



Iraq Reconstruction Report

Focusing on Construction & Sustainment

03.07.07



Helping Baghdad's Youngest Residents



Alwaiya Children's Hospital, located in east Baghdad, is being renovated under a \$2.86 million contract – with the work expected to be completed in August. The facility continues to see an average of 350 patients daily despite the ongoing construction. (Photo by Norris Jones)

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Iraqi Business Restoration Progressing



Deputy Under Secretary of Defense for Business Transformation, Paul Brinkley, on a tour of the Bayji Fertilizer plant. (Photo by Sgt. 1st Class Robert C Brogan) See Story on Page 4.

Gulf Region Division Project Dispatches

Ninewa Substation Completed... Rehabilitation of the Mosul 400kv Substation was completed in Ninewa Province, on Feb. 21. The expansion and rehabilitation of the substation allow it to receive and distribute power from Turkey, Syria, the Mosul Dam and Mosul Gas Turbine generation plants and distribute the power to the National Grid benefiting some four million people in the county.

IRRF Starts and Completions... Out of 3,482 planned IRRF reconstruction projects, 3,416 have been started and 2,843 have been completed. See IRRF Fact Sheet on page 7.

School Renovations Update... GRD has completed 99 percent of planned school renovations.

Power to Umm Qasr Port Cranes... Provision of power to cranes at Umm Qasr Port was completed on Feb. 26. This project will increase the port's efficiency, increasing the amount of imports and exports through the port, while reducing the time for loading and unloading.

National Grid Generation... Completed Gulf Region Division generation projects have provided an additional 1,420MW of potential generation capacity to Iraq's national grid. At the end of the program, GRD projects will have added 1,879 MW of potential generation capacity, which can serve an estimated 1.7 million homes.

Kirkuk Project Begins... Work began on the \$1.2 million Sen El Thebban water project in Kirkuk Province. The project will construct a water intake system, backup generator, transformers, concrete ground storage tanks, perimeter wall and pipeline distribution network. There is currently no water treatment in this area.

Electricity Production for Week... For the past week, daily electricity production averaged an estimated 86,323 Megawatt Hours (MWhrs) per day

Healthcare Center Update... GRD has completed construction on 21 Primary Healthcare Centers out of 141 planned.



Iraq 101 — Knowledge Brief

Telephones - main lines in use: 1.547 million (2005)

Telephones - mobile cellular: 8.7 million (2006)

Telephone country code: 964

Satellite earth stations: 2 Intelsat, 1 Intersputnik, and 1 Arabsat (inoperative)

Coaxial cable and microwave radio relay to Jordan, Kuwait, Syria, and Turkey.

Reconstruction Projects Provide Improvements to Essential Services

By Kimberly Mielcarek
Gulf Region Division
U.S. Army Corps of Engineers

BAGHDAD — U.S. reconstruction efforts are providing successful, tangible results in the lives of Iraqis every day, said the commanding general of the U.S. Army Corps of Engineers.

Brig. Gen. Michael J. Walsh addressed the media at two press conferences recently at the Combined Press Information Center — one with Adm. Mark Fox from Multi-National Force — Iraq, the other with Ambassador Joseph Saloom from the Iraq Reconstruction Management Office.



Brig. Gen. Walsh speaking to reporters.

"Every day in Iraq we see the successes of the U.S. government's construction program — better essential services where, in many places, there were none; and 75 percent of the country with twice as much power as before the war," Walsh said. "Many of the services are things Americans take for granted — access to medical facilities, a fire station or school in your neighborhood, a paved road, clean water."

To date, the United States has contributed almost \$22 billion toward Iraq's rebuilding effort — an effort that was estimated by the World Bank to be an overall \$60 billion to \$80 billion task in 2004. At the end of Fiscal Year 2006, the Department of Defense had obligated all of its \$13.4 billion Iraq Relief and Reconstruction Funds on a broad range of projects throughout the country.

"While our efforts to date have been successful, we should remember the U.S. contribution was intended to 'jumpstart' the rebuilding efforts," Walsh said, "to help the Iraqi government lay a foundation upon which to continue to rebuild of their country."

The projects are being completed throughout the country in the categories of Facilities, Public Works and Water, Oil and Electricity.

