

U.S. APPROPRIATED FUNDS

This appendix provides an accounting of U.S. appropriated funds under these laws:

- P.L. 108-11, April 16, 2003
- P.L. 108-106, November 6, 2003
- P.L. 108-287, August 5, 2004
- P.L. 109-13, May 11, 2005
- P.L. 109-148, January 4, 2005
- P.L. 109-102, January 4, 2005

U.S. Appropriated Funds under Public Law 108-11

In April 2003, Congress passed P.L. 108-11 which included bilateral economic assistance for Iraq:

- the Iraq Relief Reconstruction Fund (IRRF 1) was created. P.L. 108-4 identified 12 sectors to be funded and appropriated to the Department of State, AID, Treasury, DoD and HHS...
- establish the Natural Resources Risk Remediation Fund (NRRRF) “for expenses necessary, in and around Iraq, to address emergency fire fighting, repair of damage to oil facilities and related infrastructure...”

P.L. 108-11 also funded the daily operations of CPA until P.L. 108-106 was passed in November 2003. Although CPA ceased operations on June 28, 2004, contractual payment of obligations resulting from contracts awarded by the CPA during its tenure are still being fulfilled. Most of the funds (55%) allocated in P.L. 108-11 were used for the rehabilitation of Iraqi infrastructure—primarily oil production and electricity generation. Other major uses include

humanitarian relief, governance initiatives, and health and social services.

Table B-1 provides the status of P.L. 108-11 funds by agency.

Tables B-2 and B-3 provide the status of P.L. 108-11 funds by program and by objective.

Commander’s Assistance Programs under Public Laws, 108-287, 109-13, and 109-148

Military assistance programs continue to play a vital role in the reconstruction of Iraq. In a secure environment, area commanders can develop the necessary relationships with Iraqi civic leaders to initiate crucial projects. Initially funded with Iraqi assets [seized assets and Development Fund for Iraq (DFI) funds], the Commander’s Emergency Response Program (CERP) received its first U.S. appropriated funds in August 2004, with the passage of P.L. 108-287. Subsequent additional funding for CERP was provided under Section 9007 of P.L. 108-13 and in P.L. 109-148. In addition, the Iraqi Transitional Government (ITG) funded a similar CERP-equivalent program, but not subject to U.S. oversight.

Commander’s Emergency Response Program

CERP is a program that allows coalition military commanders to rapidly respond to urgent humanitarian, relief, and reconstruction needs in their geographic areas of responsibility. Specifically exempt from the Federal Acquisition Regulation (FAR), CERP projects are relatively

small—less than \$500,000—and meet these kinds of needs:

- repair and refurbishment of water and sewer lines
- clean highways through removal of waste and debris
- transportation of water to remote villages
- purchase of equipment for local police stations
- upgrade schools and clinics
- purchase school supplies
- remove ordnance from public places (including schools)
- refurbish playgrounds, youth centers, libraries, other recreational facilities, and mosques

The aim of CERP is more tactical than strategic, with a focus on smaller-scale, highly visible projects that yield immediate benefits and nurture positive relations with the local populace.

For a summary of CERP expenditures, see Table B-4.

Table B-5 provides a profile of selected CERP projects funded by U.S. appropriations and a small segment of those funded by the DFI.

Commanders Humanitarian Relief and Reconstruction Program and Iraqi Reconstruction Assistance Program

In response to an Iraqi demand to match the Iraqi Interim Government (IIG) grants for CERP, a separate program, the Commanders Humanitarian Relief and Reconstruction Program (CHRRP) was created. CHRRP was funded out of Iraq Relief and Reconstruction Fund (IRRF 2) monies, requiring adherence to the FAR. The IIG initially funded CHRRP for \$86 million in response to a U.S. request.

