

## **OVERSEAS CONTINGENCY OPERATIONS**

## Proposed Appropriation Language

### OVERSEAS CONTINGENCY OPERATIONS

#### **GENERAL PROVISIONS**

*SEC. 1. Notwithstanding any other provision of law, funds made available under the heading "Overseas Contingency Operations" are in addition to amounts appropriated or otherwise made available for the Department of State for fiscal year 2012.*

*(INCLUDING TRANSFER OF FUNDS)*

*SEC. 2.*

*(a) Unless otherwise provided for in this Act, additional amounts appropriated under the heading "Overseas Contingency Operations" to appropriation accounts in this Act shall be available under the authorities and conditions applicable to such appropriations accounts.*

*(b) The Secretary of State may, with the approval of the Director of the Office of Management and Budget, transfer up to \$100,000,000 between the appropriations or funds made available to the Department of State under the heading "Overseas Contingency Operations": Provided, That the transfer authority in this section is in addition to any transfer authority otherwise available under any other provision of law.*

### DIPLOMATIC AND CONSULAR PROGRAMS

*For an additional amount for "Diplomatic and Consular Programs", \$4,323,255,000, to remain available until September 30, 2013, of which \$246,854,000 is for Worldwide Security Protection and shall remain available until expended: Provided, That the Secretary of State may transfer up to \$230,000,000 of the total funds made available under this heading to any other appropriation of any department or agency of the United States, upon the concurrence of the head of such department or agency, to support operations in and assistance for Afghanistan and to carry out the provisions of the Foreign Assistance Act of 1961.*

### OFFICE OF THE INSPECTOR GENERAL

*For an additional amount for "Office of the Inspector General", \$62,932,000, to remain available until September 30, 2013, of which \$18,545,000 shall be for the Special Inspector General for Iraq Reconstruction for reconstruction oversight, and \$44,387,000 shall be for the Special Inspector General for Afghanistan Reconstruction for reconstruction oversight.*

# OVERSEAS CONTINGENCY OPERATIONS

## *Resource Summary*

(\$ in thousands)

Appropriations (1)	FY 2010 Actual	FY 2011 CR	FY 2012 Request
<b>Administration of Foreign Affairs</b>			
Diplomatic & Consular Programs - OCO	2,574,990	1,714,453	4,323,255
Iraq	1,726,558	1,052,846	3,229,455
Afghanistan	769,695	609,801	947,400
Pakistan	78,737	51,806	146,400
Office of Inspector General -OCO	46,000	46,000	62,932
SIGAR	23,000	23,000	44,387
SIGIR	23,000	23,000	18,545

(1) FY 2010 and FY 2011 levels are illustrative.

### *Overview*

The coming fiscal year will be filled with extraordinary challenges for the Department of State. As U.S. troops leave Iraq after eight years, the Department will take over the primary responsibility of helping the still fragile state grow into a secure and self-reliant nation. In Afghanistan, civilians will continue to support gains made in defeating extremists while building the security, government and institutions that the nation needs to end long cycles of conflict. The Department will work with Pakistan to disrupt violent groups that destabilize the region while strengthening Pakistan's resolve to combat those elements. These tasks are formidable. The Department must at the same time continue diplomatic efforts outside these countries to achieve equally essential foreign policy goals - from safeguarding nuclear stockpiles to supporting over 250 locations overseas.

The increased role in the frontline states (Iraq, Afghanistan, and Pakistan) will be an exceptional test for the Department, its diplomats and its resources, one that adds considerable expense and requirements to an already ambitious mission. To meet this challenge, the Department requests Overseas Contingency Operations (OCO) – temporary funding to meet the significant demands of operating in these three frontline states. As outlined in the Quadrennial Diplomacy and Development Review, the OCO request will fund the extraordinary Department operations in the frontline states that are above and beyond the Department's normal mission costs. These costs are exceptional and fluid, growing or shrinking over time depending on the situation in these often unstable regions. OCO is unique by country, tailored to meet the security, development and diplomatic challenges of each. Most importantly, OCO funds are separate from the Department's base budget, which is necessary to maintain American influence and power elsewhere in the world. OCO funding will decrease as the need for resources in these regions ebbs.

In the frontline states, the Department will take on new roles previously filled by the Department of Defense (DOD) in order to maintain its civilian presence, and face security and logistical challenges for expeditionary diplomatic missions. These vital national security roles place unprecedented demands on the Department and its people. It is therefore critical that these operations receive the support they require to succeed. It more closely links the civilian and military funding requests for these frontline states, emphasizing the whole of government approach to resolving these conflicts.

# OVERSEAS CONTINGENCY OPERATIONS

## *Iraq Resource Summary*

(\$ in thousands)

Appropriations (1)	FY 2010 Actual	FY 2011 CR	FY 2012 Request
<b>Administration of Foreign Affairs</b>			
<b>State Programs</b>	1,726,558	1,052,846	3,229,455
Diplomatic & Consular Programs Ongoing Operations	1,726,558	1,052,846	3,229,455

(1) FY 2010 and FY 2011 levels are illustrative.

### ***Program Description***

The U.S. Mission in Iraq is dedicated to supporting a sovereign, stable, and self-reliant Iraq that can offer a voice of moderation and democracy in the Middle East and significantly advance U.S. interests in the region. Iraq remains critical to U.S. national security, and the Department of State and USAID have a unique opportunity to build on the great gains won by soldiers and diplomats over the past seven years, and ensure that Iraq emerges as a strategic partner of the United States and a force for stability.

