

**QUARTERLY UPDATE TO CONGRESS**

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# SECTION 2207 REPORT

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## Executive Summary

The United States continues to work closely with its Iraqi and international partners to support the development of a democratic, stable, and prosperous Iraq, which is at peace with its neighbors, an ally in the war on terror, and able to enjoy the benefits of a free society and a market economy. In support of this objective, Congress appropriated \$18.4 billion in Fiscal Year 2004 (Public Law 108-106) for the Iraq Relief and Reconstruction Fund (IRRF). Section 2207 of this law requires the Secretary of State to submit a quarterly report to Congress outlining the programs and initiatives supported by the appropriation. This report documents where these funds are being spent, and how they lay the foundation on which the Iraqi government and private sector can build a more secure and prosperous country.

During this October-December 2005 quarter, the IRRF supported a wide range of programs and activities in ten sectors. This report highlights three of particular importance: (1) programs to support Iraq's constitutional referendum in October and the parliamentary elections in December; (2) support for institutional economic reforms, which supported the conclusion of an IMF Stand-By Arrangement on December 23; and (3) continued support in delivering essential services, including capacity building for Iraqis responsible for providing those services.

Two momentous political events took place during the last quarter of 2005: first, the Iraqi people voted on October 15, 2005 to adopt a constitution for the country, and then in December they voted in free and fair elections for a Council of Representatives to lead them through the challenges of the next four years. Voter turnout for the events was nearly 65% for the constitution and over 75% for the Council of Representatives' election. These elections were a clear expression that the roots of democracy have taken hold in Iraq. IRRF programs supported political party and NGO development, and provided assistance to the Independent Electoral Commission of Iraq (IECI).

In addition to these successes on the political front, two important economic events took place in December 2005. On December 23, the IMF approved a Stand-By Arrangement, which provides Iraq an IMF-supported economic reform program over the next 18 months. It also allows the Paris Club group of creditors to implement the second stage of members' debt forgiveness to Iraq. Also in December, the World Trade Organization accepted Iraq's Foreign Trade Memorandum, formally beginning the process of Iraq's

accession to the WTO. Both the IMF program and the WTO accession process will serve to further Iraq's reintegration into the world economy.

These events bolster the work being done under IRRF programs. Most of our major infrastructure projects are either completed, or are well on their way to completion in calendar year 2006. We have completed a significant portion of the IRRF programs to support the training of Iraqi Security Forces, with \$4.1 billion of the \$5 billion allocated to this effort already disbursed. Of the \$13.4 billion in non-security IRRF programs, \$5.9 billion has been disbursed on mostly high-impact, large-size programs that were critical to repair Iraq's basic infrastructure.

Over the last quarter, we continued to shift from 'design build' international contractors towards a greater emphasis on local contracting, taking advantage of the increased capacity of Iraqi government officials and Iraqi companies to reduce costs and accelerate project completions. This recalibration also resulted in the funding of smaller projects, while fully incorporating the nascent efforts of the Iraqi Ministries. The IRRF will continue to focus on smaller infrastructure programs that have a noticeable impact on the ground. In addition, some IRRF funds will be used to build the capacity of local and national-level Iraqi government agencies to sustain completed U.S.-funded projects, and to provide better services to the Iraqi public in general. As with previous governments, the U.S. will discuss the IRRF program and its spending/programming priorities with the new government.

As these political and reconstruction efforts generated positive outcomes, Coalition Forces, in conjunction with an ever more capable Iraqi Army, began offensives attacking the support infrastructure of the terrorists and foreign fighters. After military operations were completed, there was a need to help hold and rebuild these areas. IRRF funds will be instrumental in such post-conflict reconstruction efforts as part of an integrated Counter-Insurgency (COIN) strategy. During the quarter, IRMO established a focused stabilization project code (P/C 08500) to support reconstruction activities as part of ongoing COIN actions.

Thanks in part to IRRF programs, economic progress in Iraq is now substantial and measurable. Iraq's GDP is projected at \$29.3 billion in 2005, up from \$18.4 billion in 2002. The IMF projects Iraq's economy to grow by 10.4% in 2006. The Iraqi dinar is stable, and the fundamentals exist for achieving sustained economic growth.

## **Key Activities During This Quarter**

In addition to the ongoing reconstruction efforts and coordination work with Iraqi ministries, there were three new initiatives in the IRRF this past quarter. First, the Embassy began a proof-of-concept test of Provincial Reconstruction Teams for Iraq in three locations; second, IRMO planned a new effort to boost “Ministerial Capacity Development” for the new Iraqi government; and third, IRRF funds were reprogrammed for high priority activities such as Rule of Law, Migration and Refugee Assistance and Demining.

Recognizing the need to help Iraq’s provincial governments develop the capability to govern properly and respond to its citizens adequately, the USG in late November converted three Regional Embassy Offices into Provincial Reconstruction Teams (PRTs). The new PRTs are in three provinces: Ninewa (Mosul), Tamim (Kirkuk), and Babil (Hillah). The provincial teams are intended to work with the provincial governments to build governance structures enabling effective interaction with the Baghdad central government and develop confidence among the Iraqis that their local government is responsive to local needs. Provincial teams will complement ongoing engagement with the Provincial and Regional Development Councils (PRDC’s), which are now active in 17 of 18 governorates.

Ministerial capacity development is the subject of another new initiative during this quarter. After nearly 30 years of autocratic rule, the Iraqi capacity for self-governance was decimated. During the Saddam era, there was no process by which Iraqis could develop the skills required to be a self-governing people. The Embassy has developed a comprehensive approach to train Iraqi officials in key ministries and to inculcate best practices. Iraq needs training in the modern techniques of civil service policies, requirements based budget processes, information technology standards and logistics management systems.

In support of this effort, Ministerial Assistance Teams (MATs) were established during this quarter. These are led by IRMO senior consultants in coordination with senior Iraqi Ministry officials, the U.S. and other international experts. The MATs will work with key Ministries and provide a baseline assessment of each of the Ministries abilities perform basic core functions. This will serve to identify the basic needs of each ministry upon which action plans will be developed to train Ministry leadership and staff in efficient and effective governance. Once it is known what is needed in each specific ministry, plans can be developed to get the Ministry leadership and

staff the training and technical assistance necessary to develop the capacity to govern effectively and efficiently.

Furthermore, the strengthening of national and regional government training centers is intended to provide training across the core public administration functions through courses and on-site training directly in the Ministries. Ministerial capacity development will pay long-term dividends and will achieve a synergistic effect when combined with foreign assistance and investment. The Embassy is actively coordinating these capacity development initiatives with other donors' efforts, and we will continue to look for ways to build further synergies, especially with the World Bank and the United Nations.

In support of the organized efforts in the ministerial capacity development area, a change was made to the command and control operations of the IRMO consultancy teams to the Iraqi Ministries of Defense (MoD) and Interior (MoI). To unify the train and equip mission with the effort to develop ministerial capacity to support the Iraqi Army and police forces, the USG assigned operational control of the relevant IRMO staff to the Multi-National Security Training Command-Iraq (MNSTC-I). The Department of State/IRMO retains the administrative responsibility for those individuals, and the US Ambassador retains policy oversight on MoI and MoD issues.

Allowing MNSTC-I to maintain operational control provides for better management of the personnel involved in the training and equipping functions for which MNSTC-I has responsibility. The objective is to stand up Iraqi security forces, both army and police, that are capable of handling the security requirements for Iraq. As those forces become more competent and capable, less emphasis will be placed on Coalition forces to provide security. The IRMO personnel working in those Ministries have adapted to the new arrangement and will continue to provide their services until the end of 2006, when the Department of Defense assumes full responsibility for staffing.

### **Working with the New Government**

With the formation of the first permanent post-war government, a new chapter in Iraq's history will begin. As we look forward to working with the new Iraqi Government, we are focusing on several key elements to ensure continuation of the governance processes as quickly as possible. The mission has established a joint IRMO/Embassy/MNF-I Ministerial Transition Assistance Group (MTAG) to support a smooth transition from the Iraqi Transitional Government to the next government. In addition, we are also offering the expertise provided by the IRMO Senior Consultants to support the

Ministries. We expect that, in many cases, the IRMO Senior Consultants will represent a key resource to the incoming Minister, bringing expertise and both institutional and corporate knowledge that will prove invaluable to the new government. The Prime Minister issued a letter to all Ministers providing guidance on the implementation of the transition process, and he requested that each Minister establish a transition team and to develop a transition handover package for the incoming Minister.

We are also supporting programs to develop best practices in the Government of Iraq's budget development process. During the past quarter, the Government of Iraq prepared and approved its first requirements-based budget with support from IRMO.

### **Continuing Challenges**

With the formation of a new Iraqi Government, a completed constitution, and progressively more effective security forces, Iraq will assert itself as a viable international partner critical to fostering stabilization in the region. As our military draws down, our diplomatic relations and the political dimension will continue to build upon essential partnerships with Iraqis at all levels of government. Security and economic cooperation will create opportunities for national reconciliation, more effective governance, and most importantly, the rule of law. Anti-democratic forces in and around Iraq, however, vie for power and influence through corrupt and violent mechanisms, such as intimidation of Iraq's leaders, coercion of its citizens and attempts to undermine the political and economic progress of the nation. These negative efforts must be countered to prevent them from undermining the ability of the Iraqi Government to deliver essential services and maintain infrastructure developed under IRRF programs.

### **The International Community and Donor Assistance**

Support for Iraq from the international community has continued to grow during the past quarter. As of the end of November, \$3.2 billion of the \$13.5 billion in non-USG assistance pledged at Madrid has already been disbursed, \$2.7 billion of which has come from other governments. A number of governments have engaged their Iraqi counterparts in detailed discussions regarding projects which could be supported with grants or concessional lending. Many countries that have pledged these loans are waiting to confirm the details of their programs with their new Iraqi government counterparts. It is anticipated that once the new Iraqi government is in place, there will be new announcements fulfilling pledges made at the Madrid and Dead Sea Donors' Conferences. We also expect that other countries will increase their political

support for the new Iraqi Government, and the U.S. will continue to actively pursue this possibility. Several nations established permanent representatives in Baghdad during the last quarter, while others committed to do so in the near future. The Turkish government, for example, announced that it will open a consular office in Mosul in early 2006.

The World Bank Board, on November 29, approved the first loan to Iraq in over thirty years. This loan extends \$100 million in International Development Assistance for an education project, which will help the Government of Iraq alleviate school overcrowding and lay the groundwork for educational reform. The World Bank is in detailed discussions with Iraq about other projects in the water, electricity and roads sectors. The remaining \$400 million in IDA resources are expected to be allocated to these projects in early 2006.

In December, Iraq secured a Stand-By Arrangement (SBA) with the IMF. The SBA is a significant milestone on Iraq's road to implementing the structural reforms it will need to sustain long-term economic growth. The SBA also sends an important message to the international community that Iraq is serious about reforms. As part of the SBA, the IMF agreed to provide \$685 million should Iraq need the balance of payment support. Eleven Paris Club members with Iraqi debt have concluded bilateral agreements to implement their pledges to forgive 80% of Iraq's debt (the U.S. forgave 100%). France, Switzerland, Belgium and Austria all announced their agreements in December, writing off more than \$5 billion over three years, per the 2004 Paris Club agreement. The Paris Club extended the deadline until the end of February 2006 for the remaining seven creditors (Russia, UK, Australia, Korea, Finland, the Netherlands, and Sweden) to conclude similar agreements. In addition, Romania, Malta and Slovakia – all non-Paris Club members – have also agreed to write off Iraq's debt at terms similar to or, in the case of Malta, better terms than the Paris Club agreement.

The World Trade Organization (WTO) at its December meeting agreed to establish a Working Party to consider Iraq's request for membership in the organization. While achieving full membership could take several years, the initiation of these accession talks is a significant step towards Iraq's reintegration into the global trade arena.

The international donor community has welcomed Iraq's progress on its National Development Strategy and the processes that were established at the International Reconstruction Fund Facility for Iraq Dead Sea Conference in July. There are now four Sector Working Groups that are meeting regularly

with excellent donor participation and support in health, education, rule of law and electricity. The Baghdad Coordination Group holds regular meetings to which all of the donor nations with local representatives participate. These forums create an organized venue and process in which donors' can engage the Iraqi Government. Moreover, with the establishment of the government following December's elections, we expect other donors will be more willing to commit their pledged funds to the reconstruction of Iraq. We will work with the new Iraqi Government early on to encourage it to continue these coordination mechanisms.

The next meeting of the International Reconstruction Fund Facility for Iraq will meet during the coming quarter along with several other key events. We anticipate that these venues will continue to build on progress to date in support of the reconstruction effort in Iraq. Other events in December have demonstrated the fact that Iraq is resuming its place among the community of nations as evidenced by the agreement signed between Egypt and Iraq on construction issues, which encourages firms to contract jointly for Iraqi reconstruction.

### **Security Issues**

Security remains a critical concern to the reconstruction effort in Iraq. The insurgents and other saboteurs have consistently targeted linear infrastructure such as electricity, oil and water, in an effort to cripple the Iraq Transitional Government (ITG) and citizens' faith in their government by reducing oil revenues and disrupting delivery of essential services required to improve the quality of life of average Iraqis. Infrastructure attacks have undermined the of the interim government ability to meet the needs of its citizens and damaged its credibility. These attacks, as well as poor operations and maintenance (O&M) practices and lack of appropriate and sufficient fuel, continue to limit the positive impacts of reconstruction projects that have come on line. In some cases, the benefits of new power generation and water treatment projects are constrained due to the transmission line or pipelines being unavailable for distribution. In response to this challenge we have moved to smaller projects that facilitate a smaller footprint and more extensive Iraqi involvement.

The security situation will continue to have a significant impact on the effectiveness of our reconstruction efforts. Similarly, continued attacks on infrastructure will continue to hamper and undermine our larger security, political and economic goals in Iraq. Quite simply, without sufficient revenues

and services, Iraq will have trouble moving forward economically, and it will have trouble supporting its own security and infrastructure apparatus.

These challenges impact both the costs of our efforts as well as the breadth of opportunity available to be pursued. IRMO analysis indicates that direct and indirect security costs represent 16% - 22% of the overall cost of major infrastructure reconstruction projects in Iraq. Direct costs include additional provisioning of security requirements and the redirection of IRRF funds to address required security needs. Indirect costs, such as schedule delays, are comprised of hard and soft costs. Soft costs, such as from schedule delays because the security environment does not permit the work of projects, extend the time of project completion and increase maintenance costs and the costs of maintaining projects that are anticipated to be completed but remain uninitiated due to uncertainty about security and funding availability.

As the capability of the Iraqi security forces continues to improve, the coalition will expect the Iraqi government to assume added responsibility for the security of its infrastructure. We anticipate over the next year, that the ministries responsible for providing essential services will increase their levels of cooperation with the Iraqi Security Forces to identify security issues and better align security forces. This effort will require the participation of all Iraqi Ministries, but particularly focus on the Ministry of Interior and the Ministry of Defense. Coalition forces will work on developing the capacity of these ministries to support and respond to security challenges from terrorists and foreign fighters.

### **Sustainment and Operations and Maintenance**

As part of both the reconstruction program in essential services, and the capacity development initiative, we will focus on sustainment as part of capacity building for Iraqi ministries. Sustainability in and of itself is a concept that is foreign to most Iraqi administrators. Under the previous regime, budgeting was top down based on patronage. There was little consideration for the need to maintain capital assets or provide for operational funds. Today, there is little capability to accurately forecast and budget O&M funding within the Ministries. Sustainability, however, is key to the Iraqis' success in operating and maintaining their facilities to meet the citizen's needs over the long-term.

In support of this effort are several focused initiatives that will improve the Iraq Government's ability to support these assets over the long term. These include maximizing the relationship between the Mission's Senior Consultants and the Ministerial Assistance Teams and the Ministries to focus on

sustainability as a core mission of the Ministry; supporting core skills development training in the areas of operations and maintenance budgeting; and, focusing on Asset Recognition and Transfer (ART) capabilities.

### **Budgeting**

Requirements Based Financial Management did not exist in Iraq prior to the fall of the prior regime. During the coming year, we intend to introduce requirements based budget processes to provincial government. A transparent and accountable government at both the national and provincial level remains a critical goal. Accordingly, we are working to ensure the Iraqi 2007 budget at both the national and provincial levels is based on clearly definable requirements and equally represents the needs of the country as a whole.

We will also work towards the creation of an effective, professional civil service, which empowers middle managers and develops management capability at all levels of government. This is a goal of the National Capacity Development initiative. We intend to utilize a variety of tools including the creation of civil service institutes, ministerial assistance teams and professional education and exchange programs to help professionalize the civil service.

### **Corruption**

Corruption remains a critical impediment to the successful governance of Iraq. Transparent financial management remains a critical factor in addressing corruption at all levels of Iraqi society. Electronic funds transfer will significantly increase reporting and transparency of financial transactions. Improved reporting processes will provide the foundation for pursuing criminal prosecution of corruption. The Independent Inspectors General (IIG) program within Iraq remains in its embryonic stage, and has suffered from significant missteps and lapses in progress. Currently, several Inspectors General have been relieved of their duties pending indictment. Continued effort and renewed vigilance is required to address these shortfalls.

### **Rule of Law**

The U.S. Embassy in Baghdad reorganized the Rule of Law program, which had previously focused primarily on police training, to include additional issues, such as the criminal justice system and infrastructure, corrections, public prosecutors, intellectual property rights and property rights legislation.

## **Human Rights**

IRRF programs continue to support a variety of human rights programs. IRRF programs are supporting the construction of modern prison facilities which will reduce the incidence of overcrowding. Human rights and RoL training has been incorporated in the training of Iraqi police forces to diminish human rights abuses perpetrated by Iraqi law enforcement entities. Additionally, we have increased funding for training Iraqi Corrections Service (ICS) officers. The Embassy is working to develop an interagency plan to coordinate these efforts.

## **IRRF Reallocations During The Quarter**

Three Congressional Notifications (CNs), regarding the reallocation of a total of \$104 million in IRRF, were submitted to Congress during the last quarter. These CNs increased funding for programs such as democracy building, ministerial capacity building, and focused stabilization. Additionally, this quarterly report will serve as notification of another \$249.3 million as follows:

- \$53.6 million to be taken out of Electricity Transmission and put into Rule of Law;
- \$27 million to be taken out of Electricity Transmission and put into Migration & Refugee Assistance;
- \$9.2 million to be taken out of Electricity Transmission and put into Demining;
- \$5 million to be taken out of Iraqi Communications Operations and put into Agriculture;
- \$7 million to be taken out of Iraqi Security Forces Quick Response and put into Iraqi National Guard Facilities;
- \$14.2 million to be taken out of Iraqi Armed Forces Equipment, Operations and Training with \$12.6 million to be put into Oil Infrastructure and \$1.6 million into Iraqi Armed Forces Ops & Training;
- \$2.0 million to be taken out of Iraqi Police Training and Technical Assistance and put into Reconstruction & Modernization of Detention Facilities.
- \$3.2 million to be taken out of Micro-Small-Medium Enterprises and into Business Skills Training;

- \$21.6 million to be taken out of Potable Water and \$15.1 million out of Irrigation and Drainage with a total of \$36.7 million put into Sewerage;
- \$13.9 million to be taken out of Irrigation and Drainage and \$43 million out of Basra Sweetwater Canal with a total of \$56.9 million to be put into Pumping Stations and Generators.
- \$21.09 million to be taken out Basra Sweetwater Canal and put into Dam Repair;
- \$1.79 million to be taken out of Irrigation and Drainage and \$11.21 million to be taken out of Basra Sweetwater Canal, and \$13.0 million to be put into Major Irrigation.
- \$425,000 to be taken out of Iraqi electricity security, which will close-out this particular project code and put into electricity generation.

## **Looking Ahead**

The ratification of an enduring constitution and the establishment of a permanent government both represent significant progress in enabling the reconstruction and development of Iraq. The next year will be critical as we concentrate on consolidating gains made and undertaking the final phase of the IRRF's transition to more conventional foreign assistance. As the new government settles in and gains experience, we expect ministries will be more effective in working together, which will resolve a number of bureaucratic issues which have slowed some of our IRRF projects.

## **Sector Highlights**

### **Security and Law Enforcement**

Training and equipping Iraqi security forces were key priorities within this sector during the past quarter. Over 223,000 military and security personnel have been trained and equipped, and are increasingly taking the lead in performing independent combat operations. We increased our effort to develop institutional capability within the security ministries, and activities were realigned to come under the operational control of the Multi-National Security Transition Command- Iraq (MNSTC-I). This realignment enabled an integrated and coordinated effort to ensure key ministerial functions develop commensurate with that of the Iraqi security forces.

## Ministry of Defense

The Ministry of Defense (MOD) continues to build and develop forces, placing increased emphasis on the generation of logistics support capability. The basic training system has been expanded and consolidated, and forces continue to be generated in accordance with the MOD's approved force structure. Five Strategic Infrastructure Battalions (SIBs) have undergone the first level of training and have been equipped by MNF-I, and are now conducting operations to secure some of the critical energy corridors. The effectiveness of the SIBs, as they undergo more training and as new SIBs are added to the ranks, will need to be assessed, however. As force generation continues on track, increased attention has been given to the leadership and professional development of the Iraqi Armed Forces. With the assistance of the NATO Training Mission- Iraq (NTM-I), we are helping the Iraqis establish a professional development training structure through the creation of an Iraqi Training and Doctrine Command.

## Justice and Public Safety

The Ministry of Justice continues to work on critical infrastructure and training issues in support of their mission. Two state of the art prison construction projects are currently underway, designed to provide 3,000 new beds to the Correctional System. The number of Iraqi Correctional Officers trained with US funds is now approaching 4,600 out of the total target group of 6,000. The Advanced First Responder Network (AFRN) was completed and actively assisted Iraqi security forces in coordinating their actions during the December elections.

Progress is being made on the two major prison/detention facilities at Kahn Bani Sa'ad and Nasiriyah. It is estimated that both facilities will be complete and ready for inmate occupancy by the fall of 2006. In addition, a renovation of the prison at Dahuk is under way and together with the aforementioned prisons, Iraq will gain approximately 4,400 new beds. There has been significant advancement of the Rule of Law data base project and it will eventually tie into a unified electronic system to track persons from arrest through the judiciary to incarceration.

## Electricity

To date, over 300 electricity projects funded through IRRF have been completed or are nearly complete. More than 2,000 megawatts (MW) of generation capacity have been added or rehabilitated. One hundred fifty planned and ongoing projects worth \$800 million will add more than 600 MW

of additional generation capacity and improve the distribution of power to more than 2.1 million people. This progress has been offset by a series of challenges including attacks on transmission and fuel lines; lack of optimal fuels in the operation of power generation plants; unplanned power outages due to a dilapidated infrastructure, poor maintenance procedures and a relentless increase in demand for electricity.

## Oil

Sharply rising oil prices in 2005 allowed projected 2006 Iraqi budget revenues to increase, even though current levels of production and exports are somewhat lower than last year. For the year, oil production averaged 2.1 million barrels a day (mbd), and exports 1.4 mbd. The primary risk for production and exports continues to be the number of attacks on infrastructure, particularly on the pipeline network to Turkey from Iraq's northern fields. Iraq's oil revenue will be highly dependent on price volatility and export levels. During the quarter, MNF-I trained Iraqi SIBs to provide increased security, but their effectiveness will need to be assessed. The completion of the al-Fathah crossing of the Tigris, expected next quarter, should increase Iraq's export capacity, provided the infrastructure is protected. Iraqi exports through the south continue to be plagued by poor maintenance, dilapidated and insufficient infrastructure lack of storage, smuggling, and exogenous factors such as poor weather. IRRF programs to upgrade the oil loading terminals (ABOT and KAAOT) will improve export loading capacity, while capacity development programs for the oil ministry are expected to improve maintenance practices.

## Water Resources and Sanitation

The Water Resources and Sanitation Sector continued to make progress in completing projects and putting into place programs to ensure their sustainability. Most of the large-scale potable water, sanitary sewer, and water resources projects are completed or well underway; implementation of smaller, rapid placement water projects is well-advanced; and a limited amount of planning and design work remains. Small, rapid-placement projects require limited investment but provide benefits quickly with potentially lower requirements for O&M.

## Health

Almost \$100 million of medical equipment has been purchased to upgrade existing facilities. The Iraqi government already has received 30% of

purchased “open distribution” equipment, and began providing it to hospitals and blood transfusion centers throughout the country.

#### Education, Refugees, Human Rights and Civil Society

Construction was completed on 72 of 84 model schools during this quarter. The schools will add classrooms for science and computer laboratories, and will serve as the foundation for a new Iraqi education system. During the quarter, an additional 37,000 teachers and other education professionals were trained in new pedagogy for teaching primary and secondary school, thus bringing the total number of teachers trained during 2005 to over 50,000. Refurbishment of water and sanitation facilities for schools continued, with an additional 120 schools completed last quarter, bringing the total completed to 500. Renovation of an additional 300 schools’ water and sanitation facilities is in progress and will be completed prior to the end of this fiscal year.

Approximately 11,500 formerly out-of-school youth were enrolled in an accelerated learning program that was launched in late September. The accelerated learning program is a non-formal education program endorsed by the MoEd that condenses a two-year primary school curriculum into one year. Under this program, children are able to complete the six-year primary school curriculum in just three years. This program addresses a critical need, providing basic skills for those adolescents and young adults neglected by the previous regime, and improving their employment prospects in the new economy.

The establishment of an independent and vibrant civil society is fundamental to the consolidation of the democratic gains made in to date which support the long-term stability of Iraq. IRRF continued to provide significant support to non-governmental organizations, especially to women, minority and conflict resolution groups, as well as human rights organizations, business associations and other civil society entities. These organizations played leading roles in carrying out programs to support the constitutional drafting process, the referendum and the national elections. IRRF programs assisted the Independent Election Commission of Iraq (IECI) in both the October constitutional referendum and the December parliamentary elections. The IRRF also continued to support political party development. Future support will increasingly focus on strengthening civil society’s capacity to counter increasing efforts by state institutions and actors to limit the scope of civil society’s activities and ability to ensure government transparency and accountability.

## Private Sector Development

The USG continues to implement a broad range of programs to help Iraq move to a market-based economy. In December, the World Trade Organization (WTO) accepted the Iraqi Ministry of Trade's Foreign Trade Memorandum, formally beginning the negotiation process. IRRF programs also continued to implement programs to support the growth of private companies, including: micro-finance, banks lending to small and medium sized enterprises, capital market development, business skills development, investment promotion, business center support, and the establishment of economic zones. IRMO continued to provide support for the adoption of laws and regulations for the Iraqi securities industry and capital markets, providing assistance for vital reforms such as privatization, banking sector reform and programs for the agricultural sector. An evaluation of Iraq's commercial code was completed during this quarter, which should allow the new government to update it early in its tenure.

## IPCC

The Iraq Property Claims Commission (IPCC) was created under Coalition Provisional Authority (CPA) authority to adjudicate claims by persons whose real property was unfairly or illegally confiscated or appropriated by the former regime for religious, ethnic, political or other improper reasons. IRMO assists the IPCC in its mission by providing technical assistance and capacity-building through funding provided by the USG to the International Organization for Migration (IOM) and the United Nations High Commissioner on Refugees (UNHCR). To date, IPCC has received nearly 129,000 property claims and rendered initial decisions in over 16,000 claims.

## Refugees and Displaced Persons

The Ministry of Displacement and Migration's (MoDM) mission includes the development and implementation repatriation, relocation, resettlement and reintegration programs. In recognition of its efforts to date, MoDM was tasked by the Prime Minister's office to coordinate humanitarian assistance efforts in certain regions of Iraq that have been the subject of intense military counter-insurgency operations. MoDM effectively handled these post-conflict assignments. IRMO provided capacity-building and mentoring to MoDM personnel in concert with additional USG funds provided for capacity-building programs for MoDM that are implemented by IOM and UNHCR.

## Construction

The Ministry of Construction and Housing has proceeded with implementation of the \$72 million IRRF grant from the USG for construction of eight major road and bridge projects around Iraq. Under US supervision, the Ministry advertises these projects for bid, accepts and reviews bids, awards contracts, and supervises the work. The agreement with the Ministry of Construction and Housing is a potential model for future IRRF grants to other Ministries as a way to build ministerial capacity, hand off reconstruction to the Iraqi government, and secure lower construction costs.

## Transportation

Civil Aviation has undergone extensive renovations and airport facility (terminals, towers and supporting facility) upgrades have been completed while final adjustments continue at Basrah, Baghdad International Airport (BIAP) and Mosul. Iraqi airports are increasingly capable of handling normal flights, and responding to high seasonal demand. Air transportation operations increased significantly during December to accommodate Hajj pilgrims traveling to Mecca. As many as 20,000 passengers will depart and return to BIAP and other Iraqi airports during the Hajj period ending in mid January. IRRF programs continue to improve capacity at five Iraqi airports, including upgrading safety equipment to allow limited increases in night operations. IRMO has delivered more than a dozen fire and fire support vehicles for airport use at Basrah, BIAP, and Mosul, significantly enhancing safety for airport and aircraft operations.

## Ports

IRRF projects continue to support the recovery of Iraq's ports. Thanks in part to completed projects, during the latter part of December the Iraqi port, Umm Qasr, berthed 14 vessels with more than 345 containers; 44,123 Metric tons of cement; 5 general cargo vessels and 3 passenger vessels. During the quarter, progress was made in installing a security fence at this port. Construction of a Ro-Ro (Roll On – Roll Off) berth at North Port of Umm Qasr will begin in approximately 45 days and will not only include construction of the berth, but will include removal of unexploded ordinance from the site.

