes the conditions under which contractors operate. For example, the agreement includes several provisions that affect U.S. contractors working for DOD, such as providing the Iraqi government the primary right to exercise jurisdiction over U.S. contractors in the enforcement of criminal and civil laws. Similar agreements could also affect U.S. contractors working for DOD, particularly State's security contractors.

Oversight Questions

1. To what extent are DOD and State taking actions to improve their ability to track and identify contractor personnel in Iraq? To what extent do the departments know the functions these contractors are performing?
2. What are the desired mix, roles, and responsibilities of military, civilian, and contractor personnel in light of the planned drawdown of U.S. forces? What actions are needed to achieve this desired mix?
3. What process is DOD using to assess the impact of the November 2008 security agreement and its implementation on DOD's use of U.S. contractors to support deployed forces or other key functions? What plans has DOD developed in the event that contractors providing essential services withdraw their employees?
4. Is DCMA's workforce sufficient in terms of size and skill level to support contingency operations without degrading its ability to oversee contractor performance in the United States and elsewhere?
5. Have DOD and State (1) assessed whether the drawdown of U.S. forces in Iraq will increase its reliance on contractors and (2) taken action to ensure they have sufficient numbers of contract oversight personnel?
6. What action is State's Bureau of Diplomatic Security taking to ensure the effective oversight of its security contractors?

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G A O

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Background

Since 2001, Congress has provided about \$808 billion to the Department of Defense (DOD) for military efforts in support of the Global War on Terrorism (GWOT). The majority of this amount has gone to military operations in support of Operation Iraqi Freedom.

Near-term Costs for Iraq Are Likely to Be Considerable

Enclosure V: Determining the Department of Defense's Future Costs for Iraq

Issue

DOD has reported substantial costs for Iraq and can expect to incur significant costs in the foreseeable future, even as the United States develops plans to scale back its presence in Iraq. GAO has found problems with DOD processes for cost reporting and estimating—processes that will be of critical importance to making sound decisions about the defense budget. In addition to the need for better cost information, moving funding that is currently outside the annual budget process into DOD's base budget would enable decision makers to better weigh priorities and assess trade-offs.

Key Findings

U.S. military commitments in Iraq, and their associated costs, will continue to be substantial, particularly in the near term. These types of costs include procurement of new and replacement equipment and operation and maintenance costs, which include items such as housing, food, and services; the repair of equipment; and transportation to move people, supplies, and equipment. The magnitude of DOD costs will depend on several factors and, in some cases, assumptions and decisions that have not been made. For example, these costs will likely be affected by:

- implementation of the U.S.-Iraq security agreement and associated troop redeployment plans;
- the nature and extent of continued U.S. military and civilian presence in Iraq;
- types of facilities needed to support troops remaining in and around Iraq and costs associated with turning facilities over to Iraq;
- availability of transportation and security assets to remove materiel from Iraq; and
- the amount of equipment to be repaired or replaced.

Although reducing troops would appear to lower costs, GAO has seen from previous operations in the Balkans and Kosovo that costs could rise in the near term. For example, as GAO reported in February 2008, the U.S. Army estimated it would cost \$12 billion to \$13 billion a year for at least 2 years after the operation ends to repair, replace, and rebuild the equipment used in Iraq. Moreover, as GAO reported in September 2008, the cost of closing the large number of installations in Iraq will likely be significant, according to U.S. Army officials. However, these costs are difficult to estimate due to uncertainties related to the management of hazardous materials and waste, as well as the transfer of personal property. Finally, after deployed units return home, DOD will need to invest in training and equipment to return these units to levels capable of performing “full spectrum operations”—all of which could increase war-related costs.

As of September 2008, DOD has reported about \$508 billion in obligations for operations in and around Iraq as part of Operation Iraqi Freedom. However, our prior work has shown that the data in DOD's monthly report of GWOT obligations are of questionable reliability. GAO was unable to ensure that DOD's reported obligations for GWOT were complete and accurate. Therefore, these reported obligations, including obligations for specific operations, should be considered approximations. For example, GAO found numerous problems with DOD's processes for recording and reporting its war-related costs, including long-standing deficiencies in DOD's financial management systems and business processes, the use of estimates instead of actual cost data, and the lack of adequate supporting documentation. DOD has taken some steps to address these issues, but problems remain. Meanwhile, DOD uses these reported obligations to develop funding estimates for many types of costs associated with Operation Iraqi Freedom, such as procurement and some types of equipment reset. Without transparent and accurate cost information, Congress and DOD will not have reliable information on how much the war is costing, sufficient details on how appropriated funds are spent, or the reliable historical data needed to develop and provide oversight of future funding needs.

Funding for operations in support of GWOT, including Operation Iraqi Freedom, has been provided through annual appropriations, as well as supplemental appropriations that are outside the annual budget process. With U.S. commitments in Iraq continuing for the foreseeable future, requiring decision makers to make difficult decisions, GAO has recommended that DOD consider moving recurring costs into the baseline budget, as it has done with other operations. As costs for an operation reach a known level of effort and costs become more predictable, additional funding should be built into the baseline budget to provide decision makers with more transparent information. GAO has made recommendations to improve transparency and fiscal responsibility related to funding the war on terrorism and to help Congress and the administration establish priorities and make trade-offs among those priorities in defense funding. DOD has taken steps to address several of GAO's recommendations in order to improve the reliability and transparency of its reported cost information and some progress has been made. However, until all DOD efforts are more fully implemented, it is too soon to know the extent to which these changes will improve the reliability of DOD's cost reporting.

Oversight Questions

1. To what extent has DOD estimated the future costs of any continued military involvement in Iraq?
2. How will the redeployment of U.S. forces and equipment from Iraq affect funding needs and requirements?
3. What steps is DOD taking to move recurring GWOT costs into its baseline budgets?
4. What steps is DOD taking to accurately report costs by operation?
5. How will DOD balance funding requirements for Iraq with funding needs to support other military operations, such as in Afghanistan?
6. What, if any, steady state funding will be required to support DOD activities in Iraq following the eventual drawdown of U.S. combat forces?

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Background

A May 2004 presidential directive affirmed, upon the termination of the Coalition Provisional Authority, that the Chief of Mission would assume responsibility for all U.S. employees, policies, and activities in Iraq, except those under an area military commander. It also gave the U.S. Central Command responsibility for U.S. security and military operations in Iraq, and U.S. efforts to develop Iraqi security forces.

U.S. Military Has an Extensive Organizational and Basing Footprint in Iraq

Enclosure VI: Transitioning from a Predominantly Military to a Civilian Presence in Iraq

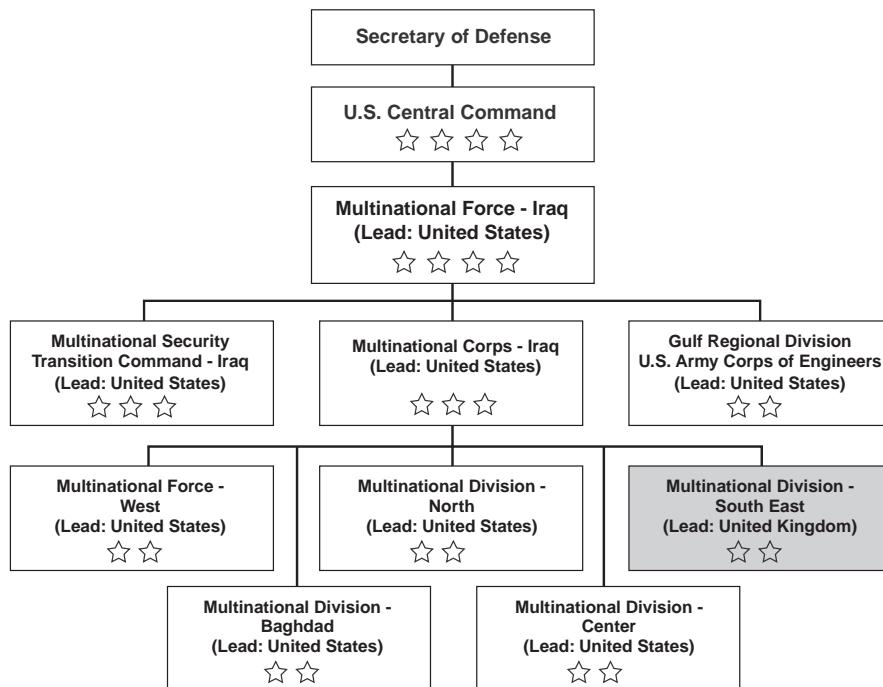
Issue

The United States had a projected 140,000 military personnel deployed in Iraq in March 2009 (see app. II). In addition, there are about 1,300 authorized U.S. personnel assigned to the U.S. embassy in Baghdad—one of the largest in the world—including about 450 civilian personnel at 28 Provincial Reconstruction Teams (PRT) at the provincial and neighborhood levels. The large U.S. military presence has provided vital support to civilian operations and has undertaken many traditionally civilian tasks. In further defining its strategy for Iraq, the administration needs consider how to transition from a predominantly military presence to a civilian one as U.S. forces draw down.

Key Findings

The projected 140,000 U.S. military personnel in Iraq are part of the Multinational Force-Iraq (MNF-I). This U.S.-led force operates under the U.S. Central Command and consists of three major units—the Multinational Security Transition Command-Iraq (MNSTC-I), which is responsible for organizing Iraqi security forces; the Multinational Corps-Iraq (MNC-I), the tactical unit responsible for command and control of operations throughout Iraq; and the Gulf Region Division, U.S. Army Corps of Engineers, which provides engineering, program, and project management support for civil and military construction throughout Iraq (see fig. 1).

Figure 1: Organization of Multinational Force-Iraq



Source: GAO analysis of DOD and Multinational Force-Iraq documents.

MNF-I has an extensive basing footprint in Iraq. According to a DOD report, as of March 2009, MNF-I had a total of 51 larger bases—known as contingency operation bases and sites—throughout the country. Contingency operating

Large Military Presence Has Supported U.S. Civilian Operations and Has Undertaken Many Civilian Tasks

bases are usually occupied by an element larger than a brigade combat team, typically serve as a hub for command and control or logistics, and may include an airfield that can accommodate C-130 aircraft. MNF-I also has about 232 smaller bases, known as contingency operation locations, that are usually occupied by a battalion-size element capable of quick response to operations, security, civic assistance, and humanitarian assistance relief.

