

1800 K Street, NW
Suite 400
Washington, DC 20006

Phone: 1.202.775.3270

Fax: 1.202.775.3199

Email:

acordesman@gmail.com

Web:

www.csis.org/burke/reports



"Shape, Clear, Hold, and Build:" The Uncertain Lessons of the Afghan & Iraq Wars:

Part III - Iraq

Anthony H. Cordesman

Arleigh A. Burke Chair in Strategy

CSIS

CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

Burke Chair
in Strategy

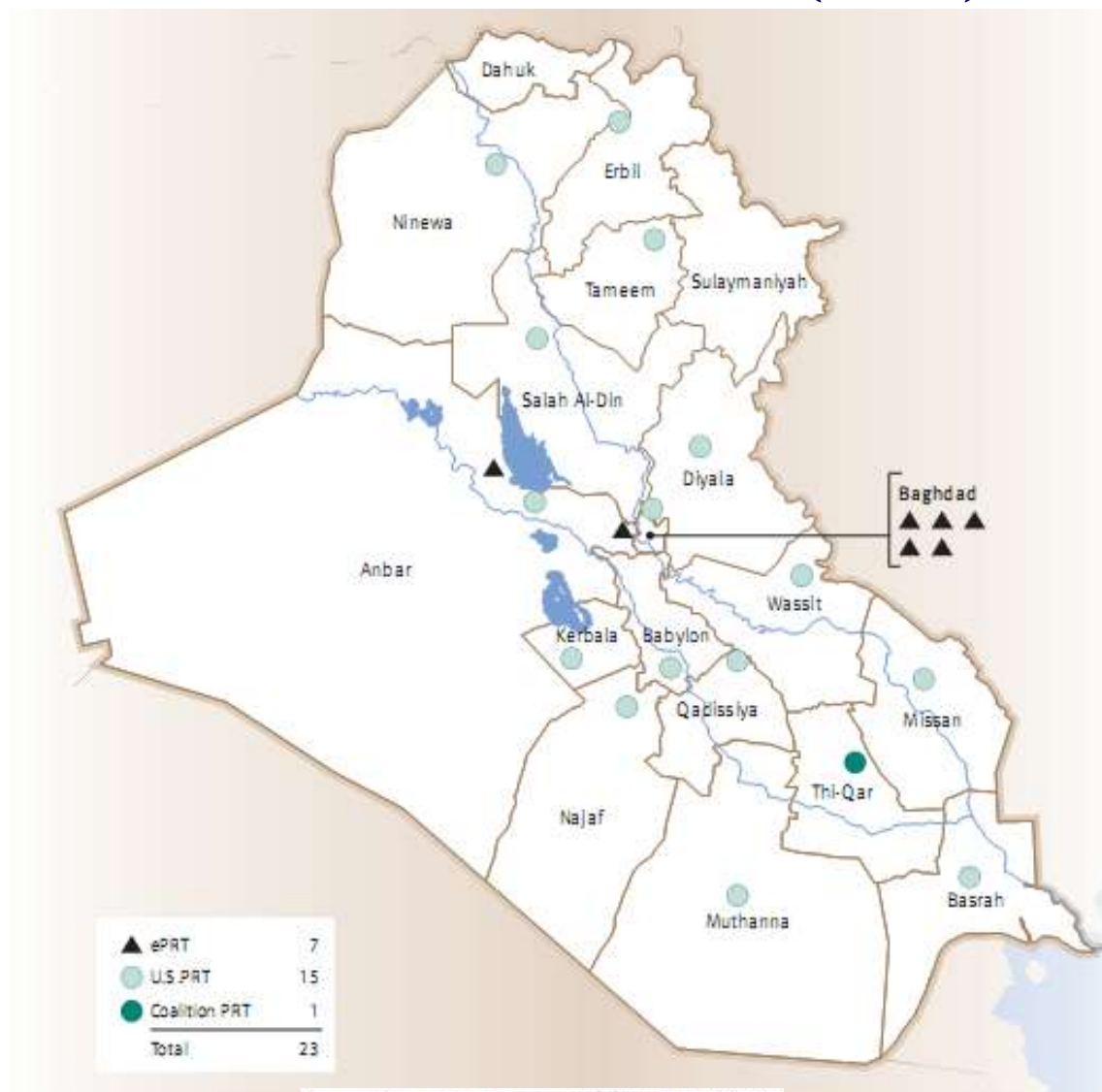
*Revised September
21, 2009*

www.csis.org |

Dealing With the Aftermath?

The Iraqi Case

Provincial Reconstruction Team (PRT) Footprint



Source: U.S. Embassy-Baghdad, response to SIGIR data call, 7/6/2009.

Significant Security Incidents

April and May 2009

April 2009

			6	9	5	3
12	44	11	15	5	8	8
5	4	0	11	2	2	3
13	13	3	10	81	75	8
9	3	2	61	9		

Wednesday, April 15: 11 Iraqis were killed in a bombing in Kirkuk.

Thursday, April 23: Suicide bombers killed 60 Iraqis in attacks in Baghdad and Diyala.

Friday, April 24: Two suicide bombers killed more than 60 Iraqis and religious pilgrims and wounded more than 125 outside a shrine in Baghdad.

Wednesday, April 29: 16 Iraqis were killed and 45 more were wounded in three car bombings in Baghdad.

May 2009

					8	3
8	13	4	18	5	2	5
4	12	7	6	10	2	8
16	3	5	48	29	7	4
11	11	12	9	8	14	7
9						

Wednesday, May 6: 11 Iraqis were killed and at least 44 more were wounded in two car bombings in Baghdad.

Monday, May 11: A car bombing killed 11 Iraqis in Kirkuk.

Wednesday, May 20: 35 Iraqis were killed and at least 72 more were wounded in a car bomb attack outside a restaurant in Baghdad.

Thursday, May 21: Suicide bombers in Baghdad and Kirkuk killed 20 Iraqis and wounded 33 more.



Significant Security Incidents

June and July 2009

June 2009



Wednesday, June 10: Terrorists killed **26** civilians in a car bomb attack in Nassriya.

Saturday, June 20: Approximately **70** Iraqis killed and more than **200** wounded in an attack on a mosque in Kirkuk.

Monday, June 22: **14** Iraqis killed and approximately **60** wounded in a series of attacks in Baghdad and Abu Ghraib.

Saturday, June 27: **13** Iraqis killed in a motorcycle bombing in Central Baghdad.

July 2009



Wednesday, July 8: At least **31** Iraqis killed or wounded in two bombings in Mosul.

Thursday, July 9: Approximately **52** Iraqis killed or wounded in a series of terrorist attacks in Tel Afar, Mosul, Baghdad, and Kirkuk.

Monday, July 20: **10** Iraqis killed in a series of attacks, including **5** policemen in Mosul.

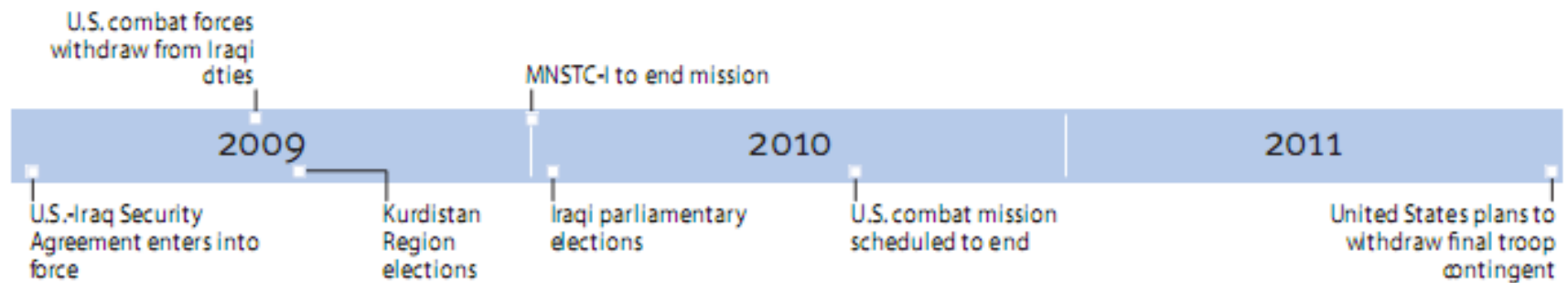
Tuesday, July 21: At least **15** Iraqis killed and approximately **100** wounded in a series of attacks in Baghdad.



Note: The numbers represented in the calendar graphic are comprehensive estimates of total casualties throughout the entire country on that particular day. The text to the right briefly describes significant attacks on select days and does not purport to comprehensively detail all security incidents that occurred on the specified day.

Sources: Information presented herein is based on SIGIR's analysis of open source and official English and Arabic documents, studies, and analyses. All figures based on best available casualty information and represent the sum of killed and wounded for each incident.

Timeline of Key Events



Source: SIGIR analysis of open source and official documents.

-
- **Iraq's WMD programs were a valid reason for war and would justify the invasion. Saddam's ruthlessness and Iraqi ties to terrorism provided secondary validity.**
 - **The US and Coalition would be broadly greeted as liberators -- not split Sunnis, Shi'ites, and Kurds.**
 - **No planning, major funding, or sustained troop levels would be needed for a stabilization phase. The Iraqi government would continue to function; Iraq had oil wealth and could fund its own reconstruction.**
 - **Exile groups would be seen as broadly politically legitimate. DeBaa'athification could be implemented broadly without alienating Sunnis and affecting Iraq's secular character.**
 - **There would be no residual Ba'athist or insurgent threat. What threat did emerge was marginal and largely terrorist and kinetic, not geared to dominating the population in a battle of political attrition.**
 - **Sectarian (Sunni vs. Shi'ite), ethnic (Arab vs. Kurd vs. Turcoman), and secular vs. religious divisions would not be critical.**
 - **Iraq could be fixed by a new constitution, and democratic elections for the central government.**
 - **Iraqi forces could be disbanded without political consequences. Building up effective Afghan security forces had little priority.**
 - **Iraq's neighbors would not present major security problems.**
-

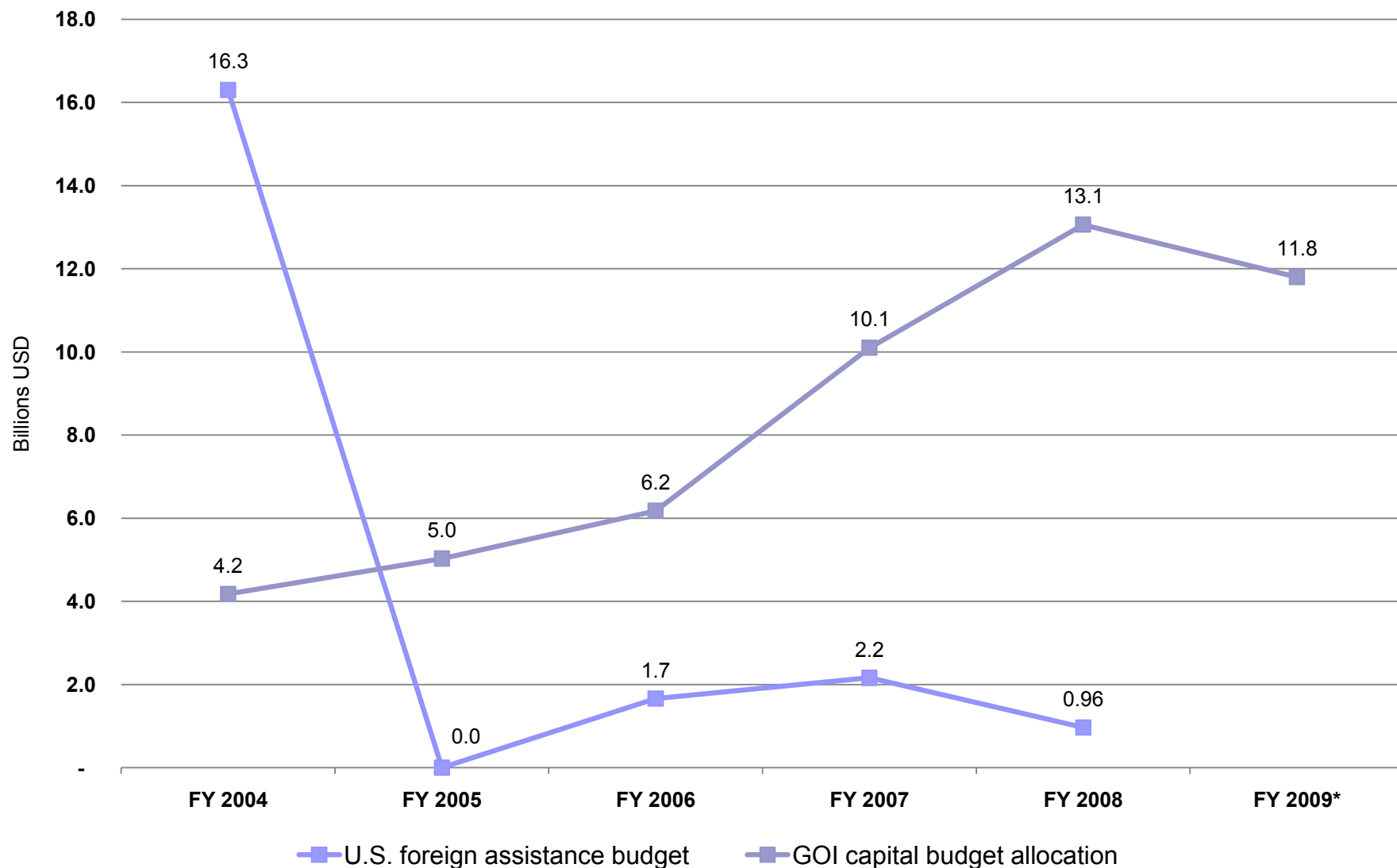
Iraq “Good Enough” for How Long?

- **The illusion of control: Does Iraq Revert to Past Norms?**
 - **50% recidivism in UN peace keeping missions in 5 years.**
 - **Kurdish issue only one and most visible well-established fracture line.**
 - **Can US influence and Iraq “good enough” credibly pass the 5 year test?**
 - **Anti-US “backlash” effects; US back out effects**
 - **Regional “Presidential syndrome”**
 - **Military coup, strong leader**
 - **Sectarian/ethnic fragmentation plus internal power struggles and low-level Jihadist violence**
 - **Impact of outside powers**
 - **Demographics vs. economics vs. income distribution**
 - **Major clashes versus micro-clashes**
 - **Oil dependence without effective governance and development**
-

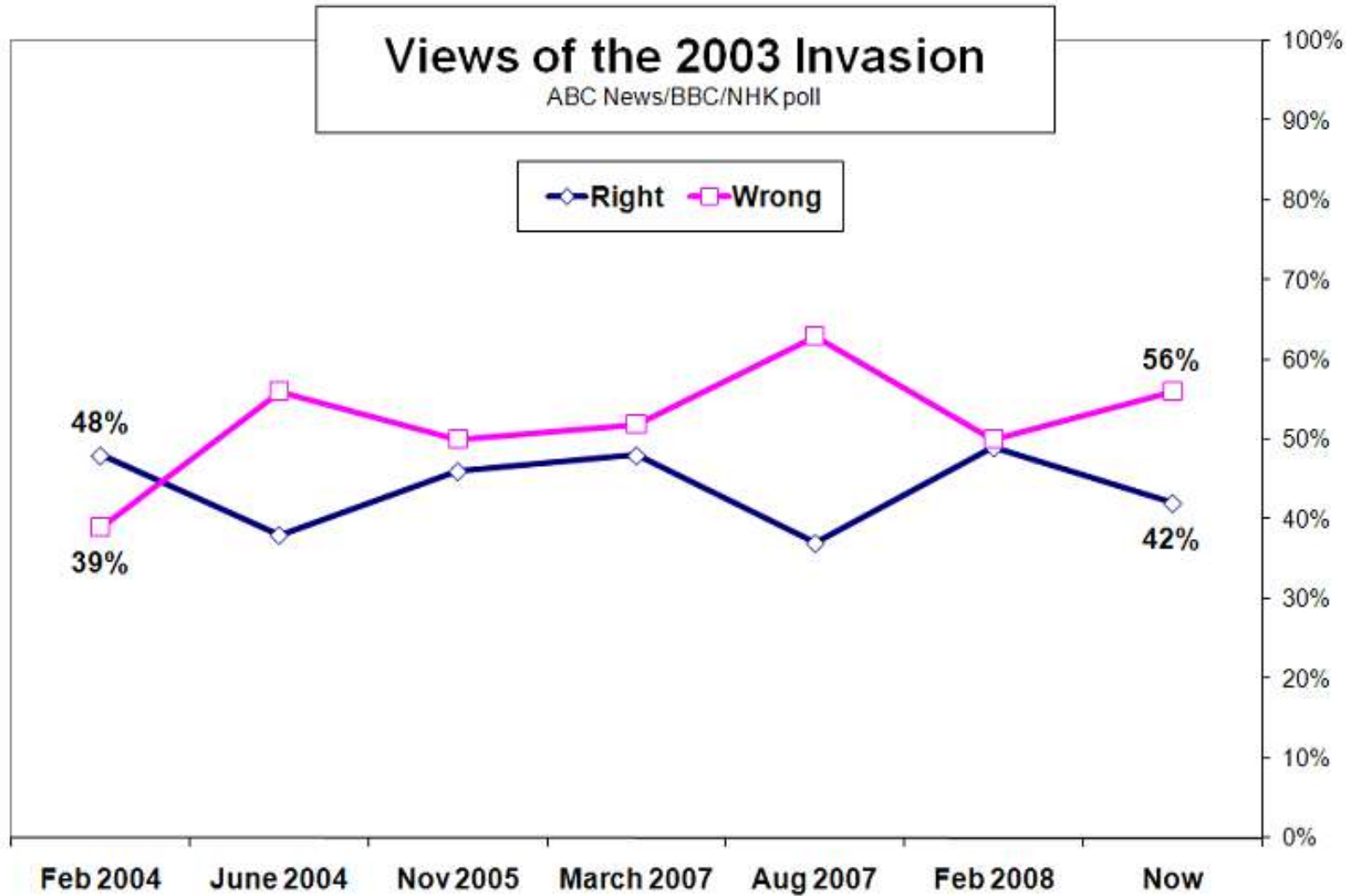
Declining US Influence

- **US had marginal popularity, even among those who saw invasion as desirable.**
 - **Vast majority of Iraqis want US out. Many as soon as possible.**
 - **No longer major source of aid.**
 - **Not a major funder of Iraqi security forces.**
 - **No clear US exit strategy beyond an exit. No clear operational civil and economic dimension to the Joint Campaign Plan.**
 - **Maliki and others prepared to take substantial risks to lower US profile and influence.**
 - **Strong leader, strong candidate must run against the US.**
 - **Cannot be seen as bowing to US on key sectarian and ethnic issues.**
 - **Even Kurds losing faith.**
-

U.S. Assistance and GOI Capital Funding

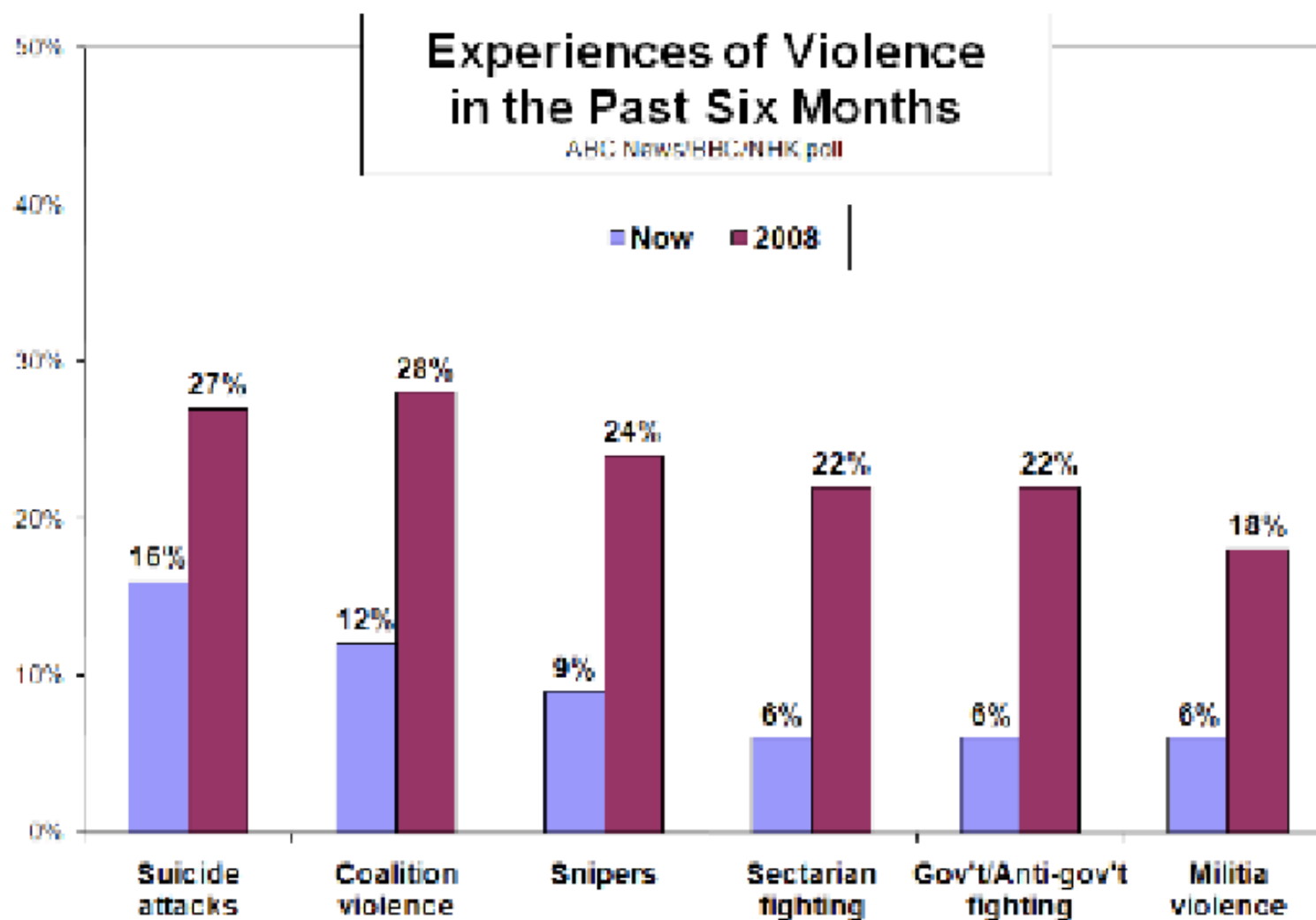


Liberated, Or Not?



