

FUNDING FOR IRAQ RECONSTRUCTION

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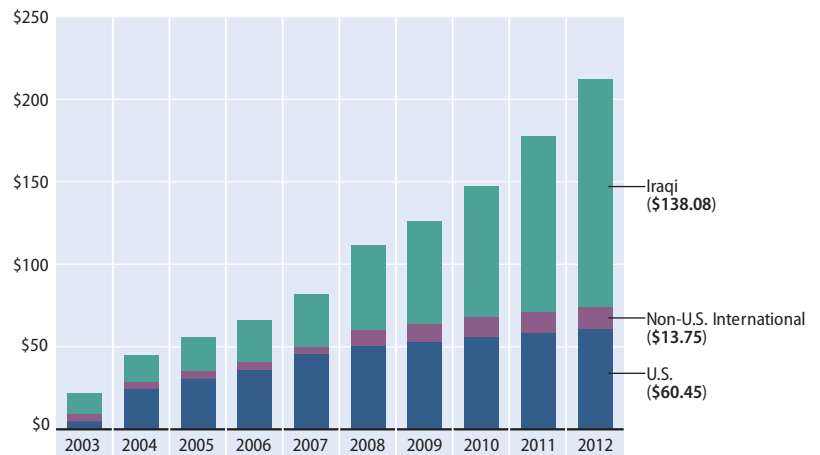
FUNDING OVERVIEW

As of June 30, 2012, \$212.29 billion had been made available for the relief and reconstruction of Iraq through three main sources:

- Iraqi funds overseen by the Coalition Provisional Authority (CPA) and the Iraqi capital budget—\$138.08 billion, including \$31.88 billion made available for capital expenditure in Iraq’s 2012 budget⁶²
- U.S. appropriations—\$60.45 billion, including \$2.23 billion made available through FY 2012 appropriations⁶³
- International commitments of assistance and loans from non-U.S. sources—\$13.75 billion⁶⁴

For a historical overview of U.S., Iraqi, and international support for Iraq reconstruction, see Figure 2.1. ♦

FIGURE 2.1
CUMULATIVE U.S., IRAQI, AND NON-U.S. INTERNATIONAL SUPPORT FOR RECONSTRUCTION, 2003–2012
\$ 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 2011–2012, as well as actual capital expenditures for 2006–2010.

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, P.L. 112-74; GOI, CoR, “Federal Budget Law for the Fiscal Year/2012,” articles 1, 2, 36, 2/23/2012, www.parliament.iq, accessed 2/24/2012, and “Federal Public Budget Law for the Fiscal Year 2011,” 2/23/2011, Article 2; GOI, MOF, information provided to SIGIR, 6/27/2011; “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, MoPDC, “Indicators of the Investment Budget for Year 2010,” Table 17, 2011, www.mop.gov.iq/mop/resources/pdf/About%20MOP/Economical%20Rebort/Report%203.doc, accessed on 7/11/2012; GOI, “Budget Revenues and Expenses 2003, July–December,” 2003; SIGIR, *Quarterly and Semiannual Reports to the United States Congress*, 3/2004–4/2011; U.S. Treasury, responses to SIGIR data calls, 1/4/2008 and 4/9/2009; World Bank, “World Bank Operations in Iraq,” 12/31/2011, siteresources.worldbank.org/IRFFI/Resources/DatasheetDecember2011.pdf, accessed 3/16/2012; Embassy of Japan in Iraq, press release, “Provision of Yen Loan to Iraq,” 5/29/2012, www.iraq.embjapan.go.jp/Press_Releases/Press_release_2012_No13.html, accessed 6/26/2012; NEA-I, responses to SIGIR data calls, 10/4/2010, 10/6/2010, 4/5/2011, 4/7/2011, 4/15/2011, 7/12/2011, 9/28/2011, 3/27/2012, 3/28/2012, 6/28/2012, 6/29/2012, and 7/2/2012; USACE, responses to SIGIR data calls, 10/6/2008 and 7/5/2012; DRL, response to SIGIR data call, 7/9/2012; ECA, response to SIGIR data call, 4/14/2010; OUSD(C), responses to SIGIR data calls, 10/14/2010 and 7/11/2012, and “United States Department of Defense Fiscal Year 2012 Budget Request,” Overview, 2/2012, p. 6-6; USAID, responses to SIGIR data calls, 1/12/2009 and 4/8/2009; DCAA, 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; U.S. Treasury, OTA, “Office of Technical Assistance Overview,” 12/30/2005, ustreas.gov/offices/international-affairs/assistance/, accessed 10/16/2009; PM, response to SIGIR data call, 7/6/2011; DoJ, Justice Management Division, response to SIGIR data call, 4/3/2012; BBG, response to SIGIR data call, 3/7/2011; ABO, response to SIGIR data call, 1/18/2012; INL, response to SIGIR data call, 7/10/2012; TFBSO, response to SIGIR data call, 1/4/2011; USAID, “U.S. Overseas Loans and Grants [Greenbook],” 2008, gbk.eads.usaidalinet.gov/query/do?_program=eads/gbk/countryReport&unit=N, accessed 4/15/2010; DoS, “Executive Budget Summary Function 150 & Other International Programs, Fiscal Year 2013,” p. 173, and “Congressional Budget Justification: Foreign Assistance,” Summary Tables, FY 2009–FY 2011; OMB, response to SIGIR data call, 6/21/2010; U.S. Embassy-Baghdad, response to SIGIR data call, 10/3/2009.