## Iraqi Republic Railways

New equipment has enabled greater rail system operation throughout the country, some of which has reduced USG operational expenses. Trains began moving north through the unstable Latifiyah area during December. The IRR

moved loaded trains that were staged at Hillah north into Baghdad and are moving empty cars and equipment south to Basrah and the ports. This is a significant step, as insurgents prevented movements for some time. Continued collaboration between IRMO and the military here and in the Fallujah area will help to maintain this positive trend. In January, rehabilitation on the western line through Fallujah will begin.

#### Telecommunications

The Wireless Broadband Network (WBBN) expanded its operations during the past quarter, and is fully operational at 35 government sites. Phase one of the Inter-Banking Payment System was completed using WBBN. Full transition of these assets to the Iraqis is scheduled for first quarter of 2006. The Consolidated Fiber Network (CFN) is 26.4% complete with on-schedule completion forecasted for June 30, 2006. The National Communications and Media Commission (NCMC) headquarters building was completed and turned over to NCMC in late December. The NCMC is responsible for regulation of telecommunications, media broadcasting and information services.

#### **Coordination with Other Funding Sources**

IRRF continues to be closely integrated with other USG resources devoted to assist Iraq in reconstruction and institution building. The FY 2005 DOD supplemental provided an additional \$5.3 billion for training and equipping Iraqi security forces. IRMO and DOD continue to coordinate closely on training programs for the Iraqi Security Forces.

Commanders' Emergency Relief Program (CERP) is also an important program, which enables Multi-National Corps-I (MNC-I) commanders to respond to urgent humanitarian relief and reconstruction requirements within their area of operations. In FY 2005, an additional \$320 million in CERP funds were provided to commanders in the field. For FY 2006, DoD anticipates using \$375 million of appropriated funding for CERP projects in Iraq.

In summation, the last quarter of calendar 2005 has been successful. The challenges faced during this quarter, and indeed, throughout the year have been met with a great degree of patience, focus and skilled management. Projects completions have increased in spite of a difficult security situation, the transfer of assets to the Iraqi people is occurring, security and justice have achieved measured successes, corruption and crime are now being addressed by both the USG and the Iraqis, and the roots of a new democracy have begun to take hold. The foundation for these achievements was created from the work done under the IRRF program, and furthered by the commitment and

dedication of many brave Iraqi citizens to create a free and democratic society in which all Iraqis can thrive and prosper.

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						Apportioned (Dec 15, 05)	Actual Obligations (as of Dec 28)	Actual Outlays (as of Dec 28)	Rest of FY 2006 Apportionment	
<b>Security &amp; Law Enforcement</b>		<b>5017.6</b>	<b>33.0</b>	<b>(14.6)</b>	<b>5036.0</b>	<b>5020.6</b>	<b>4782.2</b>	<b>4092.9</b>	<b>15.4</b>	<b>5,036.0</b>
Law Enforcement		2298.2		(2.0)	2296.2	2298.2	2,216	1,783	(2.0)	2,296.2
-- Police Training and Technical Assistance	10000	1808.4		(2.0)	1806.4	1808.4	1,769	1,428	(2.0)	1,806.4
-- Border Enforcement	11000	436.8	-	0.0	436.8	436.8	398	324	0.0	436.8
-- Facilities Protection Service	12000	53.0	-	-	53.0	53.0	49	31	-	53.0
National Security		2633.4	-	(12.6)	2620.8	2633.4	2,482	2,261	(12.6)	2,620.8
-- Iraqi Armed Forces		1788.8	-	(12.6)	1776.2	1788.8	1,683	1,544	(12.6)	1,776.2
of which:										
-- IAF Facilities	20000	730.8	-	-	730.8	730.8	708	683	-	730.8
-- IAF Equipment	21000	628.6	-	(14.2)	614.4	628.6	589	498	(14.2)	614.4
-- IAF Training and Operations	22000	429.3	-	1.6	430.9	429.3	386	364	1.6	430.9
-- Iraqi National Guard of which:		674.7	-	7.0	681.7	674.7	640	571	7.0	681.7
of which:										
-- Operations and Personnel	23000	224.6	-	-	224.6	224.6	210	178	-	224.6
-- Equipment	24000	91.6	-	-	91.6	91.6	87	85	-	91.6
-- Facilities	27000	358.5	-	7.0	365.5	358.5	343	308	7.0	365.5
-- Iraqi Security Forces Quick Response Program	26000	170.0	-	(7.0)	163.0	170.0	158	146	(7.0)	163.0
Nonproliferation and Export Control & Border Security	09600	0.0	3.0		3.0	3.0	-	-	-	3.0
Focused Stabilization	08500	0.0	30.0		30.0	0.0			30.0	30.0
Commanders' Humanitarian Relief & Reconstruction	28000	86.0	-	-	86.0	86.0	84	49	-	86.0
<b>Justice, Public Safety Infrastructure, and Civil Society</b>		<b>2242.5</b>	<b>42.5</b>	<b>64.8</b>	<b>2349.8</b>	<b>2255.0</b>	<b>2,029.5</b>	<b>1,317.0</b>	<b>94.8</b>	<b>2,349.8</b>
-- Other Technical Investigative Methods	31000	5.0	-	-	5.0	5.0	1	1	-	5.0
-- Witness Protection Program	30000	37.0	-		37.0	37.0	35	10	-	37.0
-- Penal Facilities	32000	87.0			87.0	87.0	65	22	-	87.0
-- Reconstruction and Modernization of Detention Facilities	33000	165.0	-	2.0	167.0	165.0	136	50	2.0	167.0
-- Facilities Protection, Mine Removal, Fire Service, and Public Safety Facility and Equipment Repairs		274.0	4.0	9.2	287.2	278.0	255	220	9.2	287.2
of which:										
-- Facilities Repair	13000	89.0	-		89.0	89.0	80	54	-	89.0
-- Fire Service	14000	115.0			115.0	115.0	106	95	-	115.0
-- Demining	09500	70.0	4.0	9.2	83.2	74.0	70	70	9.2	83.2
-- Public Safety Training and Facilities	15000	219.5	-	-	219.5	219.5	211	159	-	219.5
-- National Security Communications Network	25000	106.5		-	106.5	106.5	102	69	-	106.5
--Rule of Law in Iraq	06500	56.2	-	53.6	109.8	56.2	41	28	53.6	109.8
-- Investigations of Crimes Against Humanity	05000	128.0			128.0	128.0	120	49	-	128.0
-- Judicial Security and Facilities	09000	159.0			159.0	159.0	122	56	-	159.0
-- Democracy Building Activities	06000	995.3	38.5		1033.8	1003.8	933	647	30.0	1,033.8
-- U.S. Institute of Peace (USIP)	07000	10.0	-	-	10.0	10.0	9	8	-	10.0

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						Apportioned (Dec 15, 05)	Actual Obligations (as of Dec 28)	Actual Outlays (as of Dec 28)	Rest of FY 2006 Apportionment	
<b>Electric Sector</b>		<b>4309.8</b>	-	<b>(89.8)</b>	<b>4220.0</b>	<b>4077.2</b>	<b>3,042</b>	<b>1,787</b>	<b>142.8</b>	<b>4,220.0</b>
-- Generation	40000	1607.8		0.4	1608.2	1607.8	1,304	978	0.4	1,608.2
-- Transmission	41000	1241.6		(89.8)	1151.8	1009.0	641	306	142.8	1,151.8
-- Network Infrastructure	42000	1289.4			1289.4	1289.4	958	438	-	1,289.4
-- Automated Monitoring and Control System	43000	127.0		-	127.0	127.0	95	21	-	127.0
-- Security	45000	44.0		(0.4)	43.6	44.0	43	43	(0.4)	43.6
<b>Oil Infrastructure</b>		<b>1723.0</b>	-	<b>12.6</b>	<b>1735.6</b>	<b>1723.0</b>	<b>1,403</b>	<b>657</b>	<b>12.6</b>	<b>1,735.6</b>
-- Infrastructure	50000	1697.0	3.5	12.6	1713.1	1700.5	1,397	652	12.6	1,713.1
-- Emergency Supplies of Refined Petroleum Products	51000	26.0	(3.5)		22.5	22.5	5	5	-	22.5
<b>Water Resources and Sanitation</b>		<b>2146.6</b>	<b>(15.5)</b>	<b>0.0</b>	<b>2131.1</b>	<b>1819.1</b>	<b>1,421</b>	<b>688</b>	<b>312.0</b>	<b>2,131.1</b>
Public Works Projects		1759.6	(15.5)	15.1	1759.2	1526.3	1,260	605	232.9	1,759.2
-- Potable Water	60000	1483.0	(15.5)	(21.6)	1445.9	1249.7	1,006	498	196.2	1,445.9
-- Water Conservation	61000	31.0	-	-	31.0	31.0	28	23	-	31.0
-- Sewerage	62000	234.7		36.7	271.4	234.7	216	80	36.7	271.4
-- Other Solid Waste Management	63000	10.9			10.9	10.9	10.90	4	-	10.9
Water Resources Projects		387.0	-	(15.1)	371.9	292.8	162	83	79.2	371.9
-- Pumping Stations and Generators	64000	123.0	-	56.9	179.9	123.0	107	46	56.9	179.9
-- Irrigation and Drainage Systems	65000	38.4	-	(30.8)	7.6	36.6	7	5	(29.0)	7.6
-- Major Irrigation Projects	66000	53.4	-	13.0	66.4	50.2	6	3	16.3	66.4
-- Dam Repair, Rehab, and New Construction	67000	61.5		21.1	82.6	57.6	19	15	25.0	82.6
-- Umm Qasr to Basra Water Pipeline and Treatment Plant	68000	110.7	-	(75.3)	35.4	25.4	23	13	10.0	35.4
-- Basra Channel Flushing	69000		-		0.0		-	-	-	-
<b>Transportation &amp; Telecommunications Projects</b>		<b>508.5</b>	<b>(38.0)</b>	<b>(5.0)</b>	<b>465.5</b>	<b>508.5</b>	<b>397</b>	<b>209</b>	<b>(43.0)</b>	<b>465.5</b>
-- Civil Aviation	70000	113.7	(38.0)	-	75.7	113.7	54	30	(38.0)	75.7
-- Umm Qasr Port Rehab	71000	45.0	-	-	45.0	45.0	42	30	-	45.0
-- Railroad Rehab and Restoration	72000	189.3		-	189.3	189.3	169	110	-	189.3
-- Iraqi Telecom and Postal Corporation	74000	20.0	-	-	20.0	20.0	14	13	-	20.0
-- Iraqi Communications Systems	76000	45.5	-	-	45.5	45.5	36	13	-	45.5
-- Consolidated Fiber Network	76500	70.0	-	-	70.0	70.0	70	2	-	70.0
-- Iraqi Communications Operations	79000	25.0	-	(5.0)	20.0	25.0	12	11	(5.0)	20.0
<b>Roads, Bridges, and Construction</b>		<b>333.7</b>	-	-	<b>333.7</b>	<b>333.7</b>	<b>256</b>	<b>159</b>	-	<b>333.7</b>
-- Public Buildings Construction and Repair	81000	127.0	-	-	127.0	127.0	123	110	-	127.0
-- Roads & Bridges	82000	206.7			206.7	206.7	133	49	-	206.7
<b>Health Care</b>		<b>786.0</b>	<b>(47.0)</b>	-	<b>739.0</b>	<b>786.0</b>	<b>634</b>	<b>344</b>	<b>(47.0)</b>	<b>739.0</b>
-- Nationwide Hospital and Clinic Improvements	90000	439.0	(35.0)	-	404.0	439.0	351	217	(35.0)	404.0
-- Equipment Procurement and Modernization	92000	297.0	(12.0)	-	285.0	297.0	233	116	(12.0)	285.0
-- Pediatric Facility in Basra	91000	50.0	-	-	50.0	50.0	50	12	-	50.0

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						Apportioned (Dec 15, 05)	Actual Obligations (as of Dec 28)	Actual Outlays (as of Dec 28)		
<b>Private Sector Employment Development</b>		<b>795.3</b>	<b>5.0</b>	<b>5.0</b>	<b>805.3</b>	<b>795.3</b>	<b>782</b>	<b>556</b>	<b>10.0</b>	<b>805.3</b>
-- <i>Expand Network of Employment Centers</i>	01000	8.0	-	-	8.0	8.0	8	8	-	8.0
-- <i>Vocational Training</i>	02001	75.1			75.1	75.1	75	69	-	75.1
-- <i>Business Skills Training</i>	02500	37.0	-	3.2	40.2	37.0	32	26	3.2	40.2
-- <i>Micro-Small-Medium Enterprises</i>	03000	44.0	-	(3.2)	40.8	44.0	36	36	(3.2)	40.8
-- <i>Institutional Reforms</i>	01500	80.0	5.0	-	85.0	80.0	80	20	5.0	85.0
-- <i>Agriculture</i>	01600	100.0	-	5.0	105.0	100.0	100	28	5.0	105.0
-- <i>Market-Based Reforms</i>	03500	98.9			98.9	98.9	99	17	-	98.9
-- <i>Iraq Debt Forgiveness</i>	04500	352.3		-	352.3	352.3	352	352	-	352.3
<b>Education, Refugees, Human Rights, Democracy, and Governance</b>		<b>363.0</b>	<b>20.0</b>	<b>27.0</b>	<b>410.0</b>	<b>363.0</b>	<b>335</b>	<b>195</b>	<b>47.0</b>	<b>410.0</b>
-- <i>Migration &amp; Refugee Assistance</i>	04000	159.0		27.0	186.0	159.0	153	85	27.0	186.0
-- <i>Property Claims Tribunal</i>	05500	10.0	-	-	10.0	10.0	9	9	-	10.0
-- <i>Governance</i>	06700	40.0	-	-	40.0	40.0	35	18	-	40.0
-- <i>Ministrial Capacity Building</i>	06750	0.0	20.0		20.0		-		20.0	20.0
-- <i>Banking System Modernizations</i>	08000	30.0	-	-	30.0	30.0	29	22	-	30.0
-- <i>Human Rights</i>	09500a	15.0	-	-	15.0	15.0	11	5	-	15.0
-- <i>Education</i>	06300	99.0	-	-	99.0	99.0	88	47	-	99.0
-- <i>Civic Programs</i>	06600	10.0	-	-	10.0	10.0	10	10	-	10.0
<b>Administrative Expenses</b>		<b>213.0</b>	<b>-</b>	<b>-</b>	<b>213.0</b>	<b>213.0</b>	<b>148</b>	<b>57</b>	<b>-</b>	<b>213.0</b>
-- <i>USAID</i>		29.0	-	-	29.0	29.0	28	28	-	29.0
-- <i>Administrative Expenses for U.S. Mission to Iraq</i>		184.0	-	-	184.0	184.0	119	28	-	184.0
<b>GRAND TOTAL</b>		<b>18439.0</b>	<b>-</b>	<b>0.0</b>	<b>18439.0</b>	<b>17894.4</b>	<b>15,228</b>	<b>10,061</b>	<b>544.6</b>	<b>18,439.0</b>

## APPENDIX I

### **SECTOR: Security and Law Enforcement**

Continued development of the Iraqi Security Forces (ISF) has enabled the Iraqis to increasingly take the lead in combat operations over the past quarter. The Ministry of Defence (MoD) and the Ministry of Interior (MoI) continue to man, train and equip forces, and develop institutional capability. Over 223,000 military and police personnel are now trained and equipped, with nearly 130 Iraqi Army and police combat battalions engaged in the fight against the insurgency. Of these, approximately 85 battalions are fighting alongside Coalition Forces. Nearly 45 additional battalions have taken the lead in planning and executing operations in their areas of responsibility (AOR), with 33 of those taking the lead in their own AORs. Some coalition support is still necessary for these units, particularly logistics support and other combat enablers. As we continue to help the Iraqis generate their own logistics capabilities and combat enablers, they are making critical strides towards achieving operations totally independent of Coalition Forces.

Continued and sustained progress of the ISF is linked to the development of MoD and MoI institutional capability to direct, support and sustain these forces. The Multi-National Security Transition Command- Iraq (MNSTC-I) and the Iraqi Reconstruction Management Office (IRMO) are two of the elements tasked with facilitating the building of ministerial capacity. As of October 1, the IRMO mission to develop the MoD and MoI was transferred to MNSTC-I. The IRMO personnel working with these ministries were placed under the operational control of MNSTC-I, while IRMO retains administrative control. This realignment improves integration and coordination of efforts to ensure key ministerial functions develop commensurate with those of the Iraqi security forces. While substantial progress has been made in generating forces, the MoD and MoI continue to experience challenges with their institutional capability to support fielded forces. These institutional functions, such as administrative processes, programming and budgeting, finance, and life support and sustainment, are critical to ensuring the sustained needs and requirements of the ISF are met.

As combat battalions progressively develop and conduct operations independent of partner coalition units, the emphasis on Iraqi combat enablers has grown. Iraqi logistical capabilities that support and sustain Iraqi combat units are critical to the ultimate success and independence of the ISF. During the last quarter, one additional Motorized Transport Regiment (MTR), comprised of 1,928 trained logistics soldiers, non-commissioned officers (NCOs) and commissioned officers, was formed. The MTRs provide mobility and sustainment capabilities to Iraqi Army divisions, reducing dependence of Iraqi forces on coalition support.

### **Ministry of Interior Forces Overview**

The force structure plan for the MoI is on-track to be completed by mid-2007, and continues to ensure that the Iraqi police forces are tailored to meet the needs of the current operational environment and are oriented to the future beyond the counter-insurgency. As we have helped the Iraqis train, equip and deploy more forces, increased emphasis has been placed on the Ministry's capacity to support them. In early October, the Civilian Police Assistance Training Team (CPATT) was designated to lead coalition initiatives to develop the capabilities of the MoI. CPATT has realigned its internal organization, with the Police Partnership Program MoI (P3-MoI) team integrating military, International Police Liaison Officers (IPLO), International Police Trainers (IPT), and the former IRMO personnel, into one team focused on developing the

Ministry. This team is in the process of conducting a comprehensive assessment of the Ministry that will enable the team to focus their efforts on the minimum essential processes that will allow the MoI to develop into a fully functioning bureaucracy.

**Border Forces:** Increased emphasis has been placed on the development of border forces and Iraq's capability to secure its borders. The MoI's Department of Border Enforcement (DBE) has over 17,000 trained and equipped personnel, with an increase of 600 members this quarter. Improved communications equipment was provided to the units along the Syrian border to support extended operations. To support the fielding of this equipment, MNSTC-I deployed communications experts to train the DBE personnel in radio operations and procedures. DBE units continue their cycle of training and deployment to the Syrian border, working closely with the MoD and the Coalition to create a layered security effort to protect the borders of Iraq. This layered effort includes border patrols by the DBE units, Iraqi Army checkpoints and Coalition Forces to create a defense in depth approach to controlling the border. In addition, MNSTC-I and DBE are conducting a training review with the intent to improve the current border guard basic training and leader training. This initiative will result in the start of a new junior officer and NCO leader course in early January 2006. This training will be critical to professionalizing the DBE force.

The legal land Ports of Entry (POE) have also received increased focus from joint Iraqi-Coalition teams, with concerted attempts to assess, standardize and implement processes to improve the flow of commerce through Iraq's borders. Specifically, standard operating procedures for improvements in training, equipping and the manning of POEs are being executed. Coalition Forces in coordination with U.S. Embassy representatives are implementing a strategy to assist the Government of Iraq in establishing a standard organization and specific ministries' responsibilities at the POEs. This effort will result in more effective POEs that support Iraq's security and economic priorities.

**Iraqi Police Service:** During this quarter, 9,066 recruits completed the Basic Police Academy program and 344 recruits graduated from the three-week Transition Integration Program (TIP). The TIP course is for members of the police hired under the former regime; these individuals receive a course that not only provides a skills refresher, but includes considerable human rights and rule-of-law instruction. New recruit basic police training, which is ten weeks long, and annual refresher courses also emphasize human rights standards and policies, as well as rule of law training. As of December 29th, over 75,000 serving police will have been trained and equipped, having attended either basic police or TIP training. Development of Iraqi Police instructors is one of the key steps being taken to establish Iraqi leadership of the police training mission. Recruitment efforts have continued this quarter, with the MoI approving the hiring of 15,000 new policemen.

The MoI increasingly focuses on leadership development of its officers and non-commissioned officers. In partnership with the MoI, CPATT began planning the training curriculum that is forming the foundation of the professional leadership development program. The program trains and mentors current and future Iraqi leaders to support and promote moral character, human rights and integrity in service to the Iraqi people. The six-month Police Officer Academy program, for senior serving policemen with higher education, began in October with 285 students. The nine-month Police Officer Academy program, for currently serving policemen began in December with 300 cadets. The three year Police Officer Academy curriculum, with projected enrollment of 1,000 cadets without previous police experience, will begin in the first half of 2006.

**Special Police:** Special Police units continue to improve their capabilities as a national, rapid-response force capable of countering armed insurgency, large scale disobedience and riots. The sixth training iteration of the Public Order basic course was completed (trained, equipped and deployed) in October. These 1,062 policemen reinforced the four existing Public Order Brigades as they increased to authorized battalion strengths of 750 policemen. The seventh training iteration graduated 896 Public Order policemen in December. The 1<sup>st</sup> Special Police Mechanized Brigade has received 55 of 63 Armored Security Vehicles (ASVs). The remaining vehicles and training will be completed in the first quarter of 2006.

Special Police Units continue to conduct counter-insurgency (COIN) operations in Baghdad, Ramadi, Samarra, Mosul and Salman Pak. The Special Police Transition Teams (SPTTs) continue to mentor and monitor the leadership of these special police units in the planning and execution of operations. These teams provide critical mentorship and expertise, while also emphasizing the importance of human rights and the rule of law. The MoI also planned, coordinated and led a major operation in Baqubah. Additionally, two battalions of the mechanized police brigade are currently conducting operations in Baghdad, helping to secure Route Irish, the route between the International Zone and Baghdad International Airport. The Emergency Response Unit (ERU), a highly trained hostage rescue unit, now has over 400 operators. Over the last quarter, the ERU has conducted successful operations almost every other night in Baghdad. All Special Police elements supported the December 15 election by providing security at key polling sites.

**Biometric Data Collection and ID Cards:** The MoI Qualifying Committee (MoIQC) continued its biometric data collection efforts that assist in the proper vetting of MoI employees and support the separation of unqualified Iraqi Police Officers. To date, the MoIQC has collected approximately 192,987 personnel profiles, populating a national database used to generate over 92,500 new Iraqi Police Service (IPS) identification cards to date. Total costs to date are \$508,000. An additional 90,000 identification cards will be printed by the end of December. An extensive reconciliation is being undertaken to compare data collected to source documents, including hiring orders, to ensure that only properly hired employees receive identification cards. Upon completion of the reconciliation, the Minister of Interior will issue the identification cards and establish the date when biometric data will be used as the basis for distributing pay. The biometric data has identified a number of payroll errors, such as fictitious or unqualified employees.

**Fingerprint Identification System:** The Automated Fingerprint Identification System (AFIS) was transferred from the U.S. and has been installed in Baghdad. MoI personnel who have completed the advanced fingerprinting training program are certified to operate the AFIS. Fingerprints of existing policemen and police applicants are compared to the Iraqi criminal fingerprint database, as part of the screening and vetting process. If a finger print match is identified, the information is provided to the MOI Inspector General's office for appropriate action.

**Ministerial Capacity:** The expansion of the Police Partnership Program (P3) MoI Team to incorporate IRMO elements has resulted in a more capable organization. Increased contact time between Iraqi officials and Coalition partners facilitates valuable coordination and synchronization of efforts between Coalition and Iraqi leadership. The Minister of Interior approved the recent formation of a Strategic Planning Group, comprised of Iraqi and Coalition members. The P3 MoI Team has also facilitated several regular meetings between MoI

departments, improving hitherto poor internal coordination. The new organization maximizes coalition efforts, while still continuing programs and existing forums for valuable exchanges, such as quarterly budget conferences and monthly meetings of the Provincial Chiefs of Police.

### **Ministry of Defence Forces Overview**

Ministry of Defence (MoD) forces include the Iraqi Army (IA), Iraqi Special Operations Forces (ISOF), Strategic Infrastructure Battalions (SIBs), the Navy, Marines, and the Air Force. Partnership with Coalition units has continued to enable significant progress in the development of MoD forces. Iraqi divisions continue to evolve in capability as relationships between Iraqi and Coalition forces are strengthened. Nearly 100 combat battalions of the IA are conducting aggressive COIN operations. Many of these operations are independent except for logistical and other combat-enabling support provided by the Coalition. However, MNF-I is generating a growing number of combat support and combat service support (CS/CSS) units that will provide MOD forces with tactical and operational logistic capabilities.

The MoD continues to generate front-line combat forces to meet MoD's end state force generation plan of nine light infantry division and one armored division. The 7<sup>th</sup> Division (comprised of approximately 7,583 personnel) is on track for completion of training by early 2006. The 3<sup>rd</sup> Brigade, 7<sup>th</sup> Division has commenced its initial training and is on schedule to become operational in late January 2006. The 7<sup>th</sup> Division Headquarters, including its combat support and service support companies, is now forming. The 9<sup>th</sup> Division Headquarters is also forming its CS/CSS companies. The 9<sup>th</sup> Division's Military Police Company will be that division's first combat support company to form and undergo training. The 2<sup>nd</sup> Brigade of the 9<sup>th</sup> Division (Mechanized) completed its initial training and has returned to conduct collective training after supporting the December 15<sup>th</sup> election. This Brigade is armor-heavy, with two tank battalions and one mechanized battalion. The mechanized battalion is equipped with 36 BMP-1 armored personnel carriers donated by Greece. The two tank battalions are equipped with 77 T-72 tanks donated by Hungary, which were received in early November along with the BMPs.

With the assistance of the NATO Training Mission-Iraq (NTM-I), we are helping the Iraqi Armed Forces develop a professional development training structure through the creation of an Iraqi Training and Doctrine Command. This Command is responsible for the oversight of training Officer and NCO professional development and the writing of doctrine. NTM-I and MNSTC-I are working together to build each of these capacities. In late September, 88 Iraqi officers began courses at the newly opened Junior and Senior Staff Colleges.

**Infrastructure Security:** Five SIBs have completed basic training and are now conducting security operations. These units are focused on securing a portion of oil pipelines critical to the domestic and export industry and electricity transmission lines. MNSTC-I provided mission-essential equipment to the SIBs, such as AK-47s, vehicles, communications equipment, Individual Body Armor (IBA), helmets and uniforms. A train-the-trainer model was utilized to develop the Iraqi capability to internally train the SIBs.

**Logistics Support:** The National Maintenance Contract (NMC) has provided some organizational and intermediate maintenance capability to the IAF during the last quarter. The present contract is designed to allow the continuation of this capability as a uniformed tactical level maintenance capability is trained and equipped to take over these roles. In addition, the NMC is to provide a depot maintenance capability with regards to armored vehicles, weapons, and communications gear during the course of 2006. The present contract ends March 2007.

At this stage the NMC is not being viewed as the permanent solution to the maintenance needs of the IAF. The possibility exists however that the NMC may be requested to continue depot operations at Tadjji by the MOD extending the contract.

Over the past quarter, we have helped the Iraqis build comprehensive lines of logistical support. This structure, when complete, will consist of a national-level depot (already operating), regional support units that provide maintenance and supply support to nearby units, Motorized Transport Regiments (MTRs), and Headquarters and Services Companies (HSCs) that will be in every combat battalion. Operational units are currently conducting logistical support missions and providing critical capabilities as they move personnel and materiel in support of the Coalition Corps Support Command (COSCOM). The fourth MTR is currently being raised and will become operationally effective in 2006.

**Basic Training:** The basic training system has been expanded and consolidated under the command of the Iraqi Training Brigade, which, once complete, will consist of three Iraqi Training Battalions (ITBs). The first two battalions are operational at the Kirkush Military Training Base (KMTB) and the third is partially formed and is conducting training at An Numaniyah.

**Engineer Training:** The 1<sup>st</sup> Engineer Training Regiment in Taji has been redesignated the Engineer Training School. This school concentrates on training entire engineer companies; to date, all ten 142-soldier Division-level Engineer Companies have completed basic engineer training at the Engineer Training School. The School will conduct advanced training for all ten Engineer Companies beginning in January. The Engineer Training School is also the precursor to the fully-operational Bomb Disposal School. To date, four Division-level Bomb Disposal Companies have completed thirteen weeks of training. Presently, three others are in training, with three more scheduled. Beginning in January, Improvised Explosive Device (IED) and train-the-trainer programs will be included in the Bomb Disposal School curriculum.

**Leadership Training:** In order to meet the Iraqi Army's need for professionally trained junior leaders, a system of Regional Training Centers (RTCs) has been established. These six centers expand the Iraqi training structure's capacity, allowing for more students to attend the Squad and Platoon Sergeant Courses that focus on developing the leadership capabilities of NCOs and the development of a professional NCO Corps. Beginning in January, a Sergeants Major Course and Chief Warrant Officer Course will be added to the NCO Professional Education System.

The Iraqi Military Academies will conduct special training for former Army officers throughout the next quarter, while still conducting the year-long Basic Officer Commissioning Course (BOCC). The Former Officer Course (FOC) training will focus on human rights, ethics and COIN operations. The Iraqi Military Academy at Ar Rustamiyah (IMAR) graduated 180 cadets in December, while the Iraqi Military Academy at Zahko started training 103 students in the 90-day course designed for former cadets that were enrolled at the Iraqi Military Academy prior to the start of the war.

