

QUARTERLY UPDATE TO CONGRESS

2207 REPORT

APRIL 2006

SECTION 2207 REPORT

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2207 Executive Summary

Section 2207 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106), requires the Secretary of State to submit a quarterly report to Congress outlining the current conditions for programs and initiatives supported by the specific appropriations dedicated to the Iraq Relief and Reconstruction Fund (IRRF). The Office of Management and Budget (OMB) submitted the first three quarterly reports to Congress, with the last OMB submission occurring July 2, 2004. Subsequent reports have been submitted by the Department of State, beginning October 5, 2004.

2006: A Year of Transition

The first quarter of 2006 marks the beginning of a year of significant transition for the Government of Iraq (GOI), and a decisive phase in U.S. involvement. The success of the October 2005 Constitutional Referendum, and the subsequent elections of December 2005, have instilled a sense of hope for the future of Iraq. Political parties and leaders entered into negotiations to form the executive branch of the new Iraqi Government, despite terrorist provocations. The U.S. remained actively and constantly engaged in supporting the desire of Iraqis for the speedy formation of an inclusive, national unity government that serves the interest of all Iraqis. The dynamics of political engagement will undergo a fundamental shift as Iraqis increasingly take the lead in crucial roles of establishing security, and building a thriving economy.

2006 is a year of transition for the Iraq Relief and Reconstruction Fund as well. The IRRF has been essential to providing the foundation upon which the newly elected GOI can build its capacity to provide services to Iraqi citizens and to govern effectively. In 2006, many IRRF infrastructure projects will be completed; for example, we expect all major IRRF-funded electricity generation and sewerage projects to be completed by the end of the year. In addition, the IRRF is adapting to meet the needs of the GOI, and remaining funds are being used in ways that reflect lessons learned to date and maximize their effectiveness.

Challenges

While the IRRF's achievements are impressive when viewed in the current context, the security environment and insurgent attacks against critical infrastructure and on-going projects have reduced the impact of IRRF projects to improve delivery of basic services. Most notably, work in the oil and electricity sectors has been challenged by several ongoing factors: (1) thanks to decades of mismanagement by the previous regime, dilapidated, inadequate infrastructure and poor maintenance practices that continue to hamper output; (2) targeted attacks on Iraq's infrastructure by terrorists who seek to undermine the Iraqi government and call into question its ability to provide essential services for the Iraqi people; and (3) dramatic increases in demand, driven by the liberalization of trade and increased salaries of Iraqis but unchecked by the implementation of market-based pricing.

Capacity Development

Helping Iraq develop its capacity to govern will be a cornerstone of the country's development. The National Capacity Development (NCD) initiative coordinated among USG and donor entities, including the U.N., World Bank and other bilateral donors, has made significant progress this quarter. The GOI continues to express strong support for this effort. In anticipation of the change in administration, the Ministries have developed with our support comprehensive plans for transition to the new government. More broadly, the USG-led NCD initiative is providing immediate and medium-term support to the GOI at all levels. NCD is focused on assisting Iraqis to build an indigenous and sustainable program to strengthen the institutions, provide training for public servants at all levels, and reintroduce the concept of a civil service that ensures fair and effective services for all Iraqis.

Through the NCD initiative, assistance to establish best practices within Ministries is under development. In support of this effort, a Ministerial Coordination Team (MCT) was established within the U.S. Mission to coordinate and support efforts to enhance the capacity of Iraqi Ministries. The MCT supports the work of Ministerial Assistance Teams (MATs) that are dedicated to key ministries, assisting them in identifying strategies and programs for improving their capability and effectiveness. These efforts will be combined with capacity-building activities at national and regional governmental training institutions and will include programs aimed at building leadership skills and improving core functions, with specialized

training teams to provide on-site support in ministries. By focusing on Iraqi training institutions, the emphasis is on building sustainable Iraqi-owned programs that will continue well beyond U.S. assistance programs and allow other donors additional mechanisms to contribute support, including membership in MATs.

Provincial Reconstruction Teams (PRTs)

Developing effective governance in Iraq is a key component in helping Iraq increase its self-reliance and combat the insurgency. To be successful, this effort needs a responsive and effective representative government at both the national and provincial levels. The new Constitution devolves significant governing responsibilities to the provinces. PRTs are designed to provide training and development efforts at the provincial level, and provide a link between provincial-level and national-level efforts. The PRTs implement our integrated strategy along Political, Economic and Security tracks in cooperation with our Iraqi, Coalition and international community partners. The PRTs are intended to strengthen public trust in national and local institutions by building governance capacity and effectiveness. Four PRTs are currently operational in Kirkuk, Ninewah, Hilla and Baghdad governorates. Additional PRTs will be put in place; eight will be U.S.-led, with the others led by Coalition partners or Iraqis. The UK and Italy have agreed to lead the PRTs in Basrah and Dhi Qar governorates, respectively. These Coalition-led PRTs would follow a functional structure similar to those led by the United States. Other coalition partners have expressed an interest in potentially leading or participating in PRTs in other governorates.

PRTs build on the successful establishment of the Iraqi-led Provincial Reconstruction Development Committees (PRDCs), which have now been set up in each of the governorates. Under the authority of the Provincial Councils, PRDCs determine local government and community development and reconstruction priorities and demonstrate the success of the democratic system at the local level through a transparent and inclusive process to address the needs of the citizens. The PRTs work hand-in-hand with the PRDCs to help develop the skills required to plan development programs, identify resources to implement programs and monitor the implementation of projects. This comprehensive project planning includes planning for the subsequent sustainment of these projects, which will be required after their completion. In addition, the PRTs provide valuable support in concert with their

counterparts at the Ministerial Assistance Teams in Baghdad to promote constructive relations and problem solving approaches.

IRRF Projects

The process of IRRF close out has begun, and many IRRF infrastructure projects will be completed by December 31, 2006. As detailed in Appendix I, a number of IRRF projects are ending this quarter or next, including projects to build border forts, provide the Iraqi Armed forces with new facilities, build the Advanced First Responders' Network, improve educational management and improve water conservation and irrigation, solid waste management and electricity security. By the end of the year, we also expect to have completed IRRF electricity generation and sewage projects.

As projects enter their final phases, IRRF obligations have accelerated consistent with our plans on how we intend to manage IRRF resources, with over \$16.3 billion of the total \$18.4 billion obligated as of March 31, 2006. For remaining unobligated funds, the administration is focusing on projects which have the following characteristics:

- have fixed cost contracts, as opposed to the design/build cost-plus contracts of the past;
- use direct contracting with Iraqi firms;
- focus on delivery of the services to end users;
- are smaller and provide more immediate and visible impacts;
- increase resiliency and redundancy of infrastructure to enhance security;
- recognize the importance in operation and maintenance and sustainment; and
- build Iraqi administrative and technical capacity.

Involvement of large multi-national firms has been reduced, and more work is directed to Iraqi firms with a proven record of success as contractors. A "cost to complete" system has been instituted to ensure sufficient funds are available to complete projects in the future. We continue to adapt the program

based on lessons learned. We recognize the environment is dynamic and fluid in Iraq and continue to ensure responsible and effective use of the limited resources to achieve lasting and tangible results.

Sustainability

With the majority of IRRF infrastructure projects nearing completion, the reconstruction efforts of the GOI, the USG, and our coalition partners are shifting to focusing on sustainability.

Significant Infrastructure Capacity Development (ICD) and operations and maintenance (O&M) activities to support the sustainable operations of USG-funded infrastructure have been initiated through IRRF funds, encompassing a wide range of activities including: technical support; training in management processes and business systems; continued training of facility staff; service contracts to carry out required maintenance activities; and procurement of critical spare parts and consumables.

These ICD and O&M activities are helping to further prepare and strengthen the Iraqi ministries to assume management responsibilities for completed infrastructure which the USG has either constructed or refurbished and transferred to the GOI. The U.S. is helping to augment the GOI's sustainment program through the provision of services for the proper operation and maintenance of infrastructure.

Recent Project Approvals

During this quarter, IRMO approved \$627 million in projects. They highlight the new emphasis in our assistance effort including:

- \$270 million for transmission lines that will increase service to Baghdad, provide added resilience against insurgent attacks, and add stability to the system.
- \$206 million for smaller potable water projects that will more rapidly deliver clean water to the citizens of Baghdad, Basra, and Sinjar.
- \$70 million for irrigation projects, which will control drainage flow south of the Euphrates River and will increase irrigated land by 220,000

hectares, as well as reducing the salinity of adjacent rivers, thus enhancing the yield of existing crops.

- \$25 million for the completion of mechanical and electrical repairs at Ramadi Barrage, Adhaim Dam, and Diyala Weir.
- \$37 million for sustainment of wastewater infrastructure and the City of Fallujah Wastewater Project.
- \$16 million for overhauls of four gas turbines used for electrical generation in Qudas, Kirkuk, and Baiji.
- \$3.2 million to automate the stock exchange.

During this quarter, the Mission and MNF-I developed an Energy Action Plan, which was agreed with the GOI, to provide a comprehensive and detailed approach to addressing multiple challenges in the energy sector by mid-summer. The integrity of critical infrastructure is improving. In the last three months, an intensive effort focused on repairs, maintenance, fuel issues and security increased the hours of power provided to Baghdad. Attacks and sabotage combined with bad weather reduced oil exports at the beginning of January, but exports are recovering and have now reached an average of over 1.4 million barrels per day. Project completions in the coming months, combined with the additional projects approved this quarter, will play a significant role in helping Iraq meet the immediate challenges of improving electrical service and ensuring consistent oil exports and revenues to support the budget.

Primary Health Clinics

Due to a lack of progress as a result of increased security costs and other factors, three task orders under the design-build contract for construction of Primary Health Centers (PHCs) were terminated for convenience. The modified contract called for the completion of 141 PHCs over a two-year period. To date, only six fully completed PHCs have been formally turned over to the Ministry of Health. Fourteen clinics are approximately ninety-five percent complete and a number of additional facilities are at various stages of completion. The U.S. is working directly with the GOI to seek alternative methods to complete as many of the planned remaining 121 PHCs as possible through direct contracts. The U.S. has purchased over \$117 million of

medical equipment for use in clinics. It will be transferred to the Iraqi Ministry of Health to be fully utilized in improving quality of health care delivery to Iraqis.

IRRF Reallocations During The Quarter

There were no Congressional Notifications (CNs) regarding the reallocation of IRRF funds submitted to Congress during the last quarter. This quarterly report will serve as notification of \$49.150 million as follows:

- \$9.0 million to be taken out of Civil Aviation and put into Railroad Rehab & Restoration.
- A total of \$17 million will be taken out of Emergency Supplies of Refined Petroleum Products and reallocated to: Health O&M (\$7.3 million); Iraqi Telecom and Postal Corp O&M (\$800,000); Iraqi Communications System (\$1.8 million); Consolidated Fiber Network (\$1 million); and Oil Infrastructure Security (\$6.1 million).
- \$2.2 million to be taken out of Public Buildings Construction and Repair and put into Roads and Bridges.
- \$16.0 million to be taken out of Electricity Transmission and put into Electricity Generation.
- \$4.950 million transferred in from the Economic Support Fund, as required in P.L. 109-102, for the Marla Ruzicka Iraqi War Victims Fund.

International Donor Assistance

With the help of U.S. advisors, the Ministry of Planning and Development Coordination has completed plans to eliminate the major hurdles faced by donors on the ground in Baghdad. Plans are being implemented to provide security, housing and office space to potential donors inside the International Zone. The accommodations, called “Donor Village,” are located inside the International Zone. Donors can occupy space, and they will reimburse the USG for billeting arrangements, office space, and meals. The cost-prohibitive nature of setting-up individual offices and providing security for accommodations had previously been a major impediment to obtaining further donor assistance.

Conclusion

The USG, working closely with the new Iraqi government and the donor community, intends to make 2006 a pivotal year in accelerating the transition in Iraq. The focus is on building the capacity of a responsible Iraqi government at the national and provincial levels. Such a government will be able to sustain its security forces, combat the insurgency and provide for its citizens. Continued support in strengthening their ability to deliver essential services and show economic progress remains essential in isolating the insurgency and undermining the efforts of the terrorists. IRRF funds continue to play a vital role in promoting stability, reconstruction, and reform in Iraq.

IRAQ RELIEF AND RECONSTRUCTION FUND (IRRF) - Status of Funds

Millions of Dollars

						Actuals Thru 2nd Quarter (FY 2006)				
Category	Project Codes	January 27, 2006 Allocation	Previously Notified Changes	New Changes in Report	April 5, 2006 Allocation	Apportioned (Feb 23, 06)	Actual Obligations (as of Mar 29)	Actual Outlays (as of Mar 29)	Rest of FY 2006 Apportionment	TOTAL
Security & Law Enforcement		5036.0	0.0	0.0	5036.0	5036.0	4881.8	4390.5	0.0	5036.0
Law Enforcement		2296.2	0.0	0.0	2296.2	2296.2	2248.1	1926.2	0.0	2296.2
-- Police Training and Technical Assistance	10000	1806.4	0.0	0.0	1806.4	1806.4	1774.2	1529.3	0.0	1806.4
-- Border Enforcement	11000	436.8	0.0	0.0	436.8	436.8	421.2	364.2	0.0	436.8
-- Facilities Protection Service	12000	53.0	0.0	0.0	53.0	53.0	52.7	32.7	0.0	53.0
National Security		2620.8	0.0	0.0	2620.8	2620.8	2548.8	2400.6	0.0	2620.8
-- Iraqi Armed Forces		1776.2	0.0	0.0	1776.2	1776.2	1736.2	1654.3	0.0	1776.2
of which:										
-- IAF Facilities	20000	730.8	0.0	0.0	730.8	730.8	724.6	711.8	0.0	730.8
-- IAF Equipment	21000	614.4	0.0	0.0	614.4	614.4	604.7	566.5	0.0	614.4
-- IAF Training and Operations	22000	430.9	0.0	0.0	430.9	430.9	406.9	376.1	0.0	430.9
-- Iraqi National Guard of which:		681.7	0.0	0.0	681.7	681.7	656.0	597.6	0.0	681.7
of which:										
-- Operations and Personnel	23000	224.6	0.0	0.0	224.6	224.6	213.7	182.6	0.0	224.6
-- Equipment	24000	91.6	0.0	0.0	91.6	91.6	88.9	86.4	0.0	91.6
-- Facilities	27000	365.5	0.0	0.0	365.5	365.5	353.4	328.5	0.0	365.5
-- Iraqi Security Forces Quick Response Program	26000	163.0	0.0	0.0	163.0	163.0	156.5	148.7	0.0	163.0
Nonproliferation and Export Control & Border Security	09600	3.0	0.0	0.0	3.0	3.0	0.0	0.0	0.0	3.0
Focused Stabilization	08500	30.0	0.0	0.0	30.0	30.0	0.0	0.0	0.0	30.0
Commanders' Humanitarian Relief & Reconstruction	28000	86.0	0.0	0.0	86.0	86.0	84.9	63.6	0.0	86.0
Justice, Public Safety Infrastructure, and Civil Society		2349.8	0.0	5.0	2354.7	2349.8	2161.2	1473.4	5.0	2354.7
-- Other Technical Investigative Methods	31000	5.0	0.0	0.0	5.0	5.0	1.1	1.0	0.0	5.0
-- Witness Protection Program	30000	37.0	0.0		37.0	37.0	35.0	10.3	0.0	37.0
-- Penal Facilities	32000	87.0			87.0	87.0	86.4	34.5	0.0	87.0
-- Reconstruction and Modernization of Detention Facilities	33000	167.0	0.0	38.6	205.6	205.6	150.8	72.1	0.0	205.6
-- Facilities Protection, Mine Removal, Fire Service, and Public Safety Facility and Equipment Repairs		287.2	0.0	0.0	287.2	287.2	265.1	239.6	0.0	287.2
of which:									0.0	
-- Facilities Repair	13000	89.0	0.0		89.0	89.0	83.9	64.2	0.0	89.0
-- Fire Service	14000	115.0			115.0	115.0	107.6	103.1	0.0	115.0
-- Demining	09500	83.2	0.0	0.0	83.2	83.2	73.6	72.3	0.0	83.2
-- Public Safety Training and Facilities	15000	219.5	0.0	0.0	219.5	219.5	211.6	166.5	0.0	219.5
-- National Security Communications Network	25000	106.5		0.0	106.5	106.5	103.5	87.7	0.0	106.5
--Rule of Law in Iraq	06500	109.8	0.0	-38.6	71.2	71.2	51.2	38.5	0.0	71.2

IRAQ RELIEF AND RECONSTRUCTION FUND (IRRF) - Status of Funds

Millions of Dollars

						Actuals Thru 2nd Quarter (FY 2006)				
Category	Project Codes	January 27, 2006 Allocation	Previously Notified Changes	New Changes in Report	April 5, 2006 Allocation	Apportioned (Feb 23, 06)	Actual Obligations (as of Mar 29)	Actual Outlays (as of Mar 29)	Rest of FY 2006 Apportionment	TOTAL
-- Investigations of Crimes Against Humanity	05000	128.0	0.0	0.0	128.0	128.0	120.6	57.8	0.0	128.0
-- Judicial Security and Facilities	09000	159.0	0.0	0.0	159.0	159.0	149.9	95.6	0.0	159.0
-- Democracy Building Activities	06000	1033.8	0.0	-20.0	1013.8	1013.8	957.0	652.8	0.0	1013.8
-- Marla Ruzicka Iraq War Victims*	06050	0.0	0.0	25.0	25.0	20.0	20.0	9.0	5.0	25.0
-- U.S. Institute of Peace (USIP)	07000	10.0	0.0	0.0	10.0	10.0	8.9	8.1	0.0	10.0
Electric Sector		4220.0	0.0	0.0	4220.0	4220.0	3493.7	2030.4	0.0	4220.0
-- Generation	40000	1608.2	0.0	16.0	1624.2	1608.2	1438.7	987.4	16.0	1624.2
-- Transmission	41000	1151.8	0.0	-16.0	1135.8	1151.8	782.7	337.7	-16.0	1135.8
-- Network Infrastructure	42000	1289.4	0.0	0.0	1289.4	1289.4	1117.5	626.7	0.0	1289.4
-- Automated Monitoring and Control System	43000	127.0	0.0	0.0	127.0	127.0	111.3	35.1	0.0	127.0
-- Security	45000	43.6	0.0	0.0	43.6	43.6	43.5	43.4	0.0	43.6
Oil Infrastructure		1735.6	0.0	-10.9	1724.7	1735.6	1541.6	815.4	-10.9	1724.7
-- Infrastructure	50000	1713.1	0.0	6.1	1719.2	1713.1	1536.3	810.4	6.1	1719.2
-- Emergency Supplies of Refined Petroleum Products	51000	22.5	0.0	-17.0	5.5	22.5	5.3	5.0	-17.0	5.5
Water Resources and Sanitation		2131.1	0.0	0.0	2131.1	2131.1	1498.4	892.1	0.0	2131.1
Public Works Projects		1759.2	0.0	0.0	1759.2	1759.2	1329.1	782.8	0.0	1759.2
-- Potable Water	60000	1445.9	0.0	0.0	1445.9	1445.9	1087.8	633.3	0.0	1445.9
-- Water Conservation	61000	31.0	0.0	0.0	31.0	31.0	27.9	24.7	0.0	31.0
-- Sewerage	62000	271.4	0.0	0.0	271.4	271.4	202.5	118.5	0.0	271.4
-- Other Solid Waste Management	63000	10.9	0.0	0.0	10.9	10.9	10.9	6.3	0.0	10.9
Water Resources Projects		371.9	0.0	0.0	371.9	371.9	169.3	109.3	0.0	371.9
-- Pumping Stations and Generators	64000	179.9	0.0	0.0	179.9	179.9	111.7	67.1	0.0	179.9
-- Irrigation and Drainage Systems	65000	7.6	0.0	0.0	7.6	7.6	7.1	5.9	0.0	7.6
-- Major Irrigation Projects	66000	66.4	0.0	0.0	66.4	66.4	7.1	4.5	0.0	66.4
-- Dam Repair, Rehab, and New Construction	67000	82.6		0.0	82.6	82.6	20.0	15.5	0.0	82.6
-- Umm Qasr to Basra Water Pipeline and Treatment Plant	68000	35.4	0.0	0.0	35.4	35.4	23.4	16.2	0.0	35.4
-- Basra Channel Flushing	69000								0.0	0.0
Transportation & Telecommunications Projects		465.5	0.0	3.6	469.1	465.5	414.5	246.9	3.6	469.1
-- Civil Aviation	70000	75.7	0.0	-9.0	66.7	75.7	55.4	37.9	-9.0	66.7
-- Umm Qasr Port Rehab	71000	45.0	0.0	0.0	45.0	45.0	42.0	33.2	0.0	45.0
-- Railroad Rehab and Restoration	72000	189.3	0.0	9.0	198.3	189.3	172.5	124.2	9.0	198.3
-- Iraqi Telecom and Postal Corporation	74000	20.0	0.0	0.8	20.8	20.0	18.3	12.8	0.8	20.8
-- Iraqi Communications Systems	76000	45.5	0.0	1.8	47.3	45.5	44.4	16.6	1.8	47.3
-- Consolidated Fiber Network	76500	70.0	0.0	1.0	71.0	70.0	70.0	11.0	1.0	71.0

IRAQ RELIEF AND RECONSTRUCTION FUND (IRRF) - Status of Funds

Millions of Dollars

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Category	Project Codes	January 27, 2006 Allocation	Previously Notified Changes	New Changes in Report	April 5, 2006 Allocation	Apportioned (Feb 23, 06)	Actual Obligations (as of Mar 29)	Actual Outlays (as of Mar 29)	Rest of FY 2006 Apportionment	TOTAL
-- Iraqi Communications Operations	79000	20.0	0.0	0.0	20.0	20.0	11.9	11.2	0.0	20.0
Roads, Bridges, and Construction		333.7	0.0	0.0	333.7	333.7	307.8	175.2	0.0	333.7
-- Public Buildings Construction and Repair	81000	127.0	0.0	-2.2	124.8	127.0	125.1	117.9	-2.2	124.8
-- Roads & Bridges	82000	206.7		2.2	208.9	206.7	182.7	57.3	2.2	208.9
Health Care		739.0	0.0	7.3	746.3	739.0	669.0	417.4	7.3	746.3
-- Nationwide Hospital and Clinic Improvements	90000	404.0	0.0	0.0	404.0	404.0	391.3	271.2	0.0	404.0
-- Equipment Procurement and Modernization	92000	285.0	0.0	7.3	292.3	285.0	227.7	123.5	7.3	292.3
-- Pediatric Facility in Basra	91000	50.0	0.0	0.0	50.0	50.0	50.0	22.7	0.0	50.0
Private Sector Employment Development		805.3	0.0	0.0	805.3	805.3	782.4	601.8	0.0	805.3
-- Expand Network of Employment Centers	01000	8.0	0.0	0.0	8.0	8.0	8.0	7.6	0.0	8.0
-- Vocational Training	02001	75.1	0.0	0.0	75.1	75.1	75.1	70.9	0.0	75.1
-- Business Skills Training	02500	40.2	0.0	0.0	40.2	40.2	32.2	27.2	0.0	40.2
-- Micro-Small-Medium Enterprises	03000	40.8	0.0	0.0	40.8	40.8	35.9	35.9	0.0	40.8
-- Institutional Reforms	01500	85.0	0.0	0.0	85.0	85.0	80.0	37.9	0.0	85.0
-- Agriculture	01600	105.0	0.0	0.0	105.0	105.0	100.0	41.0	0.0	105.0
-- Market-Based Reforms	03500	98.9			98.9	98.9	98.9	29.1	0.0	98.9
-- Iraq Debt Forgiveness	04500	352.3		0.0	352.3	352.3	352.3	352.3	0.0	352.3
Education, Refugees, Human Rights, Democracy, and Governance		410.0	0.0	0.0	410.0	410.0	341.9	245.4	0.0	410.0
-- Migration & Refugee Assistance	04000	186.0	0.0	0.0	186.0	186.0	153.6	95.0	0.0	186.0
-- Property Claims Tribunal	05500	10.0	0.0	0.0	10.0	10.0	6.8	6.8	0.0	10.0
-- Governance	06700	40.0	0.0	0.0	40.0	40.0	39.6	35.1	0.0	40.0
-- Ministerial Capacity Building	06750	20.0	0.0	0.0	20.0	20.0	0.0	0.0	0.0	20.0
-- Banking System Modernizations	08000	30.0	0.0	0.0	30.0	30.0	29.2	22.4	0.0	30.0
-- Human Rights	09500a	15.0	0.0	0.0	15.0	15.0	14.7	11.3	0.0	15.0
-- Education	06300	99.0	0.0	0.0	99.0	99.0	88.0	64.8	0.0	99.0
-- Civic Programs	06600	10.0	0.0	0.0	10.0	10.0	10.0	10.0	0.0	10.0
Administrative Expenses		213.0	0.0	0.0	213.0	213.0	212.4	81.3	0.0	213.0
-- USAID		29.0	0.0	0.0	29.0	29.0	28.4	28.4	0.0	29.0
-- Administrative Expenses for U.S. Mission to Iraq		184.0	0.0	0.0	184.0	184.0	184.0	52.9	0.0	184.0
GRAND TOTAL		18439.0	0.0	5.0	18444.0	18439.0	16304.6	11370.0	4.9	18444.0

* P/C 06050 includes \$4.95 million transferred-in from the Economic Support Fund (ESF) as required in P.L. 109-102.

Selected Metrics

As the Iraq Relief and Reconstruction Fund (IRRF) nears completion, the U.S. Government is better able to draw some preliminary conclusions about the impact that IRRF projects have had. This section provides an initial assessment of the impact of projects in several essential services sectors. Although these assessments draw on the widest possible inputs, in some cases (where noted), data is simply lacking.

Justice, Security and Law Enforcement:

- IRRF programs have supported improvements to courthouses, which are improving the ability of Iraqi judges to try cases more expeditiously, and in greater safety.
- IRRF projects are also rehabilitating existing and building new prisons, which are providing the Iraqi Government with facilities to accommodate those convicted by courts. The new prisons will also help improve the overall standard of Iraqi prisons.
- IRRF projects have also trained Iraqi corrections service staff in modern prison techniques.

Justice Metrics		
Rehabilitation and New Construction of Prison Facilities	Current State as of March 20	IRRF Planned End State
Prisons/Detention Facilities Rehabilitated	--Construction and Renovation of Zrka Rehabilitation Center in Dahuk is 17% complete.	--Complete renovation of Zrka Rehabilitation Center in Dahuk.
New Prison/Detention Facility Bed Capacity	--Khan Bani Sa'ad Correction Facility construction is 35% complete. --Nassiriya Maximum Security Correctional Facility construction is 30% complete.	Total 2,600 beds added: --800 beds at Khan Bani Sa'ad Correctional Facility --1,600 beds at Nassiriya Maximum Security Correctional Facility
Iraqi Corrections Advisors: Training	Number of Iraqis Trained as of March 20	
Iraqi Corrections Service (ICS)	39 Iraqi Corrections Service (ICS) Staff	

Security and Law Enforcement Metrics¹		
Ministry of Defense Forces (Number Trained and Equipped)	Current State as of March 20	Objective
Iraqi Army	109,600	N/A
Air Force	600	N/A

Navy	800	N/A
Total	111,000	131,000
Ministry of Interior Forces (MOI) (Number Trained and Equipped)	Current State as of March 20	Objective
Iraqi Police Service and Highway Patrol	90,900	N/A
Other MOI Forces	39,800	N/A
Total	130,700	195,000

¹The IRRF is not the only source of funding for the training and equipping of Iraqi Security Forces (Ministry of Defense and Ministry of Interior). U.S. Department of Defense Iraq Security Forces Funds (ISFF) is another source of funding. In some cases there is no specific end state for Iraqi Security Forces, as the individual ministry has final determination on the end-strength of each force.

Electricity:

- To date, IRRF electricity projects have added, rehabilitated or maintained 2,710 MW of generation capacity, roughly 30% of Iraq's total. When IRRF generation projects are completed by the end of 2006, we expect to add and rehabilitate an additional 1,000 MW of electricity generation capacity.
- Despite insurgents attacks on critical transmission lines, seasonal electricity production by the Ministry of Electricity in the first quarter of 2006 was nearly 5% higher than the first quarter of 2005 and 2004, although seasonal peak generation declined by 2.6% due to increased maintenance.
- The full-year average peak generation in 2004 and 2005 was approximately equal to the estimated pre-war level of 2002, although average daily production was lower.
- Hours of power in Baghdad have suffered as the result of a) policy changes in the northern and southern governorates to retain electricity in their regions, and b) interdictions on critical transmission lines. However, nationwide hours of power are comparable to pre-war levels.

Iraqi Electricity Metrics				
	Pre-War, 2002	2004	2005	1Q 2006
Feasible generation capacity added, rehabilitated or maintained by USG projects (MW, cumulative)	--	1,400	2,300	2,710
Daily Electricity Production (MWh), Seasonal average (Q1 only)	N/A	85,557	85,097	89,270
Daily Electricity Production (MWh), Full-year average (Q1-Q4)	95,600	90,320	91,701	--
Daily Peak Generation of National Grid (MW), Seasonal average (Q1 only)	N/A	3,965	4,021	3,915

Daily Peak Generation of National Grid (MW), Full-year average (Q1-Q4)	4,300	4,276	4,301	--
Hours of Power for essential services, nationwide (est.)	N/A	20-24	20-24	20-24
Hours of Power, nationwide (estimated)	4-12	N/A	11.3	10.9
Hours of Power, Baghdad (estimated)	12-24	N/A	8.8	5.8

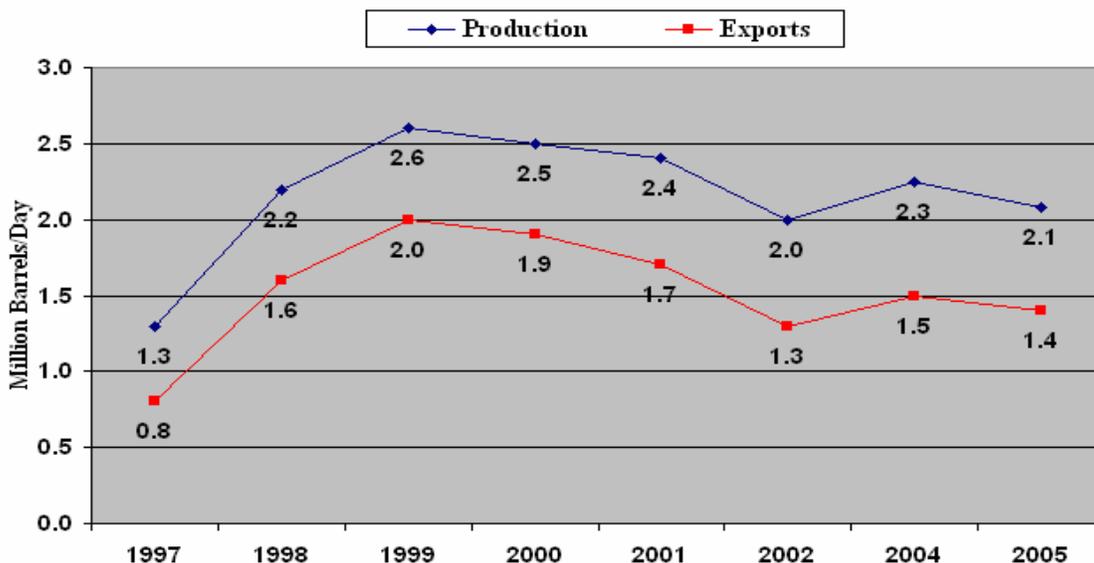
N/A= Not available

-- = Not applicable

Oil:

- U.S. projects have helped Iraq stabilize its oil production, and recover from decades of neglect under the previous regime. In 2002, UN Oil for Food data shows that Iraq produced 2.0 million barrels a day, and exported 1.3 million barrels per day.
- For 2005, production averaged 2.08 million barrels a day, and exports averaged 1.37 million barrels per day.
- In March, Iraq averaged 2.1 million barrels a day of production, and 1.3 million barrels a day of exports. Attacks and sabotage in the north, combined with adverse weather conditions in the south limited Iraq's production and exports in January, which in turn reduced production because of lack of storage capacity. Both production and export volumes have been climbing in February and March.
- Iraq's overall production target (for both production and capacity) is 2.8 million barrels a day, which it hopes to reach by September 30, 2007. Iraq hopes to average a total of 1.65 million barrels a day of exports in 2006.