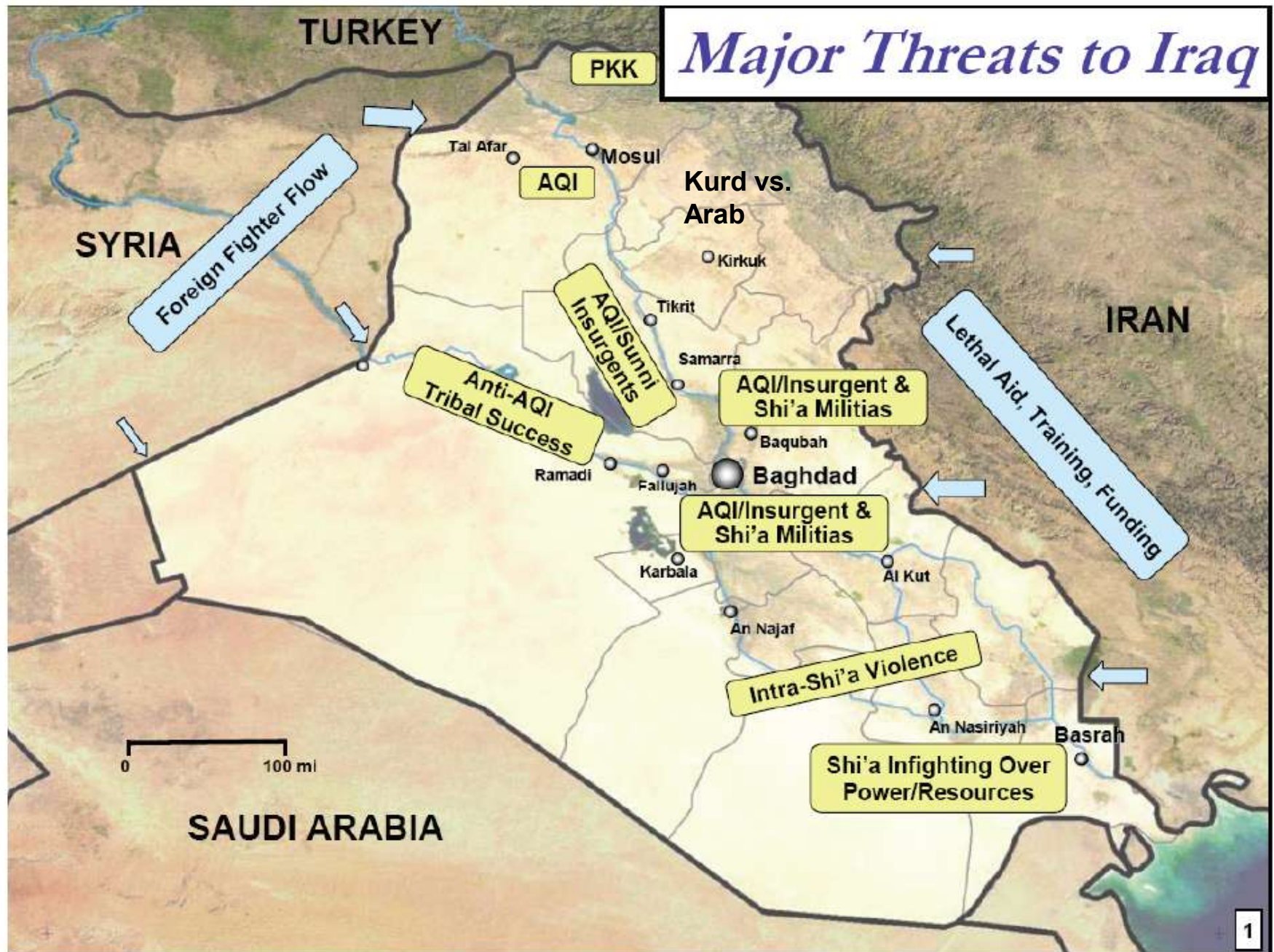
Source: Gary Langer, ABC Polling Unit, March 2009

The US as Part of Perceived Violence



Source: Gary Langer, ABC Polling Unit, February 2009

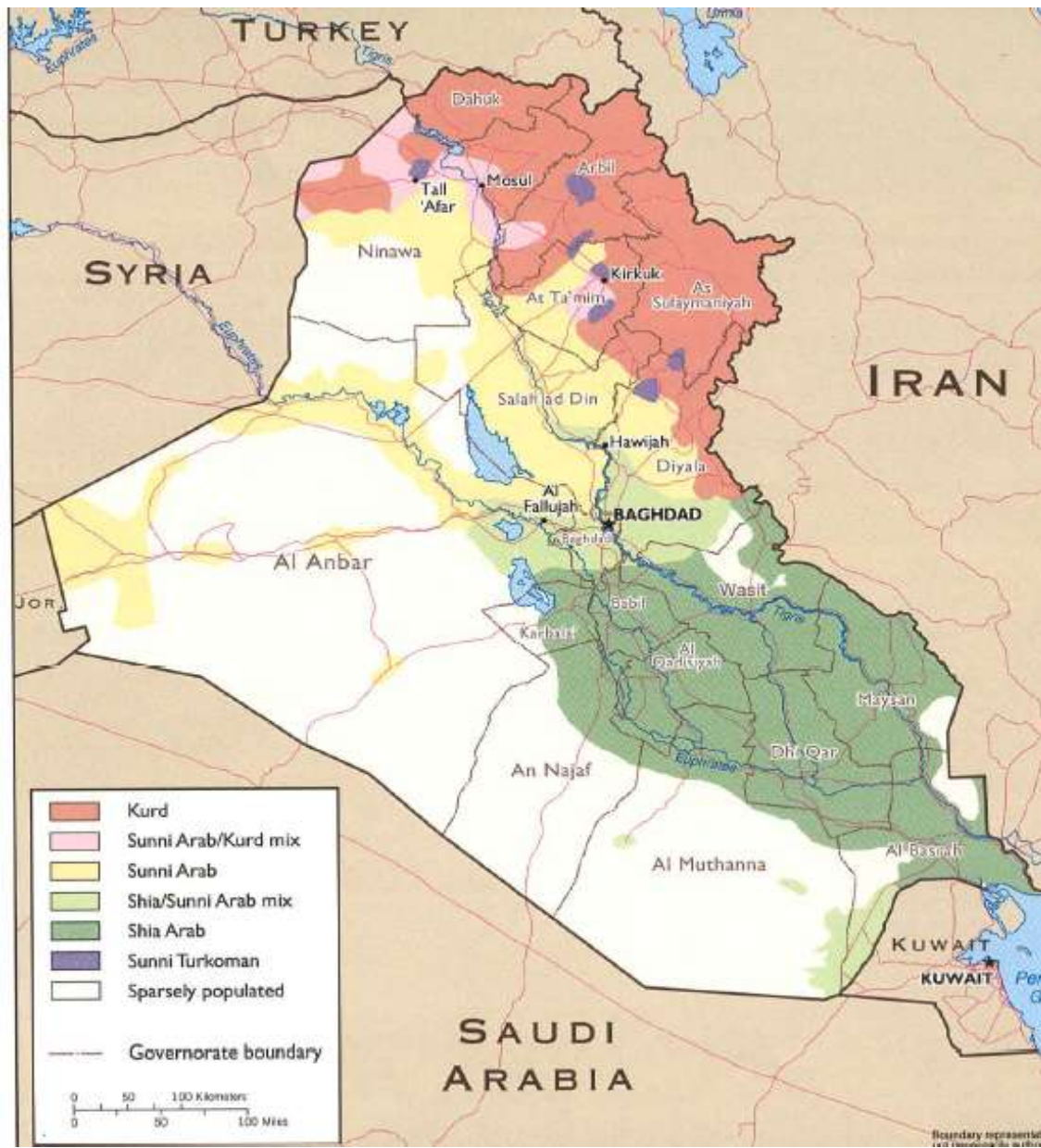
Scoping Internal Tensions



Sectarian and Ethnic Divisions, and Political Accommodation

- **Accommodation cannot be legislated, but tensions can be eased --- particularly with money and power sharing. Neither currently working well.**
- **De facto segregation: Shi'ite vs. Sunni divisions have tended to become "islands" rather than "blobs."**
- **Rising, but still fragile, sense of Arab identity.**
- **Failures of Shi'ite governance and Sunni extremism have limited support for Islamic governments, but is still strong.**
- **Kurd vs. Arab vs. Turcoman have divided into rival ethnic areas along a broad and indeterminate fault line.**
- **Year of elections both distracts and polarizes, as does economic crisis and unemployment.**
- **Data on refugees and displacements uncertain peaked more than 2 million internally and 2 million driven outside country in nation of 28 million. Some estimates reach 5+ million, but some evidence indicates may be far too high.**

Iraqi Sectarian & Ethnic Divisions



Sectarian, Ethnic, and Tribal Challenges

◆ *Sectarian Challenges*

• *Iraq: 60-65% Shi'a, 32-37% Sunni, 3% Christian or Other*

◆ *Ethnic Challenges*

• *Iraq: Arab 75-80%, Kurdish 15-20%, Turcoman, Assyrian & Other 3%*

◆ *Tribal Challenges*

• *Iraq: Confederations, broad area, heavily urbanized.*

Real World Ethno-Sectarian Population Parameters?

Three sources:

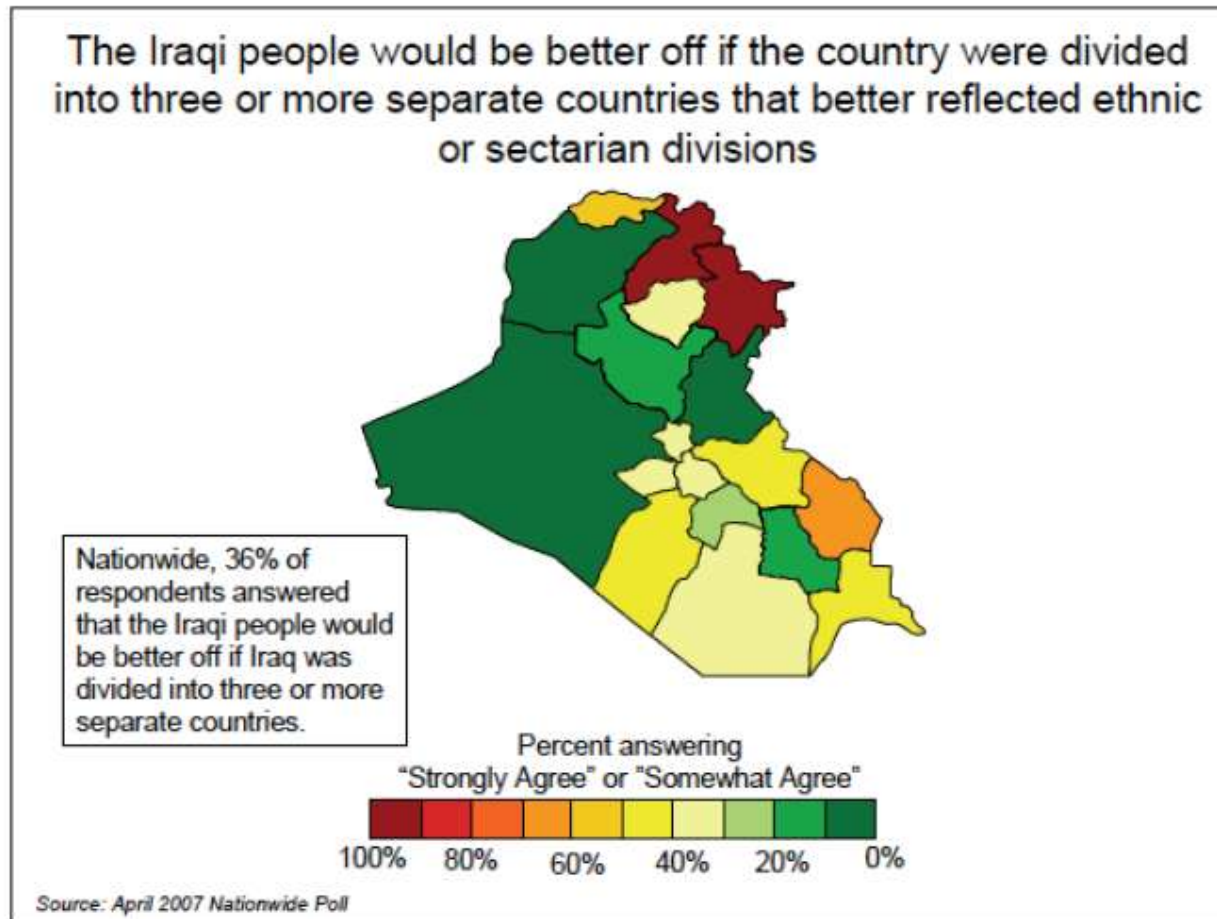
- CIA World Factbook, unsourced;
- “Iraq: a Country Study,” Federal Research Division, Library of Congress, 1988, unsourced (“knowledgeable observers”);
- Average ABC News polls ‘07-‘08, N=6,652 via 1,386 points.

	CIA WFB	LoC	ABC
Shiites	60-65%	60-65%	49%
Sunni Arabs	12-22*	13	33
Kurds	15-20	NA	15
Non Muslims	3	NA	3

Source: ABC/BBC/ARD/NHK POLL - IRAQ FIVE YEARS LATER: WHERE THINGS STAND, Monday, March 17, 2008, and Gary Langer, Director

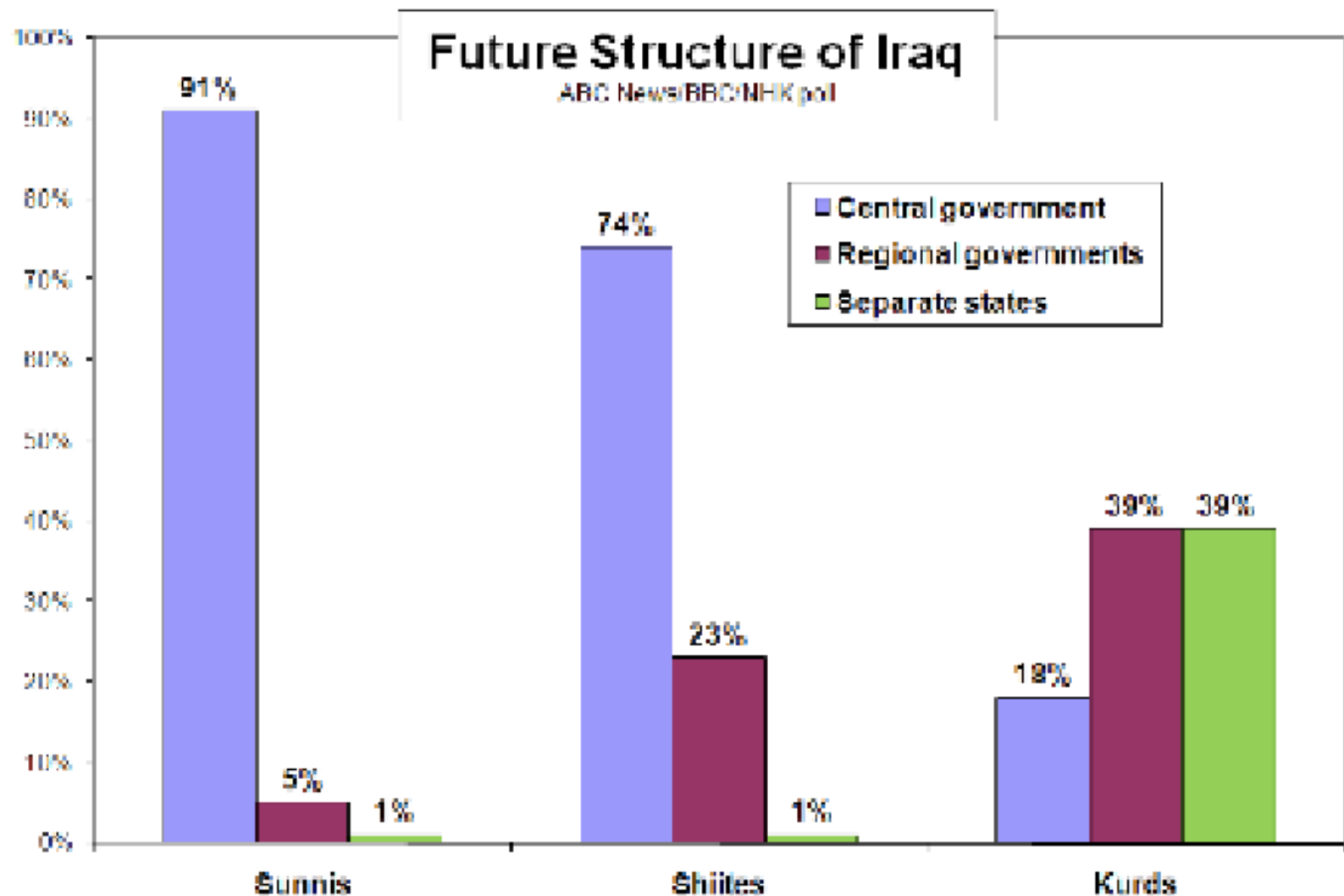
***Extrapolated** of Polling ABC News, “War in Iraq: The Public Perspective,” presentation to the CSIS, April 30, 2008.

Most Iraqis (Except Kurds) Never Sought Division Even During Worst Part of Fighting: May 2007



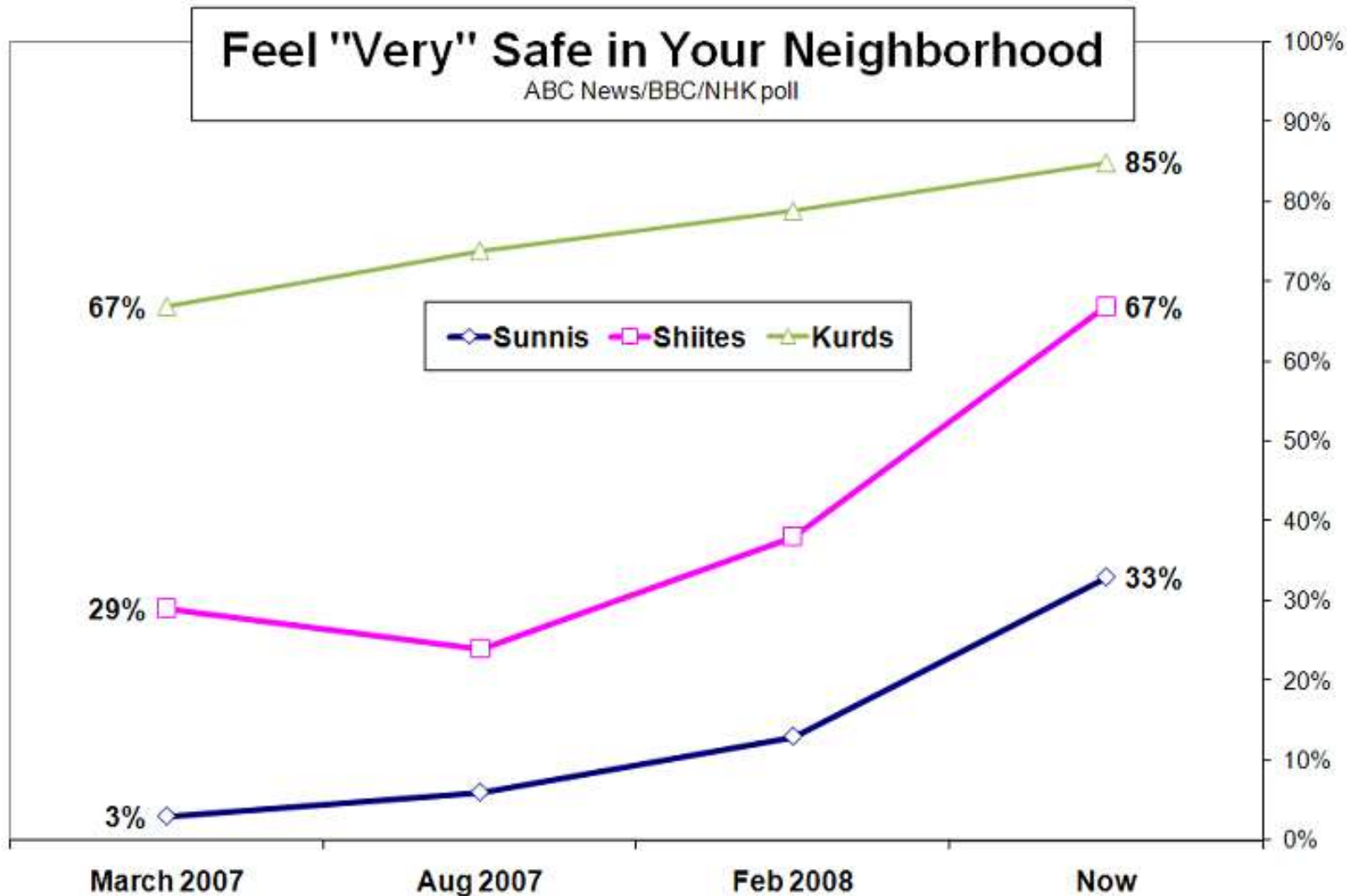
Source: Department of Defense. "Measuring Security and Stability in Iraq." June, 2007. Pg. 1

Same True in March 2009



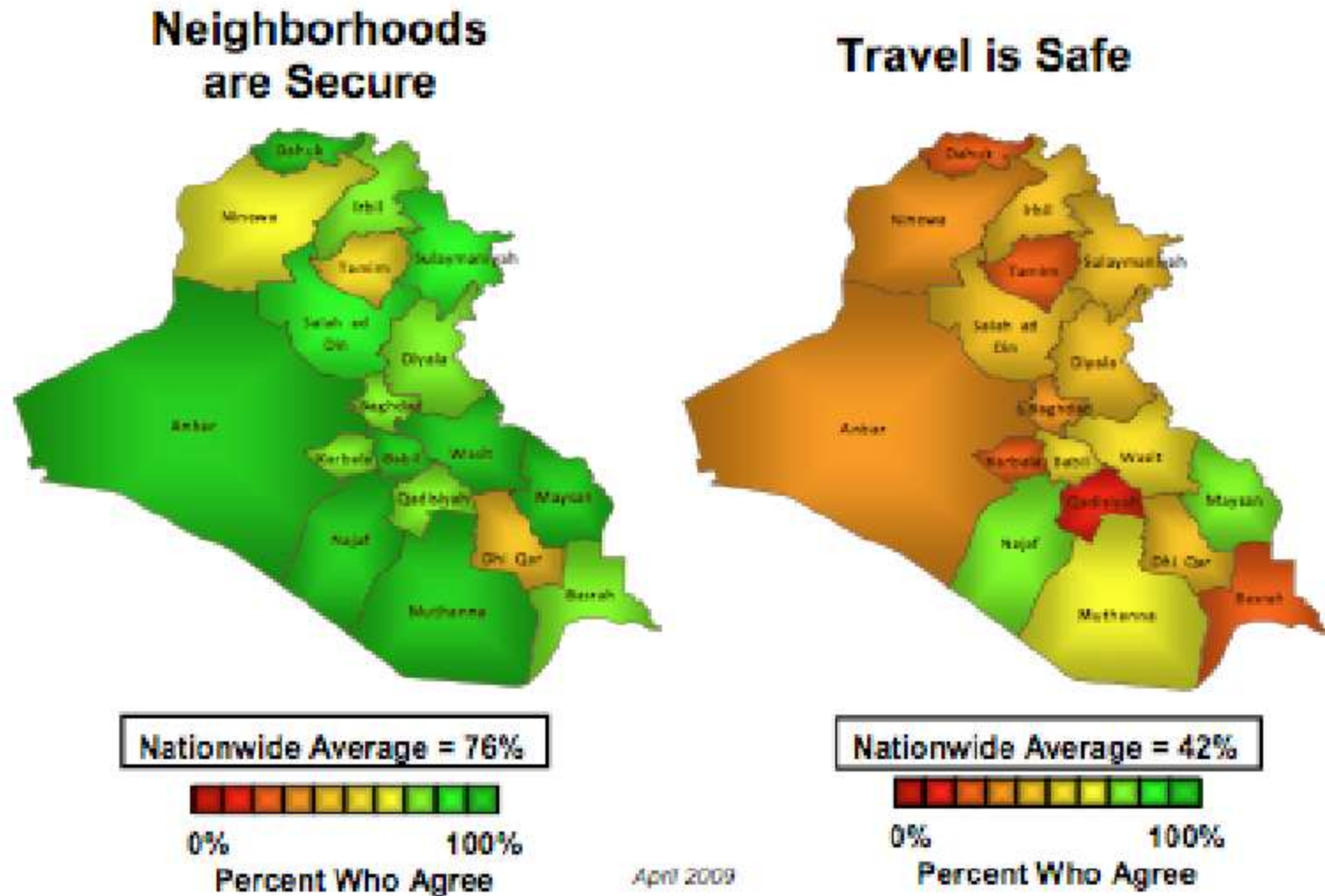
Source: Gary Langer, ABC Polling Unit, March 2009

