

September 2007

# SECURING, STABILIZING, AND REBUILDING IRAQ

## Iraqi Government Has Not Met Most Legislative, Security, and Economic Benchmarks





Highlights of [GAO-07-1195](#), a report to Congressional Committees

## Why GAO Did This Study

Public Law 110-28 requires GAO to report to Congress by September 1, 2007, on whether or not the government of Iraq has met 18 benchmarks contained in the Act, and the status of the achievement of these benchmarks. The benchmarks stem from commitments first articulated by the Iraqi government in June 2006.

In comparison, the Act requires the administration to report in July and September 2007 on whether satisfactory progress is being made toward meeting the benchmarks, not whether the benchmarks have been met.

To complete our work, we reviewed government documents and interviewed officials from U.S. agencies; the UN; and the government of Iraq. We also made multiple visits to Iraq during 2006 and 2007. Our analyses were enhanced by approximately 100 Iraq-related audits we have completed since May 2003.

## What GAO Recommends

In future reports to Congress on the benchmarks, we recommend that the Secretaries of State and Defense: (1) specify clearly what step in the Iraqi legislative process each draft law has reached; (2) identify trends in sectarian violence together with broader measures of population security; and (3) better identify the operational readiness of Iraqi security forces.

State and DOD concurred with our recommendations but disagreed with our assessment of certain benchmarks.

To view the full product, including the scope and methodology, click on [GAO-07-1195](#). For more information, contact Joseph A. Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

# SECURING, STABILIZING, AND REBUILDING IRAQ

## Iraqi Government Has Not Met Most Legislative, Security, and Economic Benchmarks

### What GAO Found

The January 2007 U.S. strategy seeks to provide the Iraqi government with the time and space needed to help Iraqi society reconcile. Our analysis of the 18 legislative, security and economic benchmarks shows that as of August 30, 2007, the Iraqi government met 3, partially met 4, and did not meet 11 of its 18 benchmarks. (See next page). Overall, key legislation has not been passed, violence remains high, and it is unclear whether the Iraqi government will spend \$10 billion in reconstruction funds. These results do not diminish the courageous efforts of coalition forces.

The Iraqi government has met one of eight legislative benchmarks: the rights of minority political parties in Iraq's legislature are protected. The government also partially met one other benchmark to enact and implement legislation on the formation of regions; this law was enacted in October 2006 but will not be implemented until April 2008. Six other legislative benchmarks have not been met. Specifically, a review committee has not completed work on important revisions to Iraq's constitution. Further, the government has not enacted legislation on de-Ba'athification, oil revenue sharing, provincial elections, amnesty, or militia disarmament. The Administration's July 2007 report cited progress in achieving some of these benchmarks but provided little information on what step in the legislative process each benchmark had reached.

Two of nine security benchmarks have been met. Specifically, Iraq's government has established various committees in support of the Baghdad security plan and established almost all of the planned Joint Security Stations in Baghdad. The government has partially met the benchmarks of providing three trained and ready brigades for Baghdad operations and eliminating safe havens for outlawed groups. Five other benchmarks have not been met. The government has not eliminated militia control of local security, eliminated political intervention in military operations, ensured even-handed enforcement of the law, increased army units capable of independent operations, or ensured that political authorities made no false accusations against security forces. It is unclear whether sectarian violence in Iraq has decreased—a key security benchmark—since it is difficult to measure the perpetrator's intent and other measures of population security show differing trends.

Finally, the Iraqi government has partially met the economic benchmark of allocating and spending \$10 billion on reconstruction. Preliminary data indicates that about \$1.5 billion of central ministry funds had been spent, as of July 15, 2007. As the Congress considers the way forward in Iraq, it must balance the achievement of the 18 Iraqi benchmarks with the military progress, homeland security, foreign policy, and other goals of the United States. Future administration reporting to assist the Congress would be enhanced with adoption of the recommendations we make in this report.

Benchmark	GAO assessment	Status
1. Forming a Constitutional Review Committee and completing the constitutional review.	<input type="radio"/>	Committee formed but amendments not approved by the Iraqi legislature and no referendum scheduled.
2. Enacting and implementing legislation on de-Ba'athification.	<input type="radio"/>	Laws drafted.
3. Enacting and implementing legislation to ensure the equitable distribution of hydrocarbon resources of the people of Iraq without regard to the sect or ethnicity of recipients, and enacting and implementing legislation to ensure that the energy resources of Iraq benefit Sunni Arabs, Shia Arabs, Kurds, and other Iraqi citizens in an equitable manner.	<input type="radio"/>	3 of 4 components drafted; none being considered by parliament.
4. Enacting and implementing legislation on procedures to form semi-autonomous regions.	<input checked="" type="radio"/>	Law enacted; implementation scheduled for 2008.
5. Enacting and implementing legislation establishing an Independent High Electoral Commission, provincial elections law, provincial council authorities, and a date for provincial elections.	<input type="radio"/>	Commission law enacted and implemented; however, supporting laws not enacted.
6. Enacting and implementing legislation addressing amnesty.	<input type="radio"/>	No law drafted.
7. Enacting and implementing legislation establishing a strong militia disarmament program to ensure that such security forces are accountable only to the central government and loyal to the Constitution of Iraq.	<input type="radio"/>	No law drafted.
8. Establishing supporting political, media, economic, and services committees in support of the Baghdad security plan.	<input checked="" type="radio"/>	Committees established.
9. Providing three trained and ready brigades to support Baghdad operations.	<input checked="" type="radio"/>	Forces provided; some of limited effectiveness.
10. Providing Iraqi commanders with all authorities to execute this plan and to make tactical and operational decisions, in consultation with U.S. commanders, without political intervention, to include the authority to pursue all extremists, including Sunni insurgents and Shiite militias.	<input type="radio"/>	Political intervention continues.
11. Ensuring that Iraqi security forces are providing even-handed enforcement of the law.	<input type="radio"/>	Iraqi security forces engaged in sectarian-based abuses.
12. Ensuring that, according to President Bush, Prime Minister Maliki said "the Baghdad security plan will not provide a safe haven for any outlaws, regardless of [their] sectarian or political affiliation."	<input checked="" type="radio"/>	Militia infiltration of some security forces enables some safe havens.
13. Reducing the level of sectarian violence in Iraq and eliminating militia control of local security.	<input type="radio"/>	Militias control some local security; unclear whether sectarian violence has decreased.
14. Establishing all of the planned joint security stations in neighborhoods across Baghdad.	<input checked="" type="radio"/>	32 of 34 stations established.
15. Increasing the number of Iraqi security forces units capable of operating independently.	<input type="radio"/>	Number of independent units declined between March and July 2007.
16. Ensuring that the rights of minority political parties in the Iraqi legislature are protected.	<input checked="" type="radio"/>	Legislators' rights protected; minority citizens' rights unprotected.
17. Allocating and spending \$10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis.	<input checked="" type="radio"/>	Funds allocated but unlikely to be fully spent.
18. Ensuring that Iraq's political authorities are not undermining or making false accusations against members of the Iraqi security forces.	<input type="radio"/>	Unsubstantiated accusations continue to be made.
<input checked="" type="radio"/> Met	<input checked="" type="radio"/> Partially met	<input type="radio"/> Not met

Source: GAO analysis of UN, U.S., and Iraqi data.

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United States Government Accountability Office  
Washington, DC 20548

September 4, 2007

Congressional Committees:

Over the last 4 years, the United States has provided thousands of troops and obligated nearly \$370 billion to help achieve the strategic goal of creating a democratic Iraq that can govern and defend itself and be an ally in the War on Terror. These troops have performed courageously under dangerous and difficult circumstances. The U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007<sup>1</sup> (the Act) requires GAO to submit to Congress by September 1, 2007,<sup>2</sup> an independent assessment of whether or not the government of Iraq has met 18 benchmarks contained in the Act, and the status of the achievement of the benchmarks. The benchmarks cover Iraqi government actions needed to advance reconciliation within Iraqi society, improve the security of the Iraqi population, provide essential services to the population, and promote economic well-being. The benchmarks contained in the Act were derived from benchmarks and commitments articulated by the Iraqi government beginning in June 2006. (See appendix XIX for information on the origin of these benchmarks.)

The January 2007 U.S. strategy, *The New Way Forward* in Iraq, is designed to support the Iraqi efforts to quell sectarian violence and foster conditions for national reconciliation. The U.S. strategy recognizes that the levels of violence seen in 2006 undermined efforts to achieve political reconciliation by fueling sectarian tensions, emboldening extremists, and discrediting the Coalition and Iraqi government. Amid such violence, it became increasingly difficult for Iraqi leaders to make the compromises necessary to foster reconciliation through the passage of legislation aimed at reintegrating former Ba'athists and sharing hydrocarbon revenues more equitably, among other steps. Thus, the new strategy was aimed at providing the Iraqi government with the time and space needed to help address reconciliation among the various segments of Iraqi society.

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<sup>1</sup>Section 1314 of Public Law 110-28.

<sup>2</sup>GAO is providing this report to Congress on September 4<sup>th</sup>, 2007, the first business day following September 1st.



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As required by the Act, this report provides 1) an assessment of whether or not the Iraqi government has met 18 key legislative, security, and economic benchmarks, and, 2) provides information on the status of the achievement of each benchmark. Among these 18 benchmarks, eight address legislative actions, nine address security actions, and one is economic-related. In comparison, the Act requires the administration to report in July and September 2007 on the status of each benchmark, and to provide an assessment on whether satisfactory progress is being made toward meeting the benchmarks, not whether the benchmarks have been met. In order to meet our statutory responsibilities in a manner consistent with GAO's core values, we decided to use "partially met" criteria for selected benchmarks. See appendices I-XVIII for information on our assessment and the status of the achievement of each benchmark, and appendix XX for a comparison of GAO's assessment with the administration's July 2007 initial benchmark assessment report. We are also issuing a separate, classified report on selected benchmarks.

To complete this work, we reviewed U.S. agency documents and interviewed officials from the Departments of Defense, State, and the Treasury; the Multi-national Force-Iraq (MNF-I) and its subordinate commands; the Defense Intelligence Agency; the Central Intelligence Agency; the National Intelligence Council; and the United Nations. These officials included Ryan Crocker, the U.S. Ambassador to Iraq, and General David H. Petraeus, Commander of Multi-National Force-Iraq (MNF-I). We also reviewed translated copies of Iraqi documents and met with officials from the government of Iraq and its legislature. As part of this work, we made multiple visits to Iraq during 2006 and 2007, most recently from July 22 to August 1, 2007. Our analyses were enhanced by approximately 100 Iraq-related reports and testimonies that we have completed since May 2003.<sup>3</sup> We provided drafts of the report to the relevant U.S. agencies for review and comment. We received formal written comments from State and Defense and technical comments from the Central Intelligence Agency and National Intelligence Council which we incorporated as appropriate. This letter and each appendix describe the detailed criteria we used in making our assessments of the 18 benchmarks. As required by the mandate, we made a determination of whether all 18 benchmarks had been met. For 14 of the 18 benchmarks, we developed criteria for

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<sup>3</sup>For example, see GAO, *Securing, Stabilizing, and Rebuilding Iraq: Key Issues for Congressional Oversight*, [GAO-07-308SP](#) (Washington, D.C.: January 9, 2007). See GAO's website at <http://www.gao.gov> for a complete list of GAO's Iraq-related reports.

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assessing whether the benchmark was “partially met.” For the remaining 4 benchmarks, we determined that they should be judged as “met” or “not met” because the nature of the individual benchmarks did not lend themselves to a “partially met” assessment.

Although we analyzed classified data, including the August 2007 National Intelligence Estimate for Iraq, this report only contains unclassified information, as of August 30, 2007. We conducted our review in accordance with generally accepted government auditing standards. Appendix XXI contains a detailed description of our scope and methodology.

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## Results in Brief

As of August 30, 2007, the Iraqi government met 3, partially met 4, and did not meet 11 of its 18 benchmarks. Overall we found that:

- The constitutional review process is not complete, and laws on de-Ba’athification, oil revenue sharing, provincial elections, and amnesty have not passed;
- Violence remains high, the number of Iraqi security forces capable of conducting independent operations has declined, and militias are not disarmed; and
- Funding for reconstruction has been allocated but is unlikely to be spent.

As the Congress considers the way forward in Iraq, it should balance the achievement of the 18 Iraqi government benchmarks with the military progress, homeland security, foreign policy, and other goals of the United States. In addition, future administration reports on the benchmarks would be more useful to Congress if they depicted the status of each legislative benchmark, provided data on broader measures of violence from all relevant U.S. agencies, and assessed the performance and loyalties of Iraqi security forces.

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## Legislative Benchmarks

Our analysis shows that the Iraqi government has met one of the eight legislative benchmarks and partially met another.<sup>4</sup> Specifically, the rights of minority political parties in the Iraqi legislature are protected through existing provisions in the Iraqi Constitution and Council of Representatives' by-laws; however, minorities among the Iraqi population are vulnerable and their rights are often violated. In addition, the Iraqi government partially met the benchmark to enact and implement legislation on the formation of regions; this law was enacted in October 2006 but will not be implemented until April 2008.<sup>5</sup>

Six other legislative benchmarks have not been met. The benchmark requiring a review of the Iraqi Constitution has not been met. Fundamental issues remain unresolved as part of the constitutional review process, such as expanded powers for the presidency, the resolution of disputed areas (such as Kirkuk), and power sharing between federal and regional governments over issues such as distribution of oil revenue. In addition, five other legislative benchmarks have not been met. Figure 1 highlights the status of the legislative benchmarks requiring legislative enactment and implementation.

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<sup>4</sup>For those legislative benchmarks requiring the enacting and implementing of legislation, we defined a benchmark as "met" if all components of the relevant law have been enacted and implemented; defined the benchmark as "partially met" if the law has been enacted but not implemented or, in instances involving multiple pieces of legislation, at least half have been enacted and implemented; and defined "not met" as having not met the requirements of "met" or "partially met." For the constitutional review, we would have considered the benchmark as met if, in accordance with Article 142 of the Iraqi Constitution, (1) the Constitutional Review Committee had been formed; (2) the Council of Representatives had voted on the recommendations of the review committee; and, if approved by the Council, (3) a national referendum had been held on the proposed amendments to the constitution. We would have considered the benchmark partially met if the first two steps of the constitutional review process were completed.

<sup>5</sup>Because this law will not be implemented until April 2008, publication in the Official Gazette has been deferred, according to State officials, who assert that a delay in implementation is in the best interest of Iraq.

**Figure 1: Enactment and Implementation Status of Six Legislative Benchmarks**

	Drafting laws										Enacting				Implementing	
	Laws drafted and reviewed	Draft referred to Council of Representatives/Committee	Draft placed on calendar by Speaker's Office	First reading completed	Draft amended by Committee, placed on calendar by Speaker's Office	Second reading completed	Draft amended by Committee, placed on calendar by Speaker's Office	Third reading completed	Ratification completed; vote taken	Law published in Gazette	Guidance issued by Prime Minister/Minister/other	Directives drafted by Cabinet/General/other				
<b>De-Ba'athification<sup>a</sup></b>	✓	✓														
<b>Hydrocarbon laws</b>																
Framework	✓															
Revenue sharing	✓															
Ministry of Oil Restructuring	✓															
Iraq National Oil Company	—															
<b>Formation of regions</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	b						
<b>Elections</b>																
Electoral commission	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Provincial authorities <sup>c</sup>	✓	✓	✓	✓	✓	✓										
Provincial election law	—															
Provincial election date <sup>d</sup>	—															
<b>Amnesty</b>	—															
<b>Disarmament and demobilization</b>	—															

— No legislation drafted

Source: GAO analysis of Department of State, Department of Defense, UN and Iraqi government data.

<sup>a</sup>The Iraqi legislature is considering several competing drafts.

<sup>b</sup>The Iraqi Constitution exempts the law on formation of regions from following the Presidency Council's ratification process that is set out in Article 138 of the Constitution.

<sup>c</sup>The draft deals with broader federal versus provincial powers, according to UN.

<sup>d</sup>According to State, the Iraqi government may not need a law to set the election date, though to date this is unclear.

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As figure 1 shows, legislation on de-Ba'athification reform has been drafted but has yet to be enacted.<sup>6</sup> Hydrocarbon legislation is in the early stages of legislative action; although three key components have been drafted, none are under active consideration by the Council of Representatives.<sup>7</sup> Although the government of Iraq has established an independent electoral commission and appointed commissioners, the government has not implemented legislation to establish provincial council authorities, provincial elections law, or a date for provincial elections. No legislation on amnesty or militia disarmament is being considered because the conditions for a successful program, particularly the need for a secure environment, are not present, according to U.S. and Iraqi officials.

Prospects for additional progress in enacting legislative benchmarks have been complicated by the withdrawal of 15 of 37 members of the Iraqi cabinet. According to an August 2007 U.S. interagency report, this boycott ends any claim by the Shi'ite-dominated coalition to be a government of national unity and further undermines Iraq's already faltering program of national reconciliation. In late August, Iraq's senior Shi'a, and Sunni Arab and Kurdish political leaders signed a Unity Accord signaling efforts to foster greater national reconciliation. The Accord covered draft legislation on de-Ba'athification reform and provincial powers laws, as well as setting up a mechanism to release some Sunni detainees being held without

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<sup>6</sup>According to U.S. and other officials and documents, enacting legislation generally includes the following steps, though the process is evolving: The Presidency Council and the Council of Ministers have authority to draft laws, and the Iraqi legislature—either a committee or 10 members—has the authority to propose laws. Laws drafted by the Presidency Council or Council of Ministers are reviewed on legal soundness and subject matter by the Shura Council, an institution in the Ministry of Justice. Laws drafted by the legislature must first pass through its Legal Committee. The legislation then proceeds through three readings. The legislation is presented at the first reading. The relevant committee may amend the law and the Speaker's Office places it on the calendar. After the first reading, the legislature discusses the proposed law at a second reading. At the third reading, a final vote is taken article by article. Laws that receive an affirmative vote are sent to the Presidency Council, which can disapprove the law. The legislature can override the disapproval with a three-fifths majority. This ratification process only applies during the transition period when the Presidency Council is in existence. Final laws are published in the Official Gazette and become effective on the date of publication in the gazette unless stipulated otherwise. The Prime Minister issues an order to implement the law. Laws are implemented by the appropriate ministry, commission, or government office and implementing guidance is written.

<sup>7</sup>For additional information on Iraq's hydrocarbon sector, see GAO, *Rebuilding Iraq: Serious Challenges Impair Efforts to Restore Iraq's Oil Sector and Enact Hydrocarbon Legislation*, [GAO-07-1107T](#) (Washington, D.C.: July 18, 2007).

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charges. However, these laws need to be passed by the Council of Representatives. (See appendices I-VII, and XVI for further information on these legislative benchmarks).

