

United States Institute of Peace
Association for Diplomatic Studies and Training
Iraq Experience Project

**SHERRI G. KRAHAM
EXECUTIVE SUMMARY**

*Interviewed by: Haven North
Initial interview date: November 5, 2004
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Sherri Kraham, 31, has a Law degree and a BA Political Science. She is currently employed with the Millennium Challenge Corporation. She served as Iraq Desk Officer with the State Department 1998-2001. In Baghdad she was Director of Program Review and Deputy Director CPA Office of Management and Budget. She was stationed in Iraq from May-December, 2003. She worked Iraq issues with ORHA at the pentagon and in Kuwait from February up until her deployment. Her primary work was in Reconstruction, with some Governance and Security components.

The Assignment. Kraham detailed from the U.S. State Department to work on post-war planning at Pentagon. Her focus was on the ministries and restarting the national government after the fall of Saddam: identifying government structures, hypothesizing what would be encountered, and formulating ways to restart the government. This effort was hindered by lack of information.

Early planning work and initial conditions and activities: There were a few correct assumptions; (1) most of the senior leadership would have disappeared and that we wouldn't find them trying to work with us; and (2) most ministry the records would be destroyed. She notes records were largely kept, although it was assumed ministries would be in better condition.

Civilians in Kraham's group anticipated looting, which was severe and left most government buildings unusable in the early stages. They provided the military with sites that should be protected, including ministry locations the Baghdad Museum. Early attempts to bring employees back to work were partially aimed at stemming looting. I worked on a variety of issues including salary, the setting of salary scales.

Another task was getting security for ministry sites. In very few cases, Kraham was able to get U.S. military security, she presumes because military resources were stretched. Communications to the military command about what buildings needed to be guarded were frequent, but their resources never really appeared to guard these facilities.

Reestablishing government throughout the country was extremely difficult due to lack of an adequate communication with governorates. Reestablishing these civilian-Iraqi lines of communication was essential, as the government had been highly centralized and local-level ministries looked to the center for direction and money.

The transition from Garner to Bremer was a surprise to Kraham and others. She notes a need for more foreign policy people as part of the team, as Iraq wasn't the humanitarian disaster anticipated. The change of mission occurred quite suddenly.

PRB, CERP, and DERP: CPA needed a process of allocating funds, so the Program Review Board (PRB) was formed. While Ambassador Bremer was the final, ultimate decision maker on the use of funds, a program vetting process was needed, "We needed some senior

leadership to weigh in on these decisions and help set priorities, because we had requests [for funds coming in] from all over the country."

The Commander's Emergency Response Program (CERP) was established, initially funded up to \$7 million. CERP provided local coalition military commanders with funding to do small-scale, high-impact projects for under \$10,000. The program was very successful. A similar program, the Director's Emergency Response Program (DERP), was created for same types of projects, but for civilians reporting to CPA (i.e. Governorate Coordinators).

Total funding available from all sources was \$6 billion. The PRB wanted to make sure that the funds were being used for the highest priorities, and those priorities were (1) humanitarian requirements and relief; (2) infrastructure; and (3) getting the government functioning and providing public services.

Travels in the country: Kraham conducted several program visits, and was positively received by the Iraqis. She compares early and subsequent conditions, "I think that the public services were being delivered by the time that I left, and so I think the overall conditions on the ground were much better for the Iraqis. I think the security situation had gotten so dramatically worse by the time that I left that it was of concern to all of us, and that was the reason I left."

Lesson learned: Kraham notes that, "Coordination between CPA and the military was very poor [because] we don't speak the same language." She also notes the need for quick action, more planning, and better information. Certain assumptions weren't correct.

Kraham notes that problems inter-agency conflict in Washington impacted work in the field. More experienced and knowledgeable civilians were needed on the ground. Better communication would have been helpful. Kraham believes the absolute best work was done with the resources available. However, she notes that some current problems are outgrowths of the level of accountability. It was difficult to achieve balance in contracting American and Iraqi firms. Things needed to get done quickly and properly, and PRB wanted open and transparent competition.

Kraham notes that communication of the CPA message to Iraqi citizens could have been better handled. First efforts with the local Iraqi TV station were very poor. She questions the appropriateness of the media contractor, as well as the role of the Defense Department in doing Iraqi free-press work

Kraham foresees Iraqi participation in the January election, but is not sure that they Iraqis a lot of confidence in the system or their leadership. However, she believes that will change over a long period of time.

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Q: Today is November 5th, 2004, and the interview is with Sherri Kraham. When were you in Iraq, Sherri?

The Assignment

KRAHAM: I joined CPA, then ORHA (the Office of Reconstruction and Humanitarian Assistance), in Kuwait in the month of March. [I was with them] through the war. I think we deployed [to Iraq] in May, and I left Iraq in December of '03.

Q: What was your position?

KRAHAM: I held a variety of positions.

Q: What were the several positions you had?

KRAHAM: I was in the Pentagon detailed from the U.S. State Department. I worked on all kinds of policy issues. Most of my focus was on the ministries and how we would restart government after the fall of Saddam, after we took control over Baghdad. [I looked at] what we would encounter, what we would find in the Iraqi government structures, and what could be put to use in restarting government. So I spent all of February and March, all of my time in Kuwait, trying to learn about what we might encounter in the country, and what structures existed, based on [what] very little knowledge we had of what was going on in the Iraqi government.

Early planning work and initial conditions and activities

Q: In the early days in Kuwait, what were the assumptions you were making about what the situation would be in Iraq?

KRAHAM: There were a few correct assumptions. One of them was that most of the senior leadership would have disappeared and that we wouldn't find them trying to work with us. [Another was] that most of the civil servants, the politicals that were connected to the regime, would not be in favor of working with us and would probably have left town already. We pretty much found that [to be the case. We thought] that the ministries might be in better condition [than we found them], but that most of the records would be destroyed. [Fortunately] records were kept. Many employees of the ministries took these records home with them and protected them. Their records weren't very good.

