

Interagency Rebuilding Efforts in Iraq: A Case Study of the Rusafa Political District

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From 2004-2012, the Special Inspector General for Iraqi Reconstruction (SIGIR) conducted 387 inspections and audits of U.S.-funded projects and programs that supported stabilization and reconstruction operations in Iraq. Most of SIGIR's reviews focused on large-scale projects or programs. In a recent special report, SIGIR accomplished a novel study examining a particular part of the rebuilding effort. That report reviewed the remarkably diverse spectrum of programs and projects executed in a crucial geographic area in Iraq, the Rusafa Political District, delving into who built what and at what cost.

The nature of this new report opens the door to deeper perspectives on what was actually achieved – and how it was achieved—by various U.S. government agencies operating during Operation Iraqi Freedom (OIF). SIGIR elicited seven lessons-learned from the study, which conclude this article.¹

The primary source for our information on Rusafa's programs and projects came from the Iraq Reconstruction Management System (IRMS). As noted in previous SIGIR reports, the IRMS database, although the best available informational record on Iraq rebuilding, is gravely incomplete. IRMS contains but 70 percent of the programs and projects carried out by the United States in Iraq.

To remediate this gap, SIGIR ferreted out additional data from the U.S. Army Center for Military History, the U.S. Agency for International Development's (USAID) implementing partners, the Embedded Provincial Reconstruction Teams' (ePRT) weekly reports, and personal records provided by individuals. Further, we interviewed Army brigade and battalion commanders who served in Rusafa, Army staff officers tasked with managing projects within the district, and civil affairs officers and ePRT members who served in the area. This gallimaufry of operator insights provided us with a useful bounty of primary-source testimonial evidence on Rusafa's rebuilding outcomes. Finally, we travelled to Iraq to interview two Iraqis who served on the Rusafa District Advisory Council. They provided a crucial continuity of insight that was missing from the U.S. side, given that U.S. personnel rarely served for much

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more than a year in Iraq. The varied assemblage of interviews we obtained collectively amplified and added to the IRMS database's conspicuously weak project information.

The Rusafa Political District

Located in the heart of Iraq's enormous capital city, the Rusafa Political District is one of eleven of the metropolis's political districts. With a population of approximately 435,000, the district is almost as populous as Atlanta, Georgia. Most of Rusafa's residents are Shia Muslims. Indeed, Shia comprise a majority of the residents in 40 of the district's 44 neighborhoods, with Sunni Muslims amounting to a majority in the other 4. The few Christians residing in Rusafa are clustered in isolated enclaves across the district.

Rusafa houses ten Government of Iraq ministries, including the Ministry of Defense, and two major universities. It is also home to several large markets, most notably the sprawling Shorja Market, Baghdad's largest. The area is diversely marked by light industry, warehouses, slums, parks, ethnic ghettos, busy boulevards, dozens of Sunni and Shia mosques, and several Christian churches.

U.S. Government Entities that Operated in Rusafa

From April 2003 until Operation Iraqi Freedom ended in September 2010, at least ten different Army battalions operated in Rusafa. Some were present for as few as 5 months, while a few served for nearly 15. The first ePRT in Rusafa opened at Forward Operating Base (FOB) Loyalty (located just outside the borders of Rusafa in an area called "New Baghdad") in May 2007, and the last one closed in March 2010.

"ePRTs" were an Iraq-unique innovation developed to improve interagency coordination on rebuilding programs. They generally were considered effective, but, as with the standard

PRTs, their success commonly depended upon the quality of the team leader. Each ePRT operating in Rusafa included a Department of State (DoS) team leader and a USAID deputy. Additional DoS and USAID support for the district came directly from the U.S. Embassy in Baghdad or from the Provincial Reconstruction Team/Baghdad. The U.S. Army Corps of Engineers (USACE) maintained an office at FOB Loyalty, providing contract oversight for the district's numerous projects.

Analytical Limits

SIGIR's research identified at least 1,303 projects executed in Rusafa during the seven-plus years of OIF, amounting to a total value in excess of \$153 million. This number most assuredly is low, in part because of IRMS's inherent shortfalls and in part because of missing project records. Of considerable note, we found that projects executed during the initial stages of OIF were very poorly documented, if at all. Moreover, the 1,303 figure does not include 228 projects valued at \$93 million that were Baghdad-wide, embracing Rusafa as well as other political districts.