The Administration's July 2007 report cited progress in achieving some of these legislative benchmarks but provided little information on what step in the legislative process each benchmark had reached. Future reporting should provide this important detail, as we display in figure 1.

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## Security Benchmarks

Our analysis shows that the Iraqi government has met two of the nine security benchmarks. Specifically, it has established political, communications, economic, and services committees<sup>8</sup> in support of the Baghdad security plan and, with substantial coalition assistance, 32 of the planned 34 Joint Security Stations<sup>9</sup> across Baghdad. Of the remaining 7 benchmarks, the Iraqi government partially met 2 and did not meet five. (see fig. 2)

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<sup>8</sup>In February 2007, the Iraqi government created the Executive Steering Committee and six subcommittees to coordinate political, economic, and military activities and make decisions in support of the Baghdad Security Plan. According to a State department official, the executive committee's major objective was to increase the coordination and capacity of the Iraqi government to improve the quality of life of Baghdad's population as part of the Baghdad security plan. We defined this benchmark as "met" if the committees were established in support of the Baghdad Security Plan; defined this benchmark as "partially met" if at least half of the committees were established in support of the Baghdad Security Plan; and defined this benchmark as "not met" if less than half of the committees were established in support of the Baghdad Security Plan. For additional information, see appendix VIII.

<sup>9</sup>Joint Security Stations are staffed by Iraqi local police, national police, and army personnel, as well as coalition forces. According to the administration's July 2007 report, the security stations are designed to improve population protection by providing a 24-hour security presence in Baghdad neighborhoods. We defined this benchmark as "met" if nearly all of the planned Joint Security Stations were established. We defined this benchmark as "partially met" if half of the planned Joint Security Stations were established. We defined this benchmark as "not met" if less than half of the planned Joint Security Stations were established. For additional information, see appendix XIV.

**Figure 2: GAO’s Assessment of Whether the Iraqi Government Has Achieved Security Benchmarks**

Benchmark	Assessment
Establishing supporting political, media, economic, and services committees in support of the Baghdad Security Plan.	●
Establishing all of the planned joint security stations in neighborhoods across Baghdad.	●
Reducing the level of sectarian violence in Iraq and eliminating militia control of local security.	○
Providing three trained and ready brigades to support Baghdad operations.	◐
Ensuring that, according to President Bush, Prime Minister Maliki said “the Baghdad security plan will not provide a safe haven for any outlaws, regardless of [their] sectarian or political affiliation.”	◐
Providing Iraqi commanders with all authorities to execute this plan and to make tactical and operational decisions, in consultation with U.S. commanders, without political intervention, to include the authority to pursue all extremists, including Sunni insurgents and Shiite militias.	○
Ensuring that Iraqi security forces are providing even-handed enforcement of the law.	○
Increasing the number of Iraqi security forces’ units capable of operating independently.	○
Ensuring that Iraq’s political authorities are not undermining or making false accusations against members of the Iraqi security forces.	○
<p>● Met                      ◐ Partially met                      ○ Not met</p>	

Source: GAO analysis of UN, U.S., and Iraqi data.

The Iraqi government partially met the benchmark of providing three trained and ready brigades to support Baghdad operations.<sup>10</sup> Since February 2007, the Iraqi government deployed nine Iraqi army battalions equaling three brigades for 90-day rotations to support the Baghdad

<sup>10</sup>We defined this benchmark as “met” if the Government of Iraq had provided three trained and ready brigades, or an equivalent number of battalions, to support Baghdad operations; as “partially met” if some of the units were trained and ready to support Baghdad security operations; and as “not met” if none of the units provided were trained and ready to support Baghdad security operations. The assessment was based on each unit’s transition readiness assessments and intelligence reporting on their reliability.

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Security Plan. The administration's July 2007 report to Congress noted problems in manning the Iraqi brigades, but stated that the three brigades were operating in support of Baghdad operations. Our classified report provides additional information on the readiness levels and performance of these units, which supports our assessment of this benchmark.

The Iraqi government also partially met the benchmark of ensuring that the Baghdad security plan will not provide a safe haven for any outlaws regardless of their sectarian or political affiliation.<sup>11</sup> Even though the Baghdad Security Plan is aimed at eliminating safe havens, and U.S. commanders report satisfaction with the coalition's ability to target extremist groups, opportunities for creating temporary safe havens exist due to the political intervention of Iraqi government officials (see discussion in appendix X) and the strong sectarian loyalties and militia infiltration of security forces.

The Iraqi government has not met the benchmark to reduce sectarian violence and eliminate militia control of local security.<sup>12</sup> As discussed in appendix XIII, militia control of local security forces remains a problem. Several U.S. and UN reports have found that militias still retain significant control or influence over local security in parts of Baghdad and other areas of Iraq.

On trends in sectarian violence, we could not determine if sectarian violence had declined since the start of the Baghdad Security Plan. The administration's July 2007 report stated that MNF-I trend data demonstrated a decrease in sectarian violence since the start of the Baghdad Security Plan in mid-February 2007. The report acknowledged that precise measurements vary, and that it was too early to determine if the decrease would be sustainable. Measuring sectarian violence is difficult since the perpetrator's intent is not always clearly known. Given

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<sup>11</sup>We defined this benchmark as "met" if Iraqi government policy did not allow safe havens and none existed; defined this benchmark as "partially met" if Iraqi government policy prohibited safe havens yet some existed; and defined this benchmark as "not met" if the Iraqi government had no stated policy on safe havens.

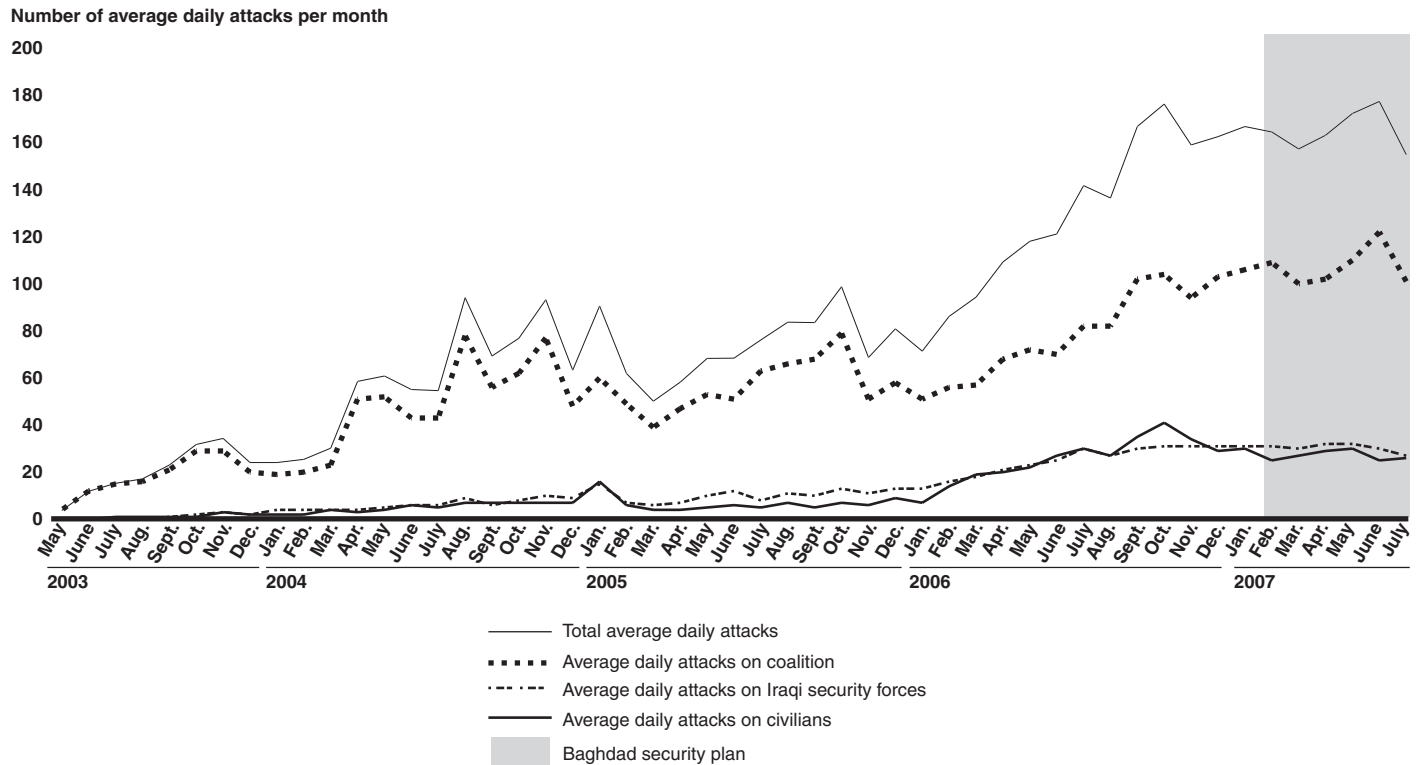
<sup>12</sup>We defined this benchmark as "met" if there was clear and reliable evidence that the level of sectarian violence was reduced and militia control of local security was eliminated; defined this benchmark as "partially met" if there was clear and reliable evidence that the level of sectarian violence was reduced or if militia control of local security was eliminated, but not both; and defined this benchmark as "not met" if there was no clear and reliable evidence that the level of sectarian violence was reduced and that militia control of local security was eliminated.



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this difficulty, broader measures of population security should be used in judging these trends. The number of attacks targeting civilians and population displacement resulting from sectarian violence may serve as additional indicators. For example, as displayed in figure 3, the average number of daily attacks against civilians remained about the same over the last six months. The decrease in total average daily attacks in July is largely due to a decrease in attacks on coalition forces rather than civilians.

**Figure 3: Average Number of Daily, Enemy-Initiated Attacks Against the Coalition, Iraqi Security Forces, and Civilians (May 2003-July 2007)**



Source: GAO analysis of DIA-reported Multi-National Force-Iraq data, July 2007.

While overall attacks declined in July compared to June, levels of violence remain high. Enemy initiated attacks have increased around major religious and political events, including Ramadan and elections.<sup>13</sup> For 2007, Ramadan is scheduled to begin in mid-September. Our classified report provides further information on measurement issues and trends in violence in Iraq obtained from other U.S. agencies. The unclassified August 2007 National Intelligence Estimate (NIE) on Iraq reported that Coalition forces, working with Iraqi forces, tribal elements, and some Sunni insurgents, have reduced al Qaeda in Iraq’s (AQI) capabilities and restricted its freedom of movement. However, the NIE further noted that the level of overall violence, including attacks on and casualties among

<sup>13</sup>Ramadan is the ninth month of the Islamic calendar. Over the past 4 years, Ramadan began about October 27, 2003; October 16, 2004; October 5, 2005; and September 24, 2006.

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civilians remains high and AQI retains the ability to conduct high-profile attacks.

For the remaining four unmet security benchmarks, we found that:

- The Iraqi government has not always allowed Iraqi commanders to make tactical and operational decisions without political intervention, resulting in some operational decisions being based on sectarian interests.<sup>14</sup>
- The government had not always ensured that Iraqi security forces were providing even-handed enforcement of the law, since U.S. reports have cited continuing sectarian-based abuses on the part of Iraqi security forces.<sup>15</sup>
- Instead of increasing, the number of Iraqi army units capable of independent operations had decreased from March 2007 to July 2007.<sup>16</sup>
- Iraqi political authorities continue to undermine and make false accusations against Iraqi security force personnel. According to U.S. government officials, little has changed since the administration's July 2007 report.<sup>17</sup>

(See appendices VIII-XV, and XVIII for further information on these security benchmarks).

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<sup>14</sup>We defined this benchmark as “met” if Iraqi commanders did not face political intervention in executing the plan and making tactical and operational decisions. We defined this benchmark as “not met” if Iraqi commanders faced political intervention in executing the plan and making tactical and operational decisions.

<sup>15</sup>We defined this benchmark as “met” if Iraqi security forces provided even-handed enforcement of the law. We defined this benchmark as “not met” if Iraqi security forces did not provide even-handed enforcement of the law.

<sup>16</sup>We defined this benchmark as “met” if the government of Iraq increased the number of Iraqi security forces' units capable of operating independently. We defined this benchmark as “not met” if the government of Iraq did not increase the number of Iraqi security forces' units capable of operating independently.

<sup>17</sup>We defined this benchmark as “met” if there was no evidence of undermining or false accusations against Iraqi security force personnel. We defined this benchmark as “not met” if there was evidence of undermining or false accusations against Iraqi security force personnel.

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## Economic Benchmark

The Iraqi government partially met the benchmark to allocate and spend \$10 billion because it allocated \$10 billion in reconstruction funds when it passed its 2007 budget in February, 2007. *The New Way Forward in Iraq* cited Iraq's inability to spend its own resources to rebuild critical infrastructure and deliver essential services as an economic challenge to Iraq's self-reliance. Iraqi government funds represent an important source of financing for rebuilding Iraq since the United States has obligated most of the \$40 billion provided to Iraq for reconstruction and stabilization activities since 2003.

However, it is unclear whether the \$10 billion allocated by the Iraqi government will be spent by the end of Iraq's fiscal year, December 31, 2007.<sup>18</sup> Preliminary Ministry of Finance data reports that Iraq's central ministries spent about \$1.5 billion, or 24 percent, of the approximately \$6.5 billion in capital project funds allocated to them through July 15, 2007. The remaining funds from the \$10 billion were allocated to the provinces and the Kurdish region. (See appendix XVII for further information on the economic benchmark)

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## Conclusions

As of August 30, 2007, the Iraqi government met 3, partially met 4, and did not meet 11 of its 18 benchmarks. The Iraqi government has not fulfilled commitments it first made in June 2006 to advance legislative, security, and economic measures that would promote national reconciliation among Iraq's warring factions. Of particular concern is the lack of progress on the constitutional review that could promote greater Sunni participation in the national government and comprehensive hydrocarbon legislation that would distribute Iraq's vast oil wealth. Despite Iraqi leaders recently signing a unity accord, the polarization of Iraq's major sects and ethnic groups and fighting among Shi'a factions diminishes the stability of Iraq's governing coalition and its potential to enact legislation needed for sectarian reconciliation.

Reconciliation was also premised on a reduction in violence. While the Baghdad security plan was intended to reduce sectarian violence, measuring such violence may be difficult since the perpetrator's intent is

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<sup>18</sup>We defined this benchmark as "met" if the funds had been allocated and either they had been spent or there was a high likelihood that they would be spent by the end of the fiscal year. We defined this benchmark as "partially met" if funds were allocated but it appeared questionable or unlikely that the funds would be spent by the end of the fiscal year. We defined the benchmark as "not met" if the funds had not been allocated.

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not clearly known. Other measures of violence, such as the number of enemy-initiated attacks, show that violence has remained high through July 2007.

As the Congress considers the way forward in Iraq, it must balance the achievement of the 18 Iraqi benchmarks with the military progress, homeland security, foreign policy and other goals of the United States. Future administration reports on the benchmarks would be more useful to the Congress if they clearly depicted the status of each legislative benchmark, provided additional quantitative and qualitative information on violence from all relevant U.S. agencies, and specified the performance and loyalties of Iraqi security forces supporting coalition operations.

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## Recommendations

In preparing future reports to Congress and to help increase transparency on progress made toward achieving the benchmarks, we recommend that:

1. The Secretary of State provide information to the President that clearly specifies the status in drafting, enacting, and implementing Iraqi legislation;
2. The Secretary of Defense, and the heads of other appropriate agencies, provide information to the President on trends in sectarian violence with appropriate caveats, as well as broader quantitative and qualitative measures of population security, and
3. The Secretary of Defense, and the heads of other appropriate agencies, provides additional information on the operational readiness of Iraqi security forces supporting the Baghdad security plan, particularly information on their loyalty and willingness to help secure Baghdad.

As discussed below, State and DOD concurred with these recommendations.

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## Agency Comments

We provided a draft of this report to the Departments of State and Defense, the National Intelligence Council, and the Central Intelligence Agency. The National Intelligence Council and the Central Intelligence Agency provided technical comments, which we incorporated as appropriate.

The Department of State provided written comments, which are reprinted in appendix XXII. State also provided us with technical comments and

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suggested wording changes that we incorporated as appropriate. State agreed with our recommendation to provide the President with additional information on the specific status of key Iraqi legislation in preparing future reports to Congress. State suggested that we note the standards we used in assessing the 18 benchmarks differ from the administration's standards. The highlights page and introduction of our report discuss these differing standards. State also suggested that we take into consideration recent political developments in Iraq, such as the communiqué released by Iraqi political leaders on August 26, 2007. We added additional information to the report about this communiqué and related developments.

The Department of Defense also provided written comments, which are reprinted in appendix XXIII. DOD also provided us with technical comments and suggested wording changes that we incorporated as appropriate. Defense agreed with our recommendations to provide, in concert with other relevant agencies, information to the President on trends in sectarian violence with appropriate caveats, as well as broader quantitative and qualitative measures of security. Defense also agreed to provide the President with additional information on the operational readiness of Iraqi security forces supporting the Baghdad security plan.

DOD also provided additional oral comments. DOD disagreed with our conclusion in the draft report that trends in sectarian violence are unclear. Further information on DOD's views, and our response, are contained in our classified report. However, the additional information that DOD provided did not warrant a change in our assessment of "not met." We note that the unclassified August 2007 NIE stated that the overall violence in Iraq, including attacks on and casualties among civilians, remains high, Iraq's major sectarian groups remain unreconciled, and levels of insurgent and sectarian violence will remain high over the next six to twelve months.

DOD disagreed with our initial assessment of "not met" for the training and readiness of the Iraqi brigades supporting operations in Baghdad and provided additional information on this issue. While acknowledging that some of these Iraqi units lacked personnel, fighting equipment, and vehicles, the U.S. commander embedded with the units attested to their fighting capabilities. Based on this additional information, and our classified and unclassified information, we changed our rating from "not met" to "partially met."

DOD did not agree with our initial assessment that the benchmark related to safe havens was not met. DOD provided additional information

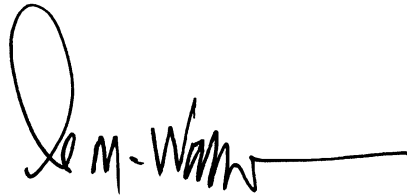
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describing MNF-I efforts to conduct targeted operations in Sadr City. For example, from January to August 2007, Coalition forces and Iraqi security forces conducted over eighty operations that span each sector of Sadr City. However, due to sectarian influence and infiltration of Iraqi security forces, and support from the local population, anti-coalition forces retain the freedom to organize and conduct operations against coalition forces. Based on this additional information, we changed this assessment to “partially met.”

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We are sending copies of this report to appropriate Members of Congress. This report will also be available at no charge on GAO’s Web site at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact me on (202) 512- 5500 or Mr. Joseph A. Christoff, Director, International Affairs and Trade, at (202) 512-8979. Contact points for our Offices of Congressional Relations and Public Affairs can be found on the last page of this report. Key contributors to this report are included in appendix XXIV.

