

**TESTIMONY OF GINGER CRUZ**

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**THE ROLE OF THE DEPARTMENT OF DEFENSE IN PROVINCIAL  
RECONSTRUCTION TEAMS**

**HOUSE COMMITTEE ON ARMED SERVICES**

**SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS**

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Chairman Snyder, Ranking Member Akin, and members of the House Armed Services Subcommittee on Oversight and Investigations, thank you for inviting me to represent the Office of the Special Inspector General for Iraq Reconstruction (SIGIR) before you today to discuss “The Role of the Department of Defense in Provincial Reconstruction Teams.”

Over the past three years, SIGIR has produced 94 audits, 95 on-the-ground inspections, initiated over 300 investigations, issued three Lessons Learned Reports and published 14 Quarterly Reports to Congress. In July 2006, SIGIR initiated its review of the Provincial Reconstruction Team program, which has now matured into an 800-person, \$2 billion dollar program.

SIGIR’s first PRT audit, released in October 2006, raised concerns about whether the PRTs had adequate logistical support and provision for security. This concern arose, in part, because of an administrative impasse between the Departments of Defense and State. SIGIR’s second audit of the PRT program, released in July of this year, noted progress on these key issues, but also found that, while the expansion of the number and size of the PRTs as part of the U.S. military surge was on track, that PRT managers had yet to clearly define objectives, milestones, and other performance metrics to ascertain whether the PRTs achieved desired outcomes. In two weeks, SIGIR will release its third PRT audit, which will address the question, “Are the PRTs effective and accomplishing their mission?”

During the past 14 months, I have visited all of the main U.S. PRTs across Iraq. I have watched them at work, interviewed many brave men and women who staff them, and seen firsthand this ambitious effort grow from concept to reality. In addition, SIGIR audit teams have conducted detailed examinations in the past three months of all 25 PRTs across Iraq.

### **History of Coalition Presence in the Provinces**

The PRT program must be understood in the broader context of how the Coalition has organized its efforts in the provinces in the last four years. Due to the manner in which pre-war planning occurred, officials from CENTCOM and their civilian counterparts in the Office of Reconstruction and Humanitarian Assistance (ORHA) did not jointly address the question of how to administer Iraq's regions until after the start of combat operations. In March 2003, military officials proposed the formation of "Government Support Teams" that would operate in coordination with planned ORHA regional offices in north, south, and central Iraq. These support teams were to liaise with maneuver commanders and civil affairs units and eventually assist in the formation of democratic institutions at the district and provincial level.

The deployment and coordination of civil and military personnel in each province did not develop as envisioned. When ORHA replaced the Coalition Provisional Authority (CPA), the CPA began a separate effort to establish governorate teams in each of Iraq's 18 provinces. These CPA offices, as well as U.S. Agency for International Development (USAID) contractors working to build institutions of local government, were often physically separate from the maneuver commanders and the military's civil affairs personnel in their areas, leading to a lack of coordination between military and civilian efforts.

The military presence in the provinces further diminished after the transition to the interim Iraqi government in June 2004. Concerns about deteriorating security and anticipated budget shortfalls led State Department personnel to close most CPA provincial offices and consolidate civilian personnel to three Regional Embassy Offices, located in Basrah, Hilla, and Kirkuk. The ability of the Department of State and the USAID to be aware of Iraqi provincial affairs and the status of reconstruction projects in the provinces was subsequently reduced.

One year later, in the spring of 2005, the U.S. mission reached a consensus to reconstitute the ability to influence and monitor provincial affairs as Iraqi provincial governments remained weak and disconnected from the central government leadership. Joint Iraqi-American 'Provincial Reconstruction Development Councils' were established to coordinate Iraqi and U.S. efforts to administer and maintain U.S. funded reconstruction projects.

In July 2005, Ambassador Zalmay Khalilzad pushed for a more robust presence in the provinces. He favored the PRT model then in use in Afghanistan, where he was the outgoing Ambassador.

