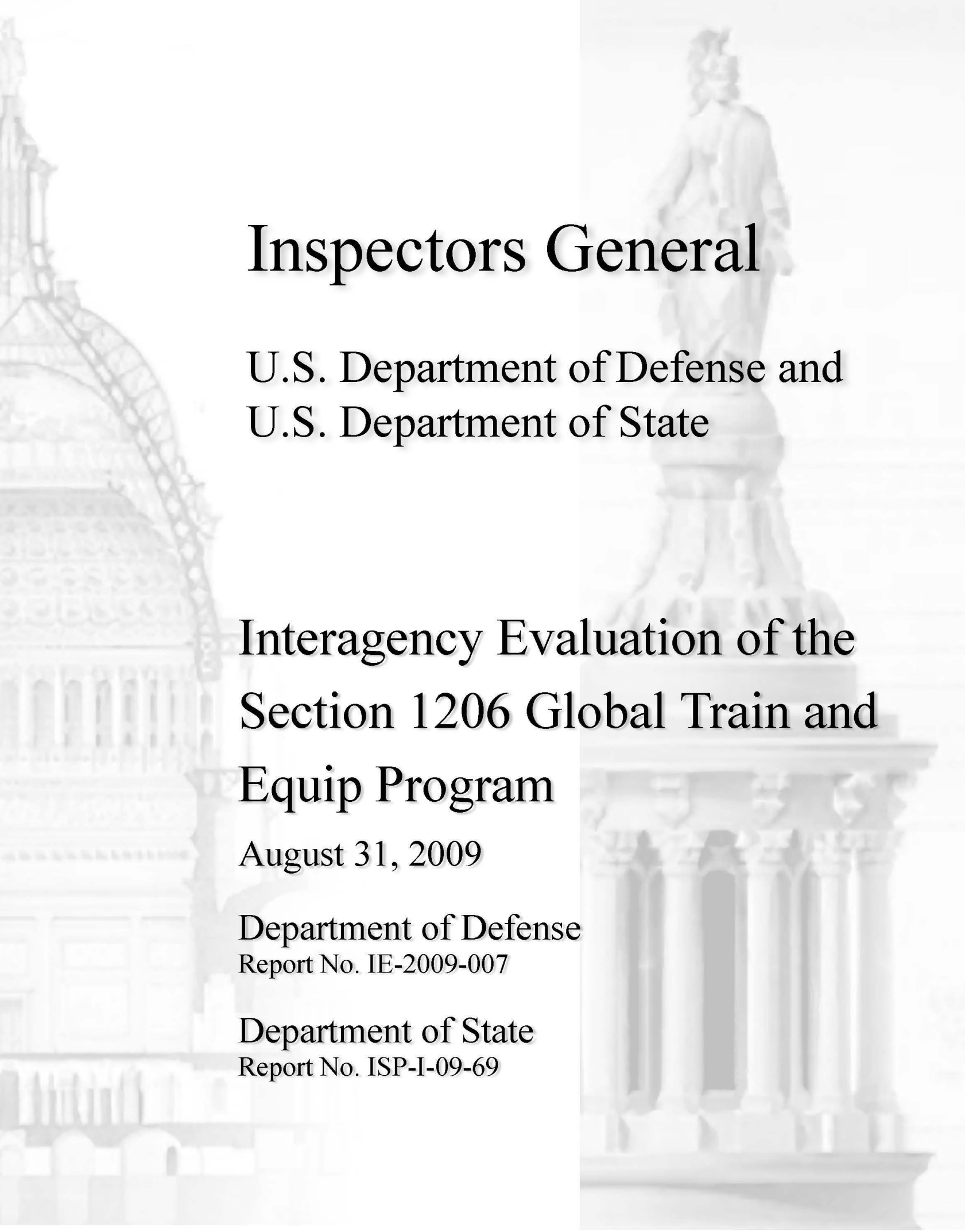




Inspectors General

U.S. Department of Defense and
U.S. Department of State

Interagency Evaluation of the Section 1206 Global Train and Equip Program

August 31, 2009

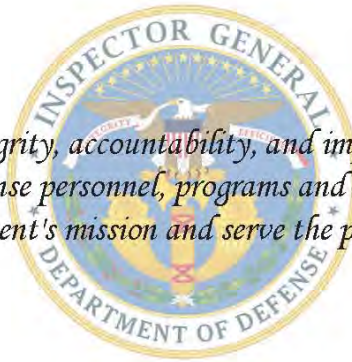
Department of Defense
Report No. IE-2009-007

Department of State
Report No. ISP-I-09-69

**DEPARTMENT OF DEFENSE
OFFICE OF INSPECTOR GENERAL**

MISSION STATEMENT

*Promote integrity, accountability, and improvement of
Department of Defense personnel, programs and operations to support
the Department's mission and serve the public interest.*





Interagency Evaluation of the Section 1206 Global Train and Equip Program



Who Should Read This Report?

This report should be read by military and civilian managers throughout the Department of Defense and Department of State who have responsibility for Section 1206 National Defense Authorization Act of Fiscal Year 2006 Global Train and Equip Program policies, procedures, and processes.

What Did We Do?

We performed this evaluation at the request of the Principal Deputy Under Secretary of Defense (Policy) and the Director of the Joint Staff. The objectives included an evaluation of the effectiveness of the Section 1206 program in building capacity for counterterrorist and stability and military operations; the efficiency of the Section 1206 program with regard to project selection, execution, implementation, results, and sustainment; and management's compliance with Section 1206 statutory requirements.

We collected key information for this report during our visits to eight Section 1206 partner nations—Dominican Republic, Georgia, Indonesia, Lebanon, Nigeria, Panama, Sao Tome and Principe, and Sri Lanka. Prior to, and following the country visits, the interagency team collected information about the program at various offices throughout the Department of Defense, Department of State, and combatant commands.

What Was Identified?

Generally, the Section 1206 program is effective in building the capacity of partner nations to conduct counterterrorist and participate in or support stability or military operations. However, there are management opportunities to improve effectiveness and efficiency of the processes for project selection, program execution, and project implementation. Overall, the Section 1206 project selection process functioned well and included procedures to ensure compliance with statutory requirements.

The IG team found, in visits to eight countries, the following types of execution problems: obligation of funds, Defense Security Cooperation Agency's procurement and shipping process, delays in providing the approved training and equipment, project status and tracking issues, and other inefficiencies. These problems complicate one of the program's goals "to respond to emergent threats or opportunities."

Department of State country teams, DoD combatant commanders, program managers, and partner nations, have implemented Section 1206 projects despite administrative, political, infrastructure, and/or economic hurdles. Implementation results were positive, but overall program execution was not always timely.

How Could The Program Be Improved?

This report makes nine recommendations that affect the following program areas: proposal submission template; DoD directives for program policies and instructions; shipment priorities; management review processes; military-to-military training objectives; security assistance officer training; munitions safety training; use of concept of operations plans; and performance measures.

What Actions Were Taken?

During the course of this review, the Departments of Defense and State initiated management actions to further develop and refine the Section 1206 program. These actions are summarized in Chapter 7 in recognition of those efforts.

GENERAL INFORMATION

Forward questions or comments concerning the DoD/DOS Interagency Assessment of the Section 1206 National Defense Authorization Act of Fiscal Year 2006 Global Train and Equip Program and other oversight activities conducted by the DoD and DOS Inspections Directorates to:

Inspections & Evaluations Directorate
Office of the Deputy Inspector General
for Policy & Oversight
Office of the Inspector General of the
Department of Defense
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Arlington, Virginia 22204-4704
crystalfocus@dodig.mil

Office of Inspections
Office of the Inspector General
U.S. Department of State
Room 8100
2121 Virginia Ave., NW
Washington, DC 20522-038
petersonr@state.gov

An overview of the Inspector General of the Department of Defense mission and organizational structure is available at www.dodig.mil.

An overview of the Inspector General of the Department of State mission and organizational structure is available at www.state.gov.

We prepared this report using the President's Council on Integrity and Efficiency (PCIE) "Quality Standards for Inspections," January 2005.

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The Pentagon
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Office of Inspector General Hotline
U.S. Department of State
P.O. Box 9778
Arlington, VA 22219



U.S. Department of Defense and U.S. Department of State



August 31, 2009

Report Transmittal

This report was prepared by the Offices of Inspector General of the Departments of Defense and State, pursuant to the Inspector General Act of 1978, as amended.

We are providing this report for information and use. We requested and received management comments from the Under Secretary of Defense (Policy) Special Operations/Low-Intensity Conflict & Interdependent Capabilities, Joint Staff, U.S. Africa Command, U.S. Central Command, U.S. Joint Forces Command, U.S. Pacific Command, U.S. Southern Command, U.S. Special Operations Command, U.S. Strategic Command, U.S. Transportation Command, Defense Security Cooperation Agency, and the Department of State's Bureau of Political Military Affairs.

We considered management's comments in preparing this final report. DoD management comments did not fully conform to the requirements of DoD Directive 7650.3, "Follow-up on General Accounting Office (GAO), DoD Inspector General (DoD IG), and Internal Audit Reports," June 3, 2004. Therefore, comments on the final report are requested and should be provided by September 30, 2009.

We appreciate all courtesies extended to the IG team during this evaluation.

A handwritten signature in black ink, reading "Charles W. Beardall".

Charles W. Beardall
Deputy Inspector General
for Policy and Oversight
Department of Defense

A handwritten signature in blue ink, reading "Robert B. Peterson".

Robert B. Peterson
Assistant Inspector General
for Inspections
Department of State

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Executive Summary

Interagency Evaluation

An interagency Department of Defense and Department of State Inspectors General team conducted this evaluation of the National Defense Authorization Act for Fiscal Year 2006, Section 1206, “Global Train and Equip” Program [hereafter, “Section 1206”].

Section 1206, as amended in the FY 2009 National Defense Authorization Act, provides the Secretary of Defense with new authority to expend Department of Defense Operations and Maintenance funds to train and equip a foreign country’s national military forces. The authority specifies that the Secretary of Defense, in coordination with the Secretary of State, may help build the capacity of partner nations to:

- Conduct counterterrorist operations, or
- Participate in or support military and stability operations in which the U.S. Armed Forces are a participant.¹

Purpose and Objectives

The purpose of this evaluation was to conduct a systemic review of the Section 1206 program to identify opportunities for improvements. We evaluated program:

- Effectiveness in building capacity for counterterrorist and stability or military operations;
- Efficiency with regard to project selection, execution, implementation, results, and sustainment; and
- Compliance with statutory requirements.

The universe of data collected was the approved projects for the Section 1206 program authorized by the National Defense Authorization Act for Fiscal Year 2006, as amended. However, the Inspector General team collected information for both Fiscal Year 2006 and Fiscal Year 2007 projects in the countries visited. Pakistan had an approved project for Fiscal Year 2006; however, data collected on that project is included in a separate Inspector General report addressing security assistance to Pakistan.

¹ The National Defense Authorization Act for Fiscal Year 2009 expanded the Section 1206 authority to include “maritime Security Forces.”

Key Judgments

Project Selection Process

- There is no Department of Defense directive or instruction that defines authorities, roles, responsibilities, and instructions for the Section 1206 program. Now that the program is evolving and maturing, it needs codified and institutionalized policies, procedures, and processes.
- The synergy achieved by combining the geographical perspectives and resources of country teams (country) and combatant commands (regional) in Section 1206 project planning and implementation is a unique strength of this type of security assistance.
- The Under Secretary of Defense (Policy), in coordination with the Department of State, has developed a well-structured project selection process that includes vetting procedures; however, there are opportunities to improve the submission template to facilitate prioritization and selection decisions further.
- Although Section 1206 projects may be one-time, short duration efforts, all Section 1206 project proposals need a statement on the partner nation's commitment to "sustainment." Long-term execution of Section 1206 projects requires the partner nation's commitment to sustain the train and equip initiatives. Without the partner nation's commitment to sustain Section 1206 cases, continued effectiveness may require additional non-Section 1206 funding.
- Bilateral and multilateral coordination in the planning of project proposals is essential so that, once approved, they can be implemented on a timely and effective basis.

Program Execution

- Section 1206 project execution was not always timely or complete. Defense Security Cooperation Agency actions are needed to reduce procurement and shipping delays to respond more quickly to actual or emerging terrorist threats, and to ensure all approved case funds are obligated before funding authorization expires.
- In the areas that we reviewed, the Defense and State Departments have conducted the Section 1206 program in compliance with the law.

Implementation Process

- The complexity of tracking Foreign Military Sales cases made it difficult for country teams to know the status of their projects and communicate status details to partner nations.
- The Department of Defense used contractors effectively for those Section 1206 training projects evaluated; however, program managers should consider using U.S. military personnel to conduct training so as to benefit from military-to-military contact and relationship-building opportunities.

- Security assistance officers play a significant role in the development and coordination of Section 1206 proposals and in the implementation of the approved projects. Some security assistance officers at the embassies visited were not adequately trained on the Foreign Military Sales or security assistance process.

Fiscal Year 2006 Section 1206 Program Results

- Generally, the Section 1206 projects evaluated were effective in building partner nation capacity for counterterrorist and military or stability operations, and helped those nations increase control over their borders and ungoverned spaces and counter terrorism.
- Section 1206 leverages the expertise of both Departments of Defense and State. As such, Section 1206 is an excellent tool for providing corollary benefits to the Chiefs of Mission including facilitating bilateral discussions and other diplomatic efforts.
- Country teams, partner nations, and program managers would benefit from having Concepts of Operations that describe the overall strategy, purpose, resource requirements, timing, roles and responsibilities, and actions required in order to plan and implement Section 1206 projects more effectively.
- Section 1206 program officials announced plans to establish standards to measure the performance of Section 1206 projects with respect to program goals and objectives.

Recommendations

Considering the key judgments above, we recommend the following actions:

Recommendation 1: The Under Secretary of Defense (Policy), in coordination with the Department of State's Bureau of Political Military Affairs, should revise the Section 1206 FY 2009 Proposal Submission Template to strengthen and facilitate the vetting process and to foster partner nation buy-in. The template should require statements describing the:

- (a) actual or potential terrorist threat in terms of nature, scope, degree, and immediacy;
- (b) bilateral consultation and coordination process for formulating the proposal; and
- (c) partner nation's commitment and capability to sustain project implementation.

Recommendation 2: The Under Secretary of Defense (Policy), in coordination with the Department of State's Bureau of Political Military Affairs, should incorporate policies, responsibilities, procedures, and reporting requirements for the Section 1206 program into existing Department of Defense Directives or Instructions.

Recommendation 3: The Director, Defense Security Cooperation Agency should coordinate with the appropriate theater commands to ensure that the 6 to 18 month timeline for delivery of Section 1206 equipment and supplies is factored into overall validated theater movement priorities and that those priorities are communicated to U.S. Transportation Command for timely movement in the Defense Transportation System.

Recommendation 4: The Director, Defense Security Cooperation Agency, in coordination with the Office of the Under Secretary of Defense (Comptroller), should establish and implement a periodic report that tracks actual obligation and expenditure of funds, funds rendered unavailable for obligation, and other financial data similar to the information that is included in the Defense Security Cooperation Agency "Financial Management Review — Case Financial Status Reporting Format for Foreign Military Sales" cases.

Recommendation 5: The Director of the Joint Staff, in coordination with the Under Secretary of Defense (Policy), should establish guidance for military-to-military training that supports Section 1206 projects.

Recommendation 6: The Director, Defense Security Cooperation Agency, should ensure all security assistance officers selected for assignment to Section 1206 countries complete training in accordance with DoDI 5132.13, "Staffing of Security Cooperation Organizations and the Selection and Training of Security Cooperation Personnel", January 9, 2009, to include training on Foreign Military Sales and the acquisition process.

Recommendation 7: The Security Assistance Officers in countries receiving munitions through Section 1206 projects should arrange to provide partner nation personnel with U.S. training to ensure safe handling, storage, maintenance, and proper security for U.S.-supplied munitions.

Recommendation 8: The Under Secretary of Defense (Policy), in coordination with the Director of the Joint Staff and Department of State's Bureau of Political Military Affairs, should direct Security Cooperation Officers to work with partner nations to develop a full Concept of Operations by the final approval of the project.

Recommendation 9: The Under Secretary of Defense (Policy), in coordination with the Joint Staff J-5 and the Combatant Commands, should develop metrics of effectiveness for building Section 1206 partnership capacity and establish clearly defined *outputs* and *outcomes*.

Management Comments

We requested and received management comments from the Under Secretary of Defense (Policy) Special Operations/Low-Intensity Conflict & Interdependent Capabilities; Commanders of U.S. Africa Command, U.S. Central Command, U.S. Joint Forces Command, U.S. Pacific Command, U.S. Southern Command, U.S. Special Operations Command, U.S. Strategic Command, U.S. Transportation Command; Deputy Director, Defense Security Cooperation Agency; and the Assistant Secretary of State for Political Military Affairs.

The IG team reviewed both informal and formal comments to the draft report. The Under Secretary of Defense (Policy) Special Operations/Low-Intensity Conflict & Interdependent Capabilities commented on three conceptual areas: Section 1206 as a Building Partnership Capacity, the intent of Section 1206, and metrics.

Commanders, U.S. Africa Command and U.S. Central Command, commented that coordinating the Section 1206 project proposal with the partner nation prior to submission would inflate the expectations of some partner nations and could create dissatisfaction and disbelief in the program or degrade the relationship with the partner nation.

Commander, U.S. Africa Command, and the Assistant Secretary of State for Political Military Affairs commented that not all projects require sustainment funding, and there is no reliable method to ensure partner nations apply out-year funding to sustain equipment or programs provided under Section 1206.

The Deputy Director, Defense Security Cooperation Agency, agreed that the draft report recommendations were beneficial. She commented that the key challenge would be to develop measurable program metrics.

Evaluation Response

We incorporated management's suggestions in this report. However, the joint DoD and DOS IG team believes that partner nation input on Section 1206 project proposals, partner nation sustainment of Section 1206 projects, and DoD development of output and outcome metrics are important to the continued success of the Section 1206 program. As a result, we affirm our discussion of these issues.

We agreed with management and deleted recommendation 8. We renumbered Recommendations 9 and 10 to be Recommendations 8 and 9. Changes made to recommendations are discussed as they appear throughout the report.

DoD management comments did not fully conform to the requirements of DoD Directive 7650.3. Therefore, comments on the final report are requested and should be provided by September 30, 2009.

We chose not to include copies of management's comments because of the length of this report. Full text versions are available upon request.

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“Arguably the most important military component in the War on Terror is not the fighting we do ourselves, but how well we enable and empower our partners to defend and govern their own countries.”²—Robert Gates, Secretary of Defense, 2008

Chapter 1 Overview

Introduction

Request for this Evaluation

In 2007, the Principal Deputy Under Secretary of Defense for Policy (PDUSD (P)) and the Director of the Joint Staff requested the Department of Defense (DoD) and Department of State (DOS) Inspectors General (IGs) to conduct “a longitudinal review over 3 years,” of the Section 1206 Global Train and Equip program (Appendix A). On March 14, 2008, the two IG offices announced this interagency evaluation (Appendix B).

Section 1206 Legislation—Authority to Build the Capacity of Foreign Military Forces

Section 1206 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2006 (P.L. 109-163) provided the President with a new authority to expend up to \$200 million in Defense-wide Operations and Maintenance funds to train and equip foreign military forces:

“(a) Authority - The President³ may direct the Secretary of Defense to conduct or support a program to build the capacity of a foreign country's national military forces in order for that country to—

- (1) [C]onduct counterterrorist operations; or
- (2) [P]articipate in or support military and stability operations in which the United States Armed Forces are a participant.

(b) Types of Capacity Building -

- (1) AUTHORIZED ELEMENTS - The program directed by the President under (a) may include the provision of equipment, supplies, and training.
- (2) REQUIRED ELEMENTS - The program directed by the President under subsection (a) shall include elements that promote—
 - (A) [O]bservance of and respect for human rights and fundamental freedoms; and
 - (B) [R]espect for legitimate civilian authority within that country.”

² DoD Fiscal Year 2009 Budget Request Summary Justification, February 4, 2008.

³ The NDAA for Fiscal Year 2007 revised Section 1206 to vest the authority directly in the Secretary of Defense with the concurrence of the Secretary of State.

The legislation also stipulates that the Secretary of Defense (SecDef) and the Secretary of State (SecState) must jointly formulate and coordinate implementation of any Section 1206 program. Moreover, SecDef, in coordination with the SecState, must notify the Congress at least 15 days before initiating activities in any country. Congress reauthorized the Section 1206 program for FYs 2007 and 2008 and increased the authorization to \$300 million for each year. Most recently, the FY 2009 NDAA extended the Section 1206 authority through FY 2011, expanded it to include foreign maritime security forces, and set the renewed authority at \$350 million per year. See Table 1.

Table 1. Section 1206 Authorized Funding (\$M)—FYs 2006 through 2011

Fiscal Year	Authorized Funding/Year \$M	Authorization
2006	\$ 200	Section 1206, National Defense Authorization Act for Fiscal Year 2006, Pub. L. 109-163
2007-2008	\$ 300	Section 1206, John Warner National Defense Authorization Act for Fiscal Year 2007, Pub. L. 109-364
2009-2011	\$ 350	Section 1206, Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Pub. L. 110-417

Background

Purpose and Objectives

The purpose of this evaluation was to conduct a systemic review of the Section 1206 programs executed in FY 2006 to identify opportunities for program and process improvements. The interagency inspector general team (hereafter, “the IG team”) designed the project to evaluate the program’s:

- effectiveness in building capacity for counterterrorist and stability or military operations;
- efficiency with regard to project selection, execution, implementation, results, and sustainment; and
- compliance with statutory requirements.

Scope and Methodology

DoD has funded Section 1206 projects for FYs 2006, 2007, and 2008. Obligations for FY 2009 projects are being finalized. Table 2 summarizes the partner nations that have received Section 1206 funding in FYs 2006, 2007, and 2008. To evaluate the program, the IG team visited 7 of the 11 countries with FY 2006 Section 1206 projects—Dominican Republic, Indonesia, Lebanon, Nigeria, Panama, Sao Tome and Principe, and Sri Lanka, and also visited Georgia, which is among the 43 countries on the FY 2007 list. At the time of our field work, FY 2007 projects were not mature enough for a comprehensive analysis of project results after project implementation and were outside the scope of this review. The only exception was Georgia’s project; therefore, countries with mature FY 2006 projects were visited so project assessments of partner nation capability could be accomplished by the IG team. [Note: With reference to the FY 2006

list, the IG team did not visit Bahrain, Chad, or Yemen because of security or administrative factors.]

**Table 2. Section 1206 Partner Nations and Project Funding (\$M)—
Fiscal Years 2006 – 2008**

Country	FY 2006	FY 2007	FY 2008		Country	FY 2006	FY 2007	FY 2008
AFRICOM					CENTCOM			
Algeria		0.4			Bahrain	5.3	24.7	4.3
Benin		0.2	1.2		Kazakhstan		19.3	12.5
Cameroon		1.2	3.7		Kyrgyzstan			12.0
Cape Verde		0.2	1.8		Lebanon	10.5	30.6	20.6
Chad	3.1	9.0			Pakistan	23.3	13.8	55.8
Democratic Republic of Congo		0.1			Yemen	4.3	26.0	
Djibouti		8.9	5.1		TOTAL	43.4	114.4	105.2
Ethiopia		9.3	17.8					
Gabon		0.4	4.1		PACOM			
Gambia		0.2			Bangladesh			7.2
Ghana		2.3	1.1		Indonesia	18.4	28.7	10.4
Guinea		0.2	2.6		Malaysia		16.3	27.6
Kenya		3.1	11.1		Philippines		15.5	16.9
Liberia		0.2			Sri Lanka	10.8	7.4	
Mali		0.2			Thailand			
Mauritania		5.6			TOTAL	29.2	67.9	62.1
Morocco		0.4						
Mozambique		0.2			SOUTHCOM			
Niger		0.2			Bahamas		5.8	3.2
Nigeria	6.5	0.9			Belize			6.1
Sao Tome and Principe	3.4	0.4	1.5		Dominican Republic	7.2	0.5	1.0
Senegal		0.4	4.1		Guyana			1.8
Sierra Leone		0.2	2.3		Honduras		5.7	3.5
Tanzania		0.9			Jamaica		5.8	0.8
Togo			0.0		Nicaragua		5.8	1.0
Tunisia			10.0		Panama	7.2		0.0
TOTAL	13.0	44.7	66.4		Suriname			2.1
					TOTAL	14.4	23.6	19.5
EUCOM					FY TOTAL	100.0	279.9	284.7
Albania		6.8	5.5		Source: Composite table created by the interagency team using data provided by the Defense Security Cooperation Agency.			
Azerbaijan			1.7					
Georgia		6.5	11.4					
Macedonia		3.0						
Ukraine		12.0						
TOTAL	0.0	28.3	18.6					
NORTHCOM								
Mexico		1.0	12.9					
TOTAL	0.0	1.0	12.9					

In addition to visiting project sites, the IG team analyzed program documents and interviewed program officials at:

- DoD and DOS—Washington, D.C.,
- Special Operations Command (SOCOM) and geographic COCOMs,
- U.S. embassies (Country Teams), and
- Partner nations—civilian and military officials.