A handwritten signature in black ink, appearing to read "D. M. Walker", with a horizontal line extending to the right.

David M. Walker  
United States Comptroller General

Enclosures

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*List of Congressional Committees*

The Honorable Carl Levin  
Chairman  
The Honorable John McCain  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Joseph R. Biden Jr.  
Chairman  
The Honorable Richard G. Lugar  
Ranking Member  
Committee on Foreign Relations  
United States Senate

The Honorable Daniel Inouye  
Chairman  
The Honorable Ted Stevens  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate

The Honorable Patrick J. Leahy  
Chairman  
The Honorable Judd Gregg  
Ranking Member  
Subcommittee on State, Foreign Operations,  
and Related Programs  
Committee on Appropriations  
United States Senate

The Honorable Ike Skelton  
Chairman  
The Honorable Duncan Hunter  
Ranking Member  
Committee on Armed Services  
House of Representatives



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The Honorable Tom Lantos  
Chairman  
The Honorable Ileana Ros-Lehtinen  
Ranking Member  
Committee on Foreign Affairs  
House of Representatives

The Honorable John P. Murtha  
Chairman  
The Honorable C.W. Bill Young  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives

The Honorable Nita M. Lowey  
Chairwoman  
The Honorable Frank R. Wolf  
Ranking Member  
Subcommittee on State, Foreign Operations,  
and Related Programs  
Committee on Appropriations  
House of Representatives

The Honorable Henry A. Waxman  
Chairman  
The Honorable Tom Davis  
Ranking Member  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable John F. Tierney  
Chairman  
The Honorable Christopher Shays  
Ranking Member  
Subcommittee on National Security and Foreign Affairs  
Committee on Oversight and Government Reform  
House of Representatives

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# Appendix I: Benchmark 1 – Constitutional Review

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## **Forming a constitutional review committee and completing the constitutional review.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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### **Issue**

Iraq's Constitution was approved in a national referendum in October 2005, but did not resolve several contentious issues, such as claims over disputed areas including oil-rich Kirkuk. Amending the Constitution is critical to reaching national agreement on power sharing among Iraq's political blocs and furthering national reconciliation, according to Iraqi leaders, U.S. officials, and the Iraq Study Group report.

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### **Status**

Although the Iraqi legislature formed a Constitutional Review Committee (CRC) in November 2006, the review process is not yet complete.<sup>2</sup> First, the review committee's work is not finished. In a May 23, 2007 report, the CRC recommended a package of constitutional amendments to the Iraq Council of Representatives. However, the package did not resolve the powers of the presidency; disputed territories, including Kirkuk; and the relative powers of the regions versus the federal government. The CRC received an extension until the end of August 2007 to help resolve the outstanding issues, but, according to the chairman of the CRC, Iraq's major political groups need to reach agreement on these issues. Second, once resolved, the Iraqi legislature must approve the package of amendments by an absolute majority vote. Finally, if a package of amendments is

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<sup>1</sup>For the constitutional review, we would have considered the benchmark as met if, in accordance with Article 142 of the Iraqi Constitution, the Constitutional Review Committee had been formed; the Council of Representatives had voted on the recommendations of the review committee; and, if approved by the Council, a national referendum had been held on the proposed amendments to the constitution. We would have considered the benchmark partially met if the first two steps of the constitutional review process were completed. See benchmark 2 for a description of the criteria for meeting legislative benchmarks.

<sup>2</sup>The constitutional review process consists of the following: (1) the Council of Representatives forms a review committee, which presents to the Council a report on recommendations of necessary amendments that could be made to the Constitution; (2) the proposed amendments shall be presented to the Council all at once for a vote upon them and are approved with the agreement of an absolute majority of the members of the Council; and (3) the articles amended by the Council shall be presented to the people in a referendum within two months from the date of approval by the Council and the referendum will be successful if approved by the majority of voters and if not rejected by two-thirds of the voters in three or more governorates.

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approved, the Iraqi people will need to vote on the amendments in a referendum within 2 months after the legislature approves them.

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### Completion of the Constitutional Review First Requires Political Accommodation

To complete a package of necessary amendments to the Constitution, Iraq's major political groups need to reach agreement on the following three contentious issues.

- *Power of the presidency.* The Deputy Chairman of the CRC, a member of the Sunni bloc, believes that the presidency should have greater power. The Constitution gives the presidency such powers as accrediting ambassadors. It also gives the presidency council the power to approve or disapprove legislation in the current electoral term.<sup>3</sup> However, the legislature can adopt any disapproved legislation by a three-fifths majority vote. In contrast, the prime minister, selected from the legislature's largest political bloc, is commander-in-chief of the armed forces, names the ministers for each ministry, and directs the Council of Ministers. The Council directs the work of all government ministries and departments, develops their plans, and prepares the government budget. The high-ranking Sunni official said that giving the presidency more power could allow for better power sharing among Iraq's political groups.
- *Disputed areas, particularly Kirkuk.* Article 140 of the Constitution addresses the issue of disputed areas. It requires a census and a referendum in Kirkuk and other disputed areas by December 31, 2007 to determine the will of its citizens. According to the Kurdistan Regional Government's (KRG) prime minister, Kirkuk represents the Kurdish region and must be returned to Kurdistan. Under the former regime's policy of Arabization—removing Kurdish families from Kirkuk and replacing them with Arab families—areas of Kirkuk were given to other governorates, according to a Kurdish committee. KRG officials want the referendum held by the date specified in the Constitution. Other Iraqi legislators believe that the Kirkuk referendum should be deferred because of the disputes over the borders of Kirkuk and continuing displacement of people in the area.

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<sup>3</sup>According to the Iraqi Constitution, in the current electoral term, which is 4 years, a presidency council consisting of a president and 2 vice-presidents is in place and exercises the powers of the presidency. If these constitutional provisions are not amended, at the start of the next electoral term, power will revert to a single president and the power to approve and disapprove legislation that is explicitly granted to the presidency council will lapse. The president will then have the power to ratify and issue laws passed by the legislature, although such laws are considered ratified 15 days after the president receives them.

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- *Power of the federal government versus regions.* The CRC proposed several amendments to the Constitution to clarify the powers of the federal government and the shared powers with the regions, but has not achieved compromise among major political factions on these amendments. In particular, the CRC proposed amending Article 111 of the Constitution to clearly state that the federal government shall collect oil revenues and distribute them equally to all Iraqis in accordance with the national budget law. According to the United Nations, this amendment would provide the federal government exclusive authority for oil revenues. In contrast, the existing constitutional framework is widely interpreted as allowing regions to define how and whether they share locally generated oil revenues.<sup>4</sup> For this reason, the Kurdish bloc opposes the CRC-proposed amendment.

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### Procedural and Logistical Challenges Confront Completion of the Review

If agreement is reached on a package of constitutional amendments, the Iraqi legislature must vote on the package. The amendments will be considered approved if an absolute majority of the legislature votes for the package. One challenge is simply holding a vote.

Despite Iraqi leaders signing a unity accord, as of August 29, 2007, several Iraqi parties were boycotting the government, including Iraq's largest Sunni bloc. Although the other parties in the legislature could form an absolute majority to pass a package of amendments, it would defeat the purpose of trying to reach a broad political accommodation.

If the legislature approves the constitutional amendments, the government must hold a national referendum within 2 months of approval. According to the United Nations, before a referendum can occur, the Iraq Electoral Commission must develop a valid voting roster, educate the public about

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<sup>4</sup>Under the existing Constitution, if there is a contradiction between regional and national law with respect to a matter outside the exclusive authority of the federal government, regional law takes priority and regional powers have the right to amend the application of the national legislation within that region.

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the proposed amendments, print referendum ballots, and locate and staff polling places. In a July 2007 report, the Iraq High Electoral Commission stated that it faced challenges to developing a valid voting roster because of the large movement of displaced persons—an estimated 800,000 since February 2006.<sup>5</sup>

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<sup>5</sup>United Nations Assistance Mission for Iraq, *Humanitarian Briefing on the Crisis in Iraq*, May 2007.

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# Appendix II: Benchmark 2 – De-Ba’athification Reform

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## **Enacting and implementing legislation on de-Ba’athification reform.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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### **Issue**

Coalition Provisional Authority (CPA) Order 1 dissolved the Ba’athist party, removed Ba’athist leaders and senior party members from government, and banned them from future employment in the public sector. The CPA further provided for investigation and removal of even junior members of the party from upper-level management in government ministries, universities, and hospitals. Most of Iraqi’s technocratic class was pushed out of government due to de-Ba’athification and many Sunni Arabs remain angry about policies to de-Ba’athify Iraqi society, according to the Iraq Study Group report.

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### **Status**

Although Iraqi leaders have drafted several pieces of legislation to reform de-Ba’athification, none has sufficient support among Iraq’s political factions to have a first reading in the Iraqi legislature, according to U.S. officials. No consensus exists on reforming the current de-Ba’athification policy and many Iraqis are concerned by the prospects of former Ba’athist tormenters returning to power. However, according to an August 2007 U.S. interagency report, Iraq’s senior Shi’a and Sunni Arab and Kurdish political leaders signed a Unity Accord, including consensus on draft legislation on de-Ba’athification reform. Such a law would need to be drafted, passed by the Council of Representatives, and implemented.

According to U.S. officials, reforms to the law would more likely promote reconciliation if the reforms target Ba’athists who had command responsibility within the party or committed human rights violations or

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<sup>1</sup>For those legislative benchmarks requiring the enacting and implementing of legislation, we defined a benchmark as “met” if all components of the relevant law have been enacted and implemented; defined the benchmark as “partially met” if the law has been enacted but not implemented or, in instances involving multiple pieces of legislation, at least half have been enacted and implemented; and defined “not met” as having not met the requirements of “met” or “partially met.”

other crimes.<sup>2</sup> Removing individuals based purely on party membership increases the chances that segments of the Iraqi public will see the system as unfair, according to these officials. Draft legislation on de-Ba’athification reform, dated July 2007 before the Unity Accord, provides for a special commission, a panel of judges to make decisions, and the right to appeal the panel’s decisions. The draft legislation also specifies that the commission will be dissolved 6 months after the law is passed.

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<sup>2</sup>The doctrine of command responsibility holds that individuals can be liable for actions they did not actually commit if: (1) they issued orders to those who committed the human rights violations or crimes; (2) they should have known or should have been in a position to know that their subordinates were committing human rights violations or crimes; or (3) they did not take reasonable measures to prevent the human rights violations or other crimes or did not punish the perpetrators.

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# Appendix III: Benchmark 3 – Hydrocarbon Legislation

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**Enacting and implementing legislation to ensure the equitable distribution of hydrocarbon resources of the people of Iraq without regard to the sect or ethnicity of recipients, and enacting and implementing legislation to ensure that the energy resources of Iraq benefit Sunni Arabs, Shi'a Arabs, Kurds, and other Iraqi citizens in an equitable manner.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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## Issue

The importance of oil revenues for the Iraqi economy is widely recognized, as is the need to create a new legal framework for the development and management of the country's oil sector. The oil sector accounts for over half of Iraq's gross domestic product and over 90 percent of its revenues. The timely and equitable distribution of these revenues is essential to Iraq's ability to provide for its needs, including the reconstruction of a unified Iraq.

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## Status

The government of Iraq has not enacted and implemented any of the four separate yet interrelated pieces of legislation needed to ensure the equitable distribution of hydrocarbon resources. As of August 2007, the Iraqi government had drafted three pieces of legislation: (1) hydrocarbon framework legislation that establishes the structure, management, and oversight for the oil sector; (2) revenue-sharing legislation; and (3) legislation restructuring the Ministry of Oil. However, none of the legislation is currently under consideration by Iraq's parliament (Council of Representatives). A fourth piece of legislation establishing the Iraq National Oil Company (INOC) has not been drafted, according to State officials.

Hydrocarbon framework legislation was approved by the Iraqi cabinet (Council of Ministers) in February 2007, and sent to the Oil and Gas Committee of Iraq's parliament for review in July 2007. However, before the legislation was submitted to the parliament, the Iraqi government

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<sup>1</sup>For those legislative benchmarks requiring the enacting and implementing of legislation, we defined a benchmark as "met" if all components of the relevant law have been enacted and implemented; defined the benchmark as "partially met" if the law has been enacted but not implemented or, in instances involving multiple pieces of legislation, at least half have been enacted and implemented; and defined "not met" as having not met the requirements of "met" or "partially met."



amended the draft to address substantive changes made by the Shura council. According to State, the Shura council reviews draft legislation to ensure constitutionality and to avoid contradictions with Iraq's legal system, including Islamic law. The Kurdistan Regional Government (KRG) did not agree to the council's revisions. Accordingly, the Oil and Gas Committee chairman is taking no legislative action until the Iraqi cabinet and the KRG agree on a new draft, according to State. It is not clear if this legislation will include annexes intended to allocate the control of particular oil fields and exploration areas to either the central or regional governments. According to the Iraqi government, the annexes remain under consideration.

Revenue-sharing legislation is intended to ensure the equitable distribution of Iraq's financial resources, including oil and gas revenues. The central government and the KRG agreed on draft revenue-sharing legislation<sup>2</sup> in June 2007. However, the Iraqi cabinet has not yet approved the legislation and submitted it to Iraq's parliament for consideration.

This draft legislation is linked to proposed amendments to the Iraqi Constitution regarding the role of the federal government and regions and the management of oil revenues. Under the existing Constitution, if there is a contradiction between regional and national law with respect to a matter outside the exclusive authority of the federal government, regional law takes priority and regional powers have the right to amend the application of the national legislation within that region. As oil revenue sharing is not a power exclusively reserved for the federal government in the existing Constitution, according to officials, regions may determine how and whether they share locally generated oil revenues with the remainder of Iraq, regardless of what is stated in the federal law.<sup>3</sup> In response, the Iraqi Constitutional Review Committee has proposed

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<sup>2</sup>This legislation is also referred to as the "Law of Financial Resources" and the "Revenue Management Law."

<sup>3</sup>The Kurdistan National Assembly (Kurdish Regional parliament) has passed a "Kurdistan Oil and Gas Law" (also referred to as the "Petroleum Law of the Kurdistan Region - Iraq"), in August, 2007, which conditions cooperation with the federal authorities in the oil sector on a set of comprehensive conditions. According to the UN, it would likely take time for full agreement on these arrangements to be reached and for implementation of national revenue sharing to begin. It is unclear how this will affect the national debate on revenue sharing or the hydrocarbon framework legislation at this time. According to the State Department, the United States continues to believe that Iraq's interests are better served by the adoption of a single set of national oil and gas laws, which will help foster national unity and promote reconciliation.

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amendments to the Constitution that would provide for the national collection and distribution of oil revenues.

Legislation restructuring the Ministry of Oil has been drafted but has not yet been submitted to the Council of Ministers, according to State.

Legislation establishing the Iraq National Oil Company (INOC) is being drafted, according to State.

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# Appendix IV: Benchmark 4 – Semi-Autonomous Regions

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## **Enacting and implementing legislation on procedures to form semi-autonomous regions.**

**GAO Assessment as of August 30, 2007: Partially met<sup>1</sup>**

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### **Issue**

Iraq's Constitution requires the Council of Representatives to enact a law that defines the executive procedures needed to form regions within 6 months of the date of its first session. Some Iraqi legislators believe that the right to form regions, with authority similar to the Kurdistan region, would help protect their rights.

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### **Status**

In October 2006, the Iraqi legislature passed a law establishing procedures to form regions, but the law delays implementation for 18 months.<sup>2</sup> According to U.S. officials, this means that no steps to form regions, such as holding provincial referendums, can be taken before April 2008. According to State, this is in the best interests of Iraq as it will allow the government to deal with some outstanding issues. The United Nations has identified two issues that may impact implementation of this law—the ongoing review of Iraq's Constitution and the capacity of new regional governments.

According to members of Iraq's Constitutional Review Committee (CRC), the law on procedures to form regions was delayed for 18 months to allow the constitutional review process to be completed. Some of the proposed amendments to the constitution would clarify the powers of the federal government versus regions and governorates. For example, according to the United Nations, the CRC proposed amendments that would give federal law priority over regional law with respect to water, customs, ports, and oil and revenue sharing. Other proposed amendments would

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<sup>1</sup>For those legislative benchmarks requiring the enacting and implementing of legislation, we defined a benchmark as "met" if all components of the relevant law have been enacted and implemented; defined the benchmark as "partially met" if the law has been enacted but not implemented or, in instances involving multiple pieces of legislation, at least half have been enacted and implemented; and defined "not met" as having not met the requirements of "met" or "partially met."

<sup>2</sup>Iraq has 18 governorates and the Iraqi Constitution states that one or more governorates have the right to organize into a region. Article 117 of the Constitution further recognizes the region of Kurdistan, which consists of three provinces in northern Iraq. The final version of the law on executive procedures regarding the formation of regions states that a region consists of one province or more.

give the federal government exclusive power over electricity generation, railways, and pension funds.<sup>3</sup> Moreover, the constitutional review could also help resolve the status of disputed areas, which could impact regional boundaries. Until the constitutional review is completed and the constitutional referendum is held, residents in areas considering regional formation may not have all the information they need to make decisions.

The capability of the regions to govern themselves will also impact implementation of the law. Article 121 of the Constitution accords significant executive, judicial, and management authorities to the regions. The regions have responsibility for maintaining their internal security forces, administering allocations from national revenues, and maintaining representational offices in embassies and consuls. Moreover, the law on formation of regions provides that once formed, the regions must undertake to create elected provisional legislative councils. According to the United Nations, this will require a substantial investment of resources and significant management responsibility. GAO has reported on significant shortages of competent personnel in national ministries charged with delivering services to the Iraqi people; moreover, these shortages are greater at the provincial level of government, according to State and USAID officials. We have also reported that the poor security situation and high levels of violence have contributed to the continued and

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<sup>3</sup>The lack of clarity about power sharing between federal and regional governments is highlighted by problems over power generation. As of the summer of 2007, a number of provinces have been ignoring the federal government's shared authority over power generation and distribution by failing to provide their required allocations of power to Baghdad, contributing to national blackouts. In August 2007, these provincial authorities were threatening to disconnect their local power generating sources from the national electricity grid.

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accelerating “brain drain” of professional Iraqis that would be needed to manage the new regional administrations.<sup>4</sup>

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<sup>4</sup>GAO, *Securing, Stabilizing, and Rebuilding Iraq: Key Issues for Congressional Oversight*, [GAO-07-308SP](#) (Washington, D.C.: Jan. 9, 2007); GAO, forthcoming *Stabilizing and Rebuilding Iraq: U.S. Ministry Capacity Development Efforts Need an Overall Integrated Strategy to Guide Efforts and Manage Risk*, [GAO-07-903](#) (Washington, D.C.: Sept. 18, 2007).