Iraq Production & Exports, 1997-2005



Water and Sanitation:

- U.S. assistance has significantly improved water and sewage service for Iraqis. Before April 2003, many of the country's water treatment plants were in serious disrepair, and the wastewater treatment plants were either completely inoperable or only partially operational. Access to safe and reliable drinking water was very limited. Sewage overflows or discharges from homes created stagnant pools within neighborhoods or emptied directly into nearby rivers.
- Since liberation, nineteen potable water treatment facilities have been built or rehabilitated, and nine centralized sewage treatment facilities have been rehabilitated. As a result of these IRRF-funded projects to date, an additional 3.1 million Iraqis potentially have improved access to potable water and an additional 5.1 million Iraqis potentially have improved access to sewage treatment.

Water and Sanitation Metrics (Source IRMO)		
	Contribution from US Projects as of March 28	Anticipated End State¹
Water - maximum additional system capacity	1.1 million cubic meters per day	2.5 million cubic meters per day
Water - additional persons served	3.1 million	8.4 million
Sewage - maximum additional system capacity	1.2 million cubic meters per day	1.2 million cubic meters per day
Sewage - additional persons served	5.1 million	5.3 million

¹End states may change depending on actual scope of yet to be completed projects.

Aviation:

- U.S. funded projects have had a significant impact in restoring Iraqi civil aviation. While there were no functioning airports at the end of the war, five now offer regular service.
- U.S. funded civil aviation projects have helped Iraq carry out 5,100 flights in March, 2006. During 2006 we expect Iraq will increase its civil aviation capacity to 6,500 flights per month.
- These projects include the Baghdad terminal and tower construction, radar equipment, and upgrades to the airports in Mosul and Basrah.

Ports:

- At the end of the war, only one of the docks at Umm Qasr functioned, but only at high tide. U.S. funded projects have helped revitalize Umm Qasr by building a new operations center building, refurbishing cranes and cleaning up berths.

- As a result of U.S. projects 16 docks are now functioning, supporting 18-22 ships each week and fostering the return of international shipping.

Telecommunications and Media:

The Iraqi telecommunications and media sectors have blossomed as the direct result of liberalization of the sectors as well as private investment, particularly in cellphone networks and Internet cafes.

- Five cellphone operators (including two operating exclusively in the Kurdish governorates) have reached 5.8 million subscribers. An Iraqi telecommunications official has stated that total investment in the cellphone sector has reached \$700 million.
- The number of landline subscribers of the state-owned Iraqi Telephone and Postal Company continues to inch upwards. The USG replaced 12 telephone switches and one international gateway in Baghdad under IRRF I.
- The number of Internet subscribers of the state-owned Internet company has exceeded 200,000. Tens or perhaps hundreds of thousands of Iraqis use public Internet cafes, which were not funded by the USG.

Iraqi Telecommunications and Media Metrics				
	Pre-War, 2002	2004	2005	Q1 2006
Cellphone subscribers (million)	.05	1.4	4.9	5.8
Landline subscribers (million)	.83	.96	.98	1.04
Internet subscribers (thousands, excluding Internet cafes)	8	120	213	213
Number of public Internet cafes (estimated)	0	N/A	2,000	2,000
Foreign investment in telecommunications sector (million, cumulative estimate)	--	N/A	N/A	\$700
Number of major, independent TV stations	--	N/A	N/A	15
Number of major, independent radio stations	--	N/A	N/A	Over 20
Number of major independent newspapers	--	N/A	N/A	15

N/A= Not available

-- = Not applicable

Health:

- Iraq had approximately 240 hospitals and 1,200 clinics before the war. The Iraq healthcare system had not been managed in a systematic manner for at least two decades before liberation. Quality of care and efficiency of delivery was limited by a number of factors, including the location of facilities that were not in line with current demographics; dilapidated infrastructure and poor maintenance;

limited supplies of medications, other supplies, and modern equipment; and lack of exposure of health care workers to evolving health care practices and training.

- Conversion of the healthcare system from the current hospital-based model to a primary care based system will help to improve population health and to provide a sustainable healthcare delivery system that improves services for the most vulnerable population groups.
- IRRF-funded projects to date have renovated 110 clinics or Primary Healthcare Centers (PHCs) in Iraq; equipped 600 PHCs; and built 12 new PHCs. Six hospitals have been renovated to date. In addition, approximately \$33.8 million in medical equipment has been purchased and delivered to the Iraqi Ministry of Health to help upgrade the care that is delivered in existing and new facilities.
- Vaccination campaigns have helped reduce the outbreak of previously endemic diseases. Nationwide vaccination campaigns have inoculated most Iraqi children against Measles, Mumps and Rubella. Lab-confirmed measles cases dropped by 90% from 2004 to 2005.
- Ninety-eight percent of Iraqi children under five have also been inoculated against polio. Since liberation, there has been maintenance of polio-free status with no new cases.
- Malaria cases have decreased from 1,043 in 2002 to 86 in 2005.

Health Metrics		
Health Care Facilities	Current State as of March 21 (Number)	IRRF Planned End State (Number)
Hospitals Rehabilitated ¹	6	20
Hospital Constructed ²		1
Primary Healthcare Centers Rehabilitated ²	110	110
Primary Healthcare Centers Equipped ²	600	600
Small Primary Healthcare Centers Built and Equipped ^{2,3}	6	6
Large Primary Healthcare Centers Built & Equipped ¹	6	142
Health Care Services – Training²	Number of Iraqis Trained as of March 21	
Primary Health Care Physicians and Other Health Workers ⁴	3,400	
Health Care Services – Vaccinations^{2,5}	Number Vaccinated as of March 21	
Children Ages 12-60 Months Vaccinated Against Measles, Mumps & Rubella	3.6 Million (96% of Target Population)	
Children Under Age Five Vaccinated Against Polio	4.6 Million (97% of Target Population)	
Pregnant Women Vaccinated Against Tetanus	700,000	

¹PCO

²USAID

³These small Primary Healthcare Centers (PHCs) were completed by UNICEF in conjunction with the Ministry of Health, using USAID grant funds from IRRFI. These basic PHCs serve remote or underserved areas.

⁴Physicians, nurses, medical assistants, and other health care workers received training on maternal, child, and other primary health care subjects to improve the quality of patient care (IRRF I and IRRFII funds).

⁵The Iraqi MoH follows the WHO's Expanded Program on Immunizations (EPI) schedule for routine vaccinations. IRRF funds have assisted WHO and UNICEF with vaccination campaigns in Iraq.

Education:

- To date, U.S. funded projects have completed 5,168 schools, with 450 planned or underway. When complete, U.S. funded projects will have rehabilitated or constructed 5,618 of a total of 6,408 schools to be rehabilitated or constructed by all international donors. This includes projects undertaken at various stages of our assistance. USAID was particularly active, for example, under IRRF I, while PCO is just now finishing its school refurbishment project under IRRF II.
- In addition, U.S. funded projects have trained more than 61,000 teachers, and, under IRRF I in cooperation with UNESCO, provided 8.7 million new textbooks.

Iraqi Education Metrics	
Education - Schools	
Total Schools (2003)	14,121
Schools Needing Repair (2003)	11,000
Schools Rehabilitated/Constructed	
USAID (includes 450 planned/ongoing rehabilitations)	(3,000 complete to date) 3,450
MNF-I ²	1,365
PCO	803
Total U.S. Rehabilitated Schools	5,618
Other Donors (includes planned rehabilitations)	790
All Donors	6,408
Education - Training	
Teachers Trained	61,000
Education - Textbooks	
Textbooks Provided ¹	8,700,000

¹USAID in conjunction with UNICEF

²Includes schools funded through the Commanders Emergency Response Fund.

APPENDIX I

SECTOR: Security and Law Enforcement

The Ministry of Defense (MoD) and the Ministry of Interior (MoI) continue to man, train, equip and professionalize the Iraqi Security Forces (ISF), as well as develop the requisite institutional capabilities to direct, sustain and support these forces. More than 240,000 military and police personnel are now trained and equipped, with 102 Iraqi Army and 28 police combat battalions engaged in the fight. Of these, 62 Iraqi Army and 7 police battalions are able to lead in planning and executing operations in their areas of responsibility (AOR), with 49 of these Iraqi Army battalions controlling their own battle space. Continued development of Iraqi logistics capabilities and combat enablers is a critical component of the effort to help Iraqi units become capable of conducting operations independent of Coalition support.

Equally critical to Iraqi Security self-reliance is the development of institutional capability within the Ministries of Interior and Defense. Improvements were made in developing processes to increase ministerial capability, defining and delineating roles and responsibilities within the ministries and in assuming greater responsibility for the provision of life support for their forces. Each security ministry has commenced efforts to create its own Center for Leadership and Ethics. These centers will provide oversight for ethics education, training and assessment, and will accelerate development of security forces that conform to human rights and democratic police practices.

Ministry of Interior Forces Overview

With approximately 131,000 trained and equipped personnel, the Ministry of Interior (MoI) is currently on track to meet its civil security force structure objective by the end of 2006. This force structure plan will generate Iraqi police forces capable of meeting policing needs in the current counterinsurgency (COIN) environment, as well as orient the MoI for the future. The MoI forces consist of the Iraqi Police Service, National Police (formerly Special Police, comprised of the Police Commandos, the Public Order Police and the Mechanized Brigade), the Iraqi Highway Patrol, the Emergency Response Unit, the Department of Border Enforcement and the Center for Dignitary Protection. The Civilian Police Assistance Training Team (CPATT) continues to train, equip and professionalize these Iraqi police forces. CPATT's MoI Transition Team (MoI-TT), which currently has 76 personnel, is continuing to concentrate on the development of the MoI's capability to support and direct its forces.

The MoI Qualifying Committee (MoIQC), made up of Iraqi Senior Personnel, continued its biometric data collection efforts that assist in the proper vetting of MoI employees, identification of payroll errors and support the separation of unqualified Iraqi Police Officers. To date, the MoIQC has collected approximately 235,000 personnel profiles, populating a national database.

Iraqi Police Service: During this quarter, over 7,900 recruits completed the Basic Police Academy program, a ten-week program of instruction for new recruits. Additionally, nearly 570 recruits graduated from the Transition Integration Program (TIP), a three-week course designed to provide skills refresher and rule of law training to members of the police hired and retained from the former regime. To date, nearly 90,000 police have been trained and equipped. Increased emphasis has been placed on developing Iraqi Police instructors in order to establish Iraqi ownership; the Iraqi Police instructor cadre reached 75% of the goal with over 500 Iraqi instructors teaching in the basic police program. All academies have over 50% Iraqi instructors. During the “Year of the Police,” concerted efforts are being made to increase the training capacity of the Iraqi Police Forces. During late February, there were over 8,600 Iraqi Police recruits in training. We continue to focus on leadership and professional development of the police force. On March 30, 285 new police lieutenants are projected to graduate from the Baghdad Police College’s six-month Police Officers’ Academy. A three-year college is expected to commence in the next quarter with 500-1,000 new officer candidates. Approximately \$1.8 billion in IRRF funding has been provided for these programs, and now the Iraqi government will assume responsibility for carrying on these programs. Approximately \$250 million in emergency U.S. funding has been requested to continue police training programs. These programs are critical for establishing a professional and trained IPS.

Border Forces: The Department of Border Enforcement (DBE), tasked with the mission of securing Iraq’s borders, has over 20,000 trained and equipped personnel. These forces are organized into five regions, 12 brigades and 36 battalions. Progress has continued on construction of the planned 258 border posts and forts, with over 225 now complete. Increased emphasis continues to be placed on development of border forces and Iraq’s capability to secure its borders; this includes development of operational communications architecture by August 2006. The defense-in-depth approach continues to be utilized along the Syrian border, where the MoD and the coalition are working with the DBE to create a layered security effort. An intense training review is being conducted of the DBE Program of Instruction in order to improve the current border guard basic and leader training. This initiative has led to the inception of a new junior officer and non-commissioned officer leader course, which commenced in March 2006. In January, the DBE recorded its highest number of students in class, with over 1,700 personnel. This quarter, the newly renovated Basrah DBE Academy commenced basic courses for the first time since June 2005; the Sulaymaniyah Academy, which had its last class in May 2005, restarted courses ahead of schedule.

National Police: Approximately 18,000 National Police (formerly Special Police) continue to improve their abilities as a national, rapid-response force capable of countering armed insurgency, large scale disobedience and riots. The Public Order forces, which have reached their authorized number of units, continue to train, equip and deploy police forces to reinforce existing units. The Mechanized Brigade continues to receive armored security vehicles, with 58 of 63 now in theater and the remainder slated for arrival in the second quarter of 2006. Professional development and leadership have been emphasized through a senior leadership seminar, a ten-course program centered on Iraqi law and democratic

policing techniques, and the National Police leadership academy. Over 160 sergeants and junior officers graduated courses at the Academy this quarter.

Ministerial Capability: The expansion of CPATT's mission to incorporate ministerial development and subsequent realignment to integrate multiple elements under the umbrella of the Ministry of Interior Transition Team (MoI-TT) has resulted in a more unified and capable organization. The MoI-TT, along with the MoI, completed a comprehensive assessment of the Ministry in late January; this project evaluated six major departments of the Ministry in order to develop their capabilities. The formation of the Ministry's Strategic Planning and Policy Working Group, made up of Iraqis, has been a notable achievement. This group is tasked to develop plans and policy to govern MoI operations.

Ministry of Defense Forces Overview

Ministry of Defense (MoD) forces currently include over 111,000 personnel serving in the Iraqi Army (IA), Iraqi Special Operations Forces (ISOF), Strategic Infrastructure Battalions (SIBs), Navy, Marines and Air Force. Approximately 102 Iraqi Army combat battalions are currently conducting aggressive COIN operations, with 62 of these battalions able to take the lead. The increasing capability of the Iraqi Army at all levels of the fight is evidenced as 49 battalions, 13 brigades and two of the IA's ten divisions now own their own battle space. Combat support and combat service support (CS/CSS) units continue to be generated to provide critical combat enablers; there are over half a dozen CS/CSS and training units currently operational and supporting Iraqi combat troops. SIBs, which remain focused on securing critical oil and electricity infrastructure, continue to be supplied and trained according to a phased plan. There are currently 4 operational SIBs.

Logistics Support: Significant strides have been made in building Iraqi logistical capacity this quarter, although Coalition forces continue to provide materiel movement, life support and other combat support to the Iraqi Armed Forces. The nascent Iraqi system is comprised of comprehensive lines of support at the operational and tactical levels, as well as a national maintenance structure. The National Depot at Taji provides operational-level supply and maintenance support and feeds five Regional Support Units (RSUs) that provide maintenance and supply support to nearby units. Motorized Transportation Regiments (MTRs) have been integrated into force generation plans to support each of the nine light infantry divisions. Three of these MTRs are operational, one is nearing completion and the remainder is undergoing force generation. Progress also continues on Headquarters and Service Companies (HSCs) which provide organic support to each Iraqi Army infantry battalion. The National Maintenance Contract (NMC) continues to provide an interim solution for organizational and intermediate maintenance requirements of the Iraqi Armed Forces at ten different locations.

Training: The Iraqi Armed Forces training system is made up of nearly thirty schools designed to train basic recruits, teach specialty skills, and provide professional development and leadership training. The basic training system remains under the command of the Iraqi Training Brigade and includes three Iraqi Training Battalions. New recruits attend a five-week program of instruction at Kirkush Military Training Base or

Numaniyah; upon graduation they receive an additional three to seven weeks of specialized training depending upon their military occupational skill assignment. The specialized training develops infantry, supply, communications, administration, armor, transportation, maintenance and military police skills, among others. Training initiatives such as the Military Intelligence School, Signal School, Iraqi Army Service and Support Institute (IASSI) and Engineer School have been implemented and continue to graduate personnel trained in critical specialties.

A system of Regional Training Centers (RTCs) and the Non-Commissioned Officer Academy focus on junior leader development. The newly piloted Sergeants Major Course and Chief Warrant Officer Course have also been added to the NCO Professional Education System. Three Iraqi Military Academies at Zakho, Qualachulon and ar-Rustimiyah are conducting officer training. The one-month Former Officer Course (FOC) continues to emphasize human rights, ethics and COIN operations. 500 students completed the FOC program this reporting period. On January 19 the first class of 77 officers graduated from the one year Basic Officer Commissioning Course modeled on Sandhurst in the U.K. Progress continues on the development of an Iraqi Armed Forces Center for Ethics and Leadership.

Air Force: The Iraqi Air Force (IqAF) has approximately 600 trained and equipped personnel staffing 6 squadrons: 2 reconnaissance, 2 helicopter battlefield troop mobility, 1 helicopter refresher training and 1 air transport. The 23rd Transport Squadron, with its three C-130E aircraft, completed its move to the New al Muthana Air Base in late January. During this quarter, the IqAF's 16 UH-1H helicopters were transported to the U.S. for modification to the Huey II configuration; these extensive modifications take approximately 8-9 months per aircraft. In addition, eight of ten Iraqi-purchased Polish Mi-17 helicopters have arrived in country.

Navy and Marine Operations: Iraqi Navy and Marines (IqN), in coordination with Coalition maritime forces, continue to conduct maritime operations to provide offshore oil platform security and anti-smuggler, anti-terrorist and anti-piracy operations within Iraqi territorial waters. Two squadrons are currently operational, with approximately 800 personnel. Delays continue to postpone delivery of the Al Faw patrol boats and the contract to acquire two offshore support vehicles has been delayed until the formation of the new government. The IqN continues to experience challenges in its acquisition and distribution systems.

LAW ENFORCEMENT

Police Training and Technical Assistance

Project Code: 10000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	1,040	768	-	-2	-	-	-	1,806	1,769	1,428
Change from January	-	-	-		-	-			+5	+101
April 2006	1,040	768	-	-2	-	-	-	1,806	1,774	1,529

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense, Department of State, with some funds transferred to Department of Justice

Changes from the January Report: This report maintains the \$1,806 million allocated to Police Training and Technical Assistance.

Accomplishments since the January Report:

- Completed three of eight police stations in the Mosul and Tal Afar areas (\$3.3 million).
- Completed construction for Public Order Battalion at Forward Operating Base (FOB) Justice (\$11.4 million).
- Completed construction of Police Academy at Al Kut (\$7.6 million).
- Completed construction at Police Commando Sites 4 and 6 in Baghdad (\$23.3 million).
- Completed construction at the Awadil Iraqi Highway Patrol Station (\$2.0 million).
- Completed construction of the River Police Headquarters in Baghdad (\$1.0 million).
- Purchased 9,150 AK-47 assault rifles and 4,250 Glock pistols for the Iraqi Police Forces (\$3.7 million).

Accomplishments anticipated in the next quarter:

- Purchase additional AK-47 assault rifles and Glock pistols for the Iraqi Police Forces (\$1.7 million)
- Complete construction on remaining five police stations in the Mosul and Tal Afar area (\$11.9 million).

- Complete construction of National Police Regiment Facilities at Taji (\$44.7 million).
- Complete construction on Emergency Response Unit Dignitary Protection Training Site in Baghdad (\$14.0 million).
- Complete renovation of a forensic lab in Baghdad (\$1.88 million).

**Border Enforcement
Project Code: 11000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	260	177		-	-	-		437	398	324
Change from January	-	-		-	-	-		-	+23	+40
April 2006	260	177		-	-	-		437	421	364

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense and PCO

Changes from the January Report: This report maintains the \$437 million allocated to border enforcement.

Accomplishments since the January Report:

DoD

- Completed Force Protection upgrades at Al Waleed, Trebil and Rabea Ports Of Entry (POEs) (\$5.0 million).
- Completed construction of seven border forts and one sector fort along the Syrian Border (\$18.0 million).
- Completed Sayranban and Zurbatia Ports of Entry (\$3.9 million).
- Completed construction at the Basrah Department of Border Enforcement (DBE) Academy (\$15.5 million).
- Purchased 5,500 Glock pistols for the DBE (\$2.4 million).

PCO

- Completed Safwan POE (~\$2.5 million)

- Completed construction of 113 of 114 Border Forts along the Iranian Border. (~\$60.1 million)

Accomplishments anticipated in the next quarter:

DoD

- Complete construction at the Bashmakh Land Port of Entry; POE is currently 98% complete (\$2.0 million).
- Complete construction at the Umm Qasr Coast Guard FOB; FOB is currently 72% complete (\$3.5 million).
- Complete construction at the DBE Facility in Al Kut; currently 99% complete (\$14.5 million).
- Begin construction at the Akashat and complete construction at the Akashat and Trafawi Sector Forts; currently Trafawi is 99% complete (\$9.7 million).

PCO

- Complete construction of final Border Fort to physically complete the PCO/GRD border forts program consisting of 114 forts (~\$60.1 million).

Facilities Protection Service (FPS)

Project Code: 12000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	53	0		-	-	-	-	53	49	31
Change from January	-	-		-	-	-	-	-	+4	+2
April 2006	53	0		-	-	-	-	53	53	33

NOTE: Obligation and Outlay Data is current as of March 29, 2006

Responsible U.S. Government Agency: Department of Defense

Changes from the January Report: This report maintains the \$53 million allocated to Facilities Protection Service (FPS).

Accomplishments since the January report:

- Completed the new FPS National Training Academy and FPS National Headquarters. The FPS will share this facility with departments of the Ministry of Finance (\$6.244 million).

Accomplishments anticipated in the next quarter:

- Contracts will be closed out and any residual funds moved to support mission requirements.

NATIONAL SECURITY- IRAQI ARMED FORCES

Iraqi Armed Forces Facilities

Project Code: 20000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	602	129		-	-	-	-	731	708	683
Change from January	-	-		-	-	-	-	-	+17	+29
April 2006	602	129		-	-	-	-	731	725	712

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense

Changes from the January Report: This report maintains the \$731 million allocated to Iraqi Armed Forces Facilities.

Accomplishments since the January Report

- Completed the construction of the Zakho Military Academy, including barracks, dining facility, headquarters, gymnasium, sports fields, firing ranges and rappelling tower (\$6.1 million).
- Completed the construction of the Regional Training Center (RTC) at Hammam Al Alil Army Base, including barracks, headquarters, classrooms, multi-purpose rooms and a gymnasium (\$10.2 million).
- Completed construction of the Basrah Hanger, providing an aircraft hanger, administrative facilities, concrete aprons, aircraft shelters and an office building to support flying operations (\$4.9 million).

Accomplishments anticipated in the next quarter:

- Complete construction of facilities for 2,500 soldiers of the 3rd Brigade of the 6th Division at Chas Tal Mital (\$3.2 million).
- Complete construction of facilities for 1,750 soldiers of the 2nd Brigade of the 4th Division and their headquarters at the Kirkuk Military Base (\$14.3 million).
- Complete construction of facilities for 1,750 soldiers of the 1st Brigade of the 3rd Division and their headquarters at the Al Kasik Military Base (\$13.3 million).

**Iraqi Armed Forces Equipment
Project Code: 21000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	606	23	-	-14	-	-	-	615	589	498
Change from January	-	-	-		-	-			+16	+69
April 2006	606	23	-	-14	-	-	-	615	605	567

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense

Changes from the January Report: This report maintains the \$615 million allocated to the Iraqi Armed Forces Equipment Project.

Accomplishments since the January Report:

- Purchased and distributed approximately 28,000 radios and 1,000 computers to the ISF (\$20.5 million).
- Completed Modified Table of Organization and Equipment (MTOE) radio equipment fielding to all units of the 7th and 9th Divisions (\$2.6 million).

Accomplishments anticipated in the next quarter:

- There are no new projects anticipated to be completed in the next quarter
- Contract closeout will be completed and remaining funds will be identified and moved to support mission requirements.

**Iraqi Armed Forces Training and Operations
Project Code: 22000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	394	35	-	+2	-	-	-	431	386	364
Change from January	-	-	-	-	-	-	-		+21	+12
April 2006	394	35	-	2	-	-	-	431	407	376

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense

Changes from the January Report: This report maintains the \$431 million allocated to the Iraqi Armed Forces Training and Operations Project.

Accomplishments since the January Report:

- Completed contract closeouts.

Accomplishments anticipated in the next quarter:

- There are no new projects that are anticipated to be completed in the next quarter.
- Residual funds will be identified and moved to support mission requirements once verified through financial channels.

**Iraqi National Guard Operations and Personnel
Project Code: 23000**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	159	66		-	-	-	225	210	178
Change from January	-	-		-	-	-	-	+4	+5
April 2006	159	66		-	-	-	225	214	183

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense

Changes from the January Report: This report maintains the \$225 million allocated to Iraqi National Guard Operation and Personnel.

Accomplishments since the January Report:

- Continued operation of the Seeker reconnaissance aircraft of 70th Squadron in their limited reconnaissance role.
- Provided support to the Jet Ranger helicopter fleet (~\$1 million)

Accomplishments anticipated in the next quarter:

- There are no new projects that are anticipated to be completed in the next quarter.

- All contracts will be reviewed and prepared for close out both contractually and financially.
- Balance of funds will be moved to mission critical requirements.

**Iraqi National Guard Equipment
Project Code: 24000**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	81	11	-	-	-	-	92	87	85
Change from January	-	-	-	-	-	-	-	+2	+1
April 2006	81	11	-	-	-	-	92	89	86

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense

Changes from the January Report: This report maintains the \$92 million allocated to Iraqi National Guard Equipment.

Accomplishments since the January Report:

- Completed all training for the 3rd Brigade, 7th Division as well as for the 2nd Brigade, 9th Mechanized.

Accomplishments anticipated in the next quarter:

- There are no new projects that are anticipated to be completed in the next quarter.
- Contracts will be closed out and residual funding moved to support mission critical priorities.

**Iraqi National Guard Facilities
Project Code: 27000**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	-	359		+7	-	-	366	343	308
Change from January	-	-			-	-	-	+10	+21
April 2006	-	359		7	-	-	366	353	329

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense

Changes from the January Report: This report maintains the \$366 million allocated to Iraqi National Guard Facilities.

Accomplishments since the January Report:

- Completed construction of facilities for 2,500 soldiers of the 4th Brigade of the 1st Division and their headquarters at Camp India Base, which includes barracks, dining facility, motor pool, headquarters and administrative buildings (\$55.3 million).
- Continued construction of facilities for 2,500 soldiers of the 1st Brigade of the 1st Division and their headquarters at Al Rasheed Military Base, including barracks, dining facility, motor pool, headquarters and administrative building; currently 90% complete (\$45.5 million).
- Completed construction of facilities for 750 soldiers of the 2nd Brigade of the 10th Division at Samawah including barracks, headquarters building, electrical power supply and distribution, dining facility and vehicle maintenance facilities (\$12.1 million).
- Completed construction of facilities for 250 soldiers of the 1st Brigade Headquarters of the 8th Division at Naiad (\$2.3 million).

Accomplishments anticipated in the next quarter:

- Complete construction of facilities for the 1st Brigade of the 1st Division and their headquarters at Al Rasheed Military Base.
- Complete construction on the consolidated generator project at Kirkuk, supporting 3,500 soldiers (\$7.9 million).
- Complete construction on the generators and fencing project at Tallil, supporting 1,000 soldiers (\$5.0 million).
- Complete construction at the Umm Qasr Dock at the Umm Qasr Naval Base supporting 500 sailors (\$5.0 million).

Iraqi Security Forces Quick Response Program

Project Code: 26000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									

January 2006	40	130	-	-7	-	-	163	158	146
Change from January	-	-	-	-	-	-	-	-1	+3
April 2006	40	130	-	-7	-	-	163	157	149

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense

Changes from the January Report: This report maintains the \$163 million allocated to Iraqi Security Forces Quick Response Program.

Accomplishments since the January Report:

- Continued to respond rapidly to the needs of the ISF and provide them timely assistance for urgent and compelling emergent requirements.
- Funded \$744,900 project to renovate and improve security at Taji South Entry Control Point.
- Funded \$979,600 force protection project to reinforce security of Baghdad Police College due to recent mortar attacks. These security reinforcements included 2,000 meters of high security fencing and 650 meters of concrete T-wall barriers.
- Provided \$114,000 in funding for up-armoring 50 7th Division Iraqi Army vehicles to combat frequent IED attacks in Al Anbar province.
- Quickly secured \$450,000 in funding for emergency life support at FOB Normandy in Multi-National-Division-North area, supporting over 1,000 Iraqi soldiers. Specifically, these services covered sanitation, water supply and fuel delivery for the base.

Accomplishments anticipated in the next quarter:

- Continue to respond rapidly to the needs of the ISF and provide timely assistance for urgent and compelling requirements.

Nonproliferation and Export Control and Border Security

Project Code: 09600

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	-	-	-	3	-	-	3	-	-
Change from October	-	-			-	-	-	-	-

April 2006	-	-	3	-	-	3	-	-
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NOTE: Obligation and Outlay Data is current as of March 29th, 2005.

Responsible U.S. Government Agency: Department of State, Bureau of International Security and Nonproliferation (ISN)

Changes from the January Report: This report maintains the \$3 million to continue the current Iraqi WMD Expertise Redirect Program and provide radiation detection equipment and training for the Iraqi border guards.

The Iraqi WMD Expertise Redirect Program plays a crucial role in inhibiting proliferation of Iraq's weapons expertise through payment of regular stipends to approximately 150 key Iraqi weapons development personnel, provision of career transition assistance in the form of workshops, seminars and collaboration with western counterparts and the funding of science-based projects proposed by program participants and focusing on areas of importance to the reconstruction of Iraq.

Accomplishments since the January Report:

- Coordinated drafting of an interagency program plan for providing radiation detection equipment and training for Iraqi border guards.

