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Iraq After the Election: Meeting the Challenges of 2010

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Key Challenges

Key Challenges in 2010

- Paralysis by democracy : lack of national unity government
- Lack of government effectiveness and capacity at every level
- Remnants of insurgency and possible revival
- Sectarian and ethnic challenges
- Budget crisis, crippled economy, loss of foreign aid
- Halt in progress in developing Iraqi security forces
- Coming US withdrawal
- Uncertain neighbors

Key Rivals in the Election



Election Results

- **Strong nationalist, anti-incumbent vote, but still strong sectarian and ethnic character.**
- **Maliki's State of Law Party (89 seats and 27.4% of the vote),**
- **Allawi's Iraqiya (91 seats and 28% of the vote) and**
- **Hakim-Jafaari-Sadr coalition in the Iraqi National Alliance (70 seats and 21.5% of the vote).**
 - **Sadrists get nearly 60% of the seats within the INA – approximately 39 seats versus 9 for Badr, 8 for ISCI, 1 for Jaafari, 6 for Fadhilla, and 5 for other candidates.**
- **Kurdish vote shows considerable unity of PUK and KDP. (seats and % of vote.)**
- **Iraq's Unity Alliance (Bulani) is major loser.**
- **Both MoD and MoI lose, as does head of Accountability Commission**

Paralysis by Democracy : One Model of Election Gap

TIME LINE OF THE GOVERNANCE GAP

EVENT	TIME PERIOD	CONSTITUTIONAL AUTHORITY
Preliminary election results	4 days after election	
Uncertified official results	15 days after election	All election inquiries resolved by Iraq's Higher Judicial Council (HJC)
Certified official results	Pending recount	HJC certifies the election
CoR convenes	15 days after certification of the election	Article 54: Eldest member shall chair the first session to elect the speaker and two deputies
CoR Speaker elected	During first session of the CoR	Article 55: Elected by absolute majority of secret balloting
President elected	No set deadline	Article 70: Elected by 2/3 majority. If no candidate receives required majority, two candidates with highest number of votes compete; majority vote wins.
Presidential charge to form government	Within 15 days of President's election	Article 76: President asks the largest CoR bloc to nominate a candidate for Prime Minister
Prime Minister-designate names Council of Ministers	Within 30 days of designation	Article 76: If Prime Minister-designate fails to name CoM within this time period, the President shall charge a new nominee for Prime Minister
Prime Minister-designate puts forth Council of Ministers and ministerial program for approval	No set deadline	Article 26: If they do not receive a vote of confidence, the President must ask a new nominee to form the CoM within 15 days.

Sources: Institute for the Study of War, "Process of Government Formation," 3/11/2010; UNAMI, "Iraqi Constitution," www.uniraq.org/documents/iraqi_constitution.pdf, accessed 4/16/2010.

Action	Time Frame (in Days)	
	Phase	Cumulative
Special needs voting and Election Day	3	3
Tally of results and preliminary results	4-7	7-10
Complaints and adjudications: Provisional Results	20	27
Appeals and Certification of Results	50	77
First Session of Council of Republic; negotiations for selection of Speaker (maximum of 30 days after certification)	21	98
Speaker elected	30	128
Council of the Republic elects President and other members of the Presidential Council	30	158
Prime Minister nominated (maximum of 15 days)	15	173
Prime Minister picks Council of Ministers. (maximum of 30 days)	30	203
Prime Minister and Council of Ministers sworn in. (Presidential Council must designate new Prime Minister in	30	238

Iraqi Governance: The Problem of Creating an Effective Cabinet and National Leadership

Chiefs of State and Cabinet Members

Pres.	Jalal TALABANI
Vice Pres.	Adil ABD AL-MAHDI
Vice Pres.	Tariq al-HASHIMI
Prime Min.	Nuri al-MALIKI
Dep. Prime Min.	Rafi al-ISSAWI
Dep. Prime Min.	Rowsch Nuri SHAWAYS
Min. of Agriculture	
Min. of Communications	Faruq ABD AL-QADIR Abd al-Rahman
Min. of Culture	Mahar Dilli al-HADITHI
Min. of Defense	Abd al-Qadir Muhammad al-MUFRIJI
Min. of Displacement & Migration	Abd al-Samad SULTAN
Min. of Education	Khudayr al-KHUZAI
Min. of Electricity	Karim Wahid al-HASAN
Min. of Environment	Nermin OTHMAN
Min. of Finance	Bayan Baqir JABR Sulagh al-Zubaydi
Min. of Foreign Affairs	Hoshiyar Mahmud ZEBARI
Min. of Health	Salih Mahdi Mutlab al-HASNAWI
Min. of Higher Education	Abid Dhiyab al-UJAYLI
Min. of Housing & Construction	Bayan DIZAYEE
Min. of Human Rights	Wijdan Mikhail SALIM
Min. of Industry & Minerals	Fawzi al-HARIRI
Min. of Interior	Jawad Karim al-BULANI

Min. of Justice	Dara NUR AL-DIN
Min. of Labor & Social Affairs	Mahmud Muhammad Jawad al-RADI
Min. of Municipalities & Public Works	Riyadh GHARIB
Min. of Oil	Husayn al-SHAHRISTANI
Min. of Planning	Ali BABAN
Min. of Science & Technology	Raid Fahmi JAHID
Min. of Trade	
Min. of Transportation	Amir Abd al-Jabar ISMAIL
Min. of Water Resources	Latif RASHID
Min. of Youth & Sports	Jasim Muhammad JAFAR
Min. of State for Civil Society Affairs	Thamir Jafar al-ZUBAYDI
Min. of State for Council of Representatives Affairs	Safa al-Din al-SAFI
Min. of State for Foreign Affairs	Muhammad Munajid al-DULAYMI
Min. of State for National Dialogue	Akram al-HAKIM
Min. of State for National Security	Shirwan al-WAILI
Min. of State for Provinces	Khulud Sami Izara al-MAJUN
Min. of State for Tourism & Antiquities	Qahtan Abbas al-JABBURI
Min. of State for Women's Affairs (Acting)	Khulud Sami Izara al-MAJUN
Min. of State Without Portfolio	Ali Muhammad AHMAD
Min. of State Without Portfolio	Hasan Radhi Kazim al-SARI
Min. of State Without Portfolio	Muhammad Abbas al-URAYBI
Governor, Central Bank of Iraq	Sinan Muhammad Ridha al-SHABIBI

Once a Government Exists: Iraq: Key Challenges in 2010-2011

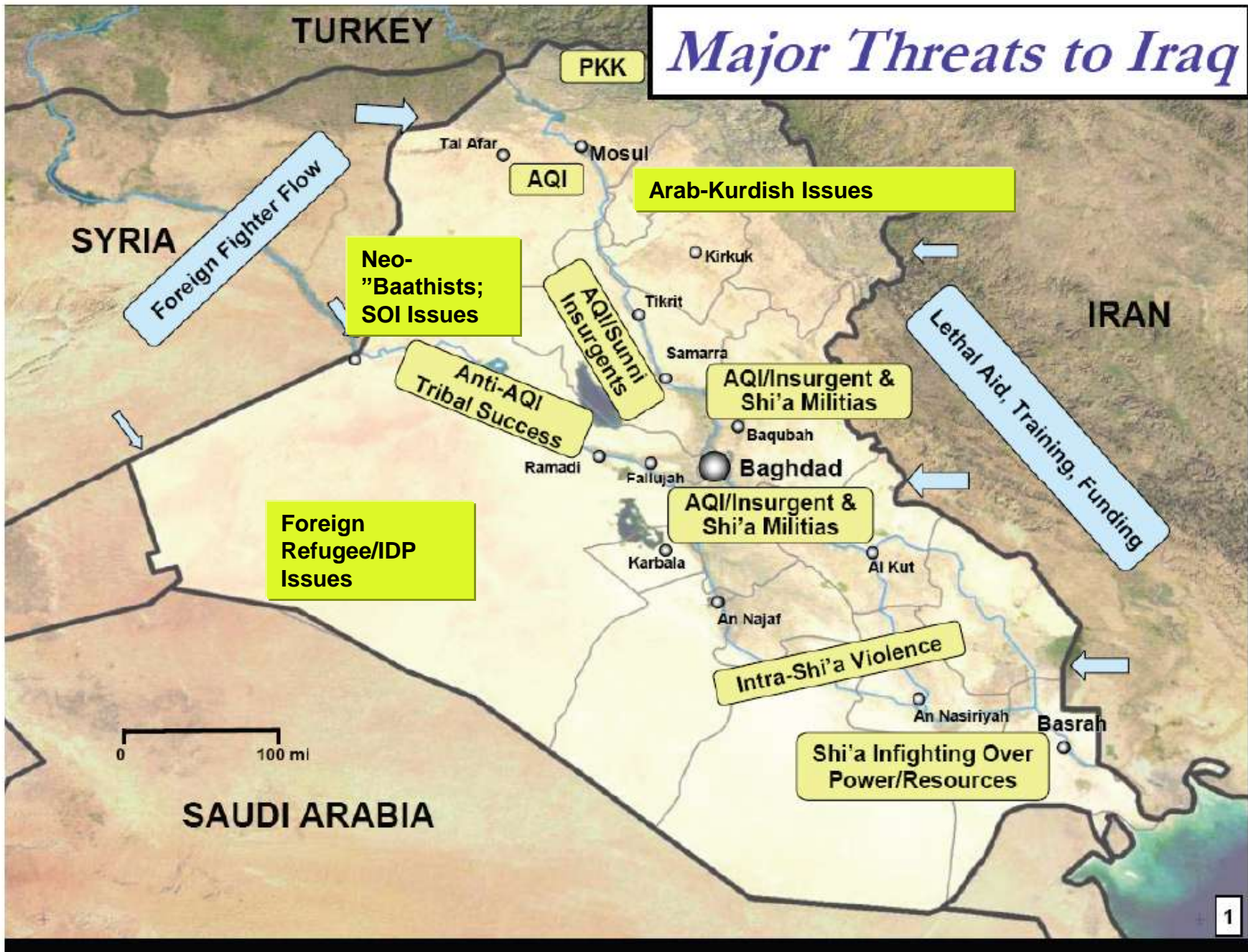
- Revitalize effort to develop effective the Iraqi security forces.
- Resolve the problems left over from the fact that the 2009 budget expired without funding a wide range of projects, deal with the deficit problems in the 2010 budget, and put the 2011 budget on a more stable path.
- Move towards an effective rule of civil law that adapts Iraq's "confession-based" legal system; and find an effective balance between the judiciary and police
- Perform triage between the mix of Iraqi government projects and the results of US and other foreign aid efforts to ensure the best aid projects are effectively transferred and sustained..
- Find some compromise between Arab and Kurd that at least buys time for a broad, negotiated political settlement,.
- Find ways to ease the tensions between Arab Sunni and Arab Shi'ite that were exacerbated by the election campaign and new de-Ba'athification efforts.
- Deal with the past failure to create effective programs to deal with internally displaced Iraqis and Iraqi refugees outside Iraq.
- Move forward to ensure that the petroleum contracts signed in 2009 are fully supported by the new government.
- Make similar reforms to provide incentives for private and foreign investment that are competitive with those offered by other Gulf states.
- Define the practical relations Iraq will have with the United States as part of the Strategic Framework Agreement for both civil and military aid and relations before US forces fully withdraw, and in time to set clear goals for US aid funding to Iraq in the FY2012 budget.

Iraq: Key Challenges in 2012 and Beyond

- Complete the constitutional and legal basis for Arab and Kurdish political accommodation; move towards truly “national” treatment of Sunni and Shi’ite.
- Stable planning and funding of economic and infrastructure development.
- Fully shift away from outside aid; create stable planning, spending, and control of budget without major deficits.
- Creation of jobs for steadily growing population. Rise in per capita income from 160th to Gulf standards, better distribution of income.
- Structural reform of agriculture
- Long-term solutions to water problems.
- Conversion-modernization-privatization of state industries.
- Full legislation and liberalization to attract foreign and domestic investment.
- Reconstruction and modernization of upstream and downstream petroleum sector; pipelines and Gulf facilities; stable Iraqi-foreign company partnership.
- Make Ministries effective; revitalize health and education sectors.
- Deal with foreign refugees and internally displaced persons.
- Shift and downsizing of Iraqi military from counterinsurgency to deterrence and defence against foreign threats.
- Shift of police and security forces from counterinsurgency to rule of law; checks on corruption and organization crime.

Iraq: Underlying Challenges to Security and Stability

Major Threats to Iraq



Sectarian, Ethnic, and Tribal Challenges – Pre Census “Guesstimates”

◆ *Sectarian Challenges*

• *Iraq: 60-65% Shi'a, 32-37% Sunni, 3% Christian or Other*

◆ *Ethnic Challenges*

• *Iraq: Arab 75-82%, Kurdish 13-20%, Turcoman, Assyrian & Other 3%*

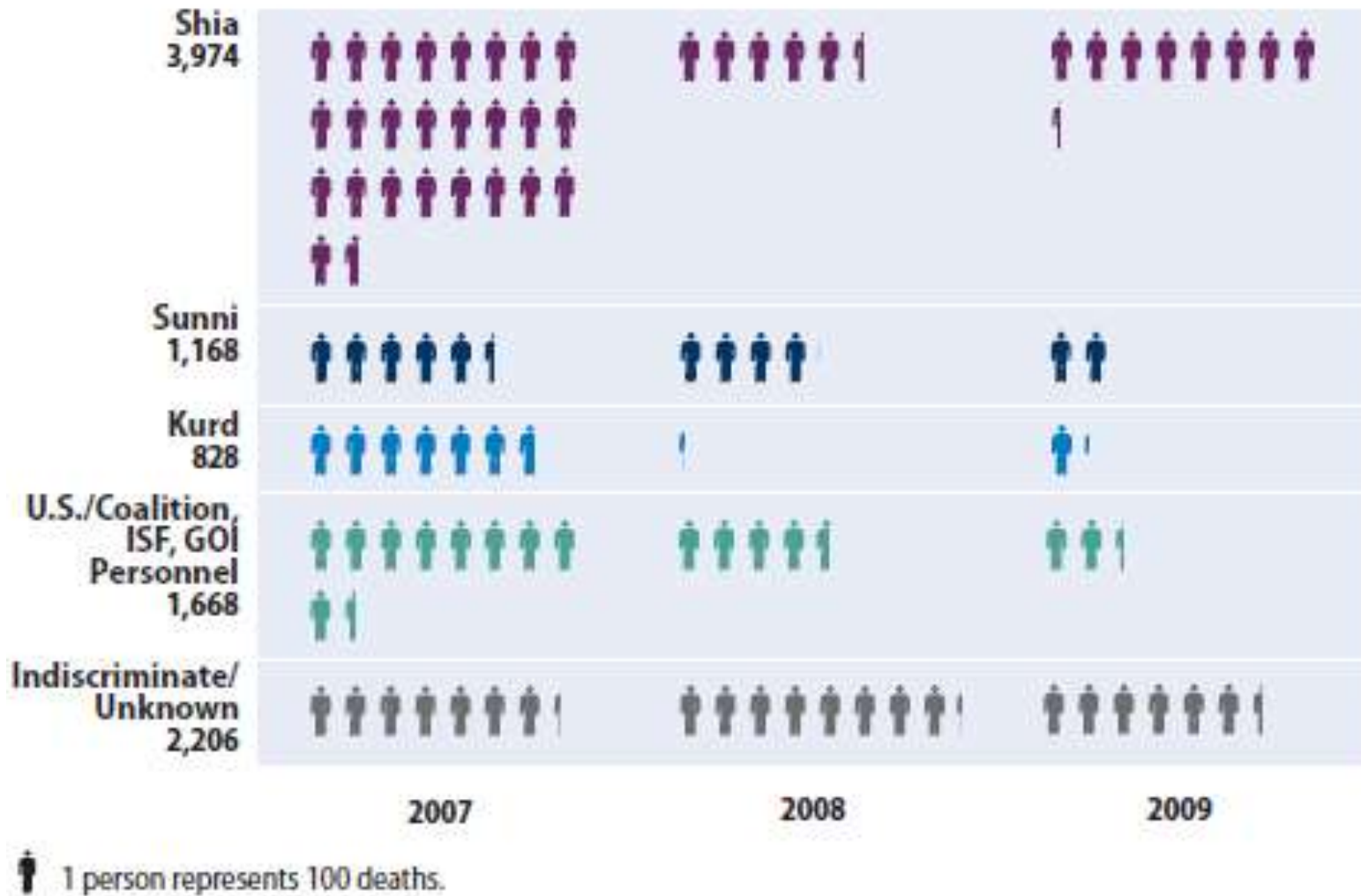
◆ *Tribal Challenges*

• *Iraq: Confederations, broad area, heavily urbanized.*

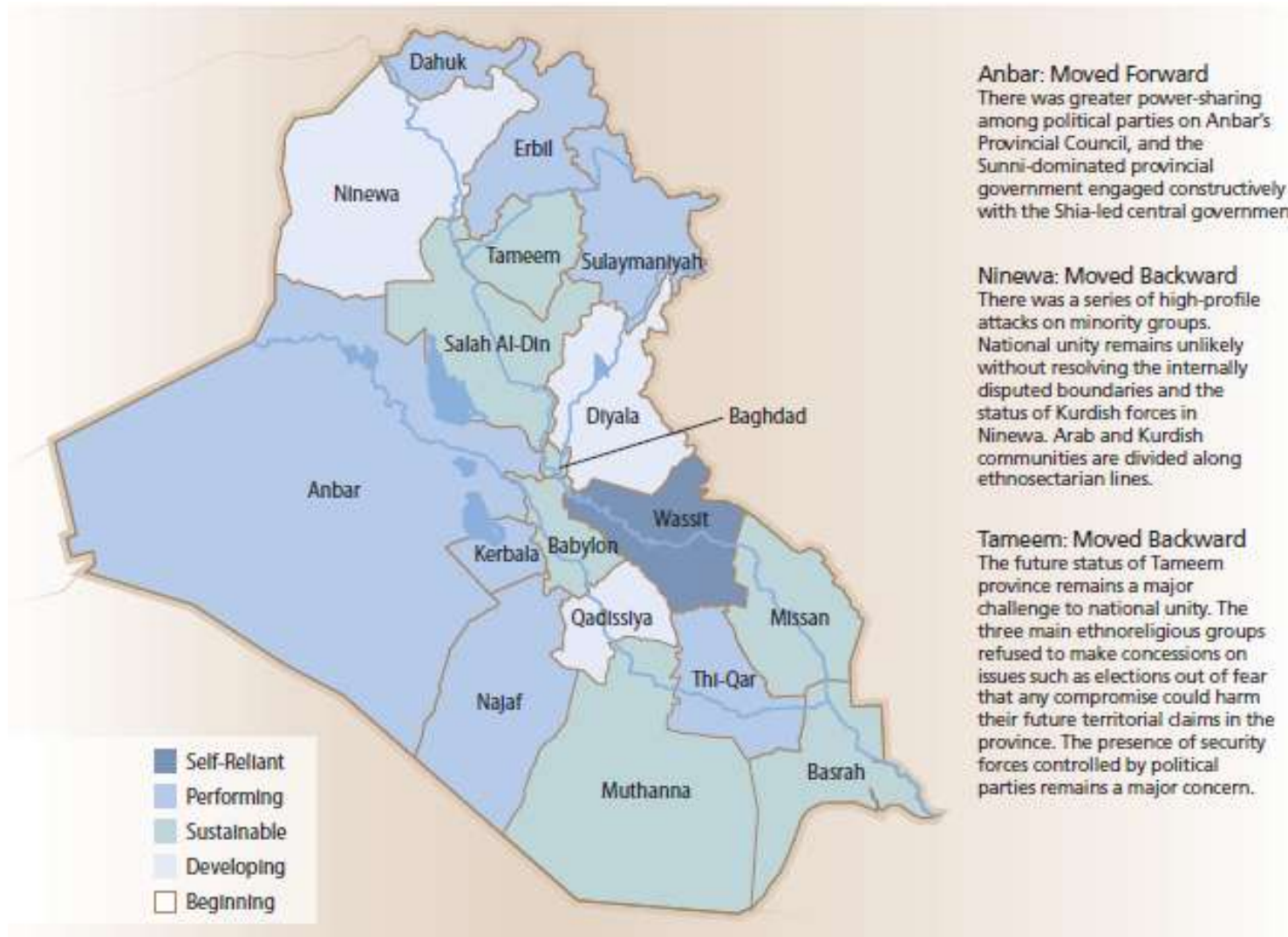
Iraqi Ethnic Divisions



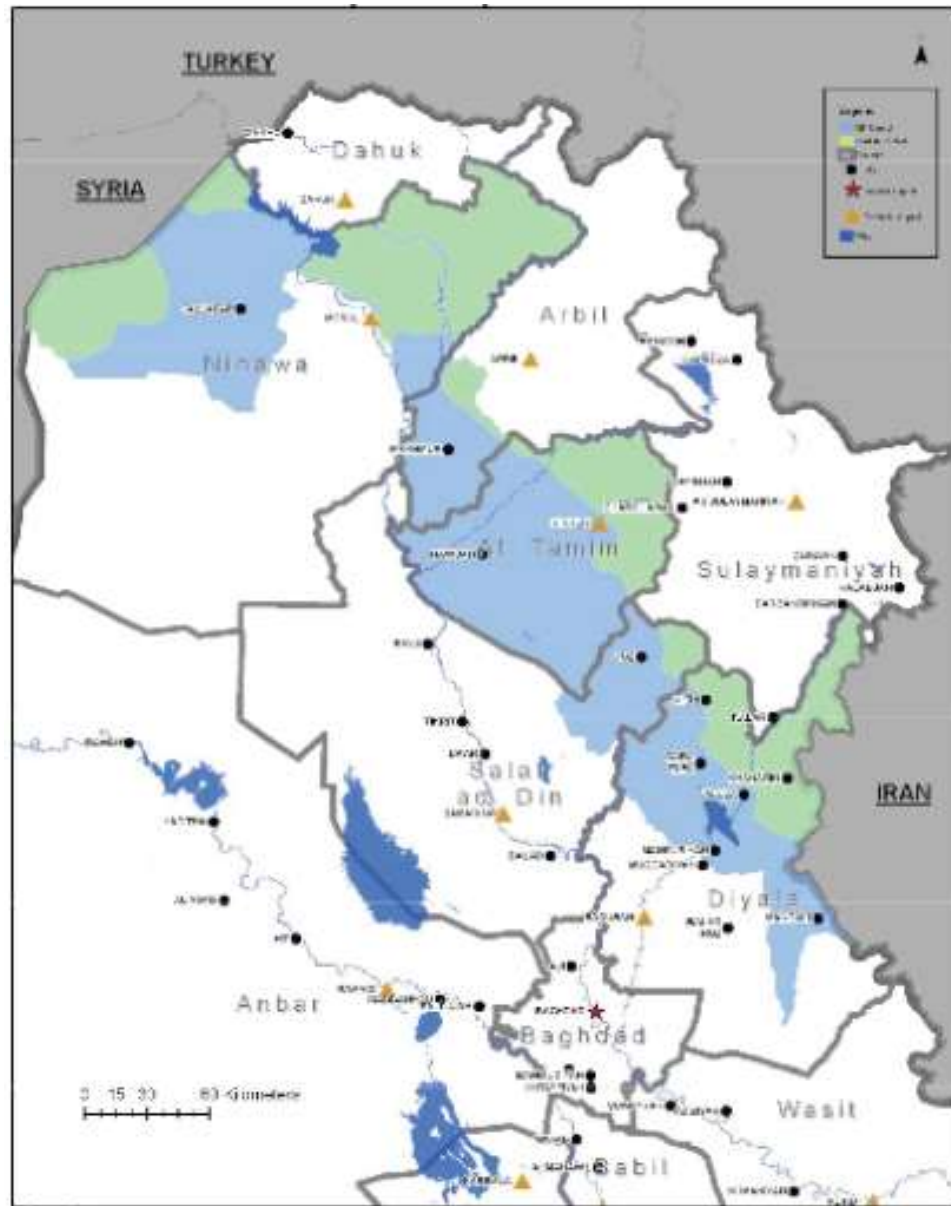
Who Has Been the Target: 2007-2009



Iraq: Trends Towards National Unity

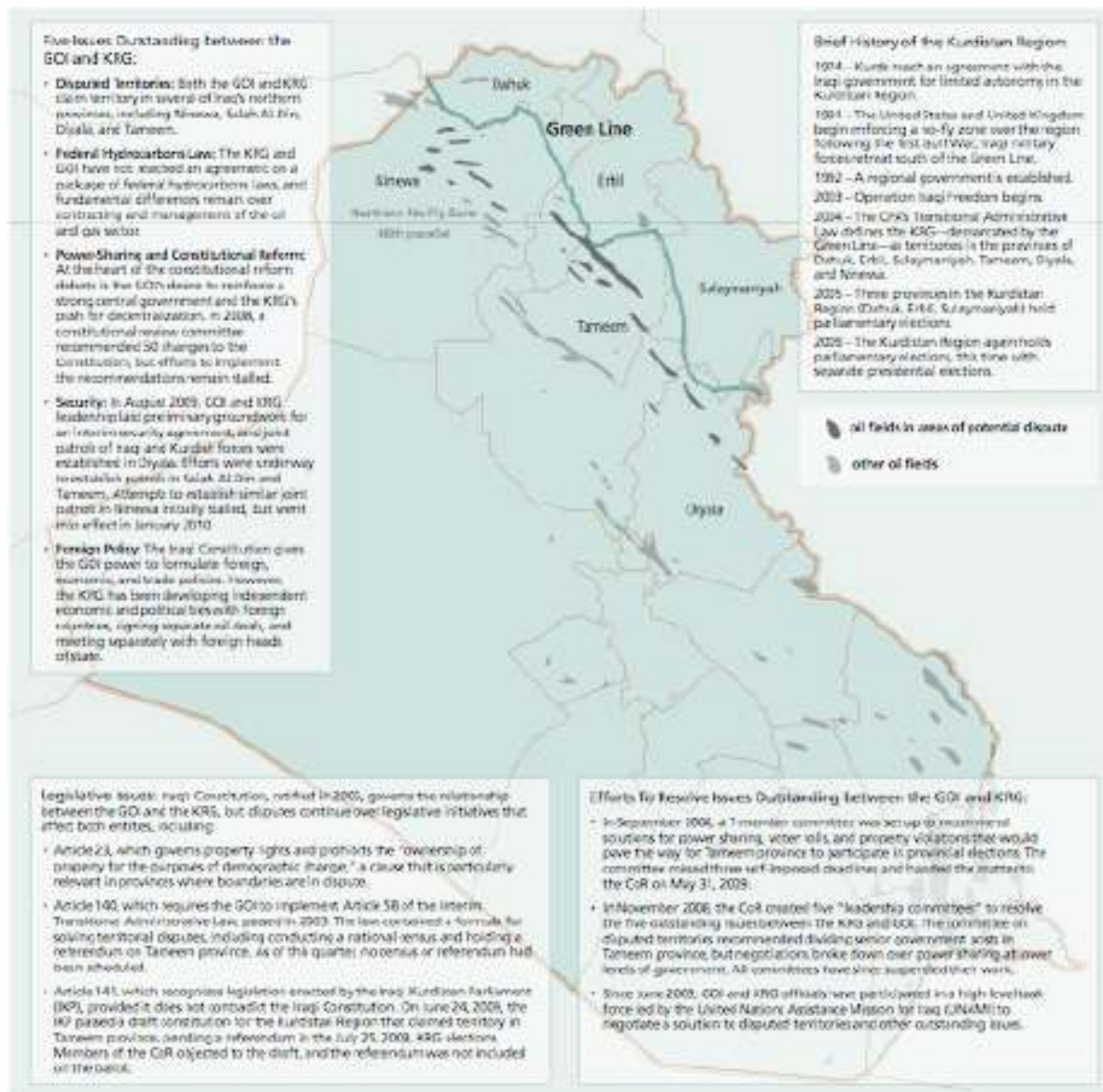


Iraq-Kurd Disputed Territory

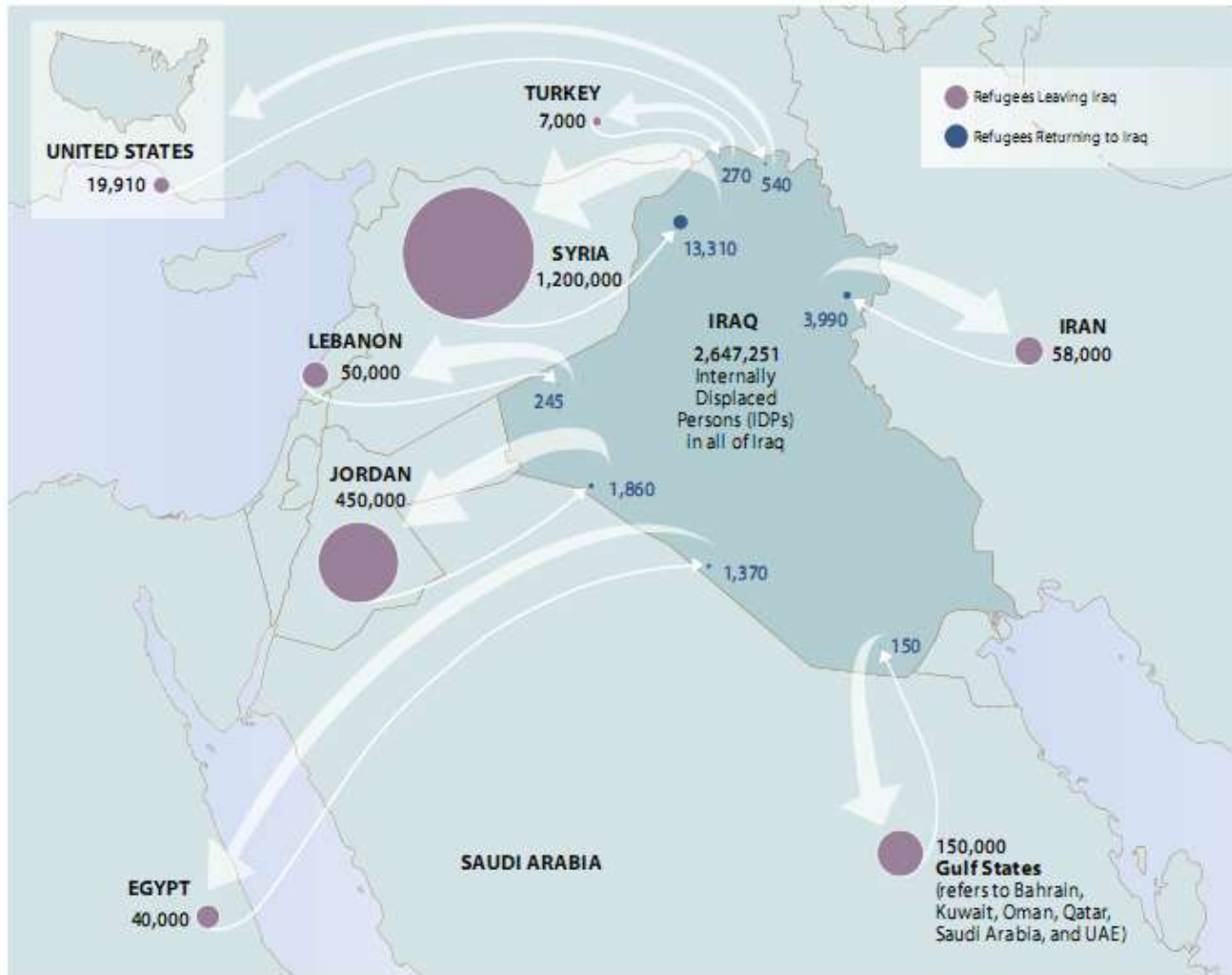


Source: USCENTCOM 9.28.09

Iraq: “The Kurdish Issue”



Iraq: The Overall Displaced Persons Challenge



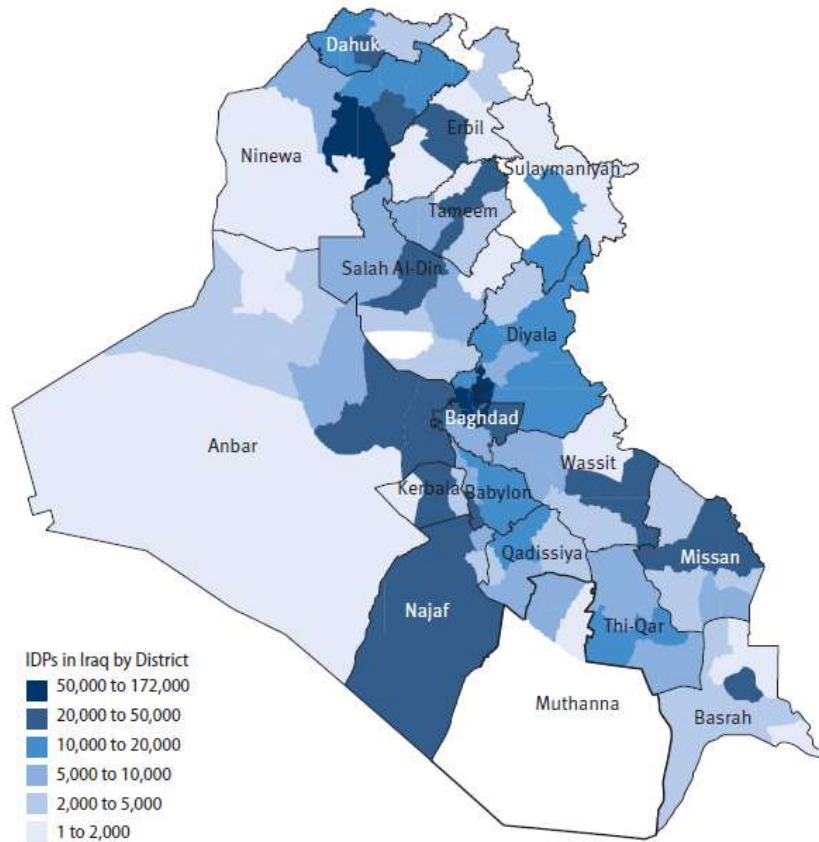
Note: Excludes refugee statistics for Europe and Australia.

Sources: UNHCR, "Country Operations Profile," www.unhcr.org/pages/49e486426.html, accessed 10/8/2009; USCIS, "Iraqi Refugee Processing Fact Sheet," http://www.uscis.gov/files/article/iraqi_refugee_fs_11feb09.pdf, accessed 10/8/2009; U.S. Embassy-Baghdad, response to SIGIR data call, 10/3/2009.

Source: Special Inspector General for Iraq Reconstruction (SIGIR), *Quarterly Report to the United States Congress*, (Public Law 108-106, as amended, and Public Law 95-452), October 30, 2009. Pp 80-81.

