

U.S. APPROPRIATED FUNDS

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

- P.L. 108-11, April 16, 2003
- P.L. 108-106, November 6, 2003
- P.L. 108-287, August 5, 2004
- P.L. 109-13, May 11, 2005
- P.L. 109-234, June 15, 2006
- P.L. 109-289, September 29, 2006

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

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

- The Iraq Relief Reconstruction Fund (IRRF 1) was created. P.L. 108-11 identified 12 sectors to be funded and appropriated to the Department of State (DoS), U.S. Agency

for International Development (USAID), Department of the Treasury (Treasury), Department of Defense (DoD), and Department of Health and Human Services (HHS).

- The Natural Resources Risk Remediation Fund (NRRRF) was created “for expenses necessary, in and around Iraq, to address emergency fire fighting, repair of damage to oil facilities and related infrastructure...”

P.L. 108-11 also funded the daily operations of the Coalition Provisional Authority (CPA) until P.L. 108-106 was passed in November 2003. Although CPA ceased operations on June 28, 2004, contractual payment of obligations resulting from contracts awarded by the CPA during its tenure are still being fulfilled. Most

STATUS OF SUPPLEMENTAL APPROPRIATION, P.L. 108-11, AS OF SEPTEMBER 30, 2006 (millions)

SOURCE	AGENCY	APPORTIONED	OBLIGATED	EXPENDED
NRRRF	DoD	\$802.0	\$800.6	\$797.7
IRRF 1	USAID	1,617.7	1,617.2	1,539.6
	DoD IRRF 1	518.2	518.2	516.6
	DoS	125.4	125.4	116.1
	Treasury	6.0	6.0	5.0
	USTDA	5.0	4.9	4.1
	<i>Subtotal</i>		<i>2,272.3</i>	<i>2,271.7</i>
Non-IRRF P.L. 108-11	USAID	497.7	469.9	440.1
	DoS	66.0	66.0	60.4
	<i>Subtotal</i>	<i>563.7</i>	<i>535.9</i>	<i>500.5</i>
IFF	CPA-OPS	N/A	437.9	411.7
	New Iraqi Army	51.2	51.2	49.8
	<i>Subtotal</i>	<i>51.2</i>	<i>489.1</i>	<i>461.5</i>
Total		\$3,689.2	\$4,097.3	\$3,941.0

Note: Data not formally reviewed or audited. Figures may not total correctly because of rounding.

TABLE E-1

STATUS OF P.L. 108-11 IRRF 1 FUNDS BY PROGRAM AND BY USAID STRATEGIC OBJECTIVES, AS OF SEPTEMBER 30, 2006 (millions)

AGENCY	PROGRAM NAME	APPORTIONED	OBLIGATED	EXPENDED
USAID	Restore Critical Infrastructure	\$1,124.4	\$1,124.4	\$1,054.6
	Improve Efficiency and Accountability of Government	174.7	174.7	174.7
	Support Education, Health, and Social Services	118.5	118.5	116.8
	Relief: Office of Foreign Disaster Assistance	43.5	43.5	38.8
	Office of Transition Initiatives	57.8	57.6	57.4
	Expand Economic Opportunity	65.9	65.9	65.3
	Program Support and Development of Gulf Region	18.0	18.0	18.0
	Administrative Expenses	14.9	14.6	14.0
	<i>Subtotal</i>	<i>1,617.7</i>	<i>1,617.2</i>	<i>1,539.6</i>
DoD	Restore Iraq Electricity (RIE)	299.9	299.9	299.9
	Restore Iraq Oil (RIO)	165.0	165.0	165.0
	First Responder Network/DIILS	53.3	53.3	51.7
	<i>Subtotal</i>	<i>518.2</i>	<i>518.2</i>	<i>516.6</i>
DoS	Police/Prison Programs	61.5	61.5	55.5
	Relief Efforts	27.0	27.0	26.9
	Law Enforcement	24.6	24.6	21.4
	Humanitarian Demining	12.3	12.3	12.3
	<i>Subtotal</i>	<i>125.4</i>	<i>125.4</i>	<i>116.1</i>
Treasury	Technical Assistance	6.0	6.0	5.0
	<i>Subtotal</i>	<i>6.0</i>	<i>6.0</i>	<i>5.0</i>
U.S. Trade and Dev. Agency	Technical Assistance/Training	5.0	4.9	4.1
	<i>Subtotal</i>	<i>5.0</i>	<i>5.0</i>	<i>4.1</i>
Total IRRF 1 Funds		\$2,272.3	\$2,271.7	\$2,181.4

Note: Data not formally reviewed or audited. Figures may not total correctly because of rounding.