The strategic goal of the PRTs was a question from the beginning. As former PRT advisor Michael McNerney noted, the tendency for PRTs to be saddled with many different missions, from reconstruction to pacification to capacity building, leaves them

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at risk of being “all things to all people.” “Flexibility,” McNerney wrote in a recent assessment, “was a key aspect of the PRTs' effectiveness, but at the time flexibility seemed to be a euphemism for ambiguity.”<sup>1</sup> This ambiguity at times led U.S. government officials to assign PRTs additional missions while not providing adequate resources to carry them out. At the same time, PRTs lacked a well-developed set of metrics to measure their own progress and were frequently handicapped by staffing challenges.

Unlike Afghanistan, where the central government never had a strong presence in outlying regions, the Saddam Hussein regime had governing structures that reached down to the neighborhood level. The Coalition was attempting to democratize these institutions, while simultaneously devolving power from what was a centralized authoritarian state. The challenge for PRTs was – and is – to build a new federal structure out of provincial governing institutions and create an environment for long-term economic growth, while at the same time addressing counterinsurgency and stability operations.

An applicable precedent for the PRT program in Iraq was the Civil Operations Rural District Support (CORDS) program conducted in South Vietnam. There, with a population of approximately 20 million people, 7,600 civilian and military personnel staffed the CORDS program at its height. The cost of the program at its height was \$7.8 billion per year in today's dollars. By comparison, the PRT effort is currently authorized staffing in Iraq at one tenth of that – 800 personnel, in a country with a population of 26 million. The current budget is \$2 billion per year with \$1 billion more requested by the State Department for Fiscal Year 2008. PRTs, like so many efforts in Iraq, tend to program to budgets, rather than budgeting to programs. Two billion dollars is a large amount of money, but in the absence of a well-defined plan, we cannot judge if it is sufficient to achieve its expected goal.

### **PRTs in Iraq**

The Iraq PRT initiative was originally conceived in October 2005 as a two-phase program over four years. Its mission, as set forth in Joint Cable 4045, is to “assist Iraq's provincial governments in developing a transparent and sustained capability to govern, to promote increased security and rule of law, to promote political and economic development, and to provide the provincial administration necessary to meet the basic needs of the population.”

In Iraq, most PRT personnel conduct many face-to-face meetings with provincial government officials, working with them to varying degrees in almost every aspect of

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1 Michael J. McNerney, “Stabilization and Reconstruction in Afghanistan: Are PRTs a Model or a Muddle?,” *Parameters*, Winter 2005-06, p. 36.

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local governance and administration. Over the past two years, the operational concept has evolved so that the Departments of Defense and State share responsibility for the overall program. DOD generally provides security, life support, transportation and personnel, while the State Department provides leadership, staffing, and program and operational funding. Today, there are twenty-five PRTs, ten primary PRTs – of which seven are led by the U.S. and three by Coalition partners (South Korea, the United Kingdom, and Italy), fifteen PRTs embedded with combat brigades (ePRTs).

SIGIR has identified four significant challenges that the PRT program currently faces: the search for skilled personnel, the integration of civilian and military resources and chains of command, physical security and mobility, and the coordination of reconstruction and counterinsurgency programs both within the Coalition and between the Coalition and the government of Iraq.

### **Personnel**

The outgoing head of the Office of Provincial Affairs – which oversees PRTs – has characterized the PRT staff as comprising “the most creative positions that we have in American diplomacy.” PRT personnel “have to make their own assessments of parties, ethnic groups, the whole society...and then they have to decide, from the many resources we can make available to them, which ones they need, and what to do first.”<sup>2</sup> Finding individuals with this combination of experience, expertise, and judgment is difficult. If Iraq were secure, the expertise resident in international organizations such as the World Bank and Non-Governmental Organizations (NGOs) would play a much more central role in provincial development. But Iraq is not secure. The Department of Defense – the one agency that is able to function in non-secure environments – has thus been tasked with supporting all of the PRT operations in the provinces.