In addition to conducting counterinsurgency operations, U.S. military personnel under MNF-I and its subordinate commands have performed a wide range of activities in Iraq, including supporting U.S. civilian operations, rebuilding Iraq's infrastructure, and training and equipping Iraqi security forces. For example:

- U.S. military forces provide PRTs—most of which are located on U.S. military bases—with extensive security, food, housing, medical evacuation, and other support. The military commander has authority over the security and movement of embedded PRTs. Many others provide security for PRTs that are collocated with U.S. military units. As U.S. forces draw down, the Department of State (State) will have to play a larger role in providing security and other support for U.S. civilians.
- The U.S. Army Corps of Engineers, Gulf Region Division, and MNC-I have played key roles in reconstructing Iraq. As of January 2009, the Gulf Region Division had overseen nearly \$7 billion in reconstruction projects in such areas as electricity, oil, water, hospitals, and schools. Further, from fiscal years 2004 through 2008, DOD obligated about \$3.3 billion in Commander's Emergency Response Program funds for projects that are intended to respond to urgent humanitarian relief and reconstruction requirements at the brigade and battalion levels. This program has funded about 34,400 education, electricity, sanitation, and other projects. In comparison, the U.S. Agency for International Development (USAID)—the primary U.S. foreign assistance agency—has obligated \$7.2 billion on reconstruction projects in several areas in Iraq from fiscal year 2003 through the end of December 2008. It is unclear what assistance USAID will provide after U.S. forces leave Iraq.
- Two MNF-I subordinate commands support the development of capable Iraqi security forces. MNSTC-I is responsible for organizing, training, equipping, and mentoring Iraqi military and police, as well as advising Iraq's Ministry of Interior and Ministry of Defense. Brigades under MNC-I partner with Iraqi army units during operations. This arrangement differs from other countries where a DOD security cooperation organization manages security assistance programs for the military and State manages and funds police training under the direction and supervision of the Chief of Mission.

Oversight Questions

1. How does the U.S. government plan to provide security, housing, medical evacuation, and life support for its civilian personnel in Iraq as U.S. forces draw down and eventually leave Iraq?
2. What additional resources, if any, would State, USAID, or other civilian agencies require to compensate for the loss of military support to civilian government operations and tasks?
3. What is DOD and State's plan for transitioning assistance to Iraqi security forces from MNF-I to a traditional security cooperation organization and police training program under Chief of Mission authority?

Points of Contact

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Background

The U.S. Embassy in Baghdad is one of the largest U.S. embassies in the world. As of March 2009, it had about 1,300 authorized U.S. civilian positions.

State Has Adopted GAO's Rightsizing Framework

Embassy Baghdad Is Scheduled to Conduct a Rightsizing Review in 2009

Enclosure VII: Rightsizing the U.S. Civilian Presence in Iraq

Issue

The U.S. Embassy in Baghdad was established under extraordinary circumstances in a war zone environment. Normalizing embassy operations, including determining appropriate staffing levels, will be a challenge. Security vulnerabilities and escalating costs have led to calls to evaluate and realign—or rightsize—the number and location of staff at U.S. embassies and consulates worldwide. A clearly defined strategy for U.S. efforts in Iraq will be critical for the rightsizing exercise at Embassy Baghdad.

Key Findings

In 2002, GAO developed a framework that provides a systematic approach for assessing overseas civilian government workforce size and identifying options for rightsizing. The framework links staffing levels to the mission's priorities and requirements, physical security, and operational costs. The rightsizing framework encourages consideration of a range of options for meeting workload requirements after an analysis of mission, security, and cost trade-offs. Decision makers are then able to determine whether to add, reduce, or change the staff mix at an embassy. The Office of Management and Budget and Department of State (State) have adopted this framework. State has used it as the basis for rightsizing reviews at more than 120 embassies.

Embassy Baghdad is scheduled to conduct a rightsizing review in the fall of 2009 to link its long-term staffing needs to key mission goals. The embassy should consider the following as part of this review:

- *Assessing mission priorities and requirements.* The placement and composition of staff overseas must reflect the highest priority goals of U.S. foreign policy, both in terms of worldwide presence, and within a specific post. The 2009 rightsizing review will require a long-term, strategic assessment of Embassy Baghdad priorities and allow State and other agencies to determine their workload requirements.
- *Determining the appropriate mix of staff.* As of March 2009, Embassy Baghdad had about 1,300 authorized U.S. civilian positions and a mix of contractors, third country nationals, and locally hired Iraqis. Unlike most other posts, State has faced challenges in hiring and retaining Iraqi employees, as association with the U.S. government continues to place Iraqi embassy staff at risk. Thus, State has had to rely more extensively on U.S. direct-hire civilians and contractors than is customary at other U.S. embassies—a more costly approach than hiring local Iraqis.
- *Determining the future role of temporary U.S. civilian entities in Iraq.* The number of U.S. civilians in Iraq has been, in part, driven by the need to staff temporary entities in Iraq. For example, as of March 2009, the U.S. government had about 450 personnel deployed to U.S.-led Provincial Reconstruction Teams (PRT) in Iraq, which aim to increase Iraq's capacity to govern and deliver public services.

According to State, PRTs will eventually draw down, but there is currently no determination as to what residual form, if any, the PRTs will take. Furthermore, in 2007, State established the temporary Iraq Transition Assistance Office (ITAO) to help maintain an effective diplomatic presence in Iraq. ITAO was tasked with supporting U.S. agencies in Iraq in their implementation of U.S. foreign assistance, including hiring temporary U.S. employees. At Embassy Baghdad, according to State, there are about 100 such positions. It is unclear what role, if any, temporary entities such as PRTs and ITAO will play in the future.

- *Providing security for U.S. civilian personnel during and after the U.S. military transition.* According to State, Embassy Baghdad has more security requirements than other U.S. embassies. Keeping staff secure, yet productive, remains one of the largest challenges for State's diplomatic security agents, who are responsible for securing the embassy's personnel, facilities, and information. According to State, in addition to diplomatic security agents, the department obligated about \$1.1 billion from fiscal years 2006 through 2008 to fund approximately 1,400 security contractors in Iraq. To secure the embassy personnel and safeguard embassy information, State also has relied on support from the U.S. military. As the U.S. military transitions out of Iraq, State's workload—and thus its resource requirements—will increase.
- *Assessing the costs of Embassy Baghdad operations.* State has called for the consolidation of as many administrative and programmatic activities at overseas posts as possible to contain costs and expose fewer employees to security risks. The International Consolidated Administrative Support Services (ICASS) system offers a standard method of sharing administrative costs such as motor pool, utilities, and information technology services. According to State, ICASS is not operational in Iraq due to the mission's security needs. Some agencies may need to reassess their staffing levels in Iraq once they are required to pay their share of administrative costs.

Oversight Questions

1. What type of diplomatic mission does the administration envision in Iraq and how does it plan to provide for the security of its personnel, facilities, and information?
2. To what extent does State have contingency plans in place if Embassy Baghdad is unable to decrease its reliance on U.S. civilian government personnel over the next 5 years?
3. To what extent does State have plans in place to balance priorities for temporary entities in Iraq, such as PRTs, and any future consulates in Iraq against the security requirements and costs of operations?
4. When should non-State agencies at Embassy Baghdad be expected to contribute to the full-cost recovery of administrative support services?

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Background

Since 2003, 38 countries have participated in the coalition to help secure Iraq. In addition, 42 nations and international organizations have provided direct financial assistance in the form of grants or loans for reconstruction efforts. Several nations have also forgiven some of Iraq's outstanding debt to help Iraq finance its reconstruction

Non-U.S. Coalition Troops Expected to Leave Iraq by July 2009

Enclosure VIII: Considering the Level of Engagement of the International Community

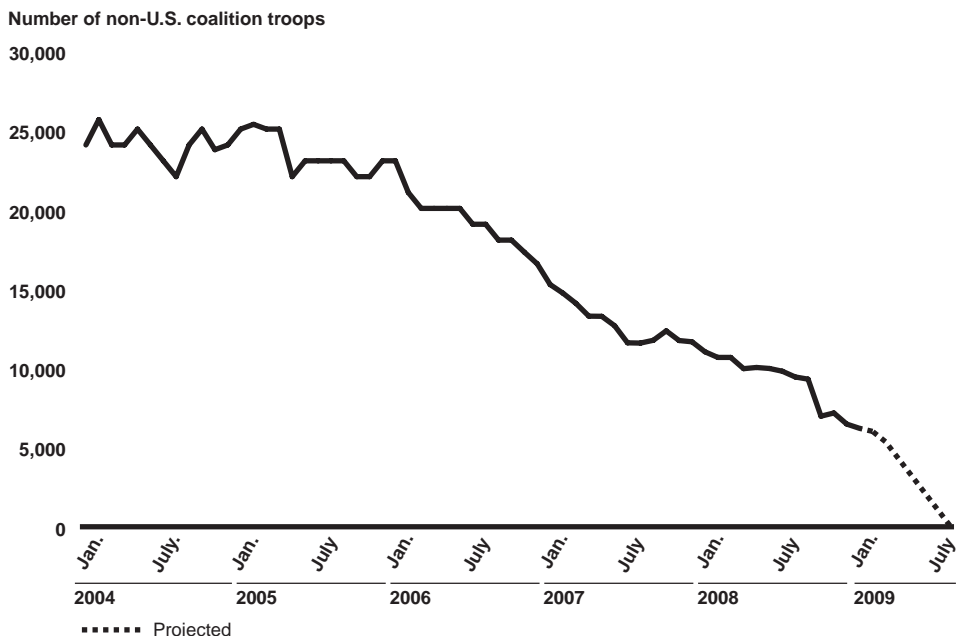
Issue

The international community is an important partner in Iraq's reconstruction and economic development efforts, providing varying levels of military and financial assistance since 2003. Since January 2004, the United States' 38 coalition partners have collectively contributed as many as 25,600 troops to help stabilize the security situation. International organizations and several countries also pledged substantial financial assistance for reconstruction efforts, offering Iraq almost \$12 billion in loans and providing \$5.6 billion in grants. The Paris Club and commercial creditors have forgiven most of Iraq's Saddam Hussein regime debt, as Iraq seeks relief from its high debt burden. As the United States further defines its assistance strategy for Iraq, it must coordinate its efforts with those of the international community.

Key Findings

By December 2003, the multinational force in Iraq included 34 nations and almost 151,000 troops—about 24,000 of which were provided by coalition partners.¹ As the security situation has improved and the United Nations (UN) mandate for the multinational force expired, most coalition partners have removed their troops. As of March 2009, only three coalition partners remain in Iraq—Australia, Romania, and the United Kingdom. These coalition partners have an agreement with Iraq to remove their troops by July 2009 (see fig. 1). At that time, the United States will be the sole remaining nation with troops stationed in Iraq.

Figure 1: Non-U.S. Coalition Troops in Iraq



Source: GAO analysis of DOD data.

¹Subsequently, four countries joined the coalition.