TABLE E-2

of the funds (55%) allocated in P.L. 108-11 were used for the rehabilitation of Iraqi infrastructure—primarily oil production and electricity generation. Other major uses include humanitarian relief, governance initiatives, and health and social services.

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

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

Commander’s Assistance Programs

Military assistance programs continue to play a vital role in the reconstruction of Iraq. In an insecure environment, area commanders can

develop the necessary relationships with Iraqi civic leaders to initiate crucial local projects.

COMMANDER’S EMERGENCY RESPONSE PROGRAM

Initially funded with Iraqi assets [seized assets and Development Fund for Iraq (DFI) funds], the Commander’s Emergency Response Program (CERP) received its first U.S. appropriated funds in April 2004, under P.L. 108-106. In addition, the Iraqi government funded a similar CERP-equivalent program, which is not subject to U.S. oversight.

The CERP allows coalition military commanders to rapidly respond to urgent humani-

**STATUS OF P.L. 108-11 NRRRF AND NON-IRRF 1 FUNDS BY PROGRAM AND BY USAID STRATEGIC OBJECTIVES,
AS OF SEPTEMBER 30, 2006** (millions)

AGENCY	PROGRAM NAME	APPORTIONED	OBLIGATED	EXPENDED
NRRRF Fund				
DoD	Restore Iraq Oil	\$802.0	\$800.6	\$797.7
Total NRRRF Funds		\$802.0	\$800.6	\$797.7
Non-NRRRF 1 Fund				
USAID	Food Aid: Office of Food for Peace	\$262.9	\$243.2	\$242.6
	Improve Capacity of National Government	21.2	21.2	0
	Restore Critical Infrastructure	51.6	45.2	45.2
	Support Education, Health, and Social Services	34.0	34.0	33.8
	Relief: Office of Foreign Disaster Assistance	67.2	66.5	59
	Operating Expenses	23.7	23.5	23.3
	Program Support and Development of Gulf Region	11.2	10.6	10.6
	Improve Efficiency and Accountability of Government	8.9	8.9	8.9
	Office of Transition Initiatives	12	11.8	11.7
	Expand Economic Opportunity	5.0	5.0	5.0
	<i>Subtotal</i>	<i>497.7</i>	<i>469.9</i>	<i>440.1</i>
DoS	Coalition Support	66.0	66.0	60.4
	<i>Subtotal</i>	<i>66.0</i>	<i>66.0</i>	<i>60.4</i>
Total Non-IRRF 1 Funds		\$563.7	\$535.9	\$500.5

Note: Data not formally reviewed or audited. Figures may not total correctly because of rounding.

TABLE E-3

IRAQ CERP PROGRAM TOTALS AS OF SEPTEMBER 30, 2006 (millions)

FUND SOURCE	TOTAL PROGRAM FUNDING	CUMULATIVE FUNDS OBLIGATED	CUMULATIVE FUNDS DISBURSED
Seized Assets	\$180.19	\$178.48	\$177.40
DFI	368.11	360.15	353.20
U.S. Appropriated			
P.L. 108-106 (FY 2004)	140.00	137.40	128.22
P.L. 109-13 (FY 2005)	718.00	716.00	445.19
P.L. 109-148 (FY 2006)	375.00		
P.L. 109-234 (FY 2006)	378.00	533.18	
P.L. 109-289 (FY 2007)	375.00		
Total U.S. Appropriated FY 2006	1986.00	1386.58	573.41
Total	\$2,534.30	\$1,925.21	\$1,104.01

Note: Data not formally reviewed or audited. SIGIR has not received updates on obligations and disbursements for Seized Assets, DFI, P.L. 108-106, and P.L. 109-13 since December 31, 2005. FY 2006 and FY 2007 obligations provided in the aggregate amount of \$533.2 million. No disbursement data provided for FY 2006 and FY 2007. Figures may not total correctly because of rounding.