U.S. FUNDING

Since 2003, the United States has appropriated or otherwise made available \$60.45 billion for relief and reconstruction efforts in Iraq.⁶⁵ This represents a \$0.66 billion decrease from what SIGIR reported in April 2012, predominantly resulting from a \$370 million reduction from the FY 2012 International Narcotics Control and Law Enforcement (INCLE) and a \$345 million reprogramming reduction from the FY 2011 Iraq Security Forces Fund (ISFF). Of the \$60.45 billion total that has been made available, \$54.10 billion had been obligated, and \$52.31 billion had been expended as of June 30, 2012.⁶⁶

Total funding for Iraq relief and reconstruction through the major funds dropped by \$715 million.

Nearly \$51.46 billion, or more than 85%, of the funding has been provided through five major funds. Two of those funds—the Iraq Relief and Reconstruction Fund (IRRF) and the Commander’s Emergency Response Program (CERP)—are inactive; all of the funds appropriated to them have expired, and they are no longer available for obligation to new activities. The other three funds—the ISFF, the Economic Support Fund (ESF), and the INCLE—remain active, with unexpired appropriations still available for obligation to new activities:⁶⁷

- **ISFF**—\$20.19 billion appropriated, \$19.14 billion obligated, and \$18.40 billion expended; \$435 million is available for obligation to new activities.⁶⁸
- **ESF**—\$5.13 billion appropriated, \$4.55 billion obligated, and \$4.11 billion expended; \$328 million is available for obligation to new activities.⁶⁹
- **INCLE**—\$1.31 billion appropriated, \$1.05 billion obligated, and \$916 million expended; \$263 million is available for obligation to new activities.⁷⁰

For the status of the three active funds, see Figure 2.2. For additional details on all five major funds, see Appendix C. For an overview of all U.S. appropriations supporting Iraq reconstruction, including \$8.99 billion available through several smaller funding streams, see Table 2.1. and Figure 2.3.

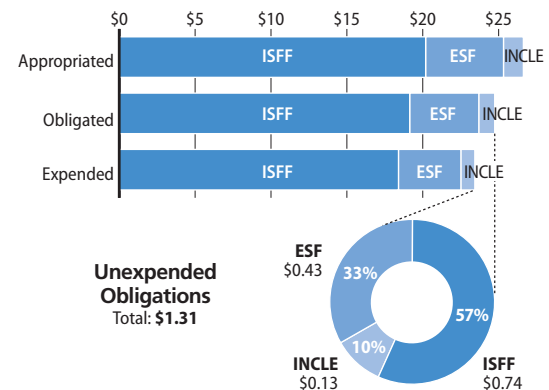
Changes in FY 2011 and 2012 Appropriations and Allocations

Since SIGIR’s April 2012 Quarterly Report, the Department of Defense (DoD) reprogrammed \$345 million of the FY 2011 ISFF, and the Department of State (DoS) decreased its FY 2012 allocation to the INCLE account for Iraq by \$370 million. As a result, total funding for Iraq relief and reconstruction through the major funds dropped by \$715 million.⁷¹