This was increased by an additional \$50 mil-

STATUS OF SUPPLEMENTAL APPROPRIATION, P.L. 108-11, AS OF MARCH 31, 2006 (Millions)

SOURCE	AGENCY	APPORTIONED	OBLIGATED	EXPENDED
NRRRF	DoD	\$802.0	\$800.6	\$790.6
	USAID	1,781.4	1,781.3	1,662.3
	DoD IRRF 1	518.3	514.4	501.8
IRRF 1	DoS	125.4	125.4	116.0
	Treasury	6.0	6.0	4.8
	USTDA	5.0	5.0	2.8
	<i>Subtotal</i>	<i>2,436.1</i>	<i>2,432.1</i>	<i>2,287.7</i>
	USAID	411.8	391.1	389.1
Non-IRRF P.L. 108-11	DoS	66.0	66.0	60.4
	<i>Subtotal</i>	<i>477.8</i>	<i>457.1</i>	<i>449.5</i>
IFF	CPA-OPS	352.4	440.5	406.2
	New Iraqi Army	51.2	51.2	49.8
	<i>Subtotal</i>	<i>403.6</i>	<i>491.7</i>	<i>456.0</i>
Total		\$4,119.5	\$4,181.5	\$3,983.8

Note: Data not formally reviewed or audited.

TABLE B-1

**STATUS OF P.L. 108-11 IRRF1 FUNDS BY PROGRAM AND BY USAID STRATEGIC OBJECTIVES,
AS OF MARCH 31, 2006 (Millions)**

AGENCY	PROGRAM NAME	APPORTIONED	OBLIGATED	EXPENDED
IRRF1 Funds				
USAID	Restore Critical Infrastructure	\$1,124.4	\$1,124.4	\$1,020.4
	Improve Efficiency & Accountability of Government	174.7	174.7	174.7
	Food Aid: Office of Food for Peace	124.8	124.8	124.8
	Support Education Health and Social Services	118.5	118.5	111.9
	Relief: Office of Foreign Disaster Assistance	70.5	70.5	65.1
	Office of Transition Initiatives	69.8	69.7	68.8
	Expand Economic Opportunity	65.9	65.9	64.8
	Program Support & Development of Gulf Region	18.0	18.0	17.7
	Administrative Expenses	14.9	14.9	13.9
	<i>Subtotal</i>	<i>1,781.5</i>	<i>1,781.4</i>	<i>1,662.1</i>
DoD	Restore Iraq Electricity (RIE)	300.0	299.9	299.9
	Restore Iraq Oil (RIO)	166.0	162.7	161.0
	First Responder Network/DIILS	52.3	51.8	40.9
	<i>Subtotal</i>	<i>518.3</i>	<i>514.4</i>	<i>501.8</i>
DoS	Police/Prison Programs	61.5	61.5	55.5
	Relief Efforts	27.0	27.0	26.9
	Law Enforcement	24.6	24.6	21.4
	Humanitarian Demining	12.3	12.3	12.3
	<i>Subtotal</i>	<i>125.4</i>	<i>125.4</i>	<i>116.1</i>
Treasury	Technical Assistance	6.0	6.0	4.8
	<i>Subtotal</i>	<i>6.0</i>	<i>6.0</i>	<i>4.8</i>
U.S. Trade and Dev. Agency	Technical Assistance/Training	5.0	5.0	2.8
	<i>Subtotal</i>	<i>5.0</i>	<i>5.0</i>	<i>2.8</i>
Total IRRF1 Funds		\$2,436.2	\$2,432.2	\$2,287.6

Note: Data not formally reviewed or audited

TABLE B-2

lion on December 30, 2004. The U.S. matching CHRRP fund was initially set at \$86 million; however, this was adjusted to \$84 million in February 2005. Iraqi government projects must be selected from a project list approved by the Iraqi government and the Multi-National Force-Iraq.

For a summary of CHRRP and Iraqi government data, see Table B-6.

In the July 2005 *Section 2207 Report*, DoS reported that the U.S. government made \$241 million available for coordination with the Provincial Reconstruction Development Committees (PRDC) for these programs:

- \$80 million in CERP funds
- \$161 million in USAID-administered Community Action Program and USAID Local Governance Program funds

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STATUS OF P.L. 108-11 NRRRF AND NON-IRRF 1 FUNDS BY PROGRAM AND BY USAID STRATEGIC OBJECTIVES, AS OF MARCH 31, 2005 (Millions)