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# Appendix V: Benchmark 5 – Electoral Legislation

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**Enacting and implementing legislation establishing an Independent High Electoral Commission, provincial elections law, provincial council authorities, and a date for provincial elections.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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## Issue

When provincial elections were first held on January 2005, many Sunnis boycotted the election, resulting in largely Shi'a and Kurd provincial councils in provinces with majority Sunni populations. To redress the under-representation of Sunnis in provincial councils, Iraq needs to hold new provincial elections, but must first establish an electoral commission, write provincial election laws, define provincial powers so voters know the stakes, and set a date for elections.

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## Status

Although the government of Iraq has enacted and implemented legislation establishing an Independent High Electoral Commission (IHEC), it has not enacted and implemented legislation establishing a provincial elections law, provincial council authorities, or a date for provincial elections.

- Although the government of Iraq has enacted and implemented legislation to establish an IHEC, certain steps still remain in establishing the commission. According to the U.S. government, the Council of Representatives (COR) passed the IHEC Law on January 23, 2007, and subsequently appointed the nine IHEC Commissioners, as required under the law, in a process the UN deemed in compliance with international standards. However, a provision in the IHEC law requires the COR to nominate and the Board of Commissioners to appoint the directors of the Governorate Electoral Offices in each province. Twelve of these positions are vacant, but, according to State, the process of appointing the directors is progressing. The law also requires the IHEC to establish and update a voter registry in collaboration with the Governorate and Regional Electoral Offices. However, before they can complete an update of the voter registry (which was last updated in mid-2005), an election law must

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<sup>1</sup>For those legislative benchmarks requiring the enacting and implementing of legislation, we defined a benchmark as “met” if all components of the relevant law have been enacted and implemented; defined the benchmark as “partially met” if the law has been enacted but not implemented or, in instances involving multiple pieces of legislation, at least half have been enacted and implemented; and defined “not met” as having not met the requirements of “met” or “partially met.”

be enacted that defines the residency and voter eligibility requirements. Finally, the IHEC still needs a budget to fund its activities.

- Iraq has not enacted and implemented legislation for provincial elections. According to the U.S. Embassy in Baghdad, the Prime Minister's office is drafting legislation governing provincial elections, including setting a date for elections to occur. However, according to the Embassy, some key political parties are hesitant to hold provincial elections due to concerns that they will lose representation, potentially to more extreme parties. Additionally, several parties are demanding that any election law ensure that eligible refugees and internally displaced persons be allowed to vote.
- Provincial powers legislation, which will define the authorities and structures of local governments, has not been enacted and implemented. According to the U.S. government, the draft legislation has been approved and submitted to the Council of Representatives, where it has had two of the three required readings. However, the U.S. government reported in July 2007 that changes were being considered, particularly related to the powers of the governor and the authority of the federal government at the local level. The U.S. Embassy cited key issues with the draft, including that it cedes most power to the provinces. The United Nations pointed out that the draft fails to clarify the role of the governorate and that the draft law does not deal adequately with the effective delivery of public goods and services in the governorates. According to the U.S. Embassy, on July 8, 2007, the relevant COR committee presented a report outlining suggested changes to the law, some of which the Embassy supported.
- The government of Iraq has not set a date for provincial elections. The Iraq Study Group emphasized the need for provincial elections at the earliest possible date. The Embassy is urging the Iraqi government to take the legislative and administrative action necessary to ensure timely and fair elections. According to the U.S. Embassy, it is intensively engaged with the Iraqi government and the COR at all levels to expedite legislation or amendments to existing legislation that will allow provincial elections to take place and secure funding for elections.

In comments on this appendix, State said that this benchmark should be partially met since the Iraq High Electoral Commission has been established and the benchmark calls only for its establishment. However, the benchmark requires more than the establishment of the IHEC, and Iraq has not enacted and implemented a provincial elections law, provincial council authorities, or a date for provincial elections, as required by the benchmark.

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# Appendix VI: Benchmark 6 – Amnesty Legislation

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## **Enacting and implementing legislation addressing amnesty.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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### **Issue**

Iraqi government officials believe that amnesty for insurgents and others who have not committed terrorist acts is an important tool to promote reconciliation and could help pacify insurgents. In addition, the Iraqi government and coalition forces hold thousands of detainees, some of whom could be eligible for an amnesty program when conditions are right.

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### **Status**

The Iraqi government has not drafted legislation on amnesty, according to U.S. officials, and the conditions for a successful program are not present. As figure 2 in the cover letter shows, many steps remain in the legislative process, including drafting the legislation and obtaining approval in the Iraqi cabinet and Council of Representatives. However, the government of Iraq is not pressing for the development of amnesty legislation.

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### **Little Progress Made in Considering Amnesty Legislation**

Although amnesty was proposed as part of the Prime Minister's national reconciliation plan in June 2006, little progress has been made. The plan called for issuing amnesty to prisoners not involved in crimes against humanity or terrorist acts. At that time, the Iraqi government announced that it would release 2,500 detainees; 2,500 prisoners were subsequently released. According to U.S. officials in Baghdad, no large-scale releases have been made since 2006, and there has been little discussion of amnesty since then. However, the Prime Minister's office and Iraq's Disarmament, Demobilization, and Reintegration Committee sponsored a workshop on amnesty in May 2007. The workshop recommended that amnesty should not proceed, but rather should result from national reconciliation and that the government's military has to be superior to armed groups as a condition for offering amnesty.

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<sup>1</sup>For those legislative benchmarks requiring the enacting and implementing of legislation, we defined a benchmark as "met" if all components of the relevant law have been enacted and implemented; defined the benchmark as "partially met" if the law has been enacted but not implemented or, in instances involving multiple pieces of legislation, at least half have been enacted and implemented; and defined "not met" as having not met the requirements of "met" or "partially met."



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The scope of an amnesty program is also an issue. The United Nations takes the position that in considering the categories of perpetrators to be included or excluded in amnesty, international law does not allow amnesty to be granted to those who committed genocide, crimes against humanity, or other serious violations of international humanitarian law. In addition, Iraqi government officials have recommended that an amnesty program consider all detained individuals held by Iraq and by coalition forces. There are currently thousands of detainees, including over 24,000 held by coalition forces. According to multinational force officials, there could be considerably more detainees in the future as the Baghdad security plan progresses. The Coalition’s Task Force 134 is building and expanding prison facilities to accommodate additional detainees.

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# Appendix VII: Benchmark 7 – Militia Disarmament

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**Enacting and implementing legislation establishing a strong militia disarmament program to ensure that such security forces are accountable only to the central government and loyal to the Constitution of Iraq.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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## Issue

Militias contribute to the high levels of violence in Iraq, are responsible for sectarian killings, fuel ongoing corruption, and have heavily infiltrated the Iraqi army and national police. Efforts to dissolve or bring militias under control have been ongoing since 2004. In March 2007, 77 percent of Iraqis in a nationwide poll agreed that militias should be dissolved.

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## Status

The Iraqi government has not drafted legislation on disarming militias. CPA Order 91, issued in 2004, prohibited armed forces and militias within Iraq, except for those allowed under the Order.<sup>2</sup> Multiple steps are needed to enact and implement further legislation to disarm militias. More importantly, according to U.S. officials, conditions are not right for a traditional disarmament, demobilization, and reintegration program (DDR); accordingly, there is currently no momentum in the government of Iraq for such a program. Thus, militias pose a severe challenge to stability and reconciliation in Iraq.

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## Militias Pose a Challenge, but Little Progress Has Been Made in Demobilizing Them

Militias have contributed to the high levels of violence in Iraq. According to the Defense Intelligence Agency Director, the Jayash al-Mahdi (the militia associated with Muqtada al Sadr), often operates under the protection or approval of Iraqi police to detain and kill suspected Sunni insurgents and civilians. A June 2007 Defense Department report further notes that many Jayash al-Mahdi fighters have left Baghdad as a result of expanded coalition and Iraqi presence. They now engage in ethnic and

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<sup>1</sup>For those legislative benchmarks requiring the enacting and implementing of legislation, we defined a benchmark as “met” if all components of the relevant law have been enacted and implemented; defined the benchmark as “partially met” if the law has been enacted but not implemented or, in instances involving multiple pieces of legislation, at least half have been enacted and implemented; and defined “not met” as having not met the requirements of “met” or “partially met.”

<sup>2</sup>*Rebuilding Iraq: Resource, Security, Governance, Essential Services, and Oversight Issues* (GAO-04-902R, Washington, D.C.: June 28, 2004).

sectarian violence in northern and central Iraq and have increased conflict with the Badr Organization in southern Iraq leading to a significant increase in attacks against the coalition in Basrah. The June 2007 report also states that Shi'a militia infiltration of the Ministry of Interior is a problem. Militia influence impacts every component of the Ministry, particularly in Baghdad and other key cities.

Despite the challenge the militias pose, little progress has been made to disarm and demobilize them. Nine parties, with militias numbering an estimated 100,000 fighters, agreed to a transition and reintegration process in 2004. The Coalition Provisional Authority estimated that 90 percent of these fighters would complete the transition and reintegration process by January 2005. However, according to the administration's July 15, 2007 report, no armed group has committed to disarm. Moreover, according to U.S. officials in Baghdad, the Iraqi DDR commission has not developed a plan for DDR and has not received funding for its work.

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## Conditions for Traditional DDR Do Not Exist

A May 2007 UN assessment on DDR for Iraq states that minimum requirements for a successful DDR program in Iraq include a secure environment, the inclusion of all belligerent parties, an overarching political agreement, sustainable funding, and appropriate reintegration opportunities. GAO's reports and analysis show that these conditions do not exist in Iraq. For example:

- As figure 2 in the cover letter shows, the overall level of attacks against Iraqi civilians, coalition personnel, and Iraqi security forces has risen since 2003, creating a poor security environment. Classified and unclassified GAO reports provide further information on security in Iraq.<sup>3</sup>
- In June 2006, the prime minister sought to include insurgent groups as part of his reconciliation plan. However, according to administration and DOD reports, efforts at reconciliation have stalled. In addition, Iraqi officials reject terrorist groups, such as al Qaeda in Iraq, and a report done for the U.S. Embassy comments that some groups cannot be reconciled. Also, the support of external actors is an important element of disarmament and

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<sup>3</sup>GAO, *Stabilizing Iraq: Factors Impeding the Development of Capable Iraqi Security Forces*, (GAO-07-612T) Washington, D.C.: March 13, 2007); GAO, *Securing, Stabilizing, and Rebuilding Iraq: Key Issues for Congressional Oversight*, (GAO-07-308SP) Washington, D.C.: January 9, 2007; GAO, *Rebuilding Iraq: DOD Reports Should Link Economic, Governance, and Security Indicators to Conditions for Stabilizing Iraq*, (GAO-06-217C) Washington, D.C.: October 31, 2005.

demobilization, but according to U.S. reports, some external groups are not helpful. For example, Iran's Islamic Revolutionary Guard provides deadly arms and funding to Iraq's militias and contributes to the ongoing instability.

The Iraqi government provided \$150 million for DDR in its 2007 budget and the Congress has made available up to \$156 million from the Iraq Security Forces fund, to be used to assist the government of Iraq for this purpose. However, Iraq has prepared no plan for DDR and has not made progress in enacting legislation. Thus, it is uncertain whether such funding is needed at this time.

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# Appendix VIII: Benchmark 8 – Baghdad Security Plan Committees

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## **Establish supporting political, media, economic, and services committees in support of the Baghdad Security Plan.**

**GAO Assessment as of August 30, 2007: Met<sup>1</sup>**

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### **Issue**

The U.S. and Iraqi governments began the current Baghdad security plan<sup>2</sup> in mid-February 2007 to stem the violence in Baghdad and surrounding areas. During the summer of 2006, MNF-I and the Iraqi security forces implemented two other plans to secure Baghdad, but these operations failed to reduce violence for a variety of reasons. Unlike the earlier operations, the current Baghdad Security Plan encompasses political, economic, and security activities that the Iraqi government needed to coordinate at the national level.

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### **Status**

In February 2007, the Iraqi government created the Executive Steering Committee (the executive committee) and six subcommittees to coordinate political, economic and military activities and make decisions in support of the Baghdad Security Plan. According to a Department of State official, the executive committee's major objective was to increase the coordination and capacity of the Iraqi government to improve the quality of life of Baghdad's population as part of the Baghdad Security Plan. Each of the subcommittees addresses one of six issues related to the plan's implementation: economics, services, political, communication, popular mobilization, and security. The executive committee and subcommittees meet on a weekly basis.

The committees consist of Iraqi and U.S. participants. The Iraqi Prime Minister chairs the executive committee, while senior-level Iraqi ministry officials chair the various subcommittees. For example, a deputy prime minister chairs the economic subcommittee and the services subcommittee. Representatives from the relevant Iraqi ministries serve on each subcommittee. Two senior U.S. officials are observers to the

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<sup>1</sup>We defined this benchmark as "met" if the committees were established in support of the Baghdad Security Plan; defined this benchmark as "partially met" if at least half of the committees were established in support of the Baghdad Security Plan; and defined this benchmark as "not met" if less than half of the committees were established in support of the Baghdad Security Plan.

<sup>2</sup>The current Baghdad security plan is also known as Operation Fardh al-Qanoon.

executive committee and attend its weekly meetings. A senior MNF-I or U.S. embassy official is also assigned to each subcommittee. This official provides advice on the subcommittees' agendas and other support when called upon.

According to a Department of State official, the executive committee and subcommittees have worked to ensure that the Iraqi government provided sufficient Iraqi forces to assist MNF-I in implementing the Baghdad Security Plan. For example, when the Iraqi Army provided brigades that were not at full strength, the executive committee and security subcommittee identified forces from other parts of the country to move to Baghdad. The committees also found ways to house and feed the Iraqi troops supporting the security plan. In addition, the communication subcommittee has helped publicize the security plan's goals and the other subcommittees' efforts to get resources to Baghdad districts that have been cleared of insurgents.

We did not assess the effectiveness of the executive committee or subcommittees in providing overall coordination and supporting the implementation of the Baghdad Security Plan. However, the administration's July 2007 report to Congress stated that the effectiveness of each committee varied.

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# Appendix IX: Benchmark 9 – Iraqi Brigades

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**Provide three trained and ready Iraqi brigades to support Baghdad operations.**

**GAO Assessment as of August 30, 2007: Partially met<sup>1</sup>**

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## Issue

During the summer of 2006, a large number of Iraqi security forces refused to deploy to Baghdad to conduct operations in support of the previous Baghdad Security Plans. In January 2007, the President said that the Iraqi government had agreed to resolve this problem under the current plan and had committed three additional Iraqi brigades to support the new plan.

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## Status

Since February 2007, the Iraqi government deployed nine Iraqi army battalions equaling three brigades for 90-day rotations to support the Baghdad Security Plan. In the July 2007 report, the administration stated that the Iraqi government had difficulty deploying three additional army brigades to Baghdad at sufficient strength. In commenting on our draft report, DOD stated that current present for duty rates for deployed units is 75 percent of authorized strength. However, the July 2007 administration report stated that the government has deployed battalions from multiple Iraqi Army divisions to provide the required three brigade-equivalent forces to support the Baghdad security plan. After the initial deployment of the required brigades, the Iraqi government began the rotation plan. 19 units have currently deployed in support of the Baghdad security plan. Several of these units voluntarily extended, and others were rotated every 90 days in accordance with the plan. In addition, all of the Iraqi units had pre-deployment training to support operations in Baghdad. The administration's July 2007 report states that progress toward this benchmark has been satisfactory, and the overall effect has been satisfactory in that three brigades are operating in Baghdad.

However, in commenting on this report, DOD stated that performance of the units currently supporting Baghdad operations has been varied. Some

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<sup>1</sup>We defined this benchmark as “met” if the government of Iraq had provided three trained and ready brigades, or an equivalent number of battalions, to support Baghdad operations; as “partially met” if some of the units were trained and ready to support Baghdad security operations; and as “not met” if none of the units provided were trained and ready to support Baghdad security operations. The assessment was based on each unit’s transition readiness assessments and intelligence reporting on their reliability. Consequently, our determination of “partially met” was based largely on classified information. (see classified appendix).

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units had performed exceptionally well, proven themselves and raised their readiness ratings. Others had marked time and slowly regressed over their 90-day deployment. Of the 19 Iraqi units that had supported operations in Baghdad, 5 units had performed well while the remaining had proven to be problematic for several reasons: lack of personnel, lack of individual fighting equipment and lack of vehicles to conduct their assigned missions. We obtained classified information that indicates other problems with these Iraqi army units. Our classified briefing report provides more information on this benchmark.



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# Appendix X: Benchmark 10 – Commander’s Authority

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**Providing Iraqi commanders with all authorities to execute this plan and to make tactical and operational decisions, in consultation with U.S commanders, without political intervention, to include the authority to pursue all extremists, including Sunni insurgents and Shi’ite militias.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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## Issue

As stated in the President’s January 10, 2007, speech on the Baghdad security plan, previous Baghdad security plans failed, in part, because Iraqi political and sectarian interference prevented forces from taking action against militias. According to the administration’s initial assessment, Iraq’s Prime Minister stated that political or sectarian interference in the affairs of the Iraqi security forces will not be tolerated, and actions have been taken to address political intervention.

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## Status

In July 2007, the administration reported that the government of Iraq has not made satisfactory progress toward providing Iraqi commanders with all authorities to execute the Baghdad security plan and to make tactical and operational decisions in consultation with U.S. commanders without political intervention. The report noted that political intervention in the conduct of some security operations continues even though new rules of engagement for the Baghdad Operational Command have come into effect and commanders have been given the authority to attack insurgents and militias.

According to U.S. officials and other experts, sectarian and political interference in the conduct of military operations continues. Tribal and ethno-sectarian loyalties remain strong within many Iraqi military units, hindering efforts to take actions against militias. These loyalties are often the basis for relationships between key officers in units and higher-level authorities who are not always in the direct chain of command. For example, sectarian militias control many local police. Additionally, some army units sent to Baghdad have mixed loyalties, and some have had ties to Shi’a militias making it difficult to target Shi’a extremist networks.

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<sup>1</sup>We defined this benchmark as “met” if Iraqi commanders did not face political intervention in executing the plan and making tactical and operational decisions. We defined this benchmark as “not met” if Iraqi commanders faced political intervention in executing the plan and making tactical and operational decisions.

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Further, according to DOD, evidence exists of target lists emanating from the Office of the Commander in Chief that bypassed operational commanders and directed lower-level intelligence officers and commanders to make arrests, primarily of Sunnis. In addition, sectarian bias in the appointment of senior military and police commanders continues, giving rise to suspicions that political considerations may drive Iraqi commanders’ decisions about which operations to undertake or support.

In commenting on this benchmark, DOD noted that all 9 of the brigade commanders and 17 of the 27 national police battalion commanders have been replaced for failure to command or enforce non-sectarian operations.