See Appendix C, Scope and Methodology, for additional details.

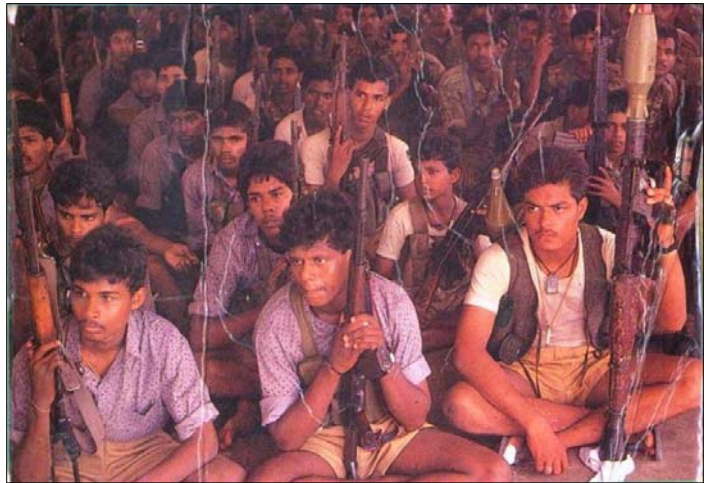
Interim Report Issued

On July 1, 2008, the IG team released an interim report to summarize their preliminary observations and recommendations (see Appendix D). This report incorporates the interim report's discussion points and results.

Discussion

Countering Terrorism

The United States' counterterrorist (CT) strategy is to use all elements of national power—diplomatic, economic, law enforcement, financial, information, intelligence, and military—to defeat terrorism.⁴ Military power can be used to eliminate safe havens, control national borders, and assert authority over ungoverned spaces. It can be employed to thwart the ability of terrorist groups to (1) move people and materiel freely across borders and over sea-lanes or (2) find refuge in sanctuaries. Military power can be used to confront and defeat transnational terrorist forces that have gained footholds or control in ungoverned spaces and areas where governmental authority is weak or ineffective. Smugglers, gunrunners, drug traffickers, poachers, and other criminals operating across national boundaries complicate the counterterrorist and security scenarios.⁵



Liberation Tigers of Tamil Eelam (LTTE) terrorists in Sri Lanka - Note: child soldier, second row, third from left.
(Source: Sri Lankan government officials)

⁴ Executive Office of the President, National Strategy for Combating Terrorism, February 2003.

⁵ Ibid.

Section 1206 of the NDAA for Fiscal Year 2006 authorized DoD to fund a major foreign security assistance program using funds appropriated for the purpose of DoD Operations and Maintenance. The State Department manages funding for programs like Foreign Military Financing (FMF) and International Military Education and Training (IMET), but defers implementation and execution of those programs to DoD.

The terrorist challenge has changed considerably over the past decade and likely will continue to evolve. One of the objectives of the Section 1206 authority is to give the DoD, with concurrence from the SecState, a responsive mechanism to identify and address gaps in partner nation's capability to conduct counter terrorism operations or to participate alongside U.S. forces in stability operations. Although Under Secretary of Defense for Policy (USD(P)) officials stated Section 1206 projects may take from 6 to 18 months for delivery, the DoD *Fiscal Year 2009 Budget Request Summary Justification*, February 4, 2008, stated "traditional security assistance takes three to four years from concept to execution," while the "Global Train and Equip authority allows a response to emergent threats or opportunities in six months or less." In other words, emerging threats or CT opportunities require a more agile response in contrast to the slow traditional foreign security assistance processes.

Section 1206 activities must also be compatible with long-term U.S. Government (USG) security assistance goals and programs. Hence, the respective ambassadors in partner countries have, along with COCOMs, a key role in formulating Section 1206 proposals. The U.S. maintains diplomatic relations with 190 countries and many international organizations, requiring more than 250 DOS posts around the world. The Chief of Mission (COM)—with the title of Ambassador, Minister, or Charge d'Affaires—heads the mission's "country team." Operating under the SecState, the COM assists in implementing the President's constitutional responsibilities for the conduct of U.S. foreign relations. The country team comprises personnel from various executive branch agencies—principally, the Departments of State, Defense (including the security assistance organization (SAO)),⁶ Commerce, Agriculture, Justice (the Drug Enforcement Administration and the Federal Bureau of Investigation), and the U.S. Agency for International Development.

The country team, in coordination with the appropriate COCOM, confers with host country officials and jointly develops the project proposals (see Chapter 2, Selection Process).

Participating with the U.S. in Joint Stability and Military Operations

Section 1206 also authorizes projects to build the capacity of a foreign country's military so that they can "participate in or support military and stability operations in which U.S. Armed Forces are a participant." Some Section 1206 projects are designed to improve the ability of foreign military forces to deploy along with the U.S. For example, counter terrorist or stability projects can be designed to improve the interoperability of equipment

⁶ See Appendix E for description of "Security Assistance Organizations and Security Assistance Officers."

between the forces of the partner nation and the U.S. The IG team observed that the projects in Georgia had the benefit of facilitating stability and joint military operations.

Section 1206—A Building Partnership Capacity Tool Supporting Counterterrorist or Stability Operations

According to the House Conference Report on Section 1206 for Fiscal Year 2006, the purpose of the authority was to provide a means for the USG to respond to emerging threats by “building the capacity of partner nations’ military or security forces to disrupt or destroy terrorist networks.” As such, Congress established Section 1206 to allow funding for projects designed to bolster the ability of the partner nation’s military to counter terrorism and cooperate with the U.S. in joint military or stability operations.

The Section 1206 program is a building partnership capacity activity. As stated in a RAND report, building partnership capacity is defined as an “umbrella objective that draws on the elements of security cooperation. The primary goal is to implement a multiagency approach to meeting U.S. strategic objectives, one that includes not only USG entities but also key partners and allies.”⁷ According to USD(P) officials, for Section 1206, the intent is to provide a tool for the DoD to identify and address capability gaps in a partner nations’ military abilities to conduct counterterrorism operations or support or participate in military and stability operations.

The House Armed Services Committee mark-up comments to the NDAA for FY 2010 recognized the significant and “fundamental distinction of purpose between [FMF] requirements generated on behalf of the partner nation (consistent with U.S. policy), and [Section 1206] requirements generated through a Department of Defense-led assessment of United States’ national security needs.”⁸

Four of the eight countries visited—Indonesia, Nigeria, Sao Tome and Principe, and Sri Lanka—received more Section 1206 funding in FY 2006 than the combination of grants for FMF or IMET for the period 2003 – 2007 (see Table 3). Embassy officials reported that Section 1206 funds were the key form of security assistance in their respective countries. Without Section 1206 funding for projects, the ambassadors would have had little or no security assistance capability specifically targeted at building partner nation CT or stability operations capacity. Some embassy officials told the IG team that they understand that Section 1206 is not a substitute for other forms of security assistance, but designed for CT or stability goals. They opined that Section 1206 had helped to develop positive bilateral relationships and promote regional security strategies.

⁷ RAND Report: “A Framework to Assess Programs for Building Partnerships,” undated.

⁸ House of Representatives Report 111-166 to the National Defense Authorization Act for Fiscal Year 2010, H.R. 2647, page 412.

Table 3. Survey of Country Military Assistance, FY 2003 through FY 2007 (\$000) (Section 1206 for FY 2006 and 2007 only, after creation of program in 2006)⁹

Country	FMF	IMET	FMF + IMET	Section 1206 FY 06 and 07
Dominican Republic	4,958	5,113	10,071	7,700
Georgia	52,384	6,260	58,644	6,500
Indonesia	7,165	2,642	9,807	47,100
Lebanon	254,463	3,866	258,329	41,100
Nigeria	2,490	1,584	4,074	7,400
Panama	5,747	3,293	8,940	7,200
Sao Tome and Principe.	500	971	1,471	3,800
Sri Lanka	4,971	2,333	7,304	18,200
Totals	81,543	26,062	107,605	139,000

For Year-by-Year Summary, see Appendix G.

Section 1206 Program Review Criteria

As a general framework for evaluating program management, the IG team considered these criteria.

Eligibility

For fiscal years 2006 – 2008, Section 1206 projects were designed to build a partner nation’s military’s capability to counter terrorism or to participate with the U.S. in stability and other military operations. The FY 2009 NDAA extended the eligibility criteria to include maritime security forces. All Section 1206 projects are subject to legal restrictions similar to those on other security assistance programs.

Timeliness

Congress enacted the Section 1206 authority because the planning and implementation processes under other traditional security assistance programs were “too slow and cumbersome.”¹⁰ Timely execution is a key consideration to measure program effectiveness and efficiency.

⁹ U.S. Department of State, Country Reports on Human Rights 2007, Appendix I.

¹⁰ DoD Fiscal Year 2009 Budget Request Summary Justification, February 4, 2008, pg. 103.

Capacity Building

In FY 2006, the first year of the program's operation, the Section 1206 projects focused on capacity building for counterterrorism. That year DoD allocated \$100 million of the \$200 million authorized to fund nine projects involving 11 countries (see Table 1). These projects provided equipment for surveillance, secure communications, and intercept capabilities and associated training to secure borders or sea-lanes or to exercise authority over national territory. The FY 2007 projects in Georgia improved secure command and control capabilities, but the projects also provided tactical training for stability operations.

Chapter 2 Project Selection Process

Summary

The Section 1206 project selection process begins when DoD and DOS issue identical guidance to their respective organizations and call for the submission of proposals. Embassy country teams and the respective combatant commands collaborate, coordinate, and submit their proposals to the DoD and DOS approval process. When SecDef, in coordination with SecState, approves a project proposal, the decision is sent to Congress to comply with the statute's 15-day notification requirement before executing the project. The IG team concluded that there is a well structured project selection process that includes vetting procedures to ensure compliance with statutory requirements. However, there are opportunities to improve the template¹¹ used to submit proposals.

Proposing Projects

The selection process (Figure 1) begins when DoD and DOS issue identical guidance to their respective organizations and call for the submission of proposals. This guidance requires embassies and COCOMs to describe how Section 1206 funding will strengthen the partner nation's ability to conduct counterterrorist operations or to participate in or support military and stability operations in which the U.S. Armed Forces are a participant. Among other issues, the proposal must also describe how the project addresses urgent or emergent threats or opportunities and how it will support U.S. national security objectives.

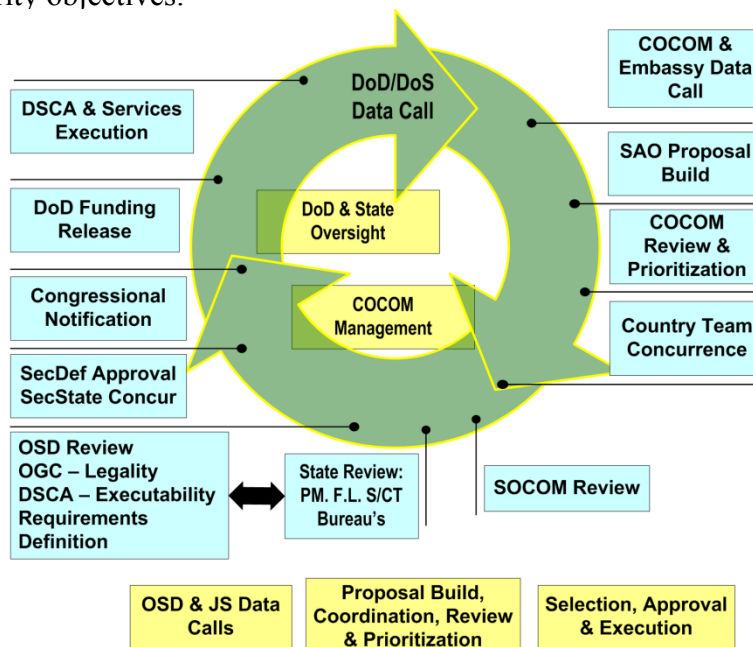


Figure 1. Section 1206 Selection Process¹²

¹¹ Discussed later in this chapter.

¹² IG Assessment Team composite drawing developed from multiple sources.

To facilitate the submission procedure, DoD established a standard proposal template. Instructions on the FY 2009 Proposal Submission Template state: “Ideally, all proposals should be jointly formulated” [by embassies and COCOMs]. We believe that as a pragmatic element of the collaborative process, the country team and COCOM personnel should conduct informal discussions with the partner nation before they submit their proposals.

COCOM Reviews

The COCOMs review and approve the proposed projects based on the command’s security strategy for their area of responsibility. For example, COCOMs can make regional risk assessments and evaluate vulnerabilities associated with uncontrolled borders and ungoverned spaces, including sea-lanes and other maritime areas. They can also analyze the partner nation’s defense capabilities versus the threat and identify opportunities for combined stability or military operations. The result is a set of coordinated, prioritized proposals that support the COCOM’s mission and regional strategies.

SOCOM Review. The next step is to aggregate all COCOM proposals for SOCOM review. SOCOM reviews and prioritizes all Section 1206 nominations based on the USG strategies, goals, and objectives to defeat and deter terrorist organizations. This step results in an integrated, prioritized global list of CT projects that supports U.S. national strategy to counter terrorism. SOCOM conducts this analysis and ranks projects multiple times throughout the year and forwards its analyses and conclusions to the Joint Staff for inclusion into the Section 1206 review process.

DoD-DOS Review and Prioritization

A Defense-State working group reviews every proposal. The proposals are submitted via a standard Proposal Submission Template. As part of the vetting process, the working group sends proposals to DoD and DOS regional and functional offices for further evaluation. The evaluation criteria include:

- **Legal Restrictions**—DoD and DOS legal advisers review proposals to ensure that they satisfy the purposes of Section 1206 and are consistent with applicable laws, including the Foreign Assistance Act (FAA). U.S. laws may prohibit assistance to countries that have had a record of military coups, human rights abuses, or other undesirable behaviors.

In addition, the law may restrict a particular type of foreign military assistance. For example, Sri Lanka received Section 1206-funded equipment in FY 2006 and FY 2007. However, the new “Child Soldier” prohibition in FY 2008 Consolidated Appropriations Act rendered Sri Lanka ineligible for Foreign Military Financing assistance and thus ineligible for Section 1206 projects.

In accordance with the Leahy Amendment,¹³ some military units may not qualify for Section 1206 funds because they participated in gross violations of human rights. When the partner nation selects soldiers, sailors, or airmen for training, the U.S. must review the individuals' records and their association with military units that may have been involved in gross violations of human rights. See Appendix F for a full discussion of these provisions.¹⁴

- **Feasibility**—The Proposal Submission Template is designed to document the information that allows reviewers to evaluate the feasibility of each project. This information should describe how the initiative will strengthen the partner nation's ability to conduct counterterrorist or stability operations. The template also requires a listing of the key milestones. It requires a statement of the mechanisms in place, including the status of Section 505 assurances that the equipment and training will be used in the manner proposed.¹⁵
- **Political-Military Issues**—The Proposal Submission Template requires a brief description of the political, military, and intelligence factors that form the basis of the proposal. It further requires a concise statement that describes how Section 1206 funding will support U.S. foreign policy and foreign assistance goals for the associated country, countries, or region.
- **Other Restrictions**—Prior to the FY 2009 NDAA, Section 1206 funds were only authorized to assist national military forces of foreign countries (e.g., Ministry of Defense forces). The legislation for FY 2009, however, expands the provisions through FY 2011 to include maritime security forces (e.g., Coast Guards not under a Ministry of Defense).

¹³ The Leahy Amendment has been included in appropriation bills since 1996 and is now incorporated into the Foreign Assistance Act. Foreign Assistance Act of 1961, sec.620J, as added by the Consolidated Appropriations Act, 2008, Pub. L. 110-161, Section 651(2007), codified at 22 U.S.C. Section 2378d (2008).

¹⁴ For further background on restrictions on eligible countries and types of assistance, see Appendix F.

¹⁵ Foreign Assistance Act of 1961, as Amended (Public Law 87-195), Part II, Chapter 2, Section 505.

The working group then presents the vetted projects to a review board for an interagency decision—the results are recommended decision memoranda for SecDef and SecState. Board members are representatives of the agencies shown in Table 4:

Table 4. FY 2009 DoD-DOS Review Board

Department of Defense	Department of State
Deputy Assistant Secretary of Defense for Special Operations and Counterterrorism ¹⁶	Deputy Assistant Secretary for Political-Military Affairs
Joint Staff	Office of the Director of Foreign Assistance
Office of the General Counsel	Office of the Legal Adviser
Office of the Comptroller	Office of the Coordinator for Counterterrorism
Defense Security Cooperation Agency	Source: USD(P)

Final Approval

After the SecDef approves, with SecState concurrence, the DSCA finalizes the Letters of Offer and Acceptance (LOAs) that form the basis for the Letters of Notification that USD(P) provides to Congress. The notifications are drafted by the Deputy Assistant Secretary of Defense for Special Operations and Counterterrorism and coordinated with the appropriate DoD and DOS regional and functional offices. In some instances, Congress may request a briefing. SecDef must notify the Congress at least 15 days before initiating activities in any country. The overall review and selection process is a reasonable model for other assistance programs.¹⁷

Overall Selection Process

Embassies and COCOMs formulate their proposals on a submission template designed to convey the information and analysis that is used to facilitate prioritization and project selection decisions.

- The template requires the submitter to provide information that shows that the proposed project satisfies statutory and policy requirements.
- The template process integrates the embassy’s country-specific geopolitical perspective and the COCOM’s regional military perspective.

¹⁶ Formerly, the Assistant Secretary of Defense for Partnership Strategies.

¹⁷ Congressional Research Service Report, “Section 1206 of the National Defense Authorization Act for FY2006: A Fact Sheet on Department of Defense Authority to Train and Equip Foreign Military Forces,” March 19, 2009.

A review of the FY 2006 Section 1206 project submissions revealed, however, that they did not consistently address several significant issues. Specifically, they did not: 1) comprehensively assess the terrorist threat; 2) explain the extent of bilateral coordination and collaboration with the partner nation in preparing project proposals; and 3) address how the host government intended to sustain the project(s) after U.S. Section 1206 funding lapsed. While these are not specifically required, we believe the issues are important to support project submissions. These issues were addressed in subsequent revisions of the proposal submission template.

Understanding the nature, scope, degree, or immediacy of the terrorist threat is essential for decision-makers in order to be able to prioritize Section 1206 projects for selection. Specifying the actual or potential terrorist threat was not usually provided in the projects submitted in FY 2006. Therefore, this analysis could not be used to differentiate among the proposals submitted in terms of their capacity to deter or counter terrorist activities in the respective countries.

Observation 1(a): Identifying Terrorist Threat—Initial project proposals did not consistently and comprehensively explain the nature of the potential or actual terrorist threat; moreover, the project submission template did not require such an explanation. As a consequence, the project evaluation process lacked key information for making project selection decisions, and the most appropriate counter-terrorism projects may not have been selected with respect to this objective of the Section 1206 legislation. Subsequent template revisions addressed this issue.

Partner nation participation in establishing proposals for submission is essential in terms of ensuring that projects are clearly understood and supported by the recipient countries' government and are positioned for expeditious implementation. Prior embassy collaboration with counterparts in the government before project submission also fosters improved diplomacy in terms of military-to-military relations, and enables cooperation with host country governments to address both bilateral and regional security issues.

In some cases, as a result of the late announcement of the FY 2006 Section 1206 funding opportunity, the U.S. country teams had little to no time for interaction with the government regarding the projects that were proposed. In those cases where ideas for proposals recommended by the host government were subsequently used in formulating Section 1206 project proposals—Lebanon and Sri Lanka, for example—faster implementation resulted once the projects were approved.

Observation 1(b): Partner Nation Participation in Project Preparation—During the project preparation phase of the seven FY 2006 projects reviewed by the IG team, country teams did not always collaborate with their partner nation governments prior to project submission. This, at least in part, resulted from a lack of sufficient lead-time provided the embassies before submissions were required. As a consequence, partner nation governments were not sufficiently prepared to implement the projects once approved, and project implementation was delayed.

Another key concern of the IG team centered on sustainment of projects. In the opinion of the IG team, continued sustainment is essential to achieving the intended objectives of the Section 1206 program. Of the eight partner nation official programs evaluated, representatives of two of the eight governments stated they did not have sufficient time to prepare a sustainment plan. In the other six countries there were varying degrees of sustainment requirements, depending on the specific project. For example, the “ammunition” project for Lebanon did not require a sustainment plan.

Some host governments already had or soon would have their own internal fiscal capacity to sustain support for the projects. There were also cases in which the governments did not immediately have the financial capacity and would need additional short-to-medium-term bridge financing. Finally, some governments did not expect to be able to provide their own sustainment funding in the near future.

As of July 2008, the status of sustainment plans was:

- The Dominican Republic, Panama, and Sri Lanka were unable to fund project sustainment.
- The Georgian government approved \$6 million out of its defense budget for sustainment.
- Indonesia indicated a need for FMF assistance for the first two years, through FY 2010, until the country’s budget process could catch up.
- Lebanon had existing logistics capability to sustain equipment and supplies provided under Section 1206.
- Nigeria had not prepared its sustainment plan, but is apparently capable of providing funding from its own treasury.
- Sao Tome and Principe also did not have a sustainment plan and will likely require bridge [FMF] funding pending the development of its off-shore petroleum reserves.

Observation 1(c): Partner Nation Sustainment—Understanding when or whether a partner nation will be able to sustain a Section 1206 project is a key factor in project selection, enabling a determination in advance as to whether or not it can be implemented. As a result of not requiring or having sustainment plans to evaluate the FY 2006 project proposals, information was insufficient to verify whether partner nations had the fiscal capability to sustain implementation during the life of the project. Consequently, projects were selected where sustainability by the partner nation was at risk.

Recommendation 1: The Under Secretary of Defense (Policy), in coordination with the Department of State's Bureau of Political Military Affairs, should revise the Section 1206 FY 2009 Proposal Submission Template to strengthen and facilitate the vetting process and to foster host nation buy-in. The template should include supporting statements to describe the:

- (a) actual or potential terrorist threat in terms of nature, scope, degree, and immediacy;**
- (b) bilateral consultation and coordination process for formulating the proposal; and**
- (c) partner nation's commitment and capability to sustain project implementation.**

Management comments. The Assistant Secretary of State for Political Military Affairs commented that the “. . . FY 2009 State Foreign Operations Appropriations Act stipulated that no FMF is made available to support or continue any program initially funded under [S]ection 1206 unless the Secretary of State has previously justified such program” “. . . the FY 2009 [Section] 1206 guidance documents to the field and proposal submission templates now include sections requesting details on the projected source of follow-on sustainment.”

The Commander, U.S. Africa Command expressed concern that “while a sustainment plan can be made using Foreign Military Financing (FMF), there is no guarantee that FMF funding will be allocated to the country [partner nation], nor that the country will opt to use its FMF [funds] to sustain the [Section] 1206 project.”

The Deputy Director, Defense Security Cooperation Agency commented that “requiring that a foreign nation demonstrate its own financial ability to sustain project implementation fully, may limit the critical flexibility that Section 1206 provides the Administration.”

Evaluation response. The IG team believes that sustainment is important to the continued success of the Section 1206 program. We recognized that financial support, while important, is only one element of sustainment. We modified the recommendation to remove the emphasis on financial support for Section 1206 project sustainment.

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Chapter 3 Program Execution

Summary

For the purposes of this review, the Section 1206 program execution process begins when the USD(P) delegates management of the approved project to the DSCA and ends when the training, supplies, and equipment are delivered to the appropriate in-country security assistance officer, or a designated USG representative.