"Electrical demand rose 32 percent after 2003, and has risen more than 10 percent every year thereafter. At present, it is estimated that demand for power has increased more than 70 percent since 2003," Walsh said.

He added, "That's a good sign — it means that people are able to buy more luxury items — washing machines, televisions. However, it means as we add capacity to the Iraqi system, we find ourselves chasing this increasing demand."

Story continued on page 5.

Water Sector Sustainment Program Assists Iraqis Through Capacity Development

By Sheryl Lewis
Director
Capacity Development ASA(ALT)

WASHINGTON — The U.S. Government Water Sector Sustainment Program (WSSP) assists the Iraqi people in the proper operation and maintenance (O&M) of 40 water or wastewater facilities and 69 rural water facilities. Through this program, operations and maintenance support contractors supply necessary parts and consumables, provide technical assessments and follow-on specialized repair or optimization activities, as well as conduct capacity development activities to ensure that Iraqis have the means and ability to carry out sustained operations of these facilities.

The following activities were conducted over the past two weeks in support of this program:

- Overall mechanical and electrical maintenance was successfully completed on two of the main high lift pumps at the Basrah R-Zero Water Treatment Plant;



Testing switch gear in main lift pump station at Najaf Water Treatment Plant. (GRD Photo)

- Facility optimization activities were conducted at Basrah Garma-1 Water Treatment Plant including the completion of an overhaul on two low lift pumps, installation of valves for booster pumps and overhauling seven high lift pumps.

- Repairs were made to the mechanical screen as well as electrical and mechanical accessories at the Diwaniyah Waste Water Treatment Plant;

- The Najaf Water Treatment Plant Pump #4 was overhauled, increasing plant performance significantly to 85.2% of design capacity; and



Garma-1 Water Treatment Plant overhaul. (GRD Photo)

New UN Iraq Advisor Appointed

Ibrahim Gambari of Nigeria, the former head of the United Nations Department for Political Affairs, was today named Secretary-General Ban Ki-moon's Special Advisor on the International Compact with Iraq and Other Political Issues. Launched in July, 2006, the Compact aims to help Iraq consolidate peace and pursue political, economic and social development over the next five years. Read the complete UN story:



<http://www.un.org/apps/news/story.asp?NewsID=21744&Cr=iraq&Cr1=>

Published by ASA(ALT)

Iraq Reconstruction Report

Sector Overview: Current Status – Final Effects

Compiled By: John Daley, Emily LaMarsh, PCO Washington

As of: March 5, 2007

•Over \$10.7 billion of the Iraq Relief and Reconstruction Fund (IRRF) has been disbursed by DoD, representing 79.1% of total funds allocated to DoD

•3,421 projects starts (out of 3,481 planned projects) and 2,854 projects are complete. This number includes the DoD projects funded by the IRRF and the Development Fund for Iraq (DFI).

Infrastructure Sector	Current Progress	Final Effects
Electricity	1,420 MW capacity added* Increased power generation to 1.3 million homes* Improved Electricity Distribution to approximately 372K Homes* Hours of Power: Iraq - 10, Baghdad - 6 (last week average)	1,879 MW capacity added* (2,555 for all USG projects) Increased power generation to 1.7 million homes* Improved Electricity Distribution to approximately 822K Homes* Hours of Power: 10-12 Iraqi, 10-12 Baghdad
Oil	2.5 Million Barrels Per Day (MBPD) production capacity Approximately 2.15 MBPD actual production Liquefied Petroleum Gas (LPG) production capacity of 1,200 Tons per Day	3.0 MBPD oil production capacity LPG production capacity production capacity of 3,000 Tons per Day
Water & Sewer	Added 434,000 cubic meters per day of water treatment capacity (benefits an estimated 2.2 million Iraqis)*	1,136,000 cubic meters per day of water treatment capacity (will benefit approximately 5.2 million Iraqis*. All USG projects will benefit 8.4 million Iraqis)
Health	21 IRRF-funded Primary Healthcare Centers (PHC) completed Remaining 120 PHCs under contract. 16 IRRF-funded hospitals rehabilitation projects completed	141 PHCs serving a population of 5 to 6.5 million Iraqis 25 IRRF-funded hospital rehabilitation projects
Education	809 IRRF-funded schools providing classrooms for 323,200 students*	811 IRRF-funded schools providing classrooms for 324,000 students*
Security & Justice	3 Training Academy Projects 92 Fire Station Projects 267 Border Forts	5 Training Academy Projects 97 Fire Station Projects 267 Border Forts
Transportation & Communications	50 IRRF-Village Road Projects 92 Railway Station Renovations 14 IRRF Aviation Projects Provided emergency response dispatch system ('911' service) covering 12 million Iraqis in 15 cities	94 IRRF-Village Road Projects 98 Railway Station Renovations 19 IRRF Aviation Projects