Accomplishments anticipated in the next quarter:

- Identify and initiate several science-based projects proposed by former weapons scientists currently participating in the Iraqi Interim Center for Science and Industry (the redirection program office in Baghdad). Projects already proposed are in the fields of environment, water, agriculture and public health and are aimed at national reconstruction. The proposed projects include:

Continue operation of the Iraqi International center for Science and Industry (IICSI): \$250,000

Scientist stipends:	120,000
Scientist travel support:	75,000
Staff salaries:	36,000
Operating expenses	19,000

Initiate funding of three science-based projects: \$475,000

Ozone water treatment pilot plant:	175,000
Water-quality monitoring:	100,000
Non-destructive lab refurbishment:	200,000

- Support Iraqi weapons scientists' participation in the Rebuild Iraq - 2006 exposition in Amman, Jordan, in May 2006.

- Establish a plan of action for providing radiation detection equipment and training for Iraqi border guards.

Focused Stabilization

Project Code: 08500

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	-	-	-	30	-	-	-	30	-	-
Change from January	-	-	-	-	-	-	-	-	-	-
April 2006	-	-	-	30	-	-	-	30	-	-

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID

Changes from the January Report: This project code maintains the \$30 million allocated to this project code. The objective of the program is to support economic stabilization efforts by supporting employment, skills training and business development programs. Medium term programs will help stabilize areas of high insurgent influence and establish the foundation for longer-term development activities. \$15 million will fund, Employment Generation, \$10 million will fund Small-Medium Enterprise Expansion and \$5 million will fund micro-finance activity. Activities are in the pre-implementation stage.

Accomplishments since the January Report:

- Issued a Request for Application (RFA) procurement to initiate contracting process.
- The contract review committee has made the first selections of potential contractors for this program. The process of identifying a final contractor is expected to be completed in April.

Accomplishments anticipated in the next quarter:

- Economic development plans will be completed for designated areas of program implementation.
- Economic specialist will arrive in early April to support the development of detailed work plans and program implementation.
- Award contract.

**Commander's Humanitarian Relief & Reconstruction
Project Code: 28000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	-	86		-	-	-	-	86	84	49
Change from January	-	-		-	-	-	-	-	+1	+15
April 2006	-	86		-	-	-	-	86	85	64

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/Multinational Force-Iraq (MNF-I) and USAID

Changes from the January Report: This report maintains the \$86 million allocated for the Commander's Humanitarian Relief and Reconstruction Projects (CHRRP).

Accomplishments since the January Report:

DoD

- Continued progress on the Qubaidy sewer system renovation. Did not complete due to above normal rain levels, creating unsafe working conditions. Currently 90% complete (\$15 million).
- Continued construction on the Kamalay sewer system renovation. Did not complete due to above normal rain levels, creating unsafe working conditions. Currently 82% complete (\$25.4 million).
- Continued construction on the Assyria sewer system project. Did not complete due to above normal rain levels, creating unsafe working conditions. Currently 85% complete (\$1.8 million).
- Continued construction on Kirkuk pressure Zone 5 distribution, one kilometer, 100 meter pipe with 2X valves. Did not complete due to continuing security issues. Currently 40% complete (\$1 million).
- Completed Halabjah water well project restoring water service (\$114,000).
- Continued progress on Al Abayachi Water Project. Currently under 150-day performance review; project is 40% complete (\$331,000).
- Continued progress on Al Alath Water Project in Isahki, Salah al-Din. Late start due to contracting problems; currently 20% complete (\$505,000).

- Continued progress on Balad Train Station water project. Delayed due to contracting and security issues; 40% complete (\$620,000).
- Completed Abu Sabah village generator and water pump (\$18,000).
- Continued construction of Altun Kapri water tower. Currently under 150-day performance review; 45% complete (\$92,000).
- Continued construction of Kalwar water tower. Currently under 150-day performance review; 40% complete (\$92,000).
- Continued progress on Taraka village water project. Delayed due to contracting issues (\$58,000).

USAID

- Completed 182 Business Development projects valued at \$600,000 creating over 2,000 long-term jobs through this reporting period. Illustrative projects include establishing livestock farms in rural areas. This project created 18 long-term and 60 short-term jobs.

Anticipated accomplishments in the next quarter:

DoD

- Complete the Qubaidy sewer system renovation (\$15 million).
- Complete the Kamalay sewer system renovation (\$25.4 million).
- Complete the Assyria sewer system project (\$1.8 million).
- Complete Kirkuk pressure Zone 5 distribution, one kilometer, 100 meter pipe with 2X valves (\$1 million).
- Complete Al Alath Water Project in Isahki, Salah al-Din (\$505,000).
- Complete Altun Kapri water tower (\$92,000).
- Complete Kalwar water tower (\$92,000).
- Complete Al Abayachi Water Project (\$331,000).
- Complete Taraka village water project (\$58,000).

- Complete Balad Train Station water project (\$620,000).

USAID

- No additional activities are anticipated under this Project Code.

SECTOR: Justice, Public Safety Infrastructure and Civil Society

Other Technical Investigative Methods

Project Code: 31000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	5	-		-	-	-	-	5	1	1
Change from January	-	-		-	-	-	-	-	-	-
April 2006	5	-		-	-	-	-	5	1	1

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Departments of Defense and State, with some funds transferred to the Department of Justice

Changes from the January Report: This report maintains the \$5 million allocated for the Commission on Public Integrity (CPI) to use electronic surveillance equipment and advanced investigative, accounting, prevention and training techniques to detect, deter, identify and investigate illegal activities and organizations.

Accomplishments since the January Report:

- Did not purchase equipment or complete IRRF-funded activities in this reporting period.

Anticipated accomplishments in the next quarter:

- Purchase a state-of-the-art printing press for educational outreach capacity building regarding CPI's role in ensuring integrity and ethical behavior in government (\$1 million).
- Purchase investigative tactical training equipment in order to built additional capacity in CPI's security and investigative departments (\$500,000).

Witness Protection Program

Project Code: 30000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	40	-3	-	-	-	-	-	37	35	10
Change from	-	-	-	-	-	-	-	-	-	-

January									
April 2006	40	-3	-	-	-	-	37	35	10

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Departments of Defense/Project and Contracting Office (PCO) and State, with funds transferred to the Department of Justice

Changes from the January Report: This report maintains the \$37 million allocated to support a Witness Protection Program (\$35 million) and to establish and sustain the Commission on Public Integrity (CPI) (\$2 million).

Construction of the witness security facilities is directly related to the construction of the four new courthouses in Judicial Security and Facilities (PC 09000).

Accomplishments since the January Report:

DoD

- Altered design of the witness security facilities in Baghdad’s Rusafa District, Mosul and Basrah based upon input of US Marshals (\$7.5 million).
- Completed additional renovations to the Al Hayat Apartment Complex, added under additional contract modifications (\$10 million).

Department of Justice (DoJ)

- Continued moving judges into the Al Hayat Complex.
- Started conducting training of HJC FPS personnel at the Central Criminal Courts Iraq (CCCI) in Baghdad. Continue issuing equipment and uniforms to HJC FPS Personnel throughout Iraq.

CPI

- Processing purchase of weapons, ammunition and related tactical training equipment in order to build additional capacity in CPI’s security and investigative departments (\$2 million).

Anticipated accomplishments in the next quarter:

DoD

- Start construction on the witness security facilities in Baghdad’s Rusafa District, Mosul and Basrah (\$7.5 million).

- Complete construction of the witness security facility in Baghdad’s Al Karkh District (\$2.5 million).

Department of Justice (DoJ)

- Purchase 3 armored personnel carriers, plus 10 armored cars/SUVs for movement of witnesses and judges.
- Purchase anti-IED devices and tracking equipment for new vehicles (\$3.2 million).
- Start construction/renovation of two witness security sites. Purchase security equipment for new facilities. Hire, train and equip guard forces for new facilities (\$5.7 million).

CPI

- Complete purchase of weapons, ammunition and related tactical training equipment in order to build additional capacity in CPI’s security and investigative departments (\$2 million).

Penal Facilities

Project Code: 32000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	100	-13	-	-	-	-	-	87	65	22
Change from January	-	-	-	-	-	-	-	-	+21	+13
April 2006	100	-13	-	-	-	-	-	87	86	35

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$87 million allocated for penal facilities, specifically for the Maximum Security Correctional Facility in Nassriya.

Accomplishments since the January Report:

- Continued construction of 800-bed Nassriya correctional facility, currently 28% complete. Construction has been delayed due to inadequate workforce levels and skills at the site as well as security concerns. Project is being closely monitored and strategies to expedite completion of the project are being explored (~\$45.9 million).

- Deferred discussion to increase bed capacity by an additional 400 at the Nassriya correctional facility due to contractor's low level of performance.

Accomplishments anticipated in next quarter:

- Continue construction of 800-bed Nassriya correctional facility. The facility is now estimated to be completed in August 2006.

Reconstruction and Modernization of Detention Facilities

Project Code: 33000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	135	30		+2	-	-		167	136	50
Change from January	-	-		-	+39	-		+39	+15	+22
April 2006	135	30		+2	+39	-		206	151	72

NOTE: Obligation and Outlay Data is current as of March, 29, 2006

Responsible U.S. Government Agency: Departments of Defense/PCO, Justice-International Criminal Investigative Training Assistance Program (ICITAP) and State

Changes from the January Report: This report shifts \$38.6 million from Rule of Law (PC 06500) for the continuation of previously notified corrections programs. Funds were erroneously reported under Rule of Law in the January 2207; this adjustment reflects the usage of the funds in a more appropriate manner.

Accomplishments since the January Report:

PCO

- Continued construction of 1,800 bed multi-custody correctional facility in Khan Bani Sa'ad; currently 36% complete (~\$72.9 million).
- Started construction-renovation of Zrka Rehabilitation Center in Dahuk; currently 17% complete (~\$5.6 million).

Department of Justice (ICITAP)

- 39 Iraqi Corrections Service (ICS) staff completed the train-the-trainers course at the ICS Training Academy in Baghdad. This effort facilitated the basic pre-service training of new Iraqi Corrections Officers (ICOs) for the military detention transition to Camp Cropper.

- 20 ICS staff in An Nassriya completed the train-the-trainer course and conducted basic pre-service training ICO candidates assigned to the 800-bed Nassriya correctional facility currently under construction.
- Transferred 12 advisors from Abu Ghraib to other areas throughout Iraq to conduct training and advise ICS staff.

Accomplishments anticipated in next quarter:

PCO

- Continue construction of correctional facilities at Khan Bani Sa'ad and Dahuk.

Department of Justice (ICITAP)

- Receive vehicles and security equipment, including weapons, body armor, helmets with shields and ammunition, to be distributed to ICS (~\$500,000).
- Award contract to purchase buses and pick-up trucks for the ICS Security Force to provide increased protection while transporting offenders (~\$1 million).
- Install 21 MTR 2000 Repeaters at ICS facilities throughout Iraq to facilitate radio communications within ICS.

FACILITIES REPAIR, FIRE SERVICE AND DEMINING

Facilities Repair

Project Code: 13000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	92	-3	-	-	-	-	89	80	54
Change from January	-	-	-	-	-	-	-	+4	+10
April 2006	92	-3	-	-	-	-	89	84	64

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$89 million allocated to Facilities Repair.

Accomplishments since the January Report:

- Completed rehabilitation of four fire stations, descoped two fire stations and continued construction on remaining 13 stations, inclusive of new construction and renovation projects to bring to 66 facilities completed to date
- Completed rehabilitation of Iraq Civil Defense Headquarters (\$2.5 million).
- Constructed fences around newly built firehouses, secured generators at sites and paved areas from firehouse doors to street. (\$700,000).

Accomplishments anticipated in next quarter:

- Complete construction of 17 fire stations (\$6.7 million).

Fire Service

Project Code: 14000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	122	-7	-	-	-	-	-	115	106	95
Change from January	-	-	-	-	-	-	-	-	+2	+8
April 2006	122	-7	-	-	-	-	-	115	108	103

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$115 million allocated to Fire Services.

Accomplishments since the January Report:

- Delivered seven medium rescue trucks, 16 mini-pumper trucks, 22 tankers and 66 utility vehicles to Iraqi Civil Defense Corps Warehouse (\$4.7 million IRRF).
- Delivered four 19-foot boats and one 30-foot boat to Baghdad to reconstitute Iraq Civil Defense (\$613,000).
- Delivered 3099 sets of Body Armor to Justice-Iraqi Civil Defense Corps-Fire Services (~\$1.8 million).

Accomplishments Anticipated in the Next Quarter:

- Purchase compressor to power the Self Contained Breathing Apparatus (SCBA) refill station in each firehouse (\$260,000).

- Deliver twelve 19 foot boats and two 30 foot boats to the Iraq Civil Defense Directorate. This completes delivery of Civil Defense Boats (\$2.6 million).
- Purchase Hazardous Material (HAZMAT) Equipment. This gives Iraq Fire Department capacity to respond to Nuclear, Biological and Chemical Incidents (\$1 million).
- Contract for training of HAZMAT team. Train Fire Department staff, in conjunction with Department of Homeland Security at U.S. National Fire Training Academy. Increase capacity and certify HAZMAT technicians in select nuclear, biological and chemical skills (~\$500,000).
- Contract for Officer Training. This takes the place of cancelled Officer Training in Oman, which was too expensive and inflexible ~(\$2.0 million).
- Complete delivery of final ten minipumpers, refuelers, water tenders and rescue and utility vehicles (~5.2 million).
- Purchase emergency communications equipment. Equipment required for immediate use in responding increasing terrorist incidents (~\$300,000).
- Maintenance Training. Provide capacity for Iraq Fire Official to maintain capital equipment purchased through IRFF and procured through the U.N. Oil for Food program that operated prior to Operation Iraqi Freedom (~\$1.0 million).

Demining

Project Code: 09500

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	61	9	+4	+9	-	-	83	70	70
Change from January	-	-	-	-	-	-		+4	+2
April 2006	61	9	+4	+9	-	-	83	74	72

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of State

Changes from the January Report: This report maintains the \$83 million allocated to fund a combination of minefield and battle area clearance operations and explosive ordnance disposal missions by the Iraqi Mine UXO Clearance Organization (IMCO) and the Mines Advisory Group (MAG) as well as conduct survey operations by the Vietnam Veterans of America Foundation (VVAFA).

This program contributes to post-battle operations, improves the humanitarian environment for returning populations, especially children and increases prospects for donor and Iraqi budget funded economic development by clearing land for agricultural and other economic use.

The demining program in Iraq funded through IRRF has been highly successful in accomplishing the objectives of the State Department. First, the program took over the UN Food for Oil Program in Northern Iraq. Nine indigenous mine action organizations, employing several thousand mine action workers were retrained and funded in 2004 and 2005. They are now more efficient, operate more safely and continue demining and providing prostheses for victims largely through regional government funding. In Baghdad, the National Mine Action Authority is now capable of national strategic planning and annual priority setting, budgeting and contracting for demining related services.

RONCO, the State Department contractor, has successfully established a demining/UXO NGO for the center/south of the country. That NGO, the Iraq Mine/UXO Clearance Organization (IMCO) has cleared power lines, university campus areas, military bases, oil fields and is now clearing for the U.S. military a strategic ammunition storage point in Tal Afar that has been a source of IED material.

In sum, national planning, management, and contracting for mine action has been strengthened, and a network demining capability that meets international standards has been either created or reinvigorated with thousands of productive jobs created. A large quantity of lethal UXO is being destroyed each day.

Accomplishments since the January Report:

- Continued progress on a long term tasking from the Iraqi Ministry of Oil to clear the Rumaila oil fields.
- Deployed IMCO to Tall Afar to assist the 1st Brigade, 1st Armored Division in clearing a large ammunition supply point, a potential source of material for the insurgents.
- Completed the Iraq Landmine Impact Survey-North (ILIS-N) survey of Kirkuk. Trained the survey teams from Mosul, Tikrit and Diyala Governorates in order to conduct survey operations. (\$42,000)
- Continued training the ING and IP in Explosive Ordnance Disposal (EOD) and Improvised Explosive Device (IED) identification and destruction.

Anticipated accomplishments in the next quarter:

- Continue supporting the Iraq Mine and UXO Clearance Organization (IMCO), including a specific long term tasking from the Ministry of Oil to clear the Rumaila oil fields.

- Complete the tasking of IMCO to Tal Afar to assist the 1st Brigade, 1st Armored Division clearing part of a large ammunition storage point reducing the amount of explosive material available to insurgents.
- Commence training of IMCO personnel utilizing mechanical demining equipment.
- Provide Landmine/UXO awareness training to the Ministry of Interior by IMCO.
- Complete the training of three Iraqi Army Bomb Disposal Companies and commence training of an additional three Bomb Disposal Companies. Continue to train IPs and ING in IED disposal. Commence the training of Iraqi Army Bomb Disposal Instructors.
- Continue population of the Information Management System for Mine Action (IMSMA) National database, to include information sharing to all national stakeholders, to assist with reconstruction planning, humanitarian and security operations.
- Complete the survey of Mosul and Diyala Governorates.
- Complete the ILIS-South Final Report for the southern region.

Public Safety Training and Facilities
Project Code: 15000

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	139	81	-	-	-	-	220	211	159
Change from January	-	-	-	-	-	-	-	+1	+8
April 2006	139	81	-	-	-	-	220	212	167

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$220 million allocated for the training of firefighters and the operating costs of fire training facilities and Iraqi police training academies.

DOD/PCO

Accomplishments since the January Report:

- Activity in this project code has finished. Excess funds identified will be reallocated upon final closeout of all contracts.
- **Accomplishments anticipated in next quarter:**
- No accomplishments anticipated.

National Security Communications Network: Advanced First Responder Network (AFRN)

Project Code: 25000

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	98	9	-	-	-	-	107	102	69
Change from January	-	-	-	-	-	-	-	+2	+19
April 2006	98	9	-	-	-	-	107	104	88

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$107 million allocated for the national security communications network.

AFRN is a local, governorate, and national Public Safety communications and dispatch system that enables Iraqi police, civil defense (fire), and emergency medical personnel to communicate effectively through radio, secure voice, and data communications. It provides improved emergency services to 15 of Iraq's cities selected for strategic importance. This project is critical for the establishment of an effective police and emergency response force and for linking police, civil defense, and ambulance services to other security and government personnel, enabling them to converge quickly on local and regional emergencies. In addition to AFRN, high frequency (HF) radios have been installed, providing emergency long haul voice and limited data connectivity prior to AFRN's Terrestrial Trunked Radio (TETRA) installation in the 15 cities and in areas not covered by the TETRA infrastructure. As terrestrial fiber optic connectivity is established for the AFRN TETRA network, the HF will serve as backup voice connectivity. The project is phased into two major Task Orders, TO 5, covering Baghdad, and TO 6, covering 15 cities in the governorates.

Accomplishments since the January Report:

- Began close-out process, provided demobilization letter to contractor.

- Began transferring the AFRN system to Coalition Police Assistance Training Team (CPATT)/Multi-National Security Transition Command-Iraq (MNSTC-I).

Accomplishments anticipated for the next quarter:

- Complete contract closeout and turn over system to CPATT/MNSTC-I for operations in support of the Iraqi Ministry of the Interior.
- Complete project scope. No further activities anticipated in this project code. Physical closeout to be completed. The Advanced First Responder Network (AFRN) system provides emergency first responder service for the first time to nearly 12 million citizens in 15 cities.

**Rule of Law in Iraq
Project Code: 06500**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	30	26	-	54	--	-	110	41	28
Change from January	-	-	-	-	-39	-	-39	+10	+11
April 2006	30	26	-	54	-39	-	71	51	39

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of State, Bureau of Narcotic and International Law Enforcement Affairs (INL), USAID and Department of Defense

Changes from the January Report: This report shifts \$38.6 million to Reconstruction and Modernization of Detention Facilities (PC 33000) to properly realign previously notified funds into the correct project code.

Accomplishments since the January Report:

Department of State (INL)

- Held first meeting of the Iraqi Rule of Law Advisory Committee in which Iraqi participants developed a timeline and planned for project completion.
- Currently there are six Office of Overseas Prosecutorial Development, Assistance and Training Resident Legal Advisors (OPDAT RLA's) on the ground in Iraq.
- ABA-IIRL assisted the Ministry of Human Rights to convene a workshop (in Istanbul from January 3-6, 2006) for the Human Rights Working Group to discuss human rights protections in the constitution approved by referendum in October 2005 and to identify

priority issues pertaining to its implementation, including follow-on legislative initiatives.

- Overhauled the Statement of Work for the Iraq Justice Capacity project to focus on building the capacity of the Higher Juridical Council to develop, manage and lead the Iraqi judiciary and act as an independent branch of the Government of Iraq.
- Interviewed three Rule of Law (ROL) Advisor candidates and selected two. Their departure date to Iraq has yet to be determined.
- Completed assessment of Erbil and Sulaymaniyah provinces. A “Culture of Lawfulness” action plan will be presented and implemented.
- Submitted the new draft ROL strategy for Iraq for inter-agency review.

Iraq Justice Integration Project (IJIP)

- Met with the Rule of Law International Donors’ Working Group and provided a briefing on the current status of the IJIP. The role of the IJIP in promoting the Rule of Law was explained, with particular emphasis on the goal of achieving transparency and restoring public confidence in the Iraqi legal system in accord with Strategic Pillar Six of the National Security Council’s “National Strategy for Victory in Iraq.” The Team also demonstrated the Proof of Concept database/web application.
- Attended Ministry of Labor and Social Affairs Policy Working Group discussion on dissemination of the Juvenile Law Policies both inside the Ministry and between Ministries and the general public. The Working Group also prepared a presentation outline for the National Consultation on Justice Integration.
- Met with the MoI IT Working Group. The Working Group received a demonstration of the web application for the MoI CRD and was introduced to the Automated Fingerprint Information System (AFIS).
- Demonstrated the IT Proof of Concept at a meeting attended by Mr. Auras Bahjat, IJIP IT programmer, and Ms. Muna, IT Chief at MoJ. Incorporated Ms. Muna’s comments into the Proof of Concept.

USAID

- This component remained on hold as the new government was not in place during the reporting period.

Accomplishments anticipated in the next quarter:

Department of State/INL

Iraq Justice Integration Project (IJIP)

- IJIP IT Advisor from BearingPoint's Washington office will continue to conduct a specialized training for IJIP Iraqi programmers. The training consists of a 45 day intensive C# boot camp.
- IJIP will continue to help the four policy working groups understand their role in the policy making process within their Ministries and with each other in respect to the needs of justice integration.

Major Crimes Task Force (MCTF):

- The MCTF, consisting of eleven U.S. federal agents, ten vetted and experienced Iraqi Police officers and two Higher Juridical Council Judicial Investigators, will begin implementation of the program.

American Bar Association (ABA):

- Facilitate contact with Human Rights Commission (HRC) expert from initial workshop and other experts to provide models for HRC structure and to assist in developing an operational structure and defining functions for the Iraqi HRC.
- Assist the Human Rights (HR) working group to prepare final structural and operational recommendations for an HRC as well as an implementation timeline for appropriate bodies.
- Assist the HR working group/ Media sub-committee to design a public outreach and consultation campaign associated with the formation of the HRC.
- Bring the total number of OPDAT RLA's working in Iraq to 8.

USAID

- Once the new government is in place, review recommendations and proposed reforms resulting from the Commercial Law and Institutional Reform Assessment Diagnostic, summarizing the structure of Iraq's commercial law and institutions.

Investigations of Crimes Against Humanity
Project Code: 05000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	75	53	-	-	-	-	-	128	120	49
Change from January	-	-	-	-	-	-	-	-	+1	+9
April 2006	75	53	-	-	-	-	-	128	121	58

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Justice (with funds transferred from Departments of Defense and State), Department of Defense (PCO) and USAID

Changes from the January Report: This report maintains the \$128 million allocated to investigations of crimes against humanity.

Accomplishments since the January Report:

Department of State

- Completed investigation and analysis of mass grave site #4 (City of Nasiriyah) ; final report accepted by RCLO. Total offsite expenditure \$2.3 million.
- Initiated on-site reconnaissance of mass grave site #5.
- Extended Forensics Analysis Facility (FAF) support contract to ensure continued morgue operations. Initiated contact with the Iraqi Human Rights Ministry to develop plans for repatriation of remains associated with previous mass grave excavations. Seeking to release remains prior to trial completion, awaiting final direction from the Iraqi High Tribunal (IHT).
- Redirected \$4 million from the East Wing Renovation Project to support relocation of the Secure Evidence Unit in Kadimiyah to a site within the International Zone (IZ) adjacent to the IHT courthouse. Initiated site surveys, building design and contractor bid reviews. Facility will house all case-related evidence, online indexing systems, trial support map generation facility and office space to support the translation efforts of up to 55 Iraqi Nationals.
- Completed the first witness security (WITSEC) camp within the IZ (Camp Black Hawk) with facilities capable of housing up to 50 personnel in support of IHT trials. This site will be used by defense witnesses and individuals appearing before the Central Criminal Court of Iraq (CCCI) and was constructed under a joint agreement between the RCLO and US Marshals Service (USMS). Initial project completion cost was \$0.8

million.

- Completed installation of courthouse Iraqi Police (IP) guard force living quarters. Installed 10 troop tents plus showers, rest rooms and minimal tent furnishings to house up to 110 personnel.
- Initiated source selection for providing Personal Security Detail (PSD) training to court- selected personnel assigned to protect Trial Chamber Judges, Prosecutors, Investigative Judges and Investigators. Revised project cost estimated at \$250,000.
- Continued to assist the IHT in developing a court official relocation plan.
- Deleted the requirement for satellite uplink support of the media broadcast following successful integration of a dual-redundant microwave link and successful media transmission to date. Total savings was approximately \$300,000.
- Improved media editing systems, installed new Presiding Judge editing controls and updated courtroom archiving capture equipment (\$0.2 million).
- Completed U.S. military troop housing spaces inside the IHT courthouse. Installed rest areas, rest rooms, dining areas and recreation spaces sufficient to support 100 personnel engaged in cell block guard, medical, explosive ordnance disposal and command operations during trial sessions of high value criminals (\$0.4 million).
- Conducted unplanned sewage cleanup actions following flash flooding in February. Local sewage pumping station failed, resulting in a backup into the cell block. Completed sewage system overhaul (\$0.2 million).
- Completed office expansion plan to accommodate the increase in total number of personnel assigned to support the growing caseload and relocation of the RCLO main office following the turnover of the current U.S. Embassy building to the GOI in 2007 (\$0.5 million).
- Initiated heating and ventilating system overhaul to effectively cool the courthouse during peak summer months.

USAID

- Commenced implementation of final assistance activity providing for repatriation of key evidentiary documents to Iraq for use by the IHT in upcoming trials related to the Anfal Campaign.

Department of Defense

- Transferred \$189,000 from PCO Non-construction IRRF funds to life support activities at Camp Anaconda.

Accomplishments anticipated in next quarter:

Department of State

- Complete mass grave site #5 excavation and initiate analysis and reporting of findings.
- Continue repatriation of human remains efforts.
- Initiate construction of the new SEU facility; expected completion date is December 2006.
- Complete construction of the second WITSEC camp designed to support trial chamber and prosecution witnesses (Camp Green Acres).
- Continue training of PSD teams for court officials.
- Complete courthouse heating and ventilation system overhaul.
- Continue support of SEU Iraqi National translators following the exhaustion of the original USAID support grant.

USAID

Additional accomplishments are not anticipated as the funding in this sector has been obligated and expended. The overall Office of Transition Initiatives (OTI) program will be exiting Iraq June 30, 2006 following the completion of all OTI activities funded under different project codes on April 30th, 2006

DoD

- Award contract for secure evidence unit at Iraqi Special Tribunal (~\$2.5 million estimate)

Judicial Security and Facilities

Project Code: 09000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	73	86	-	-	-	-	159	122	56
Change from January	-	-	-	-	-	-	-	+28	+40
April 2006	73	86	-	-	-	-	159	150	96

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO and Department of State, with some funds transferred to Department of Justice's U.S. Marshals Service (USMS) and Federal Bureau of Investigation (FBI)

Changes from the January Report: This report maintains the \$159 million allocated to Judicial Security and Facilities.

Accomplishments since the January Report:

Department of Justice (USMS)

- Continued Al Hayat and Central Criminal Court of Iraq (CCCI) Baghdad renovation projects (~\$11.3 million)
- Started installation of security camera equipment, delta barriers, guard tower, secured gates and swing arm at Al Hayat.
- Purchased eight armored SUVs to be issued to Judges (~\$1.2 million).
- Began issuing security equipment to CCCIs located throughout Iraq.

Department of Justice (FBI)

- Completed classroom training for Major Crimes Task Force (MCTF).
- Delayed hiring translators, procurement of vehicles and office equipment, initiation of on the job training and the operational phase of the MCTF due to slow processing of acceptance of funds.

DoD

- Began additional renovations in all regions pending final assessments of courthouse locations (~\$1 million).
- Completed two courthouse renovations in the Ninawa Governorate (Tal Kief and Tikrit) (~\$194,000). Continued renovation and construction of one courthouse in the Ninawa Governorate (Al Sheikhan) (~\$244,000). Construction schedule was extended due to contractor inefficiency and security delays.
- Continued construction of five new courthouses, two in Maysan and one each in Tamim, Diyala and Ninewa (~\$1.2 million). Construction schedule was extended due to contractor inefficiency and security delays.

- Completed 75% of renovation works at the CCCI in the Karkh District of Baghdad (~\$1.3 million). US Marshals identified additional force protection/security upgrades that increased scope and extended the schedule to May 2006.
- Altered the design for the new Regional Courthouses in Baghdad’s Rusafa District, Mosul, Basrah and Hilla to incorporate security/force protection requirements identified by the U.S. Marshals (~\$40 million).

Anticipated accomplishments in the next quarter:

Department of Justice (USMS)

- Purchase security related equipment for new courthouse constructions.
- Complete Al Hayat and CCCI Baghdad renovation projects.

Department of Justice (FBI)

- Hire six translators (\$250,000).
- Procure office equipment for the MCTF office space (\$300,000).
- Procure five vehicles for the MCTF (\$625,000).
- Initiate on-the-job-training and operational phase of the MCTF.

DoD

- Complete the courthouse renovation in the Ninawa Governorate (Al Sheikhan) (~\$250,000).
- Commence construction of four new regional courthouses (~\$40 million).

Democracy-Building Activities

Project Code: 06000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	541	401	62	30	-	-	1,034	933	647
Change from January	-	-	-	-	-20	-	-20	+24	+6
April 2006	541	401	62	30	-20	-	1,014	957	653

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of State and USAID

Changes from the January Report: This report reflects the transfer of \$20 million to the newly established project code 06050, Marla Ruzicka Iraqi War Victims Fund. This shift is being made for greater transparency of funds previously obligated for this purpose.

During this quarter the newly elected Council of Representatives (CoR) convened on March 16 for an initial protocol ceremony, a key political milestone in Iraq's transition from dictatorship towards democracy. During this transitional period, the USG provided extensive financial and technical assistance to members of the Transitional National Assembly (TNA), political parties, civic organizations, minorities and women's groups through the provision of international experts, workshops and seminars. Some 5,000 workshops, Town Hall meetings and seminars were conducted throughout Iraq, reaching an estimated 200,000 participants to provide basic information on the role of constitutions in democratic societies and specific information on the draft Iraqi Constitution. Constitutional initiatives also facilitated public input into the drafting process by distributing questionnaires, collecting responses and compiling the data into a report that was presented to the TNA Constitutional drafting committee.