U.S. national security goals in Iraq will be met through a comprehensive, integrated strategy aimed at mitigating crisis and promoting development through economic assistance, provincial outreach, and a continuing commitment to Iraq's security through the State Department-managed programs. These programs will help Iraq build institutions that can bear the weight of the demands of an open society - from fair voting booths to just courtrooms to free newsrooms. They will help advance peaceful solutions to internal ethno-sectarian divisions and assist Iraq in developing productive ties with its neighbors while maintaining its own sovereignty. The Department and its interagency partners will foster economic development by assisting Iraq's re-entry into the world oil sector and the global economy. These goals will be achieved by enhancing connections between the political, economic, and social fabric of the country through robust engagement by embassy branch offices (EBOs), consulates, and the embassy in Baghdad.

Many U.S. Government agencies and every functional bureau of the Department are involved in advancing these goals in Iraq. The next three to five years will be crucial and this effort will continue to require significant U.S. personnel and resource commitments to sustain the mission. In FY 2012, the Department will operate the U.S. Embassy in Baghdad, consulates general in Basrah and Erbil, and temporary EBOs in Mosul and Kirkuk, with supporting aviation facilities in Basrah, Erbil, and Baghdad. This presence, coupled with a corresponding engagement strategy, will further the United States' long-term relationship with Iraq as a primary partner in the Middle East.

The U.S. Government's work in Iraq over the past year has contributed to Iraq progress. During that period the U.S. Mission provided assistance and support for the "free and fair" March 7, 2010, parliamentary elections in which 12 million Iraqis (a 62 percent turnout) took part, and subsequently facilitated negotiations between the largest vote-getting blocs, enabling them to forge agreements that led directly to the formation of a new, inclusive and democratic Iraqi government. A successful, prosperous

## OVERSEAS CONTINGENCY OPERATIONS

Iraq will create opportunities for U.S. business investments and contribute to regional stability in the future.

### *Performance*

The American and Iraqi people share a common goal of an Iraq that is sovereign, stable and self-reliant. For this to occur, governance at all levels in Iraq must be politically stable, demonstrably effective, and accountable to its people. The U.S. is engaged in promoting peaceful elections and transitions of power, and the resolution of territorial issues through the process of negotiations. Training efforts foster improved responsiveness and transparency in the actions of local authorities, and the strengthening of the judiciary within the country. These are all necessary, but not sufficient, requirements for a successful transition to Iraqi self-rule.

<b>STRATEGIC GOAL: GOVERNING JUSTLY AND DEMOCRATICALLY</b>						
<b>Strategic Priority</b>	Good Governance					
<b>Indicator</b>	Stable, Effective, and Accountable Governance in Iraq as measured by World Bank Governance Indicators of: Political Stability; Government Effectiveness; Rule of Law, and; Control of Corruption, respectively (scale range from approximately -2.5 to +2.5).					
FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
-2.81; -1.67; -2.04; -1.45	-2.69; -1.41; -1.87; -1.48	-2.33; -1.26; -1.83; -1.38	Data available in late 2011	-2.49; -1.01; -1.67; -1.46	-2.39; -0.86; -1.57; -1.41	-2.30; -0.83; -1.50; -1.38
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	Data Not Yet Available, No Rating			
Impact	FY 2010 result and rating not yet available to determine impact. U.S. assistance in these areas has resulted in marked improvement along all of these indicators.					
Methodology	Extensive information on the methodology of the World Bank Governance Indicators may be found on their web site ( <a href="http://info.worldbank.org/governance/wgi/sc_chart.asp">http://info.worldbank.org/governance/wgi/sc_chart.asp</a> ).					
Data Source and Quality	The World Bank compiles and publishes annual indicators in its World Bank Governance Indicators. Each indicator is based on multiple sources and surveys, which are weighted on accuracy and level of completeness. The indicators are based on calendar year, and published in September of the following year. The World Bank provides detailed backgrounds notes online describing the data collection and statistical analysis methods. These methods have been thoroughly researched and professionally analyzed.					

The sustainable return and reintegration of refugees and internally displaced persons is an indication that Iraq is becoming increasingly secure and stable. As these Iraqis reintegrate into society, they also contribute to economic growth and development. Many displaced Iraqis cite security conditions as a key factor in their decision to return to their original communities. Data suggests that returnees have felt much safer in their locations of return in 2009 and 2010 than in previous years and will thus likely stay and reintegrate. Successful returns may encourage other displaced Iraqis to return as well, though a variety of security, political, economic and social factors impact overall returnee rates.

## OVERSEAS CONTINGENCY OPERATIONS

STRATEGIC GOAL: PROVIDING HUMANITARIAN ASSISTANCE						
<b>Strategic Priority</b>	Protection, Assistance, and Solutions					
<b>Indicator</b>	NEW APP INDICATOR: Percentage of internally displaced persons and refugee returnees surveyed who responded that they feel safe in their location of return					
FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2010 Result	FY 2010 Target	FY 2011 Target	FY 2012 Target
9.1 percent	65.2 percent	80.9 percent	80.4 percent [Baseline]	[Baseline Year]	82 percent	84 percent
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating			
Impact	Positive perceptions of safety among returnees likely contribute to sustained return and reintegration and may spur additional returns.					
Methodology	International Organization on Migration (IOM) conducts in-depth needs assessment interviews with returnees in cooperation with the Ministry of Displacement and Migration and local authorities. Since 2007, IOM has included a question on perceived safety in its interviews and reports.					
Data Source and Quality	Surveys conducted by the IOM and the Government of Iraq. Data reporting has recently been clarified. Prior and current year results have been verified and validated.					

### *Justification of Request*

The FY 2012 OCO request for D&CP Iraq Operations is \$3.230 billion, an increase of \$1.503 billion above the FY 2010 comparable level (including the FY 2010 supplemental). These D&CP funds are primarily associated with deploying, securing, and supplying the Department's civilian presence at the embassy and provincial locations in an extremely high-threat environment.