Task Force Seeks to Improve Business Stability

Story by Spc. Scott Kim
Combined Press Information Center

BAGHDAD — A Defense Department official recently discussed the ongoing work to improve Iraq's business and economic stability during a press conference at the Combined Press Information Center. Paul Brinkley, Deputy Undersecretary of Defense for Business Transformation and director of the Task Force to Improve Business and Stability Operations in Iraq, spoke about the progress that has been made and what is in store for the future.

"We've been coming to Iraq now for several months, and for the past few months, bringing sizable groups of business executives from outside of Iraq into Iraq working with one objective, and that is to restore economic opportunity and create a sense of potential economic growth for the Iraqi people," Brinkley said.

Representatives from several dozen American and international businesses will be engaging both business communities and Iraqi officials in an effort to get an understanding of the situation here to prepare for the work ahead. "In an effort to connect the Iraqi economy to the global economy to drive demand and opportunity to Iraqi business and to create a sense of economic hope and prosperity," Brinkley said.

The U.S. Department of Agriculture will also try to revitalize the agricultural industry which has a huge role in Iraq's economy. "We have a stellar group of agricultural and agribusiness representatives from major American universities and from international businesses who are here and are going to be working to ensure that we synchronize our industry revitalization efforts with the agriculture sector, which is obviously a major part of the overall Iraqi economy," Brinkley said.

Brinkley states that the economic efforts will help the Fardh Al-Qanoon plan and not work against it. "We're working in collaboration with our commands as the Fardh Al-Qanoon unfolds to ensure that we are working to revitalize industry in areas as security is restored," Brinkley said.

Problems plague some factories due to many issues but a majority of them can be easily identified and dealt with. "In most cases, it requires a small amount of investment," Brinkley said. "We're working with the government of Iraq to get those investments made to deal with, in some cases, maintenance and spare parts."

Others, such as the cement and phosphate industries in Al Anbar require a larger and more complicated approach.

Story Continued on Page 6.

Other Developments in the News

Conference Participants Show Enthusiasm for New Investment Law On March 5, Provincial Reconstruction Team Hillah hosted a business development conference for over 40 public and private sector representatives, including the Deputy Governor of Babil and the Mayor of Hillah. Participants generally gave positive feedback on the new National Investment Law, and were specifically interested in how they might be involved in the implementation process.

Republic of Georgia to Increase Iraq Presence Georgian President Mikhail Saakashvili announced his country will enlarge its participation in the Coalition forces in Iraq during a speech at the construction site of a new NATO-standard military base near the Georgian town of Gori on March 4. He stated that Georgia "is ready to help American and Iraqi colleagues at the critical phase of the peacekeeping operation."

Government of Singapore to Train Iraqi Diplomats At the request of the Iraqi government, and as part of Singapore's effort to assist in the reconstruction of Iraq, the Singapore Ministry of Foreign Affairs has organized a three-week training program for a group of Iraqi diplomats March 6-23.

Largest Drainage Pump Station in Middle East



Workers at the Nasiriyah Drainage Pump Station work on reinforcing the facility structure. The pump station, a critical project for improving agriculture in the south, is 70 percent complete. The pumps will reduce water backup which causes Nasiriyah's high water table of contaminated water seepage into the Euphrates. The project is the largest drainage pump system in the Middle East. (Photo by James Bullinger)

Published by ASA(ALT)



Iraq Reconstruction Report

Rebuilding Shifting to Self-Sustainment

Story by Fred W. Baker III
American Forces Press Service

WASHINGTON — Rebuilding Iraq is shifting from a U.S.-led "jump start" effort to a self-sustaining Iraqi driven phase, the director of the State Department's Iraq Reconstruction Management Office (IRMO) said today.



