

# FUNDING FOR IRAQ

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## FUNDING OVERVIEW

Since 2003, the United States has appropriated or otherwise made available \$61.83 billion through FY 2011 for reconstruction efforts in Iraq, including the building of physical infrastructure, establishment of political and societal institutions, reconstitution of security forces, and the purchase of products and services for the benefit of the people of Iraq.<sup>49</sup>

In the Consolidated Appropriations Act, 2012 (P.L. 112-74), the Congress made additional funds available to the Department of State (DoS), U.S. Agency for International Development (USAID), Department of Defense (DoD), and other agencies. However, the specific amount of FY 2012 funding for Iraq cannot be determined until the various federal agencies submit their operating and spend plans.

Of the \$61.83 billion made available through FY 2011, \$51.38 billion has been made available through five major funds:<sup>50</sup>

### Active Funds

These funds are available for obligation to new projects:<sup>51</sup>

- Iraq Security Forces Fund (ISFF)—\$20.54 billion appropriated, \$18.62 billion obligated, \$17.91 billion expended, and \$1.31 billion available for obligation to new projects
- Economic Support Fund (ESF)—\$4.83 billion appropriated, \$4.44 billion obligated, \$3.95 billion expended, and \$132 million available for obligation to new projects
- International Narcotics Control and Law Enforcement (INCLE)—\$1.18 billion appropriated, \$979 million obligated, \$815 million expended, and \$204 million available for obligation to new projects

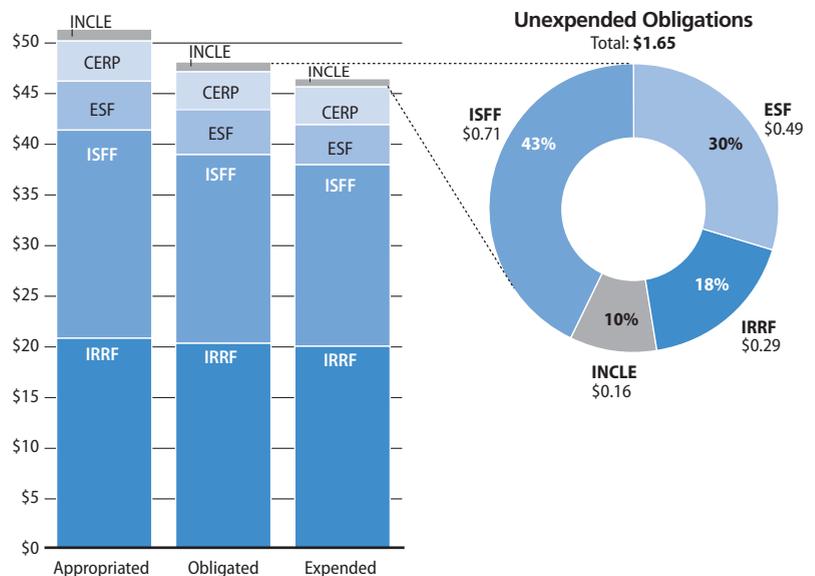
### Inactive Funds

These funds are not available for obligation to new projects:

- Iraq Relief and Reconstruction Fund (IRRF)—\$20.86 billion appropriated, \$20.36 billion obligated, and \$20.07 billion expended
- Commander’s Emergency Response Program (CERP)—\$3.96 billion appropriated, \$3.73 billion obligated, and \$3.73 billion expended

The United States has appropriated or otherwise made available \$61.83 billion through FY 2011 for reconstruction efforts in Iraq.

FIGURE 2.1  
STATUS OF MAJOR U.S. FUNDS, AS OF 12/31/2011  
\$ Billions



Note: Data not audited. Numbers affected by rounding.

Sources: P.L. 108-7; P.L. 108-11; P.L. 108-106; P.L. 108-287; P.L. 109-13; P.L. 109-102; P.L. 109-148; P.L. 109-34; P.L. 109-289; P.L. 110-28; P.L. 110-92; P.L. 110-116; P.L. 110-137; P.L. 110-149; P.L. 110-161; P.L. 110-252; P.L. 111-32; P.L. 111-117; P.L. 111-118; P.L. 111-212; P.L. 112-10; ABO, response to SIGIR data call, 1/18/2012; DoS, response to SIGIR data call, 4/5/2007; INL, response to SIGIR data call, 1/10/2012; NEA-I, responses to SIGIR data calls, 9/28/2011, 12/29/2011, 12/30/2011, and 1/3/2012; OUSD(C), responses to SIGIR data calls, 4/10/2009 and 1/18/2012; SIGIR Audit 11-007, "Iraq Relief and Reconstruction Fund 1: Report on Apportionments, Expenditures, and Cancelled Funds," 12/28/2010; U.S. Treasury, response to SIGIR data call, 4/2/2009; USACE, response to SIGIR data call, 1/3/2012; USAID, responses to SIGIR data calls, 12/29/2011 and 1/16/2012; USTDA, response to SIGIR data call, 4/2/2009.

As of December 31, 2011, \$1.65 billion of the total obligated from the five major funds remained unexpended.<sup>52</sup> For the status of the five major funds, see Figure 2.1. For additional details on the five major funds, see Appendix C.

The Congress also made \$10.45 billion available through several smaller funding streams.<sup>53</sup> For an overview of all U.S. appropriations supporting Iraq reconstruction, see Table 2.1.