The Internal Displaced Persons Challenge

IRAQI INTERNALLY DISPLACED PERSONS, BY DISTRICT
January 2010

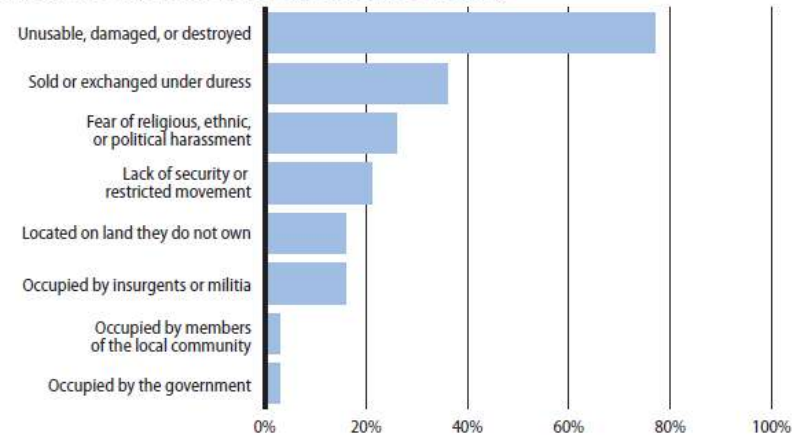


Source: Norwegian Refugee Council, Internal Displacement Monitoring Centre, "IDPs in Iraq by District January 2010," [www.internal-displacement.org/8025708F004BE3B1/\(httpInfoFiles\)/A1F617996D005FF7C12576A900385588/\\$file/iraq_unhcr_idps-by-district_jan10.pdf](http://www.internal-displacement.org/8025708F004BE3B1/(httpInfoFiles)/A1F617996D005FF7C12576A900385588/$file/iraq_unhcr_idps-by-district_jan10.pdf), accessed 3/5/2010.

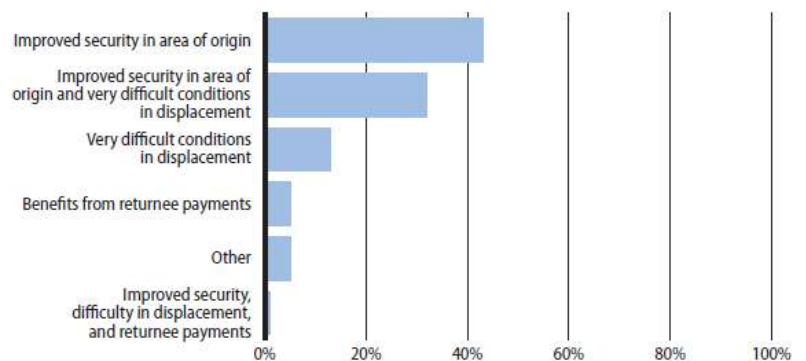
SIGIR, Quarterly Report, April 2010. p. 84

FACTORS AFFECTING IDP DECISIONS TO STAY PUT OR RELOCATE

Reasons IDPs Said They Could Not Access Their Property



Reasons IDPs Said They Chose To Return



Note: Survey respondents were allowed to select more than one reason; therefore, percentages do not add to 100%.

Sources: International Rescue Committee, "A Tough Road Home: Uprooted Iraqis in Jordan, Syria, and Iraq," 2/2010, p. 7; Norwegian Refugee Council, Internal Displacement Monitoring Centre, "Patterns of Return and Resettlement," 3/1/2010, [http://www.internal-displacement.org/8025708F004CE90B/\(httpCountries\)/718916EEB6743EEF802570A7004CB9B97OpenDocument&expand=11&link=23.11&count=10000#23.11](http://www.internal-displacement.org/8025708F004CE90B/(httpCountries)/718916EEB6743EEF802570A7004CB9B97OpenDocument&expand=11&link=23.11&count=10000#23.11), accessed 3/5/2010.

SIGIR, Quarterly Report, April 2010. p. 86

Other Key Iraq Updates

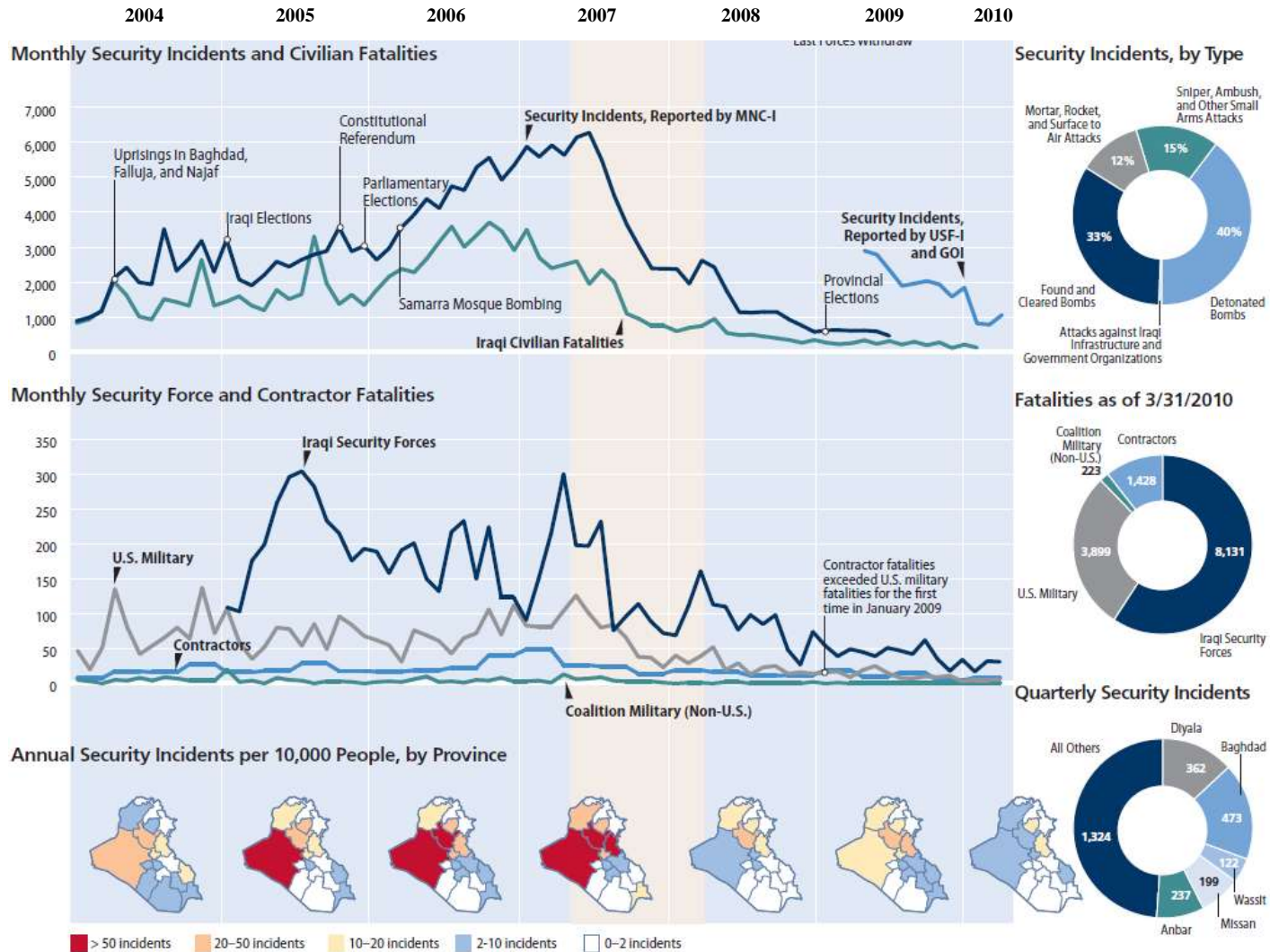
- **Security**
 - Reduction in size of Army bases from 500 to 126 – aim is to be at 94 by September 1, 2010
 - Currently 88,000 troops on the ground – aim is to be at 50,000 by September 1, 2010
 - Moved 18,000 vehicles out of Iraq, and more than 600,000 containers
 - US has picked up or Killed 34 of the 42 top AQ in Iraq officials. – AQ in Iraq has lost contact with AQSL (Al-Qa'ida Senior Leadership) in Pakistan and Afghanistan.
 - All of this is a result of the mixed efforts of the US troops along with Iraqi military and law enforcement efforts.
- **Economy**
 - Iraq's Real Gross GDP estimated at 4.3% due to falling oil prices and global economic downturn
 - Iraq's Presidency Council ratified a \$73.26 billion budget for 2010. – 23.5% increase from 2009
 - Extended Natural Gas negotiations with Royal Dutch Shell for an additional 6 months
 - Electricity production rises 14% since 2009
- **Funding**
 - The US, GOI, and International community have committed \$162.83 billion towards Iraq's Reconstruction efforts.
 - The US has appropriated \$53.31 billion towards these efforts through four major funds – ISFF, IRRF, ESF, CERP
 - Congress has also allocated \$6.10 billion towards smaller reconstruction initiatives
 - The International Community has appropriated \$18.10 billion
 - Administration has requested an additional \$4.45 billion
 - The Government of Iraq (GOI) has committed \$91.43 billion

Trends in Patterns of Violence: 2003-2010

Security Developments

- **Number of attacks remains at lowest levels not seen since 2003.**
- **Post Election Violence Targets**
 - **Political Leaders , Foreign Embassies & Consulates**
 - **Notably, Judge Mohammed Abdel Ghaffur**
 - **Sunni Awakening Members**
 - **Apartments & local Shia Mosques**
- **Al Qa'ida – Serious blow to Al Qa'ida Senior Leadership (AQSL)**
 - **Abu Omar al-Baghdadi**
 - **Abu Ayab al-Masri**
- **Troop withdrawal consistent with 50,000 personnel on ground by Aug, '10**
- **ISF – Iraqi Security Forces**
 - **Reaching authorized numbers of 680,000**
 - **Special Forces Ops are trained, however, the remaining are not.**
- **SOI – Sons of Iraq unable to transition into GOI because of lack of education**

Overall Patterns of Violence : 2004-2010

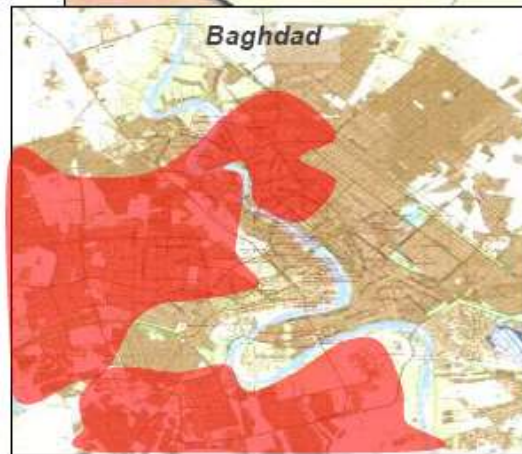
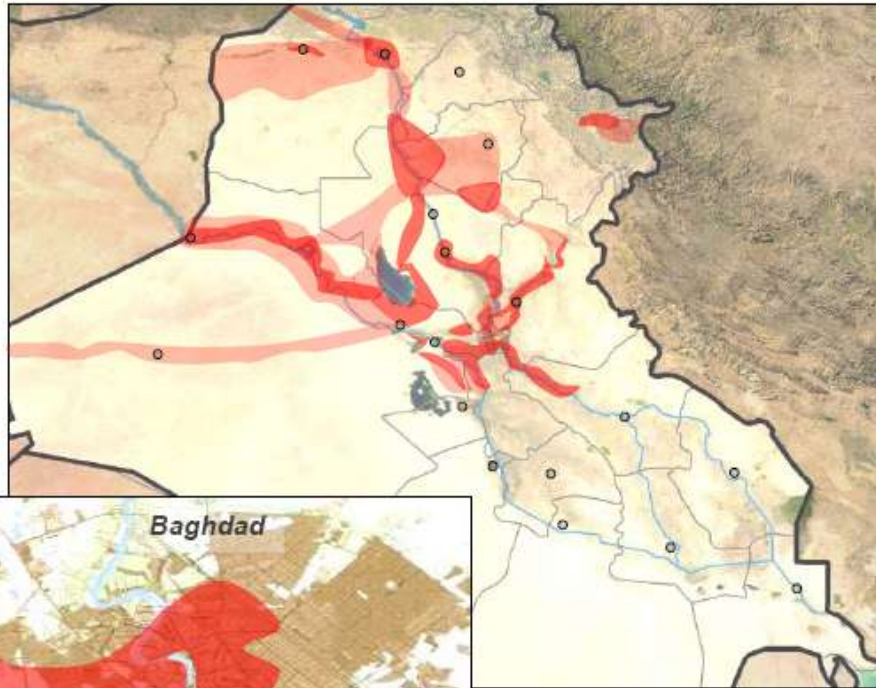


Note: Data not audited. Numbers affected by rounding. "U.S. Surge" denotes period when at least 150,000 U.S. troops were in Iraq. The MOI and MOD historical line represents trained forces; the totals represent assigned forces. Total fatalities for the ISF exclude fatalities before 1/4/2005 because of lack of data. Security incidents data from two sources are displayed: MNC-I, for 1/1/2004-6/24/2009, and USF-I for 4/1/2009-3/26/2010 (USF-I incorporates GOI reports).

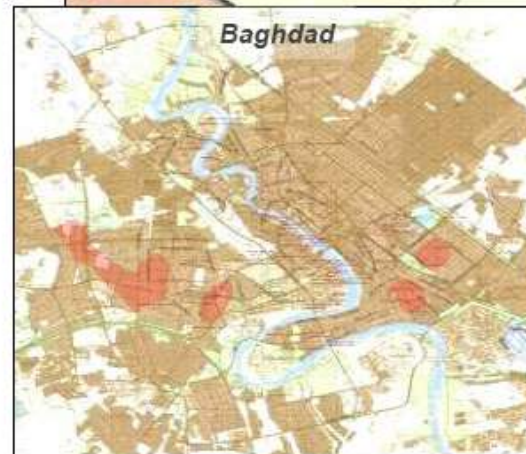
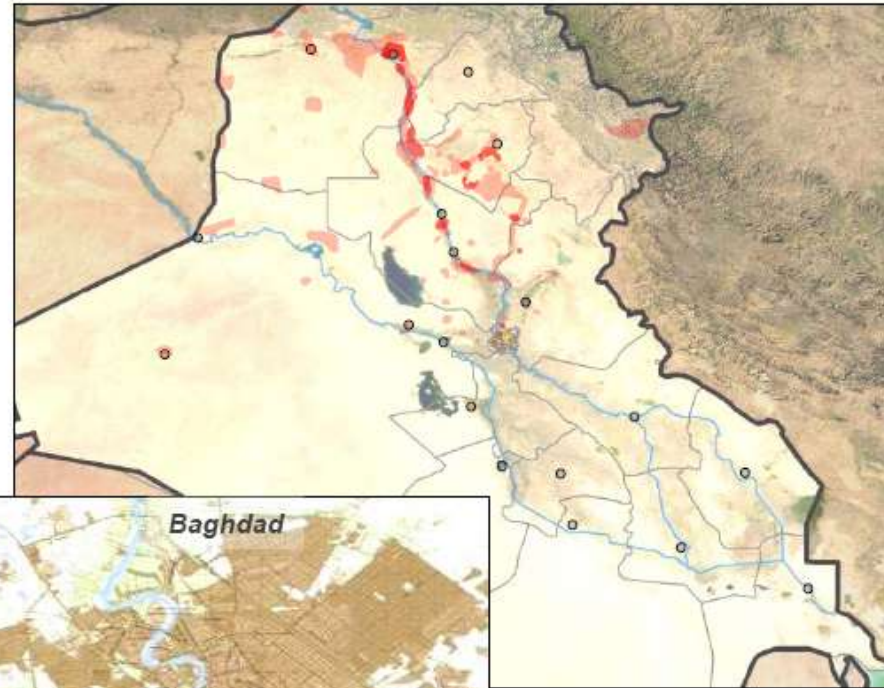
Sources: DoD, *Measuring Stability and Security in Iraq, 2/2006-9/2009*; DoL, responses to SIGIR data calls, 1/5/2010 and 4/12/2010; Brookings Institution, *Iraq Index, 3/30/2010*, pp. 3, 5, and 13; SIGIR, *Quarterly and Semiannual Reports to the United States Congress, 4/2009, 10/2009 and 1/2010*; GOI, response to SIGIR data call, 12/21/2009; MNF-I, responses to SIGIR data calls, 10/6/2008 and 7/2/2009; CENTCOM, responses to SIGIR data calls, 1/10/2009 and 2/22/2010; USF-I, responses to SIGIR data call, 3/31/2010 and 4/1/2010.

Al Qa'ida in Iraq -- Winter 2006 vs. Fall 2008

Winter 2006-2007



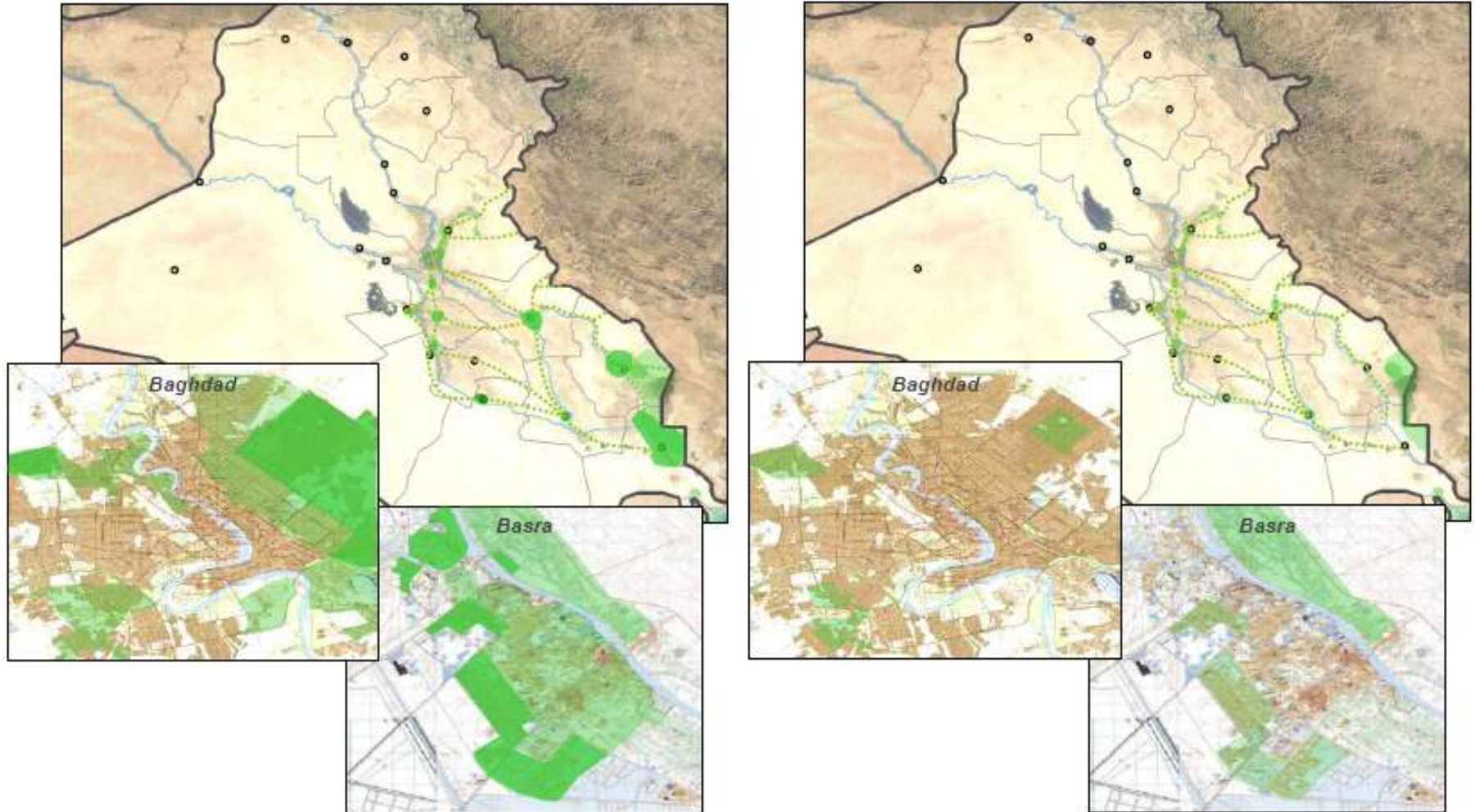
Fall 2008



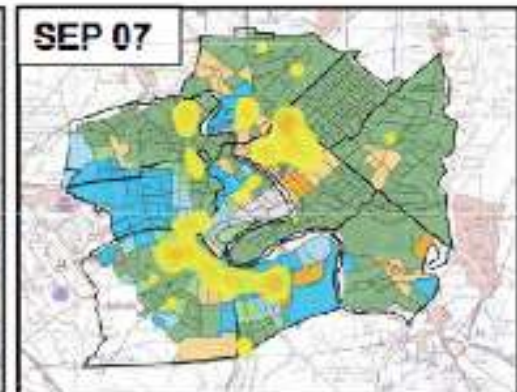
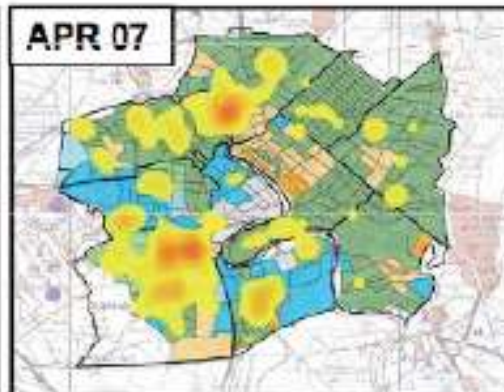
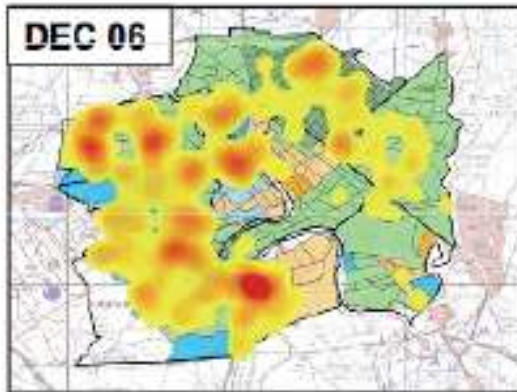
Key Areas of Shi'ite Extremist Activity: Winter 2007 vs. Fall 2008

Winter 2007-2008

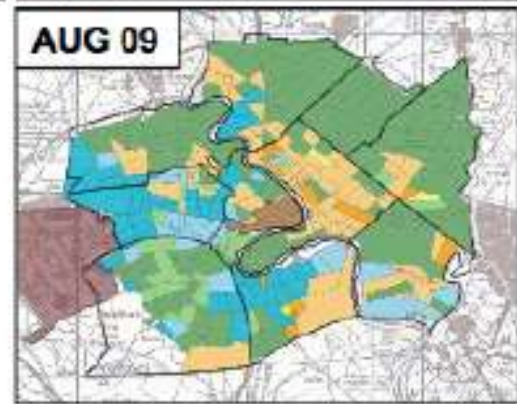
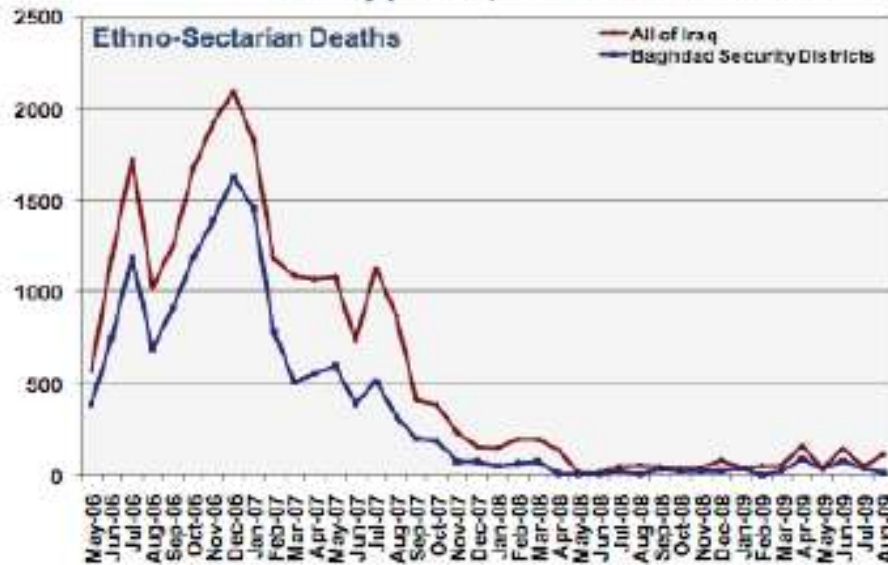
Fall 2008



Ethno-Sectarian Violence: 2006 -2009

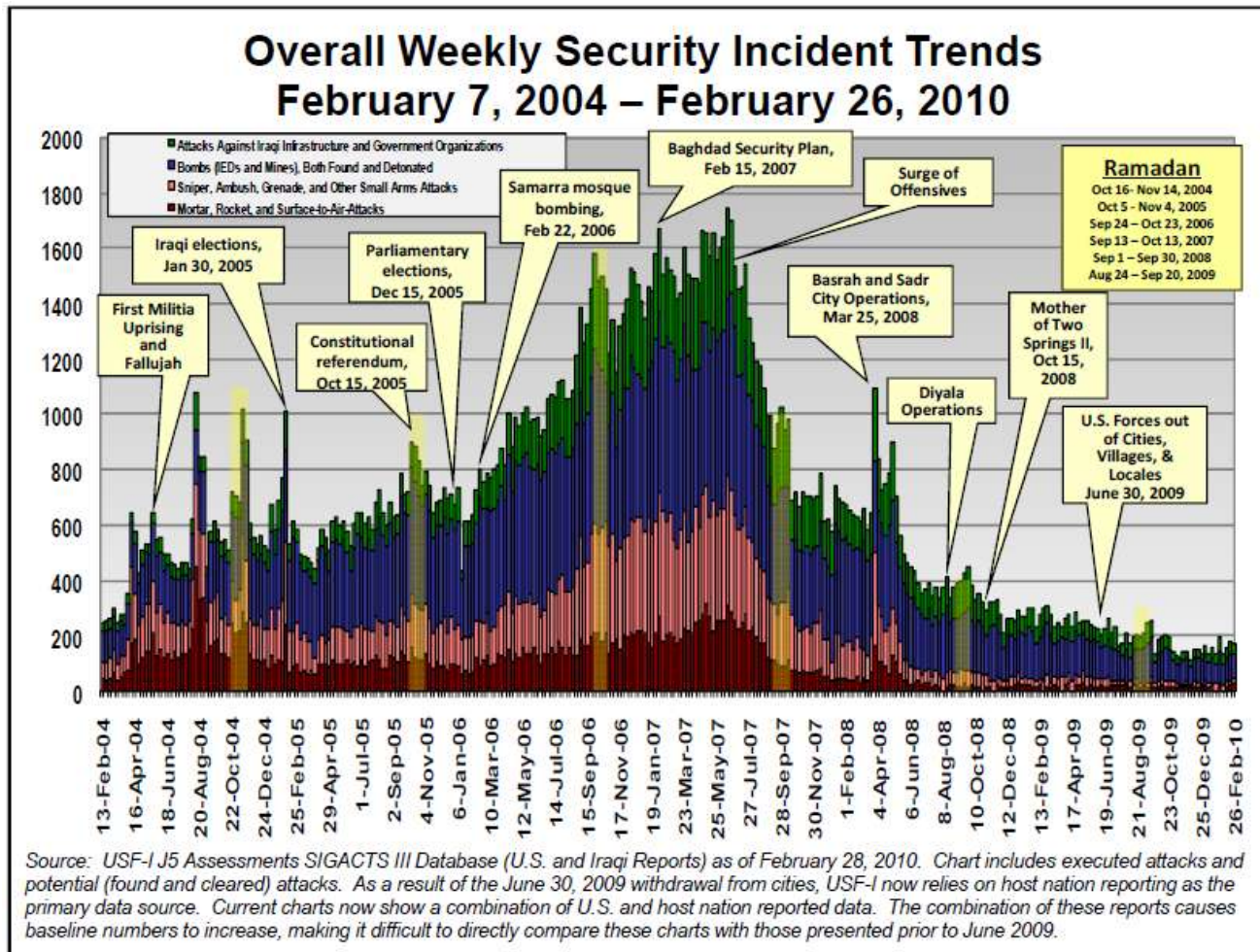


Density plots depict incidents of ethno-sectarian deaths.

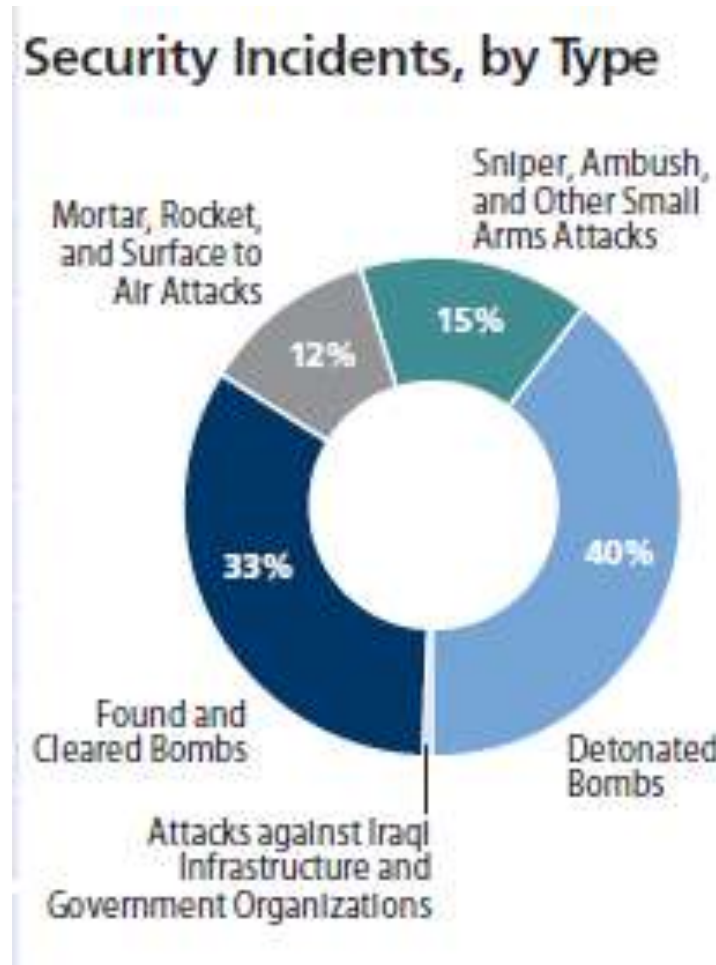


Sources: CIOC Trends (CF and Iraqi reports) as of 05-Sep-09; weekly beginning 01-May-06

Major Security Incidents: 2004-2010

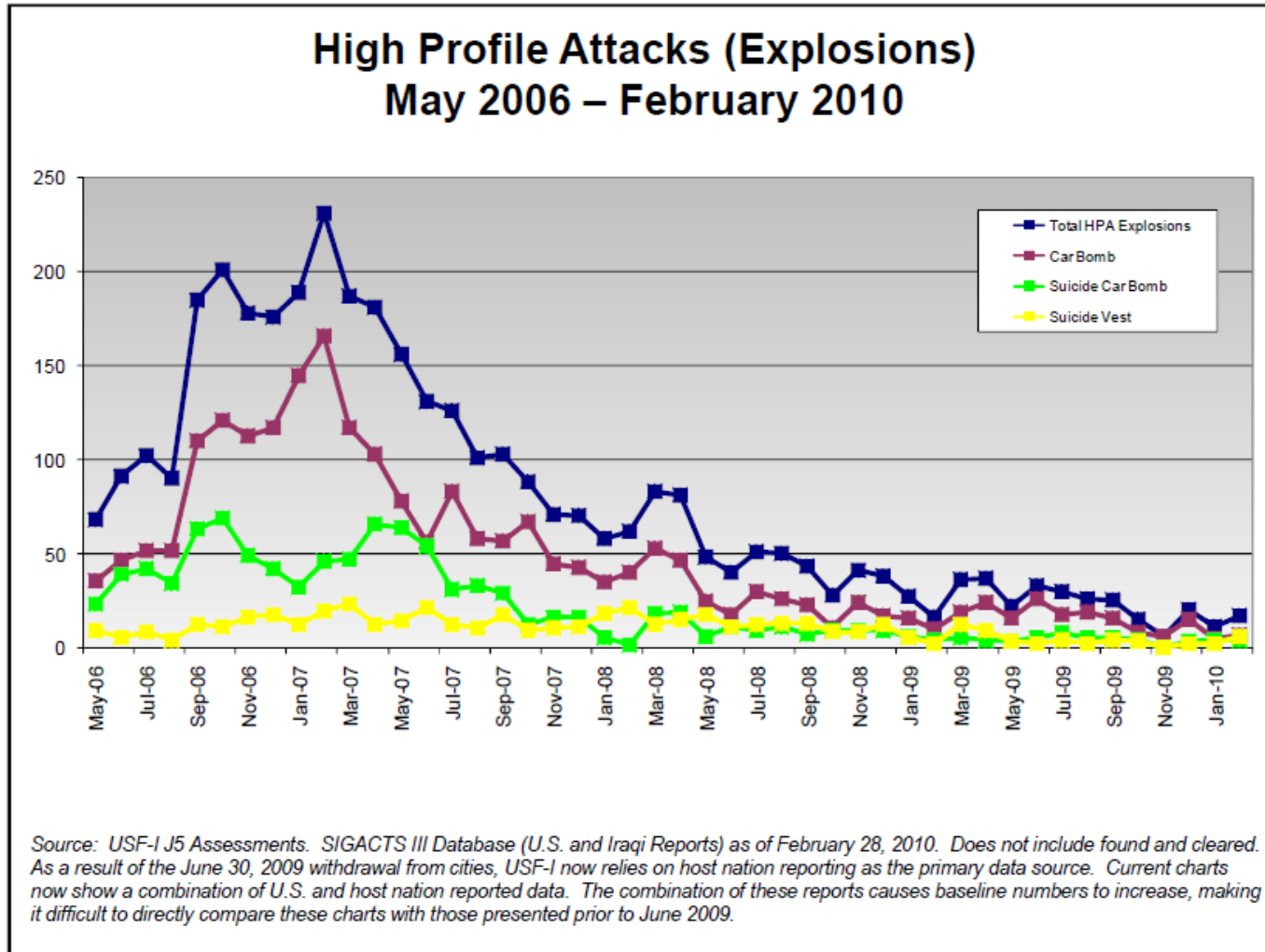


Iraqi Security Incidents in First Quarter 2010

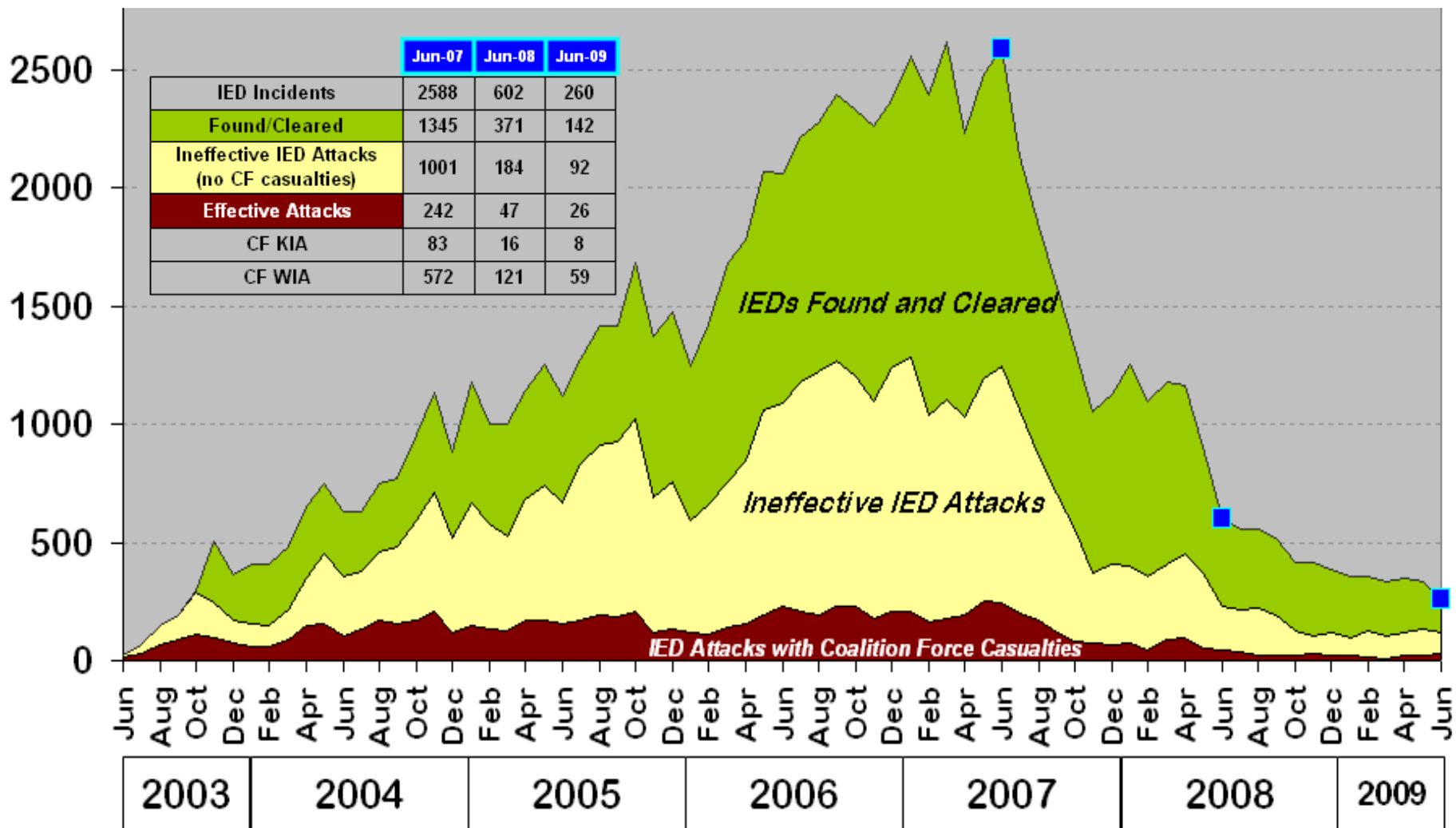


- Found and Cleared more bombs (from 11% to currently 33%) compared to the January Report
- Attacks due to mortar, rocket, and surface to air attacks decreased by 3 percent to 12%
- Sniper, Ambush, and other small arms attacks decreased by 8 percent
- Detonated bombs grew by 15%