### **Mission Operations and Logistics Support: \$598,616,000 including 3 positions**

The request sustains ongoing embassy operations previously funded from the FY 2009 supplemental and is in addition to the FY 2010 OCO level of \$118.4 million.

Operations and Basic Life Support (BLS): \$266.1 million: Funding is requested for increased logistics costs related to the new facilities and personnel in Baghdad. This uptick is critical given the increasing responsibilities the Department will assume. Significant increases above FY 2010 and FY 2011 levels are projected following completion of new facilities and the negotiation of new contracts for support services, particularly for Logistics Civil Augmentation Program (LOGCAP) or successor contract. The Department will likely not benefit from the same economies of scale in the current DOD contract. Many of these expenses represent support tasks that were previously provided by the military at these facilities to include a broad range of medical and other life support services. It also includes increases to the embassy and offshore support units to provide the additional management and oversight of the numerous support contracts necessary to operate the embassy in the post-DOD environment. Funding is requested by the Department for BLS costs in Baghdad for all U.S. agencies other than USAID and DOD and other national security agencies.

Within the Bureau of Democracy, Human Rights, and Labor, \$0.5 million is requested for three new Program Officer positions that will oversee the implementation of over 55 Iraq programs totaling \$330

## OVERSEAS CONTINGENCY OPERATIONS

million. These positions will oversee large numbers of sensitive democracy and human rights programs that require monitoring and oversight.

Baghdad Master Plan: \$332.0 million: The Department is consolidating support facilities from nearby DOD bases to sites in the vicinity of the embassy compound. These facilities include housing, office space, and life support infrastructure such as maintenance shops/offices and upgrades to telephone, power, water, hospital, fire and dining facilities, as well as site security and road improvements. The improvements are necessary in order to accommodate the growth of both State, primarily the Office of Security Cooperation-Iraq and International Narcotics and Law Enforcement, and non-State agencies (for example the Defense Attaché Office), and complete the consolidation of U.S. Government activities in Baghdad so that other leased properties can be returned to the Government of Iraq.

### **Security Operations: \$1,318,923,000**

As a result of the military-to-civilian transition, Diplomatic Security is being called upon to take on an extraordinarily broad security mission in Iraq to support the expansion of the U.S. Mission whose security is directed by Chief of Mission (COM) and executed by the Regional Security Officer (RSO). A significant portion of this mission will entail assuming highly complex and resource intensive security functions, which are critical to the protection of U.S. personnel and facilities by the end of 2011. This requires a significant level of personnel, equipment, and a commensurate commitment of resources for Diplomatic Security to succeed in this undertaking. The requested increase of \$1.319 billion would be in addition to the comparable FY 2010 OCO level of \$163.2 million, for a total of \$1.482 billion.

A \$1.4 million increase is requested to support the tactical radio program and the installation and consolidation of a wide range of vehicular related systems ranging from communications equipment to electronic countermeasures for new and replacement vehicles in Iraq. These radios and systems are necessary to provide over the horizon communications and to properly equip the Fully Armored Vehicles and Mine Resistant Ambush Protected (MRAPs) vehicles necessary to safely move COM personnel in Iraq. This request supports a specific maintenance program to support at least fifty heavy armored vehicles that are necessary in the event of evacuations in high threat situations, medical evacuations under fire, Quick Reaction Force intervention in attack scenarios or transporting diplomatic staff in periods of elevated threat would all be impossible without MRAPs.

\$16.9 million of the requested increase is required to cover a wide range background investigations and vetting capabilities. Iraqi employees of the Mission are required to obtain a positive polygraph examination prior to being granted unescorted access to COM personnel and facilities. Increased vetting requirements for locally engaged staff are needed because credible law enforcement and security records either are in question, or non-existent. This request includes salaries, benefits, equipment, and travel for three polygraph subject matter expert Personal Service Contractors has been included in the request. Without the increase in support to the polygraph program, the Embassy would not have the capability to properly screen and employ sufficient numbers of locally engaged staff. In addition to polygraph examinations, new and periodic background investigations are required on personnel working for the Department and are needed to support Embassy operations.

\$111.3 million of the increase is requested to support countermeasure efforts. They cover both Physical Security Programs and Security Technology. Within the request for Physical Security Programs, life cycle replacements of Armored Vehicles (AVs) is formulated by using the Department Regulations (14 FAM 432.2 employee to vehicle ratio) and the present 3 year life cycle for AVs in a Contingency Operation Post. The total 2012 requested AV funds will replace approximately one third of the right-sized AV fleet at Post. An increase for Special Protective Equipment (SPE) is requested to support the annualized cost of SPE needs at the Embassy. It also covers new physical security upgrades to

## OVERSEAS CONTINGENCY OPERATIONS

Department of State compounds in Baghdad and provides funding necessary to transport the equipment and ammunition securely to the Embassy once the U.S. military ammunition supply points are removed from the country. For items covered under Security Technology, funding is requested for the continued maintenance and life cycle replacement of Mobile Video; Electronic Countermeasures; Technical Security Systems Equipment; Unmanned Aerial Systems for route reconnaissance; Sense and Warn systems that provide early warning of indirect fire at Department of State controlled sites; and identification and badge issuance requirements for each of the Department of State sites, all of which was previously provided by DOD.

\$573.6 million of the requested increase is for Overseas Protective Operations that support the addition of new static security requirements under the Baghdad Embassy Security Force (BESF) Task Order in Baghdad locations such as Camp Olympia, Prosperity, Meadowlands and Sather airbase (Baghdad International Airport – BIAP). It also recognizes the annualized cost of Baghdad security resulting from the transition to World Wide Protective Services contract from the Worldwide Personal Protective Services II contract and the establishment of Local Program Management Office (LPMO) task order, which requires management staffing. The overall increase amount takes into account a reduction in Tallil Task Order requirements in 2012 as well as reductions in BESF equipment and guard operations in Al-Hillah due to the suspension of operations at the Regional Embassy Office (REO). Funding to implement a Surveillance Detection program and increase support staff within the Diplomatic Security program office to support contract management and oversight, including travel, ammunition, and protective security equipment are also included in the request.