**Air Force:** The training of Iraqi C-130 crews at Ali Base (Talil) has successfully produced 28 basic air-land qualified aircrew personnel and the first complete mission-ready Iraqi crew. During the training program, Iraqi C-130s have successfully supported coalition counter-insurgency operations in the North and West of Iraq. They have also flown humanitarian missions, provided a distinguished visitor transport capability and supported the October

referendum and December election through the movement of officials, ballots and referendum workers.

**Navy and Naval Infantry Operations:** The Iraqi Navy's (IqN's) training programs and operational capabilities continue to grow at a steady pace. The Iraqi Navy and Marines, in coordination with Coalition maritime forces, continue to conduct maneuvers to provide offshore oil platform security as well as anti-smuggler, anti-terrorist and anti-piracy operations within Iraqi territorial waters. Operators of the five Predator Class patrol boats have completed challenging assessments and continue to be re-validated for operations through recurring Sector Guardian exercises. The Iraqi Marines (IqM) assumed point defense duties (under Coalition supervision) on Kwar Al Amaya Oil Terminal and Al Basrah Oil Terminal in December. Recent promotions throughout the service (the first since its inception) are an important step in further organizational maturation.

As the Iraqi Navy continues to mature at both the operational and strategic levels, its ability to conduct planned operations with coalition partners has suffered as a consequence of the MoD's inability to provide sufficient levels of logistics support. This inability is complicated by an inefficient national fuel distribution system and an inadequate benzene allocation which threaten current operational capability. Delays and disappointments in the Iraqi MOD acquisition chain stand as the major obstacle facing the IqN. The Al Faw Patrol Boats are already delayed three months and will likely be delayed further in addition to identified design flaws. The contract to acquire two OSVs remains stalled in IMOD Acquisitions. The IqN leadership plans to expand its numbers (both IqN and IqM) in 2006, yet there is no apparent infrastructure development plan. Current barracks accommodations house more than double the intended number of occupants.

The contracted repairs for PB 101 will be complete by late December 2005, returning an additional 20% in operational capability to the current five ship fleet. Although organizational growth and challenges await, the recent departure of the former base support unit and the installation of a new life support contractor offer hope of greatly improved logistics support for the first time since July 2005. It is now critical the IqN be appropriately funded to maintain the logistics structure currently being groomed.

## 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
October 2005	1,040	768	-	-	-	-	1,808	1,691	1,257
Change from October	-	-	-	-2	-	-	-2	+78	+171
January 2006	1,040	768	-	-2	-	-	1,806	1,769	1,428

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$2 million, reallocating funds to Reconstruction and Modernization of Detention Facilities (PC 33000) to support equipment requirements for the Iraqi Correctional Officers.

**Accomplishments since the October Report:**

- Completed IT equipment installation between Provincial Police Headquarters and Provincial Joint Coordination Centers (PJCC) in over 75% of the provinces, permitting communication between the headquarters and the PJCC. The PJCCs can now better coordinate provincial resources and provide more complete assessments to the National Joint Coordination Center (NJCC).
- Completed the Iraqi Command and Control Network (IC2N), which provide a secure voice and data capability to primary C2 nodes for the Iraqi Civil Security Forces (Police). Over 75% of the Provincial Police HQs and Provincial Joint Coordination Centers (PJCCs) are now connected and can talk – PJCC to Police and vice-versa, across Iraq's Provinces, and to the National Command Center (NCC), National Joint Coordination Center and other national sites.
- Established Tables of Distribution and Allowances (TDA) for a standard station size of 159 personnel, to be used as the baseline for all police stations. The approved TDA provides a basis for ordering equipment needed by the Iraqi Police and is used as the driver to fill personnel, equipment, vehicles and weapons.
- The number of Iraqi Instructors at Jordan International Police Training Center (JIPTC) has increased over the last several months from 38 to nearly 100. JIPTC has a training staff of 388 including 52 U.S. trainers. JIPTC generally has approximately 3,000 cadets in training
- Initiated the six-month Officer Course programs at the Baghdad Police College (BPC) with 286 cadets. The course was designed for currently serving, experienced police personnel.
- Relocated specialized training for the Iraqi Police Service from Adnan Palace to the Baghdad Police College during the Referendum recess (\$25,000).
- Graduated 1,968 Public Order Battalion cadets from Al Numaniyah Training Base.
- Completed the 1<sup>st</sup> Special Police Forces Mechanized Brigade Headquarters at Taji (\$44 million).
- Completed construction and renovation of the Baghdad River Patrol Headquarters, providing significant force protection enhancements, training, boat maintenance facilities and barracks facilities (\$1 million).
- Completed construction on Police Commando Site Four located in Baghdad (\$11.6 million).

**Accomplishments anticipated in the next quarter:**

- Complete eight police stations in the Mosul and Tal Afar areas (\$5.3 million).
- Develop a “Sergeant to Commissioner Course” designed for mid-level police leaders.
- Renovate student barracks at the Special Police Forces Academy at Forward Operating Base Solidarity in Baghdad.
- Increase the number of Iraqi police instructors by approximately 10% within selected basic training programs to continue shifting ownership of training to the Iraqis.
- Enroll and graduate 1,200 Public Order Battalion cadets from the Al Numaniyah Training Base.
- Enroll and graduate 300 basic recruits, 100 Sergeants and 100 Officer Candidates from the Special Police Commando Training Base in northern Baghdad.

**Border Enforcement**  
**Project Code: 11000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	260	177		-	-	-		437	382	258
Change from October	-	-		-	-	-		-	+16	+66
January 2006	260	177		-	-	-		437	398	324

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

**Accomplishments since the October Report:**

**DoD**

- Accomplished improved protection and aggressive patrolling of the borders with approximately 900 newly recruited, trained and equipped border personnel.
- Assisted in the formation of a National Ports of Entry Directorate to improve control and provide technical advice on Customs, Immigration and Security procedures in the Ports of Entry through development of policy proposals, a national conference and training.
- Expanded the Department of Border Enforcement (DBE) academies training course to include medical care and communications training.
- Completed renovation of the DBE Headquarters, thereby improving relationship node communication throughout the DBE forces (\$0.5 million).

- Completed construction of the entry control point (ECP) at the Basrah Academy, improving security measures and limiting access to the academy (\$0.2 million).
- Completed construction projects at the Kirkush, Sulaymaniyah, Basrah, and Al Kut DBE Academies, resulting in improved training and greater number of border patrol graduates (\$84 million).
- Completed construction of the Rabea'a POE in the Ninewah Governorate.
- Continued construction of the Sayranban and Zurbatia POEs (\$3.8 million).

### **PCO**

- Completed construction of two Points of Entry at Al Shalamacha and Safwan to finalize the PCO Points of Entry program (~\$6.1 million).
- Completed construction of 38 Border Forts (~\$23.1 million).
- Experienced delays in 45 Border Forts due to structural steel deficiencies.

### **Accomplishments anticipated in the next quarter:**

#### **DoD**

- Complete Force Protection upgrades at Al Waleed, Trebil, and Rabea POEs (\$5 million).
- Complete construction of seven Border Forts and one Sector Fort along the Syrian Border (\$18 million).
- Complete Ibrahim Khalil and Safwan POEs.
- Develop and implement customs, immigration and leadership courses for the DBE academies.
- Develop a plan for transitioning life support responsibilities to the DBE during the first half of 2006.

**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
October 2005	53	0		-	-	-		53	46	28
Change from October	-	-		-	-	-		-	+3	+3
January 2006	53	0		-	-	-		53	49	31

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of Defense**Changes from the October Report:** This report maintains the \$53 million allocated to facilities protection service (FPS).**Accomplishments since the October report:**

- Continued construction of the new Facilities Protection Services (FPS) National Headquarters. The facility is approximately 75% complete.
- Issued uniforms and equipment to the Diplomatic Protection Services (DPS).
- Developed and initiated tier-II PSD training at the Baghdad Police College. This training was conducted for the Facilities Protection Service (FPS) where 87 FPS personnel completed this specialized training.

**Accomplishments anticipated in the next quarter:**

- Complete the new Facilities Protection Services National Headquarters. The FPS will share this facility with departments of the Ministry of Finance.
- Complete the new FPS National Training Academy.

**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
October 2005	602	129		-	-	-		731	708	653
Change from October	-	-		-	-	-		-	-	+30
January 2006	602	129		-	-	-		731	708	683

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of Defense.

**Changes from the October Report:** This report maintains the \$731 million allocated to Iraqi Armed Forces facilities.

**Accomplishments since the October Report:**

- Completed construction of the Habbaniyah installation for the 2<sup>nd</sup> Brigade, 1<sup>st</sup> Division and the 1<sup>st</sup> IA Division headquarters. This base will accommodate an additional 2,725 soldiers (\$2 million).
- Completed construction of the Al Haswah installation for the 2<sup>nd</sup> and 3<sup>rd</sup> Battalions, 4<sup>th</sup> Brigade, 1<sup>st</sup> IA Division. This will accommodate 1,700 additional soldiers (\$48 million).
- Completed construction of three additional base support unit garrisons located at Ar Rustamiyah, Tallil and Habbaniyah (\$15 million).

**Accomplishments anticipated in the next quarter:**

- There are no new projects that are anticipated to be completed in the next quarter. There are no current projects planned to use the remaining funds.
- Completed 52 various Iraqi Military projects to include barracks, headquarters, admin buildings, force protection, dining facilities, and motor pools.
- The remaining balance will be use to fund Cost to Complete construction projects as they are identified. None identified at this time.

**Iraqi Armed Forces Equipment**

**Project Code: 21000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
October 2005	606	23	-	-	-	-	629	570	441
Change from October	-	-	-	-14	-	-	-14	+19	+57
January 2006	606	23	-	-14	-	-	615	589	498

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of Defense.

**Changes from the October Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$14.2 million, reallocating \$12.6 million to Oil Infrastructure (PC 50000) as part of the Infrastructure Security requirement directed by the Deputies Committee in June 2005 and \$1.6 million to Iraqi Armed Forces Training and Operations (PC 22000) to provide funding for Iraqi training life support contract.

**Accomplishments since the October Report:**

- Fielded approximately 4,000 radios to the Iraqi Security Forces (\$2.8 million).
- Commenced the first interim Signal School Class in December. Instructors reported to the Signal School to prepare for the start of the first class. The interim school will continue to function until construction is completed on the new Signal School (projected in May, 2006).
- Raised and commenced the training of the 4<sup>th</sup> Motorized Transportation Regiment (MTR).

**Accomplishments anticipated in the next quarter:**

- Field approximately 28,000 radios and 1,000 computers to the ISF (\$20.5 million).
- Commence construction of the new Signal School.
- Complete Modified Table of Organization and Equipment (MTOE) radio equipment fielding to all units of the 7<sup>th</sup> and 9<sup>th</sup> Divisions.
- Finish the collective training of the 4<sup>th</sup> MTR, assign to the Corps Support Command (COSCOM), and move to its permanent location of Habbaniyah.

**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
October 2005	394	35	-	-	-	-	429	380	335
Change from October	-	-	-	+2	-	-	+2	+6	+29
January 2006	394	35	-	2	-	-	431	386	364

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of Defense.

**Changes from the October Report:** This report notifies Congress of the Administration’s intent to increase this project code by \$1.6 million to provide funding for the life support contract at Ar Rustimiyah, taking money from Project Code 21000.

**Accomplishments since the October Report:**

- Provided communications training to Military Transition Teams (MiTTs), Border Transition Teams (BTTs) and ISF throughout Iraq. Conducted training on the Harris high frequency tactical radio system.

- Conducted required lead-up training for the 3<sup>rd</sup> MTR to commence operational missions. Enhanced unit capability through advanced training and the up-arming of all vehicles.
- Established the 5<sup>th</sup> MTR MiTT, which arrived in theatre on 30 December.
- Coordinated transition of life support to Iraqi government at three Iraqi bases (Al Kasik, BIAP and Taji).

**Accomplishments anticipated in the next quarter:**

- Conduct additional radio training via mobile training teams and Signal School to assist the ISF objective of filling requirements for ten Division Signal Companies.
- Man, equip and conduct individual and collective training in preparation for the 5<sup>th</sup> MTR's assignment to the COSCOM.

**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	Outlayed
October 2005	159	66		-	-	-		225	216	165
Change from October	-	-		-	-	-		-	-6	+13
January 2006	159	66		-	-	-		225	210	178

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of Defense.

**Changes from the October Report:** This report maintains the \$225 million allocated to Iraqi National Guard operations and personnel.

**Accomplishments since the October Report:**

- Provided support services to the Iraqi C-130 fleet for the Iraqi Air Force Squadron Number 23.

**Accomplishments anticipated in the next quarter:**

- Transfer Habbaniyah base support from Coalition Forces to the Iraqis.
- The Seeker reconnaissance aircraft of 70 Squadron will continue in their limited reconnaissance role. To enable continuing operations, there are plans to commit additional funding (\$250,000) for essential support equipment, tools and storage facilities at 70 Squadron (Basrah).

- Continue operations for the Jet Ranger helicopter fleet for the forthcoming year (\$1 million). Additional funding (\$250,000) is required for essential support equipment, tools and storage facilities at Taji.

### **Iraqi National Guard Equipment**

**Project Code: 24000**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
October 2005	81	11	-	-	-	-	92	86	81
Change from October	-	-	-	-	-	-	-	+1	+4
January 2006	81	11	-	-	-	-	92	87	85

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of Defense.

**Changes from the October Report:** This report maintains the \$92 million allocated to Iraqi National Guard equipment.

#### **Accomplishments since the October Report:**

- Trained the 3<sup>rd</sup> Brigade, 7<sup>th</sup> Division new recruits on basic soldier skills.
- Advanced the 3<sup>rd</sup> Brigade to unit training.
- Commenced formation of the 7<sup>th</sup> Division Headquarters, including the forming of the special companies.

#### **Accomplishments anticipated in the next quarter:**

- Complete final training of the 3<sup>rd</sup> Brigade, 7<sup>th</sup> Division at the end of January and deploy element to their operational base.
- Finish training and deployment of the 2<sup>nd</sup> Brigade, 9<sup>th</sup> Mechanized.

### **Iraqi National Guard Facilities**

**Project Code: 27000**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
October 2005	-	359		-	-	-	359	339	230
Change from October	-	-		+7	-	-	+7	+4	+78
January 2006	-	359		7	-	-	366	343	308

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of Defense

**Changes from the October Report:** This report notifies Congress of the Administration’s intent to increase this project code by \$7 million from Iraqi Security Quick Response Program (PC 26000) for additional construction at the Al Rasheed facility.

**Accomplishments since the October Report:**

- Complete four battalion and one brigade headquarters for the 10<sup>th</sup> Division. (\$55 million).

**Accomplishments anticipated in the next quarter:**

- Continued construction of Iraqi Brigade facilities at Al Rasheed Military Base to include barracks, dining facility, motor pool, headquarters, and administrative buildings; expect to be completed in 2<sup>nd</sup> quarter 2006. Currently 85% complete (\$45.5 million).
- Continued construction of Iraqi Brigade facilities at Camp India Base to include barracks, dining facility, motor pool, headquarters, and administrative buildings; expect to be completed in early in 2<sup>nd</sup> quarter 2006. Currently 88% complete (\$55.3 million).

**Iraqi Security Forces Quick Response Program**

**Project Code: 26000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005		40	130		-	-	-	170	164	135
Change from October		-	-		-7	-	-	-7	-5	+11
January 2006		40	130		-7	-	-	163	158	146

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of Defense.

**Changes from the October Report:** This report notifies Congress of the Administration’s intent to decrease this project code by \$7 million, reallocating funds to Iraqi National Guard Facilities (PC 27000) for additional construction required at the Al Rasheed facility.

**Accomplishments since the October Report:**

- Responded rapidly to the needs of the ISF and provided them timely assistance for urgent and compelling emergent requirements. For example, funded \$742,000 for critical force protection materials (fencing, guard towers, force protection walls) for the 2<sup>nd</sup> Public Order Brigade at Zafrania to provide additional protection from Vehicle Borne Improvised Explosive Device (VBIED) attacks. Additionally, funded \$630,000 for crucial vehicle up-armorings for the 3<sup>rd</sup> Brigade, 7<sup>th</sup> Division at An-Numaniyah.

- Spent QRF monies at a rate consistent with requirements and objectives. The Commander, MNSTC-I, used information from local commanders identifying and funding the most critical, time-sensitive needs. These included many construction projects, Life Support, and equipment.

**Accomplishments anticipated in the next quarter:**

- Continue to respond rapidly to the needs of the ISF and provide them timely assistance for urgent and compelling emergent requirements such as emergency force protection/bomb detection equipment or emergency repair of police stations targeted by insurgents. Further, these funds support within-scope modifications to uncompleted contracts.

**Nonproliferation and Export Control and Border Security**

**Project Code: 09600**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	-	-	-	-	-	-	-	-	-	-
Change from October	-	-		+3	-	-		+3	-	-
January 2006	-	-		3	-	-		3	-	-

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of State: Non proliferation, Antiterrorism, Demining, and Related Projects (NADR)

**Changes from the October Report:** This report reflects a previous notification to Congress of the Administration’s intent to establish this new project code reallocating \$3 million from Potable Water (PC 60000) in order 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 October Report:**

- Not Applicable. Activity did not start prior to December 31<sup>st</sup>.

**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.

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

### Focused Stabilization

**Project Code: 08500**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	-	-	-	-	-	-	-	-	-	-
Change from October	-	-	-	+30	-	-	-	+30	-	-
January 2006	-	-	-	30	-	-	-	30	-	-

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency: USAID**

**Changes from the October Report:** This report reflects a previous notification to Congress of the Administration's intent to establish this new project code with \$30 million reallocated from Nationwide Hospitals and Clinic Improvements (PC 90000). \$10 million will fund Community Infrastructure and Essential Services, \$10 million will fund Employment Generation, \$5 million will fund Small-Medium Enterprise Expansion, and \$5 million will fund Create Micro-Enterprise.

#### Accomplishments since the October Report:

- Not Applicable. Activity did not start prior to December 31<sup>st</sup>.

#### Accomplishments anticipated in the next quarter:

- Proceed with publicly issuing a Request for Application (RFA) procurement to initiate contracting process.
- Review submitted RFAs, and 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
October 2005	-	86	-	-	-	-	-	86	86	42
Change from October	-	-	-	-	-	-	-	-	-2	+7
January 2006	-	86	-	-	-	-	-	86	84	49

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

**Accomplishments since the October Report:**

**DOD**

- Continued construction of Shukran water system extension in Ash Sharqat. Project still in progress due to religious holiday delays and the unit is currently readjusting timeline to match actual conditions (\$20,000).
- Continued clean-up of Ad Duluiyah Irrigation Canal. Project still in progress due to religious holiday delays. \$21,500 has been disbursed (\$43,000).
- Continued construction of the Kuban water project. The unit reworking scope of project and contract (\$469,900).
- Continued construction of Artesian well power connection in Al Huwaish. Project delayed due to religious holidays and the unit is currently readjusting timeline to match actual conditions (\$5,700).
- Continued construction of the Al Farhatia water repair project in Muhatta. \$58,125 has been disbursed (\$77,500).
- Continued the provision of a water compact unit in Al Habib. Project delayed due to religious holidays and the unit is currently readjusting timeline to match actual conditions. \$81,100 has been disbursed (\$162,200).
- Completed purchase of Rasheed Landfill heavy equipment and the equipment is enroute via military convoy (~\$2.9 million).
- Completed infrastructure improvements at the University of Tikrit. Unit is awaiting contractor to close out paperwork. \$1,404,187 has been disbursed (~\$1.5 million).

**USAID**

- Completed 465 Business Development Projects (BDP) valued at \$1.2 million creating over 1,400 long-term jobs, through the business development component of the Community Action Program (CAP). Projects include the Hameed Kareem printing house establishment in Battaween, including supplies, equipment and machines in Baghdad, which generated 37 long 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 Halabjah water well project thereby restoring water service (\$114,444).
- Complete Al Abayachi Water Project (\$331,046).
- Complete Al Alath Water Project in Isahki, Salah al-Din (\$504,780).
- Complete Balad Train Station water project (\$620,220).
- Complete Albu Sabah village generator and water pump (\$18,200).
- Complete Altun Kapri water tower (\$91,853).
- Complete Kalwar water tower (\$91,853).
- Complete Taraka village water project (\$58,429).

#### **USAID**

- Implement 120 new BDP projects which generate 696 new long-term jobs.

**SECTOR: Justice, Public Safety Infrastructure, and Civil Society**

**Other Technical Investigative Methods  
Project Code: 31000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
October 2005	5	-		-	-	-	5	1	1
Change from October	-	-		-	-	-	-	-	-
January 2006	5	-		-	-	-	5	1	1

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October 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 October Report:**

- Began standing up the Corruption Information Unit (CIU) to run undercover and surveillance operations. CIU was trained and equipped under a Bureau of International Narcotics and Law Enforcement Affairs (INL) funded program through International Criminal Investigative Training Assistance Program (ICITAP).
- U.S. Treasury Department and IRMO continued to look at feasibility of Financial Information Unit and Financial Investigative Unit capability which could reside in the Central Bank of Iraq and/or CPI.
- Continued ongoing sustainability work in the areas of management capability and establishment of greater systems, processes and procedures.

**Anticipated accomplishments in the next quarter:**

- Complete curriculum development for investigative train-the-trainer program led by the INL-funded program through ICITAP and IRMO staff.

**Witness Protection Program**  
**Project Code: 30000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	40	-3	-	-	-	-	-	37	35	10
Change from October	-	-	-	-	-	-	-	-	-	-
January 2006	40	-3	-	-	-	-	-	37	35	10

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**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 October 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). The funds for CPI are in addition to funds provided for the CPI in the Other Technical Investigative Methods (PC 31000) and Democracy Building Activities (PC 06000) project codes.

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 October Report:**

**DOD**

- Continued construction at the new witness security facility in Karkh District of Baghdad. The cost for the facility is ~\$2.5 million.
- Completed renovations of Al Hayat Apartment Complex in the International Zone as a Judicial Housing and offsite Witness Security location (~\$10 million).

**Department of Justice (DoJ)**

- Completed issuing of equipment for the Witness Security program, as well as uniforms and equipment for the Higher Juridical Council FPS (~\$5 million). Ordered helmets, gas masks, lights, drop holsters, binoculars, first responder trauma kits, medical kits, credentials, badges and uniforms. Issued equipment and uniforms to personnel at the CCCI Baghdad, Al Hayat. Received uniform items for rest of CCCIs.
- Moved judges into the Al Hayat Apartment Complex.
- Provided Witness Security training to the Iraqi Special Tribunal FPS and Advance PSD training to HJC-I and MoJ PSD by modifying and extending the Armor Group contract. Because they did not satisfy a full time employment requirement, Iraqi FPS and PSD personnel were not eligible to participate in training at the U.S. Marshal Special Operations Group Headquarters in Pineville, Louisiana. The HJC FPS and MoJ PSDs are considered to

be contract employees, not full-time law enforcement personnel, and are therefore not allowed to train in the U.S.

- Began standing up the Special Investigative Unit to provide witness protection, technical and tactical support in investigations through the use of surveillance and counter surveillance, providing special security details for investigators, the gathering of evidence, executing search warrants and effecting arrests.
- Completed the initial purchase of basic investigative equipment for CPI headquarters and one branch office.

**Anticipated accomplishments in the next quarter:**

**DOD**

- Begin construction at the witness security sites in Rusafa District of Baghdad, Mosul and Basrah. (~\$7.5 million)
- Complete additional renovations to the Al Hayat Apartment Complex, added under additional contract modifications. (~\$10 million)

**Department of Justice**

- Complete moving judges into the Al Hayat Complex.
- Continue to issue equipment and uniforms to the HJC FPS at CCCIs throughout Iraq.
- Purchase low profile armored vehicles to move witnesses.
- Identify housing and perform upgrades for the security of witnesses.

**Penal Facilities**

**Project Code: 32000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	100	-13	-	-	-	-	-	87	59	19
Change from October	-	-	-	-	-	-	-	-	+6	+3
January 2006	100	-13	-	-	-	-	-	87	65	22

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report maintains the \$87 million allocated for penal facilities.

**Accomplishments since the October Report:**

- Continued construction on the 800-bed Maximum Security Correctional Facility at Nassriya, which includes one maximum security housing unit, one segregation housing unit, all ancillary buildings, water treatment plant, waste water treatment, electrical generation and distribution system, sally port, and vehicle search area (~\$73 million). This project will exhaust all funds allocated for this project code. Project completion date is approximately May to June of 2006. This project is critical to creating capacity for insurgency incarceration. If there are not sufficient prison beds provided in Iraq it is likely that Human Rights violations will occur in the near future in the Iraqi Corrections Service, which is a department of the Ministry of Justice.

**Accomplishments anticipated in next quarter:**

- Continue construction of 800-bed Maximum Security Correctional Facility in Nassriya.
- Award contract, increasing bed capacity by 400 at the Nassriya correctional facility through the Project Partnership Agreement Program, pending IRMO approval (~\$8.6 million).

**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
October 2005	135	30		-	-	-		165	127	31
Change from October	-	-		+2	-	-		+2	+9	+19
January 2006	135	30		+2	-	-		167	136	50

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration’s intent to increase this project code by \$2 million from Police Training and Technical Assistance (PC 10000) to fund equipment for Iraqi Correctional Officers.

**Accomplishments since the October Report:**

**PCO**

- Began construction on Phase I of the 1,800 bed multi-custody Khan Bani Sa’ad Correctional Facility, which includes three medium security housing units, one maximum security housing unit, one segregation housing unit, all ancillary buildings, water treatment plant, waste water treatment, electrical generation and distribution system, sally port and vehicle search area.
- Awarded contract for construction at Zrka Rehabilitation Center in Dahuk.

- Obligated \$1.5 million to Tank-automotive and Armament Command (TACOM) for additional vehicles and Mobile Heavy Equipment.

### **Department of Justice (ICITAP)**

- Accomplished contract awards for ICS vehicles including inmate transport buses, dump and sewage trucks and water tankers. (\$900,000)
- Completed an Iraqi Corrections Service (ICS) Training Academy Program at Camp Bucca certifying ICS staff in a train-the-trainers course. This facilitated the Basic Pre-Service Training of the Iraqi Corrections Officers (ICO) being assigned to the facilities associated with the Military Detention Transition Plan.
- Continued deploying hardware, network infrastructure, and internet connectivity of the automated Offender Management System at three prison facilities and the ICS Headquarters in the Baghdad area. Initiated intermediate level computer instruction at the ICS Training Complex.
- Secured funding and completed procurement action to continue the linguist/translator contract services for ICITAP advisors in correctional facilities throughout Iraq.

### **Accomplishments anticipated in next quarter:**

#### **PCO**

- Continue construction of 1,800 bed multi-custody Correctional Facility in Khan Bani Sa'ad.
- Award contract, providing 400 additional beds and supporting facilities at Khan Bani Sa'ad through the Project Partnership Agreement Program, pending IRMO approval (~\$7.1 million).
- Start construction at Zrka Rehabilitation Center in Dahuk.

### **Department of Justice (ICITAP)**

- Anticipate contract awards for ICS vehicles and security equipment (\$980,000).
- Anticipate IRMO approval to initiate procurement for vehicles, training and equipment, weapons and ammunition (\$1.9 million).
- Initiate an ICS Training Academy Program in Baghdad to train ICS staff in train-the-trainers course. This will facilitate the Basic Pre-Service Training of new ICOs for the Military Detention Transition to Camp Cropper.
- Anticipate the transfer of a number of advisors from Abu Ghraib to Mosul to conduct training at two Mosul jails and at Badush Prison.
- Continue to deploy logistics related items to the automated Offender Management System sites in the Baghdad area.

**FACILITIES REPAIR, FIRE SERVICE, AND DEMINING**

**Facilities Repair**

**Project Code: 13000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	92	-3	-	-	-	-	-	89	77	46
Change from October	-	-	-	-	-	-	-	-	+3	+8
January 2006	92	-3	-	-	-	-	-	89	80	54

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

**Accomplishments since the October Report:**

- Completed four fire station renovations, bringing the total completed to date to 59. Experienced schedule delays for completion of 13 new fire stations because of contractor difficulties in properly constructing concrete form work for the multi-story open fire truck bays (~\$700,000).

**Accomplishments anticipated in next quarter:**

- Complete remaining 29 fire station projects in the program, inclusive of new construction and renovation projects (~\$19.3 million).

**Fire Service**

**Project Code: 14000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	122	-7	-	-	-	-	-	115	106	83
Change from October	-	-	-	-	-	-	-	-	-	+12
January 2006	122	-7	-	-	-	-	-	115	106	95

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

**Accomplishments since the October Report:**

- Conducted fire boat training in Baghdad for 25 fire fighters and distributed two of 20 firefighting boats received at Umm Qasr to their designated Fire Stations (~\$2.5 million). Received and distributed fire equipment including lockers, rescue equipment and fire utility trucks.
- Distributed 51 Tank-automotive and Armament Command (TACOM) Mini-Pumpers, 42 Medium Rescue Vehicles, and 11 Fuel Trucks (~\$33 million).
- Trained three classes of firefighters, totaling 420 students, in Bahrain, including lodging and life support (~\$3.2 million). Completed Firefighter Training contract.
- Delivered additional firefighting safety equipment to the provinces of Sulaymaniyah, Erbil and Dahuk (~ \$1 million).
- Trained over 250 firefighters in Baghdad on new resources, specifically Jaws of Life, hydraulic rescue tools and generator equipment.
- Changed priorities resulted in the decision not to construct the National Fire Academy. This will hinder the ability to build capacity for Iraq Civil Defense Forces as well as staff completed firehouses.