"It is a shift away from us building large things ... to more working to build their capacity to do things for themselves," Saloom said.

All but 15 percent of the \$13.4 billion Iraq Relief and Reconstruction fund has been spent, and that will drop by another 5 percent by the end of the year, he said.

Saloom said the new focus is on Iraqi "budget execution," or getting the Iraqi government to spend the money it allocates on the projects it designates.

Saloom's office coordinates overall U.S. government efforts to promote reconstruction and economic growth in Iraq. He also manages the funds appropriated by Congress for supporting economic and democratic development and reconstruction in the country.

Last year, the Iraqi government implemented only 40 percent of its capital budget, he said. "They seem to be able to spend money on salaries and so forth, but when it comes to actually channeling their considerable resources to actually build things for the population, that is an area where they need our help and where we are concentrating our assistance," Saloom said.

"The United States is helping with both immediate technical assistance and longer-term training," he added. The Iraqi government has passed its 2007 budget and already has distributed 10 percent of those funds to the provinces, he said.

Iraq is endowed in natural resources, Saloom noted, and he said newly passed legislation should help attract private investors to the region.

In the region to date, 976 of 1,045 planned school projects are complete, 154 border forts have been built, 92 of 97 planned fire stations are finished, and 93 of 102 planned railroad station renovation projects are complete.

The Corps of Engineers hires about 30,000 Iraqis to work the construction projects.

The United States has contributed almost \$22 billion toward rebuilding Iraq. The World Bank estimated that the total cost of rebuilding the country could end up being as much as \$80 billion.

Pedestrian Bridges Near Completion



A U.S. Agency for International Development implementing partner is constructing pedestrian bridges over two highly trafficked roads. The first bridge will be located near the Holy Shrine and the general hospital in Diwaniyah City, while the second will be near the Technical Institute and one of the Industrial Secondary Schools. The bridges are expected to benefit an estimated 500,000 people. (USAID Photo)

"Opportunities and Challenges for Economic Growth in Iraq"



On March 1, Under Secretary of Commerce for International Trade Franklin Lavin visited The Center for Strategic and International Studies (CSIS) to deliver a speech entitled "Opportunities and Challenges for Economic Growth in Iraq." In the address, Under Secretary Lavin shared observations from his recent trip to Erbil, Iraqi Kurdistan and described the Commerce Department's economic policy priorities for Iraq. To view the videotaped speech:

http://www.csis.org/component/option,com_csis_events/task,view/id,1218/

Story Continued...Essential Services

Walsh cited healthcare and potable water as other areas that reconstruction is making a difference in the daily lives of the Iraqi people, and invited media out to his projects to see for themselves.

The Erbil-Ifray Water Treatment Plant – a \$191 million project – is one of the three largest infrastructure projects in Iraq, and provides water to a population of more than 950,000. The Basrah Children's Hospital, scheduled for completion in late 2008, will bring much needed specialty oncology care to Iraq's children.

"Certainly, the work in Iraq is challenging and difficult, but reconstruction efforts are a vital component to Iraq's progress toward democracy," Walsh said. "Ultimately, it is up to the Iraqi people to rebuild and secure their country. We are giving them the assistance they need to ensure that success."

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Story Continued...Business and Stability

"They require huge amounts of steady, continual electrical power," Brinkley said. "We're working closely with the minister of electricity and our own reconstruction organizations to identify the most rapid path to power restoration which will enable the re-employment of people in the Al Anbar region."

The amount of jobs that the reconstruction would generate for the Iraqi population would be astronomical. The official statistics go as high as 500,000 jobs, Brinkley said.

Brinkley has a positive outlook on how this will affect the economy as a whole.

"The optimism we have is that as we restore these industrial operations, this will create immediate uplift to other parts of the economy," Brinkley said.

If there were any concerns as to how much money the Iraqi government is willing to spend to fix their fledgling economy, Brinkley is quick to reassure.

"I know 10 billion dollars has been set aside by the Iraqi government," he said.

