They are expected to present a united front in the 2010 elections, minimizing their differences and attempting to draw the newly formed PUK breakaway party—the Change List—into some kind of alliance as a strategy to strengthen Kurdish positions in disagreements with the GOI.446

This quarter, KRG elections dominated U.S. support activities. Throughout the region, RRT staff members acted as election monitors and supported training sessions organized by the Independent High Electoral Commission (IHEC) and the National Democratic Institute (NDI).447 Iraqis in the Kurdistan Region engaged in self-funded capacity-building initiatives as well. Before the July elections, outgoing KRG Prime Minister Nechirvan Barzani launched an initiative to review government capabilities and create an action plan to combat corruption and inefficiency.448 Price waterhouseCoopers partnered with the KRG on this “good governance and transparency initiative.”449

Iraqis in the Kurdistan Region line up to vote in presidential and parliamentary elections on July 25, 2009. (OPA photo)

KRG Election Results
On July 25, 2009, longtime KDP leader Masoud Barzani was elected president of the KRG with about 70% of the vote. GOI President Jalal Talabani’s brother-in-law, Halo Ibrahim Ahmed, came in third with 3.5% of the vote—far behind the newly formed Change List presidential candidate Kamal
Mirawdeli, who received about 25% of the vote.450 For presidential election results, see Table 3.3.

In simultaneous parliamentary elections, the united KDP-PUK Kurdistani List captured 53% of the seats, while the Change List received about 25% of the votes cast.451 The KDP’s strong showing in both presidential and parliamentary elections solidified its power in the Kurdistan Region. To a lesser extent, the influence of the PUK was also preserved by its alliance with the KDP following the split within its ranks that resulted in the creation of the Change List.

Following the elections, the new parliament elected PUK member Barham Saleh (recently Deputy Prime Minister of the GOI) as prime minister—an indication of the PUK’s power in the alliance despite its reduced numbers. Saleh replaced Nechirvan Barzani (a nephew of Masoud Barzani), who had served as prime minister since 2006. It remains to be seen what influence the Change List—whose power base is principally in Sulaymaniyah—will have on the two established Kurdistan parties.

For parliamentary election results, including open seats and seats reserved for minority parties, see Table 3.4.

The Change List and the PUK Split
The Change List was created by Nawshirwan Mustafa following his resignation as deputy secretary-general of the PUK in 2006, but the seeds of dissent began much earlier, as the Kurdistan Region gained a greater degree of independence following the U.S. invasion of Iraq. Mustafa took on an active role

**Table 3.3**

**July 2009 KRG Presidential Election Results**

<table>
<thead>
<tr>
<th>Name</th>
<th>Affiliation</th>
<th>Percentage of Votes Won</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masoud Barzani</td>
<td>KDP Alliance</td>
<td>70%</td>
</tr>
<tr>
<td>Kamal Mirawdeli</td>
<td>Change List</td>
<td>25%</td>
</tr>
<tr>
<td>Halo Ibrahim Ahmed</td>
<td>Progress List</td>
<td>3.5%</td>
</tr>
<tr>
<td>Safeen Sheikh Mohammed</td>
<td>Independent</td>
<td>1.4%</td>
</tr>
<tr>
<td>Hussein Karmiani</td>
<td>Independent</td>
<td>&lt;0%</td>
</tr>
</tbody>
</table>

### Table 3.4
**July 2009 KRG Parliamentary Election Results**

<table>
<thead>
<tr>
<th>Party</th>
<th>Affiliation</th>
<th>Percentage of Votes Won</th>
<th>Seats in Parliament</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Seats</td>
<td>Kurdistan List</td>
<td>57%</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>KDP-PUK Alliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change List</td>
<td>PUK Splinter Group</td>
<td>24%</td>
<td>25</td>
</tr>
<tr>
<td>Services and Reform List</td>
<td>Islamic Coalition</td>
<td>12%</td>
<td>13</td>
</tr>
<tr>
<td>Islamic Movement</td>
<td>Moderate Islamic party</td>
<td>&gt;2%</td>
<td>2</td>
</tr>
<tr>
<td>Social Justice and Freedom</td>
<td>Secular, progressive party</td>
<td>&gt;1%</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Open Seats</strong></td>
<td></td>
<td></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Seats Reserved for Minority Groups</td>
<td>Turkoman Democratic Movement</td>
<td>&gt;2%</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Turkoman Reform List</td>
<td>&gt;1%</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Turkoman Erbil List</td>
<td>&gt;1%</td>
<td>1</td>
</tr>
<tr>
<td>Chaldean Assyrian Syriac Council</td>
<td>Inter-Christian Coalition</td>
<td>&gt;2%</td>
<td>3</td>
</tr>
<tr>
<td>Al-Rafidain List</td>
<td>Assyrian Christian Coalition</td>
<td>&gt;2%</td>
<td>2</td>
</tr>
<tr>
<td>Aram Shahin Dawood Bakovian</td>
<td>Armenian Christian</td>
<td>&gt;1%</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Seats Reserved for Minority Groups</strong></td>
<td></td>
<td></td>
<td><strong>11</strong></td>
</tr>
<tr>
<td><strong>Total Seats in Parliament</strong></td>
<td></td>
<td></td>
<td><strong>111</strong></td>
</tr>
</tbody>
</table>


