

Senate Committee on Foreign Relations
Chairman Richard G. Lugar
Opening Statement
Hearing on Iraq Stabilization and Reconstruction
February 8, 2006

The Committee on Foreign Relations meets today to examine ongoing efforts to achieve the reconstruction and development of Iraq. We will be considering testimony from two government oversight agencies tasked with investigating and evaluating U.S. programs in Iraq. We also have invited officials from the State Department and USAID to provide their agencies' perspectives on the rebuilding efforts in Iraq.

We welcome Stuart Bowen Jr., the Special Inspector General for Iraq; Joseph Christoff, the Director of International Affairs and Trade at the GAO; Ambassador James Jeffrey, the Senior Advisor to the Secretary of State and Coordinator for Iraq Policy; and James Kunder, the Assistant USAID Administrator for Asia and the Near East. We thank our witnesses for their service to our country and for their appearance before us today.

The Foreign Relations Committee frequently has reviewed the progress of Iraq reconstruction and economic development efforts. At various intervals since the invasion of Iraq, we have expressed the urgency of moving forward with the reconstruction effort and of increasing the percentage of aid that actually benefits Iraqis. Prospects for a better economic future and the development of an open, transparent political process are intertwined. If Iraqis perceive that their daily lives are improving, they are more likely to take risks to oppose insurgents and restrain factional groups that seek to fragment the country.

Today, we will ask Mr. Bowen and Mr. Christoff to outline the findings of their investigations and summarize the problems and challenges described in their reports. Many of their findings about reconstruction efforts during the time period immediately following the 2003 invasion have been discussed in the press. While lessons can be learned from those early days, I have asked Mr. Bowen and Mr. Christoff to focus on the period since June 28, 2004, when the State Department became the lead executive branch agency overseeing stabilization and reconstruction in Iraq. This Committee has jurisdiction over the State Department and USAID. As we perform oversight over these agencies, we are seeking lessons that can improve our ongoing operations. Consequently, the objective of this hearing is to look to the future.

With that in mind, we should recognize that a discrepancy has existed between our reconstruction ambitions and the projects and programs that we have actually been able to deliver. What is needed is a realistic assessment of what our reconstruction mission can achieve with the money Congress has appropriated. Beyond that, we must gauge what the Iraqi government itself can achieve and whether other international support will be forthcoming.

The Inspector General's report calls 2006 a year of transition for the U.S. reconstruction program in Iraq. We must make certain that funds are being distributed according to a clear set of priorities. We must work with the new Iraqi government to help it stem corruption that results in funds being siphoned away from important goals. And we must work to ensure that local and regional leaders are capable of protecting water, electrical, and other infrastructure projects as we phase down our military involvement.

It has become common in discussions of Iraq to say that without security little can be achieved politically or economically. Our witnesses will share with us estimates of the tangible costs of security. We are interested in knowing if these security costs are decreasing, either because attacks are being reduced or because Iraqis are taking over a larger role of protecting reconstruction activities.

Given the current situation in Iraq, what more should we be doing to consolidate the reconstruction progress that has been made? Can the Iraqi government effectively go forward on its own with reconstruction? Do we have sufficient funds to finish the large infrastructure projects that have been begun, and are we getting enough value out of these projects to justify their expense? One key to long-term Iraqi stability is the revenue from oil exports. Is the reconstruction of Iraqi oil infrastructure adequately prioritized? Is our reconstruction schedule being sufficiently coordinated with plans to phase down our military presence?

We appreciate the study and analysis that our witnesses have given to these questions, and we look forward to their insights.

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