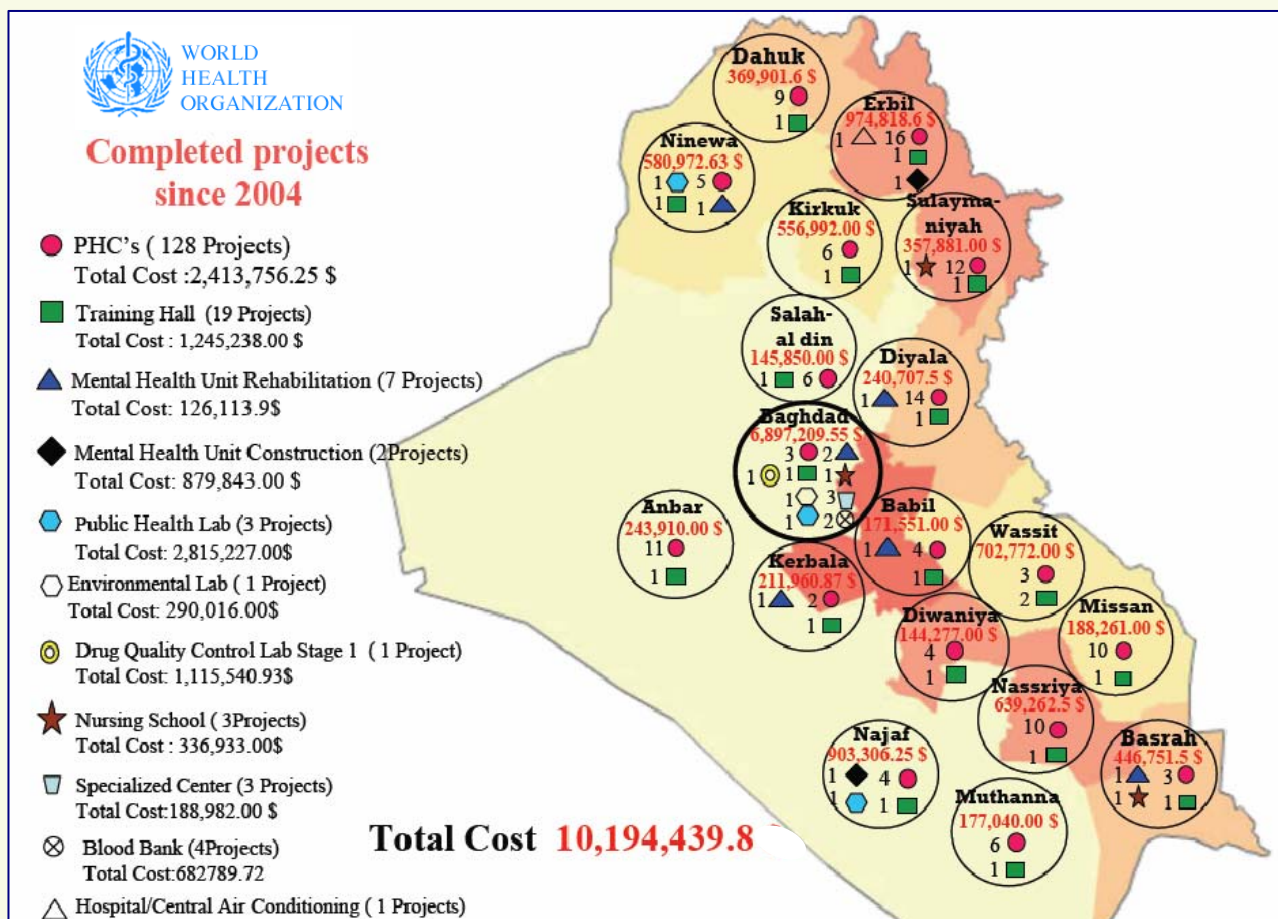


Container of Toys: Polish Kids Reach Out to Iraqi Kids



Just a prior to distribution, a member of the Polish civil military cooperation team, wraps up donated Polish children's items. Children from the Wielkopolska region of Poland collected toys, candy, and school equipment for Iraqi children living in Al Kut, Wasit Province. Over 150 Polish schools contributed to the Iraqi donation. Polish Brigade Combat Team and Salvadorian soldiers carried out distribution. (Photo Provided by MDC-S)