Staffing challenges have plagued PRTs from the beginning. The Department of State and other civilian agencies have struggled to field adequate numbers of civilian advisors, leaving many PRTs only at partial capacity and forcing the military to fill vacant positions with soldiers who lack relevant expertise or experience. I saw this deficit first hand. A year ago, when I first visited the PRTs, I met a veterinarian developing agriculture programs and an aviation maintenance manager co-leading a PRT. On visits to other locations in 2006, I spoke with a naval submariner, an ultrasound technician, and an infantry drill sergeant who were all advising Iraqi provincial governors. PRTs, on the whole, were short of personnel that could best assist Iraqis in developing their own capacity to administer the economy, establish the rule of law, and implement good governance. While there is still evidence of this mismatch, I found, during my recent

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<sup>2</sup> Amb. Henry Clarke, outgoing head of the Office of Provincial Affairs, to SIGIR, interview, August 17, 2007.

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visits, that PRTs have made progress on this issue. The Department of Defense has begun to identify reservists with civilian skill sets that match PRT needs, and joint training has been initiated for DOD and State personnel heading out to PRTs. At the same time civilian agencies are slowly back-filling many Defense Department-filled positions with more skill-appropriate personnel.

There remains a relative shortage of PRT staff that speak Arabic and understand Iraqi culture and history. These Bilingual Bicultural Advisors (BBAs) are critical to PRT success, yet less than 5 percent of all PRT team members – just 29 of the current 610 filled slots – are BBAs. Many of the BBAs are Iraqis, some are Iraqi-Americans, and some from the same province as the PRT they work in. Many have skills in economics, rule of law, and government. However, serving as the interface between Iraqi and Coalition officials puts BBAs at extreme risk. While the Mission has tried hard to identify sufficient numbers of vetted Iraqi BBAs, meeting existing and future needs remains an enormous challenge.

### **Civil-Military Integration**

Combining civilian and military cultures and lines of authority is the PRT program's second major organizational challenge. On paper, the current command structure of PRTs places the Department of State in the overall lead for the program, with State Departments in the lead in the 10 primary PRTs and a military deputy assigned to each. ePRTs are led by the military. And, in 25 PRTs now active, the varying mix of local political conditions, military activity, and coalition resources has given rise to a variety of approaches. More settled PRTs such as Mosul and Hilla have a well-established civilian lead (although the current leader has recently departed and we are told there will be a one-month gap before his replacement arrives). In the case of PRTs in violent areas – such as the ePRTs on the outskirts of Baghdad and ones in Diyala, or Salah al-Din – military co-leaders and associated brigade commanders must of necessity play larger roles. The program has the flexibility to adapt to widely different realities in the various areas around Iraq.

To truly understand the challenge of blending civilian and military structures, it is important to view the wider context. The federal government, as it is currently structured, is not well suited to perform complex interagency missions in foreign lands. While civilian and military resources today are more harmoniously integrated than they were a year ago, the system is still not ideally structured to provide a coordinated, synchronized platform in which military personnel and their civilian agency counterparts find it easy to achieve mutually agreed upon results.

Rather than establishing a permanent, predictable method of integrated decision-making and resource sharing, a patchwork quilt of memoranda of agreement, cables, and military orders has evolved to codify policy for PRTs. Interagency disagreements require extended periods of discussion before satisfactory resolutions are achieved. It took

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nearly a year before lawyers at the Departments of State and Defense signed off on a security cooperation agreement for the PRTs – a year in which hundreds of PRT staff were struggling to do their jobs.

A critical factor in determining the success of a PRT is its relations with the larger Coalition presence. In the cases of several provinces, it is the relation with the local Brigade Combat Team, or BCT. Brigades have a much greater capacity to do things than PRTs, an ability that derives from the deployment of 6,000 or more soldiers, millions of dollars in CERP funds, billions more in the Iraq Security Forces Fund, along with helicopters, vehicles, and equipment. The funding disparity between DOD and DOS makes DOD's coordination with the PRT even more critical. Coordination of strategy, focus, and areas of responsibility between the PRT and Brigade is thus critical. A good PRT-BCT working relationship is necessary for success. A rocky relationship could set the stage for limited success at best, or even more possibly, failure.