### Figure 3.6
**Timeline of the KRG from 2003–2009**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Iraq's parliament selects Kurdish leader, Jalal Talabani as GOI president</td>
</tr>
<tr>
<td>2004</td>
<td>April: Masoud Barzani sworn in as president of the KRG; Nechirvan Barzani, nephew of Masoud Barzani, elected prime minister of the KRG</td>
</tr>
<tr>
<td>2005</td>
<td>June: Unification Agreement signed on January 21, 2006, establishes terms by which KDP and PUK will share power</td>
</tr>
<tr>
<td>2006</td>
<td>December: Nawshirwan Mustafa resigns as deputy secretary-general of the PUK; founds the Wisha Company, a media conglomerate he uses to launch a splinter party he calls Change</td>
</tr>
<tr>
<td>2007</td>
<td>March: Jalal Talabani announces he won't seek a second term as president of the GOI</td>
</tr>
<tr>
<td>2008</td>
<td>June: IKP approves draft Kurdistan Regional constitution</td>
</tr>
<tr>
<td>2009</td>
<td>July: Elections for president and parliament of the KRG held on July 25</td>
</tr>
</tbody>
</table>

Constitutional Impasse in the Kurdistan Region
The KRG may come under pressure to change the most recent draft of the constitution governing the Kurdistan Region, a controversial document that lays claim to disputed territories outside the boundaries of the Kurdistan Region, as a result of the elections. On June 24, seven members walked out of a (pre-election) parliamentary vote on the draft; 96 of 111 members of the IKP favored it. Five days later, 50 members of the CoR signed a petition criticizing the draft constitution, saying it was not compatible with Iraq’s federal constitution. One Kurdish member of the CoR urged leaders of the GOI and the KRG to open a national dialogue on the sensitive subject. The nature of the long-simmering dispute suggests the two sides are unlikely to reach an agreement anytime soon on recommendations for a resolution to disputed territories, including Tameem.

Governance Capacity Building
The United States funded several other projects in the Kurdistan Region this quarter:
- A $20,000 Quick Response Fund (QRF) grant to the “Kids’ House,” a non-religious school and activity center for internally displaced children whose families fled violence in Baghdad and Ninewa provinces.
- The Sabean Mandeán Cultural Center received a $25,000 QRF grant for educational materials and musical instruments. Many members of the Sabean Mandeán community in Erbil are IDPs from southern Iraq.
- In September, the PRT opened the 12-classroom Zaryland School in Dahuk City. Funded by $1.1 million of the ESF, this school will host classes in English and serve as a magnet school for more than 1,000 exceptional students.

Security and Rule of Law
Security in the Kurdistan Region was stable this quarter with only sporadic outbreaks of violence reported mostly in the lead-up to regional elections. There were four incidents in which two
The RRT’s Rule-of-Law (RoL) section helped to establish a Justice Training Institute that aims to provide training and continuing legal education for judges and lawyers in the region. Elsewhere, RoL continued in its efforts to create a legal curriculum at the region’s law schools, but plans to develop a 10-year road map for legal reforms including linkages between the KRG and GOI judiciary, were on hold awaiting QRF funding.

USAID developed a gender-based violence tracking and documentation system to identify or more people died. In neighboring disputed territories, however, the situation remains tense—particularly in Nineveh province, where a plan was put forth to invite Kurdish Peshmerga forces to patrol joint checkpoints with Iraqi Security Forces (ISF). RRT Erbil reported that KRG government officials had urged the establishment of the joint checkpoints. This proposal prompted an outcry from Arab provincial officials in Nineveh who opposed allowing the Peshmerga to operate these checkpoints with the ISF.

According to the Internation Organization for Migration (IOM), the Kurdistan Region hosts 39% of IDP families belonging to ethnoreligious minorities, including Kurds. Almost half of IOM-assessed IDPs in Dahuk are Christian. Most hail from Ninewa and Baghdad, and more than half reported that they would prefer to resettle permanently in the province. Arab Sunnis and Kurds who fled their homes after being targeted for ethnosectarian reasons also constitute some of the IDP population in the region. Many IDP families are living in tent camps, and 10% are female-headed households.

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how victims are negatively impacted by laws and practices that discriminate against women, as well as laws that are protective but widely ignored.463

Infrastructure

According to the KRG, the Kurdistan Region’s first privately owned oil refinery began operating in Erbil this quarter.464 On July 18, the prime minister’s office also announced that the central processing station and refinery had opened at the Khurmala fields.465 Among the notable ongoing U.S.-supported brick-and-mortar projects were:

- Erbil Emergency Hospital (completion expected in April 2010)—the project is designed to add 100 beds, more than doubling capacity for emergency treatment.466
- Zakho Emergency Hospital in Dahuk—targeted for completion in October 2009, the hospital will provide 30 beds and become the primary access point for emergency cases in the province.467
- Phase I of Fort Suse Prison in Sulaymaniyah—targeted for completion in October, 2009, the prison will relieve an acute shortage of prison space in the province.468