NGO Snapshot: World Health Organization Completed Projects



Iraq Reconstruction Report

Video Takes you to the Project Location



Nasiriyah Water Treatment Facility

Run Time: 1:45

See the Video:



<http://www.grd.usace.army.mil/video/playvideo.asp?ReleaseID=40>

Iraq Relief and Reconstruction Fund Overview

Compiled by Ron Eschmann
Editor, Iraq Reconstruction Report

The IRRF was passed on Nov. 3, 2003 as a Fiscal Year 2004 supplemental bill.

The total funding amount was \$18.4B. Of this amount, \$13.5B was given to DoD to manage and implement "...for security, relief, rehabilitation and reconstruction in Iraq."

The remainder went to other U.S. Government agencies for implementation. All the project work was either to have been completed **or** placed under contract by Sept. 30, 2006.

PL 108-106 identified the following areas for the IRRF program:

- | | |
|--------------------------------|------------------------------|
| - Public Safety Infrastructure | - Governance |
| - Democracy Building | - Oil Infrastructure |
| - Electrical Infrastructure | - Roads/Bridges/Construction |
| - Water Resources & Sanitation | - Health Care |
| - Telecommunications | - Education |

Convoy on the Move



A Gulf Region Division logistics convoy en route to deliver needed supplies in support of the rebuilding effort for the Iraqi Government. (Armor Group Photo)



Bosnia and Herzegovina EOD Unit in Action



Plumes of smoke rise from two huge blasts that shook the ground in Ad Diwaniyah on Feb. 28. The blasts were the result of controlled explosions set by an explosive ordnance disposal team from Bosnia and Herzegovina.



The Coalition unit destroyed 359 pieces of unexploded ordnance. The previous week the team destroyed over 6000 pieces of unexploded ordnance having an overall weight over 14 tons. (Photos provided by Multinational Division Central – South)



Iraq Reconstruction Report

A Reconstruction Partnership

	Office of the Assistant Secretary of the Army (ASA) for Acquisition, Logistics and Technology (ALT) https://webportal.saalt.army.mil/main/aae.htm Assistant Secretary: <i>The Honorable Claude M. Bolton, Jr.</i> Principal Deputy to the ASA (ALT)/Director of Iraq Reconstruction and Program Management: <i>Mr. Dean Poppo</i>
	 US Army Corps of Engineers - Gulf Region Division http://www.grd.usace.army.mil/index.html Commanding General: <i>Brig. Gen. Michael J. Walsh, USA</i>
	Joint Contracting Command – Iraq/Afghanistan http://www.rebuilding-iraq.net JCC-IA provides responsive operational contracting support to the Chief of Mission and Multi-National Corps - Iraq to efficiently acquire vital supplies, services and construction in support of the Coalition Forces and the relief and reconstruction of Iraq. Commander: <i>Maj. Gen. Darryl A. Scott, USAF</i>
	Office of the Assistant Deputy Assistant Secretary of the Army (Policy and Procurement), Iraq DASA(P&P)-I provides the necessary administrative and contracting support to the Chief of Mission, JCCI-I/A, GRD, Multi-National Forces, and supports the humanitarian relief, reconstruction, and security of Iraq. ADASA(P&P)-I: <i>Mr. Lee Thompson</i>
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	U.S. Agency for International Development http://www.usaid.gov/iraq USAID is an independent federal government agency that receives overall foreign policy guidance from the Secretary of State. USAID supports long-term and equitable economic growth and advances U.S. foreign policy objectives by supporting: economic growth, agriculture and trade; global health; and, democracy, conflict prevention and humanitarian assistance.

For further Iraq reconstruction, transition, and sustainment information:

U.S. Department of Commerce: <http://www.export.gov/iraq>

U.S. Embassy in Iraq: <http://iraq.usembassy.gov>

U.S. Central Command: <http://www.centcom.mil/sites/uscentcom2/default.aspx>

Multi-National Force – Iraq: <http://www.mnf-iraq.com>

Multi-National Security Transition Command – Iraq: <http://www.mnstci.iraq.centcom.mil/>



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