Increased support was provided to Iraq's burgeoning civic sector. A wide spectrum of USG assistance programs ensured that all sectors of Iraqi society, rural and urban, could actively participate in the constitutional process. A \$500,000 grant to a coalition of more than thirty women's groups is one of many programs designed to promote women's participation in the on-going political process. Another \$3 million project to give Iraqi women a voice in lobbying on the constitution led to a number of changes that advanced the cause of women's rights in Iraq. 392 small grants awarded to 314 civil society organizations (CSOs) highlight the USG's firm commitment to strengthening Iraq's nascent democracy. USG assistance helped launch the independent National Iraqi News Agency. These programs are strengthening the democratic institutions, especially civic ones, which must form the bedrock of a stable and democratic Iraq. The cumulative effect of this democracy initiative is to bolster the legitimacy of the political system, build institutional capacity and inculcate among Iraqi citizens the ethos and habits of democratic self governance.

Targeted assistance, in particular, was provided to support an intensive public awareness, civic education and outreach campaign throughout the country in preparation for the October 15 national referendum on the Constitution. This was part of the longer term assistance for the full transitional elections cycle. It includes support for the Independent Electoral Commission (IECI) to expand voter registration, especially among Sunnis who participated in the political process at much higher levels than in the January elections. It also included distribution of millions of education materials by civic groups and coalitions and sponsoring media programs. 268 constitutional workshops were held.

Through the local governance program, the evolving Provincial Reconstruction Development Committees (PRDCs) located in each governorate empowered elected local officials in the decision-making process of national reconstruction. For example, 2,859

members in 17 out of 18 Provincial Councils were trained on public administration operation and processes. Support was also provided to initiate the new Provincial Reconstruction Teams (PRTs). Through targeted reconstruction grants and other support provided by USAID, USG assistance provided critical support in the post-conflict cities of Falluja, Ramadi, Sadr City and Mosul. USAID supported the generation of short-term employment opportunities, implementation of rehabilitation projects and creation of grass roots civic education initiatives. The Community Action Program (CAP) completed 335 community-based projects. Critical help was also provided to civilian victims of the conflict.

Accomplishments since the January Report:

Department of State/DRL

- Continued support to the newly elected parliament by supporting the participation of political parties and civil society organizations in Iraq's political process, including providing input in the basic law and constitutional process, conducting civic education programs on democracy and the new political process and participating in elections.
- Continued support to ensure that political parties, particularly those without representation in parliament, remain constructively engaged in the constitutional process through the deadline for the final approval of the draft constitution in the National Assembly. This was achieved by promoting and supporting the active engagement of political participation through workshops and educational training.
- Continued support for media training, focus group research, opinion polling and coalition building.
- Continued support for work facilitating movement away from ethnic/sectarian political parties and coalitions and toward development of issue-based parties and coalitions that are committed to Iraq's future development as a unified and democratic state and capable of competing effectively in the next national elections. This is being achieved by focusing programs on moderate and democratic political parties and individuals.
- Continued support for capacity building within the domestic election monitoring organization (EIN) as a long-term, civil society organization in an effort to build a civic voice in Iraqi political development.
- Continued support for capacity building training to political party members focusing on smaller parties that did not win parliamentary seats, but still remain active.
- Supported orientation training to the new members of the Iraqi parliament and assisted with constitutional development and implementation.
- Supported constitutional review discussions with women and minorities and constitutional implementation meetings with Iraqi leaders across the country.

Department of State/INL

Commission on Public Integrity (CPI)

- 638 allegations of corruption were received by the ICITAP Center for Public Integrity Anti-corruption program via telephone, email and other reliable sources of information between January 1 and February 21, 2006.

Judicial Integrity Project

- ABA, in partnership with the Ministry of Human Rights, established a “human rights working group” composed of roughly 35 senior officials from the Ministries of Human Rights, Justice, Interior, Women’s Affairs and Foreign Affairs as well as representatives of the Higher Judicial Council, Council of Ministers, Office of the President, human rights organizations, women’s rights groups and Iraqi print and broadcast media.

Women’s Democracy Initiatives (State - DRL, NEA and the Office of the Senior Coordinator for International Women’s Issues):

NEA

NEA has provided the following grants:

- \$3 million to establish an advocacy group to ensure continued support for workshops and training for the political participation of women, with a focus on implementing legislation for the Constitution and women’s and human rights.
- \$500,000 to ICF Consulting to assist Iraqi NGOs to encourage participation of civil society in the drafting of the Constitution.
- \$1.7 million to ICF Consulting to contract an Iraqi independent TV station to develop series of roundtable discussions and TV spots to encourage all Iraqis to participate in the political process, including participating in voting on the referendum, and participating either as candidate or voters in the December national election which resulted in having 78% of eligible voters, voting in the elections.

G/IWI

- Continued support for workshops and training for the political participation of women, with a focus on implementing legislation for the Constitution, and coalition building for women’s rights across party lines.
- Supported a delegation of Iraqi women from government and civil society to International Women’s Day in Washington and to the U.N.’s Commission on the Status

of Women. The 11-member delegation was headed by the Minister of Municipalities and Public Works, and included newly-elected members of parliament as well as leading women's activists (\$75,000).

- Began funding the second tranche of programs under the Iraqi Women's Democracy Initiative, including student outreach, and economic empowerment of women through capacity building and support to independent women's NGOs. (\$2.4 million)
- Continued support of political parties and civil society organizations in developing concrete, organic strategies for including women in political structures. (\$1.4 M)
- Continued training for Iraqi women in media skills and advocacy, including radio programming dedicated to women's issues (\$600,000)

USAID

Local Governance Program (LGP):

- Completed the design of four Regional Institutes of Public Administration (RIPA) programs. The purpose of the proposed Regional Institute of Public Administration (RIPA) in Iraq is to develop human resources in the public sector through the provision of quality training, consultancy services, formal degree programs in public administration, publications, and to serve as repository of current literature, studies, best practices and research in public administration and public sector reform. To ensure country-wide coverage, training institutions will be established in Mosul, Baghdad, and Basra, and the existing Kurdish Institute of Public Administration based in Erbil, established in 2004 with grant and technical assistance from LGP can be enhanced. The costs associated with these state of the art facilities can range between \$1-\$2 million for each.
- Helped in the establishment and training of the Baghdad PRT and supported the PRTs, particularly in the area of building the capacity of the Provincial Councils (PCs) by conducting initial training on Strategic Planning of the Kirkuk provincial and local council members, director generals and civil society organizations; including finalization of workplans of the three initial PRTs in Mosul, Kirkuk and Hilla.
- Responded to the unforeseen request of the Baghdad PC in organizing and facilitating the National Conference of PCs in the formulation of the draft Local Government Code.
- Finalized LGP workplan as the overall PRT implementation plan.
- Participated in the PRT collection of baseline and assessment data on governance and service delivery which were used in the situation analysis for the workplans and will serve as a basis in assessing progress.

The Community Action Program (CAP):

USAID's Iraq Community Action Program (CAP) works in rural and urban communities across Iraq to promote democracy and prevent and mitigate conflict. Working directly through partner NGOs and in consultation with local government counterparts, CAP is creating representative, participatory community groups to identify critical priorities and implement programs to address those needs.

CAP is working to create a sense of ownership and rebuild mutual trust within Iraqi communities. The CAP communities are required to contribute between 15 to 25 percent of the value of each project. The contribution is usually in the form of labor or in-kind materials and support. For the first time, Iraqi communities have a direct stake in their civil and social infrastructure. This sense of ownership is further strengthened through the CAP process as communities are responsible for needs identification, prioritization and project development. The community action groups (CAGs) are also actively engaged in overseeing project implementation and must certify that all projects have been successfully completed before final payment is authorized.

To date, USAID has committed over \$266 million to 5,071 projects while Iraqi communities have committed more than \$78 million. CAP has established over 1400 community associations in 18 governorates and created more than 2 million short term and 31,000 long term jobs. Four U.S. NGOs each concentrate on a region: north, Baghdad, southwest central, southeast central, and south (five NGOs until March 31, 2006 – Save the Children close out its program in three south governorates and their activities will be assumed by an existing CAP partners in Al Basrah, Al Muthanna and Dhi Qar).

- Completed/implemented 335 community-based projects during this reporting period, valued at \$14.3 million.
- CAP implementing partners increased number of implemented projects (335 instead of planned 242) but there was a decrease in the amount that was to have been provided: \$14 million instead of \$18 million, which due to travel restrictions in December and January because of the recent election. The CAP partners implemented more small projects rather than the larger more expensive ones during this period.
- Increased the focus on conflict mitigation and prevention activities improving the advocacy skills of community associations to engage sub-national government. Also provided training to Community Action Groups in Diyala, Salah ad Din and Hawija, Ninawa and Hamdaniya. More specific training was given to community leaders to improve their conflict mitigation skills. .

Support Transition to a new Permanent Government:

The program is being implemented by the Consortium for Elections and Political Process Strengthening (CEPPs or also known as "the Consortium"). The goal of this program includes support, primarily in the form of training and technical assistance to the

Transitional National Assembly, the Interim and Transitional Iraqi Executive Assembly, and to the Constitutional Development process.

- Orientation training could not be carried out as expected during the last quarter because of the delay in announcing the final elections results and the naming the new government officials. Accordingly, orientation training for new members of the Council of Representatives (CoR) will be carried out this quarter.
- Although most of the equipment and furniture has been procured for the Research Directorate, it has not been handed over nor has the hiring and training of staff occurred because the new government was not formed during the last quarter as expected. These activities will be completed this quarter.
- The proposed website design for the CoR has been completed but will not be finalized until final approval is provided by the new CoR this quarter.
- Support to the formation of the constitution review committee and the constitution implementation committee did not occur because of reasons given above. It is also unlikely that this will occur this quarter given that the CoR is just appointing staff to its various committees and it has not sat as a formal parliament as yet.
- USAID worked with the CoR on a reorganization of the CoR staff structure and provided critical equipment, including computers, internet access, and a sound system in the plenary hall.
- Provided support to the formation of the Constitution Review Committee and the Constitution Implementation Committee.

Election Support and Voter Education:

The program is being implemented by the Consortium for Elections and Political Process Strengthening (CEPPs or also known as “the Consortium”). The goal of the program is to support domestic elections monitoring, provide voter education, and mitigate conflict through conflict management processes.

- Provided continued legal, administrative, logistical and planning support to the IECI in preparation for governorate elections.
- Provided support to the establishment of the Iraqi Electoral High Commission, as provided under the new Iraqi Constitution.

Civil Society and Media Program:

The goal of the program is to promote an informed, sustainable and active indigenous Iraqi civil society that effectively and responsibly participates in a democratic system of governance. The goal of the independent media program is to develop and support outlets

throughout Iraq that provide high quality information via print and broadcast media. The program has a total budget of \$42,880,156.

- Awarded 392 grants in total to over 314 civil society organizations and media organizations for a total of \$3.3 million thus far.
- Provided training to over 325 civil society organizations (CSOs) at the four regional Resource Centers in Baghdad, Hilla Erbil and Basrah to improve the skills of these organizations and expand the national capacity of organizations to advocate to local government on a wide variety of issues, including women's advocacy, anti-corruption, legal matters, human rights, etc.
- Helped CSOs to monitor and report on the integrity of the Iraqi December 2005 elections, which helped partner CSO to be recognized by the IECI as an important member of the electoral process.
- Assisted in the development of a sustainability strategy and plan for revenue generation and independent business management with PRTs through its support to the *Al-Furat Cultural Feminist Centre*, the primary enabler of a series of community development outreach efforts and crucial component to an initiative called the Peace Project, a collaborative between the PRT in Babil governorate.
- Work on the National Iraqi News Agency (NINA) sustainability strategy and plan for revenue generation and independent business management is continuing. The strategy calls for developing outlets throughout the country that provide high quality information via print and broadcast media that respond to the needs of Iraqi audiences, which will hopefully attract businesses that are willing to pay to advertise their products. Other schemes are being identified. A revenue generation strategy has been developed so that NINA is expected to be independent within the next six months. .
- In collaboration with various journalism schools, established an independent media school to improve journalism skills through training using multi and electronic media; currently, technical assistance is provided to NINA to recruit and train part-time contributors from smaller cities and towns across Iraq who will feed news to NINA, thus expanding NINA content and providing training to local journalists. In addition, small grants are being provided to develop institutions, including: *Iraqis for Public Broadcasting*, the Independent Electronic Media Association, the future Arc media school, University of Baghdad's media faculty, Tawasul media research institute, and the Union of Journalists.
- Continued to update university media curricula for schools of journalism to include a range of subjects, including (among others) investigative journalism, anti-corruption, from human rights, court reporting, women's advocacy and strategic media management.

Transition Initiatives USAID

- Continued short-term employment generation activities across Iraq in priority locations and strategic cities as a means of mitigating conflict and reducing tension.
- Continued to issue high-impact grants to communities in conflict-prone areas, particularly the post-battle strategic cities including Falluja, Ramadi, Talafar, Sadr City, and Mosul
- Implemented high impact conflict mitigation activities resulting in continued short-term employment generation across Iraq in key priority locations including strategic cities. These activities stabilize regions and reduce tension, adding to the establishment of democracy during in Iraq. During reporting period 175 grants were issued totaling over \$11.6 million for Democracy Building Activities.
- Issued high-impact grants to communities in conflict-prone areas in post-battle strategic cities including Falluja, Ramadi, Telafar, Sadr City, and North Babil. During reporting period 155 grants were issued totaling over \$10.6 million for short term employment activities, including the first short term employment grants in cities throughout Al Anbar governorate.
- Supported local Iraqi non-governmental organizations that promote peace, human rights, democratic values, and civic participation. During the reporting period six grants were issued totaling over \$346,000, including grants to support the South Baghdad trash collection public education campaign.

Accomplishments anticipated in next quarter:

Department of State/DRL

- Continue to support work with Iraqi experts to assist in the constitutional review process.

Department of State/INL

- Continue supporting CPI in building investigators' capacity to obtain evidence, interview witnesses and effectively build cases against corrupt government officials.

Iraq Justice Integration Project

- Train court administrators in use of the case management software and implement the automated program in all three Kadhimiya courts.
- Support HJC to establish information desks in all major Baghdad courts and develop a "Court Services Manual" and legal forms for distribution at these desks. Develop information on public legal services and citizens' rights for HJC website.

- Develop continuing legal education requirements and courses for judges. Devise standards and training required for promotion of judges. Design Judicial Education Center to be based in new HJC building.

Women’s Democracy Initiatives (State - DRL & G/IWI):

- Support a seminar on the role of Islam and the law.
- Support planning for a strategic planning meeting to take place in Amman, Jordan in March to discuss the future of the Iraqi Election Information Network (EIN) over the next five years.

G/IWI

- Send a select group of Iraqi women parliamentarians to the U.S. for training in the legislative process and mentoring by members of the U.S. House of Representatives Iraqi Women’s Caucus.

USAID

Local Governance Program:

- Participate in site assessments to establish PRTs in Anbar, Thi Qar, Basrah and Salah ad Din.
- Assist the PRTs to be stood up in March and April, field LGP technical experts, conduct training and provide technical assistance.
- Conduct strategic planning and basic training on transparency, including: a) Provincial Council legal authorities and responsibilities, b) council work methods, c) PC management duties, d) transparency and working together and e) public budgeting and auditing.
- Continue assistance to help draft the Local Government Code for decentralization.
- Finalize the implementation strategy for the establishment of Regional Institutes of Public Administration.

Community Action Program:

- Approximately 291 community-based projects valued at \$20,490,375 will be completed to support process-driven and demand-based development.

Support Transition to a new Permanent Government:

- Finish training the newly-hired CoR Research Directorate staff.

- Conduct orientation training for Council of Representatives staff.
- Provide communications and media relations training and consultations to the CoR press offices.
- Begin to close out the project, which ends on April 30, 2006.

Election Support and Voter Education:

- Support the development of an operational concept and cost projection for the conduct of governorate and municipal elections.
- Help the IECI develop lessons learned and facilitate the transition to a new electoral commission. Given the number of issues that were associated with the registry during the three electoral events in 2005, including the omission of names from the list, the new commission will develop a new voter registration process.
- Help to draft a strategic plan for capacity building that will take in account the various initiatives by assistance actors in promoting the sustainability and effectiveness of the IECI and its related organizations.
- Help to establish a permanent IECI Secretariat to provide administrative assistance specific to its mandate.

Civil Society and Media Program:

- Support a coalition of media organizations to advocate for a new law on public broadcasting that would eliminate the government's role in nominating board members of the public broadcaster Iraqi Media Network. Once the parliamentary committees are formed the coalition will lobby interested members of parliament to sponsor the draft law. "Iraqis for Public Broadcasting" is the driving force behind the coalition, along with the National Association of Journalists and other media organizations.
- Support an advocacy campaign comprised of over 600 CSOs across the country to reform four Iraqi NGO laws in Baghdad and Kurdistan. A national conference is planned to prepare recommendations and a new draft NGO Law for consideration of Iraq's new parliament.
- Support efforts to mitigate ethnic/religious tension. For example, assistance will help to promote tolerance in Dahuk's Semel district through workshops entitled "The Relationship between Human Rights and Islam," designed to mitigate religious and ethnic tensions and promote understanding and tolerance. These initiatives are particularly strong in Mosul, Kirkuk and other difficult environments.

- Continue assistance to support independent media outlets that are central to the success of Iraq's anti-corruption, human rights, women's rights and democracy-building initiatives.

Transition Initiatives (USAID)

- All activities resulting from assistance provided through the Office of Transition Initiatives will conclude April 30, 2006, as the program will close and exit Iraq.

**Marla Ruzicka Iraq War Victims Fund
Project Code: 06050**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2005	-	-	-	-	-	-	-	-		
Change from January	-	-	-	-	+25	-	-	25	+20	+9
April 2006	-	-	-	-	-	25	-	25	20	9

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report establishes a new project code and reflects the reallocation of funds from Democracy Building Activities (PC 06000) in the amount of \$20 million. In addition, \$4.95 million is being transferred from the Economic Support Fund (ESF) as required in P.L. 109-102.

To date, 904 projects valued at \$13.9 million have been sponsored by the Marla Ruzicka Iraqi War Victims Fund (MRIWV). These projects have assisted over 1 million beneficiaries, generated 143,000 short-term jobs and employed 4,899 people.

Two illustrative examples include:

- i. the establishment of a bakery in Samarra, with all profits going to thirty families who had lost family members as a result of coalition activities. The bakery makes Lebanese-style bread, a sought after treat in most of Salah ad Din Province. A local charitable organization will hire the bakery staff, including hiring some family members. The organization will run the bakery, provide the building and distribute the proceeds to the thirty families.
- ii. In early 2004, coalition forces were exploding an arsenal of the previous Iraqi regime. A twenty-three year old student was grazing sheep near the army arsenal. A mine exploded, killing the student instantaneously. He was a student but working part-time as a shepherd. He was trying to support his entire family, including a wife, an infant, sister and ill brother. His father had been a prisoner of war for nine

years. The Marla Fund bought 30 sheep for his wife and five tons of fodder. She is now breeding the sheep and selling the dairy products.

Accomplishments since the January Report:

- Completed approximately 83 projects valued at \$2.1 million that assist either individuals or community projects who have suffered losses as a result of military operations. An illustrative project is the Widows Association in Diwaniya run by 350 women, 50 of whom are widows. The Association was provided 30 sewing machines and equipment and printing machines (used to print on different kinds of fabrics) for their project. This assistance not only helped to establish a new small business it is also providing income for the widows and other women. As part of its trauma program, 24 children from the orphanage participated in a "Widows Rights" workshop to help with their healing. During one event children were asked to draw their mothers as they remembered them. One orphan, who lost both parents, drew his mother crying and praying to God. Underneath he wrote: "May God help and save our country". This therapy helped the children to remember their loved ones but also to think about what they wanted to do with their future.

Accomplishments anticipated in the next quarter:

- Approximately 39 new projects valued at \$1.1 million that assist individuals and/or communities will be completed. Illustrative projects include: housing rehabilitation; supplying equipment and furniture to victims in Baghdad; providing equipment to the physically disabled at the Al-Hillah Center for People with Special Needs; and improving the standard of living for the families of the deceased in Babil by providing vocational training equipment and tools and through the establishment of livestock breeds on the family farm. Implementing partners have visited thousands of families to determine their eligibility in the program.

United States Institute of Peace (USIP)

Project Code: 07000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	10	-	-	-	-	-	10	9	8
Change from January	-	-	-	-	-	-	-	-	-
April 2006	10	-	-	-	-	-	10	9	8

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: U.S. Institute of Peace (USIP)

Changes from the January Report: This report maintains the \$10 million allocated for USIP.

Of the \$10M originally appropriated to USIP in the IRRF Supplemental, only \$1.088M remains. This funding will be obligated by the end of June, thus enabling USIP to continue its work in Iraq.

IRRF funding has allowed USIP to actively engage itself in the essential transformation of civil society currently underway in Iraq. USIP has used its funding to work towards its goals of:

1. Preventing sectarian violence;
2. Promoting the rule of law;
3. Training and educating leaders for a democratic Iraq; and
4. Training U.S. civilian and military leadership based on lessons learned.

Over the past 18 months, USIP's various projects have produced tangible results in meeting these goals and in creating indigenous capacities in Iraq to sustain this work. Our achievements include:

- 27 Iraqi facilitators were successfully trained in advanced conflict management; they continue to actively run programs in their own communities.
- 259 Iraqi government officials were trained in conflict resolution and negotiation strategies and techniques for use in peacebuilding and their interagency process.
- 200 provincial-level government and civil society officials were trained on actively conducting inter-ethnic conflict resolution interventions.
- 1,184 Iraqi women were trained on the constitutional process, political participation, elections mechanisms, and conflict resolution.
- Conflict resolution education units were established at Baghdad University, Mustansiriyya University (College of Law) and Diwaniya University to educate and train both faculty and students.
- Over 4,000 copies of "The Iraq Experience" DVD, a prestigious award-winning and highly-praised compendium of veterans' experiences collected for the purpose of preparing deploying U.S. officials, were distributed.
- The Iraq Institute of Peace, a USIP-trained and supported conflict-resolution institute, has assumed the predominant leadership role in Iraq for advocating gender equality, tolerance, and peaceful collaboration between Iraq's religious-identity groups. IIP played an important role in reaching out to all sides in Iraq, especially in Falluja and in negotiations for hostage releases.
- USIP co-sponsored the Dead Sea Constitution Roundtable in February 2005 that was cited by UN and Iraqi officials as a key event in building momentum to draft new constitution.
- USIP published a Special Report on Iraq's Constitutional Process; 300 copies in Arabic were distributed to TNA members by the TNA Chief of Staff.
- Of the 87 women elected to the TNA in Jan 2005, 5 received USIP grant-funded training in political participation and conflict resolution; of these 5, 4 were chosen to be part of the constitutional drafting committee.
- USIP-trained Iraqi facilitators and grantees have received wide recognition in Iraqi

media for their valuable contributions in stabilizing Iraq.

Having achieved these accomplishments, USIP looks to continue its work and apply the remaining IRRF funds towards a variety of standout projects and events. USIP will continue to:

- Work with a variety of Iraqi groups to assist the constitution review process and assisting them with understanding its implementation.
- Expand and conduct conflict management and negotiations training through the work of USIP-trained Iraqi facilitators.
- Assist the Iraq Institute of Peace in its work to reduce the threat of sectarian violence.
- Facilitate and stimulate Iraqi educators and students to study and write about their new democracy and their constitution.
- Facilitate better understanding between Iraq and its neighbors through the USIP-sponsored Regional Neighbors project.
- Support the engagement of Iraq's minorities with each other and the Iraqi government to ensure their active role in the country and the protection of their human rights.

Accomplishments since the January Report:

- Supported Iraqi-led simulation for Iraqi University students and NGO leaders to test new software for the Strategic Economic Needs and Security Exercise (SENSE), which included on-site American expert supervision (~\$120,000).
- Convened a high level informal dialogue between senior Iraqi foreign policy and national security officials (and non-officials) and their counterparts in key neighboring states on Iraq's national security as well as security and stability in the region. (~\$30,000).
- Continued publication and translation into Arabic of a series of expert studies on Iraq and its neighbors, including USIP Special Reports on Iran (Arabic translation), Saudi Arabia, Jordan, and Kuwait and the Gulf States (~\$18,000).
- Began publication process of Arabic version of USIP Special Report entitled, "Strategies for Promoting Democracy in Iraq" (~\$3,000).
- Completed translation into Arabic of distance learning course on conflict analysis. (~\$7,000).
- Began publication process of new edition of "Guide to Participants in Peace, Stability and Relief Operations" (~\$30,000).
- Continued production of an hour-long Arabic-language documentary on the truth and reconciliation processes of several countries for presentation on Iraqi television and at various community programs (~\$30,000).

Accomplishments anticipated in the next quarter:

- Support workshop on human rights, human rights curriculum and methods of teaching in this field for Iraqi university personnel (~\$8,000).
- Support Iraqi-led SENSE simulations for National Assembly members and officials from several ministries including Finance, Oil, Housing and Construction, and Education as well as private sector participants (~\$120,000).
- Post interactive Arabic version of distance learning conflict analysis course on USIP web site (~\$5,000).
- Conclude or enter the final stages of 26 grantees' project activities. Projects address issues such as women's empowerment, strengthening of moderates, fostering intercommunal dialogue and the promotion of the rule of law and human rights (~\$1.8 million).

SECTOR: Electricity

The USG strategy for infrastructure was designed to stimulate the Iraqi economy by providing the basic resources Iraq needed to develop its own electricity infrastructure and prevent the infrastructure from collapsing after 20 years of neglect and mismanagement under Saddam Hussein. The goal was to help provide a foundation for the building of a robust network rather than for IRRF funding to construct a completely new system. To date, over 130 electricity projects funded through IRRF 2 worth more than \$1 billion are complete. In addition, about \$1.3 billion worth of projects are in progress to provide more equitable power distribution to millions of Iraqis. Finally, about \$1.1 billion worth of projects are now moving forward intended to increase transmission stability and allow additional generating capacity to be moved more efficiently by 500 Megawatts (MW) while adding resiliency and redundancy to the electrical grid.

The USG effort has been beset by a series of challenges, which include interdiction to transmission and fuel lines, shortage of optimal fuels to operate power generation plants efficiently, unplanned power outages induced by a weakened infrastructure and finally a consistent increase in demand since liberation as the Iraqi economy grows. The combination of these factors reduces the visibility to consumers of improvements in the sector.

The objective of IRMO's strategy in the electricity sector is to implement a reconstruction program that adds, restores and maintains generating capacity for the national grid, while also improving transmission and distribution systems to adequately support the added generation and to increase resiliency and redundancy. IRMO is also trying to increase the visibility to consumers of projects, and make the program more responsive to the needs of the Iraqi Government. IRMO and the Ministry of Electricity (ME) have jointly engaged in a strategy that shifts funds away from long-term electricity projects in favor of smaller, near-term projects of immediate and visible impact. IRMO is close to completing the installation of 29 new generation units and rehabilitation and restoration of 36 existing generation units across the country. In parallel, IRMO and the ME meet regularly with the Ministry of Oil (MoO) to develop and implement short- and long-term fuel strategies to secure sufficient funds and fuel. The IRMO and ME strategy addresses the following:

- **Summer and Winter Peak Demands:** The U.S. is engaged in an initiative for increasing the generation throughout the summer and winter seasons. The Summer and Winter Action Plans target specific projects and actions intended to increase hours of power while sustaining the electricity infrastructure.
- **Equitable Distribution and Reliability:** Currently, distribution projects throughout the country are underway to ensure that as many as possible of Iraq's citizens have available electricity. One key USG project is the installation of an automated control system, which is scheduled for completion in April 2007. This system is designed to decrease the reliance on manual operators and implement control mechanisms to alert operators of imbalances in power transmission, which should reduce system

interruptions and power outages. It should also improve the ME's ability to detect illegal wire-tapping, and respond to attacks on transmission lines.

Ministerial Self-Sustainment: The long-term success of reconstruction efforts relies on the ability of the ME to execute an effective Operations and Maintenance (O&M) program. USG agencies under IRMO leadership continue to work daily with ME officials to assist them with the creation of a budget and other business processes as well as implementation of a long-term maintenance program, enabling them to assume full operational control of U.S. funded projects. However, according to Embassy estimates, the ME currently faces a significant budget shortfall for CY 2006 in meeting capital and operating expenses, which will impact the O&M of Iraq's legacy electricity infrastructure. The United States continues to work with Iraq to improve its ability to sustain critical infrastructure. \$80 million was allocated for a specific O & M project at eight power stations, with the four stations in the Baghdad Ring set at the highest priority. These programs are expected to have a significant impact on the long-term viability of existing infrastructure and in keeping these Iraqi plants online, thereby improving the levels of service offered to average Iraqis.

Priority Issues to be Addressed Over the Next Quarter

Over the next quarter, the USG and the Ministry of Electricity (ME) will continue to address critical challenges such as escalation in insurgent activity, fuel shortages, an increase in planned and unplanned outages and the absence of a centralized monitoring and control system. As part of an on-going effort to assist the Ministry in tackling these issues, IRMO coordinates regular meetings with the Ministry, GRD/PCO, USAID, and donors. These meetings have been vital to the progress of generation projects by enabling the participants to jointly solve technical and operational problems. Focus for the next quarter will be on the following:

- IRMO assisted the ME to develop a Summer Action Plan that coordinates efforts of the ME, USAID and GRD/PCO toward achieving an increase in power generation levels particularly within the Baghdad ring. The objective of the Summer Action Plan is to track and facilitate progress in infrastructure projects, and sustainable operations to include proper operation and maintenance, security and the necessary supply and correct usage of optimal fuel.
- As rehabilitated generation plants come on line, the execution of the newly awarded long-term O&M support contract will become critical to prevent the gradual deterioration of the machines and extend their longevity. Through this program, key power plants will develop necessary technical capacity, vital to sustainable operations of the systems. The O&M program is structured as a partnership with the ME and includes on-site training and mentoring at eight key sites; communication, control and monitoring of all power plants; and training on gas turbine technology.

- The commissioning of Unit 6 at Daura Power station will be a priority. ME is committed to ensuring that plant workers are working double shifts for 7 days a week to support the commissioning and operation of that unit.
- Supply of fuel grows substantially more critical for commissioning as generation projects gradually go on line. The continuous interdictions to the sour natural gas line further burden the fuel supply. In light of the current fuels available and until such time as requirements are met, the Ministry will resort to burning less than optimal fuels. Use of incorrect fuel will consequently diminish power generation and lead to higher O&M costs. Actions are underway between the Ministries of Electricity and Oil to develop plans for further pipeline additions and associated equipment at the power facilities to ensure adequate and higher quality fuels.
- The USG and ME will concentrate on sustainable operations of completed generation facilities in order to maximize power generation for the Summer. The ME and USG have developed a coordinated sustainability plan that includes the execution of hot gas path and combustion inspections; provision of spare parts and consumables; and provision of required maintenance for plant equipment, without which, plants will experience gradual decline in MW production.