Iraqi High Profile Attacks: 2006 - 2010

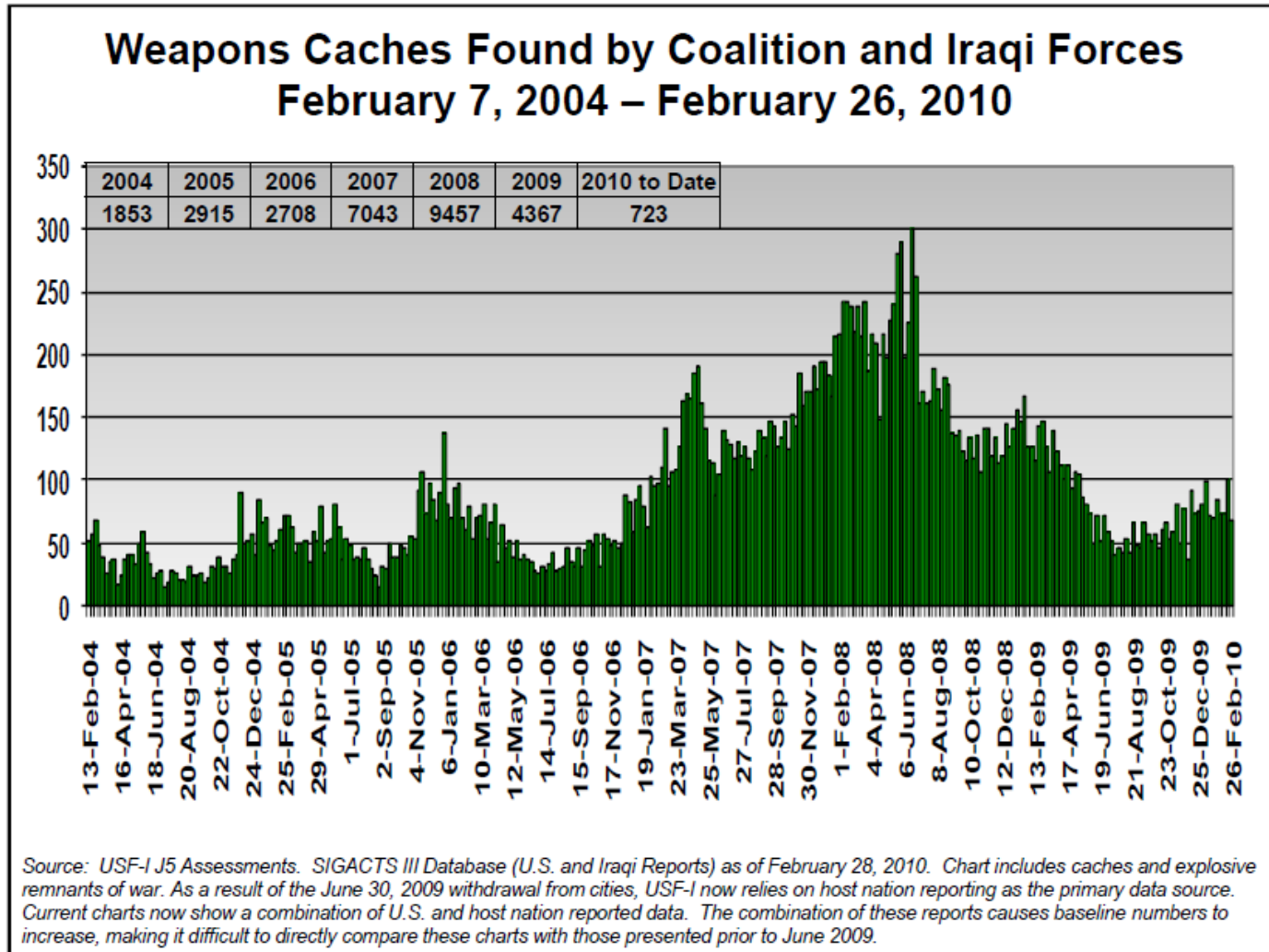


Iraq - IED Incident Trends – Coalition Force (U)

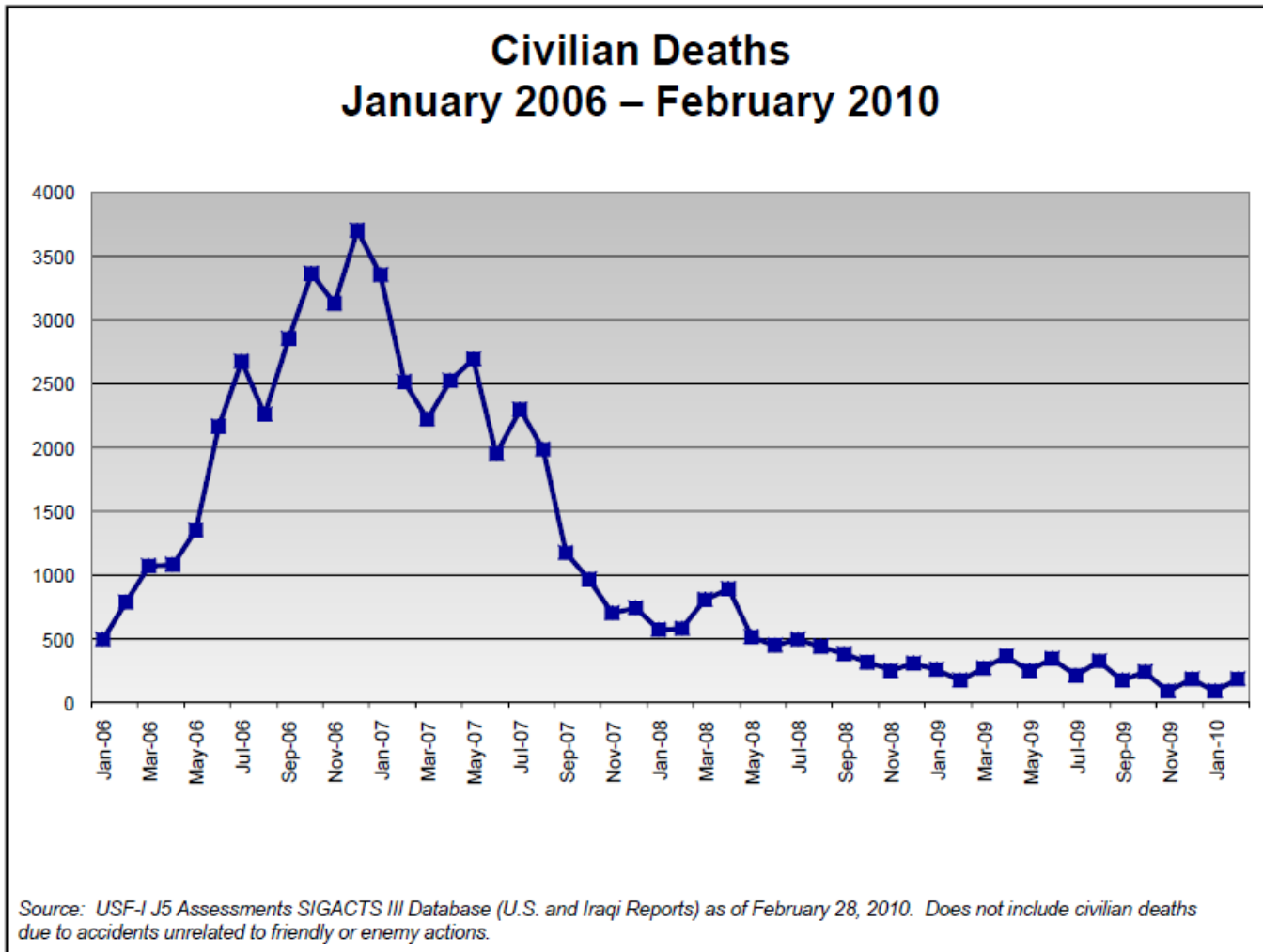


Incident counts based on preliminary data for June 2009

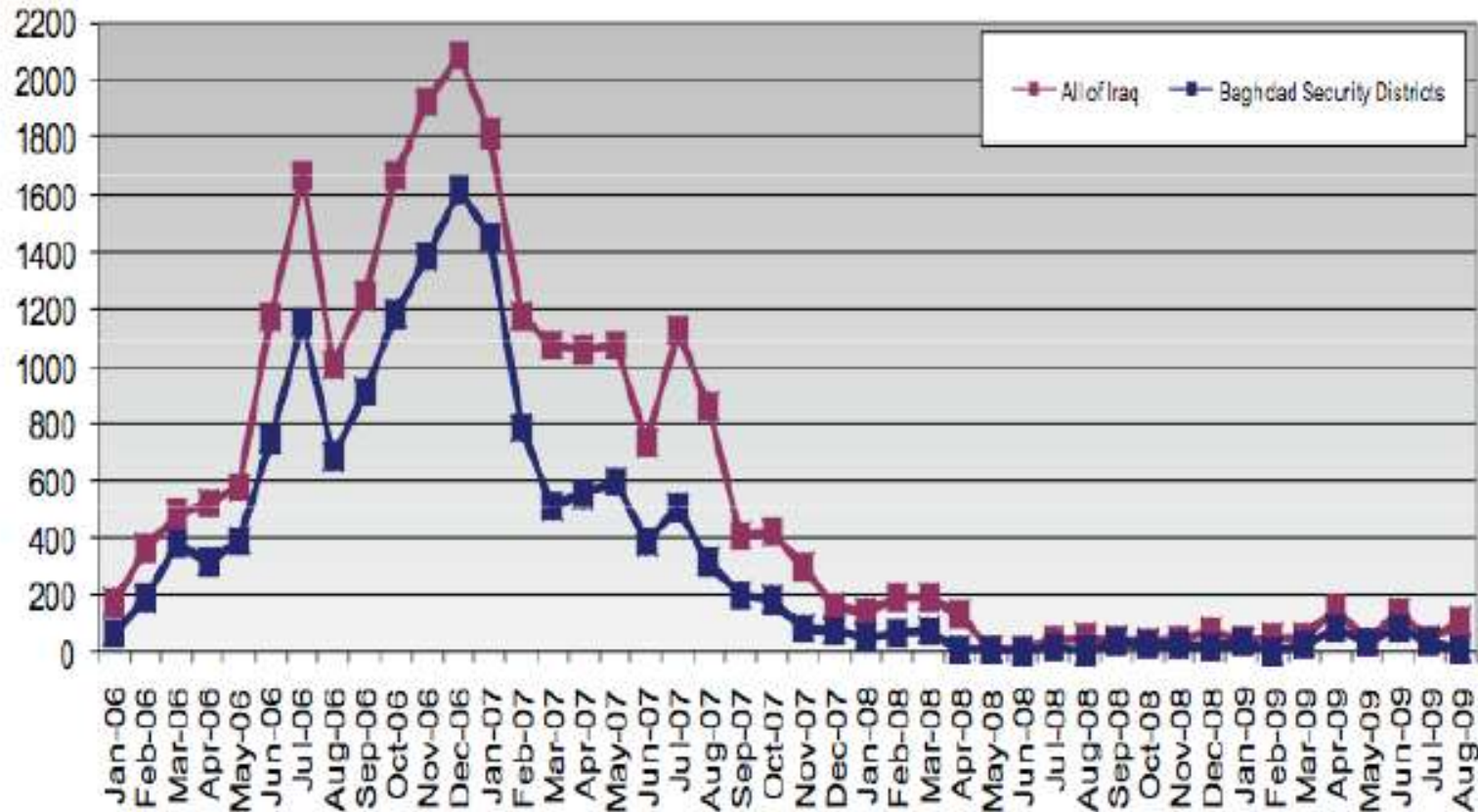
Weapons Caches: 2004 - 2010



Iraqi Civilian Deaths: 2006 - 2010

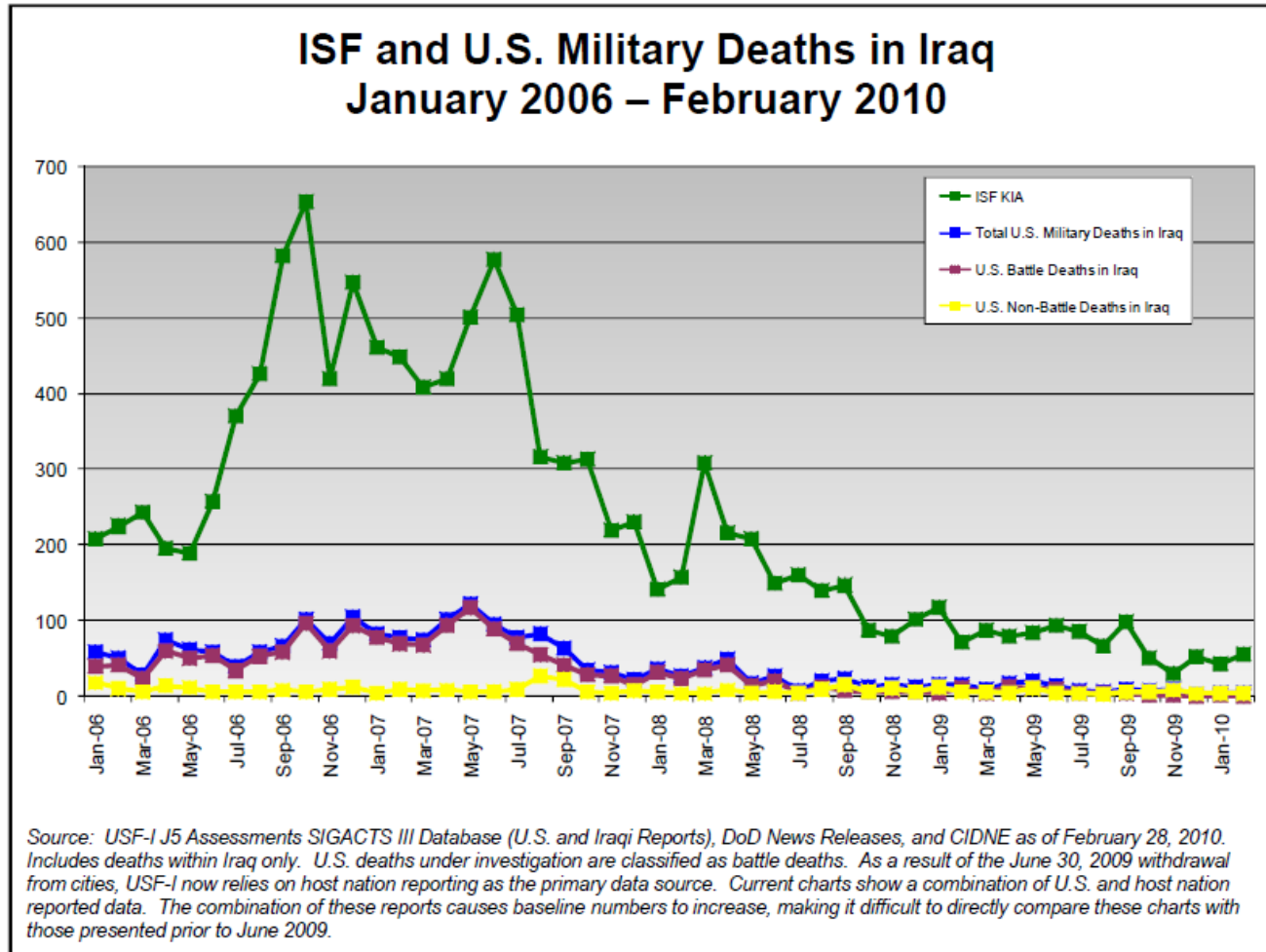


Ethno-Sectarian Deaths January 2006 - August 2009

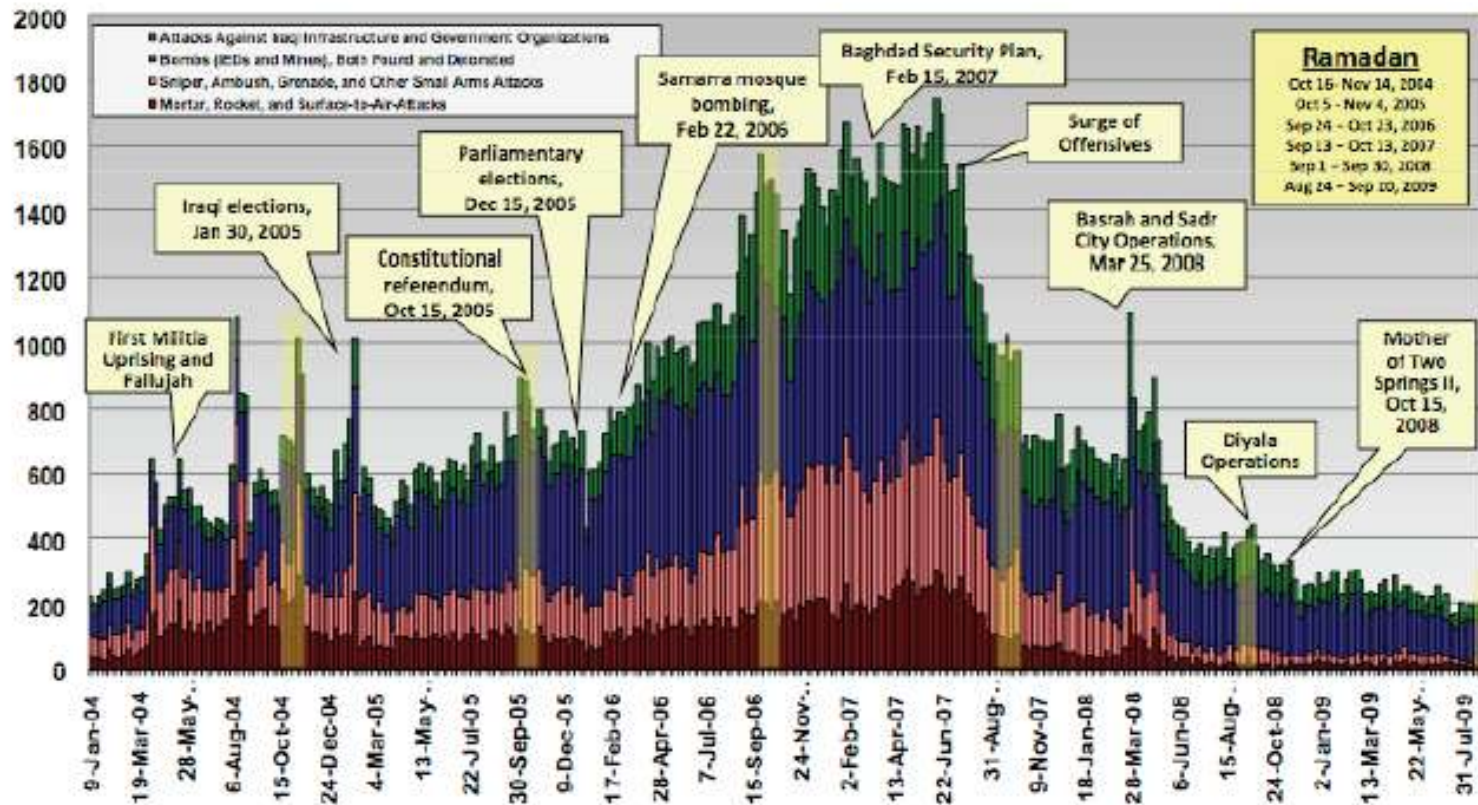


Source: MNF-I CJ5 Assessments CIOC Trends Database (Coalition and Iraqi Reports) as of August 31, 2009. As a result of the June 30, 2009 withdrawal from cities, U.S. forces must now rely on host nation reporting as the primary data source. Current charts now show a combination of Coalition and host nation reported data. The combination of these reports causes baseline numbers to increase, making it difficult to directly compare these charts with those presented in previous publications of this report.

US and Iraqi Military Deaths: 2006 - 2010



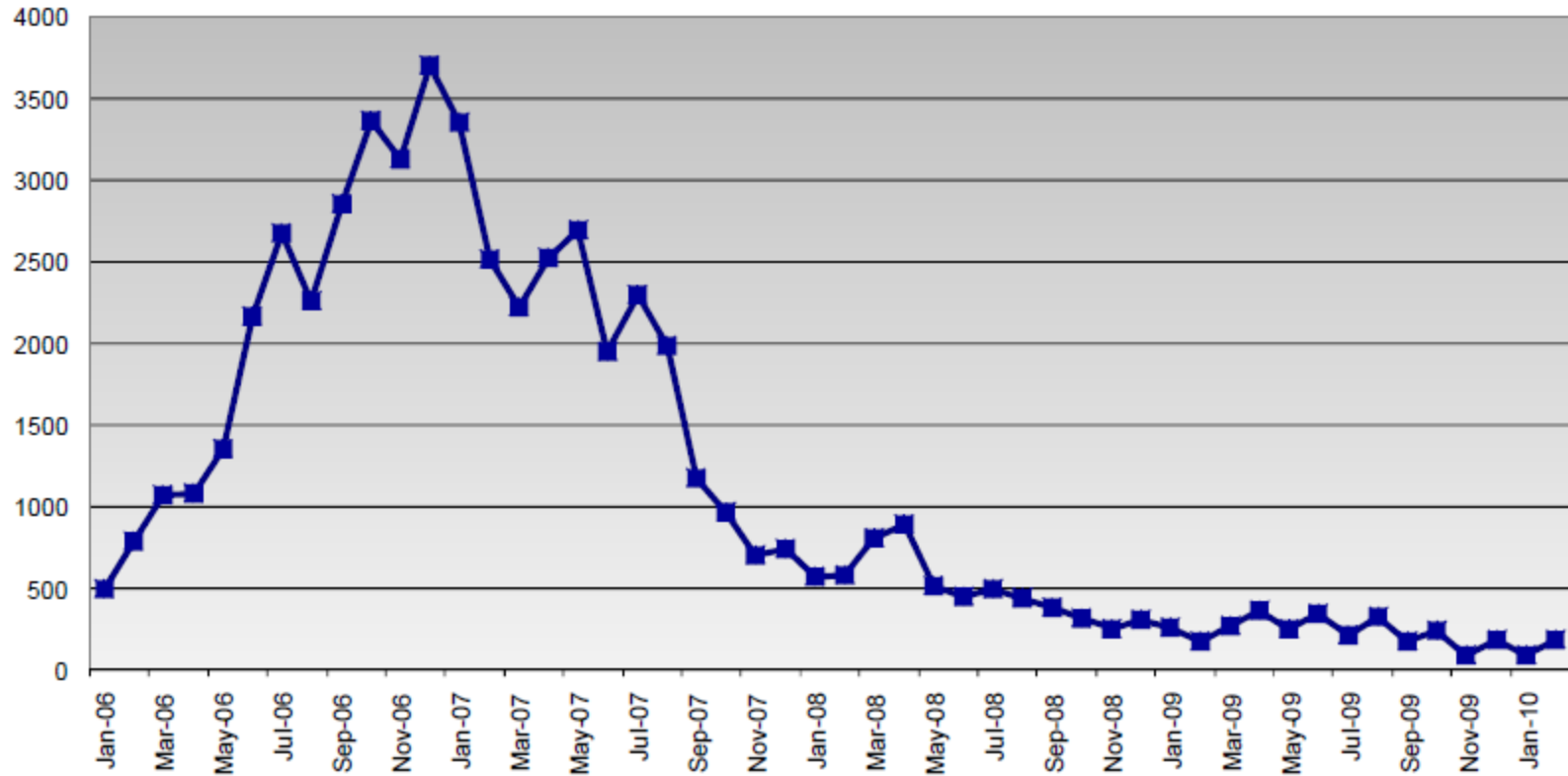
Weekly Security Incidents: January 3, 2004 - August 28, 2009



Source: MNF-I SIGACTS III Database (Coalition and Iraqi Reports) as of August 28, 2009. Chart includes executed attacks and potential (found and cleared) attacks. As a result of the June 30, 2009 withdrawal from cities, U.S. forces must now rely on host nation reporting as the primary data source. Current charts now show a combination of Coalition and host nation reported data. The combination of these reports causes baseline numbers to increase, making it difficult to directly compare these charts with those presented in previous publications of this report.

Source: USCENTCOM 9.28.09

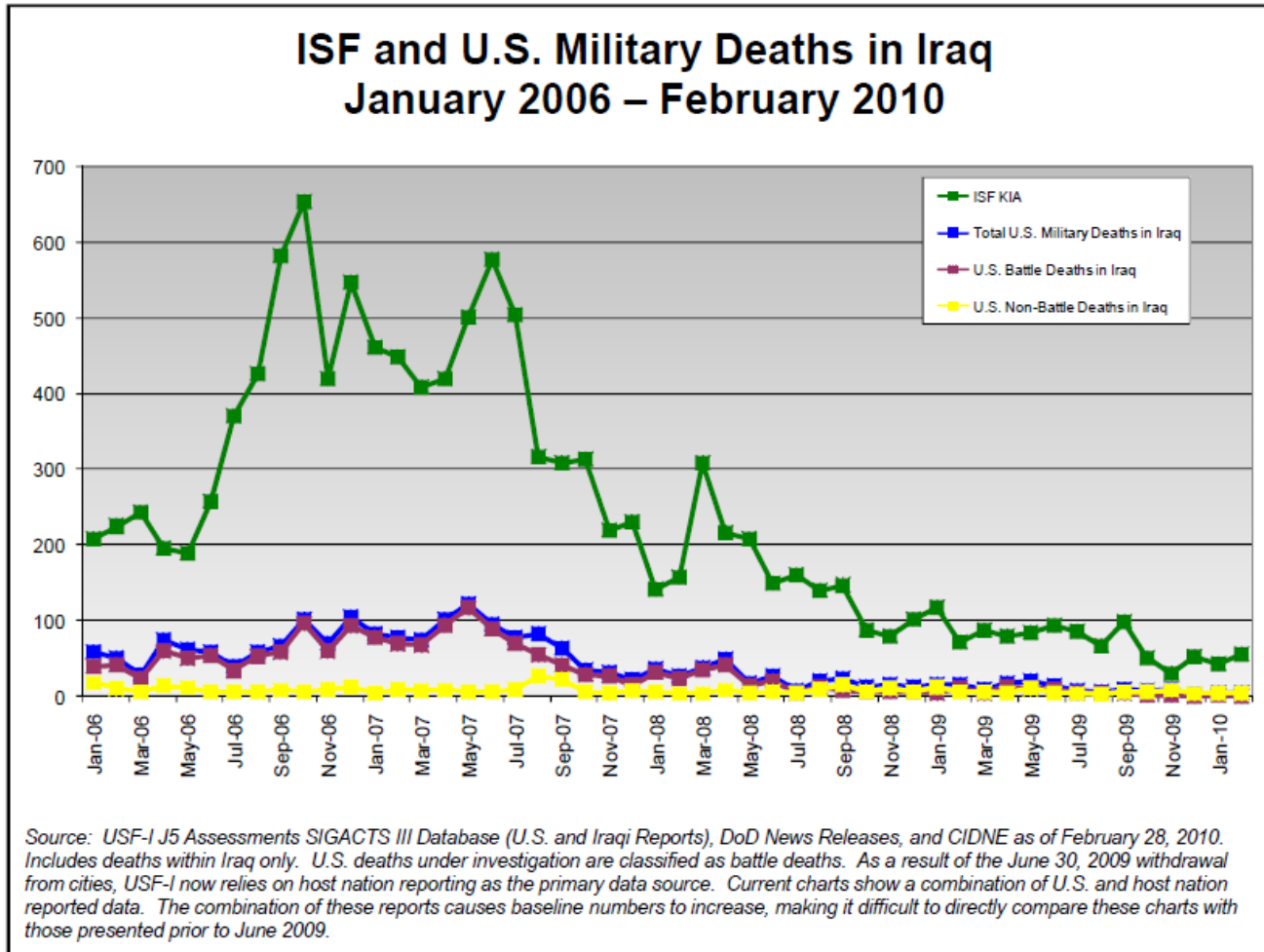
Civilian Deaths January 2006 – February 2010



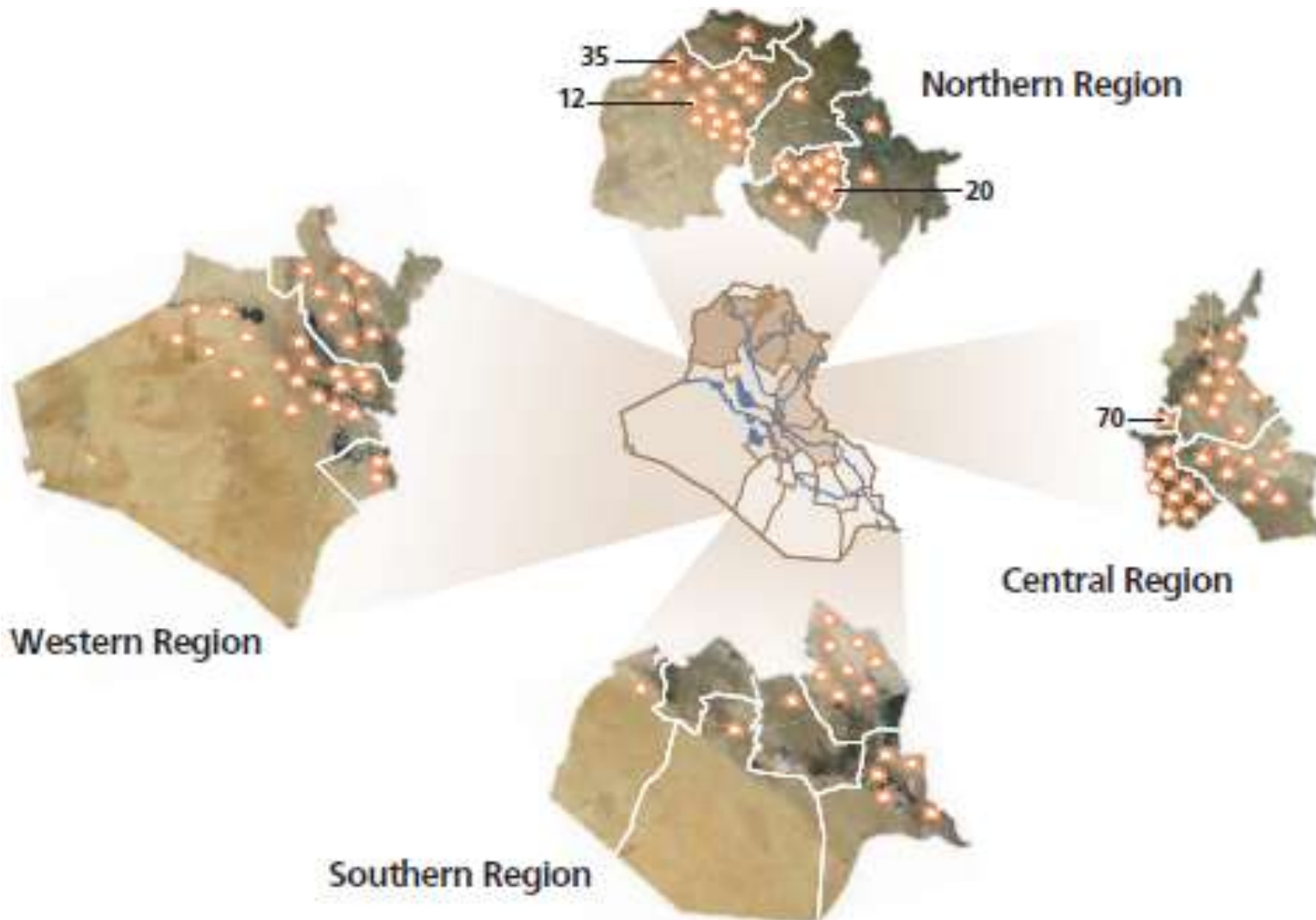
Source: USF-I J5 Assessments SIGACTS III Database (U.S. and Iraqi Reports) as of February 28, 2010. Does not include civilian deaths due to accidents unrelated to friendly or enemy actions.