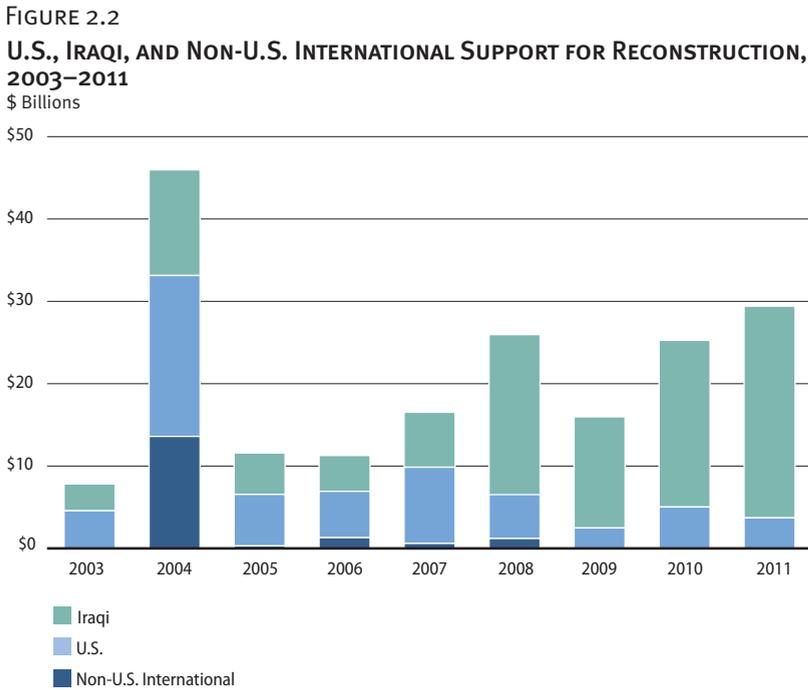
## U.S. Funding in Context

In addition to the \$61.83 billion that the United States has made available, funding for the relief and reconstruction of Iraq has also come from two other main sources:<sup>54</sup>

- Iraqi funds overseen by the Coalition Provisional Authority (CPA) and the Iraqi capital budget—\$107.41 billion
- International commitments of assistance and loans from non-U.S. sources—\$13.03 billion

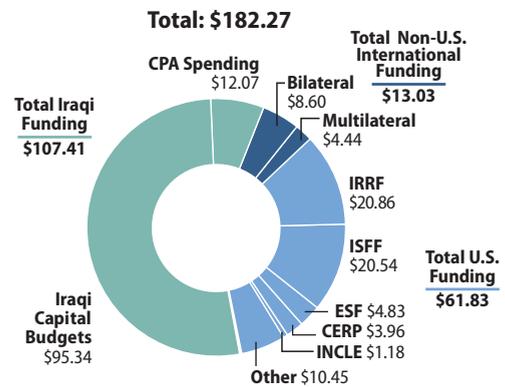
For a historical comparison of U.S., Iraqi, and international support for Iraq reconstruction, see Figure 2.2. For an overview of all funding sources, see Figure 2.3. For a summary of international commitments and pledges, by type and donor, see Appendix D. ♦

FIGURE 2.3  
FUNDING SOURCES, 2003–2011  
\$ Billions



Note: Data not audited. Numbers affected by rounding. U.S. contributions are represented by U.S. fiscal year. Iraqi and non-U.S. international contributions are represented by calendar year. Iraqi funding reflects capital budgets for 2003–2005 and 2011 and actual capital expenditures for 2006–2010. The earliest available data for non-U.S. international contributions dates from 2004; therefore, all 2003–2004 non-U.S. international contributions are represented as having been made in 2004.

Sources: P.L. 108-7; P.L. 108-11; P.L. 108-106; P.L. 108-287; P.L. 109-13; P.L. 109-102; P.L. 109-148; P.L. 109-34; P.L. 109-289; P.L. 110-28; P.L. 110-92; P.L. 110-116; P.L. 110-137; P.L. 110-149; P.L. 110-161; P.L. 110-252; P.L. 111-32; P.L. 111-117; P.L. 111-118; P.L. 111-212; P.L. 112-10; ABO, response to SIGIR data call, 10/18/2011; BBG, response to SIGIR data call, 3/7/2011; DCAA, response to SIGIR data call, 10/4/2011; DRL, response to SIGIR data call, 4/12/2011; ECA, response to SIGIR data call, 4/14/2010; INL, response to SIGIR data call, 10/14/2011; Justice Management Division, response to SIGIR data call, 10/4/2011; NEA-I, responses to SIGIR data call, 10/4/2010, 10/6/2010, 4/15/2011, 9/30/2011, 9/28/2011, 9/30/2011, and 10/6/2011; OMB, response to SIGIR data call, 6/21/2010; OTA, "Office of Technical Assistance Overview," 12/30/2005, [ustreas.gov/offices/international-affairs/assistance/](http://ustreas.gov/offices/international-affairs/assistance/), accessed 10/16/2009; OUSD(C), responses to SIGIR data call, 10/4/2010 and 10/14/2011; PM, response to SIGIR data call, 7/6/2011; TFBSO, response to SIGIR data call, 1/4/2011; USACE, response, to SIGIR data calls, 10/6/2008 and 10/4/2011; USAID, responses to SIGIR data calls, 1/12/2009, 4/8/2009, 10/11/2011, and 10/12/2011; USAID, "Congressional Budget Justification: Foreign Assistance Summary Tables, FY 2009–2011;" U.S. Embassy-Baghdad, response to SIGIR data call, 10/3/2009; GOI, CoR, "Federal Public Budget Law for the Fiscal Year 2011," 2/23/2011, Article 2; GOI, MOF, information provided to SIGIR, 6/27/2011; U.S. Treasury, responses to SIGIR data calls, 1/4/2008 and 4/9/2009; "GOI Budget" (as approved by TNA and written into law December 2005); GOI, Presidency of the Iraqi Interim National Assembly, "The State General Budget for 2005," 2005; GOI, "Budget Revenues and Expenses 2003, July–December," 2003; SIGIR Audit 11-007, "Iraq Relief and Reconstruction Fund 1: Report on Apportionments, Expenditures, and Cancelled Funds," 12/28/2010; SIGIR, *Quarterly and Semiannual Reports to the United States Congress*, 3/2004–7/2011.