Issues

As described in the Scope and Methodology (see Appendix C), the IG team conducted research; interviewed functional managers, process owners, and other stakeholders in the Section 1206 program; and traveled to eight partner nations to interview U.S. and local officials on the status of selected Section 1206 projects (see Appendix I). The IG team's analysis of the available information identified these issues in two areas that impact the execution phase of the Section 1206 program:

- Organization and policy, and
- Feedback from Security Assistance Officers and other stakeholders.

Organization and Policy

Execution Oversight

As previously noted, the FY 2009 NDAA extended the Section 1206 authorization to September 2011 and increased the authorized annual funding from \$200 million in FY 2006 and \$300 million for FYs 2007 and 2008, to \$350 million for FYs 2009, 2010, and 2011. Based on this extension, the funding increases, and other indicators described in this report, there is a need to establish policies and instructions for managing the Section 1206 program.

As depicted in Figure 2, there are four primary DoD entities—USD (P), DSCA, Military Departments (MILDEPS), and the Defense Transportation System (DTS)—that manage and oversee the Section 1206 execution process. These entities are part of the overall security cooperation system.

Role of Office of the Under Secretary of Defense for Policy

The mission statement for the USD (P) is “. . . to consistently provide responsive, forward-thinking, and insightful policy advice and support to the Secretary of Defense, and the Department of Defense, in alignment with national security objectives.”¹⁸

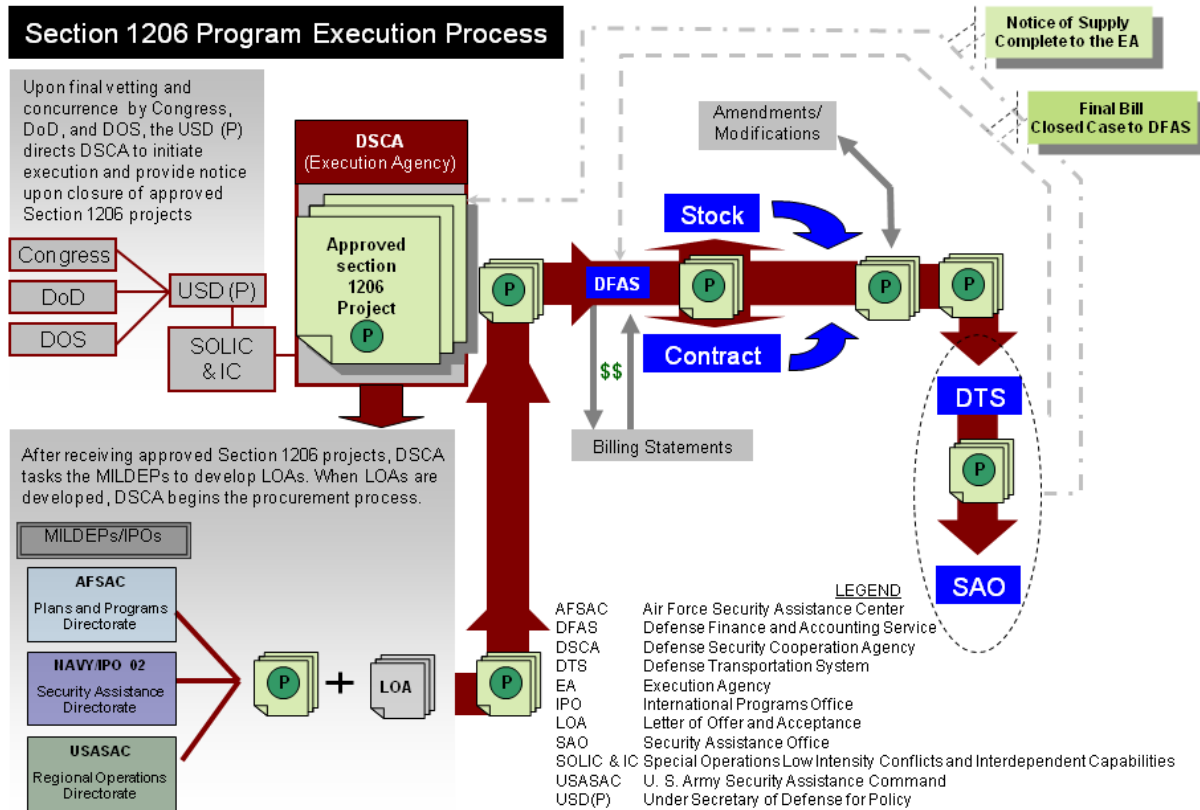


Figure 2. Section 1206 Program Execution Process Flow Diagram

Source: Interagency team composite from multiple sources.

Subordinate to the USD (P) is the Office of the Assistant Secretary of Defense for Special Operations/Low Intensity Conflicts & Interdependent Capabilities (SOLIC&IC). Under SOLIC&IC, the Deputy Assistant Secretary of Defense for Special Operations and Counterterrorism office is the DoD lead office responsible for Section 1206 programs.

The Deputy Assistant Secretary of Defense, Stability Operations, issued the “FY 2007 Section 1206 Interim Guidance Memorandum” on August 21, 2006. This guidance states that projects “should be designed to meet time sensitive, emerging threats or opportunities.” Also, in attachment 4 of this memo, a timeline was established that suggests equipment and supplies should be delivered within 6 to 18 months of congressional notification. This was further defined in DSCA’s FY 2009 budget estimate.

¹⁸ USD (P) Web-site, <http://www.defenselink.mil/policy/> (April 17, 2009).

Role of the Defense Security Cooperation Agency

The DSCA is subordinate to the SOLIC&IC. The mission of the DSCA is to:

“Lead, direct and manage security cooperation programs and resources to support national security objectives that:

- Build relationships that promote U.S. interests.
- Build allied and partner capacities for self-defense and coalition operations in the global war on terrorism.
- Promote peacetime and contingency access for U.S. forces.”¹⁹

The DSCA directs, administers, and supervises the execution of Section 1206 projects as well as other security assistance programs, such as the Foreign Military Sales (FMS), FMF, and IMET programs.²⁰ The Section 1206 Program Manager is assigned to the DSCA Programs Directorate. The incumbent oversees the DSCA execution process in coordination with the Regional (Country) Desk officers in the Operations Directorate, the Comptroller and others in the Business Operations Directorate, and other DSCA entities, as appropriate. The Section 1206 Program Manager decentralizes the execution activities for Section 1206 projects to the appropriate MILDEPS.

For Section 1206 projects, DSCA uses the FMS infrastructure, processes, and procedures to manage the activities associated with procuring and shipping the approved training and equipment. The agency establishes a “pseudo-FMS” case file for Section 1206 projects.²¹

The Section 1206 proposal serves as the Letter of Request and provides the basis for developing the LOAs. When projects are submitted for DoD and DOS approval, DSCA tasks the MILDEPS—specifically, the U.S. Army Security Assistance Command, the Navy International Programs Office, or the Air Force Security Assistance Center—to develop the LOA. DoD 5105.38-M, “Security Assistance Management Manual,” provides the guidance to prepare LOAs. The MILDEPS build the cases so as to meet the approved total case value, capturing both costs for goods and services, as well as other LOA charges.

The final LOA lists the items to be procured and shipped and includes other transaction details, such as:

- administrative surcharges;
- costs;
- delivery estimates;
- conditions and terms;

¹⁹ DSCA Web-site, <http://www.dsca.mil/aboutus.htm> (April 17, 2009).

²⁰ DoD Directive 5105.65, para. 5 (Nov. 21, 2003).

²¹ DSCA Memorandum, “Guidance for Development of FY09 Section 1206 Programs,” Feb 3, 2009.

- accountability rules for sensitive equipment;
- DTS arrangements and charges; and
- other project specific provisions.

Since DSCA operates on a no-profit and no-loss basis, the LOAs are priced at actual costs. This includes an administrative surcharge that is 3.8 percent of the costs of the defense articles and/or services. The surcharge is used to cover the cost of administering the program. Unlike the FMS procedures, which requires the partner nation to sign the LOA and pay the costs, the Section 1206 pseudo-LOA is a USG-to-USG document, and, therefore, the recipient country incurs no obligations.²²

We discovered in our review that as the LOAs are prepared and refined, DSCA develops the congressional notification package and coordinates with the Office of the Under Secretary of Defense (Comptroller) to identify the funding from the O&M account. Since O&M funds are “one-year” monies, management must obligate the funds before they expire on September 30th. Furthermore, due to the laws governing the use of O&M funds, there can be no associated civilian or military services beyond the end of the FY. Therefore, until FY 2008, all business transactions for approved Section 1206 projects were required to be completed by the end of the fiscal year. However, obligations for government civilian and military travel are restricted to the current fiscal year.²³

For program management, the IG team noted that there are numerous manuals, documents, memoranda, cables, briefing charts, and templates that are used to execute the Section 1206 program. Some of the procedures are described in laws and security assistance related manuals. Other procedures have been published in various memoranda and instructions specifically written for the Section 1206 program.

One of the documents that describe the execution of the Section 1206 program is the “Fiscal Year (FY) 2009 Budget Estimates Defense Security Cooperation Agency (DSCA),” February 2008. The following statement from that document established the timeliness or “speed” criterion for Section 1206 pseudo-FMS projects in contrast to conventional FMS cases:

“Although the Global Train and Equip authority has been in effect just three years, it has rapidly become the gold standard for interagency cooperation to meet emerging threats and opportunities because of the revolutionary way it is managed. . . . [T]raditional security assistance takes three to four years from concept to execution. Global Train and Equip authority can respond to urgent and emergent threats or opportunities in six months or less.”

²² Ibid.

²³ NDAA FY 2009, Section 1206 states that DoD can continue to obligate funds from the fiscal year in which a Section 1206 project was begun into the next fiscal year.

As explained in the same document, “Global Train and Equip represents an enduring military requirement to avoid large-scale military conflicts and reduce stress on U.S. forces. . . . Metrics are under development to measure operational and strategic effects. . . .”²⁴

Role of the Defense Transportation System

According to DSCA guidance, the DTS must be used for all Section 1206 transportation requirements.²⁵ The DTS is an integral part of the total global transportation system and involves procedures, resources, and interrelationships of several DoD, federal, commercial, and non-U.S. activities that support DoD transportation needs. This process establishes an integrated transportation system to be used across the range of military operations providing the most effective use of air mobility, sealift, rail, pipeline, and land transportation resources from origin to destination.

The Services and the Defense Logistics Agency are responsible for the determination, collection, and submission of the movement requirements for air mobility, sealift, and continental U.S. civil transportation to U.S. Transportation Command (USTRANSCOM).

The Commander, USTRANSCOM, provides air, land, and sea transportation services through the transportation component commands: Air Mobility Command, Military Sealift Command, and Military Traffic Management Command.²⁶

The USG rate applies to all transportation costs. DSCA has issued guidance for assigning an appropriate “delivery term code” for Section 1206 shipments. For justifiable circumstances, there are waiver provisions to by-pass normal and routine DTS procedures.

Feedback from Security Assistance Officers and Other Stakeholders

This section highlights feedback and comments from SAOs and other stakeholders regarding the execution process.

- **Tracking Case Status and Transparency** – A common concern among the SAOs interviewed was their inability to track the status of their respective pseudo-FMS cases. Since DSCA decentralizes the execution of the case to the military departments, the SAOs stated that there was no integrated, transparent process or reporting system to get timely and accurate information on FMS case status and delivery schedules. While studying this issue, the IG team could not

²⁴ Fiscal Year (FY) 2009 Budget Estimates DSCA.

²⁵ DSCA Memorandum, “Guidance for Development of FY09 Section 1206 Programs,” Feb 3, 2009.

²⁶ Joint Publication 4-01, “Joint Doctrine for the Defense Transportation System,” March 19, 2003, pp. vii-viii.

identify any formal oversight process that enabled updates on case status. The Security Assistance Management Manual states that implementing agencies should conduct program-level reviews on an event-driven basis using established milestones.²⁷ Based on the information available, the IG team believes the tracking issue can be mitigated with regular and recurring integrated project team reports or in-process reviews. Additionally, the tracking systems should include an integrated data-base to facilitate a bottom-up reporting process and a top-down communications system for USD (P), DSCA, MILDEPS, and DTS officials, Country teams, COCOM representatives, and other qualified stakeholders.

- **Administrative and Funding Discrepancies** – SAOs expressed concern over discrepancies between the quantity of equipment items listed on the LOA and the reduced number of items purchased and delivered. For example, in FY 2006, Lebanon was allocated \$10.5 million for Section 1206 projects. The LOA included about \$2.3 million in spare parts for the M113 Armored Personnel Carrier. According to the SAO, Lebanon received approximately \$1.3 million in M113 spare parts—56 percent of the LOA’s value. As presented in their November 2008 briefing, DSCA reported that 94 percent of the M113 spare parts were shipped to Lebanon. For FMS cases, the IG team noted that the DSCA “Financial Management Review — Case Financial Status Reporting Format for Foreign Military Sales” provides a workable template for capturing and sharing financial information.

Another Lebanon example involves an allocation for helicopter parts with a value of \$5.5 million. According to the SAO, \$598,000 worth of helicopter parts were delivered. The costs for that transaction included \$600,000 in transportation fees and \$179,000 in administrative fees—a total of \$779,000 in fees to deliver \$598,000 of goods.²⁸ According to the IG team’s review of available documents, the U.S. Army Aviation and Missile Command (AMCOM), in coordination with the U.S. Army Security Assistance Command (USASAC), could not obligate the remaining \$4.1 million before the O&M funds expired. (See Appendix H, Lebanon Case Study.)

- **DTS and Section 1206 Priority** - The requirement to use the DTS delayed the delivery of the Section 1206-funded boats to the Dominican Republic and Panama. The IG team noted that, to manage the shipments in a cost effective way, DTS aggregates shipments until there is a full load for the region or destination. To avoid long delays, U.S. Southern Command (SOUTHCOM) project managers coordinated a space-available boatlift in lieu of conventional DTS transport arrangements. Consequently, the equipment was delivered in time to meet project goals and costs. However, this is not a methodical and reliable transportation solution.

²⁷ Security Assistance Management Manual, DoD Directive 5105.38-M, Table C6.T6.

²⁸ As documented in USASAC’s pseudo Letter of Offer and Acceptance.

- **Incompatible Trucks** - USASAC, through TACOM,²⁹ ordered trucks that were incompatible with local fuel specifications for the Dominican Republic and Panama. A delivery delay ensued because the contractor had to retrofit the fuel systems on the trucks.
- **No Technical Manuals** - Technical manuals did not accompany the Excess Defense Articles (EDA) trucks delivered in 2007 to Lebanon.³⁰ During the IG team's visit, Lebanon Armed Forces (LAF) officials stated that without technical manuals, operating and maintaining the trucks is problematic. Although the LAF had requested the manuals through the SAO, as of April 2009, the Lebanon SAO reports that the manuals were no longer available through FMS channels.

Program Guidance

Effective program guidance codifies and institutionalizes policies, responsibilities, procedures, and reporting requirements for the Section 1206 program. Such guidance should provide appropriate links to existing laws and DSCA publications and incorporate the various documents, memoranda, instructions, cables, and templates in one single publication.

Considerations for DoD Directive and/or Instruction:

1. Define policies, roles, and responsibilities for all Section 1206 management and oversight components;
2. Re-engineer the process for managing Section 1206 projects to streamline the procurement and DTS shipping procedures and to establish milestones and timeliness standards; and
3. Establish DSCA and MILDEPS reporting (e.g., Integrated Project Team, In-Process Review, etc.) and data base requirements to provide tracking and transparency information for program managers, security assistance officers, and other stakeholders.

Initially, DoD did not establish a policy manual for the Section 1206 program because it was only authorized for one fiscal year. However, the NDAA for Fiscal Year 2007 extended the Section 1206 program to 2008 and the NDAA for Fiscal Year 2009 extended the program to the end of fiscal year 2011. In 2008, DoD and DOS requested that the Congress provide permanent Section 1206 authority.

²⁹ TACOM is the current official name of the organization formerly known as the Tank-Automotive and Armaments Command.

³⁰ The Center for Strategic Studies of the CNA Corporation also noted this issue in their report of April 2008.

As of 2009, the Section 1206 program, which has been approved for 53 countries, lacks the institutionalized policy guidance necessary to sustain its continuation and expansion to ensure its implementation is consistent with program objectives.

Observation 2: Formal Policy—DoD did not have a directive or instruction that defined authorities, roles, responsibilities, and instructions for Section 1206 program implementation. DoD had not previously provided Section 1206 policy guidance since the program was viewed as short-term. Without clear and comprehensive guidance, however, action officers and SAOs were unable to implement the program efficiently and effectively, and its objectives may not have been fully realized.

Recommendation 2: The Under Secretary of Defense (Policy), in coordination with the Department of State’s Bureau of Political Military Affairs, should incorporate policies, responsibilities, procedures, and reporting requirements for the Section 1206 program into existing Department of Defense Directives or Instructions.

Management comments. The Deputy Director Defense Security Cooperation Agency stated they were willing to support the development of a DoD issuance that further institutionalizes policies, responsibilities, procedures, and reporting requirements for the Section 1206 program. They commented that there is an existing body of DoD issuances upon which a Section 1206-specific DoD issuance could be built.

Evaluation response. The IG team agrees that DoD could use existing issuances as a vehicle for institutionalizing the Section 1206 program and modified the recommendation.

Observation 3: Logistics—Section 1206 project execution with respect to shipping equipment and supplies did not always meet the established 6 to 18 month goal for delivery to meet current or emergent threats, as indicated in Deputy Secretary of Defense for Stability Operations Memorandum, dated August 21, 2006, Subject: FY 07 Section 1206 (Authority to Build the Capacity of Foreign Military Forces).

Recommendation 3: The Director, Defense Security Cooperation Agency should coordinate with the appropriate theater commands to ensure that the 6 to 18 month timeline for delivery of Section 1206 equipment and supplies is factored into overall validated theater movement priorities and that those priorities are communicated to U.S. Transportation Command for timely movement in the Defense Transportation System.

Management comments. The Assistant Secretary of State for Political Military Affairs commented that [Section] “1206 is supported by the same defense industrial base and

acquisition system that supports U.S. military and foreign militaries . . . in many cases the time it takes to procure and deliver defense articles is no shorter than through any other funding stream.”

The Commander, U.S. Transportation Command suggested that Recommendation 3 be reworded to state that the DSCA should coordinate with the appropriate theater command to establish Section 1206 shipment priorities and factor them into theater movement priorities.

Evaluation response. The IG team agrees with U.S. Transportation Command’s recommendation and reworded Recommendation 3.

Observation 4: Fiscal—Embassies and their Security Assistance Offices with Section 1206 project responsibility were unable to track actual expenditures and obligations due to a lack of transparency in the FMS fiscal management system.

Recommendation 4: The Director, Defense Security Cooperation Agency, in coordination with the Office of the Secretary of Defense Comptroller, should reestablish and implement a periodic report that tracks actual obligation and expenditure of funds, funds rendered unavailable for obligation, and other financial data similar to the information that is included in the Defense Security Cooperation Agency “Financial Management Review — Case Financial Status Reporting Format for Foreign Military Sales” cases.

Management comments. The Commander, U.S. Central Command commented that adding more bureaucratic requirements [reports and admin activity] might slow down the [delivery of Section 1206 gear] process even more.

The Deputy Director, Defense Security Cooperation Agency, commented that they prepare quarterly updates providing an overview of the status of each Section 1206 pseudo-case for equipment deliveries, training results, and financial execution data.

Evaluation response. The IG team believes that a report that tracks Section 1206 obligations and expenditures is essential for both internal controls and transparency to the country teams. DSCA established quarterly report requirements, but they have not completed one since November 2008. DSCA needs to complete the reports in accordance with its policy.

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Chapter 4 Implementation Process

Summary

The implementation process begins when the approved training and equipment are delivered to the partner nation. For the eight countries visited, implementation of Section 1206 projects had positive effects in assisting the partner nations to improve their security capabilities. Involvement of the partner nation is one of the critical elements of success, the earlier the better. The IG team identified two management opportunities to improve the implementation process. First, DoD and DOS should work with the Joint Staff to enhance participation of U.S. military personnel in training activities and promote military-to-military interface with partner nations; and second, they should issue guidance to COCOMs and country teams requiring all security assistance officers get basic acquisition training and formal training on the FMS process.

Building Partner Nation Capacity

Bilateral and multilateral collaboration and coordination are key elements for the effective implementation of Section 1206 projects.

As reported to the IG team, the initial data call for FY 2006 project proposals had a very short suspense. Factors contributing to this condition included: (1) Congress did not enact the FY 2006 NDAA until January 6, 2006; (2) DoD and DOS had to develop preliminary procedures; and (3) the Defense-wide O&M funds had to be identified from a fiscally constrained budget and then obligated by September 30, 2006. Consequently, the Joint Staff did not dispatch the first data call until the spring of 2006. Embassies, SAOs, and COCOMs had about two weeks to develop and submit project ideas. According to USD(P) officials, Section 1206 project proposal templates did not exist at that time.

As documented in the country reports (Appendix I), the short suspense precluded timely consultation with some partner nations and limited their participation in developing the proposals.

- Dominican Republic naval officials reported that they preferred surveillance equipment to enhance their intelligence capability, rather than the intercept boats that were provided under SOUTHCOM's Enduring Friendship (EF) plan—a U.S. regional maritime security assistance plan.
- In Nigeria, the government was not familiar with the Section 1206 proposal and questioned U.S. intentions; the lack of consultation resulted in a prolonged national decision-making process and delayed implementation.

In contrast, consultation may result in positive program development:

- In FY 2007, the improved dialogue between embassy personnel in Indonesia and the host government resulted in an expansion of the FY 2006 Maritime Domain Awareness (MDA) project into the Sulawesi-Sulu tri-border region.

The above examples demonstrate the importance of open dialogue in obtaining the partner nation's concurrence with a proposed project before submission. In addition to bilateral arrangements between the partner nation and the USG, there are multilateral, regional political, economic, and security agreements among several partner nations that must be coordinated in order for Section 1206 to be effective.

Table 5. Section 1206 FY 2006 Regional Project Descriptions (\$M)

Project Name	Countries Involved	Project Description/Objectives
Caribbean Basin: Forward Defense of the U.S. Homeland (\$14.4)	Dominican Republic, Panama	Provides interoperable communications and computers with training and technical support to establish a joint maritime command, control, and communications architecture to support counterterrorist operations.
Gulf of Guinea: Countering Threats to U.S. Energy Security (\$6.8)	Nigeria, Sao Tome and Principe	Establishes a Regional Maritime Awareness Capability (RMAC) through the use of commercially available equipment; promotes stability and enhances counterterrorist capabilities.
Trans-Sahara African Countries: Securing the Region Against Terrorists (\$6.2)	Algeria, Chad, Morocco, Nigeria, Senegal, Tunisia	Helps develop a secure multinational information network to share and store information effectively. Enables countries to act on information that is essential to disrupt and attack terrorist networks, and conduct peace and security operations.

Note: This is an extract of only the Regional Section 1206 Programs from FY 2006 approved projects list. Source: USD(P)

As summarized in Table 5, Nigeria and Sao Tome and Principe are among the countries in the Gulf of Guinea region that cooperate with one another on regional maritime awareness capability. Similarly, countries in the Pacific region can benefit from the MDA program and share information as they build their regional interdiction capacity to conduct CT operations in and around their territorial waters.

In addition, SOUTHCOM's EF is another example of a U.S. maritime initiative supported by Section 1206 funding. The EF initiative facilitates a regional, multi-year maritime security assistance program that enhances the capability of Central American and Caribbean partner nations to patrol their sovereign waters. The EF initiative provides a structured framework to enhance cooperation in CT, counternarcotics, and law enforcement activities. Caribbean nations participating in EF are benefiting from

coordinated maritime security exercises, technical assistance, combined training venues, standardized command, control, and communications protocols, and logistical support arrangements.

In 2008, SOUTHCOM began Enduring Friendship-Caribbean and Central America (EF-CCA). The EF-CCA program is a key initiative supported by Section 1206 to address potential terrorist threats in the region. Within a cooperative regional environment, EF-CCA seeks to improve the capabilities of Caribbean and Central American partners to interdict and disrupt terrorists who might leverage illicit transnational routes and uncontrolled areas to threaten the United States and/or U.S. neighbors. EF-CCA is a long-term endeavor and seeks to create a multi-layered CT posture of mutual benefit to the U.S. and regional partners. However, in 2008, the Chairman of the U.S. Senate Committee on Armed Services sent the Secretary of Defense two letters³¹ expressing the committee's concern for the use of Section 1206 funds for counter narcotics efforts, and, according to USD (P) officials, DoD and DOS will no longer use Section 1206 projects to support EF-CCA.