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# Appendix XI: Benchmark 11 – Iraqi Security Forces Enforcement of the Law

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**Ensuring that Iraqi Security Forces are providing even-handed enforcement of the law.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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## Issue

During 2006, according to a Department of State human rights report, the Iraqi security forces committed serious human rights violations in Baghdad and other areas of Iraq. These actions added to the increasing violence against the civilian population during 2006. In support of the Baghdad security plan, the Iraqi Prime Minister pledged to provide even-handed enforcement of the law.

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## Status

According to U.S. reports, the government of Iraq has not ensured that the Iraqi security forces are providing even-handed enforcement of the law. In May 2007, the U.S. Commission on International Religious Freedom<sup>2</sup> reported that Iraq's Shi'a-dominated government bears responsibility for engaging in sectarian-based human rights violations, as well as tolerating abuses committed by Shi'a militias with ties to political factions in the governing coalition. According to the commission, the Iraqi government through its security forces has committed arbitrary arrest, prolonged detention without due process, targeted executions, and torture against non-Shi'a Iraqis. In committing these abuses, the security forces target Sunnis on the basis of their religious identity, as well as terrorists and insurgents.

Furthermore, the commission reported that the Iraqi government tolerates and fails to control religiously motivated attacks and other abuses carried out by Shi'a militias, specifically Jayash al-Mahdi and Badr Organization. These militias have targeted Sunnis on the basis of their religious identity

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<sup>1</sup>We defined this benchmark as "met" if Iraqi security forces provided even-handed enforcement of the law. We defined this benchmark as "not met" if Iraqi security forces did not provide even-handed enforcement of the law.

<sup>2</sup>U.S. Commission on International Religious Freedom, *Annual Report of the U.S. Commission on International Religious Freedom* (Washington D.C.: May 2007). The U.S. Commission on International Religious Freedom was created by the International Religious Freedom Act of 1998 (IRFA) to monitor violations of the right to freedom of thought, conscience, and religion or belief abroad, as defined in IRFA and set forth in the Universal Declaration of Human Rights and related international instruments, and to give independent policy recommendations to the President, Secretary of State, and Congress.

and have committed such abuses as abductions, beatings, targeted killings, intimidation, forced resettlement, murder, rape, and torture. According to the commission's report, relationships between these militias and leading Shi'a factions within Iraq's ministries and governing coalition indicate that the Jayash al-Mahdi and Badr Organization are parastate actors operating with impunity or even with governmental complicity.

In mid-August 2007, Department of State officials stated that the Iraqi government and security forces continue to engage in sectarian-based abuses. State's March 2007 human rights report<sup>3</sup> cited widely reported incidents of unauthorized government agent involvement in extrajudicial killings throughout the country. These incidents included Shi'a militia members wearing police uniforms and driving police cars in carrying out killings and kidnapping in the southern city of Basra. In addition, death squads affiliated with the Ministry of Interior targeted Sunnis and conducted kidnapping raids in Baghdad and its environs, largely with impunity.

The administration's July 2007 report stated that the Iraqi government and many Iraqi security force units are still applying the law on a sectarian basis when left on their own. The report attributed any progress made by the security forces in enforcing the law more even-handedly to the presence of coalition units and embedded training teams, rather than to the Iraqi government.

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<sup>3</sup>U.S. Department of State, *Country Reports on Human Rights* (Washington, D.C.: Mar. 6, 2007).

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# Appendix XII: Benchmark 12 – Safe Havens

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**Ensuring that, according to President Bush, Prime Minister Maliki said “the Baghdad security plan will not provide a safe haven for any outlaws, regardless of [their] sectarian or political affiliation.”**

**GAO Assessment as of August 30, 2007: Partially met<sup>1</sup>**

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## Issue

As stated in the President’s January 10, 2007, speech on the Baghdad security plan, previous plans to secure Baghdad have failed, in part, because political and sectarian interference and rules of engagement in place for those plans prevented Iraqi and coalition forces from entering neighborhoods that are safe havens to those fueling the sectarian violence. On January 6, 2007, the Iraqi Prime Minister stated, “The Baghdad security plan will not offer a safe shelter for outlaws regardless of their ethnic and political affiliations, and we will punish anyone who hesitates to implement orders because of his ethnic and political background.”

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## Status

Although the Iraqi government has allowed MNF-I to conduct operations in all areas of Baghdad, temporary safe havens still exist due to strong sectarian loyalties and militia infiltration of security forces. According to State, terrorist safe havens are defined as ungoverned, under-governed, or ill-governed areas of a country and non-physical areas where terrorists that constitute a threat to U.S. national security interests are able to organize, plan, raise funds, communicate, recruit, train, and operate in relative security because of inadequate governance capacity, political will, or both.

U.S. commanders report overall satisfaction with their ability to target any and all extremist groups. In commenting on our draft report, DOD stated that coalition forces and Iraqi security forces conducted over eighty operations that span each sector of Sadr City from January to August 2007. According to DOD, the surge has resulted in significant reductions in safe havens for al Qaeda in Iraq inside Baghdad and in al Anbar and Diyala provinces. In previous Baghdad operations, the Iraqi government prevented Iraqi and coalition forces from going into Sadr City. Although MNF-I conducts operations in Sadr City, MNF-I and Iraqi security forces

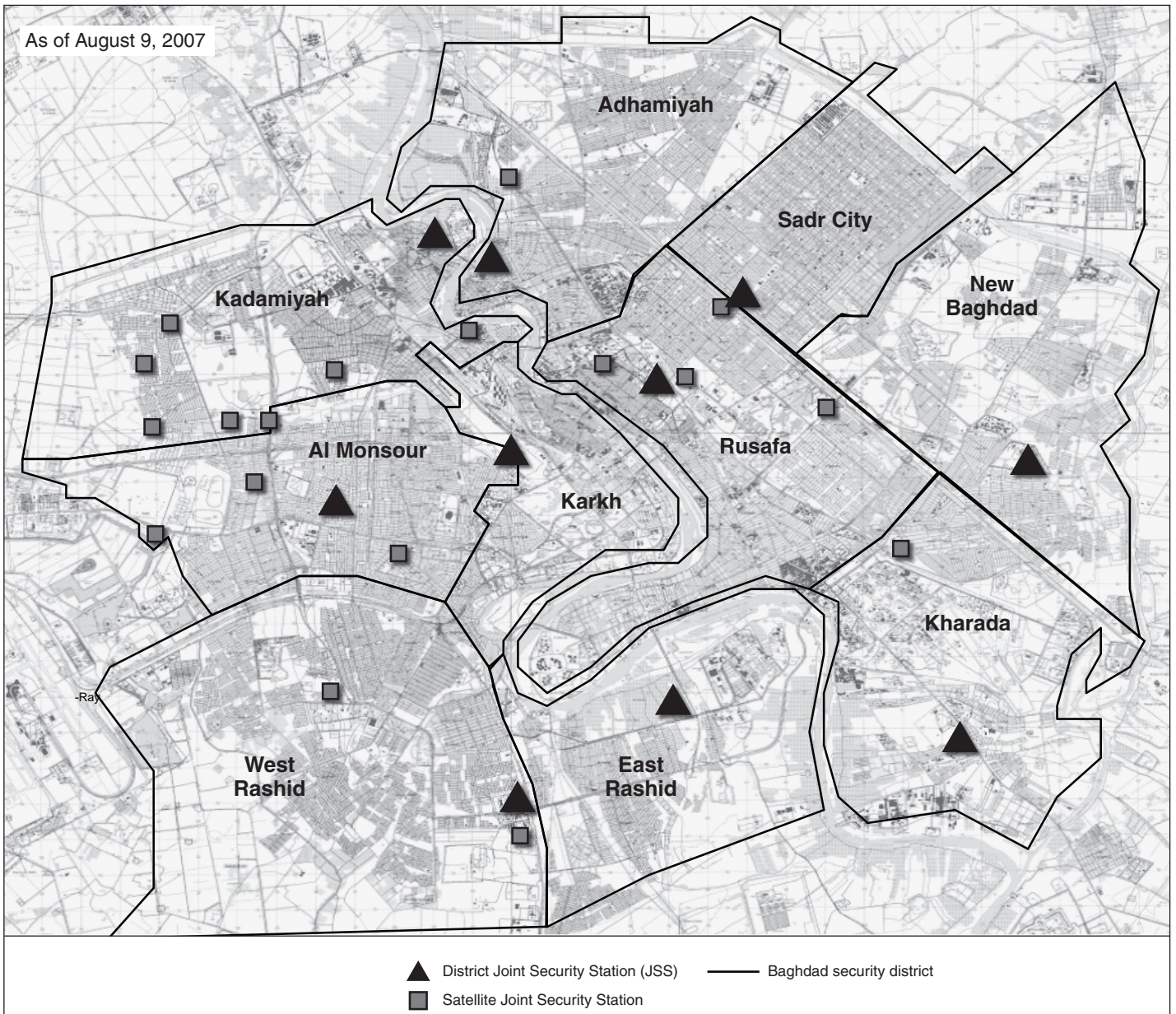
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<sup>1</sup>We defined this benchmark as “met” if Iraqi government policy did not allow safe havens and none existed; defined this benchmark as “partially met” if Iraqi government policy prohibited safe havens yet some existed; and defined this benchmark as “not met” if the Iraqi government had no stated policy on safe havens.

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maintain only one Joint Security Station on the border of Sadr City, with none within the city itself (see fig. 4). In addition to Joint Security Stations, MNF-I established about 30 coalition outposts throughout Baghdad, including one on the border of Sadr City.

**Figure 4: Location of Joint Security Stations and Coalition Outposts in Baghdad**



Source: Multinational Division-Baghdad.

However, due to sectarian influence and infiltration of Iraqi security forces and support from the local population, anti-coalition forces retain the freedom to organize and conduct operations against coalition forces. Thus

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temporary safe havens still exist in Baghdad, which supports a rating of partially met. A June 2007 DOD report describes some of the conditions that allow safe havens to exist. For example, the Shi'a militia continues to function as the de facto government in Sadr City. Further, militia influence impacts every component of the Iraqi Ministry of the Interior, particularly in Baghdad and several other key cities, according to the DOD report.

Our classified briefing report provides more information on the existence of safe havens.



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# Appendix XIII: Benchmark 13 – Sectarian Violence and Militia Control

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**Reducing the level of sectarian violence in Iraq and eliminating militia control of local security.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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## Issue

During 2006, according to State and UN reports,<sup>2</sup> insurgents, death squads, militias, and terrorists increased their attacks against civilians, largely on a sectarian basis. In addition, the number of internally displaced persons in Iraq sharply increased following the February 2006 bombing of the Samarra mosque, primarily as a result of sectarian intimidation and violence that forced many people from their homes. By the end of 2006, according to the UN, many Baghdad neighborhoods had become divided along Sunni and Shi'a lines and were increasingly controlled by armed groups claiming to act as protectors and defenders of these areas.<sup>3</sup> In January 2007, the President announced that the United States would increase force levels in Iraq to help the Iraqis carry out their campaign to reduce sectarian violence and bring security to Baghdad.

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## Status

While it is not clear if sectarian violence has been reduced, militia control over security forces has not been eliminated and remains a serious problem in Baghdad and other areas of Iraq.

According to the administration's July 2007 report to Congress, MNF-I data showed a decrease in sectarian violence, particularly in Baghdad, since the start of the Baghdad security plan. MNF-I counts sectarian incidents and

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<sup>1</sup>We defined this benchmark as "met" if there was clear and reliable evidence that the level of sectarian violence was reduced and militia control of local security was eliminated; defined this benchmark as "partially met" if there was clear and reliable evidence that the level of sectarian violence was reduced or if militia control of local security was eliminated, but not both; and defined this benchmark as "not met" if there was no clear and reliable evidence that the level of sectarian violence was reduced and that militia control of local security was eliminated.

<sup>2</sup>U.S. Department of State, *Country Reports on Human Rights* (Washington, D.C.: Mar. 6, 2007); UN Assistance Mission for Iraq (UNAMI), *Human Rights Report* (Sept. 1-Oct. 31, 2006); UNAMI, *Human Rights Report* (Nov. 1-Dec. 31, 2006).

<sup>3</sup>According to State's human rights report, an overall campaign aimed at forcibly displacing citizens was the main reason for the increasing polarization of areas within and outside Baghdad during 2006. State noted numerous reports that indicated a Shi'a militia, the Jayash al-Mahdi, was responsible for a growing number of raids and killings of Sunni citizens in Baghdad and other parts of the country during the year.

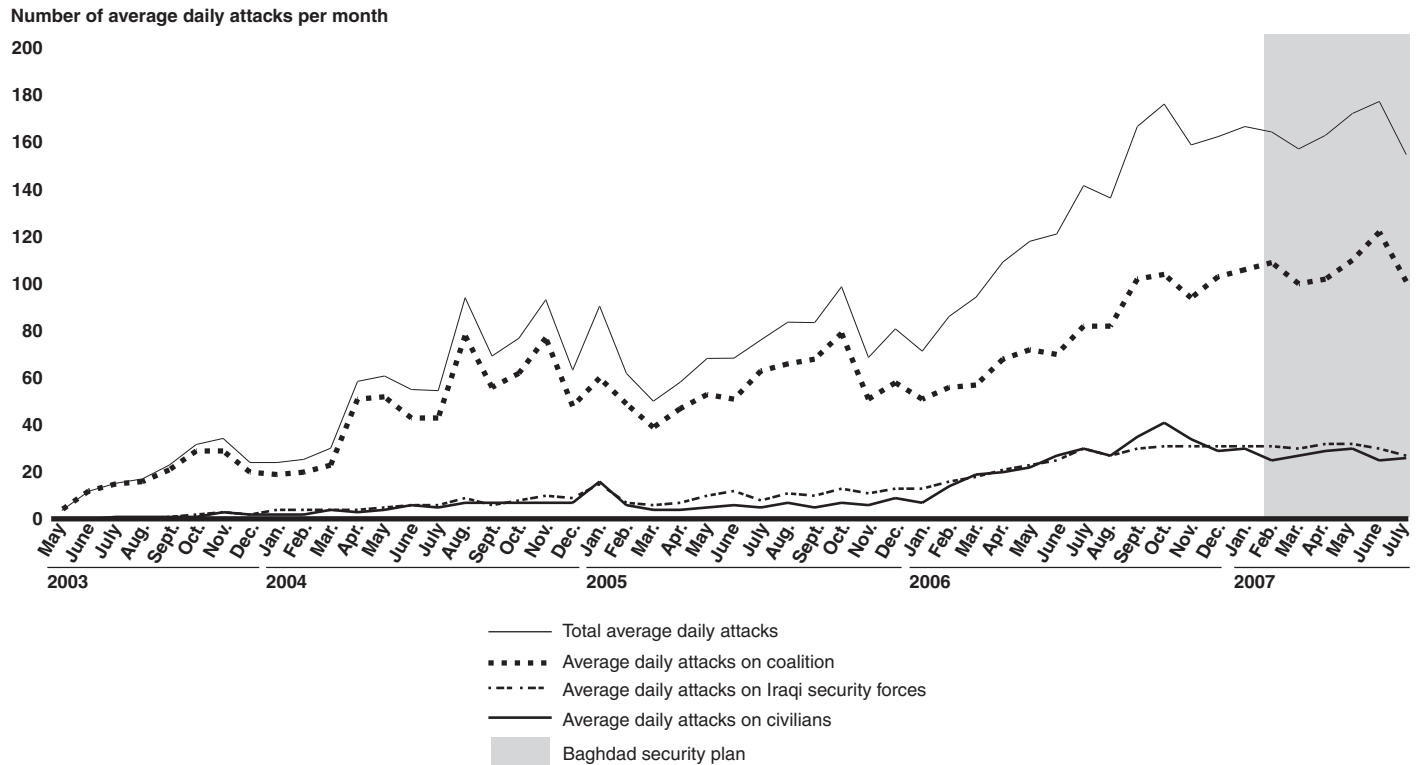
murders in determining trends in sectarian violence.<sup>4</sup> The administration's July 2007 report concluded that the Iraqi government, with substantial coalition assistance, had made satisfactory progress toward reducing sectarian violence. The report acknowledged that precise measurements vary, and it was too early to determine if the decrease would be sustainable.

GAO cannot determine whether sectarian violence in Iraq has been reduced because measuring such violence requires understanding the perpetrator's intent, which may not be known. The number of attacks targeting civilians and population displacement resulting from sectarian violence may serve as additional indicators. For example, as displayed in figure 5, the average number of daily attacks against civilians remained about the same over the last six months. The decrease in total average daily attacks in July is largely due to a decrease in attacks on coalition forces rather than civilians.

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<sup>4</sup>DOD, *Measuring Stability and Security in Iraq* (Washington, D.C.: June 2007).

**Figure 5: Average Number of Daily, Enemy-Initiated Attacks Against the Coalition, Iraqi Security Forces, and Civilians (May 2003-July 2007)**



Source: GAO analysis of DIA-reported Multi-National Force-Iraq data, July 2007.

While overall attacks declined in July compared with June, levels of violence remain high. Enemy initiated attacks have increased around major religious and political events, including Ramadan and elections.<sup>5</sup> For 2007, Ramadan is scheduled to begin in mid-September.

The August 2007 National Intelligence Estimate on Iraq<sup>6</sup> (NIE) also reports that the level of overall violence in Iraq, including attacks on and casualties among civilians, remains high. Further, the NIE states that Iraq’s

<sup>5</sup>Ramadan is the ninth month of the Islamic calendar. Over the past 4 years, Ramadan began about October 27, 2003; October 16, 2004; October 5, 2005; and September 24, 2006.

<sup>6</sup>National Intelligence Council, *Prospects for Iraq’s Stability: Some Security Progress but Political Reconciliation Elusive, Update to NIE, Prospects for Iraq’s Stability: A Challenging Road Ahead* (Washington, D.C.: August 2007).

security will continue to improve modestly, but that levels of insurgent and sectarian violence will remain high over the next 6 to 12 months. Similarly, recent March and June 2007 United Nations reports state that attacks against civilians persist and the continuing systematic, widespread attacks against the civilian population in Iraq are tantamount to crimes against humanity and violate the laws of war.

The violence in Iraq has resulted in a large number of Iraqis displaced from their homes. A report by the Iraqi Red Crescent Organization found that internally displaced persons increased from about 499,000 in February 2007 to about 1,128,000 in July 2007. The United Nations High Commissioner for Refugees (UNHCR) estimated that an additional 1.8 million Iraqi citizens were displaced to nearby countries, primarily to Jordan, Syria, Lebanon, Iran, and Egypt. The UNHCR predicted that 40,000 to 50,000 people will continue to be displaced each month even if the security plan succeeds in solving the displacement problem. Currently, the number of displaced persons is increasing at an average of 80,000 to 100,000 each month, according to the Red Crescent.