ISFF Reprogramming

The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), appropriated \$1.5 billion for the ISFF, which was made available for obligation until September 30, 2012. Last quarter, SIGIR reported that the Under Secretary of Defense (Comptroller) received

FIGURE 2.2
STATUS OF ACTIVE MAJOR U.S. FUNDS,
AS OF 6/30/2012
\$ 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; P.L. 112-74; INL, response to SIGIR data call, 7/10/2012; OUSD(C), response to SIGIR data call, 7/11/2012; NEA-I, responses to SIGIR data calls, 9/28/2011, 6/28/2012, 6/29/2012, and 7/2/2012; USACE, response to SIGIR data call, 7/5/2012.

FUNDING FOR IRAQ RECONSTRUCTION

TABLE 2.1

U.S. APPROPRIATED FUNDS

\$ 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
	FY 2003	FY 2004	FY 2005	FY 2006
MAJOR FUNDS				
Iraq Relief and Reconstruction Fund (IRRF 1 and IRRF 2) ^a	2,475	18,389		
Iraq Security Forces Fund (ISFF)			5,490	3,007
Economic Support Fund (ESF) ^b				1,469
Commander's Emergency Response Program (CERP) ^c		140	718	708
International Narcotics Control and Law Enforcement (INCLE)				91
Subtotal	2,475	18,529	6,208	5,275
OTHER ASSISTANCE PROGRAMS				
Migration and Refugee Assistance (MRA) and Emergency Refugee and Migration Assistance (ERMA)	40			
Foreign Military Financing (FMF)				
Natural Resources Risk Remediation Fund (NRRRF) ^d	801			
Iraq Freedom Fund (Other Reconstruction Activities) ^e	700			
P.L. 480 Food Aid (Title II and Non-Title II)	368		3	
International Disaster Assistance (IDA) and International Disaster and Famine Assistance (IDFA)	24		7	
Democracy Fund (DF) and Human Rights & Democracy Fund (HRDF)				
U.S. Contributions to International Organizations (CIO)				
Iraq Freedom Fund (TFBSO)				
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) ^f				
Department of Justice (DoJ)	37		2	11
Child Survival and Health Programs Fund (CSH)	90			
Education and Cultural Exchange Programs (ECA)				7
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)	9	15	3	
International Affairs Technical Assistance				13
International Military Education and Training (IMET)				
U.S. Marshals Service ^g			1	3
Alhurra-Iraq Broadcasting		5		
Subtotal	2,069	21	16	34
RECONSTRUCTION-RELATED OPERATING EXPENSES				
Coalition Provisional Authority (CPA) ^h		908		
Project and Contracting Office (PCO) ⁱ				200
Office of Security Cooperation-Iraq (OSC-I)				
USAID Operating Expenses (USAID OE)	21		24	79
DoD OSC-I Support				
Iraq Freedom Fund (PRT Administrative Costs)				
Subtotal	21	908	24	279
RECONSTRUCTION OVERSIGHT				
Special Inspector General for Iraq Reconstruction (SIGIR) ^j		75		24
Defense Contract Audit Agency (DCAA) ^k				16
DoS Office of the Inspector General (DoS OIG)				1
USAID Office of the Inspector General (USAID OIG)	4	2	3	
DoD Office of the Inspector General (DoD OIG)				5
Subtotal	4	77	3	46
Total	4,569	19,535	6,251	5,634

^a The Congress initially appropriated \$18,649 million to 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 roughly \$10 million into the IRRF from the ESF. In FY 2008, P.L. 110-252 rescinded \$50 million.

^b 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.

^c 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.

^d Includes funds transferred from the Iraq Freedom Fund (IFF).

^e 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.

^f The \$20 million reported for FY 2009 was appropriated by P.L. 111-8.

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

^h Excludes \$75 million for the Special Inspector General for Iraq Reconstruction under P.L. 108-106.

ⁱ 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.

^j SIGIR funding data includes personnel costs. Those costs are not included in funding data for the other oversight agencies.

