RECONSTRUCTION MANAGEMENT IN TRANSITION

Although the United States is transitioning to a more traditional diplomatic and development mission in Iraq, a substantial portfolio of reconstruction work remains for completion, closeout, and transfer to the GOI.

While a general framework appears to be emerging, many key decisions related to organizational responsibilities, resource needs, program plans, and coordination mechanisms remain to be made. This quarter, SIGIR received preliminary reports from agencies about imminent transitions, but final decisions have not been announced. Under the direction of the Deputy Chief of Mission for Transition Assistance, U.S. Embassy-Baghdad is assessing the status of ongoing U.S. projects, as well as plans for those not yet started, with the stated goal of ensuring the best allocation of the $6.31 billion in U.S. funds that remain unexpended, including more than $2.70 billion yet to be obligated.

DoS reports that it “may decide to re-obligate monies from infrastructure projects (handled by GRD) to capacity-building projects (perhaps monitored by USAID) or return the money.”

The ongoing transition includes a realignment of organizational responsibilities. DoS and DoD managers have announced that some entities that have played a part in the reconstruction effort will phase out, while others will adjust their roles.

Lessons learned from SIGIR’s oversight of reconstruction efforts over the past six years demonstrate that, to be successful, transition plans must provide clear management responsibilities and accountability structures. In August, SIGIR communicated to Ambassador Hill and General Odierno the potential effects of three major changes in responsibility for reconstruction management:

- adjusting the responsibilities of the U.S. Army Corps of Engineers Gulf Region District (GRD) and U.S. Embassy-Baghdad’s Iraq Transition Assistance Office (ITAO) as the capacities of both organizations are simultaneously diminished
- downsizing the U.S. presence in the provinces and the capacity for administering more than $650 million in new reconstruction aid planned for the coming year
- shifting responsibility for training Iraq’s police forces from DoD to DoS, under the Bureau of International Narcotics and Law Enforcement Affairs (INL)

To support these shifts among U.S. agencies, DoS and DoD must coordinate closely to ensure that the GOI is willing and able to assume responsibility for completed projects.

Shrinking U.S. Capacity, Shifting Responsibilities

DoD has already begun transitioning its responsibility for construction, sustainment, and security to DoS, which faces its own major reductions in capacity.

To carry out these additional responsibilities, U.S. Mission-Iraq aims to establish a fully independent embassy operation through the “aggressive use of competitive sourcing and regionalization/off-shoring.” After adjusting its operations, U.S. Embassy-Baghdad expects that less U.S. military security, communications, and logistical support will be needed.

Numerous staffing changes are planned as part of this “rightsizing” action over the next three years. Overall, the Embassy expects to reduce in size, and operational

This is the start of a 12-month period at the end of which all U.S. combat forces will be withdrawn from Iraq... Over time, as our programs make progress on these economic and political goals, we will significantly reduce our civilian presence both in the provinces and at the embassy in Baghdad.

—Ambassador Christopher Hill, U.S. Ambassador to Iraq, September 10, 2009
management, information management, and security staffs will decrease. Temporary organizations, such as ITAO, will be phased out as reconstruction programs are consolidated into permanent structures under DoS and USAID. Other elements of the U.S. Mission will expand, including the consular section (to meet increased demand for visa services) and Foreign Commercial Service programs (to continue support for Iraq’s economic growth).109

Throughout the transition, the Chief of Mission will retain ultimate responsibility for the direction and oversight of the U.S. reconstruction program. For an overview of the transition plans announced for DoD and DoS reconstruction agencies, changes to their current and future responsibilities, and permanent staff cuts, see Figure 2.8.

Phasing Out Infrastructure Reconstruction
GRD has completed 4,658 infrastructure projects in Iraq. As of the end of this quarter, it reported 457 projects ongoing or awarded, at a construction cost of $1.5 billion. GRD is now deactivating and transitioning management of ongoing construction work to two districts operating under the USACE Transatlantic Division. Program management responsibilities, including responsibility for sustainment of completed projects, now fall to DoS.110

Reductions in personnel and resources may limit capacities for sufficient oversight, leaving the last tranche of reconstruction programs vulnerable to fraud, waste, or abuse. SIGIR remains concerned about whether these programs can be executed in an orderly fashion and with sufficient controls to ensure that they will be sustained by the GOI. A DoS OIG audit released in August concluded that staff shortages have affected DoS’s ability to carry out projects; 216 ITAO projects remain ongoing, valued at almost $700 million. Moreover, the audit found that DoS may need additional funding to purchase private-sector design, contract preparation, and contract oversight services to replace USACE support services.111

Also in question is the future of the Iraq Reconstruction Management System (IRMS)—a central portal for data on reconstruction projects. In the past, GRD personnel maintained this system at the headquarters of the Multi-National Corps-Iraq (MNC-I) in Iraq.112 DoD reported that USACE will fund the IRMS system management through FY 2010.113 It is unclear who will maintain and update this system in the future.

Downsizing Presence in the Provinces
The Office of Provincial Affairs (OPA) has been working closely with the GOI and Multi-National Force-Iraq (MNF-I) to coordinate the programs of the 23 PRTs and one Regional Embassy Office (REO) in conducting reconstruction priorities in the local communities of Iraq’s 18 provinces. OPA is headed by a senior Foreign Service Officer, who currently manages 517 DoS personnel.114

The Commander’s Emergency Response Program (CERP) provides additional support for communities in the areas where U.S. military units conduct operations. An additional $300 million CERP allocation has been requested for FY 2010.115 However, the U.S. military’s reduced troop presence in 2010 means that the capability to manage CERP funds will also be reduced.