The International Community Has Provided Reconstruction Funding

To support reconstruction of Iraq's infrastructure and essential services, international donors have offered Iraq almost \$12 billion in loans and provided about \$5.6 billion in grants. As of January 2009, the Iraqi government had entered into agreements to borrow more than \$3.7 billion from Italy, Iran, Japan, the International Monetary Fund (IMF), and the World Bank, according to the Department of State (State). Of the \$5.6 billion given in grants, almost one-third—or \$1.8 billion—has been deposited in the International Reconstruction Fund Facility for Iraq, which is composed of two trust funds, one run by the UN Development Group and the other by the World Bank. Almost all of these funds have been committed to almost 160 projects that will be completed by 2010. In February 2009, the UN and World Bank presented plans to commit the remaining funds and close out the trust funds by 2013. Both organizations plan to fund any additional assistance to Iraq through other funding streams, according to State.

As the security situation has improved, international organizations have increased their assistance and re-examined their strategies. In August 2008, the UN released its Iraq Assistance Strategy for Iraq 2008-2010 that defines how the UN will support Iraq's reconstruction in various sectors, including governance, education, and economic reform through projects and technical assistance. In the last year, the UN also has added staff and is considering opening offices in Kirkuk, Najaf, Ramadi, and Mosul to support its increased assistance activities. Similarly, the World Bank is developing an updated assistance strategy to replace its current strategy from August 2005.

Some of Iraq's Creditors Have Supported Reconstruction through Debt Relief

To help attract investment needed to finance its economic reconstruction, Iraq has sought debt forgiveness for loans taken under the Saddam Hussein regime. At the end of 2004, Iraq owed about \$120 billion to foreign creditors—an amount almost five times the size of its economy at the time. Of that external debt, Iraq owed about \$36 billion to members of the Paris Club,² who committed to forgive 80 percent of that debt if Iraq agreed to follow an IMF reform program. Iraq received the final tranche of Paris Club debt relief in late 2008. Nevertheless, Department of the Treasury officials estimate that Iraq owes between \$49 and \$77 billion in bilateral debt. In addition to these debts, Iraq owes \$29 billion in compensation claims for damages and losses resulting from Iraq's invasion and occupation of Kuwait in 1990.³ Iraq's oil revenues are currently immune from garnishment, liens, and other judgments that would compel Iraq to pay these debts and claims, but this immunity will expire in December 2009 absent further UN Security Council action.

Oversight Questions

1. What efforts are under way to help Iraq coordinate any future bilateral assistance, including the United States, for meeting its reconstruction and development needs?
2. How will U.S. strategic planning reflect the efforts of the UN and other international organizations in such areas as elections assistance, resolution of disputed internal boundaries, and electricity production?
3. How is the United States helping Iraq in its efforts to secure relief from its remaining Saddam Hussein regime debts?

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²The Paris Club is a group of 19 creditor nations and includes the United States.

³Under UN Security Council Resolution 1483, 5 percent of Iraq's annual oil export revenue is earmarked to finance payment of these reparations.



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Background

Oil export revenues are critical to Iraq's economy, accounting for over half of the country's gross domestic product and over 90 percent of revenues. From 2005 through 2008, Iraq generated an estimated \$152 billion in revenues from crude oil export sales.

**Iraqi Government
Accumulated Surpluses
from 2005 through 2008**

Enclosure IX: Building Iraq's Capacity to Assume a Greater Cost Share of Its Security, Reconstruction, and Economic Needs

Issue

From 2005 through 2007, Iraq had an estimated cumulative budget surplus of \$29 billion, in part due to limited spending of its investment budgets. The need for Iraq to spend its own resources has become increasingly critical as U.S. agencies have obligated nearly 90 percent of the \$49 billion in U.S. appropriations since fiscal year 2003 for reconstruction and stabilization efforts in Iraq. Agencies have disbursed nearly 80 percent of these appropriations, as of December 2008. Iraq's substantial oil reserves and current budgetary resources offer the government of Iraq the potential to better finance more of the costs of its own security, reconstruction, and economic needs.

Key Findings

As of June 2008, the Iraqi government had accumulated financial deposits of \$39.6 billion (a 33 percent increase from December 2007), held in the Development Fund for Iraq (DFI) at the New York Federal Reserve Bank and central government deposits at the Central Bank of Iraq (CBI) and Iraq's commercial banks. This balance is the result, in part, of an estimated cumulative budget surplus from 2005 through 2008. This amount does not include funds in Iraq's foreign exchange reserves, funds held at the New York Federal Reserve Bank intended for Foreign Military Sales purchases, or funds disbursed from the DFI to J.P. Morgan Chase and Citibank for payment on letters of credit.

For 2008, the Iraqi government generated an estimated \$68 billion in total revenues, of which crude oil export sales accounted for about \$62 billion. As displayed in table 1, Iraq ended 2005 through 2007 with a cumulative budget surplus of \$29 billion. GAO estimates that Iraq ended 2008 with another budget surplus of \$18.3 billion. As a result, the Iraqi government had a cumulative budget surplus of about \$47.3 billion at the end of 2008. This is less than GAO's prior projection of a cumulative surplus of between \$67 billion and \$79 billion and reflects declining oil prices and an increase in Iraqi spending. In the preliminary 2009 Iraqi budget, the Iraqi government projects a budget deficit of \$16 billion, which would indicate that it plans to spend a portion of the accumulated surpluses from prior years.

Table 1: Iraqi Revenues, Expenditures, and Surpluses, 2005-2008

(Billions of U.S. dollars)	2005	2006	2007	Total 2005-2007	2008	Total 2005-2008
Total revenues	\$24.1	\$32	\$39.9	\$96.0	\$67.8	\$163.7
MoF expenditures	17.6	22.8	26.6	67.0	49.5	116.5
Surplus	6.5	9.2	13.3	29.0	18.3	47.3

Source: GAO analysis of CBI and IMF data and Iraqi Ministry of Finance Budget (MoF).

Note: Total revenues for 2008 are based on actual crude oil export receipts and IMF projections for other revenues, such as taxes and domestic oil sales. Sums may differ from totals due to rounding.

Iraqi Government Has Been Unable to Spend All of Its Investment Budget

U.S. Has Funded Capacity Building Activities Since 2005 but Lacks Integrated Strategy

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Iraq's inability to spend its resources, particularly on investment activities, limits the government's efforts to further economic development and deliver essential services to the Iraqi people. From 2005 through 2007, the Iraqi government spent an estimated \$67 billion on operating and investment activities. Ninety percent was spent on operating expenses, such as salaries and goods and services, and the remaining 10 percent on investments, such as structures and vehicles. While total expenditures grew from 2005 through 2007, Iraq was unable to spend all of its budgeted funds. For example, in 2007, Iraq spent 80 percent of its \$29 billion total operating budget and 28 percent of its \$12 billion total investment budget. However, the central government ministries¹ responsible for providing essential services to the Iraqi people spent a smaller share, 11 percent, of their \$8 billion investment budgets. In 2008, Iraq's investment expenditures have increased as compared to 2007. Iraq spent 39 percent of its \$24 billion investment budget, while the central government ministries have spent 23 percent of their \$16 billion investment budget. According to U.S. government, coalition, and international officials, a number of factors continue to affect the Iraqi government's ability to spend more of its revenues on capital investments and effectively manage resources. These factors include the shortage of trained staff, weak procurement and budgeting systems, and violence and sectarian strife.

Since 2005, multiple U.S. agencies have led individual efforts to improve the capacity of Iraq's ministries without having an overall integrated strategy. In 2007, *The New Way Forward* emphasized the need to build capacity in Iraq's ministries and help the government execute its capital investment budgets. In response, U.S. capacity development efforts shifted their emphasis from long-term institution-building projects to an immediate effort to help Iraqi ministries overcome their inability to spend their capital investment budgets.

In October 2007, GAO recommended that Congress consider conditioning future appropriations on the completion of an integrated strategy for U.S. capacity development efforts. In June 2008, State and Treasury created a new Public Financial Management Action Group to help integrate and coordinate U.S. government assistance to improve budget execution. In addition, in September 2008, State hired a contractor to draft a strategic planning document for ministry capacity development. As of March 2009, State is reviewing the contractor's proposals.

Oversight Questions

1. How do U.S. capacity-building efforts and future foreign assistance programs in Iraq address the government of Iraq's ability to spend its resources on investment and maintenance activities?
2. What strategy does the United States have for transferring remaining defense and reconstruction costs to the government of Iraq as current U.S. appropriations for these rebuilding activities ends?
3. What budgetary resources can the government of Iraq provide to increase its support for security, economic, and reconstruction efforts in the country?

¹The central government ministries include the ministries of oil, water, electricity, public works, health, housing and construction, defense, and interior. These figures therefore exclude the Kurdistan Regional Government and provincial governments.



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Background

Following the 2003 invasion, U.S. and Iraqi authorities inherited an infrastructure that had deteriorated due to the previous regime's neglect, international sanctions, and years of conflict, leaving many Iraqis with limited or no access to essential services.

Oil Production and Exports Have Increased but More Investment Is Needed

Electricity Production Has Increased, but Demand Continues to Outstrip Capacity

Even with Additional Capacity, Many Iraqis Remain without Potable Water

Enclosure X: Building Iraq's Capacity to Improve Critical Service Sectors

Issue

The Iraqi government's efforts to increase its legitimacy and counter the insurgent threat depend, in large part, on its ability to expand its oil exports and provide essential services such as electricity and clean water to all Iraqi communities. Given that appropriated U.S. funds for rebuilding these sectors have largely been expended, continued reconstruction and sustainability will be dependent on an Iraqi government that can resolve the challenges it faces in delivering essential services. As the administration further defines its plans for Iraq, it will need to consider how best to support the Iraqi government's efforts and address these challenges.

Key Findings

Oil production and exports account for about 90 percent of Iraq's revenue. The Iraqi government's ability to fund reconstruction efforts and provide for its citizens depends, in part, on increasing oil production and exports. Iraqi and U.S. government investments in the oil sector have increased production and exports since 2003, but U.S. officials have stated that insufficient focus on security limited the impact of the initial U.S. investment. Iraq's oil production increased from an annual average of 1.3 million barrels per day (mbpd) in 2003 to 2.36 mbpd as of March 2009. According to the Departments of Defense and State (State), investment in Iraq's oil sector is below the minimum required to sustain current production; additional foreign and private investments are needed. The Ministry of Oil has indicated that investments between \$25 billion and \$75 billion are needed to achieve its production target of 6 mbpd. In 2008, the Ministry of Oil spent \$421 million, or 19 percent of its investment budget for that year.