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

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	P.L. 111-117, P.L. 111-118, P.L. 111-212	P.L. 112-10	P.L. 112-74	TOTAL APPROPRIATED	OBLIGATED	EXPENDED	EXPIRED
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012				
						20,864	20,344	20,075	504
5,542	3,000	1,000	1,000	1,155		20,194	19,143	18,401	616
1,554	562	542	383	326	299	5,134	4,546	4,113	260
750	996	339	263	44		3,958	3,728	3,728	230
170	85	20	702	115	130	1,313	1,050	916	
8,017	4,643	1,901	2,347	1,639	429	51,463	48,810	47,233	1,611
78	278	260	316	280	256	1,508	1,296	1,231	
					850	850			
						801	801	801	
						700	680	654	
	24					395	395	395	
45	85	51	42	17		272	255	232	
190	75	1				266	266	262	
		30	33	33	44	179			
50	50	74				174	86	65	
19	16	36	30	30	32	163	62	62	
23	26	8	13	10	4	133	120	117	
						90	90	90	
5	7	7	7	8	7	48			
						27	27	10	
3						16	16	14	
1	2	2	2	2	2	11	9	6	
2	2	1				9	9	9	
						5	5	5	
416	602	468	444	380	1,196	5,646	4,117	3,952	
						908	832	799	
630						830			
					524	524			
37	41	48	52	51	54	408			
				129		129			
100						100			
767	41	48	52	180	578	2,899	832	799	
35	3	44	23	22	20	245	227	219	
14	14	13	24	30		111	111	111	
3	4	6	7	5	9	35			
3	7	4	7			29			
	21					26			
55	48	67	61	57	29	445	338	330	
9,256	5,333	2,484	2,904	2,256	2,231	60,453	54,097	52,314	1,611

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, P.L. 112-74; NEA-I, responses to SIGIR data calls, 10/4/2010, 10/6/2010, 4/15/2011, 9/28/2011, 3/27/2012, 3/28/2012, 6/28/2012, 6/29/2012, and 7/2/2012; USACE, responses to SIGIR data calls, 10/6/2008 and 7/5/2012; DRL, response to SIGIR data call, 7/9/2012; ECA, response to SIGIR data call, 4/14/2010; OUSD(C), responses to SIGIR data calls, 10/14/2010 and 7/11/2012, and "United States Department of Defense Fiscal Year 2012 Budget Request," Overview, 2/2012, p. 6-6; USAID, responses to SIGIR data calls, 1/12/2009 and 4/8/2009, and "U.S. Overseas Loans and Grants [Greenbook]," 2008, gbk.eads.usaidallnet.gov/query/do?_program=eads/gbk/countryReport&unit=N, accessed 4/15/2010; DCAA, 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; U.S. Treasury, OTA, "Office of Technical Assistance Overview," 12/30/2005, ustreas.gov/offices/international-affairs/assistance/, accessed 10/16/2009; PM, response to SIGIR data call, 7/6/2011; DoJ, Justice Management Division, response to SIGIR data call, 4/3/2012; BBG, response to SIGIR data call, 3/7/2011; ABO, response to SIGIR data call, 1/18/2012; INL, response to SIGIR data call, 7/10/2012; TFBSO, response to SIGIR data call, 1/4/2011; DoS, "Executive Budget Summary Function 150 & Other International Programs, Fiscal Year 2013," p. 173, and "Congressional Budget Justification: Foreign Assistance," Summary Tables, FY 2009–FY 2011; OMB, response to SIGIR data call, 6/21/2010; U.S. Embassy-Baghdad, response to SIGIR data call, 10/3/2009.

congressional approval to reprogram \$345 million of the ISFF to meet DoD’s needs in Afghanistan and other mission areas, thus reducing the FY 2011 appropriation to \$1.15 billion. On June 11, the Office of Security Cooperation-Iraq released its final spend plan for the FY 2011 ISFF, reflecting the revised total of \$1.15 billion.⁷² This quarter, SIGIR completed an audit on the status of FY 2011 ISFF. For a summary of SIGIR’s audit, see Section 5 of this Report.