Source: USCENTCOM 9.28.09

US and Iraqi Military Deaths: 2006 - 2010

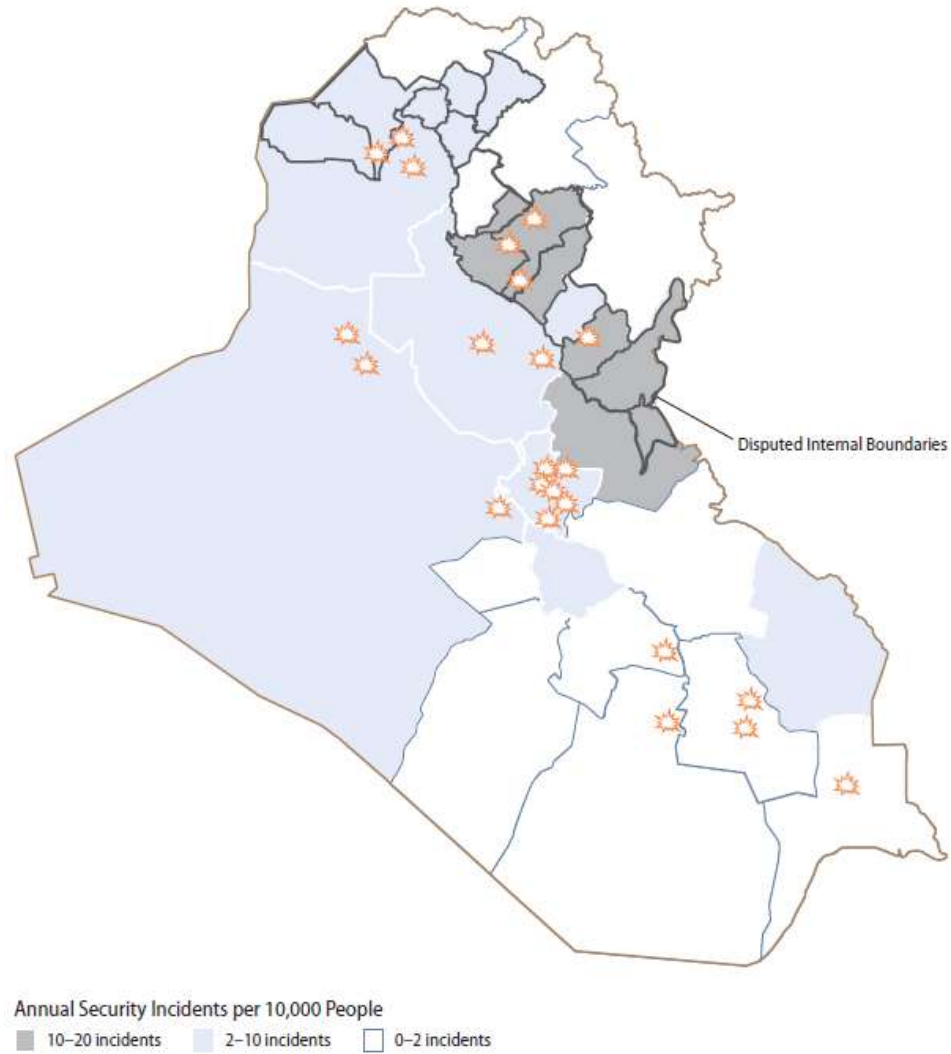


Insurgent, JAM, and Iranian Activity: Late 2009



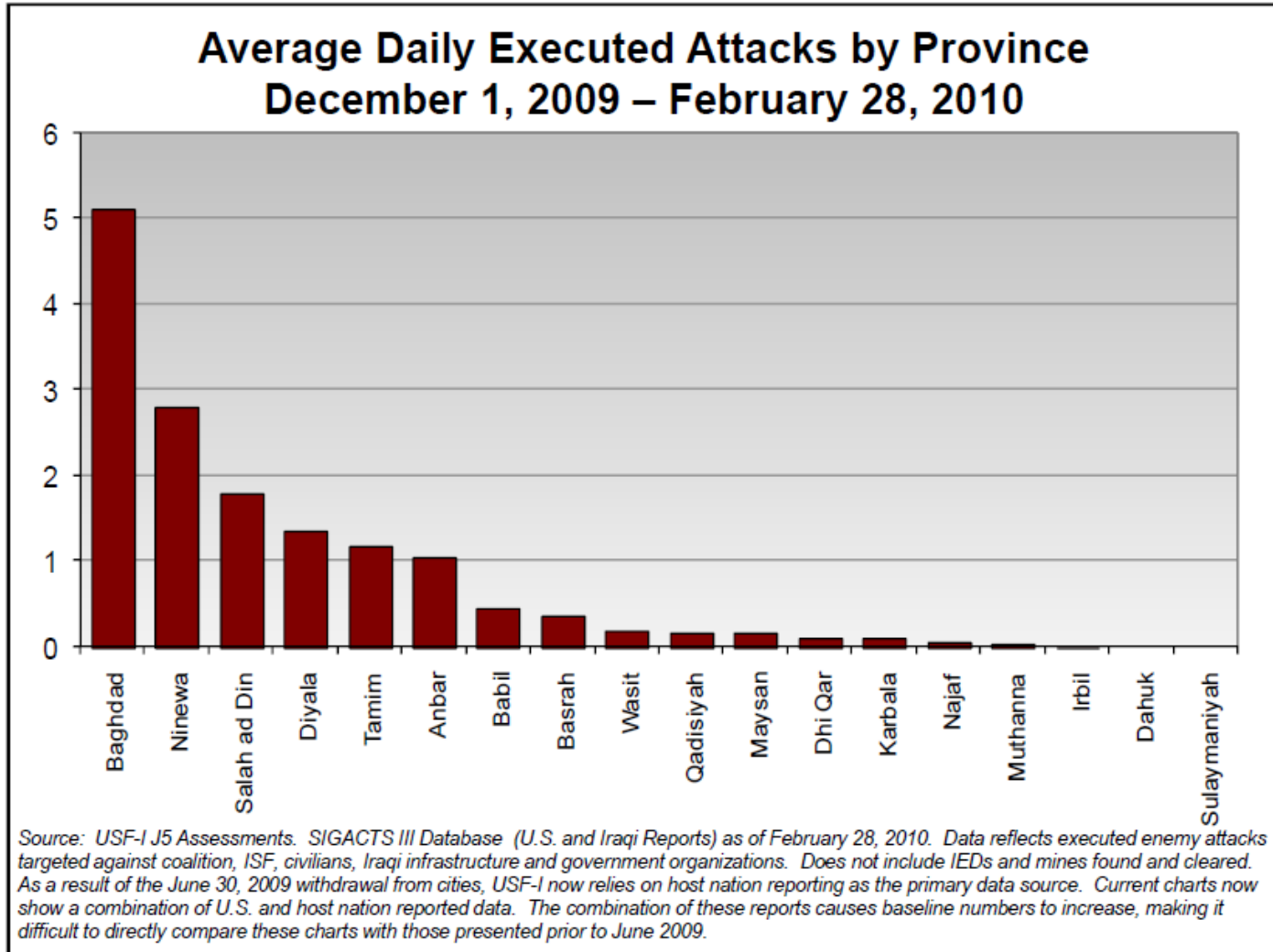
Where The Risks Are: Spring 2010

SIGNIFICANT SECURITY INCIDENTS, BY REGION, 1/1/2010–3/31/2010

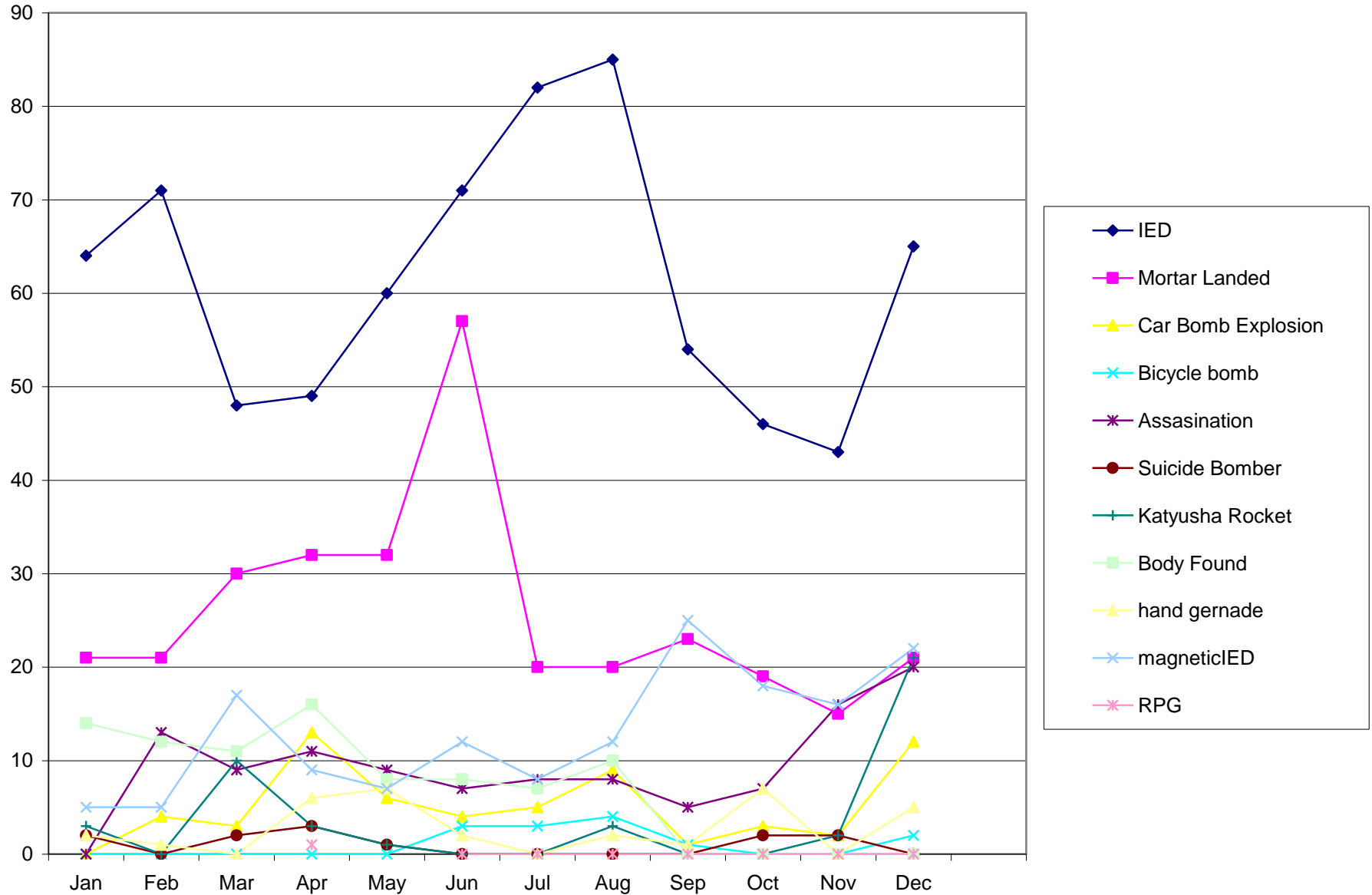


Sources: USF-I, response to SIGIR data call, 3/31/2010; SIGIR analysis of open sources as well as official English and Arabic documents, studies, maps, and satellite imagery.

Attacks by Province: 12/09 – 2/10

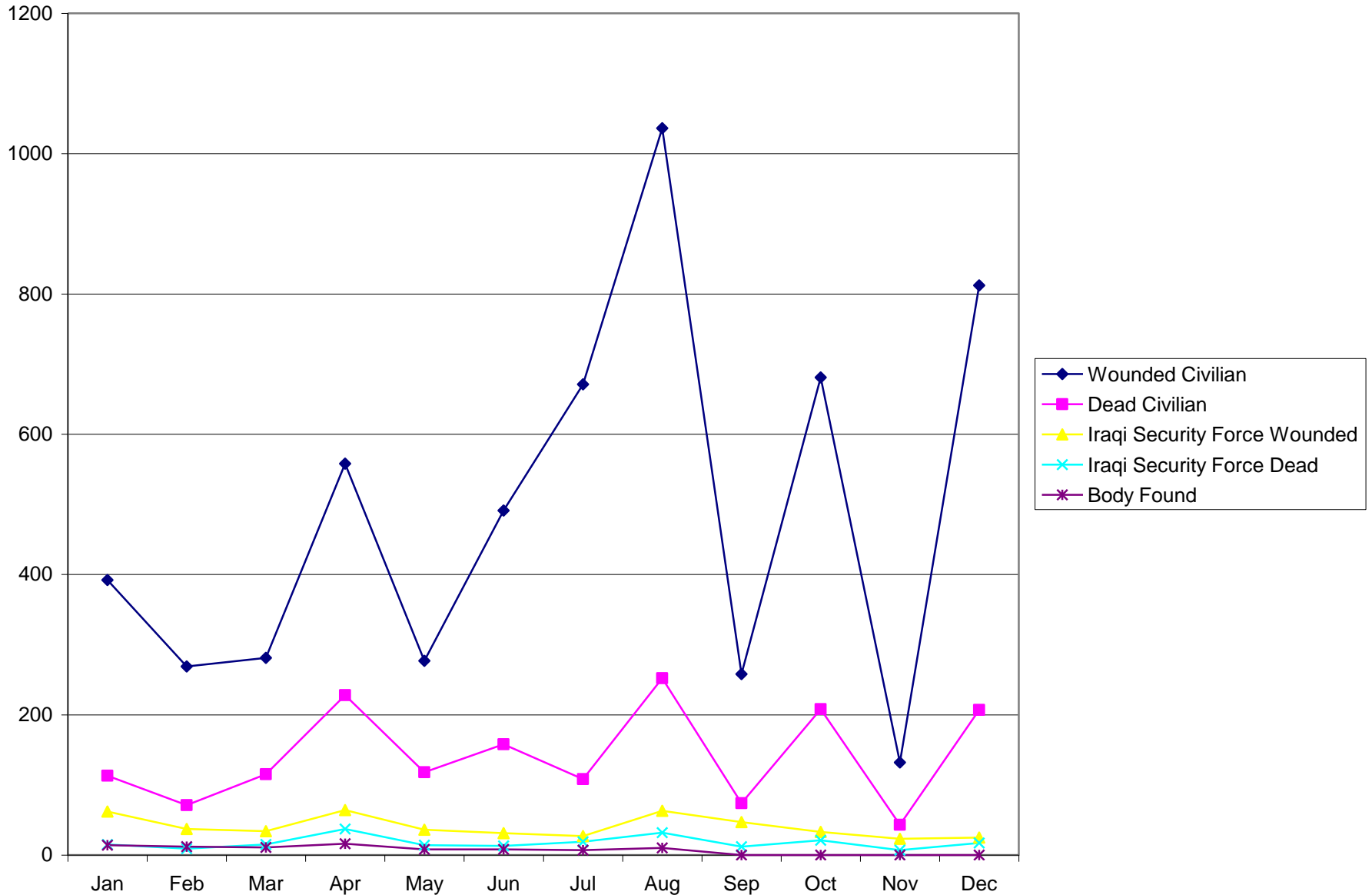


Attacks Per Month By Type in Baghdad: 2009



Source: Senior Iraqi official

Iraqi Casualties By Type in Baghdad: 2009



Source: Senior Iraqi official

Iraqi Security Patterns: 10/21/09 to 1/13/10

October 2009

				5	0	0
13	32	0	41	0	0	0
16	0	22	65	0	94	7
2	0	31	5	4	3	5
630	5	2	18	3	3	25

November 2009

8	0	0	21	22	6	3
0	2	4	0	8	8	1
13	24	7	2	0	0	14
16	4	6	50	4	0	0
3	2					

December 2009

		16	2	11	5	6
6	51	310	5	0	3	7
3	4	9	7	3	0	1
4	0	5	11	20	132	6
12	2	4	30	2		

January 2010

				5	27	
3	19	0	8	8	0	0
0	0	4	8	138	0	2
3	5	0	37			

Wednesday, October 14: 9 Iraqis killed and 56 wounded during armed attack in Baghdad and bombings in Kerbala.

Friday, October 16: 14 Iraqis killed and 80 wounded during an attack on a mosque in Telafar.

Sunday, October 25: 132 Iraqis killed and at least 500 wounded in explosions outside of the Ministry of Justice and Baghdad Provincial Council headquarters building.

Saturday, October 31: 23 Iraqis wounded during attacks in Baghdad and Mosul.

Wednesday, November 4: More than 20 Iraqis injured during a series of explosions in Baghdad.

Thursday, November 5: 2 Iraqis killed and 20 wounded during attacks in Mosul, Ramadi, and Hilla.

Monday, November 16: 24 Iraqis killed during attacks in Kirkuk, Baghdad, and Abu Ghraib.

Wednesday, November 25: Approximately 50 Iraqis wounded in bombings in Kerbala and Baghdad.

Monday, December 7: 7 Iraqis killed and 41 wounded during an explosion in Sadr City in Baghdad.

Tuesday, December 8: At least 110 Iraqis killed and 200 wounded in a series of attacks in Baghdad that targeted GOI facilities.

Friday, December 25: 25 Iraqis killed and more than 100 wounded in bombings in Hilla.

Wednesday, December 30: 23 Iraqis killed during an attack in Ramadi, in which the governor of Anbar was wounded.

Saturday, January 2: 2 Iraqis killed and 24 wounded in attacks in Mosul and Baghdad.

Thursday, January 14: Approximately 27 Iraqis killed and 111 wounded in a series of bombings in Najaf.

Wednesday, January 20: Approximately 36 Iraqis injured during an attack in Mosul.

SELECTED INSURGENT BOMBINGS OF KEY GOI FACILITIES, 8/2009–1/2010



Iraqi Views of Security and Travel: July 2009

Neighborhoods are Secure



Nationwide average = 73%



Travel is Safe



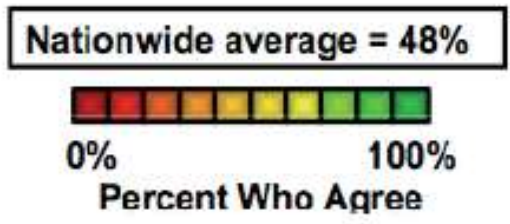
Nationwide average = 45%



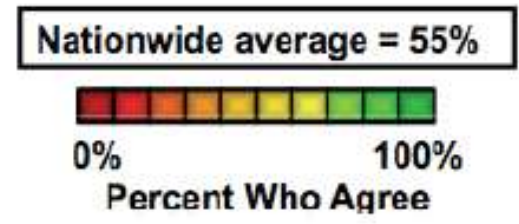
July 2009

Iraqi Views of ISF and Stability: July 2009

Government Security Efforts are Effective

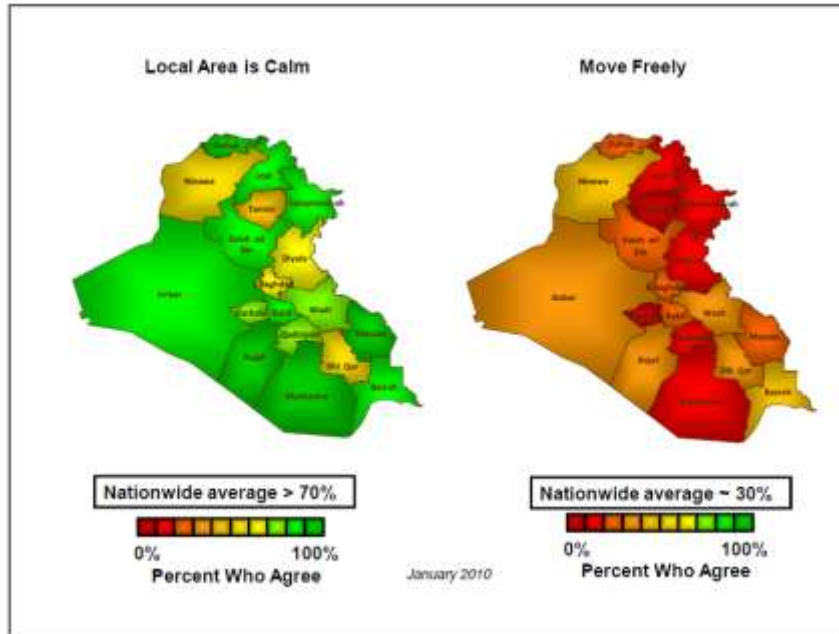


Iraq is Stable

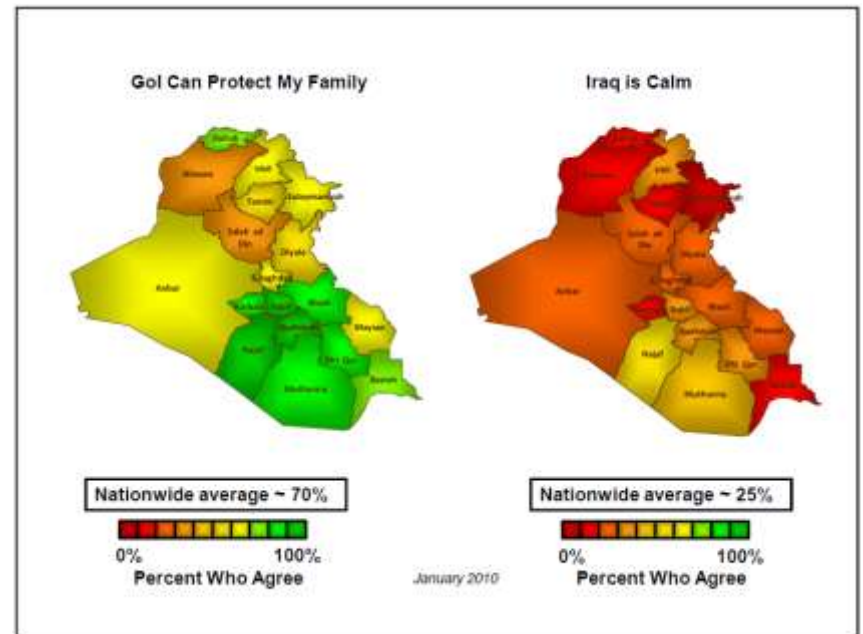


July 2009

Levels of Security and Travel: April 2010



DoD Quarterly Report, April 29, 2010 p. 37

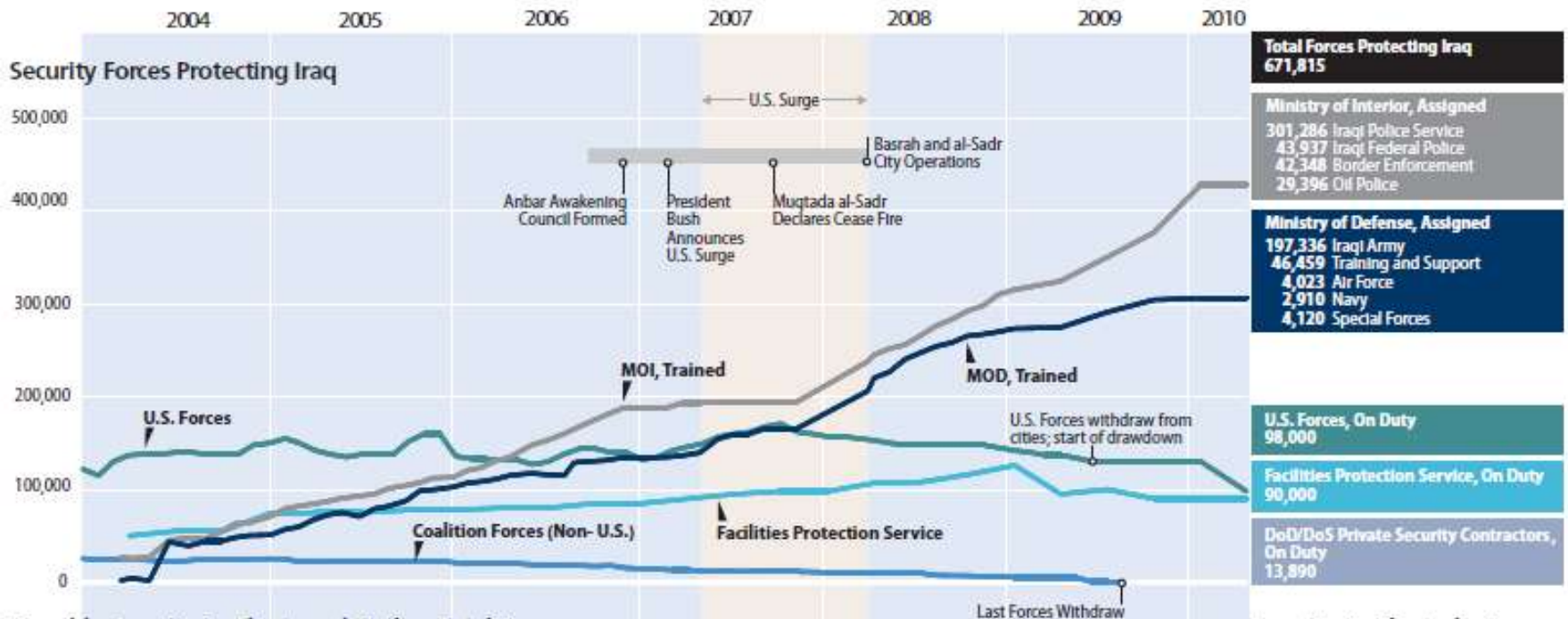


DoD Quarterly Report, April 29, 2010 p. 38

Trends in Iraqi Security Forces

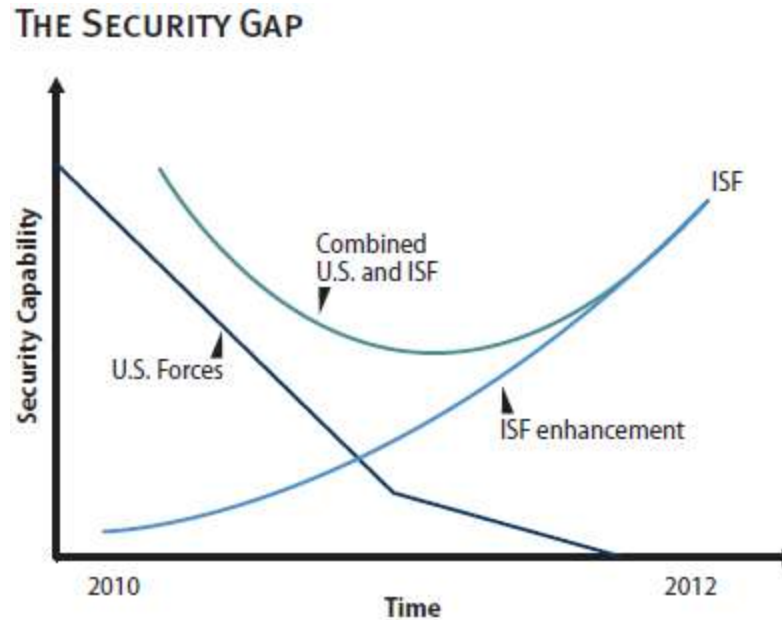
Security Forces 2004-2010

SECURITY IN IRAQ, 1/2004-3/2010



- Overall total forces has increased since SIGIR Jan 30, 2010 Report
- US forces have decreased
- Private Security contractors have decreased
- Iraqi Police Service & Federal Police has increased

A “Security Gap” As US Forces Withdraw?



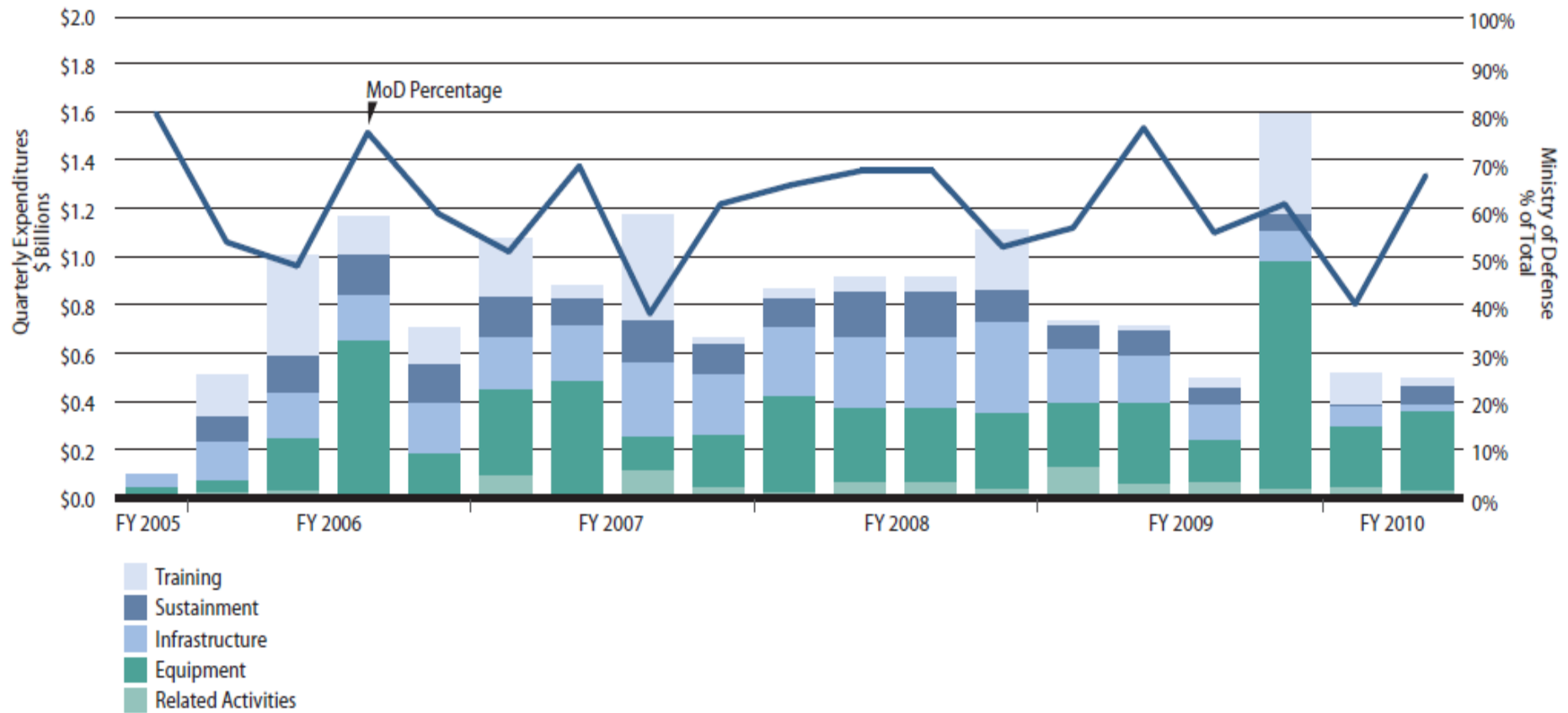
Note: Adapted from original. The time line and force capabilities are illustrative.

Source: David C. Gompert, Terrence K. Kelly, and Jessica Watkins, *Security in Iraq: A Framework for Analyzing Emerging Threats as U.S. Forces Leave*, Santa Monica: RAND Corporation, 2010, p. 13.

Iraqi Forces Quarterly Costs : FY 2005 – FY 2010

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

\$ Billions and % of Total

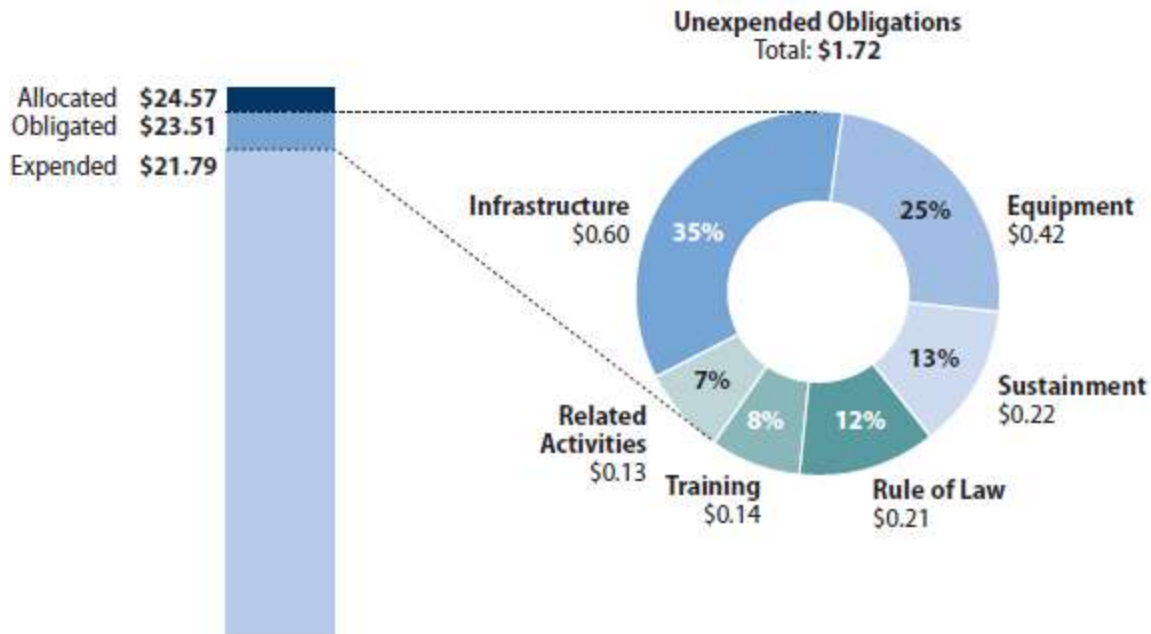


Note: Data not audited. Numbers affected by rounding.

Sources: OSD, response to SIGIR data call, 4/12/2010; SIGIR, Quarterly and Semiannual Reports to the United States Congress, 10/2005–1/2010.

US Aid to Iraqi Forces is Largely Obligated or Spent

SECURITY: STATUS OF FUNDS \$ Billions



Note: Data not audited. Numbers affected by rounding. OSD does not report CERP obligation and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. SIGIR pulls CERP project category data from the IRMS, which lags in reporting by one quarter. Therefore, category totals found in the Funding subsection of this Report may not match top-line values found in the four subsections on major reconstruction areas.