Restoring the electrical infrastructure is critical to reviving the Iraqi economy and ensuring productivity of the oil sector; however, demand has grown substantially and continues to outstrip capacity. For 2008, supply met around 52 percent of demand, even with increased generation. As a result, Iraq continues to experience electrical shutdowns despite billions of dollars invested. According to State, at the end of November 2005, average hours of power per day were 8.7 hours in Baghdad and 12.6 hours nationwide; by the end of November 2008, Baghdad averaged 15.4 hours and the rest of the country averaged 14.6 hours. The Iraqi Ministry of Electricity estimated in its 2006-2015 plan that it would need \$27 billion over the next 6 to 10 years to provide reliable electricity across Iraq by 2015. However, U.S. government officials working with the ministry estimate twice that amount will be needed for power generation, transmission, distribution, and other infrastructure. Based on U.S. and United Nations reporting, inadequate operating and maintenance practices, as well as the lack of skilled technicians, inhibit an effective electrical infrastructure.

In the water sector, as of July 2008, U.S.-funded projects had the capacity to provide an additional 8.1 million Iraqis with potable water, short of the goal of 8.5 million. Even with the additional capacity, many Iraqis are without water or have access to water that puts them at risk of diseases such as cholera and

Iraqi Government Has Spent Little on Improving Essential Services and Faces Challenges in Sustaining Existing Projects

dysentery, as evidenced by outbreaks in 2007 and 2008. According to the United Nations, only 40 percent of children have reliable access to safe drinking water; with water treatment plants operating at only 17 percent capacity, large volumes of untreated waste are discharged into Iraq’s waterways. The health risks associated with a lack of access to potable water and proper sewage treatment are compounded by the shortage of medical professionals in Iraq’s health care system. The World Bank has estimated \$14.4 billion is needed to rebuild the Iraqi public works and water system.

Iraq has not followed through on commitments to spend more of its own money on reconstruction efforts and faces challenges sustaining U.S.-funded projects. As table 1 indicates, U.S. agencies have spent 87 percent, or about \$9.5 billion, of the \$10.9 billion allocated since fiscal year 2003 for reconstruction activities in the oil, electricity, and water sectors. In contrast, Iraq has spent about 12 percent, or about \$2.0 billion of the \$17.2 billion allocated for investment activities in these sectors. In addition, Iraq has faced difficulties in sustaining U.S.-funded reconstruction projects. According to U.S. officials, Iraqi managers lack the skill level and authority to create plans and buy the materials necessary to sustain projects in the energy and water sectors. Moreover, poor security has prevented the successful implementation of long-term training programs to create the local capacity needed to operate and maintain U.S.-funded projects.

Table 1: Comparison of U.S. and Iraqi Allocations and Spending for Selected Sectors (in billions of U.S. dollars)

	U.S. Government		Government of Iraq	
	Fiscal years 2003–2008	Fiscal years 2003– June 2008	2005–2008	2005–2008
Sectors	Allocated	Spent ^a	Allocated	Spent ^a
Oil	\$2.7	\$2.5	\$10.8	\$0.7
Electricity	5.3	4.8	5.2	0.8
Water resources	2.9	2.2	1.3	0.6
Total	\$10.9	\$9.5	\$17.2	\$2.0

Source: GAO analysis of Iraq Ministry of Finance budgets and expenditures, and Departments of State, Defense, and Treasury and U.S. Agency for International Development data.

Note: The Iraqi figures refer to investment expenses which include capital goods and capital projects. The sums may differ from totals due to rounding.

^aThis refers to funds disbursed by U.S. agencies and funds spent by the respective Iraqi ministries.

Oversight Questions

1. What activities are under way to strengthen the Iraqi government’s ability to operate and maintain its essential services infrastructure, particularly for those efforts funded by the U.S. government?
2. How much additional investment in Iraq’s oil infrastructure is needed to ensure sustained production and export levels? What actions is Iraq taking to encourage foreign investment?
3. While the capacity for providing potable water has increased, what steps are being taken to ensure both sustainable delivery and quality of water throughout Iraq?

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G A O

Accountability * Integrity * Reliability

Background

In 2007, *The New Way Forward* identified Iraqi political compromise as crucial to promoting national reconciliation and stabilizing the country. The U.S. and Iraqi governments stated that passage of legislation to address core Sunni, Shi'a, and Kurd grievances and to share hydrocarbon resources equitably was essential.

Despite Sectarian Differences, the Iraqi Government Has Passed Key Legislation

Implementation of Legislation Has Been Slow

Enclosure XI: Enacting Iraqi Legislation to Promote National Reconciliation

Issue

Since 2007, the Iraqi government has passed legislation allowing some former members of the Ba'ath party to work for the government, granted amnesty to Iraqis accused of or in prison for certain crimes, defined provincial powers, and passed and implemented a provincial elections law. These actions could address grievances by Sunnis and others, namely that they have been removed from government, unfairly arrested, and underrepresented in provincial councils. However, Iraq has not fully implemented some of these laws, passed hydrocarbon legislation, or a law to demobilize militias. Finally, Iraq has not completed the constitutional review or the constitutionally mandated process to deal with claims over disputed areas, especially Kirkuk. In further defining the U.S. strategy for Iraq, the administration should consider how to support Iraq's reconciliation efforts.

Key Findings

Figure 1 shows the steps Iraq has taken as of February 2009 to enact key laws intended to promote national reconciliation.

Figure 1: Status of Enacting Iraqi Legislation

	Enacting						
	Laws drafted and reviewed	Draft referred to Council Representatives/ Committee	First reading completed	Second reading completed	Third reading vote taken	Ratification completed;	Law published in Gazette
De-Ba'athification	✓	✓	✓	✓	✓	✓	✓
Amnesty	✓	✓	✓	✓	✓	✓	✓
Provincial powers	✓	✓	✓	✓	✓	✓	✓
Elections							
Electoral commission	✓	✓	✓	✓	✓	✓	✓
Provincial election law	✓	✓	✓	✓	✓	✓	✓
Hydrocarbon laws							
Framework	✓	✓					
Revenue sharing	✓						
Ministry of Oil Restructuring	✓						
Iraq National Oil Company	—						
Disarmament and demobilization	—						

✓ Steps taken since February 2009.

— No legislation drafted

Source: GAO analysis of Department of State, Department of Defense, United Nations, and Iraqi government data.

Although Iraq has enacted laws on de-Ba'athification, amnesty, and provincial powers, it has been slow to fully implement them. For example, the Iraqi government passed de-Ba'athification reform in February 2008, but as of

Some Legislation Has Yet to Be Enacted and Constitutional Issues Have Not Been Resolved

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January 2009, the Council of Ministers had not nominated individuals to head the new commission to implement the law. The amnesty law provides for the release of Iraqis sentenced to prison and those under investigation or trial, provided they are not involved in certain crimes such as kidnapping or murder. According to the Department of State (State), Iraqi courts have granted amnesty to many, but releases are slow. Also, the Iraqi and U.S. governments are working to transfer detainees held by U.S. forces to Iraqi facilities, as required by this law and the November 2008 security agreement with Iraq, so that the provisions of the amnesty law can be applied to them. U.S. forces held approximately 15,000 Iraqi detainees, as of January 2009, according to State and Department of Defense (DOD) officials. In addition, Iraq held provincial elections in 14 provinces on January 31, 2009.

The Iraqi government has not enacted laws to share oil revenues and disarm militias, and has not resolved issues in its constitutional review.

- Hydrocarbon legislation consists of four separate laws, but the key framework law is stalled, according to State. This law defines the control and management of Iraq's oil and gas sector. According to State, the delay illustrates struggles between the federal government and the Kurdistan Regional Government about how much control the Kurdistan Regional Government will have over its oil resources.
- As of February 2009, a law to disarm and demobilize militias had not passed. According to State, no legislation has been proposed, but militia activity, specifically from Jaysh al-Mahdi, has substantially declined. According to a December 2008 DOD report, some militias are considering reconciliation with the government.
- Iraq's Constitution was approved in a national referendum in October 2005, but this did not resolve several contentious issues, including the powers of the presidency versus the prime minister, claims over disputed areas such as oil-rich Kirkuk, and the relative powers of the regions versus the federal government. Among these issues, a resolution on the status of Kirkuk remains a key issue for the Kurdistan Regional Government and the United Nations ; Kurdistan Regional Government officials want resolved the issue of whether Kirkuk is to be part of Kurdistan. As of February 2009, the United Nations was working with a special committee to recommend mechanisms for sharing power in Kirkuk.

Oversight Questions

1. To what extent have new provincial elections helped stabilize Iraq and support national reconciliation?
2. What are the prospects of resolving the impasse on hydrocarbon legislation?
3. What challenges remain to implementing the laws that have already been passed?
4. What actions should the United States take to encourage the Iraqi government to pass the remaining legislation intended to promote national reconciliation?

Enclosure XII: Assisting Iraq's Refugees



G A O

Accountability * Integrity * Reliability

Background

The United Nations (UN) reports that about 4.8 million Iraqis have been displaced from their homes, with about 2 million fleeing to neighboring countries. According to the UN High Commissioner for Refugees (UNHCR), Iraqi refugees pose an unprecedented burden on the economies and social infrastructures of the countries hosting them.

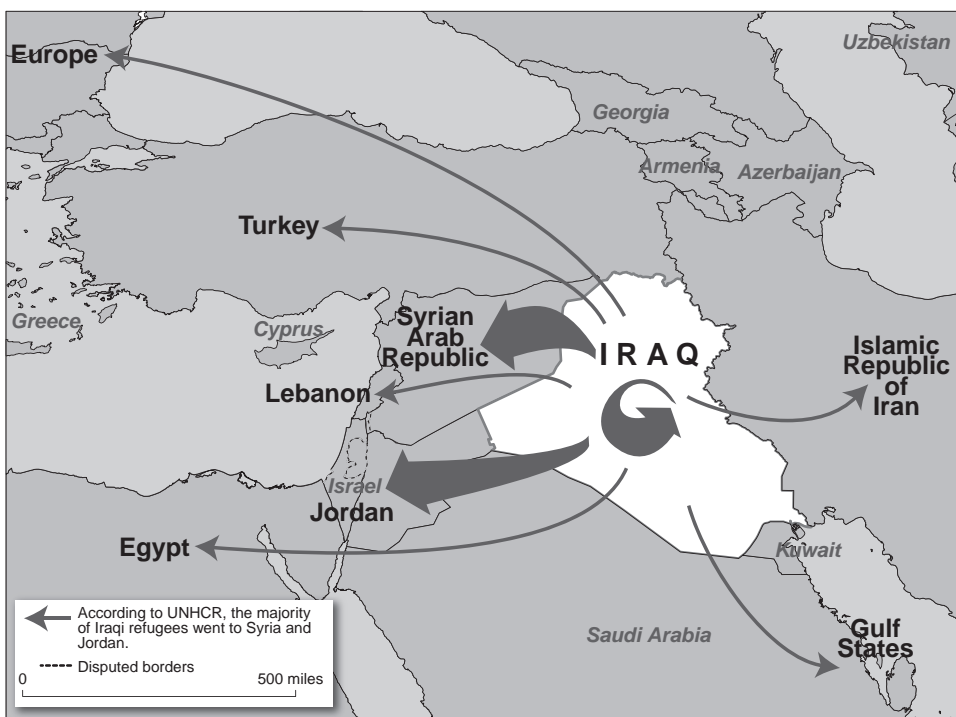
Lack of Reliable Needs Assessments Impedes Assistance

Issue

Despite security improvements, UNHCR has reported that conditions are not yet suitable for the safe return of Iraqi refugees, and most refugees that do return are settling in areas controlled by their particular sect. According to the Department of State (State), the United States has recognized the need to take the lead in mitigating the effects of this humanitarian crisis. As the administration further defines its plan for Iraq, it will need to consider how best to support the Iraqi government and the international community in addressing the needs of Iraqis displaced within Iraq, as well as those who have fled to neighboring countries.

