



Highlights of [GAO-08-837](#), a report to congressional committees

## Why GAO Did This Study

Since 2001, Congress has appropriated about \$640 billion for the global war on terrorism, the majority of this for operations in Iraq. In January 2007, the President announced *The New Way Forward* to stem violence in Iraq and enable the Iraqi government to foster national reconciliation. This new strategy established goals and objectives to achieve over 12 to 18 months, or by July 2008.

GAO discusses progress in meeting key goals in *The New Way Forward*: (1) improve security conditions; (2) develop capable Iraqi security forces; and help the Iraqi government (3) enact key legislation, (4) spend capital budgets, and (5) provide essential services. GAO also discusses U.S. strategies for Iraq.

GAO reviewed documents and interviewed officials from U.S. agencies, the United Nations, and the Iraqi government. GAO also had staff stationed in Baghdad. Since May 2003, GAO has issued over 130 Iraq-related audits, which provided baseline information for this assessment. GAO prepared this report under the Comptroller General's authority.

## What GAO Recommends

GAO recommends that the Departments of Defense and State, in conjunction with relevant U.S. agencies, develop an updated strategy for Iraq that defines U.S. goals and objectives after July 2008 and addresses the long-term goal of achieving an Iraq that can govern, defend, and sustain itself.

To view the full product, including the scope and methodology, click on [GAO-08-837](#). For more information, contact Joseph A. Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

# SECURING, STABILIZING AND REBUILDING IRAQ

## Progress Report: Some Gains Made, Updated Strategy Needed

### What GAO Found

*The New Way Forward* responded to failures in prior strategies that prematurely transferred security responsibilities to Iraqi forces or belatedly responded to growing sectarian violence. Overall violence, as measured by enemy-initiated attacks, fell about 70 percent in Iraq, from about 180 attacks per day in June 2007 to about 50 attacks per day in February 2008. Security gains have largely resulted from (1) the increase in U.S. combat forces, (2) the creation of nongovernmental security forces such as Sons of Iraq, and (3) the Mahdi Army's declaration of a cease fire. Average daily attacks were at higher levels in March and April before declining in May 2008. The security environment remains volatile and dangerous. The number of trained Iraqi forces has increased from 323,000 in January 2007 to 478,000 in May 2008; many units are leading counterinsurgency operations. However, the Department of Defense reported in March 2008 that the number of Iraqi units capable of performing operations without U.S. assistance has remained at about 10 percent. Several factors have complicated the development of capable security forces, including the lack of a single unified force, sectarian and militia influences, and continued dependence on U.S. and coalition forces.

The Iraqi government has enacted key legislation to return some Ba'athists to government, give amnesty to detained Iraqis, and define provincial powers. However, it has not yet enacted other important legislation for sharing oil resources or holding provincial elections. Efforts to complete the constitutional review have also stalled. A goal of *The New Way Forward* was to facilitate the Iraqis' efforts to enact all key legislation by the end of 2007.

Between 2005 and 2007, Iraq spent only 24 percent of the \$27 billion it budgeted for its own reconstruction efforts. More specifically, Iraq's central ministries, responsible for security and essential services, spent only 11 percent of their capital investment budgets in 2007—down from similarly low rates of 14 and 13 percent in the 2 prior years. Violence and sectarian strife, shortage of skilled labor, and weak procurement and budgeting systems have hampered Iraq's efforts to spend its capital budgets.

Although oil production has improved for short periods, the May 2008 production level of about 2.5 million barrels per day (mbpd) was below the U.S. goal of 3 mbpd. The daily supply of electricity met only about half of demand in early May 2008. Conversely, State reports that U.S. goals for Iraq's water sector are close to being reached. The unstable security environment, corruption, and lack of technical capacity have contributed to the shortfalls.

The Departments disagreed with our recommendation, stating that *The New Way Forward* strategy remains valid but the strategy shall be reviewed and refined as necessary. We reaffirm the need for an updated strategy given the important changes that have occurred in Iraq since January 2007. An updated strategy should build on recent gains, address unmet goals and objectives and articulate the U.S. strategy beyond July 2008.