We recognize that analyzing relief and reconstruction outcomes from the Iraq program is dauntingly difficult due to the inconsistent IRMS database, the incredible range of projects accomplished, the burdensome lack of common project definitions among U.S. agencies, and the paucity of information on project results. Notwithstanding these manifold obstacles, we carried out this special project to explore the effects of the Iraq program's ad hoc interagency management structure as revealed in one notably important locale. To simplify our analysis, we divided the projects into two types: construction and non-construction; and we charted them according to the ten reconstruction categories established by the Congress.²

Table 1. Total Number of Projects and Amounts by Agency in Rusafa, April, 2003-September, 2010

	Army		USACE		USAID		State		Unknown		Total	
	# of Projects	Dollars Spent*										
Construction	86	\$49.5	43	\$67.6	60	\$4.3	–	\$0.0	–	\$0.0	189	\$120.4
Non-Construction	266	\$16.4	2	\$0.2	825	\$12.7	20	\$0.6	1	\$3.3	1,114	\$33.2
Total	352	\$65.9	45	\$67.8	885	\$17.0	20	\$0.6	1	\$3.3	1,303	\$153.6

*: Million US

Who Built What at What Cost?

Of the 1,303 projects carried out by U.S. government agencies in Rusafa, the Army accounted for 352 (27%), USACE accounted for 45 (3%), USAID accounted for 884 (68%), and DoS had 20 (2%). (See Table 1)

Regarding money expended in the district, the Army spent almost \$66 million (43%), USACE spent \$67.8 million (44%), USAID spent \$17 million (11%), and DoS spent \$638,000 (0.4%). Regarding categories of projects in Rusafa, 187 or 14% were construction projects that collectively cost over \$120 million. The other 1,114 projects or 86% were non-construction projects that collectively cost over \$33 million. Although construction projects amounted to 14% of the total number of projects, they accounted for 78% of the money spent in Rusafa.

Construction Projects. SIGIR’s analysis found that 86 of the 352 projects executed by the Army were construction projects, built at a cost of over \$49 million (See Table 2). The largest number of projects (17) fell into the water resources and sanitation sector; but by far the most costly set of projects was in the security and law enforcement sector (\$27.3 million). The most expensive single project constructed by the Army was “Commando Site 4,” a project completed for the Iraqi police in 2006 at a cost of \$14.8 million.³

USACE spent over \$67 million on 43 construction projects, with 28 projects falling into three sectors (education, refugees, human rights and governance; electricity; and justice, public safety, infrastructure and civil society). These projects accounted for 56% of USACE construction expenditures or \$38.4 million. Although USACE supervised a much smaller number of projects than either the Army or USAID, USACE projects generally cost more. The single most expensive USACE project was the Wathba Water Treatment Plant, built at a cost of \$21,813,851.16. The most widely known project in Rusafa was also a USACE project: the Rusafa Central Courthouse, which cost \$10,593,716.43. Prime Minister Maliki formally opened the courthouse in September 2008.

USAID spent over \$4.2 million on 60 construction projects in Rusafa. More than 60% of the projects (38), amounting to \$2.5 million in expenditures, were for school repair or refurbishment. The Department of State did not directly fund any construction projects in Rusafa.

Non-Construction Projects. The Army spent \$14.6 million on 122 non-construction projects (See Table 3). 85% of Army non-construction projects and 90% of Army spending on non-construction projects (\$13.2 million) fell into four sectors: education, refugees, human rights and governance; private sector development; security and law enforcement; and water resources and

Table 2—Construction Projects and Amounts by Agency and Sector in Rusafa, April, 2003-September, 2010