The August 2007 National Intelligence Estimate for Iraq stated that population displacement resulting from sectarian violence continues, imposing burdens on provincial governments and some neighboring states. As the International Organization for Migration and the UN recently reported, most of Iraq's internally displaced persons are moving from mixed areas<sup>7</sup> to seek refuge in homogeneous areas, largely because of direct threats or forcible displacement from their homes due to their religious and sectarian identities. Where population displacements have led to significant sectarian separation, according to the August 2007 National Intelligence Estimate, conflict levels have diminished to some extent because warring communities find it more difficult to penetrate communal enclaves.

Our classified report provides further information on trends associated with violence in Iraq.

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<sup>7</sup>According to a UN report, sectarian violence was most pronounced in areas with diverse ethnic and religious groups or where such groups were located in close proximity to each other, such as in Baghdad, Diyala, Kirkuk, and Mosul. Anbar province, where attack levels have decreased significantly over the past several months, is a predominantly Sunni Arab province.

Militia control over local security forces – the second part of the benchmark—has not been eliminated. Numerous U.S. and UN reports have stated that militias still retain significant control or influence over local security in parts of Baghdad and other areas of Iraq. For example, in July 2007, the administration reported that militia presence is still strong and will likely remain so until the security situation begins to stabilize. The report stated that the Iraqi government has made unsatisfactory progress towards eliminating militia control of local security, which continues to negatively affect the public perception of the authority and fairness of the Iraqi government. In addition, DOD’s June 2007 report to Congress called militia influence of local police a significant problem and added that some security forces remain prone to intimidation by, or collusion with, criminal gangs. Further, the Department of State’s human rights report characterized Iraqi police effectiveness as seriously compromised by militias and sectarianism, with rampant corruption and a culture of impunity. Finally, in March 2007, the United Nations reported cases of possible collusion between armed militia and Iraqi security forces in raids and security operations, as well as the failure of these security forces to intervene and prevent kidnapping and murder and other crimes.

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# Appendix XIV: Benchmark 14 – Joint Security Stations

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**Establishing all of the planned joint security stations in neighborhoods across Baghdad.**

**GAO Assessment as of August 30, 2007: Met<sup>1</sup>**

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## Issue

Past Baghdad security plans failed, in part, because the coalition and Iraqi forces did not hold neighborhoods after clearing them of insurgents. The current Baghdad security plan and the related increase of U.S. and Iraqi forces into Baghdad is intended to clear insurgents, militias, and organized criminal gangs from neighborhoods; maintain a security presence in those areas; and provide for follow-on assistance efforts. As part of this effort, MNF-I and Iraqi security forces are establishing Joint Security Stations across Baghdad to improve population protection by providing a continuous presence in Baghdad’s neighborhoods.

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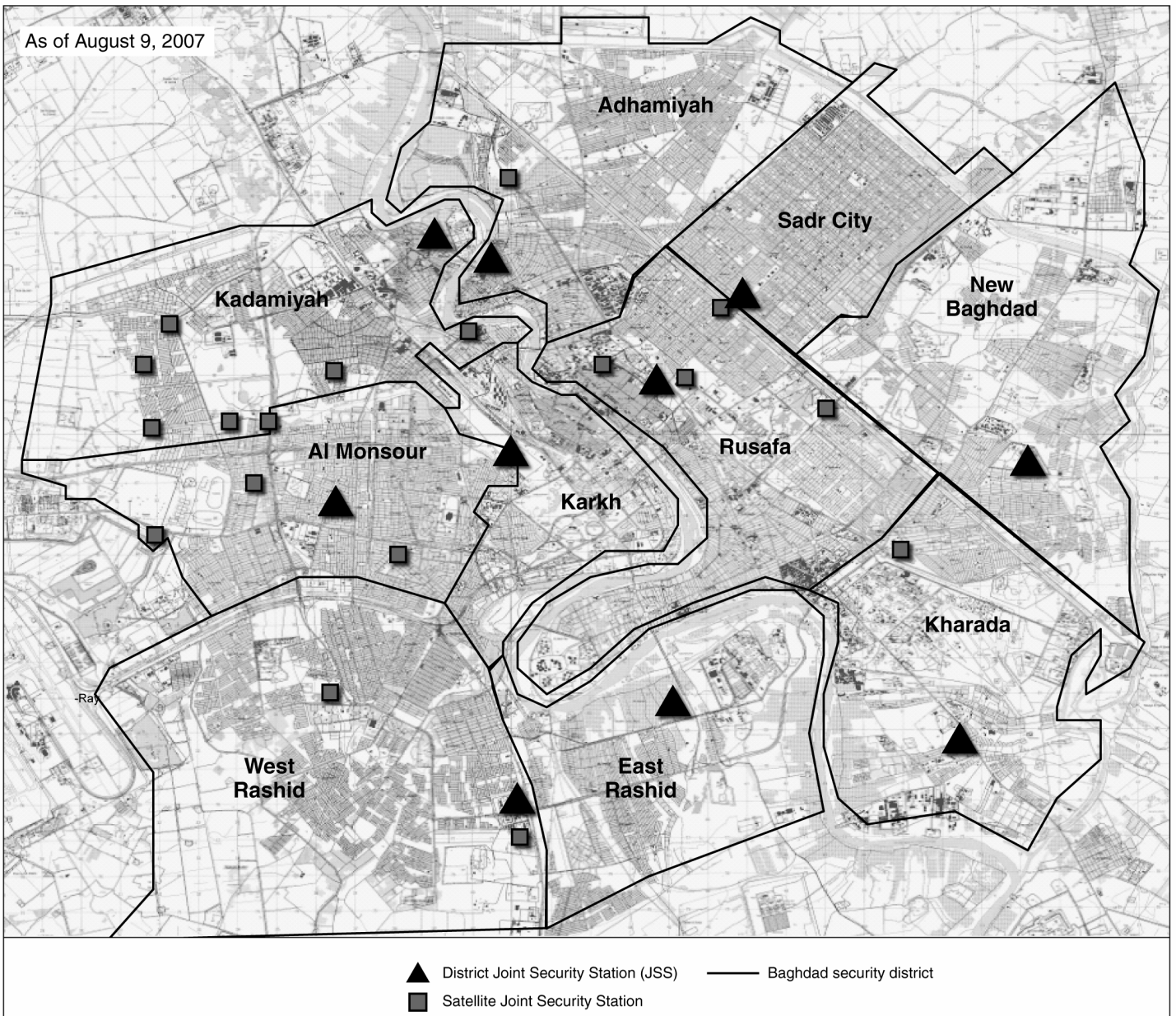
## Status

As of August 9, 2007, the Iraqi government, with substantial coalition assistance, had established 32 of the 34 planned Joint Security Stations in Baghdad (see fig. 6). This figure includes Joint Security Stations that had achieved initial or full operational capability.

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<sup>1</sup>We defined this benchmark as “met” if nearly all of the planned Joint Security Stations were established. We defined this benchmark as “partially met” if half of the planned Joint Security Stations were established. We defined this benchmark as “not met” if less than half of the planned Joint Security Stations were established.

Figure 6: Map of Joint Security Stations in Baghdad, as of August 9, 2007



Source: Multinational Division-Baghdad.

Note: Figure 6 shows the 28 joint security stations that were located in Baghdad's security districts as of August 9, 2007. Three additional joint security stations are located in Baghdad but are outside of the security districts, and another joint security station has been transferred to Iraqi control.

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Joint Security Stations are staffed by Iraqi local police, national police, and army personnel, as well as coalition forces. According to the administration's July 2007 report, the security stations are designed to improve population protection by providing a 24-hour security presence in Baghdad neighborhoods. They also allow greater oversight of Iraqi security forces by U.S. military personnel.



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# Appendix XV: Benchmark 15 – Iraqi Security Forces Operating Independently

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**Increasing the number of Iraqi security forces' units capable of operating independently.**

**GAO Assessment: Not met<sup>1</sup>**

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## Issue

In August 2003, the Coalition Provisional Authority dissolved the Iraqi military and began the process of rebuilding the Iraqi military and police. Since 2003, the United States has provided about \$19.2 billion to train and equip about 350,000 Iraqi soldiers and police officers, in an effort to develop Iraqi security forces, transfer security responsibilities to them and the Iraqi government, and ultimately withdraw U.S. troops from Iraq. The coalition began embedding transition teams with Iraqi security forces in 2005 to help develop their ability to conduct counterinsurgency operations. These teams use the Operational Readiness Assessment process to evaluate the readiness of Iraqi security force units to conduct operations with or without coalition support.<sup>2</sup>

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## Status

While the Iraqi security forces have grown in size and are increasingly leading counterinsurgency operations, the number of Iraqi army units operating independently decreased between March 2007 and July 2007.<sup>3</sup> According to the administration's July 2007 report, an Iraqi unit can be considered independent if it has achieved an Operational Readiness Assessment rating of level 1, which means it is capable of planning, executing, and sustaining counterinsurgency operations.<sup>4</sup>

Manning shortages as well as logistics and sustainment shortfalls have contributed to the decrease in the number of Iraqi battalions capable of

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<sup>1</sup>We defined this benchmark as “met” if the government of Iraq increased the number of Iraqi security forces' units capable of operating independently. We defined this benchmark as “not met” if the government of Iraq did not increase the number of Iraqi security forces' units capable of operating independently.

<sup>2</sup>The Operational Readiness Assessment was previously known as the Transitional Readiness Assessment process.

<sup>3</sup>As of May 2007, the Iraqi army had established over 100 battalions.

<sup>4</sup>In 2006, MNF-I changed the definition of a level 1 unit. Previously, in guidance provided to coalition transition teams for use in evaluating Iraqi security forces, a level 1 unit was said to be fully capable of planning, executing, and sustaining independent operations. In 2006, MNF-I removed the words “fully” and “independent” from the definition. DOD officials could not provide a rationale for the change.

operating independently, according to DOD reports. Sectarian and militia influences further complicate the development of Iraqi forces. In June 2007, DOD reported that while coalition forces are the target of most enemy attacks, Iraqi security forces and civilians account for the majority of casualties, contributing to the decline in the readiness of some Iraqi units. Attrition also has affected the Iraqi security forces. Annual attrition is estimated to be between 15 and 18 percent for the Iraqi army and between 20 and 22 percent for the police. In addition, according to a June 2007 report from DOD to Congress, only about 65 percent of authorized Iraqi personnel are in the field at any given time due to a liberal leave policy and absences without leave. To increase the number of soldiers on hand for operations, the Iraqi government and MNF-I decided that they will increase manning to 120 percent of authorization levels.<sup>5</sup>

Due to Iraq's immature logistics systems, many Iraqi military and police units will continue to depend on MNF-I for key sustainment and logistics support until December 2008. DOD reports that the Iraqi forces' limited capacity in these areas hinders their ability to assume missions from MNF-I and requires continued development in some key areas through the end of 2008. For instance, DOD has set a December 2008 goal for the Iraqi government to provide day-to-day items such as food, water, and electricity to the Ministry of Defense's National Depot. In addition, the Ministry of Interior aims to become self sufficient in procuring and managing repair parts by the end of 2008.

MNF-I and the Iraqi government continue to struggle with sectarian and militia influences while trying to develop the Iraqi security forces. Because of the sectarian leaning of some national police units, MNF-I is providing continuing oversight of Iraqi security forces. In addition, militia influence affects every component of the Ministry of the Interior, especially in Baghdad and other key cities, according to DOD. This influence, along

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<sup>5</sup>The administration's July 2007 interim assessment stated that the number of units assessed at level 1 had decreased, in part, due to a 20-percent increase in unit authorization levels.

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with corruption and illegal activity, constrains progress in the development of Ministry of Interior forces.

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# Appendix XVI: Benchmark 16 – Minority Party Rights

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**Ensuring that the rights of minority political parties in the Iraqi legislature are protected.**

**GAO Assessment as of August 30, 2007: Met<sup>1</sup>**

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## Issue

Minority parties or groups had no rights under the former Ba’athist regime. Ensuring the rights of minority parties was a key Iraqi goal to ensure broad representation and fairness in the new Iraq.

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## Status

The rights of minority political parties in the Iraqi legislature are protected through provisions in the Iraqi Constitution and the Council of Representatives’ by-laws. However, in practice, the rights of minorities throughout Iraq remain unprotected.

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## Rights of Minority Political Parties in the Legislature Are Protected

The Iraqi Constitution and the Council of Representatives’ by-laws include provisions to ensure the full participation of minority political parties within the Iraqi Council of Representatives. These provisions include:

- Article 39 of Iraq’s Constitution, which guarantees the freedom to form and join associations and political parties and also prohibits forcing any person to join in any party, society, or political entity or to continue membership in it.
- Article 3 of the Council of Representatives by-laws, which guarantees the freedom of expressions, opinions, and thoughts of all members of the Council of Representatives. This guarantee is made regardless of a representative’s party or political affiliation in a way that does not contradict the provisions of the Constitution, including the freedom of objective opposition, constructive criticism, and achieving cooperation between the Council of Representatives and other constitutional institutions.

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<sup>1</sup>We considered this benchmark as “met” if the Iraqi government had laws or regulations ensuring the rights of minority parties in the legislature and minority parties received these rights; considered this benchmark as “partially met” if the Iraqi government had such laws but did not protect these rights; and considered this benchmark as “not met” if the Iraqi government had no law or regulation protecting minority party rights.

According to Iraqi legislators from minority parties, their rights in the legislature are protected and they are not physically intimidated. The legislators also said that they have the right to speak before Parliament, and to offer legislation even though they are often not consulted on legislative issues. According to the U.S. government, the electoral system—provincial proportional representation—that was used to elect the current Council was chosen in 2005 to balance a number of factors, including the ability of women and small minority parties to gain representation. The Council of Representatives elected in December 2005 includes members from the Shi'a, Sunni, Kurdish, Turkmen, Chaldo-Assyrian Christian, and Yazidi communities.

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## Human Rights of Iraqi Minorities Across Iraq Remain Unprotected

Although the rights of minority parties are protected in the legislature, widespread violence across Iraq has seriously compromised the government's ability to protect human rights. According to the United Nations, attacks against religious and ethnic minorities continued unabated in most areas of Iraq, prompting these communities to seek ways to leave the country.<sup>2</sup> The conflicts reportedly bear the mark of sectarian polarization and “cleansing” in neighborhoods formerly comprised of different religions.<sup>3</sup> According to a non-governmental organization, all of Iraq's minority communities have suffered violations that include destruction and defacement of religious buildings; mass murder of congregations gathered in and around them; abduction, ransoming, and murder of religious and civic leaders and individuals including children; and forced conversion to Islam using tactics such as death threats, rape, and forced marriage.<sup>4</sup>

In comments on this benchmark, State wrote that GAO should not refer to the general human rights problems of Iraqi minorities because to do so goes beyond the scope of the benchmark and State addresses these problems in other reports. We disagree. We assessed this benchmark as met based on our interpretation of the benchmark and our criteria. However, we believe it is important to provide some context of minority rights in Iraq. Iraqi legislators we interviewed insisted that the situation in

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<sup>2</sup>UN Assistance Mission for Iraq, *Human Rights Report*, Jan. 1– Mar. 31, 2007.

<sup>3</sup>Congressional Research Service, *Iraqi Refugees and Internally Displaced Persons: A Deepening Humanitarian Crisis?* (Washington D.C.: Mar. 23, 2007).

<sup>4</sup>Preti Taneja, Minority Rights Group International, *Assimilation, Exodus, Eradication: Iraq's Minority Communities Since 2003* (United Kingdom: February 2007).

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their communities has a direct bearing on their work in the legislature, their freedom of movement to and from the legislature, and their ability to engage fully in Iraq political life.

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# Appendix XVII: Benchmark 17 – Allocating and Spending Iraqi Revenues

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**Allocating and spending \$10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services on an equitable basis.**

**GAO Assessment: Partially met<sup>1</sup>**

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## Issue

The President's New Way Forward in Iraq identified Iraq's inability to fully spend its own resources to rebuild its infrastructure and deliver essential services as a critical economic challenge to Iraq's self-reliance. Iraqi government funds are a necessary source of financing for Iraq's rebuilding effort, particularly since the United States has obligated most of the \$40 billion it provided to Iraq for reconstruction since 2003. However, the government of Iraq has had difficulty spending its resources on capital projects. In 2006, the government spent only 22 percent of its non-provincial capital projects and reconstruction budget. Furthermore, in the critical oil sector, which provides over 90 percent of Iraq's revenues, the government spent less than 3 percent of the \$3.5 billion allocated for oil reconstruction projects in 2006. In its 2007 budget, Iraq committed to spending \$10 billion on capital projects and reconstruction.

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## Status

The government of Iraq allocated \$10 billion of its revenues for capital projects and reconstruction when it passed its 2007 budget in February 2007, including capital funds for the provinces based on their populations. However, available data from the government of Iraq and analysis from U.S. and coalition officials show that, while spending has increased compared with spending in 2006, a large portion of Iraq's \$10 billion capital projects and reconstruction budget in fiscal year 2007 will likely go unspent.<sup>2</sup> Iraq's Financial Management Law generally requires budgeted funds to be spent by the end of the fiscal year. The Ministry of Oil and the provinces (excluding the Kurdistan region) were allocated almost half of the government's 2007 capital projects and reconstruction budget; however, they are unlikely to spend a large share of their budgets in 2007,

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<sup>1</sup>We would have considered this benchmark as "met" if the funds had been allocated and either the funds had been spent or there was a high likelihood that they would be spent by the end of the fiscal year. We would have considered this benchmark as "partially met" if funds were allocated but it was not clear that the funds would be spent by the end of the fiscal year. We would have considered the benchmark as "not met" if the funds had not yet been allocated or if funds were allocated but clearly not spent.

<sup>2</sup>Iraq's fiscal year begins on January 1st.

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according to U.S. and coalition officials. We are conducting a review of U.S. efforts to help Iraq spend its budget and will issue a separate report at a later date.

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**Iraq's Ministries Have Increased Spending in 2007, but Are Unlikely to Spend a Large Share of their 2007 Capital Projects and Reconstruction Budgets**

The U.S. Embassy in Baghdad reported that Iraqi government ministries spent about \$1.5 billion, or 24 percent, of the \$6.25 billion allocated to their capital projects and reconstruction budgets through July 15th, just over half-way through the fiscal year.<sup>3</sup> This level of spending already exceeds the \$1.4 billion spent in 2006. However, Iraqi ministries have less than 6 months left in the year to spend the remaining 76 percent of their budgets. In its July 2007 report, the administration cited satisfactory progress with this benchmark because the Ministry of Finance was releasing funds to ministries and provinces. The U.S. Embassy reported that the Ministry of Finance released 25 percent and 10 percent of 2007 capital project and reconstruction budget funds to ministries and provinces, respectively, in the first 5 months of the year. However, funding releases are not expenditures and may not be a reliable indicator of future spending by ministries and provinces. The administration's report noted that capacity constraints and security problems may affect Iraq's ability to accelerate its spending and procurement activities.