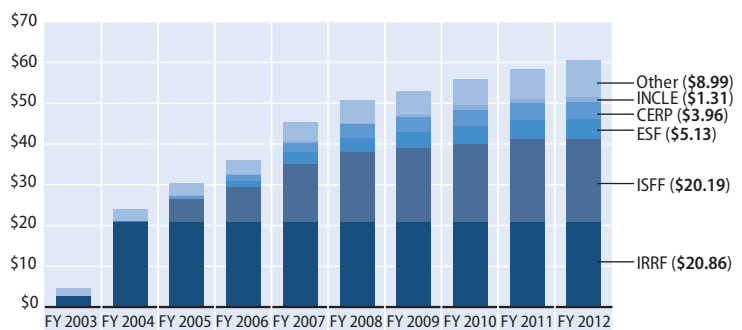
DoS/USAID Reallocations

In April, DoS submitted to the Congress the foreign operations spend plans for FY 2012 required under P.L. 112-74, detailing allocations of appropriations to “core” accounts as well as appropriations passed under the Overseas Contingency Operations (OCO) title. According to the spend plan, there were no changes to the previously reported ESF; Foreign Military Financing (FMF); International Military Education and Training (IMET); Nonproliferation, Antiterrorism, Demining and Related Programs (NADR); or U.S. Agency for International Development (USAID) operating expenses allocations.⁷³

The DoS spend plan indicates a reduction in FY 2012 INCLE funding for Iraq, from the \$500 million previously reported to \$250 million. In May 2012, DoS reported to SIGIR that \$171 million of the \$250 million FY 2012 INCLE allocation would support the Police Development Program (PDP). In July 2012, DoS reported to SIGIR a further adjustment to both the PDP and the overall FY 2012 INCLE allocation for Iraq. DoS reduced the PDP to \$76.3 million and the overall FY 2012 INCLE allocation to \$129.6 million.⁷⁴ For a summary of SIGIR’s July 2012 audit of the PDP, see Section 5 of this Report.

FIGURE 2.3

CUMULATIVE U.S. SUPPORT FOR IRAQ RECONSTRUCTION, 2003–2012
\$ 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; P.L. 112-74; NEA-I, responses to SIGIR data calls, 10/4/2010, 10/6/2010, 4/5/2011, 4/7/2011, 4/15/2011, 7/12/2011, 9/28/2011, 3/27/2012, 3/28/2012, 6/29/2012, and 7/2/2012; USACE, responses to SIGIR data calls, 10/6/2008 and 7/5/2012; DRL, response to SIGIR data call, 7/9/2012; ECA, response to SIGIR data call, 4/14/2010; OUSD(C), responses to SIGIR data calls, 10/14/2010 and 7/11/2012, and “United States Department of Defense Fiscal Year 2012 Budget Request,” Overview, 2/2012, p. 6-6; USAID, responses to SIGIR data calls, 1/12/2009 and 4/8/2009, and “U.S. Overseas Loans and Grants [Greenbook],” 2008, gbk.eads.usaidallnet.gov/query/do?_program=eads/gbk/countryReport&unit=N, accessed 4/15/2010; DCAA, 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; U.S. Treasury, OTA, “Office of Technical Assistance Overview,” 12/30/2005, ustreas.gov/offices/international-affairs/assistance/, accessed 10/16/2009; PM, response to SIGIR data call, 7/6/2011; DoJ, Justice Management Division, response to SIGIR data call, 4/3/2012; BBG, response to SIGIR data call, 3/7/2011; ABO, response to SIGIR data call, 1/18/2012; INL, response to SIGIR data call, 7/10/2012; TFB50, response to SIGIR data call, 1/4/2011; DoS, “Executive Budget Summary Function 150 & Other International Programs, Fiscal Year 2013,” p. 173, and “Congressional Budget Justification: Foreign Assistance,” Summary Tables, FY 2009–FY 2011; OMB, response to SIGIR data call, 6/21/2010; U.S. Embassy-Baghdad, response to SIGIR data call, 10/3/2009.

Recent Obligations and Expenditures

As shown in Table 2.2, U.S. agencies obligated \$640 million and expended \$558 million from the three active major U.S. reconstruction funds this quarter.⁷⁵ For complete details by fund, category, and program, see Appendix C.