Sources: DoS, response to SIGIR data call, 4/5/2007; U.S. Embassy-Baghdad, response to SIGIR data call, 7/16/2009; IRMS, *USF-I CERP Category Report*, 4/14/2010; NEA-I, response to SIGIR data call, 4/2/2010; OSD, responses to SIGIR data calls, 4/10/2009 and 4/12/2010.

How US Security Force Development Aid was Spent

SECURITY: STATUS OF FUNDS, BY SECTOR, WITH SELECTED PROGRAMS

\$ Millions

SECTOR	PROGRAM	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Equipment	MOD Equipment (ISFF)	4,592.3	4,384.7	180.3 (4%)	229.1 (6%)
	MOI Equipment (ISFF)	1,751.0	1,536.9	51.3 (3%)	95.5 (7%)
	Other	690.9	690.5		
	Subtotal	7,034.2	6,612.2	231.5 (3%)	324.7 (5%)
Training	MOD Training (ISFF)	451.2	395.8	23.1 (5%)	23.6 (6%)
	MOI Training (ISFF)	2,428.4	2,373.7	6.1 (0%)	14.1 (1%)
	Other	2,874.9	2,847.5	-0.8 (0%)	-0.8 (0%)
	Subtotal	5,754.4	5,617.0	28.4 (0%)	36.8 (1%)
Infrastructure	MOD Infrastructure (ISFF)	3,088.6	2,762.9	3.9 (0%)	22.1 (1%)
	MOI Infrastructure (ISFF)	1,379.0	1,107.9	1.5 (0%)	5.6 (1%)
	Other	1,081.5	1,075.5		0.8 (0%)
	Subtotal	5,549.1	4,946.3	5.4 (0%)	28.6 (1%)
Sustainment	MOD Sustainment (ISFF)	1,878.1	1,708.8	19.6 (1%)	59.0 (4%)
	MOI Sustainment (ISFF)	595.5	546.7	1.0 (0%)	17.7 (3%)
	Subtotal	2,473.7	2,255.5	20.6 (1%)	76.7 (4%)
Rule of Law	Protective Measures (CERP)	473.1	371.4	36.6 (8%)	36.1 (11%)
	Justice, Public Safety Infrastructure, & Civil Society – Penal Facilities (IRRF)	92.1	83.3	4.2 (5%)	6.9 (9%)
	Other	964.9	864.9	1.5 (0%)	2.1 (0%)
	Subtotal	1,530.1	1,319.6	42.3 (3%)	45.1 (4%)
Related Activities	Related Activities (ISFF)	876.7	766.4	8.6 (1%)	29.1 (4%)
	Other	290.5	274.9	1.0 (0%)	1.5 (1%)
	Subtotal	1,167.2	1,041.2	9.7 (1%)	30.5 (3%)
Total		23,508.7	21,791.9	337.9 (1%)	542.3 (3%)

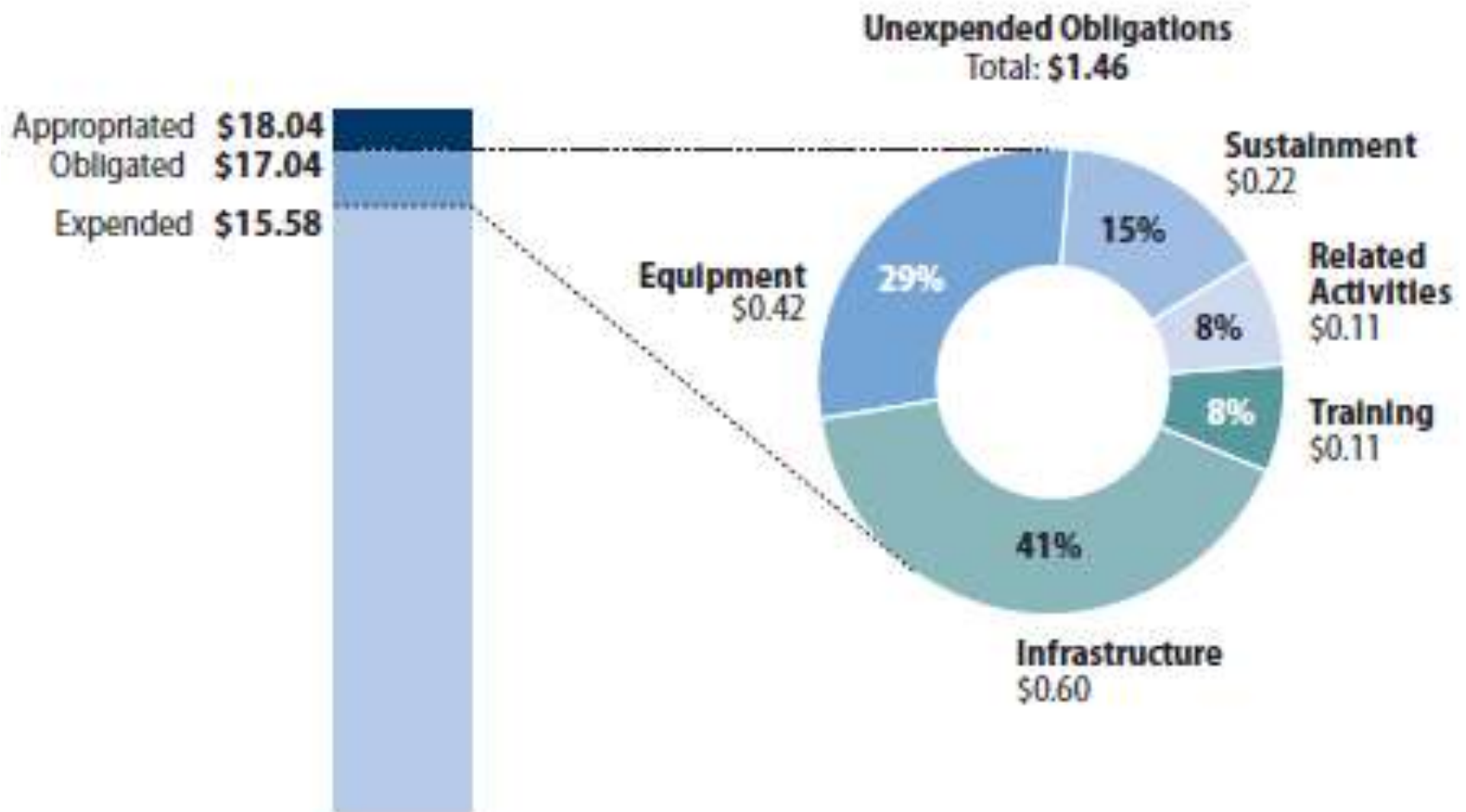
Note: Data not audited. Numbers affected by rounding. Programs listed in this table had changes of at least \$5 million in combined quarterly obligations and expenditures. Appendix C shows the status of programs in the "Other" categories, which had nominal or no quarterly change. OSD does not report CERP obligation and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. SIGIR pulls CERP project category data from the IRMS, which lags in reporting by one quarter. Therefore, category totals found in the Funding subsection of this Report may not match top-line values found in the four subsections on major reconstruction areas.

Sources: DoS, response to SIGIR data call, 4/5/2007; U.S. Embassy-Baghdad, response to SIGIR data call, 7/16/2009; IRMS, *USF-I CERP Category Report*, 4/14/2010; NEA-I, response to SIGIR data call, 4/2/2010; OSD, responses to SIGIR data call, 4/10/2009 and 4/12/2010; SIGIR, *Quarterly and Semiannual Report to the United States Congress*, 1/2010.

US Financing of Iraqi Security Forces Fund

ISFF: STATUS OF FUNDS

\$ Billions



- \$1.46 billion has not been expended.
- There is an additional \$1 billion -- \$0.43 has expired → \$0.57 remains → totaling \$2.03 billion in remaining available funds
- Administration requested an additional \$1 billion – which would set the total amount appropriated to \$21.04, becoming the largest US Reconstruction fund for Iraq

US ISFF Funding by Ministry

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

MINISTRY	SUB-ACTIVITY GROUP	STATUS OF FUNDS			QUARTERLY CHANGE	
		ALLOCATED	OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Defense	Infrastructure	3,272.1	3,088.6	2,762.9	3.9 (0%)	22.1 (1%)
	Equipment	4,743.5	4,592.3	4,384.7	180.3 (4%)	229.1 (6%)
	Training	541.7	451.2	395.8	23.1 (5%)	23.6 (6%)
	Sustainment	1,962.7	1,878.1	1,708.8	19.6 (1%)	59.0 (4%)
	Subtotal	10,520.0	10,010.2	9,252.2	226.8 (2%)	333.8 (4%)
Interior	Infrastructure	1,447.8	1,379.0	1,107.9	1.5 (0%)	5.6 (1%)
	Equipment	1,899.2	1,751.0	1,536.9	51.3 (3%)	95.5 (7%)
	Training	2,523.4	2,428.4	2,373.7	6.1 (0%)	14.1 (1%)
	Sustainment	672.5	595.5	546.7	1.0 (0%)	17.7 (3%)
	Subtotal	6,542.9	6,153.9	5,565.2	59.9 (1%)	132.9 (2%)
Other	Subtotal	976.4	876.7	766.4	8.6 (1%)	29.1 (4%)
Total		18,039.3	17,040.9	15,583.8	295.3 (2%)	495.8 (3%)

- US Funding is split between Ministry of Interior (MOI) and Ministry of Defense (MOD)
- US Funding has now changed focus and is now primarily focusing on appropriations intended solely for MOD forces

Iraqi Force Development: Trying to Recover from the Budget Crisis

ISFF FY 2009/2010 SPEND PLAN (REVISED)

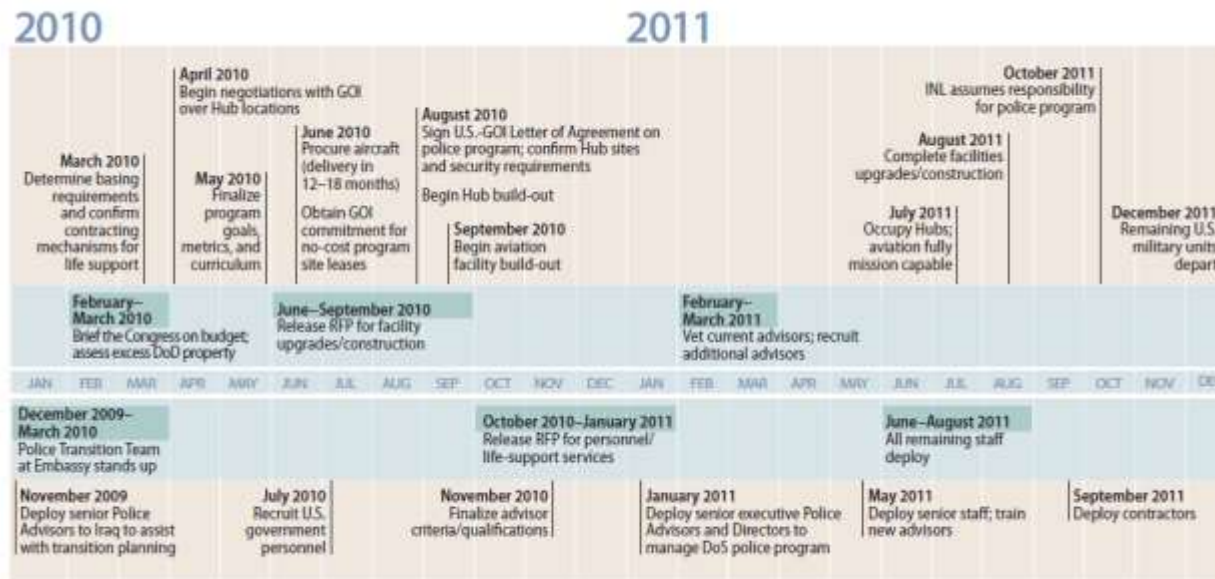
MINISTRY	SUB-ACTIVITY GROUP	PREVIOUSLY APPROVED PLAN	PROPOSED CHANGE	REVISED SPEND PLAN
Defense	Sustainment	91.8	22.5	114.3
	Equipment	260.1	48.6	308.7
	Training	196.5	-71.1	125.4
Interior	Sustainment	20.0	62.0	82.0
	Equipment	125.6		125.6
	Training	231.0	-62.0	169.0

Note: Data not audited. Numbers affected by rounding.

Source: USF-I, "Iraq Security Forces Fund (ISFF) FY 2009/2010 Spend Plan (Revised)," 1/2010, p. 2.

Transitioning Aid to the Iraq Police

TRANSITION OF IRAQI POLICE TRAINING TO INL



Source: U.S. Embassy-Baghdad, INL, response to SIGIR data call, 3/17/2010.

SIGIR, Quarterly Report, April 2010, p. 54

POLICE TRAINING PROGRAM: DoD vs. DoS

DEPARTMENT OF DEFENSE	DEPARTMENT OF STATE
Developing ability of Iraqi Police Service (IPS) to perform basic policing functions	Developing leadership and management skills for senior officials to effectively manage the IPS and its operations
Focus on counterinsurgency operations	Focus on community policing
Advising and mentoring on all levels of IPS (individual police station up through the MOI)	Advising/consulting at senior levels of IPS (Provincial Police HQ and training centers, police colleges, and MOI); no police station visits
Military-led, with civilian advisors	Civilian-led; no military support
An estimated 5,000 military personnel and 400 civilian advisors, not including combat troops	350 advisors and no more than 1,500 support personnel, including private security contractors
Conducted operations out of 50+ bases and training centers throughout Iraq	Based out of three program hubs in Baghdad, Basrah, and Erbil
Focused on force generation and basic training	Focused on training in management personnel and developing technical skills
Operational equipment (such as vehicles) provided to Iraqis	No operational equipment provided

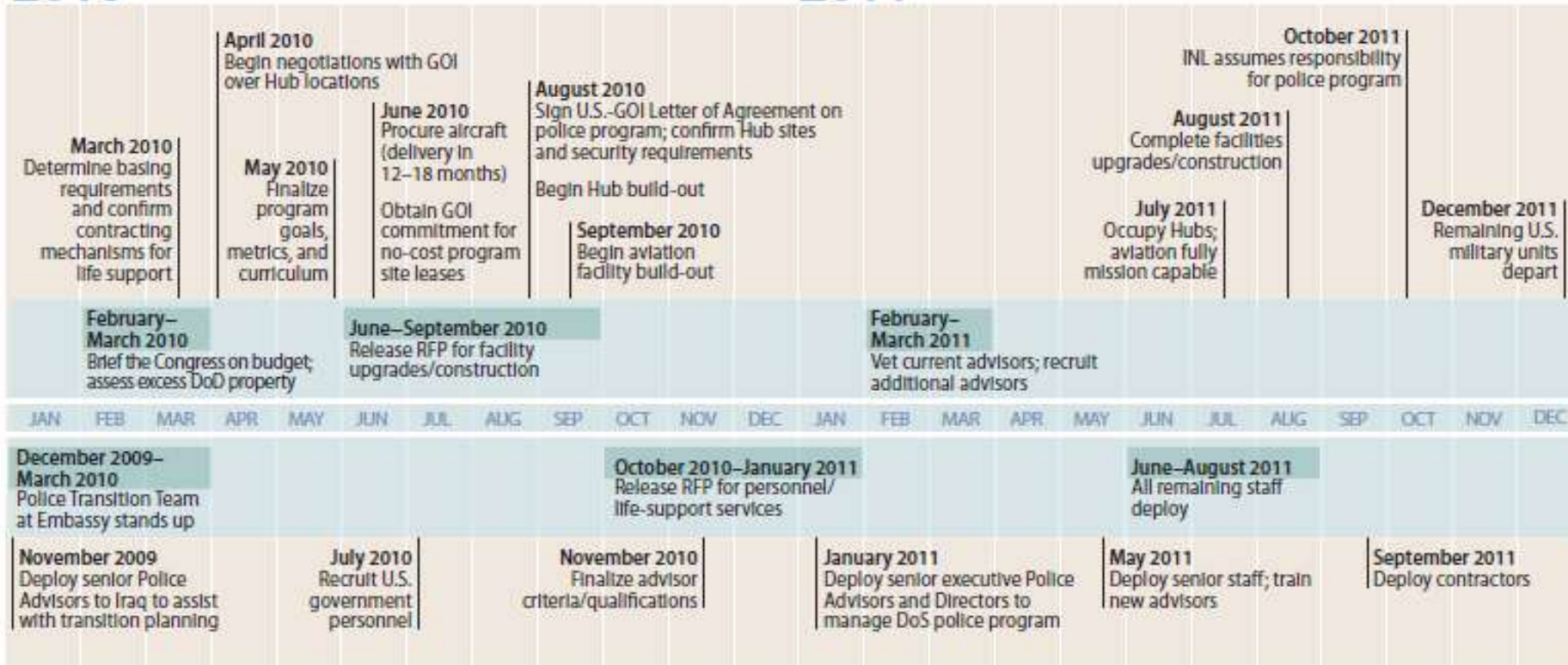
Source: U.S. Embassy-Baghdad, INL, response to SIGIR data call, 3/17/2010.

Current Transition Goals

TRANSITION OF IRAQI POLICE TRAINING TO INL

2010

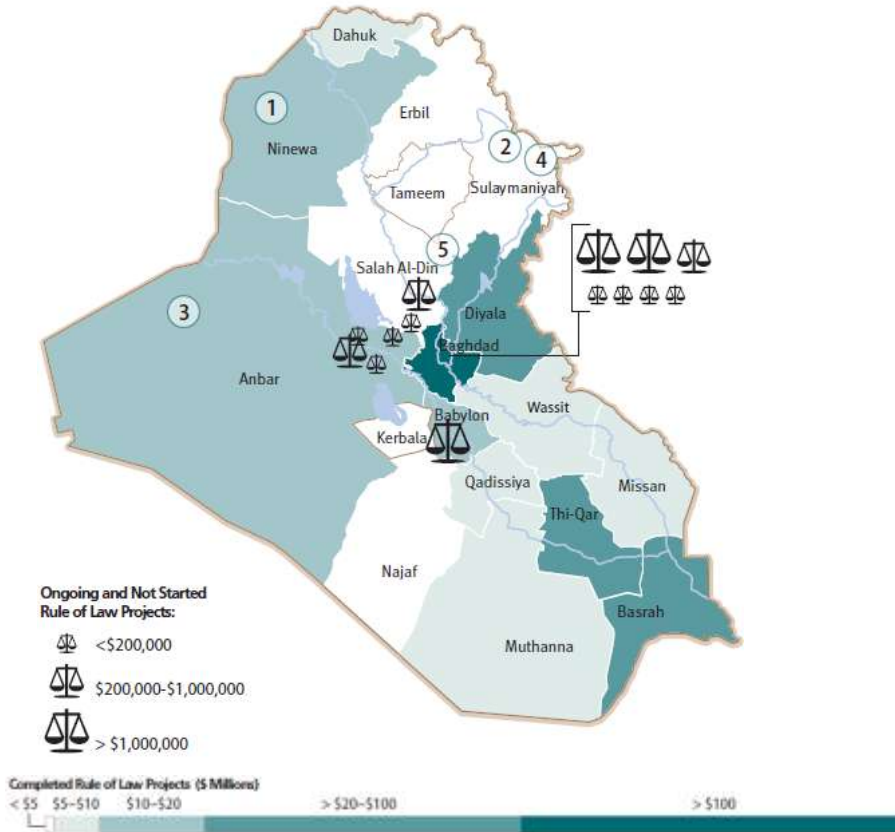
2011



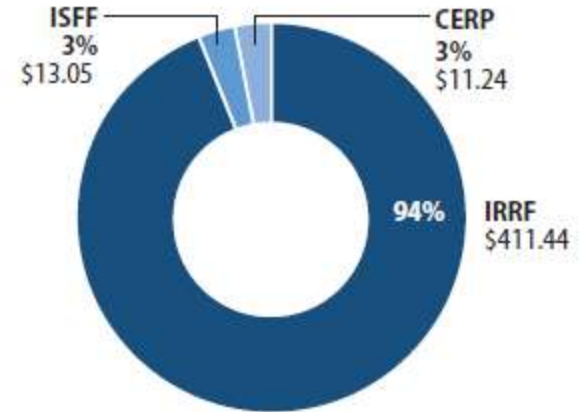
Source: U.S. Embassy-Baghdad, INL, response to SIGIR data call, 3/17/2010.

US Rule of Law Aid

U.S.-FUNDED PRISONS, COURTS, AND POLICE FACILITIES
Value of Completed Projects and Location of Ongoing and Not Started Projects



U.S. FUNDING FOR RULE OF LAW FACILITIES
\$ Millions



U.S.-FUNDED RULE OF LAW FACILITIES
\$ Millions

	COMPLETED	ONGOING	NOT STARTED	TOTAL
Police Facilities	157.33	0.06	2.89	160.29
Prisons	144.17	0.80	0.36	145.33
Courts	122.24	7.87	0.15	130.26
Total	423.74	8.73	3.40	435.87

Note: Data not audited. Numbers affected by rounding. This list of reconstruction projects is based on IRMS data, which is not fully accurate or complete. Therefore, project totals do not reconcile with top-line obligations and expenditures provided by the agencies.

Sources: IRMS, *Global Benchmark*, 4/5/2010; USACE, "Courthouse Renovation Helps Return Rule of Law to Mosul," 5/10/2009; USACE, "U.S. Army Corps of Engineers Prepares Iraq for Upcoming Elections," 1/11/2009; USACE, "Chamchamal Partners Cut Ribbon On Correctional Facility," 3/29/2009; USACE, "Renovations Complete at Ft. Suse Correctional Facility," 2/15/2010; USACE, "U.S. Military Transfers Prison to Iraqi Government," 3/16/2010; U.S. Embassy Baghdad, RoL, response to SIGIR data call, 4/14/2010.

INCLE-funded Prison Completion Time Line



Trends in Iraq: Economy and Budget

The Truth About Iraq's Oil Wealth: Poverty on the Surface; Potential Underground

Iraq is 160th in world in per capita income vs. 85th for Iran, 60th for Saudi Arabia, 2nd for Qatar, 7th for Kuwait.

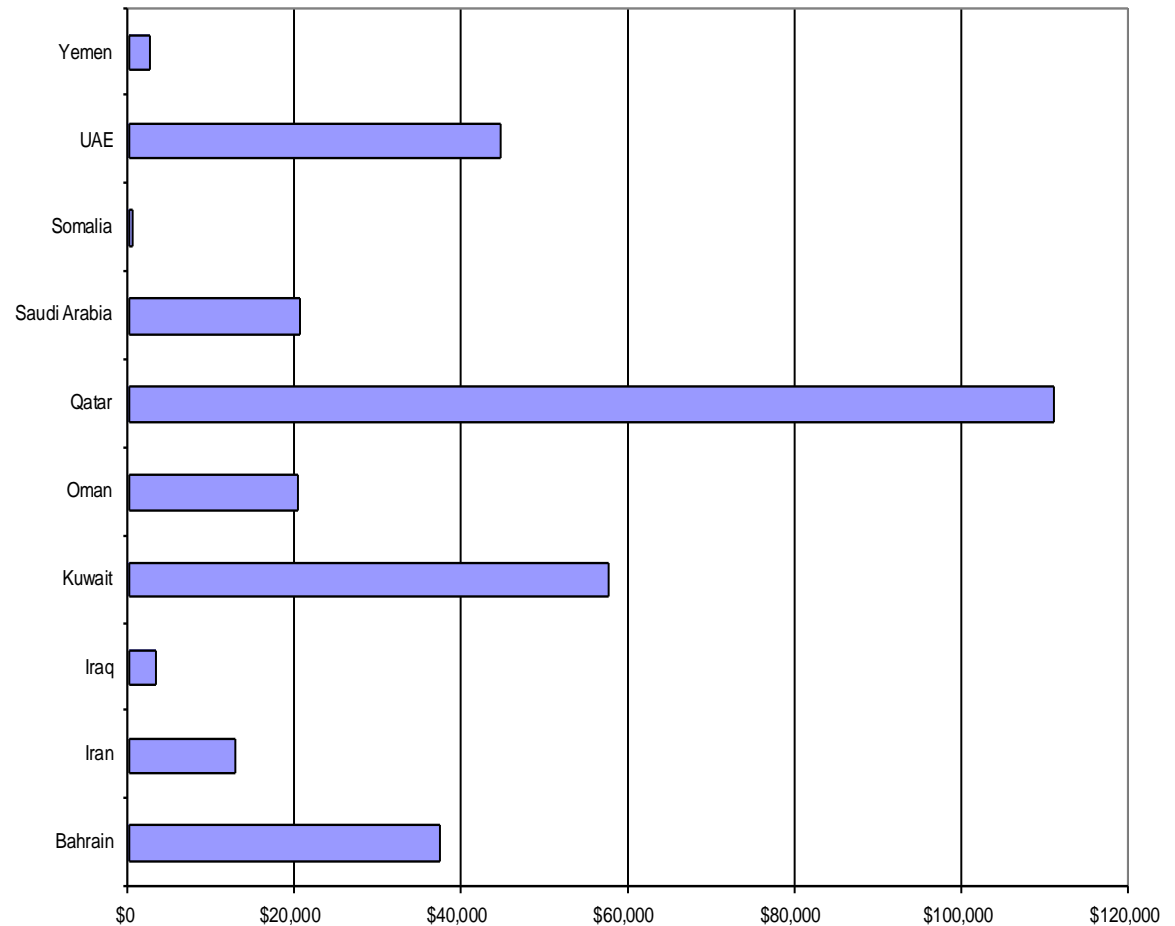
One of World's lowest ranking countries and close to Gaza and West Bank

unemployment and underemployment near 40%

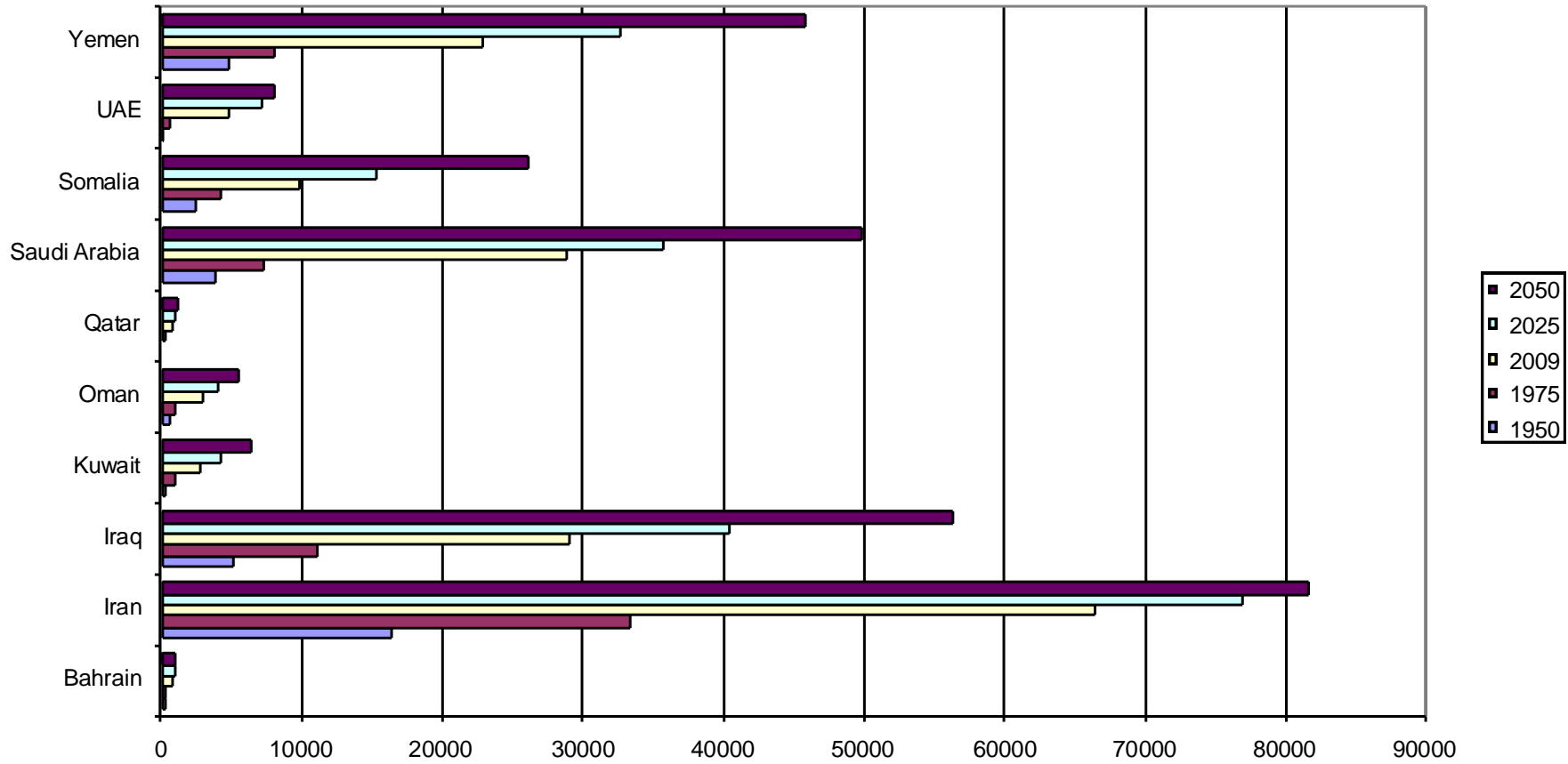
Education and Health systems in collapse

2 million IDPs and more than 1 million outside Iraq -- including much of elite

GDP Per Capita (US\$ in ppp terms)

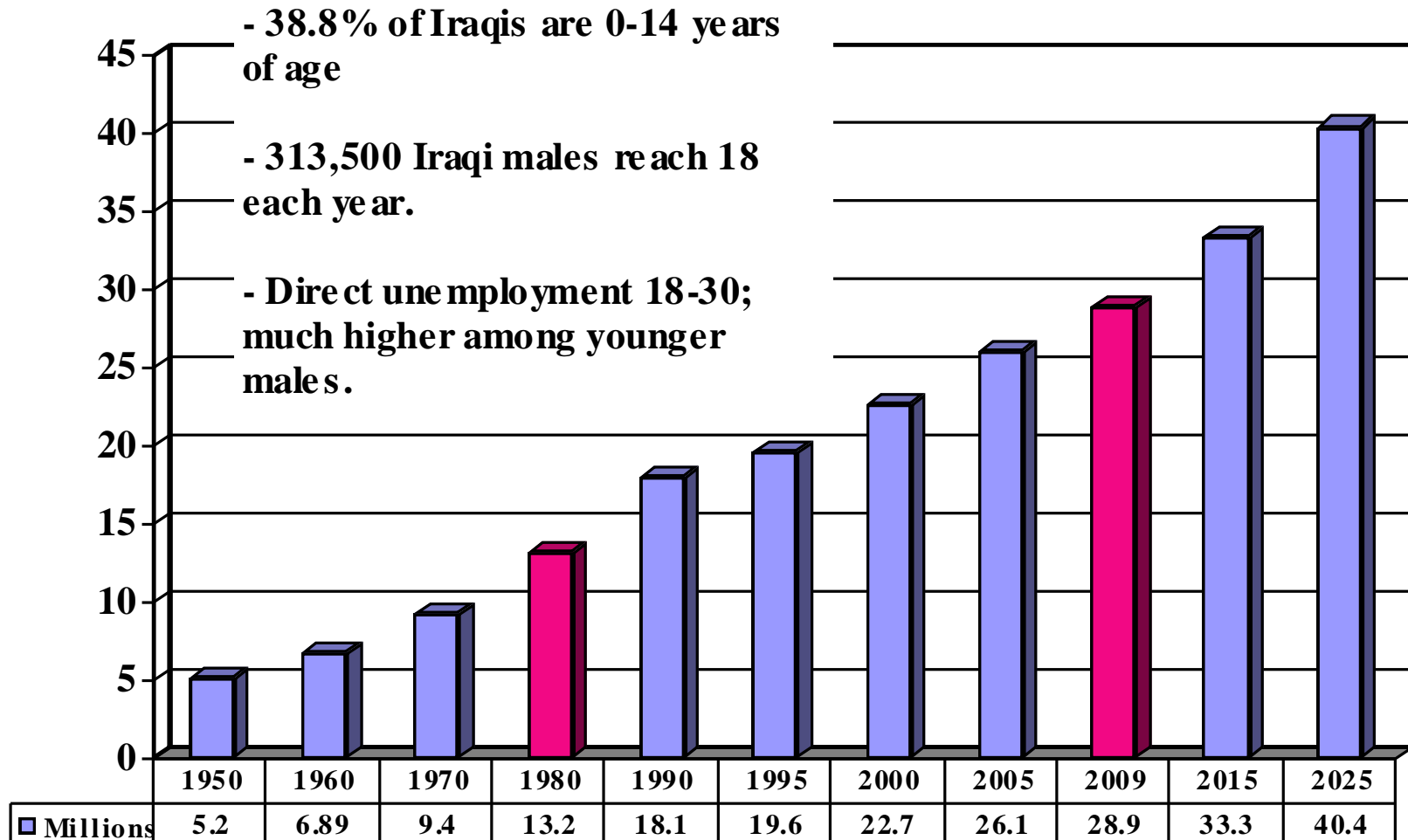


Iraq's Role in the Regional Youth Explosion (Growth in Total Population n 1,000s)



■ 2050	980	81,490	56,316	6,383	5,402	1,116	49,830	26,025	8,019	45,781
▣ 2025										
▣ 2009										
■ 1975										
▣ 1950										