Note: Data not audited. Numbers affected by rounding.

Sources: See Figure 2.2.

# FUNDING FOR IRAQ

APPROPRIATIONS BY FISCAL YEAR, FY 2003–FY 2009

TABLE 2.1

## U.S. APPROPRIATED FUNDS, FY 2003–FY 2011

\$ Millions

	P.L. 108-7, P.L. 108-11	P.L. 108-106, P.L. 108-287	P.L. 109-13	P.L. 109-102, P.L. 109-148, P.L. 109-234	P.L. 109-289, P.L. 110-5, P.L. 110-28	P.L. 110-92, P.L. 110-116, P.L. 110-137, P.L. 110-149, P.L. 110-161, P.L. 110-252	P.L. 110-252, P.L. 111-32
	2003	2004	2005	2006	2007	2008	2009
<b>MAJOR FUNDS</b>							
Iraq Relief and Reconstruction Fund (IRRF 1 and IRRF 2) <sup>a</sup>	2,475	18,389					
Iraq Security Forces Fund (ISFF)			5,490	3,007	5,542	3,000	1,000
Economic Support Fund (ESF) <sup>b</sup>				1,469	1,554	562	542
Commander's Emergency Response Program (CERP) <sup>c</sup>		140	718	708	750	996	339
International Narcotics Control and Law Enforcement (INCLE)				91	170	85	20
<b>Subtotal</b>	<b>2,475</b>	<b>18,529</b>	<b>6,208</b>	<b>5,275</b>	<b>8,017</b>	<b>4,643</b>	<b>1,901</b>
<b>OTHER ASSISTANCE PROGRAMS</b>							
Migration and Refugee Assistance (MRA) and Emergency Refugee & Migration Assistance (ERMA)	40				78	278	260
Natural Resources Risk Remediation Fund (NRRRF) <sup>d</sup>	801						
Iraq Freedom Fund (Other Reconstruction Activities) <sup>e</sup>	700						
P.L. 480 Food Aid (Title II and Non-Title II)	368		3			24	
International Disaster Assistance (IDA) and International Disaster and Famine Assistance (IDFA)	24		7		45	85	51
Democracy Fund (Democracy)					190	75	
Iraq Freedom Fund (TFBSO)					50	50	74
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) <sup>f</sup>					19	16	36
Department of Justice (DoJ)	37		6	11	23	25	7
Child Survival and Health Programs Fund (CSH)	90						
Education and Cultural Exchange Programs (ECA)				7	5	7	7
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)	9	15	3				
International Affairs Technical Assistance				13	3		
U.S. Marshals Service <sup>g</sup>			1	3	2	2	1
International Military Education and Training (IMET)					1	2	2
Alhurra-Iraq Broadcasting		5					
<b>Subtotal</b>	<b>2,069</b>	<b>21</b>	<b>20</b>	<b>33</b>	<b>416</b>	<b>563</b>	<b>437</b>
<b>RECONSTRUCTION-RELATED OPERATING EXPENSES</b>							
Diplomatic and Consular Programs <sup>h</sup>							
Coalition Provisional Authority (CPA) <sup>i</sup>		908					
Project and Contracting Office (PCO) <sup>j</sup>				200	630		
USAID Operating Expenses (USAID OE)	21		24	79	37	41	48
U.S. Contributions to International Organizations (CIO)						38	30
DoD OSC-I Support							
Iraq Freedom Fund (PRT Administrative Costs)					100		
<b>Subtotal</b>	<b>21</b>	<b>908</b>	<b>24</b>	<b>279</b>	<b>767</b>	<b>79</b>	<b>78</b>
<b>RECONSTRUCTION OVERSIGHT</b>							
Special Inspector General for Iraq Reconstruction (SIGIR)		75		24	35	3	44
Defense Contract Audit Agency (DCAA) <sup>k</sup>				16	14	14	13
USAID Office of the Inspector General (USAID OIG)	4	2	3		3	7	4
DoS Office of the Inspector General (DoS OIG)				1	3	4	6
DoD Office of the Inspector General (DoD OIG)				5		21	
<b>Subtotal</b>	<b>4</b>	<b>77</b>	<b>3</b>	<b>46</b>	<b>55</b>	<b>48</b>	<b>67</b>
<b>Total</b>	<b>4,569</b>	<b>19,535</b>	<b>6,255</b>	<b>5,634</b>	<b>9,255</b>	<b>5,333</b>	<b>2,483</b>

<sup>a</sup> The Congress initially appropriated \$18,649 million to the IRRF 2, but earmarked \$210 million to be transferred to other accounts for programs in Jordan, Liberia, and Sudan. In FY 2006, the Congress transferred approximately \$10 million into the IRRF from the ESF. In FY 2008, P.L. 110-252 rescinded \$50 million.