We provided the military with information what we could provide on government offices and buildings, based on what we knew about locations. [We identified them] as sites that should be protected, including the Baghdad Museum. We were correct [in seeking to have those sites protected]. There was a lot of looting.

Q: You anticipated the looting?

KRAHAM: The civilians did for sure.

Q: In your civilian group? The ORHA group?

KRAHAM: Yes, we did, and provided prioritized lists to the military of the sites that we thought would need to be protected. So, we were quite distraught at the extent of the looting, because most of the government buildings were completely unworkable in the very early stages, very unworkable.

Q: What were some of the first priority actions that you assumed you had to take?

KRAHAM: We wanted to get people back to work. One of the things that I did on my third day there was go into some Iraqi's house who was connected to people in the government and who said he could pull together the senior people in government that were still around. I met with about 50 of them in this man's house on the third day in Iraq, in early May.

I went in with a 10-person team with Jay Garner, and we flew around the country. First we went to Baghdad. We spent a day in Baghdad, then we went to the north and then to the south and then back to Baghdad, so maybe it was the fourth day.

[In any case,] I met with these people and I said, "Please bring your people back to work." The looting was still ongoing at that time, and we also thought that maybe the presence of the employees would help stop some of the looting. "Please bring your employees back to work, and we will pay them." That was our message, "We want to partner with you and we want to get the government back up and running." [That was a challenge because of] the poor state of the infrastructure. It wasn't easy to turn the light switch back on after the war.

Q: What was the response of this first group you met with?

KRAHAM: I think it was very positive. They were all men. But they were all very positive, and they were all interested in telling me about the problems that they were experiencing. We were more concerned about [managing] the overall control of the city. We weren't the government: we wanted to partner with them in the government and get the civil servants back to work.

Q: What did it take to get them back to work and get the ministries up and running?

KRAHAM: It wasn't long before we started to get more of our team in. The senior advisors [started going into] the ministries. [We began going] into the city of Baghdad and started to identify people. The ministries had no doors, no light bulbs, no light switches, nothing, and in

those ministries people really weren't showing up to work. There were certainly some ministries where people were available and willing to go back to work [but] most of the ministries did not have suitable office facilities.

I worked in the very beginning with all of the ministries because we hadn't yet gotten all of the senior advisors in place. My direct relationships ended after the first couple of weeks, after the different senior advisors came on board. I worked on a variety of issues including salary and setting salary scales.

It was very difficult to get information about the salary system; they had a very bizarre way of paying people. [Each employee] had a very small base salary and they had all kinds of different benefits, so maybe their actual salary was about 10 or 15 percent of their overall payment. So, I was sort of uncovering what people actually earned, what they should earn, and trying to establish a new salary system that was based on merit, performance, and people actually showing up to work: not on loyalty. It was quite common [not to show up]. They didn't have a pension system. They had a lot of ghost workers. People would show up just to get their paychecks on Fridays. So that was another thing that I worked on.

We also brought in Iraqi advisors from the United States to come in and work in these ministries, technocrats....

Q: How did you know whom to pay?

KRAHAM: We tried to have the senior advisors develop relationships with a few good people that they could trust. [They would then] determine who the manager of the ministry was, [settle on] an interim minister or a senior manager, who would then work closely with us in reestablishing government. It was quite difficult. It took a period of many months for us to even get a facility for most people to report to and to get a salary payment in place. People hadn't been paid, in some cases, since the war started. So, they hadn't been paid in six weeks. [We were therefore involved in] getting people an emergency payment.

Q: How did you do that?

KRAHAM: We gave, I think, a 20-dollar payment to every government employee.

Q: I understand this was in cash; it all had to be done in cash.

KRAHAM: It was in cash, sure, and it was in dollars. The real problem was the way the government is situate. There are main ministries in the center of the government, [in Baghdad]. Each district or province [also] has their own little miniature Ministry of Education office, [headed by a Director General]. They're all repeated in a very centrally controlled way at the governorate level. Decisions and money flowed from the center to those governorate-level offices.

[Following the invasion], there was no way to communicate from the center to the governorate offices because all communications in the country had been destroyed during the war. That was

one of the first things that happened. Reestablishing government throughout the country without any communication systems was quite difficult. The communication was really through us, through the military and civilians working for the American government and the CPA in Baghdad. [We relayed messages] to our counterparts, because there was no other Iraqi way to communicate. Sometimes people even came up to Baghdad because they wanted to know what was happening. We didn't see as much destruction in the governorate-level offices, but the payment system was quite complicated. [We had to figure out a way of] paying people out and getting money out to the districts.

Q: Where was the money coming from?

KRAHAM: We had a few sources of funds. The President authorized the use of funds that were vested in the U.S. Treasury since the Gulf War. They were basically frozen assets of the Iraqi government that were then brought back to Iraq to be used for the benefit of the citizens. We had seized funds, funds that were Iraqi government resources that we seized upon entering into the country. That was basically it for the first couple of months. We had about two or three billion dollars of that type of funding, and we spent some. The vested funds never changed. It was just what was in the U.S. Treasury at the time. The seized funds increased over time, and then decreased.

Q: After you dealt with the payments and salaries, what was your next task?

KRAHAM: We had a million tasks. One was getting security for ministry sites. There was no sense in rebuilding the ministries without having security. So in some cases we were able to get U.S. military security—in very few cases, frankly.

Q: Why was it so difficult?

KRAHAM: I think the resources were just stretched. There was looting everywhere in those days.

Q: Not enough troops to do it?

KRAHAM: I don't know if there were enough troops or they were diverted to other situations, but [our] communications were quite frequent to the military command about what buildings needed to be guarded, and their resources never really appeared to guard these facilities. We tried to stand up Iraqi security forces, and I think that story was the Ministry of Irrigation.