**Accomplishments Anticipated in the Next Quarter:**

- Complete distribution of fire equipment to include mini-pumpers, rescue vehicles, fuel vehicles and Command and Control vehicles (~\$33 million).
- Complete delivery and distribution of firefighting boats throughout Iraq (\$2.5 million).

**Demining  
Project Code: 09500**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
October 2005	61	9	-	-	-	-	70	65	48
Change from October	-	-	+4	+9	-	-	+13	+5	+22
January 2006	61	9	+4	+9	-	-	83	70	70

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** Department of State.

**Changes from the October Report:**

This report notifies Congress of the Administration’s intent to increase this project code by \$9.2 million from Electricity Transmission (PC 41000) to fund the existing National Mine Action Program to minimize the impact of landmines and unexploded ordnance (UXO) on Iraq.

This report further reflects a previous notification to Congress of the Administration's intent to increase this project code by \$4 million from Potable Water (PC 60000) to fund mine detection dog training and support for the Iraqi Mine Clearance Organization.

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.

**Accomplishments since the October Report:**

- Conducted a Department of State-led country-wide program assessment review, validating progress and achievements.
- Continued the Iraq Landmine Impact Survey (ILIS) of northern Iraq focusing in the Governorate of Kirkuk, the fourth governorate to be surveyed.
- Maintained ILIS-North Senior Staff focus on data preparation in support of writing the Final Report for the survey of the northern three governorates.
- Continued the ILIS activities in Karbala and Hilla, ILIS-South's seventh and eighth governorates. Karbala is complete; all secure areas in Hilla are complete. Advance missions are in Wassit, the next area to be surveyed.
- Graduated a company of 54 personnel from the Iraq National Guard (ING) trained in Explosive Ordnance Demolition (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 tasking from the Iraqi Ministry of Oil to clear the Rumalla oil fields.
- Deploy IMCO to Tall Afar to assist the 3rd Armored Cavalry Regiment in clearing a large ammunition supply point that may be a source of material for the insurgents.
- Complete the ILIS-North survey of Kirkuk.
- Continue writing the Final Report of the ILIS-North for the northern three governorates.
- Continue Iraq National Guard (ING) training in Explosive Ordnance Demolition (EOD) and Improvised Explosive Device (IED) identification and destruction.
- Consider recruiting survey teams from Tikrit and Diyala Governorates so that survey operations can begin there.
- Complete the ILIS-South survey of Wassit Governorate.
- 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
October 2005	139	81	-	-	-	-	220	201	138
Change from October	-	-	-	-	-	-	-	+10	+21
January 2006	139	81	-	-	-	-	220	211	159

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October 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.

**Accomplishments since the October Report:**

- Completed construction of the Civil Defense Headquarters in Baghdad (~\$2.9 million).
- Established title to location of the Fire/Civil Defense Academy in Baghdad.
- Deferred solicitation of the Fire/Civil Defense Training Academy design and construction project due to funding reprioritization.

**Accomplishments anticipated in next quarter:**

- Reach decision for future of proposed Fire/Civil Defense Training Academy design and construction project. Current proposal is for design to be funded by IRRF and construction to be funded by Ministry of Interior Civil Defense. Estimated cost for design is \$1.5 million and the total program cost with design is \$26 million. The Fire Academy is the learning center where Firefighters learn their trade to include classes on live burns, Hazmat, First Responder Training and the basic Firefighter Level 1. Additionally all Iraqi firefighters would be recertified there in their current skills.

**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	Outlayed
October 2005	98	9	-	-	-	-	-	107	101	69
Change from October	-	-	-	-	-	-	-	-	+1	-
January 2006	98	9	-	-	-	-	-	107	102	69

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October 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 will enable Iraqi police, civil defense (fire), and emergency medical personnel to communicate effectively through radio, secure voice, and data communications. It will provide 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. The project is currently scheduled to be completed in the first quarter of 2006.

**Accomplishments since the October Report:**

- Completed construction and installation of Baghdad AFRN equipment comprised of 24 Base Transceiver Stations (BTSSs), a Main Switching Office (MSO), Governorate Dispatch Center (GDC) and Incident Control Center (ICC)
- Operated the Baghdad AFRN, together with 5,500 handheld and desktop radios, providing partial operational capability during October 15<sup>th</sup> Constitutional Referendum.
- Completed construction and installation of Provincial AFRN equipment in 14 provincial cities, comprising 42 BTSSs, two MSOs (Kirkuk and Basrah) and eight GDCs.
- Operated the Baghdad AFRN and the 14 city Provincial AFRN, together with distributed handheld radios, providing partial operational capability during December 15<sup>th</sup> General Election.
- Trained approximately 400 Iraqi Ministry of Interior (MoI) personnel in call taking, dispatching and maintenance duties.

**Accomplishments anticipated for the next quarter:**

- Distribute 28,000 handheld, desktop and vehicle mounted radios in Baghdad and 14 provincial 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
October 2005	30	26	-	-	-	-	56	34	26
Change from October	-	-	-	+54	-	-	+54	+7	+2
January 2006	30	26	-	54	-	-	110	41	28

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**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 October Report:** This report notifies Congress of the Administration’s intent to increase this project code by \$53.6 million from Electricity Transmission (PC 41000) to fund the continuation of such programs as criminal justice integration, public integrity program and corrections programs.

**Accomplishments since the October Report:**

**Department of State (INL)**

- Provided \$3 million grant to the American Bar Association’s International Legal Development Program (ILDLP) to carry out the following Rule of Law projects:
  - Iraqi Rule of Law Advisory Committee: Established an Iraqi-led committee, comprised of MoI, HJC, MoJ, Ministry of Human Rights (MHR) and other relevant stakeholders, to assist Iraqi leaders to develop a long-term Rule of Law strategy and implementation plan. The ABA identified and recruited participants and determined the agenda and objectives of the first meeting, held in December.
  - Human Rights and the Constitution: Supported the Ministry of Human Rights to assist the Iraqi government in implementing the human rights provisions of the new Constitution. The ILDP has helped the Minister establish a human rights working group whose objective is to (i) make recommendations to the new government on how to implement the Constitution’s human rights provisions and (ii) plan and conduct human rights trainings for individuals and institutions that have a responsibility in effectuating those provisions.
- Reprioritized \$14 million previously apportioned to the Justice Capacity Project and used funding for the following RoL activities
  - Building the institutional capacity of the Higher Juridical Council (\$5 million); and

- Deploying INL Rule of Law Advisers to 2 strategic locations in Iraq to provide coordination, strategy and guidance on the Provincial Reconstruction Teams (\$9 million).
- Established and held weekly meetings of four Policy and Procedure Working Groups, one each in MoI, MoJ, HJC and Ministry of Labor and Social Affairs (MoLSA) for the Iraqi Justice Integration Project (IJIP). These groups have identified major policy issues that must be decided and have begun discussing and preparing recommendations. All policies relate to the process of integrating policies and procedures of all of the abovementioned ministries.
- Continued to train the team of Iraqi IT experts in technical elements of justice integration and basic data sharing for police, courts, and prisons. Began installing IT software required to institute basic data sharing among police, prisons, and courts.
- Established MoJ and MoI IT Working Groups. Completed development and currently implementing test phase for MoI Records Directorate application.
- Completed rehabilitation of courtrooms and security improvements in the Baghdad location of the Central Criminal Court.
- Completed assessment for “Culture of Lawfulness” project in Northern Iraq. Security restrictions delayed completion of full assessment.
- Approved \$3 million proposal from the Iraqi Commission on Public Integrity to continue its Anti-Corruption Investigations Program (see PC 06000 for update on last quarters activities funded under that project code).

## **USAID**

- Completed the Commercial Law and Institutional Reform Assessment Diagnostic summarizing the structure of Iraq's commercial law and institutions, including recommendations and proposed reforms. This effort provides a comprehensive agenda for reform and modernization of Iraq’s commercial law.
- Drafted NGO and Commercial Agency Laws. Further activity on this project is deferred pending review with the new Iraqi Government.

## **Accomplishments anticipated in the next quarter:**

### **Department of State/INL**

- Hold first meeting of the Iraqi Rule of Law Advisory Committee in which Iraqi participants will develop timeline and plan for project completion.
- Support the Ministry of Human Rights to host a Human Rights workshop in Amman, Jordan, bringing together stakeholders that play a role in implementing the human rights provisions of the Constitution.

- Develop and advertise Statement of Work for the “Building Institutional Capacity of the Higher Juridical Council” Project.
- Begin recruiting and deploying Rule of Law Advisors for the PRTs.
- IJIP:
  - Hold National Consultation on Justice Integration to bring together police, court and prisons officials from the national and regional levels and to discuss major policy issues related to integrating the Iraqi justice system.
  - Develop initial sets of policy recommendations by the Policy and Procedures Working Groups, to be passed to the Steering Committee for discussion and decision.
  - Fully train Iraqi IT development team in installation and use of software required for data sharing among police, courts and prisons. Police, courts and prisons begin sharing information.
- Complete and approve “Culture of Lawfulness” action plan and implementers begin mobilizing staff to Iraq.

## 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
October 2005		75	53	-	-	-	-	128	118	46
Change from October		-	-	-	-	-	-	-	+2	+3
January 2006		75	53	-	-	-	-	128	120	49

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**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 October Report:** This report maintains the \$128 million allocated to investigations of crimes against humanity.

### Accomplishments since the October Report:

#### Department of State

- Established life support camp for mass gravesite four (~\$2.1 million).
- Purchased or leased site support equipment for mass graves excavation (~ \$0.1 million)
- Deferred mass grave site five due to operational tasking associated with the commencement of the Ad-Dujayl trial and concerns with the impact of the rainy season.
- Completed initial force protection corrections to the Iraqi High Tribunal (IHT, previously referred to as the IST) courthouse compound (~\$5 million). Actions included court room upgrades to support protected witness testimony, controllable closed circuit TV, and defensive perimeter improvements based upon the May Force Protection Assessment that was requested by Task Force 134.
- Completed initial installation of courtroom audio and video media capture that enabled archiving of court proceedings and global media coverage (~\$2 million).
- Established defense counsel safe house and personnel protection program following the murder of two defense attorneys (~\$0.1 million). Added protection requirements for additional high profile foreign government defense attorneys.
- Established witness safe house and personnel protection program to support initial round of witness transport to enable testimony at trial (~\$1.5 million).
- Paid ~\$3 million for mission essential training and travel costs required to transition personnel from the U.S. to the Baghdad area.
- Purchased IT equipment and scanners (~\$0.2 million) to support IHT Courthouse operations, FBI investigators supporting the Regime Crimes Liaison's Office (RCLO) and the Secure Evidence Unit (SEU).
- Contracted for additional Courthouse security screening systems and trained operators to support scanners that included magnetometers and the Scout 100 system (~\$0.2 million).
- Purchased office equipment, supplies and field equipment to support simultaneous case investigations and trial operations (~\$0.1 million).
- Purchased case documentation and translation support (~\$0.3 million).
- Conducted both individual and team security training that resulted in weapons qualification by nearly all Iraqi Police (\$0.6 million).
- Established billeting support onsite for the IHT Courthouse Iraqi Police Security Force following the murder of one of the assigned guards. (~\$0.1 million).
- Purchased meal support for courthouse security and support personnel prohibited from departing the courthouse during trial operations and detainee handling due to high risk security concerns (~\$0.2 million).

- Purchased IHT Courthouse O&M support services (~\$0.5million) following a failure of the IHT to adequately support operations and eliminate identified security risks.
- Purchased Ringtail web services to archive and warehouse evidence in a digital database to serve a wide base of world-wide users (~\$0.3 million).
- Expended ~\$1.0 million in reimbursable labor among various Federal Agencies including: U.S. Marshals Service, FBI, DEA, and Bureau of Prisons.

## **USAID**

- Provided 4 Fully Armored Vehicles to RCLO via transfer to the U.S. Marshals for use with the IHT.

## **Department of Defense**

- Installed telecommunications and IT systems to support emerging courthouse operational requirements to maintain connectivity among various theater and local command and control agencies responsible for the safety and security of the accused criminals during their transit and temporary stay at the courthouse (\$100,000).

## **Accomplishments anticipated in next quarter:**

### **Department of State**

- Produce evidence report from mass grave site four (~\$3 million).
- Initiate exhumation of mass gravesite five (\$2 million).
- Begin the effort to repatriate remains from previous mass grave investigations that are currently stored in the morgue at the Forensic Analysis Facility (\$2 million).
- Complete design and initiate build of a replacement SEU based upon Task Force 134 need of the existing SEU facility (\$6 million). The current Secure Evidence Facility is housed in a former wing of a maximum security prison to protect the millions of documents collected in support of the Tribunal. That site is being considered to be returned to Iraq to serve as a death row if required depending upon the outcome of the tribunal.
- Initiate design and build of a witness security camp for family members while awaiting permanent relocation (\$3.5 million).
- Enhance IHT Court Security IP living quarters to adequately support gender accommodations, showers and rest room facilities (\$200,000).
- Expand IP training syllabus to include Personal Security Detail (PSD) training to provide PSD to threatened Court Officials, e.g., Judges, Prosecutors and Defense Counsel (\$1.5 million).

- Develop a plan to support Court Official relocation if directed to do so (\$500,000).
- Improve media broadcast connection reliability via installation of a resident satellite uplink capability (\$250,000).
- Improve courtroom audio and audio editing capabilities to eliminate security breaches discovered during earlier trial days, which included inadvertent release of protected names during the delayed broadcast of trial proceedings in both the English and Arabic audio feeds (\$100,000).
- Improve U.S. military troop billeting support in the cell block area for military police assigned to transport and protect various high value criminals (\$500,000).
- Improve selected areas of the IHT Courthouse sewer system to meet western standards and eliminate sewage back-ups and overflows into U.S. security spaces (\$200,000).
- Complete office expansion plan to accommodate the increase in total number of personnel assigned to support the growing caseload (\$500,000).

## USAID

- Do not anticipate additional accomplishments as USAID has expended its funding in this category.

## Department of Defense

- Participate in defining the requirements of, and provide financial support for relocating the SEU, if necessary.

## Judicial Security and Facilities

### Project Code: 09000

\$ millions	FY 2006 by Quarter							Total	Obligated	Outlayed
	FY 04	FY 05	Q1	Q2	Q3	Q4				
2207 Report										
October 2005	73	86	-	-	-	-	159	118	45	
Change from October	-	-	-	-	-	-	-	+4	+11	
January 2006	73	86	-	-	-	-	159	122	56	

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**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 October Report:** This report maintains the \$159 million allocated to Judicial security and facilities.

### Accomplishments since the October Report:

## **Department of Justice (USMS)**

- Continued to purchase and issue security equipment for the Central Criminal Courts of Iraq (CCCI) throughout Iraq. Examples of security equipment are Rapid Scan X-ray machines, magnetometers, weapons clearing barrels, ballistic vests, weapons, Closed Circuit TV monitoring equipment, ballistic glass and doors, flashlights, binoculars, clothing and delta barriers (\$2 million).
- Completed construction of rudimentary firearms range for continuous firearms training of Personal Security Details (PSD), Facility Protective Services (FPS), and Judges at the CCCI in Baghdad.
- Provided training for security personnel from the Higher Juridical Counsel (PSDs and FPS) (~\$3 million).
- Received 10 armored vehicles for Judicial motorcade to be used at the Al Hayat safe site and for secured movements. Currently, the vehicles are needed to transport IHT witnesses and one vehicle was given to a judge living outside the IZ to replace his vehicle that was destroyed during an attack.
- Relocated Judges and Ministers and their families to the 28 available apartments in the secured Al Hayat complex. Completed acceptance of the third renovated tower at Al Hayat from DoD, thereby increasing the number of secured residences by 14.

## **Department of Justice (FBI)**

- Received \$11 million in INL funding for the Major Crimes Task Force (MCTF).
- Identified and procured office space within the International Zone for the MCTF (~\$150,000).
- Identified training curriculum for the Iraqi MCTF members and initiated vetting procedures for the MCTF candidates.
- Identified polygraphists and trainers and facilitated travel and logistics (~\$70,000).
- Initiated training using the train-the-trainer concept to provide task force members with sophisticated investigative skills including interviewing/interrogations, collecting evidence, securing crime scenes, handling of scientific evidence and presenting investigations to Iraqi Investigative Judges, allowing them to create a professional, self-replicating, national-level criminal investigative and prosecutorial capacity in Iraq.

## **DOD**

- Continued construction of the new Karkh District Courthouse in Baghdad (50% complete). Construction provides employment for 250 personnel for 8 months. This design will be used to build four additional courthouses throughout Iraq. Each new courthouse costs approximately \$10 million and will employ approximately 200 full-time personnel.

- Continued to renovate the Basrah Courthouse. Project is 90% complete. First two of five construction phases are complete (~\$3 million).
- Continued to renovate three courthouses in the Ninawa province (Tal Kief, Al Sheikhan and Tikrit) (~\$1.5 million).
- Commenced construction of five new one-courtroom courthouses (Diyala, Al Tamim and three in Maysan) (~\$800,000).
- Continued final assessments of courthouse locations for additional renovations in north, central and south regions.
- Completed two courthouse renovations in Basrah (Al Zubayr and Al Qurah) (~\$400,000).
- Continued renovations at the Central Criminal Court of Iraq (CCCI) in the Karkh District of Baghdad. Construction delayed due to contracting issues (~\$1.3 million).
- Resolved land and design issues for construction of new courthouses and prepared solicitation packages for Baghdad's Rusafa District, Mosul, Basrah, and Hilla (~\$40 million).
- Completed CCCI Baghdad renovation projects.

**Anticipated accomplishments in the next quarter:**

**Department of Justice (USMS)**

- Complete Al Hayat and CCCI Baghdad renovation projects.
- Install security camera equipment, delta barriers, guard tower, secured gates, and swing arm at Al Hayat.
- Purchase eight armored vehicles, to replace those destroyed in attacks on Judges.
- Visit and assess renovations done in Ninawa and Basrah CCCIs to complete security surveys and begin issuing security equipment.

**Department of Justice (FBI)**

- Hire five translators (\$176,000).
- Procure office equipment for the MCTF office space (~\$300,000).
- Procure five vehicles for the MCTF (~\$625,000).
- Finish classroom training for the MCTF.
- Initiate on the job training and operational phase of the MCTF.

## DOD

- Begin additional renovations in all regions pending final assessments of courthouse locations (~\$1 million).
- Complete the three courthouse renovations in the Ninawa Governorate (Tal Kief, Al Sheikhan and Tikrit) (~\$1.5 million).
- Complete construction of four new one-courtroom courthouses (Diyala, Al Tamim and two in Maysan) (\$500,000).
- Complete renovations at the CCCI in the Karkh District of Baghdad (~\$1.3 million).
- Award contracts and commence construction of the new courthouses in Baghdad's Rusafa District, Mosul, Basrah, and Hilla (~\$40 million).

## Democracy-Building Activities

**Project Code: 06000**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
October 2005	541	401	53	-	-	-	995	895	598
Change from October	-	-	+9	+30	-	-	+39	+38	+49
January 2006	541	401	62	30	-	-	1,034	933	647

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

### Changes from the October Report:

This report reflects a previous notification to Congress of the Administration's intent to increase this project code by \$38.5 million. \$30 million is from Civil Aviation (PC 70000), which will fund PRT/PC Local Government Support and Community Support Programs. \$8.5 million is from Potable Water (PC 60000) to fund Election Support.

During this quarter the Iraqi people adopted a new Constitution drafted by their elected delegates and elected a new, permanent Iraqi government, achieving key political milestones in Iraq's transition from dictatorship towards democracy. The USG provided extensive financial and technical assistance to Members of the Transitional National Assembly, political parties, civic organizations, independent media, 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 governments 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 ongoing 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. 97 small grants totaling \$750,000 to civil society organizations highlight the USG's firm commitment to strengthening Iraq's nascent democracy. USG assistance helped launch the independent New 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 400 community-based projects. Critical help was provided to civilian victims of the conflict through the Marla Ruzicka Iraqi War Victims Fund.

### **Accomplishments since the October Report:**

#### **Department of State/DRL**

- Through the National Endowment for Democracy (NED), assisted the National Democratic Institute (NDI) and International Republican Institute (IRI) with their continued support to the Iraqi Transitional Government and the constitution process and the December elections.
- Continued support to all DRL funded political and voter education and training initiatives that led up to October's referendum vote on the constitution.
- Continued support to the Iraqi Transitional Government (ITG) by supporting the participation of political parties and civil society organizations in Iraq's political process, to include providing input in the basic law and constitutional process, conducting civic

education programs on democracy and the new political process, and participation in elections.

- Supported the effort to ensure that political parties, particularly those without representation in TNA, remained constructively engaged in the constitutional process by promoting and supporting active engagement and political participation through workshops and educational training.
- Supported programs for media training, focus group research, opinion polling, and coalition building.
- Supported work toward development of issue-based parties and coalitions committed to Iraq's future development as a unified and democratic state and capable of competing effectively in the December national elections by focusing programs on moderate and democratic political parties and individuals.
- Supported the training of more than 14,000 domestic election monitors for the 15 December Parliamentary elections. Under the leadership of the Iraqi Election Information Network (EIN), over 9,000 monitors were deployed for the October referendum throughout the country.
- Supported the training of over 1,500 political party members on campaign planning, media relations, and candidate training held in 75 workshops throughout Iraq.
- Supported ongoing training and technical assistance to members and staff of the Iraqi Transitional National Assembly, which contributed to the strengthening of long-term capacity across assembly departments, specifically in regards to technology application, human resource management, and legislative skill building.
- Supported the organization of 10 conferences for more than 441 Sunni participants to address their concerns regarding the constitutional referendum.
- Supported the facilitation of public education meetings for students and faculty to discuss the constitution at 12 universities across Iraq.
- Continued support for programs that generated papers and critical thinking on federalism and negotiation.
- Continued support for political entities to become viable political parties able to participate and compete in the political process.
- Continued focused programmatic activities to motivate parties to engage the public by using party-building activities, such as outreach and advocacy, as part of a nation-wide constitutional education process, critical to Iraq's long-term democratic development.
- Continued support for political party media training and studio basic skills training. This saw a significant increase in the number of media broadcasts and articles regarding electoral reform, political party development, coalition-building, and women's issues.

- Continued to support increased media programming and development, primarily through implementing partners' Media Centers.

## **Department of State/INL**

### **Commission on Public Integrity (CPI)**

- Trained a small group of investigators and security personnel to investigate local corruption cases in Basra.
- Completed training 200 personnel in planning, developing and delivering hands-on security awareness training for CPI personnel.
- Received 1,228 allegations of corruption, up from previous quarter's total of 343.
- Selected Iraqi CPI investigators to serve as field training officers for the CPI investigative directorate.

### **Judicial Integrity Project**

- Began implementation of pilot court administration project in Kadhimiya district. Met with judges and administrative staff to describe project, obtain approval and discuss their roles and responsibilities. Identified case processing software and planned court team core staff training to implement the software in the court and train other court staff.
- Obtained funds to rehabilitate criminal investigative, family, and personal status courts.
- Assisted Higher Juridical Council (HJC) to develop a plan for the HJC Public Outreach Program to increase awareness of citizen rights in and proper functioning of the justice system by opening legal assistance and information centers in each court house, training civil society organizations in court procedures and legal aid, and developing a public access website that provides forms and information on accessing courts.
- Assisted HJC to develop a plan improving judicial education and training, including establishment of an HJC Education Center and development of continued legal education, hiring, and promotion standards.

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

- Supported continued implementation of the Iraqi Women's Democracy Initiative (IWDI), a comprehensive package of training activities in several key areas: education for democracy, leadership training, political training, entrepreneurship, coalition-building, organizational management and coordination, and media training.
- Continued to hold training workshops for women political leaders, including members of the Transitional National Assembly, with focus on the December 15 elections.

- Supported expansion of efforts to increase women’s political awareness and participation in Iraq with focus on the December 15 elections, and to foster an environment in which women are viewed as credible and effective leaders.
- Supported more than 60 regional meetings and workshops in north, south and central Iraq to further develop women's awareness of the political and constitutional process, civil society and women’s rights, and training of trainers in the democratic process. The workshops and meetings vary from weekly to biweekly, and include a cross section of women from rural to urban areas, as well as all sects.
- Supported a group of nine women diplomats from Iraq’s Ministry of Foreign Affairs for two weeks of training at the UN in New York and in Washington, DC, and 20 Iraqi women journalists in four workshops that included basic skills training, women’s issues and human rights, advocacy and media relations training for NGOs and activists during elections, and editorial writing.
- Continued support for the Iraqi women’s lobby group in its efforts to draft new legislation on behalf of women’s rights in the constitution.

## **USAID**

### **Local Governance Program:**

Supported and assessed, in collaboration with the Ministry of Municipalities and Public Works, the implementation of pilot projects in Kut and Zubadiya local governments in Wasit Governorate to support the decentralization of resources and decision-making authority as called for in the new Constitution.

- Trained an additional 650 members of the Provincial Councils in 17 out of the 18 governorates on roles and responsibilities, public administration and processes, work methods and code of ethics, transparency and accountability, and citizen participation.
- Identified and fielded technical experts for the initial PRT stand-up in Kirkuk, Mosul, and Hillah. The Local Governance Program (LGP) experts are being integrated into the overall PRT.
- Continued assistance to PRDCs in nine governorates in identifying and prioritizing local development projects.
- Developed draft work plan supporting PRTs/RRTs and assisting provincial governments with developing a transparent and sustained capability to govern and meet the basic needs of the population.

### **The Community Action Program (CAP):**

- Completed 523 community-based projects.
- Implemented activities by all five CAP implementing partners under the new cooperative agreements. Increased the focus of the program on income and employment generation,

conflict mitigation and prevention, and advocacy skills of community associations to engage subnational government.

### **Marla Ruzicka Iraqi War Victims Fund**

- Assisted civilian victims of the conflict through the Marla Ruzicka Iraqi War Victims Fund. The types of projects vary greatly, and include medical assistance, income generation, home repair and refurbishment, public building repair, and assistance to local organizations supporting war victims. An illustrative project is the Samarra mechanical bakery, which has begun baking bread. The bakery is run by the Charitable Organization of Samarra and the profits are distributed to thirty families who lost family members as a result of actions of the coalition forces.

### **Support to Iraqi Transitional Government:**

- Continued to develop the legislative and policy-development skills of elected members of the Transitional National Assembly (“TNA”) through the provision of training. Conducted a workshop on administrative transparency for 30 staff members of the TNA introducing definitions, concepts, and practical case examples related to transparency and accountability in public service in Iraq.
- Finalized the procurement and installation of 300 computers with wireless connectivity for the TNA and continued to develop a robust TNA web site in order to improve TNA institutional capacity and provide citizens more information on their activities.
- Finalized procurement of a voting system. The procurement process was delayed due to difficulties encountered during the identification and location of an appropriate system capable of meeting local requirements.
- Continued ongoing TNA staff training in rules of procedure, human resources management, record keeping, and advanced database and network administration. Produced and distributed a 16-page, pocket-size Simplified Guide to Rules of Procedure to staff and members of the TNA. Some members have referenced this guide while commenting on floor procedures during parliamentary sessions. Provided training to 15 members of the Clerk’s Office on implementation of the Rules of Procedure. Presented Clerk’s Office with initial recommendations on record keeping systems based on the specific needs and structures of the Office.
- Received approval of the Speaker of the TNA to establish a legislative research unit known as the Research Directorate (RD), similar to the function of the U.S. Congressional Research Service. Took initial steps to establish the RD, including procurement of furniture and equipment.

### **Election Support and Voter Education:**

- Continued providing technical and legal assistance as well as logistical and operational planning support to the IECI in support of the Constitutional Referendum and National Elections.

- Conducted over 5,000 voter education sessions throughout the country informing citizens about the content of the new draft Constitution, benefiting over 200,000 people.
- Continued to conduct comprehensive public awareness campaigns informing voters of the referendum and National Elections through several activities, including town hall meetings, distribution of pamphlets and posters, and airing of public service announcements and programs.
- Trained and deployed approximately 9,500 grassroots volunteers from over 200 nonpartisan NGOs to observe, monitor and report on the Constitutional Referendum and National Elections.
- Provided training, through a cascading training model, to an estimated 10,000 political party agent observers to monitor the constitutional referendum and national elections. Distributed 1,000 DVDs and 30,000 video CDs to support training of political party agent observers.
- Launched a media monitoring group, Mirat, to monitor the national elections.

### **Civil Society and Media Program:**

- Conducted a series of workshops, by the Rafidain Women’s Coalition, educating women about their rights in Iraqi society by focusing on the following aspects:
  - Raising awareness regarding constitutional rights.
  - Defining the Personal Affairs Law and the Punishments Law.
  - Defining how to ensure women’s constitutional rights are respected.
  - Increasing the awareness of the Convention on the Elimination of all Forms of Discrimination Against Women.
- Trained over 300 Civil Society Organizations (CSO) in areas including media, civic education, human rights, and specific skills training (including proposal writing, financial management, and general management skills).
- Trained over 350 media practitioners on public affairs, investigative reporting, court reporting, and reporting on anti-corruption, human rights and business opportunities.
- Strengthened the sustainability of four operational Civil Society Resource Centers (Baghdad, Hillah, Basrah and Erbil) that provide a wide range of capacity development programs and services to civil society organizations in all 18 governorates.
- Rebroadcast the weekly television program “Our Constitution” due to popular demand.
- Awarded over 150 small grants to CSOs and media organizations totalling over \$2 million. Provided grant assistance to groups in all 18 governorates. Approximately 30% of grants awarded support women’s groups.