Generation

Project Code: 40000

The generation program is wrapping up its major infrastructure construction program. It will complete one new generation construction project and a project to rehabilitate four existing plants. The rest of the generation program will concentrate on improving Iraq's capacity to maintain its plants and develop the sector.

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlaid
2207 Report									
January 2006	1,870	-272	+10	-	-	-	1,608	1,304	978
Change from January	-	-	-	-	+16	-	+16	+135	+9
April 2006	1,870	-272	10	-	+16	-	1,624	1,439	987

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID

Changes from the January Report: This report notifies Congress of the Administration's intent to increase this project code by \$16 million reallocated from Transmission (PC 41000) to support the Summer Energy program.

Accomplishments since the January Report:

DoD

- Turned over the Khor al Zubair Plant unit numbers 5 and 6 to the Ministry. The units continue to operate steadily at a combined base load of 246 MW's, providing electrical power to the national grid with the capacity to serve 220,000 Iraqi homes. The Design-Build contractor demobilized from the site while the O&M contractor mobilized, commencing operations and maintenance training for Ministry site personnel.
- Rescheduled the demobilization of the Design-Build contractor due to the postponement of refurbishment work at Petro-Chemical Power Plant in the Basrah governorate.
- Resolved the technical issues with the GE Frame 5 that was procured for the Shuaiba Power Plant. The unit will instead be installed at the Old Mulla Power Plant by next quarter. The refurbishment of the existing Frame 5 at Shuaiba was re-bid and will also be completed by next quarter.
- Completed the Sustainability Plan for CY 2006. The sustainability plan incorporates additional O & M programs, repairs and spare parts to ensure all plants, transmission, substation and distribution projects are maintained for the benefit of the electric system.
- Completed the combustion inspection of the Siemens V94.2 units and the rehabilitation of the GE TM-2500 units at the Baiji Power Plant.
- Assembled the regional technical teams and continued the O&M Bridge plan (\$3 million) supporting O&M at four power stations. The O&M Bridge plan will train local staff at power plants to provide inventory control and operations oversight.
- Started the Long-Term O&M Support plan (\$80 million) to provide advisory services for sustainable operations of generation facilities to the Ministry.
- Continued the O&M Spare Parts Program (\$37 million) to supply the Ministry with high priority emergency and operating spare parts for generation units.
- Started the design, procurement and equipment installation of the O&M communications (\$1 million) system, which provides data transmission links between generation facilities and Ministry.
- Completed the refurbishment of three GE Frame 5 gas turbine units, restoring 64.5 MWs at the Petrochemical Power Plant (\$21 million in cost). Delivered critical parts and secured them at the site.
- Completed the training of ten Ministry engineers in Houston on the Siemens V94.2 Frame (\$0.6 million). This type of machine is in use at the Kirkuk and Baiji Power Plants and rated for 100 MW.

- Completed the refurbishment of one GE Frame 6B combustion turbine, restoring 28 MW, at the Nassiriyah Power Plant (\$21 million) in the Thi Qar governorate.

USAID

- Completed startup of the thermal Unit 5 (160 MW) at Daura Power Station.
- Completed milestone of “ready for boil-out” on the 160 MW thermal Unit 6 at Daura.
- Completed repair in Dubai of the German circulating water pump for Daura Unit 3 and returned to normal service.
- Continued repair in Italy of two circulating water pumps for Daura Unit 4.
- Converted second new 108 MW combustion Gas turbine generator on Unit 1A at Baghdad South power plant to operate on Heavy Fuel Oil (HFO).
- Continued to provide spare parts for sustainment under the USAID O&M project, including: refurbished parts for Qudas Unit 1 and 2 Combustion Inspections (CI) for 4 units and Hot Gas Path Inspections (HGPI) for 2 units; parts for Kirkuk Unit 1 V64 CI; parts for Baghdad South Unit 1A and 1B CI; a year’s supply of spare parts and consumables as well as additional gas turbine front end spares for Baghdad South combustion gas turbine (CGT) plant. Begin receipt of a one-year supply of operating spare parts and consumables for the new two units (V64 and V94, 325 MW total) plant at Kirkuk and delivered emergency spare parts for Hilla, Taji and Mosul plants.
- Completed reliability testing of the 260MW V94 Unit and demobilized the sub-contractors from the Kirkuk power plant site.

Accomplishments anticipated in the next quarter:

DoD

- Demobilize the Generation design-build contractor from the program.
- Continue the Long-Term O&M Support plan (\$50 million) to provide advisory services for generation sustainability to the Ministry.
- Continue the O&M Spare Parts Program (\$20 million) to procure high priority emergency and operating spares to increase sustainability for the Ministry.
- Start installation of the GE Frame 5 turbine generator (21 MW) at the Old Mulla Power Station (\$9 million).

- Start the refurbishment of the GE Frame 5 turbine generator (21 MW) at the Shuaiba Power Station (\$11 million).
- Remove and refurbish three LM6000 engines (3x33 MW) at Qudas Power Station (\$13 million).
- Begin the Hot Gas Path Inspection (HGPI) of two Siemens V94.2 Frame generator (2x100 MW) and Combustion Inspections (CI) on two other V94.2 engines (2x100 MW) at the Baiji Power Station. The work includes the upgrades of two of the unit's combusters, increasing output 28 MW (\$59 million).
- Start the HGPI of two GE 9E Frame generators (2x100 MW) and one CI of a third GE 9E unit (100 MW) (~\$27 million).
- Initiate installation and commission a new LM2500 turbine generator (20 MW) at the Baiji Power Station (\$4 million).
- Start the construction of the O&M central monitoring system (\$5 million) to achieve planned completion of 20% by quarter-end. The central monitoring system will provide real-time monitoring of all Ministry gas turbine units to facilitate troubleshooting and preventative maintenance work.
- Start the O&M training of 12 Ministry engineers in Houston on the Siemens V94.2 Frame (~\$230 thousand). This type of machine is in use at the Khor Zubair, Qudas and Baghdad South power plants and is rated for 100 MW.
- Complete the O&M training of the 10 Ministry engineers in Houston on the Siemens V94.2 Frame.

USAID

- Complete repairs in Italy for the two Daura Unit 4 circulating water pumps.
- Implement solutions to correct Baghdad South power plant Fuel Oil Treatment Plant (FOTP) fuel processing capacity limitations.
- Continue to supply spare parts for sustainment under the USAID O&M project, which includes delivery of one year's worth of spare parts and consumables for Kirkuk power plant and delivery of additional front end spare parts and consumables for Baghdad South CGT plant.
- Demobilize contractor from sites with the Iraqi Ministry of Oil and Electricity.

Transmission
Project Code: 41000

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	783	477	-18	-90	-	-	1,152	641	306
Change from January	-	-	-	-	-16		-16	+142	+32
April 2006	783	477	-18	-90	-16	-	1,136	783	+338

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January report: This report notifies Congress of the Administration's intent to decrease this project code by \$16 million, reallocating funds to Generation (PC 4000) in support of the Summer Energy program. This funding was the balance of the Kirkuk-Diyala Overhead 400 kilovolt (kV) line project, which was cancelled earlier.

Accomplishments since the January Report:

DoD

2nd Quarter FY 2006 Construction Starts and Completions								
Task Order	Description	Governorate	TO Start Date	Completion Date	% Complete (03/31/06)	# of projects in task order		
						Total	Starts	Complete *
ET-010	Baghdad East Substation	Baghdad	12/20/05	10/05/06	35 %	4	4/2	0/0
ET-021	Diyala SS Rehab	Diyala	03/01/06	08/08/06	35%	1	1/1	0/0
ET-741	Basrah Rehab 132kV SS	Basrah	3/16/06	01/5/07	5%	5	5/5	0/0
ET-700	Amara 400kV S/S, New	Basrah	02/21/06	01/19/07	1%	1	1/1	0/0
ET-400	Samarra 132kV Mobile S/S	Salah ad Din	03/31/06	05/03/06	10%	1	1/1	0/0
ET-800	Al Qaim 132kV Mobile S/S Rehab.	Al Anbar	03/09/06	05/14/06	5%	1	1/1	0/0

* NOTE: Starts: Total Starts/Starts in Quarter
 Completes: Total Completes/Completes in Quarter

- Started rehabilitating the ET-021 Diyala 400kV Substation serving the load requirements of the Diyala governorate (\$11 million).
- Continued work on ET-012 Baghdad West and ET-014 East Baghdad 400kV substations (\$67 million). Commissioning dates were rescheduled to next quarter due to escalation of insurgent activities, preventing workers from accessing the sites.

- Completed the engineering and procurements for ET-008 Haditha to Qaim and ET-011 Baiji Haditha 400kV Overhead Lines (\$99 million). All materials were secured in lay-down yards.
- Started the design and manufacture of equipment for ET-736 Basrah Cluster Pump 132kV Substations Nos. 5, 7, 8 and 10 (\$33 million). These stations will strengthen the 132 kV grid in the Rumaila oil fields in southern Iraq and increase the regional oil production capacity.
- Commenced design and equipment manufacture and construction of the ET-700 Amara 400kV Substation (\$35 million). This station will strengthen the 132kV grid in southern Iraq.
- Started the manufacturing and construction of the ET-400 Samarra Mobile 132kV Substation (\$2 million) to serve the load requirements of Samarra and the surrounding area and allow for uninterrupted service during maintenance outages of the main substation.
- Completed the designs and started the equipment manufacture for the Umm Qasr 132kV Substation (\$15 million) to help meet the load requirements of the city and port of Umm Qasr and surrounding areas.
- Completed the designs and the manufacture of equipment and continued the construction of ET-715 Basrah CPSs 132kV Substations Nos. 1, 2, 3, 4, 6 and 9 (\$53 million). These stations will strengthen the 132 kV grid in the Rumaila oil fields in southern Iraq and increase the regional oil production capacity.
- Started the construction of ET-741 Basrah 132kV Substations (five substations, \$51 million) to serve the load requirements of the Basrah port and airport and surrounding areas.
- Completed the 30% designs, quality assurance and safety plans and started the procurements and site clearing for ET-800 Al Rasheed 400kV substation extension (\$38 million). The extension will reduce overloading on the 132kV system serving the Baghdad load center.
- Completed the 90% designs and started the procurements, manufacturing of equipment and construction of the ET-800 Al Qaim 132kV Mobile substation (\$2 million). The station will increase the electricity supply to industrial, commercial and residential customers in the Anbar Governorate.
- Continued the engineering and started the manufacturing and procurement of equipment for ET-900 Mosul 400kV Substation Extension (\$29 million). Preliminary mobilization, started last quarter, was postponed to next quarter to synchronize the delivery of equipment with site construction activities. The project facilitates a 1,000

MW connection to a new Turkish line and increases the overall reliability of the substation.

Accomplishments anticipated in the next quarter:

DoD

3rd Quarter FY 2006 Construction Starts and Completions								
Task Order	Description	Governorate	Start Date	Completion Date	% Complete (06/30/06)	# of projects in task order		
						Total	Starts	Complete *
ET-010	Baghdad S/Ss	Baghdad/Diyala	12/20/05	06/07/07	60%	4	0/0	2/2
ET-012	Baghdad West S/S Rehab.	Baghdad	12/13/04	08/14/06	80%	3	0/0	2/1
ET-014	Baghdad East S/S Rehab	Baghdad/Diyala	04/07/05	06/05/06	100%	2	0/0	2/2
ET-400	Samarra 132kV Mobile S/S	Salah ad Din	03/31/06	05/03/06	100%	1	0/0	1/1
ET-700	Hilla South – Hashemiya 1&2 132kV OHL	Babil	06/18/06	06/28/07	2%	2	1/1	0/0
ET-736	CPS 8 - 132KV S/S REHAB	Basrah	04/24/06	02/23/07	10%	4	4/4	0/0
ET-800	Al Qaim 132kV Mobile S/S Rehab.	Al Anbar	04/14/06	05/14/06	100%	1	0/0	1/1
ET-800	Farabi & Jameela 132kV S/S, New	Baghdad	06/18/06	10/18/07	1%	1	1/1	0/0
ET-900	Transmission S/S and OHL Rehab., Northern Governorates	Northern	06/01/06	01/31/07	5%	2	2/2	0/0

* NOTE: Starts: Total Starts/Starts in Quarter
 Completes: Total Completes/Completes in Quarter

- Start the construction on nine transmission substation and overhead line projects as listed in the above table (\$195 million).
- Complete the construction of seven transmission substations as listed in the above table (\$50 million).
- Continue the construction of ET-715 Basrah CPSs 132kV Substations Nos. 1, 2, 3, 4, 6 and 9 (\$51 million).
- Continue the construction of five ET-741 Basrah 132kV Substations (\$51 million).

Distribution Network Infrastructure
Project Code: 42000

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	987	302	-	-	-	-	1,289	958	438
Change from January	-	-	-	-	-	-	-	+160	+189
April 2006	987	302	-	-	-	-	1,289	1,118	627

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID

Changes from the January report: This report maintains the \$1,289 million allocated for electrical Distribution Network Infrastructure.

Accomplishments since the January Report:

DoD

2nd Quarter FY 2006 Construction Starts and Completions								
Task Order	Description	Governorate	Start Date	Completion Date	% Complete 03/31/06	# of projects in task order		
						Total	Starts*	Complete *
ED-005	Diyala Distribution Network	Diyala	12/30/04	03/30/06	100%	6	6/0	6/6
ED-006	Wassit Distribution Network	Wassit	12/27/05	6/30/06	85%	8	8/0	3/3
ED-007	Dahuk-Distribution Network	Dahuk	01/15/05	06/30/06	85%	4	4/0	4/2
ED-008	Erbil Distribution Network	Erbil	09/22/04	5/30/06	90%	14	12/0	10/9
ED-009	Ninawa Distribution Network	Ninawa	03/07/05	12/30/06	45%	10	9/2	2/2
ED-010	Salah Al Din Distribution Network	Salah Al Din	02/21/05	10/30/06	100%	4	4/0	4/4
ED-011	Industrial Region New Substation	As Sulaymaniayh	5/4/05	12/30/06	75%	3	3/0	1/1
ED-016	Babylon Distribution Network	Babylon	01/09/05	01/03/06	100%	7	7/0	7/4
ED-022	Najaf Distribution Network	Najaf	5/10/05	03/08/06	100%	3	3/0	3/3
ED-024	Thi Qar Distribution Network	Thi Qar	5/26/05	03/02/06	100%	3	3/0	3/3
ED-028	Baghdad Feeder	Baghdad	07/01/04	12/12/06	85%	19	17/1	16/0

	Cables							
ED-031	Falluja Residential Power	Al Anbar	03/11/05	1/28/07	50%	25	13/4	7/0
ED-200	Local Distribution Networks - Northern Region	Northern, Multiple	01/27/05	8/22/06	70%	17	13/4	9/3
ED-300	Local Distribution Networks - Southern Region	Southern, Multiple	01/11/05	11/20/06	40%	37	36/11	5/0
ED-400	Local Distribution Networks - Central Region	Central, Multiple	11/20/04	08/30/06	65%	31	31/6	22/3
ED-500	Local Distribution Networks - Baghdad	Baghdad	02/01/05	07/24/06	85%	26	25/5	17/2
ED-503	Baghdad Province Distribution Network	Baghdad	02/18/06	08/16/06	5%	42	8/8	0/0
ED-600	Distribution Network Rehabilitation for Sadr City	Baghdad	12/1/05	11/24/06	15%	68	6/11	1/1

*NOTE: Starts: Total Starts/Starts in Quarter
 Completes: Total Completes/Completes in Quarter

- Started 12 and completed one ED-503 Multiple Award Task Order Contract (MATOC) projects (\$44 million). These projects are constructing a full range of network infrastructure including “last mile” low voltage networks, 33 and 11kV feeder lines and 400kV overhead line connections. The 4th Infantry Division is executing the work in Baghdad.
- Completed network infrastructure task orders ED-005 Diyala, ED-010 Salah as Din, ED-016 Babylon, ED-022 Najaf and ED-024 Thi Qar (20 projects at \$100 million). These projects involved the construction of new substations, feeders and distribution networks.
- Initiated 41 and completed 8 projects in ED-600 Distribution Network Rehabilitation for Sadr City (\$108 million).
- Finished 10 projects in ED-008 Erbil Distribution Network (\$48 million).

Accomplishments anticipated in the next quarter:

DoD

3rd Quarter FY 2006 Construction Starts and Completions							
Task Order	Description	Governorate	TO Start Date	Completion Date of	% Complete	# of projects in task order	
						Total	Starts* Complete *

				TO	(03/31/06)			
ED-006	Wassit Distribution Network	Wassit	12/27/05	06/30/06	100%	8	8/0	8/5
ED-007	Dahuk-Distribution Network	Dahuk	01/15/05	06/30/06	100%	4	4/0	4/2
ED-008	Erbil Distribution Network	Erbil	09/22/04	05/30/06	95%	14	14/0	12/2
ED-009	Ninawa Distribution Network	Ninawa	03/07/05	12/30/06	75%	10	10/1	6/4
ED-011	Industrial Region New Substation	As Sulaymaniyah	05/04/05	12/30/06	80%	3	3/0	2/1
ED-015	Al Anbar Substations and Feeders	Al Anbar	05/15/06	10/27/06	5%	6	6/6	0/0
ED-017	Basrah Distribution Network	Al Basrah	11/29/04	05/01/06	100%	5	5/0	5/1
ED-028	Baghdad Feeder Cables	Baghdad	07/01/04	12/12/06	90%	19	19/2	18/2
ED-031	Falluja Residential Power	Al Anbar	03/11/05	08/16/06	75%	25	18/5	10/3
ED-200	Local Distribution Networks - North Region	Northern, Multiple	01/27/05	08/22/06	80%	17	17/4	14/5
ED-300	Local Distribution Networks – Southern Region	Southern, Multiple	01/11/05	11/20/06	80%	37	37/1	19/14
ED-400	Local Distribution Networks – Central Region	Central, Multiple	11/20/04	08/30/06	85%	33	33/2	27/5
ED-500	Local Distribution Networks – Baghdad	Baghdad	02/01/05	7/24/06	95%	26	26/1	25/7
ED-503	Baghdad Province Dist. Network – 3rd ID	Baghdad	12/15/05	8/16/06	50%	42	40/32	6/6
ED-600	Distribution Network Rehabilitation For Sadr City	Baghdad	12/27/05	11/24/06	80%	68	6/0	5/4
ED-1000	PRDC Projects	Country-wide	04/08/06	01/05/07	20%	26	26/26	4/4

*NOTE: Starts: Total Starts/Starts in Quarter
Completes: Total Completes/Completes in Quarter

- Start construction of 24 ED-1000 Provincial Reconstruction Development Councils (PRDC) projects (\$44 million).

- Complete network distribution task orders ED-006 Wassit, ED-007 Dahuk and ED-017 Basrah (~\$81 million)
- Complete 19 projects in ED-300 Local Distribution Networks – Southern Region (\$142 million).

USAID

- Complete documentation and final closeout of the USAID “as-built” substation program. The \$185 million USAID substation program provided 37 additional substations to improve electrical distribution in Baghdad.

**Automated Monitoring and Control System
Project Code: 43000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlaid
2207 Report									
January 2006	150	-23	-	-	-	-	127	95	21
Change from January	-	-	-	-	-	-	-	+16	+14
April 2006	150	-23	-	-	-	-	127	111	35

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$127 million allocated for the automated monitoring and control system.

The SCADA system measures and transmits supervisory data to facilitate system control adjustments of circuit breakers and voltage outputs on transmission lines. This allows for better overall management of the system, particularly during power outages. The SCADA system does not rely on the Consolidated Fiber Network (CFN). The systems are independent and will be linked. The CFN may function as a backup to the SCADA. The SCADA system does not depend on other projects to operate at the regional level, but depends on the completion of a linkage project funded by the United Nations Development Program to operate at the national level.

Accomplishments since the January Report

DoD

- Continued constructing the Southern Region Control Center. Certain work elements were delayed on the critical path of the construction to allow more time to the Ministry to refine its specifications for the work.

- Continued constructing the Power Line Carrier (PLC) and Ultra High Frequency (UHF) communication systems. Progress was delayed due to longer than anticipated time periods for Ministry approvals of proposed frequencies.
- Continued the six-month on-the-job training of six Iraqi engineers (three of the nine originally scheduled to receive the training were unable to attend) in Minnesota and the five-month training of 60 Iraqi supervisory and control data acquisition (SCADA) and communications operators in Amman, Jordan.
- Completed the factory acceptance tests for the northern and central regional control center's master SCADA computers. Received the southern master SCADA computer.
- Completed the surveys and assessments of 58 electrical sites and started the delivery of the equipment.

Accomplishments anticipated in the next quarter:

DoD

- Install and commission the southern regional control center's master computers. This schedule was extended to allow the Ministry more time to determine their requirements.
- Rehabilitate the north and central region control center main rooms and deliver master computers to install in their respective control rooms.
- Complete the delivery of the wave trap equipment at the 58 electrical sites (\$3 million).
- Deliver all 48-volt power supplies and batteries to about 140 electrical sites (\$3 million).
- Continue installation of PLC and UHF communication system countrywide.
- Install and commission the Baghdad Microwave ring communication network.
- Complete the operator training of 60 Ministry engineers in Amman, Jordan.
- Complete the commissioning management and scheduled outage plans with the Ministry.
- Complete the training of six Iraqi communication engineers in Minnesota.

SECTOR: Oil Infrastructure

The 2006 Iraqi budget assumes \$30 billion in revenues, about 93% of which will be revenue from crude oil exports. By comparison, Iraq earned \$17.5 billion from oil exports in 2004 and \$24 billion in 2005. Crude oil production in the first quarter of 2006 averaged 1.85 million barrels per day (mbd), a slight decrease from the 2005 fourth quarter average of 1.97 mbd. First quarter exports averaged 1.31 mbd, an improvement from the fourth quarter's 1.16 mbd, but below the Iraqi Government's average target of 1.65 mbd for 2006. Both production and exports were affected by bad weather in January and the lack of adequate tug boats, which reduced Iraq's ability to load crude at its southern terminals, shutting in production. Refurbishing the loading berths at the Al Basra Oil Terminal (ABOT) and leasing of larger tugs will improve tanker loading efficiency. There were minimal crude oil exports to Turkey via the northern crude pipeline in the first quarter of 2006. Repeated insurgent attacks on the northern pipeline systems continued to impede shipments of crude to the largest domestic refinery, and have diminished Iraq's ability to export through the northern pipeline. While the completion of the Al-Fathah river crossing project will increase northern export capacity, continued interdictions will limit Iraq's ability to realize this potential increase in revenue.

Crude Oil Production & Exports			
Millions of barrels per day (bpd)	January	February	March
Crude Production	1.71	1.83	2.07
Crude Exports	1.05	1.47	1.33

A combination of post-war accelerated product demand, insurgent attacks on crude oil and product pipelines, aged infrastructure, weak operations and overdue maintenance have hindered domestic refining's ability to meet demand, requiring Iraq to import significant quantities of liquefied petroleum gas (LPG), gasoline, kerosene and diesel. Domestic fuel price increases implemented in December 2005 under Iraq's IMF program have helped curb demand, although fuel supplies have been tight in February and March.

In the first quarter of 2006, IRRF projects continued to concentrate on repairing key oil production facilities, export and domestic pipeline infrastructure; maintaining production through water injection at a major field in the south; and improving the oil export terminal facilities in the south.

Construction is 99% complete at the critical Al Fatha Tigris River oil pipeline crossing. The pipeline system at Al Fatha Crossing was not used to capacity however, because of pipeline interdiction and failures of existing pipelines and the incomplete new 40" pipeline between Kirkuk and Al Fatha.

The completed gas-oil separation plant (GOSP) projects in the north have added 300,000 bpd of crude oil production capacity. However an insurgent attack on Feb. 1 put desulphurization plant #1 in Kirkuk with a one million barrel per day capacity, out of commission. The older desulphurization plant #2 in Kirkuk was brought online with U.S

assistance, but can only process up to 500,000 BPD. This necessary processing to strip large quantities of sulfur from Kirkuk crude, combined with repair and completion of Northern Crude pipelines, will support resumption of exports through Turkey. Security of pipeline transport remains the biggest factor in reestablishing exports through Turkey.

Water Injection facility projects in the south are helping to restore reservoir pressure in one of Iraq's largest fields to support current oil production levels of 1.8 million BPD. Work on Phase I of the Qarmat Ali Water Injection plant was completed by Kellogg, Brown & Root Inc. (KBR). Phase II of this program has begun with Design-Build (D/B) contractor Parsons Iraq Joint Venture (PIJV). Portions of this task order have been re-scoped to include heavier emphasis on capacity development to enable the South Oil Company to sustain what is already in place.

Construction has been completed on the loading arm refurbishment of Al Basrah Oil Terminal (ABOT) Berths 1 and 2 and has begun on berths 3 and 4. This refurbishment will provide up to six million barrels of oil per day loading capacity. Further enhancements to ABOT are in progress, bringing the facility to its full design capacity and improving its reliability and safety.

Design-Build contractors PIJV and KBR are still receiving slow vendor responses to inquiries and requests for quotations, due to the acceleration of petroleum construction projects worldwide from the oil boom. This delays the delivery of critical items and shifts completion dates well into 2006 for key projects.

Oil Infrastructure
Project Code: 50000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	1,200	497	+4	+13	-	-	1,713	1,397	652
Change from January	-	-	-	-	+6	-	+6	+139	+158
April 2006	1,200	497	4	13	+6	-	1,719	1,536	810

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report notifies Congress of the Administration's intent to increase this project code by \$6.1 million reallocated from Emergency Supplies of Refined Petroleum Products (PC 51000), for infrastructure security.

Accomplishments since the January Report:

- Completed construction for ABOT Phase I, which includes refurbishing the hydraulic bridging system and also the loading arm for Berths 1 and 2, (completing two of four berths) (~\$2.6 million).
- Completed construction on North Refining Company injection pumps, North Gas Company (NGC) and North Oil Company (NOC) Lab equipment and gas leak detection systems. The NGC and NOC equipment permits quality checks on the produced crude and gas product while NGC benefits from added safety with gas detection (~\$9.6 million). Forty-four NGC and NOC staff were trained for over 3,300 hours on proper operation and maintenance of the lab and gas leak equipment.
- Completed JabulBur and Jambur North Degassing Stations. Did not complete North West Avanah Degassing Station due to lack of contractor operational resources such as security and armored cars. (~\$13.4 million)
- Completed the rehabilitation of compressor stations Al Basrah-8 and Al Basrah-7, resulting in increased reliability in LPG production (~\$20 million).
- Completed five Northern Well Workover projects for NOC.
- Completed one canal crossing (Kirkuk). Remaining two pipeline crossings (Zegerton and Riyadh) have been substantially delayed due to insurgent activity (~\$2 million).
- Completed refinery chemical project and delivered reformer compressor spare parts (~\$10.6 million).

Accomplishments anticipated in the next quarter

- Complete North West Avanah degassing station and Naft heKanaH wet crude treatment plant. Naft heKanaH was previously rescheduled in favor of work on non-operating facilities. Naft heKanaH adds a further 40,000 bpd crude production (~\$11.9 million).
- Complete construction on North Refining Company's Kisik crude injection pumps (~\$1.1 million).
- Complete I Basrah AB-2 and Ajeel compressor stations, resulting in increased reliability in LPG production (~\$21 million).
- Complete Zegerton and Ar-Riyadh river crossings, which are substantially delayed due to insurgent activity (~\$1.3 million).
- Demobilize Design-Build/B contractor from Al-Fatha and turn over materials and facilities to NOC.

Emergency Supplies of Refined Petroleum Products

Project Code: 51000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	501	-475	-4	-	-	-	-	22	5	5
Change from January	-	-	-	-	-17	-	-	-17		
April 2006	501	-475	-4	-	-17	-	-	5	5	5

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Defense Energy Support Center (DESC)

Changes from the January Report: This report notifies Congress of the Administration's intent to reallocate a total of \$17 million dollars from this project code. \$10.9 million dollars will be reallocated to support operations and maintenance requirements in the following areas: \$7.3 million for Equipment Procurement and Modernization (PC 92000), \$0.8 million for Iraqi Telecom and Postal Corporation (PC 74000) and \$1.8 million for Iraqi Communications System (PC 76000), \$1.0 million for Consolidated Fiber Backbone (PC 76500). In addition, \$6.1 million will be reallocated to Oil Infrastructure (PC 50000) for infrastructure security.

Accomplishments since the January Report:

- Project code is closed out and balance of funding transferred.

Accomplishments anticipated in the next quarter:

- Project is closed.

Sector: Water Resources and Sanitation

Progress continued to be made in the Water Resource and Sanitation Sector on implementing major projects along with efforts to facilitate the sustainable operations of these projects. A new \$110 million Water Sector Sustainment Program (WSSP) for 2006 was initiated, building upon past sustainability and capacity development programs, such as the Water Sector Institutional Strengthening (WSIS) program; Ministry of Municipalities and Public Works (MMPW) Management Systems Training Program; and Capacity Development Initiative (CDI) Program.

The WSSP will include both O&M support and assistance and capacity development activities to ensure that USG-funded assets are operated effectively in the near term while creating favorable conditions for sustained operation by the MMPW, Ministry of Water Resources (MoWR) and Amanat Baghdad (Mayoralty) over the long term. The following table summarizes the principal USG-funded assets that may be covered under the WSSP.

Asset Category	MMPW/KRG ¹		Amanat Baghdad		MoWR	
	No.	Capacity	No.	Capacity	No.	Capacity
Water treatment plants	22	1,766,000 cmd	4	959,000 cmd	-	-
Sewage treatment plants	6	414,000 cmd	3	850,000 cmd	-	-
Rural Water Projects	71	29,600 cmd	-	-	-	-
Pump/lift stations	19 ²	-	tbd	-	10 ³	-
Canals	-	-	-	-	1	2,160,000 cmd
Vehicles/heavy equipment	769 ⁴	-	-	-	32 ⁵	-
Generators	-	-	39	tbd	149	59 MW
Learning Centers/Warehouses	24 ⁶	-	-	-	-	-

Metrics for the sector were also further refined and developed in response to the need to estimate the impacts and benefits of USG investments. The principal water and sanitation metrics developed are 1) additional persons served at standard level of service taking into consideration actual system conditions and 2) maximum additional system capacity. Current estimates for these metrics are summarized in the following table.

Metric	As of February 1	Anticipated End State ⁷
Water – maximum additional system capacity	1.1 million cubic meters per day	2.5 million cubic meters per day
Water – additional persons served	3 million	8.4 million
Sewage – maximum additional system capacity	1.2 million cubic meters per day	1.2 million cubic meters per day
Sewage – additional persons served	5.1 million	5.3 million

¹ Kurdistan Regional Government

² Includes R-Zero raw water pump station and 18 sewage/stormwater lift stations in Basrah.

