

Figures Indicate Challenging Transition Ahead in Iraq

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It is time to take a cold, hard look at the actual progress reported by the Coalition Provisional Authority in Iraq, as distinguished from the spin its reporting is given in summary press releases. The CPA reports accompanying this analysis are dated June 4-11, but are likely to be the last figures the CPA issues in time for the transfer on June 30.

The tables and charts attempt to spin the data favorably, and often do reflect real progress. However, a close reading shows that recent Congressional testimony and summary press releases disguise a totally different situation:

- The Program Management Office data show actual expenditures for what may be the first time. Out of \$18.4 billion in aid, \$11 billion has been apportioned, \$7.6 billion has been committed, \$4.8 billion has been obligated, and all of \$333 million has actually been spent.
- Ministries will "transition" to full Iraqi control without adequate staff, facilities, equipment, and links to the governorates and local governments.
- The national transition calendar is filled with U.S. plans that require far more security than now exists, and the Iraqis may soon have a different calendar of their own.
- Strategic communication (democracy building) is all activity lists with no polls to show it is working, little security, and strong indications that it is not yet taking hold.
- The water improvement effort is far behind schedule and many key milestones will only be met long after the transitions.

- Communications are up but largely because of cell phones (middle class and above) and Internet. The Iraqi telecom system has not really improved much.
- Air transportation still is not restored, and rail is a work in progress. Bus numbers are up thanks to Korea, but service lags and has major security problems. Port improvement is significantly behind schedule.
- Food security is far below the three-month buffer goal in every area but Salt, and often 25-40 percent of goal. Food transfer security is a major problem because of highway attacks and theft.
- Health care facilities are open and progress has taken place in immunization. But these numbers disguise massive problems in terms of equipment, medicine, and other supplies. The system is still highly dysfunctional.
- Education has the same status. Numbers on buildings are improving, but equipment, books, and furniture is often lacking, and the CPA counts many facilities as rehabilitated that have been the subject of corrupt rip-offs.
- The PMO data on construction tasks are little more than a statistical joke. They measure funds committed, not projects completed. Even then, they are a fraction of the goal for July 1, with massive lags in transportation, communications, water, oil, and electricity.
- The non-construction data are even worse. Once again, not one word on project completions. The data on Justice, Education, Health, Oil, and Security are far behind goal even in terms of obligating the money.
- The data on the economy do include some very real progress in currency stability, letters of credits, etc. However, they also puff tiny aid projects, disguise major oil export problems (record oil prices make for high revenues for low output), and show 28 percent unemployment and 21.6 percent underemployment for the one time the Ministry of

Planning surveyed the data. These figures hide the fact that much of the employment that does exist is related to aid, occupation, and security jobs with no stable impact on the economy.

- The AIRP program has hired all of 5,400 Iraqis, and no data are available on actual expenditures. Some \$250 million is under contract for the accelerated reconstruction program.
- The details on the water program show some progress in irrigation, but provide no data on pre vs. post Saddam or how much of the requirement has been and will be met.
- Electricity efforts no longer are reported in actual generation. The arbitrary goal of a rise from 4,400 MW peak capacity to 6,000 MW has been deferred indefinitely. Some 1,657 MW are off-line for scheduled and unscheduled maintenance.
- Actual oil production is now about 2/3s of the goal for December 2004, with no picture of when the increase from 2.1 MMBD to 2.8-3.0 MMBD will take place. Domestic demand has been horribly distorted by 0.5 cent per gallon gasoline and other Saddam era fuel prices, stimulating unsustainable domestic demand for cars and other fuel uses at prices the economy cannot possibly afford even in the mid-term. Actual exports are down from a peak of 1.8 MMBD to 1.4 MMBD and far below the Saddam-era level.
- The entire Iraqi security structure is now in a state of complete reorganization and the CPA reporting is largely meaningless in terms of meeting the new Iraqi objectives. However, no data are available on how many units have the needed weapons, facilities, communications, transport, etc., and the PMO data indicate most have minimal equipment at best.
- Out of 87,000 Iraq police in service and in training, 5,857 have full training and 57,000 have no training,

- 20,000 men are in the border security force. Most have on the job training, but only 255 have had formal training.
- 7,116 of the 35,000 men needed for the Iraqi Army (70,000 according to Iraqi goals) are in service, plus 2,600 in training.
- No reporting is provided on how many of the 38,000 men in the Iraqi Civil Defense Corps -- now to be converted to the National Guard -- have meaningful training and equipment.
- The same is true for the 74,000 men in the Facilities Protection Service.
- The graph for level of insurgent activity shows no real progress in the counterinsurgency effort and does not include bombings.

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