- Established the National Iraqi News Agency (NINA) – Iraq’s first independent and commercial news agency which has covered the Constitutional Referendum, the December elections and is covering Saddam Hussein’s trial. NINA will be reporting on Iraq for domestic and foreign media and business communities by offering innovative, competitive text, pictures and graphics services in Arabic and English and distributed via its own wireless broadband and transmission system.
- Continued advocacy training and public awareness to women’s civil society organizations and women’s groups focusing on women’s rights, property, marriage and inheritance rights.

### **Transition Initiatives USAID**

- Awarded over 310 small grants for conflict mitigation programs. For example, in Fallujah, a grant provided support to a regional television station.
- Supported civil society infrastructure development, promotion of civic education and citizen participation, emphasizing for women’s and youth activities. A grant in northern Iraq provided support for democracy development organizations to work with local governments and build awareness of the new Iraqi Constitution.
- Continued to implement activities generating short-term employment, many of which have been developed in coordination with the U.S. Military. Signed nearly 230 short term employment grants. For example, in Karbala a grant provided salaries to local laborers for the cleanup of six city sectors. As part of support to strategic cities, USAID provided grants to restart essential services such as the rehabilitation of local government offices in Talafar and Ramadi.

### **Accomplishments anticipated in next quarter:**

#### **Department of State/DRL**

- Award further \$56 million to assist NDI and IRI with their continued support to democracy governance and rule of law programs in Iraq.
- Continue support to the newly elected parliament by supporting the participation of political parties and civil society organizations in Iraq’s political process, to include providing input in the basic law and constitutional process, conducting civic education programs on democracy and the new political process, and participation in elections.
- Continue 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 will be achieved by promoting and supporting the active engagement of political participation through workshops and educational training.
- Continue support for media training, focus group research, opinion polling, and coalition building.

- Continue support for work that facilitates 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 will be achieved by focusing programs on moderate and democratic political parties and individuals.
- Continue 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.
- Continue support for capacity building training to political party members focusing on smaller parties that do not gain parliamentary seats, but still remain active.
- Support orientation training to the new members of the Iraqi parliament and assist with constitutional development and implementation.

Support constitutional review discussions with women and minorities and constitutional implementation meetings with Iraqi leaders across the country.

#### **Department of State/INL**

- Continue supporting CPI in building investigator training 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 "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):**

- Continue support for workshops and training for the political participation of women, with a focus on implementing legislation for the Constitution, and women's rights therein.
- Support 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. Expectations are that the delegation will be headed by the Minister for Women's Affairs.
- Support 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.

- Support the second tranche of initiatives, to include student outreach, and economic empowerment of women through capacity building and support to independent women’s NGOs.
- Continue support of political parties and civil society organizations in developing concrete, organic strategies for including women in political structures.

## **USAID**

### **Local Governance Program:**

- Finalize LGP workplan for inclusion in overall PRT implementation plan.
- Field technical experts to new PRT locations.
- Collect governance and service delivery baseline data.
- Conduct assessment of local governance in Iraq and baseline sample surveys to assess Iraqi needs, perceptions and expectations pertaining to local governance in support of the PRT initiative to strengthen the capacity of local governance.

### **Community Action Program:**

- Complete 242 community-based projects valued in excess of \$18 million supporting process-driven and demand-based development.

### **Marla Ruzicka Iraqi War Victims Fund**

- Complete approximately 34 new projects valued at \$1.5 million that assist either individuals or community projects.

### **Support Transition to a new Permanent Government:**

- Provide orientation training to newly-elected members of the Council of Representatives following the December 15<sup>th</sup> elections.
- Finalize procurement of equipment and furniture for Research Directorate. Provide assistance in the hiring and training of staff.
- Develop and publish website for the Council of Representatives.
- Provide support to the formation of the Constitution Review Committee and the Constitution Implementation Committee.

### **Election Support and Voter Education:**

- Provide continued legal, administrative, logistical, and planning support to the IECI (or other appropriate elections body as identified) in preparation for governorate elections.

- Provide support to the establishment of the Iraqi Electoral High Commission, as provided under the new Iraqi Constitution.

### **Civil Society and Media Program:**

- Continue implementation of sustainability strategy for four Civil Society Resource Centers; such as seeking opportunities for revenue generation, offering training to CSOs and journalists, and expanding networks throughout the regions where they operate.
- Award over 150 small grants to civil society organizations and media groups determined to be the most effective at reaching targeted audiences and influence people, particularly women and children in underserved communities.
- Provide training to over 300 civil society organizations (CSOs) to advocate at the local and national level of government on a wide variety of issues, legal matters, human rights, etc. Technical assistance will be provided to CSOs who have developed advocacy initiatives and projects.
- Seek opportunities for CSOs to establish working relationships with local government to raise awareness and to work on gender issues, anti-corruption, and human rights – with a specific priority given to women’s advocacy groups and national level relationships
- Assist in the development of a sustainability strategy and plan for revenue generation and independent business management with the National Iraqi News Agency (NINA).
- Establish an independent media school to improve journalism skills.
- Revise and update university media curricula for schools of journalism.

### **Transition Initiatives (USAID)**

- Continue short-term employment generation activities across Iraq in priority locations and strategic cities as a means of mitigating conflict and reducing tension.
- Continue 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.
- Continue support to local Iraqi non-governmental organizations that promote peace, human rights, democratic values, and civic participation.

**United States Institute of Peace (USIP)****Project Code: 07000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	10	-	-	-	-	-	-	10	9	8
Change from October	-	-	-	-	-	-	-	-	-	-
January 2006	10	-	-	-	-	-	-	10	9	8

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** U.S. Institute of Peace (USIP)**Changes from the October Report:** This report maintains the \$10 million allocated for USIP.**Accomplishments since the October Report:**

- Continued to support the inter-community work of the Iraqi Institute of Peace, including programs to promote sustainable economic development in coordination with conflict resolution and reconciliation activities in Anbar, Kirkuk and Baghdad; thematic forums that aimed to prevent future conflict by targeting specific groups and addressing issues that affect those communities in particular; inter-religious and inter-communal dialogues; and facilitation of engagement between political authorities and religious and tribal communities. Subjects addressed include religious freedom and human rights, conflict prevention and resolution, inter religious dialogue, women, religion and democracy, Iraqi youth, media and tribal leaders (~\$100,000).
- Supported Iraqi-led Strategic Economic Needs and Security Exercise (SENSE) simulation for the Ministry of Finance (~\$12,500).
- Funded the following conflict management projects run by USIP-trained facilitators: a workshop for political party leaders in Salah al Din on coalition-building, political debate and compromise in advance of the December election; a workshop on conflict mediation and resolution for NGO leaders in Kirkuk; a workshop on non-violent problem solving techniques and inter-ethnic communication for security officials and young tribal leaders on the Ninewah border with Syria; and workshops for teachers in villages near Mosul on incorporating conflict management techniques in their curriculum (~\$5,000).
- Continued planning for 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.
- Published and distributed a USIP Special Report in English on reforming Iraq's education sector entitled, "Strategies for Promoting Democracy in Iraq" (~\$3,000).
- Published and distributed teaching materials in Arabic on international conflict management and resolution, including six chapters of *Turbulent Peace*, a USIP publication on peace

education, rule of law, and democracy and good governance. Delivered additional USIP publications on conflict resolution to seven Iraqi Universities (~\$15,000).

- Continued production of Arabic version of distance learning course on conflict analysis (~\$8,000).
- Finished final draft of “Guide to Participants in Peace, Stability, and Relief Operations,” to take into account lessons learned in Iraq, with a view to publication in early 2006.
- 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 (~\$125,000).

**Accomplishments anticipated in the next quarter:**

- 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 (~\$50,000).
- Support Iraqi-led simulation for Iraqi University students and NGO leaders to test new software for SENSE (~\$120,000).
- Convene 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.
- Continue 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).
- Publish and distribute Arabic version of USIP Special Report entitled, “Strategies for Promoting Democracy in Iraq” (~\$3,000).
- Complete Arabic version of distance learning course on conflict analysis.
- Begin publication process of new edition of “Guide to Participants in Peace, Stability, and Relief Operations” (~\$30,000).
- Continue 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.

## **SECTOR: Electricity**

The USG strategy for infrastructure was never to provide a completely new system, but to ‘kick start’ the Iraqi economy by providing what Iraq needed to develop on its own. To date, over 350 electricity projects funded through IRRF 2 worth more than \$2.9 billion are complete or in progress, helping to provide a nationwide average of ten-twelve hours of power. In addition, projects worth about \$900 million are planned that will provide more equitable power distribution to millions of Iraqis. Finally, about \$480 million in projects have been deferred, pending consultation with the new Iraqi Government. These projects include increasing the transmission capacity by 500 Megawatts (MW) and adding resiliency and redundancy to the electrical grid.

Our efforts have faced several challenges, including insurgent attacks on transmission and fuel lines, lack of optimal fuels to operate power generation plants efficiently, unplanned power outages due to a weak infrastructure and a relentless increase in demand. All of these reduce the impact of capacity increases visible to consumers.

The strategy that the Embassy has launched with the Ministry of Electricity (MOE) focuses on rehabilitation and sustainment of electricity assets. Funds have been shifted away from long-term electricity projects in favor of smaller, near-term projects of immediate and visible impact. In fact, generation projects are nearly complete and include installing 29 new units and restoring or rehabbing 36 existing units. The strategy first implements a reconstruction program that adds, restores, and sustains 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. In addition, regular coordination meetings take place with the Ministry of Oil to develop and implement short- and long-term fuel plans and strategies. The strategy encompasses the following:

- **Summer and Winter Peak Demands:** Since Iraqis rely on electricity for their heating and cooling systems, demand for electricity reaches seasonal peaks in the summer and winter months. The Embassy and the MOE launched initiatives aimed at maximizing generation and power distribution throughout these peak seasons. A multi-national task force meets on a regular basis to establish key goals, develop action plans and track projects of the MOE, USG and donor nations. The action plans focus on six broad categories: fuels, projects, operation and maintenance (O&M), security, imported power and coordination and public diplomacy. The summer 2005 goal of reaching 115,000 Megawatt-hours (MWH) of generation production was achieved. The winter plan is especially focused on the National Election and the coldest months of January and February.
- **Equitable Distribution and Reliability:** Under the current distribution system operators are susceptible to threats and bribes from individuals or groups in exchange for additional electricity. One key USG project is the installation of an automated control system, which is scheduled for completion in December 2006. This system will decrease the reliance on manual operators and install control mechanisms to alert operators of imbalances in power transmission as well as illegal wire-tapping.
- **Ministerial Self-Sustainment:** The long-term success of reconstruction efforts relies on the ability of the MOE to execute a sufficient and effective O&M program. IRMO continues to work daily with MOE 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. projects. According to Embassy estimates, the MOE currently faces a significant budget shortfall for CY 2006.

- **Donor Assistance:** The USG is working with the United Nations, World Bank, Japanese Government and others on donor coordination to assist the Iraqi Government in attracting near-term assistance from other official donors.

#### Priority Issues to be Addressed Over the Next Quarter

With the elections in December, there will be some delays in work progress due to an expected change in MOE leadership. Nonetheless, the USG will dedicate additional resources to work the MOE on the following priorities:

- Implementation of the Project Partnership Agreement (PPA) between the PCO and the MOE. The PPA will facilitate USG-funded electricity infrastructure projects. Under the PPA, the MOE will undertake selected USG-funded electricity infrastructure projects and PCO will reimburse the MOE for the cost of the work up to agreed-upon amounts. Two projects have been jointly selected by the Ministry and the Embassy -- a new 132kV substation in Najaf and reconstruction of a 400kV transmission line between Hartha and Khor al Zubayr.
- Allocating funds for a cost-sharing program for sustainment of USG-funded generation plants to maximize available electricity in 2006. The sustainment strategy is aimed at educating and providing an incentive to the Iraqi Government to support the needed funding for new generation projects. The O&M program will consist of capacity-building through training and on-the-job mentoring to ensure the necessary skills are passed on to the Iraqi workforce. The cost-sharing program consists of a \$110 million investment by the Iraqi Government in 2006 to leverage approximately \$210 million in USG funds. Commitment from both the U.S. and Iraqi Government to this program is critical for the near term in order to ensure sustainment of these assets.
- **Dedicating MOE personnel to the start-up and commissioning phases of new and rehabilitated power plants.** To date, contractors reported insufficient MOE participation, particularly at Daura (units 5 and 6) and Baghdad South (units 1A and 1B) power plants. Daura 5 (150 MW) became operational in December 2005. The Baghdad South units (220 MW) are already online, however significant work remains to guarantee fuel supplies for the units.

**Generation**  
**Project Code: 40000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	1,870	-272	+10	-	-	-	-	1,608	1,274	1,055
Change from October	-	-	-	-	-	-	-	-	+30	-77
January 2006	1,870	-272	10	-	-	-	-	1,608	1,304	978

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration's intent to increase this project code by \$0.4 million (rounded down in table), reallocating funds from, and closing out, Security (PC 45000).

**Accomplishments since the October Report:**

**DOD**

- Completed the construction and commissioning of the Khor Al Zubayr New Generation Project. The new facility has added 246 MW of electrical power to the national grid with the capacity to serve over 220,000 Iraqi homes. This plant will provide an overall increase of 5% to the feasible generation capacity for the Iraqi grid. Placed a stop work order on the rehabilitation and commissioning of one GE Frame 5 unit at the Shuaiba power plant (Project Phoenix Phase II) due to technical issues when the ordered replacement unit was not configured to fit within the existing plant arrangement. Working with the Ministry to complete the installation of the unit, either at the plant or at an alternative location preferably within the Baghdad area.
- Solicited proposals to refurbish a GE Frame 6 turbine rotor in order to restore 21.5 de-rated MW of electrical power at the New Mulla power plant.
- Mobilized on-site experts for the Siemens V93.2 combustion gas turbines to the Baiji Power Plant for repairs and combustion inspections for 3 units, thereby improving the reliability of 360 MWs of electrical power currently delivered. The scope of work was expanded to include the maintenance upgrades of three GM TM-2500 units and installation of a new power turbine in one unit.
- Deferred, pending consultation with the new Iraqi Government, the East Baghdad Oil-Gas project, which would provide a reliable supply of fuel to the Qudas Power Plant, and the maintenance of one GE Frame 6 at the New Mulla Power Plant, which would restore 33 de-rated MWs of electrical power.

- Continued the O&M Bridge Plan, which provides immediate technical assistance to the MOE at various generation plants to expedite the return of available MWs to the national grid, as well as much needed maintenance training for power plant operators. Active work sites now include the Qudas, Baghdad South and Baiji Power Plants. Assembled project teams for the South and Central Regions, and began assembling the team for the North Region.
- Evaluated proposals for the O&M Long Range Program, which provides extended assistance to the Ministry to build the capacity of their O&M programs. Under the program, technical teams locate to seven power plant sites and two mobile teams provide countrywide maintenance support. In addition, one team is located in a centralized O&M facility where MOE personnel can remotely monitor the performance characteristics of individual gas turbine generators, allowing for effective management of the electrical system.
- Completed initial procurement of critical spare parts under the Project Phoenix Emergency Spare Parts Program.
- Solicited and awarded the O&M training contracts for Siemens V94.2 and GE Frame 9E engines. The contracts for O&M training for the GE-LM6000 and LM2500 engines were found technically deficient and are being re-solicited.
- Solicited and awarded the O&M Communications contract for the satellite communications system (VSAT). The system is a key component of the centralized O&M facility.
- Continued the procurements for the MOE of functional and operational spare parts, consumables and specialized maintenance tools through the O&M Spare Parts Program.
- Initiated the Sustainability Plan for CY 06. Assembled a team of experts in the UK to develop the sustainment implementation strategies. Also completed and solicited for the provisional Request for Qualifications (RFQ) for the Hot Gas Path Inspections (HGPI) and Combustion Inspections (CI) at the Baiji and Qudas Power Plants. Early identification of qualified contractors will allow the work to be completed by spring 2006, if funding becomes available.

## **USAID**

- Activated the new Baghdad South combustion gas turbine units, each of which is operational, providing 108 MW of new generation in the Baghdad area. Problems were encountered when trying to process enough heavy fuel oil (HFO) to run both units simultaneously on HFO. The second unit is currently running on diesel while resolving the through-put problem.
- Installed permanent gearbox on the 65 MW Siemens V64 combustion gas turbine unit at Kirkuk Power plant. This new unit was restarted in January 2005 and ran through the summer of 2005 using a temporary gearbox. The unit is now fully operational in its final configuration.
- Commissioned the new 260 MW Siemens V94 combustion gas turbine generator at Kirkuk Power Plant.

- Brought on-line the 160 MW rated Unit 5 thermal unit at Daura Thermal Power Plant. Generation levels are expected in the 120-140 MW range for this rehabilitated unit. This unit has been out of commission for more than three years.
- Continued to provide startup management assistance to the MOE for the 160 MW Daura Unit 6 sister unit.
- Sent damaged Daura Thermal Plant Unit 3 and 4 circulating water pumps out of country for rebuilding.
- Delivered main power transformers associated with the two new 108 MW GE combustion turbines from the de-scoped Mansuria project that are now expected to be installed by the Ministry of Electricity at Najaf Power Plant, completing the redistribution of equipment purchases from the de-scoped Mansuria New Gas Generation Project.
- Continued the USAID O&M project by ordering critical spare parts for the MOE, mainly for sustainability of USAID provided equipment at Baghdad South, Kirkuk and Daura Power plants.

**Accomplishments anticipated in the next quarter:**

**DOD**

- Turn over the Khor al Zubair Power Plant to the MOE.
- Demobilize the design-build contractor.
- Resolve the technical issues concerning the GE Frame 5 procured for the Shuaiba Power Plant.
- Complete the Sustainability Plan for CY06.
- Complete the maintenance upgrades of the Siemens V94.2 units and the GE TM-2500 units at the Baiji Power Plant.
- Start and complete the refurbishment work on the GE Frame 6 unit at the New Mulla Power Plant.
- Assemble the regional technical teams and continue the O&M Bridge Plan work.
- Award the O&M Long Range Plan contracts to provide advisory services for generation sustainability to the Ministry.
- Continue the O&M Spare Parts Program procurements to provide high priority emergency and operating spares for the MOE.
- Start the O&M Communications work to provide data transmission links between generation facilities and the MOE.

## USAID

- Provide startup management assistance to the MOE for the 160 MW Daura Unit 6 Thermal Unit. Expected startup is May 2006.
- Resolve problem with fuel oil treatment capacity at Baghdad South power plant and convert second unit to HFO operation.
- Return Daura Unit 3 and 4 circulating pumps to normal service.
- Continue the USAID O&M project to provide spare parts for sustainment.
- Complete and demobilize the contractors for the Kirkuk power plant site.
- Initiate the Phase II USAID O&M contract procurement.

## Transmission

### Project Code: 41000

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
October 2005	783	477	-18	-	-	-	1,242	459	268
Change from October	-	-	-	-90	-	-	-90	+182	+38
January 2006	783	477	-18	-90	-	-	1,152	641	306

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October report:** This report notifies Congress of the Administration's intent to decrease this project code by \$89.8 million. \$53.6 million will be allocated to Rule of Law (PC 06500) to support the continuation of such programs as criminal justice integration, public integrity and corrections programs. \$27 million will be allocated to Migration and Refugee Assistance, MRA, (PC 04000) to support the continuation of ongoing programs within the MRA arena. \$9.2 million will be allocated to Demining (PC 09500) to support mine detection dog training, the Iraqi Mine Clearance Organization and the National Mine Action Authority in the Ministry of Planning. Six projects were removed from Transmission. Three transmission overhead line projects, removed from the program, will be completed by the Ministry due to their importance to the local region. The remaining projects were listed as priority projects by the Ministry of Electricity although low in overall numeric ranking. These include the Kirkuk-Diyala 400KV Overhead Line that provides a reinforcement line for this critical transmission corridor and two 132KV substation projects that will have regional impact upon distribution.

**Accomplishments since the October Report:**

## DOD

Task Order	Description	Governorate	TO Start Date	Completion Date	% Complete (12/31/05)	# of projects in task order		
						Total	Starts*	Complete *
ET-010	Baghdad East Substation	Baghdad	9/16/05	09/20/06	25%	4	3/2	0/0
ET-021	Diyala Rehab Substation	Diyala	12/12/05	7/15/06	4%	1	1/1	0/0
ET-700	Transmission Substation Rehabilitation Southern Governorates	Basrah	12/27/05	1/26/07	5%	3	2/2	0/0

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

- Issued a 120-day stop work order to the contractor for ET-008 Haditha-Qaim 400kV line due to ongoing security challenges in the region. This is a 128 kilometer 400KV overhead line stretching through one of the most dangerous regions in Iraq where combat operations have continued throughout the Quarter. This type of linear infrastructure is extremely vulnerable to attack and the construction crews would have been subject to higher than acceptable risk. The security situation will be reevaluated in January.
- Issued a termination for convenience order to the contractor on ET-011, Baiji Haditha 400kV overhead line project. The contractor will complete the designs and procurements and place the materials in a secured lay-down yard. Alternate options are being considered to complete the construction, including direct contracting and project partnership agreements.
- Awarded and started construction of ET-021, the Diyala 400kV substation.
- Continued the work on ET-012 Baghdad West and ET-014 East Baghdad 400kV substations. Commissioning and completion dates have been rescheduled to next quarter.
- The Direct Contracting Initiative has awarded these large transmission projects to international companies who normally do this type of work worldwide. We are seeing these contractors enter in joint ventures, partnerships, and subcontracting relationship with regional firms in order to accomplish the work.
- Awarded the ET-715 and ET-741 contracts to construct six cluster pump 132kV substations and five 132kV transmission substations, respectively, in Basrah Governorate. The contractors have started the designs and preliminary mobilization work. Start of construction work was rescheduled to January 2006 to accommodate contractor's baseline schedule.
- Awarded the ET-900 contract to construct the Mosul 400kV substation extension. The contractor has started design and preliminary mobilization work. Start of construction work was rescheduled to January 2006 to accommodate the contractor's baseline schedule. This project will facilitate a 1,000 MW connection to a new Turkish line and increase the general reliability of the substation.
- Awarded and started construction of the ET-800 project, the Al Rasheed 400kV substation rehabilitation, to reduce overloading on the 132 kV system serving the Baghdad load center.
- Awarded the ET-800 project, 132 kV Al Qaim Mobile Pumping Station rehabilitation, to help increase the water supply to industrial, commercial and residential customers in the Anbar Governorate.

- Awarded the ET-700 contract and started construction of the Umm Qasr 132 kV substation rehabilitation to help meet the load requirements of the Port of Umm Qasr and residents in the surrounding area.
- Completed the solicitation of the ET-736 project, four cluster pump 132kV stations in the Basrah Governorate to improve the oil production capacity of the region.
- Completed the solicitation of ET-720, the Quarna (Amara) 400kV substation.
- Deferred several transmission projects, primarily 400 kV overhead line work, and pending consultation with the new Iraqi Government. The following projects were deferred:
  - Khor to Nassriya 400 kV overhead line No.2
  - Khor 400 kV Substation extension
  - Qadisiya 400 kV Substation rehabilitation and expansion
  - Nassriya to Qadisiya 400kV overhead line
  - Nassriya 400 kV Substation rehabilitation and expansion
  - Babil to Karbala 132 kV overhead line No.1 and 2
  - Hilla South to Hashemiya overhead line No.1 and 2 rebuild
  - Hashemiya to Shamiya No.1 and 2 rebuild
- Continued preparing reference designs and solicitation packages for the above-deferred projects in the event that funding for the work becomes available.
- Implemented a Project Partnership Agreement (PPA) between the PCO and the Ministry to construct the Hartha-Khor 400 kV overhead line, the primary transmission system element in transferring electricity from generation sources in southern Iraq to the Baghdad load center.
- Implemented a PPA between PCO and the Ministry to construct a new 132 kV substation in Najaf to improve the transmission of electricity to industrial, commercial and residential loads in the area.
- Awarded the Baiji Gas Powered Station (GPS) to Thermal Power Station 400kV Cable Connection project.
- Awarded the ET-400 contract to construct the 132 kV Mobile Samarra Substation. This substation is necessary to serve the load requirements of the surrounding area and to allow for uninterrupted service during maintenance of the main substation.

**Accomplishments anticipated in the next quarter:**

## DOD

Anticipated 2nd Quarter FY 2006 Project Status								
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	9/16/05	09/20/06	40%	4	4/1	0/0
ET-011	Haditha/Baiji OHL	Salah Ad Din	03/01/06	06/10/06	50%	1	1/1	0/0
ET-012	Baghdad West et. al.	Baghdad	12/22/04	2/5/16	65%	3	3/0	3/2
ET-014	Baghdad East/Ba'quba East SS Rehab	Baghdad	04/08/05	2/25/06	100%	2	2/0	2/2
ET-700	Transmission Substation Rehabilitation Southern Governorates	Basrah	12/16/05	1/26/07	30%	3	3/1	0/0
ET-715	CPS-9 132KV S/S Rehab	Basrah	01/21/05	11/19/06	20%	6	6/6	0/0
ET-736	CPS 8 - 132KV S/S REHAB	Basrah	03/16/06	2/23/07	20%	4	3/3	0/0
ET-741	Qurna Rehab 132KV	Basrah	1/11/06	11/6/06	35%	5	5/5	0/0
ET-800	Transmission Substation Rehabilitation Anbar/Baghdad Governorate	Al Anbar	01/15/06	12/14/06	20%	2	2/2	0/0
ET-900	Transmission Rehabilitation Substation & Overhead Lines	Ninawa	01/11/06	11/07/06	25%	2	1/1	0/0

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

- Major awards for transmission pending for the next quarter are ET-736 (CPS 132kV Substations), the Amara 400KV Substation, and the Samara 132kV Mobile Substation.

### Distribution Network Infrastructure Project Code: 42000

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
October 2005	987	302	-	-	-	-	1,289	823	258
Change from October	-	-	-	-	-	-	-	+135	+180
January 2006	987	302	-	-	-	-	1,289	958	438

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

## Accomplishments since the October Report:

### DOD

Accomplishments 1st Quarter FY 2006 Project Status								
Task Order	Description	Governorate	TO Start Date	Completion Date of TO	% Complete (12/31/05)	# of projects in task order		
						Total	Starts	Complete *
ED-005	Diyala Distribution Network	Diyala	12/30/04	3/24/06	80%	7	7/0	3/3
ED-006	Wasit Distribution Network	Wasit	12/27/05	1/31/06	84%	8	8/0	4/4
ED-008	Erbil Distribution Network	Erbil	09/22/04	1/29/06	45%	14	14/5	5/5
ED-009	Ninawa Distribution Network	Ninawa	03/07/05	11/14/06	60%	10	7/4	0/0
ED-010	Salah Al Din Distribution Network	Salah Al Din	02/21/05	1/31/06	40%	6	6/1	2/2
ED-016	Babil Distribution Network	Babil	01/09/05	11/22/05	100%	8	7/0	7/6
ED-017	Basrah Distribution Network	Basrah	11/29/04	11/23/05	100%	5	5/0	5/1
ED-028	Baghdad Feeder Cables	Baghdad	07/01/04	5/14/06	90%	19	18/2	16/1
ED-031	Falluja Residential Power	Al Anbar	03/11/05	7/12/06	45%	25	8/1	6/1
ED-200	Local Distribution Network - North	Northern, Multiple	01/27/05	11/3/06	55%	20	14/5	7/1
ED-300	Local Distribution Network - South	Southern, Multiple	01/11/05	7/15/06	55%	35	33/26	3/1
ED-400	Local Distribution Network - Central	Central, Multiple	11/20/04	8/30/06	75%	33	30/6	22/5
ED-500	Local Distribution Network - Baghdad	Baghdad	02/01/05	7/17/06	77%	26	23/7	16/7
ED-503	100EA - 250KVA & 50EA - 400KVA TRANSFORMERS	Baghdad	12/15/05	7/17/06	77%	12	1/1	0/0
ED-600	DISTRIBUTION NETWORK REHABILITATION FOR SADR CITY	Baghdad	12/01/05	6/15/06		69	15/15	0/0
ED-601	NAJAF NETWORK REHABILITATION	Najaf	6/11/05	5/14/06	33%	3	3/1	0/0
ED-603	SAMARRA LAYDOWN YARD	SAMARRA	10/27/05	1/19/07	33%	3	3/3	1/1

- Awarded all 25 33/11 kV Rapid Contracting Initiative (RCI) substation distribution projects. Each substation will eventually be able to distribute power to 25,000 or more people. Twenty three of the substations are concentrated in heavily Shi'a southern Iraq.
- Awarded more than 200 RCI projects, started more than 100 RCI projects and completed more than 60 RCI projects. RCI has been a highly successfully program focused toward competitively awarding smaller scale distribution projects to Iraqi firms.
- Trained five Ministry of Electricity technicians and engineers at Brugg factories in Switzerland on high-voltage cable jointing for the KEC Haditha-Qaim 400 kV transmission project.

### USAID

- Turned over to the Ministry of Electricity 25 new and/or rehabilitated substations in the Karkh and Rusafah areas of Baghdad, totaling 750 Mva (Mega Volt Amps) of distribution capacity.