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**Ministry of Oil and Provinces Are Unlikely to Spend a Large Share of Their 2007 Capital Projects and Reconstruction Budgets**

The Ministry of Oil's capital project and reconstruction budget for 2007 is \$2.4 billion, almost a quarter of the government's total. The ministry has already surpassed last year's spending total; however, U.S. officials stated that the ministry is not likely to spend a large share of its capital projects and reconstruction budget due to a variety of challenges, including a difficult security environment and burdensome and complex procurement rules. According to U.S. officials, the ministry has undertaken reform efforts to eliminate bottlenecks in the budget execution process. The U.S. Embassy reported that the Ministry of Oil had spent \$500 million through July 15, 2007, or 21 percent of its budget for the year. However, the Special Inspector General for Iraq Reconstruction reported statements by U.S. officials that the ministry may not have spent all of these funds, but

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<sup>3</sup>The expenditure data presented by the U.S. Embassy are preliminary data provided by the Ministry of Finance and do not include figures for the Kurdistan region or the other provinces. In its official May 2007 monthly report, the Ministry of Finance did not report any expenditures for capital projects and reconstruction. In the absence of official data, the information presented by the U.S. Embassy provides an indication of Iraq's ability to spend its capital projects and reconstruction budget in the first half of the year.



instead shifted them to its subsidiaries, such as the State Oil Marketing Organization, which have responsibility for spending much of the Oil Ministry's capital projects and reconstruction budget.<sup>4</sup>

In addition, the government provided over \$2 billion, or over 20 percent of the 2007 capital projects and reconstruction budget, to the provinces (not including the semi-autonomous Kurdistan region) based on their populations.<sup>5</sup> These funds are in addition to \$2 billion 2006 provincial funds for capital projects, most of which had not been transferred to the provinces until November and December of 2006.<sup>6</sup> U.S. and foreign officials stated that the provinces have little experience planning and executing infrastructure projects and are likely to spend little of their 2007 capital projects and reconstruction budgets. According to information

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<sup>4</sup>Special Inspector General for Iraq Reconstruction, *Quarterly Report and Semiannual Report to the United States Congress* (Arlington, VA, July 30, 2007).

<sup>5</sup>The Kurdistan region received a separate allocation of \$1.56 billion, or 16 percent of the total 2007 capital projects and reconstruction budget. U.S. officials believe the Kurdistan region is able to execute its budget successfully because of its years of experience as a semi-autonomous region.

<sup>6</sup>The \$2 billion in 2006 capital project and reconstruction funds for the provinces did not include the Kurdistan region, which received a separate allocation. The government of Iraq permitted the provinces to carry over \$1.3 billion in unspent 2006 funds. Unspent 2007 capital funds for the provinces may not be carried over, according to U.S. officials.

collected and reported by Provincial Reconstruction Teams, the provinces had committed 44 percent of their 2007 allocation to contracts for capital projects, as of July 15, 2007.<sup>7</sup> However, it is not clear whether the value of committed contracts is a reliable indicator of actual spending. Given the capacity and security challenges currently facing Iraq, many committed contracts may not be executed and, therefore, would not result in actual expenditures.<sup>8</sup> The Government of Iraq is undertaking a number of initiatives, including budget execution training sessions, to help provincial officials spend their capital budgets, according to U.S. officials.

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<sup>7</sup>This percentage differs from preliminary Ministry of Finance data provided by the U.S. Department of the Treasury indicating that the provinces “spent and committed” 18 percent of their 2007 allocations for capital projects and reconstruction, as of July 15, 2007.

<sup>8</sup>The term “commitment” in Iraq is similar to an obligation under the U.S. budget process, although the government of Iraq’s official expenditure data, as reported by the Ministry of Finance, does not include commitments or obligations.

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# Appendix XVIII: Benchmark 18 – False Accusations

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**Ensuring that Iraq’s political authorities are not undermining or making false accusations against members of the Iraqi Security Forces.**

**GAO Assessment as of August 30, 2007: Not met<sup>1</sup>**

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## Issue

According to U.S. government reporting, qualified Iraqi officers may be discouraged from operating in a professional, non-sectarian manner if Iraq’s political authorities undermine or make false accusations against members of the Iraqi Security Forces (ISF).

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## Status

Iraq’s political authorities continue to undermine and make false accusations against members of the ISF. According to U.S. government officials, little has changed since the U.S. Administration’s July 2007 Initial Benchmark Assessment. Each month the U.S. government receives reports alleging wrongdoing by ISF members considered by MNF-I to be non-sectarian in their approach to security. The U.S. assessment further stated that in most cases the U.S. government was unable to determine the validity of these allegations but believed them to be untrue. The assessment concluded that these accusations undermine the independence and non-sectarianism of the ISF and that the Iraqi government does not adequately address the accusations. According to MNF-I officials in Baghdad, some cases resulted in detention of military officers, but the cases did not provide justification or specific charges against the officers. Further information is classified.

The U.S. government further reported that anecdotal evidence suggests that Iraqi political authorities may not be pursuing allegations even-handedly. According to U.S. government reporting, the de-Ba’athification Commission fabricated charges to cleanse Sunni officers from military units, and the Office of Commander in Chief has issued questionable judicial warrants as a more recent technique to target Sunni commanders. In addition, the ISF’s formal command structure is compromised by

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<sup>1</sup>We defined this benchmark as “met” if there was no evidence of undermining or false accusations against Iraqi security force personnel. We defined this benchmark as “not met” if there was evidence of undermining or false accusations against Iraqi security force personnel.

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influential sectarian leaders linked to the security ministries. These actions have reportedly led to the arrest and detention of several military officials. According to U.S. officials, this tactic is primarily used against Sunni Ministry of Defense officials and does not occur at the predominantly Shi'a Ministry of Interior. The U.S. government also reported that some Sunni politicians have made unsubstantiated claims against ISF officials. Moreover, Iraqi government support for the ISF has been uneven. Some members of the Council of Ministers and Council of Representatives have publicly supported ISF leaders while behind the scenes they continue to ignore sectarian activities, according to the U.S. government.

# Appendix XIX: Origin of Iraqi Benchmarks

**Figure 7: Origin of Iraqi Benchmarks**

May 25, 2007  <b>BENCHMARKS Public Law 110-28</b>	2006		2007				
	June 24 Point Iraqi National Reconciliation Plan	Sept. Prime Minister Maliki's Benchmarks <sup>a</sup>	Jan. Additional commitments by Prime Minister Maliki	Jan. President Bush's New Way Forward speech	Jan. Highlights of the Iraq Strategy Review	Jan. & Feb. Prime Minister Maliki's speeches	May Compact commitments by GOI
1. Forming a Constitutional Review Committee and then completing the constitutional review.		■		■			■
2. Enacting and implementing legislation on de-Ba'athification.	■	■		■		■	■
3. Enacting and implementing legislation to ensure the equitable distribution of hydrocarbon resources of the people of Iraq without regard to the sect or ethnicity of recipients, and enacting and implementing legislation to ensure that the energy resources of Iraq benefit Sunni Arabs, Shia Arabs, Kurds, and other Iraqi citizens in an equitable manner.		■		■		■	■
4. Enacting and implementing legislation on procedures to form semi-autonomous regions.		■					■
5. Enacting and implementing legislation establishing an Independent High Electoral Commission, provincial elections law, provincial council authorities, and a date for provincial elections.		■		■			■
6. Enacting and implementing legislation addressing amnesty.	■	■					■
7. Enacting and implementing legislation establishing a strong militia disarmament program to ensure that such security forces are accountable only to the central government and loyal to the Constitution of Iraq.	■	■				■	■
8. Establishing supporting political, media, economic, and services committees in support of the Baghdad security plan.						■	■
9. Providing three trained and ready Iraqi brigades to support Baghdad operations.			■	■	■		
10. Providing Iraqi commanders with all authorities to execute this plan and to make tactical and operational decisions, in consultation with U.S. commanders, without political intervention, to include the authority to pursue all extremists, including Sunni insurgents and Shiite militias.	■		■	■	■	■	■
11. Ensuring that the Iraqi security forces are providing even-handed enforcement of the law.			■	■	■	■	■
12. Ensuring that, according to President Bush, Prime Minister Maliki said "the Baghdad security plan will not provide a safe haven for any outlaws, regardless of [their] sectarian or political affiliation."				■		■	
13. Reducing the level of sectarian violence in Iraq and eliminating militia control of local security.						■	■
14. Establishing all of the planned joint security stations in neighborhoods across Baghdad. <sup>b</sup>							
15. Increasing the number of Iraqi security forces' units capable of operating independently.	■				■		■
16. Ensuring that the rights of minority political parties in the Iraqi legislature are protected.							■
17. Allocating and spending \$10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis.			■	■	■		■
18. Ensuring that Iraq's political authorities are not undermining or making false accusations against members of the Iraqi security forces.						■	■

Source: GAO analysis of Department of State, Department of Defense, and Iraqi government data.

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<sup>9</sup>Iraq's Policy Committee on National Security agreed upon a set of political, security, and economic benchmarks and an associated timeline in September 2006. These were reaffirmed by the Presidency Council on October 16, 2006.

<sup>10</sup>In December 2006, MNF-I and the government of Iraq agreed to establish joint security stations.

# Appendix XX: Comparison of GAO Assessment with Administration's July 2007 Initial Benchmark Assessment Report

Benchmark	GAO assessment	Administration's assessment report
1. Forming a Constitutional Review Committee and then completing the constitutional review.	<input type="radio"/>	<input checked="" type="checkbox"/>
2. Enacting and implementing legislation on de-Ba'athification.	<input type="radio"/>	<input type="checkbox"/>
3. Enacting and implementing legislation to ensure the equitable distribution of hydrocarbon resources of the people of Iraq without regard to the sect or ethnicity of recipients, and enacting and implementing legislation to ensure that the energy resources of Iraq benefit Sunni Arabs, Shia Arabs, Kurds, and other Iraqi citizens in an equitable manner.	<input type="radio"/>	<input type="checkbox"/>
4. Enacting and implementing legislation on procedures to form semi-autonomous regions.	<input checked="" type="radio"/>	<input checked="" type="checkbox"/>
5. Enacting and implementing legislation establishing an Independent High Electoral Commission, provincial elections law, provincial council authorities, and a date for provincial elections.	<input type="radio"/>	<input checked="" type="checkbox"/>
6. Enacting and implementing legislation addressing amnesty.	<input type="radio"/>	a
7. Enacting and implementing legislation establishing a strong militia disarmament program to ensure that such security forces are accountable only to the central government and loyal to the Constitution of Iraq.	<input type="radio"/>	a
8. Establishing supporting political, media, economic, and services committees in support of the Baghdad security plan.	<input checked="" type="radio"/>	<input checked="" type="checkbox"/>
9. Providing three trained and ready Iraqi brigades to support Baghdad operations.	<input checked="" type="radio"/>	<input checked="" type="checkbox"/>
10. Providing Iraqi commanders with all authorities to execute this plan and to make tactical and operational decisions, in consultation with U.S. commanders, without political intervention, to include the authority to pursue all extremists, including Sunni insurgents and Shiite militias.	<input type="radio"/>	<input type="checkbox"/>
11. Ensuring that the Iraqi Security Forces are providing even-handed enforcement of the law.	<input type="radio"/>	<input type="checkbox"/>
12. Ensuring that, according to President Bush, Prime Minister Maliki said "the Baghdad security plan will not provide a safe haven for any outlaws, regardless of [their] sectarian or political affiliation."	<input checked="" type="radio"/>	<input checked="" type="checkbox"/>
13. Reducing the level of sectarian violence in Iraq and eliminating militia control of local security.	<input type="radio"/>	<input checked="" type="checkbox"/>
14. Establishing all of the planned joint security stations in neighborhoods across Baghdad.	<input checked="" type="radio"/>	<input checked="" type="checkbox"/>
15. Increasing the number of Iraqi security forces' units capable of operating independently.	<input type="radio"/>	<input type="checkbox"/>
16. Ensuring that the rights of minority political parties in the Iraqi legislature are protected.	<input checked="" type="radio"/>	<input checked="" type="checkbox"/>
17. Allocating and spending \$10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis.	<input checked="" type="radio"/>	<input checked="" type="checkbox"/>
18. Ensuring that Iraq's political authorities are not undermining or making false accusations against members of the Iraqi security forces.	<input type="radio"/>	<input type="checkbox"/>
<b>Summary</b>	3 met, 4 partial, and 11 not met	8 satisfactory, 2 mixed, and 6 unsatisfactory
<input checked="" type="radio"/> Met <input checked="" type="radio"/> Partially met <input type="radio"/> Not met <input checked="" type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> Mixed <input type="checkbox"/> Unsatisfactory		

Source: GAO analysis of UN, U.S., and Iraqi data.

<sup>a</sup>According to the U.S. State Department, conditions are not present for these benchmarks.

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# Appendix XXI: Objectives, Scope, and Methodology

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The U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007<sup>1</sup> (the Act) requires GAO to submit to Congress by September 1, 2007, an independent assessment of whether or not the government of Iraq has met 18 benchmarks contained in the Act and the status of the achievement of the benchmarks. This report (1) provides an assessment of whether or not the Iraqi government has met 18 legislative, security, and economic benchmarks, and (2) provides information on the status of the achievement of each benchmark. These benchmarks address 8 legislative, 9 security and 1 economic-related action.

To complete this work, we reviewed U.S. agency documents and interviewed officials from the Departments of Defense, State, and the Treasury; the Multi-national Force-Iraq (MNF-I) and its subordinate commands; the Defense Intelligence Agency; the Central Intelligence Agency; the National Intelligence Council; and the United Nations. These officials included Ryan Crocker, the U.S. Ambassador to Iraq, and General David H. Petraeus, Commander of Multi-National Force-Iraq (MNF-I). We also reviewed translated copies of Iraqi documents and met with officials from the government of Iraq and its legislature. As part of this work, we made multiple visits to Iraq during 2006 and 2007, including a visit from July 22 to August 1, 2007. Our analyses were enhanced by approximately 100 Iraq-related audits we have completed since May 2003.<sup>2</sup> We provided drafts of the report to the relevant U.S. agencies for review and comment, which we incorporated as appropriate. Although we analyzed classified data, this report only contains unclassified information, as of August 30, 2007. We conducted our review in accordance with generally accepted government auditing standards.

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## Legislative Benchmarks

To determine if the Iraqi government is completing actions related to review of the Iraqi Constitution; enacting and implementing legislation on de-Ba'athification, the equitable distribution of hydrocarbon resources, procedures to form semi-autonomous regions, the independent high electoral commission, provincial elections, provincial council authorities, amnesty, and militia disarmament; and ensuring that the rights of minority

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<sup>1</sup>Section 1314 of Public Law 110-28.

<sup>2</sup>For example, see GAO, *Securing, Stabilizing, and Rebuilding Iraq: Key Issues for Congressional Oversight*, [GAO-07-308SP](#) (Washington, D.C.: January 9, 2007). See GAO's website at <http://www.gao.gov> for a complete list of GAO's Iraq-related reports.



political parties in the Iraqi legislature are protected, we took a number of actions. Specifically, we interviewed and reviewed documentation from the Iraqi government, Iraqi legislators in Baghdad, UN, U.S. Institute for Peace, IFES<sup>3</sup>, the Independent High Electoral Commission, non-governmental organizations, and the Departments of Defense and State in Washington, D.C. and Baghdad, Iraq. The documents reviewed included the administration's July 2007 initial benchmark assessment, the Iraqi Constitution, draft laws related to each of the benchmarks, the *International Compact with Iraq 2007 Mid-Year Progress Report*, and UN analyses of the laws addressed by the benchmarks.

For our assessment of the status of the hydrocarbon legislation, we relied on prior GAO reporting<sup>4</sup> and updated information where appropriate. We interviewed and reviewed documentation from the Iraqi government, UN, U.S. Institute for Peace, and State Department in Washington, D.C. and Baghdad, Iraq. We compared central government draft oil laws with the Iraqi Constitution and the Kurdistan Regional Government Oil and Gas law.

Additionally, to determine if the Iraqi government is ensuring that the rights of minority political parties in the Iraqi legislature are protected, we obtained and reviewed the Administration's report on progress in Iraq, the Iraqi constitution, and the *Council of Representatives Bylaws*. We interviewed Iraqi legislators in Baghdad, Iraq, including the leader of the Iraqi Minority Council. We also reviewed human rights reports from nongovernmental organizations, the United Nations, and the U.S. government to determine whether the rights of minorities throughout Iraq are protected.

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## Security Benchmarks

To determine if the Iraqi government is (1) establishing supporting political, media, economic, and services committees in support of the Baghdad Security Plan; (2) providing three trained and ready Iraqi brigades to support Baghdad operations; (3) providing Iraqi commanders with all authorities to execute the Baghdad Security Plan without political

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<sup>3</sup>IFES was formally known as the International Foundation for Election Systems.

<sup>4</sup>GAO, *Rebuilding Iraq: Serious Challenges Impair Efforts to Restore Iraq's Oil Sector and Enact Hydrocarbon Legislation*, [GAO-07-1107F](#) (Washington, D.C.: July 18, 2007) and *Rebuilding Iraq: Integrated Strategic Plan Needed to Help Restore Iraq's Oil and Electricity Sectors*, [GAO-07-677](#) (Washington, D.C.: May 15, 2007).

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intervention; (4) ensuring that the Iraqi security forces are providing even-handed law enforcement; (5) eliminating safe havens; (6) reducing the level of sectarian violence and eliminating militia control of local security; (7) establishing all planned joint security stations; (8) increasing the number of security units capable of operating independently; and (9) ensuring that Iraq's political authorities are not undermining or making false accusations against members of the Iraqi Security Forces, we took a number of actions.

Specifically, we examined U.S. Department of State cables and other documents that discussed the establishment of the supporting committees. We reviewed classified and unclassified documents and reports showing the Iraqi Army units that had deployed to Baghdad and analyzed the U.S. Department of Defense Operational Readiness Assessments (ORA) formerly known as Transitional Readiness Assessments, for these units. In addition, we reviewed classified and unclassified assessments of the authorities granted to unit commanders, the level of sectarian influence and levels of militia infiltration of army and police units, and reports of incidents where Iraqi officials interfered with the chain of command.

To understand the range of methodological issues associated with measuring levels of sectarian violence, and to collect information related to broader trends in population security, we interviewed officials from the U.S. Department of State and Department of Defense in Washington, D.C., and Baghdad, Iraq; the Central Intelligence Agency; the Defense Intelligence Agency; the National Intelligence Council; the United Nations; and the International Organization for Migration in Washington, D.C., Baghdad, Iraq, and Amman, Jordan. We also met with these officials to discuss the other benchmarks.