	Army		USACE		USAID		State		Total	
	# of Projects	Dollars Spent*								
Education, Refugees, Human Rights, and Governance	12	\$3.10	8	\$15.92	38	\$2.51	-	-	58	\$21.54
Electricity	13	\$3.52	9	\$9.05	2	\$0.16	-	-	24	\$12.73
Health Care	5	\$1.80	5	\$1.86	4	\$0.20	-	-	14	\$3.86
Justice, Public Safety Infrastructure, and Civil Society	8	\$6.56	11	\$13.42	2	\$0.29	-	-	21	\$20.26
Oil Infrastructure	-	-	-	-	-	-	-	-	-	-
Private Sector Development	9	\$1.75	-	-	1	\$0.00	-	-	10	\$1.75
Roads, Bridges, and Construction	8	\$3.96	-	-	11	\$1.04	-	-	19	\$5.00
Security and Law Enforcement	14	\$27.30	5	\$4.86	-	-	-	-	19	\$32.16
Transportation and Telecommunications	-	-	2	\$0.21	-	-	-	-	2	\$0.21
Water Resources and Sanitation	17	\$1.52	3	\$22.28	2	\$0.07	-	-	22	\$24.33
Total	86	\$49.51	43	\$67.60	60	\$4.27	-	-	189	\$121.38

*: Million US\$

sanitation. USACE managed just two non-construction projects, both for security guards at USACE-constructed projects.

USAID spent more than \$10 million on 824 non-construction projects in Rusafa. The majority of USAID non-construction projects (709) were in private sector development. These included USAID micro-loans designed to provide small business owners with cash to grow their businesses. Another 78 projects worth \$2.8 million fell into the education sector. Most of these projects funded classes for students at various colleges and universities in Rusafa. USAID also spent more than \$2.9 million on 18 projects in the water resources and sanitation sector. Most of these projects were for area clean-up programs.

USAID often provides money to “implementing partners” and non-governmental organizations to execute projects. In Iraq, these included peace-promotion camps and Iraqi soccer tournaments. The most expensive projects were three “awareness campaigns” run by the USAID implementing partner International Relief and Development. Each campaign cost \$195,000 and covered three Rusafa neighborhoods.

The Department of State spent \$639,787 on 20 non-construction projects in three categories, the largest being private sector development.

Sector Concentrations of Rusafa Projects

Security and Law Enforcement. The United States expended the largest share of taxpayer dollars

Table 3—Non-Construction Projects and Amounts by Agency and Sector in Rusafa, April, 2003-September, 2010

	Army		USACE		USAID		State		Total	
	# of Projects	Dollars Spent*								
Education, Refugees, Human Rights, and Governance	18	\$0.56	-	-	78	\$2.81	5	\$0.10	101	\$3.46
Electricity	3	\$0.53	-	-	-	-	-	-	3	\$0.53
Health Care	7	\$0.23	-	-	14	\$0.83	1	\$0.00	22	\$1.05
Justice, Public Safety Infrastructure, and Civil Society	5	\$0.18	-	-	4	\$0.06	11	\$0.10	20	\$0.34
Oil Infrastructure	-	-	-	-	1	\$0.12	-	-	1	\$0.12
Private Sector Development	32	\$1.74	-	-	709	\$3.92	3	\$0.45	744	\$6.11
Roads, Bridges, and Construction	3	\$0.25	-	-	-	-	-	-	3	\$0.25
Security and Law Enforcement	29	\$8.79	2	\$0.16	-	-	-	-	31	\$8.96
Transportation and Telecommunications	-	-	-	-	-	-	-	-	-	-
Water Resources and Sanitation	25	\$2.38	-	-	18	\$2.94	-	-	43	\$5.33
Total	122	\$14.66	2	\$0.16	824	\$10.69	20	\$0.64	968	\$26.15

*: Million US\$

spent in Rusafa on the security and law enforcement sector. The Army and USACE expended \$41 million (27%): \$32 million on 19 construction projects and \$9 million on 31 non-construction projects. This sector accounted for some of the most expensive projects, including training facilities and bases for Iraqi Security Forces and “T-wall” barriers to protect critical infrastructure. All of the non-construction projects were for security guards or the “Sons of Iraq” program.

In general, interviewees perceived security and law enforcement projects as effective. As one battalion effects officer commented: “I think that the [Sons of Iraq] had, in some locations, a positive effect...[where] they provide security, violence is down. If you asked people on the street, it

was security they were concerned about. Security first, services second.”