- Turned over to the Ministry four mobile substations, totaling 64 Mva, initially used to support construction of the 25 new substations.
- Provided 1500 33Kv and 11kv termination kits to the Ministry of Electricity to enable cabling connections in order to utilize the new substations.
- Completed eight Community Action Program (CAP) projects that consisted of the installation of transformer, wires, fittings and re-distribution of electricity network in eight communities valued at \$350,000.

**Accomplishments anticipated in the next quarter:**

**DOD**

Anticipated 2nd Quarter FY 2006 Project Status								
Task Order	Description	Governorate	TO Start Date	Completion Date of TO	% Complete (03/31/06)	# of projects in task order Total Starts* Complete *		
ED-005	Diyala Distribution Network	Diyala	12/30/04	3/24/06	100%	7	7/0	7/4
ED-006	Wasit Distribution Network	Wasit	12/27/05	1/31/06	100%	8	8/0	8/4
ED-007	Dahuk-Distribution Network	Dahuk	01/15/05	2/22/06	100%	4	4/0	4/2
ED-008	Erbil Distribution Network	Erbil	09/22/04	1/29/06	100%	14	14/0	14/9
ED-009	Ninawa Distribution Network	Ninawa	03/07/05	11/14/06	60%	10	9/2	4/4
ED-010	Salah Al Din Distribution Network	Salah Al Din	02/21/05	1/31/06	100%	6	6/0	6/4
ED-011	INDUSTRIAL REGION NEW SUBSTATION	AS SULAYMA NIAYH	5/4/05	3/15/06	100%	3	3/0	3/3
ED-015	Al Anbar Substations and Feeders	Al Anbar	3/29/06	11/30/06	20%	4	4/1	0/0
ED-022	ADEN SUBSTATION	Najaf	5/10/05	2/16/06	100%	3	3/0	3/3
ED-024	AL FAYHAA SUBSTATION	AL-SHATRA	5/26/05	2/11/06	100%	3	3/0	3/3
ED-028	Baghdad Feeder Cables	Baghdad	07/01/04	5/14/06	90%	19	19/1	17/1
ED-031	Falluja Residential Power	Al Anbar	03/11/05	7/12/06	65%	25	25/17	7/1
ED-200	Local Distribution Network - North	Northern, Multiple	01/27/05	11/3/06	55%	20	18/4	14/7
ED-300	Local Distribution Network - South	Southern, Multiple	01/11/05	7/15/06	55%	35	35/2	7/4
ED-400	Local Distribution Network – Central	Central, Multiple	11/20/04	8/30/06	75%	33	32/2	27/5

ED-500	Local Distribution Network – Baghdad	Baghdad	02/01/05	7/17/06	77%	26	25/2	23/7
ED-503	100EA - 250KVA & 50EA - 400KVA TRANSFORMERS	Baghdad	12/15/05	7/17/06	77%	12	12/1	1/1
ED-600	DISTRIBUTION NETWORK REHABILITATION FOR SADR CITY	Baghdad	12/1/05	6/15/06		69	48/33	41/41
ED-601	NAJAF NETWORK REHABILITATION	Najaf	6/11/05	5/14/06	33%	3	3/0	1/1
ED-603	SAMARRA LAYDOWN YARD	SAMARRA	10/27/05	1/19/07	33%	3	3/3	3/2

- The majority of the RCI Program projects pending award are the Baghdad Essential Services and PRDC projects whose \$92 million in funding was reinstated from the deferral list in November.

#### USAID

- Complete turnover of spare parts and documentation, final closeout and demobilization of the USAID substation program.
- Complete seven additional electricity CAP projects, valued at \$500,000.

#### Automated Monitoring and Control System

**Project Code: 43000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005		150	-23	-	-	-	-	127	95	12
Change from October		-	-	-	-	-	-	-	-	+9
January 2006		150	-23	-	-	-	-	127	95	21

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

**Accomplishments since the October Report:**

**DOD**

- Started construction of the three regional control centers, the national Power Line Carrier (PLC) network and the regional wireless communications network. This project is scheduled for completion in December 2006 and will provide centralized control for power transmission nationally and regionally. In addition, it provides near time reporting of power plant and major substation transmission status and technical data to the control centers as well as voice communications.
- Completed the factory acceptance testing and deliveries of the PLC equipment, Remote Terminal Unit (RTU) equipment, microwave equipment and Ultra-High Frequency (UHF) equipment.
- Factory-tested all three master supervisory control and data acquisition (SCADA) computers and delivered one to the southern regional control center.
- Started the six-month on-the-job training of nine Iraqi engineers in Minneapolis and the five-month training of 60 Iraqi SCADA and communications operators in Amman, Jordan.
- Initiated civil works on 100 sites.
- Implemented capacity building with the MOE by involving them in the project design and implementation plans.
- Held coordination meetings in Munich, Germany with the MOE and contractor to discuss the frequency plan for SCADA. The Ministry of Electricity provided information on 140 wave traps, significantly reducing the number of surveys required to be performed by the prime contractor. Based on the meeting, revised the commissioning and frequency plan.

**Accomplishments anticipated in the next quarter:**

- Install and commission the southern regional control center.
- Install and commission the PLC and UHF communications system in the south.
- Continue the training of nine Iraqi engineers in Minneapolis, Minnesota and 60 Iraqi SCADA and communications operators in Amman, Jordan.
- Deliver the remaining two master SCADA computers to the southern regional control center in February.
- Survey and assess approximately 60 wave trap sites.

**Security**  
**Project Code: 45000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	50	-6	-	-	-	-	-	44	43	43
Change from October	-	-	-	-	-	-	-	-	-	-
January 2006	50	-6	-	-	-	-	-	44	43	43

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration’s intent to decrease this project code by \$0.4 million (rounded down in table) and reallocate the balance of the account to Electricity Generation (PC 40000), closing this project code to any increased activity.

**Accomplishments since the October Report:**

- There are no further activities in this project code.

**Accomplishments anticipated in the next quarter:**

- There are no further activities in this project code.

## **SECTOR: Oil Infrastructure**

The 2006 Iraqi budget totals \$33 billion, about 95% of which will be revenue from crude oil exports. By comparison, in 2004, Iraq earned \$17.5 billion from oil exports, and the ITG has estimated it may have earned as much as \$24 billion in 2005. Crude oil production in the fourth quarter was 1.97 million barrels per day (bpd), a decline from the third quarter average of 2.14 million bpd. Production remains below the post-war peak level of 2.54 million bpd achieved in September 2004. Crude oil exports in the fourth quarter were 1.16 million bpd, a decline from the third quarter average of 1.55 million bpd. Exports remain below the post-war peak level of 1.83 million bpd achieved in March 2004.

A combination of insurgent attacks on crude oil and product pipelines, dilapidated infrastructure and poor operations and maintenance have hindered domestic refining, requiring Iraq to import significant portions of liquefied petroleum gas (LPG), gasoline, kerosene and diesel. The oil ministry estimates the current average import cost of fuels is roughly \$500 million each month.

<b>Crude Oil Production &amp; Exports</b>			
Millions of barrels per day (bpd)	October	November	December
Crude Production	1.94	1.98	1.98
Crude Exports	1.24	1.17	1.07

IRRF projects have concentrated 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.

There were limited crude oil exports to Turkey via the northern crude pipeline in October 2005, with sales to international and Turkish oil companies. Repeated insurgent attacks on the northern, southern and central pipeline systems continued to impede shipments of crude to domestic refineries, while also limiting Iraq's ability to export through the northern pipeline.

Construction is 50% complete at the critical Al Fatha oil pipeline crossing, while the Kirkuk Canal crossing is more than 90% complete.

The completed gas-oil separation plant projects in the north have added 200,000 bpd of crude oil capacity supporting the resumption of 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 500,000 bpd. Work on the Kellogg, Brown & Root (KBR) phase of Qarmat Ali Water Injection is almost complete.

The Parsons Iraq Joint Venture (PIJV) phase of Qarmat Ali is underway. Portions of this new task order are being re-scoped to include heavier emphasis on Capacity Development to enable South Oil Company to sustain what is already in place. PIJV is operating a camp in Basrah and is working on their southern projects. Construction has started on the refurbishment of Berths 1 and 2 loading arms, the first phase of work to restore the Al-Basrah Oil Terminal (ABOT) to its full design capacity and improve its reliability and safety.

Design/build contractors (D/B), PIJV and KBR, still are receiving slow vendor responses to inquiries and requests for quotations, due to the acceleration of petroleum construction projects

worldwide. 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									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	1,200	497	-	-	-	-	-	1,697	1,212	514
Change from October	-	-	+4	+13	-	-	-	+17	+185	+138
January 2006	1,200	497	4	13	-	-	-	1,714	1,397	652

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report reflects a previous notification to Congress of the Administration’s intent to increase this project code by \$3.5 million from Emergency Supplies of Refined Petroleum Products (PC 51000) to fund repairs for the Al Fatha crossing.

This report notifies Congress of the Administration’s intent to increase this project code by \$12.6 million, reallocating funds from Iraqi Armed Forces Equipment (PC 21000) to the Infrastructure Sustainment Program.

**Accomplishments since the October Report:**

- Completed construction for ABOT Phase I, which includes Loading Arm Refurbishment, Berths 1 and 2, increasing reliability of crude oil loading into tankers (~\$1.8 million).
- Completed Qarmat Ali Cluster pump stations to increase water injection capacity and enhance reliability of crude oil production in the southern region (~\$29 million).
- Started work on Qarmat Ali Pressure Maintenance Project. This project will maintain reservoir pressure in one of Iraq’s biggest southern fields, thereby helping to sustain production levels.
- Started construction on Emergency Power at Cluster Pump Station 5 (CPS-5), Package Injection Refinery Pumps, North Gas Company Gas Leak Detection System, (AB)-2 Compressor Station, and Iraq/Turkey Pipeline projects. CPS-5 power provides reliability of power to maintain oil reservoir pressure and production rates and Injection pumps provide a similar function. Gas detection improves safety at NGC, AB2 reliability of gas for NGL supplies and IT projects provides a communication method to regulate and control the flow of crude along the IT pipeline.
- Completed Baba Wet Crude Treatment Unit, to increase crude oil production capacity by 55,000 bpd.

- Completed TM2500 Turbine Training course, providing long term sustainability for southern region turbine systems. This consisted of two classes of 30 students, nominated by Southern Oil Company, trained in Basrah by professional turbine training company BTEC.
- Established a new Southern Area Training Facility to provide basic level training for equipment in the oil sector. Trained 66 students on the equipment (trucks, cranes, fire engines, forklift, etc.), conducted by the professional training company Connelly.
- Started a program developing ministerial capacity for long term service agreements, assisting the Ministry to develop and sustain vendor agreements and maintenance programs. The program was developed by Foster Wheeler Ltd, at head office, Reading, UK. The Ministry of Oil benefits from this, resulting in better communication, leadership, fiscal management, strategic planning and technical skills.

#### **Accomplishments anticipated in the next quarter**

- Complete Jabal Bur and North West Avana Degassing Station, delayed due to lack of operational resources. Stations produce increased quality crude product.
- Complete AB-8 and AB-7 Compressor Stations, delayed due to poor vendor response, resulting in increased reliability in LPG production.
- Complete Naft Khanah Gas Oil Separator, which was previously rescheduled in favor of work on non-operating facilities. Facilities that were not working took a higher priority. Naft Kanah adds a further 40,000 bpd crude production.
- Utilize the developing educational relationship between the Oil Ministry and University of Oklahoma to train laboratory and instrument technicians.
- Complete three further Northern Well Workover projects, North Oil laboratory equipment, and a reformer compressor repair for the Basrah refinery. The North Oil lab permits a quality check on the produced crude. All projects directly or indirectly increase the quality and reliability of produced product.
- Complete one river (Kirkuk) and two pipeline crossings (Zegerton and Riyadh respectively) in Northern Iraq for the critical supply of crude oil, natural gas and product to refineries, chemical plants and power plants.

#### **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
October 2005	501	-475	-	-	-	-	-	26	24	6
Change from October	-	-	-4	-	-	-	-	-4	-19	-1
January 2006	501	-475	-4	-	-	-	-	22	5	5

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$3.5 million, reallocating it to Infrastructure (PC 50000) for repair of the Al Fatha crossing.

**Accomplishments since the October Report:**

- Continued to close out contracts, paying or denying claims made by fuel truck owners for equipment losses.

**Accomplishments anticipated in the next quarter:**

- Continue to review, negotiate and pay claims. Expect to settle all claims with available funds. It is anticipated all funds will be expended since claims exceed available funds. DESC is negotiating and settling claims on a pro rata basis within available funding.

## **Sector: Water Resources and Sanitation**

The Water Resources and Sanitation Sector continued to make progress in completing projects and instituting programs to ensure sustainability of the infrastructure. Most of the large-scale potable water, sanitary sewer and water resources projects are completed or well underway. Implementation of smaller, rapid placement water projects is well-advanced, and a limited amount of planning and design work remains. Small, rapid-placement projects require limited investment but provide benefits quickly with potentially lower requirements for operations and maintenance (O&M).

During this quarter there were several major reallocations of funds between subsectors of the Water Resource and Sanitation Sector, both for ongoing projects and for projects deferred pending consultation with the new Iraqi Government. Three larger water treatment projects were descoped from design-build contracts to design only due to limited funding. Completed designs will be presented to the Ministry of Municipalities and Public Works (MMPW) for execution using other funds.

With many construction activities nearly complete, there has been a shift in focus and effort by the U.S. government towards sustainability of infrastructure. Capacity development is critical to sustaining the substantial investment that has been made by the U.S. in potable water, sanitation, and water resource infrastructure, and towards that end, the U.S. government continued to implement several initiatives to assist the Iraqi Ministry of Water Resources (MoWR), MMPW and Baghdad Amanat (City Hall) with a transition to self-reliance.

Key capacity development initiatives include the USAID Water Sector Institutional Strengthening (WSIS) program; the MMPW Management Systems Training Program; the Capacity Development Initiative (CDI) Program; and the Standard Design Package Development Program. These programs focus on building capacity from plant operations through middle management levels in areas such as project management, water quality assessment, finance and administration, communications, utility master planning and facilities O&M.

Operations and maintenance continued to be a central focus for the capacity development efforts. The U.S. developed an O&M budget model for MMPW water and wastewater treatment facilities to assist in the Ministry's preparation of their 2006 utilities budgets. Under the WSIS program, USAID conducted training to improve operations and maintenance of 11 U.S. funded facilities; provided associated equipment, materials and tools; and mentored MMPW and Amanat personnel in the field through on the job training.

There has been and continues to be strong interest in measuring the impacts and benefits of these investments. In response to the September 2005 U.S. General Accountability Office report on reconstruction efforts in the water resources and sanitation sector, IRMO undertook an extensive review of sector projects and available data. IRMO is currently finalizing a set of standard methodologies and metrics that could be used to track the impact of U.S. reconstruction efforts in this sector.

## 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
October 2005	891	592	-	-	-	-	1,483	982	265
Change from October	-	-	-16	-22	-	-	-38	+24	+233
January 2006	891	592	-16	-22	-	-	1,445	1,006	498

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$21.6 million, reallocating funds to the Fallujah Sewerage Phase 2 project (PC 62000).

This report further reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$15.5 million. Of this total, \$3 million was allocated to Nonproliferation and Export Control and Border Security (PC 09600); \$4 million was allocated to Demining (PC 09500); and the remaining \$8.5 million was reallocated to Democracy Building Activities for Election Support (PC 06000).

### Accomplishments since the October Report:

#### DOD

- Awarded seven of 19 projects planned for award and completed 24 of 26 projects planned for completion for small potable water system projects country-wide. Vetting by the Provincial Reconstruction Development Councils (PRDCs) has slowed the awards process. These projects were awarded to Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Converted the remaining PW-090 small water project program prioritization to the PRDC process for vetting and approval (~\$14 million).
- Initiated selection of an engineering contractor to complete designs for Najaf, Diwaniya and Dokan-Sulaymaniyah water treatment plants to be delivered to MMPW. Construction of these projects has been deferred pending consultation with the new Iraqi Government.
- Awarded five small water projects in Basrah and completed three projects. These contracts were awarded to Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Did not complete any of the six planned small potable water system projects in rural Al Anbar Governorate. Project completions were delayed due to late awards in FY05 Q4, when the

USACE redirected resources to higher priority tasks to ensure obligation of Commander's Emergency Response Program (CERP) projects in September.

- Initiated a Project Partnership Agreement with MMPW to complete the Baladrooz water treatment plant. Project Partnering Agreements allow Ministries to complete projects through state-owned enterprises or direct contracts to third-parties, rather than U.S. government contractors. This Agreement will enhance Ministry capacity by transferring responsibility for project delivery to the Ministry.
- Completed rehabilitation of the Wathba and Wadha water treatment plants, serving approximately 220,000 Baghdad residents (\$24 million).
- Provided further training opportunities by including MMPW engineering staff in the design of Zobediah, Majer and Meshkhab water treatment plants. Completion of the designs is scheduled for February.
- Started construction on four small potable water Essential Services projects (~\$1.8 million).
- Continued training and mentoring of MMPW technical and managerial staff under the Capacity Development Initiative (CDI) program. Trained 164 MMPW staff members in project management, finance and administration, water quality, communications, master planning and design.
- Continued water system rehabilitation under the MMPW Management Systems program (\$15 million), leveraging small investments into marked improvements. One example is rehabilitation of Tayarra Water Treatment Plant, operating at 25% capacity since 1992. The plant is now producing 28,000 cubic meters per day (100% of design capacity).
- Developed a comprehensive policy to provide Iraqi women-owned businesses with voluntary set-asides and to add "women-owned business" to the evaluation criteria for awards, making it easier for women to get contracts from U.S. funded programs.
- Held two coaching seminars, helping Iraqi women-owned businesses understand the bidding process. Over 100 Iraqi women-owned businesses were trained, which resulted in approximately 60 substantial contracts to women-owned businesses.
- Organized two trips to enhance MMPW's strategic development and implementation mechanisms:
  - Nine MMPW Technical Staff attended the 2005 WEFTEC - Water Environment Federation's Technical Exhibition and Conference held in Washington, DC: an opportunity to expose MMPW professionals to the latest practices, solutions, and regulations in their field.
  - Five MMPW Management Staff attended the 2005 WQTC - Water Quality Technology Conference and Exposition held in Quebec City, Canada: an opportunity for MMPW management to attend professional level seminars related to management of water district utility programs and tour facilities.

**USAID**

- Restored the remaining 35 kilometers of Baghdad Potable Water Distribution Main out of a total of 99 kilometers, almost a 34% increase over the original scope. Installed connections to 15,620 homes, a 30% increase over the original scope.
- Installed 10 new compact units at Karbala Water Treatment Plant one month ahead of schedule, allowing for the provision of 100% design flow during the peak summer demand and holy pilgrimages.
- Commenced construction at all Rural Water sites (71 sites) around the country and completed 11 sites.
- Initiated implementation of Water Sector Institutional Strengthening (WSIS) at seven potable water facilities. Initially targeted at 18 facilities, but reduced to seven due to higher than expected contractor bids.
- Completed four new Community Action Program (CAP) projects valued at about \$94,000. Project implementation has been slowed during Ramadan and due to transportation and communication problems before and during the Constitutional Referendum.

#### **Accomplishments anticipated in next quarter:**

##### **DOD**

- Award six projects and complete 21 small water projects in the PW-090 program, all of which are with local Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Award one project and complete four small water projects in Basrah, all of which are with local Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Complete 13 small water projects in rural Anbar Governorate, all of which are with local Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Start construction on eight small potable water Essential Services projects, all of which are with local Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Complete design of Zobediah, Majer and Meshkhab water treatment plants.
- Continue design of Najaf, Diwaniya and Dukon-Sulimaniyah Water Treatment Plants to 30 percent.
- Achieve mechanical completion on the Ifraz-Erbil water treatment system.
- Implement the Project Partnership Agreement with MMPW for completion of Baladrooz water treatment plant.

- Continue training of MMPW, MoWR and Baghdad Amanat technical and managerial staff under the CDI Program. Conduct 14 train-the-trainer workshops providing generic training to 150 trainees who have participated in our CDI training activities.
- Continue to provide software and training to Iraqi ministries in accounting, Geographical Information Systems, scheduling, costing, and inventory database.
- Continue mentoring of Ministry Professional Level Staff to ensure knowledge gained by on-going training is being effectively utilized.

## USAID

- Complete the construction of 20 additional rural water sites to bring the total to 30 operational rural water treatment sites.
- Complete two ongoing CAP water projects in Hilla valued at about \$145,000.

## Water Conservation Project Code: 61000

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	31	-	-	-	-	-	-	31	27	19
Change from October	-	-	-	-	-	-	-	-	+1	+4
January 2006	31	-	-	-	-	-	-	31	28	23

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

### Accomplishments since the October Report:

#### DOD

- Completed upgrade of existing Technical Learning Centers in Najaf, Basra, Baghdad, Erbil, Nassiriya, and Hilla. Received bid proposals on Samarra and Falluja.
- Delivered the remaining \$6 million in materials and tools as part of the water conservation network program to six of the 17 planned cities, for a total of 15 cities.
- Completed repairs to water network systems and provided training in six of the 17 planned cities.

### Accomplishments anticipated in next quarter:

- Complete training and repairs to water network systems in all of the 17 planned cities.

**Sewerage**  
**Project Code: 62000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	205	30	-	-	-	-	-	235	223	49
Change from October	-	-	-	+37	-	-	-	+37	-7	+31
January 2006	205	30	-	+37	-	-	-	272	216	80

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration's intent to increase this project code by \$36.7 million to fund the Sewerage Infrastructure Sustainment Program (\$15.1million) from Irrigation and Drainage Systems (PC 65000) and the Fallujah Sewerage Phase 2 project (\$21.6 million) from Potable Water (PC 60000).

The Hababiya Pond project was terminated at the request of the City of Baghdad because it did not feel it would address the wet weather overflow problem in Sadr City adequately. Remaining funds (\$12 million) will be transferred from USAID to DOD to be used for other sewer projects or infrastructure sustainment.

**Accomplishments since the October Report:**

**DOD**

- Completed Phase 1 of the Falluja sewerage system, consisting of construction of collection network for approximately 3,200 homes in the city.
- Finalized Phase 2 execution plan and began construction on Falluja sewerage system Phase 2 collection networks, a collaborative effort between MMPW, the US Military, USACE and PCO to provide sewage treatment for the entire city. MMPW has contributed package treatment plants sufficient to provide treatment for the entire city. Remaining funds will be used to extend the collection network to additional sectors of the city.
- Started construction on two small sewer upgrade Essential Services projects. Essential Services projects refer to a set of sewer and water projects executed by the U.S. Army 4<sup>th</sup> Infantry Division in Baghdad (~\$20 million).
- Continued construction on the Basrah sewer rehabilitation; estimated 70% complete.

**USAID**

- Commenced WSIS at four wastewater treatment plants (Baghdad, Babil and Najaf Governorates). Initially targeted at eight, reduced to four due to higher than expected contractor bids.
- Completed four CAP projects valued at about \$717,000.

**Accomplishments anticipated in next quarter:**

**DOD**

- Complete engineering design of the Falluja sewage treatment system and commence procurement of the installation under a direct contract with a local Iraqi firm, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Continue rehabilitation of the Basrah sewage collection and treatment systems; estimated 90% complete at the end of March.
- Start construction on four small sewer upgrade Essential Services projects.

**USAID**

- Complete the clean out and refurbishment of 11 sewage pump stations and the new construction of one pump station for the Kadhamiya Sewage Collection System (Baghdad).
- Complete the construction of two additional primary sedimentation tanks and the clean out of the secondary treatment lagoons at the Karbala Wastewater Treatment Plant site.
- Complete two ongoing CAP projects valued at about \$156,000.

**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
October 2005	21	-10	-	-	-	-	-	11	11	1
Change from October	-	-	-	-	-	-	-	-	-	+3
January 2006	21	-10	-	-	-	-	-	11	11	4

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** USAID.

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

**Accomplishments since the October Report:**

- Turned over all operating equipment to Kirkuk Governate.

**Accomplishments anticipated in next quarter:**

- Close out project code; anticipate no further activities.

## WATER RESOURCE PROJECTS

### 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
October 2005	157	-34	-	-	-	-	-	123	105	29
Change from October	-	-	-	+57	-	-	-	+57	+2	+17
January 2006	157	-34	-	+57	-	-	-	180	107	46

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration's intent to increase this project code by \$56.9 million to fund the Nassriya Drainage Pumping Station project. \$13.9 million is from Irrigation and Drainage Systems (PC 65000) and \$43 million is from Basrah Sweetwater Canal (PC 68000).

#### Accomplishments since the October Report:

##### DOD

- Completed standard O&M training for the completed Karbala Irrigation & Drainage project.
- Completed 70% construction of the Mandali Irrigation Pump Station and 50% of the Mandali conveyance pipeline (\$18 million).
- Continued engineering design and assessment of existing equipment at Nassriya Drainage Pump Station; estimated 50% complete.
- Continued construction on Nassriya Drainage Pump Station, estimated 15% complete (\$84 million).

##### USAID

- Commenced turn over of equipment packages (pumps, motors and transformers) to rehabilitate key components of Ministry of Water Resources Irrigation Pump Stations and Wadha Pump Stations.

#### Accomplishments anticipated in next quarter:

##### DOD

- Complete Mandali conveyance pipeline. Complete O&M training for the Mandali Irrigation Pump Station.

- Complete engineering design and assessment of existing equipment at Nassriya Drainage Pump Station.
- Continue construction on Nassriya Drainage Pump Station, estimated 25% complete at the end of March.

## USAID

- Complete turn over of equipment packages (Motor Control Centers) to rehabilitate key components of MOWR's Irrigation Pump Stations and Wadha Pump Stations.

## Irrigation and Drainage Project Code: 65000

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	7	31	-	-	-	-	38	33	4
Change from October	-	-	-	-31	-	-	-31	-26	+1
January 2006	7	31	-	-31	-	-	7	7	5

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$30.79 million. \$15.1 million will be allocated to Sewerage (PC 62000) to fund the Fallujah Sewerage Phase 2 project. \$13.9 million will be allocated to Pump Stations and Generators (PC 64000) to fund the Nassriya Drainage Pump Station project. The Nassriya Drainage Pump Station is a top priority for the Ministry of Water Resources. This project was also already underway and the US government strategy is to complete all projects already in progress. Additionally, \$1.79 million will be allocated to Major Irrigation (PC 66000) for anticipated requirements.

### Accomplishments since the October Report:

- Completed engineering design for the Kut Betera Drainage project.

### Accomplishments anticipated in next quarter:

- Hand over completed engineering design for Kut Betera Drainage project to MWR. This action completes the activity in this project code.

**Major Irrigation Projects**  
**Project Code: 66000**

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
October 2005	22	31	-	-	-	-	53	45	3
Change from October	-	-	-	+13	-	-	+13	-39	-
January 2006	22	31	-	13	-	-	66	6	3

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration's intent to increase this project code by \$13 million. Of the total, \$11.21 million is from Umm Qasr/Basrah Water Pipeline (PC 68000) and \$1.790 million is from Irrigation and Drainage (PC 65000).

**Accomplishments since the October Report:**

- Completed engineering design of the Eastern Euphrates Drainage project.

**Accomplishments anticipated in next quarter:**

- Hand over completed engineering design for Eastern Euphrates Drainage project to MoWR.

**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
October 2005	39	23	-	-	-	-	62	49	13
Change from October	-	-	-	+21	-	-	+21	-30	+2
January 2006	39	23	-	21	-	-	83	19	15

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration's intent to increase this project code by \$21.09 million from Umm Qasr/Basrah Water Supply project (PC 68000) to fund Mosul Dam Repair equipment.

**Accomplishments since the October Report:**

- Issued procurement solicitation for enhanced grouting system and spare parts for Mosul Dam, in accordance with the recommendations of the Panel of Experts' study of Mosul Dam.

Solicitation was delayed due to Ministry decision to self-procure certain spare parts and equipment with MWR funds.

- Completed and provided assessments to MWR with recommendations for future work for Diyala Weir, Ramadi Barrage and Adhaim Dam, which is all of the programmed work for these projects.

**Accomplishments anticipated in next quarter:**

- Place procurement orders for enhanced grouting system and spare parts for Mosul Dam.

**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
October 2005	25	86	-	-	-	-	111	22	9
Change from October	-	-	-	-75	-	-	-75	+1	+4
January 2006	25	86	-	-75	-	-	36	23	13

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration’s intent to decrease this project code by \$75.3 million. \$11.21 million will be reallocated to Major Irrigation (PC 66000); \$21.09 million to Dam Repair (PC 67000); and \$43 million to Pumping Stations and Generators (PC 64000). Additionally \$10 million of the unobligated balance will be reprogrammed within this project code.

**Accomplishments since the October Report:**

- Continued design of permanent power to Pump Station No. 2. Design was not completed due to need to examine more cost effective alternatives.
- Completed turnover of 34 pieces of heavy equipment to MWR.
- Completed initial training for generators and heavy equipment.
- Completed training for overall Sweetwater Canal system maintenance.

**Accomplishments anticipated in next quarter:**

- Complete design of permanent power to Pump Station No. 2.
- Complete advanced training for MWR operations staff on heavy equipment to maintain canal.

**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
October 2005	115	-1	-	-	-	-	-	114	79	23
Change from October	-	-	-38	-	-	-	-	-38	-25	+7
January 2006	115	-1	-38	-	-	-	-	76	54	30

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$38 million. \$30 million was reallocated to Democracy Building Activities (PC 06000) of which \$20 million will fund PRT/PC Local Government Support and \$10 million will fund Community Support Programs. \$5 million was reallocated to Institutional Reforms (PC 01500). \$3 million was reallocated to the new project code Ministerial Capacity Building (PC 06750) to establish core functions in ministries.