<sup>b</sup> P.L. 108-11 provided \$10 million for war crimes investigations and \$40 million to reimburse the ESF account for resources advanced to fund supplies, commodities, and services prior to the conflict in Iraq.

<sup>c</sup> Generally, the Congress does not appropriate the CERP to a specific country, but rather to a fund for both Iraq and Afghanistan. SIGIR reports DoD's allocation to the CERP for Iraq as an appropriation.

<sup>d</sup> Includes funds transferred from the Iraq Freedom Fund (IFF).

<sup>e</sup> Includes funds appropriated to the IFF by P.L. 108-11, Title I, and transferred to reconstruction activities, with the exception of funds transferred to NRRRF, which are recorded under that fund.

<sup>f</sup> The \$20 million reported for FY 2009 was appropriated by P.L. 111-8.

<sup>g</sup> DoJ reported that \$24 million was made available under P.L. 111-118 and P.L. 111-212.

<sup>h</sup> Diplomatic and Consular Programs includes FY 2010 supplemental funding to support U.S. Embassy-Baghdad in establishing an enduring provincial presence.

<sup>i</sup> Excludes \$75 million for the Special Inspector General for Iraq Reconstruction under P.L. 108-106.

<sup>j</sup> Reconstruction support funding is provided for Project and Contracting Office (PCO) activities per the P.L. 109-234 and P.L. 110-28 conference reports.

<sup>k</sup> DCAA reported that \$1.98 million was made available in FY 2006 under P.L. 109-108.

# FUNDING OVERVIEW

	FY 2010			FY 2011		STATUS OF FUNDS				
	P.L. 111-117	P.L. 111-118	P.L. 111-212	P.L. 112-10		TOTAL APPROPRIATED	OBLIGATED	EXPENDED	EXPIRED	
	12/16/2009	12/19/2009	7/29/2010	4/15/2011						
<b>MAJOR FUNDS</b>										
Iraq Relief and Reconstruction Fund (IRRF 1 and IRRF 2)						20,864	20,360	20,068	504	
Iraq Security Forces Fund (ISFF)			1,000	1,500		20,539	18,617	17,912	616	
Economic Support Fund (ESF)	383			326		4,835	4,442	3,955	260	
Commander's Emergency Response Program (CERP)		263		44		3,958	3,728	3,728	230	
International Narcotics Control and Law Enforcement (INCLE)	52		650	115		1,183	979	815		
<b>Subtotal</b>	<b>435</b>	<b>263</b>	<b>1,650</b>	<b>1,984</b>		<b>51,379</b>	<b>48,126</b>	<b>46,477</b>	<b>1,611</b>	
<b>OTHER ASSISTANCE PROGRAMS</b>										
Migration and Refugee Assistance (MRA) and Emergency Refugee & Migration Assistance (ERMA)	300		16	280		1,252	1,243	1,151		
Natural Resources Risk Remediation Fund (NRRRF)						801	801	801		
Iraq Freedom Fund (Other Reconstruction Activities)						700	680	654		
P.L. 480 Food Aid (Title II and Non-Title II)						395	395	395		
International Disaster Assistance (IDA) and International Disaster and Famine Assistance (IDFA)	33		9	17		272	255	232		
Democracy Fund (Democracy)						265	265	245		
Iraq Freedom Fund (TFBSO)						174	86	65		
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)	30			30		131	62	62		
Department of Justice (DoJ)	9			9		127	116	112		
Child Survival and Health Programs Fund (CSH)						90	90	90		
Education and Cultural Exchange Programs (ECA)	7			7		40				
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)						27	27	10		
International Affairs Technical Assistance						16	16	14		
U.S. Marshals Service						9	9	9		
International Military Education and Training (IMET)	2			2		9	9	6		
Alhurra-Iraq Broadcasting						5	5	5		
<b>Subtotal</b>	<b>382</b>		<b>25</b>	<b>345</b>		<b>4,313</b>	<b>4,058</b>	<b>3,852</b>		
<b>RECONSTRUCTION-RELATED OPERATING EXPENSES</b>										
Diplomatic and Consular Programs	1,122		1,030	1,119		3,271				
Coalition Provisional Authority (CPA)						908	832	799		
Project and Contracting Office (PCO)						830				
USAID Operating Expenses (USAID OE)	52			46		349				
U.S. Contributions to International Organizations (CIO)	33			31		132				
DoD OSC-I Support				129		129				
Iraq Freedom Fund (PRT Administrative Costs)						100				
<b>Subtotal</b>	<b>1,207</b>		<b>1,030</b>	<b>1,326</b>		<b>5,720</b>	<b>832</b>	<b>799</b>		
<b>RECONSTRUCTION OVERSIGHT</b>										
Special Inspector General for Iraq Reconstruction (SIGIR)	23			22		225	213	203		
Defense Contract Audit Agency (DCAA)		24		30		111	111	111		
USAID Office of the Inspector General (USAID OIG)	7					29				
DoS Office of the Inspector General (DoS OIG)	7			5		26				
DoD Office of the Inspector General (DoD OIG)						26				
<b>Subtotal</b>	<b>37</b>			<b>57</b>		<b>416</b>	<b>324</b>	<b>314</b>		
<b>Total</b>	<b>2,060</b>	<b>263</b>	<b>2,705</b>	<b>3,712</b>		<b>61,828</b>	<b>53,340</b>	<b>51,442</b>	<b>1,611</b>	