SIGIR published three inspections of projects in the Kurdistan Region this quarter (for details, see Section 4 of this Report):

SIGIR issued an inspection report on the Chamchamal Correctional Facility, a $29 million U.S.-funded prison located in Sulaymaniyah province that was turned over to the Iraqis last March. In September, the prison was opened, and 360 inmates were transferred to the facility from a Baghdad prison following a prisoner riot. SIGIR found that the Iraqi Ministry of Finance had allocated $11.1 million per month to run the facility and that its operations were being overseen by the KRG. SIGIR’s report contained no recommendations for corrective action.469

A SIGIR inspection of the Orphanage and Senior Assisted Living Center in Erbil found adequate construction with some minor safety issues noted that were corrected. SIGIR’s report did not contain any recommendations for additional corrective action. The $3.7 million ESF-funded center will provide a modern, safe, and comfortable living space for orphans and senior citizens, including 345 children and 60 senior citizens.470

A SIGIR inspection of the partially completed Qaladze Abattoir (slaughterhouse) this quarter found that the contractor had already taken corrective action to the construction deficiencies previously found, and the completed project met the construction standards of the contract.471

Economy

The region is rich in oil, but the absence of a hydrocarbon agreement with the GOI has tempered efforts to exploit oil resources. This quarter, disputes over revenue rights with Iraq’s central government affected extraction agreements with foreign companies as the central government threatened to blacklist firms doing business with the KRG. The dispute has also held up payments to international firms exporting oil from the Kurdistan Region.472

The KRG has marketed itself as a secure and business-friendly location within Iraq.473 This quarter, President Barzani met with Egypt’s investment minister and sent an economic delegation to Britain.474 Deals were struck with several small- and medium-sized oil firms in Canada, Australia, Britain, and Turkey, with the KRG reportedly seeking equity shares in some of the ventures rather than operational involvement for local oil firms.475

<table>
<thead>
<tr>
<th>U.S. Infrastructure Spending in the Kurdistan Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Electricity</td>
</tr>
<tr>
<td>Water and Sanitation</td>
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<tr>
<td>Oil and Gas</td>
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<tr>
<td>Transportation and Communications</td>
</tr>
<tr>
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Although the new oil deals could increase production and boost the local economy, the Economist Intelligence Unit (EIU) has forecast that disputes with the central government over oil contracts and royalties are likely to continue to delay exports.476

Among the U.S.-funded activities supporting economic development this quarter, USAID’s Inma program reported these activities:

- small business development courses for about 40 women in Erbil province working in the dairy industry (courses for 120 total are planned)
- funding a beef and lamb feedlot in Dahuk province to speed the growth of calves and lambs to more efficiently supply the Iraqi market with more red meat
- training for farmers in drip irrigation methods about command and control, delaying implementation of the initiative.482

Soldiers and police who were legal residents of the Kurdistan Region but who are stationed in Ninewa cast absentee ballots in the July 25, 2009, presidential and parliamentary elections in the Kurdistan Region. The PRT monitored the elections. The PRT also talked regularly to Kurdish leadership in the province to address other cross-provincial issues. In September, the PRT sponsored a Ramadan feast that brought opposing factions together, including dozens of political, military, and business leaders from different ethnoreligious groups.483

Security and the Rule of Law
PRT Ninewa reported that the security situation remained “kinetic and unpredictable.” Most security incidents took place in the northeastern section of the province, in territory claimed by both Kurds and Arabs. The PRT reported that the unstable political environment had created an insecure band of territory that insurgents were able to exploit, carrying out a series of high-profile bombings this quarter.484

Armed groups targeted political opponents. In August, gunmen reportedly killed a member of the Al-Hadbaa Party.485 Much of the violence was directed toward minorities: On August 10, 2 truck bombs detonated in an ethnic Shabak Shia area

Ninewa

Governance
Ninewa’s boundaries are in dispute with Dahuk and Erbil provinces of the Kurdistan Region.478 The province’s ethnoreligious demographic mix has led to tensions between Arabs and Kurds with a significant influence on provincial politics and security.479 Despite these obstacles, the PRT organized a successful first dialogue between Arab and boycotting Kurdish members of the Provincial Council (PC).480

Members of the Kurdish-backed Ninewa Fraternal List (NFL) continued their boycott of the PC in response to the lack of a power-sharing agreement with the majority al-Hadbaa Gathering after the provincial election.481 During the quarter, the PRT worked with both sides in an effort to get the NFL to end its boycott. In addition, the PRT coordinated with U.S. forces to garner political support for a proposal to include the Kurdish Peshmerga, the ISF, and U.S. forces in joint patrols of disputed areas of the province. In August, Peshmerga forces, which operate in the Kurdistan Region, were poised to man joint patrols with the ISF but the central government raised concerns
under de facto control of the KRG, killing 41. Three days later, 2 suicide bombers blew up a café in an ethnic Yazidi enclave, also under KRG control, killing 21. Minority Shabaks were targeted as were other Shia neighborhoods and mosques. An August bombing killed 38 people as they left a Shia mosque near Mosul. At least 20 Kurds were killed in a suicide bombing in Wardek, south of Mosul. Tal Afar’s mayor and a judge survived separate assassination attempts. The PRT reported U.S. military training with the ISF had increased security, but the province remained vulnerable in the absence of a durable political solution.