**Accomplishments since the October Report:**

- Completed bulk of terminal renovations work at Basrah International Airport (BIA), except for minor elevator and chiller issues pending resolution through Contracting Officer (~\$5.8 million).
- Completed originally planned terminal renovations at Baghdad International Airport (BIAP). Additional terminal work (electrical, washroom upgrades, generator upgrades, replacement of glazing, etc.) at BIAP is pending IRMO budget approval and award (~\$7.7 million).
- Completed 80% of VISAIDS project at BIAP (~\$6.9 million).
- Awarded and completed 80% of street lighting contract at BIAP (~\$1.3 million), 12% of fire water pumps contract at BIA (~\$290,000), 33% of contract to assess power to NAVAIDS and VISAIDS at BIA (~\$580,000).
- Completed structural concrete frame for Mosul Air Traffic Control Tower and Administration Building.
- Deferred award of two NAVAIDS contracts at BIA, one for Radar and Communication and the other for VHF Omnidirectional Range navigation system (VOR) and Instrument Landing System (ILS), due to shift in program priorities.
- Deferred award of Visual Aids (VISAIDS) contract at BIA due to shift in program priorities.

- Postponed award of contract for maintenance agreement at BIA, BIAP and Mosul Airports due to program reprioritization.
- Deferred award of contract for a national radar system (enroute Area Control Center ACC) due to shift in program priorities.
- Completed 90% of fire truck and equipment deliveries and conducted associated training for Baghdad, Basrah, and Mosul International Airports (~\$3.6 million).
- Terminated contract for BIAP highway signs (~\$57,000).

**Accomplishments anticipated in next quarter:**

- Complete five of the seven contract modifications for BIAP Terminal Buildings (~\$800,000).
- Complete street and area lighting repairs contract at BIAP.
- Start contract for the Water System Improvements at BIA.
- Award contract for additional generator, uninterruptible power supply, and electrical grid connection for Mosul Airport.
- Deliver and provide training for remaining firefighting equipment (~\$400,000).
- Obligate and award remaining air traffic control support contracts (~\$8 million).

**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
October 2005	40	5	-	-	-	-	-	45	42	24
Change from October	-	-	-	-	-	-	-	-	-	+6
January 2006	40	5	-	-	-	-	-	45	42	30

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

**Accomplishments since the October Report:**

- Completed 60% of the security upgrades project. Experienced schedule slippage due to contractor inefficiencies (~\$3.7 million).
- Completed approximately 95% of port operations center building.

- Completed 90% of deliveries of port vehicles, fire trucks, and bus and conducted associated training (~\$ 2.5 million).
- Completed Statement of Work to solicit project to clean up Berths 10 and 11 at Port of Khawr Az Zubayr.
- Awarded contract for design and construction of a Roll-on, Roll-off berth for Umm Qasr Port. The contract is worth approximately \$2.7 million and includes un-exploded ordinance (UXO) removal at the site and the repair of jetty fenders throughout North Port of Umm Qasr.
- Cancelled plans to award the Khawr Az Zubayr power substation and generators project due to change in Iraq Port Authority priorities.
- Identified additional training requirements for the 100-ton Liebherr cranes.

**Accomplishments anticipated in next quarter:**

- Complete construction of the port operations center building and electrical system.
- Solicit and award bids to provide power to the Nelcon cranes. Delay due to program re-prioritization.
- Continue Security Upgrades construction.
- Solicit and award bids to relocate Liebherr Cranes from the North Port to the South Port.
- Complete refurbishment of Nelcon Cranes.
- Solicit and award bids for cleanup of Berths 10 and 11 at Port of Khawr Az Zubayr.
- Award contract for additional training for the Liebherr Cranes.

**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
October 2005	210	-21	-	-	-	-	-	189	172	95
Change from October	-	-	-	-	-	-	-	-	-3	+15
January 2006	210	-21	-	-	-	-	-	189	169	110

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report maintains the \$189 million allocated to increase capacity and assure self-sustainability of the Iraqi Republic Railways 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 October Report:**

- Began construction on Railway Station and Housing at Falluja (~5% complete).
- Completed 80% of the LAN project at IRR Headquarters.
- Completed 14 railway station rehabilitation projects, bringing the total projects complete to 79 (~\$1.5 million).
- Completed 60% of the two Railway Maintenance Facilities (Al Samawa and Baiji); less than anticipated due to subcontractor inefficiencies (~\$10.4 million).
- Completed 30% of the software and hardware design for the Communications-Based Train Control (CBTC) and Train Management and Dispatch System (TMDS) portions of the CBTC project (~\$13 million).
- Completed delivery of \$26 million of various VOLPE USDOT railroad equipment such as track laying trains, ganger trolleys, and ballast regulators.

**Accomplishments anticipated in next quarter:**

- Award and begin construction for additional renovation work at Baghdad Central Railway Station (~\$3.4 million).
- Award contract for additional scope of work for CBTC project. Independent government cost estimate currently at \$37 million.
- Complete 60% of the software and hardware design and manufacturing for the CBTC project and TMDS portions of the Communications-Based Train Control project; complete prototype installation of locomotive hardware; begin field work on communications backbone for CBTC.
- Award contract for the rehabilitation of the Hegenscheidt Wheel Lathe repair shop which is crucial to the continued operations of the Iraqi Republic Railway.
- Continue plans for training and capacity development operations with the Iraqi Republic Railways. Identify requirements and award contract to train over 100 IRR office personnel on office software and more than 100 IRR employees from mechanical, electrical, operating, and IT disciplines on installation, operation and maintenance of the CBTC systems.
- Re-award and complete 17 railway station rehabilitation projects to bring total to 94 completions.

**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
October 2005	20	-	-	-	-	-	-	20	14	8
Change from October	-	-	-	-	-	-	-	-	-	+5
January 2006	20	-	-	-	-	-	-	20	14	13

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report maintains the \$20 million allocated for modernizing the Iraqi Telephone and Post Company (ITPC).

**Accomplishments since the October Report:**

**DOD**

- Delivered nine postal trucks and 26 panel vans to be used for inter-governorate mail services (~\$2 million).

**Accomplishments anticipated in next quarter:**

- Complete construction of one new post office (Al-Jadarayih) (~\$777,000).
- Deliver 243 postal cabinets to Ministry of Communications Warehouse (~ \$1.6 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
October 2005	90	-44	-	-	-	-	-	46	36	12
Change from October	-	-	-	-	-	-	-	-	-	+1
January 2006	90	-44	-	-	-	-	-	46	36	13

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report maintains the \$46 million allocated to initiate a long-term upgrade of Iraqi telecommunications infrastructure to increase capacity, provide reliable service and restore international connectivity.

**Accomplishments since the October Report:**

- Implemented six month O&M for Wireless Broadband Network (WBBN), including 24/7 help desk support for connected sites (~\$1.6 million).
- Commenced on the job training of 12 Iraqi engineers concurrent with the O&M phase.
- Extended WBBN connectivity from Central Bank of Iraq (CBI) to Al Rasheed and Al Rafidan bank to enable the Iraqi Payment System and its verification.
- Commenced demolition/preliminary construction of Al Mamoon Telephone Exchange. Project scheduled for completion April 2007.
- Modified contract to add additional floor and LAN conduit installation for the Al Mamoon Telephone Exchange.

**Accomplishments anticipated in the next quarter:**

- Commence construction of the Al Mamoon Telephone Exchange.
- Complete O&M phase and on the job training of WBBN.

**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
October 2005	-	70	-	-	-	-	-	70	70	-
Change from October	-	-	-	-	-	-	-	-	-	+2
January 2006	-	70	-	-	-	-	-	70	70	2

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency: USAID**

**Changes from the October Report:** This report maintains the originally allocated amount of \$70 million.

**Accomplishments since the October Report**

- Completed design of entire system.
- Commenced fiber optic cable installation between sites in Baghdad and Southern Iraq. Constructed started on three routes in Northern Iraq.
- Received delivery of fiber optic cable for links to Ministry of Electricity sites.
- Commenced construction of new fiber cable to Ministry of Electricity sites.

- Placed major order for Inside Plant (ISP) Equipment for fiber link terminations.
- Commenced installation of fiber cable in ITPC backbone to improve reliability.
- Commenced reliability testing and repairs to existing ITPC backbone fiber cable.
- Ordered testing and maintenance equipment for ITPC to support sustainability.

**Accomplishments anticipated in the next quarter:**

- Complete installation of fiber cable to accessible Ministry of Electricity sites.
- Begin staged delivery of ISP equipment.
- Commence installation of ISP equipment.
- Continue installation, testing and repair of ITPC backbone fiber cable.
- Deliver ITPC testing and maintenance equipment.
- Continue fiber optic cable construction and installation.

**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
October 2005	25	-	-	-	-	-	-	25	12	10
Change from October	-	-	-	-5	-	-	-	-5	-	+1
January 2006	25	-	-	-5	-	-	-	20	12	11

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration’s intent to decrease this project code by \$5 million, allocated to Agriculture (PC 01600) to fund private agriculture sector credit financing.

**Accomplishments since the October Report:**

- Completed reconstruction of NCMC Headquarters. NCMC staff has started occupying the building.
- Solicited bids for the NCMC Headquarters LAN System.

- Reviewed Scope of Work for the NCMC training strategy contract.
- Commenced solicitation process for NCMC Headquarter interior design contract.
- Employed basic operating features of the TV and radio monitoring equipment by NCMC during the October 15 constitutional referendum and the December 15 national election.
- Received delivery of two direction finding vans used for spectrum monitoring.

**Accomplishments anticipated in next quarter:**

- Award contract and receive delivery of the NCMC Headquarters LAN System.
- Award contract for NCMC training strategy.
- Award contract and receive delivery of furniture for NCMC Headquarters interior design.

## 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
October 2005	127	-	-	-	-	-	-	127	122	103
Change from October	-	-	-	-	-	-	-	-	+1	+7
January 2006	127	-	-	-	-	-	-	127	123	110

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report maintains the \$127 million allocated to construction and repair of public buildings.

#### Accomplishments since the October Report:

##### DOD

- Completed 48 school building rehabilitations bringing the total to 784 to date. Contracted for rehabilitation of the final four schools for the IRRF funded schools program (~\$1.7 million).
- Turned over the Ministry of Industry and Minerals (MIM) building and the Ministry of Environment (MoEnv) building to the respective ministries and awarded contracts for additional works (~ \$12.4 million).

##### USAID

- Completed 12 school projects valued at \$0.9 million. Illustrative projects include expansion of the Blind Primary School (6 classrooms) by building 4 extra classrooms and a new fence around the school to improve education and sport activities for 706 students in Rizgary.

#### Accomplishments anticipated in next quarter:

##### DOD

- Complete all of the 800 school rehabilitations in the IRRF funded school rehabilitation program with exception of nine schools in Dahuk and Kirkuk Governorates expected to be completed in April (~\$85 million).
- Complete the cafeteria and interior renovation work at the MIM building awarded under contract modification (~\$223,000).

- Complete the security upgrades work of the MoEnv building awarded under contract modification (~\$37,000).

## USAID

- Complete 20 school projects in the next quarter and identify, tender, and contract at least 20 additional school projects.

## Roads and Bridges Project Code: 82000

\$ millions	FY 2006 by Quarter								
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated
October 2005	173	34	-	-	-	-	207	94	36
Change from October	-	-	-	-	-	-	-	+39	+13
January 2006	173	34	-	-	-	-	207	133	49

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report maintains the \$207 million allocated to repair, replace, or construct essential segments of highway, strategic bridges, and critical secondary roads that will enable reconstruction, economic development, and public safety.

### Accomplishments since the October Report:

## DOD

- Completed 224 km of the 424 km Village Roads Program (53%), schedule slippage due to asphalt shortage and security issues (\$38 million).
- Commenced construction on the three roadway and four bridge projects (\$74.6 million).
- Identified and prepared for solicitation 17 roads and bridges projects in three governorates under the PRDC program (~\$13.3 million).
- Delivered \$580,000 of \$1.5 million in technical/engineering equipment for testing laboratories.

## USAID

- Completed 10 CAP projects valued at \$612,000 to repair, level, and pave streets in local communities. Illustrative projects include the paving of three roads to provide all-weather passage and boost the economy. The existing roads were built several decades ago and received little or no maintenance. These roads are vital to the economy of these communities because they provide a reliable route for residents to transport goods, not only from farm to market, but also between towns.

**Accomplishments anticipated in next quarter:**

**DOD**

- Complete 90% of the Village Roads Program (~\$31 million).
- Procure and deliver \$250,000 of laboratory materials testing equipment and \$250,000 of information technology equipment.
- Award the Al-Anbar Village Roads (11 km) projects (~\$1.7 million).

**USAID**

- Complete seven ongoing CAP projects valued at \$300,000 and identify, approve, and tender 16 additional projects valued at \$800,000.

**SECTOR: Health Care**

**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
October 2005	439	-	-	-	-	-	-	439	355	147
Change from October	-	-	-35	-	-	-	-	-35	-4	+70
January 2006	439	-	-35	-	-	-	-	404	351	217

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report reflects a previous notification to Congress of the Administration’s intent to decrease this project code by \$35 million. \$30 million was reallocated to the new project code Focused Stabilization (PC 08500) to address changes in the Iraqi Government’s needs for a more comprehensive approach to the post-kinetic areas to carry out focused stabilization efforts aimed at helping disaffected communities in Iraq. \$5 million was reallocated to the new project code Ministerial Capacity Building (PC 06750) to develop a national institutional capacity program for ministries, including public administration training.

**Primary Health Care Centers (PHCs):** The first two Primary Healthcare Centers (PHC) were accepted from the design/build contractor this quarter. Contributing factors for lengthening of the execution phase were also discussed in the October report and include construction delays (disputed land ownership and extensive site remediation requirements), insurgent activity and security issues for the contractors, low productivity from local contractors, delays in delivery of construction supplies, and prolonged lead times for medical equipment delivery.

Inefficiencies caused by security concerns and low productivity are pushing completion of all but two of the PHCs well into 2006. This, in turn, will increase the Administrative Task Order (ATO) cost. PCO has also experienced increased costs for the purchase of back-up generators, furniture, consumable supplies and strategic building materials. With Ministry of Health (MoH) concurrence, funds were reprogrammed to cover these costs by canceling the Partnership in Health Care (PIHC) contract, two Expanded Healthcare Centers (EHCs) and eight PHCs, reducing the number to 142. However, equipment packs for the eight canceled PHCs were still purchased anticipating that construction will be accomplished with other donor funds. Three of these packs will be used to equip three clinics built in Falluja with Commander’s Emergency Response Program (CERP) funds, separate from the 142 IRRF funded PHCs.

The U.S. Army Corps of Engineers Gulf Region Division (GRD) is engaging closely with the design/build contractor to improve performance and reduce delays. The contractor intends to complete up to 131 PHCs, pending periodic program reviews. GRD has awarded a fixed-price contract for construction of one PHC and is considering descoping some PHCs (10 at this time) and re-procuring them through alternate means.

**Expanded Healthcare Centers (EHCs):** Five EHCs were originally planned to supplement maternal and pediatric clinic and hospital care on a regional basis. Construction of the five EHCs has been deferred pending consultation with the new Iraqi Government.

\$22 million was previously reallocated to address health-related initiatives in Falluja, Samarra and Najaf as part of the multi-sector \$246 million post-battle reconstruction initiative. This amount has since been reduced to \$14 million. The remaining \$8 million was to fund part of the EHC budget but will now be used for Ministerial Capacity Building and Focused Stabilization.

**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.

**Accomplishments since the October Report:**

- The first two PHCs were accepted from the design/build contractor.
- Completed five hospital renovation projects in Sulaymaniyah, Diyala, Karbala and Qadissiya Governorates. Delays experienced due to skilled labor shortages.

**Accomplishments anticipated next quarter:**

- Complete construction of 30-40 PHC projects.
- Complete 12 hospital renovation projects out of a total 22 planned.

**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
October 2005	297	-	-	-	-	-	-	297	212	94
Change from October	-	-	-	-12	-	-	-	-12	+21	+22
January 2006	297	-	-	-12	-	-	-	285	233	116

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report reflects a previous notification to Congress of the Administration’s intent to decrease this project code by \$12 million, reallocating it to the new project code Ministerial Capacity Building (PC 06750) to establish core functions in ministries.

**Accomplishments since the October Report:**

**USAID**

- Facilitated initial MOH cascade training of 18 physicians and 18 nurse service providers assigned to seven PHCs being constructed in Baghdad by PCO.
- Developed training management system for MOH use in monitoring quality of cascade training.
- Developed quality assurance checklists to monitor physician and nurse service delivery against standards taught during cascade training.
- Finalized curricula to: a) train PHC staff in problem solving and team building and b) train PHC directors in management and administration. Began training of MOH trainers to use curricula.

**Accomplishments anticipated in next quarter:**

**USAID**

- Continue implementation of MoH cascade training activities for PHC staff, applying management and monitoring systems to ensure training quality.
- Initiate training in management and administration for PHC Directors.
- Develop additional modules for in-service training of PHC providers, including a module for community mental health.
- Plan for O&M training of model PHC staff.
- Initiate development planning for a national primary health care strategy to expand the availability of quality primary health care services, particularly maternal and child health services.
- Planned support to MOH donor coordination was not accomplished in this quarter given extensive absence of MOH counterparts during this period; however, planning has now been initiated for a three-day meeting with MOH counterparts in early February to outline a strategy and staffing plan for a donor coordination unit.

**PCO:**

- Procure bedheads for Basrah Children's Hospital.

**Basrah Pediatric Facility (Hospital)  
Project Code: 91000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	50	-	-	-	-	-	-	50	50	-

Change from October	-	-	-	-	-	-	-	-	+12
January 2006	50	-	-	-	-	-	50	50	12

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** USAID

**Changes from the October 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, which will ultimately include services such as pediatric oncology.

**Accomplishments since the October Report:**

- Completed 100% hospital design documents after experiencing some delay on construction drawing submissions; interior design work continues.
- Completed foundation work for main hospital building and pouring concrete for ground floor suspended slab.
- Initiated steel reinforcing bar placement and formwork for the columns that will support the first floor slab and walls.

**Accomplishments anticipated in next quarter:**

- Continue construction work on main hospital building.
- Continue construction of residence, electrical and mechanical buildings.
- Complete interior design work.
- During Project HOPE’s planned visit to Iraq in January 2006 develop a coordinated implementation plan that outlines planned provision of equipment and training of hospital staff.

**SECTOR: Private Sector Development**

**Expanded Network of Employment Centers  
Project Code: 01000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	8	-	-	-	-	-	-	8	8	0
Change from October	-	-	-	-	-	-	-	-	-	+8
January 2006	8	-	-	-	-	-	-	8	8	8

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency: USAID**

**Changes from the October Report:** This report maintains the \$8 million allocated to establish Employment Service Centers (ESCs).

**Accomplishments since the October Report:**

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

**Accomplishments anticipated in the next quarter:**

- Anticipate no further activities in this project code.

**Vocational Training  
Project Code: 02001**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	79	15	-19	-	-	-	-	75	75	65
Change from October	-	-	-	-	-	-	-	-	-	+4
January 2006	79	15	-19	-	-	-	-	75	75	69

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency: USAID**

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

**Accomplishments since the October 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
October 2005	37	-	-	-	-	-	-	37	33	23
Change from October	-	-	-	+3	-	-	-	+3	-1	+3
January 2006	37	-	-	3	-	-	-	40	32	26

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October Report:** This report notifies Congress of the Administration’s intent to increase this project code by \$3.2 million. The transfer is to complete the development of the regulatory regime and automation of the Iraq Stock Exchange, which are critical factors in the development of the capital markets in Iraq and set the stage for international investment, expanded trading capacity, and general economic growth. Funds originally thought to be deployed in the small business growth program (PC 03000) that are not going to be used due to capacity constraints are being transferred.

**Accomplishments since the October Report:**

**USAID**

- Granted a no-cost extension to continue distributing grants and monitoring related impact. No training or capacity building activities were delivered.

**Department of Defense**

- Deployed contractors to Iraq. Signed Memoranda of Understanding (MOU) with newly constituted Board for new business center in Baghdad, completed extensive survey of businesses and associations in greater Baghdad area, and developed training program for military and Iraqis in the development of sustainable business centers. Completed first draft of Best Practices Manual.
- Posted and closed the Request for Proposal (RFP) for the automation of trading, clearing, settlement, and depository functions of the Iraq Stock Exchange (ISX). An additional round of questions has been posted and closed. Final questions and negotiations are in progress.

**Accomplishments anticipated in the next quarter:**

## USAID

- Anticipate no further activities in this project code: the project will close out in December. In sum 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.

## Department of Defense

- Complete the Best Practices Manual as a guide for the development of the new Baghdad business center. Finalized data base development and website improvements. Baghdad business center location to be determined, and by-laws and business plan to be completed. Complete training for the military and Iraqis in best practices for the development of sustainable business centers and begin the detailed development of the Iraq National Business Alliance.
- Deploy contractor for ISX automation. Determine software, order equipment and complete customization interview sessions.
- Review and approve governing by-laws for the ISX by Board of Governors, Brokers, and Iraq Securities Commission (ISC). ISC to review the rules and regulations and initiate governance activities. Both the ISX and ISC to complete review of the draft permanent Securities Law.

## 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
October 2005	44	-	-	-	-	-	-	44	36	35
Change from October	-	-	-	-3	-	-	-	-3	-	+1
January 2006	44	-	-	-3	-	-	-	41	36	36

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**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 October Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$3.2 million. Residual funding is being applied to (PC 02500) for the completion of the regulatory regime and automation of the Iraq Stock Exchange, which is a critical element in the development of the Iraq's Capital Markets. Funds originally thought to be deployed in the small business growth program (PC 03000) that are not going to be used due to capacity constraints are being transferred.

**Accomplishments since the October Report:**

## **DoD**

- Conducted several meetings with lead Iraqi insurance companies and in final process of setting underlying parameters for loans to be made by private banks, standard insurance policies to be written and reinsurance completed to support program.
- GRD/PCO to complete posting of Economic Zone Study RFP to close by early January.

## **Overseas Private Investment Corporation**

- The Iraq Middle Market Development Foundation (IMMDF) disbursed loans totaling \$8.1 million. IMMDF is a facility supporting loans to Iraqi private sector companies.

## **Treasury/International Financial Corporation (IFC)**

- The IFC signed an investment agreement on June 1, 2005 with the Iraq National Bank (INB) representing the first investment to be made under the Iraq Small Business Finance Facility (ISBFF). The transaction consisted of a senior loan of \$12 million to support the SME lending operations of INB. At about the same time, Export and Finance Bank of Jordan (EFB) purchased a 49% stake and assumed management control of INB. Rabo International Advisory Services BV (RIAS), a fully owned subsidiary of the Rabobank Group, will provide technical assistance to INB under the project, and is now training Iraqi bankers to work at INB.

## **Accomplishments anticipated next quarter:**

## **DoD**

- Close the RFP for contracting a program administrator for the Small Business Growth Program. Complete extensive administrative details for initiation of program and begin to monitor application flow.
- Receive the first three deliverables of Economic Zone Study: a 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 Suleymaniyah. This Study will provide the necessary detail for the way forward in developing multiple economic zones in Iraq by detailing the necessary steps in their formation, legal issues to be addressed, and recommending strategic locations and types of business to be developed in said locations.

## **Overseas Private Investment Corporation**

- IMMDF anticipates signing an additional six loan agreements totaling \$17.7 million, creating 228 jobs. IMMDF's current pipeline reflects an additional five prospects with an aggregate potential loan amount of \$11.5 million and the creation of potentially 578 new jobs.

## Institutional Reforms

Project Code: 01500

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	-	100	-20	-	-	-	-	80	78	8
Change from October	-	-	+5	-	-	-	-	+5	+2	+12
January 2006	-	100	-15	-	-	-	-	85	80	20

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** USAID

**Changes from the October Report:** This report reflects a previous notification to Congress of the Administration's intent to increase this project code by \$5 million from Civil Aviation (PC 70000) to continue the existing capacity development program with the Ministry of Finance and the Central Bank of Iraq.

### Accomplishments since the October Report:

- Completed a Commercial Law and Institutional Reform Report (CLR); a comprehensive legal assessment to benchmark the status of the Iraqi's commercial law regime. The CLR summarizes the structure of Iraq's commercial law and institutions and includes recommendations for reforms, including improvements for contract and sales, commercial agency, bankruptcy, insolvency, and collateral lending, among others.
- Selected an Excel-based modular financial management system that was procured and installed in Egypt via a USAID funded project based on review of similar systems. USAID issued waivers to allow project implementers to access and adapt source code for free for use in the Ministry of Electricity (ME); financial planning, cash management and loan tracking modules are currently being adapted. Expect full implementation in 2006.
- Procured new tax administration software for the General Commission for Taxes (GCT). The vendor and GCT staff have configured and tested the software; installation and rollout will commence in 2006 (~\$608,000).
- Completed assessment of the state-owned banks and submitted results to USAID and Ministry of Finance.
- Completed a comprehensive diagnostic of structural and legal impediments to mortgage finance in Iraq.
- Formulated key elements of a strategic pension plan for the Ministry of Labor and Social Affairs (MOLSA) with World Bank.

### Accomplishments anticipated next quarter:

USAID

- Train personnel at spending units included in the Phase I and Phase II rollout of the Financial Management Information System. Map and convert all existing revenue, expenditure, asset and liability accounts to a Government Financial Standard (GFS) 2001 compatible chart of accounts.
- Publish the International Monetary Fund (IMF) approved Monetary Survey for Iraq and complete the migration of 19 economic production accounts to the 1993 System of National Accounts (SNA).
- Establish Corporate Finance Group in the Ministry of Electricity and help the National Communications and Media Commission complete prequalification of long term mobile licenses bidders.
- Develop electronic business registration system database and launch the first business registries website.
- Complete a comprehensive plan for the restructuring of the state-owned banks and implement a reforms at the Central Bank of Iraq to address banking deficiencies.
- Implement regulations for the Social Safety net administration, including application registration and processing procedures, means testing principles and social benefit calculation algorithm.

## **Agriculture**

**Project Code: 01600**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	-	100	-	-	-	-	-	100	98	19
Change from October	-	-	-	+5	-	-	-	+5	+2	+9
January 2006	-	100	-	+5	-	-	-	105	100	28

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency: USAID**

**Changes from the October Report:** This report notifies Congress of the Administration's intent to increase this project code by \$5 million from Iraqi Communications Operations (PC 79000) to fund private agriculture sector credit financing. The credit financing program will provide multi-year loans at reasonable terms to promote the start-up of and operation by micro- and small-scale agro-food businesses in the higher value chain activities of food processing, packaging, and distribution. The Agricultural Cooperative Bank of Iraq presently has low-interest loans for production agriculture, but does not have in its portfolio a corresponding credit program for agro-food businesses. This proposed credit program will fill the gap that exists in providing reasonable credit to start-up food processing businesses.

**Accomplishments since the October Report:**

- Implemented wheat seed multiplication program with Ministry of Agriculture (MoA) on more than 4,000 hectares (\$472,500).
- Vaccinated one million juvenile sheep and goats in five governorates against brucellosis as a pilot program in preparation for a national vaccination campaign. Brucellosis is a zoonotic disease widespread in Iraq that affects both animal and human health (\$1.4 million).
- Implemented sorghum production program in 10 governorates to test the performance of 18 sorghum hybrids, providing alternative and potentially less expensive feed grain (\$101,925).
- Trained 25 core MoA staff on agro-ecological zoning techniques and began data collection and conversion into geo-spatial formats (\$337,500).
- Implemented two successful pilot programs on nutrition and fertility treatment to improve buffalo production in four governorates. The fertility treatment program had over an 80% success rate (\$160,000).

**Accomplishments anticipated next quarter:**

**USAID**

- Train 180 farm equipment mechanics and repair a minimum of 800 tractors (\$5.4 million). Committed \$31.7 million for 4,685 tractors.
- Complete construction of 17 date palm mother orchards and 16 date palm nurseries in 15 governorates (\$3.1 million). This does not include the purchase of off-shoots.
- Complete 16 olive production and irrigation demonstration plots (2.5 hectares each) in 8 governorates (\$2.2 million).
- Train 280 core MoA staff in scanning, geo-referencing, vectorizing, plotting cadastral maps and field surveys for the lands program.
- Install three drainage and salinity pilot areas in Maysan, Muthana, and Qadisiya, which are governorates where salinity is a severe problem (\$405,000).
- Install 255 family drip irrigation systems in nine governorates in south and central Iraq (\$189,000).
- Rehabilitate small scale irrigation infrastructure activities (systems, canals, pumping stations, etc.) affecting 40,000 hectares and 50,000 families all over the country (\$1.2 million).
- Register eight cooperatives in four governorates.
- Train 90 MoA field extension agents in participatory extension methods to establish small farmers' cooperatives, associations, and NGOs.

- Expand integrated sheep production program to three additional governorates in south and south central Iraq (\$100,000).

## Market-Based Reforms

**Project Code: 03500**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005		-	105	-6	-	-	-	99	93	8
Change from October		-	-	-	-	-	-	-	+6	+9
January 2006		-	105	-6	-	-	-	99	99	17

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**Responsible U.S. Government Agency:** USAID.