Trash Clean-Up (Water Resources and Sanitation Sector). Trash cleanup was an early priority in Rusafa and, somewhat ironically, one of the last set of projects completed before American units departed the area. From April 2004 to January 2010, the U.S spent at least \$4,281,579 on 33 projects for trash removal, paid for by either Army units (19 projects) or USAID (14 projects). Although many officers and civilians initially believed that the Iraqis should fund and execute their own trash clean-up programs, they came to understand that these projects were a force protection issue, because trash piled along the sides of roads was commonly used to hide improvised explosive devices.

Education Projects (Education, Refugees, Human Rights, and Governance Sector). The U.S. spent \$8,421,160 on 80 education projects in Rusafa (19 Army, 57 USAID, 3 USACE, and 1 DoS), mostly involving school repair or new school construction. This sector was prone to waste. Based on data review and the interviews, it appears that most of the schools in Rusafa were refurbished *at least twice*. We found two secondary schools that the Army or USAID refurbished *at least three times*. When asked whether the same project

the interviewees addressed poor interagency coordination, and fraud, waste, and abuse

was accomplished multiple times, the Iraqis we interviewed from the Rusafa District Advisory Council responded: “Of course, by the Army and [International Relief and Development].”

The cost for school refurbishment dramatically increased over time, from as little as \$8,960 in March 2005 to as much as \$407,455 in September 2008, although it was not possible to determine from the available data the scope of work of each school refurbishment project.

Micro Grants and Micro-Finance Loans (Private Sector Development Sector). The majority of projects in the Private Sector Development category constituted micro-grants or micro-loans awarded to individual businesspeople for economic expansion. We found it difficult to determine the total amount spent on micro-grants, because units often drew from “bulk funds” to dole them out. IRMS identified a total of 15 projects, including bulk funds, specifically for micro grants, with total expenditures from them amounting to \$102,800. Moreover, individual records we obtained reveal that substantially more was spent on micro-grants than indicated in the IRMS database.

USAID spent at least \$3,567,319 on 668 micro-loans in Rusafa, chiefly for small businesses, such as cart sellers, operating in the sprawling Shorja/Mutanabi/Sadria market complex. IRMS indicated 38 USAID micro-loan entries for which no amount was noted.

The Army-funded micro-grant and USAID-funded micro-loan programs drew significant criticism from several interviewees. One battalion effects officer’s comment was typical: “I think the micro-grants were...like a drip of water in an ocean. What actual improvement does it have...for the country? I am fully confident that there were some guys who spent \$100 and pocketed \$4,900 dollars [of the \$5,000 we gave them].”

Perceptions of the Rusafa Rebuilding Effort

SIGIR conducted formal interviews with 23 U.S. military and civilian personnel as well as two Iraqis who had worked extensively with Americans while serving on the Rusafa District Advisory Council. The interviewees provided discursively insightful descriptions on the nature and effects for the Rusafa rebuilding efforts. Among other things, they addressed poor interagency coordination, what worked and what did not, and fraud, waste, and abuse.

Here is a sampling from their observations:

There was nothing systematic about assessments or results reporting – it was more anecdotal since we didn’t really have the capacity or resources to do rigorous assessments. I, at least, tried to report both good and bad results, though the process tended to highlight good news, rather than bad. (ePRT leader)

To some extent, one of the challenges was not going too fast...the first month I was at [the ePRT], I think \$30 million was obligated

in thirty days and that was just across the three districts [in the brigade's operational environment] and that was a remarkable amount of money, and it was like money was bullets so shoot some more, and that's not necessarily [good].

(USAID deputy on ePRT)

You walk into a neighborhood and ask 'Do you want food? Do you want water?' They would say 'We want electricity.' And my higher-ups said they're working on this grid thing and it will be ready in 8 years and you're like great... so you spend \$50,000 and buy a generator and the next time you go into the neighborhood you're a rock star. People have electricity, they can cook. Big bang, little buck.

(Army battalion commander)

Some projects, they would finish it, but it wouldn't work. It would be complete but they would have no use for it. It was as if never happened.

(Rusafa DAC member)

Seven Lessons Learned

Based on our interviews and analysis, SIGIR identified seven lessons for consideration.

Successful projects in stabilization and reconstruction settings depend upon properly identifying local need, securing local government support, ensuring continuity of execution, and administering meaningful oversight.