When I made a presentation to CJTF 7 (Coalition Joint Task Force 7), the military command at that time, I had a chart of all the ministries and their conditions, the physical conditions of the property and whether or not they were being secured by anyone. Most of them were not being secured by anyone. That included the Central Bank, the Baghdad Museum, and the main institutions of the government. The Ministry of Irrigation had three old men in Destasha (long gowns) [sitting out in front for protection]. They were old men, the father or grandfather of somebody that worked at the ministry, and in a Middle Eastern way they were sitting out in front

shaking their hands at the young men that wanted to come and loot the property. That was really the only ministry that wasn't completely destroyed. So that was an interesting one.

We did try to stand up a security force and try to do training, and we distributed a small amount of funds to each of the ministries to clean up and buy some basic things (like windows and doors) to try to get the ministries put back together. Then we started doing assessments of real construction that needed to be done.

Q: You were working with all the senior advisors on this?

KRAHAM: Right, I was the coordinator of the ministry efforts, along with another colleague, Megan O'Sullivan.

Q: Just the two of you?

KRAHAM: Yes. Eventually we got somebody, Ambassador Robin Raphel, who was going to oversee this effort and bring together all of the senior advisors. It was quite a difficult environment for us to work in. It was 130 degrees. Nobody had what they needed to operate; we didn't, the civilians.

Q: You were living in the Green Zone, I guess.

KRAHAM: We were in the Green Zone, in the palace. We had no computer equipment for some time. We had no furniture to sit on. We had no air conditioning, and it really was 130 degrees. It was quite difficult, and I think the biggest problem was that we didn't have enough vehicles to get out to the sites.

All of the senior advisors and all of their staffs wanted to get out to the sites every day, to their ministry, and we didn't have the security to provide for it. We had a two-car requirement. At that time we didn't require a convoy of military vehicles, we just went out in two-car convoys with these big GMC Jimmys. We were quite noticeable, so we went out with 'two cars and a gun,' we called it, two vehicles and somebody in each car that had a gun. That's how we had to go, but it was quite difficult. We didn't have enough vehicles for people to go out into the city, so there was always feuding.

Q: Did you have security crises when you went out to these places?

KRAHAM: In the early days, May, June, and July, there were few incidents. Even when I went out to the Ministry of Justice on day five, the war was still ongoing. I remember being inside with the senior people and with Jay Garner, and two combatants, one American and one Iraqi, were fighting outside the building. We heard gunshots and saw them chasing each other in the city. At that time we felt pretty safe even though there was random fighting, much safer than we did when I left in December.

The Program Review Board, the CERP and the DERP

Q: After that first immediate period, then what did you do?

KRAHAM: Early on, I started to talking to Jay Garner about the resources that we had and developing systems for managing them. In the beginning it was crisis [mode], it was emergency [response]. It was ad hoc, but we were talking about how to manage [our resources] in a more effective way so that people that needed resources [would be] able to get to them. We were getting a lot of requests from military commanders all over the country, [saying] that they needed money to get their things back in order, to get streetlights turned back on.

There was looting in other places. Like [in] Mosul, the bank was completely destroyed and the government buildings were [also] destroyed. They needed money to put the city hall, the bank, and the fire station back [together]. [They needed funds] to [fix] the police station and get the police equipped again. So I started to talk to Jay Garner about setting up a system [of reviewing requests and issuing funding], and that's when we established the Program Review Board.

Q: This was before CPA?

KRAHAM: This was about the time that Jay was leaving and Ambassador Bremer was coming on. I think it may have been two weeks into Ambassador Bremer's assignment.

Q: Did you find that transition very disruptive?

KRAHAM: It was disconcerting at least, and it was a surprise to some of us. But being from the State Department and being a person that works on foreign policy—and I worked on Iraq for four years at the State Department from '98 to 2001—we needed more foreign policy people as part of the team. It wasn't [the] humanitarian disaster that we anticipated. It was a different type of requirement, a different type of need, and so it wasn't altogether surprising [that the administration changed]. But, we weren't completely informed that it was coming and it happened quite suddenly. So I started to work with Ambassador Bremer on establishing this Program Review Board. We had lawyers working on it and we wrote some resolutions and bylaws.

Q: What was the concept? What was the idea behind having a Program Review Board?

KRAHAM: The concept was that we needed a process of allocating funds. Ambassador Bremer, of course, was the final, ultimate decision maker on the use of the funds, but we needed some process for vetting them and we needed [to have] senior leadership weigh in on these decisions and help set priorities, because we had requests from all over the country.

[Backtracking for a minute,] there was one final important thing that happened before Jay Garner left, to his credit. We established a program called the Commander's Emergency Response Program (CERP). That program was designed to address the needs that we were hearing, the requirements of the military commanders, division commanders like General Petraeus in Mosul, the Brits down in the south, the Marines in the Hillah area and Najaf.

We were hearing from them that they needed [the money to do] small, high-impact projects. At that time USAID had funded some NGOs, but people were just mobilizing—this was May, June,

July—so we needed a way, a mechanism, for managing those funds, setting parameters on the use of those funds, and reporting of those funds. So we established the Commander's Emergency Response Program. I think we initially funded it up to \$7 million. We set that up to provide them funds to do small projects, under \$10,000, and they did amazing things with these funds.

They did projects in the main towns fixing or rebuilding things that were destroyed during the war: small sewer projects, streetlights, road paving, fixing up the city buildings, public buildings. They also did things that had pretty significant impact on the population, like the renovation of schools. They could do a school for \$10,000 or \$15,000 and engender a tremendous amount of goodwill in the population. Medical clinics [only required] small amounts of funding but [had] really dramatic results.

I traveled all around the country throughout my year in Iraq looking at the results of these programs. I would go into a village with 5,000 people and we'd spent about \$100,000. They had a newly renovated clinic with medical supplies and equipment, a new police station with equipped officers, [they had] fixed the water treatment center, created a city building, renovated the school, [and so on]. This had a tremendous impact for a relatively small amount of funds.

Q: Do you remember what the total eventually was of those funds?