PRTs and brigades need to synchronize short term counterinsurgency operations, middle term stabilization efforts, and longer term development programs run by USAID and the U.S. Army Corps of Engineers. The balance struck between these complementary approaches will, to a large extent, be determined by the security situation in each province. The more violent the environment, the more that short-term counterinsurgency operations will predominate. Whatever the security situation, the full spectrum of activities, from combat raids to the way flour is distributed and accountants are trained, must be unified to have the maximum effect. Although I can report that improvement is evident, a formalized decision-making framework that strategically orders all PRT and brigade activities, yet preserves flexibility, has yet to be fully instituted.

### **Security/Mobility**

The unstable and rapidly evolving security environment in Iraq affects every aspect of the PRT program. Only by supporting PRT movements with platoon and company level firepower can the PRTs carry out development and stabilization programs in active combat zones. Early attempts to use contracted civilian security for a majority of the PRTs were discarded because of the unsustainable multi-billion dollar price tags – only a limited amount of contracted security is used for the program (i.e. Hilla, Thi-Qar, and Erbil). Civilians and their military movement teams don armor plated vests and head “outside the wire,” traveling roads mined with explosives and neighborhoods frequently laced with ambushes. In Basrah, Baghdad, Diyala, and some less secure areas in the south, mortal danger is a constant reality for the teams. Incoming mortars drop on the compounds where they live, while IEDs and small arms attacks have cost PRT members lives. Local Iraqi translators have been kidnapped and killed. Every member of the Diyala PRT team has experienced at least one direct fire incident in the past six months while traveling in the province. Team leaders, knowing that each time these civilians leave they may be attacked, must make excruciating judgment calls about travel each and every day.

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Despite the decision to increase military support, movements at many PRTs are limited to one or two per day – and some to as few as one trip a week. Each trip usually allows only a few hours of interaction with Iraqi counterparts. Baghdad is currently the exception because of the vast amount of military support available in the area. The lack of Coalition military presence in places like Karbala and Najaf means that PRT teams do not travel to the cities for which they are responsible and therefore have extremely limited interaction with their Iraqi counterparts, raising the question: can they accomplish the mission?

Our upcoming audit looks deeper into this issue and we plan to provide recommendations in a few weeks, but one point to make to the Committee is the utility of Iraqi employees who are able to live and work closer with the local government officials, and are not constrained by military security rules. USAID has extensive experience in using this approach in provinces around Iraq, and has been doing quite a bit of work using local employees since 2003. It should be noted that this approach also has its risks, however, as Iraqis are murdered by insurgents for their very association with the U.S. and the PRT.

### **Coordination**

Perhaps the greatest challenge facing PRTs is effective, interdepartmental coordination. In the past four years, over \$44 billion in U.S. taxpayer dollars have been appropriated for relief and reconstruction efforts in Iraq. The multi-layered nature of the programs in Iraq mean that several independent U.S. entities are funding, managing and engaging at all levels of the Iraqi government. As a result, Iraqi officials suffer from “interlocutor fatigue,” as one U.S. program official after another comes to tell them about projects that in many cases are not well synchronized. If the U.S. effort does not have a coordinated message, Iraqi counterparts will be confused, or even in a position to work one element against the other. The military is confronted by significant challenges in synchronizing commander’s projects with those paid for by other Department of Defense funds, such as the \$14 billion Iraq Security Forces Fund or projects led by the U.S. Army Corps of Engineers.

To further complicate matters, PRTs are heavily focused on helping provinces spend their Iraq provincial budget allotments, which far exceed the amounts the PRTs have in U.S. funds. Provincial and PRT funds stream alongside ministerial expenditures that are drawn from the central Iraqi government, adding yet more layers of coordination to an already confusing situation.

Last week, for instance, I accompanied a young Army lieutenant to a meeting with the technical representatives of the Governor of Baghdad. His charge was to explain to the local Iraqi officials what projects the U.S. government had underway in the different neighborhoods (Qa’das) surrounding Baghdad City. The Iraqi technical advisors were unaware of dozens of projects ongoing in discrete neighborhoods such as Mahmoudiya, Hussaniya, and Abu Ghraib. Their limited awareness was the result of military

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coordination that had been done at the political level with the Provincial Council, who had not, in turn, coordinated well with the technical experts in the Governor's Office. To underscore the fragmentation of the total picture, the slides spoke to Army Corps and CERP projects, but lacked any detail on USAID projects underway in the same neighborhoods.