As a rule, successful projects in Rusafa were completed by the unit that started them. Further, the Iraqis needed these projects, and the Iraqi government supported them. Ultimately, effective oversight was crucial to project success.

Effective information management systems supporting reconstruction and stabilization operations will reduce waste.

Army micro-grants, in turn, commonly conflicted with USAID's micro-loan program

Securing reliable information about what had been built was difficult for incoming battalions in Rusafa. Except for the unit that immediately preceded them they usually did not know what previous units assigned to their operational environment had accomplished. This weak system led to redundant rebuilding efforts and the consequent waste of resources. Further, it caused USAID repeatedly to duplicate projects that the Army had funded. Army micro-grants, in turn, commonly conflicted with USAID's micro-loan program. All of these failures stemmed from the lack of an accurate and effective project database.

The Embedded Provincial Reconstruction Team (ePRT) initiative improved the coordination of interagency stabilization and reconstruction efforts, which reduced waste.

Army commanders and staff officers, civil affairs officers, ePRT leaders, and USAID representatives all praised the ePRT concept, because it reduced the duplication of effort and cut down on waste. One brigade commander's comments were typical: "Once [the] ePRT got plugged in we finally had transparency on projects – also showed us we had lots of fratricide between CERP, USAID and even USACE."

Using the speed of money spent as a metric for progress in a stabilization and reconstruction operation is fundamentally counterproductive.

Interviewees described an environment, especially in the later stages in OIF, wherein reconstruction managers felt pressured to spend as much as possible, as quickly as possible, on any reconstruction project. This led to fraud, waste, and abuse. As one battalion effects officer put it: "...it becomes a race to spend as much

money as possible. There's no investment to get the maximum return for the government."

The Department of Defense should judiciously limit the regulations governing the use of CERP for small-scale rapid-response projects.

Battalion commanders, effects officers, and civil affairs officers all complained about the bureaucratic requirements required for CERP use

Battalion commanders, effects officers, and civil affairs officers all complained about the bureaucratic requirements required for CERP use. They felt it defeated CERP's purpose as an emergency, non-lethal funding tool that commanders could use for "quick wins." A battalion effects officer said to us: "There was a time [where] you could turn a project around from concept to approval in a couple days. Near the end you couldn't turn a project around in two weeks." DoD should consider modifying restrictions on low-cost rapid-return projects that could be executed quickly to address immediate local needs or establish relationships.

Involve the host nation in planning and executing stabilization and reconstruction projects from the beginning.

Units performing stabilization and reconstruction missions should ensure that the host nation is involved in project selection, supervision, and sustainment from program inception. This would help manage expectations, would ensure that all projects are "needed" projects, and would promote project sustainability. As one Rusafa DAC member opined: "Americans don't know how things work in Iraq. I imagine that 50% was lost to corruption. We never got to audit or inspect the projects. Americans in the beginning gave projects to anyone at any price... [it was] the main reason corruption spread."

Stabilization and reconstruction projects should only be undertaken if a unit or agency has the capacity to monitor and measure them.

A consistent theme raised by those involved in managing stabilization and reconstruction projects in Rusafa was that they often could not or did not monitor a project nor could they ascertain whether the project achieved its intended outcome. Starting too many projects at once in an insecure environment created this problem. Micro-grants and micro-loans, in particular, were repeatedly cited as being too difficult to monitor both for measures of performance and measures of effectiveness.

Conclusion

SIGIR's Rusafa case study provides encapsulated insights for future leaders interested in learning from the U.S. rebuilding experience in Iraq. As one ePRT leader commented, "Soon enough [the lessons] are forgotten. I wish somehow I'd had the smarts back then to think I might want an archive of this in one place." **PRISM**

Notes

¹The full report, along with a graphic series showing project locations and costs by agency over time, is available at <http://www.sigir.mil/publications/specialReports.html>.

²Congress passed the "Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan for Fiscal Year 2004." In it, Congress allocated \$18.4 billion to the Iraq Relief and Reconstruction Fund (IRRF 2) and divided the money among ten sectors.

³The Rusafa report lists all of the 1,301 projects in appendices at the end, by agency and date of completion.