TABLE E-4

tarian, relief, and reconstruction needs in their geographic areas of responsibility. Specifically exempt from the Federal Acquisition Regulation (FAR), CERP projects are relatively small—less than \$500,000—and meet these kinds of needs:

- repairing and refurbishing water and sewer lines
- cleaning highways by removing waste and debris
- transporting water to remote villages
- purchasing equipment for local police stations
- upgrading schools and clinics
- purchasing school supplies
- removing ordnance from public places (including schools)
- refurbishing playgrounds, youth centers, libraries, other recreational facilities, and mosques

The aim of CERP is more tactical than strategic, focusing on smaller-scale, highly visible projects that yield immediate benefits and nurture positive relations with the local populace. To date, CERP has been appropriated \$1.99 billion through five public laws, including P.L. 108-106.

For a summary of CERP appropriations and expenditures, see Table E-4.

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

COMMANDERS HUMANITARIAN RELIEF AND RECONSTRUCTION PROGRAM AND IRAQI INTERIM GOVERNMENT FUND

In 2004, the Iraqi Interim Government established the Iraqi Interim Government Fund (IIGF) with \$136 million from the DFI, to be used by U.S. military commanders for responding to the urgent humanitarian relief and reconstruction requirements of the local

population in their areas of responsibility. In response to an Iraqi demand to match the IIGF, a separate program, the Commanders Humanitarian Relief and Reconstruction Program (CHRRP) was created with \$86 million from IRRF 2 monies.

The Multi-National Force-Iraq (MNF-I) maintains IIGF and CHRRP funding. Iraqi government projects must be selected from a project list approved by the Iraqis and the MNF-I.

For a summary of CHRRP and IIGF data, see Table E-6.

IRRF 2 Funds under Public Law 108-106

On November 6, 2003, Congress passed P.L. 108-106 to provide \$18.4 billion for the IRRF to address the extensive requirements for Iraq reconstruction identified before the war and during the summer and fall of 2003. The act mandates specific sector aid funding totals, with limitations on the transfer of funds among sectors without congressional notification or, in the case of larger modifications, without congressional approval. Apportioned funds are restricted to six departments or agencies: DoD, DoS, USAID, Treasury, USIP, and HHS. This quarter \$9.95 million was transferred into the IRRF from the Economic Support Fund as required by P.L. 109-102 and P.L. 109-234.

Appendix F details IRRF apportionments by agency. The current funding status for IRRF 2—with corresponding commitments, obligations, and expenditures—is outlined in Table E-7.

IRRF FUNDING CHANGES

Since September 2004, a number of major reallocation efforts and several transfer-ins have occurred:

SELECTED CERP PROJECTS BY TYPE, FY 2006 (millions)

PROJECT TYPE	PROJECT TOTAL	COMPLETED PROJECTS	OBLIGATED
Agriculture - Irrigation	109	34	\$42.12
Repair of Damage Resulting from Military Operations	65	55	1.65
Civic Cleanup Activities	240	135	16.82
Civic Support Vehicles	9	8	2.19
Condolence Payments	434	402	7.88
Economic, Financial, and Management Improvements	55	29	9.01
Education	561	326	42.08
Electricity	425	189	80.86
Food Production and Distribution	16	10	1.27
Healthcare	235	127	28.55
Other Humanitarian or Reconstruction Project	213	121	44.99
Protective Measures (Infr Hardening)	70	46	6.66
Rule of Law and Governance	159	91	12.06
Telecommunication	84	45	8.83
Transportation	480	277	66.82
Water And Sanitation	670	322	143.08
Total	3,825	2,217	\$514.86

Note: Data not formally reviewed or audited. Figures may not total correctly because of rounding.