But Are Serious Differences



Source: Gary Langer, ABC Polling Unit, February 2009

Iraqi Perceptions of Safety: April 2009



Iraq is Stable



Nationwide Average = 56%



0% 100%

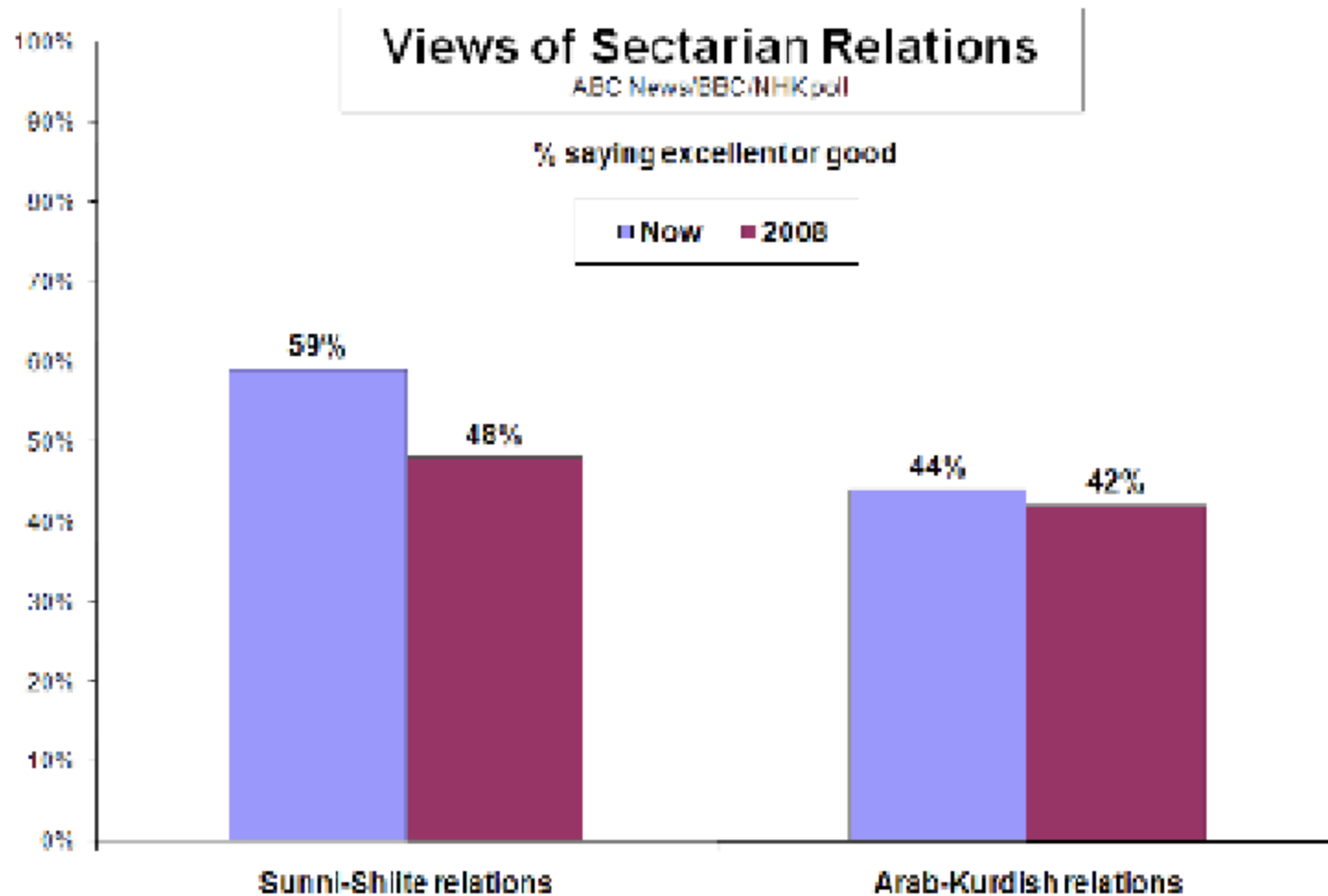
Percent Who Agree

April 2005

The Kurdish Problem

Seen as the most likely near-term source of fragmentation. Both sides have powerful reasons to compromise, but this is the Middle East

Arab-Kurdish Relations Are Not Getting Better



Will There Be Arab-Kurdish-Turcoman Violence?

- Some low level clashes are occurring; more are inevitable.
- UN efforts have done as much to map exact areas of contention as to ease the situation: The ethnic fault line extends from Mosul through Kirkuk to Iran with islands further south.
 - Jihadist target. Problem for counterinsurgency effort.
- Kurdish elections have had polarizing debate as are politics of coming national elections.
- Maliki needs to be the strong Arab leader; Barzani and Talibani unwilling to compromise.
- Unclear a referendum will help.
- Oil, gas, and petroleum revenues critical. Both Kurdish and Iraqi central government face serious economic problems.
- Growing tensions over purges in ISF; Kurdish desire for Kurdish divisions and funding of Pesh Merga.
- *But*, Kurds have nowhere to go: Syria, Turkey, Iran.

Key Variables

- **Flashpoints like Kirkuk**
- **UNAMI report impact.**
- **Conflicting Arab-Kurd-Turcoman narratives at every level.**
- **Petroleum resources, sharing income, Hydro-Carbon Laws, actual practice.**
- **Sharp demographic pressure; 40,000 land and property disputes, 12 months to resolve a dispute.**
- **Worst drought in 50 years, canal problems, water conservation.**
- **KRG versus the governor of Ninewa.**
- **Al Qaida in Iraq/Islamic State of Iraq, Jaysh Rijal Tariq Al Naqshahbandi, . SOI transition.**
- **Divisions along “prosperity line;” perceived inequality in Arab areas.**
- **Real world lack of investors, 40% unemployment, drop in public works.**
- **Perceived corruption, power brokering, lack of legitimacy.**

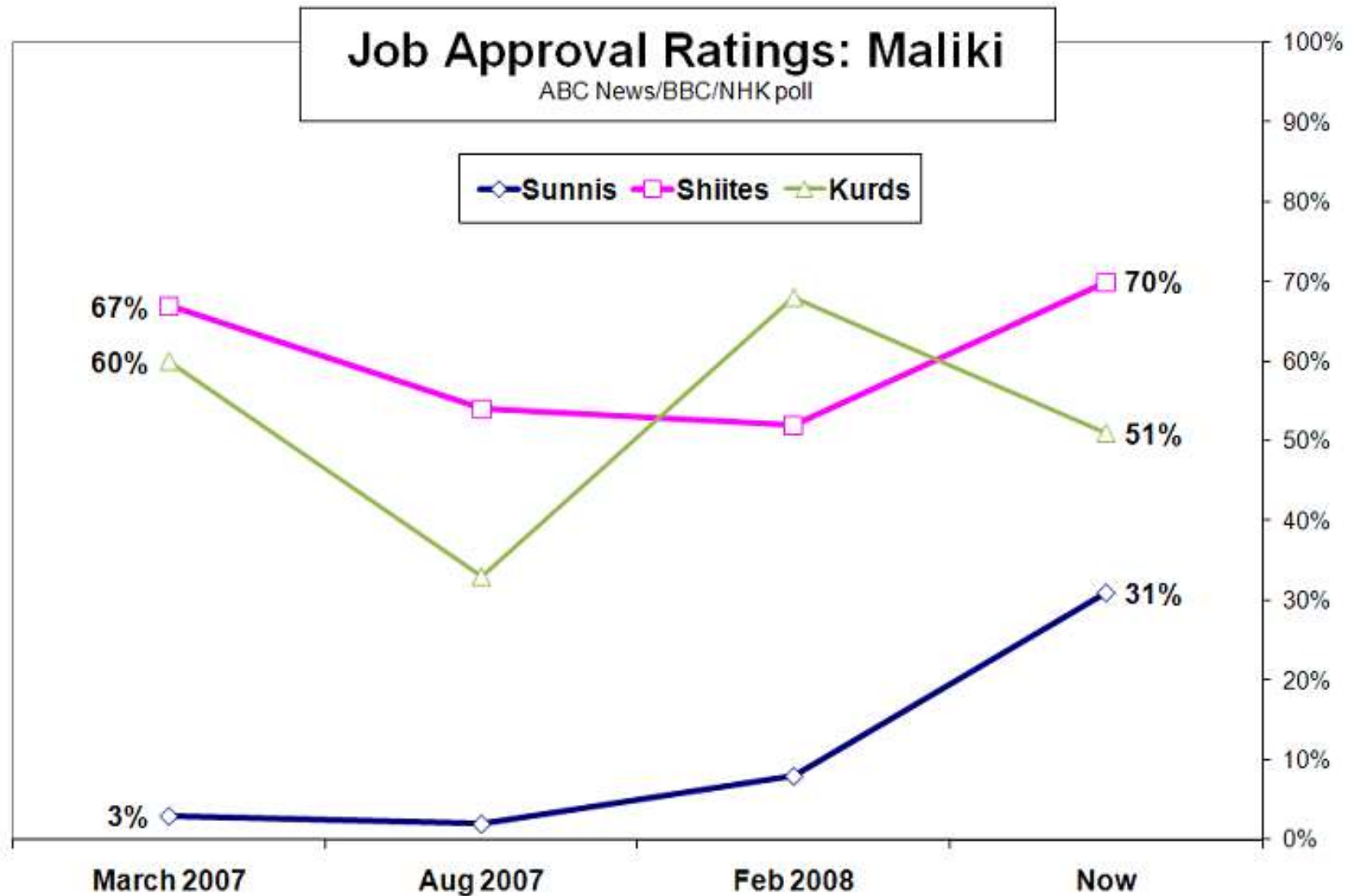
“Presidentialism” vs. the Coup

*The longer term source of disruption
may not be fragmentation but
centralization under a strong man*

“Presidentialism” and Military Leadership

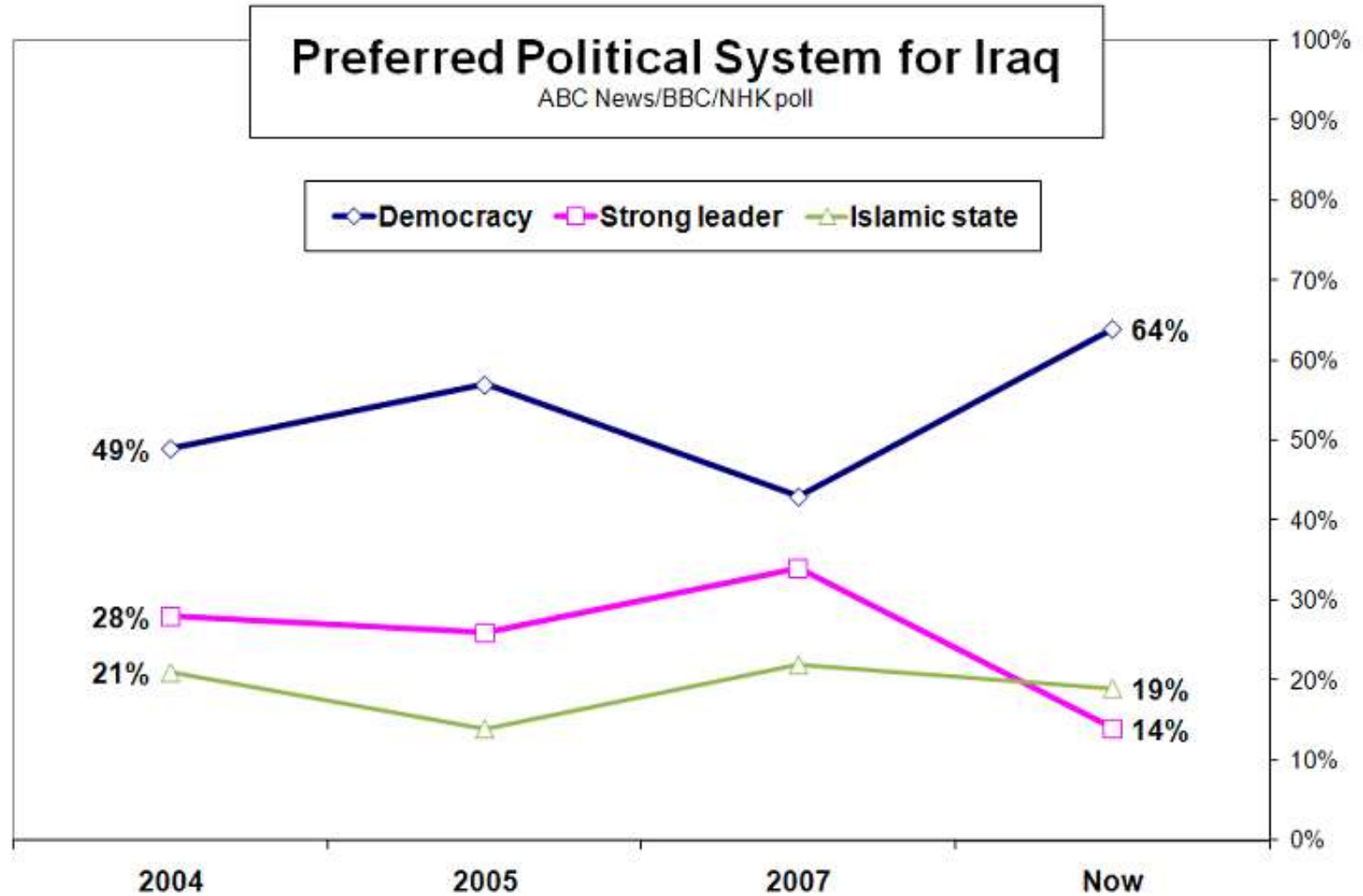
- **Not necessarily a clash if “President” coopts the military.**
- **Many Iraqis who say they want democracy want strong leadership, security, government help and services more.**
- **The Iraqi constitution creates over-centralized paralysis without empowering provinces and true representative government. Recipe for popular anger as corruption, failure to act, lack of security.**
- **Not possible to really characterize Maliki’s ambitions at this point, but clearly wants more presidential powers, to appear strong leader, use the US as political foil.**
- **Unclear Maliki can build a strong enough coalition to act, time and national elections may weaken, not strengthen.**
- **Cannot discount military coup if government and/or economy fail.**

“Presidential” Power?

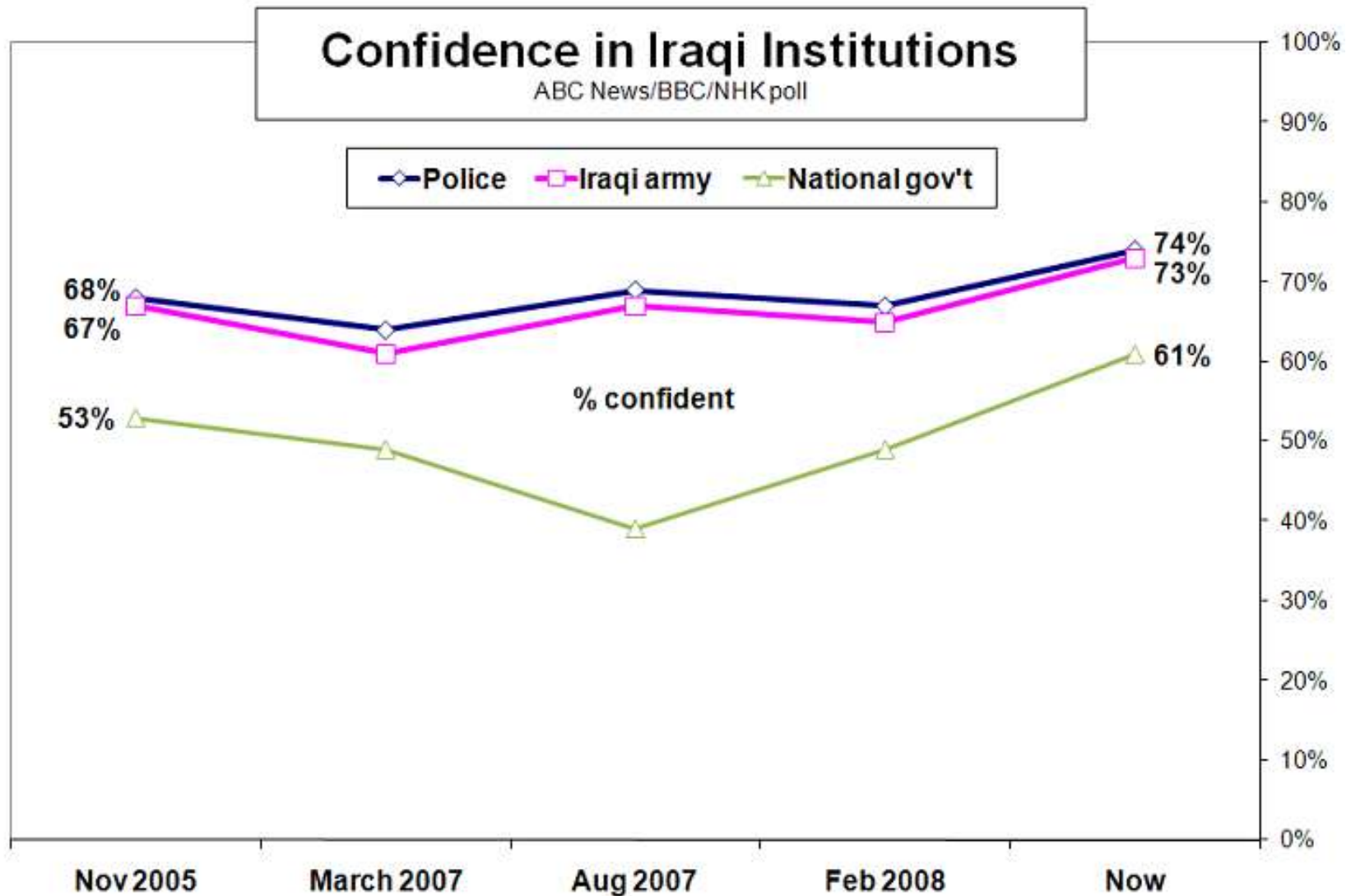


Source: Gary Langer, ABC Polling Unit, March 2009

Support for Democracy is Less Than Meets the Eye

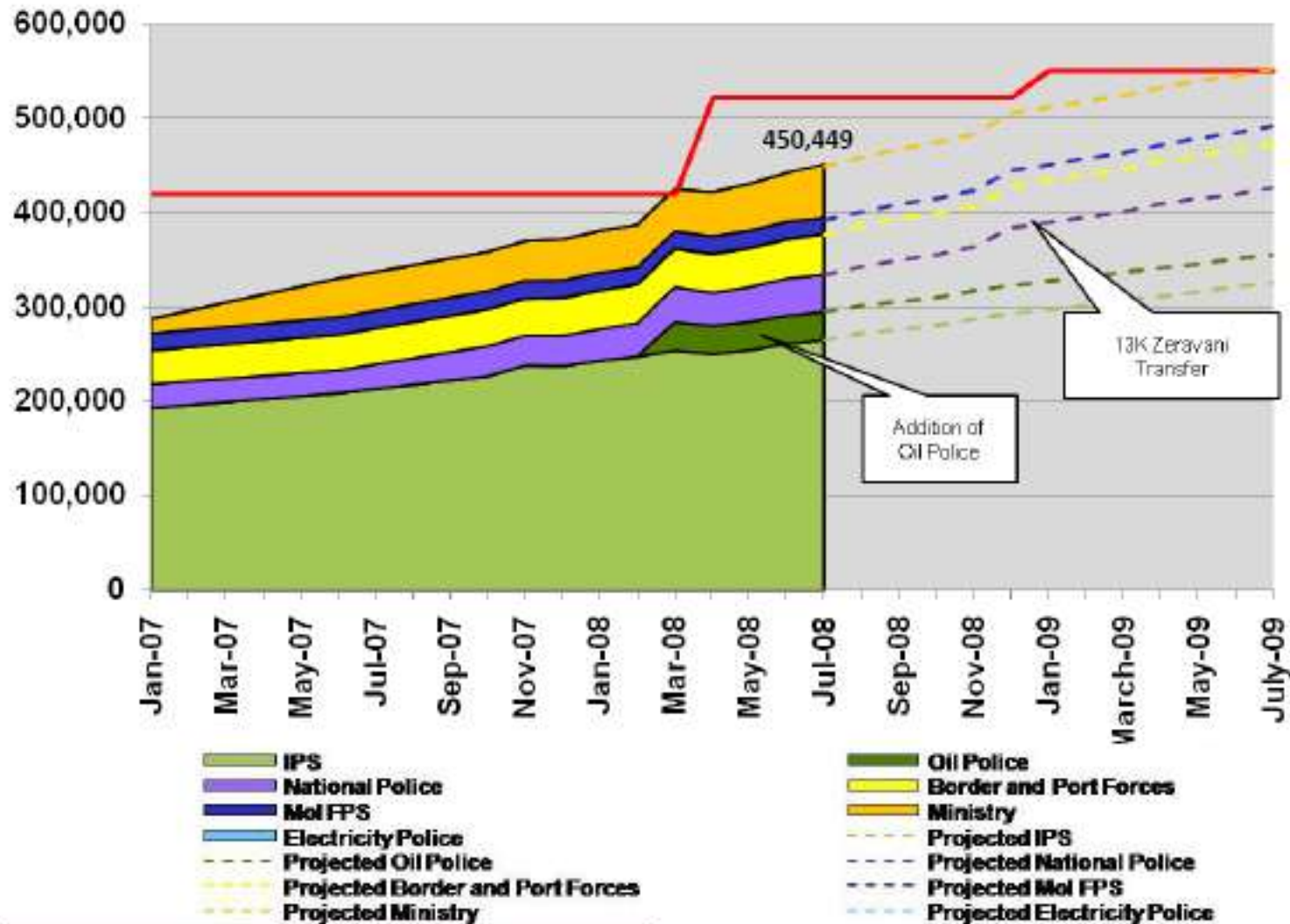


The Coup Effect?