Implementing Training Projects

As summarized in Table 6, for the countries visited, five of the six countries with FY 2006 funded training for Section 1206 projects had completed their training:

Table 6. Training Status for FY 2006 Projects

Country	Section 1206 Training	Status (as of 09/2008)
Dominican Republic	Yes	Completed
Indonesia	Yes	Not Completed. Did not complete training for IMSS program pending equipment installation at additional sites.
Lebanon	No	Equipment Only
Nigeria	Yes	Not Completed. Did not complete training for RMAC program—site not ready
Panama	Yes	Completed
Sao Tome and Principe	Yes	Completed
Sri Lanka	Yes	Completed

Source: Security Assistance Organizations for the countries listed.

³¹ Chairman, U.S. Senate Committee on Armed Services letters, dated September 25, 2008 and October 2, 2008. Note: Both letters refer to Operation Enduring Freedom (OEF) and not Enduring Friendship (EF).



Sailors from Maritime Expeditionary Security Squadron Two conduct entry control point training with Sailors from Panama during PANAMAX 2008
(SOURCE: www.southcom.mil/AppsSC/photoGallery.php)

For FY 2006 projects, contractors conducted training in most of the Section 1206 projects. This resulted from the O&M rules and restrictions that limit obligations to the current year. Interviews with country teams and partner nation units revealed that contractor-provided training was satisfactory. However, many partner nation officials stated that training with U.S. military personnel would be more beneficial. The short period between the obligation of funds and the end of the fiscal year limited opportunities to organize U.S. military training teams to deliver the training. Consequently, the benefits of military-to-military interaction were lost. The military-to-military process can help formulate assistance projects, negotiate compromises for problem solving and decision making, and facilitate capacity building. Section 1206-funded training could help achieve these benefits.

Observation 5: Military-to-Military Training—The Section 1206 training projects should enable military-to-military cooperation and bilateral relationships with partner nations. The IG team observed that contractor training was used in order to comply with the statutory requirements to obligate the approved Operations and Maintenance funding within the same fiscal year. As a result, the potential benefits of military-to-military training may have been compromised.

Recommendation 5: The Director of the Joint Staff, in coordination with the Under Secretary of Defense (Policy), should establish guidance for military-to-military training that supports Section 1206 projects.

Management comments. The Commander, U.S. Africa Command commented that the deadline for obligation of funding for training not only pushed the boundary in the development phase, causing case development to be rushed and, at times, not fully funded, but precluded the use of military personnel from being used for associated training.

Evaluation response. The IG team agrees with management’s comment about funding; however, the NDAA for FY 2009 extended funding obligations into the next fiscal year. The use of travel funds for training comes under different regulations and remains a problem not addressed by the FY 2009 NDAA.

Implementing Equipment Projects

Table 7. Equipment Status for FY 2006 Projects

Country	Section 1206 Equipment	Status (as of March 2009)
Dominican Republic	Yes	Delivered
Indonesia	Yes	Delivered
Lebanon	Yes	95 % Shipped (measured by cost) ³²
Nigeria	Yes	Delivered
Panama	Yes	Delivered
Sao Tome and Principe	Yes	Delivered
Sri Lanka	Yes	Delivered

Source: Summary from IG Assessment Team country visits.

Project Delays

As of March 2009, Table 7 summarizes the status of Section 1206 equipment deliveries. Some equipment projects encountered delays. (See Appendix I, Country Reports.) Some projects involved combining Section 1206 funds with funds from other U.S. Government sources. These “shared costs” were an issue in several countries:

- In the Gulf of Guinea RMAC project, Section 1206 funded 38 percent of the initiative. The project expected funding from the Counter-Narcoterrorism Technology Program Office, DoD’s lead office for developing technology for interagency and multinational operations to disrupt and deter narcoterrorism activities. However, the funds were not released, adversely affecting Nigeria’s RMAC project implementation process.
- Sri Lanka and Indonesia had to fund land acquisition, site preparation, and construction in order to support the equipment procured through Section 1206. The time required to identify the appropriate national funds led to delays in getting the equipment operational.

³² DSCA reduced the overall case value by approximately 20 percent. Approximately \$1million of UH-1H helicopter parts were not ordered.

Security Assistance Officers—Selection, Preparation and Training

Security Assistance Organization (SAO) personnel play a primary role in the development and coordination of Section 1206 proposals and in the implementation of the approved projects.³³ During the execution phase DSCA manages the acquisition process to procure and deliver the required training and equipment (see Chapter 3, Program Execution). As previously described, DSCA essentially applies the FMS acquisition process to Section 1206 “pseudo” cases. Therefore, to facilitate implementation, SAO personnel should be familiar with DSCA processes for acquisition and shipping.

The IG team surveyed the SAO personnel in the eight countries visited. The survey results were:

- Six of eight SAO officers received training through the Defense Institute of Security Assistance Management (DISAM). One officer was certified at level 3, the highest level of Acquisition Professional Development Program certification.³⁴
- Two officers had no training on the FMS process.
- Two officers who attended DISAM training opined that the coverage of the Section 1206 program was inadequate.
- Six of the officers had no formal training in acquisition processes used to procure Section 1206 training and equipment.

Although circumstances vary from embassy to embassy, the USD (P) should ensure all SAO personnel involved in Section 1206 cases are properly trained and indoctrinated in accordance with SAO required training.³⁵ Alternatively, SAO personnel could receive Section 1206-specific training at venues such as regional or DoD-wide SAO conferences.

Observation 6: Security Assistance Officer Training—Security Assistance Officers reported that they received insufficient training on security assistance, basic acquisition process, and/or the Section 1206 program, which they believed was necessary to perform their duties and responsibilities effectively.

³³ SAO personnel assigned to U.S. embassies are responsible for security cooperation. Policies, roles, and responsibilities for security assistance functions are stipulated in several DoD publications—most notable DoDD 5105.75, “Department of Defense Operations at U.S. Embassies,” December 21, 2007, and DoD Instruction 5132.13, “Staffing of Security Cooperation Organizations (SAOs) and the Selection and Training of Security Cooperation Personnel,” January 9, 2009.

³⁴ This program was authorized by the Defense Acquisition Improvement Act (DAWIA) Pub. L. 100-163 (1990), Section 1056.C.3.

³⁵ DoD Instruction 5132.13, “Staffing of Security Cooperation Organizations (SAOs) and the Selection and Training of Security Cooperation Personnel,” January 9, 2009.

Recommendation 6: The Director, Defense Security Cooperation Agency should ensure all security assistance officers selected for assignment to Section 1206 countries complete training in accordance with DoDI 5132.13, "Staffing of Security Cooperation Organizations (SCOs) and the Selection and Training of Security Cooperation Personnel", January 9, 2009, to include training on Foreign Military Sales and the acquisition process.

Management comments. The Commander, U.S. Central Command commented that “if the personnel system assigns personnel who lack experience with training and equipping foreign forces in CT . . . and deploys them without any formal training, results will suffer.” “At the very least, DSCA and DISAM should publish a fact sheet on how to process [Section] 1206 requests/programs.”

The Deputy Director, Defense Security Cooperation Agency commented that DoD Instruction 5132.13 “requires all personnel assigned to Security Cooperation Organizations complete training through the Defense Institute of Security Assistance Management (DISAM).” The Deputy Director also stated that this “training provides personnel assigned to Security Cooperation Offices with a critically important understanding of the Foreign Military Sales and acquisition processes”

Evaluation response. A review of the DISAM and DoD Instruction 5132.13 did identify the requirement for Foreign Military Sales and acquisition training. We modified our recommendation to acknowledge the requirement; however, based on our training survey given to eight of the SAOs in the countries the IG team visited, training in FMS and the acquisition process was lacking.

Safety Issue

During the IG team visit to Lebanon, the IG team observed a safety issue for the Section 1206 project that warrants particular attention. The IG team visited the Lebanese Armed Forces (LAF) ammunition depot at El Loueize and had discussions with the Commander. The IG team noted that most of munitions stored at the depot were U.S.-made. The commander of the ammunition depot stated that two LAF officers had received ammunition management training in the U.S., but that his non-commissioned officers and soldiers were receiving training in Lebanon from French military training teams. LAF officials expressed a preference for U.S. trainers for standardization and consistency. The IG team believes that munitions handling safety training would be beneficial for all countries receiving munitions provided through Section 1206 projects.

Observation 7: Munitions Training—The Lebanese Armed Forces are receiving U.S. munitions without U.S.-provided safety training. The IG team believes that all countries receiving munitions through Section 1206 projects would benefit from training in munitions handling, storage, and security.

Recommendation 7: The Security Assistance Officers in countries receiving munitions through Section 1206 projects should arrange to provide partner nation personnel with U.S. training to ensure safe handling, storage, maintenance, and proper security for U.S.-supplied munitions.

Management comments. The Deputy Director, Defense Security Cooperation Agency commented that “The Lebanese Armed Forces have received both specialized explosive ordnance disposal training and munitions safety training from the United States.”

Evaluation response. At the time of the IG team visit to Lebanon, the only munitions training provided to Lebanese Armed Forces was provided by French military training teams. This situation raised the safety issue for other countries receiving munitions through the Section 1206 program. At the suggestion of Under Secretary of Defense (Policy) Special Operations/Low-Intensity Conflict & Interdependent Capabilities officials, this recommendation was reworded to include providing safety training to all partner nation personnel receiving munitions.

Chapter 5 Section 1206 Program Results

Summary

Potentially, partner nations can use Section 1206 training and equipment for counterterrorism at two levels—conducting direct action against terrorist forces and preempting terrorist attacks by asserting national power over uncontrolled borders and ungoverned spaces.

Of the eight Section 1206 countries visited, six demonstrated added capability improvements within one year of project approval.³⁶ Although these initial results are encouraging, continued effectiveness requires sustainment efforts by countries receiving Section 1206 projects.

For the eight countries visited, the IG team concluded that the respective Section 1206 projects not only enhanced partner nation's counterterrorist capacity, but also provided a tool for building regional cooperation to counter terrorism.³⁷

Improving Partner Nations' Operational and Security Capabilities

A close examination of the FY 2006 Section 1206 funded projects revealed examples of progress, lessons learned, and opportunities for improvement.

The IG team identified definitive examples that the Section 1206 program is working, albeit in incremental steps:

- **Dominican Republic:** Military forces acquired interceptor boats to enhance their ability to intercept hostile vessels. In one case, the Dominican Navy intercepted two Cuban nationals attempting to infiltrate the Dominican border. Dominican Republic officials expressed concern that they were not consulted when the project proposal was drafted and commented that they had different priorities for countering terrorism. They nevertheless appreciated the Section 1206-funded equipment and SOUTHCOM's regional EF program.
- **Georgia:** Section 1206 equipment—mostly two-way radios for command and control and secure communications—increased the Georgian armed forces communications capability and facilitated their deployment to Afghanistan and Iraq as a coalition partner. Georgian officials opined that the process between project approval and equipment delivery was too long.
- **Indonesia:** The Armed Forces of the Republic of Indonesia acquired surveillance equipment under the Section 1206 program and improved its ability to monitor

³⁶ Dominican Republic, Georgia, Indonesia, Lebanon, Sao Tome and Principe, and Sri Lanka.

³⁷ Readers can review these results in the larger context of individual countries in Appendix I, Country Reports.

and control maritime traffic along the Malacca Strait—one of the most important shipping lanes in the world.

- **Lebanon:** For FY 2006, Section 1206 financed spare parts for vehicles and UH-1H helicopters that enabled the Lebanese Armed Forces (LAF) Air Force to execute its first deployment to southern Lebanon in more than 30 years. The helicopter parts increased mission available aircraft by 40 percent; thus, allowing the LAF to conduct sustained bombing and medevac operations.³⁸ In addition, the LAF used the improved capability to quell successfully the Fatah al Islam insurgents' uprising in Nahr al-Barid, the northernmost Palestinian refugee camp.
- **Nigeria:** Section 1206 provided maritime surveillance equipment, which was not yet operational in June 2008. Nigeria will use this capability to monitor traffic in the Gulf of Guinea and in the Niger River delta. Nigeria did not receive all the equipment originally planned. Even so, Nigerian Navy officials were very positive about the Section 1206 program.
- **Panama:** Section 1206-funded radios improved Panama's maritime surveillance and command and control capabilities. The National Maritime Service (coast guard) officials stated that this capacity is enabling their ability to meet a critical need in their efforts to counter terrorism.
- **Sao Tome and Principe:** The installation of new radar stations provided a capability to monitor coastal waters and detect and identify "friend or foe" vessels.
- **Sri Lanka:** Section 1206 equipment and assistance improved the Navy's capability to conduct maritime surveillance and monitor the movements of the LTTE. The LTTE is a terrorist organization that wants to establish an independent state in Sri Lanka. The Navy has effectively engaged the LTTE using the capabilities of the MDA system

Aside from the specific applications of the program in the individual countries, the Section 1206 process has improved regional coordination and cooperation activities and facilitated security arrangements. To foster bilateral relationships, the SAOs developed concept briefings and strategies and shared the information with partner nation civil authorities.

See Appendix I for additional details and program results by country.

³⁸ LAF briefing to visiting joint DoD-DOS OIG team July 2008.

Synergy—Leveraging Combatant Commands' Regional Vision

During the planning and execution phases of this project, the IG team met with Section 1206 points of contact at the combatant commands.³⁹ As previously described, the COCOMs, in collaboration with the DOS Chief of Missions, play a significant role in initiating, coordinating, prioritizing, and approving Section 1206 proposals for their areas of responsibility (AORs). Figure 3 illustrates the relationship between AORs and DOS regions.

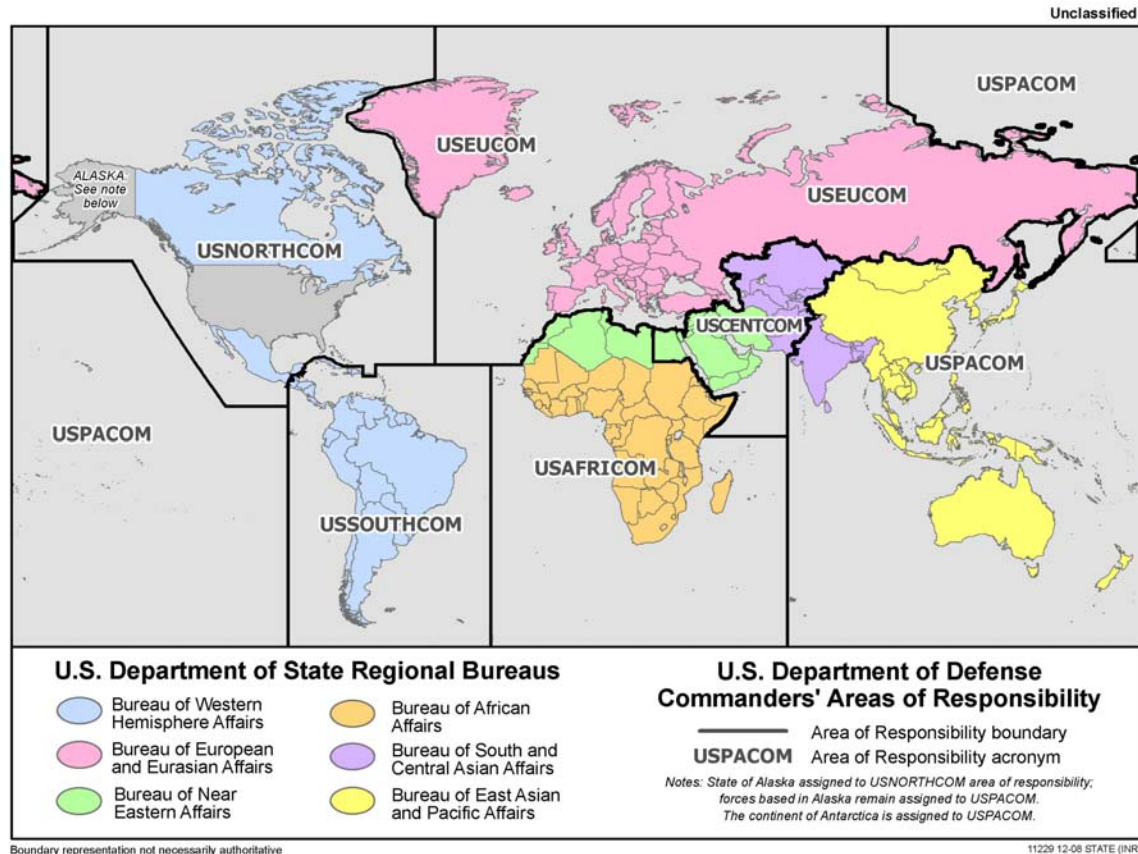


Figure 3. COCOM Areas of Responsibility and State Department Regions

Source: Office of the Geographer, Bureau of Intelligence and Research, U.S. Department of State

Interviews with COCOMs' staff revealed several advantages and "lessons learned" for building regional capacity and interoperability in their respective areas of operations. Some general examples follow:

- COCOMs designed Section 1206 projects to build interoperable command and control functions for countries within their AOR.

³⁹United States Africa Command, United States European Command, United States Central Command, United States Southern Command, United States Pacific Command, United States Special Operations Command

- COCOMs recognized that regional strategies are required to prevent the terrorists' freedom of movement through paths of least resistance. Without such strategies, pressure applied to correct a weakness at one point will push the terrorists to relocate to another.
- U.S. European Command (EUCOM) and U.S. Africa Command (AFRICOM) initiated an Intelligence Capacity Building project in which intelligence officers from at least seven African countries attended a combined training course. Thus, this initiative provided opportunities not only to strengthen the individual's skills, but also to encourage information sharing and coordination among countries that have little history or tradition of working with one another.
- The RMAC project for the Gulf of Guinea is designed to exploit the interoperable radar and communication systems that will eventually cover the entire Gulf. Sao Tome and Principe was the first partner nation to set-up the RMAC system, followed by Nigeria. The Section 1206 funded sites are now positioned to monitor coastal maritime traffic and share surveillance information.
- SOUTHCOM organized combined training courses for AOR countries. As in the EUCOM/AFRICOM example, SOUTHCOM believes such venues will foster future relationships among the countries and their counterterrorist units and facilitate regional cooperation.
- Panama cooperated with the U.S. and other regional partners in PANAMAX 2008, a joint and multi-national training exercise.

Managing Impediments

For four of the eight countries visited, the IG team observed that the FY 2006 projects for Indonesia, Nigeria, Panama, and Sao Tome and Principe did not include a comprehensive explanation of the concept of operations (CONOPS). CONOPS should describe how the Section 1206-provided training and equipment will be employed to achieve desired objectives or a particular end state. The Department of Defense's official dictionary, the *DOD Dictionary of Military and Associated Terms*, defines a "concept of operations" as a "verbal or graphic statement that clearly and concisely expresses what the joint force commander intends to accomplish and how it will be done using available resources. The concept is designed to give an overall picture of the operation."⁴⁰ CONOPS are built to maximize the combat effectiveness and define timing, roles, and responsibilities of agencies and personnel involved in the operation.

⁴⁰ JP 1-02, *DOD Dictionary of Military and Associated Terms*, 12 April 2001, as amended through 17 October 2008 (<http://www.dtic.mil/doctrine/jel/doddic>). A CONOPS is an account of how a set of capabilities will be employed to achieve desired objectives or a particular end state. A CONOPS will usually include a statement of the goals and objectives of the system; the strategies, tactics, policies, and constraints affecting the system; the organization, activities, and interactions among participants and stakeholders; a clear statement of the responsibilities and authorities delegated; specific operations processes for fielding the system; and the processes for initiating, developing, maintaining, and retiring the system.

The SAO should work with partner nation military to prepare CONOPS that explains how the Section 1206 funded equipment and training will be used to support the counterterrorist mission. In turn, the SAOs or the equivalent offices in the embassies should coordinate with the country team and their respective COCOM to ensure joint CONOPS are well formulated and articulated to support Section 1206's objectives.

Observation 8: CONOPS Needed—Four of the eight Section 1206 program countries evaluated did not have a CONOPS which would describe the overall strategy, purpose, resource requirements, timing, roles and responsibilities, and actions necessary to implement the project. Having a CONOPS would significantly assist country teams and partner nations to implement Section 1206 projects.

Recommendation 8: The Under Secretary of Defense (Policy), in coordination with the Director of the Joint Staff and Department of State's Bureau of Political Military Affairs, should direct SAOs to work with partner nations to develop a full Concept of Operations for Section 1206 projects by the final approval of the project.

Management comments. The Commander, U.S. Central Command stated that “A published CONOPS for [Section 1206] projects is a great idea on an application level. A CONOPS is a much better way to make a project proposal than the current project nomination form now in use.”

The Deputy Director, Defense Security Cooperation Agency commented “that requiring partner nations demonstrate a complete Concept of Operations for the use of [Section] 1206 assistance may limit critical flexibility that Section 1206 provides. There may be other steps that SCOs could take to improve ongoing dialogue with partner nations regarding equipment and training provided under the [Section] 1206 authority.”

Evaluation response. The IG team reworded the recommendation by adding that SAOs should work with partner nations to develop CONOPS and eliminated the requirement to issue guidance that makes Section 1206 contingent upon the agreement to develop a CONOPS.

Metrics: Outputs and Outcomes

The Principal Deputy Undersecretary of Defense (Policy) has announced plans to establish performance measures (metrics) for the Section 1206 program.⁴¹ We encourage management to expedite the development of metrics of effectiveness and to undertake an assessment of Section 1206 as a building partnership capacity activity.

Outputs could include the delivery of equipment and the completion of training, for example, with respect to individual projects. **Outcomes** are used to measure the end

⁴¹ DoD Fiscal Year 2009 Budget Request Summary Justification, February 4, 2008, page 104.

results. Outcomes would include, for example, the effects that projects produced with respect to counterterrorist or stability operations goals and objectives.

For the purpose of illustration, Dominican Republic's Section 1206 project "Caribbean Basin: Forward Defense of the U.S. Homeland" provided for:

- Interoperable communications equipment with training;
- Intercept boats with navigation and communications aids; and
- Training for Dominican Republic crews at Ft. Myers, Florida.

Under this scenario, the SAO could develop a set of output-based metrics that would quantify the readiness of the intercept boats and operational status of command and control assets. An example of appropriate output metrics would be:

- Number of patrol missions conducted per month,
- Crew availability status,
- Crew to boat ratio,
- Mission capable rates (the percentage of equipment capable of performing a mission), and
- Maintenance in-commission rates.

Embassies and their SAOs should develop the output metrics for their Section 1206 projects. SAOs should coordinate the development of metrics with the COCOM to obtain acceptance and approval. They should also report the results of measuring outputs to the COCOMs.

In addition, COCOMs in coordination with Embassies and SAOs, should develop outcome metrics. As one approach to determine outcomes, the respective COCOMs could develop a regional exercise, such as the developing countries combined exercise program, to measure capabilities to achieve project objectives. These metrics should gauge the effectiveness of the Section 1206 program in producing the intended results.

The lessons learned and best practices from the metrics collected should be shared among COCOMs, Section 1206 project Embassies, Joint Staff, and USD(P).

Observation 9: Metrics Initiated—Section 1206 program officials have announced plans to establish metrics to measure the management and results of Section 1206 projects.

Recommendation 9: The Under Secretary of Defense (Policy), in coordination with the Joint Staff J-5 and the Combatant Commands, should develop metrics of effectiveness for building Section 1206 partnership capacity and establish clearly defined *outputs* and *outcomes*.

Management comments. The Commander, U.S. Central Command non-concurred with Recommendation 10 (now Recommendation 9) stating the requirement to establish metrics would be an unplanned and unresourced mission that “would require many currently unavailable man-hours.” They also stated that metrics “would present an unacceptable security risk and would communicate to our partners that we do not trust them to utilize capabilities provided to them.”

Evaluation response. We agree that reporting program metrics has the potential to become burdensome. The Under Secretary of Defense (Policy) stated they planned to “undertake a comprehensive review to develop metrics for Section 1206 as a building partnership capacity activity.” Combatant Commanders will be able to influence reporting requirements during the development process.

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Chapter 6 Additional Observations

Summary

The preceding chapters have followed the sequence of events over the life of an individual Section 1206 project, from selection, through execution and implementation, to results and sustainment. This chapter provides the IG team's observations on compliance with the law, cooperation between DoD and DOS, and the benefits of the Section 1206 program on U.S. foreign relations.