KRAHAM: Hundreds of millions of dollars and hundreds of thousands of projects.

Q: Was there some record of all these?

KRAHAM: Sure. One of the problems that I had—and this was way down the road—was that we had tried to set up a database management system. We tried for six months to get one that would manage this type of project and integrate all of this information, all of these small projects, on a regional basis, on a sectoral basis, and integrate that with the things that USAID was or other donors were doing so that we [could] have a record of where everything went. We had this information but it wasn't completely integrated.

So, getting back to the Program Review Board, we set up the Program Review Board, and with that mechanism I also acted as a program manager. We also set up and expanded the CERP program and we also created a similar program called the DERP, which is the Director's Emergency Response Program, which was for same type of projects, same small amounts of high-impact levels of funding, but for the civilians that were reporting to the CPA.

Q: The regional directors?

KRAHAM: The regional directors.

Q: And the governorate directors?

KRAHAM: Right, and we set up mechanisms of controlling and monitoring those funds. I visited those projects all around the country as well. So we had some large programs that

eventually turned into the Rapid Regional Response Program, which was a higher level of funding. We found that for \$200,000 or \$300,000 we could provide clean water to a community of a couple hundred thousand people who hadn't had clean water to drink for a decade. I would go into these water treatment plants, and the U.S. military and the civilians that were representing the CPA would take me around and say, "This water treatment plant hasn't had chlorination tanks for 10 years," and for \$100,000 now they have clean water for the community.

Q: Who would carry out all these projects and get all the equipment?

KRAHAM: Iraqis would.

Q: And they knew how to do it and where to get the equipment and supplies?

KRAHAM: I would say that the skills—although there were tons of engineers all over Iraq—the technical skills were mixed. One, they weren't accustomed to being able to buy supplies and being able to have their facilities very operational. At first some of them were even reluctant to say that there were problems, but the engineers that were part of the military— engineering units in 101st Airborne Division and 4th ID (Infantry Division); all of them had engineering divisions— [made their own assessments]. They would go in and work with the local people. We also had the reservists. They were really quite amazing, the Civil Affairs units.

Q: The military Civil Affairs?

KRAHAM: The U.S. military Civil Affairs, they were activated and they had professional in all the professions that were needed there. We had water engineers, waste water plant engineers, and fire department managers. Every profession you can imagine we had in our Civil Affairs [units]. They all paired up really nicely with the Iraqis to form these partnerships and help them restart their activities. So, I helped work with the military and the civilians to design these large programs. The Program Review Board endorsed the amount of funds that would be sent....

Q: Who was on the Program Review Board?

KRAHAM: We had all of the directors of the main units of the CPA: Walt Slocumbe, who was the Director of Security.... It sort of evades me at this point.

Q: Somebody from USAID?

KRAHAM: We had one of the USAID directors, the USAID mission director, Lewis Lucke, as a member of the Program Review Board. We had established an office called the Office of Management and Budget at the CPA. That was at first directed by Peter McPherson. I was working as the Director of the Program Review Board, and then we had David Oliver, who was the former admiral from the Navy who used to do their budgets. He was the director and I was his deputy. Who else did we have?

Q: Did you have any of the Coalition members on the board?

KRAHAM: We had a British and Australian representative. We had a representative from the office that does donor coordination, and that was Merritt Belka. The Australian was Andrew Goledzinowski. So we had a broad range. We also had an Iraqi. It's all in the governance documents that created who the representation is.

We also had an Iraqi seat, but we were unable to get the Ministry of Finance to send a representative to these meetings. We met twice weekly, and my office—I had a staff of three or four—would prepare the funding requests. We would give guidance to the offices, either the military or the regional offices, or the offices in Baghdad. We would give them formats and instructions on how to make a funding request.

Q: The ones that related to the ministries?

KRAHAM: That related to the ministries, sure, and the regional representation. We would have them making funding requests and we would make sure that they had [properly followed procedure].

Q: What were your criteria for reviewing these? How did you decide?

KRAHAM: It was awfully difficult. At the same time, we were preparing a half a year's budget for June. In June we approved a budget for the remainder of the calendar year—the Iraqis use the calendar year....

Q: This was 2003?

KRAHAM: Right, 2003. So this was an effort to fund the ministries directly and not use the Program Review Board for ministry requirements. So we started to shift in the month of July to this budget. As soon as the funds were allocated to the Iraqi government budget, we started to shift ministry activities. The board was used for miscellaneous programmatic expenses like the CERP programs, that type of funding. USAID's funding, the U.S.-appropriated funds, went through this mechanism as well.

Q: All kinds of funds?

KRAHAM: All funds, all the funds we had available.

Q: What were the different funding sources?

KRAHAM: We had the seized funds that we seized once we got in the country. We have vested funds, those funds that were frozen in the U.S. Treasury since the Gulf War. We had U.S.-appropriated funds, only the foreign members [of the board] couldn't vote on [the use of] those funds. Then we had the Development Fund for Iraq (DFI).

Q: This was from the Oil For Food Program?

KRAHAM: Right. It was capitalized with \$1 billion of unobligated funds from the Oil For Food Program. We used that amount of funding primarily for the Iraqi budget. We drew upon the vested and the seized funds first, and then eventually made our way to the Development Fund.

Q: What rough magnitude are you talking about?

KRAHAM: \$6 billion altogether, from all sources.

Q: What were some of the main issues that you had to address in approving projects? There must have been some pattern?

KRAHAM: We wanted to make sure that the guidelines we set out were being followed. We really didn't have strong mechanisms for approving it. I was one person. We also had a chief financial officer, the general counsel, and the comptroller. So [there] were four people trying to set up systems with very little staff. We had great difficulties in monitoring. We traveled as much as we could and verified as much as we could.

Everybody was doing the best that they could. They were hiring Iraqi contractors to do all of this work, so we wanted to make sure there was open and transparent competition. We wanted to make sure that the work was actually done and performed. We wanted to make sure that the funds were being used for the highest priorities. The highest priorities were, first, humanitarian requirements and relief. Then we were focused on infrastructure [as well as] getting the government functioning and providing public services.