³ Includes Wahda 1, 2, & 3, Yousifia 1 & 2, Old Keish, SWC 1 & 2, Mandilee and Karbala pump stations.

⁴ Includes 389 water tanker trucks and sewage trucks; 380 heavy equipment.

⁵ Includes trucks, wheel loaders, compactor, excavators, grader, concrete mixers and bulldozers.

⁶ Includes six technical learning centers and 18 warehouses/fleet maintenance facilities.

⁷ End states may change depending on actual scope of yet to be completed projects.

Project Partnership Agreements (PPAs) will be used to implement a small number of yet to be started projects to further build capacity of the MMPW, MoWR and Amanat Baghdad as well as to minimize construction costs. In general, PPAs are agreements between GRD/PCO and the responsible Iraqi organization that allow the Iraqis to award, administer and oversee the construction of individual projects funded by IRRF or other sources of funding.

Public Works Projects

Potable Water

Project Code: 60000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006		891	592	-16	-22	-	-	1,445	1,006	498
Change from January		-	-			-	-		+82	+135
April 2006		891	592	-16	-22	-	-	1,445	1,088	633

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID

Changes from the January Report: This report maintains the \$1,445 million allocation for Potable Water.

Accomplishments since the January Report:

DoD/PCO

- Completed 21 small water projects, all with local Iraqi firms, which increased employment of the Iraqi population and contributed to the Iraqi economy (Total PW 090 program value \$63.4 million).
- Completed six small water projects in Basrah, all with local Iraqi firms, which increased employment of Iraqi populations and contributed to the Iraqi economy (Total project value \$8.6 million)
- Did not complete small water projects in rural Anbar Governorate due to the need to reevaluate the selected technology.
- Started construction on eight small potable water projects, all with local Iraqi firms, which increase employment of Iraqi population and contribute to the Iraqi economy.

- Completed design of Zobediah Water Treatment Plant. Delayed design completion on Majer and Meshkab Water Treatment Plants due to additional design requirements.
- Completed design of Najaf and Diwaniya Water Treatment Plants to 60% and of Dukon-Sulaymaniyah Water Treatment Plant to 30%.
- Began commissioning of the Ifraz-Erbil water treatment system.
- Continued development of the Project Partnership Agreement (PPA) with MMPW for construction of Baladrooz Water Treatment Plant.
- Continued training MMPW and MoWR technical and managerial staff under the CDI Program. Held first meeting with senior management of the Baghdad Amanat to initiate capacity development activities. Conducted four of 14 planned train-the-trainer workshops, teaching core skills to 40 trainees who have participated in our CDI program activities. Started three workshops, providing training to an additional 45 trainees. (Delayed the start of seven workshops for 65 trainees until next quarter pending CDI contract award.)
- Provided 17 computers (including software) and training to Iraqi ministries in accounting, Geographical Information Systems, scheduling, costing and inventory database. Total value of CDI is \$11 million.
- Continued mentoring of Ministry professional level staff by Sector Project Contracting Office Contractor (SPCOC) to ensure knowledge gained by on-going training is being effectively utilized. A total of 32 MMPW employees were trained in project management.
- Completed two (Erbil and Sulaymaniyah) of the six Mini Master Plans (MMPs). MMPs provide a broad assessment of water and wastewater services to serve as a platform for future master planning efforts and performance metrics. Cost is included in CDI.

USAID

- Completed the construction of 35 additional rural water sites to bring the total projects completed to 46 operational rural water treatment sites.
- Continued WSIS staff augmentation and on-the-job training at seven potable water and four sewage treatment facilities. Delivery of rolling stock procurement will continue through September (\$23.1 million).
- Completed three Community Action Program (CAP) projects valued at \$211,497.
 - Supplied water tanks in Nissan district, Immarat community in Baghdad.
 - Constructed compact unit and water distribution network in Al Juana/All Wadi/Al Gareber communities in Al Kut area, Wasit governorate.

- Conducted workshop about water and environment sanitation in Al Shamamrah community, An Nasiriyah, Dhi Qar governorate.
- The remaining four projects that were projected to be completed during this reporting period are still under implementation. Construction activities were slowed in this quarter due to restricted movement during the election and post-election period of December and January.

Accomplishments anticipated in next quarter:

DoD/PCO

- Complete 90% design of Najaf and Diwaniya Water Treatment Plants and 60% design of Dukon-Sulaymaniyah Water Treatment Plant.
- Implement PPA with MMPW for completion of Balad Rooz Water Supply Systems.
- Complete 11 small water projects (PW-090), including four in Basrah (PW-009) and 11 small water projects in rural Anbar Governorate, all with local Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Conduct four workshops as part of CDI for the Baghdad Amanat at senior management and plant facility levels.
- Provide project management and O&M budgeting models and techniques for eight new and existing plant facilities.
- Complete the remaining four (Najaf, Karbala, Diwaniya and Kirkuk) Mini Master Plans.

USAID

- Continue rehabilitation of the Sharq Dijlah Water Treatment Plant (\$22.7 million).
- Continue construction of the Sadr City R3 Water Treatment Plant (\$31 million).
- Complete the construction of the 25 remaining rural water sites to bring the total to 71 operational rural water treatment sites, serving approximately 493,000 Iraqis nationwide in formerly underserved rural areas (\$73 million).
- Complete WSIS staff augmentation and on-the-job training at seven potable water and four sewerage treatment facilities (~\$24.9 million)
- Complete eight new CAP water projects valued at over \$500,000.

**Water Conservation
Project Code: 61000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	31	-	-	-	-	-	-	31	28	23
Change from January	-	-	-	-	-	-	-	-		+2
April 2006	31	-	-	-	-	-	-	31	28	25

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$31 million allocated for water conservation.

Accomplishments since the January Report:

- Completed repairs to water network systems and provided Phase I (basic skills) and Phase II (tools and equipment training) training in all of the 17 planned cities ~\$28 million).
- Completed upgrade of existing Technical Learning Centers (TLC) in Najaf, Basrah, Baghdad, Erbil, Nassriya and Hilla. Assigned MMPW managers to three TLCs.
- Completed deliveries of standard leak detection and repair packages, including tools and equipment, to all 17 cities.

Accomplishments anticipated in next quarter:

- No major activity anticipated; all projects completed. This program provided training, materials and equipment to repair water networks and facilities benefiting 2.9 million people.

**Sewerage
Project Code: 62000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	205	30	-	+37	-	-	-	272	216	80
Change from January	-	-	-	-	-	-	-	-	-13	+39
April 2006	205	30	-	+37	-	-	-	272	203	119

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID

Changes from the January Report: This report maintains the \$272 million allocation for Sewerage.

Accomplishments since the January Report:

DoD/PCO

- Continued rehabilitation of the Basrah sewage collection and treatment systems; 90% complete (\$60 million).
- Started construction on four small Baghdad sewer upgrade Essential Services projects (\$5.6 million).

USAID

- Completed the clean out and refurbishment of 11 sewage pump stations and construction of one new pump station for Kadhamiya sewage collection system in Baghdad (\$5.1 million).
- Completed construction of two additional primary sedimentation tanks and cleaned out the secondary treatment lagoons at the Karbala wastewater treatment plant site.
- No CAP sewerage projects have been completed during this reporting period due to bad weather conditions and restricted movements, slowing down the implementation.

Accomplishments anticipated in next quarter:

DoD/PCO

- Complete Basrah City Sewerage project (~\$53.1 million).
- Commence construction of the Falluja collection system and WWTP installation under direct contracts with local Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.

USAID

- Continue construction of the Zafaraniyah main sewage collection system in Baghdad.
- Complete five ongoing CAP sewerage projects valued at \$400,000.

**Other Solid Waste Management
Project Code: 63000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	21	-10	-	-	-	-	-	11	11	4
Change from January	-	-	-	-	-	-	-	-		+2
April 2006	21	-10	-	-	-	-	-	11	11	6

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report maintains the \$11 million allocated to other solid waste management.

Accomplishments since the January Report:

- Turned over all operating equipment to Kirkuk Governorate.

Accomplishments anticipated in next quarter:

- No further activities under this project code. All actions completed. Actions within this project code completed the site investigation, design and operations plan for a regional municipal solid waste landfill in northeast Baghdad. Due to land ownership issues, construction of the landfill was cancelled in April 2005. Equipment procurement as part of this project was transferred to the Kirkuk Governorate for use in a planned landfill. Excess funding will be reprogrammed within sector.

**Pumping Stations and Generators
Project Code: 64000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	157	-34	-	+57	-	-	-	180	107	46
Change from January	-	-	-	-	-	-	-		+5	+21
April 2006	157	-34	-	+57	-	-	-	180	112	67

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID

Changes from the January Report: This report maintains the \$180 million allocation for Pumping Stations and Generators.

Accomplishments since the January Report:

DoD/PCO

- Completed 85% of Mandali conveyance pipeline. Completion delayed due to additional surge suppression system requirements. Completed O&M training for the Mandali Irrigation Pump Station.
- Completed engineering design and assessment of existing equipment at Nassriya Drainage Pump Station.
- Continued construction on Nassriya Drainage Pump Station, currently 17% complete.

USAID

- Completed turnover of equipment packages (Motor Control Centers) for rehabilitation of MoWR’s Irrigation Pump Stations and Wadha Pump Stations (\$11.7 million).

Accomplishments anticipated in next quarter:

DoD/PCO

- Complete Mandali conveyance pipeline and installation of new equipment at Mandali Irrigation Pump Station (\$17.4 million).
- Complete installation of two pumps at Nassriya Drainage Pump Station (\$63.4 million).
- Continue construction on Nassriya Drainage Pump Station, estimated 45% complete.

USAID

- Anticipate no further activities under this project code.

**Irrigation and Drainage
Project Code: 65000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	7	31	-	-31	-	-	7	7	5
Change from January	-	-	-	-	-	-			+1

April 2006	7	31	-	-31	-	-	7	7	6
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NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$7 million allocation for Irrigation and Drainage.

Accomplishments since the January Report:

- Handed over completed engineering design for Kut Betera Drainage project to MWR.

Accomplishments anticipated in next quarter:

- No major activity. All projects completed and project code will be closed out. Kut Betera Drainage project restored 2,750 ha of irrigated land, serving 40,000 people.

Major Irrigation Projects

Project Code: 66000

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	22	31	-	+13	-	-	66	6	3
Change from January	-	-	-	-	-	-		+1	+2
April 2006	22	31	-	13	-	-	66	7	5

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$66 million allocation for Major Irrigation.

Accomplishments since the January Report:

- Handed over completed engineering design for Eastern Euphrates Drainage project.

Accomplishments anticipated in next quarter:

- Execute contract for Eastern Euphrates Drainage Project.

**Dam Repair, Rehabilitation and New Construction
Project Code: 67000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006		39	23	-	21	-	-	83	19	15
Change from January		-	-	-	-	-	-		+1	+1
April 2006		39	23	-	21	-	-	83	20	16

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$83 million allocation for Dam Repair, Rehabilitation and New Construction.

Accomplishments since the January Report:

- Started Phase II, Implementation of Recommendations by Panel of Experts, at Mosul Dam to improve current grouting program and to acquire equipment for enhanced grouting program.

Accomplishments anticipated in next quarter:

- Implement either PPAs or direct contracts for Adhaim Dam, Ramadi Barrage and Diyala Weir.

**Umm Qasr/Basrah Water Supply Project
Project Code: 68000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006		25	86	-	-75	-	-	36	23	13
Change from January		-	-	-	-	-	-			+3
April 2006		25	86	-	-75	-	-	36	23	16

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$36 million allocation for Umm Qasr/Basrah Water Supply Project.

Accomplishments since the January Report:

- Completed 60% of the design for permanent power for Sweetwater Canal Pump Station No. 2, delayed due to selection of the lower cost option.
- Completed advanced training for MoWR operations staff on heavy equipment to maintain canal.

Accomplishments anticipated in next quarter:

- Finalize the design for permanent power for Sweetwater Canal Pump Station No. 2.

SECTOR: Transportation and Telecommunications

Civil Aviation

Project Code: 70000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	115	-1	-38	-	-	-	-	76	54	30
Change from January	-	-	-	-	-9	-	-	-9	+1	+8
April 2006	115	-1	-38	-	-9	-	-	67	55	38

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report notifies Congress of the Administration's intent to decrease this project code by \$9 million, reallocating the funds to Railroad Rehabilitation and Restoration (PC 72000). The remaining funds in this project code will support aviation development at Bashrah, Baghdad, and Mosel Airports.

Accomplishments since the January Report:

- Commenced six contract modifications for Baghdad International Airport (BIAP) terminal buildings (~\$915,000). Work includes washrooms renovations, generator repairs, glass replacement, electrical work and other miscellaneous items. Experienced delays to original award schedule as approvals took longer than anticipated.
- Commenced work on four contract modifications for BIAP Visual Aids, including installation of electrical cable and additional runway lights (~\$880,000).
- Completed street and area lighting repairs contract at BIAP (\$1.3 million).
- Completed repairs to the water pumps and assessed the power to the Nav aids and Visual Aids at Basrah International Airport (BIA) (\$1.6 million).
- Completed deliveries of firefighting equipment and began training (~\$358,000).
- Awarded contract for Iraqi Civil Aviation Training, including air traffic control and English training (~\$500,000). Delayed award of remaining air traffic control support contracts pending potential new requirements (~\$7.5 million).

Accomplishments anticipated in next quarter:

- Complete five of the six contract modifications for BIAP Terminal Buildings (~\$605,000).
- Complete four contract modifications for BIAP Visual Aids (~\$880,000).
- Complete repairs to air traffic controls and central plant generators at BIA.

**Umm Qasr Port Rehabilitation
Project Code: 71000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	40	5	-	-	-	-	-	45	42	30
Change from January	-	-	-	-	-	-	-	-	-	+3
April 2006	40	5	-	-	-	-	-	45	42	33

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$45 million allocated for Umm Qasr Port Rehabilitation.

Accomplishments since the January Report:

- Completed construction of the port operations center building (~\$1 million) and electrical system (~\$6 million).
- Completed security upgrades at the Operations Center (~\$4.8 million).
- Postponed completing Nelcon Cranes refurbishment pending electrical power supply.

Accomplishments anticipated in next quarter:

- Complete refurbishment of Nelcon Cranes, including new power supply and refurbishment of the spreader bars for container handling.
- Initiate relocation of Liebherr Cranes from the North Port to the South Port (~\$350,000).
- Initiate cleanup of Berths 10 and 11 at Port of Khawr Az Zubayr (~\$200,000).

Railroad Rehabilitation and Restoration
Project Code: 72000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	210	-21	-	-	-	-	-	189	169	110
Change from January	-	-	-	-	+9	-	-	+9	+4	+14
April 2006	210	-21	-	-	9	-	-	198	173	124

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report notifies Congress of the Administration's intent to increase this project code by \$9 million from Civil Aviation (PC 70000). The \$9 million increase completes the communications backbone for the Iraqi Republic Railways' (IRR) train control system from the Port of Umm Qasr north through Basra, Baghdad and Mosul to the connection with the Syrian and Turkish rail systems at Rabiya.

This project code supports the increase of capacity and assures self-sustainability of the IRR by providing essential tools, spare parts, track maintenance equipment, communications and control systems and renovating rolling stock maintenance facilities and railway stations.

Accomplishments since the January Report:

- Completed 50% of LAN System for Baghdad Central Station Complex (\$1.2 million).

Accomplishments anticipated in next quarter:

- Commence construction for additional renovation work at Baghdad Central Railway Station (~\$3.4 million).
- Complete 50% of the software and hardware design and manufacturing for the Communications Based Train Control project and TMDS portions of the CBTC system; complete prototype installation of locomotive hardware; begin acceptance tests for communications system. Additional necessary modification awards slowed progress.
- Continue training and capacity development operations with the IRR. Currently more than 100 IRR office personnel are scheduled to train on the LAN system and associated financial, engineering and office software, and more than 100 IRR employees from mechanical, electrical, operating and IT disciplines on installation, administration, operation and maintenance of the CBTC System.

- Complete 17 railway station rehabilitation projects, bringing total to 97 complete since August 2004.
- Reach 50% completion on 65 railway housing units and station complex at Falluja damaged or destroyed in November 2004.
- Award contract to provide wheel lathe repair machinery (~\$2 million).

Iraq Telecommunications and Postal Corporation

Project Code: 74000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	20	-	-	-	-	-	-	20	14	13
Change from January	-	-	-	-	+1	-	-	+1	+4	-
April 2006	20	-	-	-	+1	-	-	21	18	13

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report notifies Congress of the Administration's intent to increase this project code by \$0.8 million from Emergency Supplies of Refined Petroleum Products (PC 51000) to support sustainment for modernizing the Iraqi Telephone and Post Company (ITPC).

Accomplishments since the January Report:

- Delivered 26 panel vans to postal distribution center (~\$1.1 million).
- Delivered nine five-ton cargo trucks to postal distribution center (~\$208,000).

Accomplishments anticipated in next quarter:

- Procure and deliver Post Point of Service (PPOS) for Iraqi Post. The PPOS project is a key step in the strategy of the Iraqi Post Office (IPO) to modernize its services. PPOS will provide computer based standardized postal services, secured systems and transactions, digital franking, barcode identification system and computerized scales.(~\$550,000)
- Complete Jadriya new post office (~\$748,000). Project schedule has slipped due to contractor inefficiencies.
- Begin renovation work at 11 post offices (~\$686,000 estimated) and construction of a new post office in Diwanayah City (~\$750,000 estimated).

- Procure and deliver an additional 559 Postal Cabinets (~\$3.7 million).

Iraqi Telecommunications Systems

Project Code: 76000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	90	-44	-	-	-	-	-	46	36	13
Change from January	-	-	-	-	+2	-	-	+2	+8	+4
April 2006	90	-44	-	-	+2	-	-	48	44	17

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report notifies Congress of the Administration’s intent to increase this project code by \$1.8 million from Emergency Supplies of Refined Petroleum Products (PC 51000) to provide sustainment requirements for the Iraqi Telecommunications system.

Accomplishments since the January Report:

- Began construction of the Al Mamoon Telephone Exchange. Site clearing has started. Buildings and towers demolition is in progress and on schedule. Schematics design (30%) and preliminary schedule completed and submitted on March 11th for review. Current completion date is set for July 2007.
- Completed O&M phase and on the job training for the Wireless Broadband Network (WBBN). Thirty five government sites are connected and operational. The State-Owned Company for Internet Services is continuing to work on signing service contracts with connected ministries.

Accomplishments anticipated in the next quarter:

- Complete acceptance testing and closeout for WBBN and transition the assets to the Iraqi government.

**Consolidated Fiber Network (CFN)
Project Code: 76500**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	-	70	-	-	-	-	-	70	70	2
Change from January	-	-	-	-	+1	-	-	+1	-	+9
April 2006	-	70	-	-	+1	-	-	71	70	11

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report notifies Congress of the Administration's intent to increase this project code by \$1 million from Emergency Supplies of Refined Petroleum Products (PC 51000) to provide funding for sustainment of the Iraq Telecommunications and Postal Corporation (ITPC) fiber optic network. This project will expand capacity of the fiber network and connect 60 major electricity network locations with regional and national Ministry of Electricity power dispatch centers, supporting Supervisory Control and Data Acquisition (SCADA) operations and improving power system reliability and control (see Project Code 43000, Automated Monitoring and Control System).

Accomplishments since the January Report

- Continued installation of fiber cable to 42 accessible Ministry of Electricity sites. Eighty-two percent (82%) of the cable is installed completing fiber connectivity to ITPC for 35 of the 42 sites.
- Identified Inside Plant (ISP) and communication transmission equipment for 18 inaccessible sites.
- Began staged delivery of ISP equipment to Iraq. Equipment for 32 of the 60 sites is now in Iraq. The final equipment shipment is expected to be in country by April.
- Commenced installation and pre-commissioning of ISP equipment at accessible sites.
- Continued installation, testing and repair of ITPC backbone fiber cable.
- Continued installation, testing and repair of ITPC backbone fiber cable.
- ITPC testing and maintenance equipment procurement is 99% complete; equipment is staged in the Basrah lay-down yard

- Continued fiber optic cable construction and installation.

Accomplishments anticipated in the next quarter:

- Complete installation and testing of fiber cable to 42 accessible Ministry of Electricity sites.
- Complete delivery of ISP equipment for all sites.
- Deliver new testing and maintenance equipment to ITPC.
- Train ITPC personnel in use of the new equipment.
- Complete installation of ISP equipment at accessible sites.
- Complete installation, testing and repair of ITPC backbone fiber cable.
- Train Iraqi Ministry personnel on operation and maintenance of ISP equipment.

**Iraq Telecommunications Operations (National Communications and Media Commission – (NCMC)
Project Code: 79000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	25	-	-	-5	-	-	-	20	12	11
Change from January	-	-	-	-	-	-	-	-	-	-
April 2006	25	-	-	-5	-	-	-	20	12	11

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$20 million allocated to modernize the Iraq telecommunications operations system and to design a telecommunications regulatory agency.

Accomplishments since the January Report:

- Completed the construction phase of the NCMC Building.
- Contract for NCMC headquarters LAN system required rewrite and was not awarded during this quarter.

- Completed NCMC training Statement of Work

Accomplishments anticipated in next quarter:

- Procure and deliver furniture for NCMC Headquarters interior design. (~\$750,000)
- Close out NCMC Headquarters project.
- Award contract for NCMC training.
- Award contract for NCMC LAN.

ROADS, BRIDGES AND CONSTRUCTION

Public Buildings Construction and Repair

Project Code: 81000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	127	-	-	-	-	-	-	127	123	110
Change from January	-	-	-	-	-2	-	-	-2	+2	+8
April 2006	127	-	-	-	-2	-	-	125	125	118

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID

Changes from the January Report: This report notifies Congress of the Administration’s intent to decrease this project code by \$2.2 million. All funding for projects is complete and remaining funds will be reallocated to Roads, Bridges and Construction (PC 82000). This action will close out the project code.

Accomplishments since the January Report:

DoD

- Completed all of the 805 school rehabilitations except for three schools in Dahuk and Diyala Governorates expected to be completed in May (~\$85 million).
- Deferred the start of cafeteria work at the MIM building (~\$223,000) at the request of the Ministry of Industry and Minerals.
- Completed the security upgrades work at the MoEnv building (~\$39,000).

USAID

- Restored the Council of Representatives research directorate facility.
- Refurbished nine schools in Basrah (~\$1 million).

Accomplishments anticipated in next quarter:

DoD

- Finish the final three school rehabilitations, thereby completing the school rehabilitation program (~\$85 million) which has been responsible for improving the learning environment for approximately 320,000 students. Four Ministry buildings have been renovated, providing 2,500 civil servants with a more professional work environment.

USAID

- All funds have been disbursed under this project code. No additional activities are anticipated.

Roads and Bridges Project Code: 82000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	173	34	-	-	-	-	-	207	133	49
Change from January	-	-	-	-	+2	-	-	+2	+50	+8
April 2006	173	34	-	-	+2	-	-	209	183	57

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government: Department of Defense/PCO and USAID

Changes from the January Report: This report notifies Congress of the Administration's intent to increase this project code by \$2.2 reallocated from Public Buildings Construction and Repair (PC 81000). This project code supports the repair, replacement or construction of essential segments of highway, strategic bridges and critical secondary roads that will enable reconstruction, economic development and public safety.

Accomplishments since the January Report:

DoD

- Completed 79% of the Village Roads Program (~\$34 million).
- The Al-Anbar Village Roads (11 km) projects that were partially completed (60%) and had to be cancelled in March 2005 due to security issues have been approved as PRDC candidate (~\$1.7 million).
- Awarded Babil, Quadissiya and Wassitt PRDC Projects (15 Roads and Bridges projects) (~\$15.1 million).
- Started work on Sheik Saad Bridge, Nassiriyah Bridge and Zuba Bridge (~\$7 million).
- Procured \$250,000 of laboratory materials testing equipment and \$250,000 of information technology equipment.

USAID

- Completed three Community Action Program projects valued at \$303,500. Significant difference between planned and completed number of projects occurred due to Save the Children decision to close out its program in the south provinces.

Accomplishments anticipated in next quarter:

DoD

- Complete 85% of the Village Roads Program (~\$34 million).
- Start work on Missan and Muthanna PRDC Projects (11 Roads and Bridges projects) (~\$9.5 million).
- Award Basrah, Najaf and Thi-Qar PRDC Projects.
- Deliver \$250,000 of laboratory materials testing equipment and \$250,000 of information technology equipment.

USAID

- Complete new 17 Community Action Programs, reconstructing roads, paving streets and repairing roads in six provinces and in Baghdad.

SECTOR: Health Care

The Iraq healthcare system had not been managed in a systematic manner for at least two decades before liberation. Quality of care and efficiency of delivery was limited by several factors, including: location of facilities that was not in line with current demographics; dilapidated infrastructure and poor maintenance; limited supplies of medications, other supplies, and modern equipment; and lack of exposure of health care workers to evolving health care practices and training.

Helping the Iraqi Ministry of Health (MoH) convert its healthcare system from the current hospital-based model to a primary health care-based system will help to improve the health of the overall population. It will also provide a sustainable healthcare delivery system that improves services for the most vulnerable population groups.

Nationwide Hospital and Clinic Improvement`

Project Code: 90000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	439	-	-35	-	-	-	-	404	351	217
Change from January	-	-	-	-	-	-	-	-	+40	+54
April 2006	439	-	-35	-	-	-	-	404	391	271

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO

Changes from the January Report: This report maintains the \$404 million allocated to Nationwide Hospital and Clinic Improvements.

Primary Health Care Centers (PHCs): Four PHCs have been accepted from the Design-Build contractor this quarter, making a total of six accepted to date. All six PHCs have also been accepted for beneficial occupancy by the Iraqi Ministry of Health (MoH). Contributing factors for lengthening of the execution phase were discussed in previous reports and include construction delays, security issues for the contractors, low productivity from local contractors and delays in delivery of construction supplies. Despite efforts by the contractor to increase productivity, there has been very slow progress at all sites.

The level of inefficiency caused by security concerns and low productivity has increased Administrative Task Order (ATO) costs to the extent that there is inadequate funding to complete the PHC program under the current arrangements.

A Termination for Convenience notice was issued to the Design-Build contractor in the first week of March for its contract to build 141 total PHCs. In addition to the 6 PHCs

already completed, the contractor has committed to complete up to 14 additional PHCs this quarter. USACE/GRD previously had awarded a fixed-price contract for construction of one other PHC. USACE/GRD will work with the Government of Iraq to complete construction of and identify other USG funding sources for the remaining 121 PHCs using alternative contracting arrangements.

Hospitals: The health program originally included the renovation of 17 maternity and children’s hospitals. In December 2004, the program grew to 22 projects at 20 hospitals, including the \$15 million Najaf Teaching Hospital renovation. Sulaymaniyah Maternity Hospital was also added and, with the concurrence of the MoH, funding for these additional hospital projects was reallocated from other hospital projects. Hospital construction continues to lag behind schedule because of difficulties with removal of old medical equipment from construction areas, security conditions that have reduced number of scheduled work days, contractor productivity and quality issues.

Accomplishments since the January Report:

- Completed construction of 4 PHCs, making a total of 6 completed under this project.
- Completed rehabilitation of 5 hospitals; rehabilitation underway on 11 hospitals.

Accomplishments anticipated next quarter:

- Complete construction of an additional 14 PHC’s.
- Anticipate re-award of construction contracts to finish remaining PHC’s based on an analysis of alternatives by USACE.
- Anticipate completing rehabilitation of additional hospitals.

**Equipment Procurement and Modernization and Training
Project Code: 92000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	297	-	-	-12	-	-	-	285	233	116
Change from January	-	-	-	-	+7	-	-	+7	-5	+7
April 2006	297	-	-	-12	+7	-	-	292	228	123

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense/PCO and USAID

Changes from the January Report: This report notifies Congress of the Administration's intent to increase this project code by \$7.3 million from Emergency Supplies of Refined Petroleum Products (PC 51000) to support purchase of much-needed medical supplies and consumables for sustainment..

Accomplishments since the January Report:

PCO

- Delivered medical equipment purchased for the Iraqi Ministry of Health, for a of ~\$33.8 million delivered to date (total \$67 million).
- Submitted bids for bedheads (headwalls) to USAID for Basrah Children's Hospital.

USAID

- Trained 17 model PHC Center Directors from Baghdad in PHC administration and management. Conducted two additional courses, training 40 proposed PHC Directors from Iraqi governorates. Developed additional clinical modules to be used for training staff who provide patient care.
- Completed training eight MoH facilitators to utilize the team building/problem-solving curricula during training of 20 physicians and other health care providers.
- Drafted initial set of Operations and Maintenance (O&M) training materials. Initiated curriculum pilot training for 20 engineers and technicians to serve as O&M staff for model PHCs.
- Completed first round of Virtual Leadership Development Program (VLDP) training for 80 participants from 11 MoH teams. Team members from various departments in the central MOH focused on using the program to address institutional challenges in such areas as neonatal care, adolescent psycho-social problem solving and nosocomial infection control. The 13-week, internet-based learning program uses a combination of team work, workbook and computer-based learning exercises to enable participants to identify organizational challenges and develop action plans to address challenges. The program and web site have now been translated into Arabic.

Accomplishments anticipated in next quarter:

USAID

- Facilitate MoH cascade training of governorate level physicians, nurses and PHC staff in team building and problem solving and train additional governorate level PHC Center Directors in administration and management.

- Train additional governorate-level PHC Center Directors in administration and management.
- Design in-service training module on community mental health.
- Continue training of engineers and technicians to serve as O&M staff for model PHCs.
- Complete Virtual Leadership Development Program (VLDP) training in Arabic with emphasis on institutionalizing the program in the MOH for its continued use in management and leadership training.
- Assist MOH to complete strategies to expand the availability of quality primary health care services, particularly maternal and child health services.
- Initiated planning for MOH development of a national primary health care strategy to expand the availability of quality primary health care services, particularly maternal and child health services.
- • Began preparations for a three day meeting with MOH counterparts to outline a strategy and staffing needs for donor coordination. Dates of this meeting have been fluid given frequent travel by key counterparts, but it is now anticipated this meeting will be held in April.
- Selected vendor for bedheads (headwalls) for Basrah Children's Hospital.

PCO

- Complete delivery of the open distribution equipment and initiate training as MOH places equipment into service.

Basrah Pediatric Facility (Hospital)

Project Code: 91000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	50	-	-	-	-	-	50	50	12
Change from January	-	-	-	-	-	-	-	-	+11
April 2006	50	-	-	-	-	-	50	50	23

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report maintains the \$50 million allocated to construct a modern pediatric hospital in Basrah aimed at providing Iraqi children in the southern part of the country with access to an improved quality of health care for acute and referral care pediatric medical conditions.

Accomplishments since the January Report:

- Completed 40% of structural concrete for main building including columns.
- Continued foundation work in residence, electrical and mechanical buildings; poured concrete for columns, shear walls and ground floor vertical elements; continued to install wooden form work and placed rebar for the guard room roof; poured concrete columns.
- Continued to install wooden form work and placed rebar for the guard room roof; poured concrete columns.
- Completed interior design work.
- Although Project HOPE is making progress on identification of donors for equipment and training, discussions with donors are still underway and thus completion of the implementation plan has not yet been possible.