The Broader Demographic Pressure



Source: US Census Bureau, IDB, 28-7-09; CIA World Factbook, "Iraq," April 2010

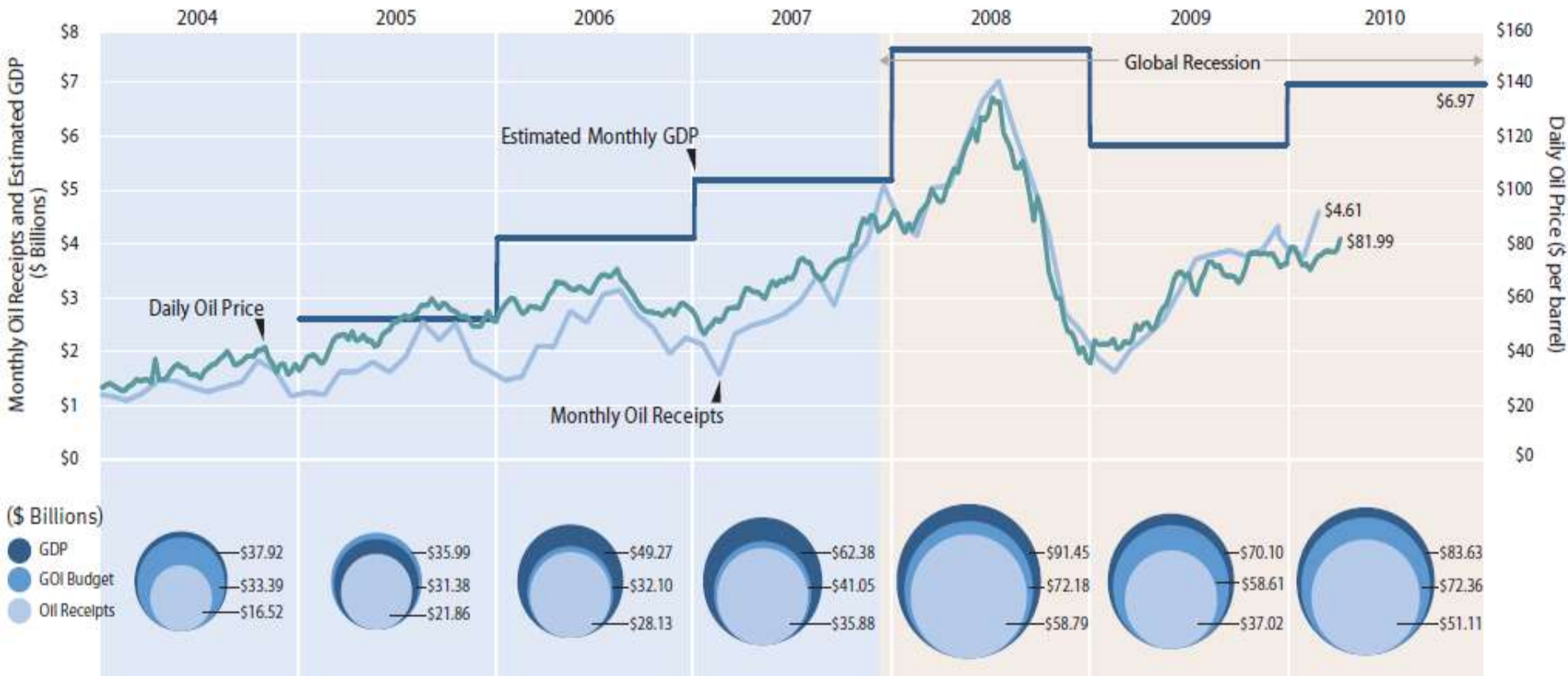
Budget & Economy

- Iraq's Presidency Council ratified a \$73.26 billion budget for 2010.
 - 23.5% increase from 2009, based on 2 assumptions about oil exports and revenues
 - **PRICE** → Assumes that the average price per barrel of oil is \$62.50 and 25% increase from \$50 assumed for the 2009 budget.
 - As of April 9, 2010 the price of Oil per barrel was \$81.99
 - **EXPORT** → Anticipates that Iraq's oil exports will average about 2.15 million barrels per day (MBPD) – and increase of 7.5% from the 2 MBPD assumed for 2009. As of April of 2010, exports averaged 1.93 MBPD.
 - In February Iraq's oil export levels reached 2.05 MBPD
 - It then dipped in March to 1.84 MBPD due to bad weather and rough seas
- Extended Natural Gas negotiations with Royal Dutch Shell for an additional 6 months
- Electricity production rises 14% since 2009

Iraqi Economy 2004 - 2010

THE IRAQI ECONOMY, 2004-2010

Oil Price, Iraqi Oil Receipts, and GDP



Iraqi Budgets: 2007-2009

COMPARISON OF GOI BUDGETS, 2007–2010

\$ Billions

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

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

Iraq: The Budget Crisis in 2009

- **Budget reduced from \$80B to \$56.8B in 2009.**
 - Avg. oil production in 2009 1.59M bpd -- prices rise put production drops.
 - Freeze on ISF manning leads to serious cuts in Iraqi Army and Police manning and development.
- **No supplement or continued spending for 2009. Budget not properly spent. Many development and aid projects not funds or properly transferred.**
- **Budget for 2010: \$74.2B**
 - Based on oil price of \$65.50 per barrel; output level of 2.15M bpd
 - Predicted budget deficit of \$19.6B
 - Will not allow Iraq to fund effective Iraq force development or cost of economic reconstruction and development.
 - Will need significant US military aid and target economic aid.
- **Budget for 2011: no draft as of yet**

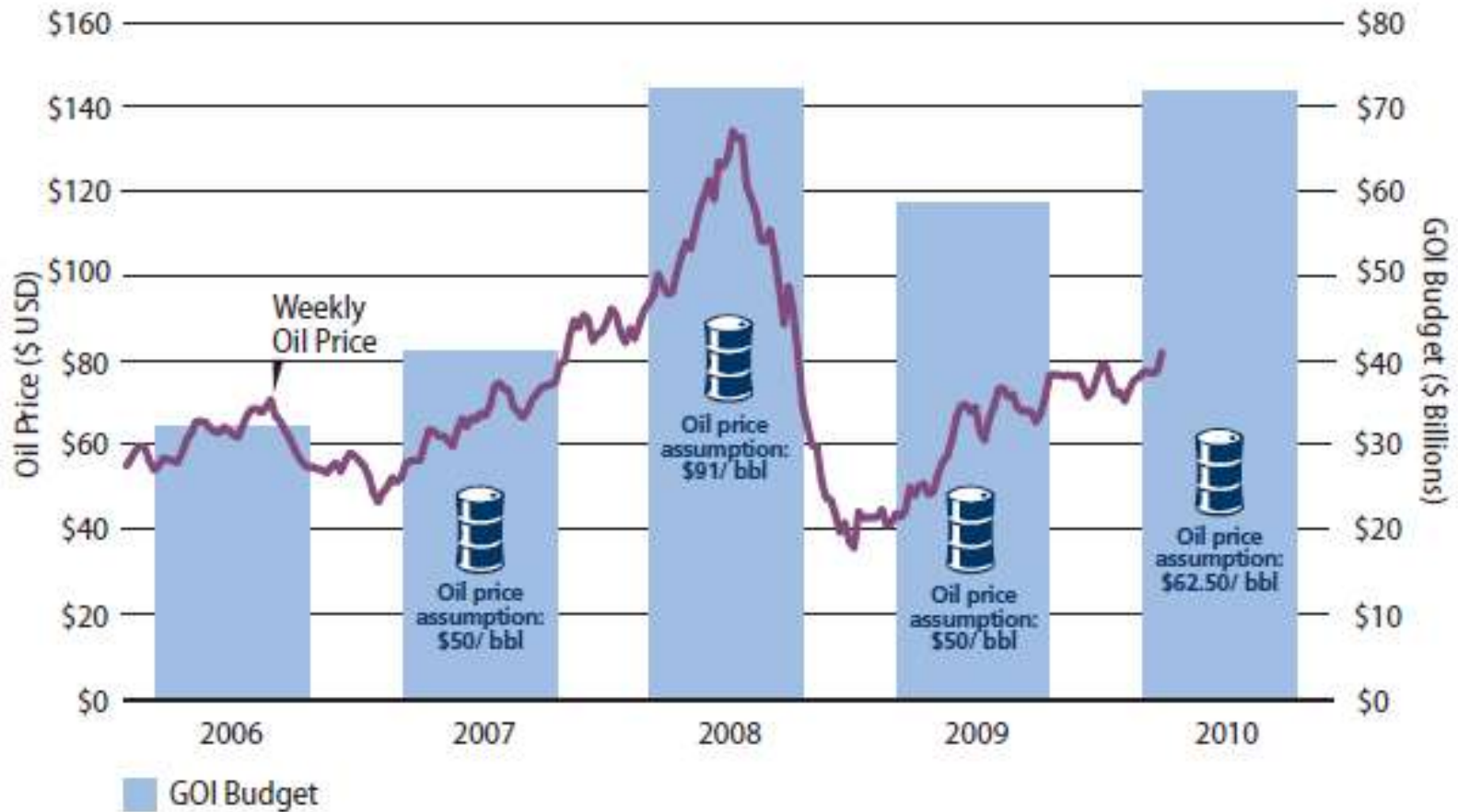
Reuters, "Iraqi Parliament Approves \$72.4 billion 2010 budget," January 26, 2010

Budget Structure in 2010

- \$72.36 billion budget for 2010 is made up of two parts
 - **Operating Expenditures** of \$52.12 billion – 72% of the budget
 - Goes to Salaries, benefits, and other overhead costs
 - Ministries with the largest operating budgets are Finance, Interior, Defense, Education, and Trade.
 - **Capital Expenditures** of \$20.24 billion – 28% of the budget
 - Ministries with the largest capital budgets are Electricity (largest gross increase), Oil, Finance, Municipalities and Public Works, and Health
- Real world allocation unclear until new government in place

Iraqi Budget Assumptions

WEEKLY OIL PRICE, GOI BUDGET, AND OIL PRICE ASSUMPTIONS, 2006–2010



Note: Oil prices reflect the average weekly price of Kirkuk crude oil.

The Iraqi Budget: Crisis in 2009, Near Crisis in 2010

(\$ in billions)	2006	2007	2008	2009**	2010
Base Budget	34.0	41.1	49.9	58.6	72.4
<i>Capital Expenditures</i>	27.8	10.1	13.1	12.7	20.3
<i>Operating Expenditures</i>	6.2	31.0	36.8	45.9	52.1
Supplemental Budget	N/A	N/A	22.3	N/A	N/A
<i>Capital Expenditures</i>			8.0		
<i>Operating Expenditures</i>			14.3		
Budget Total	34.0	41.1	72.2	58.6	72.4
Mol Security Budget	1.9	3.2	5.7	5.5	6.14
<i>Capital Expenditures</i>			0.5	0.2	0.3
<i>Operating Expenditures</i>			5.2	5.3	5.9
MoD Security Budget	3.4	4.1	5.3	4.1	4.9
<i>Capital Expenditures</i>			0.4	0.3	0.4
<i>Operating Expenditures</i>			4.9	3.8	4.5
Security Budget Total	5.3	7.3	11.0	9.6	11.0
Base Execution	23.0	27.0	47.9	28.0	N/A
Supplemental Execution			2.6		
Execution Total	23.0	27.0	50.5*	28.0***	N/A

Source: U.S. Treasury Report

*2008 total expenditures include base and supplemental budgets. The supplemental was not passed until late in 2008, limiting execution.

**The 2009 budgets reflect the significant decrease in oil prices from mid-2008.

***2009 expenditures through September 2009 – most current accurate data available.

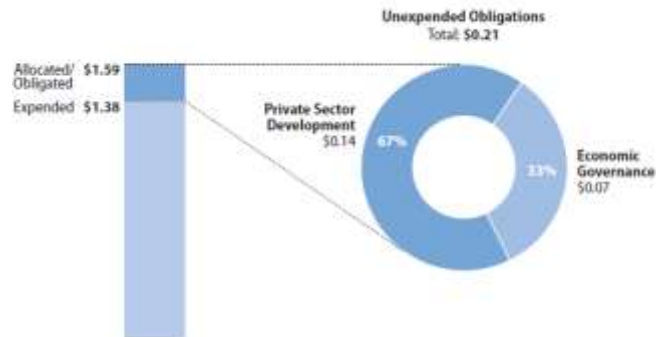
Continuing Budget Crisis in 2010

Projected Revenue & Deficit

- GOI revenues for 2010 are projected to be \$52.77 billion – more than 90% expected to come from the sale of their oil.
- Iraq would then run a deficit of \$19.59 billion
 - By march 31, 2010 GOI stated that it had received \$12.32 billion total in oil receipts since jan, 2010. – mainly due to the price in oil as it doubled in average than in the first quarter of 2009: \$36.44 → \$73.49
 - Assuming this rate holds, GOI will state that they will receive \$49.28 billion in total annual receipts.
 - About \$2 billion short of CoR's projection, but \$12.26 over the receipts from 2009.

US Aid to Economy: 2005 - 2010

ECONOMY: STATUS OF FUNDS
\$ Billions



Note: Data not audited. Numbers affected by rounding. OSD does not report CERP obligation and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. SIGIR pulls CERP project category data from the IRMS, which lags in reporting by one quarter. Therefore, category totals found in the Funding subsection of this Report may not match top-line values found in the four subsections on major reconstruction areas.

Sources: IRMS, USF-I CERP Category Report, 4/14/2010; NEA-I, response to SIGIR data call, 4/2/2010; U.S. Treasury, response to SIGIR data call, 4/2/2009; USAID, response to SIGIR data call, 4/13/2009; USTDA, response to SIGIR data call, 4/2/2009.

SIGIR, Quarterly Report, April 2010. p. 90

ECONOMY: STATUS OF FUNDS, BY SECTOR, WITH SELECTED PROGRAMS
\$ Millions

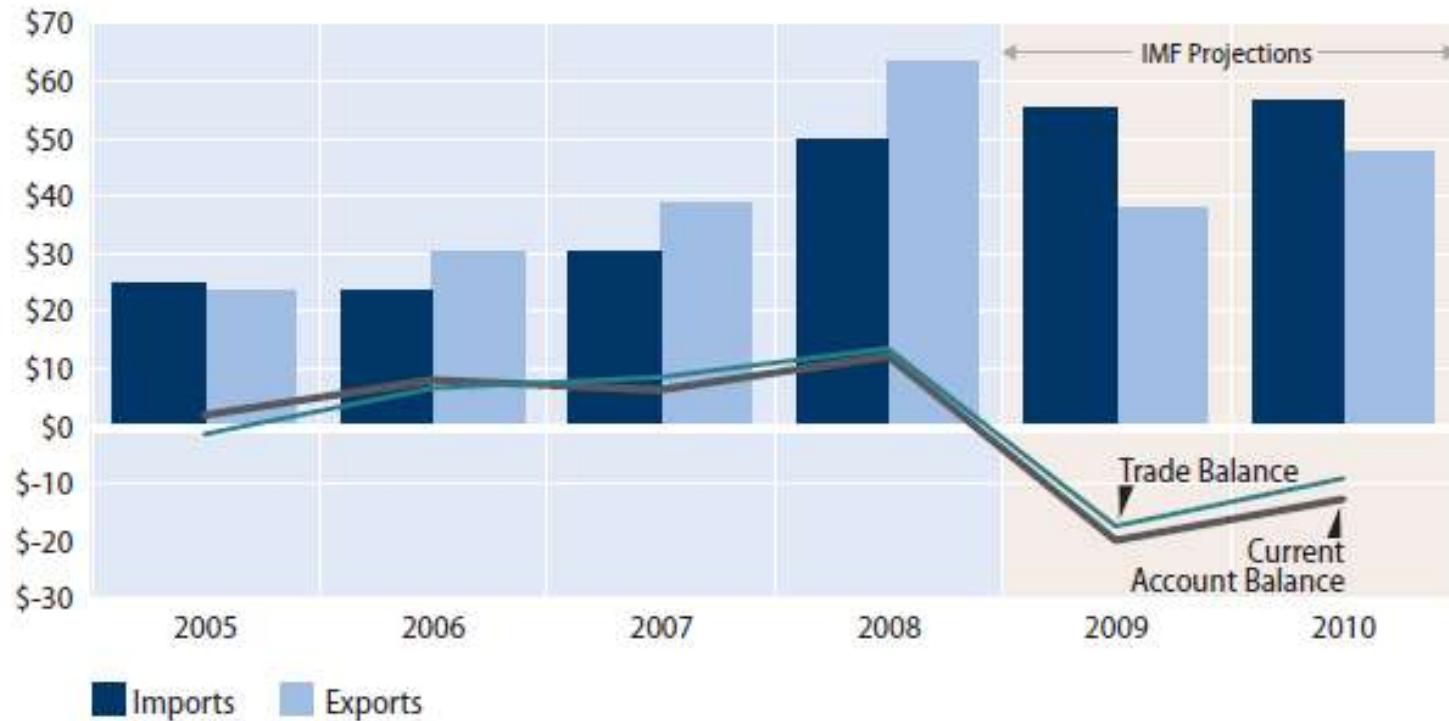
SECTOR	PROGRAM	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Economic Governance	Economic, Financial, and Management Improvements (CERP)	120.9	84.4	3.4 (3%)	5.1 (6%)
	Private Sector Development — Market-Based Reforms (IRRF 2)	135.0	109.9	0.0 (0%)	-8.7 (-7%)
	Other	571.4	563.2	0.0 (0%)	0.0 (0%)
	Subtotal	827.3	757.5	3.4 (0%)	-3.5 (0%)
Private Sector Development	Agriculture (CERP)	111.1	90.0	11.1 (11%)	18.2 (25%)
	Provincial Economic Growth (ESF)	85.8	38.1	0.0 (0%)	-10.6 (-22%)
	Other	563.4	493.0	0.0 (0%)	1.9 (0%)
	Subtotal	760.2	621.0	11.1 (1%)	9.6 (2%)
Total		1,587.5	1,378.6	14.5 (1%)	6.0 (0%)

Note: Data not audited. Numbers affected by rounding. Programs listed in this table had at least \$5 million in combined quarterly obligations and expenditures. Appendix C shows the status of programs in the "Other" categories, which had nominal or no quarterly change. OSD does not report CERP obligation and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. SIGIR pulls CERP project category data from the IRMS, which lags in reporting by one quarter. Therefore, category totals found in the Funding subsection of this Report may not match top-line values found in the four subsections on major reconstruction areas.

Sources: IRMS, USF-I CERP Category Report, 4/14/2010; NEA-I, response to SIGIR data call, 4/2/2010; U.S. Treasury, response to SIGIR data call, 4/2/2009; USAID, response to SIGIR data call, 4/13/2009; USTDA, response to SIGIR data call, 4/2/2009; SIGIR, Quarterly and Semiannual Report to the United States Congress, 1/2010.

Iraq's Trade Balance: 2005 - 2010

IRAQ'S TRADE BALANCE
\$ Billions



Source: IMF, *Regional Economic Outlook: Middle East and Central Asia*, 10/2009, pp. 55–57.

Trends in Iraq: Oil Production and Exports

Iraqi Oil Production and Oil Exports: 2003 - 2010

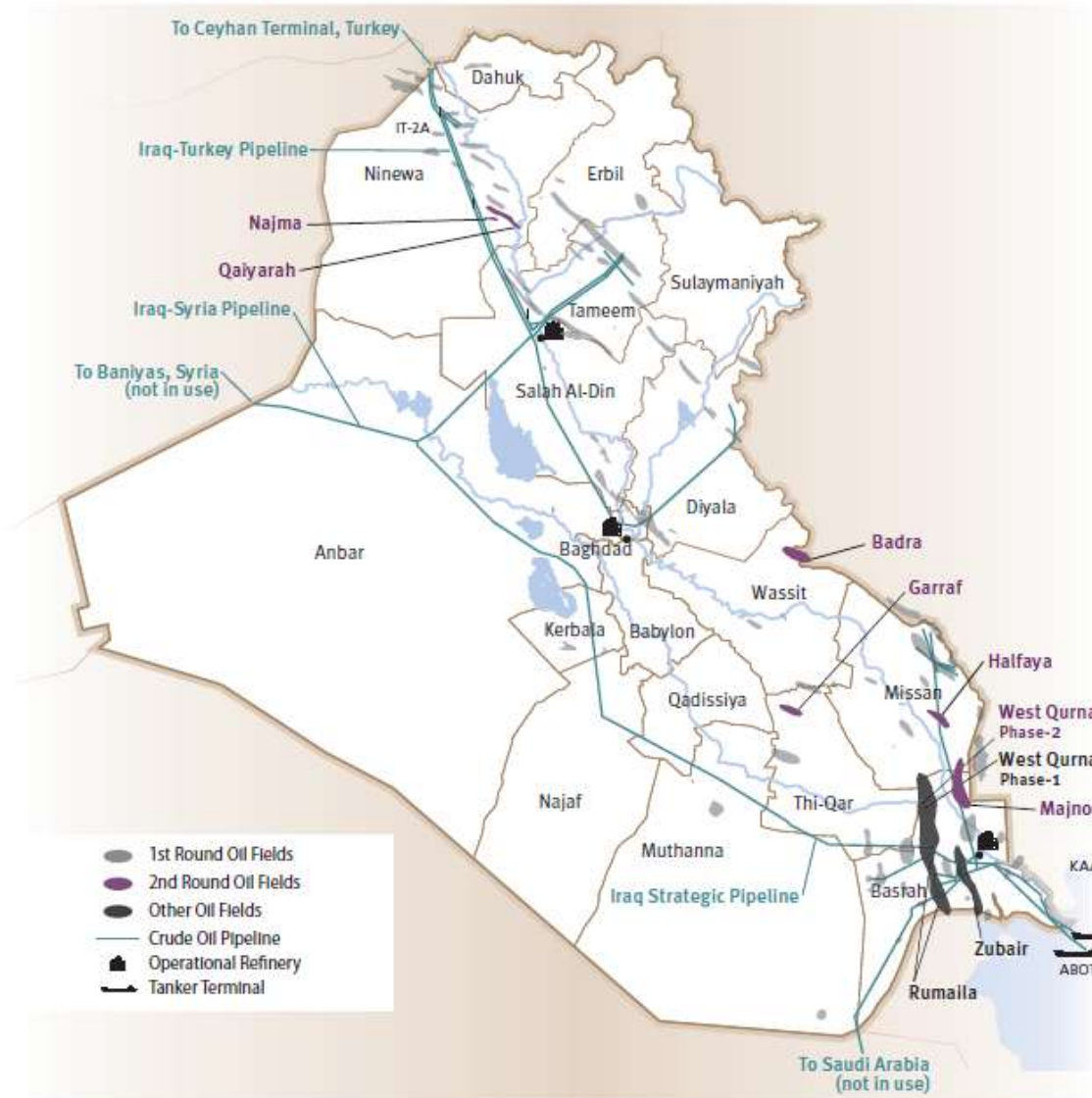
CRUDE OIL PRODUCTION AND EXPORTS, BY MONTH, 6/2003-3/2010

Million Barrels per Day



Sources: ITAO, "Monthly Import, Production, and Export Spreadsheet," 1/2008; U.S. Embassy-Baghdad, response to SIGIR data call, 10/2/2008; DoS, *Iraq Status Reports*, 5/27/2009, slide 8, 1/13/2010, slide 11, and 4/14/2010, slide 12; NEA-I, response to SIGIR data call, 7/2/2009.

Bidding for Oil by Field: 2009



Note: These second-round fields or projects received no bids: East Baghdad (north and central); Middle Furat (Kifl, West Kifl, Merjan); and Eastern Fields (Gilabat, Khashem Al-Ahmar, Nau Doman, Qumar).

Bidding for Oil - Who Got What: 2009

OIL FIELD	BIDDING CONSORTIUM ^a	PROVED RESERVES (BILLION BARRELS)	CURRENT PRODUCTION (BARRELS/DAY)	REMUNERATION FEE (\$/BARREL)	PLATEAU PRODUCTION COMMITMENT (BARRELS/DAY)	PRODUCTION PLATEAU PERIOD (YEARS)	SIGNATURE BONUS ^b (\$ MILLIONS)
Project Round 1							
Rumaila	BP (51%), CNPC (49%)	17.8	1,000,000	2.00	2,850,000	7	500
West Qurna 1	ExxonMobil (80%), Shell (20%)	8.6	270,000	1.90	2,325,000	7	400
Zubair	Eni (44%), Oxy (31%), Kogas (25%)	4	205,000	2.00	1,200,000	7	300
Project Round 2							
Majnoon	Shell (60%), Petronas (40%)	12.6	55,000	1.39	1,800,000	10	150
Halfaya	CNPC (50%), Petronas (25%), Total (25%)	4.1	3,000	1.40	535,000	13	150
Qaiyarah	Sonangol (100%)	0.8	2,000	5.00	120,000	9	100
West Qurna 2	Lukoil (75%), Statoil (25%)	12.9	0	1.15	1,800,000	13	150
Badra	Gazprom (40%), Kogas (30%), Petronas (20%), TPAO (10%)	0.1	0	5.50	170,000	7	100
Garraf	Petronas (60%), Japex (40%)	0.9	0	1.49	230,000	13	100
Najma	Sonangol (100%)	0.9	0	6.00	110,000	9	100
Total		62.7	1,535,000		11,140,000		2,050

Note: Numbers affected by rounding.

^a Key to acronyms and national affiliation: BP = Royal British Petroleum (United Kingdom), CNPC = China National Petroleum Corporation (China), ExxonMobil (United States), Shell = Royal Dutch Shell (United Kingdom), Eni (Italy), Oxy = Occidental Petroleum (United States), Kogas = Korea Gas Corporation (Korea), Petronas (Malaysia), Total (France), Sonangol (Angola), Lukoil (Russia), Statoil (Norway), Gazprom (Russia), TPAO = Turkish Petroleum Corporation (Turkey), Japex = Japan Petroleum Exploration Company (Japan).

^b A signature bonus is a non-recoverable sum of money that the winning bidder agrees to pay to the GOI upon award of the contract.

Oil Factors

- **Much depends on the decisions of the new government**

In the interim:

- Council of Representatives Issued 35% tax on Foreign oil companies operating in Iraq
- GOI finalized service contracts to foreign firms.
- Ministry of Oil also reached an agreement with the Chinese to develop three more fields in the Missan Province – estimated to contain about 2.6 Million barrels of crude oil.
- Iraq to create fourth state owned oil company – Midland Oil Company
- Development Fund for Iraq (DFI) – GOI to assume control of it towards the end of the year seems feasible, and therefore would be disestablished by the end of the year
- Iraqi Oil exports will now refer to ASCI price index as a benchmark due to the fact that the ASCI price index more accurately responds to global price fluctuations

Oil Provisions

- Provincial incentives can potentially cause friction between various provinces and the GOI.
 - A provision of \$1 towards the government of a province for each barrel of oil produced in that province.
 - A provision of \$1 towards the government of a province who has the ability to refine each barrel of oil.
 - A provision of \$20 towards the government of a province whose holy sites attract tourists.
- Anbar has none of these attributes, and thus may find these measures unduly favoring other provinces.

Iraq: The Cost-Benefit of Oil

RELATIONSHIP BETWEEN PRICE OF OIL, IRAQI OIL RECEIPTS, AND GDP

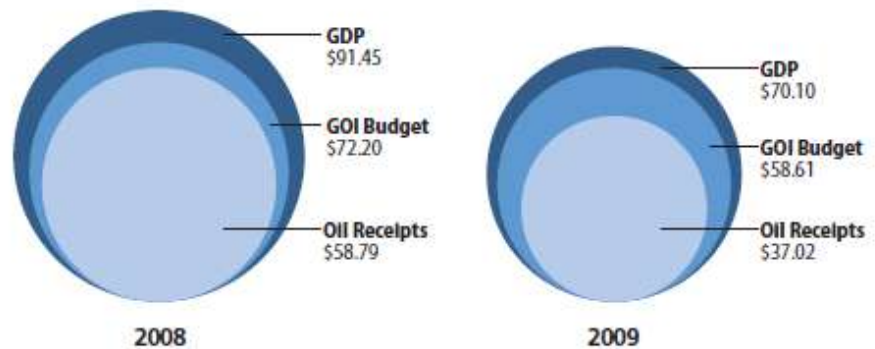


OPEC Oil Export Revenues, 2009

	NET (\$ BIL)	PER CAPITA (\$)	% OF GDP
Angola	42.2	3,294	61%
Libya	34.3	5,421	57%
Iraq	37.2	1,284	53%
Saudi Arabia	154.2	5,368	41%
Kuwait	46.0	17,061	40%
Algeria	42.7	1,250	32%
Nigeria	46.1	325	28%
Qatar	24.0	25,221	26%
UAE	52.2	10,863	23%
Iran	54.6	821	16%
Ecuador	5.8	411	10%
Venezuela	33.3	1,239	9%
OPEC	572.6	1,553	28%

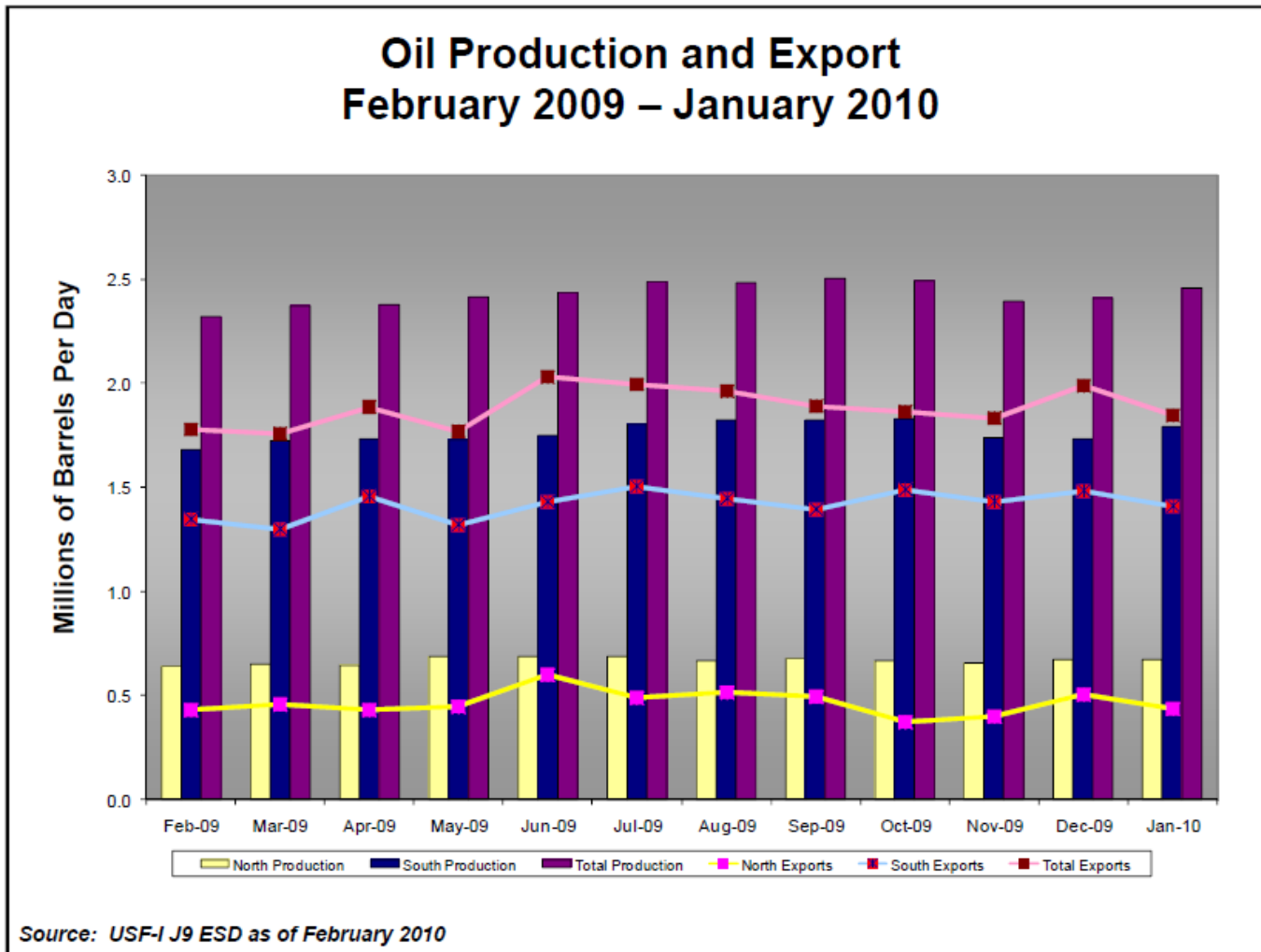
Iraqi Oil Receipts, Budget, and GDP, 2008–2009

\$ Billions

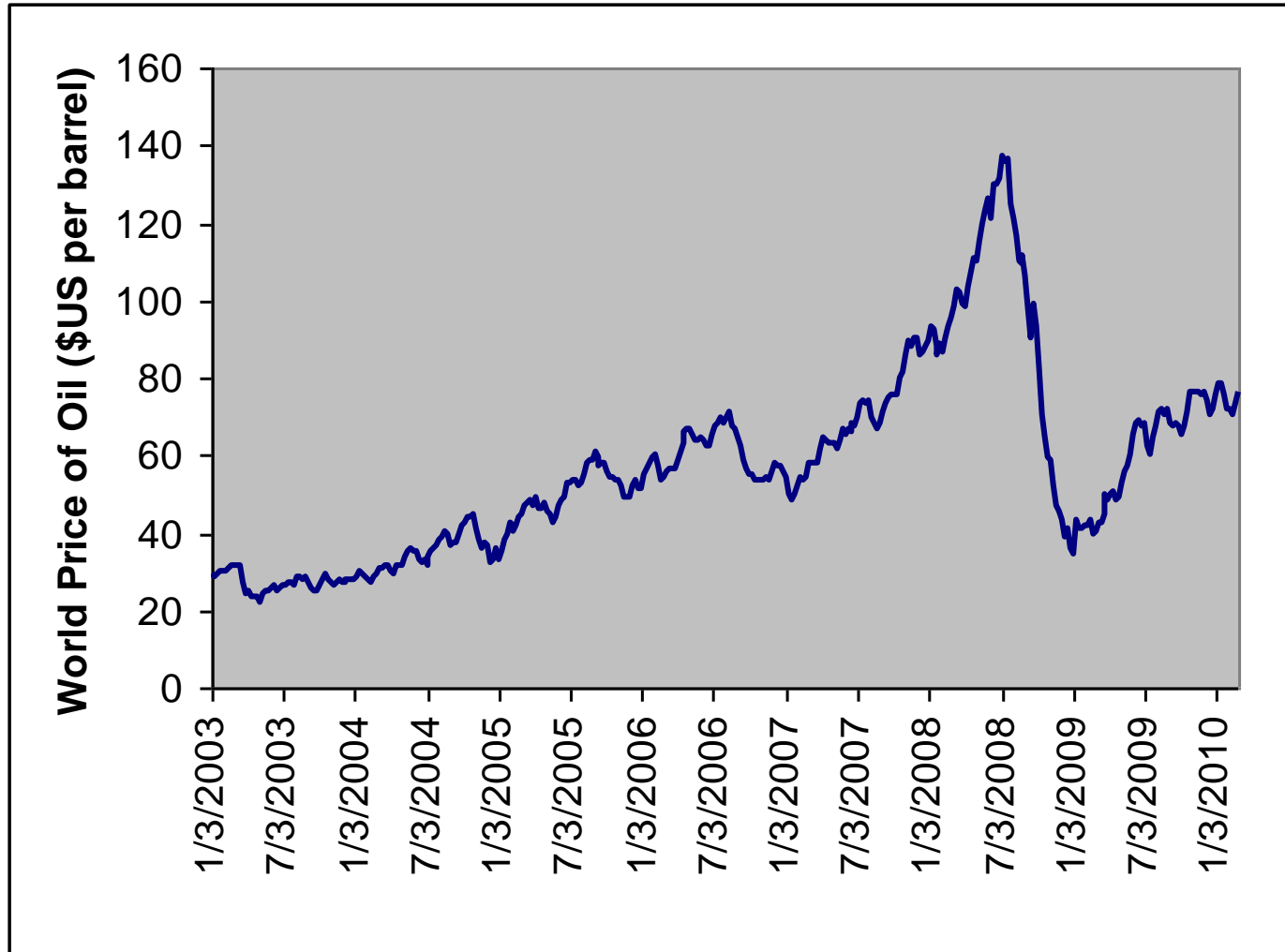


Notes: Weekly Iraq Kirkuk netback price at U.S. Gulf used for all oil price descriptions, depictions, and analysis. All dollar values in current prices. Iraqi GDP is not available from the IMF for 2004; GDP figures from 2007–2009 are estimates. Data not audited. Numbers affected by rounding.

