The foregoing litany of data, interviews, analyses, and history provides a substantial and sound basis from which to derive lessons about the Iraq reconstruction program. The Iraqis, the recipients of the United States’ extraordinary reconstruction largesse, largely lament the lost potential that the massive amounts of U.S. aid promised. U.S. senior leaders firmly grasp the shortfalls faced in Iraq, absorbing them as lessons learned and recognizing the need for improving the U.S. approach to stabilization and reconstruction operations. Congressional members acknowledged missed opportunities for more oversight but expressed approval of varying innovations elicited during the effort and anticipate reifying reform proposals that could strengthen future operations.

This final report from SIGIR, standing as it does upon our prior work and girded by the insightful interviews in Chapter 2, provides a solid foundation on which to base seven final lessons learned from Iraq.

1. **Create an integrated civilian-military office to plan, execute, and be accountable for contingency rebuilding activities during stabilization and reconstruction operations.**

This lesson suggests a solution to a problem recognized by virtually everyone possessing at least a passing familiarity with the Iraq program: the current system for managing SROs is inadequate. SIGIR previously proposed the creation of the U.S. Office for Contingency Operations, whose mission would be the one set forth by this lesson. That proposal is reiterated here because no sustainable alternative has yet evolved from the agencies. Among others, Senator John McCain, former Representative Bill Delahunt, and Dr. Dov Zakheim, the former Defense Comptroller and Commission on Wartime Contracting member, believe creating such an office would strengthen the protection of U.S. national security interests. Ambassador Ryan Crocker does as well. Importantly, USOCO would provide clarity about who is responsible for planning and executing rebuilding activities, truly resolving the dual systemic weaknesses of the Iraq program: the lack of unity of command and poor unity of effort. Ambassador Christopher Hill noted that the “bureaucratic clash” of agency cultures weakened the rebuilding program. Ambitious though this proposal may be, the Congress could make it happen. Stabilization
and reconstruction operations will recur, and the current system for their execution is inchoate, at best. The United States is not sufficiently structured or prepared for the next SRO. As former Representative Delahunt said, creating USOCO or something like it would establish a firm planning locus to ensure that it is. Chairman Buck McKeon soberly observed that, in Iraq, “we won the war, but we have not won the peace.” This is a cri de coeur for reforming the U.S. approach to SROs.

2. Begin rebuilding only after establishing sufficient security, and focus first on small programs and projects.

Grasping this lesson requires defining what “establishing sufficient security” means. It is not an absolute. Rather, the injunction anticipates that reconstruction decisions will be made along a spectrum of possible security conditions. The bottom line in making rebuilding choices is: the more unstable the situation, the smaller the project should be. As Deputy Secretary of State William Burns said, advancing an ambitious rebuilding agenda amid insecure conditions is unwise, but in Iraq, enormous projects pressed forward despite an ever-more-aggravated security environment—a costly mistake, as General Raymond Odierno observed. Limited projects executed in less than perfectly stable conditions can have a counterinsurgency effect. But they must be sized to the situation and wisely targeted to meet local needs. The best CERP projects in Iraq, as General Lloyd Austin acknowledged, followed these guidelines. Finally, poor security conditions commonly signal a weak rule-of-law system. The United States underinvested in strengthening Iraq’s capacity to enforce the rule of law, and this contributed to breakdowns that permitted corruption to metastasize within the Government of Iraq. Iraq’s top oversight official, Dr. Abdul Basit Turki al-Sae’ed, believes that corruption in Iraq has “become an institution unto itself.” Indeed, “corruption today is worse than ever,” said Baqir al-Zubeidi, a member of the Council of Representatives and former Minister of Finance and Interior.

3. Ensure full host-country engagement in program and project selection, securing commitments to share costs (possibly through loans) and agreements to sustain completed projects after their transfer.

In 2003, the Coalition Provisional Authority did engage with Iraqis about reconstruction choices. But the common chorus coming from virtually all Iraqi leaders interviewed for this report complains that consultations by the CPA and its successors were inadequate, causing the construction of projects that Iraq did not need or want. Ambassador James Jeffrey noted this concern, stating that “there was never an impression that the Iraqis were included in any decision process” about programs and projects. Ambassador Crocker also said that the United States frequently failed to secure “genuine” Iraqi buy-in. An important caveat: it may be difficult to distinguish a want from a need during an SRO. Notwithstanding that truth, the Iraq experience demands a concrete rule: defer to and fully engage with the host nation’s authorities when selecting programs and projects. Ambassador Crocker also said that the United States frequently failed to secure “genuine” Iraqi buy-in. An important caveat: it may be difficult to distinguish a want from a need during an SRO. Notwithstanding that truth, the Iraq experience demands a concrete rule: defer to and fully engage with the host nation’s authorities when selecting programs and projects. As USAID Mission Director Christopher Crowley said, you must define what is needed for sustainability at the program’s start. The program’s history foists forward two other rules on this score: do not build above a country’s capacity, and secure commitments to share costs and sustain projects. USAID Administrator Rajiv Shah highlighted the benefits that cost sharing eventually produced in Iraq, which included
In an era of severe domestic economic constraint, sharing SRO costs where possible is not just a good idea, it is a requirement.