For the last six years, the Bureau of Diplomatic Security (DS) has been an integral part of the Blue Force Tracker (BFT) Program with DOD. The program is critical to the life safety of COM personnel by allowing the RSO to monitor their location within three meters and respond to any incident with pinpoint accuracy. This critical technology provides Department personnel with the confidence to travel into highly dangerous areas, knowing there is an over-watch and a reaction capability to help them at the push of a button. \$9.4 million of the requested increase supports the annual costs of contract personnel, life-cycle equipment, travel and software to support the BFT program in Iraq. The Blue Force Tracking Operational Networked Environment (BFT ONE) is an extensive and continuing upgrade to BFT that focuses on new hardware, software, and network architecture. Ongoing upgrades include in-depth security for mobile operations, three-dimensional geospatial imagery, and the ability to overlay analytic products onto maps thereby improving the situational awareness of DS analysts and the RSO.

\$606.3 million of funding is requested to cover life support requirements for both DS U.S. Direct Hires and the Department funded security contractors, recognizing the increased cost to provide food, fuel, medical and other life support services in the absence of the U.S. military presence.

### **Information Technology: \$1,760,000**

Bandwidth: \$1.8 million: This request is over the \$6.6 million base and supports additional bandwidth associated with the increased reliance on the COM maintained network in Baghdad.

### **EBO/Interim Consulate Operations: -\$416,402,000**

The net reduction reflects one time start-up costs for the EBOs and interim consulates as well as the phasing out of operating costs related to the Provincial Reconstruction Teams (PRTs) within the FY 2010 comparable OCO level of \$1.438 billion, for a net funding level of \$1.022 billion.

## OVERSEAS CONTINGENCY OPERATIONS

Salaries: -\$49.4 million: Represents an anticipated reduction in the cost of salaries and benefits related to the reduced number of U.S. Direct Hire (USDH) Foreign Service (4) and '3161' employees (95) associated with the transition from 16 PRTs to two EBOs and two consulates.

IT Support: -\$21.0 million: The reduction recognizes the annual ongoing operating cost for computers, internet, telephones, radios, and associated contract support after discounting initial investment costs related to the build out of the IT architecture at the EBO's and interim consulates. This ongoing operations and maintenance is essential to preserving the initial investment in IT infrastructure made during the transition from DOD to the Department.

Operations and Support: -\$6.5 million: The request reflects a reduction in funds needed for annualized Operations and Maintenance costs for two EBOs and two consulates. It also covers general support requirements including Basic Life Support (BLS) at each site. The reduction from FY 2010 enacted levels reflects the phasing out of the PRT operations and one-time start up costs for the provincial sites covered in the FY 2010 Supplemental.

EBO/Interim Security Operations: -\$339.5 million: The decrease from the comparable FY 2010 OCO level of \$1.165 billion reflects the reduction in start up costs associated with security operations, equipment purchases (such as helicopters) and infrastructure requirements related to security, such as overhead cover. While still funded by DS, cost savings have also been realized by transitioning from directly funding previous aviation task orders to paying for services provided through the Department's Office of Aviation (INL/A).

The reduced level of \$825.8 million for security at the EBO's and consulates still supports the following:

- Full year costs of the protective security details and static guard personnel for the consulates and EBOs, explosive ordnance disposal units, and vehicle recover teams at the D&CP funded sites throughout the country.
- Contract personnel that operate the MRAPs and for the operation of the secure ground transportation between Sather Air Base (located at the Baghdad International Airport) and the embassy compound, commonly referred to as the "Rhino Run."
- Maintains surveillance detection programs established at two EBOs and at one of the consulates that were initially funded with FY 2010 supplemental funds and supports the maintenance of protective security equipment.
- The procurement and secure transportation of ammunition and special protective equipment to the various State controlled locations once the U.S. military ammunition supply points are removed from the country is covered in the request.
- The continued maintenance and life cycle replacement of Mobile Video; Electronic Countermeasures; Technical Security Systems Equipment; Unmanned Aerial Systems for route reconnaissance; Sense and Warn systems that provide early warning of indirect fire at Department of State controlled sites; and identification and badge issuance requirements for each of the State sites.
- Annualized costs to operate the Blue Force Tracker Program in support of the EBOs and Consulates.

# OVERSEAS CONTINGENCY OPERATIONS

## *Afghanistan* *Resource Summary* (\$ in thousands)

Appropriations (1)	FY 2010 Actual	FY 2011 CR	FY 2012 Request
<b>Administration of Foreign Affairs</b>			
<b>State Programs</b>	769,695	609,801	947,400
Diplomatic & Consular Programs Ongoing Operations	609,141	451,982	757,531
Worldwide Security Protection	160,554	157,819	189,869

(1) FY 2010 and FY 2011 levels are illustrative.

### *Program Description*

The goal of the United States in Afghanistan is to disrupt, dismantle, and defeat al-Qaida. This outcome cannot be achieved with military might alone. It will require helping Afghanistan build a capable, transparent, and effective government. This government must be accountable to the Afghan people, able to create economic opportunities, and foster the self-reliance needed to allow the nation to function with limited international support.

To reach this goal, the Department has been leading and coordinating a substantial civilian uplift, recruiting and deploying experts in fields from across the U.S. Government. The civilian experts, who will total nearly 1,500 in the next two years, are working with key Afghan ministries, provincial and district leaders, and regular Afghans on areas of strategic importance, including agriculture, rule of law, border issues, women's rights, and communications.