Source: Gary Langer, ABC Polling Unit, March 2009

The Coup Problem: Projected Growth of Iraqi Forces



****Info does not include Kurdish numbers****

Footnote: Estimated 12% annual training attrition

“Presidentialism” and Military Leadership

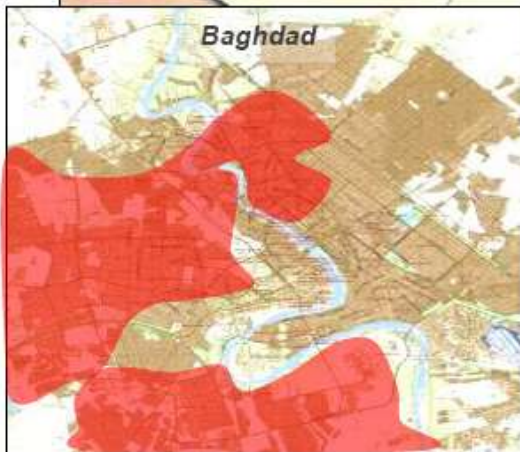
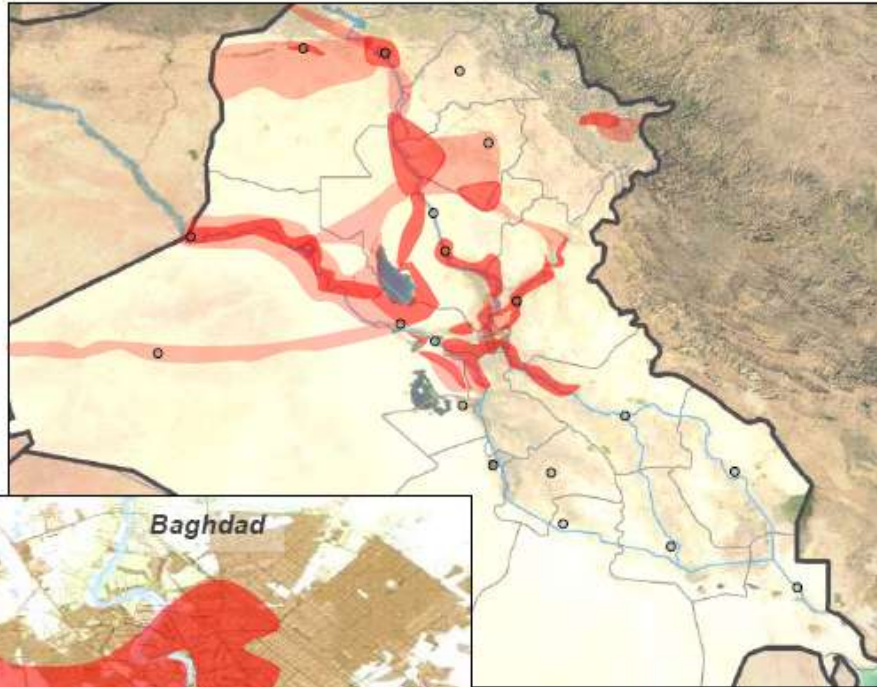
- **Not necessarily a clash if “President” coopts the military.**
- **Many Iraqis who say they want democracy want strong leadership, security, government help and services more.**
- **The Iraqi constitution creates over-centralized paralysis without empowering provinces and true representative government. Recipe for popular anger as corruption, failure to act, lack of security.**
- **Not possible to really characterize Maliki’s ambitions at this point, but clearly wants more presidential powers, to appear strong leader, use the US as political foil.**
- **Unclear Maliki can build a strong enough coalition to act, time and national elections may weaken, not strengthen.**
- **Cannot discount military coup if government and/or economy fail.**

Shi'ite vs. Sunni

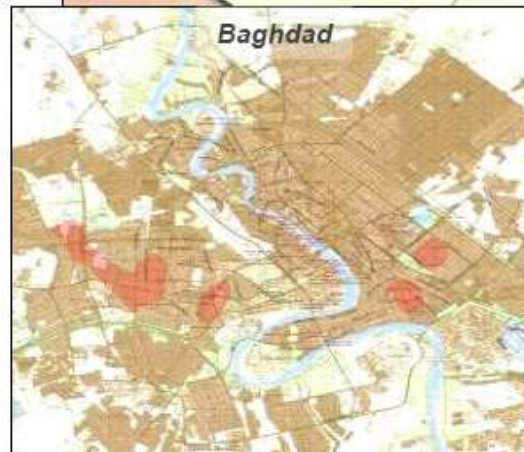
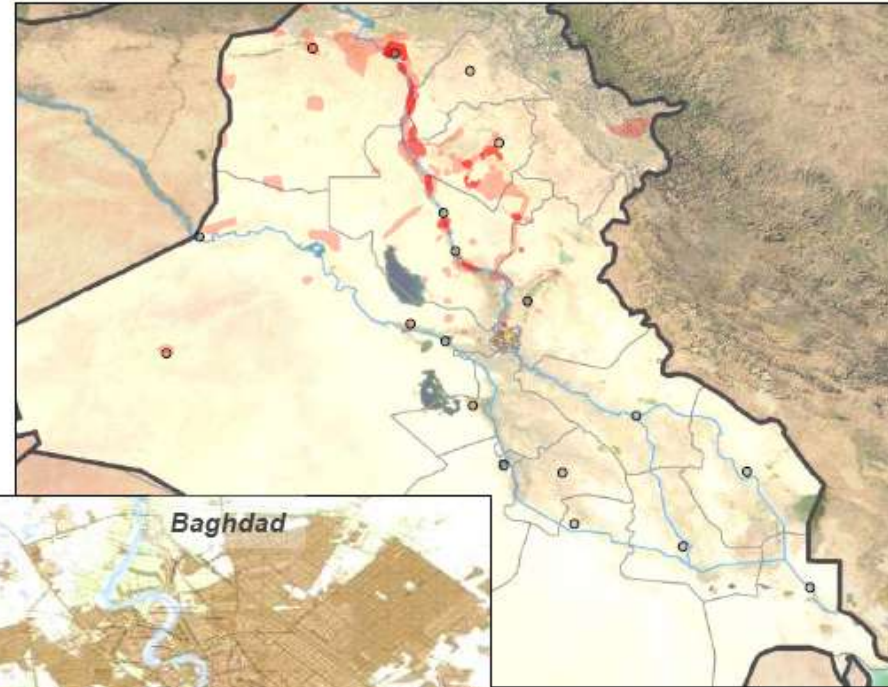
*Still possible to trigger a new wave
of divisive violence in Arab
population, but less likely with time*

Al Qa'ida in Iraq Winter 2006 vs. Fall 2008

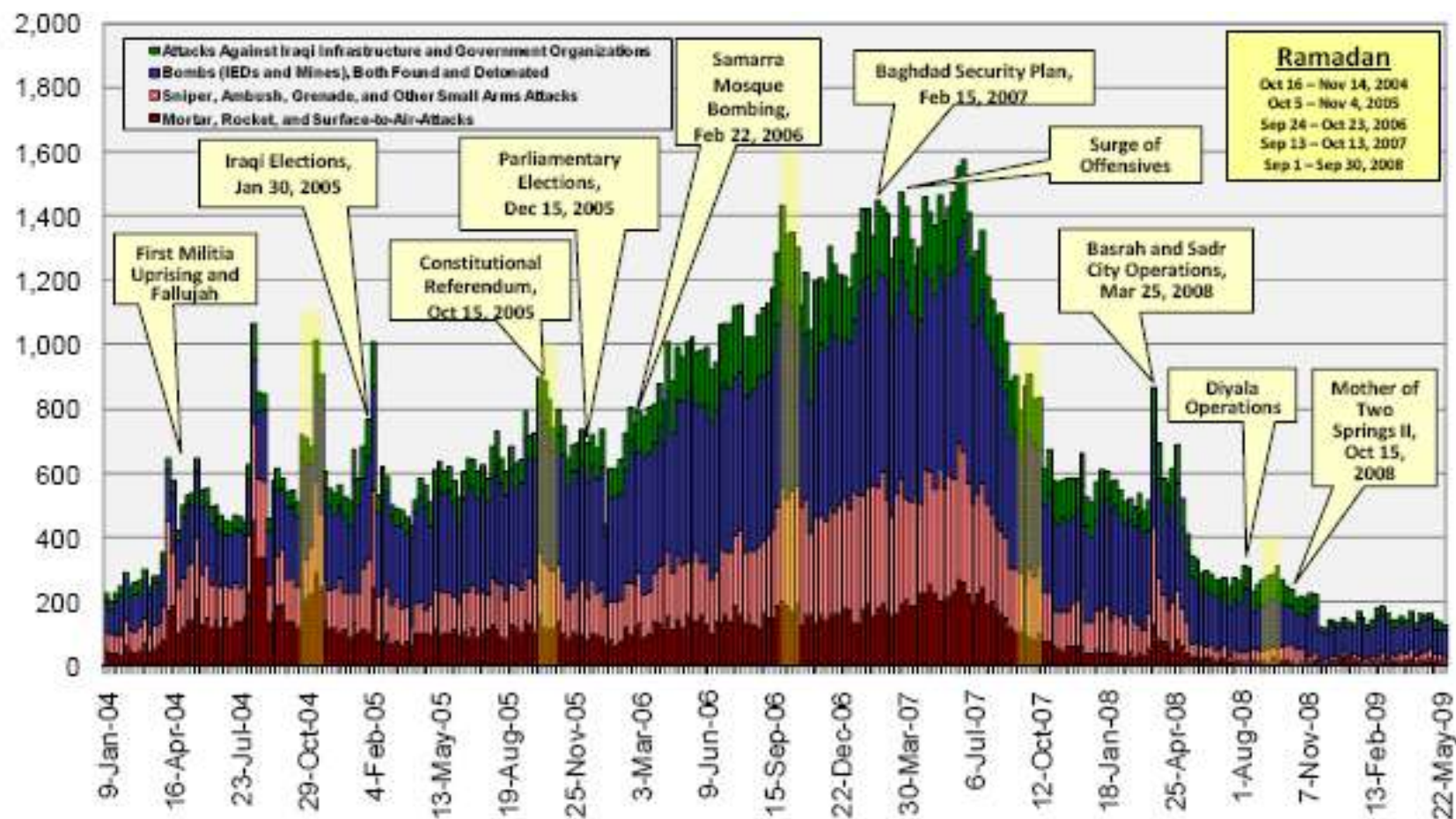
Winter 2006-2007



Fall 2008

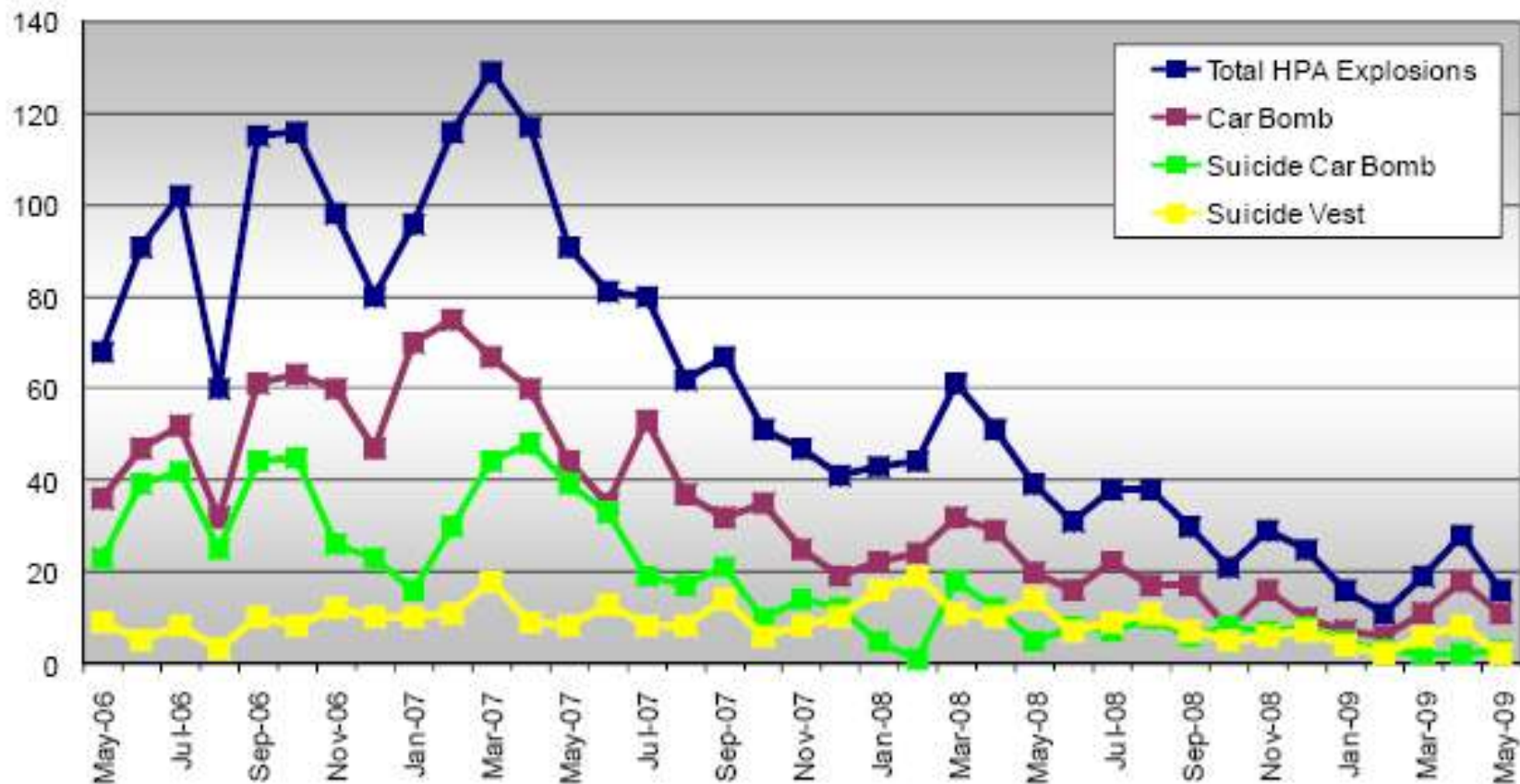


Overall Weekly Security Incident Trends: January 3, 2004 -May 29, 2009



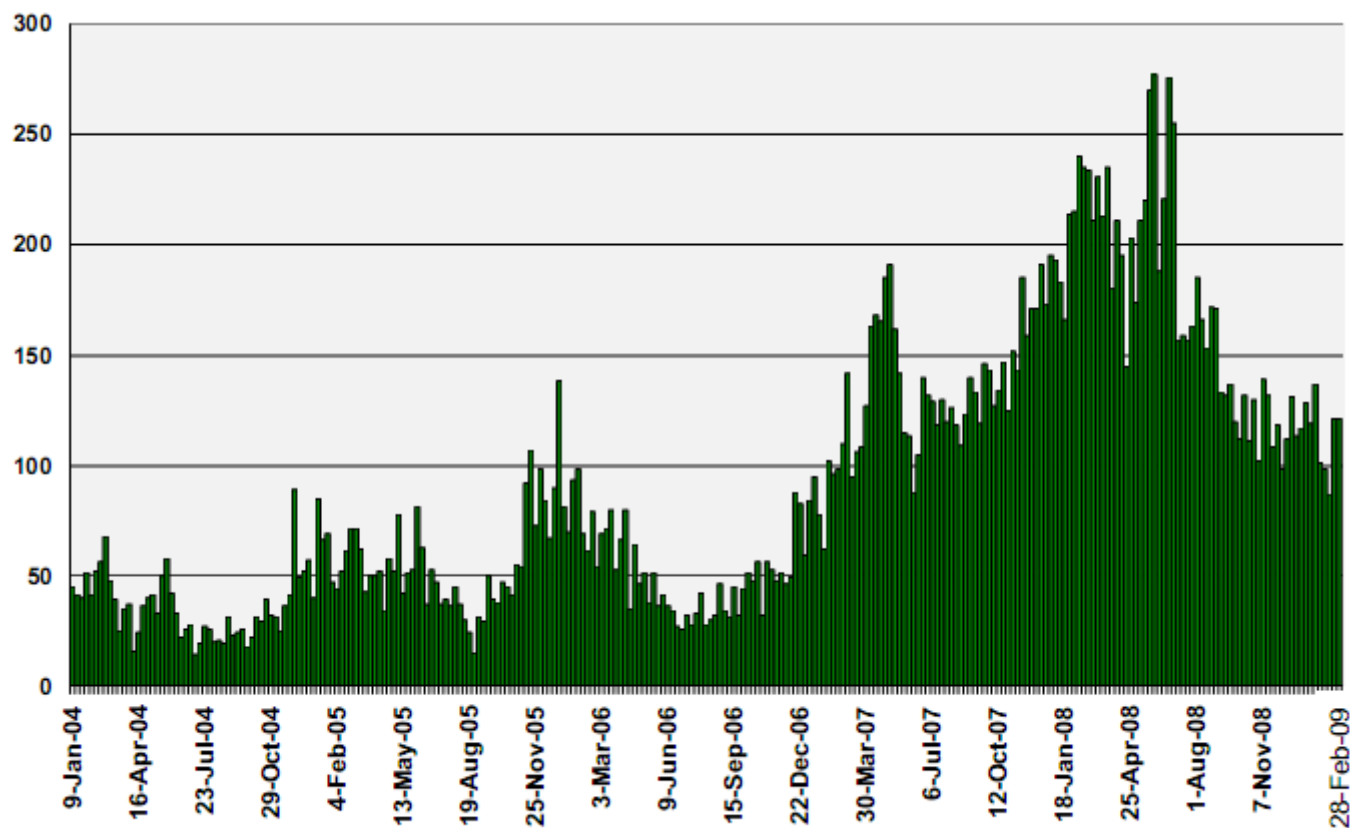
Source: MNF-I SIGACTS III Database (Coalition Reports only) as of May 29, 2009. Chart includes executed attacks and potential (found and cleared) attacks.

High-Profile Attacks (Explosions): May 2006-May 2009



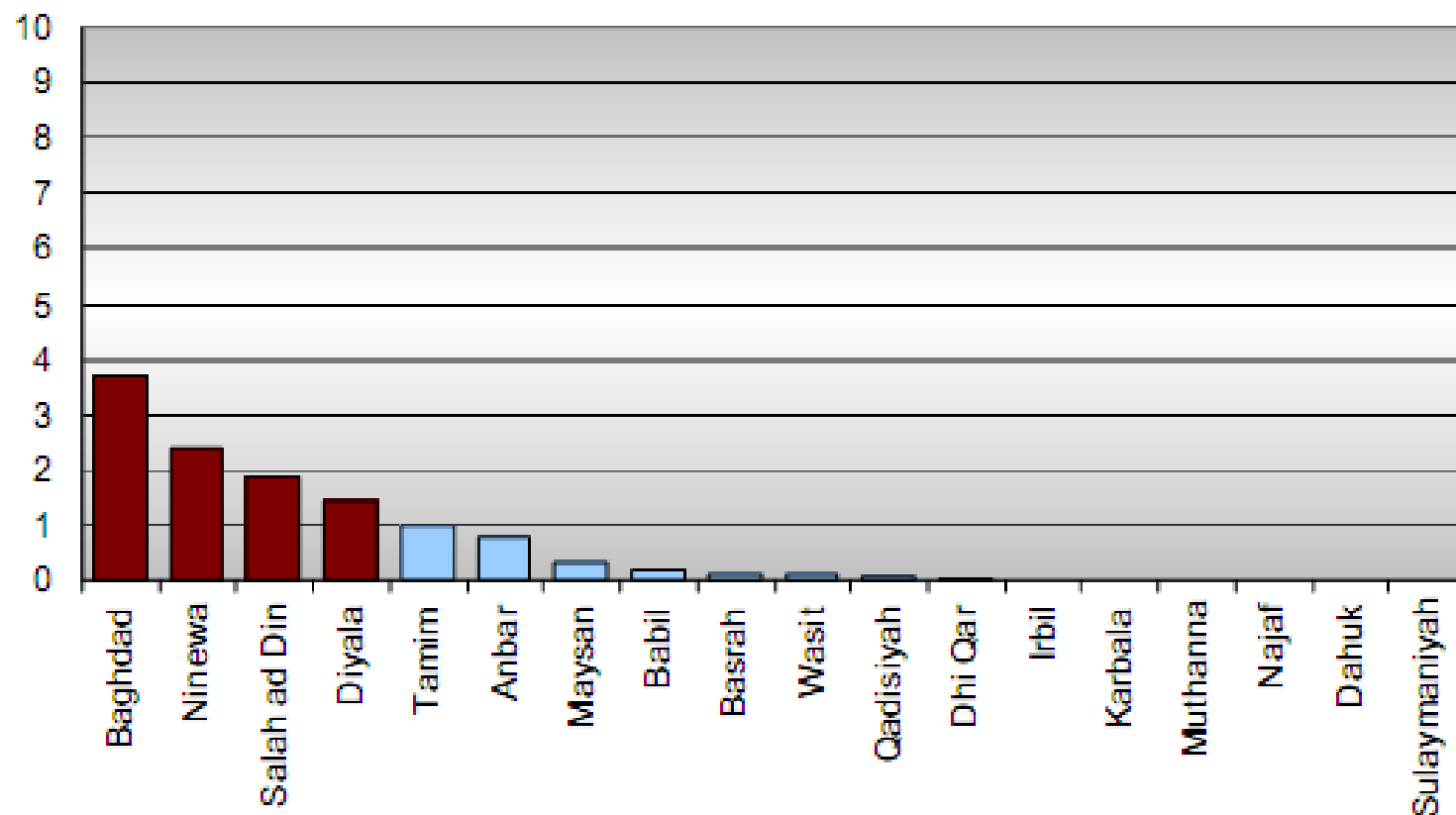
Source: MNF-I CJ5 Assessments. SIGACTS III Database (Coalition Reports only) as of May 31, 2009. Does not include found and cleared.

Weapons Caches Found by Coalition and Iraqi Forces January 3, 2004 – February 28, 2009



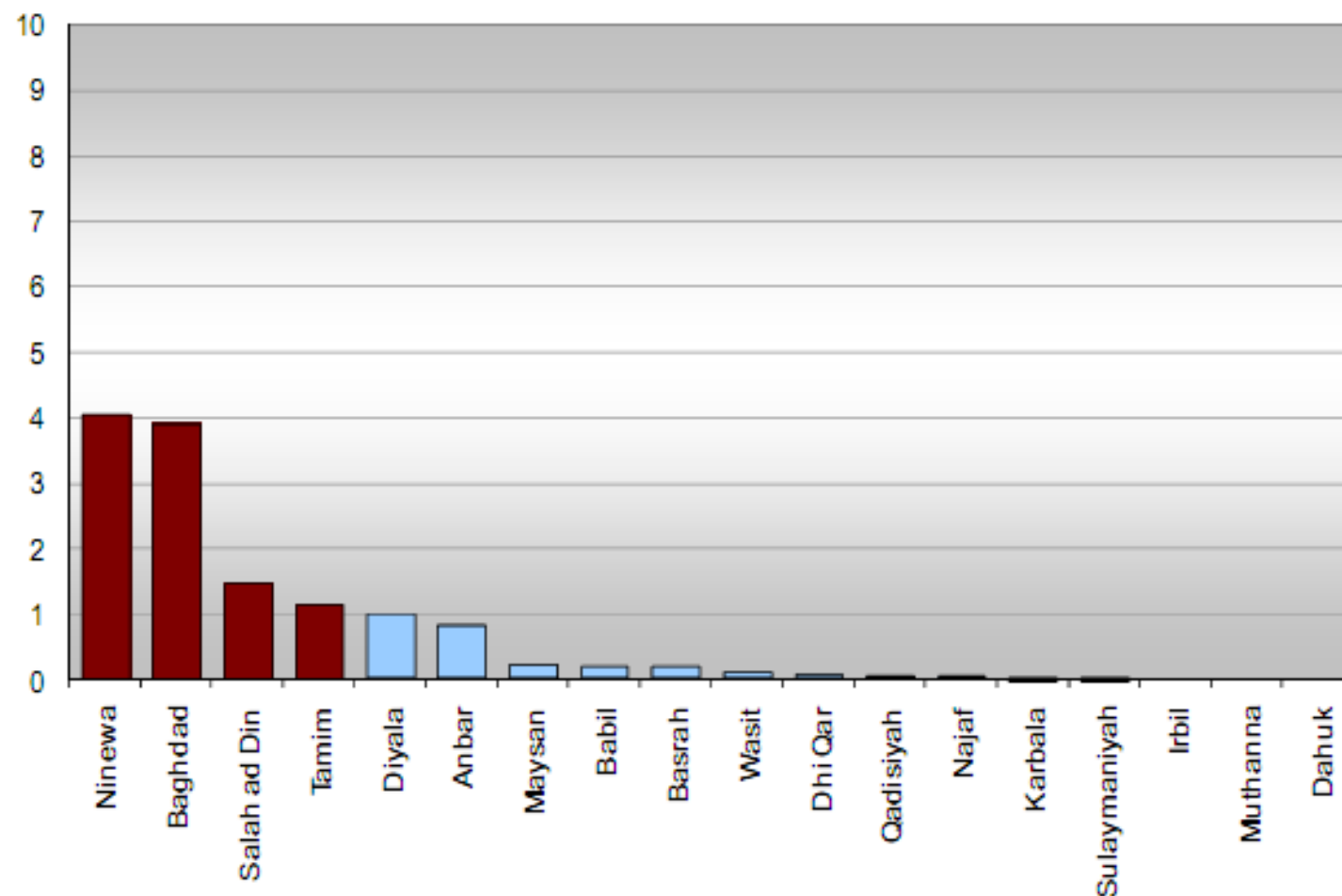
Source: MNF-I CJ5 Assessments. SIGACTS III Database (Coalition Reports only) as of February 28, 2009. Chart includes caches and explosive remnants of war.