The PRT’s RoL section indicated progress this quarter, reporting that legal institutions that had limited impact or public trust were now “semi-effective” and operating with “sufficient” public support. Judges permanently located in Ninewa began to hear cases this quarter, and traveling judges from Baghdad were no longer required. The PRT considers the Ninewa Bar Association to be strong, with a contingent of well-educated lawyers. Courthouses were usually open to the public on regular working days.

Security Incidents in Ninewa
(Resulting in Two or More Deaths)

The Iraqi Police began to address corruption issues and maintain law and order, but the PRT reported that crime scene investigations were poorly conducted and evidence was frequently tainted, altered, destroyed, or lost. The severe shortage of police in the province results in the Iraqi Army being first responders to crime scenes, the PRT reported. The IA lacks sufficient training in crime scene methods, resulting in loss of evidence. The Mosul Crime Lab is not sufficiently staffed or equipped to have a meaningful effect on criminal prosecutions, and judicial security continues to be a significant concern.

Infrastructure
USAID worked with Iraqis to develop water, sewer, school, and road programs and assisted the local government in Tal Afar to create a Farmers’ Business Training Program. USAID also trained the PC’s legal committee to develop bylaws and charters. According to the MND-N brigade commander, improvements to basic infrastructure were in the works in Mosul this quarter:

- Electricity—70% of homes in Mosul have electricity service. Two CERP projects were under construction to expand the distribution network.
- Water—50% of the people receive water through pipes, 33% by truck, and the remainder by other sources. This quarter, 8 water pump stations and water main projects were completed, providing water by pipe to 42,000 people.
- Sewage—3 sewage projects were completed in August, providing sewage disposal to 20,000 Iraqis.

Economy
Ninewa’s economic base is dependent on agriculture, oil, asphalt, textiles, and sugar. The Provincial Investment Commission hopes to capitalize on the area’s potential for development in the petrochemical and sulfur industries. State-owned enterprises include factories for cotton, sugar, dairy, and handmade carpets.
U.S. Infrastructure Spending in Ninewa

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>118.74</td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td>126.87</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>0.08</td>
</tr>
<tr>
<td>Transportation and Communications</td>
<td>66.06</td>
</tr>
<tr>
<td>General Infrastructure</td>
<td>6.97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>318.71</strong></td>
</tr>
</tbody>
</table>

Among the U.S.-funded activities supporting economic development this quarter were:

- a retail market at a Forward Operating Base, including opportunities for women and minorities\(^{493}\)
- a training course for 30 women belonging to the first all-woman agricultural association\(^{494}\)
- micro-grants and micro-purchases awarded to internally displaced communities living in disputed areas of the province\(^{495}\)
- small QRF grants to help young people start farms and to provide farm equipment to agricultural associations\(^{496}\)

Tameem

Governance

Tameem’s administrative status remains in dispute because the territory is claimed by both the GOI and KRG. Iraqi and international efforts to find a solution have thus far been unsuccessful. Article 140 of the Iraqi Constitution provides a path for a resolution beginning with a national census and a nationwide referendum, but to date, no census is scheduled. Because of the dispute, Tameem residents did not vote in either the provincial elections held last January or in the Kurdistan Region’s elections held this quarter.\(^{497}\) The Special Envoy of the U.S. Ambassador for Northern Regions relocated to Tameem this quarter to focus on finding a resolution to the territorial dispute.\(^{498}\) PRT

Security and Rule of Law

The security environment remained poor in Tameem province, with continued bombings and murders concentrated around the provincial capital, Kirkuk. At least 17 incidents resulted in the
The PRT’s RoL section held a joint meeting of judges and police officials this quarter to improve communication on law-enforcement issues. The section worked on a project to open a women’s legal clinic and initiated a review of courthouse security that will be conducted by USACE. The RoL section also met with the provincial Commission on Integrity (COI) to discuss strategies for the use of confidential informants during investigations. In an attempt to decrease the level of provincial corruption, the section has drawn up a CERP-funded proposal to strengthen the COI office. The section also won CERP approval for a campaign against honor killings and an extension on a women’s legal aid clinic.

Infrastructure
Construction continued this quarter on the al-Rasheed Wastewater Treatment Plant. According to the MNC-N brigade commander, a second water treatment plant in Hawijah was completed this quarter and has increased Kirkuk City’s water output by 30%. The new plant will also redistribute water to rural areas via canals. The brigade commander noted that there were still no operating sewage treatment facilities in the province, but there was reported progress this quarter toward completing a sewage facility in south Kirkuk City that will service 50,000 people.

Work was 25% complete this quarter on a major road leading to a provincial airfield. The contractor, however, was issued a stop work order due to inefficiencies in the plans submitted and a lack of contract understanding.

USAID worked this quarter on a solid waste management plan in Hawijah, trained
supervisors on waste management practices, and helped the municipality of Kirkuk create waste collection zones. USAID also helped the municipality design and initiate construction on a $1.5 million solid waste transfer station.