Creating lasting stability in a country that has known only turmoil for decades requires substantial resources. It also will take some time for the United States to achieve its goals in Afghanistan. However, as the groundwork is laid for a transition from a military- to civilian-led effort in Afghanistan, the Department's OCO request is made through the D&CP account to support the ongoing increase in civilians and commensurate Worldwide Security Protection (WSP) resources to secure Chief of Mission facilities and personnel.

### *Justification of Request*

The Department's FY 2012 OCO request for State Programs in Afghanistan of \$947.4 million is an increase of \$177.7 million over the comparable FY 2010 OCO levels. This increase includes funding for the continued presence of U.S. civilians and for construction of key tactical centers throughout Afghanistan.

The funds have been shifted to the OCO request from SCA and WSP because certain activities and programs supported by these funds are temporary in nature to address extraordinary circumstances the Department faces in Afghanistan. Enduring programs discussed in the SCA chapter and WSP chapter will fund long-term operations and essential security functions in Kabul and newly opened consulates. The FY 2012 OCO budget will sustain the civilian uplift, operations, and increased capacity funded previously with supplemental funding starting back in 2008.

## OVERSEAS CONTINGENCY OPERATIONS

The comparable FY 2010 OCO level of \$769.7 includes:

- Staffing & Operations (\$500.9 million): To support ‘3161’ hires for the Department of State; interagency staffing and transfers to support deployment of other U.S. Government personnel (including ICASS); additional locally engaged staff; FSI training and joint Civilian/Military training support costs; temporary housing in Kabul; translators; and supplies and equipment associated with the increased civilian presence in Afghanistan;
- Public Diplomacy (\$23.2 million): To engage the Afghan people in a manner that will further advance the United States’ objectives in the country and region and to help build the capacity of Afghan government and institutions.
- Airwing Operations (\$85 million): To fund operations and maintenance contracts.
- WSP (\$160.6 million): To manage security operations necessary to mitigate threats and enable policy engagement in Afghanistan, including overseeing and supporting the implementation of security programs at three new tactical centers, providing security and movement capabilities for an increasing number of civilians in Kabul and at consulates, and additional security operations under a new Worldwide Protective Services (WPS) contract.

The \$177.7 million OCO increase for FY 2012 above the FY 2010 comparable OCO level includes:

### **Bureau of South Central Asian Affairs: \$148,390,000**

The FY 2012 D&CP OCO request of \$757.5 million represents a \$148.4 million increase above the comparable FY 2010 level of \$609.1 million. This increase for the Bureau of South Central Asian Affairs will continue to support the operating platform for the civilian expertise necessary for the capacity building, reconstruction, stabilization, and development efforts that are essential to the United States’ efforts in Afghanistan. Funding will continue to support salaries, benefits, allowances, travel, training, life support, ICASS, infrastructure, start-up, and information technology/communication costs associated with the expanded civilian presence in country.

Up to \$230 million of the total FY 2012 OCO request for SCA will be available for transfer to other agencies to directly support the deployment of nearly 440 civilian experts from these agencies. The funds are not intended to supplant programs that are funded through Afghanistan assistance programs.

### **Worldwide Security Protection Afghanistan Overseas Protective Operations WPS Contract: \$29,315,000**

The FY 2012 WSP request of \$189.9 million is an increase of \$29.3 million over the comparable FY 2010 OCO level of \$160.6 million. An important challenge the Department confronts is providing support for U.S. foreign policy initiatives in fragile states and war environments. Nowhere is this more evident than in Afghanistan. This environment requires extraordinary security services and unlike in other countries, necessitates close coordination with, and operational support from DOD. An increase of \$29.3 million is requested for Overseas Protective Operations that support the addition of new static security requirements for three tactical operations centers in Kabul, Herat, and Mazar-e-Sharif. The funding will also help support security requirements for the construction of the consulates in Herat and Mazar-e-Sharif. Costs associated with the renewal and transitions to WPS contract from Worldwide Personnel Protective Services (WPPS) II contract are also included.

# OVERSEAS CONTINGENCY OPERATIONS

## *Pakistan* *Resource Summary* (\$ in thousands)

Appropriations (1)	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Administration of Foreign Affairs	-		
<b>State Programs</b>	78,737	51,806	146,400
Diplomatic & Consular Programs Ongoing Operations	53,110	25,437	89,415
Worldwide Security Protection	25,627	26,369	56,985

(1) FY 2010 and FY 2011 levels are illustrative.

### *Program Description*

The United States continues to assist Pakistan overcome political, economic, and security challenges that threaten its stability, and in turn undermine regional stability. These efforts are a testimony to the United States' commitment to a long-term, broad-based partnership with the government and the people of Pakistan; a partnership based on the shared interests of the two countries in promoting democracy, peace, security, stability, and prosperity in Pakistan and South Asia.

One example of the United States' commitment to Pakistan is the redirection of non-military assistance toward priorities identified by Pakistan's democratically elected government and people. These resources will further Pakistan's macroeconomic reforms and private sector growth; address immediate energy, water, and related economic crises; and make high impact investments in agriculture, such as the rehabilitation and/or expansion of irrigation and cold storage infrastructure.

The United States will also place a heavy emphasis on diplomacy and outreach in Pakistan. The Department will lead efforts to strengthen the capacity of Pakistan's democratic institutions, to counter extremist voices, and to strengthen people-to-people ties. As Secretary Clinton stated, "the partnership between our countries is not limited to the halls of government." The Department will work closely with the Pakistanis to develop projects with U.S. taxpayer dollars to ensure they are used effectively and transparently. Accomplishing these significant goals will require an increased civilian presence in Pakistan.