One of the things that we provided funds for was removing the hulks of burned-out vehicles, from the war, from the city of Baghdad so that people could drive on their streets again. That seems like a simple thing to do, but it [took] many months. [Another goal was] getting garbage to be picked up. All the garbage trucks were stolen, so we had to hire all the people that stole the trucks to go back and remove the garbage.

We spent the funds on anything that you can imagine, but it is awfully difficult, without a budget process in place, to prioritize things. So, starting in about the September timeframe, we worked on developing priorities for the donor conference. [We were] looking at how we had spent our funds, what the remaining needs were, and what USAID had proposed to do with the U.S.-appropriated funds for infrastructure. [We were] balancing these three major budget areas: potential donor fund, U.S. appropriated funds, and funds that would be used for the Iraqi ministry budget. There were, of course, competing priorities, and we had to figure out where we were getting funds to fund the big ones. So it was a great challenge.

Q: What were some of the biggest projects, for example?

KRAHAM: Electricity was the biggest project. This was one of the main themes from the moment we got there until I left really. I think around the August-September timeframe we got up to the wattage that it was prior to before the war, but the system was in such bad need of repair. This is my layman's view of why we couldn't get the electricity back on: the system was in such a terrible, degraded state that, not being monitored and cared for during the month and a

half of war, the system just fell apart and wouldn't get put back together again very easily. It needed huge amounts of investment. There were [also] a lot of attacks by Iraqi insurgents, or other insurgents from other countries, on the electrical system. We'd repair and get a line up and it would come down the next day. It was up and down and up and down.

The other problem that we experienced with the electrical system was with the people. Once we got up to 4400 megawatts... That was in August, I believe, when it was the hottest, when tempers were flaring and people were disappointed. In Baghdad Saddam had directed most of the electricity towards Baghdad and most of the rest of the country was deprived. Even in Baghdad, they didn't have electricity 24 hours a day, but they had the greatest extent of electricity in [the country]. Well, we thought it would be fair to distribute it equally throughout the country, and that's what we did. Everybody got a little bit of electricity, and that made some people in Baghdad very angry and very vocal about what they weren't getting.

We saw great amounts of deprivation in the southern part of the country. The north, where they had pretty much done their own thing under our protection for the past 13 years, had developed a great level of service for their population with their own resources.

Q: So in your criteria of approving projects you had some regional priorities?

KRAHAM: We did have regional priorities. Some areas were much more neglected and needed much more to have [their] basic needs met.

Q: What areas were these?

KRAHAM: It's really hard to say. I think that there were pockets of deprivation all over the country. The western part of the country was mostly empty. Al Anbar province, which became a very difficult place, wasn't as populated as the other areas and had no major urban areas. The Basrah area and the southern areas [were neglected]. It's really hard to say. There were problems in Najaf. Hillah was a nice place to go, but even there it was very low level of infrastructure and public services [were in need] everywhere in the country.

Q: Apart from electricity, what were your other priorities? How did you rank the four or five top?

KRAHAM: Security, electricity, and security. Getting police back to work and getting them armed [was a priority]. They were far less well armed than the people in the streets. They had not been an institution that was well respected in the country; they had been a tool of repression, if [they were] used at all. [Another priorities was] getting security for government buildings. There was a little bit of anarchy in the streets in the early days.

Q: In terms of sectors, after the power sector what other sectors were important?

KRAHAM: Health, water—they needed everything. Getting the schools back up. We worked on getting the schools ready for September for the start of the school year. Of course, they

missed the last part of the school year in '03 because of the war, and so we quickly tried to restart things so that they could finish off the school year, and we did.

The schools were in a terrible, terrible state and the materials that they had were a decade old, so getting materials back in, and getting the universities up and running again [was another job]. There was a lot of patronage in the university system, and so some of the people that were in charge of the universities really weren't acting in the best interest of the system or the students. So we had democratic elections in the university. It was quite an interesting time.

Q: What about agriculture? Did that enter into your picture at all?

KRAHAM: Absolutely. One of the first things that we did was buy the wheat harvest in the north. Saddam had refused to buy their wheat, and so you had [some] of the [most] fertile-places in the Middle East not being put to use because they weren't allowed to trade, they weren't allowed to sell. Nobody could really buy things from anywhere in Iraq unless you were buying from the Oil For Food Program. They had some trade with Iran and Turkey, but not to the extent that the land could be farmed. So the first thing that we did was buy the wheat harvest to get food distributed.

One of the things that I forgot to mention was getting the Oil For Food Program back up and running and making sure that food was distributed and health services were distributed, and using the Oil For Food network, the distribution network, we tried to get those service up and running and get the food rations distributed very, very early on in our presence there.

Q: That was being done through one of the ministries, I guess.

KRAHAM: Yes, Ambassador Robin Raphel was responsible for that, and that was actually done through the Ministry of Trade.

Q: On the Program Review Board there must have been some differences of view of what should be accepted and what shouldn't be. Did you have any areas of real controversy?

KRAHAM: I think the [main area] of controversy [was] the same that you read in the press: the import of fuel. Again, the infrastructure was so bad that they weren't able to pump or refine fuel and we had to import most of the fuel for the entire first year that we were in the country. [This was] fuel for cars, fuel for heating. We imported kerosene, diesel, and benzene at a couple hundred million dollars a month in the height of the winter. It was expensive; I mean it was market rate, but it was very difficult to distribute.

At the same time, the same people that were responsible for doing this, the Army Corps of Engineers, were also focused on rebuilding the infrastructure for the oil industry. Security was insufficient and there were major attacks on the oil infrastructure during the first few months that we were there, actually during the whole year that I was there. It was a major problem. So they weren't producing enough oil to service the needs of the population for quite some time. I think towards the end before I left they had about \$1 billion or \$1 million of revenue. Whatever it was, it was exactly what the government needed to operate, [to pay for] basic operations, salaries, and

equipment. So it started to become somewhat sustainable but not enough to make the improvements to the infrastructure necessary for a country like Iraq.