Accomplishments anticipated in next quarter:

- Complete construction of main building first floor columns (including vertical elements such as stairway enclosures, elevator shafts and shear walls) and roof.
- Initiate main building interior work and finishing and exterior stone cladding.
- Complete construction of mechanical and electrical buildings.
- Continue construction of residence building and initiate landscape work.

SECTOR: Private Sector Development

Vocational Training

Project Code: 02001

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	79	15	-19	-	-	-	-	75	75	69
Change from January	-	-	-	-	-	-	-	-	-	+2
April 2006	79	15	-19	-	-	-	-	75	75	71

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report maintains the \$75 million allocated to Vocational Training.

Accomplishments since the January Report:

- Terminated the Vocational Training & Employment Services project effective September 30 due to priority changes in the Iraqi government.

Accomplishment anticipated in the next quarter:

Anticipate no further activities in this project code. The remaining money is for settlement, final invoices and close-out costs.

Business Skills Training

Project Code: 02500

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	37	-	-	3	-	-	-	40	32	26
Change from January	-	-	-	-	-	-	-	-	-	+1
April 2006	37	-	-	3	-	-	-	40	32	27

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of Defense and USAID

Changes from the January Report: This report maintains the \$40 million allocated to Business Skill Training.

Accomplishments since the January Report:

DoD

- Completed the Best Practices Manual as a guide for the development of the New Baghdad Business Center. Finalized data base development and website improvements. Selected location for Baghdad business center; completed mission statement, name, logo, by-laws and goals and objectives. Completed the survey of businesses in Baghdad and focus groups. Completed best practices training for the military and Iraqis in the development of sustainable business centers and began the detailed development of the Iraq National Business Alliance.
- Selected contractor for Iraq Stock Exchange (ISX) automation; selected software, ordered equipment and began the customization interview sessions.
- Reviewed and approved governing by-laws for the ISX by Board of Governors. Held first of several in-person sessions with the US Securities and Exchange Commission with the ISX's Board and the Iraq Securities Commission to review the Draft Securities Law. Began reviewing the rules and regulations and initiated compliance activities.

USAID

- Closed out the project. Funds have not yet been fully disbursed. The project delivered business skills training to 2,436 micro, small and medium entrepreneurs (22.6% women) and 350 competitively sought grants totaling \$3 million to provide startup and procurement capital to small and medium businesses throughout Iraq.

Accomplishments anticipated in the next quarter:

DoD

- Register the Business Center and move into the new site. Complete the business plan, hire initial staff, initiate the new website and identify the services to be offered by the Business Center.
- Complete the customization interview process for ISX automation and begin software customization. Begin installing the connectivity of the LAN, new trading, clearing, settlement and depository systems. Further develop compliance procedures and initiate a two-tier disclosure notification system for investors.
- Complete the new Securities Law and attain its approval by the Iraq Securities Commission (ISC) and the ISX. Commence approval process for the new law. Commence drafting the Rules and Regulations for the ISC and initiate regulation.

USAID

- Full disbursement of funds for remaining invoices and close-out costs.

Micro, Small and Medium Enterprises

Project Code: 03000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	44	-	-	-3	-	-	-	41	36	36
Change from January	-	-	-	-	-	-	-	-		
April 2006	44	-	-	-3	-	-	-	41	36	36

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Departments of Defense and the Treasury and the Overseas Private Investment Corporation (OPIC), with funding transferred to OPIC through USAID

Changes from the January Report: This report maintains the \$41 million allocated for Micro, Small and Medium Enterprises.

Accomplishments since the January Report:

DoD

- Completed the sub-group meetings of Iraqi insurance companies and Iraqi private banks determining the parameters of the Small Business Growth Program. Initiated the reinsurance evaluation for the program.
- Contracted the Study of Economic Zones for Iraq, the results providing the necessary detail for the way forward in developing multiple economic zones in Iraq by detailing the necessary steps in their formation, legal issues, and recommendations for strategic locations and types of business to be developed in said locations.

Overseas Private Investment Corporation

- The Iraq Middle Market Development Foundation (IMMDF) is a facility supporting loans to Iraqi private sector companies.
- IMMDF has, to date, disbursed loans totaling \$8.1 million. Three new loan agreements totaling \$7 million have been signed, and \$6.6 million is anticipated to be disbursed this quarter. These loans represent 137 jobs associated with air conditioning assembly, veterinary medicines, and water bottling. Another three loan agreements

totaling \$11.5 million representing 214 jobs are under review by the borrowers and are expected to be signed. A 7th agreement for \$700,000 is on hold for the foreseeable future.

- IMMDF's staff now totals nine people including 5 in Iraq. Two of the Iraqi staff recently attended a two-week Credit Analysis training course at the Arab Academy of Bank and Financial Sciences in Amman.

Accomplishments anticipated next quarter:

DoD

- Determine the reinsurance for the Small Business Growth Program. Finalize all bank and insurance aspects of the program. Post and close the Request For Proposals and determine the administrator for the program. Begin reviewing the flow of transactions.
- Receive the first three deliverables of the Economic Zone Study: full review of legal issues for zone development in Iraq, a comparison analysis of zones in surrounding region and a detailed study of the designated area of the zone in Sulaymaniyah.

Overseas Private Investment Corporation

- IMMDF continues to market its activities within Iraq and Jordan will meet with at least one commercial bank to explore how it might co-lend to existing bank customers.

Treasury/International Financial Corporation (IFC)

- Disburse the first loans under the Iraq Small Business Finance Facility (ISBFF).

Institutional Reforms

Project Code: 01500

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	-	100	-20	+5	-	-	85	80	20
Change from January	-	-		-	-	-			+18
April 2006	-	100	-20	+5	-	-	85	80	38

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report maintains the \$85 million allocated for Institutional Reforms.

Accomplishments since the January Report:

USAID

- Completed training for all personnel at spending units included in the Phase I and Phase II rollout of the Financial Management Information System (FMIS). Mapped and converted all existing revenue, expenditure, asset and liability accounts to a Government Financial Standard (GFS) 2001-compatible chart of accounts.
- Published the International Monetary Fund (IMF)-approved Monetary Survey for Iraq and completed the migration of 19 economic production accounts to the 1993 System of National Accounts (SNA).
- Established a Corporate Finance Group in the Ministry of Electricity and helped the National Communications and Media Commission complete prequalification of long-term mobile licenses bidders.
- Developed an electronic business registration system database and launched the first business registries website.
- Delivered a comprehensive assessment of the state-owned banks and provided counsel and advice to the Minister of Finance and the Governor of the Central Bank of Iraq to begin addressing banking deficiencies through comprehensive reform.
- Implemented regulations for the Social Safety net administration, including application registration and processing procedures, means testing principles and social benefit calculation algorithms.

Accomplishments anticipated next quarter:

- Assist drafting of Government-wide IT legislation to enable the National Chief Information Officer to operate and implement policy.
- Enroll 500,000 families in the Social Safety net, representing 50% of total beneficiaries (i.e., members of poor families, the internally displaced, disadvantaged and disabled) to be enrolled by year end 2006.
- Assist in the establishment of Media and Public Relation units within local social welfare offices and deliver a tactical public education outreach campaign aimed at facilitating awareness of and access to Social Safety Net benefits and services.

- Assist representatives of the U.S. Federal Reserve System to coordinate International Monetary Fund (IMF) mission that will advance the implementation of policies, procedures and standards; the IMF will leverage two years of training and capacity building on core elements of banking supervision.
- Institute an automated monthly trial balance, in one pilot bank, which would provide timely and accurate information for the Monetary Survey, satisfying the requirement of the IMF Standby Agreement (SBA) and thus allowing the Central Bank of Iraq to more effectively manage its monetary policy.
- Assist in the implementation of a new Business Registry System for the three regional Business Registries and the transfer of legacy databases into a new unified system.
- Work with GOI to issue the National and Provincial Wireless Local Loop licenses and to issue licenses for mobile cellular telephone providers.
- Complete installation of the Financial Management Information System (FMIS) comprising 100% of the GOI budget execution sites; FMIS will run in parallel with the existing manual accounting system through 2006 and become the government's accounting system in 2007.
- Complete an agreed GFS compatible budget classification and detailed chart of accounts for adoption in the 2007 budget year.

Agriculture

Project Code: 01600

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	-	100	-	5	-	-	105	100	28
Change from January	-	-	-	-	-	-	-		+13
April 2006	-	100	-	5	-	-	105	100	41

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID and DoD

Changes from the January Report: This report maintains the \$105 million allocated to Agriculture.

Accomplishments since the January Report:

DoD

- Established the terms of reference of the agribusiness development credit program.

USAID

- Trained 100 mechanics to repair farm equipment and repaired 1,474 tractors (\$7.4 million). Committed \$28.3 million for 5,670 tractors.
- Installed four drainage and salinity pilot projects in Baghdad, Muthana and Wassit, areas in which high soil salinity is a severe problem (\$277,830).
- Installed 255 drip irrigation systems in nine governorates in south and central Iraq (\$177,940).
- Rehabilitated small scale irrigation infrastructure (systems, canals, pumping stations, etc.) affecting 51,300 hectares of agricultural land and 51,565 families (\$1.37 million).
- Established and registered 14 cooperatives in eight governorates, involving over 400 agricultural producers.
- Trained 107 Ministry of Agriculture (MoA) field extension agents, including 17 trainers, in participatory extension methods to establish small farmers' learning groups (\$480,000).
- Distributed barley grains, improving nutrition in 6,000 head of sheep owned by 275 breeders in Muthanna, Qadissiya and Wassit (\$75,000).

Accomplishments anticipated next quarter:

DoD

- Prepare and disseminate information about the agribusiness credit program to the financial institution's branches throughout Iraq.

USAID

- Repair an additional 1,800 tractors. Train additional 40 farm equipment mechanics (\$9 million).
- Establish 15 demonstration areas for Center Pivot irrigation systems in Kirkuk (\$78,000).
- Rehabilitate additional small scale irrigation infrastructure (systems, canals, pumping stations, etc.) (~\$1.9 million).

- Rehabilitate 500 hectares of agricultural land in Drainage Catchment Pilot Areas (\$250,000).
- Train an additional 90 field extension agents in participatory extension methods, for a total of 200 agents trained (\$135,000).
- Complete official registration of the Pesticide Dealer Association. A total of 120 pesticide dealers have completed a training course to increase their technical knowledge of pest management techniques (\$150,000).
- Complete construction of 16 date palm mother orchards and 17 date palm nurseries in 15 governorates (\$2.25 million). This does not include the purchase of off-shoots.
- Complete 16 olive production and irrigation demonstration plots (2.5 hectares each) in eight governorates (\$1 million).

Market-Based Reforms

Project Code: 03500

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
January 2006	-	105	-6	-	-	-	99	99	17
Change from January	-	-	-	-	-	-	-		+12
April 2006	-	105	-6	-	-	-	99	99	29

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report maintains the \$99 million allocated to Market-Based Reforms.

Accomplishments since the January Report:

- Awarded long-term grants to ACDI/VOCA, CHF International, and Relief International to support development of sustainable microfinance operations.
- Established the Iraqi Company for Bank Guarantees, Ltd., including deciding on the most appropriate legal form, developing foundational documents, producing financial models, and facilitating raising equity from Iraqi private sector sources. The ICBG will provide loan guarantees to private banks and microfinance institutions to support lending to micro, small and medium enterprises (MSMEs).

- Supported the establishment and launch of the Iraqi Trade Information Center (ITIC) including supporting renovation of a new building, selecting and training staff, and developing technology infrastructure.
- Provided institutional support for the establishment and supported the launch of the Iraqi Investment Promotion Agency including providing equipment for the facility and training for its seven-person staff.
- Developed capacity of business associations to advocate issues, including trade, capital markets and access to credit facilities.
- Launched economic impact studies, reviewed Iraq's existing international trade agreements and assisted the Government of Iraq with developing new trade agreements. Delivered specialist training on Technical Barriers to Trade, Intellectual Property Rights and other issues to the Center of Standards and Quality Control, Ministry of Trade and Ministry of Agriculture.
- Held two events to support i) trade and export for women entrepreneurs and ii) export of Iraqi dates, attracting participants from across the country and international business people.
- Registered two additional independent, local micro-finance institutions. Provided training and technical assistance to indigenous and international micro-finance institutions that commence operations in 2006.
- Assisted the move of the Iraq Securities Commission (ISC) to its new premises, including establishing a new organization structure and necessary technology platform and developing the corporate disclosure department which drafted its own new rules and held the first-ever corporate disclosure seminar for public issuers. Facilitated the hiring and training of key staff at the IASD, which launched a newsletter to encourage dialogue and information-sharing among the capital markets community.

Accomplishments anticipated next quarter:

- Assist at least four indigenous, independent Iraqi microfinance institutions (MFI) to become operational, including assistance to register, developing business plans to achieve sustainability, providing management and MFI-specific training and awarding start-up grants.
- Award a grant and provide technical assistance to establish the Training Center of the Private Bankers of Iraq Association to promote the introduction and adoption of methods to support lending to MSMEs from private banks as well as micro-finance institutions.

- Commence a 9-month training program to develop a cadre of Iraqi microfinance trainers.
- Strengthen the Iraq Union of Accountants and Auditors by launching country-wide implementation of a continuing professional education course on international auditing methods, methodologies and standards, which will be delivered by Iraqis.
- Train at least 1,500 members and directors of targeted Iraqi business associations on management and institution strengthening topics.
- Support development of new regulatory requirements and professional education of broker-dealers and issuer communities operating under Iraq Securities Commission and Iraq Association of Securities Dealers auspices.
- Assist the GOI to produce first drafts of World Trade Organization (WTO) accession documentation on agriculture trade, trade of services, technical barriers to trade and intellectual property rights.

SECTOR: Education, Refugees, Human Rights and Governance

Migration and Refugee Assistance

Project Code: 04000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	105	54	-	27	-	-	-	186	153	85
Change from January	-	-	-	-	-	-	-	-	+1	+10
April 2006	105	54	-	27	-	-	-	186	154	95

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Department of State's Bureau of Population, Refugees and Migration (PRM) and USAID's Office of Foreign Disaster Assistance (OFDA)

Changes from the January report: This report maintains the \$186 million allocated to fund life sustaining assistance to meet the immediate needs of refugees and other conflict victims, including internally displaced persons, who will return to their homes in Iraq and neighboring countries in 2006. The funding will also support efforts by the Department and international organizations such as the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC) to build the capacity of Iraqi institutions, particularly the Ministry of Migration and Displacement (MoDM). The successful reintegration of refugees and displaced persons is critical to achieving stability in areas heavily affected by persecution under the former regime.

Accomplishments since the January Report:

State (PRM)

- Continued working with UNHCR and other partners to identify and implement durable solutions for the Sudanese asylum seekers near Al Rutbah in Al Anbar province and Turkish national Kurdish refugees in Makhmour camp in Ninawa province
- Continued funding IOM-sponsored MoDM Capacity Building Program which conducted workshops on functional statements and job descriptions for the ministry branch offices and the legal, humanitarian and admin/finance departments; trained 45 mid-level managers in basic management skills; and provided IT and admin/finance consultants to MoDM.
- Successfully relocated almost all of the remaining 3,000 Iranian Kurdish refugees from the Al Tash Camp in Al Anbar governorate to Kawa, Erbil; success of the

project confirmed by Baghdad Refugee Coordinator's on-site monitoring and evaluation.

- Funded International Catholic Migration Commission (ICMC) program for extremely vulnerable Iraqis (EVIs) in Lebanon, which assisted 125 EVI families, formed women's group for 79 participants and provided outpatient care for 148 individuals, inpatient care for 48 individuals, humanitarian assistance for 82 individuals, primary school assistance for 97 individuals, non-formal education for 150 children and vocational training for 22 individuals.
- Funded ICMC program for EVIs in Jordan, providing outpatient care for 750 individuals, inpatient care for 350 individuals, humanitarian assistance for 450 individuals, primary school assistance for 321 individuals and non-formal education for 200 children.
- Funded Shelter for Life permanent water supply networks project in Soran, delivering an average of 352,307 liters of water per day to an average of 1,106 families. Stimulated the local economy with ~\$18,500 spent locally, ~\$9,000 paid to national staff and 16 people hired locally.
- Funded Shelter for Life shelter assistance for incompletely repatriated refugees in northern Iraq, which constructed seven shelters, spent ~\$15,600 locally, hired one person locally and paid ~\$900 to national staff and ~\$3,600 to locally hired laborers.
- Deferred Baghdad Refugee Coordinator's planned monitoring and evaluation of the Shelter for Life projects until a later quarter because travel could not be supported due to resource limitations.

USAID

- Generated through cash for work programs over 50,000 employee days in Kirkuk, Dahuk, Missan, Wassit and Diyala Governorates. Programs included city sanitation, road graveling, and civic improvements. Due to winter, some delays in construction and other public works were encountered.
- Generated through cash for work programs 3,000 employee days in Falluja and surrounding communities. Reestablished relations with local authorities for the IRD Falluja project and developed plans for five sub-projects
- Continued responding to sudden displacement needs due to conflict as funds allowed. Assistance given to flood victims in Safwan and to victims of small scale displacements in the Euphrates River Valley.
- Continued activities of mobile health units in returnee and IDP areas of Kirkuk, Anbar and Ninawa Governorates and in areas impacted by recent kinetic operations.

- Continued implementation of water and sanitation activities in Kirkuk, Diyala, Erbil and Ninawa, Maysan and Wasit Governorates, targeting both Kurdish returnees and Arab IDPs with awareness of the needs of other religious/ethnic communities.
- Continued providing agricultural livelihood support packages in IDP/returnee areas in Kirkuk.
- Continued planning and tendering activities on public works and civic improvement projects, such as road graveling, green belts, and community sanitation projects for the next construction season. Continued implementing existing projects as weather permitted. Due to winter conditions, slowdown in implementation of construction and other public works was encountered.
- Continued health education and refresher training for rural-based physicians. Responded to the Avian Influenza outbreak with health education messages, spraying, and personal protective equipment
- Provided livelihood assets to persons with disabilities.
- Continued sewer system/water supply repairs in Wasit and Maysan governorates.

Accomplishments anticipated in next quarter:

State (PRM)

- Continue working with UNHCR and IOM to identify and implement durable solutions for the Sudanese asylum seekers near Al Rutbah in Al Anbar province, including repatriation to Sudan as appropriate.
- Continue funding IOM-sponsored MoDM Capacity Building Program.
- Continue to engage MoDM, UNHCR and the Government of Turkey to explore durable solutions for the Turkish Kurdish refugees in Makhmour camp.
- Monitor and evaluate Shelter for Life shelter assistance and permanent water supply network projects benefiting returning refugees in Erbil, Sulaymaniyah and Diyala provinces.

USAID

- Generate through cash for work programs at least 50,000 employee days in Kirkuk Dahuk, Maysan Wasit, Ninawa and Diyala Governorates. Programs will include city sanitation, road graveling, and civic improvements.
- Continue responding to sudden displacement needs due to conflict and or natural disaster within the limits of the funding

- Continue activities of mobile health units in returnee and IDP areas of Erbil, Kirkuk, Anbar and Ninawa Governorates and in areas impacted by recent kinetic operations.
- Continue implementation of water and sanitation activities in Kirkuk, Diyala, Erbil and Ninawa, Maysan and Wasit Governorates targeting both Kurdish returnees and Arab IDPs with awareness of the needs of other religious/ethnic communities.
- Continue providing agricultural livelihood support packages in IDP/returnee areas in Kirkuk.
- Continue health education and refresher training for rural based physicians, TBAs, and Avian Influenza awareness campaigns.
- Provide livelihood assets to persons with disabilities.
- Continue sewer system/water supply repairs in Wasit and Maysan governorates.
- Continue implementing the Falluja assistance project including: construction of a market area (stalls for small shops) in the southern sectors; construction of 6 gardens/parks; support of the Union of Persons with Disabilities; support for capacity development of local women's NGO; and rehabilitation/maintenance of sanitation facilities at 12 local schools.

Property Claims Commission
Project Code: 05500

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	10	-	-	-	-	-	-	10	9	9
Change from January	-	-	-	-	-	-	-	-	-2	-2
April 2006	10	-	-	-	-	-	-	10	7	7*

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

* Obligations/outlays erroneously posted last quarter due to clerical error

Responsible U.S. Government Agency: Department of State's Bureau of Population, Refugees and Migration (PRM)

Changes from the January report: This report maintains the \$10 million allocated for support to the Iraqi Property Claims Commission (IPCC).

The total number of claims filed increased from nearly 129,000 as of December 1, 2005 to just over 130,000 as of February 16, 2006, while the total number of claims

adjudicated during the same period increased from over 16,000 to over 20,000. Implementation of the out-of-country claims program continues to be delayed, due primarily to differences of opinion within the Iraqi government as to the extent to which claims should be processed and routed through Iraqi embassies as opposed to IPCC offices abroad. IPCC has been conducting its own public relations campaign with support from IRMO.

Accomplishments since the January Report:

- Designed and reached agreement with IPCC on the capacity-building program to be conducted by the International Organization for Migration (IOM) and UNHCR during 2006, with a view to handing over full responsibility for management of the Sequel Server claims database to IPCC by October.
- Conducted training sessions for five senior IT officials in database reporting services and 20 train-the-trainers in data entry.
- Delivered and installed computer equipment and peripherals to 10 regional IPCC offices to enable more rapid processing of claims data. Assessed capacity of various IPCC offices to access the database via the Internet.
- Migrated over 88,000 claims successfully to the database; identified and resolved migration errors.
- Continued to advise IPCC on the development of its IT department, methodologies for processing and resolving cases and self-assessment techniques.

Accomplishments anticipated in the next quarter:

- Continue training programs for the IPCC staff to better utilize IOM-developed database applications and to prepare for the eventual transition of server management and administrative responsibilities.
- Procure and install local area network (LAN) equipment at IPCC headquarters in order for IPCC to make more efficient use of its workstations and applications, including database access. Train appropriate IPCC personnel in network administration.
- Continue to work with IPCC staff in order to develop methods and techniques for resolving claims more efficiently and consistently. Continue to develop the database application to broaden the information to be collected and to enable tracking of claims and production of reports.
- Redesign and begin implementation of the out-of-country claims program, pending resolution of current disputes within the Iraqi government concerning lines of authority.

Governance
Project Code: 06700

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	-	40	-	-	-	-	-	40	35	18
Change from January	-	-	-	-	-	-	-	-	+5	+17
April 2006	-	40	-	-	-	-	-	40	40	35

NOTE: Obligation and Outlay Data is current as of March 29, 2006

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report maintains the \$40 million allocated for Governance.

Accomplishments since the January Report:

USAID

- Conducted a focus group to assess public opinion and reaction to last December's national elections. Kurds were targeted and a sample group was selected from Mosul and Erbil. Information was solicited on obstacles and problems in the voting process, factors influencing their vote, choices presented on the ballot, the accuracy of the official results, allegations of fraud during the elections and what changes should be made to the voting process. The CEPPS program is funded by multiple project codes so the overall program does not end, however activities under this project have ended.

Accomplishments anticipated in the next quarter:

USAID

- All funds will have been disbursed under this project code. No additional activities are anticipated and Program will close out in April 2006. Activities focused on voter education and public awareness campaigns; constitutional awareness campaigns leading up to the October 2005 Referendum; and a nation-wide get out the vote campaign that targeted Sunni and women for the December 2005 elections. Supported the December elections by training the staff of the Independent Election Commission of Iraq, political party poll watchers and independent election monitors.

**Ministerial Capacity Building
Project Code: 06750**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	-	-	20	-	-	-	-	20	-	-
Change from January	-	-	-	-	-	-	-	-	-	-
April 2006	-	-	20	-	-	-	-	20	-	-

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID

Changes from the January Report: This report maintains the \$20 million allocation in this project code.

Accomplishments since the January Report:

- Drafted scope of work with input from international donors and outgoing Government of Iraq (GOI).

Accomplishments anticipated in the next quarter:

- Revise scope of work if necessary with input from international donors and incoming Government of Iraq (GOI).
- Will issue a Request for Proposals (RFP) for NCD procurement.
- Review NCD proposals.

**Banking System Modernization
Project Code: 08000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	30	-	-	-	-	-	-	30	29	22
Change from January	-	-	-	-	-	-	-	-	-	-
April 2006	30	-	-	-	-	-	-	30	29	22

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: Departments of Defense and the Treasury

Changes from the January Report: This report maintains the \$29.1 million allocation for banking system modernization (Treasury) and \$900,000 for cash payment operations (Defense).

Accomplishments since the January Report:

- Met with the Governor of the Central Bank of Iraq (CBI) and discussed restructuring of state-owned banks.
- The Governor agreed to the formation of the Bank Resolution Group.
- Established and tested the communications for the payment system between CBI and Rafidain and Rasheed Banks in Baghdad.
- Completed user acceptance testing of the Real Time Gross Settlement (RTGS) with Montran.
- Issued change orders to the Montran contract to incorporate Government Securities Registry System (GSRs) and check handling modules in the payment system software.

Accomplishments anticipated next quarter:

- Obtain the agreement of the Minister of Finance and other components of the Iraq government on a strategy for restructuring state-owned banks.
- Establish a Bank Resolution Group as a department of the CBI.
- Advise the CBI on contracting the appropriate experts for state bank restructuring.
- Complete and submit the bidding document for the telecommunications necessary to connect the CBI with participating bank headquarters.
- Complete the user acceptance testing of the Automatic Clearing House (ACH) with Montran.
- Deploy payment system hardware from Dubai to Baghdad (CBI and backup site) and test.
- Live implementation of payment system with CBI, Rasheed, Rafidain and Ministry of Finance.

Human Rights
Project Code: 09500a

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
January 2006	15	-	-	-	-	-	-	15	11	5
Change from January	-	-	-	-	-	-	-	-	+4	+6
April 2006	15	-	-	-	-	-	-	15	15	11

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agencies: Departments of Defense and State, USAID and USAID's Office of Transition Initiatives (USAID)

Changes from the January Report: This report maintains the \$15 million allocated to address the atrocities of the Saddam regime and create a climate for the promotion of fundamental human rights and dignity in Iraq.

Accomplishments since the January Report:

State/Democracy, Human Rights and Labor (DRL)

- Continued support for the newly established Human Rights Resource Center in Baghdad.
- Continued support on Human Rights Education for civil society organizations.
- Supported the completion of the Human Rights Trainer's Manual with the ACHRS.
- Continued support for the collection and cataloguing of testimonies about atrocities committed by the previous regime.
- Continued support for an electronic and web-based database to chronicle human rights abuses.
- Continued support for the development of a National Strategy on options for transitional justice within the framework of Iraq's new Constitution and international law.
- Continued support for the establishment of an independent national institution for the promotion and protection of human rights, such as an Iraqi National Human Rights Commission.

- Continued support for Human Rights Education workshops for government ministries in partnership with the Iraqi Ministry of Human Rights.
- Continued support for physician training for 120 new Ministry of Health primary care physicians and 176 existing medical assistants in northern and southern Iraq.
- Supported the completion of an assessment of existing torture treatment programs in Iraq and the preparation of a report regarding recommendations for the development of a national strategy to reintegrate victims of torture into Iraqi society.
- Supported the completion of field testing of the Harvard Trauma Questionnaire in Surani and the demographic study of the prevalence of symptoms in torture-affected communities using both Arabic and Kurdish versions of the HTQ.
- Supported additional detention monitoring training for MoHR staff in Erbil and Suleymania as well as forensic evaluation training for physicians assigned to work with the MoHR on cases of police abuse and torture.
- Supported an assessment and follow-on training sessions for healthcare workers and MoHR staff on the protection of institutionalized mentally ill.
- Supported the development and implementation of additional modules of the torture treatment curriculum, focusing on traumatic stress and substance abuse and community education.
- Supported the publication of and distribution of “Universal Declaration of Human Rights” calendars among Iraqi ministries, media organizations, NGOs and universities.
- Supported completion of the medical assistant training curriculum on family and community education and the development of training on substance abuse treatment for victims of human rights violations.
- Supported bi-weekly jail monitoring visits of women and children in Kirkuk, Erbil and Suleymaniya.
- Supported the provision of health screening and direct medical care for more than 140 incarcerated women in Kirkuk, Erbil and Suleymaniya.
- Support the provision of legal screening for 120 women and full legal representation for 25 women victims of gender-based persecution.
- Supported the completion of an assessment of human trafficking in Mosul, Kirkuk, Erbil and Suleymaniya and the development of a human trafficking response plan in coordination with the Ministry of Human Rights. Supported efforts to obtain

approval from the Kurdistan Regional Government for the resettling of victims of trafficking in safe zones in northern Iraq.

USAID

- Modified the one-day human rights training workshop, to be conducted by Civil Society Organizations (CSOs) to include gender issues as a cross-cutting theme. The workshops also explain pedagogical methods of presenting human rights materials to students. Recipients of this training include Karbala Provincial Council, Agriculture Department, Education Department and a South Central teacher's union.
- Strengthened the Human Rights Library-in-a-Box for distribution to human rights partner organizations. On average approximately 60 CSOs utilize the resource center library each quarter.
- Placed primary emphasis on advocacy work. Activities focused on advocating for the full enforcement of existing laws on human rights, transparency and accountability; protection of women's and human rights; participation in decision-making processes; influence in the development of public policy; and improved delivery of public services.
- Trained 850 government officials in Civic Education, Women's Advocacy, and Anti-Corruption with human rights as a cross-cutting theme. Due to the successful training thus far, complimentary activities will continue under Democracy Building Activities where the overall project is funded. These complimentary activities will be directed towards government departments, agencies and ministries in the priority areas of democratic governance, rule of law, anti-corruption, transparency and accountability in government, gender issues, human rights and independent media. CSOs will build on and expand beyond existing partnerships with Baghdad city hall, Ministry of Human Rights in Erbil, municipalities in Mosul, Ministry of Health in Najaf, government employees from health, education, culture, finance, housing and social affairs ministries in Dahuk, communications officials in Hillah, health workers in Tikrit, government media workers in Sulaymaniyah and workers at ministries of Industries and Municipalities in Baghdad.
- Increased focus on leveraging resources, including volunteerism. CSO's voluntary serves at the Resource Centers including included conducting workshops and carrying out research for other member organizations on human rights topics.
- Supported CSO-public partnerships by expanding and strengthening initiatives to build the capacity of partner CSOs to design and implement human rights activities. An estimated 35 partnerships were developed and (training and advocacy) with a wide array of government agencies, including Commission for Public Integrity (CPI), government ministries, parliaments, provincial councils, regional directorates, local government, municipalities, hospitals and schools.

- Strengthened the institutional development of CSOs, comprised of lawyers and activists, recognizing that protection of human rights in any country sometimes requires legal expertise. Work has already done to provide legal analysis and support for the legislative reform and constitutional amendment process.
- Supported CSO interventions on human rights through small grants. Activities included CSO advocating for and participating in a strong enabling environment for Iraqi civil society, defined principally by reform of the four Iraqi NGO laws currently under review.