4. Establish uniform contracting, personnel, and information management systems that all SRO participants use.

Interagency conflicts pervaded the Iraq program. In Senator Claire McCaskill’s vivid metaphor, these conflicts sometimes amounted to a “circular firing squad.” Good coordination was the exception, usually achieved by the serendipitous convergence of complementary personalities from different agencies. Serendipity, however, is not a strategy; systematic planning is. As suggested by Lieutenant General Thomas Bostick, who was present at the beginning and the end of the rebuilding program, creating a uniform set of contingency contracting regulations would lend coherence and bring efficiency to SRO contracting. In Iraq, each agency used its own amended version of the Federal Acquisition Regulation, leading to a wide and waste-inducing divergence of practice. Similarly, asynchronous personnel assignments created interagency friction as reconstruction team members from participating agencies arrived and departed on vastly varying deployment schedules. Finally, SIGIR’s oversight was made especially difficult by the fact that no single database contained all of the programs and projects accomplished in Iraq. The Iraq Reconstruction Management System, designed to capture this data, was used by some agencies but not by others. SIGIR found IRMS to contain only a portion of the projects ostensibly accomplished. The fact is we do not know all of what we built. If created, USOCO would ensure integrated planning on contracting, personnel, and information management systems, among other things.

5. Require robust oversight of SRO activities from the operation’s inception.

As Senator Susan Collins said, SIGIR was created in late 2003 because the Congress was not receiving the oversight it needed from departmental inspectors general. Eventually, SIGIR had over 50 investigators, auditors, and inspectors on the ground in country, and they produced work at a very high rate under quite dangerous conditions. Representative Peter Welch acknowledged the need for this robust presence, noting that without it, the Congress would have been unaware of the challenges the rebuilding program faced. Further, General David Petraeus said that “the Iraq experience proved the value of oversight.” And General Austin said SIGIR provided the “necessary help” that was needed to track the increased appropriations for Iraq’s reconstruction. The key structural aspects that helped make SIGIR successful were its strong multijurisdictional mandate, exceptional employment provisions, powerful audit and investigative powers, and sufficient resources.

6. Preserve and refine programs developed in Iraq, like the Commander’s Emergency Response Program and the Provincial Reconstruction Team program, that produced successes when used judiciously.

As General Petraeus said, there were a number of notable successes in the Iraq program. Interior Ministers al-Zubeidi and al-Bolani complimented the crucial contributions provided by the Multi-National Security Transition Command–Iraq. General Odierno identified the training of the Iraqi Security Forces and the CERP as “good investments, successes when compared with some of the other
in April 2003, when the program apparently, though not yet expressly, moved from a “liberate and leave” approach to one of “occupy and rebuild.” Rather than effecting a rapid transfer of sovereignty, as in Afghanistan, Iraq saw the creation of the Coalition Provisional Authority, whose mandate reached, with United Nations’ sanction, to the complete governance of the country and whose reconstruction program grew to a level several orders of magnitude larger than the one approved by the President at the March 10, 2003, National Security Council principals’ meeting. Swamped by systemic and security problems, the CPA never achieved the capacity to reach many of its goals. The rebuilding program then devolved into a series of perennial re-evaluations and reprogrammings that drove “off-budget” supplemental requests. In retrospect, the Iraq reconstruction experience looks like nine one-year programs rather than a nine-year program. There are reasons: the volatile security situation, the constant rotation of U.S. personnel, the quandaries of war-zone contracting, and the ebb and flow of sectarianism in Iraq, among others. But, as General Petraeus observed, developing a comprehensive understanding of the society, culture, governance, and institutions of the host country is crucial to an SRO’s success. This fits with what Deputy Secretary of State Thomas Nides said when listing his biggest lessons from Iraq: you must “plan more strategically (in five-year, not one-year, increments).” And as Kurdish Minister Qubad Talabani said of the Iraq program, there “was usually a Plan A but never a Plan B.” All useful and instructive—but how and where to do the necessary planning with regard to future SROs remains an open question.

7. Plan in advance, plan comprehensively and in an integrated fashion, and have backup plans ready to go.

As Secretary of Defense Leon Panetta noted, the Iraq program’s early phases revealed “a lack of thought” with regard to planning. This was perhaps symptomatic of the significant shift in strategy that occurred programs.” Indeed, CERP and the PRT program both achieved significant progress when wisely managed. Lieutenant General Robert Caslen stated that the PRTs are “something we have to continue. That is one of the huge takeaways from this experience.” The agencies and the Congress should study these and other programs that worked in Iraq with an eye toward preserving their best aspects for use in future SROs.