Q: Were you overseeing the use of the other donor funds too, the British for example?

KRAHAM: No.

Q: None of that went through you?

KRAHAM: None of that went through the Program Review Board. [It went] through the representation of the Office of Donor Coordination, through Merritt Belka and his successor, Andrew Goledzinowski. We had someone that was participating in donor coordination as part of the review board. The Office of Management and Budget that I worked for did the prioritization of both the Iraqi budget and the Iraqi Ministry of Finance, as well as the identification of priorities for the Donor Conference, along with the Office of Donor Coordination.

Q: Were you involved in setting up the Donor Conference?

KRAHAM: No, not me personally, but the office that I worked in [did]. The major effort, I think, [was] in September '03.

Q: The Supplementary budget was prepared about this time; is that right?

KRAHAM: Yes.

Q: Were you involved in that preparation? What was involved in getting that put together?

KRAHAM: Yes. It was a major effort due to the [limited] capacity of the ministries. They hadn't had a real budgeting process ever. It was a centrally controlled economy; it was a centrally controlled government. You got what you got, and it wasn't necessarily based on priorities.

Because it was a centrally controlled government, whatever the governorate offices got from Baghdad would have to be sufficient. They weren't accustomed to identifying their priorities in a strategic way and sending that information, sending that request, to Baghdad. That's not how their budgeting system process worked. There were very little budgeting processes in place.

We did start an effort of having the ministries work with their governorate offices to identify budget priorities. That process had to be aligned with what we worked out as priorities for the ministry budget, what was most appropriate for the U.S. government to do, and what was most appropriate for the Iraqis to do themselves.

Q: Who set the priorities, Program Review Board or somebody else?

KRAHAM: We did it through the Office of Management and Budget, and all of the participants of the Program Review Board were office heads. So, everybody had a role in participating and

setting the priorities. We also took the priorities from regional offices, and we pulled all of these priorities, whether they're sectorally or regionally based, and tried to align them and bring them into an integrated budget. That's what we did.

Q: Was there any major new emphasis put into that budget compared to what you were doing before?

KRAHAM: No, the priorities were pretty clear. There was a need for money all across the board in every sector. Capacity actually is quite difficult, on the Iraqi side and on our side. It took a long time for contractors to mobilize. Even [when using] the funds that were already made available to us, [like the] USAID funds and the Bechtel contract, it took them a while to get on the ground, hire contractors, and bring in parts and equipment. So, I think capacity was a real issue.

Q: Reflecting back on that Supplemental, that second Supplemental, was there any major area that you thought was left out or was not given sufficient priority?

KRAHAM: One area certainly was, and that was education. We had made a determination that that would be something that we would pitch really hard at the Donor Conference [because] health and education [were sectors] other countries were more likely to support. Donor funds, like in Afghanistan, take a long time to come through. So that was an area that we left out. Now, the impact of that I don't know because I had left, I had gone already.

Security really was the major impediment to implementing the Supplemental funds.

Q: Were you aware of whether Congress changed any of the priorities or shifted things around?

KRAHAM: Not in that regard. I think that we got what we asked for, and I think that we're close to what we asked for. The other thing that was left out was we didn't 'projectize' a lot of funds for the northern region because it was so calm and stable, and they're a little bit more developed than the rest of the areas. But [that area] has 20 percent of the population, and it's a population that is moving towards democracy. We had worked, in my old capacity, on resolving political conflict there, and they had made a lot of headway. So, that was another area that may not have received as much attention.

Q: To go back and repeat, was something put in for agriculture? I understood maybe not.

KRAHAM: Yes, sure, but the Australians really wanted to take the lead in the agriculture sector. That was an area where their advisors were advisors to the ministry, and for the Donor Conference that was an area that they wanted to focus on.

Q: Were they actually doing things in agriculture?

KRAHAM: Oh, absolutely, yes.

Q: What about the area of governance, promoting democracy and [so on]?

KRAHAM: Yes, we should have done more there, and we can still do more there. As we lead up to the election, people...

Q: But that was not necessarily a major focus in this budget?

KRAHAM: No, I would say not. I think we wound up putting something in there for an election, but I'm not sure how those funds got allocated and eventually spent.

Q: Were there some other areas you worked on? It sounds like you were doing everything.

Travels in the country

KRAHAM: Yes, I was a jack-of-all trades. I actually got exposed to [the country] quite a bit, because I was able to travel and the generals would provide air transport, helicopter transport so I could see the projects all over the country.

Q: When you say "all over the country," what parts did you cover?

KRAHAM: I went to Mosul. I went to the surrounding villages around the Ninawa province. I went into 4th ID territory, which is the Salah Ad Dan province. I didn't go to Fallujah, but I went to areas like Fallujah. I went to the capital [of that province] and the name escapes me at this moment. I did go down to Basrah in the south and Hillah and Najaf and got to see a fair amount of the country.

Q: What was your impression of the places as you visited them and the people you talked to?

KRAHAM: Well, I had a very positive response from the people that I met with, because these were the people that had just had their schools renovated or were about to have their schools renovated, [people who] worked in the city hall or were the [local] human rights lawyers. So when I did go on the program visits, I had a really good impression of the people. One of the interesting things that I observed was that they didn't have a strong entrepreneurial spirit in many of the places that I went to and not everybody was quite ready to take responsibility for their government.

Q: Why do you think that is?

