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***DRAFT
WORKING PAPERS
Iraq Status***

This briefing is classified
UNCLASSIFIED
Derived from: Multiple Sources



Highlights

CPA Priorities:

- Essential Services
- Security
- Governance
- Economy
- Strategic Communications

CPA Intermediate Objectives:

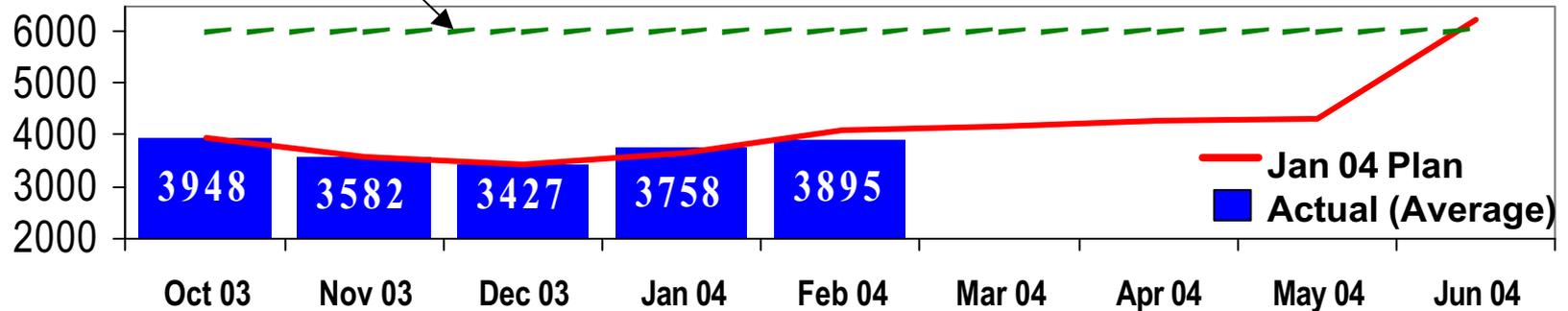
- Reconstitute electric power infrastructure
- Reconstruct the telecom system
- Draft "Transitional Administrative Law"
- Build financial market structures
- Increase professionalism of TV staff

Weekly Highlights:

- Peak generating capacity for 30 Jan hit 3-month high of 4,306 MW
- Wire phone subscriber connections rate will increase to as many as 2,000 lines per day per site (12 sites)
- Campaign to educate Iraqi people on Transitional Administrative Law (TAL) has been developed
- Al-Hurra (Arabic for "The Free One"), Arabic-language US satellite television effort, will begin next week