DoD and DOS have conducted the program in compliance with the law.

Officials involved in the Section 1206 program developed a proposal selection process designed to ensure that projects fulfill the intent of the statute. DoD and DOS guidance to COCOMs and embassies reflects the requirements in the NDAA of 2006, as amended. Legal advisers at DoD and DOS reviewed all proposals to ensure that they fulfill the statute's intent.

Section 1206 authorizes assistance to foreign militaries. Although Panama's Coast Guard performed a military function, Panama does not have a Ministry of Defense under which this unit could be organized. A legal interpretation, however, held that the maritime security force was nevertheless military in its function. The Congress partly addressed this issue in FY 2009 by adding a provision to expand the program's eligibility criteria to include maritime security forces.

Not only must proposals fulfill the purposes of the statutes authorizing the Section 1206 program, but they must also stay within the limitations on assistance under the Arms Export Control Act and the Foreign Assistance Act.⁴² Since laws restricting the use of FMF and IMET also apply to Section 1206 projects, DoD and DOS lawyers review all proposals to determine whether they are permissible under those laws. The IG team found no evidence that decision-makers had approved any projects outside the program's statutory mandate.

DoD-DOS cooperation has been effective.

The IG team concluded that cooperation between DoD and DOS is effective. DOS participation in the program has been considerable—as the legislation requires. This DOS participation includes cooperation between embassies and COCOMs and between officials of both departments in Washington. The Section 1206 program appeared to be a model of interagency cooperation to achieve common goals.

⁴² See fuller explanation in Appendix F, Sanctions, Human Rights, and Section 1206.

A strength of the program is the combination of perspectives and resources of ambassadors and COCOMs.

Section 1206 mandates cooperation between DoD and DOS. Both departments participate in the proposal formulation and selection, execution and implementation of activities. The departments differ, however, in their overseas presence. For DOS, embassies are the centers of that presence and have a bilateral focus. Ambassadors and their embassies are responsible for representing the U.S. in its relations with the host governments of the countries to which they are accredited. Their perspectives come from their knowledge of U.S. relations with the host government. For DoD, the most important overseas units are the regional combatant commands, which have the areas of responsibility indicated in Figure 3. State's presence is country-specific; Defense's presence is through the COCOMs and has a regional focus. Because the two agencies are involved in all phases of the Section 1206 projects, the program benefits from the combination of bilateral and regional perspectives and resourcing. This combination is one of the program's strengths. As a result, DoD and DOS developed synergistic regional projects, such as those in the Caribbean and the Gulf of Guinea, to reinforce the effectiveness of Section 1206 country specific projects.

The COCOMs use their regional perspective and resources to design projects that address regional problems by promoting regional cooperation. The program must nevertheless carry out regional projects through bilateral relationships. Both the equipment and training are delivered through the SAOs at the embassies. Each partner nation has its own issues, interests, and procedures, and each partner nation will implement its part of the project at its own pace. An example is the RMAC in the Gulf of Guinea. Criminals exploit this ungoverned body of water for unlawful activities, from unlicensed fishing in territorial waters, to oil 'bunkering,'⁴³ to narcotics smuggling, to trafficking in persons, and piracy. Those activities could be linked to international terrorist activities, which thrive in ungoverned spaces.

In FY 2006, the Section 1206 program funded RMAC in Nigeria and Sao Tome and Principe to provide off-the-shelf radar equipment and stations, communications equipment, and training. EUCOM, the combatant command responsible for these two African countries until the recent formation of AFRICOM, intended the RMAC to cover the entire Gulf of Guinea. The project overcame unexpected obstacles, including delays in Nigeria's approval and implementation process and the reduction of non-Section 1206 funding. The experience of these two countries implementing a regional program at different speeds illustrated the complexity of translating a well-conceived regional project into individual bilateral projects custom-designed for each partner nation.

⁴³ Crude oil theft, or "bunkering," is one of the key challenges faced by the Nigerian government.

Chapter 7 Actions Taken

Summary

As previously reported, embassies and combatant commands had a two-week notice to prepare and submit their FY 2006 proposals and the submission template required further development. The combination of a short suspense and ad hoc guidance at the time may have affected the quality of the proposals and execution. Since then, however, Congress has refined various provisions of Section 1206 of the NDAA, and DoD, in concert with the Joint Chiefs of Staff, and in coordination with the DOS, has refined and improved the submission process.

Updates to Section 1206 of the NDAA

The Congress has updated the Act to include:

- A provision to include maritime security forces; and
- Obligation of funds into the next fiscal year.

Improvements to Submission Process:

In October 2008, DoD and DOS issued the interagency Section 1206 program guidance, “Instructions for Proposal Development and Submission,” which prescribes a “template” that standardizes guidance, suspense dates, and content.⁴⁴ Some noteworthy updates include updated instructions concerning:

- How the proposed equipment and training will build partner capacity for one of the two purposes of the authority;
- How a project proposal addresses an actual counterterrorist threat; and
- How the proposal fulfills the requirement of a plan for sustainment:
 1. Through the effective life of the program; and
 2. That provides an assessment of partner nation ability to sustain training and equipment through skills, knowledge, and finances.

Timelines for project proposal and selection have been adjusted to allow for a release of project approval and funding in separate tranches in the course of the fiscal year. This refined approach allows for streamlined execution and allows the combatant commands to submit urgent requests at any time in the fiscal year.

⁴⁴ DoD and DOS Section 1206 of the National Defense Authorization Act (NDAA) FY09 Proposal Submission Template, October 2008.

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Appendix A Project Request

MEMORANDUM FOR: Inspector General of the Department of Defense
Inspector General of the Department of State

Subject: Systemic Review of 1206 Global Train and Equip Programs

1. Section 1206 of the National Defense Authorization Act for FY 06 authorizes the Secretary of Defense, with the concurrence of the Secretary of State, to conduct programs to build the capacity of a foreign country's national military forces. These programs should strengthen a country's capability to conduct counterterrorist operations, participate in, or support military and stability operations in which US Armed Forces are a participant. We are encouraged by the effort and rigor both departments have demonstrated in executing this new authority. However, because Section 1206 is a relatively new and unprecedented authority, we believe the program will benefit from a systemic review.

2. Accordingly, we recommend you conduct a joint review of the FY 06, FY 07, and FY 08 programs pursuant to Section 1206. We request you consider the following questions:

- a. What improvements, if any, in operational capability did the program generate?
- b. Did the Section 1206 programs to date lead to the operational capability intended and, if not, why?
- c. How will that capability be sustained?
- d. Have the partner nations employed the capabilities, and, if so, were these capabilities employed for the purposes envisioned by the USG?
- e. What are the partner nations' perceptions of the programs, and what effect, if any, did the program have on those partners' willingness to work together with the USG in support of shared security interests?
- f. Are these capabilities adaptable to changing environments?
- g. Is there adequate policy guidance for development, selection, and execution of programs?

h. What was the program overhead cost at all levels and how can overhead be reduced?

i. How can the USG compress the decision cycle time and execution for Section 1206 programs?

j. Was implementation oversight adequate?

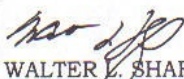
k. Is the program fulfilling the purpose of Section 1206 to provide a swift means of building the capacity of foreign partners?

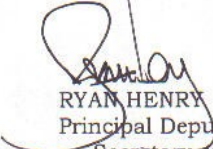
3. We believe the goals of the review effort not only should be to identify areas for improvement with regard to current policy, programs, or processes, but also to develop a self-assessment tool that combatant commanders and embassies can implement once your review is complete.

4. Likewise, we hope to develop metrics to determine the strategic effects of Section 1206 programs over a 15-year period. Your views on how effective metrics can be developed would be of value.

5. Finally, we recommend a longitudinal review over 3 years. Namely: FY 06 program review by September 2007; FY 06 and FY 07 review by September 2008; FY 06, FY 07, and FY 08 programs by September 2009 with a final report and summary by late calendar year.

6. Please let us know if you can undertake this effort and what steps we need to take to assist you. We consider global train-and-equip programs to be one of the most important tools the US government has in successfully prosecuting the War on Terrorism.


WALTER L. SHARP
Lieutenant General, USA
Director, the Joint Staff


RYAN HENRY
Principal Deputy Under
Secretary of Defense (Policy)

Copy to:
SecState
SecDef

Appendix B Announcement of Interagency Assessment



MAR 14 2008

MEMORANDUM FOR DIRECTOR OF U.S. FOREIGN ASSISTANCE, U. S.
DEPARTMENT OF STATE
UNDER SECRETARY OF DEFENSE FOR POLICY
UNDER SECRETARY OF STATE FOR POLITICAL
AFFAIRS
COMMANDERS OF THE COMBATANT COMMANDS
DIRECTOR, DEFENSE SECURITY COOPERATION
AGENCY
DIRECTOR, JOINT STAFF
COORDINATOR FOR COUNTERTERRORISM, U.S.
DEPARTMENT OF STATE
ACTING ASSISTANT SECRETARY OF STATE,
BUREAU OF POLITICAL-MILITARY AFFAIRS

SUBJECT: Interagency Assessment of Section 1206 of the National Defense
Authorization Act, "Global Train and Equip Program"
(Project D2008-DIP0E3-0008.000)

As requested by the Director of the Joint Staff and the Principal Deputy Under Secretary of Defense (Policy), the Inspectors General of the Departments of Defense (DoD) and State (DOS) will conduct an interagency assessment of the Section 1206 Global Train and Equip Program.

Section 1206 gives the DoD the authority to spend its own appropriations to build the capacity of foreign military forces. Under the respective National Defense Authorization Acts, Congress authorized \$200 million for fiscal year 2006 and \$300 million for fiscal year 2007 for this program. The legislation requires the Secretary of Defense, with the concurrence of the Secretary of State, to approve all Section 1206 projects.

This assessment is designed as a systemic review of the Section 1206 program, so as to identify opportunities for program and process improvements. Specifically, we will:

- Evaluate the overall effectiveness of the Section 1206 program to support combatant commands' (COCOMs) counterterrorism mission and stability operations.

- Evaluate the efficiency of the Section 1206 program with regard to project selection, planning, and execution.
- Evaluate how the Section 1206 program complies with published congressional requirements.

The assessment will commence in March 2008. The team will visit COCOM Headquarters, DoD and DOS offices, and selected countries receiving Section 1206 assistance. Additionally, the team will visit embassies in those countries with Section 1206 projects.

Please inform the appropriate entities within your agency or command of this assessment and advise them that the interagency team will request meetings, access to records, and Section 1206 venues. All members of the team will have appropriate security clearances.

We will soon initiate requests for country and theater clearances and support requirements. To facilitate the coordination process for this assessment, please provide your points of contact by March 18, 2008.

Our points of contact are Colonel Elias Nimmer at DoD IG (703-604-9114, DSN 664, elias.nimmer@dodig.mil) and Mr. Richard English at DOS IG (703-284-2747, englishr@state.gov).



Wm Brem Morrison, III
Department of Defense
Assistant Inspector General
for Inspections and Evaluations



Robert B. Peterson
Department of State
Assistant Inspector General
for Inspections

cc:
Inspector General of the Army
Naval Inspector General
Inspector General of the Air Force
Inspector General of the Marine Corps
Office of the Inspector General of the Joint Staff

Appendix C Scope and Methodology

Scope

The Director, Joint Staff, and the Principal Deputy Under Secretary of Defense (Policy) requested this evaluation. The evaluation focused on the overall efficiency and effectiveness for implementing the Section 1206 program. Specifically, the assessment team reviewed Section 1206 program support to counterterrorist missions and stability operations. The IG team also reviewed Section 1206 project selection, execution, implementation, and results.

The universe of data collected was the approved projects for the Section 1206 program authorized by the NDAA for FY 2006 as amended. However, the IG team collected information for both FY 2006 and FY 2007 projects in the countries visited. The IG team also visited Georgia, which had an approved FY 2007 project but did not have a project authorized for FY 2006. Pakistan had an approved project for Fiscal Year 2006; however, data collected on that project is included in a separate Inspector General report addressing security assistance to Pakistan. The IG team did not visit Bahrain, where the project was not sufficiently mature; Chad, where the embassy was under authorized departure; or Yemen, where security conditions did not permit a visit by the IG team. See Appendix I for information on the IG team's country visits.

We prepared this report using the President's Council on Integrity and Efficiency (PCIE) "Quality Standards for Inspections," January 2005.

Methodology

An interagency team representing the Offices of Inspectors General of DOS and DoD carried out this assessment. From March 2008 through July 2009, the IG assessment team:

- Reviewed public law, presidential directives, and agency policy governing funding and implementation of the Section 1206 program.
- Conducted interviews with U.S. government officials responsible for the program, including representatives of subordinate agencies within the DoD and DOS. Specifically, we conducted site visits and interviews at:
 1. Principal Deputy Under Secretary of Defense (Policy);
 2. Joint Staff, J5;
 3. Defense Security Cooperation Agency;
 4. CENTCOM;
 5. SOUTHCOM;
 6. SOCOM;
 7. EUCOM and AFRICOM;

8. PACOM;
 9. DOS Office of Policy, Plans, and Analysis, Bureau of Political-Military Affairs;
 10. DOS Office of the Director of Foreign Assistance;
 11. DOS Assistant Legal Adviser for Legislation and Foreign Assistance; and
 12. DOS regional offices and country desks.
- Visited U.S. and Embassy personnel and facilities in partner nations, to include:
 1. Dominican Republic,
 2. Georgia,
 3. Indonesia,
 4. Lebanon,
 5. Nigeria,
 6. Panama,
 7. Sao Tome and Principe (Gabon), and
 8. Sri Lanka.
 - Conducted exit briefs with senior officials of the Departments of Defense and State to obtain their comments on preliminary results.

Prior Coverage

The Government Accountability Office performed a review of the Section 1206 program between September 2006 and February 2007 (GAO 07-416R). Its report determined that coordination did not occur consistently between the COCOMs and embassy country teams. The COCOMs and embassy country teams reported better coordination in the formulation of FY 2007 Section 1206 project proposals. The DOS and DoD joint assessment confirmed that coordination between the COCOMs and embassy country teams had improved.

In February 2008, the Office of Global Affairs in the Office of the Secretary of Defense requested analytical support from the Center for Strategic Studies of the CNA Corporation (CNA). The CNA analysis included an assessment of the operational impact of Section 1206 funded projects on selected countries. The CNA study team visited Lebanon, Pakistan, Sao Tome and Principe, and Yemen. The CNA draft report did not provide conclusions or recommendations.

In August 2008, the Congressional Research Service issued a report, *The Department of Defense Role in Foreign Assistance: Background, Major Issues, and Options for Congress* (Order Code RL34639). This report, in its appendix, reviewed the findings of previous studies but did not make any independent judgments.

The Office of the Inspector General of the Department of Defense issued a classified report, "Assessment of DOD-Managed Programs in Support of the Government of Pakistan," report number SPO-2009-004 (U), dated May 20, 2009.

Appendix D Interim Report



**U.S. Department of State and
U.S. Department of Defense**



July 1, 2008

MEMORANDUM FOR PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
FOR POLICY
DIRECTOR, JOINT STAFF
ASSISTANT SECRETARY OF STATE FOR POLITICAL MILITARY
AFFAIRS

SUBJECT: Interim Report: Interagency DoD/DOS Evaluation of the Section 1206 Global Train and Equip Program (Project Number D2008-DIPOE3-0008)

We are providing this interim report for information and potential management actions, as appropriate. We plan to issue the final report in September 2008. Management comments to this interim report are optional.

Section 1206 of the National Defense Authorization Acts for Fiscal Years 2006 and 2007¹ authorized DoD to obligate up to \$200 million in FY 2006 and \$300 million annually in FYs 2007 and 2008. Funding is for training, equipment, and supplies to foreign military forces to bolster their abilities to combat terrorism or to cooperate with the U.S. military in stabilization or other military operations. As of FY 2007, 44 countries were participating in the Section 1206 program.

On March 14, 2008, the Departments of Defense and State Offices of the Inspector General announced this interagency project to evaluate the implementation of Section 1206 (Attached). After consultation with DoD and DOS offices, the team interviewed the appropriate combatant commands' (COCOMs) staffs. The team conducted site visits to seven Section 1206 partner nations--Indonesia, Sri Lanka, Panama, Dominican Republic, Georgia, Nigeria, and Sao Tome and Principe. Planned site visits in the Central Command region are contingent on security considerations. (Note: Another DoD IG team evaluated the Section 1206 program in Pakistan as part of another project. A separate report will include the results of that evaluation.)

Preliminary Observations:

1. Section 1206 is a "good news" initiative that can benefit by transitioning from a temporary to a permanent authority.

- a. The Section 1206 program is a valuable tool. Country teams and partner nation officials interviewed for this evaluation have high praise for the program. We observed that:

¹ Pub. L. 109-163, section 1206 (2006); Pub. L. 109-364, section 1206 (2006)

- Countries receiving Section 1206 supplies, equipment, and training are making notable progress in their abilities to control their own borders and ungoverned spaces and strengthen their defenses against terrorism, drug trafficking, and other unlawful activities.
- Approved projects address high priority operational needs of partner nations and long-term COCOM regional strategies.
- Section 1206 generates positive bilateral cooperation, interactions, and relationships.
- The project selection and approval process includes a legal review at all levels.
- There was no evidence of any failure to meet statutory requirements.

b. Section 1206 differs from other foreign military assistance programs, such as Foreign Military Finance (FMF) and International Military Education and Training programs, which are managed and funded by DOS and executed by DoD. Section 1206 is the first major DoD authority for training and equipping foreign military forces. Patterns of involvement vary among the country teams. Overall program management is succeeding with excellent participation and close cooperation, bottom-up and top-down, both in DoD and DOS.

c. Section 1206 does not authorize assistance for training, equipping, or supplying non-Ministry of Defense (MOD) forces. In some countries, other security forces are used to combat terrorism; such forces include coast guard, gendarmerie, constabulary, internal defense, homeland defense, and other forces. The team concluded that extending section 1206 to security forces outside the ministries of defense would be beneficial.

d. The DoD and DOS effectively managed the selection of Section 1206 projects; however, lack of defined roles, responsibilities, and authorities for implementing the Section 1206 program diminished program efficiency. Because Congress authorized 1206 as a temporary program, DoD and DOS provided limited guidance, planning, and human resources to manage the Section 1206 program. Consequently, the team encountered improvised procedures.

2. One of the policy goals for Section 1206 is to provide country teams and their partner nations the means to respond to time-sensitive, emerging threats or opportunities.

Timeliness is a key factor in the section 1206 process. Interviewees stated that:

- The mandatory use of the Defense Transportation System impedes timely delivery of equipment and supplies.
- Other delivery options are available to meet the urgent needs of the Section 1206 program.
- Procedure, process, and staffing issues at the Defense Security Cooperation Agency and its institutional use of the Foreign Military Sales process impede execution of Section 1206 projects.

3. The program lacks opportunities for beneficial interaction between U.S. military personnel and the militaries of partner nations. Such interaction could serve to promote the goals of the Section 1206 program. The short period between the obligation of funds and the end of the fiscal year limited the ability of U. S. military personnel to participate in Section 1206 projects. As a result, there may be too much reliance on contractors in the execution of Section 1206 projects. Consequently, the benefits of military-to-military interaction are lost, including the long-term advantages of mentorship, role-modeling, credibility, and rapport. Greater U.S. military personnel involvement in training activities would strengthen the program's ability to convey to foreign militaries such values as "observance and respect for human rights and fundamental freedoms and for legitimate civilian authority," as required by Section 1206². The policies and procedures for such programs as Joint Combined Exchange Training and Requests for Forces could be considered to enhance military-to-military engagements.

Preliminary Recommendations:

1. Continue to seek legislative support for permanent Section 1206 authorization that includes multi-year funding and the authority to provide this assistance to non-MOD security forces. If Section 1206 authority is extended beyond FY 2008, publish departmental directives to codify program roles, responsibilities, authorities, and instructions for program management.
2. Re-engineer the process for managing Section 1206 projects to streamline the procurement and shipping procedures and timeliness standards.
 - Revise the requirement that Section 1206 projects must use the Defense Transportation System. Develop alternative sources and cost-effective options for the delivery of equipment and supplies.
 - Review the staffing levels for the FMS process and reallocate resources to ensure fast processing of approved Section 1206 projects.
 - Analyze and manage the program continually to minimize or eliminate impediments to timeliness. While retaining the checks and balances of the FMS process, management should consider establishing a streamlined, focused approach to delivering Section 1206 items in a more timely manner.
3. Release Section 1206 funds earlier in the fiscal year to allow U.S. military forces to travel and participate in the training and equipping of partner nations using current year funding. (Multi-year funding would accomplish the same purpose.) Establish Joint Combined Exchange Training (JCET)-and Request for Forces (RFF)-type policies and procedures to enhance participation of military personnel in promoting military-to-military interface with partner nations.

² Pub. L. 109-163, section 1206(b)(2)(2006).

We appreciate the courtesies and cooperation of Departments of Defense and State personnel during the conduct of this evaluation. The team would be pleased to discuss its findings with you at your convenience. The program manager is Colonel Elias Nimmer at DoD IG (703-604-9114, DSN 664, elias.nimmer@dodig.mil). The Deputy Program Manager is Mr. Richard English at DOS IG (703-284-2747, 703/604-8850, englishr@state.gov, richard.english@dodig.mil).



Wm Brem Morrison, III
Department of Defense
Assistant Inspector General
for Inspections and Evaluations



Robert B. Peterson
Department of State
Assistant Inspector General
for Inspections

Attachment:
(As stated)

cc:
Combatant Commanders
Defense Security Cooperation Agency

Appendix E Security Assistance Organizations and Security Assistance Officers

The SAOs are ordinarily located within a U.S. embassy. SAO is a generic term. DoD and DOS use this term for all organizations, regardless of actual name or size, that are located within overseas U.S. missions and have the responsibility of carrying out security assistance functions under the Foreign Assistance Act and the Arms Export Control Act. These functions include FMF, IMET, and EDA.

The formal, official names of these organizational units vary from embassy to embassy. In some 60 European, East Asian, African, and other countries, the name is Office of Defense Cooperation (ODC). In the Dominican Republic, the name is the U.S. Military Assistance Advisory Group. In all, there are twenty titles for these organizations. In most cases, diplomatic agreements between the USG and the host government established the titles. Local political sensitivities can influence the designation.

DoD applies the term “security assistance officer” (also SAO) to its personnel who are assigned to security assistance organizations. This report uses the term “SAO” to refer not only to the organization but also to the personnel who perform the principal functions of these offices. Embassies often have Defense Attaches as well as SAO’s.

The SAO acts as the primary interface with the host government on security assistance issues. The SAO is under the direction and supervision of the U.S. ambassador or other chief of mission. The SAO, by DoD policy (DoDD 5132.3), is under the command and supervision of the area combatant commander in matters that are not the responsibilities or functions of the ambassador. This includes promotion and execution of the combatant commander’s theater security cooperation strategy for that country. On security and other issues, the SAO acts as an advocate for host government concerns and interests to the USG. The SAO, however, has the responsibility to advance U.S. foreign policy goals under the ambassador. The SAO is the link that ensures compatibility of DoD and DOS policies. The SAO plays a key role in the development, selection, and implementation of Section 1206 projects.⁴⁵

⁴⁵ *The Management of Security Assistance*, (27th ed., Wright Patterson Air Force Base: Defense Institute of Security Assistance Management, Oct. 2007) pp. 4-1—4-3.

Appendix F Sanctions, Human Rights, and Section 1206

Limitations on Foreign Security Assistance

United States' laws restricting foreign security assistance apply to Section 1206 projects. These laws affect the proposal, selection, execution, and implementation phases of the projects. Ordinarily, ambassadors and country team members are aware of the laws and restrictions that apply to U.S. foreign security assistance for their respective countries. Likewise, COCOM officials should know these laws as they apply to the countries in their areas of responsibility. As required, relevant embassy and COCOM personnel should consider applicable laws and restrictions related to human rights and sanctions before submitting Section 1206 proposals.

With regard to human rights, the State Department's Bureau of Democracy, Human Rights, and Labor (State/DRL) monitors the human rights records of all foreign countries. Each year, State/DRL publishes a 5,000-page report on human rights conditions for over 190 countries. Consequently, the DOS can readily determine whether a particular country is eligible for security assistance. The IG team concluded that the State/DRL information resource facilitates the human rights reviews for Section 1206 projects.