KRAHAM: One great example is I went to this oil refinery, Kirkut Oil Refinery, outside of Mosul. It had been looted to the ground. I saw 'before' and 'after' pictures. The 'before' pictures were before it was looted and it was in terrible condition. When I went [to visit], it was all clean and fixed up. When I looked at the 'before' pictures, there was oil a foot deep that people had to trudge through to work on the machines. I spoke to the manager of the facility, of the refinery, and I said, "Ahmad, this is your work for the Iraqi people," and he had a very surprised look. They don't associate the work that they do for the government as for the Iraqi people, so they don't have the same sense of ownership that I think is required. They didn't benefit from the government. They didn't feel that the government was an entity that protected them or provided them with key services or was there for their benefit. It was a tool of

repression, and that's one of the reasons why, I think, we experienced all of the looting. They felt like they never benefited from the government.

Q: They didn't own the government. Interesting point.

KRAHAM: I went to a lot of places like wheat refineries and different facilities where people were sitting around waiting for the Americans to fix things or do things. [These] facilities were really dirty and needed renovation, [but that all] could have been done just by [their own] labor. [They didn't necessarily need outside assistance]. People didn't take initiative. I think it will take a while for that feeling to grow. I'm optimistic that people will be supportive of a government that represents them and that they favor that.

Q: How did you find relating to the Iraqis?

KRAHAM: For almost all of my government career, I worked on Iraq and worked with Iraqis, [so I] relate to them very well.

Q: Do you speak Arabic?

KRAHAM: I don't speak Arabic, no. But most of them spoke English, and I always had a translator with me.

Q: You had no problem then communicating with them?

KRAHAM: No, I didn't.

Q: You found them easy to work with and responsive?

KRAHAM: Yes, I enjoy working with Iraqis very much. I found a very broken spirit in them that I hadn't seen in other places. I love Middle Eastern culture, and I hadn't found, except in the Kurdish areas of the north, that feisty spirit and that sense of community [common to that culture]. I think they had really been broken down and [had] their spirit trampled upon.

Q: What about the conditions for women? That's always been a question in the Iraqi Arabic environment. What did you find?

KRAHAM: Well, I think that there's a lot of work that needs to be done, and I think that in some ways they may be somewhat better off than in other countries. In the Kurdish area in the north, you found that they had protective laws that were created for women. [There were] lots of women's organizations and [there were] very outspoken women throughout the Kurdish regional governments. You started to see that in the rest of the country at the time that I was leaving, a lot of very active women's groups. There is a serious problem with violence against women, and we need to work with them to make sure that there are opportunities for women in these countries.

Q: Are there any other program areas or things that you worked on that we haven't touched on? We've gone very quickly over some of these. I don't want to leave anything out.

KRAHAM: Nothing really springs to mind.

Comparing the conditions at the beginning and subsequently

Q: We can add it later. Let's move on toward the end. How would you compare the situation when you arrived with when you left? You arrived, say, in May and you left in December; is that right?

KRAHAM: Yes.

Q: How would you compare the changing scene at that point, in terms of the economic situation, the social, the programming situation and so on?

KRAHAM: Well, I think that public services were being delivered by the time that I left, and so I think the conditions, the overall conditions on the ground, were much better for the Iraqis. I think the security situation had gotten so dramatically worse by the time that I left that it was of concern to all of us. [In fact] that was the reason I left.

Q: Do you understand why the security situation got worse or how it happened to evolve that way?

KRAHAM: I think in part you had [several things]. Without the Iraqi government in place [there was no indigenous security apparatus]. And the Americans really couldn't effectively guard the whole country. You had a lot of external players seeping in through the borders – people from other countries, like Iran and Turkey – [and they were] playing an active role with the situation on the ground. You had terrorists coming in and taking over parts of the country and influencing people. That happened throughout the time that I was there, but really started to bear fruit towards the end in October, November, December and [up] until now.

Lesson learned

Q: Then let's turn to what they like to have as sort of the wrap-up of this. What would you say are the four or five major lessons learned that come from your experience, both in broad terms as well as specific to the things you were working on?

KRAHAM: For me, every day, I learned a year's worth of experiences. It's a very intense, difficult environment to work in. For me and for all of my colleagues, we knew that every day mattered, every minute mattered. That's why we all worked 17 hours a day, seven days a week for a year. We knew that what we were doing had an impact on people, on their lives, and that it was meaningful. So that is something you don't find in your work everyday.

It was [also my] first time working very closely with the military.

Q: How did you find the 'coordination' between CPA and the military?

KRAHAM: Very poor.

Q: Why?

KRAHAM: I don't think we speak the same language. I think that in the early days, the military didn't realize that this was a civilian mission, and it really was a civilian mission. It was a very difficult environment without the greatest support from them. It was very difficult to operate. And there were a lot of constraints, I think, on them as well.

Q: Was the real problem the communication between them?

KRAHAM: Yes, I think there was probably a natural friction in the very early days, and I think that improved over time quite a bit, but in the first month or two I think it was extremely difficult.

Q: What were some of the other lessons from this experience? What would you say to somebody who might be getting into a situation like this?

KRAHAM: I think it was a huge endeavor and, like everybody says, we needed more planning. Certain assumptions weren't correct. We, the U.S. government, assumed that certain things would just fall together, and they didn't. I think that, in the words of Secretary Powell, "If you take it apart, you've got to stay and put it back together again," I think the U.S. government has to remain committed in Iraq. It would be a great disservice to the Iraqi people if we abandoned them. So I'm looking to the government. There's still a lot we can do.

Q: What about at the operational level, getting work done and things like that? Were there particular lessons that come to mind of what worked or what didn't work?

KRAHAM: I think it was very politicized, and I don't think that works in that environment.

Q: What does that mean?

KRAHAM: I think that the problems that we were having back in Washington, between different agencies, were having an impact on our work there.

Q: Can you illustrate that?

KRAHAM: Well, I think even just getting people to come out and work as part of the mission was hindered [by that element], and the types of people that came out. [Nonetheless,] I think we all gave it 100 percent.

Q: But what did you think about the capabilities of the people?

KRAHAM: Very mixed.

Q: I gather there was quite a lot of turnover.