Average Daily Executed Attacks by Province December 1, 2008 – February 28, 2009



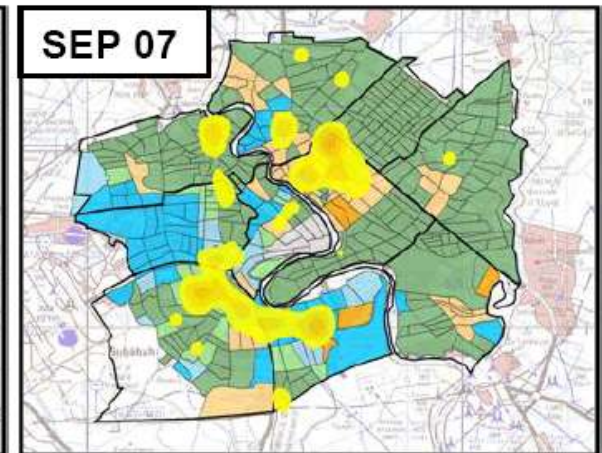
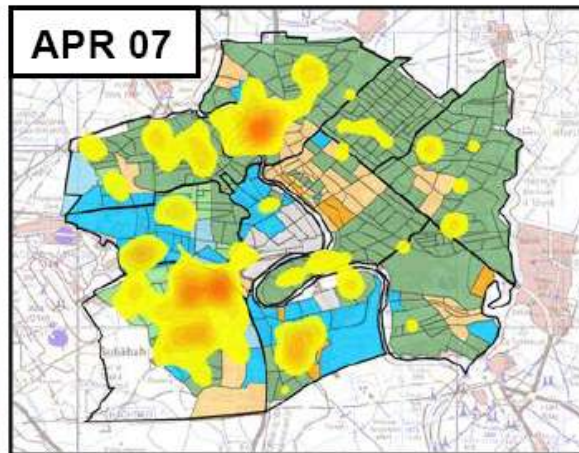
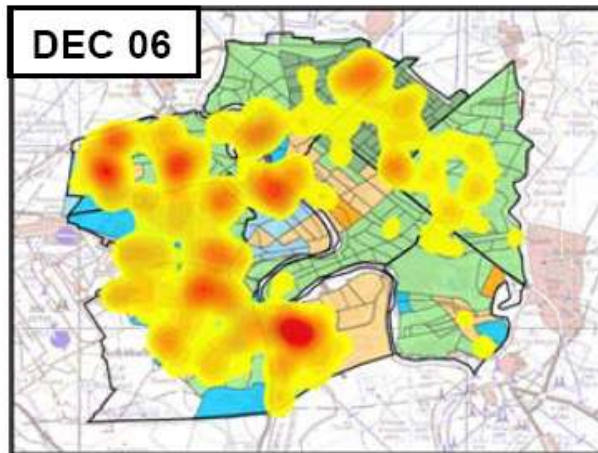
Source: MNF-I CJ5 Assessments. SIGACTS III Database (Coalition Reports only) as of February 28, 2009. Data reflects executed enemy attacks targeted against coalition, ISF, civilians, Iraqi infrastructure and government organizations. Does not include IEDs and mines found and cleared.

Average Daily Executed Attacks by Province March 1, 2009 – May 31, 2009

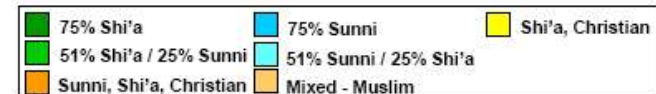
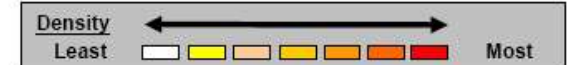
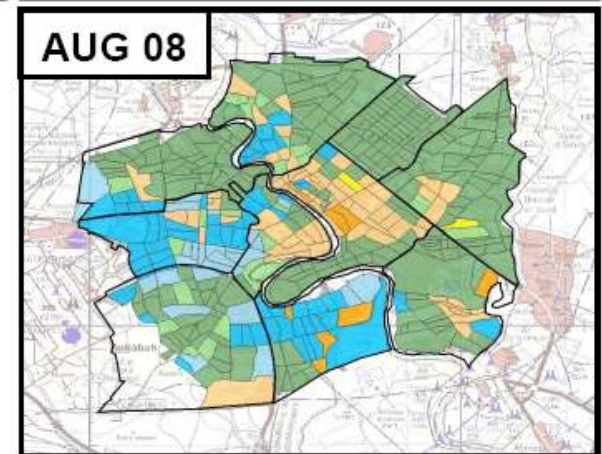
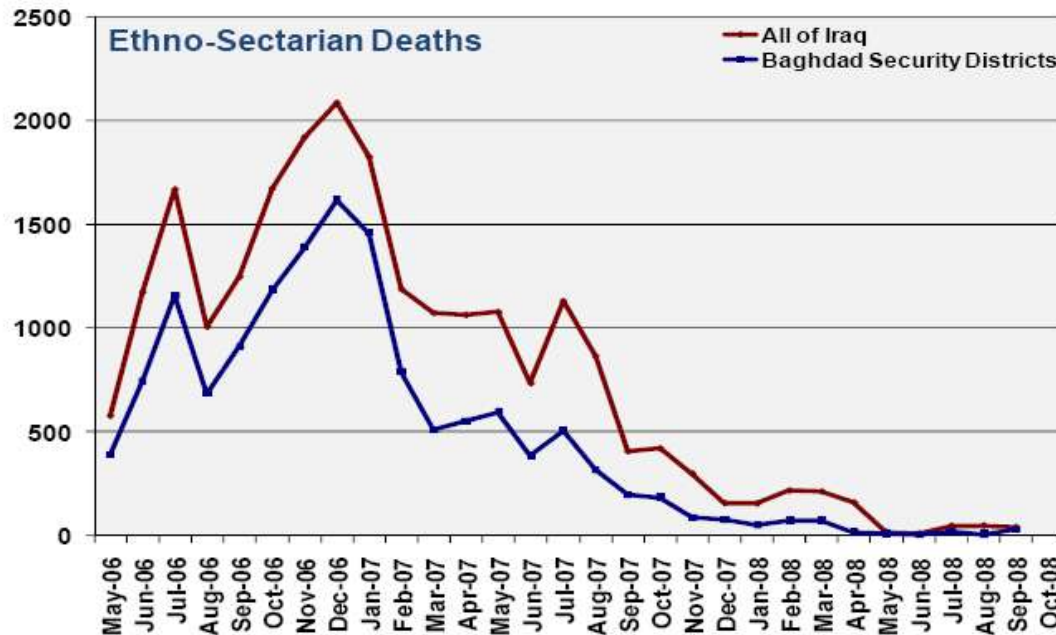


Source: MNF-I CJ5 Assessments. SIGACTS III Database (Coalition Reports only) as of May 31, 2009. Data reflects executed enemy attacks targeted against Coalition, ISF, civilians, Iraqi infrastructure and government organizations. Does not include IEDs and mines found and cleared.

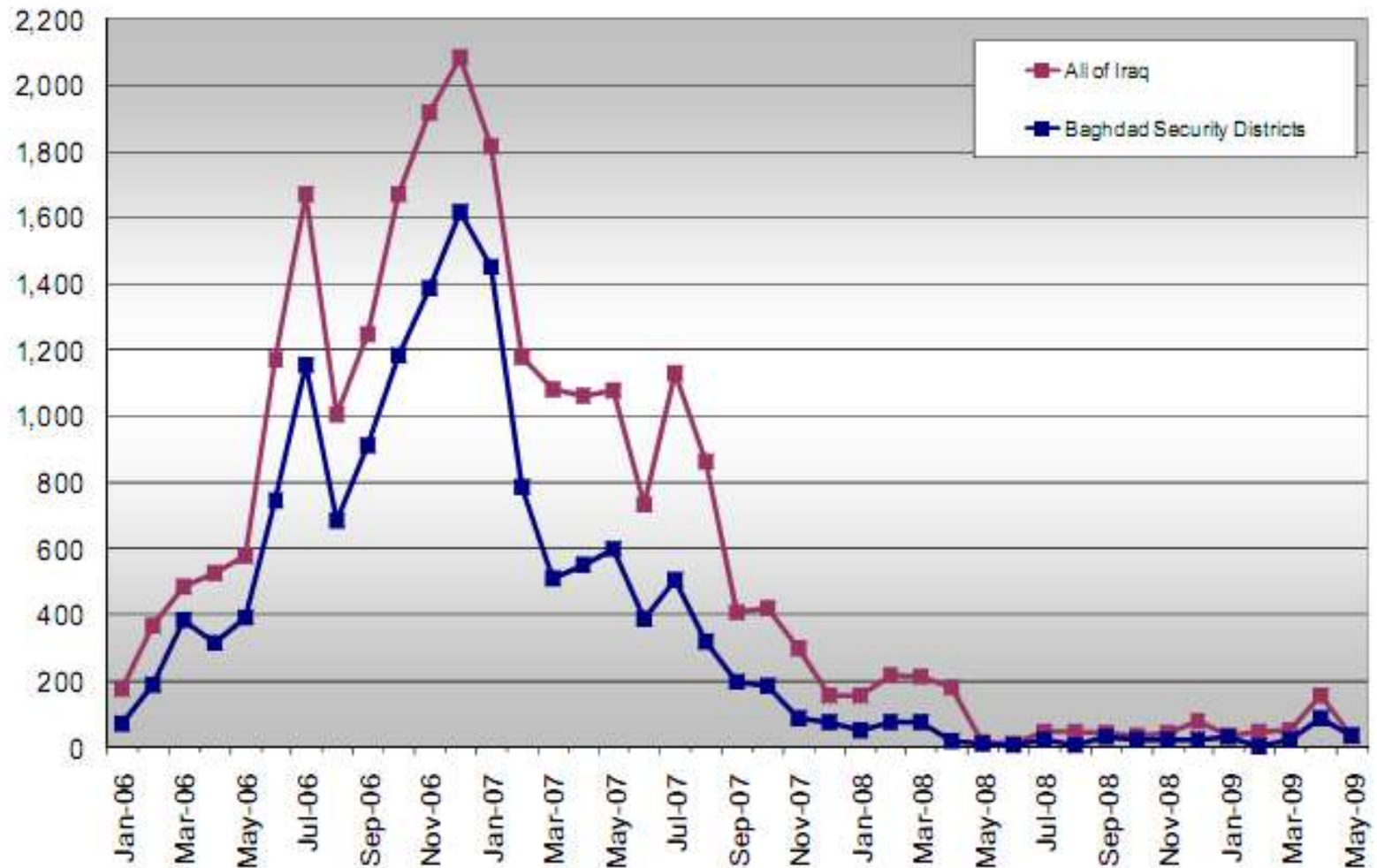
Ethno-Sectarian Attacks: May 2006-Oct 2008



Density plots depict incidents of ethno-sectarian deaths.

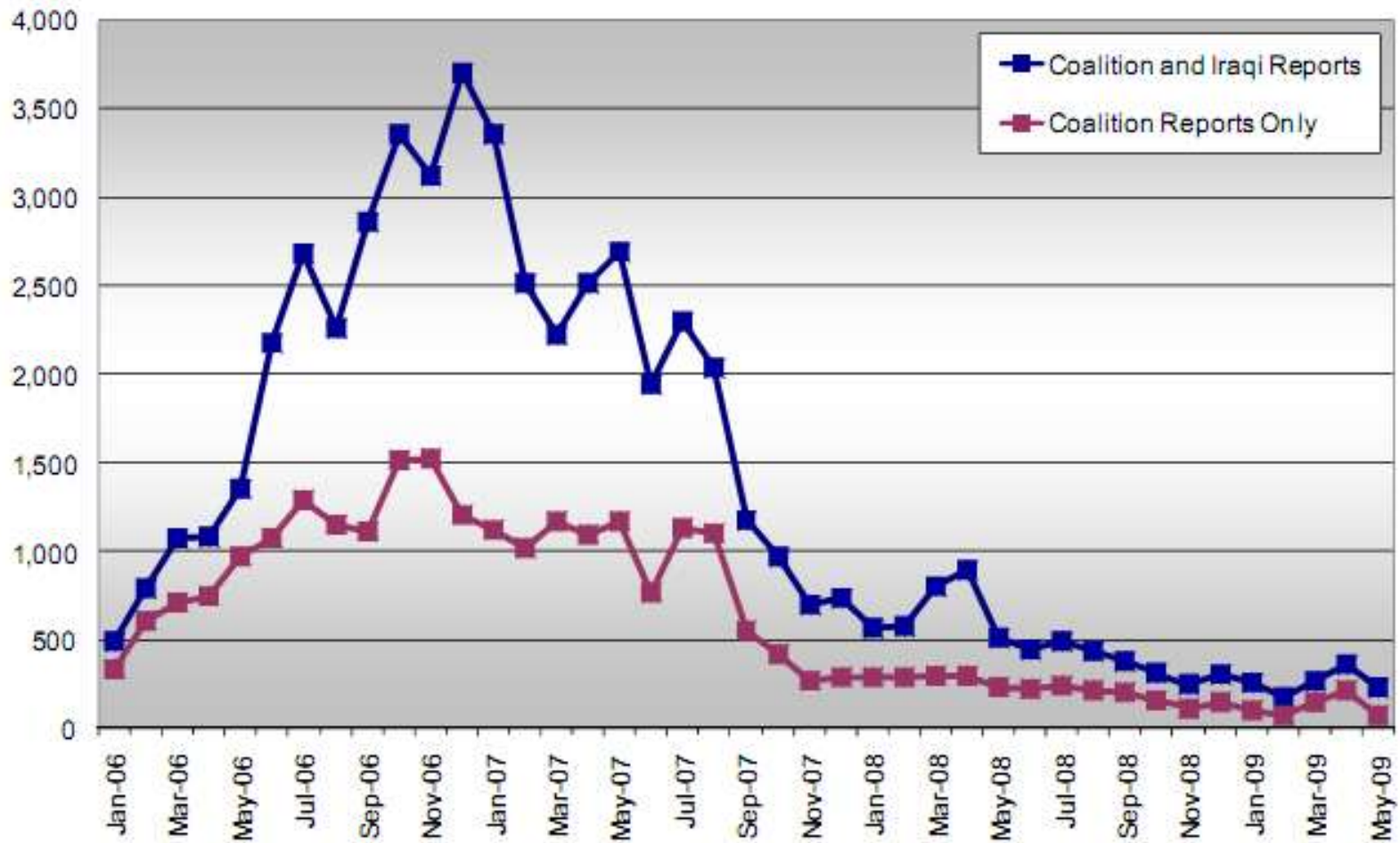


Ethno-Sectarian Deaths January 2006 – May 2009

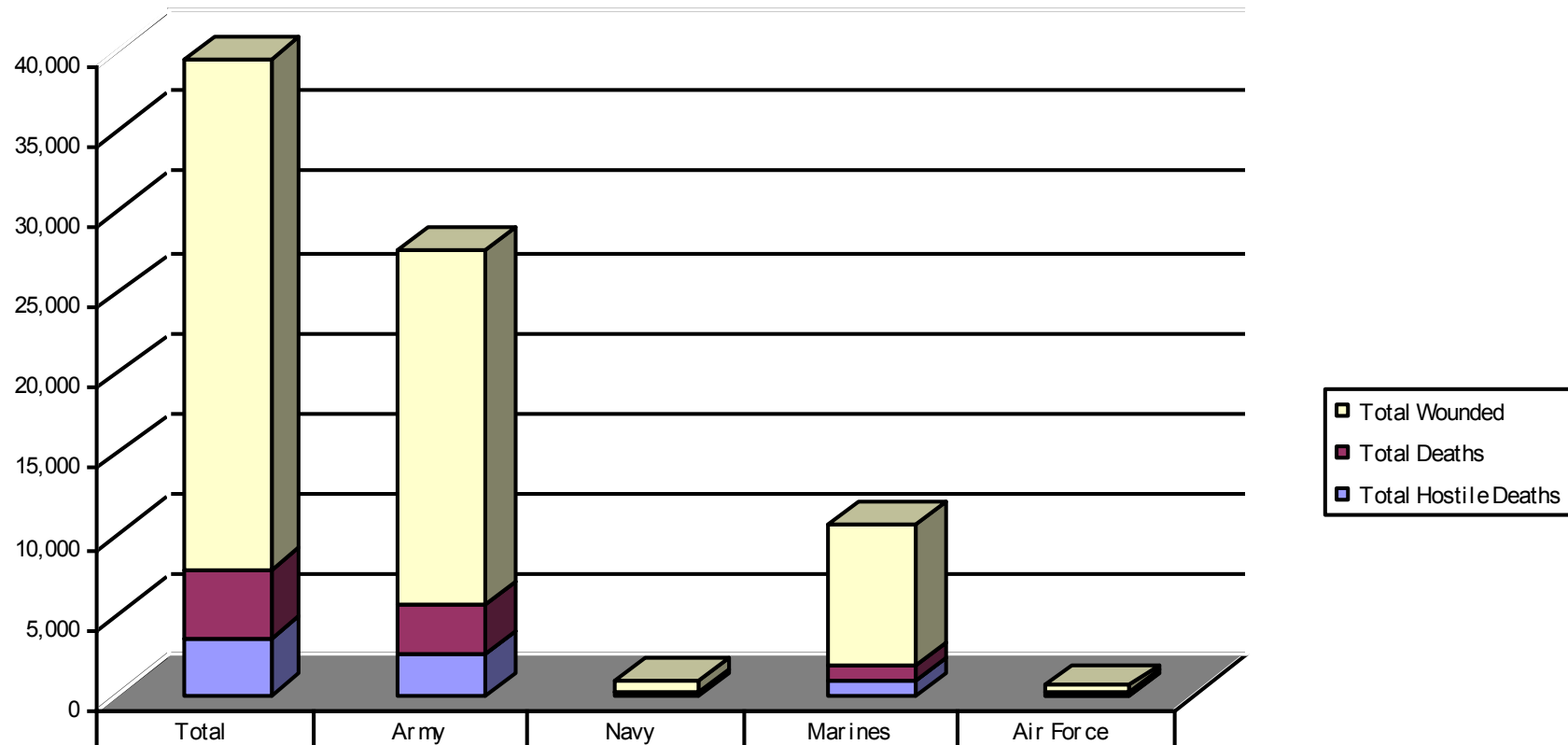


Source: MNF-I CJ5 Assessments CIOC Trends Database (Coalition and Iraqi Reports) as of May 31, 2009.