TABLE E-5

CHRRP AND IIGF, AS OF SEPTEMBER 30, 2006 (millions)

FUND SOURCE	TOTAL PROGRAM FUNDING	CUMULATIVE FUNDS OBLIGATED	CUMULATIVE FUNDS DISBURSED
CHRRP	\$ 86.00	\$ 82.52	\$ 68.78
IIGF	\$ 136.00	\$ 124.82	\$ 113.32
Total	\$ 222.00	\$ 207.34	\$ 182.10

Note: Data not formally reviewed or audited. Figures may not total correctly because of rounding.

TABLE E-6

FY 2005

\$1.94 billion from the water and sanitation sector and \$1.07 billion from the electricity sector to:

- security (\$1.8 billion)
- justice (\$461 million)
- education (\$80 million)
- private employment development (\$660 million)
- \$450 million within the oil sector
- \$457 million to meet emerging needs in the electricity sector (\$211 million) and to pro-

vide post-battle damage reconstruction and rehabilitation in Sadr City, Najaf, Samarra, and Fallujah (\$246 million)

- \$832 million for management initiatives
- \$241 for PRDCs, security forces, and election support
- \$63 million to three program activities requiring congressional notification

FY 2006

- \$35 million to increase short-term work opportunities for Iraqis in several areas
- \$15 million to increase awareness regarding

IRRF 2 PROGRAM STATUS, AS OF SEPTEMBER 26, 2006 (millions)

SECTOR	2207 REPORT SPENDING PLAN	APPORTIONED	COMMITTED	OBLIGATED	EXPENDED
Security & Law Enforcement	\$5,002.6	\$5,002.6	\$4,983.5	\$4,942.6	\$4,654.7
Electric Sector	4,239.5	4,239.5	4,162.2	4,140.0	2,623.5
Oil	1,724.7	2,724.7	1,677.2	1,676.8	1,140.3
Justice, Public Safety, and Civil Society	1,304.2	1,304.2	1,277.8	1,259.8	915.1
Democracy	1,001.9	1,001.9	999.8	998.4	846.6
Education, Refugees, Human Rights, and Governance	401.5	401.5	399.7	383.8	309.0
Roads, Bridges, and Construction	333.6	333.6	328.1	327.5	195.1
Health Care	818.9	818.9	781.5	777.4	533.5
Transportation and Telecommunications Projects	464.1	464.1	461.8	430.3	315.2
Water Resources and Sanitation	2,131.1	2,131.1	2,111.1	2,092.4	1,290.5
Private Sector Development	814.0	814.0	796.3	791.1	719.3
Administrative Expense	213.0	213.0	212.4	212.4	151.8
Total by Sector	\$18,449.1	\$18,449.1	\$18,191.4	\$18,032.5	\$13,694.6
Construction			\$10,443.0	\$10,377.0	\$7,326.4
Non-Construction			6,748.8	6,657.2	5,573.1
Democracy			999.6	998.3	846.6
Total by Program			\$18,191.4	\$18,032.5	\$13,746.1

Note: Data not formally reviewed or audited. Figures may not total correctly because of rounding.

TABLE E-7

FINANCIAL STATUS OF IRAQ SECURITY FORCES FUND, P.L. 109-13, AS OF SEPTEMBER 30, 2006 (millions)

SECTOR	APPORTIONED	COMMITTED	OBLIGATED	DISBURSED
Ministry of Defense Forces				
Sustainment	\$833.0	\$660.7	\$651.0	\$444.1
Infrastructure	1,823.0	1,405.0	1,278.0	618.4
Equipment and Transportation	1,983.9	1,641.0	1,575.0	982.2
Training and Operations	158.1	144.1	141.1	73.4
Ministry of Interior Forces				
Sustainment	458.0	293.6	265.7	172.4
Infrastructure	911.8	711.1	594.7	188.8
Equipment and Transportation	817.9	456.1	403.2	133.9
Training and Operations	1,161.3	997.5	981.4	837.0
Quick Response Fund	0.0	0.0	0.0	0.0
Detainee Ops	73.0	71.1	11.8	0.0
Prosthetics Clinic	3.0	3.0	0.0	0.0
Total	\$8,223.0	\$6,383.4	\$5,903.4	\$3,450.2

Note: Data not formally reviewed or audited. Figures may not total correctly because of rounding.