Add to these sources of confusion the lack of codified authorities and procedures for Iraqi government officials working at the sub-national level. A raft of Saddam-era legislation, yet to be revised, is complicating the efforts of provincial institutions to set priorities, execute budgets, and manage reconstruction projects. Meanwhile this same legislation allows the central government in Iraq to circumvent provincial institutions and directly administer large segments of the reconstruction program. It is therefore easy to see why PRTs spend an inordinate amount of time coordinating, and yet still find that they are falling short. At the national level the Committee must bear in mind that there is little agreement among Iraqis on what the basic rules of the federalized political system ought to be. The lack of clear definition of powers and authorities in the constitution often leads to conflict, and in Iraq today there are no clear methods in law for resolving such conflicts.

### **The Surge**

Despite these challenges, PRTs are making progress. Just as the surge has helped security, so too has it helped PRTs. In January of 2007, the President elected to "surge" civilian staffing at the PRTs alongside the increase in troop strength. The surge called for 10 new embedded PRTs to co-locate with brigades primarily in Baghdad and Anbar, and for an overall doubling of the number of staff around the country in three phases. The first tranche of staffing arrived in late spring, the second is underway and set to conclude shortly, and the third will be in place by year's end. Additionally, five new ePRTs have been added to the plan.

While the data on PRT staffing is constantly shifting, a snapshot taken at the end of August shows that of the 800 slots, about 200 remain vacant. The Defense Department had filled 96 percent of its surge spots (104 people) with the remainder identified to be in place by the end of September. State and the civilian agencies (USAID, DOJ, and USDA) have identified 68 percent of their surge staff, slated to be in place by the end of the year.

This is a significant change from one year ago, when there were 238 staff at PRTs, 68 percent from the Department of Defense and 16 percent from the State Department. As Department of Defense staff complete one-year tours in February of 2008, plans are for State to backfill 99 DOD positions – increasing their presence even further. So far, six DOD personnel have been identified for replacement by the State Department during November and December. The remainder, they say, will be filled during 2008.



### **SIGIR Findings**

The PRT initiative is now generally perceived as a U.S. government priority, and the important role of the PRTs in supporting the transition to Iraqi self-reliance is better understood. The Commanding General of MNF-I has made the PRT program a priority, and resource issues that sometimes intruded at the brigade level are much less evident. Civilians have become integral members of the commanders' teams, while at the same time military expertise is now widely recognized and incorporated into the PRT program. Perhaps the most telling example is the mirroring of the CERP program by the Department of State, which has dedicated an initial \$200,000 per PRT to a CERP analogue called the Quick Reaction Fund (QRF). PRTs are now ready to provide grants and micro-purchases with much less red tape, dispensing cash at the provincial level, in the same fashion that commanders employ CERP.

While operations in the field have significantly improved, management at the Embassy is struggling. Leadership of the PRT program remains an ongoing challenge. Just as hundreds of personnel were being sent into the country in May of 2007, the existing PRT support structure was entirely refashioned. A new Office of Provincial Affairs (OPA) was created as an Ambassadorial level post within the Embassy, and tasked with synchronizing governance, reconstruction, security and economic development assistance to the PRTs.

During the transition, senior positions in OPA were left unfilled for weeks or else were filled with temporary staff, many of whom have left in the ensuing three months. The first retired Ambassador named to lead the effort had less than three weeks in Baghdad before having to return to DC for an extended leave. He has since departed and a new head of the office was named just last week. A total of three individuals have led the effort in the space of four months. The organization and staffing of OPA has not yet been finalized. Discussions with the incoming director indicate that she is committed to remain in the post for two years – a rare phenomenon in a theater of operations where tours of one year are the norm.