Similar to Afghanistan, the Department's efforts in Pakistan are extraordinary yet temporary. While there will always be an enduring diplomatic presence in Pakistan, OCO funding is requested to support a robust diplomatic presence to create a durable stability in this strategic region. For this reason, the Department requests a portion of its Diplomatic and Consular Programs funds for Pakistan through the OCO account.

### *Justification of Request*

The Department's FY 2012 OCO request for State Programs in Pakistan is \$146.4 million, an increase of \$67.6 million over the comparable FY 2010 OCO level. Funds will support the continued presence of U.S. civilians in Islamabad and at new consulates, as well as construction of key tactical centers throughout Pakistan, which were funded previously starting with the FY 2008 supplemental.

## OVERSEAS CONTINGENCY OPERATIONS

Funding at the FY 2010 comparable OCO level of \$78.7 million supported the following extraordinary costs:

- Embassy Operations (\$44.3 million): To support ‘3161’ hires for Department of State; additional locally engaged staff; FSI training; ICASS; supplies and equipment; and post/domestic support contractors
- Public Diplomacy (\$8.7 million): To build increased people-to-people contacts, convey the United States’ policies effectively, and challenge the extremists’ views.
- WSP (\$25.7 million): To fund a Worldwide Personal Protective Services contract necessary to meet the increased U.S. terrorist threat in Pakistan and the movement of the increasing U.S. Embassy Islamabad and U.S. Consulate Karachi on their respective compound and the establishment of a Quick Reaction Force (QRF).

The \$67.7 million OCO increase above the FY 2010 approximated OCO level includes:

### **Bureau of South Central Asian Affairs: \$36,305,000**

The FY 2012 D&CP OCO request of \$89.4 million reflects a \$36.3 million increase above the comparable FY 2010 level of \$53.1 million. This increase for the Bureau of South Central Asian Affairs will continue to provide for an increased diplomatic presence in Pakistan, including additional ‘3161’ positions and long-term TDY travel; ICASS costs associated with an increased civilian presence in Islamabad and consulates; procurement/GSO/move support; Post IT support contractors; and FSI Pakistan training,

These funds will help to achieve key milestones of the United States’ strategy for Pakistan and help counter political, economic, and security challenges that threaten Pakistan’s, as well as regional, stability. Specifically, these funds will allow for the deployment of dozens of additional U.S. Government personnel who will work with Pakistani entities, including the government and NGOs, to enhance oversight of contracts and improve program management. Given the magnitude of the United States’ investment in Pakistan, particularly with regards to Enhanced Partnership with Pakistan Act of 2009, there has never been a more important time to enhance such oversight. These funds will be used to support programs designed to counter extremist voices through expanded media outreach, building communications capacity, and strengthening people-to-people ties through greater engagement with Pakistani media, increased academic and business exchanges, and the Pakistani-American community.

### **Worldwide Protective Services Overseas Protective Operations WPS Contract: \$31,358,000 and 1 position**

The FY 2012 Worldwide Security Protection request of \$57.0 million is an increase of \$31.4 million over the comparable FY 2010 OCO level of \$25.6 million. Funds are requested to support the renewal and transition from the WPPS II contract to WPS. This funding will also make available one position to provide administrative support to the Pakistan Personal Protective Services to review and reconcile contractor invoices for these two posts. The QRF would be comprised of specially trained Pakistani personnel and funded through the WPS contract. The Islamabad Embassy Compound is 34 acres with approximately 500 American and 700 LES employees on compound during business hours. Currently over 200 American employees are in temporary housing on the compound.

The WPS QRF will provide the RSO the capability of defending the Embassy and Consulate compounds against attacks from terrorist assault teams, similar to the incidents involving the Consulate in Jeddah, the Embassy in Sana’a, and the various trucking facilities in or near Peshawar.

## **OVERSEAS CONTINGENCY OPERATIONS**

At present, the contract Local Guard Force, Islamabad Police, and two Frontier Constabulary platoons defend the Embassy compound. In addition to providing a tactical and medical emergency response capability at the compounds, the QRFs could be called upon to provide support to high-level visits or security incidents affecting U.S. personnel outside of the compounds.

# OVERSEAS CONTINGENCY OPERATIONS

## *Office of Inspector General Resource Summary*

(\$ in thousands)

Appropriations	FY 2010 Actual	FY 2011 CR	FY 2012 Request
<b>Other Administration of Foreign Affairs – Office of Inspector General</b>	<b>46,000</b>	<b>46,000</b>	<b>62,932</b>
Special Inspector General for Afghanistan Reconstruction	23,000	23,000	44,387
Special Inspector General for Iraq Reconstruction (1) (2)	23,000	23,000	18,545

(1) FY 2010 SIGIR funds include \$7 million that was forward funded and made available in FY 2009 by the Supplemental Appropriations Act, 2009 (P.L. 111-32), for a total FY 2010 availability of \$30 million.

(2) FY 2012 SIGIR Request includes \$2.2 million requested for Q1 FY 2013, the scheduled closure and transition phase for SIGIR operations.

In previous years, funding for the Special Inspector General for Afghanistan Reconstruction (SIGAR) and the Special Inspector General for Iraq Reconstruction (SIGIR) was included in the Department of State Office of the Inspector General (OIG) chapter. This year, SIGAR and SIGIR, as temporary agencies focusing only on their respective high priority country, are included in the OCO chapter. SIGAR and SIGIR funding for FY 2011 and FY 2012 are reported here and were excluded from the OIG section. FY 2010 is shown here for reference but remains in the FY 2010 Actual column of the OIG chapter.