Sources: P.L. 108-7; P.L. 108-11; P.L. 108-106; P.L. 108-287; P.L. 109-13; P.L. 109-102; P.L. 109-148; P.L. 109-34; P.L. 109-289; P.L. 110-28; P.L. 110-92; P.L. 110-116; P.L. 110-137; P.L. 110-149; P.L. 110-161; P.L. 110-252; P.L. 111-32; P.L. 111-117; P.L. 111-118; P.L. 111-212; P.L. 112-10; ABO, response to SIGIR data call, 1/18/2012; INL, response to SIGIR data call, 1/10/2012; USAID, responses to SIGIR data call, 10/11/2011 and 10/12/2011; NEA-I, responses to SIGIR data call, 9/28/2011, 9/30/2011, 12/29/2011, 12/30/2011, and 1/3/2012; OUSD(C), response to SIGIR data call, 10/4/2011; SIGIR Audit 11-007, "Iraq Relief and Reconstruction Fund 1: Report on Apportionments, Expenditures, and Cancelled Funds," 12/28/2010; USACE, responses to SIGIR data calls, 10/6/2008 and 1/3/2012; USAID, responses to SIGIR data calls, 1/12/2009, 4/8/2009, 12/29/2011, and 1/16/2012; DRL, response to SIGIR data call, 4/12/2011; TFBSO, response to SIGIR data call, 1/4/2011; USAID, "U.S. Overseas Loans and Grants [Greenbook]," 2008, [gk.eads.usaidallnet.gov/query/do?\\_program=eads/gbk/countryReport&unit=N](http://gk.eads.usaidallnet.gov/query/do?_program=eads/gbk/countryReport&unit=N), accessed 4/15/2010; OMB, response to SIGIR data call, 6/21/2010; ECA, response to SIGIR data call, 4/14/2010; OUSD(C), response to SIGIR data call, 1/18/2012; U.S. Treasury, OTA, "Office of Technical Assistance Overview," 12/30/2005, [ustreas.gov/offices/international-affairs/assistance/](http://ustreas.gov/offices/international-affairs/assistance/), accessed 10/16/2009; U.S. Embassy-Baghdad, response to SIGIR data call, 10/3/2009; Justice Management Division, response to SIGIR data call, 10/4/2011; PM, response to SIGIR data call, 7/6/2011; BBG, response to SIGIR data call, 3/7/2011; USAID, "Congressional Budget Justification: Foreign Assistance Summary Tables, FY 2009–2011"; DCAA, response to SIGIR data call, 10/4/2011.

## FY 2012 APPROPRIATIONS

On December 23, 2011, President Barack Obama signed into law the Consolidated Appropriations Act, 2012 (P.L. 112-74), which appropriated funds for DoS, USAID, and DoD, among other agencies.<sup>55</sup>

The Consolidated Appropriations Act includes funds for “enduring” programs as well as Overseas Contingency Operations and the Global War on Terrorism (OCO) in Iraq, Afghanistan, Pakistan, and several other countries. The total made available for Iraq remains unclear because, in most cases, amounts for each country are not specifically identified either in legislation or in the conference report. Actual funding for Iraq will likely be below the Administration’s request for \$6.83 billion. Specific amounts for Iraq will be identified in operating and spend plans that the various departments are required to submit to the Congress. Once those plans are submitted, SIGIR will report on the allocation, obligation, and expenditure of funds made available for Iraq programs from the FY 2012 appropriations. For details of the FY 2012 appropriations and the Administration’s request, see Table 2.2.

The Senate Committee on Appropriations approved the DoS and USAID provisions on September 21, 2011. The relevant House Subcommittee approved a bill on July 8. Neither was considered further. The DoD provisions were passed on the House floor on July 8, but in the Senate, they were approved only in Committee, on September 15. All the provisions were combined into P.L. 112-74.

### SIGIR Funding, Jurisdiction, and Related Matters

P.L. 112-74 provides \$19.5 million for SIGIR to “sustain [its] current level of operations.” SIGIR and OMB had submitted a request that included a planned drawdown by the end of December

2012. However, the conferees stated that they did “not support the proposed drawdown of SIGIR in fiscal year 2012 as proposed in the request.” They directed that “SIGIR should continue to exercise oversight over the assistance programs in Iraq, including the support costs associated with programs funded under the International Narcotics Control and Law Enforcement heading.”

The conference report further noted that “the conferees direct the Secretary of State to cooperate with the Office of Inspector General for the Department of State and SIGIR, including requests from the SIGIR for information and documentation involving operations in support of foreign assistance programs.” The Senate report stated that “the Committee supports SIGIR’s investigation of security sector reform in Iraq, including the management of resources for the program and related mission support, transition strategy, and potential for sustainability, and directs SIGIR to consult with the Committee on the status of this investigation.”