AGENCY	PROGRAM NAME	APPORTIONED	OBLIGATED	EXPENDED
NRRRF Funds				
DoD	Restore Iraq Oil	\$802.0	\$800.6	\$790.6
Total NRRRF Funds		\$802.0	\$800.6	\$790.6
Non-IRRF1 Funds				
USAID	Food Aid: Office of Food for Peace	\$138.1	\$118.5	\$117.7
	USDA ^a	106.8	106.8	106.8
	Restore Critical Infrastructure	51.6	51.6	51.6
	Support Education Health and Social Services	34.0	34.0	33.8
	Relief: Office of Foreign Disaster Assistance	33.1	32.2	31.6
	Operating Expenses	23.7	23.5	23.3
	Program Support & Development of Gulf Region	10.6	10.6	10.6
	Improve Efficiency & Accountability of Government	8.9	8.9	8.9
	Expand Economic Opportunity	5.0	5.0	5.0
	<i>Subtotal</i>	<i>411.8</i>	<i>391.1</i>	<i>389.3</i>
DoS	Coalition Support	66.0	66.0	60.4
	<i>Subtotal</i>	<i>66.0</i>	<i>66.0</i>	<i>60.4</i>
Total Non-IRRF1 Funds		\$477.8	\$457.1	\$449.7

Note: Data not formally reviewed or audited.

^a Funds appropriated to the U.S. Department of Agriculture, then transferred to USAID.

TABLE B-3

FUND SOURCE	TOTAL PROGRAM FUNDING	CUMULATIVE FUNDS OBLIGATED	CUMULATIVE FUNDS DISBURSED
Seized Assets	\$180.2	\$178.5	\$177.4
U.S. Appropriated FY 2004 P.L. 108-106	140.0	137.4	128.2
U.S. Appropriated FY 2005 P.L. 108-287 P.L. 108-375 P.L. 108-447 P.L. 109-13	718.00	716.0	445.2
U.S. Appropriated FY 2006 P.L. 109-148	375.0	*	*
DFI	368.1	360.2	353.2
Total	\$1,781.3	\$1,392.01	\$1,104.01

Note: Data not formally reviewed or audited.

^a FY 2006 CERP obligated and disbursed totals not included.

TABLE B-4

SELECTED CERP PROJECTS BY TYPE, 3RD QUARTER ENDING MARCH 31, 2006

PROJECT TYPE	PROJECT TOTAL	COMPLETED PROJECTS	ESTIMATED FUNDS
Agriculture	3	2	\$160,950
Battle Damage Repair	37	21	\$535,010
Civic Cleanup Activities	74	32	\$1,854,802
Civic Support Vehicles	16	6	\$1,775,651
Condolence Payments	288	122	\$4,933,050
Economic, Financial, and Management Improvements	28	8	\$2,321,103
Education	154	43	\$5,595,233
Electricity	88	31	\$2,658,974
Food Production and Distribution	3	1	\$65,110
Healthcare	84	18	\$4,136,218
Infrastructure Hardening	8	1	\$1,496,218
Irrigation	12	1	\$2,421,313
Other Humanitarian or Reconstruction	54	28	\$18,283,776
Repair of Civic or Cultural Facilities	30	9	\$676,667
Rule of Law and Governance	31	15	\$2,090,838
Telecommunication	45	20	\$1,569,666
Transportation	142	56	\$5,992,639
Water and Sanitation	191	39	\$16,994,799
Total	1,288	453	\$73,589,092

Note: Data not formally reviewed or audited.

TABLE B-5

IRRF 2 Funds under Public Law 108-106

On November 6, 2003, Congress passed P.L. 108-106 to provide \$18.4 billion for the IRRF to address the extensive requirements for Iraq reconstruction identified before the war and during the summer and fall of 2003. The act mandates specific sector aid funding totals, with limitations on the transfer of funds among sectors without congressional notification or, in the case of larger modifications, without congressional approval. Apportioned funds are restricted to five departments or agencies: the Department of Defense (DoD), DoS, USAID, Department of the Treasury (Treasury), and the Department of Health and

Human Services (HHS).

As of March 31, 2006, these were the IRRF totals:

- \$18.44 billion (100%) had been apportioned.
- \$17.23 billion (93.43%) had been committed.
- \$16.31 billion (88.45%) had been obligated.
- \$11.49 billion (62.31%) had been expended.