### ***Special Inspector General for Afghanistan Reconstruction (SIGAR)***

The National Defense Authorization Act for FY 2008 (Public Law 110-181) established the Special Inspector General for Afghanistan Reconstruction (SIGAR) to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent audits and investigations on the use of taxpayer dollars and related funds. SIGAR has oversight responsibility for any major contract, grant, agreement, or other funding mechanism entered into by any department or agency of the U.S. Government that involves the use of amounts appropriated, or otherwise made available for the reconstruction of Afghanistan with any private entity to: (1) build or rebuild physical infrastructure in Afghanistan, (2) establish or reestablish political or societal institutions of Afghanistan, (3) provide products or services to the people of Afghanistan, or (4) provide security or other support functions to facilitate Afghanistan reconstruction efforts.

SIGAR is headquartered in Arlington, Virginia. In addition, SIGAR has an office at the U.S. Embassy in Kabul and three other locations in Afghanistan (Bagram, Kandahar, and the Combined Security Transition Command-Afghanistan). SIGAR has four functional directorates to meet its mission: (1) audits; (2) investigations; (3) information management; (4) management and support.

Since 2001, the United States has provided over \$50 billion for the reconstruction of Afghanistan. Funding requests for FY 2011 could increase this amount to as much as \$70 billion. In order to provide the oversight necessary to ensure that these funds are not subject to waste, fraud, and abuse, SIGAR must expand the operations of its audit and investigation directorates.

SIGAR's FY 2012 request for \$44.387 million is an increase of \$21.387 million compared to the FY 2010 Actual level. This funding level will enable SIGAR to keep pace with the expanding U.S. reconstruction

## OVERSEAS CONTINGENCY OPERATIONS

effort in Afghanistan. SIGAR requires 180 positions in FY 2012 to effectively audit and investigate reconstruction activities in Afghanistan. This is an increase of 40 positions over FY 2011. SIGAR intends to use 28 of these 40 positions in Afghanistan. The other 12 positions will be based at SIGAR's headquarters in Arlington, Virginia, with occasional temporary duty travel to Afghanistan.

### *SIGAR Funds by Object Class* (\$ in thousands)

	FY 2010 Actual	FY 2011 CR	FY 2012 Request
1100 Personnel Compensation	11,502	11,502	28,493
1200 Personnel Benefits	1,503	1,503	4,283
2100 Travel & Trans of Persons	1,972	1,972	2,074
2300 Rents, Comm & Utilities	731	731	1,281
2400 Printing & Reproduction	447	447	444
2500 Other Services	6,008	6,008	6,779
2600 Supplies and Materials	837	837	1033
<b>Total</b>	<b>23,000</b>	<b>23,000</b>	<b>44,387</b>

### *Special Inspector General for Iraq Reconstruction (SIGIR)*

SIGIR operates under the authority of Public Law 108-106, section 3001 (as amended). To fulfill its mandated responsibilities, the agency's FY 2012 request is \$18.545 million, which is a decrease of \$4.445 million when compared to the FY 2010 Actual level. This amount includes requirements for operating expenses in FY 2012 totaling \$16.317 million, as well as \$2.228 million for the 3-month closure and transition (C&T) period in FY 2013 (October through December 2012.)

This request allows funds to be available in the FY 2012 budget to prevent the need for a supplemental appropriation or budget preparation for partial-year requirements in FY 2013. This will reduce administrative burdens/costs for the organization and other agencies involved in the budget process. In addition, forward funding the three month C&T period will allow effective planning and execution of tasks/contracts necessary to finalize mission-related activities and the completion of administrative actions required to close the agency and transition remaining workload to permanent oversight organizations.

Any unobligated funds remaining upon the completion of transition, which is scheduled for December 31, 2012, would be returned to the Department of State Office of Inspector General account.

SIGIR's proposed FY 2012 budget of \$16.317 million reflects a continued reduction from previous years. These reductions are the result of optimization of government/contract ratios; the elimination of tasks no longer a priority of the Iraq reconstruction program; and a continued focus on high-priority initiatives that further SIGIR's mission to provide in-depth oversight of funds made available for Iraq reconstruction.

# OVERSEAS CONTINGENCY OPERATIONS

## **Optimizing Organizational Resources Through Reduction/Elimination:**

### **Operational/Administrative Support**

As SIGIR matured, internal efficiencies made it possible to cross-train administrative and support staff and reduce staff without significant impact on services. Savings realized have been redirected toward SIGIR's key lines of operation – Audits, Investigations and Evaluations.

### **Inspections**

SIGIR eliminated its Inspections Directorate effective April 30, 2010. Sufficient work had been done in this area: “bricks and mortar” projects were no longer a priority in the Iraq Reconstruction program. Most Inspections resources were redirected to the higher priority Evaluations Directorate, discussed below.

## **SIGIR High Priority Initiatives:**

### **Audits**

SIGIR's Audit directorate will continue to target high-priority management and transition issues, as well as the use of DOD's Commander's Emergency Response Program, Iraq Security Forces Fund, and the Department's Economic Support Funds with timely audit coverage. In FY 2012, SIGIR will complete its efforts and any remaining gaps in coverage will be identified and provided to other oversight organizations, such as Department of State OIG, DOD OIG, or the U.S. Agency for International Development OIG, as appropriate, for their consideration in ongoing audit plans.

By the close of FY 2012, SIGIR will have conducted a final forensic audit of all amounts appropriated or otherwise made available for the reconstruction of Iraq through FY 2011. A significant part of the forensic work is carried on through SIGIR's Forensic, Evaluation, Research, Recovery, and Enforcement Team (FERRET) initiative, first launched in 2009. This sensitive investigative program combines investigative and audit activities with sophisticated data analysis. Tens of thousands of records are currently being reviewed - an effort that has led to over 50 new investigations, with continued high productivity expected in 2012. A final report summarizing a review of internal controls and the results of the forensic effort will be published at the end of 2012.