Civilian Deaths January 2006 – May 2009

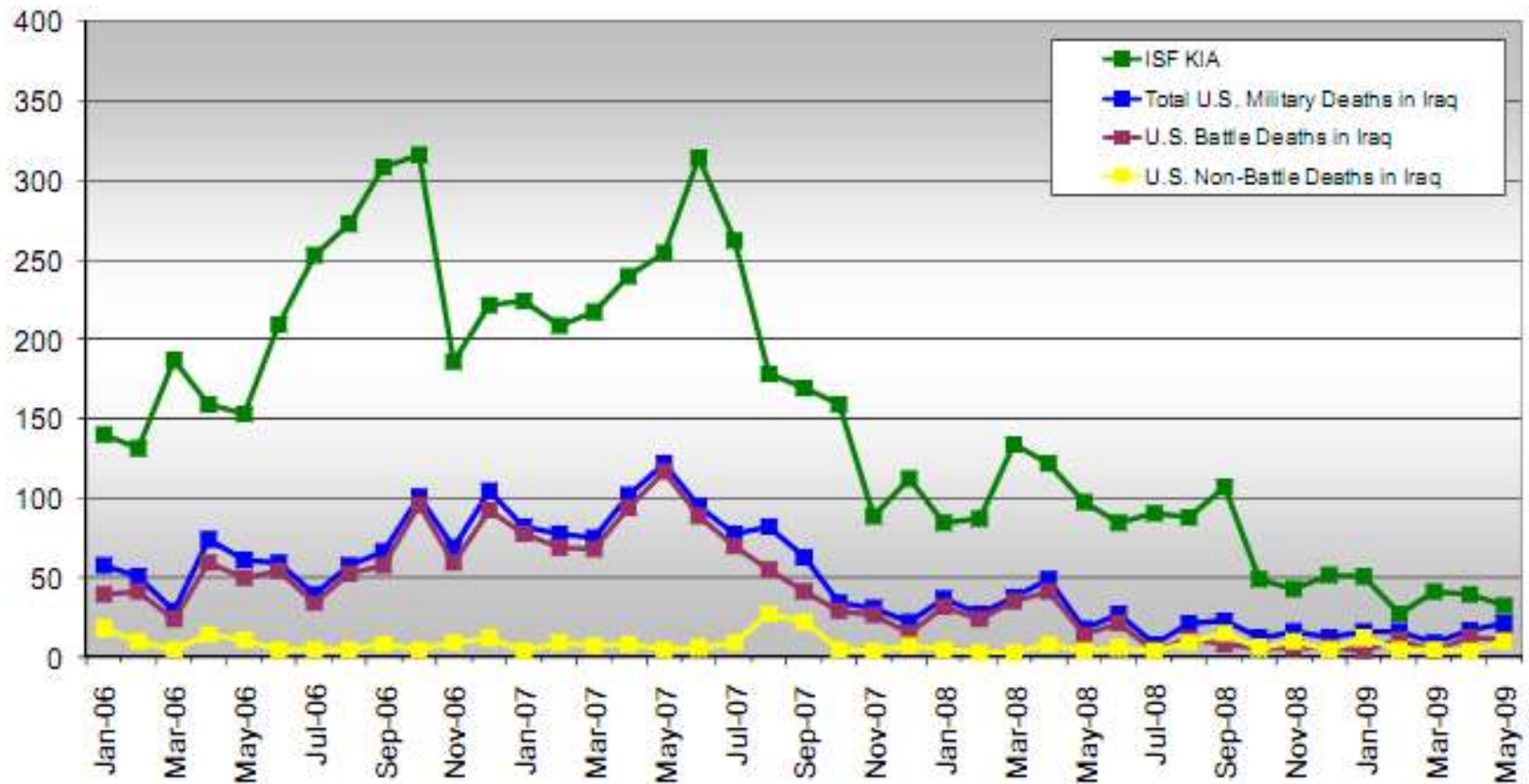


US Deaths and Casualties in Iraq As of September 5, 2009

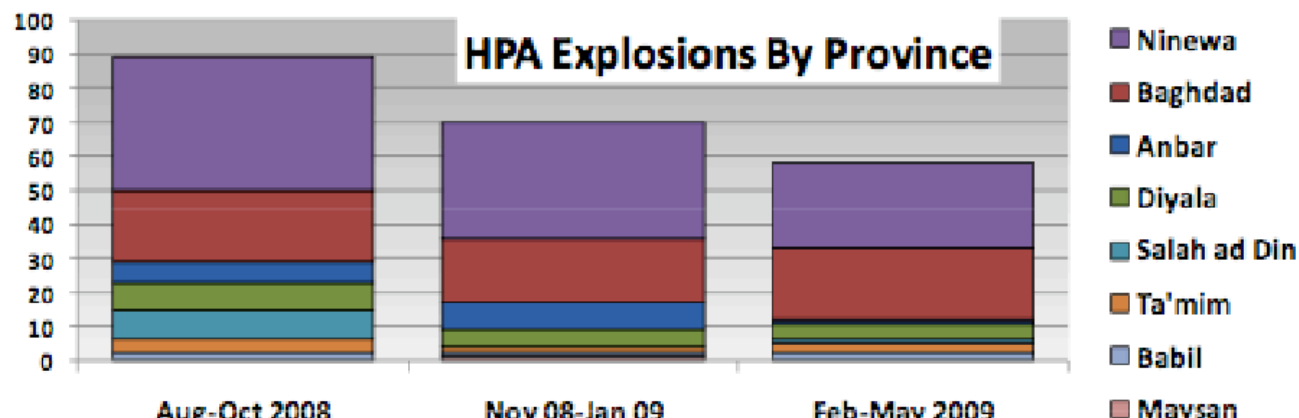


Total Wounded	31,494	21,817	631	8,623	423
Total Deaths	4,329	3,159	101	1,020	49
Total Hostile Deaths	3,460	2,516	65	851	28

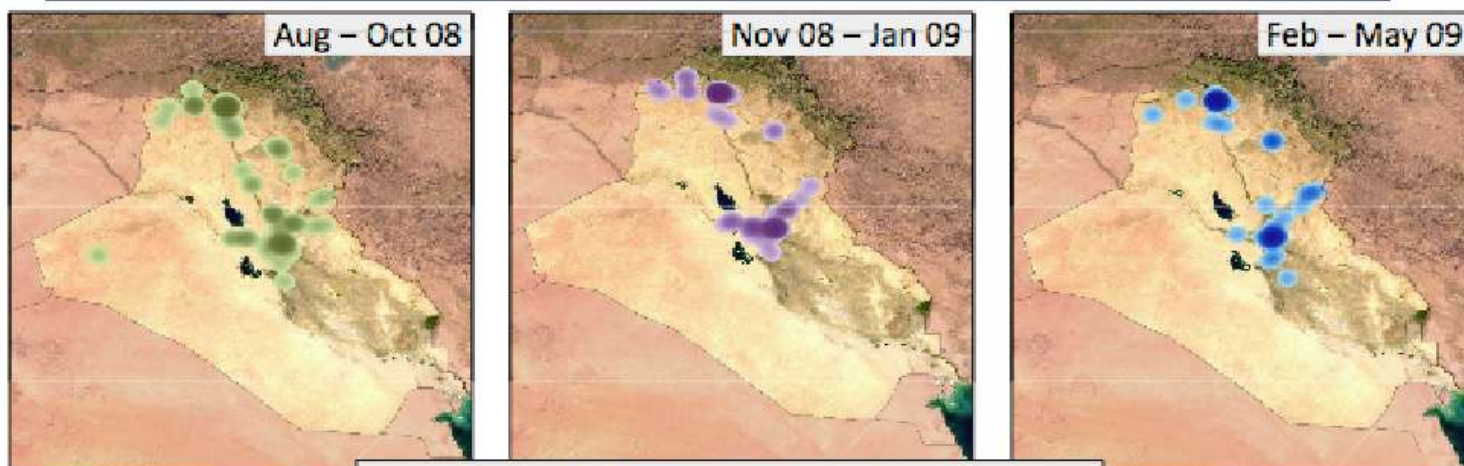
ISF and U.S. Military Deaths in Iraq January 2006 – May 2009



Shifting Regional Patterns of High Profile Attacks: August 2008-May 2009



Although high profile attacks (HPA) have decreased, they are still lethal and concentrated around Mosul & Baghdad.



Density of HPA Explosions by Quarter

Sources: SIGACTS (CF reports) and TF Troy database as of 02-May-09

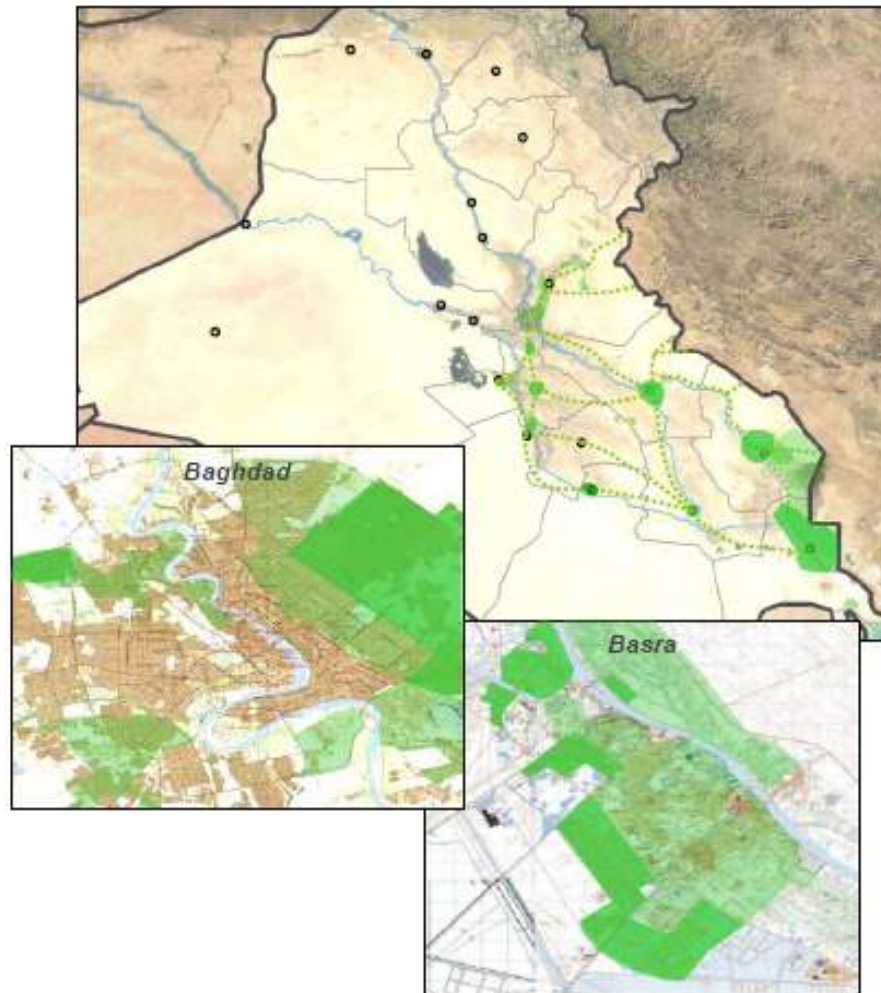
Source: DoD News Briefing, May 8, 2009, 1:00 PM, (090508-D-6570C-001)

Shi'ite vs. Shi'ite

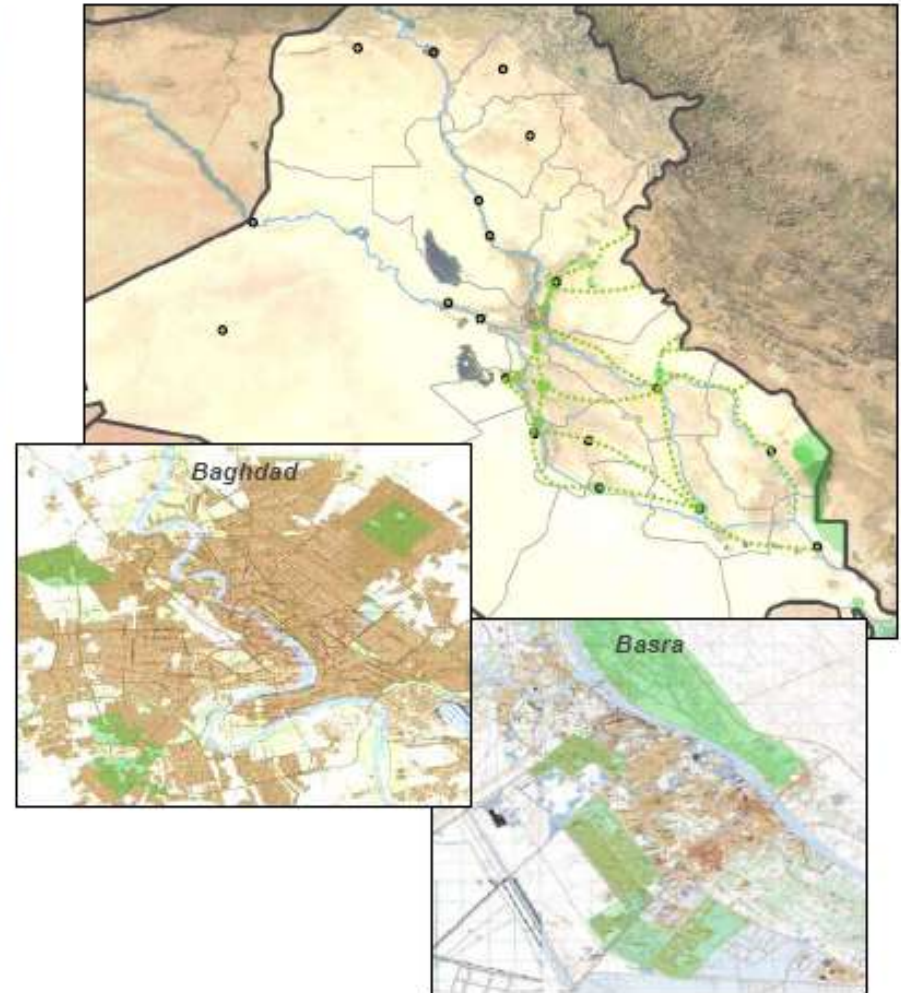
More likely to be a political than a violent power struggle, but Sadrists and splinter groups still a problem.

Key Areas of Shi'ite Extremist Activity: Winter 2007 vs. Fall 2008

Winter 2007-2008



Fall 2008



Shi'ite vs. Shi'ite

- **Deep and growing divisions in former Shi'ite coalition. Maliki rising above Dawa, competing with SIIC. Smaller national parties face serious competition; struggle to survive.**
- **Sadr movement has fragmented, but the end result is independent elements of the Mahdi Army and hard-line splinter groups.**
- **Still see Iranian help in arms and training.**
- **Questions about influence of Sistani and senior clergy, what happens after Sistani dies.**
- **Are significant numbers of secular and quietist Shi'ites.**
- **Most likely case is a Shi'ite victory, perhaps in coalition with non-Shi'ite or secular groups.**
- **Election campaign will set the stage for defining who really has power, but the winning coalition and not the winning candidates are likely to shape the result.**

Sunni vs. Sunni

*Fragmentation of both supporters
and opponents of the political process*

Sunni vs. Sunni

- **Significant numbers of secular Arab nationalists.**
- **At this point, still jockeying to establish real Sunni political parties, and influence/control at the local and provincial level.**
- **Syria still plays a serious spoiler role -- supporting neo-Ba'athists and tolerating AQI.**
 - **Islamic State of Iraq/Al Qa'ida in Iraq still have operating areas in Ninewa and Mosul, and operate in Diyala. Will be able to play a major spoiler role for some years to come.**
 - **Proto-Ba'athist groups like Jaysh Rijal Tariq Al Naqshabandi emerging as more serious threat.**
- **No unifying clergy or clear leader.**
- **SOIs, tribal groups, secular leaders, Islamic leaders fragmented and inexperienced. Limit ability to create an active structure of fragmentation and division.**
- **Much depends on coming election; sharing of power, oil wealth, and positions in government and ISF.**

Economic, Budget, and Unemployment Pressures

*Losing/Finding the
“Glue” That Can Hold Iraq
Together*

Weekly Oil Price July 2007 – June 2006

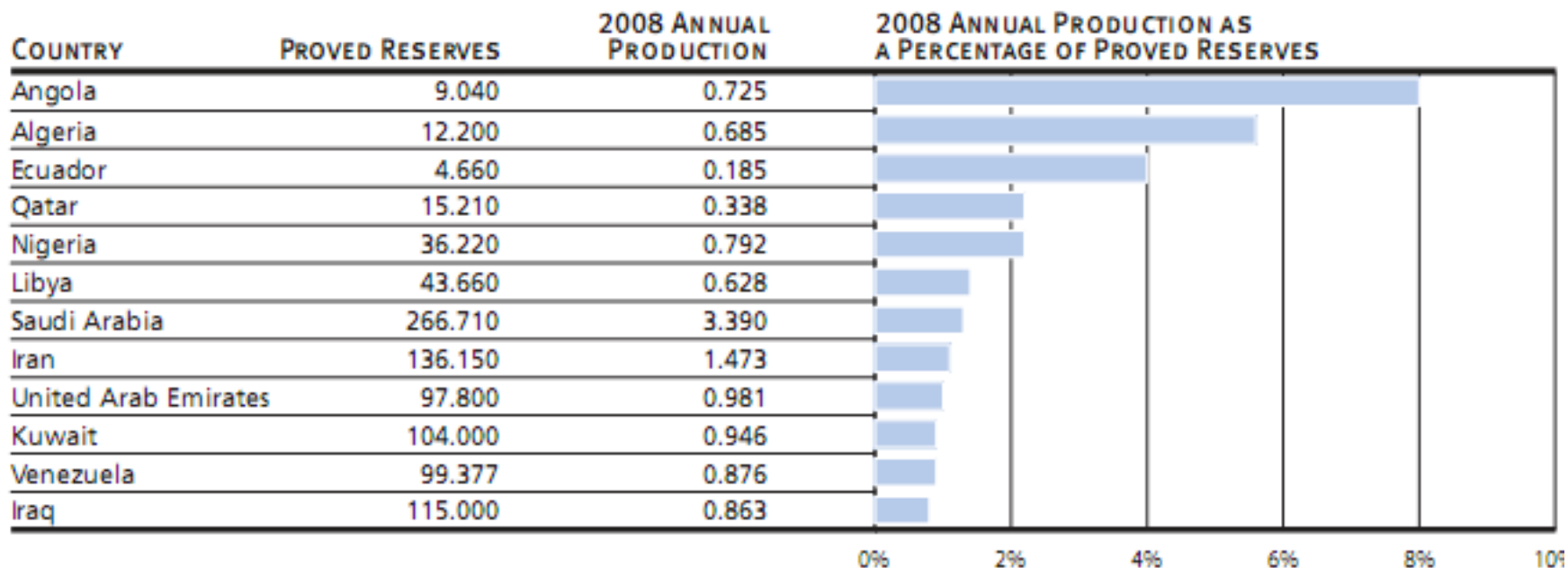


Note: Values reflect the average weekly price of Kirkuk crude oil.

Source: U.S. Energy Information Administration, "World Crude Oil Prices: OPEC Average," 6/30/2009, www.eia.doe.gov, accessed 7/15/2009.

OPEC Country Proved Reserves vs. Production

Billion Barrels



Note: Numbers affected by rounding. Proved reserves as of 1/1/2009.

Source: EIA, "World Proved Reserves of Oil and Natural Gas, Most Recent Estimates," <http://www.eia.doe.gov/emeu/international/reserves.html>, accessed 5/7/2009. EIA cites the source of this data as PennWell Corporation, Oil & Gas Journal, Vol. 106.48 (12/22/2008).

Iraqi Budget, Projects and Employment Data

2009 IRAQI PROVINCIAL BUDGET (\$ MILLIONS)			U.S. ONGOING AND COMPLETED PROJECT COSTS (\$ MILLIONS)					EMPLOYMENT DATA	
OPERATIONAL BUDGET	CAPITAL BUDGET	RECONSTRUCTION AS % OF TOTAL	CERP	ESF	IRRF	ISFF	TOTAL	UNEMPLOYMENT	UNDEREMPLOYMENT
5,067.7	1,952.0	28%	11.9	21.1	95.4	7.9	136.3	21.6%	23.2%
			80.1	36.1	348.2	42.9	507.3	14.5%	18.1%
			11.8	30.4	163.2	16.0	221.4	16.0%	21.1%
17.6	235.6	93%	204.4	21.0	442.9	360.1	1,028.4	20.9%	35.7%
12.6	99.4	89%	173.3	110.7	648.0	115.2	1,047.1	15.7%	26.0%
41.5	97.2	70%	234.6	92.9	403.6	107.0	838.1	21.9%	27.1%
17.8	112.4	86%	423.1	80.6	514.8	839.1	1,857.6	17.4%	33.3%
19.8	103.7	84%	210.7	13.4	454.7	246.3	925.3	19.0%	31.9%
47.3	551.1	92%	1,088.7	756.4	3,193.1	1,606.7	6,644.9	14.5%	27.3%
15.9	90.8	85%	66.9	26.6	298.2	58.8	450.5	13.6%	51.4%
18.8	134.0	88%	174.2	32.6	193.0	20.5	420.3	15.9%	40.9%
40.5	86.4	68%	76.0	13.2	138.6	31.6	259.4	15.9%	27.3%
73.5	77.8	51%	52.7	16.3	83.7	1.0	153.8	19.1%	31.1%
14.5	92.9	87%	42.5	12.0	181.9	27.3	263.7	18.6%	21.1%
13.4	56.2	81%	24.6	12.4	256.5	2.6	296.1	30.5%	33.5%
43.9	142.6	76%	43.9	33.1	734.3	62.2	873.5	36.5%	25.8%
15.9	80.0	83%	27.0	24.4	169.1	37.0	257.5	17.3%	32.9%
16.5	201.0	92%	255.8	107.1	1,585.5	150.7	2,099.0	18.8%	21.5%

Sources:

Population—U.S. Embassy-Baghdad, response to SIGIR data call, 3/29/2009.

Sect—U.S. Embassy-Baghdad, response to SIGIR data call, 3/29/2009, 7/6/2009, 7/16/2009.

IDPs—U.S. Embassy-Baghdad, response to SIGIR data call, 7/6/2009; IOM, "February 22, 2009: Three Years of Post-Samarra Displacement in Iraq," 2/2009.

Security Incidents—MNF-I, response to SIGIR data call, 10/6/2008; CENTCOM, response to SIGIR data call, 7/2/2009.

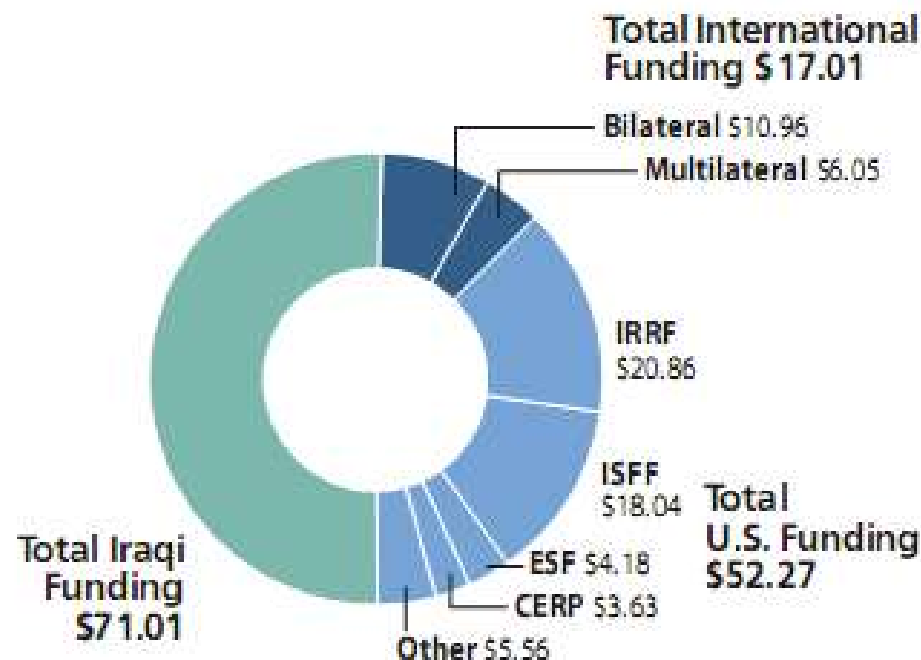
2009 Provincial Budgets—Treasury, response to SIGIR data call, 7/2/2009.

U.S. Project Costs—IRMS, Global Benchmark, 7/4/2009.

Employment Data—NEA-I, response to SIGIR data call, 7/2/2009.