Shifting leadership has also slowed work on the development of performance measures. Without clearly defining objectives and milestones for each PRT and the overall program, it will be hard to have full confidence that this \$2 billion program, and the 800 people it places in harm's way, are achieving desired outcomes. Perhaps most consequentially, as field offices attempt to access Embassy or military resources, their requests often go unheeded. OPA is currently led by a State Department official, but lacks a high-level military presence with access to the brigades and divisions that are so integrally linked to the PRTs in the field. Additionally, staffing challenges in Baghdad have slowed the coordination of information and reporting flowing in from the field, particularly from OPA to the Embassy political section.

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The PRTs could benefit from a more detailed strategy that provides clearly-defined performance measures. The lack of an articulated strategy sets the stage for inexperienced or less competent team leaders to fall short. It is also important for all agencies involved in PRTs to engage in developing a long range view for what needs to be accomplished, how it will be managed, and how it will be resourced.

The close linkages between military brigades and PRTs need to be taken into account in a range of aspects of Iraq policy. The military is working with the Iraq Ministry of Defense to turn over the military and security responsibility in provinces across Iraq, a process identified as a turnover to “Provincial Iraqi Control” (PIC). Seven provinces have been “PICed” to date, but the military is not planning adequately for the impact the PIC process—and the related closure of forward operating bases (FOBs) – will have on PRTs in the region. A fundamental change in the footprint of the military also means a change in security, resources, life support for the civilians on the team, and the influence of the Coalition in that area. Integrated planning is essential, but is not under way and at times works at cross purposes.

### **Iraq Reaction and the Diyala PRT**

Despite these challenges, PRTs have managed to achieve progress – mostly due to the sheer effort of key individuals throughout the program. A few weeks ago, while visiting the PRT in Diyala, I found that the PRT and the brigade were working well together, a significant improvement since my last visit there a year ago.

The Diyala PRT and the co-located brigade have provided legitimacy to the local government, enabling it to drive back insurgents who had taken over the main city of Baquba for several weeks earlier in the year. The persistence of the PRT members and the brigade in showing up day after day, meeting with the Governor and the Provincial Council, demonstrated to the people of Diyala that this newly organized government was there to stay. And eventually, as a military offensive made possible by the surge has begun to pull the city away from the insurgents, the government is starting to get to the business of running Diyala.

In fact, in Diyala, some of the political and economic momentum was created by the brigade commander himself, who meets with tribal sheiks and uses CERP funds to address the violent struggle that has been tearing apart the province. In this case, the PRT is an important “value added” as civilians bring necessary skills to complete the joint effort. The Diyala PRT has brought to Diyala the diplomatic, economic, financial, agricultural and legal expertise that is so crucial in building a stable Iraq.

### **Conclusion**

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In closing, the PRT program is one of the most valuable programs the U.S. runs in Iraq. It has come a long way in one year and, with further organizational improvements, it could serve as a model for civil-military stabilization and rehabilitation efforts. The PRT program expansion is on course, in large measure because of the heroic efforts of the people in the field successfully carrying out the mission.

The PRTs have been characterized as a “brilliant concept” by Dr. Barham Salih, Iraq’s Deputy Prime Minister, because, “they deal directly with the local leaders;” but much work is left to be done before their mission is complete. The average Iraqi citizen appears relatively unaware of the U.S. money and effort being put into their area, and somewhat suspicious of claims of progress. Given the admittedly dismal state of essential services in most parts of the country, it is hard to paint a picture that diverges from reality, and retain credibility with the citizens who suffer from a lack of security, a lack of services, a working justice system, or a working economy.

Descriptions in our July audit of the challenges faced by PRTs are in many ways a microcosm of the challenges we face in Iraq and in organizing our effort for post-conflict intervention more broadly. They underline the need for what SIGIR has described in our lessons learned reports as a “Beyond Goldwater Nichols” architecture for the interagency management of post-conflict contingency operations. Strong institutional, legal, and the regulatory support – that only Congress can provide – will be critical to the success of PRT program and any other similar programs in the future.

Mr. Chairman, members of the Committee, thank you for your time and attention to these important matters, and I look forward to answering your questions.

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