For Section 1206 projects, legal restrictions may apply to partner nations and affect the review and implementation processes. For example, Thailand's military coup in 2006 prevented implementation of the approved project before the end items could be delivered. Section 1206 funded CT projects in Sri Lanka in FY 2006 and FY 2007. In FY 2008, responding to concerns about Sri Lanka's human rights record, Congress imposed specific restrictions on Sri Lanka designed to encourage the island nation to improve its human rights record and bring human rights abusers to justice. These restrictions were included in the FY 2008 Department of State, Foreign Operations, and Related Programs Appropriations Act.⁴⁶ As a result of these restrictions, Sri Lanka is ineligible for Section 1206 funding, unless the Secretary of State certifies to Congress that certain conditions relating to human rights have been met. However, the law allows the U.S. to provide technology or equipment for the limited purposes of maritime and air surveillance and communications. In addition, a separate provision of law restricts assistance to the government of a country where there are governmental armed groups that recruit or use child soldiers. Because of the Sri Lankan government's support for certain militia groups that used child soldiers, this restriction was also considered applicable.⁴⁷

Section 1206 has provided ambassadors with an additional diplomatic tool to confront and remedy human rights issues. In the affected partner nations, leaders are apt to be more cooperative in addressing human rights issues and work to resolve problems when

⁴⁶ Section 699G, Division J, Consolidated Appropriations Act, 2008, (Pub. L. 109-161) (2007).

⁴⁷ Ibid.

there is a potential for security assistance. One ambassador said, “Section 1206 funding is my linchpin to ongoing negotiations for resolution of human rights issues.”⁴⁸

However, in Indonesia the IG team heard complaints from embassy and partner nation officials, about the requirements about the vetting of military personnel proposed for U.S.-sponsored training. The Leahy amendment prohibits the U.S. government from providing military or other assistance to foreign security forces *units* if the State Department has credible evidence that such *unit* has committed gross violations of human rights.⁴⁹ The prohibition does not apply if the Secretary of State determines that the government of that country is taking effective measures to bring the responsible members of the security forces unit to justice. Countries may remain eligible for assistance; while, certain units may not benefit from that assistance. Indonesian officials claimed that prospective trainees were required to complete extensive paperwork and that the vetting took as long as two months to complete. Although U.S. procedures require embassies to do “due diligence” in vetting proposed military trainees, it is reported that the State/DRL and regional bureaus often complete the Washington vetting in less than ten days. Resolving these issues extends beyond the Section 1206 program and is beyond the scope of this evaluation.

How Limitations Legally Apply to the Section 1206 Program

The Section 1206 legislation establishes the following prohibitions and limitations:

- **Prohibitions:** “ASSISTANCE OTHERWISE PROHIBITED BY LAW - The Secretary of Defense may not use the authority in subsection (a) [to provide assistance under Section 1206] to provide any type of assistance described in subsection (b) that is otherwise prohibited by any provision of the law.”⁵⁰

This provision is a prohibition on the *types of assistance* that Section 1206 authorizes. Even though the country itself is eligible for development assistance or security assistance, DoD may not be able to provide certain types of security assistance to that country.

- **Limitations:** “LIMITATION ON ELIGIBLE COUNTRIES - The Secretary of Defense may not use the authority in subsection (a) to provide assistance to any foreign

⁴⁸ See Appendix F for an explanation of these provisions.

⁴⁹ Emphasis added. The Leahy Amendment has been included in appropriation bills since 1996 and is now incorporated into the Foreign Assistance Act. Foreign Assistance Act of 1961, sec.620J, as added by the Consolidated Appropriations Act, 2008, Pub. L. 110-161, Section 651(2007), codified at 22 U.S.C. Section 2378d (2008).

⁵⁰ National Defense Authorization Act for Fiscal Year 2006, Pub. L. 109-163, sec. 1206(c)(2), Section 1206(c)(3) (2006), as amended by John Warner National Defense Authorization Act for Fiscal Year 2007, Section 1206(a)(2)(B)(ii)(2006), codified at 22 U.S.C Section 2378d (2007).

country that is otherwise prohibited from receiving such type of assistance under any other provision of law.”⁵¹

This provision is a limitation on the *eligibility of countries*, as determined by other laws. It means that any country ineligible for other similar types of security assistance, such as FMF and IMET, is ineligible for Section 1206 projects.

These two provisions make previously enacted prohibitions and limitations on other security assistance programs and other forms of foreign assistance applicable to the Section 1206 program. The prohibitions and limitations are found in the Foreign Assistance Act, the Arms Export Control Act, laws that stand alone outside any larger statutes, and restrictions in annual appropriations acts that apply to foreign assistance funded by the act.⁵²

Examples of Legal Restrictions

Restrictions on foreign assistance change over time. Countries are subject to different restrictions based on the facts as events occur and conditions change. Therefore, the DOS does not have an enduring, comprehensive checklist because of the dynamic nature of the geo-political world. Some examples, however, indicate the nature and range of those restrictions.

An example of a restriction on *types of assistance* is the prohibition of military assistance, defense export licenses, and the sale or transfer of “cluster munitions or cluster munitions technology” unless conditions on the quality and use are met.⁵³

Other examples of the limitations imposed on *eligible countries* are:

- the prohibition against assistance to any government which engages in a consistent pattern of gross violations of international recognized human rights, subject to certain exceptions;⁵⁴
- the prohibition against assistance to countries in which the duly elected head of government has been deposed by a military coup or decree, with exceptions;⁵⁵

⁵¹ National Defense Authorization Act for Fiscal Year 2006, Pub. L. 109-163, sec. 1206(c)(2), Section 1206(c)(3) (2006), as amended by John Warner National Defense Authorization Act for Fiscal Year 2007, sec. 1206(a)(2)(B)(ii)(2006), codified at 22 U.S.C Section 2378d (2007).

⁵² It is possible that some statutes restricting the eligibility of countries or certain types of assistance would apply to the Section 1206 program on their own terms and would not need the two quoted provisions from Section 1206 to apply to the program. Thus, some provisions of law restrict the provision of assistance “under any Act” and would restrict 1206 assistance even without the provisions cited above.

⁵³ Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (Div. J, P.L. 110-161), sec. 646.

⁵⁴ Foreign Assistance Act of 1961, as amended, sec. 502B codified at 22 USC Section 2304(a)(2).

⁵⁵ Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (Div. J, P.L. 110-161), sec. 608.

- the restrictions against assistance to countries that have military or other forces that recruit or use child soldiers;⁵⁶
- the prohibition against assistance to countries that have failed to take necessary and significant steps to apprehend and transfer persons who have been indicted for war crimes to the International Criminal Tribunal for the former Yugoslavia;⁵⁷
- the prohibitions against assistance to countries that have expropriated the property of United States persons without compensation;⁵⁸ and
- the restrictions on assistance to countries in default on payments of loans by the United States.⁵⁹

Restrictions on assistance to countries that directly or indirectly support terrorism include:

- the prohibition on assistance to governments supporting international terrorism;⁶⁰
- prohibitions against assistance to countries that aid terrorist states;⁶¹ and
- the prohibition against bilateral assistance to countries that grant “sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism.”⁶²

In addition, there are trafficking in persons (TIP) considerations. The TIP laws stipulate that the President may make determinations that will result in the withholding of “nonhumanitarian, nontrade-related assistance.”⁶³

For Sri Lanka, there are country-specific limitations which prohibit the use of the FMF Program, defense export licenses, and the transfer or sale of military equipment or technology. These limitations remain in effect unless the SecState certifies to the Congress that the government of Sri Lanka is:

- suspending and bringing to justice any members of the military who are alleged to have committed gross violations of human rights, including complicity in the recruitment of child soldiers;

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ 22 U.S.C. Section 2370(e)(2007) and 22 U.S.C. Section 2370a (2007).

⁵⁹ Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (Div. J, P.L. 110-161) sec. 612.

⁶⁰ 22 U.S.C. Section 2371(2007).

⁶¹ Ibid.

⁶² Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (Div. J, P.L. 110-161), sec. 626.

⁶³ 22 U.S.C. Section 7107 (2007).

- providing access to humanitarian organizations and journalists; and
- agreeing to a field presence of the Office of the United Nations High Commissioner for Human Rights.

Note: This provision exempts “technology and equipment made available for the limited purposes of maritime and air surveillance and communications.”⁶⁴

⁶⁴ Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (Div. J, P.L. 110-161), sec. 699G.

Appendix G FMF, IMET, and Section 1206 Funds, FY 2003-2007

As demonstrated in Table 8, in all but one case, the partner nation received more security assistance in Section 1206 funds in two years than it received in FMF or IMET funds over five years. The only exception is Georgia. In five cases, Indonesia, Lebanon, Nigeria, Sao Tome and Principe, and Sri Lanka, Section 1206 funds exceeded FMF and IMET combined over the preceding five years.

Table 8. Survey of Country Military Assistance FY 2003 through FY 2007 (\$000)

Country	Fiscal Year	FMF	IMET	Section 1206
Dominican Republic	2003	300	570	N/A
	2004	2,000	973	N/A
	2005	992	1,194	N/A
	2006	941	1,328	7,200
	2007	725	1,048	500
Georgia	2003	6,900	1,184	N/A
	2004	12,000	1,228	N/A
	2005	11,904	1,413	N/A
	2006	11,880	1,275	0
	2007	9,700	1,160	6,500
Indonesia	2003	0	276	N/A
	2004	0	599	N/A
	2005	0	728	N/A
	2006	990	938	18,400
	2007	6,175	101	28,700
Lebanon	2003	0	700	N/A
	2004	0	700	N/A
	2005	25,950	809	N/A
	2006	3,713	752	10,500
	2007	224,800	905	30,600
Nigeria	2003	0	96	N/A
	2004	0	0	N/A
	2005	0	0	N/A
	2006	990	792	6,500
	2007	1,000	696	900
Panama	2003	990	209	N/A
	2004	2,000	558	N/A
	2005	992	955	N/A
	2006	990	894	7,200
	2007	775	677	0
Sao Tome and Principe	2003	500	180	N/A
	2004	0	188	N/A
	2005	0	194	N/A
	2006	0	289	3,400
	2007	0	120	400
Sri Lanka	2003	0	307	N/A
	2004	2,495	553	N/A
	2005	496	461	N/A
	2006	990	529	10,800
	2007	990	483	7,400

Source: Department of State, Annual Human Rights Reports, FYs 2003-2007.

Appendix H Lebanon Case Study

Introduction

This study examines the issue of tracking the status of Section 1206 projects. The IG team selected the approved projects for Lebanon for FYs 2006 and 2007 to analyze the information flow between DSCA and the SAO. Background information and management comments were solicited from DSCA and the SAO. Although the scope of this study is confined to the Lebanon cases, the IG team observed that the systemic indicators may be applicable to the overall management of the Section 1206 program.

Lebanon—FY 2006 and FY 2007 Case Files

Tables 9 and 10 summarize the case files for Lebanon for FYs 2006 and 2007.

In May 2008, DSCA provided a status report on Section 1206 projects to the Offices of the Under Secretary of Defense for Policy and the Joint Staff J-5. Derived from that status report, these tables list pertinent details for each of the cases. The DSCA information is printed in black font. (Note: The figures, below the lined-out figures, in green in the second column, “Case Value,” are DSCA-adjusted case values.)

At the request of the IG team, the SAO in Lebanon examined this report and commented on DSCA’s representation of the case values and current status of each case. The entries in blue represent information provided by the SAO, which was updated in March 2009.

**Table 9. Deliveries to Lebanon in FY 2006--Program Value \$10,489,390)
(Original data as of August 2008 and updated by SAO as of March 2009)**

Case ID	Case Value	Amount Not Obligated	Model/ Description	Final Shipment	Current Status
B4-B-AAC	\$3,360,000	\$0	Vehicle spares for 5-ton trucks	Nov-08	90% shipped. Did not receive the list of parts in contract to compare with parts delivered.
B4-B-AAD	\$2,304,960 \$1,308,160	\$996,900	M113 APC spare parts	Aug-08	94% shipped. Did not receive the list of parts in contract to compare with parts delivered.
B4-B-AAE	\$2,363,200	\$0	CUCV spare parts	Shipped	Delivered. Did not receive the list of parts in contract to compare with parts delivered.
B4-B-AAF	\$1,129,787 \$404,787	\$725,000	UH-1H spare parts	Shipped	Delivered. Did not receive the list of parts on contract to compare with parts delivered.
B4-B-ABE	\$1,331,443 \$958,443	\$337,000	UH-1H spare parts	Shipped	Delivered. Did not receive the list of parts in contract to compare with parts delivered.

Source: Lebanon Security Assistance Office

Acronyms: APC = Armored Personnel Carrier
CUCV = Commercial Utility Command Vehicle
UH-1H = Bell Huey Helicopter

Inspection of this data highlights information disparity between DSCA and the SAO. The SAO's recurring comment is that they did not receive the list of parts on contract to compare with parts delivered.

**Table 10. Deliveries to Lebanon in FY 2007--Program Value \$30,397,343
(Original data as of August 2008 and updated by SAO as of March 2009)**

Case ID	Case Value	Amount Not Obligated	Model/ Description	Final Shipment	Current Status
B5-B-AAC	\$6,939,107	\$0	Ammunition	Shipped	100% shipped. Complete shipment received
B5-B-IAD	\$1,029,879	\$0	EDA Transportation	NA	Transportation arranged. Completed.
B5-B-AAE	\$5,500,000	\$4,123,000	UH-1H spare parts	May-08	62% shipped. Total cost of items received, in-country, was \$598,303.
B5-B-AAH	\$500,000	\$0	M4 and M16 spares	May-08	50% shipped. Did not receive the list of parts on contract to compare with parts delivered.
B5-B-OAF	\$399,000	\$0	Training program site survey	NA	Survey complete, recommendations integrated into LAF modernization plan
B5-B-AAI	\$4,440,000	\$0	Wheeled vehicle spares	Oct-09	90% shipped. Did not receive the list of parts on contract to compare with parts delivered.
B5-B-AAJ	\$3,070,000	\$0	Organizational Clothing and Individual Equipment	Aug-09	In procurement. LAF received 1,900 OTVs and 3,800 plates. Do not have the quantity that was put on contract.
B5-B-ACK	\$204,473	\$0	LOS LAN communications equipment	May-08	In procurement. Received in-country.
B5-B-ADC	\$6,427,884	\$0	Secure comm. equipment; NVGs	Dec-08	Secure communications equipment delivered. No ESD for the NVGs.
B5-B-ADD	\$1,887,000	\$0	SAPI body armor	Sep-08	In procurement. LAF received 1,885 OTVs and 3770 plates. Do not have the quantity that was put on contract.

Source: Lebanon Security Assistance Office

Acronyms:

EDA = Excess Defense Articles

LOS LAN = Line of the Sight Local Area Network

M4, M16 = Types of Rifles

NVG = Night Vision Goggles

UH-1H = Bell Huey Helicopter

ESD = Estimated Shipping Date

OTV = Outer Tactical Vest

SAPI = Small Arms Protective Insert

Specific Case—UH-1H Spare Parts (Case ID: B5-B-AAE)

Examination of this case suggests an observation on the transparency of case values with regard to the timely obligation of O&M funds before they expire at the end of the FY.

According to the Section 1206 LOA for Case B5-B-AAE, the original value of the case was \$5.5 million.⁶⁵ DSCA's records indicated that 62 percent of the helicopter parts authorized in the case was shipped to Lebanon.

However, the SAO's records listed the value of parts received in country as of August 2008 was \$598,000. This equates to 11 percent of the original case value of \$5.5 million. According to Table 10, DSCA reported that \$4,123,000 was not obligated, a condition that represents a lost opportunity to provide the vetted and approved assistance. Therefore, based on the information available, the adjusted case value was \$1,377,000. The IG team concluded that the difference between the adjusted case value and the value of the articles shipped to Lebanon, or \$779,000, was the amount of DSCA surcharge and DTS shipping fees. Because DSCA did not provide the parts list with values and shipping cost, the SAO could not audit and validate inventories and costs. In essence, it cost \$779,000 in fees to deliver \$598,000 of UH-1H spare parts to Lebanon. This disproportionate ratio of administrative and transportation fees compared to the actual value of the equipment delivered implies a lack of cost management effectiveness or worse.

⁶⁵ Letter of Offer and Acceptance, Case number B5-B-AAE, Lebanon, P.L. 109-364, Section 1206 (Non-FMS). Source USASAC, Ft. Belvoir, VA 22060.

Appendix I Country Reports

Introduction to Country Reports

In the spring and summer of 2008, the evaluation team visited seven partner nations on the Section 1206 FY 2006 list and one nation on the FY 2007 list. The projects in these countries were considered sufficiently mature so as to permit an assessment of their respective programs. In preparation for these visits, the IG team met with DoD program managers and points of contact at the Headquarters for Southern Command, Central Command, Pacific Command, European Command, African Command, and Special Operations Command. Moreover, the IG team met with officials at the DOS's regional and functional bureaus, including the Bureau of Political-Military Affairs, the Office of the Director of Foreign Assistance, and the Office of the Legal Adviser.

The IG team divided into two groups. One visited Dominican Republic, Indonesia, Panama, and Sri Lanka. The second group visited Georgia, Lebanon, Nigeria, and Sao Tome and Principe. The IG team did not visit Bahrain, Chad, Yemen, or Pakistan. For Bahrain, the equipment, which had originally been approved for Thailand, had not yet been delivered. Chad and Yemen were considered safety and security risks. Another DoD team reviewed and reported on Pakistan's Section 1206 program—one of several DoD security assistance programs in Pakistan.⁶⁶

⁶⁶ The Office of the Inspector General of the Department of Defense issued a classified report, "Assessment of DOD Managed Programs in Support of the Government of Pakistan," report number SPO-2009-004 (U), dated May 20, 2009.

Dominican Republic

Section 1206 supplied high speed intercept boats and support equipment, communications equipment, and training to the Dominican Republic. The equipment and training were used to help build the nation's ability to control its borders and counter terrorism.

Country	Amount
Dominican Republic	\$ 7.2 million

What the Security Concerns Are

For the Dominican Republic, the security challenges are ungoverned maritime areas surrounding the republic and the insecure border with Haiti. Because their maritime areas in the Gulf of Mexico and the Caribbean are adjacent to the United States, control of these areas is important to the Dominican government and to the U.S. People move freely across the border from Haiti into the Dominican Republic. The Government has waived visa requirements for 33 different countries, of which 13 have links to terrorist organizations or activities. Cuba creates a security risk because weekly flights from Tehran to Havana could link to Cuban flights into the Dominican Republic.⁶⁷

What Capacity Was Needed

To monitor and patrol their coastlines, the Dominican military used lookout stations at 60 shore locations to monitor and patrol coastlines. These lookout stations could not "see" everything; thus, terrorist activity was more likely to go undetected. The military had only two civilian surveillance radars to monitor the air space. According to the Dominican Chief of Navy Operations, the military needs surveillance airplanes that could track maritime vessels and communicate data to intercept boats. The Navy's Chief said that airborne "tracking and vectoring are the tactical pieces needed if the navy is to monitor, control, and govern their boundaries and territories more effectively."



Dominican Republic - Harris Radio Communication Station

(Photo by IG Assessment Team)

⁶⁷ For a discussion of the transnational terrorist threat in the Dominican Republic, see the U.S. Department of State's *Country Reports on Terrorism 2007*, p. 158 (2008), an annual publication mandated by law. See also U.S. Department of State, "Background Note: Dominican Republic," (June 2008).

How the Section 1206 Project Builds Partner Nation Capacity to Counter Terrorism or Participate in or Support Stability Operations

Section 1206 funded equipment and training supports the objectives of the EF program. The EF program is a maritime security assistance program that enhances the capability of Central American and Caribbean partner nations to patrol their sovereign waters and share information. The EF program provided interceptor boats, operation and maintenance training, command and control systems, and a common operating picture to improve maritime domain awareness and interoperability. This key program shares U.S. information on illicit traffickers and builds or improves partner nation's ability to detect and interdict illicit trafficking along their shores.

The Dominican Republic is developing these special units to fight terrorism:

- Counter-Terrorism Unit,
- Frontier Corps,
- Airport Security Unit,
- Customs and Border Unit, and
- Metropolitan Police Force Unit.

What the IG Team Did

The IG team met with the Ambassador, Deputy Chief of Mission, and members of the embassy staff at the U.S. embassy, including the Military Assistance and Advisory Group. The IG team also:

- met with the Chief of Staff of the Navy and key members of his senior staff;
- toured a Section 1206-equipped regional center;
- received a briefing from the Director of Navy Operations;
- conducted a site visit to one operational location—27 de Febrero Naval Base;
- interviewed an intercept boat commander; and
- observed a demonstration of Section 1206 equipment.

What Was Provided Under Section 1206 in FY 2006

Section 1206 provided \$7.2 million in equipment and training during FY 2006, which accounts for almost half of the U.S. security assistance grants for the FY. The equipment included:

- 4 NOR-TECH intercept boats with trailers,
- 4 heavy-duty diesel trucks,

- 4 boat lifts,
- 136 Harris High Frequency (HF)/Very High Frequency (VHF) radios (4 installed on boats),
- 12 transportable base stations,
- 90 handheld radios, and
- 15 manpacks (6 shipboard and 9 standard base stations.)

How the Projects Addressed this Partner Nation's Capability Gaps

The interceptor boats and communications equipment increased their ability to detect and intercept unfriendly vessels. The senior leaders of the Dominican Navy stated that the interceptor boats are very useful in counterterrorist operations.

What the Obstacles Were

There were three delay issues. The most significant obstacle was the delay in delivering the transport trucks for the boats. Four interceptor boats were delivered in FY 2006. Each boat weighed 18,000 pounds, and the military needed trucks to transport the boats to the docks and maintenance areas. Acquisition contracts for the trucks were awarded and paid with FY 2006 funds. At the time of the IG team's site visit, the trucks had not been delivered. The Dominican military informed the IG team that they had developed a work-around with existing vehicles. Since the IG team's visit, we were informed that the trucks were delivered in August 2008.

Another delay involved the construction of the lifts for boat storage and maintenance. Originally, the contract called for the purchase of two floating jet docks, but the navy requested boat lifts to facilitate more efficient maintenance on the hulls. Subsequently, the contractor procured four lifts for the price of two jet docks. Construction of the lifts was delayed because it was difficult to find a contractor to design and install pylons for the lifts. In May 2008, the boat contractor went to the Dominican Republic to help negotiate the manufacture and installation of the pylons for the lifts. This problem has been solved.

The third obstacle involved integrating communications on the interceptor boats. Interoperability of communications systems remains unresolved. The boats are equipped with a maritime HF radio, a crew intercom system, and the Harris VHF radio. Naval officers report difficulties in making these three systems work together. The current radio configuration requires two headsets to communicate. Naval officers would prefer to have one integrated communication headset. When they are making an intercept with the boat operating at full speed and using intercept vectors from a regional control center, the two headset approach complicates coordination among the crews.

What the Status Was

In FY 2007, the Dominicans installed 12 transportable plus 9 standard base stations. The transportable stations are movable with limited required setup, and the Dominican technicians are trained to accomplish the setup tasks. Dominican personnel had completed the training for operation and maintenance of the boats and radios provided by Section 1206. When the IG team visited the Dominican Republic, all equipment on-site was less than one year old. The Dominican military was still learning how to employ and leverage their new capability.

What the Results of the Project's Implementation Were

Improvements Generated by Section 1206

The Section 1206 interceptor boats and communication equipment increased the Dominican Republic's ability to intercept unfriendly vessels. The senior leaders of the Dominican navy stated that the interceptor boats are very useful in counterterrorist activities.

Success in Building the Operational Capability

The U.S. Navy supports the Consistent Network Information System (CNIS) and approved Dominican Republic's participation in the system. CNIS gave the Dominican Republic the ability to monitor suspicious activities, but the military had no intercept capability to take action with that information. Therefore, SOUTHCOM prioritized the intercept boat project as the best opportunity to provide an emerging capability for counterterrorism.

Commitment to Sustaining Capability

The Dominican Republic has a limited national budget and still requires U.S. support to maintain the boats and to supply fuel for operations. Dominican navy officials reported that they had too few personnel to operate their boats on a 24-hour basis, but they are working to increase personnel strength to solve this problem.

Use of the Capability

The Dominican navy has used the capability to intercept criminals. The navy intercepted one boat that carried 250 kilos of cocaine and apprehended two smugglers. Another intercept resulted in the apprehension of illegal Cuban nationals. Without the improved capability to monitor and control territorial waters, transnational terrorists could take advantage of the vulnerabilities exploited by these criminals.