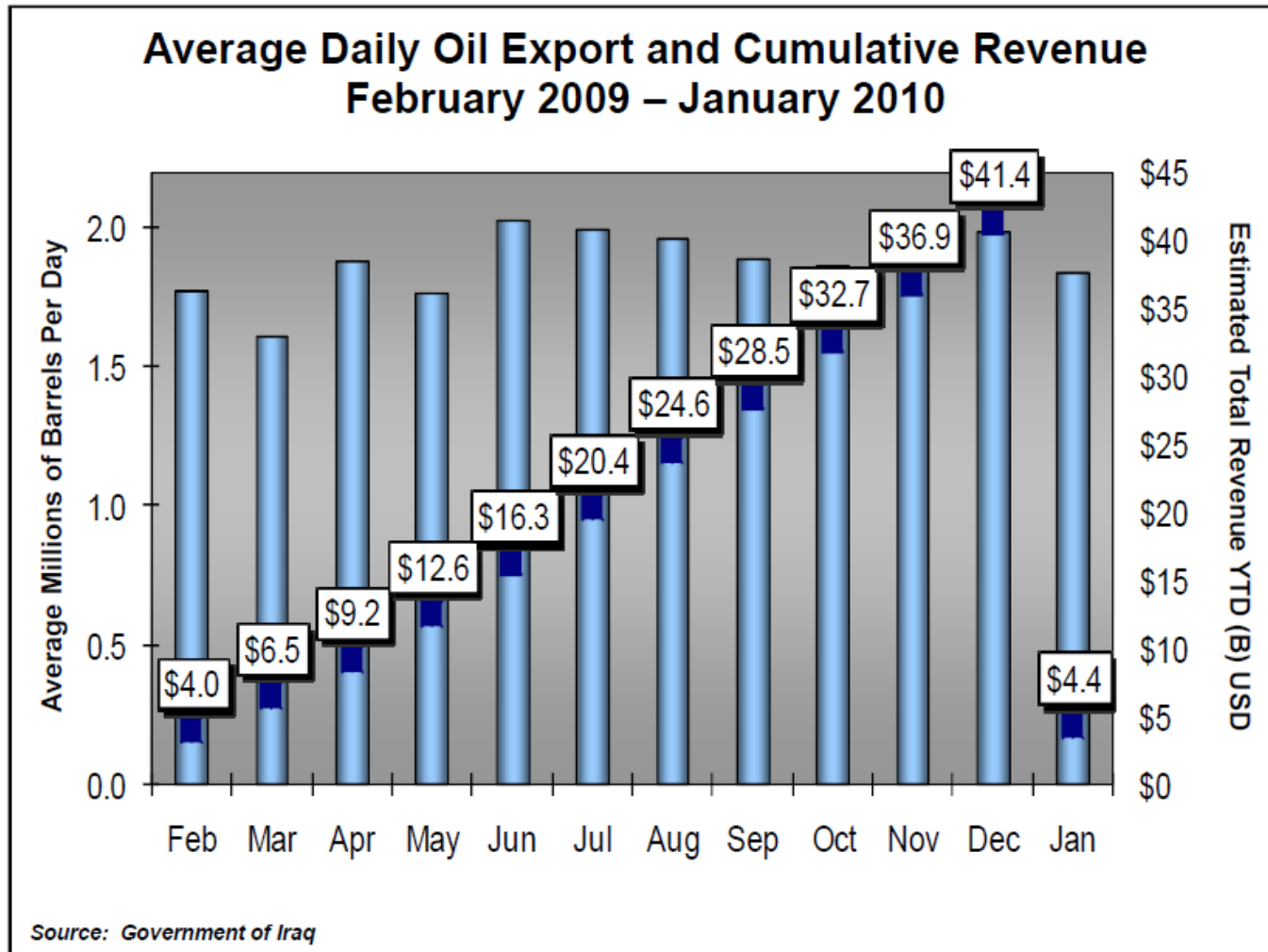
Iraqi Oil Production and Exports by Region



Iraqi World Price of Oil (\$US/per barrel) 2003-2010



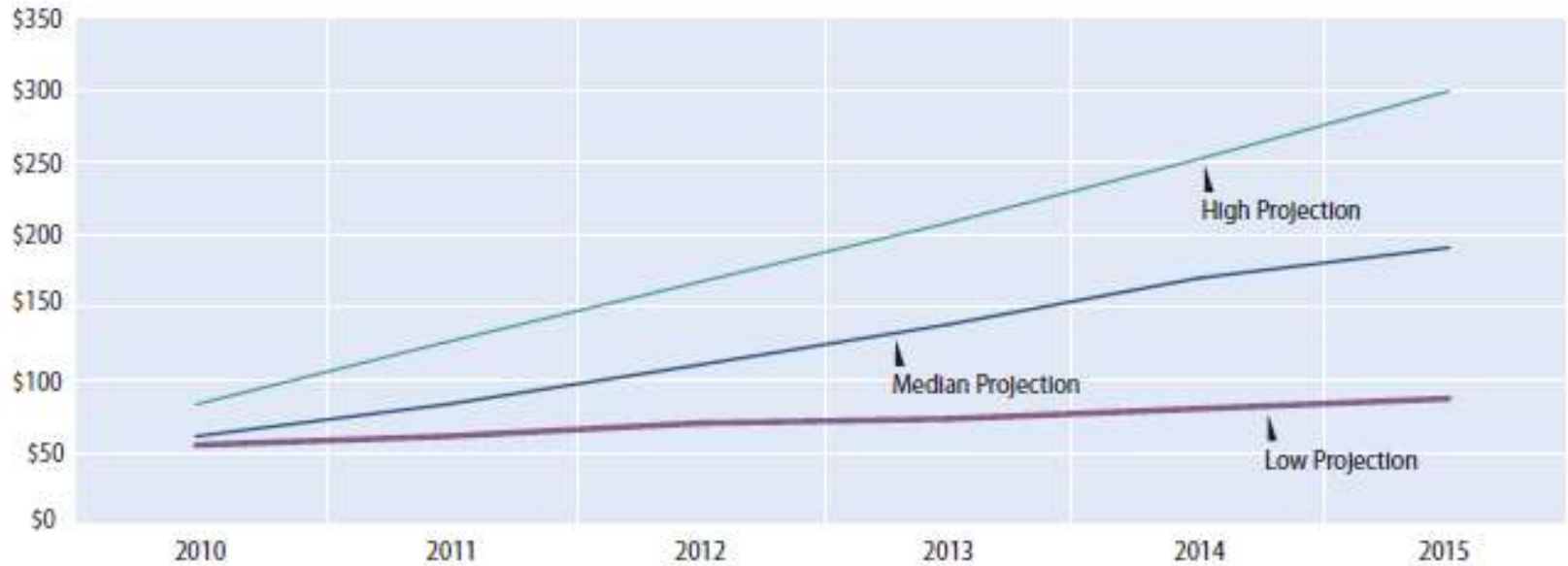
Iraqi Oil Revenues: 2009 - 2010



Projected Iraqi Oil Export Revenues: 2010-2015

PROJECTIONS OF POTENTIAL IRAQI OIL EXPORT REVENUES

\$ Billions



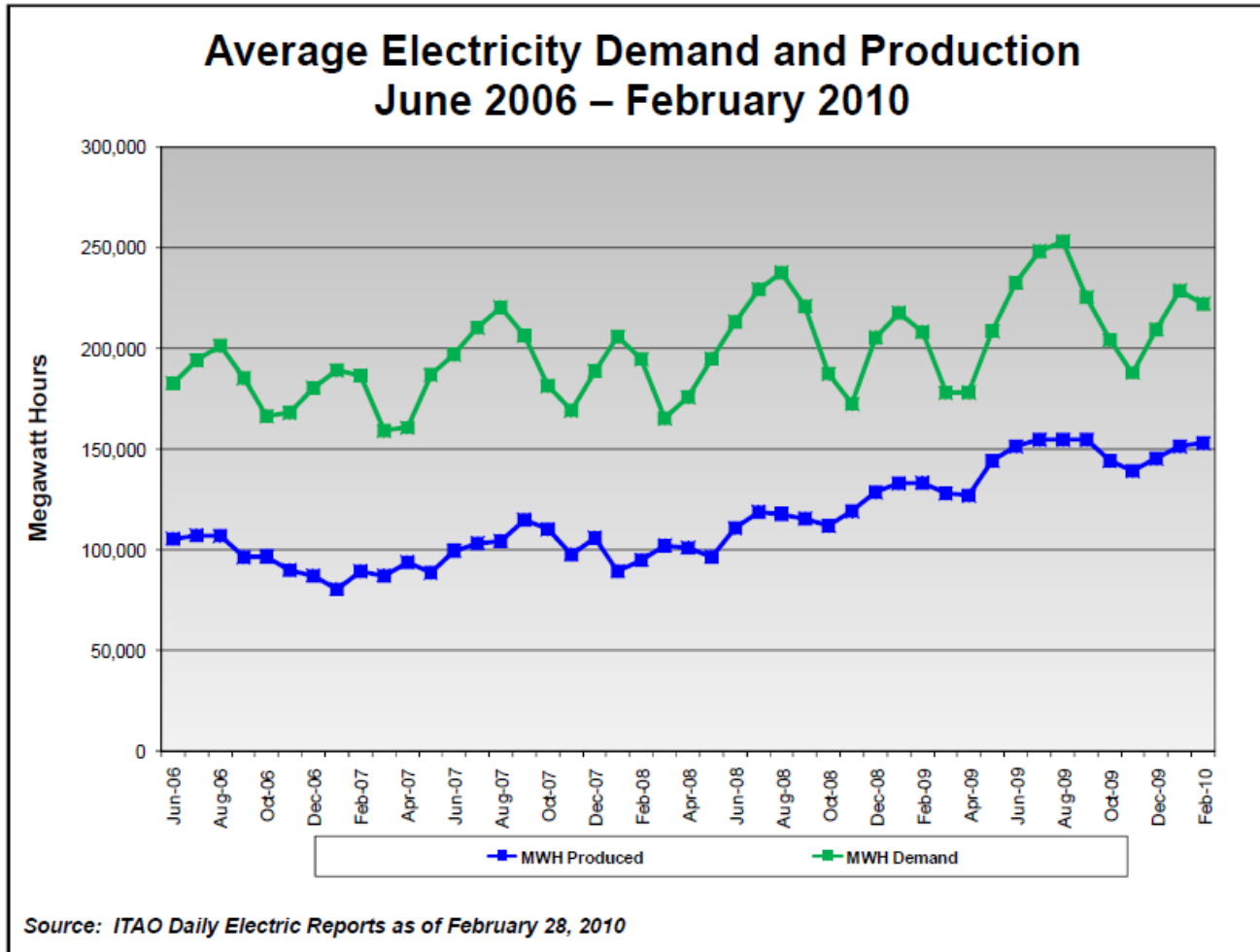
Note: This graphic represents but three of countless possible scenarios. Oil export quantity and price are treated as independent variables. The low projection assumes a slow increase in oil export volume and stable oil prices. The median projection assumes a moderate increase in oil export volume and increased oil prices. The high projection assumes a rapid increase in oil export volume and increased oil prices.

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

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

Trends in Iraq: Lagging Infrastructure Development

The Continuing Electricity Crisis



Power Varies by Province

Average Daily Hours of Electrical Power per Province
January 2010



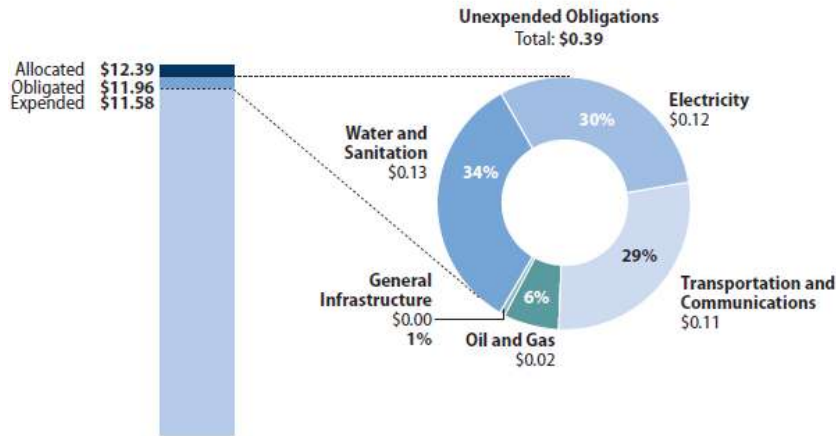
Province	Hours of Power
Anbar	15
Arbil	24
Babil	12
Baghdad	15
Basrah	16
Dahuk	16
Dhi Qar	15
Diyala	22
Karbala	14
Maysan	10
Muthanna	13
Najaf	12
Ninewa	13
Qadisiyah	10
Salah ad Din	19
Sulaymaniyah	23
Ta'mim	17
Wasit	13

Levels	Range
Green	21+
Light Green	18-20
Yellow	15-17
Orange	12-14
Red	0-11

Source: US Embassy Iraq Transition Assistance Office (ITAO)

Uncertain Progress in Infrastructure Security

INFRASTRUCTURE: STATUS OF FUNDS
\$ Billions

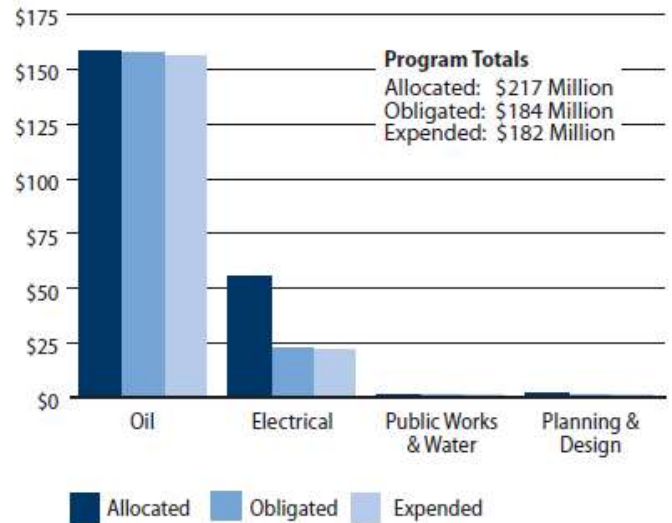


Note: Data not audited. Numbers affected by rounding. OSD does not report CERP obligation and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. SIGIR pulls CERP project category data from the IRMS, which lags in reporting by one quarter. Therefore, category totals found in the Funding subsection of this Report may not match top-line values found in the four subsections on major reconstruction areas.

Sources: IRMS, *USF-I CERP Category Report*, 4/14/2010; NEA-I, response to SIGIR data call, 4/2/2010; OSD, response to SIGIR data call, 4/10/2009; USACE, response to SIGIR data call, 4/1/2010; USAID, response to SIGIR data call, 4/13/2009.

SIGIR, Quarterly Report, April 2010. p. 60

INFRASTRUCTURE SECURITY PROGRAM: ALLOCATIONS, OBLIGATIONS, AND EXPENDITURES
\$ Millions



Note: Numbers affected by rounding.

Source: USACE, response to SIGIR data call, 4/1/2010.

SIGIR, Quarterly Report, April 2010. p. 63

US Infrastructure Aid to Iraq

INFRASTRUCTURE: STATUS OF FUNDS, BY SECTOR, WITH SELECTED PROGRAMS

\$ Millions

INFRASTRUCTURE SECTOR	PROGRAM	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Electricity	Electric Sector - Transmission (IRRF 2)	1,020.0	1,006.2	17.5 (2%)	18.2 (2%)
	Electric Sector - Generation (IRRF 2)	1,739.1	1,711.9	5.5 (0%)	12.4 (1%)
	Electricity (CERP)	361.0	294.9	5.0 (1%)	11.2 (4%)
	Other	1,906.9	1,898.0	2.0 (0%)	5.4 (0%)
	Subtotal	5,026.9	4,911.0	30.0 (1%)	47.2 (1%)
Water and Sanitation	Water Resources & Sanitation - Potable Water (IRRF 2)	1,339.2	1,317.3	0.1 (0%)	14.8 (1%)
	Water Resources & Sanitation - Sewerage (IRRF 2)	270.5	259.5	4.2 (2%)	5.0 (2%)
	Other	1,034.0	933.4	-0.8 (0%)	11.2 (1%)
	Subtotal	2,643.6	2,510.2	3.5 (0%)	31.0 (1%)
Oil and Gas	Oil Infrastructure - Infrastructure (IRRF 2)	1,607.9	1,587.6	8.4 (1%)	0.9 (0%)
	Other	327.9	326.1	-0.2 (0%)	0.6 (0%)
	Subtotal	1,935.8	1,913.7	8.1 (0%)	1.5 (0%)
General Infrastructure	Subtotal	1,238.5	1,236.3	-0.1 (0%)	0.0 (0%)
Transportation and Communications	Transportation & Telecommunications Projects - Iraqi Communications Systems (IRRF 2)	53.1	37.4	19.2 (57%)	3.6 (11%)
	Other	1,066.0	968.0	-0.5 (0%)	7.9 (1%)
	Subtotal	1,119.0	1,005.4	18.6 (2%)	11.5 (1%)
Total		11,963.8	11,576.6	60.2 (1%)	91.1 (1%)

Note: Data not audited. Numbers affected by rounding. Programs listed in this table had at least \$1 million in quarterly obligations or expenditures. The status of programs in the "Other" categories—which had nominal or no quarterly change—may be found in Appendix C. OSD Comptroller does not report CERP allocation, obligation, and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. SIGIR pulls CERP allocation, obligation, and expenditure data from the IRMS, which lags in reporting by one quarter. Therefore, totals may not match top-line values found in the Funding section of this Report.

Sources: IRMS, *USF-I CERP Category Report*, 4/14/2010; NEA-I, response to SIGIR data call, 4/2/2010; OSD, response to SIGIR data call, 4/10/2009; USACE, response to SIGIR data call, 4/1/2010; USAID, response to SIGIR data call, 4/13/2009; SIGIR, *Quarterly and Semiannual Report to the United States Congress*, 1/2010.

Trends in Iraq: Massive Cuts in Foreign Aid

Funding Overview

- US Govt., GOI, and International Community have committed \$162.83 billion for Iraq's reconstruction efforts since 2003.
 - Three Main Channels (in Billions)
 - Total Iraqi Funding through CPA -- \$91.43
 - International / Non-US Sources - \$18.10
 - US Appropriations – \$53.31
- Future Path of International Aid remains unclear due to the global financial climate
- US Aid also remains uncertain due to global economic constraints
 - Primary responsibility for financing further efforts in Iraq lies with the Government of Iraq (GOI)

Funding Sources: Iraq vs. Foreign Aid



US Funding Overview

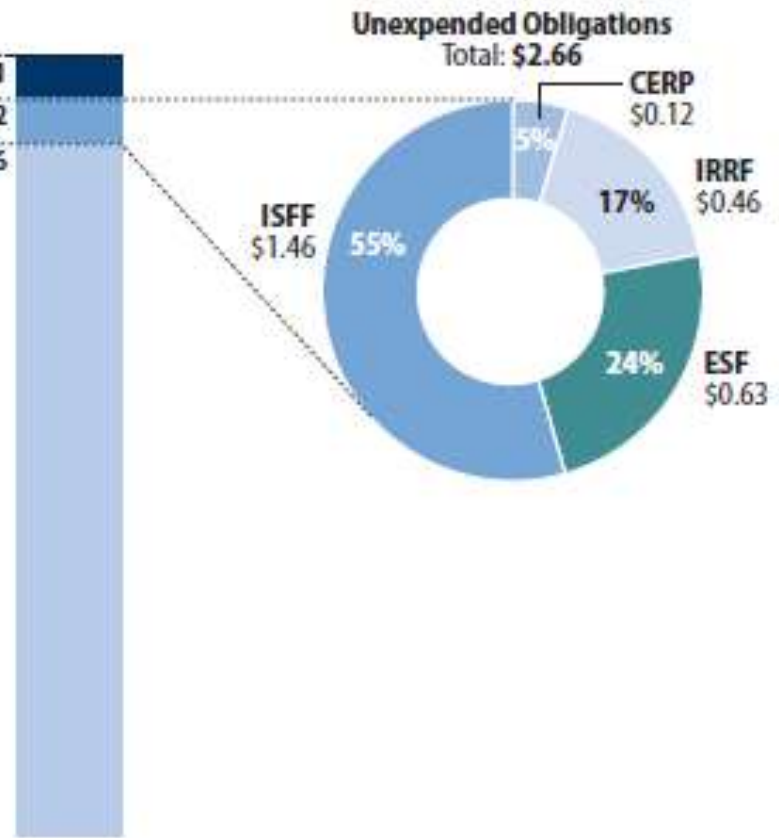
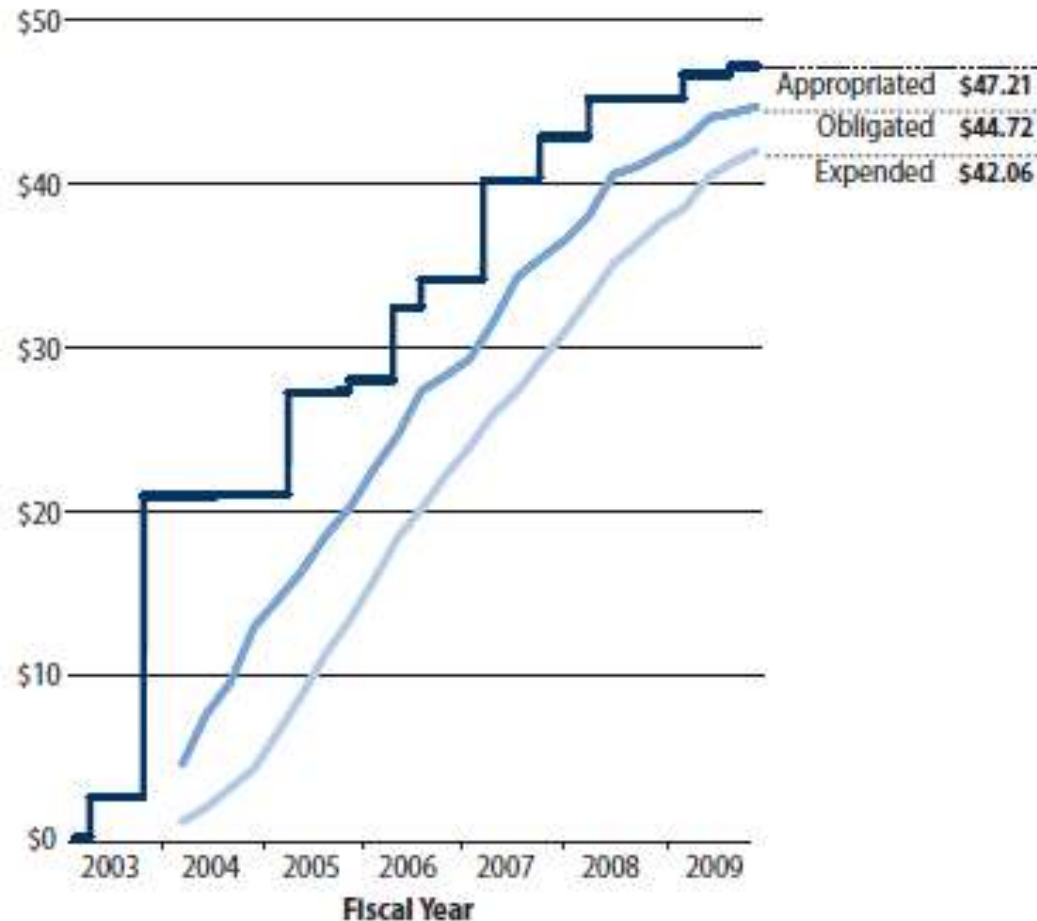
In Billions

- Total US Funding -- \$53.31
 - Iraqi Relief Reconstruction Fund (IRRF) - \$20.86
 - Iraqi Security Forces Fund (ISFF) - \$18.04
 - Economic Security Fund (ESF) - \$4.56
 - Commander's Emergency Response Fund (CERP) - \$3.74
- ISFF has the majority of funds remaining for expenditure -- \$2.0 billion
- ESF has just over \$1.0 billion remaining
- Congress has also allocated \$6.10 for other smaller reconstruction funding projects
 - Other Assistance Programs - \$3.77
 - Reconstruction-related Operating Expenses – \$2.05
 - Reconstruction Oversight -- \$.28

US Funding in Iraq

STATUS OF MAJOR U.S. FUNDS

\$ Billions



- Of the \$53.31 billion pledged by Congress for reconstruction efforts, \$47.21 billion has been appropriated since March 31, 2010
- Among the major funds, \$2.66 billion have not been expended as of March 31, 2010

IRRF STATUS

IRRF: STATUS OF FUNDS, BY APPROPRIATION AND SECTOR

\$ Millions

APPROPRIATION	SECTOR	STATUS OF FUNDS			QUARTERLY CHANGE	
		ALLOCATED	OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
IRRF 1	Subtotal	2,271.3	2,260.8	2,248.9		
IRRF 2	Security & Law Enforcement	4,977.3	4,931.0	4,892.4	-0.8 (0%)	
	Electric Sector	4,213.3	4,099.8	4,051.0	25.0 (1%)	33.3 (1%)
	Justice, Public Safety Infrastructure, & Civil Society	2,319.1	2,314.0	2,206.9	4.0 (0%)	8.6 (0%)
	Water Resources & Sanitation	2,075.2	1,971.4	1,927.0	4.6 (0%)	25.8 (1%)
	Oil Infrastructure	1,724.7	1,612.9	1,592.6	8.4 (1%)	0.9 (0%)
	Private Sector Development	862.3	860.0	830.0		-8.7 (-1%)
	Health Care	818.6	801.9	782.4	5.6 (1%)	12.1 (2%)
	Education, Refugees, Human Rights, Democracy, & Governance	470.7	519.6	447.6		0.5 (0%)
	Transportation & Telecommunications Projects	463.3	466.9	439.8	18.8 (4%)	4.4 (1%)
	Roads, Bridges, & Construction	327.6	280.0	267.1	-1.4 (0%)	4.5 (2%)
	Administrative Expenses	220.5	219.5	217.9		
	Subtotal	18,472.4	18,077.0	17,654.9	64.2 (0%)	81.3 (0%)
Total		20,743.8	20,337.8	19,903.7	64.2 (0%)	81.3 (0%)

- IRRF funding can no longer be used for new projects
- Unobligated funds may only be used for adjustments to ongoing projects

Most US Reconstruction Aid is Allocated or Spent

STATUS OF MAJOR U.S. RECONSTRUCTION FUNDS, BY USE
\$ Billions

AREA	SECTOR	STATUS OF FUNDS			QUARTERLY CHANGE	
		ALLOCATED	OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Security	Equipment	7.34	7.03	6.61	0.23 (3%)	0.32 (5%)
	Training	5.97	5.75	5.62	0.03 (0%)	0.04 (1%)
	Infrastructure	5.81	5.55	4.95	0.01 (0%)	0.03 (1%)
	Sustainment	2.64	2.47	2.26	0.02 (1%)	0.08 (4%)
	Rule of Law	1.54	1.53	1.32	0.04 (3%)	0.05 (4%)
	Related Activities	1.27	1.17	1.04	0.01 (1%)	0.03 (3%)
	Subtotal	24.57	23.51	21.79	0.34 (1%)	0.54 (3%)
Infrastructure	Electricity	5.18	5.03	4.91	0.03 (1%)	0.05 (1%)
	Water and Sanitation	2.75	2.64	2.51		0.03 (1%)
	Oil and Gas	2.05	1.94	1.91	0.01 (0%)	
	General Infrastructure	1.25	1.24	1.24		
	Transportation and Communications	1.16	1.12	1.01	0.02 (2%)	0.01 (1%)
	Subtotal	12.39	11.96	11.58	0.06 (1%)	0.09 (1%)
Governance	Capacity Development	2.55	2.30	2.05	-0.01 (-1%)	0.06 (3%)
	Democracy and Civil Society	2.19	2.17	1.83	-0.03 (-1%)	0.03 (2%)
	Public Services	1.98	1.96	1.78	0.03 (2%)	0.04 (2%)
	Humanitarian Relief	0.85	0.85	0.80	-0.01 (-1%)	
	Subtotal	7.58	7.29	6.46	-0.02 (0%)	0.12 (2%)
Economy	Economic Governance	0.82	0.83	0.76		
	Private Sector Development	0.77	0.76	0.62	0.01 (1%)	0.01 (2%)
	Subtotal	1.59	1.59	1.38	0.01 (1%)	0.01 (0%)
Total		46.13	44.35	41.21	0.39 (1%)	0.76 (2%)

Note: Data not audited. Numbers affected by rounding. OSD does not report CERP obligation and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. SIGIR pulls CERP project category data from the IRMS, which lags in reporting by one quarter. Therefore, category totals found in the Funding subsection of this Report may not match top-line values found in the four subsections on major reconstruction areas.

Sources: DoS, response to SIGIR data call, 4/5/2007; IRMS, *USF-I CERP Category Report*, 4/14/2010; NEA-I, response to SIGIR data call, 4/2/2010, 4/10/2010, and 4/12/2010; OSD, responses to SIGIR data calls, 4/10/2009, 10/13/2009, 4/12/2010, and 4/13/2010; U.S. Embassy-Baghdad, responses to SIGIR data calls, 7/16/2009 and 4/8/2010; U.S. Treasury, response to SIGIR data call, 4/2/2009; USACE, response to SIGIR data call, 4/1/2010; USAID, response to SIGIR data call, 4/13/2009; USDA, response to SIGIR data call, 4/2/2009.

Foreign Assistance Funding

ENACTED AND REQUESTED APPROPRIATIONS, FY 2009–FY 2011

\$ Millions

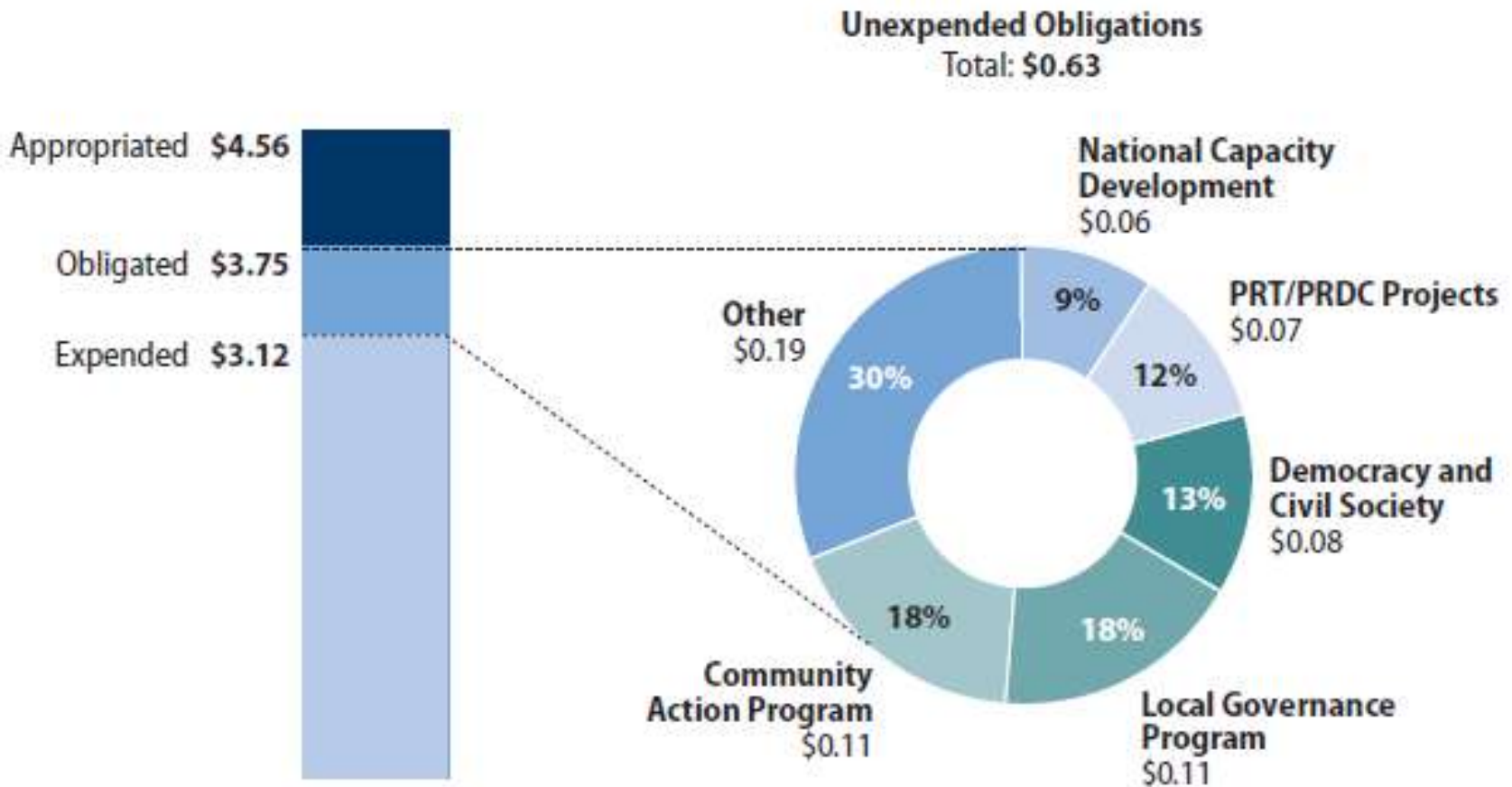
FUND	FY 2009		FY 2010		FY 2011	TOTAL NEW REQUEST
	ENACTED APPROPRIATION	ENACTED REGULAR APPROPRIATION	SUPPLEMENTAL REQUEST	REGULAR REQUEST		
Foreign Assistance						
Defense	ISFF	1,000.0	0.0	1,000.0	2,000.0	3,000.0
	CERP	336.1	160.0	0.0	200.0	200.0
	Subtotal	1,336.1	160.0	1,000.0	2,200.0	3,200.0
Foreign Operations	ESF	439.0	382.5	0.0	383.0	383.0
	INCLE	20.0	52.0	517.4	314.6	832.0
	NADR	20.0	30.3	0.0	29.8	29.8
	IMET	2.0	2.0	0.0	2.0	2.0
	Subtotal	481.0	466.8	517.4	729.3	1,246.8
Total Assistance		1,817.1	626.8	1,517.4	2,929.3	4,446.8
Reconstruction-Related Operating Expenses						
State		0.0	0.0	1,570.0	0.0	1,570.0
Total Operating		0.0	0.0	1,570.0	0.0	1,570.0

- Administration requested and additional \$4.45 towards Iraq reconstruction efforts
 - \$1.52 in supplemental appropriations in the fiscal year of 2010
 - \$2.93 in regular appropriations in the fiscal year of 2011
 - A total of \$3 for ISFF
 - A total of \$200 million for CERP
 - Remaining \$1.25 would be managed by Department of State (DoS)

Economic Support Fund

ESF: STATUS OF FUNDS

\$ Billions



- Funding has been broken into 3 programs: Security, Political, and Economic.
- Additional funding has been freed up and requested by the Administration in order to pursue DOS intentions to strengthen and normalize US and Iraq relations after the troop withdrawal.