TABLE E-8

- civil society, electoral, and constitutional processes
- \$3 million to increase participation by women in the political process
 - \$10 million to an electricity transmission project in the governorate of Sulaymaniyah
 - \$104 million to democracy building, ministerial capacity building, and focused stabilization
 - \$20 million from democracy-building activities
 - \$4.95 million was transferred into IRRF from the Economic Support Fund for the Marla Ruzicka Iraq War Victims Fund
 - \$133.6 million for electricity generation, nationwide improvements, and clinic improvements
 - \$59.75 million for electricity generation, sewage, and potable water, as well as micro, small, and medium enterprises
 - \$5 million was transferred into IRRF from the Economic Support Fund for the Marla Ruzicka Iraqi War Victims Fund

Iraq Security Forces Fund

P.L. 109-13, enacted May 11, 2005, provided \$5.7 billion for the Iraq Security Forces Fund (ISFF), to remain available until December 31, 2006. This law supports the Multi-National Security Transition Command-Iraq (MNSTC-I), funding the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction. The Secretary of Defense is authorized to transfer these funds to appropriations for military personnel, operation and maintenance, and other areas. The ISFF has since received these appropriations:

- \$3 billion, P.L. 109-234, enacted June 15, 2006
- \$1.7 billion, P.L. 109-289, enacted September 29, 2006

Operating Expenses

Under P.L. 108-106, as amended, SIGIR is required to report information on the operating expenses funded by IRRF for U.S. government agencies or departments involved with the reconstruction of Iraq. Table E-9 provides the status of operating funds derived from the IRRF for each agency with operational activities in Iraq. IRRF funds can be apportioned only to DoD, DoS, Treasury, USAID, USIP, and HHS; therefore, other organizations receive funds through one of those five organizations. This table does not include mission-direct operating expenses.

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

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

As U.S. Mission-Iraq became operational and the Iraq Reconstruction Management Office (IRMO) assumed the duties of CPA, \$105.75 million was transferred from CPA's P.L. 108-106 appropriation to DoS to fund these operations. Congress also authorized the funding of CPA-IG operations (now SIGIR) with \$75 million from P.L. 108-106. SIGIR was appropriated another \$24 million from P.L. 109-234. Table E-10 provides an update of P.L. 108-106 and P.L. 109-234 supplemental funding for CPA-OPS, IRMO, and SIGIR.

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

SIGIR compiled data on the sources, uses, and status of Iraq reconstruction funds from OMB, Defense Finance and Accounting Service, U.S. Army, DoS, USAID, Treasury, DoD Washington Headquarters Service, MNC-I, U.S. Trade and Development Agency, IMF, and World Bank. SIGIR analyzed the data for reasonable-

ness and consistency across sources of data. SIGIR did not review or audit the processes, controls, or systems in place at the providing agency or organization. SIGIR accepted the validity of the data provided and believes that the presentation of sources and uses of funds in this Report is a reasonable compilation of the status of Iraq relief and reconstruction funding through September 30, 2006 (unless an alternative date is noted).

AGENCY-SPECIFIC CUMULATIVE IRRF-FUNDED OPERATING EXPENSES, AS OF SEPTEMBER 30, 2006 (millions)

AGENCY	EXPENDED
DoD	\$299.9
Treasury	2.9
DoS	101.2
OPIC	1.5
USIP	0.5
Total	\$406.0

Note: DoD expenses include Supervision and Administration Cost attached to projects through August 31, 2006, as well as budgeted costs through September 30, 2006.

TABLE E-9

STATUS OF SUPPLEMENTAL IRAQ RECONSTRUCTION FUND, P.L. 108-106, AS OF SEPTEMBER 30, 2006 (millions)

SOURCE	APPROPRIATED	OBLIGATED	EXPENDED
CPA-OPS	\$768.8	\$767.9	\$729.4
IRMO	139.2	139	133.5
SIGIR	99	66.8	54.7
Total	\$1,007.0	\$973.7	\$917.6

Note: Data not formally reviewed or audited. Figures may not total correctly because of rounding.

TABLE E-10