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## Economic Benchmark

To assess the extent to which the government of Iraq is allocating and spending \$10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services on an equitable basis, we interviewed U.S. government officials and contractors, and obtained and analyzed supporting documents. We interviewed officials in Washington D.C. and Baghdad with the Departments of Defense, State, and the Treasury; the U.S. Agency for International Development; the Embassy Iraq Transition Assistance Office; and consultants to the Ministry of Finance. To assess progress in allocating and spending Iraqi revenues we reviewed official Iraqi Ministry of Finance capital budget and expenditure data for fiscal years 2006 and 2007 provided by the U.S. Department of the Treasury, and unofficial Ministry of Planning and Development

Cooperation data on capital expenditures reported by Multinational Force-Iraq.

We also reviewed unofficial unreconciled data on capital budget execution by the provinces in 2006 and 2007 collected by U.S. Provincial Reconstruction Teams. We compared 2007 capital allocations to the provinces with their populations to assess the equity of capital funding allocations. We discussed the reliability of allocation and expenditure data with U.S. Treasury officials and contractors advising the Ministry of Finance. We also reviewed relevant reports by DOD and State, the Special Inspector General for Iraq Reconstruction, World Bank, IMF, public accountants and Iraqi government budget implementation documents. We found that these data were sufficiently reliable for the purpose of showing trends in budget expenditures.

# Appendix XXII: Comments from the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



**United States Department of State**

*Assistant Secretary for Resource Management  
and Chief Financial Officer*

*Washington, D.C. 20520*

**AUG 29 2007**

Ms. Jacquelyn Williams-Bridgers  
Managing Director  
International Affairs and Trade  
Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548-0001

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "SECURING, STABILIZING AND REBUILDING IRAQ: Iraqi Government Has Not Met Most Legislative, Security, and Economic Benchmarks," GAO Job Code 320511.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact William Cavness, Iraq Desk Officer, Bureau of Near Eastern Affairs at (202) 647-5211.

Sincerely,

A handwritten signature in black ink, appearing to read "Bradford R. Higgins".

Bradford R. Higgins

cc: GAO – Judy McCloskey  
NEA – C. David Welch  
State/OIG – Mark Duda

Department of State Comments on GAO Draft Report

**SECURING, STABILIZING AND REBUILDING IRAQ: Iraqi Government  
Has Not Met Most Legislative, Security, and Economic Benchmarks  
(GAO-07-1195, GAO Code 320511)**

Thank you for allowing the Department of State the opportunity to comment on the draft report "*Securing, Stabilizing and Rebuilding Iraq: Iraqi Government Has Not Met Most Legislative, Security, and Economic Benchmarks.*"

**General Comments:**

*Different standards of evaluation*

As noted in the draft report (p.3, para 1), the legislation requiring the GAO and administration reports sets different standards for the two reports: the GAO is required to assess whether the Iraqi government has met 18 key benchmarks, while the administration is required to assess whether the Iraqi government is making "satisfactory progress" toward meeting the benchmarks. The GAO refines this further with its definitions of legislative benchmarks as "met," "partially met," or "not met" (footnote 4, pp. 4-5).

As a result, the GAO assessment in some cases differs from the administration's assessment focusing on "satisfactory progress." For example, on benchmark (v) regarding the Independent High Electoral Commission (IHEC) and provincial elections, Embassy Baghdad and State assess the first component (establishment of the IHEC) as "satisfactory." The law creating the IHEC has been passed, members have been appointed and approved, and the process of recruiting and training provincial staff is underway. Because the process is not complete, however, GAO assesses this component "not met."

We believe that it is important for the GAO to highlight the differing standards and the effect of this on its conclusions.

See comment 1.

See comment 2.

*Timing of the report*

See comment 3.

The GAO report states that its information will be current as of August 30, 2007. It should therefore take into consideration recent political developments, such as the communiqué released by Iraqi political leaders on August 26, 2007. The communiqué included compromises on a number of key issues, e.g., de-Ba'athification, provincial powers, and power sharing.

*Treatment of hydrocarbons and revenue management legislation*

See comment 4.

The omission of any mention by the GAO of the Kurdistan Regional Government's (KRG) new oil law could be misconstrued as a tacit U.S. government approval of that KRG initiative. In fact, U.S. government policy seeks to achieve unified national hydrocarbons and revenue management legislation. We are suggesting amended language to that effect in the attached matrix.

*Budget execution*

See comment 5.

In our view, GAO's focus on unspent funds in Iraq's reconstruction budget ignores the progress that Iraq has made in this important area. This is another area in which the GAO's different standard of assessment leads to an outcome than State's view of "satisfactory progress." We will provide GAO with detailed comments on its assessment of benchmark (xvii).

*Treatment of human rights*

See comment 6.

Benchmark (xvi) deals only with protection of minority political parties in the Council of Representatives. There is no basis for including other human rights issues in this report, and that language should be removed.

**Response to Recommendation(s)**

**Recommendation:**

In preparing future reports to Congress and to help increase transparency on progress made toward achieving the benchmarks, we recommend that the Secretaries of State and Defense provide information to the President that:

- (1) Clearly specify the status in drafting, enacting and implementing Iraqi legislation.

3

**Response:**

The Department of State provides information on the status of key legislation in various reports to the Congress, and can provide additional details on the drafting, enacting, and implementing of that legislation in future reports.

**Appendix XXII: Comments from the  
Department of State**

**DEPARTMENT OF STATE**  
UNCLASSIFIED GAO Draft Report  
Securing, Stabilizing and Rebuilding Iraq:  
Iraqi Government Has Not Met Most Legislative, Security and Economic Benchmarks

**COMMENT RESOLUTION MATRIX**

Page #	Para#	Type * (A,S,C) Formal/Informal	Recommendations	Comment / Rationale
1		(S) Formal	Status chart benchmark xvi refers to citizens' rights	The benchmark legislation refers only to rights of minority parties in the Council of Representatives. The reference to citizens' rights should be eliminated, along with all other language in the report related to minority rights not specifically referring to minority parties in the Council of Representatives.
4	(3)	(C) Formal	GAO makes general reference to minority rights in Iraq.	See comment above for p. 1. GAO should eliminate reference to minority rights.
11	(1)	(C) Formal	First and second bullets make categorical statements about government interference and bias.	The judgments as written are too sweeping and are therefore inaccurate. We recommend for the first bullet "has not always allowed" and for the second bullet "has not always assured."
15		(S) Formal	(i) GAO evaluated status as "not met."	The July report gives the status as "Satisfactory progress," based on the formal establishment of the CRC and the operational definition of "satisfactory progress" we are using, i.e., "present trend data demonstrates positive trajectory." We stand by our July assessment.
21		(S) Formal	(iii) GAO evaluated status as "not met."	The GAO report does not mention that the Kurdish National Assembly passed an oil law in August that is at variance with important

Page 1 of 5

See comment 7.

See comment 8.

See comment 9.

See comment 10.

See comment 11.



**Appendix XXII: Comments from the  
Department of State**

See comment 12.

See comment 13.

				provisions of the framework law and oil revenue management law under consideration by the Council of Representatives. The United States continues to believe that Iraq's interests are better served by the adoption of a single set of national oil and gas laws, which will help foster national unity and promote reconciliation.
24	(1)	(S) Formal	(iv) GAO comments on attitude of Iraq's political leaders toward regions law.	The wording of the last sentence in para (1) implies that all Iraqi political leaders support the right to form regions. This is not the case, and was a factor in delaying the implementation of the legislation for 18 months. This sentence should be deleted
26		(S) Formal	(v) GAO evaluated status as "not met," and, of particular note, progress on establishing IHEC as "not met."	The July report rates part one of benchmark (establishment of IHEC) as "satisfactory" and "not satisfactory" on the other three parts. The IHEC has been established, and, while it may not have completed all tasks assigned to it, e.g., appointment of directors of directors of provincial Governorate Election Officers, this does not merit the GAO's "not met" assessment. The benchmark calls only for establishment of the IHEC. Selection/training of the new election officers has been underway for some time. In our view, the GAO assessment on this element of the benchmark could therefore be "partially met."  GAO assessments on remaining three elements

**Appendix XXII: Comments from the  
Department of State**

See comment 14

See comment 15.

See comment 16.

See comment 17.

See comment 18.

				of this benchmark track with our assessments.
28	(1)	(C) Formal	(v) No legislation setting date for elections	Change to "The government has not set a date for provincial elections." Rationale: Setting a date for elections does not require legislation
31	(2)	(C) Formal	(vii) GAO evaluated DDR status as "not met" with "no momentum in the government of Iraq" toward DDR	Change sentence in first para to read "Conditions are not right for a traditional disarmament, demobilization and reintegration program, according to U.S. and U.N. officials, and, accordingly, there is no momentum for such a program at present." Rationale: There is no program because the conditions are not present, not because there is no government momentum. We object to the GAO's characterization of State's evaluation as "N/A."  See additional note for p. 64.
35	(2)	(C) Formal	(viii) GAO commented that the committees worked to provide forces for Baghdad Security Plan, found ways to house and feed troops in Baghdad, etc.	The executive committee and subcommittees may have engaged in these activities early in the course of the Baghdad Security Plan, but no longer do so. The entire paragraph should be omitted.
55	(2)	(C) Formal	(xvi) GAO evaluated status as "met," but with caveats related to the general human rights situation for minorities in Iraq.	The benchmark refers only to rights of minorities represented in the COR, and so the GAO assessment should not refer to the general human rights problems of Iraqi minorities. The State Department addresses these problems in detail in other reports. Request deletion of sentence beginning, "However, this benchmark..."
56		(C) Formal	Section on human rights of Iraqi minorities	Again, this section goes beyond the scope of

**Appendix XXII: Comments from the  
Department of State**

See comment 19.

58		(C) Formal	(xvii) GAO assesses status as "partially met."	<p>the benchmarks report and should be deleted.</p> <p>The July report indicates "satisfactory progress."</p> <p>From the U.S. government perspective, the most important point is that the Iraqis are making steady progress, and will significantly improve over last year's performance on budget execution, though the exact amount remains unclear. Indeed, the GOI ministries have already spent more of their 2007 capital budget than their total spending in all of 2006.</p> <p>Provincial performance on budget execution is particularly noteworthy, considering that provincial officials have little prior experience with planning and executing their own budgets. To date, provinces have committed 100 per cent of the 2006 funds and 47 per cent of their 2007 funds, with most of this work being done during 2007.</p> <p>It is difficult to make a definitive judgment in September regarding how much of the capital budget will be spent, given that:</p> <ol style="list-style-type: none"> <li>1. The budget was passed at the end of February, and there was little money allocated until March.</li> <li>2. Performance usually accelerates during</li> </ol>
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**Appendix XXII: Comments from the  
Department of State**

See comment 20.

See comment 21.

				<p>the last half of the year.</p> <p>3. There are significant lags in the official GOI data – Ministry of Finance data currently go only through May.</p> <p>State will provide a detailed response on the GAO text directly to GAO.</p>
64		(S) Formal	Summary chart, benchmarks (vi) and (vii), describes State assessment as “N/A.” This is not correct.	GAO should use State’s formula of “prerequisites not present” or equivalent language, but not “N/A.”
66	(3)	(C) Formal	More on human rights in Iraq	Request GAO delete last sentence since the statement goes beyond the required scope of the report.

- \* A= Administrative; S = Substantive; C = Critical
- \* Formal – recommends comments should be published as part of official State response to GAO.
- \* Informal – recommends comments should be provided to GAO but not be published in report.

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The following are GAO's comments on the State Department's letter dated August 30, 2007.

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## GAO Comments

1. We agree with State that legislation on the Iraq High Electoral Commission has been enacted and implemented. However, our assessment of "not met" on the electoral benchmark is based on the Iraqi government not enacting and implementing three of four components of this benchmark—legislation on provincial authorities, provincial elections, and an election date.
2. We have highlighted the different standards of assessment between our report and the administration's reports. We also specify our assessment criteria in the cover letter and each appendix to make our judgments fully transparent.
3. We have included information about the recent communiqué in the cover letter and appendices as appropriate.
4. We have included information about the Kurdish Regional Government's new law and the U.S. position on it in the appendix on hydrocarbon legislation.
5. Our report acknowledges the progress that the Iraqi government has made in allocating and spending \$10 billion of fiscal year 2007 funds on capital projects and reconstruction. While these funds have been allocated, our report also notes that a large portion of these funds will likely go unspent. Consequently, we rated this benchmark as "partially met."
6. We disagree with State's comment. We assessed this benchmark as "met." However, Iraqi legislators we interviewed insisted that the situation in their communities has a direct bearing on their work in the legislature, their freedom of movement to and from the legislature, and their ability to engage fully in Iraq political life. Thus we included additional relevant information about minority human rights in Iraq.
7. See comment 6.
8. See comment 6.
9. We revised our text.
10. Under our criteria, we considered the benchmark as "not met" because the Constitutional Review Committee was still continuing work on

devising a package of necessary amendments, the Iraqi legislature had not voted on the package, and a referendum had not been held.

11. We added information to our already existing reference to the Kurdish National Assembly legislation.
12. We revised this sentence.
13. Under our criteria, this benchmark was not met.
14. We revised the text to reflect State's comments.
15. We revised the text to reflect State's comments.
16. Our paragraph provides context for the committees' work and the text makes it clear that these actions were in the past so we retained our original language.
17. See comment 6.
18. See comment 6.
19. See comment 5.
20. We revised the text.
21. See comment 6.

# Appendix XXIII: Comments from the Department of Defense

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

See States response in appendix XXII.



INTERNATIONAL  
SECURITY  
AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
2400 DEFENSE PENTAGON  
WASHINGTON, DC 20301-2400

AUG 30 2007

Mr. Joseph Christoff  
Director, International Affairs and Trade  
U.S. Government Accountability Office  
441 G Street N.W.  
Washington, DC 20548

Dear Mr. Christoff:

The Department of Defense appreciates the opportunity to respond to the GAO draft report, GAO-07-1195, "SECURING, STABILIZING AND REBUILDING IRAQ: Iraqi Government Has Not Met Most Legislative, Security, and Economic Benchmarks," dated August 27, 2007 (GAO Code 320511). DoD's response covers the last two of the draft report's three recommendations. The Department of State has agreed to respond to the first recommendation.

The GAO recommends that in preparing future reports to Congress and to help increase transparency on progress made toward achieving the benchmarks:

*Recommendation 2:* The Secretary of Defense, and the heads of other appropriate departments and agencies, provides information to the President on trends in sectarian violence with appropriate caveats, as well as broader quantitative and qualitative measures of security.

DoD concurs.

*Recommendation 3:* The Secretary of Defense, and the heads of other appropriate agencies, provides additional information on the operational readiness of Iraqi security forces supporting the Baghdad security plan.

DoD concurs.

Attached is a matrix with comments on the unclassified report. A comment matrix for the classified briefing will be provided under separate cover.



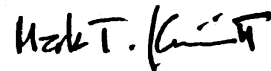
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**Appendix XXIII: Comments from the  
Department of Defense**

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DoD appreciates the opportunity to comment. If you have any questions concerning these comments, my point of contact is Mr. James Stahlman at 703-571-2526.

Sincerely,



Mark T. Kimmitt  
Deputy Assistant Secretary of Defense  
for the Middle East

Attachments:  
As stated



**Appendix XXIII: Comments from the  
Department of Defense**

August 30, 2007

**Department of Defense Comments on:  
UNCLASSIFIED GAO Draft Report  
Securing, Stabilizing and Rebuilding Iraq:  
Iraqi Government Has Not Met Most Legislative, Security and Economic Benchmarks**

**COMMENT RESOLUTION MATRIX:  
FORMAL COMMENTS**

See comment 1.

See comment 2.

See comment 3

See comment 4.

See comment 5

See comment 6

See comment 7.

#	Page #	Para#	Recommendation	Comment / Rationale
1	2	2	Change "help the Iraqi government achieve these benchmarks" to "support Iraqi efforts to quell sectarian violence and foster conditions for Iraqi national reconciliation."	Accuracy. Strategy was not designed to solely achieve benchmarks. Benchmarks are Iraqi government inputs necessary to achieve strategic goals, they are not the goals.
2	10	3	Change "eliminating safe havens" to "ensuring that the Baghdad security plan will not provide a safe haven for any outlaws, regardless of [their] sectarian or political affiliation."	Accuracy. There is no benchmark for "achieving safe havens." Recommended change is the correct benchmark.
3	11	bullet 1	Add "always" to make sentence read: "The Iraqi government had not always allowed..."	Accuracy. As written, all tactical and operational decisions were influenced by political intervention. This is not accurate.
4	47	Chart	Change labels to read "monthly attacks" instead of "average daily attacks."	Accuracy.
5	48	4	Add "parts of" after "influence over local security in"	Accuracy.
6	53	1	Delete "sectarian and militia influences" as a factor contributing to the decrease in the number of Iraqi battalions capable of operating independently.	Accuracy. No unit is assessed to have regressed on the basis of "sectarian and militia influences."
7	53	1	Paragraph says, "only about 65% of authorized Iraqi personnel are in the field at any given time." Should say, "only about 71% of authorized Iraqi personnel are in the field at any given time."	Accuracy. Authorized Iraqi personnel in the field at any given time is 71%, not 65%.

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The following are GAO's comments on DOD's letter dated August 30, 2007.

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## GAO Comments

1. We have revised the text.
2. We have revised the text.
3. We have modified the sentence by adding not "always."
4. We have replaced this chart.
5. We have qualified the sentence by adding "parts of ."
6. We disagree with DOD's comment. The Iraq benchmark calls for increasing the number of Iraqi security units capable of operating independently. A key impediment to Iraqi training and readiness, particularly of the police, is sectarian and militia influence. DOD's June 2007 report to Congress states that sectarian bias has constrained the development of MOI forces.
7. DOD commented that 71 percent of Iraqi authorized personnel are in the field at any one time, compared to 65 percent, which we report. We are retaining the 65 percent in our report because it is from a published DOD source and we do not have further documentation on the new figure.

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# Appendix XXIV: GAO Contacts and Staff Acknowledgements

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## GAO Contacts

Joseph Christoff (202) 512-8979 or christoffj@gao.gov

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## Staff Acknowledgements

Steve Lord, David Bruno, Howard Cott, Tim Fairbanks, Mattias Fenton, Whitney Havens, Dorian Herring, Bruce Kutnick, Judy McCloskey, Tet Miyabara, and Kathleen Monahan.

In addition, Robert Alarapon Ashley Alley, Monica Brym, Lessie M Burke-Johnson, Joe Carney, Miriam Carroll, Thomas Costa, Lynn Cothorn, Debra Chung, Joyee Dasgupta, Martin de Alteriis, Etana Finkler, Muriel Forster, Patrick Hickey, Michael Jenkins, Sona Kalapura, Jeremy Latimer, Mary Moutsos, Mimi Nguyen, Sidney Schwartz, Jena Sinkfield, Audrey Solis, Cynthia Taylor, and Christina Werth provided technical assistance.

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