The ISFF was the most active fund this quarter, with \$503 million obligated and \$464 million expended—more than the last three quarters combined. Approximately \$720 million (62%) of the final \$1.15 billion ISFF appropriation has been obligated. The remaining \$435 million is available for obligation to new projects until September 30, 2012. The majority of ISFF obligations and expenditures this quarter were for Ministry of

The ISFF was the most active fund this quarter, with \$503 million obligated and \$464 million expended—more than the last three quarters combined.

TABLE 2.2
OBLIGATIONS AND EXPENDITURES FROM ACTIVE MAJOR FUNDS, AS OF 6/30/2012
\$ Millions

FUND	PROGRAM	STATUS OF FUNDS		QUARTERLY CHANGE	
		OBLIGATED	EXPENDED	OBLIGATED	EXPENDED
ISFF	MOD Equipment	5,297.6	5,195.0	396.4	389.7
	MOD Sustainment	2,572.8	2,408.1	44.4	27.6
	MOD Training	690.5	663.2	35.0	34.5
	MOI Equipment	2,013.6	1,893.6	33.6	8.8
	Other	8,568.8	8,241.0	-6.0	3.3
	Subtotal		19,143.2	18,401.0	503.4
ESF	Primary Health Care Project	72.9	8.9	31.3	2.9
	Provincial Economic Growth (<i>Tijara</i>)	172.5	128.5	16.4	12.9
	Community Action	450.4	429.0		26.3
	Financial Development	51.2	19.2	19.9	2.7
	Agribusiness Development (<i>Inma</i>)	179.8	156.1	10.0	6.8
	PRT/PRDC Projects	613.4	585.6	9.2	5.5
	Personnel Support	21.3	7.4	12.5	1.6
	Administrative Reform (<i>Tarabot</i>)	82.3	20.1		7.7
	Democracy and Civil Society	263.6	237.6		5.5
	Other	2,638.3	2,520.3	1.6	1.7
Subtotal		4,545.6	4,112.8	100.5	73.4
INCLE	Police Advisors	607.5	558.7	20.3	14.0
	Corrections	13.6	3.1	13.6	3.1
	Program Development and Support	47.2	35.7	1.5	6.5
	Other	381.6	318.1	0.6	-3.2
	Subtotal	1,049.9	915.6	35.9	20.4
Total		24,738.6	23,429.3	639.9	557.8

Note: Data not audited. Numbers affected by rounding.

Sources: USAID, response to SIGIR data call, 4/2/2012; NEA-I, responses to SIGIR data calls, 9/28/2011, 3/27/2012, 6/28/2012, 6/29/2012, and 7/2/2012; USACE, responses to SIGIR data calls, 4/3/2012 and 7/5/2012; OUSD(C), responses to SIGIR data calls, 4/2/2012 and 7/11/2012.

More than half of all expenditures this quarter were for just three programs.

Defense (MOD) equipment, which is the largest ISFF program overall.⁷⁶

Among the programs supported by civilian funding streams, more than half of obligations this quarter were made to three: USAID's ESF-funded Primary Health Care Project in Iraq (\$31 million) and Financial Development program (\$20 million), as well as DoS's INCLE-funded Police Advisors

program (\$20 million). Similarly, more than half of all expenditures this quarter were for just three programs: USAID's ESF-funded Community Action Program (\$26 million) and its Provincial Economic Growth program (*Tijara*, \$13 million), as well as the DoS Police Advisors program (\$14 million).⁷⁷ ♦

IRAQI FUNDING

As of June 30, 2012, Iraq had provided \$138.08 billion for relief and reconstruction through CPA spending of Iraqi funds in 2003–2004 (\$12.07 billion) and annual Government of Iraq (GOI) capital budgets in 2003–2012 (\$126.01 billion).⁷⁸ This total includes \$31.88 billion provided in the GOI capital budget for Iraq's 2012 fiscal year, which runs concurrently with the calendar year.⁷⁹ It is unclear how much of this amount has been obligated and expended by the GOI. For example, although capital budget expenditure rates among the ministries have varied significantly, the GOI's Ministry of Planning and Development Cooperation estimated that the overall budget execution rate in 2010 was 76%.⁸⁰ For more information on Iraqi capital budget expenditures, see Section 4 of this Report.