Economy

Tameem’s economic growth relies heavily on oil production. Aside from oil, Tameem relies on agriculture, plastics manufacturing, woven carpets, and livestock.

To support the agricultural sector, CERP funds were allocated to complete the Mesopotamia Strategic Silo in Taza, considered a key node in the agricultural infrastructure of Tameem. In turn, facility managers have committed to renovating and expanding a corn-seed processing plant.

This year, continuing drought has prevented a rise in grain production, and the PRT Economic Development team worked this quarter to bring drip irrigation to farmers. USAID, through its Inma program, facilitated a grant to a beef feedlot that will use farming methods that help calves grow faster and gain weight quicker. The program also issued eight agricultural loans totaling more than $25,000.

Salah Al-Din

Governance

PRT Salah Al-Din reported that its relationship with provincial leaders changed this quarter with the redeployment of U.S. forces outside major urban centers. The PC Chairman indicated he was ready to engage his province in a more “normal” bilateral relationship—particularly as it relates to foreign investment, jobs, critical infrastructure, and civil capacity building. Provincial leaders often referred to the PRT as “U.S. Embassy officials.” USAID noted that the citizens had elected 40 new PC members, and reelected only one candidate, which they attributed to a high level of understanding of the democratic process.

PRT projects focused more on government capacity building this quarter, though political divides between the two main parties, and the possible removal of the governor, distracted the PC from its governance goals. The PRT interacted regularly with the PC, reporting a greater willingness among local leaders to visit U.S.-funded project sites. The PRT reported improvement in effectiveness and transparency of the provincial government. In early September, the PC voted the governor out of office, and an appeal is underway.

At the district level, however, the PRT noted that governments were often not viewed as legitimate or as representative of the will of the people. District governments still exhibited poor planning and budgeting practices, and provincial and local officials reportedly do not communicate well.

Security and Rule of Law

As the home province of former President Saddam Hussein, Salah Al-Din has been one of Iraq’s least secure places, but this quarter the level of violence was low. The province has suffered from waves of sectarian violence since the Golden Mosque was bombed in 2006 and again in 2007. Though the mosque’s dome and minarets are once again
standing, positively transforming a once painful symbol of nationwide sectarian violence, roadside bombings occurred throughout the province this quarter, particularly in the eastern half of the territory. In August and September, the PRT reported a spike in insurgent activities in Tooz and that the residents of the district traded in illegal weapons.522

However, the PRT reported that Samarra, the provincial capital, enjoyed relative peace and stability this quarter due to reconciliation efforts between local officials, Sons of Iraq leaders, and the Samarra Operations Center established in the wake of the 2006 and 2007 Golden Mosque bombings. With appropriate security protection, PRT members were generally free to travel anywhere in the province, but unreliable IP escorts and the inaccessibility of certain venues for tactical vehicles remained obstacles to movement.523

The PRT’s RoL team leader traveled to Erbil this quarter to attend a judicial conference involving 40 judges from the seven northern-most Iraqi provinces.524 Subjects included security arrangements following the redeployment of U.S. forces, jail segregation, and judicial security.525 The PRT also continued to discuss the transfer of Iraqi detainees from U.S. to Iraqi control.526

Infrastructure
PRT Salah Al-Din described the province’s transition from heavy construction projects to government capacity building as in its “infancy.”527 The MNC-N brigade commander reported that most sewage systems were in disrepair and that two new water treatment facilities were providing water for 6,000 Iraqis per day.528 USAID worked with municipalities in Tikrit and Tooz to improve management of water and solid waste infrastructure facilities.529

Economy
Salah Al-Din’s largest industries are animal husbandry and oil refining. This quarter, the province
sought to expand into the tourism industry through the preservation and promotion of ancient archeological sites, including the Assyrian city of Ashur and several Islamic shrines. The Provincial Investment Commission hoped to boost the economy by restoring a power plant and supporting petrochemical businesses. The council is in negotiations with a UK investor to develop an airport at a former air base outside of Tikrit. The governor and PC leaders also visited Turkey seeking new investment for other projects. Final preparations are now in place to award CERP-funded micro-grants to merchants near the Golden Mosque.

USAID and the PRT focused this quarter on agriculture, including:
- a grant program to provide a $6,000 “hoop house” to 30 farmers willing to invest some of their own money
- the rehabilitation of the Balad Canning Factory, which employs more than 160 workers

Despite these efforts, the PRT reported economic challenges throughout the province, including minimal access to business credit, ongoing drought conditions, and a lack of familiarity with free markets and investment planning. Agricultural successes varied from region to region with some parts of the province experiencing surplus harvests for which markets are inadequate and others reporting low levels of output.

**Anbar**

**Governance**

Anbar’s politics began realigning this quarter with the appearance of several new political blocks. A Shia alliance was formed in July and an “anti-sectarian, nationalist” coalition was founded by a Sunni tribal sheik in August. Both new parties plan to compete in the January 2010 national elections. In another shift, the Iraq Awakening Council announced its affiliation with Prime Minister al-Maliki’s State of Law Coalition. Despite this activity, the PRT reported a low level of citizen response to voter registration drives ahead of the national elections.