Key Findings

Figure 1: Neighboring Countries Hosting Iraqi Refugees



Sources: GAO based on maps from the United Nations High Commissioner for Refugees; Map Resources (map).

The lack of reliable needs estimates impedes U.S. and international efforts to assist Iraqi refugees in Jordan and Syria. Official Jordanian and Syrian government estimates on the number of Iraqi refugees in each country may be overstated, with each country estimating up to 500,000 and 1,500,000 Iraqi refugees, respectively, in their countries. This is in contrast to the approximately 54,000 and 220,000 Iraqis that UNHCR had officially registered in Jordan and Syria, respectively, as of September 2008. Neither country has enabled an independent and comprehensive survey of refugees to be undertaken, asserting that assistance should not be targeted toward Iraqi refugees while they have populations that need help. Both countries have

U.S. Government Resettles Iraqis, but Lasting Solutions Remain a Challenge

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based requests for refugee assistance primarily on their countries' health and education needs rather than on the numbers of displaced Iraqis in their countries, and the U.S. government and UN have included Iraqi refugees and host country populations in their assistance programs. Donor country representatives further noted that the lack of objective and complete information on the numbers and needs of refugees has made it difficult to garner support for these efforts.

The U.S. government and UNHCR face challenges offering lasting solutions for Iraqi refugees. According to UNHCR, voluntary repatriation is the preferred solution, but conditions in Iraq are not yet suitable for Iraqis to return. The Iraqi government has cited improvements in security and offered financial incentives to returning families, but there is no clear trend on the number of Iraqis returning to or leaving Iraq. Difficulties renewing visas, lack of funds, and limited access to employment and public services affect Iraqis' decisions to stay in or return to Iraq. Another solution is resettlement in the host countries, though Jordan and Syria consider Iraqi refugees "guests" who should return to Iraq once the security situation improves. Resettlement to a third country is another option, according to State. The U.S. government has made progress resettling Iraqis under its U.S. Refugee Admissions Program. In 2007, the United States admitted 1,608 Iraqi refugees but did not achieve State's expectation of admitting 2,000 to 3,000 refugees; however, the U.S. government surpassed its fiscal year 2008 goal of 12,000 with the admission of 13,823 Iraqi refugees. According to UNHCR, as of September 30, 2008, other countries resettled 5,852 Iraqi refugees in calendar years 2007 through 2008.

A related issue for Congress to consider is the plight of Palestinian Iraqis who have been living, mostly under very harsh conditions, in three refugee camps in Syria and Iraq for about 3 years. As of December 31, 2008, about 2,540 refugees remained in these camps. About 446 camp refugees were resettled in 2007 and 2008, mostly in Chile and Europe. According to UNHCR, during the fall of 2008, Australia, Canada, the United States, and several European countries expressed interest in resettling these refugees.

GAO subsequently will issue a more detailed report on U.S. and international efforts to assist Iraqi refugees, including some of the key challenges faced in planning and delivering this assistance, such as determining the amount of funding provided for Iraqi refugee programs by the United States, Iraq, and UN agencies. GAO plans to issue a second report in 2009 that will discuss the challenges in assisting internally displaced persons within Iraq.

Oversight Questions

1. To what extent is the U.S. government helping Iraq address the needs of displaced Iraqis, bilaterally and in coordination with UN assistance efforts?
2. As U.S. military forces in Iraq draw down, how will the U.S. government aid Iraq in ensuring the security of internally displaced and returning Iraqis and support their access to housing and essential services?
3. How is the U.S. government working with the international community to improve conditions for Palestinian Iraqis in refugee camps and facilitate their eventual resettlement?

Appendix I: Objectives, Scope, and Methodology

The issues discussed in the 12 enclosures are based on completed and ongoing GAO work on Iraq security and reconstruction issues. They incorporate information from agency documents and interviews with U.S. officials in Iraq and Washington, D.C., including the Departments of Defense (DOD), Energy (Energy), State (State), and the Treasury (Treasury); the U.S. Agency for International Development (USAID); the Army Corps of Engineers; the Multinational Force in Iraq (MNF-I); and the Defense Intelligence Agency (DIA).

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Enclosure I: Determining What Conditions Need to Be Met to Undertake a Responsible Drawdown of U.S. Forces

To discuss the change in approach that the U.S.-Iraq security agreement represents from prior strategies, we relied on previous GAO reporting and reviewed the security agreement and Strategic Framework Agreement that the U.S. and Iraqi governments signed in November 2008. We interviewed DOD and State officials to clarify the language and application of the agreements.

To present the levels of violence, we used MNF-I data on enemy-initiated attacks against the coalition and its Iraqi partners obtained from DIA. We determined the data were sufficiently reliable for establishing general trends in the number of enemy-initiated attacks in Iraq. To determine the reliability of the data, we reviewed MNF-I's attacks reporting guidance, compared the unclassified data to classified sources, and discussed how the data are collected, analyzed, and reported with DIA officials.

To report on the growth of Iraqi security forces, we relied upon DOD updates to weekly State reports. We used DOD's number of trained and equipped personnel for January 2007 data to represent the number of the Iraqi security forces. DOD changed its reporting metrics in November 2007 from "trained and equipped" forces to "authorized," "assigned," and "trained" forces. GAO determined that "assigned" data, based on payroll data, are the closest figures to the number of Iraqi security forces and are sufficiently reliable and similar to establish a general trend of growth in those forces under the previous metric. "Assigned" numbers show the same trend as other measures of Iraqi security forces growth—"trained"

and “authorized” forces. However, as we have noted in previous reports, GAO recognizes limitations to these reported data. To display the change in Iraqi capabilities, we relied on unclassified DOD reporting of Iraqi Army units’ “Operational Readiness Assessments.” We have reviewed the Operational Readiness Assessments and, to the extent possible, corroborated the trends with classified data.

We based our discussion of administration plans for a responsible drawdown on public statements.

Enclosure II: Implementing Key Operational Requirements of the U.S.-Iraq Security Agreement

To discuss the implementation of the security agreement, we reviewed the text of agreement and the strategic framework agreement that the U.S. and Iraqi governments signed in November 2008, Coalition Provisional Authority Order 17, and the United Nations (UN) Security Council resolutions authorizing the U.S. presence in Iraq. We also interviewed State and DOD officials to clarify our understanding of the specific language and application of the agreements. We used our prior reports as background information for this enclosure.

Enclosure III: Managing the Redeployment U.S. Forces and Equipment from Iraq

To assess DOD’s ability to manage the redeployment of U.S. troops from Iraq, we reviewed relevant documents, including command briefings and in-progress reviews, orders, joint and Army doctrine, relevant sections of the U.S. Code, and staff analyses that we obtained from several DOD organizations including U.S. Central Command, MNF-I, and U.S. Army Central. We also interviewed officials who were directly involved in the logistical planning efforts to determine the status and scope of these efforts. We traveled to Kuwait in May 2008 and met with DOD officials from a variety of organizations to discuss planning efforts. We also visited locations at which various aspects of the redeployment and removal process are performed and spoke with local commanders and on-site supervisors about their experiences and challenges.

Enclosure IV: Managing and Overseeing U.S. Government Contractors in Iraq during a Drawdown

To assess DOD’s capacity to manage and oversee contractor performance, we relied extensively on our prior reports. In preparing these reports, we reviewed applicable DOD policies and guidance; interviewed DOD and contractor personnel in the United States, Iraq, and other locations; and reviewed contract-related information. We also reviewed the security agreement to identify provisions applicable to DOD’s use of U.S. contractors in Iraq. We obtained updated information from DOD on the number of contractor personnel working under DOD contracts of as

October 2008. Our prior work concluded that complete and reliable data on contractor personnel data were not available, but we presented the reported data along with their limitations as they established a minimum number of contractor personnel and provided insight into the extent to which agencies had information on the number of contractor personnel. Given the limitations we previously found, the data presented should not be used to reach conclusions about the total number of contractor personnel in Iraq.

Enclosure V: Determining the Department of Defense's Future Costs for Iraq

To discuss the costs associated with Operation Iraqi Freedom, we relied extensively on our prior reports related to reporting of overall Global War on Terrorism (GWOT) costs, estimating of GWOT funding needs, spending associated with the reset of equipment, and the redeployment of U.S. forces from Iraq, among others. Our prior work has found the data in DOD's reported obligations for GWOT to be of questionable reliability. Consequently, we are unable to ensure that DOD's reported obligations are complete, reliable, and accurate, and therefore any reported obligations contained in this enclosure should be considered approximations.

Enclosure VI: Transitioning from a Predominantly Military to a Civilian Presence in Iraq

To present the number of U.S. military personnel in Iraq, we relied on personnel data provided by DOD Joint Staff. We determined the data were sufficiently reliable for our purposes by comparing unclassified U.S. troop numbers to classified sources and discussing how the data are collected and reported with DOD officials. To determine the organization, missions, and tasks of U.S. military forces in Iraq, we reviewed documents from DOD, MNF-I, and MNF-I subordinate commands.

Enclosure VII: Rightsizing the U.S. Civilian Presence in Iraq

To develop the elements of the rightsizing framework, we analyzed previous reports on overseas staffing issues, including those of the Overseas Presence Advisory Panel (OPAP).¹ We interviewed officials from the Office of Management and Budget to discuss rightsizing initiatives in relation to the *President's Management Agenda*.² We discussed embassy

¹Former Secretary of State Madeline Albright established OPAP following the 1998 embassy bombings in Africa to consider the organization of U.S. embassies and consulates. Department of State, *America's Overseas Presence in the 21st Century, The Report of the Overseas Presence Advisory Panel* (Washington, D.C.: November 1999).