Funding Sources

\$ Billions, Total \$140.29

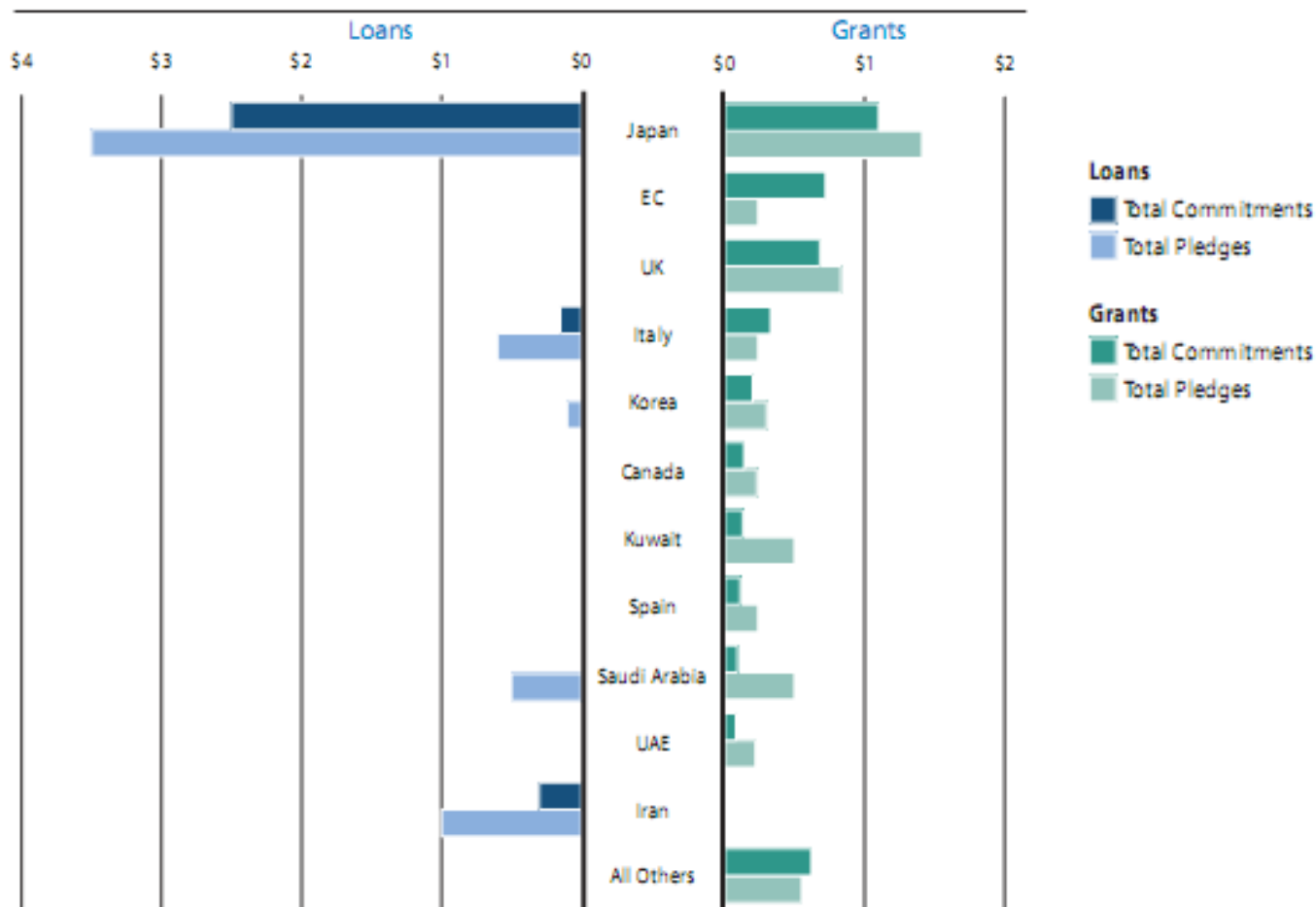


Note: Data not audited. Numbers affected by rounding.

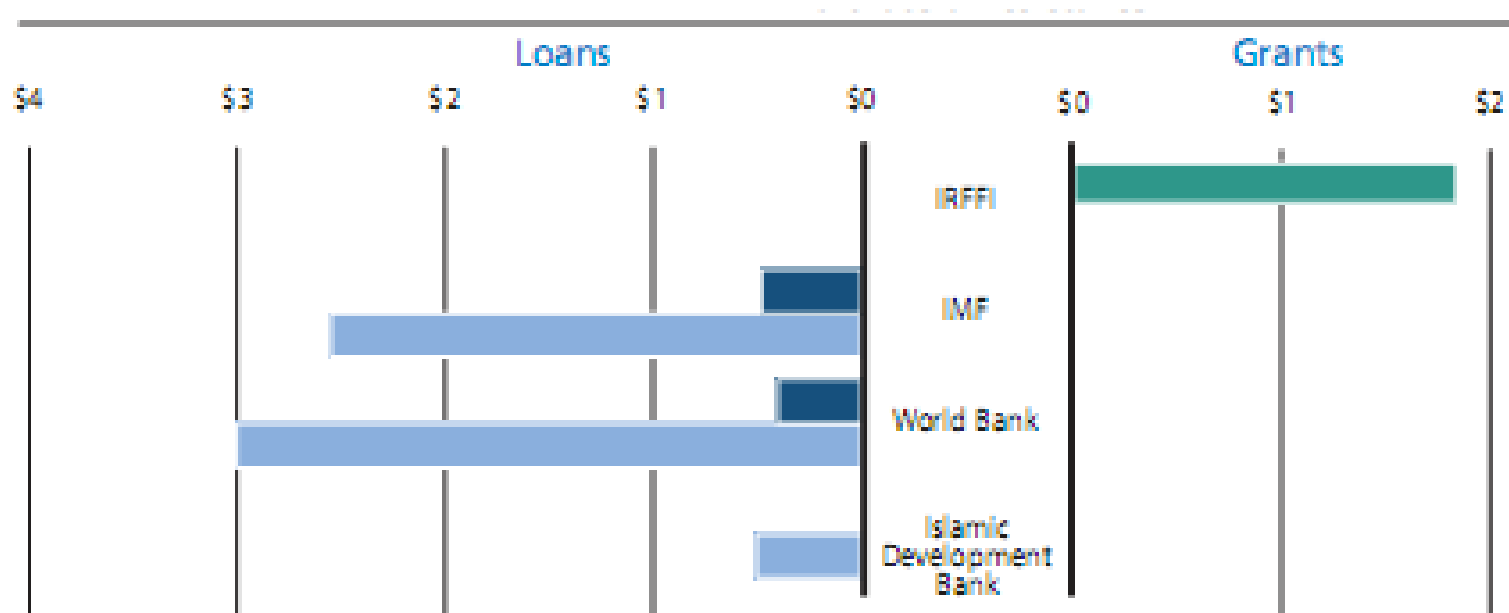
Sources: Treasury, response to SIGIR data call, 7/2/2009; NEA-I, response to SIGIR data call, 7/2/2009; U.S. Embassy-Baghdad, responses to SIGIR data call, 7/6/2009 and 7/16/2009; GRD, response to SIGIR data call, 7/4/2009; ITAO, *Essential Indicators Report*, 5/14/2009; OSD, responses to SIGIR data call, 7/2/2009 and 7/13/2009; SIGIR, *Quarterly and Semiannual Reports to the United States Congress*, 3/2004–4/2009.

International Grants and Loans, Pledged vs. Committed, by Donor

\$US Billions - Bilateral Assistance



Multilateral Assistance

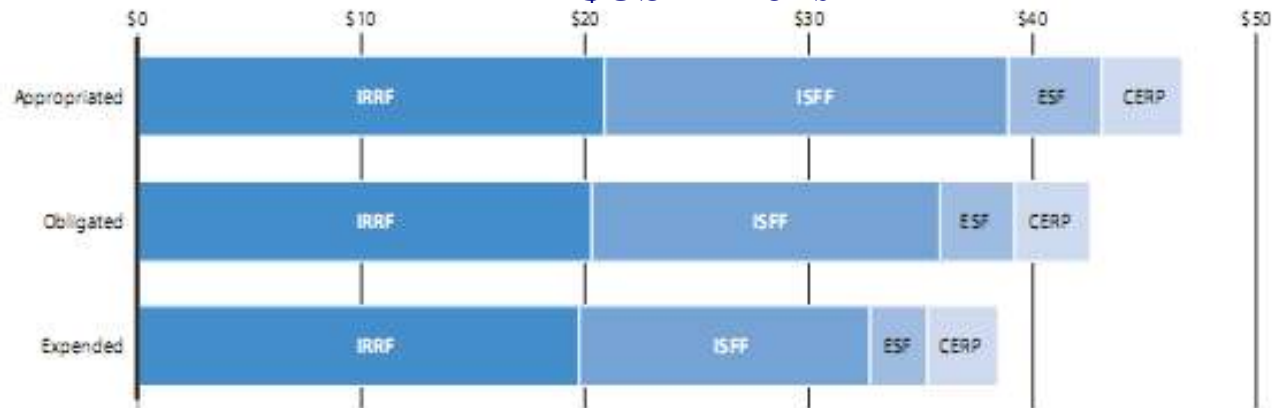


Note: Bilateral commitments exclude IRFFI deposits. The European Commission (EC) remains the largest IRFFI contributor, with deposits totaling \$77.2 million, or 42% of total IRFFI deposits.

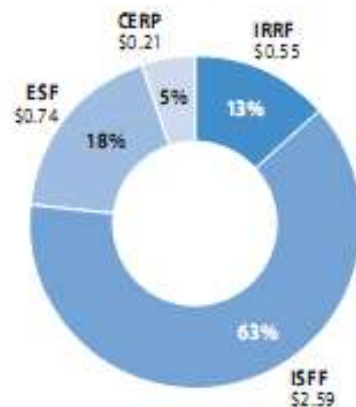
Source: NEA-I, response to SIGIR data call, 7/2/2009.

Status of Major US Funds

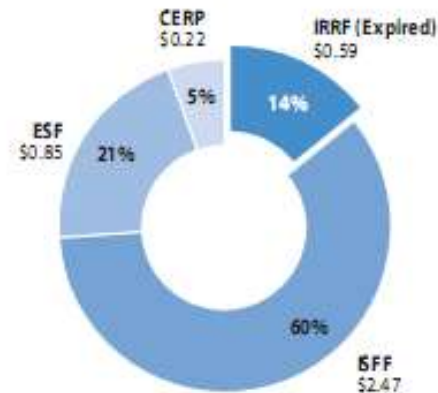
\$US Billions



Obligated, Not Expended
\$4.10



Not Obligated
\$4.12



Note: Data not audited. Numbers affected by rounding.

Sources: U.S. Embassy-Baghdad, responses to SIGIR data call, 7/6/2009 and 7/16/2009; GRD, responses to SIGIR data call, 7/4/2009 and 7/18/2009; ITAQ, Essential Indicators Report, 5/14/2009; MNC-I, Quarterly Report, 4/7/2009 and 7/4/2009; OSD, responses to SIGIR data call, 7/2/2009 and 7/13/2009.

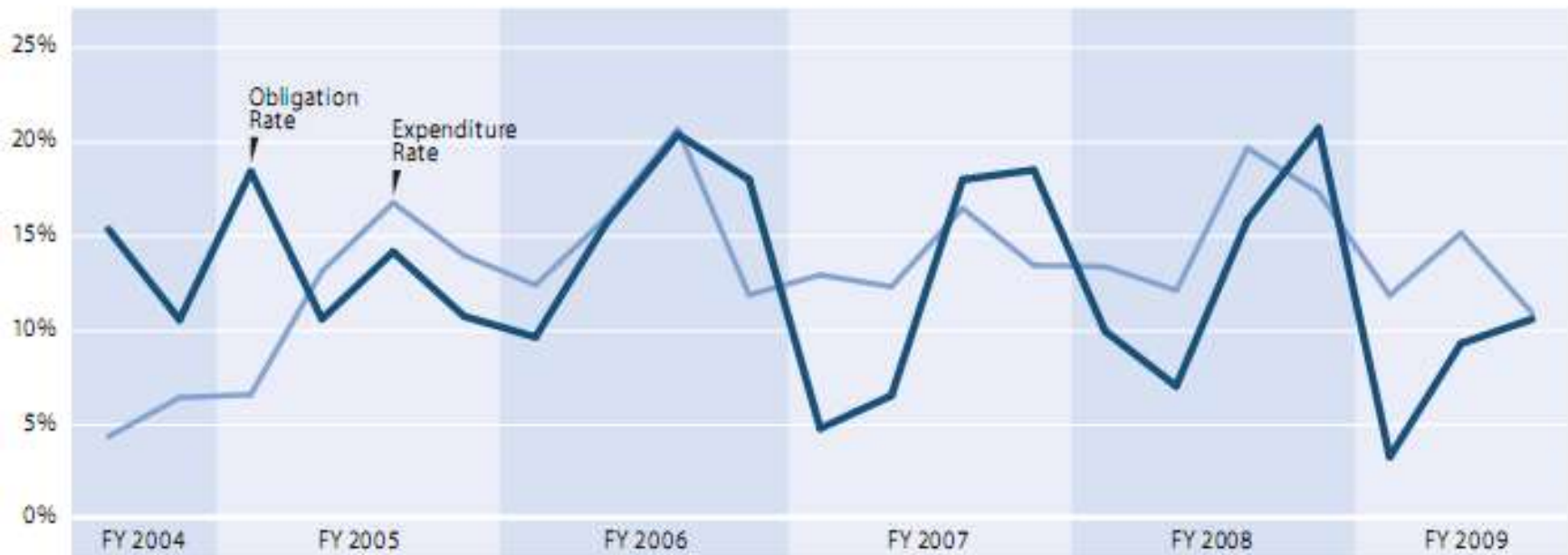
Status of Major US Funds

\$US Billions

FIGURE 2.4

QUARTERLY OBLIGATION AND EXPENDITURE RATES OF MAJOR U.S. FUNDS

% of Available Funds Obligated and Expended



Note: Numbers affected by rounding. Obligation Rate is the ratio of funds obligated during the quarter to the total funds available (appropriations less expired funds) as of the start of the quarter. Expenditure Rate is the ratio of funds expended during the quarter to the total funds available as of the start of the quarter.

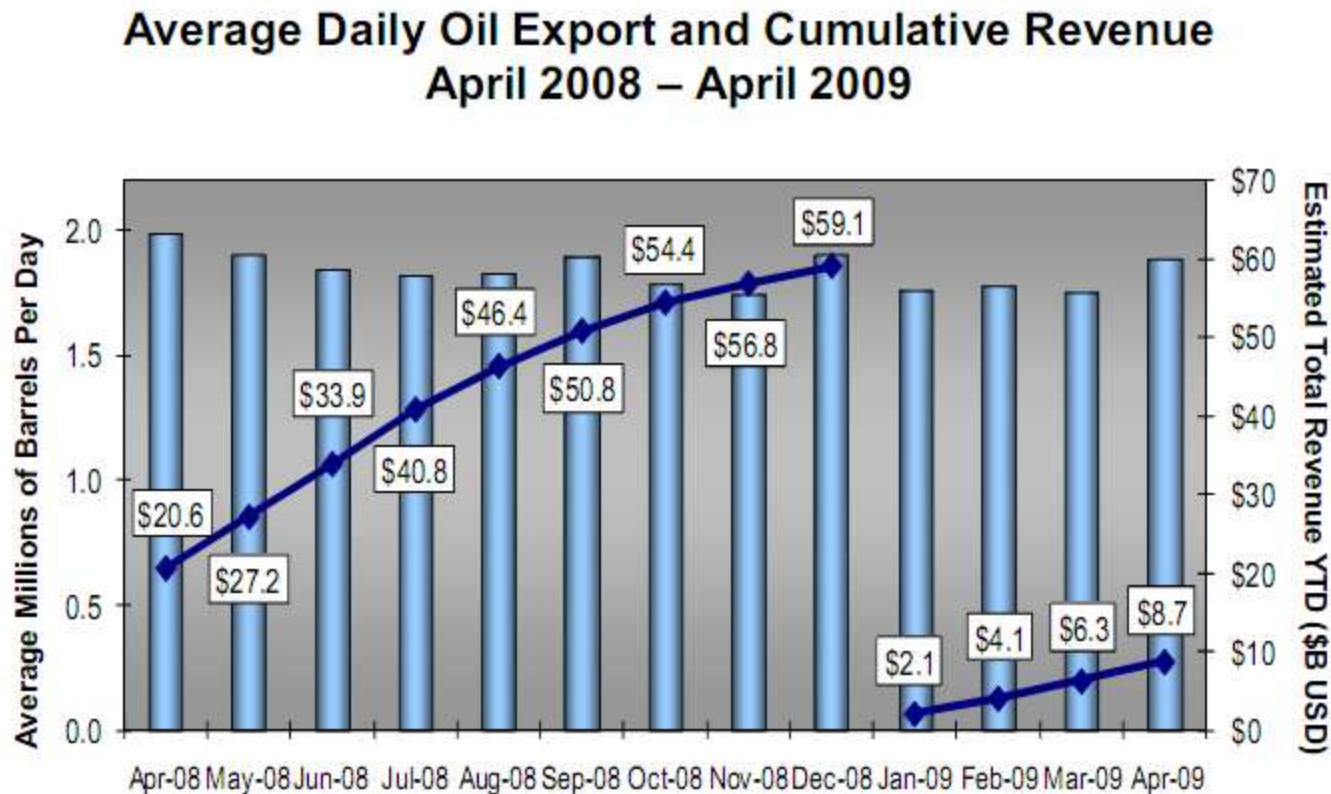
Source: U.S. Embassy-Baghdad, responses to SIGIR data call, 7/6/2009 and 7/16/2009; GRD, responses to SIGIR data call, 7/4/2009 and 7/18/2009; ITAO, *Essential Indicators Report*, 5/14/2009; MNC-I, *Quarterly Reports*, 4/7/2009 and 7/4/2009; OSD, responses to SIGIR data call, 7/2/2009 and 7/13/2009; SIGIR, *Quarterly and Semiannual Reports to the United States Congress*, 3/2004–4/2009.

Key Tests of Progress and Unity

- **Quality, integrity, and equity of government services: education, medical services, water, electricity.**
- **Sharing of state budget and oil wealth by region, sect, ethnicity.**
- **Volume of oil revenues, development of petroleum sector.**
- **Agricultural reform.**
- **Reform of state industries sector and employment.**
- **Employment and income distribution; who gets government jobs and key appointments.**
- **Limits to excessive corruption and power brokers.**

Average Daily Oil Export and Cumulative Revenue

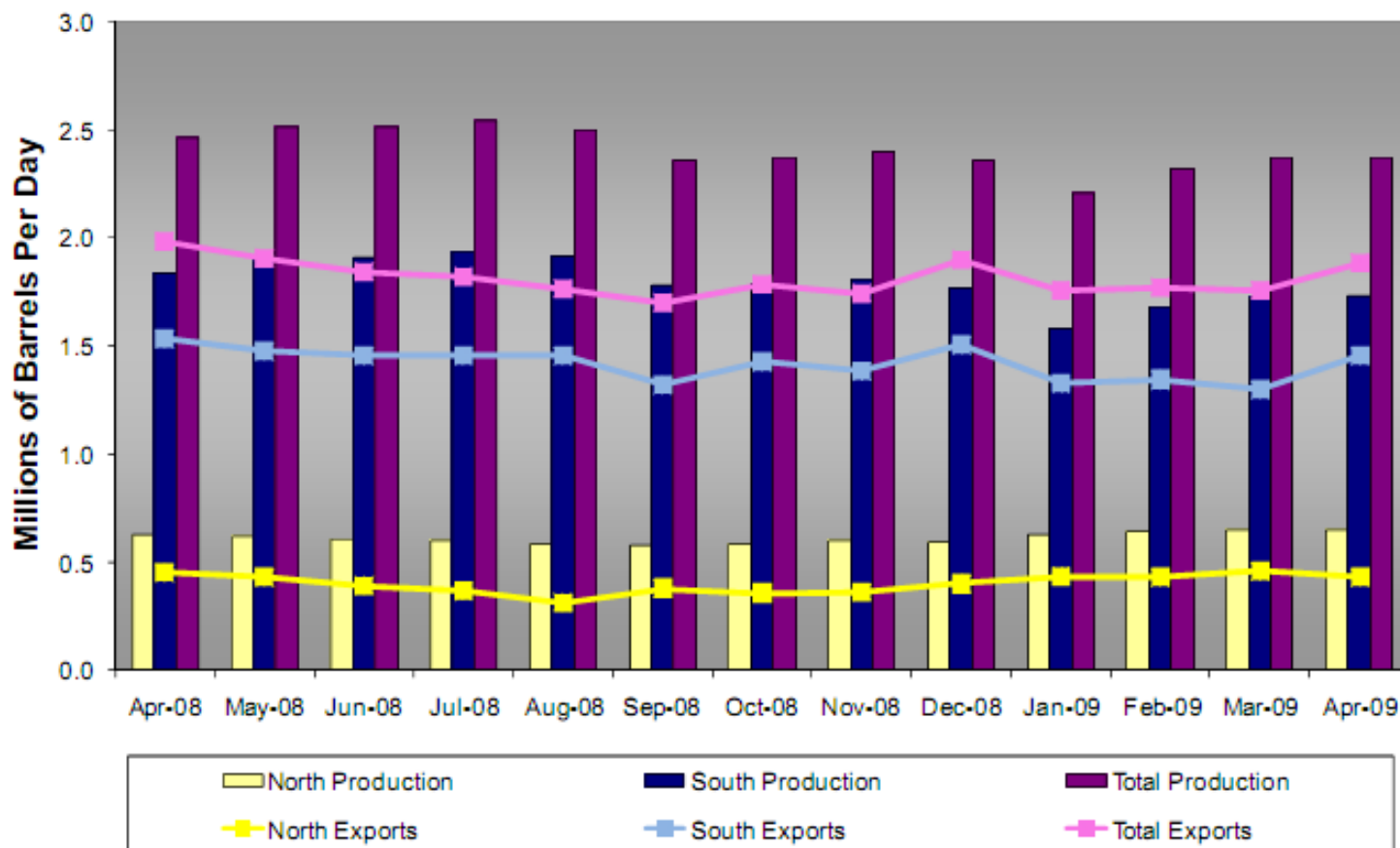
April 2008 –April 2009



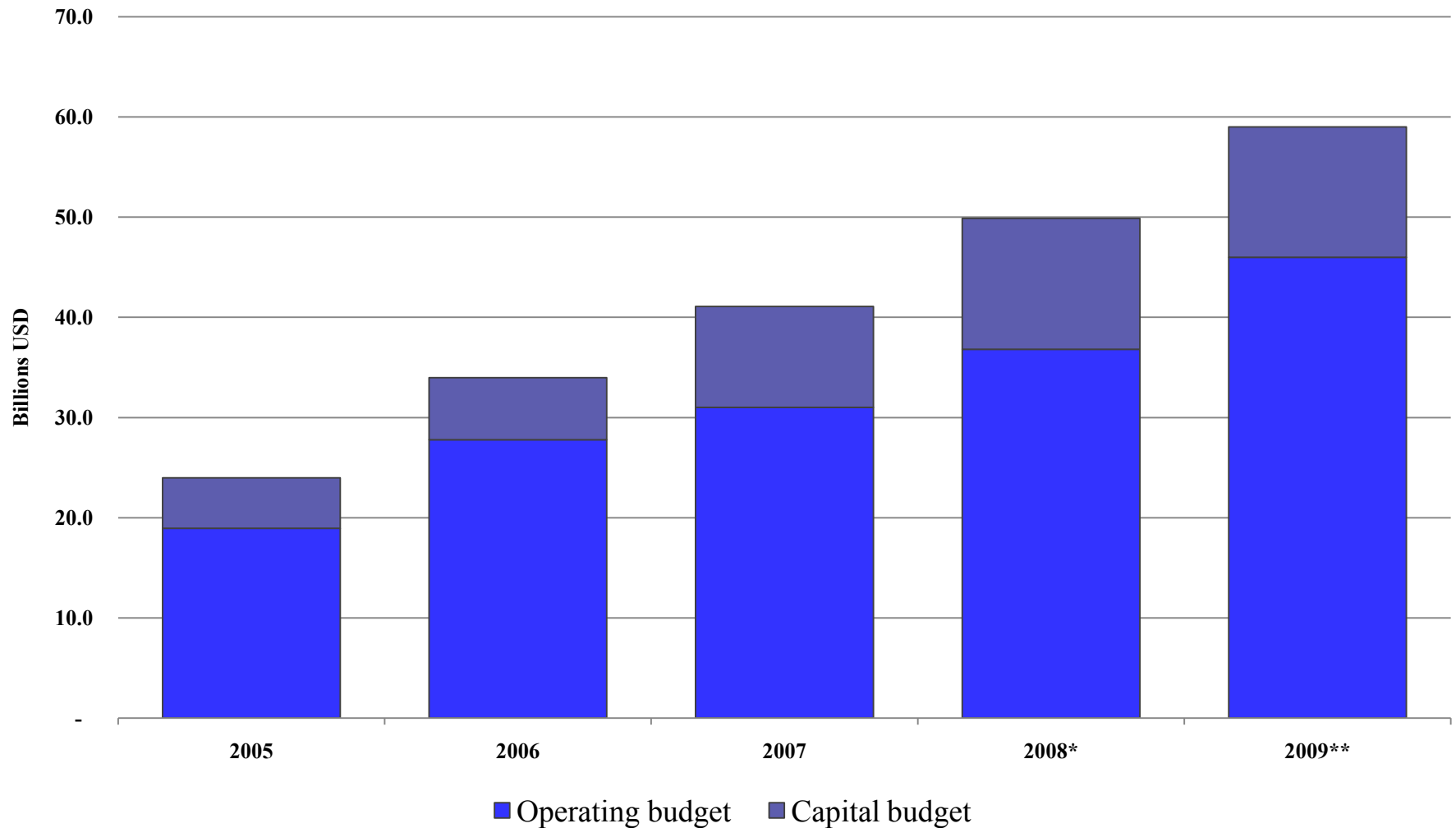
Past Oil Revenues: 2007 = \$41.0 billion, 2008 = \$61.9 billion