KRAHAM: Yes. I think that's probably natural. We had difficult and uncomfortable living conditions. During my time there, I lived in several places in the palace on a cot. Then I had a trailer, then I was in a hotel, and then I was back into the palace again. I moved five or six times during my 10 months there, and most of it because either conditions improved or they got worse. So difficult living conditions, difficult working conditions, and the security situation made a lot of people very nervous, and so that's why you saw a lot of coming and going.

Q: Was any of your experience useful in terms of how you set up the systems? You were setting up various systems, I guess, the Program Review Board for one. Would you do it the same way another time?

KRAHAM: I'm not sure I would do it the same way. I think that what we were trying to do was respond to the urgency of the situation and have as much accountability as possible.

Q: What would you do differently?

KRAHAM. What would we do differently? I think I would put more people on the ground who were more experienced, that had more knowledge—civilians, I'm talking about—that knew foreign assistance programming, that knew Iraq, that knew Arabic, and could act faster, better, quicker. I think some of the problems that we're experiencing now are because of the level of accountability, and I think we did the absolute best that we could with the resources that we had, no question about that. I think that better communication would have been helpful. We were all wearing several hats.

Q: How about working with USAID? Did you have any impression of their function?

KRAHAM: I think that, again, they did the best that they could, given the circumstances. I'm not sure that the way we did the large-scale infrastructure made the most sense. I think that the smaller, high-impact....

Q: What do you mean by that, the way you did it?

KRAHAM: I think that having one contractor do the entire country was too hard and too big.

Q: This was Bechtel, I guess.

KRAHAM: Yes. It's no criticism of USAID or the work. I think that the model may not have necessarily been the best model for the country. I think that we got a lot more out of the small allocations that we did to improve the immediate circumstances. I think we could have done more on the security in the beginning and that would have allowed us to do more of the sectoral programs [later on]. I think that's one of the main obstacles to getting the program [running].

Q: I was going to ask about the contracting. Some people have commented about the contracting process. Did you have any experience with that?

KRAHAM: Yes. I didn't have experience with most of the contracting that is under the greatest amount of scrutiny, which was for the Halliburton contract.

Q: I was thinking just the process of contracting for both American and Iraqi firms.

KRAHAM: No, it was a very difficult balance to achieve, because we had to get things done quickly, right, and fast. We [also] wanted open and transparent competition. I think we achieved that. We did advertise by paper. We hung announcements, and we did things through the Internet. I know that the small project funds were advertised in their local districts. But I didn't get involved in most of the bigger contracting.

Q: Also, the other area that has come up in some conversations is the question of the media and the communication to the Iraqi people. Did you have any sense of what was going on about that and whether the Iraqi people knew what you were doing, all these great things?

KRAHAM: No, I think we could have communicated much better, and I think that our first efforts with the local Iraqi TV station were very poor. I'm not sure that the contract that we had, for the people that we had, was the most effective way to operate. I'm [also] not sure that the Defense Department is necessarily the right agency to be doing Iraqi free media work. I'm not sure who would be better, but certainly our first efforts were not good. I remember one film: they had a newscaster and behind him they had just the symbol of Iraq, but it was actually a Baathist symbol. I don't know why they didn't know it. We had Iraqis with Egyptian accents. We weren't received very well.

Q: Do you have a sense that the general population appreciates this? You know, we were always talking about winning hearts and minds and all that. Do you think all this program work accomplished much of that?

KRAHAM: I think we accomplished a lot. I'm not sure that the Iraqis fully appreciate it. I think that Iraqis, just their very nature, are very quick to judge. They are highly judgmental people, argumentative, and pretty vocal in their complaints. I think we have to keep that in mind. I think that Iraqis, most of them, believe they are better off today without Saddam than they were before. I truly believe that. I think that they have real reason to be concerned about security, and I think that they can do more about their own security. I think they need to take action and get rid of the bad eggs that are in the society and let them know that they won't tolerate it and not be supportive of their efforts. I think that that's the real way we're going to achieve security in Iraq.

Q: We're moving into an 'election' period. Do you have a sense that the Iraqis understand the democratic process and life?

KRAHAM: No, I don't think they have a good understanding. I try not to delve too deep into it these days, but I don't know if we are doing programming and training and civic training, but I think they need a lot of civic training.

Q: There were some projects that USAID was doing with Research Triangle Institute (RTI), trying to teach people about democracy.

KRAHAM: Those programs were USAID's greatest successes, the community-based grant programs and RTI's programs. I thought that they were very effective.

Q: Part of that was, of course, introducing democratic procedures.

KRAHAM: Right, and that had to do with small grant funds and how they would get communities involved in projects. I thought that was a very effective thing. But, as we know, most of those groups left and haven't been operating on the ground for some time. I think some of them have local Iraqis [carrying out operations now].

Q: What groups are you talking about?

KRAHAM: DAI, CHF, RTI.

Q: Aren't they continuing?

KRAHAM: I don't know.

Q: Anyway, that's another matter. Okay, then you're not terribly optimistic about the population participating in some sort of election process.

KRAHAM: I think they will participate. I'm not sure that they have a lot of confidence in the system. I'm not sure they have a lot of confidence in their leadership, but I think that's something that will change over a long period of time. I don't think a few months of training is going to help. If you look at some other examples, Afghanistan, East Timor, it took years before they got ready for elections. This is a different circumstance, certainly, but [it is] a very short period of time to do a lot of civic education and change people's views.

Q: You did say you did a training film. What was that for?

KRAHAM: USIP did a film for Americans deploying to Iraq, and I was in the section that talked about what we first encountered when we got there. It's been a year and a half now since [that].

Q: Along the lines of what you were talking about earlier.

KRAHAM: Yes. I should write some of this down because I had a much clearer recollection when I did that film six months ago than I do now.

Q: Are there any documents or any examples, like the budgets or the projects, any of that kind of material available?

KRAHAM: I think it's all probably in care of the U.S. Embassy in Baghdad these days.

Q: Anything else that you want to add at this point?

KRAHAM: Not at this point. Maybe I can call you.

Q: If you think of anything else, please do. Thanks for the interview.