²Office of Management and Budget, *The President's Management Agenda, Fiscal Year 2002* (Washington, D.C.: August 2001).

staffing with rightsizing experts, including the Chairman of OPAP and former Undersecretaries of State for Management. We also interviewed officials from the State, DOD, Treasury, and the Departments of Commerce, Justice, and Agriculture, among others. To further develop and test the framework, we conducted a case study at the U.S. embassy in Paris (see our July 2002 report³ for more details about this case study).

In the enclosure, we describe how elements of the rightsizing framework could be applied to the U.S. Embassy in Baghdad. We obtained agency documents and interviewed officials from State's Office of Rightsizing, the Bureau of Near Eastern Affairs, and the Bureau of Diplomatic Security regarding rightsizing challenges at Embassy Baghdad. We obtained data on the staffing levels at Embassy Baghdad from State's Bureau of Near Eastern Affairs, as its data were the most comprehensive. To assess the reliability of these data, we talked with agency officials about data limitations. We determined the data were sufficiently reliable to demonstrate that Embassy Baghdad is one of the largest U.S. embassies worldwide with an estimated 1,300 total authorized positions.

**Enclosure VIII:
Considering the Level of
Engagement of the
International Community**

To present the number of non-U.S. troops participating in the coalition, we analyzed data from State and DOD from December 2003 to December 2008. The departments did not have information on coalition troops in Iraq from March to November 2003. We determined that the data were sufficiently reliable for estimating the number of troops contributed by other countries.

To discuss the international community's financial contributions to Iraq's reconstruction, we updated information previously reported by reviewing State documentation and consulting with State and UN officials.

To report on Iraq's foreign debt, we examined documents from the International Monetary Fund (IMF), the Paris Club of international creditors, and relevant U.S. agencies and international organizations. To determine the amount of outstanding debt in 2004 (prior to debt restructuring) and 2006, we used official IMF estimates of Iraq's external debt. Since the IMF estimates for 2006 included debt restructuring by non-Paris Club official creditors that had not been completed, we used the IMF

³GAO, *Overseas Presence: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives*, GAO-02-780 (Washington, D.C.: July 26, 2002).

estimate from 2004 for these countries. We worked with Treasury officials to update this information.

Enclosure IX: Building Iraq's Capacity to Assume a Greater Cost Share of Its Security, Reconstruction, and Economic Needs

To identify Iraq's estimated revenues and expenditures from 2005 through 2008, and Iraq's financial deposits and budget surpluses through 2008, we relied on the data sources and methodology outlined in our August 2008 report.⁴ To update 2008 revenues, we used actual crude oil export revenues data through December 2008 as reported by the Central Bank of Iraq and provided by Treasury and a December 2008 update of the IMF's forecast of net revenues from oil-related public enterprises and taxes and other revenues. To update total expenditures for 2008, we reviewed Iraqi Ministry of Finance monthly budget and expenditure data through December 2008, which were provided by Treasury.

Enclosure X: Building Iraq's Capacity to Improve Critical Service Sectors

To assess Iraq's capacity to provide essential services, we relied extensively on our prior reports and updated the information as necessary. To do so, we interviewed officials and reviewed documents from the U.S. Embassy in Baghdad, DOD, and the UN. We have determined that the data were sufficiently reliable for identifying production goals and whether actual production is meeting these goals. We updated the data on U.S. and Iraqi spending for the oil, electricity, and water sector that we used in our August 2008 report. Our data on U.S. spending includes appropriations for the Iraq Reconstruction and Relief Fund, Iraq Security Forces fund, Economic Support Fund, Commander's Emergency Response Program, Iraq Freedom Fund, Democracy Fund, other agency program funds used for Iraq activities, and operating expenses from the Coalition Provisional Authority.

Enclosure XI: Enacting Iraqi Legislation to Promote National Reconciliation

To determine progress made on actions related to Iraq's constitutional review and enacting and implementing key legislation, we used prior GAO reporting and updated information where appropriate. In updating the information, we reviewed reports and documentation and spoke with officials from the UN, the U.S. Institute for Peace, nongovernmental organizations, USAID, DOD, and State. We reviewed draft laws and enacted legislation, as well as analyses of the laws.

⁴GAO, *Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures, and Surplus*, GAO-08-1031 (Washington, D.C.: Aug. 5, 2008).

**Enclosure XII: Assisting
Iraq's Refugees**

To identify key challenges to providing humanitarian assistance and offering solutions to Iraqi refugees, we reviewed and analyzed reports and data from the U.S. government, the United Nations High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), other UN agencies, foreign governments, nongovernmental organizations (NGOs), and research institutes. During our fieldwork in Washington, D.C., we met with officials from State and the Department of Homeland Security regarding refugee assistance, refugee admissions, special immigrant visa programs, and the challenges they have encountered. We also met with research institutions and NGOs and held discussion groups with NGOs conducting work in Jordan, Syria, and Iraq to discuss strategic planning and program implementation challenges. Through our fieldwork in Geneva, Switzerland; Rome, Italy; Amman, Jordan; and Damascus, Syria, we met with officials from the U.S., Jordanian, Syrian, and Iraqi governments; UNHCR and other UN umbrella agencies, including the World Food Program and IOM; international and local NGOs; and research institutions. Also, with the help of UNHCR, we held discussion groups with Iraqi refugees in Jordan and Syria to discuss their situations, needs, assistance received, and challenges encountered. We toured and observed assistance projects and activities in resettlement processing centers. We analyzed U.S. funding, refugee admissions, and visa data, and found the data to be sufficiently reliable for the purposes of this report.

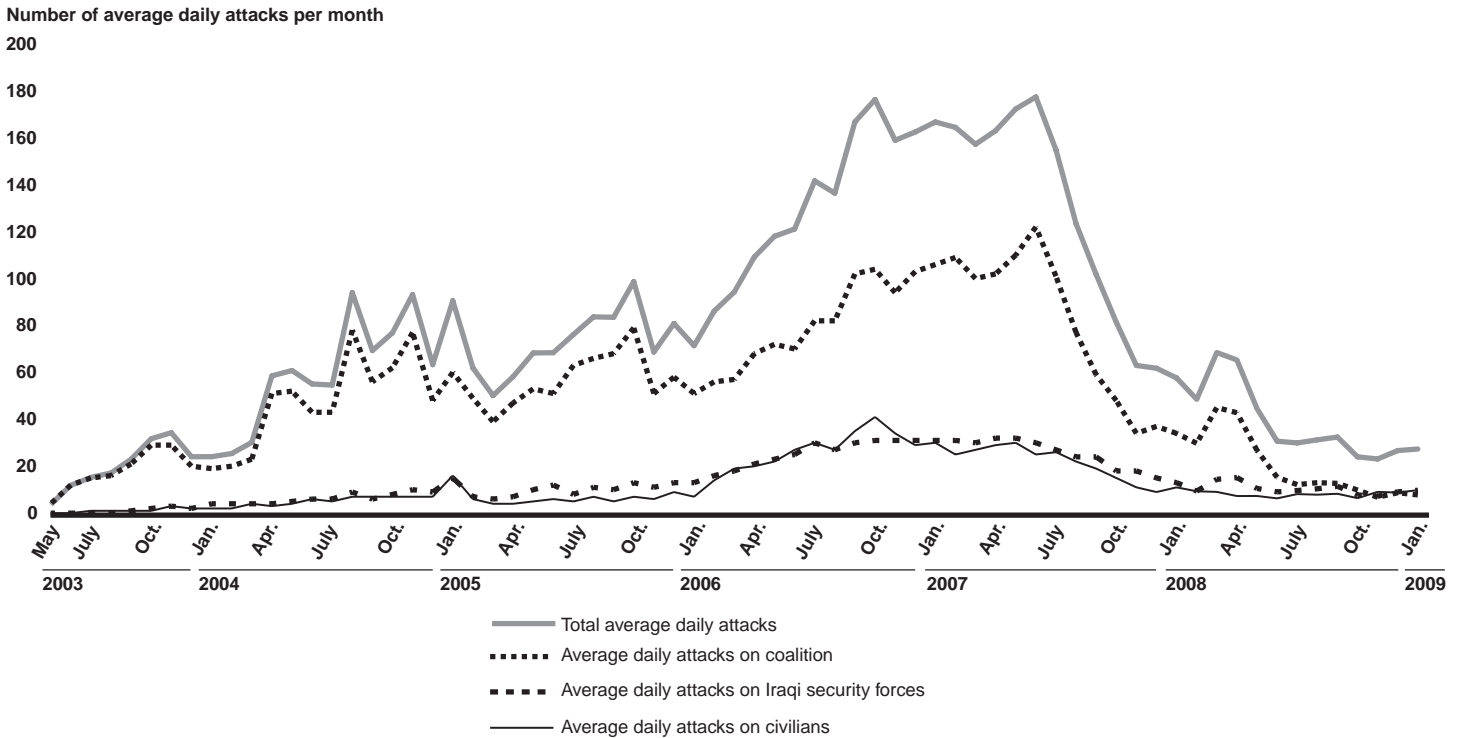
Appendix II: Levels of Violence and U.S. Force Levels in Iraq

This appendix provides information on (1) the levels of violence in Iraq, as measured through trends in enemy-initiated attacks from May 2003 through January 2009 and (2) the number of U.S. troops deployed to Iraq from January 2006 through January 2009 and projected troop levels through October 2010.

Levels of Violence

As shown in figure 1, security conditions in Iraq deteriorated following the February 2006 bombing of the Golden Mosque in Samarra, but then improved following the surge of U.S. forces in Iraq during 2007. Specifically, the average daily number of enemy-initiated attacks has declined from about 180 in June 2007 to about 25 in October 2008 and has remained about the same through January 2009. This change accounts for a decrease of about 85 percent over a period of a year and a half—primarily due to decreases in violence in Baghdad and Anbar provinces. From 2003 through 2007, enemy-initiated attacks had increased around major political and religious events, such as Iraqi elections and Ramadan. In 2007 and 2008, attacks did not significantly increase during Ramadan. According to early reporting from the Multinational Force-Iraq (MNF-I), the provincial elections in January 2009 were not associated with significant increases in violence.

Figure 1: Average Daily Enemy Initiated Attacks, May 2003 through December 2008



Source: GAO analysis of Defense Intelligence Agency-reported Multinational Force-Iraq data, January 2009.