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

### Accomplishments since the October Report:

- Conducted training to reintroduce Ministry of Trade officials to world trade bodies and to respond to questions from WTO members related to submission of Iraq's Memorandum on Foreign Trade Regime (MFTR).
- Completed a loan guarantee corporation design, including its capitalization, ownership, governance and operating structure. Developed a business plan and training center for the Private Bankers of Iraq (PBI) Association to develop advocacy capacity of the PBI and provide training in modern banking techniques to members.
- Completed business continuity, operational and technology plans for the Iraq Stock Exchange (ISX), Iraq Securities Commission (ISC) and Iraq Association of Securities Dealers (IASD); finalized the organization structure of the ISC and provided training to the Corporate Disclosure Department.
- Completed staff selection and training for the independent Iraq Investment Promotion Agency and the Trade Information Center and completed the Iraq Competitiveness Study and the Investor Roadmap.

### Accomplishments anticipated next quarter:

- Award long-term grants to four international microfinance organizations to support development of sustainable microfinance operations.
- Develop capacity of business associations to advocate issues, including trade, capital markets, and access to credit facilities.

- Launch economic impact studies, review Iraq's existing international trade agreements, and assist the Government of Iraq with developing new trade agreements. Deliver 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.
- Complete registration and establish governance structure and staffing for TAMAKKUN, a micro-finance institution to be operated collectively by three business associations. Provide training and technical assistance to indigenous and international micro-finance institutions that commence operations in 2006.
- Establish the Loan Guarantee Corporation (LGC), including deciding on the most appropriate legal form, developing foundational documents, and producing financial models. The LGC will provide loan guarantees to private banks and microfinance institutions.
- Assist the move of the ISC to its new premises, to include establishing the new organization structure and the necessary technology platform; facilitate the hiring and training of the Executive Manager, Secretary, and Training Coordinator for the IASD.

## **SECTOR: Education, Refugees, Human Rights, and Governance**

### **Migration and Refugee Assistance**

**Project Code: 04000**

<b>\$ millions</b>	<b>FY 2006 by Quarter</b>									
	<b>2207 Report</b>	<b>FY 04</b>	<b>FY 05</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>	<b>Obligated</b>	<b>Outlayed</b>
October 2005	105	54	-	-	-	-	-	159	141	54
Change from October	-	-	-	+27	-	-	-	+27	+12	+31
January 2006	105	54	-	+27	-	-	-	186	153	85

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

**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 October report:** This report notifies Congress of the Administration's intent to increase this project code by \$27 million from Electricity Transmission (PC 41000) 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. Specifically, the \$27 million will provide health, water, shelter and education services to support the reintegration needs of 250,000 returning refugees and their communities. 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 October Report:**

##### **State (PRM)**

- Engaged United Nations High Commissioner for Refugees (UNHCR) and International Organization for Migration (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.
- Relocated the Al Tash Iranian Kurds to Erbil and Sulaymaniyah above the green line.
- Continued IOM's capacity building program to further build the Ministry of Displacement and Migration's (MoDM) capacity to respond to humanitarian crises in Iraq.
- Began internal USG discussions of solutions for Turkish Kurdish refugees in Makhmour camp, consolidating the USG position prior to approaching MoDM, UNHCR, and the Government of Turkey.

- Inventoried humanitarian assistance needs for refugee returnees and other vulnerable populations for possible funding recommendations.
- Funded IOM-sponsored program on MoDM Capacity Building which conducted activities including:
  - Extended videoconferencing subscription services to MoDM for an additional six months, to April 30 (~\$17,000).
  - Closed out grant for ~\$6,000 to train three MoDM officials on Sphere standards.
- Raised MoDM's profile within the ITG through IOM's capacity building program, and, as a result, MoDM was able to convince the Prime Minister's Office to designate them as the lead agency to coordinate a humanitarian response in the Western Euphrates Valley.
- Funded International Catholic Migration Commission (ICMC) program for extremely vulnerable Iraqis (EVI) in Lebanon, which assisted 550 EVI families, formed women's group for 70 participants, and provided outpatient care for 179 individuals, humanitarian assistance for 39 individuals, and non-formal education for 150 children.
- Funded Shelter for Life permanent water supply networks project in Soran, delivering an average of 442,240 liters of water per day to an average of 1,000 families (84.41 liters per day per person). Stimulated the local economy with ~\$22,000 of spending, of which ~\$9,000 was paid to national staff.
- Funded Shelter for Life assistance for incompletely repatriated refugees in northern Iraq, which constructed 11 shelters, served 55 beneficiaries and trained 38 individuals, spent ~\$43,000 locally, hired 7 people locally, and paid ~\$5,000 to national staff and ~\$14,000 to locally hired laborers.

## **USAID**

- Generated over 75,000 employee days in Kirkuk and Diyala Governorates and at least 3,000 employee days in Fallujah through cash for work programs. Programs included city green belts, city sanitation, road graveling, and civic improvements. Falluja employment remains less than anticipated due to security issues. \$\$
- Continued response to sudden displacement needs due to conflict or natural disaster. Over 11,000 families in Tal'afra and al-Qa'im, Husaybah, Anah, Rawa, and Haditha have received assistance. \$\$
- Continued activities of 17 mobile health units in returnee and IDP areas of Kirkuk, Anbar and Ninawa Governorates. \$\$
- Continued providing agricultural livelihood support packages in IDP/returnee areas in Kirkuk for approximately 4000 beneficiaries. \$\$
- Continued public health campaigns and in-service health training

## **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 IOM's capacity building program to further build MoDM's capacity to respond to humanitarian crises in Iraq.
- Engage MoDM, UNHCR, and the Government of Turkey to explore durable solutions for the Turkish Kurd refugees in Makhmour camp.
- Monitor and evaluate PRM-funded projects benefiting returning refugees.

### **USAID**

- Generate through cash for work programs at least 50,000 employee days in Kirkuk and Diyala Governorates. Programs will include city sanitation, road graveling, and civic improvements. Due to winter, some delays in construction and other public works may be anticipated.
- Generate through cash for work programs at least 3,000 employee days in Falluja and surrounding communities
- Continue responding to sudden displacement needs due to conflict funds allow.
- Continue 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, Missan 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.
- Intensify 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. Continue implementing existing projects as weather permits. Due to winter conditions, slow down in implementation of construction and other public works can be anticipated
- Continue health education and refresher training for rural based physicians
- Provide livelihood assets to persons with disabilities.
- Continue sewer system / water supply repairs in Wasit and Misan governorates.

**Property Claims Commission**  
**Project Code: 05500**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	10	-	-	-	-	-	-	10	7	7
Change from October	-	-	-	-	-	-	-	-	+2	+2
January 2006	10	-	-	-	-	-	-	10	9	9

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October 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 127,610 as of September 22 to nearly 129,000 as of December 1 while the total number of claims adjudicated during this period increased from over 11,969 to over 16,000. The redesign and implementation of the out-of-country claims program has been delayed. This is primarily a result of a higher priority being placed on passage of the revised IPCC statute by the TNA, as well as completion of the IPCC compensation guidelines.

IPCC training programs were also postponed until early next year due to a delay in providing reliable internet connectivity at the IPCC National Secretariat in Baghdad.

**Accomplishments since the October Report:**

- Submitted to the IPCC a finalized description of and set of recommendations on the entire claims process “life cycle” as a follow-up of the September ‘Round Table’ meetings in Amman. This document draws from IOM’s extensive experience with real property claims as applicable to the existing procedures and work flow established at the IPCC. This document also includes significant input from IRMO and UNHCR.
- Deployed an updated version of the IPCC database application which now includes an automated form for respondents. IOM performed a data migration to import 70,000 claims that were initially entered into localized and disconnected MS Access databases.
- Reduced the backlog of property claim forms for purposes of ‘data entry’ from 60,000 to less than 40,000 claims.
- Completed the delivery and installation of computer hardware and peripherals for IPCC headquarters.

- Held a round table session in early October to discuss updated strategies for implementing IT solutions designed to streamline claims processing. Organizations participating included IPCC, IOM and IRMO.

**Accomplishments anticipated in the next quarter:**

- Continue to oversee enactment of revisions to the IPCC statute, clearing the way for implementing compensation guidelines earlier proposed by IOM.
- Expand the LAN infrastructure at the IPCC National Secretariat in preparation of the eventual transfer of servers currently housed in Geneva to Baghdad. Complete the delivery and installation of computer hardware to the various regional offices.
- Resume training for the IPCC staff to better utilize IOM developed database applications, and to prepare for the eventual transition of server management and administrative responsibilities.
- Continue the work to revise and implement an out-of-country claims program.

**Governance**

**Project Code: 06700**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	-	40	-	-	-	-	-	40	37	12
Change from October	-	-	-	-	-	-	-	-	-2	+6
January 2006	-	40	-	-	-	-	-	40	35	18

NOTE: Obligation and Outlay Data is current as of December 28, 2005

**Responsible U.S. Government Agency: USAID**

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

**Accomplishments since the October Report:**

- Carried out a nation-wide get out the vote campaign, heavily targeting Sunni and women with a massive campaign including print and electronic.
- In advance of the December 15 elections, USAID supported the training of staff of the Independent Election Commission of Iraq, political party poll watchers, independent election monitors, and the management of Out-of-Country Voting by eligible Iraqis in the United States. USAID also continued its voter education and public awareness campaign.

**Accomplishments anticipated in the next quarter:**

- Initiate development of public administration programs within existing Iraqi universities.

- Support the Provincial Reconstruction Teams, particularly in the area of building the capacity of the Provincial Councils' local ministry officials.
- Increase the advocacy skills and sustainability of indigenous NGOs.
- Promote grassroots democracy and community development and address the needs of innocent Iraqi civilian victims of conflict.

### Ministerial Capacity Building

**Project Code: 06750**

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

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

### Responsible U.S. Government Agency: USAID

Changes from the October Report: This report reflects a previous notification to Congress of the Administration's intent to allocate \$20 million to this new project code. \$15 million will establish core functions in ministries of which \$12 million came from Equipment Procurement and Modernization (PC 92000) and \$3 million came from Civil Aviation (PC 70000). \$5 million will develop institutional capacity for public administration training and came from Nationwide Hospitals and Clinic Improvements (PC 90000).

### Accomplishments since the October Report:

- Not Applicable. Activity did not start prior to December 31<sup>st</sup>.

### Accomplishments anticipated in the next quarter:

- Issue a Request for Application (RFA) procurement.
- Review submitted RFAs.

### Banking System Modernization

**Project Code: 08000**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	30	-	-	-	-	-	-	30	24	19
Change from October	-	-	-	-	-	-	-	-	+5	+3

January 2006	30	-	-	-	-	-	30	29	22
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NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

**Changes from the October 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 October Report:**

- Completed the financial analysis of the state-owned banks.
- Presented bank restructuring recommendations to the Minister of Finance for consideration.
- Tested payment system communications with the Montran team in Dubai.

**Accomplishments anticipated next quarter:**

- Obtain the agreement of the Minister of Finance and other components of the Iraq government on a strategy for restructuring.
- Establish a Bank Resolution Group as a department of the Ministry of Finance (MoF).
- Advise the MoF on contracting the appropriate experts for state bank restructuring.
- Establish and test the communications for the payment system between CBI and Rafidain and Rasheed Banks in Baghdad.
- Complete the user acceptance testing with Montran.
- Go live with Automatic Clearing House (ACH) and Real Time Gross Settlement (RTGS).

**Human Rights**

**Project Code: 09500a**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	15	-	-	-	-	-	-	15	13	5
Change from October	-	-	-	-	-	-	-	-	-2	-
January 2006	15	-	-	-	-	-	-	15	11	5

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

**Accomplishments since the October Report:**

**USAID**

Continued to disburse funds supporting the promotion of human rights. Examples include provision of assistance to a Human Rights Office located in Southern Iraq, support to a Women's Center focusing on combating violence against women, and support for the repair and rehabilitation of two provincial courthouses.

**State/Democracy, Human Rights and Labor (DRL)**

- Supported the official opening of the Human Rights Education Center (HREC) in Baghdad. The HREC was established in collaboration with the Ministry of Human Rights and contains computer and internet access, human rights educational documentation, books, journals, and other resources on human rights. It is open to all NGOs, academics, human rights activists, students, and the general public.
- Supported the implementation of five new workshops on Human Rights Education (HRE) in Baghdad, Basrah, Dewanaya, Hilla, Sulymaniya, Kirkuk, Kut, Najaf, Nasriya, and Samawa for a total of thirty-eight. More than 925 Iraqi participants attended these workshops.
- Supported the continued drafting of the Human Right's Trainer's Manual, a joint initiative with the Amman Center for Human Rights Studies (ACHRS) that is a collection of experiences of the Human Rights trainers and the lessons they have learned.
- Supported the development of a psychiatric training curriculum for primary care physicians, focusing on treating Post Traumatic Stress Disorder (PTSD) and major depression due to torture and human rights violations;
- Supported the completion of a four-week training curriculum for medical assistants, its translation into Arabic and Surani, and its submission to the Ministry of Health.
- Support the continuation of ongoing training and supervision of 68 primary care physicians and 176 medical assistants in 13 govenorates.
- Supported the preparation of a preliminary translation of the Harvard Trauma Questionnaire (HTQ) in Surani and the initiation field testing.
- Supported detention monitoring training for the Ministry of Human Rights and NGOs in the Kurdistan Regional Government.
- Supported bi-weekly jail monitoring visits of women and children, and health screening/ direct medical care for more than 170 incarcerated women in Kirkuk, Erbil, and Suleymaniya.

- Supported legal screening for 116 women, and full legal representation for 21 women victims of gender-based persecution and the completion of a procedures manual for domestic violence services.
- Supported vocational training of female victims of torture in Karbala and a preliminary assessment of human trafficking in Mosul, Kirkuk, Erbil, and Suleymaniya.

### **Accomplishments anticipated in next quarter:**

#### **USAID**

- Modify the one-day human rights training workshop, to be conducted by CSOs.
- Strengthen the Human Rights Library-in-a-Box for distribution to human rights partner organizations.
- Place primary emphasis on advocacy work.
- Support CSO training of government officials.
- Increase focus on leveraging resources, including volunteerism.
- Support CSO-public partnerships.
- Strengthen the institutional development of CSOs, comprised of lawyers and activists, recognizing that protection of human rights in any country sometimes requires legal expertise.
- Support CSO interventions on human rights through small grants.

#### **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.
- Support for the completion of the Human Rights Trainer's Manual with the ACHRS.
- 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.
- Continue support for physician training for 120 new Ministry of Health primary care physicians and 176 existing medical assistants in northern and southern Iraq.
- Support for 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.
- Support for 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.
- Support for 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.
- Support for an assessment and follow-on training sessions for healthcare workers and MoHR staff on the projection of institutionalized mentally ill.
- Support for the development and implementation of additional modules of the torture treatment curriculum, focusing on traumatic stress and substance abuse, and community education.

## Education

**Project Code: 06300**

\$ millions	FY 2006 by Quarter									
	2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
October 2005	89	10	-	-	-	-	-	99	87	39
Change from October	-	-	-	-	-	-	-	-	+1	+8
January 2006	89	10	-	-	-	-	-	99	88	47

NOTE: Obligation and Outlay Data is current as of December 28, 2005.

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

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

**Accomplishments since the October Report:**

### USAID

- Continued procuring equipment and rehabilitating and constructing new classrooms at 76 of 84 model primary and secondary schools. Delayed commencement of rehabilitation

activities at the remaining eight model schools in Anbar and Ninawa Governorates due to continued security problems. When completed, the construction work adds classrooms for laboratory space. Science and computer laboratory equipment will be installed in all model schools. 168 model schools' teachers and administrators received specialized training during December.

- Trained approximately 19,500 teachers and other education professionals in new pedagogy for teaching primary and secondary school. The goal of training 37,000 teachers during this quarter was not met due to reduced attendance at teacher training sessions during the month of Ramadan, the period of the constitutional referendum and the parliamentary elections.
- Constructed five new primary schools, replacing dilapidated mud-brick schools in poor rural areas, bringing the total completed to 32.
- Continued refurbishing water and sanitation facilities at an additional 187 primary schools, bringing the total completed to 546. Currently renovating 206 additional schools' water and sanitation facilities.
- Enrolled 16,000 formerly out-of-school youth in an accelerated learning program in the ten governorates with the lowest enrollment rates. The accelerated learning program is a non-formal education program implemented under the auspices of the Ministry of Education (MoEd), which condenses a two-year primary school curriculum into one.

## **DOD**

- Delivered 90% of computers and science lab equipment to the Ministry of Higher Education and Scientific Research (MOHE).

## **Accomplishments anticipated in the next quarter:**

## **USAID**

- Rehabilitate and construct 84 model schools, adding fully equipped science and computer laboratories. All 2,400 model schools' teachers and administrators will regularly participate in training on how to transform their school into a "Center of Excellence".
- Train approximately 40,000 more teachers in new pedagogy for teaching primary and secondary school.
- Refurbish water and sanitation facilities at 206 primary schools, bringing the total completed to 752. Continue renovating the last 48 schools' water and sanitation facilities.
- Continue participation of 14,000 formerly out-of-school youth in the accelerated learning program in ten governorates with the lowest enrollment rates.
- Complete development of a 22-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.

- Roll out first phase of the Education Management Information System (EMIS) to all 18 governorates. The web-based EMIS will improve management, resource allocation, and transparency of Iraq's education system. The deployment of the EMIS will include the installation of computer servers at each Directorate of Education and extensive training of MoEd staff.

## **DOD**

- Procure and deliver remaining 10% of computers and science lab equipment to MOHE.

## APPENDIX II

### Contributions from Other Donors

#### International Resources for the Reconstruction of Iraq:

During this past quarter, the United States has continued to work with Iraq and international donors to maximize effective international reconstruction assistance for Iraq. At the October 2003 Madrid International Donors' Conference, 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 December 2005, over \$3.2 billion of the pledges of non-U.S. assistance had been disbursed. About \$2.7 billion of this was from other donor governments, either in bilateral projects or through the International Reconstruction Fund Facility for Iraq (IRFFI). The IMF approved \$436 million in balance-of-payments support in September 2004 and an additional \$685 million of such support in December 2005. Donor government disbursements are defined here as meaning that the funds 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.

At the July meeting of the IRFFI Donors' Committee at the Dead Sea in Jordan, donors committed an additional \$235 million in new contributions to the IRFFI. Most of this was in new pledges since Madrid, and most has already been deposited in the IRFFI. At the meeting, 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. In December, the IMF agreed to a Stand-By Arrangement (SBA) with Iraq that makes \$685 million available for balance-of-payment support.

#### *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 assistance to Iraq -- in addition to donors' own bilateral assistance activities. The IRFFI is a mechanism for the joint management of World Bank and United Nations (UN) reconstruction trust funds. As with bilateral assistance, funds channeled through the IRFFI are funded with donors' pledges made at the Madrid Conference and subsequently. Details on the IRFFI can be found at [www.irffi.org](http://www.irffi.org).

- The Donors' Committee of the IRFFI held its fourth meeting at the Dead Sea in Jordan, on July 18-19, 2005. The Donors' Committee consists of 17 countries that have committed at least \$10 million to the fund facility and also includes two rotating representatives (currently Finland and Turkey) from countries that have committed less than \$10 million. In February 2005, Canada assumed chairmanship of the IRFFI Donors' Committee from Japan.
- At the Dead Sea meeting, the Iraqi Transitional Government (ITG) operationalized its central role in soliciting and coordinating international support for Iraqi reconstruction. It also presented an updated National Development Strategy, which was well received by donors. Donors, in addition to the new \$235 million in commitment to IRFFI noted above, reaffirmed their support for Iraqi reconstruction. The ITG also presented a series of new donor coordination mechanisms on the ground in Iraq, chaired by the ITG, but supported by the UN and World Bank. The new 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 is scheduled for early 2006 in Iraq or Turkey.
- Current donor commitments to the IRFFI total about \$1.33 billion. Of this amount, \$490 million is from Japan; \$414 million from the European Commission; \$127 million from the UK; \$68 million from Canada; \$40 million from Spain; \$33 million from Australia, \$29.8 million from Italy; \$13.8 million from Norway; \$12.9 million from the Netherlands; \$12.2 million from Sweden; \$11 million from the Republic of Korea; \$10 million each from the United States, Denmark, India, Iran, Kuwait, and Qatar. Belgium, Finland, Greece, Iceland, Ireland, Luxembourg, New Zealand, and Turkey are committing amounts less than \$10 million each.
- Of the \$1.33 billion in commitments, donors (including the U.S.) have deposited \$1.28 billion in the IRFFI trust funds as of November 2005.
- The UN and World Bank submit their project proposals for approval to the Iraqi Strategic Review Board (ISRB). The ISRB is an Iraqi coordinating body chaired by the Minister of Planning and Development Cooperation that 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 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 had been allocated, and approximately \$1.54 billion disbursed. Japan is currently in discussions with Iraq on the first projects to be implemented from its \$3.5 billion concessional loan program.

Most recently, on December 13, 2005, Japan has decided to extend a grant of \$14.4 million to UNDP for Iraqi Reconstruction and Employment Program and Electricity Network Reinforcement Program in Al-Muthanna.

Of its disbursements, Japan has deposited a total of \$490 million to the IRFFI (\$360 million to the UN fund and \$130 million to the World Bank fund). Japan has also deposited \$10 million to the 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, \$910 million, have been in direct bilateral projects or channeled through Iraqi institutions and NGOs for implementation.

Among examples of Japanese projects are:

- 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, and rehabilitation of the National Dispatch Center.
- Provision of 38 water tankers, 311 water tanks, and 6 water treatment units in Al-Muthanna governorate.
- Grant assistance for Japanese NGO projects to the Samawa 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 Al-Muthanna Governorate. Medical supplies and equipment have also been provided to the Samawa General Hospital and Al-Rumaytha and Al-Khidhur hospitals and to 32 primary health centers in Al-Muthanna Governorate.
- 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.
- Contributions to UNESCO, which are building capacity at the Ministry of Education and restoring the Iraqi National Museum's restoration laboratory. .

- Donation of 1,150 police vehicles, 150 police buses, 500 police motorcycles, and 20 armored vehicles.
- Donation of 70 fire trucks to Baghdad, Basra, and Muthanna.
- Donation of 742 ambulances.
- Rehabilitation and equipping of four general hospitals (Nasiriyah, Najaf, Diwaniyah, and Samawah) in southern Iraq, four more in northern Iraq (Kirkuk, Erbil, Mosul, and Dahuk), and three in Central Iraq (Baghdad, Amarah, and Kut).
- 27 mobile electricity substations.
- 30 compact water treatment units in Baghdad and rehabilitation of water and sewage facilities in schools in Baghdad and Nineveh.
- Through HABITAT, assistance for rehabilitation of about 200 schools in Basrah, Samawa, Nashiria, and Amra, and of about 3,000 houses and community facilities in Baghdad, Samawa, and Kirkuk.
- Rehabilitation of 90 kilometers of roads in Al-Muthanna governorate.
- Training over 1050 Iraqis, including Iraqi diplomats, staff of 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 through 2006. This was in addition to the UK's previously announced assistance for the humanitarian effort and its assessed portion of the European Commission's assistance. As of December 2005, the UK had disbursed over \$300 million of its Madrid pledge.

The UK has deposited over \$127 million in the International Reconstruction Fund Facility for Iraq (IRFFI) - \$71 million to the World Bank Trust Fund and \$56 million to the UN Trust Fund. The UK also made a \$7 million contribution to the IFC's Small Business Financing Facility and is contributing to an International Monetary Fund (IMF) Program.

In addition to the \$135 million in multilateral contributions, the UK is implementing bilateral projects for reconstruction. As of December 2005, the UK had disbursed approximately \$165 million for bilateral projects in support of reconstruction in southern Iraq, governance and economic capacity building, and support to the justice sector, independent media, and civil society. The UK's Department for International Development (DFID) is responsible for these projects.

Among examples of UK projects are:

#### Southern Iraq

- 2003/04, initial infrastructure regeneration projects: more than \$54 million to employ several thousand Iraqis in repairing key infrastructure.
- \$12 million for employment generation in 2004/05: 1.6 million workdays in the pipeline to undertake local improvement projects with an immediate impact on communities.
- \$32 million in further funding for emergency infrastructure rehabilitation from mid-2004 – e.g., repairing the transmission lines from Hartha power station to Basra city.
- \$13 million to fund a team of technical advisers to help coordinate reconstruction projects in line with Iraqi priorities in areas such as energy, water and sanitation, and transport.
- \$37 million to help the four southern governorates manage donor and domestic funding effectively themselves, and provide support for private sector development and civil society.
- A new \$73 million infrastructure rehabilitation project began in April 2005. 75% of the funds will be earmarked for power, the rest for water and fuel services. Priority will be given to capital works that will have an impact within 6-12 months and generate significant local employment.

#### Central Iraq

- A \$9 million Emergency Public Administration Program in Baghdad supporting central government management processes.
- An \$8.5 million program to provide macro-economic advice to the Iraqi Government.
- Support to the justice sector has trained 216 Iraqi judges, lawyers, and prosecutors in human rights, international humanitarian law, and independence of the judiciary.
- Support for the Independent Electoral Commission of Iraq (\$10 million plus advisers on security and public information), civil society organizations (\$9 million) and public participation in the elections (\$11 million).

Further information on the program in Iraq, along with a monthly DFID 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 2004-7. 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 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.

### *Canada*

Canada has pledged C\$300 million (about \$230 million) for Iraq's humanitarian relief and reconstruction, 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\$100 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 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 to UNICEF for social sector funding and bilateral assistance to CARE Canada (C\$5 million) for reconstruction work to improve basic services in water and sanitation, basic health and education, and child protection. CIDA also allocated C\$3 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 for the Rapid Civilian Deployment Mechanism for capacity-building, including governance; C\$10 million for a civil society capacity building fund, including media and human rights training; C\$5 million to the Middle East Good Governance Fund; C\$2 million for human rights and diversity management training; C\$2 million for support to the constitutional process and federal systems; C\$0.7 million 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 (\$5.8 million) allocated to the International Mission for Iraq Elections.

In the security sector, Canada allocated C\$10 million (\$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 as well as funding to deploy senior police advisors to the Ministry of Interior.

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](http://www.acdi-cida.gc.ca/iraq).

### *The European Commission (EC)*

By the end of 2004, the EC had pledged 200 million euros (then worth \$235 million) at the Madrid Donors' Conference -- all of which it has disbursed. At the end of 2003, the EC provided \$47 million for UN-implemented activities and \$3 million to the World Bank for Iraqi capacity building training. In June 2004, the EC deposited \$100 million in the World Bank portion of the IRFFI and \$58.6 million in the UN portion. It deposited another \$43.2 million in the UN portion in December 2004, and another \$23.4 million in March 2005. The EC in November 2004 also announced 30 million euros of elections support. Half of this was new funding, while the other half was reprogrammed funding from its earlier IRFFI contribution.

In late January 2005, the EC announced another 200 million euros in assistance for 2005. At the Dead Sea IRFFI meeting, the EC confirmed its allocation of this additional 200 million euros: 130 million euros to be channeled through the IRFFI (95 million euros to UN trust fund and 40 million to World Bank trust fund) to support activities to restore and strengthen delivery of education and health services, increasing employment opportunities, improving livelihoods and reducing poverty, and developing administrative capacity in the Iraqi administration. The EC deposited the 95 million euros (\$118 million) to the UN trust fund in August 2005 and the 40 million euros (\$47 million) to the World Bank trust fund in November 2005. Another 15 million euros will go to bilateral technical assistance in the energy and trade sectors and a further 20 million euros to support the constitutional process. Another 5 million euros will support the development of civil society, democratization, and human rights. The remaining 30 million euros is being held in reserve for future priority needs that arise.

Additional information about the EC's assistance to Iraq can be found on the internet at: [http://www.europa.eu.int/comm/external\\_relations/iraq/intro/index.htm](http://www.europa.eu.int/comm/external_relations/iraq/intro/index.htm).

### *United Nations*

As of November 2005, donors had committed \$868 million to the UN trust fund of the IRFFI. Of this, \$831 million had 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:

- A. Agriculture, Food Security, Environment, and Natural Resource Management
- B. Education and Culture
- C. Governance and Human Development
- D. Health and Nutrition
- E. Infrastructure Rehabilitation
- F. Refugees, IDPs, and Durable Solutions
- G. Support to Electoral Process

As of November 2005, the UN had developed 80 projects, valued at over \$726 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 November 2005, the UN trust fund had obligated \$531.5 million in binding contracts for implementation and had disbursed \$361.6 million. A full list of the UN's IRFFI projects is available at the [www.irffi.org](http://www.irffi.org) website.

*World Bank*

As of the end of December 2005, donors had pledged \$456 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:

<b>Operation</b>	<b>Projected Costs</b>
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 the end of December 2005, the ITG and World Bank had signed grant agreements for all of the projects above totaling \$385 million. These projects are now in the implementation phase. As of the end of November 2005, the World Bank had disbursed \$41.5 million for work already completed.

The World Bank is 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 the \$500 million IDA (International Development Association) concessional lending program. 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 \$436 million in balance-of-payments support. The main goals under the EPCA were to maintain macroeconomic stability, lay the groundwork for the development of a reform program that could be undertaken in years to come, and begin the process of restoring Iraqi's fiscal and external debt sustainability. The IMF Board on December 23, 2005, approved a historic Stand-by Arrangement (SBA) for Iraq that provides approximately \$685 million in balance-of-payments support. The 15-month SBA provides a comprehensive framework of policies intended to ensure continued economic stability. It also outlines a reform program designed to promote growth in coming years. The SBA triggers the second tranche of debt reduction under the Paris Club agreement.

The IMF has also been providing technical assistance to Iraq. This has included training in the macroeconomic policy areas of 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, United States, and United Kingdom.