Figure B-1 shows the current totals for IRRF 2.

Of the \$18.44 billion that has been apportioned, slightly less than \$10 billion of the funds have been apportioned to construction projects, \$6 billion have been apportioned to non-construction projects, and nearly \$1 billion were apportioned for democracy building.

CHRRP AND IRAQI GOVERNMENT FUNDS, AS OF MARCH 31, 2006 (Millions)

FUND SOURCE	TOTAL PROGRAM FUNDING	CUMULATIVE FUNDS OBLIGATED	CUMULATIVE FUNDS DISBURSED
CHRRP Projects	\$84.0	\$83.9	\$47.5
Iraqi Government Projects	\$136.0	\$12.9	\$98.9
Total	\$220.0	\$96.8	\$146.4

Note: Data not formally reviewed or audited.

TABLE B-6

As of March 31, 2006, the Office of Management and Budget (OMB) reports current IRRF appropriations as:

- DoD, \$13.07 billion (70.88% of the \$18.439 billion total)
- USAID, \$3.00 billion (16.28%)
- DoS, \$1.18 billion (6.40%)
- Treasury, \$390 million (2.12%) (including \$352.7 million in Iraqi debt relief)
- United States Institute of Peace, \$10 million (.05%)

Appendix C details IRRF apportionments by agency.

The current funding status for IRRF 2—with corresponding commitments, obligations, and expenditures—is outlined in Table B-7.

IRRF Funding Changes

Since September 2004, a number of major reallocation efforts have occurred. On December 31, 2004, the first major reallocation shifted \$1.94 billion from the water and sanitation sector and \$1.07 billion from the Electricity sector to the Security sector (\$1.8 billion), the Justice sector (\$461 million), the Education sector (\$80 million), and the Private Employment Development sector (\$660 million). An additional \$450 million were reallocated entirely within the oil sector.

In December 2004, an additional \$457 million were reallocated to meet emerging needs in the electricity sector (\$211 million) and to provide post-battle damage reconstruction and rehabilitation in Sadr City, Najaf, Samarra,

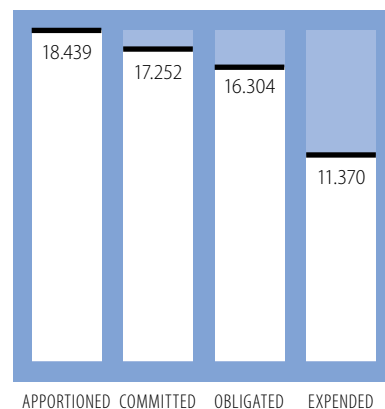


Figure B-1
STATUS OF FUNDING
 \$ Billions
 Source: DoS Iraq Weekly Status report, 03/29/06

IRRF2 PROGRAM STATUS, AS OF MARCH 31, 2006 (Millions)

SECTOR	2207 REPORT SPENDING PLAN	APPORTIONED	COMMITTED	OBLIGATED	EXPENDED
Security & Law Enforcement	\$5,036.0	\$5,036.0	\$4,935.1	\$4,882.5	\$4,397.5
Electric Sector	4,220.0	4,220.0	4,037.1	3,496.1	2,071.2
Water Resources and Sanitation	2,131.1	2,131.1	1,666.4	1,547.7	913.6
Justice, Public Safety, and Civil Society	1,315.9	1,315.9	1,206.7	1,183.6	8,21.9
Democracy	1,033.9	1,033.9	977.4	977.2	661.9
Oil Infrastructure	1,735.6	1,735.6	1,626.1	1,541.2	844.8
Private Sector Employment Development	805.3	805.3	788.9	782.4	601.9
Health Care	739.0	739.0	724.9	668.1	420.7
Transportation and Telecommunications Projects	465.5	465.5	447.0	419.5	249.5
Education, Refugees, Human Rights, and Governance	410.0	410.0	348.8	341.9	245.4
Roads, Bridges, and Construction	333.7	333.7	312.8	308.2	175.3
Administrative Expense	213.0	213.0	159.7	159.7	84.2
Total by Sector	\$18,439.0	\$18,439.0	\$17,230.9	\$16,308.1	\$11,487.9
Construction			9,937.5	9,217.6	5,955.6
Non-construction			6,315.9	6,113.2	4,870.5
Democracy			970.1	969.6	661.9
Total by Program			\$17,223.5	\$16,300.4	\$11,488.0

Note: Data not formally reviewed or audited.