Partner Nation's Perceptions of the Program

The Dominican military officials were not satisfied with their level of involvement on the selection of Section 1206 projects. According to naval leaders, the most urgent need was not boats but the equipment to generate accurate and timely intelligence information to perform intercepts. Dominican representatives stated that before the U.S. makes big investments through the EF program, the U.S. should conduct more bilateral consultations to collaborate on decisions for future equipment, supplies, and training. However, they understood SOUTHCOM's EF regional concept and appreciated the training and new equipment. They were especially pleased with the command, control, communications, and intelligence equipment consisting of the Harris base stations and data links. SOUTHCOM officials stated that EF is a maritime security initiative and therefore cannot be used to purchase intelligence equipment.

Georgia

The Section 1206 program supplied training and communications equipment to Georgia. This funding facilitated the establishment of a new command organized to improve command and control of the combat brigades. The project increased the Georgian military's capacity to conduct stability operations.⁶⁸

Country	Amount
Georgia	\$ 6.5 million

What the Security Concerns Are

Since declaring its independence from the Soviet Union in 1991, Georgia has sought to establish closer diplomatic and military ties with the U.S. and the international community—to include aspirations to join the North Atlantic Treaty Organization (NATO).

However, the Georgians acknowledged to the IG team their inability to engage in multi-level command and control processes, which limits their capacity to conduct combined military operations with the U.S. Armed Forces. The Georgians want to participate with U.S. forces in stability operations and improve their counterterrorist capabilities.⁶⁹

What Capacity Was Needed

According to military officials interviewed, Georgia needed training in military tactics, techniques, and procedures and procurement of a reliable, secure, tactical communications system.

What the IG Team Did

The IG team met with the Deputy Chief of Mission at the U.S. Embassy-Tbilisi and the Georgia Ministry of Defense staff. The IG team also:

- observed a military demonstration at the Combat Engineer base in Gori,
- visited the Saguramo Range east of Tbilisi; and
- interviewed communication soldiers about Section 1206-funded equipment.



Georgia - Civil Defense Map

(Photo by IG Assessment Team)

⁶⁸ Unlike the counterterrorist-focused projects in the other seven countries visited, the Georgian project was designed to build the partner nation's capacity to participate with the United States in stability or military operations. The Georgia project was funded in FY 2007.

⁶⁹ For a fuller discussion of security concerns and Georgia's participation in stability operations, see the U.S. Department of State's Country Reports on Terrorism, an annual publication mandated by law. U.S. Department of State, *Country Reports on Terrorism 2007*, p. 68 (2008). See also U.S. Department of State, "Background Note: Georgia" (September 2008).

What Was Provided Under Section 1206 in FY 2007

Section 1206 program provided \$6.5 million to train and equip select military units—Communications, Special Forces, and Engineering. The aid package included:

- Harris Falcon II HF multi-band communication systems complete with accessories, spare units, and vendor training. The Falcon II is a complete tactical system that processes voice, data, and position information. This common-platform, software-based system meets the increasing need for integrated HF, VHF, and Ultra High Frequency (UHF) communications system and provides interconnectivity among land-based and wireless communications media. The suites include data terminals, base stations, and vehicular and handheld secure personal radios. The Harris Company provided radio installation support and trained Georgian communication specialists to operate the system at a five-week course held at the company's Technical Training Center in Rochester, New York.
- Multiple Integrated Laser Engagement Systems (MILES) and MILES Individual Weapons System (IWS). MILES is a training system that provides a realistic battlefield environment for soldiers involved in training exercises. MILES provides tactical engagement simulation for direct fire force-on-force training using eye safe laser "bullets." Each individual and vehicle in the training exercise has a detection system to sense hits and perform casualty assessment. Laser transmitters are attached to each individual and vehicle weapon system and accurately replicate actual ranges and lethality of the specific weapon systems. MILES training has been proven to improve military capability dramatically.
- Mobile Training Teams (MTTs) for Land Forces Engineer Battalion. Approximately 18 American contractor trainers provided eight weeks of land forces training to Georgia's engineer battalion from February to April 2008.

How the Projects Addressed this Partner Nation's Capability Gaps

EUCOM submitted this FY 2007 train and equip package to help Georgia build the capacity for stability and counterterrorist operations. The Harris radios and training, the MILES system, and MTTs helped Georgian's improve their combat readiness and fighting effectiveness.

What the Obstacles Were

There were delays in training and equipment delivery.

What the Status Was

At the time of the IG team's visit, MTTs had provided defense advisory training to the combat engineer battalion in Gori, and the Georgian military had received partial delivery of the Harris radio communication suites. The Georgians were awaiting the delivery of additional radios and training for the Georgian Special Forces battalion.

What the Results of the Project's Implementation Were

Improvements Generated by Section 1206

The communications equipment and training provided made it possible for the Georgian military to participate with U.S. troops in stability and military operations. Georgia was able to deploy about 850 soldiers to Iraq to support Coalition operations.

Success in Building Operational Capability

The Georgians partnered with a contractor to institute a train-the-trainer program to qualify indigenous instructors to teach operation of the Harris radio systems. They have committed national funds to buy additional Harris radios as standard equipment for their land forces.

Commitment to Sustaining Capability

To ensure that Georgian forces are trained to U.S. and NATO standards, the Georgian government has committed \$6 million in national funds to purchase weapons and ammunition for its Special Forces Battalion.

Partner Nation's Use of the Capability

Georgians are using Section 1206-funded Harris radios to maintain continuous communication with their battalion deployed to Iraq. Prior to the purchase of radios, the Georgians used unsecure cell phones and email to communicate with forward deployed units. Military leaders are developing plans to use the new training and equipment.

Partner Nations' Perceptions of the Program

Senior Georgian officials possessed a clear understanding of the distinctions between Section 1206 and other foreign military assistance programs. Military leaders recognized that the U.S. intended the equipment and training to build capacity and improve Georgia's ability to participate in stability operations with the U.S. military.

At the same time, based on delivery delays, the Georgians contend the Section 1206 equipment delivery process is slow and cumbersome, and the acquisition process needs to be streamlined and more efficient.

Indonesia

The Section 1206 program supplied Indonesia with MDA training and equipment to improve the ability of the Indonesian military to monitor the complex maritime boundaries of this Southeast Asian multi-island nation. The Pacific Command established the MDA program.

Country	Amount
Indonesia	\$ 18.4 million

What the Security Concerns Are

The Strait of Malacca is a major area of concern. It is the narrow passage between Indonesia's island of Sumatra and mainland Malaysia. At Phillips Channel near Singapore, the passage narrows to a width of 1.5 nautical miles. About 60,000 vessels pass through the Strait each year. China and Japan get their oil supplies from tankers that transit the Strait, although the largest tankers follow an alternate route through the Indonesian islands. The commerce that flows through the Strait is a potential target for terrorists.

Indonesia's primary terrorist-related security concerns are the activities of two major terrorist groups—Jemaah Islamiya (JI) and Philippines-based Abu Sayyaf Group. These groups and other terrorist factions can exploit the sea-lanes between Indonesia and neighboring countries to move people and materiel to achieve their terrorism objectives.

According to the Department of State's *Country Reports on Terrorism*, 2007, the Jemaah Islamiya is active primarily in Indonesia and is estimated to have as many as a thousand members. It seeks to establish an Islamic caliphate across much of Southeast Asia. Abu Sayyaf Group is an Islamic terrorist group that seeks to establish an independent Islamic state in the southern Philippines and engages in terrorism primarily for profit. The significance of the Abu Sayyaf Group for Indonesia lies in its relationship with JI and other extremist groups.⁷⁰



Indonesia - Communication Radar Tower

(Photo by IG Assessment Team)

What Capacity Was Needed

Monitoring terrorist activity in the Strait of Malacca required a surveillance system that supported the MDA goals. Indonesia had installed two Integrated Maritime Surveillance Systems (IMSS) stations along the eastern coast of Sumatra. Although the IMSS provided

⁷⁰ For a fuller discussion of terrorism in Indonesia, see the U.S. Department of State's *Country Reports on Terrorism*, an annual publication mandated by law. U.S. Department of State, *Country Reports on Terrorism 2007* pp. 35-37, and 285 (2008). See also U.S. Department of State, "Background Note: Indonesia" (September 2008).

Indonesia with a capability to monitor two strategic points along the Strait, Indonesia needed additional IMSS stations to provide continuous coastal surveillance.

How the Section 1206 Project Builds Partner Nation Capacity to Counter Terrorism or Participate in or Support Stability Operations

Indonesia's Section 1206 project for FY 2006 expanded their MDA capability to monitor, detect, document, and interdict transnational terrorist operating in the Strait of Malacca. The system provides Indonesia with an enhanced capability to collect critical information about transnational terrorism, act upon it, and share the information with the international community.

What the IG Team Did

The IG team met with the Deputy Chief of Mission at the U.S. Embassy—Jakarta and the Office of Defense Cooperation staff. The IG team also:

- met with Indonesia's Chief of Navy Operations and the Secretary of Naval Research and Development;
- toured the facilities of the Section 1206 equipment supplier and contractor—Techno-Sciences, Inc. (TSI);
- received a project status briefing from TSI's in country manager; and
- conducted a site visit to the Batam Navy Station, where the IG team interviewed the commander and saw a demonstration of Section 1206-funded equipment at the Batam Regional Control Center.

What Was Provided Under Section 1206 in FY 2006

The Section 1206 program provided \$18.4 million for training and equipment to support the MDA strategy:

- 8 IMSS with X & S band radars, cameras, and an automatic identification ship (AIS) tracking system;
- 7 X-band ship radars (with installation);
- Upgrade of the navy headquarters' high frequency radio;
- Development of a CONOPS; and
- Spare hardware for two additional IMSS and a training, logistics, and technical assistance package.

How the Projects Addressed this Partner Nation's Capability Gaps

The Section 1206 program allowed its navy to add two more IMSS stations in the area near Singapore. The Automatic Identification System, the ship tracking system, is similar to Identification Friend or Foe Systems (IFF) for aircraft, but is adapted to commercial ships. The International Maritime Organization requires ships over 300 tons to be equipped with AIS.

What the Obstacles Were

Implementation of Section 1206 projects faced a series of obstacles. At first, internal political sensitivities and concerns dampened the Indonesian government's interest in the program. Elements of the Indonesian government were uncertain about U.S. intentions in supporting the installation of the monitoring equipment.

After U.S. diplomacy resolved these initial concerns, other obstacles included:

- Acquisition of land for proposed sites;
- Identification of funds for site construction;
- Capacity to operate the project sites—facilities, manpower, utilities, and infrastructure;
- Processing of operational information; and
- Compliance with human rights reviews for trainees.

Another obstacle was getting the IMSS equipment through Indonesian customs. As a remedy for this problem, the Indonesian military invited customs officials to attend a program review of the Section 1206 program and emphasized the need to expedite the customs process. This communications outreach initiative succeeded in enhancing cooperation between customs and the military.

Another problem was interoperability—the new equipment was not compatible with existing IMSS systems. However, the Indonesian navy developed a program to retrofit the old system to communicate with the Section 1206 equipment. The navy was not completely satisfied with the capability of the radar because of its limited range, but found it useful. To increase their range, they plan to request future Section 1206 and FMF assistance to extend their land-based surveillance system to include shipboard and aircraft platforms.

Installation was originally scheduled to begin on October 1, 2007. However, these obstacles delayed the start of the project until February 2008.

What the Status Was

At the time of the IG team's visit in May 2008, all the equipment necessary to establish eight sites had been delivered. The navy had approved the installation of two IMSS stations and initiated operational activities.

What the Results of the Project's Implementation Were

Improvements Generated by Section 1206

The base commander at Batam Island stated that the IMSS had given his unit heightened capability to fulfill his unit's mission to monitor and secure the Strait of Malacca.

Success in Building Operational Capability

Indonesia has demonstrated that they can install and operate the IMSS system. However, their capability covers only a fraction of Indonesia's maritime frontier.

Commitment to Sustaining Capability

The embassy's country team and PACOM are working to get technical and logistics support through the FMF program to sustain FY 2006 and FY 2007 projects through the end of FY 2010. The Indonesian military is also working to get national funds to sustain the project in the out-years. The Indonesian military submitted a request for funds to provide critical spare parts in their five year budget. The IG team was told that the budget is very limited, and approval is problematic.

As an interim measure, the SAO agreed to support the replacement of magnetrons for three more years. The magnetrons need to be replaced after one year of operation. The SAO has submitted an FMF request for \$12.5 million. A small portion of this request will be to replace the magnetrons. Additionally, these funds will pay two subject matter experts to assist with the radar and its installation. The project will use about \$2.3 million to develop a fusion-correlation algorithm for the data links and \$2.3 million for maintenance parts and labor, headquarters and communications support, and shipboard systems maintenance support with parts and labor. A proposed \$4.5 million would provide the same type of support for FY 2009, plus a network improvement and upgrades project, with an increase to \$6.4 million for FY 2010.

Partner Nation's Use of the Capability

The Section 1206-provided equipment has not yet been used for counterterrorist operations. The base on Batam Island, however, used it to detect and respond to a ship that ran aground. The base commander said that the publicity in the media about this capability should serve as a deterrent to potential terrorists and other threats to Indonesia's national security.

Partner Nations' Perceptions of the Program

Although Indonesia was initially skeptical regarding the intentions of the U.S. in sponsoring the Section 1206 program, government officials regard the IMSS training and equipment as a significant contribution to help the armed forces monitor its maritime boundaries.

Lebanon

Section 1206 was used to supply Lebanon with helicopter and vehicle spare parts and ammunition. The LAF used these supplies to improve their mobility and operational functions and to conduct counterterrorist operations in northern and southern Lebanon—specifically the battle of Nahr al Barid, operations against Ansar al Islam and Fatah al Islam terrorists, and operations in support of the U.N. Security Council Resolution 1701, and other internal conflicts. The IG team identified problems with procurement and delivery of equipment purchased with Section 1206 funds.

Country	Amount
Lebanon	\$ 10.5 million

What the Security Concerns Are

Lebanon's primary security concerns are control of the northern and southern borders and containment of extremist groups embedded in more than 30 Palestinian refugee camps throughout Lebanon.

Lebanon's history since independence in 1943 is marked by alternating periods of political turmoil and relative prosperity. The Israeli military withdrew from south Lebanon in 2000, but Hezbollah—a terrorist organization supported by Syria and Iran—continued to launch operations against Israel from Lebanon's side of the border. Syria exerted a controlling influence on Lebanese politics until 2005, when anti-Syrian elements won control of the government. Syria subsequently withdrew their military forces from Lebanon.⁷¹

What Capacity Was Needed

Historically, the U.S. was the primary supplier of training and equipment to the LAF. However, while Lebanon was under Syrian military domination, the U.S. did not permit spare parts sales or other forms of security assistance. Consequently, when Syria withdrew their forces from Lebanon, the LAF needed spare parts and munitions to improve their capability to defend the nation's borders.



**Beirut Air Base - Helicopters
Awaiting Spare Parts**

(Photo by IG Assessment Team)

⁷¹ For a fuller discussion of terrorism in Lebanon, see the U.S. Department of State's Country Reports on Terrorism, an annual publication mandated by law. U.S. Department of State, *Country Reports on Terrorism 2007*, pp.118-120 (2008). See also U.S. Department of State, "Background Note: Lebanon" (October 2008).

Following fighting between Hezbollah and Israeli forces, the U.N Security Council Resolution 1701 in August 2006 demanded full cessation of hostilities and, among other provisions, called for the dispatch of 15,000 Lebanese troops into southern Lebanon.⁷² Section 1206 funding was used to support Resolution 1701 provisions.

How the Section 1206 Project Builds Partner Nation Capacity to Counter Terrorism or Participate in or Support Stability Operations

The Section 1206 project provided spare parts and ammunition to help the LAF conduct counterterrorist operations against al Qaeda-inspired Ansar al Islam terrorists. The LAF stated that this assistance was a significant contribution to their capability and supported their action plan.⁷³

What the IG Team Did

The IG team met with the Deputy Chief of Mission at the U.S. Embassy-Beirut, the Office of Reconstruction and Stability, the Political-Military Officer, and the SAO and their respective staffs. The IG team also met with:

- the LAF Strike Force Commander,
- the LAF and his deputy at Ministry of Defense headquarters,
- personnel at the logistics brigade and toured logistics facilities,
- the commander and key staff at the ammunitions depot at El Loueize and toured the facility,
- the Commander and key staff of the LAF Air Force, and
- the Commander of Beirut Air Force Base and toured the flightline and helicopter maintenance facilities.

What Was Provided Under Section 1206 in FY 2006

The Section 1206 request for Lebanon was \$10.5 million to fund munitions and vehicle and helicopter spare parts:

- Vehicle spares for 5-ton trucks;
- M113 Armored Personnel Carrier spare parts;
- CUCV spare parts; and
- UH-1H spare parts.

⁷² United Nations Security Council Resolution 1701 (2006), Adopted by the Security Council at its 5511th meeting on August 11, 2006.

⁷³ Commander, Ammunition Depot Supply, Loueize Ammunition Depot, Lebanon, July 1008.

How the Projects Addressed this Partner Nation's Capability Gaps

Section 1206-funded helicopter parts helped the LAF improve their operational readiness rates for combat support and medical evacuation missions. In 2007, the LAF engaged the Fatah al Islam terrorist uprising in the Nahr al Barid Palestinian refugee camp in northern Lebanon. Fighting persisted from May 20 to September 7, 2007, with major casualties on both sides. The LAF prevailed.

What the Obstacles Were

As of July 2008, about 11 percent of the helicopter parts, as measured by value, had been delivered. The IG team determined that some parts listed in the Letter of Acceptance were not ordered. Moreover, all approved funds were not obligated. The SAO expressed concern to the IG team about the lack of feedback from DSCA on the status of the Section 1206 approved project. The LAF logistics staff was aware of the delay in obtaining the parts, but was unaware that the requisition had expired and they would not receive the parts. The IG team made repeated inquiries of DSCA and USASAC to determine the status of the spare parts. Neither office could explain what parts had been placed on contract, what items had been delivered, and whether or not funds had expired.

The Section 1206 program provided Lebanon with EDA five-ton trucks, but it did not provide the manuals for the maintenance and repair of the trucks. Senior Ministry of Defense and LAF leaders singled out this issue as a significant concern. Without manuals, the LAF's ability to operate and maintain the trucks is hampered. The Center for Strategic Studies of the CNA Corporation noted the missing manuals in a report issued in April 2008.

The evaluation team visited the LAF ammo depot at El Loueize and met with the commander. The IG team noted that most of munitions stored at the depot were U.S. made. LAF officials said that they had not received training on munitions handling. The commander of the ammo depot stated that two LAF officers had received ammo management training in the U.S., but that his soldiers were receiving training in Lebanon from French military training teams. LAF officials expressed a preference for U.S. trainers for standardization and consistency.

What the Status Was

At the time of the IG team's visit, the SAO officials reported that they had received only partial shipments of Section 1206 equipment. They could not state with certainty what percentages had been delivered, because DSCA did not provide a list of what parts were ordered.

DSCA reported three of five FY 2006 cases were "delivered," and said that the remaining two cases were 90 percent and 94 percent delivered. The SAO did not agree with this report and noted that for the three cases reported as "delivered," DSCA reduced the case values almost 50 percent from the approved amounts. DSCA did not provide an explanation for the difference. See Table 10, page 63.

The LAF officials described the impact on the fleet of M-113s, Armored Personnel Carriers: “The lack of spare parts and track shoes for the M-113 literally stops the carriers in their tracks.”⁷⁴

The IG team noted a similar problem for FY 2007 Case B5-B-AAE (see Table 10)—spare parts for UH-1H helicopters. The approved value of this case was \$5,500,000. DSCA collected \$178,000 (3.8 percent management fee), plus \$622,597 for DTS, but only delivered parts valued at \$598,303. Apparently, the balance, or \$4,100,543, was not obligated and the funds were allowed to expire.

What the Results of the Project’s Implementation Were

Improvements Generated by Section 1206

Notwithstanding procurement and delivery problems described above, FY 2006 spare parts enabled the LAF to conduct operations in southern Lebanon. Delivery of FY 2007 equipment and supplies facilitated LAF’s success in the Nahr al Barid battle. Section 1206-funded helicopter components and parts increased the operational capacity of the air force fleet by increasing the number of mission-capable helicopters from seven to ten.⁷⁵

Success in Building Operational Capability

The LAF has successfully extended its operations into southern Lebanon and asserted greater control over previously ungoverned spaces and borders. These achievements demonstrate the success of the Section 1206 program in building Lebanon’s operational capabilities.

Commitment to Sustaining Capability

The LAF is developing the institutional capacity to maintain equipment and supplies and manage their defense programs. However, the LAF has a limited budget and requires external assistance for the foreseeable future. A large proportion of the LAF budget goes to pay and benefits. Very little funds remain for investment in war-fighting materiel.⁷⁶

Partner Nation’s Use of the Capability

In the deployment to southern Lebanon and the engagement to the north at Nahr al Barid refugee camp, most Section 1206 ammunition and equipment arrived late in the fight but enabled the LAF to replenish stocks of ammunition and spare parts. Both were counter-terrorism operations. The use of the equipment fulfilled the statute’s purposes.

⁷⁴ Logistics Brigade Commander and staff, LAF, meeting with OIG Evaluation Team, July 2008.

⁷⁵ Wing commander, Lebanese Air Force, Beirut Air Base, July 23, 2008.

⁷⁶ Discussion with LAF officials, July 2008.

Partner Nation's Perceptions of the Program

Senior LAF officers understand how Section 1206 fits within the structure of U.S. security assistance to Lebanon. They have been working with the country team to identify requirements and develop Section 1206 proposals.

At the same time, LAF officers have expressed concern that they need better information about the status of commitments between the time of project approval and the time of assistance delivery. The problem appears to be a lack of visibility and communication between the U.S. military program office and their assigned depot agency, and subsequent reporting with their counterparts in DSCA.

The LAF defined its needed capabilities and missions and established a three-year plan for acquiring the necessary equipment. The goal is to increase operational capability in firepower, command and control, and mobility. The LAF views the Section 1206 program as a means to execute their security and counterterrorist plans.

Nigeria

The Section 1206 projects were proposed to improve Nigeria's capability to execute the Regional Maritime Awareness Capability initiative—a EUCOM initiative designed around a system of coastal radar stations with associated training and equipment to help Nigeria monitor its maritime spaces in the Niger Delta and sea-lanes in the Gulf of Guinea. The RMAC helps Nigeria address its maritime safety and security challenges. Initially, the program encountered delays because the Nigerian government was reluctant to approve this U.S.-proposed initiative.

Country	Amount
Nigeria	\$ 6.5 million

What the Security Concerns Are

Nigeria's principal threat is domestic and transnational terrorism that include Movement for the Emancipation of the Niger Delta, Muslim extremists, and criminals who use Nigeria's ungoverned spaces for illicit activities. Extremist groups launch sabotage and pirating operations against oil facilities in the Delta and the Gulf of Guinea. The prevalence of lawlessness in the ungoverned spaces and borders presents conditions exploitable by terrorists.⁷⁷

What Capacity Was Needed

The Nigerian navy needed a system that could provide continuous coastal surveillance of maritime traffic in the Niger Delta and the Gulf of Guinea.

How the Section 1206 Project Builds Partner Nation Capacity to Counter Terrorism or Participate in or Support Stability Operations

The RMAC program contributes to Nigeria's counterterrorist efforts by providing the navy with the ability to observe, document, and deter transnational terrorist activity in the region. The program also provides a means to collect and share information with the international community.



Nigeria - Support Generator

(Photo by IG Assessment Team)

⁷⁷ For a fuller discussion of security concerns and Nigeria's participation in stability operations, see the U.S. Department of State's Country Reports on Terrorism, an annual publication mandated by law. U.S. Department of State, *Country Reports on Terrorism 2007*, pp. 21-23 (2008). See also U.S. Department of State, "Background Note: Nigeria" (July 2008).

What the IG Team Did

The IG team met with the Ambassador at the U.S. Embassy in Abuja, the Defense Attaché, and the Office of Defense Cooperation (the embassy's security assistance organization). The IG team also:

- met with the Director of Operations and Training, Federal Republic of Nigeria Navy;
- interviewed the Commander, Western Naval District, Federal Republic of Nigeria Navy;
- visited the RMAC Sensor Site at the Western Naval Command, Lagos; and
- toured the RMAC Sensor Site on Victoria Island, Lagos.