The enemy-initiated attacks counted in the Defense Intelligence Agency’s (DIA) reporting include car, suicide, and other bombs; ambushes; murders, executions, and assassinations; sniper fire; indirect fire (mortars or rockets); direct fire (small arms or rocket-propelled grenades); surface-to-air fire (such as man-portable air defense systems, or MANPADS); and other attacks on civilians. They do not include violent incidents that coalition or Iraqi security forces initiated, such as cordon and searches, raids, arrests, and caches cleared.

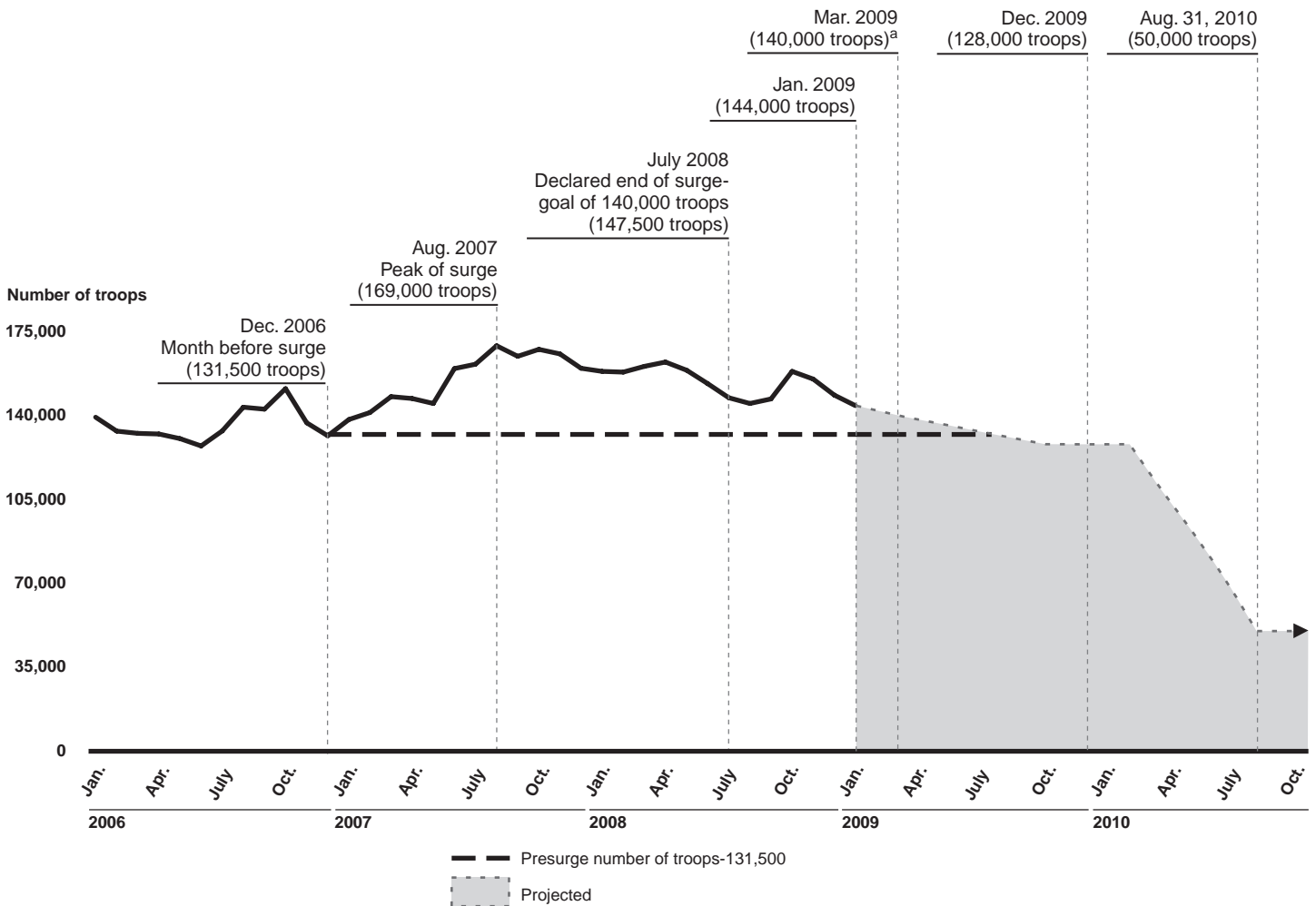
According to DIA, the incidents captured in military reporting do not account for all violence throughout Iraq. For example, they may underreport incidents of Shi’a militias fighting each other and attacks against Iraqi security forces in southern Iraq and other areas with few or no coalition forces. DIA officials stated, however, that they represent a reliable and consistent source of information that can be used to identify trends in enemy activity and the overall security situation.

Reports from the Departments of Defense (DOD) and State, as well as the United Nations, have attributed the reduction in violence since June 2007 to three key factors. First, the U.S. surge of troops allowed a change of tactics and contributed to improvements in the security environment (see the following section). Second, according to DOD and MNF-I reports, the establishment of local nongovernmental security forces that oppose al Qaeda in Iraq has helped decrease the levels of violence in parts of Iraq, most notably in Anbar province. Third, the cease-fire declared in August 2007 by Moqtada al Sadr, the leader of the Mahdi Army, an extremist Shi'a militia, contributed significantly to the decline in violence in the second half of 2007, according to DOD and UN reports.

U.S. Force Levels in Iraq

In January 2007, the prior administration called for an increase of over 20,000 U.S. combat and other forces, including an additional five brigades, to help Iraqis clear and secure neighborhoods and protect the local population. Figure 2 shows the increase of U.S. forces in Iraq from about 131,500 in December 2006 to about 169,000 in August 2007, an overall increase of about 37,500 troops—almost 30 percent above the December 2006 force level.

Figure 2: U.S. Troops in Iraq, January 2006 through October 2010



Sources: DOD, Joint Staff, and State Department data, and Presidential speech Feb. 27, 2009.

Note: Projections of troop drawdowns between March 2009 and October 2009 and between March 2010 and August 31, 2010 reflect an average rate of troop reductions over that period.

^aDOD has not yet provided the final, unclassified number of U.S. troops in Iraq for February and March 2009. The March 2009 number is based on a projection provided by DOD officials.

In September 2007, President Bush announced that the United States would draw down the surge forces by July 2008—the end of *The New Way Forward* strategy—resulting in a decline in U.S. brigade combat teams from 20 to 15 and a projected force level of about 140,000 U.S. troops. By December 2008, another brigade combat team was removed from Iraq, bringing the total number of brigade combat teams in Iraq to 14, as of March 2009. The number of U.S. troops in Iraq has remained above

projected levels for the end of the surge, and as of January 2009, there were about 144,000 U.S. troops in Iraq.

In February 2009, the President announced a significant drawdown of U.S. forces by August 31, 2010. According to DOD and MNF-I officials, the United States plans to reduce the number of combat troops from about 140,000 projected in March 2009 to about 128,000 by September 2009. This troop drawdown would represent 2 combat brigades and their support units, reducing the number of U.S. brigades from 14 to 12. Based on conditions in Iraq, the MNF-I Commanding General may recommend further reductions prior to Iraq's national election scheduled for December 2009. A few months after the election, the United States plans to further reduce U.S. forces to at most 50,000 troops by August 31, 2010. According to DOD officials, the remaining force will consist of 6 brigades and additional support units.

Appendix III: Comments from the Department of the Treasury

Note: GAO's comment supplementing those in the report text appears at the end of this appendix.



ASSISTANT SECRETARY

DEPARTMENT OF THE TREASURY
WASHINGTON

March 13, 2009

Mr. Joseph A. Christoff
Director, International Affairs and Trade
Government Accountability Office

Dear Mr. Christoff,

Thank you for the opportunity to review and comment on the March 2009 draft of the GAO's report, *Iraq – Key Issues for Congressional Oversight*. We welcome the GAO's close attention to the way forward in Iraq, and particularly the fiscal issues that impact Iraq's reconstruction, economic stability, and self-reliance. Treasury continues to be closely engaged with the Iraqi Ministry of Finance, other ministries, and the provincial governments on improving Iraq's fiscal processes to help ensure that Iraq's resources are being spent efficiently and responsibly for the betterment of the Iraqi people.

Despite lower oil prices and a changing fiscal environment, Iraq is still able to shoulder the burden of its own development, reconstruction, and security programs in 2009. The report correctly states that although Iraq's end-2008 cumulative surplus fell well short of the GAO's earlier projection of \$67-79 billion, Iraq's \$45 billion in cumulative budget surpluses will sufficiently cover the budgeted 2009 budget deficit of about \$16 billion. However, if oil prices remain at current levels, Iraq will likely have difficulty financing large fiscal deficits in 2010 and 2011, which could impact spending on security and reconstruction. Therefore, in addition to improving budget execution, Iraq will need to better prioritize spending to help maintain fiscal sustainability in the medium term.

Iraq's expenditures have increased significantly in 2008

The report is correct to point out that Iraq's inability to fully execute its budgets hampers the government's efforts to further reconstruction and economic growth. But the report should draw attention to the significant improvements Iraq has recently made in budget execution. In 2008, Iraq made the following improvements in budget execution, particularly in spending its investment budget.

- Iraq spent \$50 billion in 2008, compared to just \$27 billion in 2007 (an 86% increase). While public sector wage increases contributed to the higher spending, spending on goods and services and investment projects also increased substantially. In Iraqi dinar terms, government spending increased by 77%, taking into account the 5% appreciation of the Iraqi dinar in 2008.
- Iraq's investment spending was almost \$9 billion in 2008, which is 150% greater than 2007 investment spending. Including commitments, total investment spending in 2008 likely approached \$12 billion (compared to roughly \$6 billion in 2007).

See comment 1.

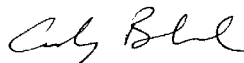
- Iraq approved one-third of the investment budget in the August 2008 supplemental. Fully executing the original budget plus the supplemental by the end of the year would be very ambitious by any standard.

Integrated strategy to help improve Iraq's budget execution

Nonetheless, Iraq has further work to do to improve its ability to spend its own resources promptly and effectively. This issue remains a key priority for Treasury. We appreciate the report's highlighting of Treasury's work with the Embassy to deliver coordinated technical assistance to help improve Iraqi budget execution. The U.S. Government created the Public Financial Management Action Group (PFMAG) to better integrate the many U.S. civilian and military parties active in budget execution assistance. The group is dedicated to achieving four goals that are critical to facilitating Iraq's reconstruction:

- Partnering with the Iraqis to mobilize Iraq's substantial financial resources;
- Supporting budget formulation and execution through a broad-based engagement with ministries, provincial governments, and other spending units;
- Facilitating the development of a coherent budgetary framework in Iraq, incorporating municipal, provincial, and ministerial spending; and
- Integrating coalition public financial technical assistance into a coherent capacity-building effort across all levels of the Iraqi Government.