The conferees directed the inspectors general of DoS and USAID, SIGIR, and the Special Inspector General for Afghanistan Reconstruction (SIGAR) “to coordinate audit plans and activities to minimize unnecessary duplication, ensure comprehensive oversight plans, and maximize the effective use of resources.” The conferees directed that the DoS Office of Inspector General “continue to plan for increased responsibilities when SIGIR draws down its oversight operations.”

### Other DoS, Foreign Operations, and Related Programs for Iraq

In the explanatory statement accompanying the Consolidated Appropriations Act conference report, the conferees noted, “as the Government of Iraq’s oil revenues continue to increase, the

The conference report noted that “the conferees direct the Secretary of State to cooperate with SIGIR, including requests from the SIGIR for information and documentation involving operations in support of foreign assistance programs.”

TABLE 2.2  
PRELIMINARY STATUS OF U.S. APPROPRIATIONS FOR IRAQ, FY 2012  
\$ Millions

		FUND	FY 2012 REQUEST			SENATE REPORT	P.L. 112-74	
			BASE	OCO	TOTAL			
Foreign Assistance	Defense	ISFF			0.0	0.0	0.0	
		CERP		25.0	25.0	0.0	0.0	
		<b>Subtotal</b>		<b>25.0</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	
	Foreign Operations	INCLE		1,000.0	1,000.0	850.0	TBD <sup>a</sup>	
		FMF		1,000.0	1,000.0	900.0	TBD <sup>b</sup>	
		ESF	325.7		325.7	200.0	TBD <sup>c</sup>	
		NADR	32.4		32.4	32.4	TBD <sup>d</sup>	
		IMET	2.0		2.0	2.0	TBD <sup>e</sup>	
		<b>Subtotal</b>	<b>360.1</b>	<b>2,000.0</b>	<b>2,360.1</b>	<b>1,984.4</b>	<b>TBD</b>	
	<b>Subtotal</b>	<b>360.1</b>	<b>2,025.0</b>	<b>2,385.1</b>	<b>1,984.4</b>	<b>TBD</b>		
	Operating Expenses	DoD	OSC-I Support		524.0	524.0	Up to 524.0	524.0
			<b>Subtotal</b>		<b>524.0</b>	<b>524.0</b>	<b>524.0</b>	<b>524.0</b>
DoS		D&CP	495.9	3,229.5	3,725.4	3,556.0 (of which 2,750.0 is OCO)	TBD <sup>f</sup>	
		CIO	44.3		44.3		TBD	
		ECSM	37.0		37.0		33.0 <sup>g</sup>	
		ECA	7.0		7.0		TBD	
		<b>Subtotal</b>	<b>584.2</b>	<b>3,229.5</b>	<b>3,813.7</b>			
Other Civilian		USAID	75.4		75.4		TBD <sup>h</sup>	
		SIGIR		16.3	16.3	16.3	19.5 <sup>i</sup>	
		DoS OIG	9.2		9.2		TBD	
		<b>Subtotal</b>	<b>84.6</b>	<b>18.5</b>	<b>103.1</b>		<b>TBD</b>	
<b>Subtotal</b>		<b>668.8</b>	<b>3,772.0</b>	<b>4,440.8</b>		<b>TBD</b>		
<b>Total</b>		<b>1,028.9</b>	<b>5,797.0</b>	<b>6,825.9</b>		<b>TBD</b>		

**Note:**  
<sup>a</sup> \$983.6 million is appropriated in the OCO accounts (other programs and countries are also intended to be supported); \$1.061 billion is appropriated in the base accounts and, in theory, is also available to OCO countries. No detail is provided in the joint explanatory statement of conferees or the legislative text. The Senate report allows a total of \$850 million for Iraq—all for OCO costs—within a total recommendation of \$1.153 billion for INCLE under OCO funding and \$1.056 billion in the base accounts.  
<sup>b</sup> A sufficient amount (\$1.102 billion) is appropriated in the OCO accounts to allow the request to be funded, but no detail is provided in the joint explanatory statement of conferees or the legislative text. (\$6.31 billion is available in FMF for countries worldwide.) The Senate report allows a total of \$900 million for Iraq, all for OCO costs, within a recommendation of \$989 million for FMF under OCO funding (and a total of \$6.335 billion under all accounts).  
<sup>c</sup> A sufficient amount is appropriated (more than \$3 billion) in the base accounts to allow the request, but no detail is provided in the joint explanatory statement of conferees or the legislative text. The Senate report allows a total of \$200 million for Iraq, all for ongoing (“enduring”) costs.  
<sup>d</sup> A sufficient amount is appropriated in the base (\$590.1 million) and OCO (\$120.7 million) accounts to allow the request, but no detail is provided in the joint explanatory statement of conferees or the legislative text. The Senate report allows a total of \$32.445 million for Iraq—\$27.445 million for ongoing (“enduring”) costs and \$5.000 million for OCO costs.  
<sup>e</sup> A sufficient amount (\$105.8 million) is appropriated in the base accounts to allow the request, but no detail is provided in the joint explanatory statement of conferees or the legislative text.  
<sup>f</sup> A sufficient amount is appropriated in the base (\$6.551 billion) and OCO (\$4.389 billion) accounts to allow the request, but no detail is provided in the joint explanatory statement of conferees or the legislative text. The Senate report allows \$3.156 billion in total for Iraq—\$405.732 million for ongoing (“enduring”) costs and \$2.750 billion for OCO costs.  
<sup>g</sup> Designated OCO; \$33 million “for the extraordinary costs of leased facilities in Iraq.” Additional funds may be available under ongoing (“enduring”) ECSM for Iraq; Iraq is not addressed specifically under ECSM in the “ongoing” conference report or legislative text.  
<sup>h</sup> A sufficient amount is appropriated in the base (\$1.092 billion) and OCO (\$255 million) accounts to allow the request, but no detail is provided in the joint explanatory statement of conferees or the legislative text. The Senate report allows \$71.642 million in total for Iraq—\$46.043 million for ongoing (“enduring”) costs and \$25.599 million for OCO costs.  
<sup>i</sup> Includes \$16.3 million requested for FY 2012 as well as \$2.2 million for the first quarter of FY 2013.