TABLE B-7

and Fallujah (\$246 million). In March 2005, an additional \$832 million were reallocated for management initiatives. The management initiatives included money for operations and maintenance programs at various power and water plants, urgent work in the electrical and oil sectors, and cost growth incurred by design-build contractors. The DoS July 2005 *Section 2207 Report* reallocated \$255 million for PRDCs, security forces, and election support. In the DoS October *Section 2207 Report*, \$63 million in program reallocations were dedicated to three program activities that required Congressional notification. In preparation for the December elections, \$35 million were reallocated to increase short-

term work opportunities for Iraqis in several areas. Another \$15 million were reallocated to increase awareness regarding civil society, electoral and constitutional processes. In addition, \$3 million helped to increase participation by women in the political process. The balance was dedicated to an electricity transmission project in the governorate of Sulaymaniyah. In the DoS January *Section 2207 Report*, \$104 million were submitted to Congress for reallocation. The reallocation increased funding for programs such as democracy building, ministerial capacity building, and focused stabilization. In the April *Section 2207 report*, \$20 million was reallocated from Democracy Building Activities, and \$4.96 million trans-

APPENDIX B

ferred from the Economic Support Fund into the Marla Ruzicko Iraq War Victims Fund.

U.S. Appropriated Funds under Public Law 109-13: Iraq Security Forces Fund

P.L. 109-13 provided \$5.391 billion for the Iraq Security Forces Fund, to remain available until December 31, 2006. This law supports the Multi-National Security Transition Command-Iraq (MNSTC-I), funding the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction. The Secretary of Defense is authorized to transfer these funds to appropriations for military personnel, operation and maintenance, and other areas.

Operating Expenses

Under P.L. 108-106, as amended, SIGIR is

required to report information on the operating expenses funded by IRRF for U.S. government agencies or departments involved with the reconstruction of Iraq. Table B-9 provides the status of operating funds derived from the IRRF for each agency with operational activities in Iraq. Data provided for FY 06 is not yet complete. IRRF funds can be apportioned only to DoD, DoS, Treasury, USAID, and HHS; therefore, other organizations receive funds through one of those five organizations. This table does not include mission direct operating expenses.

Since the establishment of U.S. Mission-Iraq and the transfer of governance authority on June 28, 2004, various groups involved with Iraq reconstruction have received support from the budget of U.S. Mission-Iraq. This support is outside the SIGIR's IRRF reporting requirements.

FINANCIAL STATUS OF IRAQ SECURITY FORCES FUND, P.L. 109-13, AS OF MARCH 31, 2006 (Millions)

SECTOR	APPORTIONED	COMMITTED	OBLIGATED	DISBURSED
Ministry of Defense Forces				
Sustainment	\$614.0	\$588.0	\$434.0	\$230.0
Infrastructure	1,152.0	1,015.0	688.0	336.0
Equipment and Transportation	1,640.0	910.0	741.0	264.0
Training and Operations	144.0	106.0	91.0	27.0
Ministry of Interior Forces				
Sustainment	195.0	135.0	101.0	65.0
Infrastructure	340.0	304.0	150.0	69.0
Equipment and Transportation	233.0	208.0	186.0	34.0
Training and Operations	893.0	801.0	644.0	566.0
Quick Response Fund	145.0	84.0	78.0	57.0
TOTAL	\$5,356.0	\$4,151.0	\$3,113.0	\$1,648.0

Note: Data not formally reviewed or audited.