Iraq's Oil Sector: Production By Region: April 08-April 09

Oil Production and Export April 2008 – April 2009

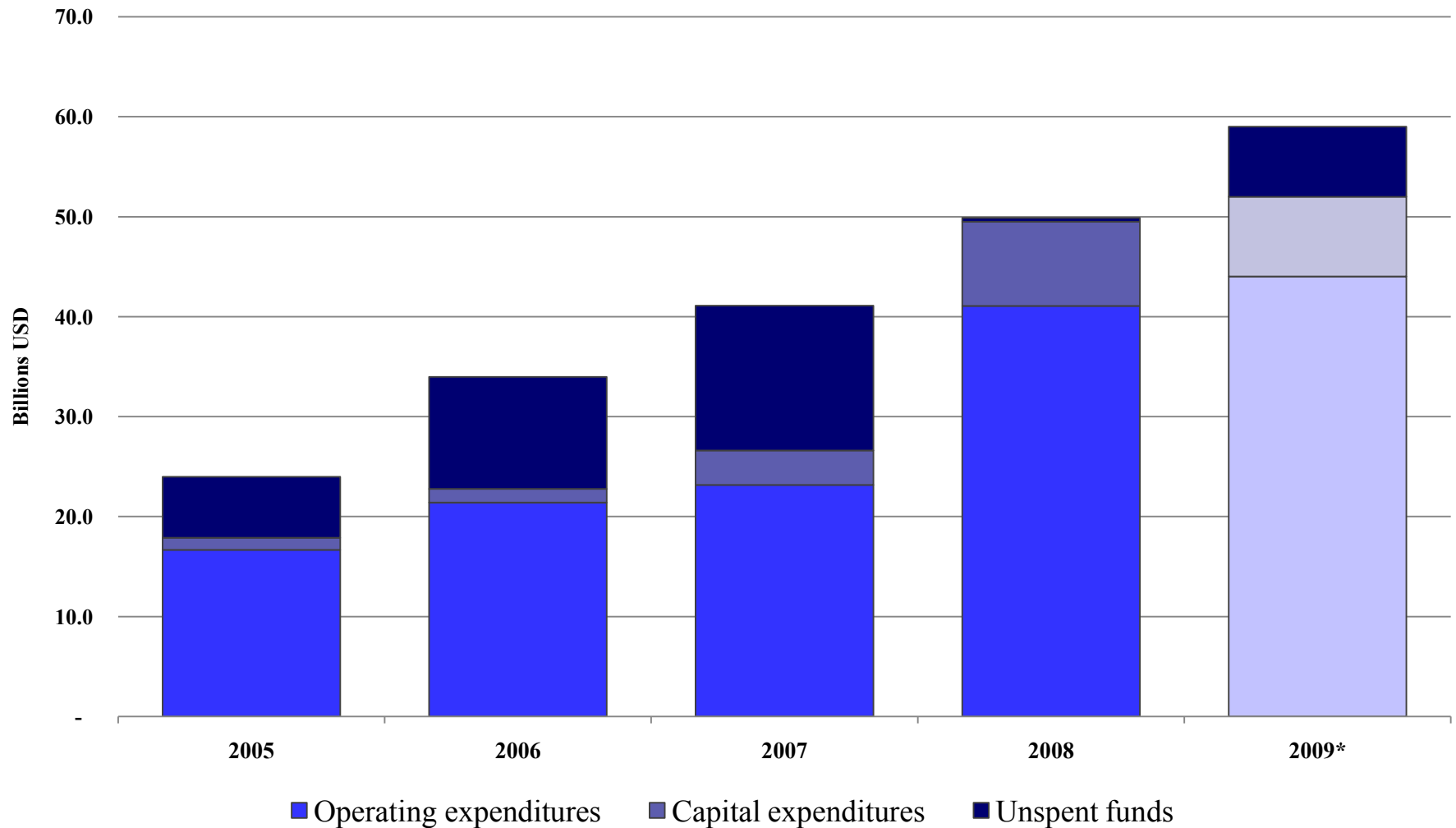


GOI Budgets: 2005 - 2009



* 2008 supplemental budget not included; ** 2009 budget passed March 5

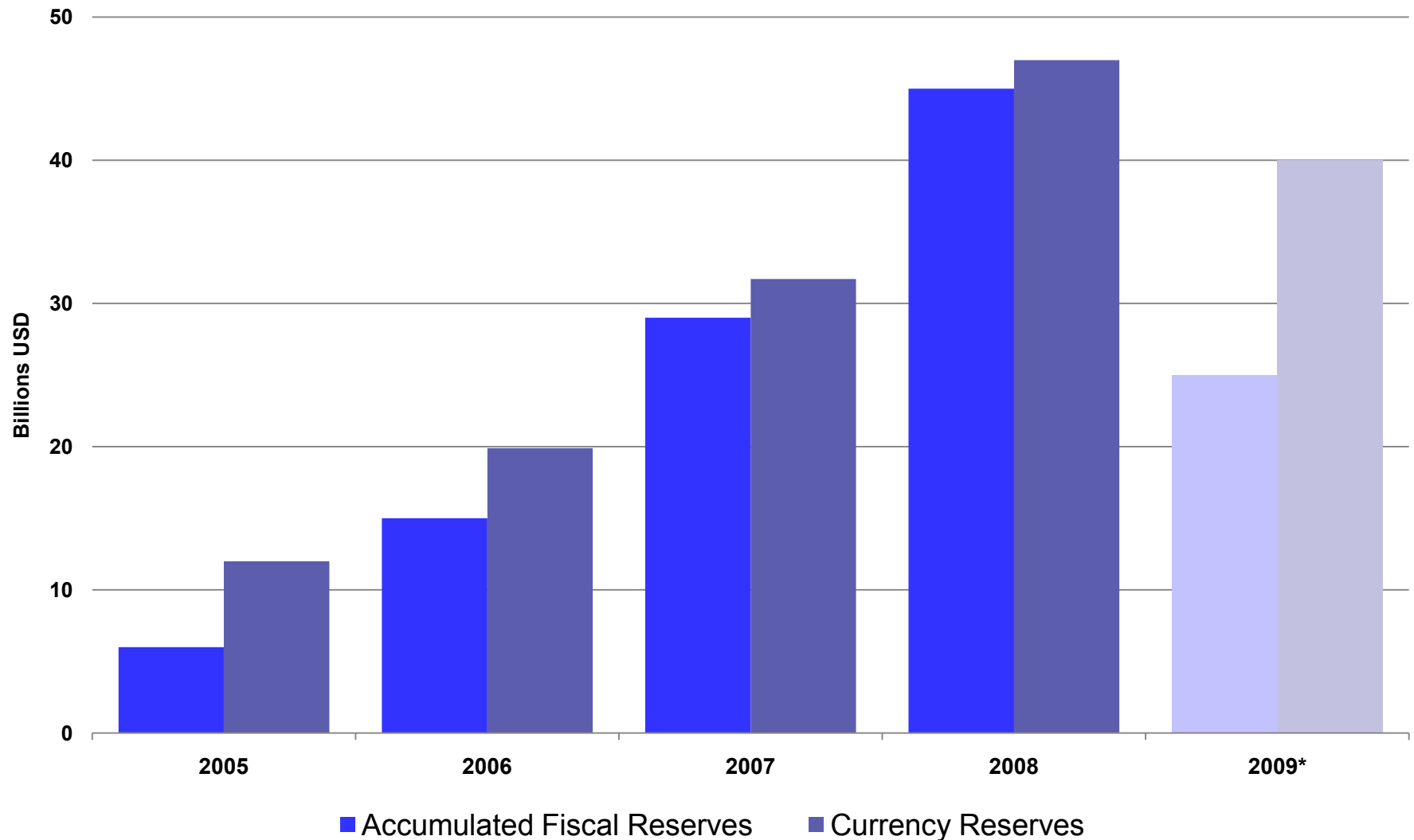
GOI Spending: 2005 - 2009



* Projections

Note: Unspent funds were rolled over in 2006, 2007, and 2008

GOI Fiscal and Monetary Reserves



Note: Currency reserves are legally unavailable for government expenditures

Ministry Performance Trends: 2006-2008

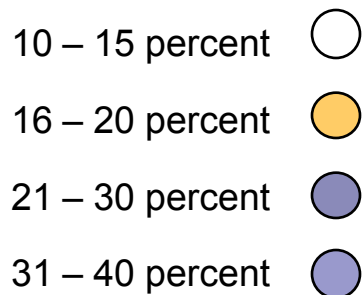
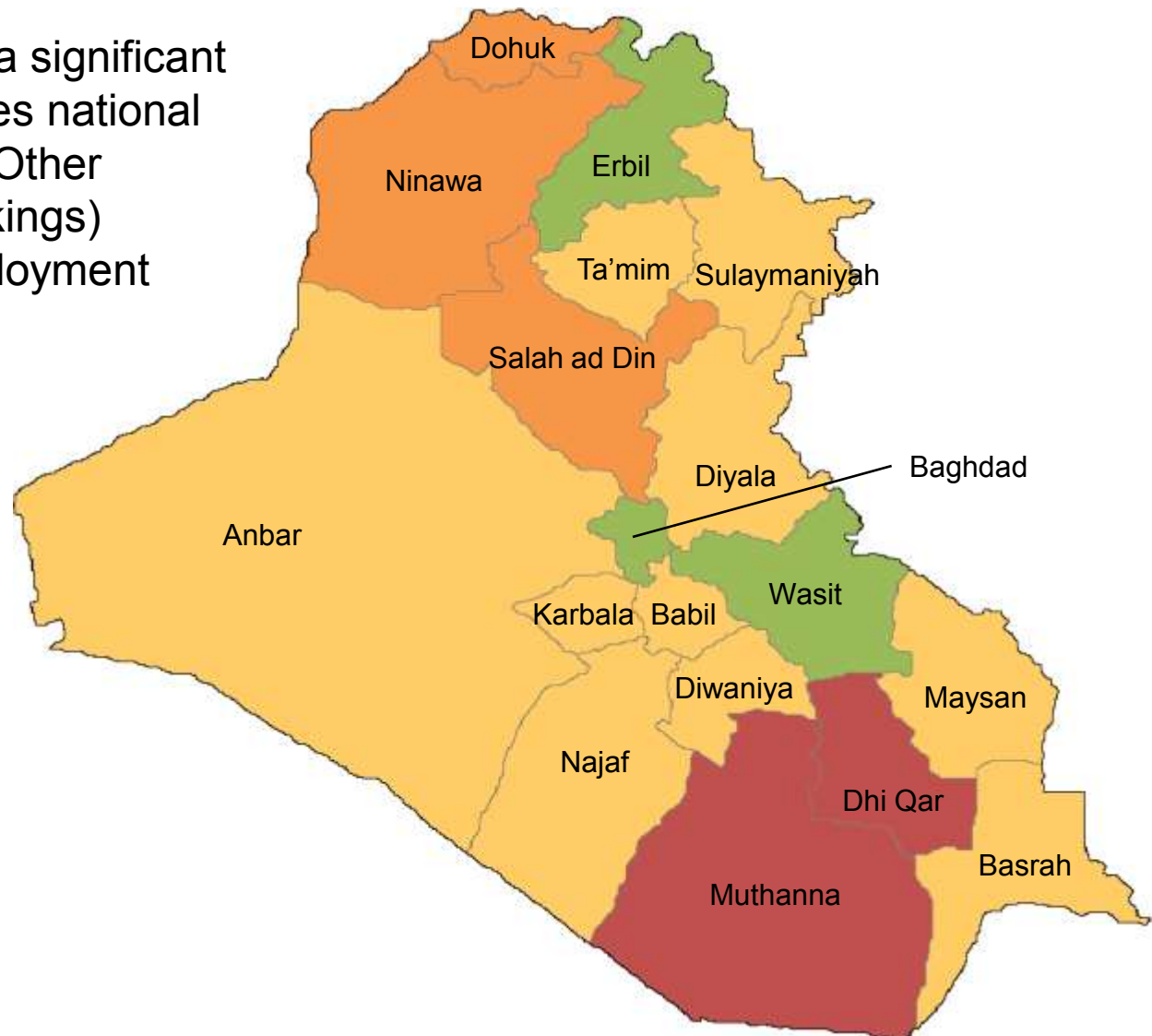
Status 2008

4 point scale

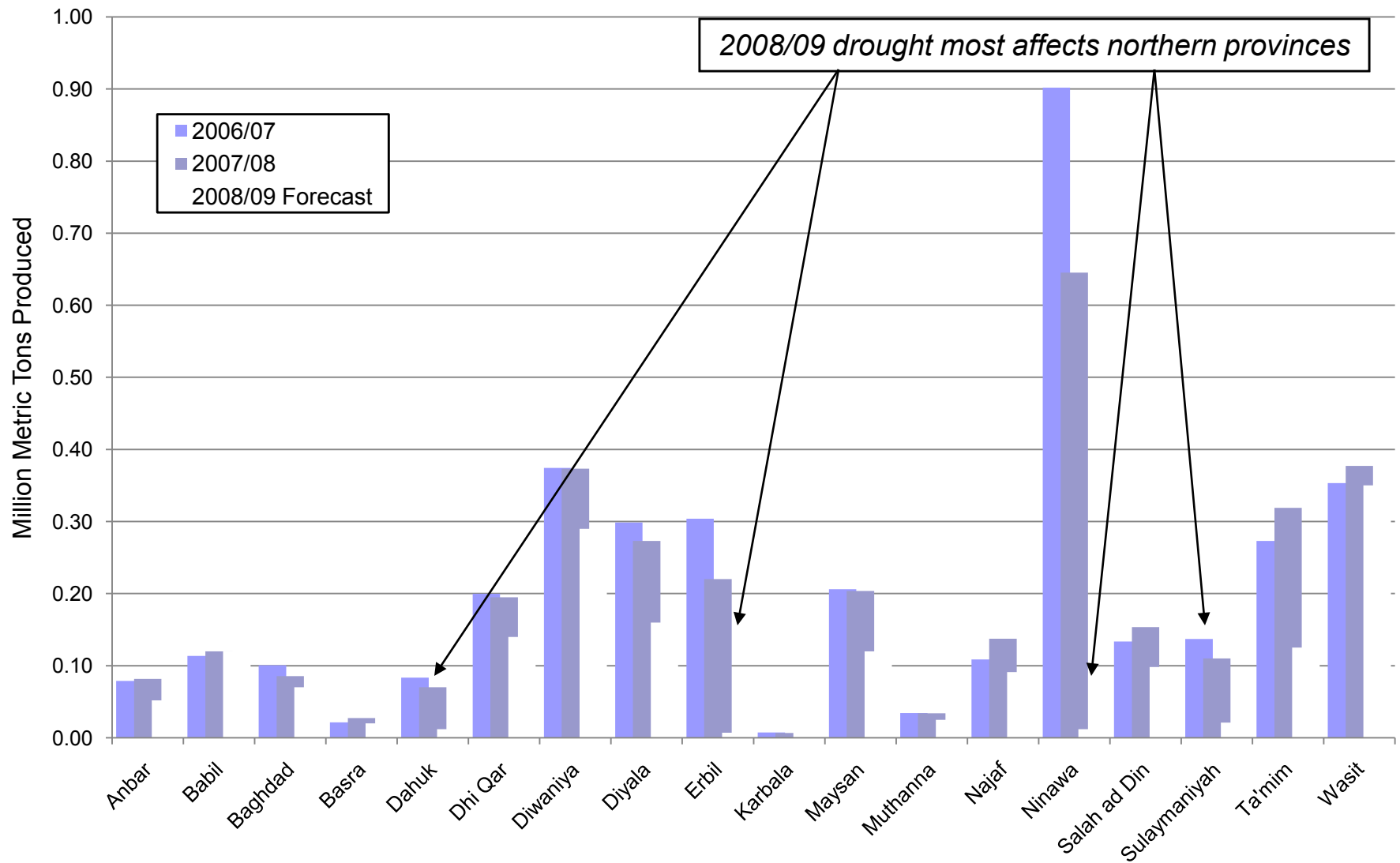
Ministry	Overall Trend	Output Sustainment	Long-term Plans and Processes	Financial Systems	Anti-Corruption	Civil Service	Use of Technology	Information Management System	Customer Outreach	Effective Use of Resources	4-point scale	
											Leadership	Capacity Develop.
Agriculture	↑	↔	↑	↑	↑	↔	↔	↑	↑	↑	2.50	2.00
Education	↔	↔	↓	↑	↑	↓	↔	↔	↑	↔	1.70	2.00
Electricity	↑	↓	↓	↑	↑	↓	↑	↑	↑	↑	2.33	2.67
Environment	↑	↑	↔	↑	↑	↔	↑	↔	No Data	↓	2.00	1.50
Finance	↔	↔	↔	↔	↑	↓	↔	↑	↓	↑	2.00	1.83
Health	↑	↓	↓	↔	↔	↑	↓	↑	↑	↑	2.75	2.17
Justice	↓	↔	↓	↑	↓	↓	↔	↔	↔	↓	2.25	2.67
Municipalities & Public Works	↑	↔	↑	↑	↑	↔	↓	↑	↑	↑	2.00	2.00
Oil	↔	↔	↔	↑	↔	↔	↓	↑	↑	↔	2.00	2.00
Planning	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	3.75	3.00
Trade	↑	↑	↑	↑	↑	↑	↔	↔	↑	↔	2.50	2.00
Water Resources	↔	↔	↔	↔	↓	↑	↑	↔	↑	↔	2.75	1.83
Displacement & Migration	↑	↑	↑	↑	↑	↑	↔	No Data	No Data	↑	2.75	1.83
Transportation	N/A	Review of Ministry of Transportation conducted only in 2008									2.00	1.00

Unemployment

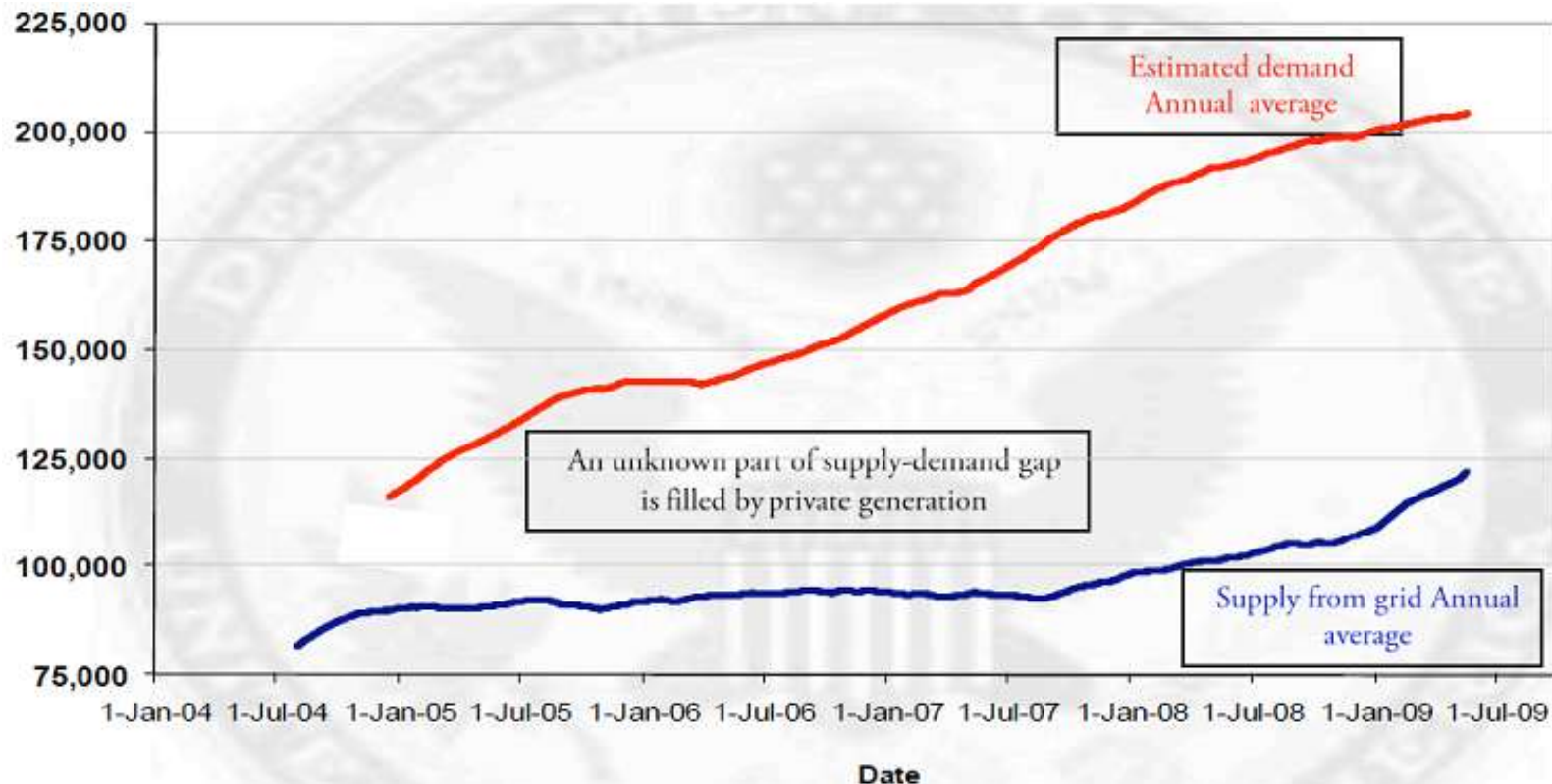
Unemployment remains a significant problem. COSIT estimates national unemployment at 18%. Other sources (EIU, IMF, Brookings) estimate national unemployment from 20% – 40%.



Combined Wheat/Barley Production



Government Services: Electricity: 04 to 09



- More than 800 MW of new “feasible” (potentially available) generating capacity have been added to the grid since the beginning of the year. Additions during the current month have been the KRG’s Chamchamal project (400 MW) and two diesel units added by the national Ministry of Electricity (34MW),
- May 17-23, electricity supply from the grid was 47% above the year-earlier period and met 67% of estimated demand compared with 50% for the year-earlier period.