The PRT reported that Anbar’s Provincial Council, meanwhile, focused on corruption this quarter, scrutinizing projects authorized by the previous government and highlighting contracts awarded without a competitive bidding process. The PRT Anbar’s governance section met with the chairmen of two city councils in western Anbar, who complained that they were frustrated with the lack of services and budgetary support from the central government. USAID projects in the province focused on helping the PC complete its bylaws, and assisting the council and governor’s offices with budget planning.

**Security and Rule of Law**

Anbar remained one of Iraq’s least secure provinces this quarter with security incidents concentrated in the far eastern corner of the territory. Suicide bombers targeted policemen and people waiting at checkpoints. At least 26 incidents left two or more people dead. PRT Anbar limited its movements in the provincial capital, Ramadi, following the June 30, 2009, redeployment of U.S. forces. All PRT movements this quarter required IP escort, which sometimes caused delays, though movements in rural areas were unaffected. PRT Anbar reported its monthly movements were about one-fifth what they were last winter.
Provincial leaders, meanwhile, moved to crack down on imams, or prayer leaders, who sought to use the pulpit to foment political dissent. The PRT reported that the provincial governor is now requiring imams to obtain approval from government religious authorities before they can give sermons. In September, government authorities prevented seven prayer leaders from conducting Friday prayers because they did not have government permission.544

The PRT’s RoL section reduced its contact with the province’s judicial leadership to twice-monthly meetings, reporting that Anbar’s judiciary was operating independently and did not seek mentoring or close association with the PRT. The RoL team continued to use USAID/IRAP grants to establish a legal aid clinic in Ramadi and other projects, such as purchasing law books for courthouses.545 The PRT reported a substantial backlog of cases in Anbar’s judicial system due to the session closing of the criminal court in Falluja.546

**Infrastructure**

Several CERP projects identified this quarter, including eight “biological lagoon” wastewater treatment systems.547

Additionally, the provincial director general of railroads agreed to a cost-share arrangement for the reconstruction of a Ramadi passenger train service. The agreement provides for the Iraq Republic Railroad to rebuild the tracks and the U.S. government to construct the train station and platform. A proposal using CERP funds for this project were approved in August.548

USAID worked to resolve infrastructure problems related to water, electricity, solid waste, and roads in Rutbah District, and conducted repair assessments of 18 water treatment plants. USAID also provided advice to more than 25 potato farmers.549

**Economy**

Impoverished and drought-prone, Anbar sought international investment this quarter on oil, housing, petrochemical, and electricity projects touted by the province’s business-minded governor. Although many of the ideas were still in the planning stages, the governor won recognition from *fDi Magazine*, a publication of the *Financial Times*, which declared him Global Personality of the Year 2009.550 The cost of the *Financial Times* supplement was funded by an MNF-W CERP initiative.551

The Provincial Investment Commission, meanwhile, issued eight business licenses to companies interested in operating in Anbar, including two housing projects, a hotel in Ramadi, various manufacturing concerns, and an oil refining plant.552
PRT Anbar focused this quarter on agriculture projects, ordering diagnostic kits that can detect disease in poultry and concluding a wheat project aimed at increasing crop yields.553

A $1 million USAID/Inma grant was awarded this quarter to the Iraqi Company for Small- and Micro-Enterprise Finance so that it can make bank loans to small- and medium-sized agricultural enterprises. With CERP funding, the Zozik Company, in coordination with provincial leaders, trained 65 local agronomists in modern wheat farming techniques, including fertilization, use of machinery, and safe application of pesticides.554

**Diyala**

**Governance**

PRT Diyala reported that mass arrests of Sunni politicians continued this quarter, including the arrests of a deputy governor and two members of the PC, despite assurances by the central government that candidates running in last January’s provincial election had been cleared of wrongdoing. In addition to the arrests, a power play within the PC pitted opposition groups, including Prime Minister Nouri al-Maliki’s State of Law Coalition, against a ruling coalition of Kurds and Sunni Arabs. Despite this, and despite CMM scores that fall largely below sustainability levels, the PRT reported that the PC was slowly increasing its ability to govern.555

The PRT reported that the upcoming January 2010 elections could become a flashpoint for ethno-sectarian tensions in Diyala. The PRT noted with concern allegations that voter registration of Sunnis was slow in areas where an IHEC official was Shia. Similarly there was concern that Sunni sheiks responsible for distributing voter registration packets might not distribute them adequately in Shia and Turkoman areas.556 In PRT Diyala’s view, the long-term political stability of the province may depend on the degree to which the public views the results of the 2010 elections as credible and legitimate.557

The continued arrests of Sunni provincial officials have undercut efforts by Diyala’s government to institute anticorruption reforms and modernize government management and oversight, the PRT reported. Last quarter there were so many arrest warrants outstanding that the PC elected a professor who was not identified with any party as governor because he had no arrest warrant outstanding.558 PRT Diyala described the wave of arrests as “depriving Diyala of moderates whose participation in the political process is essential for the establishment of a sustainable democracy.”559