GOI Oil Receipts

The 2012 GOI budget of \$100.45 billion projects that 2012 oil receipts will total \$80.67 billion. This amount was based on an anticipated price of \$85 per barrel of crude oil and an average export

volume of 2.6 million barrels per day.⁸¹ During the first half of 2012, the GOI received \$42.06 billion in oil receipts. This is a 15% increase from the first half of 2011, when oil receipts totaled \$36.42 billion.⁸²

During the first half of 2012, the GOI received \$42.06 billion in oil receipts.

Proposed 2012 Supplemental Budget

On July 3, the Council of Ministers approved a \$9.33 billion supplemental budget proposal for the Iraqi 2012 fiscal year. If approved by the Council of Representatives, the supplemental budget would provide:

- \$1.72 billion to the Ministry of Electricity
- \$1.20 billion for the Public Distribution System
- \$858 million to the Ministry of Defense
- \$712 million in war reparations to Kuwait

The remaining \$4.84 billion apparently would be used to fund 40,000 additional government positions, more than half of which would be in the Ministries of Defense and Interior.⁸³ ♦

INTERNATIONAL SUPPORT

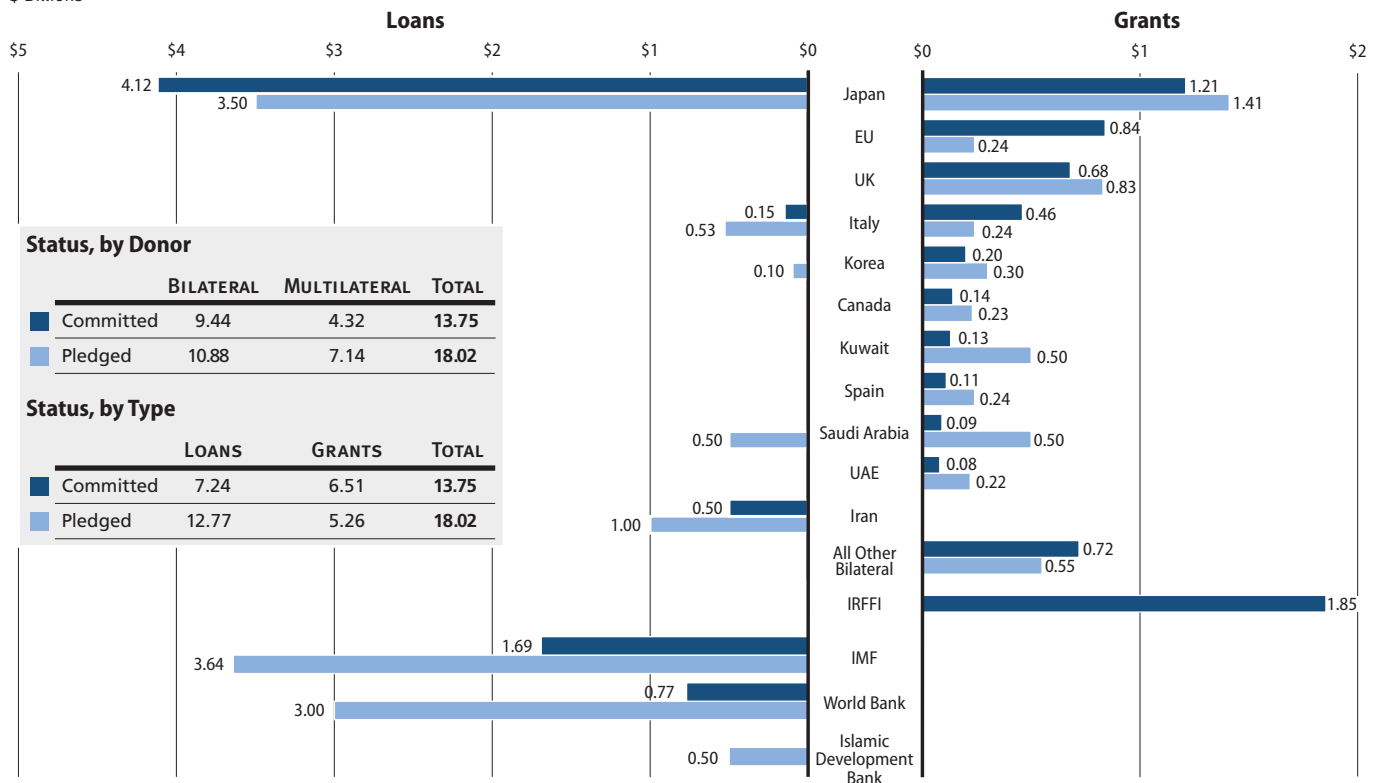
International support for Iraq reconstruction includes bilateral and multilateral development assistance in the form of loans and grants. Donor pledges, which have remained unchanged since December 31, 2010, total \$18.02 billion: \$5.26 billion in grants and \$12.77 billion in loans. Donor commitments increased \$845 million this quarter to \$13.75 billion: \$6.51 billion in grants and \$7.24 billion in loans.⁸⁴ For a summary of pledges and commitments, by type of assistance and donor, see Figure 2.4.