What Was Provided Under Section 1206 in FY 2006

The Section 1206 program funded \$6.5 million for hardware, equipment installation, testing, training, and limited maintenance and sustainment. Four RMAC systems were included, each consisting of:

- an AIS antenna;
- a radar;
- an electro-optical/infrared (EO/IR) imaging sensor camera;
- an UHF/VHF radio with commercial encryption; and
- computers, workstations, Line of Sight (LOS)/SATCOM cell phones, and solar panels.

How the Projects Addressed this Partner Nation's Capability Gaps

The RMAC capability gives Nigeria an operational "picture" to locate, identify, track, and intercept suspicious maritime traffic. The training and equipment helps Nigeria address its maritime safety and security challenges.

What the Obstacles Were

In preparing its submission for FY 2006 Section 1206 projects, EUCOM did not collaborate with U.S. Embassy-Abuja. EUCOM, however, briefed the embassy in June 2006 and gained the country team's support prior to congressional notification.⁷⁸

The Nigerian government was reluctant to accept the U.S. RMAC concept. Their initial concerns and the inherent bureaucracy of the government caused a delay in reaching agreement on the project. Nigerian officials complained that the U.S. did not consult

⁷⁸ GAO-07-416R Section 1206 Assistance.

with them during the design and planning stages of the initiative. Consequently, details like the number and location of the proposed radar stations were not determined up-front.

Section 1206 funding provided only 38 percent of the resources for the planned RMAC initiative. Other sources withdrew \$3.1M of their agreed contribution for the program; this resulted in a 40 percent reduction in System Installation Testing and Training, and a 14 percent reduction in System Integration and Demonstration.⁷⁹

What the Status Was

A local contractor has been working with the Nigerian navy to prepare radar sites and other project-related tasks. All parties expressed satisfaction with the arrangement. The contractor had delivered and installed most of the equipment when the IG team visited in July 2008. However, the system was not yet operational.

What the Results of the Project's Implementation Were

Improvements Generated by Section 1206

The radar sites are not yet operational. Bilateral relations are improving because of the coordination and collaboration to implement and execute RMAC.

Success in Building Operational Capability

Installation and training are on-going.

Commitment to Sustaining Capability

Nigeria has the resources to sustain the projects. Nigerian military officials understand the value of the RMAC project. Nigeria's long-term political and financial commitment is unknown.

Partner Nation's Use of the Capability

Nigeria's use of the equipment cannot be determined until it becomes operational.

Partner Nations' Perceptions of the Program

The Nigerian navy is positive about the potential benefits of the RMAC project. Senior officers expressed some criticism of the design and coordination process. Embassy officials told the IG team that the ambassador discussed the project with the Nigerian president, and the ensuing dialogue is a good indicator of improved bilateral communications and cooperation to implement the surveillance system.

⁷⁹ Memorandum for the Record, ECJ8-Q, dated July 2, 2008.

Panama

Section 1206 supplied high speed intercept boats and support equipment, communication equipment, and training. The project helped Panama improve its capability to monitor its borders and ungoverned maritime space and to counter terrorism and other

unlawful activities. However, in 2008, the Chairman of the U.S. Senate Committee on Armed Services sent the Secretary of Defense two letters⁸⁰ expressing the committee's concern for the use of Section 1206 funds for counter narcotics efforts and according to USD(P) officials, DoD and DOS will no longer use Section 1206 projects to support EF-CCA.

Country	Amount
Panama	\$ 7.2 million

What the Security Concerns Are

The primary security challenges for Panama are transnational terrorism, criminal activities, and the potential threat of terrorist attacks against the Panama Canal. The canal is one of the most strategically and economically crucial waterways in the world.

Panama does not have a standing military force. Instead, the country has the Panamanian Public Forces (PPF), which includes the National Air Sea Service (formerly the National Maritime Service), National Police, National Air Service, and the Institutional Protection Service.

Panama participates in the annual, SOUTHCOM-sponsored PANAMAX exercise—an exercise focused on ensuring the defense of the Panama Canal and its neutrality. In 2008 this multinational training exercises involved more than 30 ships, a dozen aircraft, and 7,000 personnel from 20 nations.

Regarding transnational terrorism, evidence indicates that the Revolutionary Armed Forces of Colombia (FARC) has increased its operations across the border and into the Panama's Darien Province. For example, in February 2008, Panamanian police arrested six FARC members near the city of Jaque.⁸¹



**Panama NOR-TECH Boat
With Communication Gear**

(Photo by IG Assessment Team)

⁸⁰ Chairman, U.S. Senate Committee on Armed Services letters, dated September 25, 2008 and October 2, 2008. Note: Both letters refer to Operation Enduring Freedom (OEF) and not Enduring Friendship (EF).

⁸¹ For a discussion of the transnational terrorist threat in Panama, see the U.S. Department of State's Country Reports on Terrorism, an annual publication mandated by law. U.S. Department of State, *Country Reports on Terrorism 2007*, pp. 164-165 (2008). See also "Background Note: Panama," (September 2008).

What Capacity Was Needed

Panama needed secure communications equipment to communicate with their command centers and intercept boats to interdict suspicious maritime traffic.

How the Section 1206 Project Builds Partner Nation Capacity to Counter Terrorism or Participate in or Support Stability Operations

The National Air Sea Service (Servicio Nacional Aeronaval (SENAN)), Panama's coast guard service, conducts activities to observe, document, and deter terrorist activity. Section 1206 provided added capability to coordinate and work with the U.S. Armed Forces and other countries in the region under SOUTHCOM's regional EF program.

What the IG Team Did

The IG team met with the Deputy Chief of Mission at the U.S. Embassy-Panama City and the embassy's Law Enforcement Working Group. The IG team also:

- met with the Director and Sub-Director, SENAN;
- met with the SENAN Operations Officers for the Pacific and Caribbean; and
- conducted site visits to the Panama City and Colon Command Centers and port facilities—interviewed personnel and observed an equipment demonstration.

What Was Provided Under Section 1206 in FY 2006

The Section 1206 program provided \$7.2 million in FY 2006. Training and equipment included:

- 4 NOR-TECH interceptor boats with trailers,
- 4 heavy-duty diesel trucks,
- Harris HF/VHF radios, and
- associated training.

How the Projects Addressed this Partner Nation's Capability Gaps

The Section 1206 program supported the regional EF initiative and focused on the transnational terrorist threat and canal security. The program complements Panama's security strategy and provides needed capacity to their SENAN.

What the Obstacles Were

The PPF is organized under the Ministry of Interior. Before the FY 2009 NDAA, Ministry of Interior forces were initially considered not eligible for Section 1206 grants. However, DoD provided funding in FY 2006 and FY 2007 based on an interpretation that Panama's maritime security forces were functionally a military institution. U.S.

congressional committees opposed FY 2008 Section 1206 funding for Panama, which limited their involvement in the EF program. The FY 2009 NDAA, however, now authorizes “a program or programs. . .to build the capacity of a foreign country’s maritime security forces to conduct counterterrorist operations.”

The SENAN requested advanced technical manuals and training so that they could make complex boat and radio repairs. The basic manuals provided under Section 1206 were inadequate to maintain the boats and radios at a high level of readiness. The contractor for the EF project was creating a web site that would address this issue.

The lack of trained communication officers is another problem. SOUTHCOM said they are coordinating with the country team to request International Military Education and Training funds to support this training requirement.

Delivery of the interceptor boats was delayed. Officials interviewed attributed the delays to the Defense Transportation System process and how payloads are marshaled and scheduled for shipping. Using project funds, SOUTHCOM and the project manager in Fort Myers, Florida, worked outside the DTS scheduling system. As a work-around to the normal DTS process, the project contractor arranged transportation on a Military Sealift Command's “Swift” ship. The pre-taxed DTS charges were not recovered.

What the Status Was

At the time of the team’s visit, Panama received all FY 2006 Section 1206 equipment except for the diesel trucks; however, the trucks have since been delivered. Boat training was completed. The radios were installed and SENAN personnel had completed radio operations and maintenance training. Communications connectivity for both secure and non-secure channels was operational between remote locations to the main communications center in Panama City.

What the Results of the Project’s Implementation Were

Improvements Generated by Section 1206

The country team stated that the Section 1206 program was faster than FMS, more responsive, and supported Panama’s needs. In addition, it gave the embassy leverage to further U.S. strategy and strengthened bilateral objectives. The country team is working closely with the U.S. Navy to incorporate Panama into future training and military exercises. These exercises are not part of the EF program, but they provide additional options to build Panama’s capabilities.

Success in Building Operational Capability

At the time of the IG team’s visit, SENAN had not completed their concept for operations; therefore, use of the boats was minimal. Panama requested additional training to achieve full operational capability.

Commitment to Sustaining Capability

The U.S. is providing FMF funds for additional equipment. Panama plans to award a contract to assist with equipment maintenance to make up for a lack of personnel trained in maintenance. In addition, the SENAN developed an in-house training program to expand its capability and ensure continuity.

Partner Nation's Use of the Capability

At the time of the IG team's visit, Panamanian use of the boats was minimal. However, SOUTHCOM officials stated that EF assets are actively utilized to patrol and conduct interdictions. The Panamanians effectively are improving their communications network between SENAN locations.

Partner Nations' Perceptions of the Program

Both the country team and SENAN personnel believe that the program is very important and meets an essential need. Panamanian officials recognize the security vulnerabilities of the Panama Canal and the surrounding waters and believe that Section 1206 provided the tools to counter transnational terrorist threats.

Sao Tome and Principe

Section 1206 supplied Sao Tome and Principe with surveillance equipment and training in support of the Gulf of Guinea Regional Maritime Awareness Capability Joint Capability Technology

Demonstration (JCTD) program. This DoD program was designed to assist Sao Tome and Principe (and other Gulf of Guinea countries) monitor and interdict illegal maritime traffic and improve their control in the Economic Exclusion Zone—a 200-mile zone around the Sao Tome and Principe islands.

Country	Amount
Sao Tome and Principe	\$3.4

What the Security Concerns Are

For Sao Tome and Principe, the security challenges are ungoverned spaces and uncontrolled borders. Piracy and theft are major concerns in the Gulf of Guinea, and large scale oil theft in the Niger Delta is also a significant problem. Recent attacks on nearby Nigerian oil pipelines demonstrate the potential for terrorism in this region. As explained to the IG team, the Desk Officer, Bureau of African Affairs, U.S. State Department, stated that Sao Tome and Principe's priorities include preventing illegal fishing, defending territorial integrity, and protecting fishermen and other Sao Tome and Principe nationals.⁸²

What Capacity Was Needed

Sao Tome and Principe coast guard needed assistance to address their maritime safety and security challenges and to share maritime information automatically with other countries.

How the Section 1206 Project Builds Partner Nation Capacity to Counter Terrorism or Participate in or Support Stability Operations

The RMAC system is a coastal surveillance system that uses ground-based radars and sensors and the Automatic Identification System, which allows ships to exchange data, and, thus, identify and track each other. It also allows participating nations to share maritime information, enabling those nations to build regional maritime awareness and to contribute to maritime governance. RMAC will help the Sao Tome and Principe coast guard observe, document, and deter illegal and transnational terrorist activity in the region.



**Sao Tome and Principe
Communication Center**

(Photo by IG Assessment Team)

⁸² Interview with Desk Officer, Bureau of Africa Affairs, U.S. State Department.

What the IG Team Did

The IG team met with the Deputy Chief of Mission at the U.S. Embassy-Libreville, Gabon, and the Defense Attaché. The IG team also:

- met with Sao Tome and Principe's Commandant of the Coast Guard on Sao Tome Island;
- visited Sao Tome AIS/Radar sites;
 - Port of Sao Tome;
 - Mount Macrambrara; and
- observed an exercise and demonstration of Section 1206-funded equipment at the Sao Tome and Principe Coast Guard headquarters.

What Was Provided Under Section 1206 in FY 2006

Section 1206 provided \$3.4 million in equipment and training. The program funded all hardware and most of the systems' installation, testing, and training, plus some maintenance and short term sustainment. The project's package included four RMAC systems, each consisting of:

- an Automatic Information System antenna;
- a radar;
- an electro-optical/infrared imaging sensor camera;
- an UHF/ VHF radio with commercial encryption; and
- computers, workstations, Line of Sight (LOS)/SATCOM cell phones, and solar panels.

How the Projects Addressed this Partner Nation's Capability Gaps

RMAC gives Sao Tome and Principe a "mapping" capability to identify, track, and interdict maritime traffic.

What the Partner Nation Contributed

Sao Tome and Principe provided the personnel, boats, and infrastructure to support the Section 1206 project.

What the Obstacles Were

The RMAC-JCTD project had four sources of funding totaling \$17.88M. The Section 1206 funding was 38 percent of the entire \$17.88M and was the largest funding source for the project. Other sources withdrew \$3.1M of their agreed contribution for the program; this resulted in a 40 percent reduction in System Installation Testing and Training, and a 14 percent reduction in System Integration and Demonstrations efforts of

the RMAC-JCTD project for Sao Tome and Principe.⁸³ To compensate for the reduced funding, it was agreed that the primary RMAC control center and the Macrambrara radar sites would be co-located with existing infrastructure.

Ordinarily, the SAO has the mission, among other requirements, to formulate, plan, and implement a Section 1206 project. For this case, the embassy did not have a dedicated SAO on the staff. This personnel issue was identified as one of the highest priorities in the FY 2010 Mission Strategic Plan for Embassy-Libreville.⁸⁴ The 2-person defense attaché office manages SAO functions for two countries—Gabon and Sao Tome and Principe. Activities in Libreville are important because it is the seat of the Peace and Security Council—a regional security organization for peacekeeping operations under the African Union. Further, bilateral military engagements have expanded to include about 15 U.S. ship visits per year, increased training, and other activities. Additionally, the IG team was told that AFRICOM plans to increase engagements with Gabon, Sao Tome and Principe, and the Libreville-based Economic Community of Central African States. Adding a dedicated SAO would enhance the management of Section 1206 and other bilateral military activities.

What the Status Was

All command center equipment was installed and connected at the time of the assessment. Two of the sites were constructed, and the equipment was installed in them. In a third site, the tower and facility had been built, but the equipment had not been installed. Furthermore, training was near completion. One RMAC site was not set-up. Its status is incomplete, and its future is undetermined.

What the Results of the Project's Implementation Were

Improvements Generated by Section 1206

Section 1206 helped Sao Tome and Principe establish a MDA capability. Improvements included the ability to employ and correlate AIS data effectively, surface search radar information, camera images, and multiple sources of communications to locate, identify, track, and intercept contacts in its littoral waters and Economic Exclusion Zone. For example, during the demonstration, the Sao Tome and Principe coast guard operators detected an unknown contact on radar and passed contact information to another unit stationed off the coast with instructions to identify the unknown vessel. An intercept was executed, and the target was determined to be lawful and non-hostile.

⁸³ EUCOM Memorandum for the Record, ECJ8-Q, dated July 2, 2008.

⁸⁴ FY 2010 Mission Strategic Plan: U.S. Mission to Gabon, Sao Tome and Principe

Success in Building Operational Capability

The Section 1206 program was successful in delivering some of the elements of the RMAC-JCTD program. Consequently, Sao Tome and Principe was the first country in the Gulf of Guinea to demonstrate:

- security and stability support for the U.S. National Security and Maritime Strategies;
- GWOT support by providing other USG agencies and AFRICOM with maritime traffic information not previously available;
- infrastructure improvement for combined operations with U.S. armed forces; and
- MDA support to regional safety, security, economic, and environmental protection activities.

Commitment to Sustaining Capability

Sao Tome and Principe officials told the IG team that the country should be able to sustain the new capability. However, they remarked that their government is focused on economic problems, and security issues “often take a back seat” since Sao Tome and Principe has no political conflicts with any country. In an effort to market the RMAC capability, the Commandant of the Sao Tome and Principe coast guard said that he is engaged in cultivating cooperation and support from other interested ministries for airport operations, customs, fisheries, immigration, and police.

Partner Nation’s Use of the Capability

As previously described, Sao Tome and Principe is developing their RMAC capability. The Commandant believes the capability will detect and deter terrorists.

Partner Nations’ Perceptions of the Program

Sao Tome and Principe’s perception of Section 1206 has been positive. As noted by the Commandant, the Sao Tome and Principe coast guard needs time to assess its new effectiveness, before considering expansion of roles and missions.

Sri Lanka

Section 1206 funding supplied Sri Lanka with inflatable boats, communications systems, and training. The project enhanced Sri Lanka's ability to maintain maritime domain awareness. The Sri Lanka Navy (SLN) has used the equipment and training in several terrorism-related operations.

Country	Amount
Sri Lanka	\$ 10.8 million

What the Security Concerns Are

Sri Lanka's primary security concern is the 25-year war against the LTTE. Sri Lanka officials stated that more than 70,000 people have been killed in the fighting. The United States has labeled the Tigers a terrorist organization. The LTTE has developed terrorism tactics and techniques that other groups, including Al Qaida, have copied. These methods include suicide bombers, suicide boat attacks, one-person submersibles, and, more recently, female suicide bombers. According to SLN officials, they believe that there is a direct correlation between LTTE operations and the attack on the USS Cole.⁸⁵

The LTTE can attack from the land or the sea. The top priority for military support, however, goes to the SLN in an effort to cut off illegal transport of weapons into Sri Lanka from the sea. Moreover, there have been many LTTE attacks on seagoing vessels and the SLN.⁸⁶

What Capacity Was Needed

The country team performed a detailed analysis to formulate the Section 1206 proposals—goals, end-state, objectives, and measures of effectiveness—for Sri Lanka. The analysis incorporated elements from the Mission Strategic Plan, Theater Strategic Capability Plan, and the 2002 Pacific Command (PACOM) Assessment. This analysis resulted in defining the desired counterterrorist framework for the Section 1206 program to:

- maintain maritime situational awareness,
- establish an effective communications system, and
- conduct aerial surveillance.



Sri Lanka Communication Center

(Photo by IG Assessment Team)

⁸⁵ Briefing, Sri Lankan Navy Director of Naval Operations, May 6, 2008.

⁸⁶ For a fuller discussion of terrorism in Indonesia, see the U.S. Department of State's Country Reports on Terrorism, an annual publication mandated by law. U.S. Department of State, *Country Reports on Terrorism* 2007, pp. 142-143 (2007). See also U.S. Department of State, "Background Note: Sri Lanka" (September 2008).

How the Section 1206 Project Builds Partner Nation Capacity to Counter Terrorism or Participate in or Support Stability Operations

The Section 1206 project supports PACOM's regional strategy to assist partner nations build the capacity to disrupt and isolate transnational terrorist organizations. The intent of the project was also to increase Sri Lanka's capacity to monitor and control areas in and around its coastal borders that are vulnerable to terrorists' activities.

What the IG Team Did

The IG team met with the U.S. Ambassador, the Deputy Chief of Mission, the Security Assistance Officer (SAO), and other members of the embassy's staff. The IG team also:

- met with SLN Director General of Operations and Colombo Control Center personnel,
- met with the Commander of the SLN,
- met with the Commander of the Sri Lanka Air Force, and
- conducted a site visit to the Trincomalee Naval Base, where the IG team interviewed personnel and observed an equipment demonstration.

What Was Provided Under Section 1206 in FY 2006

In the Section 1206 project provided \$10.8 million for equipment and training. The project included:

- 3 Maritime Operations Stations (to provide initial communications and tracking capability at their headquarters),
- 1 data server,
- 1 electro-optical camera,
- 4 infra-red cameras,
- 4 large screen displays,
- 5 X-Band radar systems,
- 1 transportable sensor node,
- 9 AIS transponders, and
- 10 Zodiac Rigid Hull Inflatable Boats.

The FY 2006 project also included the installation, set-up, integration, and training for the equipment.

The SLN stated that the new equipment enhanced tactical decision making by providing more radar coverage and locations of the LTTE forces. The SLN Commander stated that they are already using the system for command and control in Colombo. SLN personnel

have completed training on the radar system and have set-up separate departments for operations and maintenance. On two separate occasions, the new equipment facilitated the interdiction of LTTE boats.⁸⁷

What the Obstacles Were

At the time of the IG team's visit, Sri Lanka was experiencing support problems. The contractor's obligation to provide system support had expired. The SLN stated that spare parts are not readily available. The country team determined that the spare parts required by the contract were delivered. The redirection of spare parts to additional locations and some defective equipment resulted in the shortage.

Sri Lanka cannot receive further U.S. security assistance because of sanctions from the Child Soldier provisions in the Department of State's current appropriations law.⁸⁸ After a rebel unit changed sides and became part of the Sri Lankan army, authorities realized that the unit included child soldiers. The army is now reviewing the units absorbed and making arrangements such as schools for the children. If the USG had lifted sanctions by June 2008, Sri Lanka could have received FY 2008 funding. This deadline was not met. Sri Lanka received neither Section 1206 nor FMF funds for FY 2008.

What the Status Was

All Section 1206 training and equipment was delivered and the equipment is operational.

What the Results of the Project's Implementations Were

Improvements Generated by Section 1206

The new equipment provides the SLN with increased domain awareness and greater tactical command and control of their forces against terrorist threats.

The SLN Commander stated they are now using the system for command and control in Colombo. Officers of the SLN remarked that they had never had this kind of capability before the Section 1206 program. The SLN stated that they are pleased to be part of the Maritime Security Awareness Initiative and requested continued U.S. support.

Success in Building Operational Capability

The SLN was successful in building operational capability by increasing command and control over counterterrorist maritime operations. This enhanced capability was demonstrated successfully in various operations.

⁸⁷ Briefing, Office of Defense Cooperation Staff, May 6, 2008.

⁸⁸ Consolidated Appropriations Act, 2008, Pub. L. 110-161, sec. 699C (2007). [Foreign Operations Appropriations Act, 2007.]

Commitment to Sustaining Capability

Long term sustainment is an issue. Sri Lanka has requested additional fiscal support through FMF funding. They have requested additional operator training, system administrator training, increased network bandwidth, spare parts, technical manuals, local, intermediate, and depot maintenance training.

Partner Nation's Use of the Capability

Sri Lanka has used the Section 1206-funded capacity to combat the LTTE. The country team recounted three separate occasions in which the SLN used the Section 1206 equipment for interdiction of LTTE boats. As stated by the SLN, the navy could not have tracked, monitored, and destroyed the LTTE boats without this equipment

Partner Nations' Perceptions of the Program

The SLN stated the program contributed to their capacity, and the naval officers appreciated the assistance from the U.S. One issue is the sustainment cost—about \$2 million per year. Another issue is the U.S. sanction policy. The latter issue blocked additional Section 1206 and FMF funding.

Appendix J Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Personnel and Readiness)
Under Secretary of Defense (Comptroller)/Chief Financial Officer*
Principal Deputy Under Secretary of Defense (Policy)*
Assistant Secretary of Defense (Legislative Affairs)
Assistant Secretary of Defense (Public Affairs)

Department of the Army

Inspector General, Department of the Army

Department of the Navy

Naval Inspector General
Deputy Naval Inspector General for Marine Corps Matters

Department of the Air Force

Inspector General, Department of the Air Force

Joint Staff

Director, Joint Staff*
Inspector General, Joint Staff*

Combatant Command

Commander, U.S. Africa Command
Inspector General, U.S. Africa Command*
Commander, U.S. Central Command
Inspector General, U.S. Central Command*
Commander, U.S. European Command
Inspector General, U.S. European Command*
Commander, U.S. Pacific Command
Inspector General, U.S. Pacific Command*
Commander, U.S. Southern Command
Inspector General, U.S. Southern Command*
Commander, U.S. Special Operations Command
Inspector General, U.S. Special Operations Command*

Non-Defense Federal Organizations

Director of Foreign Assistance, Department of State*
Assistant Secretary of State for African Affairs, Department of State*
Assistant Secretary of State for Political Military Affairs, Department of State*
Director, Office of Plans, Policy, and Analysis*
Legal Adviser, Department of State*
Assistant Legal Adviser for Foreign Assistance and Legislation*
Office of the Coordinator for Counterterrorism, Department of State

* Draft Report Recipient

United States Government Accountability Office*
Office of Management and Budget

Congressional Committees

Senate Committee on Armed Services
Senate Committee on Foreign Relations
Senate Committee on Homeland Security and Governmental Affairs
Senate Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Foreign Affairs
House Committee on Oversight and Government Reform
House Subcommittee on Defense, Committee on Appropriations

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