**Sources:** FY 2012 Request—DoS, “Congressional Budget Justification, Volume 1: Department of State Operations, FY 2012,” 2/14/2011, p. 779; DoS, “Executive Budget Summary: Function 150 & Other International Programs, FY 2012,” 2/14/2011, pp. 155, 162, 167, 171, 776; DoS, “Congressional Budget Justification: Foreign Assistance Summary Tables, FY 2011,” p. 88; DoS, “Congressional Budget Justification: Foreign Assistance Summary Tables, FY 2012,” p. 101; DoD, “Fiscal Year 2012 Budget Request: Overview,” 2/2011, Chapter 6, p. 6; DoS, NEA-I, response to SIGIR data call, 7/7/2011; USAID, response to SIGIR data call, 7/7/2011; P.L. 112-74; **Senate Report**—Senate Report 112-85, 9/22/2011, to accompany S. 1601, except for ISFF, CERP, and OSC-I support, which refer to House Report 112-110, 6/15/2011, and Senate Report 112-77, 9/15/2011, each to accompany H.R. 2219; P.L. 112-74.

conferees expect Iraq to assume the full cost for development and security programs in Iraq currently funded by the Department of State and USAID.” The following broadly applicable statutory provisions remain in effect:

- Assistance for Iraq must be made available in a manner that utilizes Iraqi entities to the maximum extent practicable.
- The April 2009 DoS guidelines for Iraqi government financial participation in civilian foreign assistance programs must be adhered to.
- Funds appropriated by the law may not be used to enter into permanent basing rights agreements with Iraq.

## Security Sector Reform: INCLE

P.L. 112-74 appropriated \$983.6 million in OCO funding for the INCLE, including programs for Iraq, Afghanistan, Pakistan, Yemen, Somalia, and African counterterrorism partnerships. The Administration request for Iraq alone was \$1 billion. (Funding may, in principle, also be drawn from non-OCO accounts for all of these countries.)

The conference report’s explanatory statement requires DoS to report the following information by the end of March 2012:

- the specific manner in which the GOI has committed to contributing to, and sustaining, INL’s security-related programs
- the estimated time frame under which Iraq will assume full responsibility for funding such security-related programs
- the operation and maintenance costs of aircraft used in Iraq to support security-related programs
- estimates for the overhead costs associated with security-sector programs in FY 2012 and subsequent fiscal years

## Economic Support Fund

Funding for the ESF was appropriated in a lump sum of \$5.763 billion, including \$2.761 billion for OCO, subject to certain (non-Iraq-related) earmarks. The Administration request for Iraq was

\$325 million (all non-OCO), and the Senate had cut that to \$200 million, but the final amount for Iraq was left to DoS to determine within the overall allowance (subject to non-Iraq earmarks).

The conferees specified that \$10 million of the ESF was for stabilization programs in Iraq, “for which policy justifications and decisions shall be the responsibility of” the Chief of Mission. These funds may not be used for cultural programs. The Senate report contained detailed language about the intended uses of the ESF, including:

- targeted assistance to ethnoreligious minorities in Iraq to help ensure their continued survival—especially those living on the Ninewa Plains region
- continued support for the Marla Ruzicka Iraqi War Victims Fund through its transition to an Iraqi-run entity
- support for economic growth programs aimed at sustaining Iraq’s long-term stability
- support for the incorporation of women in stabilizing and developing Iraq, including within government institutions
- reduction in funding for USAID’s Governance Strengthening and Administrative Reform Program

The Senate committee stated that it encouraged the Administration and the GOI to explore “other, more sustainable mechanisms for programs under [the ESF], especially as Iraq’s oil revenues continue to increase.”

The conferees specifically endorsed the Senate report language on ethnoreligious minorities in Iraq. The conferees said they expected DoS and USAID to continue efforts to encourage the incorporation of women in the stabilization and development of Iraq, including within government institutions.

## Foreign Military Financing

The Foreign Military Financing (FMF) program provides military assistance—typically U.S.-origin goods or services—on a grant basis to foreign countries. DoS has the lead role in policy decisions, including decisions on how funding should

The conferees said they expected DoS and USAID to continue efforts to encourage the incorporation of women in the stabilization and development of Iraq.

be allocated absent direction from the Congress. The program is administered by DoD's Defense Security Cooperation Agency (DSCA) and, in the case of Iraq, by the Office of Security Cooperation-Iraq, which is funded by Air Force Operation and Maintenance funds.