Treasury's technical advisors are a critical piece of the PFMAG, as they work with Iraqi officials at the ministries, at the Council of Representatives, and in the provinces to help achieve these stated goals. Treasury's cadre of technical advisors will continue to support the Iraqis in 2009 as the Iraqis further develop their budget formulation, execution, and monitoring processes. However, Treasury agrees with the GAO's assertion that agencies may need to reassess staffing levels if they are required to pay ICASS costs related to security and other expenses.



Andy Baukol
Acting Assistant Secretary for International Affairs
U.S. Department of the Treasury

The following is GAO's comment to the Department of the Treasury's letter dated March 13, 2009.

GAO Comment

1. GAO's estimate of Iraq's cumulative surplus differs from the Department of the Treasury's estimate because we use different sources to determine a small a portion of Iraq's 2008 government revenues—specifically, non-oil export related revenues. GAO and Treasury both use data from the Central Bank of Iraq concerning revenue generated from exports of crude oil, which represents about 90 percent of the government's revenue. However, GAO uses the International Monetary Fund's estimate of Iraq's government revenue that is derived from all other sources, such as oil-related public enterprises and taxes. In contrast, Treasury is utilizing information gathered by the U.S. Embassy in Baghdad. GAO asked Treasury officials for documentation validating their estimate, but they could not do so in time for this report's publication. GAO will work with Treasury to validate the Ministry of Finance's data for subsequent work in this area.

Appendix IV: Related GAO Products

Letter and Enclosure I: Determining What Conditions Need to Be Met to Undertake a Responsible Drawdown of U.S. Forces

Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed. [GAO-08-837](#). Washington, D.C.: June 23, 2008.

Stabilizing Iraq: DOD Should Identify and Prioritize the Conditions Necessary for the Continued Drawdown of U.S. Forces in Iraq. [GAO-08-700C](#). Washington, D.C.: June 2008.

Operation Iraqi Freedom: DOD Assessment of Iraqi Security Forces' Units as Independent Not Clear Because ISF Support Capabilities Are Not Fully Developed. [GAO-08-143R](#). Washington, D.C.: November 30, 2007.

Stabilizing and Rebuilding Iraq: U.S. Ministry Capacity Development Efforts Need an Overall Integrated Strategy to Guide Efforts and Manage Risk. [GAO-08-117](#). Washington, D.C.: October 1, 2007.

Securing, Stabilizing, and Rebuilding Iraq: Iraqi Government Has Not Met Most Legislative, Security, and Economic Benchmarks. [GAO-07-1195](#). Washington, D.C.: September 4, 2007.

Rebuilding Iraq: More Comprehensive National Strategy Needed to Help Achieve U.S. Goals. [GAO-06-788](#). Washington, D.C.: July 11, 2006.

Plans for Stabilizing Iraq. [GAO-06-152C](#). Washington, D.C.: October 18, 2006.

Rebuilding Iraq: DOD Reports Should Link Economic, Governance, and Security Indicators to Conditions for Stabilizing Iraq. [GAO-05-868C](#). Washington, D.C.: September 29, 2005.

Enclosure II: Implementing Key Operational Requirements of the U.S.- Iraq Security Agreement

Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed. [GAO-08-1021T](#). Washington, D.C.: July 23, 2008.

Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed. [GAO-08-837](#). Washington, D.C.: June 23, 2008.

Securing, Stabilizing, and Rebuilding Iraq: Key Issues for Congressional Oversight. [GAO-07-308SP](#). Washington, D.C.: January 9, 2007.

Enclosure III: Managing the Redeployment of U.S. Forces and Equipment from Iraq

Operation Iraqi Freedom: Actions Needed to Enhance DOD Planning for Reposturing of U.S. Forces from Iraq. [GAO-08-930](#). Washington, D.C.: September 10, 2008.

Enclosure IV: Managing and Overseeing U.S. Government Contractors in Iraq during a Drawdown

Contract Management: DOD Developed Draft Guidance for Operational Contract Support but Has Not Met All Legislative Requirements. [GAO-09-114R](#). Washington, D.C.: November 20, 2008.

Contingency Contracting: DOD, State, and USAID Contracts and Contractor Personnel in Iraq and Afghanistan. [GAO-09-19](#). Washington, D.C.: October 1, 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-08-966](#). Washington, D.C.: July 31, 2008.

Defense Management: DOD Needs to Reexamine Its Extensive Reliance on Contractors and Continue to Improve Management and Oversight. [GAO-08-572T](#). Washington, D.C.: March 11, 2008.

Military Operations: Implementation of Existing Guidance and Other Actions Needed to Improve DOD's Oversight and Management of Contractors in Future Operations. [GAO-08-436T](#). Washington, D.C.: January 24, 2008.

Enclosure V: Determining the Department of Defense's Future Costs for Iraq

Global War on Terrorism: Reported Obligations for the Department of Defense. [GAO-09-233R](#). Washington, D.C.: December 15, 2008.

Enclosure VI: Transitioning from a Predominantly Military to a Civilian Presence in Iraq

Provincial Reconstruction Teams in Afghanistan and Iraq. [GAO-09-86R](#). Washington, D.C.: October 1, 2008.

Military Operations: Actions Needed to Better Guide Project Selection for Commander's Emergency Response Program and Improve Oversight in Iraq. [GAO-08-736R](#). Washington, D.C.: June 23, 2008.

Stabilizing Iraq: DOD Cannot Ensure That U.S.-Funded Equipment Has Reached Iraqi Security Forces. [GAO-07-711](#). Washington, D.C.: July 31, 2007.

Enclosure VII: Rightsizing the U.S. Civilian Presence in Iraq

Provincial Reconstruction Teams in Afghanistan and Iraq. [GAO-09-86R](#). Washington, D.C.: October 1, 2008.

Embassy Construction: State Has Made Progress Constructing New Embassies, but Better Planning Is Needed for Operations and Maintenance Requirements. [GAO-06-641](#). Washington, D.C.: June 30, 2006.

Overseas Staffing: Rightsizing Approaches Slowly Taking Hold but More Action Needed to Coordinate and Carry Out Efforts. [GAO-06-737](#). Washington, D.C.: June 30, 2006.

Embassy Management: Actions Are Needed to Increase Efficiency and Improve Delivery of Administrative Support Services. [GAO-04-511](#). Washington, D.C.: September 7, 2004.

Overseas Presence: Rightsizing Is Key to Considering Relocation of Regional Staff to New Frankfurt Center. [GAO-03-1061](#). Washington, D.C.: September 2, 2003.

Overseas Presence: Rightsizing Framework Can Be Applied at U.S. Diplomatic Posts in Developing Countries. [GAO-03-396](#). Washington, D.C.: April 7, 2003.

Overseas Presence: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives. [GAO-02-780](#). Washington, D.C.: July 26, 2002.

**Enclosure VIII:
Considering the Level of
Engagement of the
International Community**

Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures, and Surplus. [GAO-08-1031](#). Washington, D.C.: August 5, 2008.

Stabilizing and Rebuilding Iraq: Coalition Support and International Donor Commitments. [GAO-07-827T](#). Washington, D.C.: May 9, 2007.

Rebuilding Iraq: International Donor Pledges for Reconstruction Efforts in Iraq. [GAO-08-365R](#). Washington, D.C.: December 18, 2007.

Rebuilding Iraq: Status of Funding and Reconstruction Efforts. [GAO-05-876](#). Washington, D.C.: July 28, 2005.

Rebuilding Iraq: Resource, Security, Governance, Essential Services, and Oversight Issues. [GAO-04-902R](#). Washington, D.C.: June 28, 2004.

Enclosure IX: Building Iraq's Capacity to Assume a Greater Cost Share of Its Security, Reconstruction, and Economic Needs

Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures and Surplus. [GAO-08-1144T](#). Washington, D.C.: September 16, 2008.

Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures, and Surplus. [GAO-08-1031](#). Washington, D.C.: August 5, 2008.

Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed. [GAO-08-837](#). Washington, D.C.: June 23, 2008.

Stabilizing and Rebuilding Iraq: Actions Needed to Address Inadequate Accountability over U.S. Efforts and Investments. [GAO-08-568T](#). Washington, D.C.: March 11, 2008.

Iraq Reconstruction: Better Data Needed to Assess Iraq's Budget Execution. [GAO-08-153](#). Washington, D.C.: January 15, 2008.

Stabilizing and Rebuilding Iraq: U.S. Ministry Capacity Development Efforts Need an Overall Integrated Strategy to Guide Efforts and Manage Risk. [GAO-08-117](#). Washington, D.C.: October 2007.

Enclosure X: Building Iraq's Capacity to Improve Critical Service Services

Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures, and Surplus. [GAO-08-1031](#). Washington, D.C.: August 5, 2008.

Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed. [GAO-08-837](#). Washington, D.C.: June 23, 2008.

Military Operations: Actions Needed to Better Guide Project Selection for Commander's Emergency Response Program and Improve Oversight in Iraq. [GAO-08-736R](#). Washington, D.C.: June 23, 2008.

Rebuilding Iraq: Integrated Strategic Plan Needed to Help Restore Iraq's Oil and Electricity Sectors. [GAO-07-677](#). Washington, D.C.: May 15, 2007.

Rebuilding Iraq: Resource, Security, Governance, Essential Services, and Oversight Issues. [GAO-04-902R](#). Washington, D.C.: June 28, 2004.

Enclosure XI: Enacting Iraqi Legislation to Promote National Reconciliation

Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed. [GAO-08-837](#). Washington, D.C.: June 23, 2008.

Enclosure XII: Assisting Iraq's Refugees

Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed. [GAO-08-837](#). Washington, D.C.: June 23, 2008.

Securing, Stabilizing, and Rebuilding Iraq: Key Issues for Congressional Oversight. [GAO-07-308SP](#). Washington, D.C.: January 9, 2007.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

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In addition, the following staff contributed to the report: Judith McCloskey, Assistant Director; Johana Ayers; Kathryn Bernet; Margaret Best; Ann Borseth; Monica Brym; Burns Chamberlain; Joseph Carney; Carole Coffey; Lynn Cothorn; Martin de Alteriis; Timothy DiNapoli; Walker Fullerton; Richard Geiger; Rhonda Horried; John Hutton; Bruce Kutnick; Drew Lindsey; Guy Lofaro; Mae Liles; Tetsuo Miyabara; Kathleen Monahan; Mary Moutsos; Valérie Nowak; Suzanne Perkins; Jason Pogacnik; Michael Rohrback; Audrey Solis; and William Solis. In addition, Kathleen Arredondo provided technical assistance.

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