TABLE B-8

AGENCY-SPECIFIC IRRF-FUNDED OPERATING EXPENSES, AS OF MARCH 31, 2006 (IN MILLIONS)

AGENCY	FY 2006 APPROPRIATED	FY 2006 OBLIGATED	FY 2006 EXPENDED	FY 2005 APPROPRIATED	FY 2005 OBLIGATED	FY 2005 EXPENDED	FY 2004 APPROPRIATED	FY 2004 OBLIGATED	FY 2004 EXPENDED
DoD ^a	\$ 0.2	\$ 0.2	\$ 0.2	\$ 12.8	\$ 12.8	\$ 11.9 ^b	\$ 198.9	\$ 198.9	\$ 52.6
USACE	0	0	0	0.1	0	0.4	12.6	9.3	6.4
Treasury	0	0	0	0	0	0	0	0	2.1
DHS	0	0	0	3.9	2.5	2.5	0	0	0
DoJ ^c	0	0	0	61.0	75.1	63.0	75.0	12.5	6.2
DoS ^d	0	0	0	NA	2.7	2.2	NA	3.0	2.5
HHS	0	0	0	0	0	0	0	0	0
DoT	0	0	0	0	0	0	0	0	0
DoC	0	0	0	0	0	0	0	0	0
DoL	0	0	0	0	0	0	0	0	0
USDA	0	0	0	0	0	0	0	0	0
	IRRF 2	IRRF 2	IRRF 2	IRRF 2	IRRF 2	IRRF 2	IRRF 1	IRRF 1	IRRF 1
	Appropriated	Obligated	Expended	Appropriated	Obligated	Expended	Appropriated	Obligated	Expended
USAID ^e	\$ 0	\$ 0	\$ 0	\$ 154.2	\$ 153.4	\$ 133.5	\$ 38.6	\$ 38.5	\$ 37.3

Note: Data not formally reviewed or audited. These operating expenses do not include mission-direct operating expenses.

^aThe majority of FY 2005 operating expenses cover PCO campus rehabilitation, which will be reclassified as reconstruction assets by 2007. This does not include logistics costs directed in FY 2005 by OMB as program costs for goods.

^bFY 2005 expenditures include funds disbursed from FY 2004 obligated.

^cIncludes partial update only from DoJ.

^d Figures provided for DoS INL only. Allocated figures not available.

^e USAID reported information by fund type, not by fiscal year.

TABLE B-9

STATUS OF SUPPLEMENTAL IRAQ RECONSTRUCTION FUNDING, P.L. 108-106,
AS OF MARCH 31, 2006 (Millions)

SOURCE	APPROPRIATED	APPORTIONED	COMMITTED	OBLIGATED	EXPENDED
IRRF 2	\$18,439.0	\$17,894.4	\$16,968.1	\$15,263.9	\$10,061.6
CPA-OPS	768.8	768.7	0.0	0.0	0.0
IRMO	139.2	139.2	139.0	139.0	123.7
SIGIR	75.0	44.3	0.0	0.0	0.0
Total	\$19,422.0	\$18,846.6	\$17,107.1	\$15,402.9	\$10,185.3

Note: Data not formally reviewed or audited.

TABLE B-10

Since its inception as the Coalition Provisional Authority Inspector General (CPA-IG), SIGIR tracked the operational expenses of the CPA. CPA daily operations from April to November 6, 2003, were initially supported by the IFF, which was created by P.L. 108-11 in April 2003. From November 6, 2003, to June 28, 2004, CPA operations were funded from P.L. 108-106.

As U.S. Mission-Iraq became operational and the Iraq Reconstruction Management Office assumed the duties of CPA, \$105.75 million was transferred from CPA's P.L. 108-106 appropriation to DoS to fund these operations. The status of these transferred funds is included in Table B-10, which is an update of the status of those funds as of March 31, 2006. Congress also authorized the funding of CPA-IG operations (now SIGIR) with \$75 million from the 2004 Defense-wide operations and maintenance appropriations.

Sources and Uses of Funding for Iraq Relief and Reconstruction Data Clarification

SIGIR compiled data on the sources, uses, and status of Iraq reconstruction funds from OMB, Defense Finance and Accounting Service, U.S. Army, DoS, USAID, Treasury, DoD Washington Headquarters Service, MNC-I, U.S. Trade and Development Agency, IMF, and World Bank. SIGIR analyzed the data for reasonableness and consistency across sources of data. SIGIR did not review or audit the processes, controls, or systems in place at the providing agency or organization. SIGIR accepted the validity of the data provided and believes that the presentation of sources and uses of funds in this Report is a reasonable compilation of the status of Iraq relief and reconstruction funding through March 31, 2006 (unless an alternative date is noted).