The appropriation provides \$1.102 billion for all OCO FME, which could, theoretically, allow for the \$1 billion requested by the Administration for Iraq. But the needs of other countries will likely reduce FMF grant assistance to Iraq to less than the requested amount. This will be the first year that assistance to Iraq's security forces will be provided under the FMF. In recent years, most aid to the ISF was provided under the ISFF.

### Diplomatic and Consular Programs and Related Expenses

Funding for Iraq under the Diplomatic and Consular Programs headings will include amounts from "enduring" appropriations as well as a significant portion of the \$4.389 billion in OCO identified for extraordinary and temporary costs for operations in Iraq, Afghanistan, Pakistan, and elsewhere. The Senate version of the bill would have provided \$3.156 billion for Iraq, while the Administration requested \$3.736 billion.

No more than 85% of the funds provided in the OCO title for security and provincial operations in Iraq may be obligated before the Secretary of State submits a report to the Appropriations Committees providing all of the following:

- an assessment of the security environment in Iraq, and the impact of the withdrawal of USF-I on that environment, on a facility-by-facility basis
- an assessment of the security requirements at each facility and the estimated cost of sustaining such requirements over the next three fiscal years
- information on the types of military equipment to be used to meet the security requirements at each facility
- the number of U.S. government personnel anticipated at each facility, a general description of the duties of such personnel, and the number

and cost of contractors anticipated at each facility required for operational and other support

- a description of contingency plans, including evacuation plans, at each facility for U.S. government personnel and contractors

In addition, \$33 million for "Embassy Security, Construction, and Maintenance" is provided in the OCO title "for the extraordinary costs of leased facilities in Iraq."

### USAID Operating Expenses

USAID operating expenses in Iraq are subsumed within larger sums for "enduring" and OCO operations. The earlier Senate version identified \$46 million for "enduring" and \$25.6 million for OCO for USAID's operations in Iraq. That total of \$71.6 million was a reduction from the Administration request for \$75.3 million.

## Other Appropriations

### Conflict Stabilization Operations

As noted in Section 1 of this Report, the State Department's new Bureau of Conflict and Stabilization Operations (CSO), which absorbs the former Office of the Coordinator for Reconstruction and Stabilization (S/CRS), will receive up to \$35 million in funds. Support for S/CRS came from a fund previously called the Civilian Stabilization Initiative, which has been renamed Conflict Stabilization Operations. An additional \$8.5 million is provided for the costs of CSO deployments, including those to Iraq, Afghanistan, and Pakistan. The Congress requested a spend plan that would detail projected staffing and deployments of the CSO's Civilian Response Corps for FY 2012.

### Joint DoS/DoD Global Security Contingency Fund

The Consolidated Appropriations Act provides for the transfer of up to \$250 million into the new Global Security Contingency Fund (GSCF), which

This will be the first year that assistance to Iraq's security forces will be provided under the FMF.

was subsequently created in the NDAA.<sup>56</sup> As much as \$50 million could be transferred from funds appropriated to DoS for the INCLE, FMF, the Pakistan Counterinsurgency Capability Fund, and other programs, as authorized. Up to \$200 million could be transferred from funds available to DoD for “Operation and Maintenance, Defense-Wide.”

Pursuant to the NDAA, the GSCF is available to either the Secretary of State or the Secretary of Defense to provide assistance to countries designated by the Secretary of State, with the concurrence of the Secretary of Defense, to enhance the capabilities of the recipient country’s military and other national security forces to conduct border and maritime security, internal defense, counterterrorism operations, and participate in or support military, stability, or peace-support operations consistent with U.S. foreign policy and national security interests. In cases in which the Secretary of State, in consultation with the Secretary of Defense, determines that conflict or instability in a country or region challenges the existing capability of civilian providers to deliver assistance, it is also available for the “justice sector,” rule-of-law programs, and stabilization efforts. Contributions of not less than 20% are required from DoS for each activity funded by the GSCF.

## DoD Appropriations

### Commander’s Emergency Response Program

The Congress rejected the Administration’s request for \$25 million for the CERP for the three-month period ending December 31, 2011 (the final three months of Operation New Dawn). In its report on the National Defense Authorization Act for Fiscal Year 2011 (P.L. 112-181) (NDAA), the House Committee on Armed Services noted that its bill “does not authorize the use of the Commander’s Emergency Program in Iraq.... The remaining U.S. forces in the Republic of Iraq are operating in a strictly training and advisory capacity to Iraqi Security Force units. The committee believes that any immediate humanitarian needs such units encounter should be addressed through Iraqi funding sources.”

### Office of Security Cooperation-Iraq Support

The Consolidated Appropriations Act provides that the Secretary of Defense may use up to \$524 million in funds appropriated for “Operation and Maintenance, Air Force” to support U.S. transition activities in Iraq by funding the operations and activities of OSC-I and security assistance teams, including life support, transportation and personal security, and facility renovation and construction. At least 15 days before making funds available, the Secretary of Defense must submit to the congressional defense committees a written notice containing a detailed justification and timeline for each proposed site. ♦

The Secretary of Defense may use up to \$524 million to support U.S. transition activities in Iraq by funding the operations and activities of OSC-I and security assistance teams.