### **Investigations**

As the oversight work of SIGIR matures, the number of new criminal cases has increased. The initiation of a regional-based investigative program, co-locating investigators with prosecutors and fellow law-enforcement in jurisdictions where case loads are highest, has yielded tangible results. In FY 2012, SIGIR anticipates a high volume of investigative cases that will require focused efforts to close with a small number being transitioned to other permanent investigative agencies upon SIGIR's closure.

### **SIGIR Prosecutorial Initiative (SIGPRO)**

In close collaboration with senior Department of Justice (DoJ) officials, SIGIR hired three highly experienced and respected former federal prosecutors and detailed them to DOJ's Criminal Division to work exclusively on cases in SIGIR's jurisdiction. SIGPRO attorneys work hand-in-hand with SIGIR's investigators to ensure that cases are in the best posture for eventual successful prosecution. In addition to handling their own prosecutorial caseload, SIGPRO attorneys also work closely with Assistant U.S. Attorneys and other DOJ attorneys who are currently handling SIGIR matters, providing them with guidance that comes from their deep understanding of contingency operations. The result is the vigorous prosecution of cases arising under SIGIR's jurisdiction, and the potential to create within the Department of Justice a new cell of expertise that will specialize in overseas contingency cases – both criminal and civil. During FY 2010, SIGIR experienced a rise in prosecutorial activity of approximately 73 percent when compared to the average of prosecutorial activity over the previous three fiscal years (FY 2007 - FY 2009).

## OVERSEAS CONTINGENCY OPERATIONS

### Evaluations Directorate

In FY 2010, SIGIR launched its Evaluations Directorate. It will apply a multi-faceted approach to the evaluation of Iraq reconstruction programs. Evaluation teams with audit, evaluation, program analysis, and inspection experience are designing and implementing a wide range of program evaluation studies to assess the impact of U.S. reconstruction spending. In 2012, SIGIR will conclude these efforts and determine lessons learned from its review of a cross section of major U.S. funded programs.

### *SIGIR Funds by Object Class* (\$ in thousands)

	<b>FY 2010 Actual</b>	<b>FY 2011 CR</b>	<b>FY 2012 Request</b>
1100 Personnel Compensation	15,607	14,442	11,465
1200 Personnel Benefits	2,471	2,689	1,660
2100 Travel & Trans of Persons	333	900	815
2300 Rents, Comm & Utilities	1,590	1,953	1,750
2400 Printing & Reproduction	160	272	309
2500 Other Services	2,801	2,667	2,432
2600 Supplies and Materials	38	77	114
<b>Total</b>	<b>23,000</b>	<b>23,000</b>	<b>18,545</b>

## STATE OPERATIONS IRAQ, AFGHANISTAN, PAKISTAN

(\$ in thousands)

Country / Account		FY 2010 Actual *			FY 2011 CR *			FY 2012 Request		
		Total	OCO	Enduring	Total	OCO	Enduring	Total	OCO	Enduring
<b>Total, State Operations</b>		<b>4,142,918</b>	<b>2,621,035</b>	<b>1,521,883</b>	<b>2,395,472</b>	<b>1,760,454</b>	<b>635,018</b>	<b>5,135,179</b>	<b>4,386,187</b>	<b>748,992</b>
<b>IRAQ</b>	<b>Total State Operations</b>	<b>2,219,963</b>	<b>1,749,558</b>	<b>470,405</b>	<b>1,563,963</b>	<b>1,075,846</b>	<b>488,117</b>	<b>3,841,390</b>	<b>3,248,000</b>	<b>593,390</b>
	D&CP Ongoing Operations (incl. PD)	2,151,641	1,726,558	425,083	1,495,641	1,052,846	442,795	3,725,355	3,229,455	495,900
	CIO	33,000	-	33,000	33,000	-	33,000	44,300	-	44,300
	ESCM	-	-	-	-	-	-	37,000	-	37,000
	ECA	7,372	-	7,372	7,372	-	7,372	7,000	-	7,000
	OIG (includes SIGIR)	27,950	23,000	4,950	27,950	23,000	4,950	27,735	18,545	9,190
<b>AFGHANISTAN</b>	<b>Total State Operations</b>	<b>1,502,146</b>	<b>792,695</b>	<b>709,451</b>	<b>744,600</b>	<b>632,802</b>	<b>111,798</b>	<b>1,102,483</b>	<b>991,787</b>	<b>110,696</b>
	D&CP Ongoing Operations (incl. PD)	634,141	609,141	25,000	485,595	451,983	33,612	789,464	757,531	31,933
	WSP	225,005	160,554	64,451	225,005	157,819	67,186	260,632	189,869	70,763
	ESCM	607,200	-	607,200	-	-	-	-	-	-
	ECA	6,600	-	6,600	6,600	-	6,600	8,000	-	8,000
	OIG (includes SIGAR)	29,200	23,000	6,200	27,400	23,000	4,400	44,387	44,387	-
<b>PAKISTAN</b>	<b>Total, State Operations</b>	<b>420,809</b>	<b>78,782</b>	<b>342,027</b>	<b>86,909</b>	<b>51,806</b>	<b>35,103</b>	<b>191,306</b>	<b>146,400</b>	<b>44,906</b>
	D&CP Ongoing Operations (incl. PD)	71,837	53,110	18,727	45,837	25,437	20,400	108,981	89,415	19,566
	WSP	30,372	25,672	4,700	30,372	26,369	4,003	61,955	56,985	4,970
	ESCM	305,900	-	305,900	-	-	-	-	-	-
	OIG	4,400	-	4,400	2,400	-	2,400	5,370	-	5,370
	ECA	8,300	-	8,300	8,300	-	8,300	15,000	-	15,000

\* FY 2012 is the first State/USAID OCO request; FY 2010 and FY 2011 are estimates.