OPA reported that its personnel have been integral to directing CERP priorities in the provinces, and it has appointed a CERP manager to support planning and oversight of these activities.116 DoD has requested additional support from the PRTs, asking that reconstruction personnel embed with military units managing the CERP program as MNC-I consolidates its activities under the new U.S. Forces-Iraq (USF-I) command structure. The PRT program, however, is shrinking in overall size and scope, and its teams are shifting to capacity-building roles that fall more within the purview of the U.S. Embassy’s Political Section—an office slated to have eight positions cut this year.117
OPA is concerned that reduced PRT and MNC-I resources could lead to problems, including reallocation of PRT resources to maintain necessary oversight of CERP projects.

**Note:** Estimated operating costs shown above the PRT footprint were reported by DoS OIG in Audit MERO-A-09-10, released in 8/2009. The audit reported $484 million for FY 2009, $636 million for FY 2010, and $611 million for FY 2011. The nature of these transitions are still in the planning stages, and final decisions have not been made.

Transitioning Reconstruction in the Security Sector

In accordance with presidential directives and the bilateral Security Agreement (SA), U.S. forces in Iraq must draw down from 120,000 troops to 50,000 by August 31, 2010, and to zero by December 31, 2011, unless the U.S. and the GOI mutually agree to extend the U.S. military presence. The current planning schedules maintain the majority of forces through the January elections and seating of the new Iraqi government, followed by a rapid redeployment to reach the September 2010 deadline.

On January 1, 2010, remaining MNF-I units will become part of the USF-I command structure, but the missions of these units will change little in the coming year. Two new entities will perform training, advisory, and assistance missions in support of the Iraqi Security Forces (ISF); this support will include the current duties of the Multi-National Security Command-Iraq (MNSTC-I) when it shuts down on December 31, 2009.118

The Iraq Security Assistance Mission (ISAM)—an enabling agency that facilitates procurement of equipment, services, and training (formerly the Security Assistance Office)—will be ramping to 91 personnel, performing those roles:

- **Enhancing Force Capability.** Facilitate procurement to equip police forces and assist the equipping of a self-defense capability.
- **Force Professionalization and Specialization.** Expand training programs and ensure adequate resources; translate Foreign Military Sales (FMS) Letters of Request and Letters of Acceptance; facilitate the development, processing, and preparation of candidates for the International Military Education and Training Program and for training and service abroad.
- **Enhancing Ministerial Capacity.** Improve strategic planning and policy development; improve GOI resource management; develop GOI and the Regional Security Council; and enhance ISF medical, logistics, and maintenance programs.

The Iraq Training and Advisory Mission (ITAM)—comprises 337 personnel assigned to support the MOD and MOI, along with 574 International Police Advisors (IPAs) to train the Iraqi police forces. DoD defined these roles for ITAM:

- **Enhancing Force Capability.** Develop a competent and professional police force; enhance screening to control Iraq’s borders; improve command and control throughout Iraq; develop a credible self-defense capability; and enhance ISF medical, logistics, and maintenance programs.
- **Enhancing Ministerial Capacity.** Improve strategic planning and policy development; synchronize planning and programming decisions; improve GOI resource management; develop...
life-cycle management programs; improve recruiting, training, manning, and equipping; and expand engagement and strategic communications programs.

- **Force Professionalization and Specialization.** Expose Iraqis to Western values and culture to promote tolerance, expand training programs and ensure adequate resources, increase interoperability with U.S. or Coalition forces, and improve medical training and equipment.

- **Rule of Law Primacy.** Strengthen anticorruption programs, improve leader accountability, enhance judicial security, and improve inspection programs.

**Potential Challenges to Success**

DoD states that the 2010 Joint Manning Document (JMD) represents adequate personnel strength required for ITAM and ISAM to achieve their strategic objectives. At this time, further force reduction of ITAM and ISAM is not scheduled to occur until USF-I transitions its missions for enhancing ministerial capacity, force capability, and police primacy to U.S. Embassy-Baghdad control, under the Office of Security Cooperation-Iraq (OSC-I) in 2011.119

However, even at a 20% reduction of the 2010 JMD strength, DoD cautions that ITAM “would lose nearly all capability and capacity” to meet its objectives. Moreover, cuts to ISAM would risk failure to adequately equip the ISF and would likely delay or halt procurement for logistics infrastructure and would force ITAM to “rely more heavily on stateside security assistance agencies, which have inherently more deliberate processes and fewer dedicated resources.”120

Already, ITAM has begun transitioning responsibility for training all ISF troops below the division level to the Advise and Assist Brigades (AABs), and it plans to cut efforts in the ministries from “advise and assist” to “advise only.” DoD has emphasized that any reduction of ITAM or ISAM capabilities before transfer to the OSC-I, now two years away,
would pose a high risk to the strategic objective of a “sovereign, stable, secure, and self-reliant Iraq.”

Police Training Continues in Coordination with INL
As the police training mission evolves, U.S. forces partnering with Iraqi police forces will change to meet SA provisions that require that the military’s operations be conducted with the agreement of the GOI and fully coordinated with Iraqi authorities. The plan for providing necessary life support, transportation, and force protection for these teams must then be fully integrated with MNF-I’s drawdown planning.

MNSTC-I/ITAM has been working in conjunction with the INL Police Training Program Director to plan for a gradual transition of programs to support the Ministry of Interior and Iraqi police forces. SIGIR has observed that the core capabilities necessary for successful police training require sustained coordination between ITAM/ISAM and INL to ensure that the latter’s role remains consistent with its capacities.

INL believes that the basic components of training the Iraqi police services have been largely accomplished, and it reports that it will focus on executive development, managerial training, and other specialized programs such as forensics. According to current plans, by 2011 the police training mission will have decreased its presence from 38 primary training centers to just 3 hubs: Baghdad, Erbil, and Basrah. For a timeline of the planning milestones driving the transition, see Figure 2.9.