Key Ongoing US Aid Activities

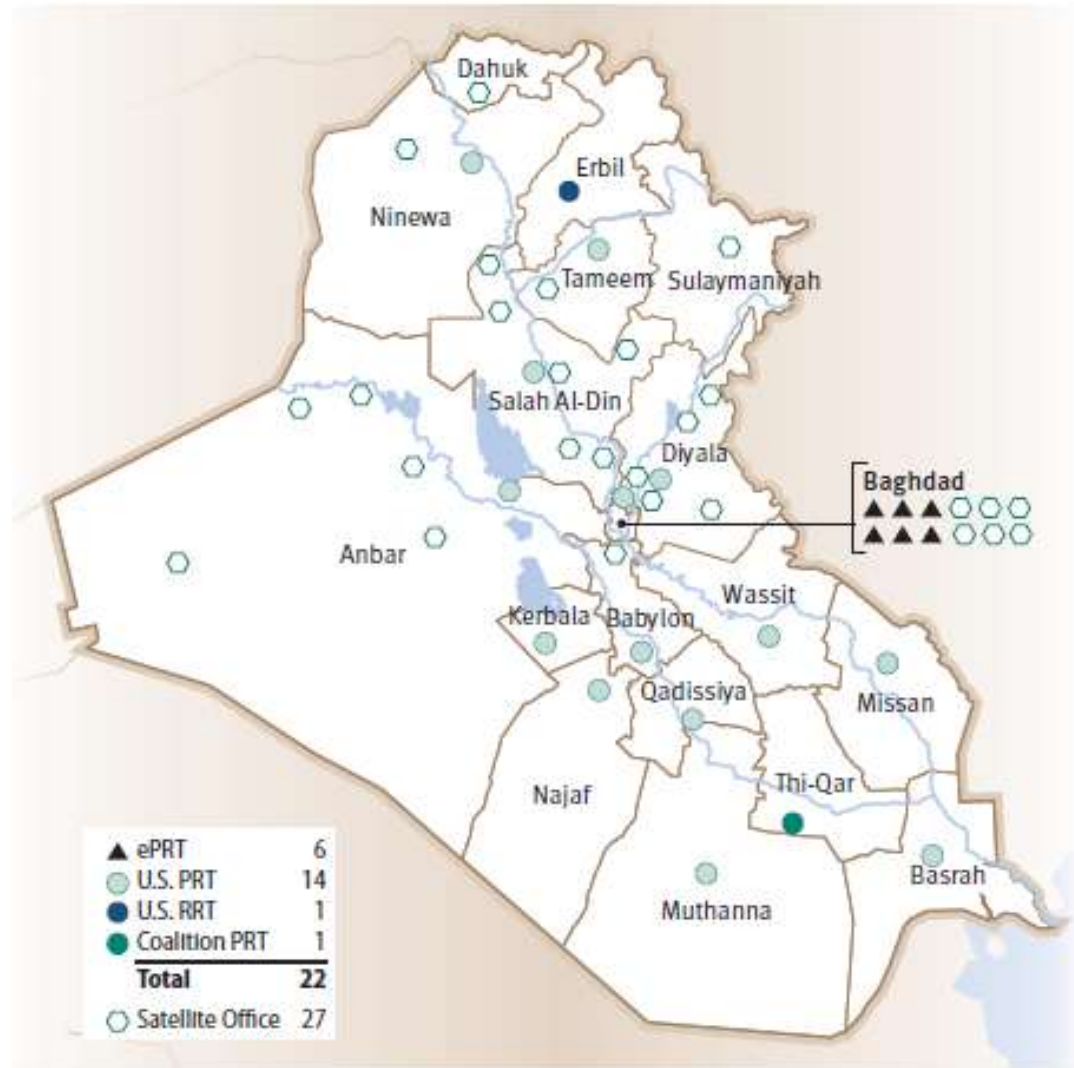
FUND AND AMOUNT APPROPRIATED	PURPOSE
Department of Defense	
Natural Resources Risk Remediation Fund (NRRRF) \$801 million	NRRRF was used for early reconstruction of the oil sector. USACE reported that all funds were fully expended as of September 30, 2008.
Iraq Freedom Fund (IFF) \$700 million	The IFF was established by P.L. 108-11 on April 16, 2003, to fund additional expenses for ongoing military operations in Iraq and elsewhere. It allows the Secretary of Defense to transfer funds to finance combat, stability operations, force reconstruction, and other war-related costs. Once funds are transferred, they "take on the characteristics" and are subject to the same rules and restrictions as the receiving fund or account.
Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) \$16 million	OHDACA provides basic humanitarian aid and services to populations in need. According to the Defense Security Cooperation Agency, which oversees OHDACA, these funds build indigenous capabilities and cooperative relationships with allies and potential partners and improve access to areas not otherwise available to U.S. forces.
Department of State	
Migration and Refugee Assistance (MRA) and Emergency Refugee and Migration Assistance (ERMA) \$604 million	MRA and ERMA are administered by the Bureau of Population, Refugees, and Migration (PRM) and are used to fund contributions to International Organizations that benefit Iraqi refugees, internally displaced persons (IDPs), and other conflict victims; funding is also provided to non-governmental organizations (NGOs) who fill gaps in the international community's multilateral response.
International Narcotics Control and Law Enforcement (INCLE) \$386 million	INCLE is administered by the Bureau of International Narcotics and Law Enforcement Affairs.
Democracy Fund \$265 million	The Democracy Fund is allocated by the Bureau of Democracy, Human Rights, and Labor (DRL) to support democracy-promotion programs of a variety of agencies, including the National Democratic Institute and the International Republican Institute.
Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) \$90 million	NADR supports security and humanitarian-related initiatives. The FY 2010 request for Iraq includes funding for humanitarian demining, anti-terrorism, small-arms destruction, and other activities.
International Military Education and Training (IMET) \$8 million	IMET is intended to strengthen alliances and promote military professionalism through training and education for students from allied and friendly nations. The program is administered jointly with DoD.
Educational and Cultural Affairs (ECA) \$5 million	ECA supports education, democracy, civil society, and cultural heritage activities in Iraq through educational and cultural exchanges.
U.S. Agency for International Development	
International Disaster Assistance (IDA) and International Disaster and Famine Assistance (IDFA) \$219 million	The USAID Office of Foreign Disaster Assistance (OFDA) is responsible for IDA and IDFA. These funds allow the U.S. government to respond to disasters in foreign countries, through famine relief, cash food aid, and related programs.
P.L. 480 Food Aid (Title II and Non-Title II) \$395 million	P.L. 480 Title II Food Aid, also known as Food for Peace, provides for the donation of U.S. agricultural commodities to meet emergency and non-emergency food needs in other countries.
Child Survival and Health (CSH) \$90 million	The USAID Bureau of Global Health is responsible for CSH, which funds maternal, newborn, and child health programs implemented by private voluntary organizations (PVOs) and NGOs.
U.S. Treasury	
International Affairs Technical Assistance \$16 million	The Department of Treasury is responsible for International Affairs Technical Assistance, which is funded in Iraq by DoS, under a reimbursable agreement. Office of Technical Assistance advisors work with foreign governments to improve their financial systems.

US PRT Changes: 2009-2011

As of 12/31/2009 OPA has completed the planning process for consolidating the remaining 6 ePRTs into the main PRTs in Baghdad and Anbar. This will leave 15 main PRT locations and 1 Regional Reconstruction Team (RRT), along with smaller satellite locations established in coordination with the local U.S. military commander, to focus on capacity-building activities and projects in the immediate vicinity of these locations.

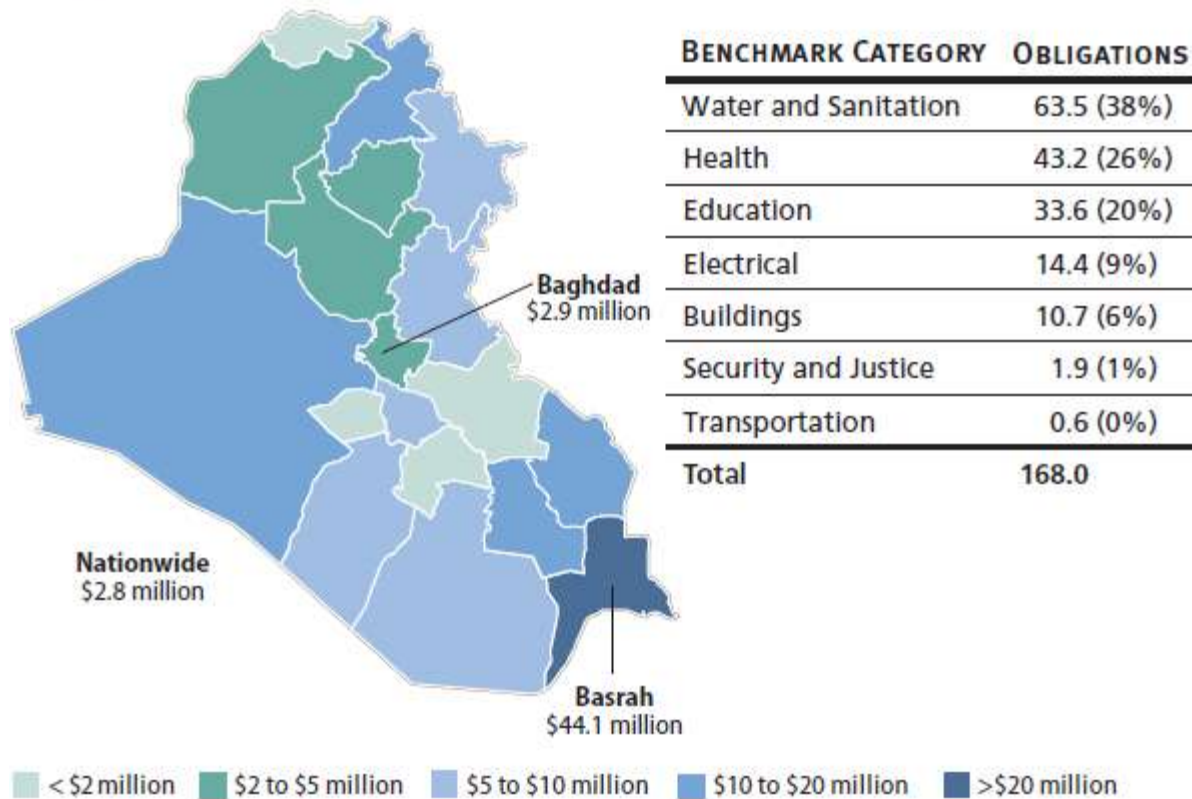
PRT satellite locations remain in operation only if military support is available and only if programs, projects, or engagements deemed vital to U.S. interests remain in progress.

The current PRT Operation Plan anticipates maintaining the 15 fully functioning PRTs and 1 RRT into the summer of 2011. The U.S. civilian presence beyond that time is still under review.



The Uncertain Future Role of PRTs

ONGOING PRT/PRDC PROJECTS: OBLIGATIONS, BY PROVINCE AND CATEGORY
\$ Millions



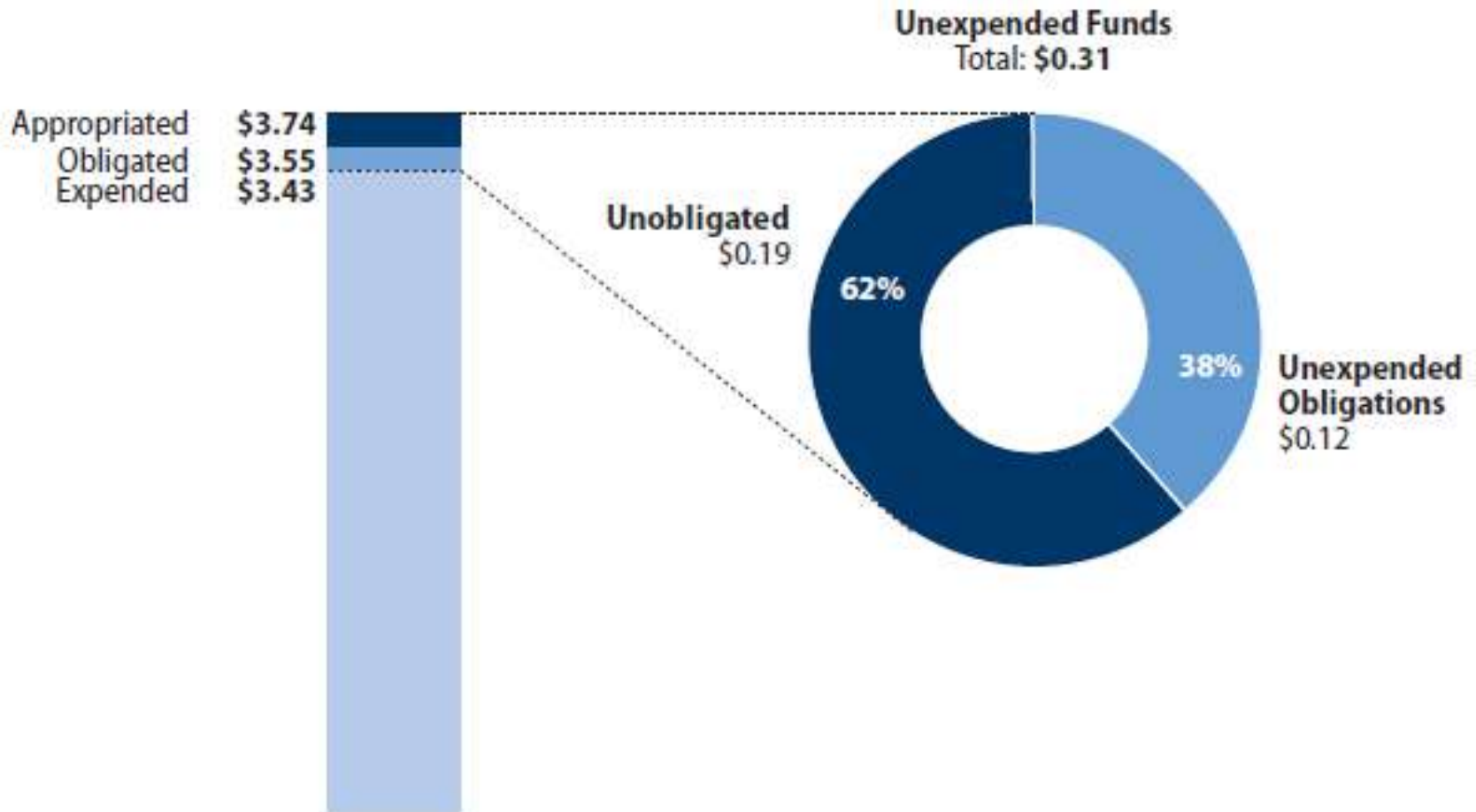
Note: Data not audited. Numbers affected by rounding.

Source: U.S. Embassy-Baghdad, ITAO, response to SIGIR data call, 4/13/2010.

CERP Funding

CERP: STATUS OF FUNDS

\$ Billions



- Originally intended to fund small-scale urgently needed programs, but now suffers from lack of oversight
- 46 CERP funded projects, 24 of the projects had unsuccessful outcomes.
- Commanders do not have adequate control over how CERP funds are used
- High counts of illegal use of funds: too much freedom and discretionary powers given to Warlords

CERP Expenditures to April 2010

CERP: STATUS OF FUNDS, BY PROJECT CATEGORY
\$ Millions

PROJECT CATEGORY	STATUS OF FUNDS		QUARTERLY CHANGE	
	OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
Water & Sanitation	636.2	547.2	-1.0 (0%)	3.9 (1%)
Protective Measures	473.1	371.4	36.6 (8%)	36.1 (11%)
Electricity	361.0	294.9	5.0 (1%)	11.2 (4%)
Transportation	336.7	269.1	1.8 (1%)	2.3 (1%)
Education	322.6	254.8	-0.9 (0%)	5.1 (2%)
Civic Cleanup Activities	200.2	158.8	5.4 (3%)	5.0 (3%)
Other Humanitarian and Reconstruction Projects	150.6	110.8	7.5 (5%)	11.2 (11%)
Economic, Financial, and Management Improvements	120.9	84.4	3.4 (3%)	5.1 (6%)
Agriculture	111.1	90.0	11.1 (11%)	18.2 (25%)
Civic Infrastructure Repair	109.4	89.3	18.3 (20%)	12.0 (16%)
Healthcare	104.8	90.6	1.4 (1%)	3.3 (4%)
Law & Governance	103.2	91.4	2.7 (3%)	1.4 (2%)
Condolence Payments	49.0	44.3	0.1 (0%)	0.6 (1%)
Battle Damage	42.9	34.4	0.9 (2%)	0.8 (2%)
Telecommunications	28.0	22.9	-0.7 (-2%)	
Civic Support Vehicles	24.3	20.0		
Food Production & Distribution	0.0	0.0	-13.8 (-100%)	-10.5 (-100%)
Detainee Release Payments	0.0	0.0	-1.0 (-100%)	-0.6 (-100%)
Subtotal	3,173.8	2,574.3	76.7 (2%)	105.3 (4%)
Unaccounted-for CERP Allocations	376.1	855.4	-22.3 (-6%)	-33.6 (-4%)
Total	3,549.9	3,429.7	55.4 (2%)	71.7 (2%)

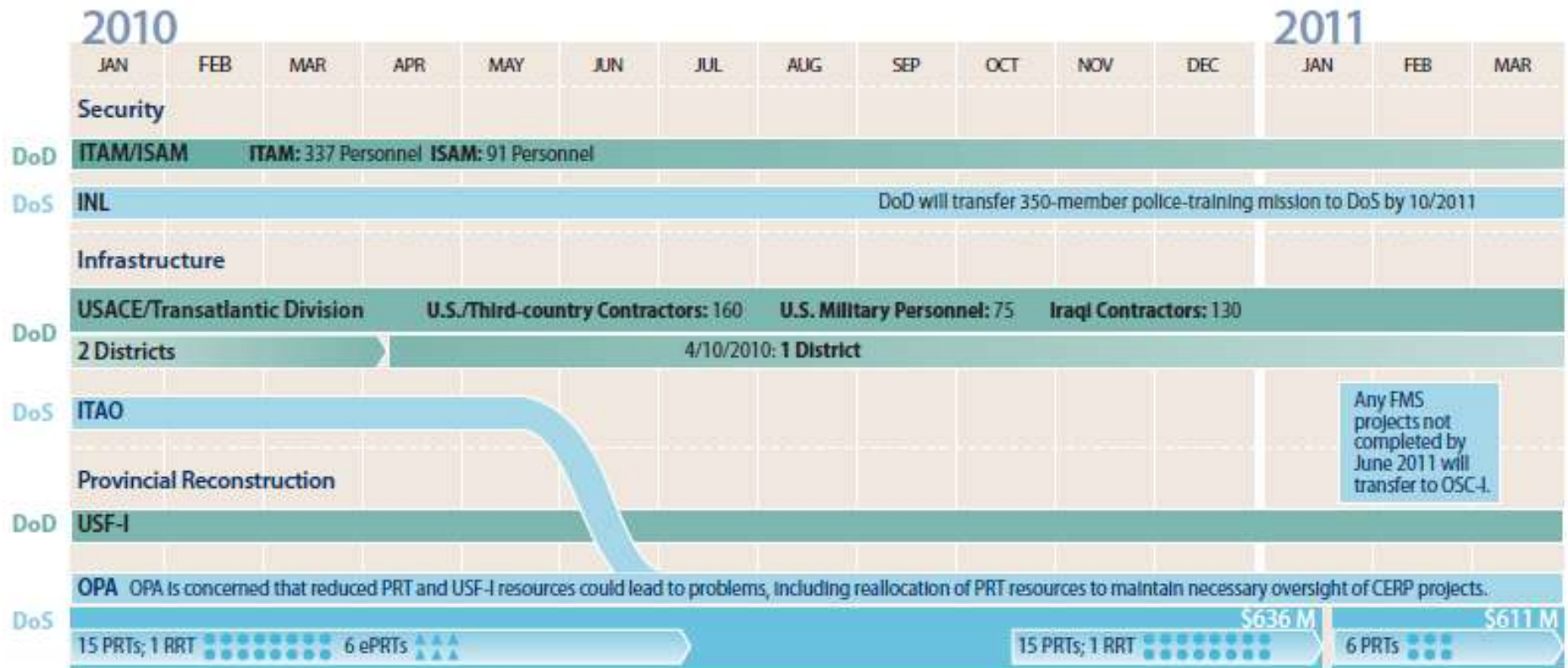
Note: Data not audited. Numbers affected by rounding. OSD does not report CERP obligation and expenditure data for project categories on a quarterly basis for all fiscal year appropriations. SIGIR pulls CERP project category data from the IRMS, which lags in reporting by one quarter. Therefore, category totals found in the Funding subsection of this Report may not match top-line values found in the four subsections on major reconstruction areas.

Sources: IRMS, *MNC-I Quarterly Report*, 1/15/2010; IRMS, *USF-I CERP Category Report*, 4/14/2010; OSD, responses to SIGIR data calls, 10/13/2009 and 4/13/2010.

Trends in US Withdrawal and Transition

- **To 50,000 and Advisory Assistance Brigades by Mid- 2010**
- **Out by End-2011**

US Withdrawal and Reorganization



US Equipment Draw Down and Transfer

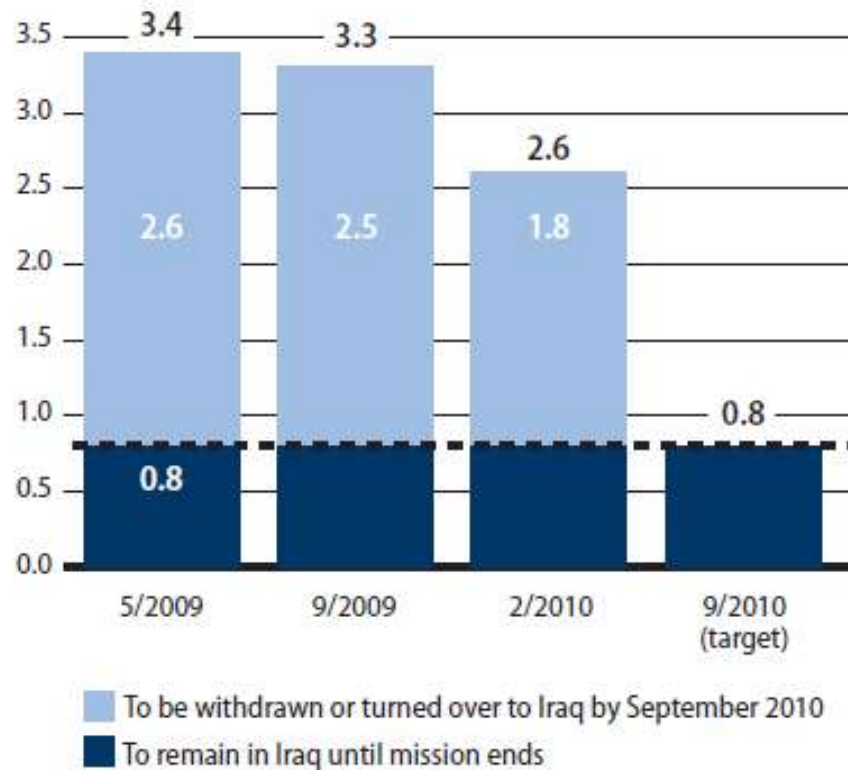
DISPOSITION OF U.S. EQUIPMENT

Pieces of Equipment, Millions



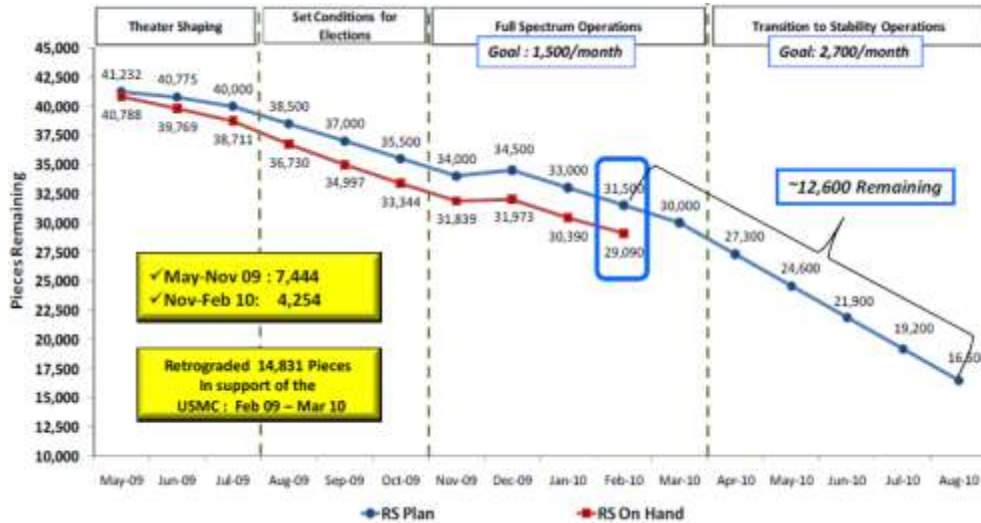
US Equipment Drawdown: 2009-2010

U.S. EQUIPMENT IN IRAQ
Millions of Pieces



Source: Frank Oliveri, "How Deep In After We're Out," *CQ Weekly*, 3/15/2010, p. 620.

US Withdrawals: Rolling Stock and Cargo



Rolling Stock Drawdown

Container, Non-Rolling Stock Drawdown



The Role of DoD Contractors in War

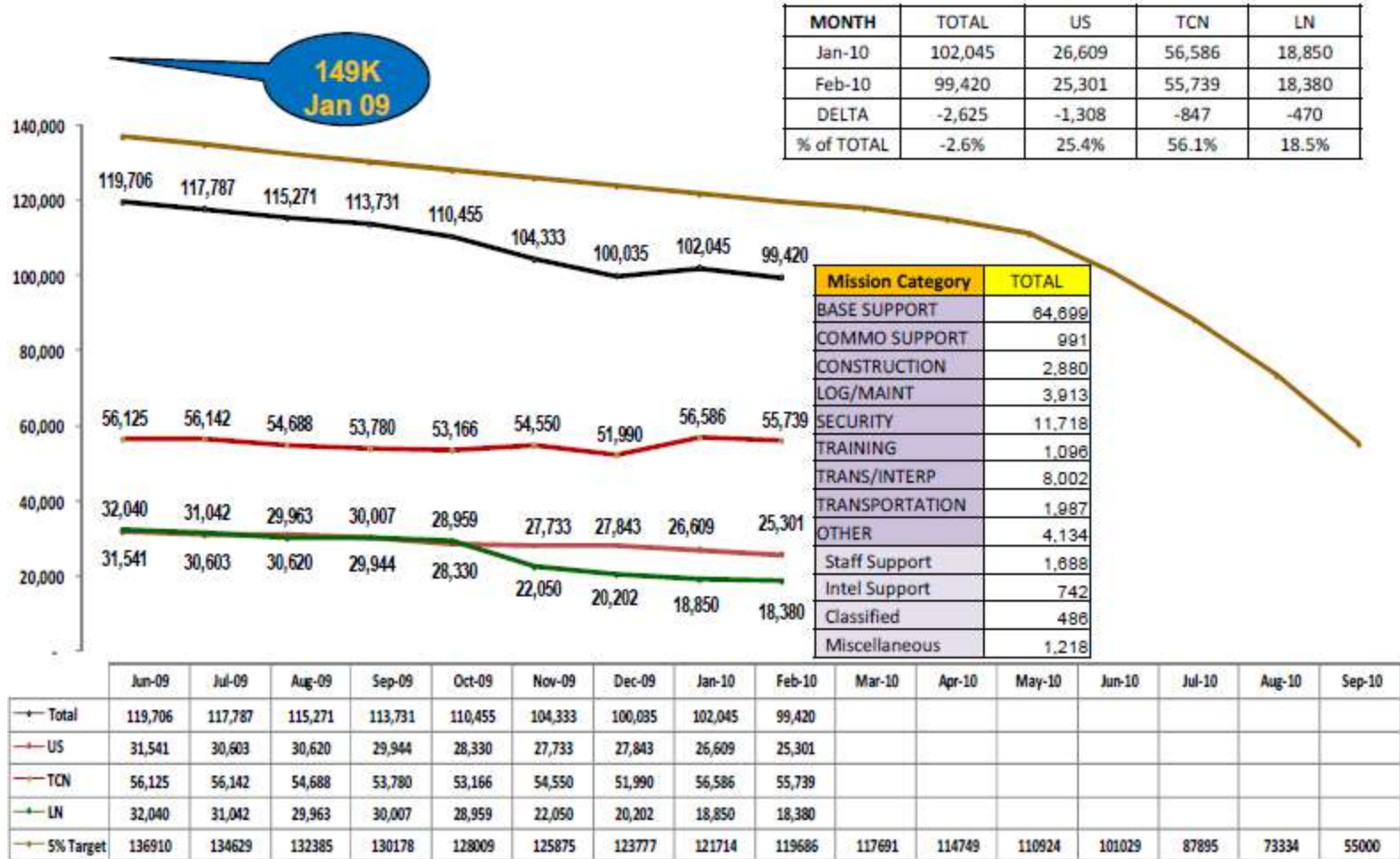
ESTIMATED SCALE OF CONTRACTOR SUPPORT FOR U.S. MILITARY OPERATIONS

CONFLICT	ESTIMATED PERSONNEL (Thousands)		CONTRACTOR TO MILITARY RATIO
	CONTRACTOR	MILITARY	
Revolutionary War	2	9	1:6
War of 1812	N/A	38	N/A
Mexican-American War	6	33	1:6
Civil War	200	1,000	1:5
Spanish-American War	N/A	35	N/A
World War I	85	2,000	1:24
World War II	734	5,400	1:7
Korea	156	393	1:2.5
Vietnam	70	359	1:5
Gulf War	9	500	1:55
Balkans	20	20	1:1
Iraq, 2008	160	200	1:1
Iraq, August 2010 (Projected)	75	50	1:0.7

Note: Adapted from original, which estimated total contractor personnel in-theater to be 190,200 as of April 30, 2008, including 30,300 DoD contractor personnel supporting Iraq operations from neighboring countries. Projections for August 2009 include only DoD contractor personnel—estimates from DoS and USAID were not available. Estimates also do not include LOGCAP contractors, who may number as many as 189,000, making the contractor to military personnel ration significantly higher. For some conflicts, the estimated number of contractor personnel includes civilians employed by the U.S. government.

Sources: CBO, "Contractors' Support of U.S. Operations in Iraq," 8/2008, pp. 9, 13; CWC, press release, "Wartime Contracting Hearing to Focus on Managing Contractors during Iraq Drawdown," 3/19/2010; DoD, "Fiscal Year 2011 Budget Request: Overview," 2/2010, Chapter 6, p. 1.

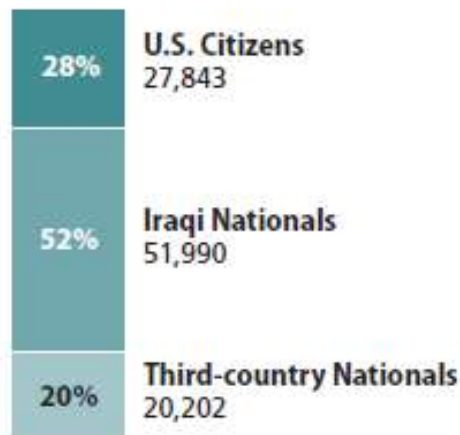
Cut in Contractors in Support of DoD Contracts



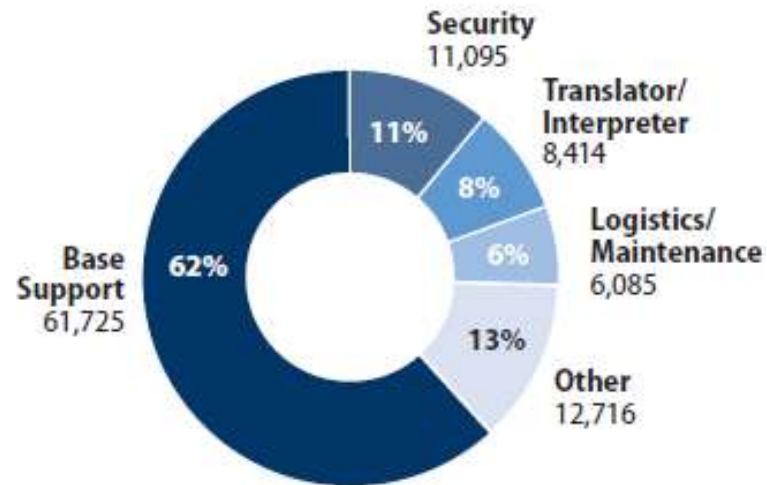
DoD Contractors Now Largely Base Support: More than 50% Iraqi

DoD CONTRACTORS IN IRAQ, AS OF 2/2010
100,035 Total Contractors

National Origin



Type of Service Provided



Note: Data not audited. Numbers affected by rounding.

Source: ADUSD(Program Support), "Contractor Support of U.S. Operations in USCENTCOM AOR, Iraq, and Afghanistan," 2/28/2010.

Fewer Private Security Contractors

PRIVATE SECURITY CONTRACTORS IN IRAQ, AS OF 3/31/2010

	U.S. CITIZEN	THIRD-COUNTRY NATIONAL	HOST NATION	TOTAL
DoD	776	9,127	1,192	11,095
DoS/USAID	1,001	1,671	123	2,795
Total	1,777	10,798	1,315	13,890

Sources: ADUSD(Program Support), "Contractor Support of U.S. Operations in USCENTCOM AOR, Iraq, and Afghanistan," 2/28/2010; U.S. Embassy-Baghdad, response to SIGIR data call, 4/1/2010.