Donor commitments increased \$845 million this quarter to \$13.75 billion.

Japan, the largest (non-U.S.) international donor, has committed \$5.82 billion, mostly in the form of loans. At the end of May 2012, Japan increased its commitments by \$845 million to support four projects:⁸⁵

- \$535 million for a project to upgrade the refinery in Basrah
- \$147 million for a project to enhance Internet infrastructure for several major cities, including Baghdad, Basrah, and Mosul

FIGURE 2.4
INTERNATIONAL GRANTS AND LOANS, BY TYPE OF ASSISTANCE, STATUS, AND DONOR, AS OF 6/26/2012
\$ Billions



Note: Data not audited. Numbers affected by rounding. Bilateral commitments exclude IRFFI deposits. Amounts may differ from prior quarters due to changes in foreign exchange rates.

Sources: NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011; IRFFI, World Bank, "World Bank Operations in Iraq," 12/31/2011, siteresources.worldbank.org/IRFFI/Resources/DatasheetDecember2011.pdf, accessed 3/16/2012; Embassy of Japan in Iraq, press release, "Provision of Yen Loan to Iraq," 5/29/2012, www.iraq.emb-japan.go.jp/Press_Releases/Press_release_2012_No13.html, accessed 6/26/2012.

- \$129 million for a project to build several health-care centers
- \$34 million for a project to refurbish the Baiji refinery

The European Union (EU) is the second largest bilateral donor, with \$840 million committed through grants. The EU also committed a total of \$774 million to the International Reconstruction Fund Facility for Iraq (IRFFI), a multilateral fund established in 2003 to help donors channel resources for Iraq reconstruction efforts.⁸⁶

Multilateral development assistance in the form of loan and grant commitments from the World Bank, United Nations, and International Monetary Fund (IMF) totaled \$4.32 billion as of June 30, 2012.⁸⁷

For a breakdown of commitments by donor countries, including both bilateral and multilateral assistance, see Table 2.3. ♦

TABLE 2.3
COMMITMENTS FOR IRAQ RECONSTRUCTION,
BY COUNTRY, AS OF 6/26/2012
\$ Millions

	BILATERAL LOAN AND GRANT COMMITMENTS	IRFFI DEPOSITS	TOTAL
Japan	5,332.0	491.6	5,823.6
EC/EU	840.4	774.0	1,614.3
United Kingdom	680.0	126.9	806.9
Italy	614.8	39.2	654.0
Iran	500.0	–	500.0
Denmark	323.6	12.4	336.0
Korea	204.7	30.0	234.7
Canada	139.6	90.5	230.0
Spain	111.8	113.2	225.0
Sweden	168.8	19.5	188.3
All Others	2,992.3	148.1	3,140.3
Total	11,907.9	1,845.3	13,753.2

Note: Numbers affected by rounding. U.S. assistance is excluded from the table.

Sources: NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011; IRFFI, World Bank, “World Bank Operations in Iraq,” 12/31/2011, siteresources.worldbank.org/IRFFI/Resources/DatasheetDecember2011.pdf, accessed 3/16/2012; Embassy of Japan in Iraq, press release, “Provision of Yen Loan to Iraq,” 5/29/2012, www.iraq.emb-japan.go.jp/Press_Releases/Press_release_2012_No13.html, accessed 6/26/2012.

Multilateral development assistance from the World Bank, United Nations, and IMF totaled \$4.32 billion as of June 30, 2012.