Of particular concern was the attempt of a local Iraqi commander to take over civilian government
functions, effectively creating a structure within the Iraqi Army that paralleled the elected civilian government, despite the PRT’s efforts to highlight the predominance of the PC over security services on matters of governance.\textsuperscript{560} Despite these difficulties, the PRT reported the provincial government had made a “good start” instituting modern management practices.\textsuperscript{561}

Security and Rule of Law

Diyala’s security situation remained volatile this quarter with at least 20 bombings, including the mid-July bombing of the office of a Sunni political party, killing five.\textsuperscript{562} Continued arrests and violence against Sunni leaders cast a shadow over provincial politics. The deputy governor returned to his duties in September after several weeks in hiding due to threat of arrest; a defense lawyer was gunned down outside a courthouse; a PC member’s son was kidnapped and killed; and another member survived an apparent assassination attempt.\textsuperscript{563} Diyala’s diverse ethnic composition of Kurds, Turkoman, and Arabs has led to widespread security problems and internal displacement. Approximately 80% of IDPs living in Diyala are originally from Diyala, having fled to other parts of the province to avoid being targeted for their ethnoreligious or political allegiances. Disputed boundaries with the Kurdistan Region also contribute to tensions, and although security has improved, the situation remains more tenuous than in most other areas of Iraq.\textsuperscript{564}

PRT Diyala reduced its engagements with local officials following the June 30, 2009, withdrawal of U.S. forces from Iraqi cities, often because of a lack of IP escorts. The PRT reported that it was unclear whether ISF would be able to adequately secure the province.\textsuperscript{565}

The PRT reported that the creation of the Diyala Defense Clinic was a key step toward developing a more functional judicial system. According to the PRT, many members of the Sunni majority in Diyala view the courts and prisons as badly biased against them, and many prisoners often either do not receive defense lawyers or do not trust them.\textsuperscript{566}

Although court cases appeared to be moving forward—the PRT’s RoL section found fewer prisoners at Ba’quba Prison than two months ago—there were still complaints of torture and abuse.\textsuperscript{567}

Infrastructure

The PRT reported that poor security has caused Diyala to lag behind many provinces in reconstruction of its infrastructure. Bombings, kidnappings,
again provide bird stock to poultry farmers. The grant will fund a modern feed mill and subsidize the price of feed for one year.573

- The PRT also aided the Provincial Investment Commission, whose offices were taken over by the Iraqi Police, and assisted the Chamber of Commerce in efforts to organize a series of business development workshops in September.574

- The Aruba Market, Diyala’s major commercial center, opened this quarter and is projected to create 1,000 new jobs.575 Several QRF grant initiatives continued or were launched this quarter to develop economic opportunities for women, including training on agriculture and livestock breeding for 500 women through a $150,000 grant to the Iraqi Women’s Gender Equality organization.576

Baghdad

Governance

PRT Baghdad reported the peaceful transfer of power to a new PC had continued this quarter with the resumption of what the PRT described as “traditional frictions” between provincial institutions and national ministries over authority, money, and organization. The PRT leader noted that government inexperience among most PC members, budget challenges, security concerns, a reduced U.S. military presence, and political positioning for the January 2010 parliamentary elections shaped the political atmosphere this quarter.577

The PRT reported these specific concerns:578

- Iraqi NGOs remained fragile, facing the challenges of limited capacity as they shifted funding to Iraqi and non-U.S. multinational sources.
- There remained a slow chain of action between national ministries and provincial governments in developing and approving infrastructure projects and land transfers.
- The rural districts remained low on most ministry priority lists.

U.S. Infrastructure Spending in Diyala

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total</th>
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<tbody>
<tr>
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<tr>
<td><strong>Total</strong></td>
<td><strong>257.05</strong></td>
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and attempts on the lives of GOI officials has left Diyala without an opportunity to develop brick-and-mortar projects to the degree the safer security situation has offered other PRT teams. Portions of the 2006, 2007, and 2008 capital budgets remained unexecuted in late 2008 largely because of the security situation.568

Some projects have moved forward, however. Provincial officials this quarter accepted a PRT solid-waste proposal that includes six landfills and a wastewater system. The project is designed to increase the province’s severely limited sewerage. Currently, sewage drains from many homes into the streets, creating impassable, trash-filled swamps.569 The majority of ongoing CERP and I-CERP infrastructure projects this quarter addressed issues in the water sector.570

Economy

Diyala’s economic base is mainly agricultural, with citrus trees, dates, pomegranates, and fishing among its primary industries. The province’s capital, Ba’quba, is powered by electricity from Iran. State-owned companies employ factory workers making bricks and electrical products.571

USAID worked with provincial officials on drought-mitigation activities and assisted in obtaining funding for 146 wells.572 PRT Diyala has built on the province’s agriculture base. CERP and Inma funds were earmarked for projects such as feed mills and poultry production:

- One Inma project continuing this quarter aided a family-owned company in its quest to once
Amid these concerns, PRT Baghdad helped to develop a $2.5 million program for the Amanat Training Academy to upgrade the skills of 14,000 municipal employees. QRF proposals emphasized sustainability and the planned transfer of projects to Iraqi funding. The PRT executed a shift in focus away from municipal areas and toward the agricultural periphery.\textsuperscript{579} USAID worked closely with the provincial government to monitor the delivery of government services and facilitated meetings between local sheiks and international donors to implement a literacy program. USAID also distributed children’s books, trained 27 officials to track infrastructure projects, and provided consultation to NGOs active in women’s issues.\textsuperscript{580}

PRT Baghdad’s perception was that Iraqi expectations of U.S. assistance were shifting away from brick-and-mortar projects, and that dependence on U.S. funding support for fuel, salaries, and maintenance had eased. On the other hand, the bureaucratic difficulties of executing QRF and CERP projects—both from the U.S. and Iraqi sides—appeared to have grown, delaying projects intended to meet emergency needs.\textsuperscript{581}

**Security and Rule of Law**

Roadside bombs, targeted killings, and kidnappings continued in Baghdad province this quarter, including two large coordinated bombings of the Foreign and Finance Ministries on August 19, 2009. Several Baghdad churches were bombed on July 11, 2009.\textsuperscript{582} The violence was concentrated in Baghdad City, with few incidents occurring in rural areas. At least 20 people were killed when a car bomb exploded outside a Shia mosque. A member of former Prime Minister Iyad Allawi’s Iraqi National List was shot dead. Four people were killed in a bombing in a popular market.

The PRT and ePRTs reduced movements in Baghdad City this quarter and facilitated travel through informal, local understandings. The ISF has mostly cooperated to provide PRT and ePRT movement to government facilities and project sites in the city, with the exception of Baghdad’s Sadr City neighborhood, where U.S. forces are not able to visit.\textsuperscript{590} The PRT expressed concern about the reappearance of extremist militias and their effect on social behavior.\textsuperscript{594}

This quarter, the PRT’s RoL team continued to train law school faculty and judicial officials and to support and fund brick-and-mortar projects in outlying areas of Baghdad. PRT-Baghdad executed QRF micro-purchases to fund books for public law libraries in the two largest courthouses, and was developing CERP-funded projects for the Rusafa Courthouse.\textsuperscript{585} The RoL team noted two projects of concern:

- The Women’s Legal and Social Clinic (funded by the Targeted Development Program) reported expenditures not in accordance with its grant agreement, and PRT-Baghdad remains concerned that the levels of service provided do not meet those expected under the grant terms. These concerns have been reported to the ITAO grant managers.
- The Coupon-Funded Legal Assistance Program (funded by USAID’s Community Stabilization
Program/Conflict Mitigation) appears to have overwhelmed the managerial abilities of the grantee, the Iraqi Jurist Union (IJU). DAI, the USAID-contractor charged with oversight and implementation of the CSCM program, has been working with the IJU to address its management deficiencies.

The RoL team suggested the implementation of management training for NGO-focused programs to reduce future accounting and management issues.

Infrastructure
The PRT reported that its efforts had increasingly shifted to sustainable government capacity building in the province. CERP obligations by MND-B declined to $128 million, and further reductions were expected in 2010. Remaining CERP projects included a $600,000 plan to restore a failed sewer main and a plan to repair a highway span that has been delayed by ethnic violence and contractor default.587

MND-B’s Brigade Commander reported that CERP funding faces so many administrative hurdles that the program is no longer flexible and responsive. The commander said that burdensome paperwork hampered the allocation of available funds and imposed so many limitations on Iraqis that there was a reluctance, and sometimes refusal, to accept CERP money.588 MNC-I, however, noted that mechanisms were in place to prevent execution of unnecessary projects, and that projects required GOI commitment to sustainment prior to completion.589

The PRT reported that some infrastructure projects had moved ahead this quarter. The PRT worked to link the Qa Qa Water Treatment Facility to the Shi Shi Bar pumping station to improve the delivery of potable water in the province. In all, PRT Baghdad reported it had managed the memorandums of agreement with Baghdad’s municipal authorities governing $40 million in CERP projects in the last year.590

Also in the water sector, PRT Baghdad worked with the Embassy’s Joint Reconstruction Operations Cell and Economic Section to try to obtain international financing for a $500 million expansion of the Karkh Wastewater Treatment Plant, which was last operational in 2005. Currently raw sewage bypasses the facility and is dumped into the Tigris River.591

Economy
Baghdad province’s main industries include oil refining, financial services, processed food, tobacco, and construction, among other light manufacturing. The Provincial Investment Commission sees potential growth in tourism, retail, health care, and information technology.592 Agriculture is also a main economic component for about a million inhabitants in the province’s outlying areas. PRT Baghdad focused its attention this quarter on rural areas, working to complete a poultry-to-market project and a drip-irrigation project. The PRT has also supported a small business association and five women’s centers that provide a range of services.593

The PRT reported that economic challenges remained, including a commercial lending structure that often relied on political and personal contacts, unrealistic privatization plans for state-owned enterprises, and poor irrigation. Small manufacturers reportedly complained of unregulated imports and unfair competition from subsidized state-owned enterprises.594

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<td>General Infrastructure 341.68</td>
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