Office of Transition Initiatives (OTI):

- Continued to disburse funds supporting the promotion of human rights. For example, OTI supported Iraq's disenfranchised population with a grant of \$23,508 to an Iraqi non-governmental organization providing assistance to Iraqis in need of legal counsel.

Accomplishments anticipated in next quarter:

State/Democracy, Human Rights and Labor (DRL)

- Continue support for the newly established Human Rights Resource Center in Baghdad.
- Continue support on Human Rights Education for civil society organizations.
- Continue support for the collection and cataloguing of testimonies about atrocities committed by the previous regime.
- Continue support for an electronic and web-based database to chronicle human rights abuses.
- Continue support for the development of a National Strategy on options for transitional justice within the framework of Iraq's new Constitution and international law.
- Continue support for the establishment of an independent national institution for the promotion and protection of human rights, such as an Iraqi National Human Rights Commission.
- Continue support for Human Rights Education workshops for government ministries in partnership with the Iraqi Ministry of Human Rights.

USAID:

- Additional accomplishments are not anticipated as the funding in this sector has been obligated and expended. Similar activities will continue under Democracy Building Activities. The OTI program will be exiting Iraq on April 30, 2006 following the completion of all activities currently scheduled for implementation.

Education

Project Code: 06300

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
January 2006	89	10	-	-	-	-	99	88	47
Change from January	-	-	-	-	-	-	-	-	+18
April 2006	89	10	-	-	-	-	99	88	65

NOTE: Obligation and Outlay Data is current as of March 29, 2006.

Responsible U.S. Government Agency: USAID and Department of Defense/PCO

Changes from the January Report: This report maintains the \$99 million allocated for education.

Accomplishments since the January Report:

USAID

- Completed 12 schools and continued to rehabilitate 84 model schools.
- Completed training for all 2,400 model schools' teachers and administrators in Information Computer Technology (ICT) and English as a Second Language (ESL).
- Trained an additional 10,687 teachers in new pedagogy for teaching secondary model and ordinary school. Trained an additional 8,000 primary teachers in 23 Directorates of Education, bringing the total number of teachers trained to date over 58,000.
- Rehabilitated water and sanitation facilities at 224 primary schools.
- 14,000 formerly out-of-school youth continued to participate in the Accelerated Learning Program (ALP) in ten governorates with the lowest school enrollment rates. A total of 148 additional schools opened ALP classes in the south and center of Iraq. Mid-year examinations were conducted successfully and concurrently with primary schools.
- Produced seven episodes of a 13-part pre-school educational television program. The programs cover thirteen culturally sensitive themes aimed at providing pre-school age children with fun, entertaining and educational animated content. Six MoEd staff

received on the job training during the development of the series over the past year. Trainees are currently playing an active role in production of the television series themes and in the development of education activities.

- Completed 90% of the design and development of the Education Management Information System (EMIS). The web-based EMIS improves management, resource allocation and transparency of Iraq's education system. The deployment of the EMIS includes the installation of computer servers in 23 Directorates of Education and provides extensive training of MoEd staff.

DOD

- Cancelled procurement and delivery of remaining 10% (\$753,000) of computers and science lab equipment to MOHE due to higher priorities.

Accomplishments anticipated in the next quarter:

USAID

- USAID's Education Program closes in June as no other funds are going to the education sector.
- Rehabilitate 84 model schools, supplied with libraries and science and computer laboratories.
- Train 17,000 model school and secondary school teachers in pedagogy.
- Train 1,100 secondary school teachers in science.
- Conduct National Education Symposium for 100 MOE officials
- Deploy the EMIS system and conduct subsequent training of MOE officials for all 18 Governorates.
- Complete production of 13-part pre-school education television program. Print and distribute 4,500 activity booklets through the model schools.
- Complete the Accelerated Learning Program and 14,000 students take the final examination.

DoD

- Support the proposed establishment of an American University of Iraq at Sulimaniyah (AUI-S) with remaining funds from computer and science lab equipment and remaining funds within this project code.

APPENDIX II

Contributions from Other Donors

International Resources for the Reconstruction of Iraq:

During the quarter ending March 31, 2006, the United States has continued to work with Iraq and international donors to maximize effective international reconstruction assistance for Iraq. At the October 2003 International Donors' Conference in Madrid, donors other than the United States pledged over \$13.5 billion in assistance for the reconstruction of Iraq. This includes \$8 billion in assistance from foreign governments and \$5.5 billion in lending from the World Bank and International Monetary Fund (IMF) -- all to be disbursed between 2004 and 2007. As of March 2006, over \$3.5 billion of the pledges of non-U.S. assistance had been disbursed or made available for the Iraqi government to draw on; about \$3 billion of this was from other donor governments, either in bilateral projects or through the World Bank and UN-administered International Reconstruction Fund Facility for Iraq (IRFFI). The IMF approved \$436 million in balance-of-payments support in September 2004. In December 2005, the IMF approved a Standby Arrangement (SBA) worth an additional \$685 million to support Iraq's economic program; it made available the first tranche of \$114 million at that time.

Donor government disbursements are defined here as funds that have left government treasuries. Because, however, much of the assistance is being channeled for implementation through trust funds, contractors, NGOs, international organizations, and Iraqi institutions, there is normally some time between disbursement by the donor and impact on the ground in Iraq. The amounts approved for Iraq by the IMF are being treated as precautionary support by the Iraqi government, which has not drawn on them, but are available. There are currently 93 IRFFI projects (83 UN, 10 World Bank) in various stages of completion.

Donors committed an additional \$235 million in contributions to the IRFFI at the July meeting of the IRFFI Donors' Committee at the Dead Sea in Jordan. Most of this money has already been deposited in the IRFFI. In addition, the Islamic Development Bank agreed that it would make \$300 million in new concessional financing available, and the World Bank and Iraq agreed in principle on a \$500 million program for concessional IDA lending. The World Bank Board on November 29 approved the first IDA loan under this program -- the first World Bank loan to Iraq in over thirty years. The \$100 million IDA education project will help the Government of Iraq alleviate school overcrowding and lay the groundwork for educational reform.

The International Reconstruction Fund Facility for Iraq (IRFFI)

The Madrid Conference authorized the establishment of the IRFFI, which gives donors a multilateral channel for their Iraq assistance -- in addition to their bilateral efforts. The IRFFI contains two primary trust funds, one managed by the World Bank, the other by

the UN. Funds channeled through the IRFFI come from donors' pledges made at the Madrid Conference and those made subsequently. Details on the IRFFI can be found at www.irffi.org.

- The IRFFI Donors' Committee held its fourth meeting at the Dead Sea in Jordan, on July 18-19, 2005. The Donors' Committee consists of 18 countries that have committed at least \$10 million to the fund facility and two rotating representatives (currently Finland and Turkey) from countries that have committed less than \$10 million. Since January 2006, Germany has pledged \$10 million, New Zealand has pledged \$0.99 million, and Spain has earmarked \$2.38 million to the UN Trust Fund for Iraq. Canada continued its co-chairmanship of the IRFFI Donors' Committee, which it assumed from Japan in February 2005.
- At the Dead Sea meeting, the Iraqi Transitional Government (ITG) assumed its central role in soliciting and coordinating international support for Iraqi reconstruction. It presented an updated National Development Strategy and a series of new donor coordination mechanisms on the ground in Iraq. Together these efforts represented an important shift toward an Iraq-led reconstruction process, strongly supported by the international community. Chaired by the ITG, but supported by the UN and World Bank, these new coordinating bodies, which include a "Baghdad Coordination Group" of all donors on the ground and "Sectoral Working Groups," have been holding meetings since August 2005. So far, Sectoral Working Groups have been established for Health, Education, Rule of Law, and Electricity.
- The next IRFFI Donors' Committee meeting will be scheduled after close consultation with the new Iraqi government.
- Current donor commitments to the IRFFI total about \$1.39 billion. Of this amount, \$491 million is from Japan; \$466 million from the European Commission; \$127 million from the UK; \$69 million from Canada; \$42.4 million from Spain; \$33 million from Australia, \$29.8 million from Italy; \$13.7 million from Norway; \$12.9 million from the Netherlands; \$16.4 million from Sweden; \$15 million from the Republic of Korea; \$10 million each from the United States, Denmark, Germany, India, Iran¹, Kuwait, and Qatar. Belgium, Finland, Greece, Iceland, Ireland, Luxembourg, New Zealand, and Turkey are committing amounts less than \$10 million each.
- Of the \$1.39 billion in commitments, donors (including the U.S.) have deposited \$1.36 billion in the IRFFI trust funds as of February 28, 2006.
- The UN and World Bank submit project proposals for approval to the Iraqi Strategic Review Board (ISRB). The ISRB is an Iraqi coordinating body, chaired by the

¹ Iran pledged \$10 million at the Tokyo meeting in 2004, but the allocation between the World Bank and UN Trust Funds is still pending.

Minister of Planning and Development Cooperation, which reviews requests for and offers of external donor assistance.

Updates on Selected Major Donors

The January 2004 report to Congress included a table of pledges made at the Madrid International Donors Conference. Since that report, donors have begun disbursing and implementing their assistance.

Japan

Japan has pledged and disbursed more assistance to Iraq than any other country except the United States. By May 2005, Japan had entirely obligated the \$1.5 billion of grant aid that it had pledged in Madrid. Approximately \$1.55 billion has been allocated and disbursed up to date. Japan is currently in discussions with Iraq on the first projects to be implemented from its \$3.5 billion concessional loan program. In late March Japan announced its intention to provide yen loans up to the total amount of 76,489 million yen (approximately \$655 million) towards three projects in Iraq. After prior notification to the Iraqi side and after the inauguration of the new Iraqi government, the Exchange of Notes will be signed regarding the provision of these loans. The three projects are:

- **Umm-Qasr Port Sector Rehabilitation Project** (~\$259 million): to dredge the port and its surrounding shipping lanes, remove wrecked ships, and rehabilitate the port facilities, as well as to provide equipment and materials such as dredgers and other items. This project aims to reconstruct the Port of Umm-Qasr, and its function as the transportation and distribution network hub.
- **Irrigation Sector Loan** (~\$81 million): to provide irrigation drainage pumps, and equipment and materials for maintaining the operation of irrigation channels in some sites where agriculture is important, including in the Governorate of Al-Muthanna. This sector loan aims to improve the agricultural production and increase employment in Iraq.
- **Al-Mussaib Thermal Power Plant Rehabilitation Project** (~\$315 million): to rehabilitate the existing Al-Mussaib thermal power plants (units 1 and 3), located in the Baghdad suburbs. This project aims to improve the power supply mainly targeting Baghdad.

In December 2005, Japan decided to extend a grant of \$14.4 million to UNDP for the Iraqi Reconstruction and Employment Program and Electricity Network enforcement Program in Al-Muthanna.

In earlier disbursements of its grants assistance, Japan deposited a total of \$490 million to the IRFFI (\$361 million to the UN fund and \$130 million to the World Bank fund). Japan has also deposited \$10 million to the International Finance Corporation's (IFC) Small Business Financing Facility. In addition, Japan has disbursed \$116 million directly

to international organizations to implement projects such as restoration of water and sewage systems, garbage collection, and sanitation. The balance of Japan's disbursements, \$938 million, have been in direct bilateral projects or channeled through Iraqi institutions and NGOs for implementation.

Major Japanese Achievements:

- **Electricity:** Rehabilitation of four electrical power stations (Taji Gas Turbine, Mosul Gas Turbine, Mosul Hydroelectric, and Hartha Power), construction of a diesel power station and provision of generators in Samawah, rehabilitation of the National Dispatch Center and provision of 27 mobile electricity substations.
- **Water and Sanitation:** Provision of 38 water tankers, 311 water tanks, and 6 water treatment units in the Al-Muthanna governorate. Provision of thirty compact water treatment units in Baghdad and rehabilitation of water and sewage facilities in schools in Baghdad and Nineveh.
- **Health:** Grant assistance for Japanese NGO projects to the Samawah Maternity and Children's Hospital, which have provided medical equipment, including infant incubators, phototherapy units for incubators, and electrocardiographs to the only children's and maternity hospital in the Al-Muthanna Governorate. Medical supplies and equipment also have been provided to the Samawah General Hospital and Al-Rumaytha and Al-Khidhur hospitals and to 32 primary health centers in the Al-Muthanna governorate. Rehabilitation and equipping of four general hospitals (Nasiriyah, Najaf, Diwanayah, and Samawah) in southern Iraq, four more in northern Iraq (Kirkuk, Erbil, Mosul, and Dahuk), and three in Central Iraq (Baghdad, Amarah, and Kut).
- **Roads and Bridges:** The repair of roads between Al-Khidhur and Darraji and between Mahdi and Sawa and other roads in Al-Muthanna governorate as well as the provision of construction equipment to restore damaged roads and bridges in the governorate. Rehabilitation of 90 kilometers of roads in Al-Muthanna governorate.
- **Education and Culture:** Contributions to UNESCO, which are building capacity at the Ministry of Education and restoring the Iraqi National Museum's restoration laboratory. Through HABITAT, assistance for rehabilitation of about 200 schools in Basrah, Samawah, Nashiria, and Amra, and of about 3,000 houses and community facilities in Baghdad, Samawah, and Kirkuk.
- **Emergency Services:** Donation of 1,150 police vehicles, 150 police buses, 500 police motorcycles, and 20 armored vehicles. Donation of 70 fire trucks to Baghdad, Basrah, and Al-Muthanna. Donation of 742 ambulances.

- **Capacity Building:** Training over 1200 Iraqis, including Iraqi diplomats, staff of the Al-Muthanna TV station, museum officials, statisticians, election officials, medical staff, and hospital directors.

The United Kingdom

At Madrid, the UK pledged \$452 million for the Iraq reconstruction effort for 2004 through 2006. This was included in the UK's total pledge of £544 million (\$920 million), which counted the UK's previously announced assistance for the humanitarian effort and its assessed portion of the European Commission's assistance. As of March 2006, the UK has disbursed over \$392 million of its Madrid \$452 million reconstruction pledge.

The UK has disbursed approximately \$265 million for projects in support of reconstruction in southern Iraq, governance and economic capacity building, the justice sector, independent media and civil society. The UK's Department for International Development (DFID) is responsible for these projects. The UK also deposited \$127 million in the IRFFI - \$71 million to the World Bank Trust Fund and \$56 million to the UN Trust Fund.

The DFID program in 2005-2006 is entirely bilateral and focuses on economic reform; infrastructure (improving power and water services in the south); governance and institutional building in Baghdad and in the south; and support for civil society and political participation.

In southern Iraq, the UK provided support to rehabilitate emergency infrastructure, working closely with the UK military; an infrastructure project to deliver improved power and water services; support to build the institutional capacity of the four southern governorates and private sector development; a team of technical specialists to advise local councils, UK military, and other donors on infrastructure rehabilitation and construction; and support to strengthen independent broadcasting.

In central Iraq, the UK has supported the Iraqi government on economic reform issues; supported the Center of Government Program to improve functions of government; has supported the justice sector; has provided funds for a Civil Society Fund (CSF) to develop legitimate and representative Iraqi NGOs; and has provided funds for a Political Participation Fund (PPF) to encourage poor and marginalized sections of Iraqi society to engage in the constitutional process.

Major UK Achievements:

- **Electricity:** Repaired transmission lines from Hartha Power station to Basrah city, securing electricity supplies for 1.5 million residents; improved power distribution to 13 areas of Basrah. Current programs will supply an additional 50MW of power at Khor As Zubayr power station and add or secure a further 290MW throughout southern Iraq.

- **Water and Sanitation:** Repaired 5,047 leaks across the 4 southern governorates; provided technical advice for sewage installation in Al Amarah – providing up to half the city’s population with access to a piped system and replacing open sewage channels.
- **Capacity Building:** Trained 216 Iraqi judges, lawyers and prosecutors in human rights, international humanitarian law, and independence of the judiciary. Training for journalists, editors and media managers on humanitarian and independent reporting. New, independent TV and radio programs in southern Iraq went on air during summer 2005 through DFID funding.
- **Supporting Iraqi Humanitarian Response:** DFID consultants to the IIG Fallujah Core Coordination Group from December 2004 helped set up mechanisms for the Iraqi Government to respond to future crises of a similar nature.
- **Macroeconomic Reform:** Assisted the Iraqi government in: drawing up its 2005 budget, reaching agreement with the IMF on a \$436 million Emergency Post-Conflict Assistance package, negotiating the Paris Club debt reduction deal and drafting a National Development Strategy.
- **Support to the Political Process:** Helped to promote the political process through support for the electoral commission (\$10 million plus advisers on security and public information), civil society organizations (~\$8.7 million) and public participation in the elections (~\$12.6 million). Helped to set up the Prime Minister’s office and the Cabinet and Committee system. Helped achieve continuity in the transition to the new elected administration.

Further information on the DFID program in Iraq, along with a new quarterly update, is available at <http://www.dfid.gov.uk>.

Spain

In addition to \$80 million it provided in 2003, largely for humanitarian needs, Spain pledged another \$220 million in reconstruction assistance at the Madrid Donors’ Conference for 2004-2007. Of this amount, \$60 million was intended for 2004. Out of this \$60 million, Spain deposited \$20 million to the World Bank trust fund within the IRFFI, as well as \$5 million for the IFC’s Small Business Financing Facility. It has supplied \$8 million of much needed medical equipment to Iraq. Spain also provided \$18 million for the production of new Iraqi dinars. At the Dead Sea meeting, Spain committed an additional \$20 million contribution to the IRFFI (for the United Nations trust fund) to support elections and governance, which it has since deposited. In February 2006, Spain earmarked \$2.38 million to the UN Iraq Trust Fund Infrastructure Rehabilitation Cluster. Spain’s total IRFFI deposits total about \$42.4 million.

In the security sector, Spain also has contributed \$400,000 to the NATO Training Mission Fund, and recently completed a bilateral demining training program with the Iraqi Security Forces.

Spain also has contributed to the EU integrated rule of law training program for judges and security personnel, as well as rehabilitation of a children's hospital and schools in Baghdad.

Canada

Canada has pledged C\$300 million (about \$230 million) for Iraq's humanitarian relief and reconstruction, including C\$245 million (\$187 million) pledged at Madrid and C\$55 million (\$42 million) in urgent humanitarian relief disbursed through multilateral relief agencies in response to the UN Humanitarian Appeal.

Canada became Chair of the IRFFI Donors' Committee in 2005. Canada has committed C\$90 million (about \$69 million) to the IRFFI, of which it initially deposited C\$60 million (\$44.7 million) equally divided between the UN and the World Bank trust funds. In September 2004, Canada deposited another C\$20 million (\$15.3 million) in the UN Trust Fund to be used to support Iraqi elections. In December 2005, an additional C\$10 million (about \$8.5 million) was deposited to support United Nations support to elections and human rights.

In addition to funding to IRFFI, Canada has allocated over C\$100 million in other, non-IRFFI assistance. This includes C\$40 million (about \$34 million) to UNICEF for social sector funding and bilateral assistance through CARE Canada for reconstruction work to improve basic services in water and sanitation, basic health and education, and child protection. CIDA also allocated C\$3 million (about \$2.6 million) to assist in the restoration and management of the ecological health of the "Marsh Arabs." In the area of governance, human rights and civil society capacity building, Canada is supporting a number of projects including: C\$15 million (about \$12.8 million) for the Rapid Civilian Deployment Mechanism for capacity-building, including governance; C\$10 million (about \$8.5 million) for a civil society capacity building fund, including media and human rights training; C\$5 million (about \$4.2 million) to the Middle East Good Governance Fund; C\$2 million (about \$1.7 million) for human rights and diversity management training; C\$2 million (about \$1.7 million) for support to the constitutional process and federal systems; C\$0.7 million (about \$600,000) to UNDP for research on governance questions; and a small fund for building a culture of human rights in Iraq and the Middle East. Canada also supported elections with an additional C\$7 million (about \$5.8 million) allocated to the International Mission for Iraq Elections.

In the security sector, Canada allocated C\$10 million (about \$7.9 million) over two years for deployment of Canadian police instructors to assist in the training of Iraqi police at the Jordan International Police Training Center (JIPTIC) as well as funding to deploy senior police advisors to the Ministry of Interior. Since January, Canada has provided an

additional C\$7.5 million (about \$6.4 million) to these activities. Total Canadian assistance to the security sector is now C\$17.5 million (about \$15 million).

Canada's priorities for the remainder of its assistance include: social and economic needs of Iraqis; good governance in both Iraq and in the Middle East; the promotion of human rights and gender equality; and helping to re-establish an effective and responsible Iraq security sector. More details on Canadian assistance to Iraq are available at www.acdi-cida.gc.ca/iraq.

The European Commission (EC)

Since 2003, the European Commission has provided €18.5 million (~\$624 million) in assistance to Iraq. In addition, a further €200m (~\$240 million) has recently been made available for 2006.

During 2003, the EC Humanitarian Aid Organization (ECHO) provided humanitarian assistance amounting to €100 million (~\$120 million) targeting the most vulnerable in Iraq. Around 85 humanitarian aid projects were implemented through NGOs and international organizations during this period. The main sectors of support were:

- Basic Health (supply of medicines/essential drugs/medical equipment, rehabilitation of health infrastructures, training of medical and paramedical staff);
- Water and sanitation (Water treatment plants rehabilitation, Compact Unit repair, Water tankering);
- Support to vulnerable groups (elderly, children, internally displaced persons);
- Mine-related activities (UXO/Mine clearance, mine risk education);
- Rehabilitation of primary schools and protection (application of international humanitarian law, visits to Prisoners of War, family tracing); and,
- Food aid.

The EC was active together with other donors in the preparations for the 2003 Madrid conference, and at the conference itself pledged a total contribution of €200 million (~\$241 million) for 2003 and 2004. The EC also supported the creation of the IRFFI and is its second largest donor.

The EC's activities in 2003 (€42 million or ~\$50 million) were based on the results of the joint UN/World Bank Needs Assessments carried out with EC participation. Actions focused on alleviating the daily difficulties of the Iraqis, but also on giving the World Bank the means to quickly deliver capacity building activities to the Iraqi government.

In 2004, the EC allocated a total of €160 million (~\$192 million) to the IRFFI, equally divided between the UN and World Bank funds. Activities were based on the 2003 Needs Assessment and were developed in agreement with the Iraqi provisional authorities. The EC's IRFFI contribution was mainly used to restore the delivery of key essential services (education, health, water and sanitation); to boost employment and reduce poverty (income generating activities and rural development); and to strengthen governance, support civil society and promote human rights. In response to a UN appeal to the international community to help support the Iraqi electoral process, the EC provided a further €16.5 million (~\$20 million) to the January 2005 elections. This was in addition to €15 million (~\$18 million) that had been allocated from the EC's IRFFI contribution, to support the electoral process.

In 2005, EC contributed a total of €99.05 million (~\$240 million) to the IRFFI, of which €40 million (~\$48 million) was channeled through the World Bank and €59.05 million (~\$191 million) to the UN. The contribution to IRFFI included €10 million (~\$12 million) allocated to Iraq for 2005 from the European Initiative for Democracy and Human Rights for promotion of civil society and human rights activities. While the EC's 2005 activities continued to be focused on basic social services, there was greater emphasis on support to the electoral and constitutional process.

The EC's assistance is geared to the framework and policy orientations presented in the Iraqi National Development Strategy (NDS) and to complement activities of other major donors.

In 2006, the EC is allocating a further €200 million (~\$241 million). This is composed of the following elements:

- **Furthering democracy in Iraq (€40 million or ~\$48 million)** by providing support to the political process: assisting the newly elected government in an inclusive constitutional review and in its subsequent implementation, supporting governorate and local elections, and referendum on constitutional review;
- **Promoting good governance (€40 million or ~\$48 million)** through institutional strengthening in the field of civil service reform in key line ministries, rule of law, financial institutions, trade and energy;
- **Improving the quality of life (€10 million or ~\$132 million)** of Iraqis through the restoration and rehabilitation of key social and economic services to the Iraqi population; and
- **Reserve (€10 million or ~\$12 million)** to ensure flexibility in order to adjust to new government priorities.

The EC's assistance program is one of many instruments which the EU is using to engage with Iraq. Other initiatives include: the signing of an EU-Iraq Joint Political Declaration

in September 2005, which provided a clear strategic direction for relations in the months to come; agreement of a mandate for a Trade and Cooperation Agreement with Iraq – negotiations will commence with the new Government of Iraq is formed; and the establishment of a delegation in Baghdad.

Additional information about the EC's relations with Iraq can be found at: http://www.europa.eu.int/comm/external_relations/iraq/intro/index.htm.

United Nations (UN)

As of February 28, 2006, donors had committed approximately \$931 million to the UN Trust Fund of the IRFFI. Of this, approximately \$906.8 million has been deposited. The UN has developed a strategic planning framework and organized their programs into “clusters” with various UN specialized agencies working together under a cluster lead agency in each. Originally comprised of eleven clusters, the UN reorganized the clusters into seven, lettered clusters adopted in July 2005. The clusters are:

- Agriculture, Food Security, Environment, and Natural Resource Management
- Education and Culture
- Governance and Human Development
- Health and Nutrition
- Infrastructure Rehabilitation
- Refugees, IDPs, and Durable Solutions
- Support to Electoral Process

As of February 2006, the UN had developed 83 projects, valued at over \$759 million, all of which have been approved for implementation by the Iraqi government. Among these projects, the UN has provided school supplies, rehabilitated schools, provided vaccines, supported internally displaced persons (IDPs) and refugees, conducted capacity-building training programs for Iraqi officials, and assisted in the elections. By end February 2006, the U.N. trust fund had obligated \$573 million in binding contracts for implementation and had disbursed \$451 million. A full list of the U.N.'s IRFFI projects is available at the www.irffi.org website.

World Bank

As of February 2006, donors had pledged \$457 million to the World Bank Trust Fund of the IRFFI, of which \$454 million had been deposited. With these deposits, the World Bank is implementing the following projects:

Operation	Projected Costs
Emergency Textbooks	\$40 million
Emergency School Rehabilitation	\$60 million
Emergency Baghdad Water Supply and Sanitation	\$65 million
Emergency Water Supply, Sanitation, and Urban Reconstruction	\$90 million
Emergency Health Rehabilitation	\$25 million
Emergency Private Sector Development I	\$55 million
Capacity Building I	\$ 3.6 million
Capacity Building II	\$ 7 million
Emergency Community Infrastructure	\$20 million
Emergency Disabilities	\$19.5 million

As of February 28, 2006, the ITG and World Bank had signed grant agreements for all of the projects above totaling \$385 million. Capacity Building I project is complete, and the remaining projects are now in the implementation phase. The Emergency Textbook project is nearly complete and has financed the printing and distribution of more than 79 million textbooks, benefiting 6 million Iraqi students throughout Iraq. As of February 28, 2006, the World Bank had disbursed over \$43 million for work already completed.

The World Bank is primarily operating from Amman, Jordan, and has established a videoconference link between its Amman office and the Iraqi government to facilitate project development and coordination.

Funded by \$3.6 million from the EC, the World Bank conducted training for Iraqi officials addressing the environmental and social impact of development projects, infrastructure regulation, restructuring of state-owned enterprises, investment climate issues, and financial sector reform. The World Bank also provided a range of policy advice.

At Madrid, the World Bank pledged to offer at least \$3 billion in lending to Iraq. In December 2004, Iraq cleared its arrears to the World Bank, making it eligible for lending again. The World Bank staff on September 15, 2005 presented to its Board an Interim Strategy Note that includes the commencement of a \$500 million IDA (International Development Association) concessional lending program for Iraq. The strategy discussed by the Board also envisions up to an additional \$500 million in IBRD (non-concessional) lending, assuming Iraq makes critical progress regarding IBRD creditworthiness. The World Bank Board, on November 29, 2005, approved the first \$100 million IDA loan within the \$500 million program. The \$100 million Third

Emergency Education Project (TEEP) will help the Government of Iraq alleviate school overcrowding and lay the groundwork for educational reform.

IMF

At the Madrid Donors' Conference, the IMF pledged to provide over \$2.55 billion in lending to Iraq. On September 29, 2004, the IMF Board approved an Emergency Post-Conflict Assistance (EPCA) package that provided Iraq SDR 297.1 million (about \$430 million) in balance-of-payments support. The main goals under the EPCA were to maintain macroeconomic stability and lay the groundwork for a long-term development and reform program. On December 23, 2005, the IMF approved a Stand-by Arrangement (SBA) for Iraq that provides SDR 475 million (about \$685 million) in balance-of-payments support. The 15-month SBA provides a comprehensive framework of policies for economic reform and growth in coming years. The first tranche of the SBA, worth \$114 million, became available to the Iraqi government at the time of SBA approval. Reaching the SBA also triggered the second 30% tranche of debt reduction under Iraq's agreement with the Paris Club.

The IMF also provides technical assistance to Iraq, including training in such policy areas as public expenditure management, fiscal federalism, tax policy, tax and customs administration, monetary operations, banking supervision, payments system reform, and statistics. Some of this training has been done jointly with the World Bank. The IMF has assisted in coordinating macroeconomic training with the other major providers: the World Bank, the US, and the UK.

Debt Forgiveness

Reduction of Iraq's external debt burden to sustainable levels, another top priority for Iraq's economic development, is a key component of US donor coordination. In November 2004, the Paris Club group of creditors agreed to forgive, in phases, 80 percent, of approximately \$40 billion in Iraqi debt held by its members. As of March 2006, 16 of 18 members of the Paris Club have signed bilateral debt agreements with the Iraqis implementing the 2004 agreement. The US itself went beyond Paris Club terms and has forgiven 100 percent of the \$4.1 billion in US-held Iraqi debt. The terms for forgiveness of what Iraq owes to non-Paris Club countries and commercial creditors are closely tied to the Paris Club deal. To date, Iraq has also made excellent progress on dealing with its commercial external creditors on Paris Club terms. It has reconciled about \$19.15 billion out of its approximately \$22 billion estimated total commercial debt, and of that reconciled amount, creditors accounting for about \$18.4 worth have accepted offers at Paris Club-comparable terms, which will result in approximately \$14.7 billion in debt reduction.

Other Major Efforts

With the help of US advisors, the Iraqi Ministry of Planning and Development Coordination has completed plans to eliminate the major hurdles faced by donors on the ground in Baghdad. Plans are being implemented to provide security, housing and office space to potential donors inside the International Zone. The accommodations, called “Donor Village,” are inside the secure Army Corps of Engineers/Project and Contracting Office compound. Donors can occupy space, and they will reimburse the USG for billeting arrangements, office space, and meals. The cost-prohibitive nature of setting up individual offices and providing security for accommodations had previously been a major impediment to obtaining further donor assistance, and this integrated plan has been well-received and coordinated.

Useful References for International Donor Assistance to Iraq:

- The Donor Assistance Database: <http://www.mop-iraq.org/dad>
- The UNDG Iraq Trust Fund and the World Bank Iraq Trust Fund Newsletters, updated every two-three months and both accessible at: <http://www.irffi.org>