Electricity Overview

Goal June 04: 6,000 MW
Peak Production Capacity



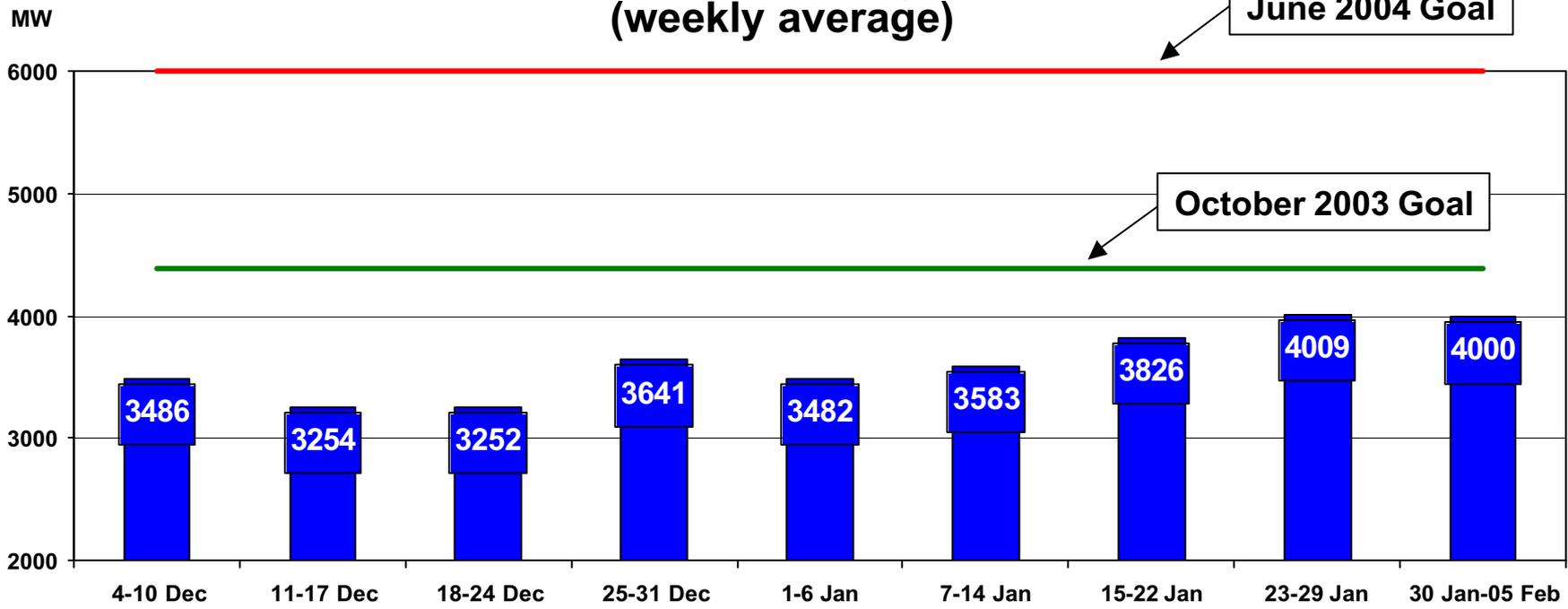
- Ambassador Bremer approved a new increase plan on 14 Jan 04 to prevent current project delays from impacting the goal of 6,000 MW by 01 Jun
- CPA Autumn Maintenance Program began Oct 03 and continues with 874 MW in scheduled maintenance on average over the past week. Unscheduled generator maintenance continues with 886 MW out of service



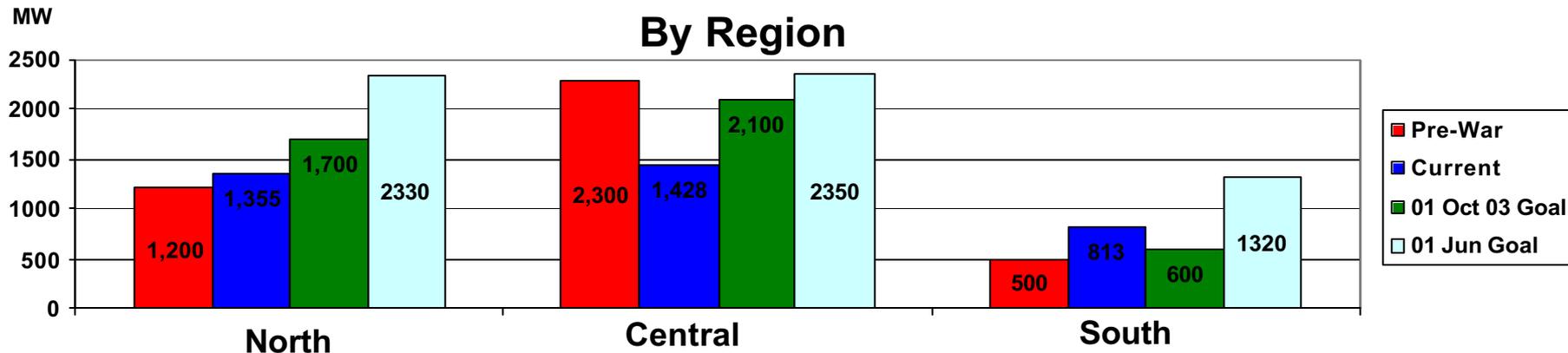
Power Production

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Total Country (weekly average)



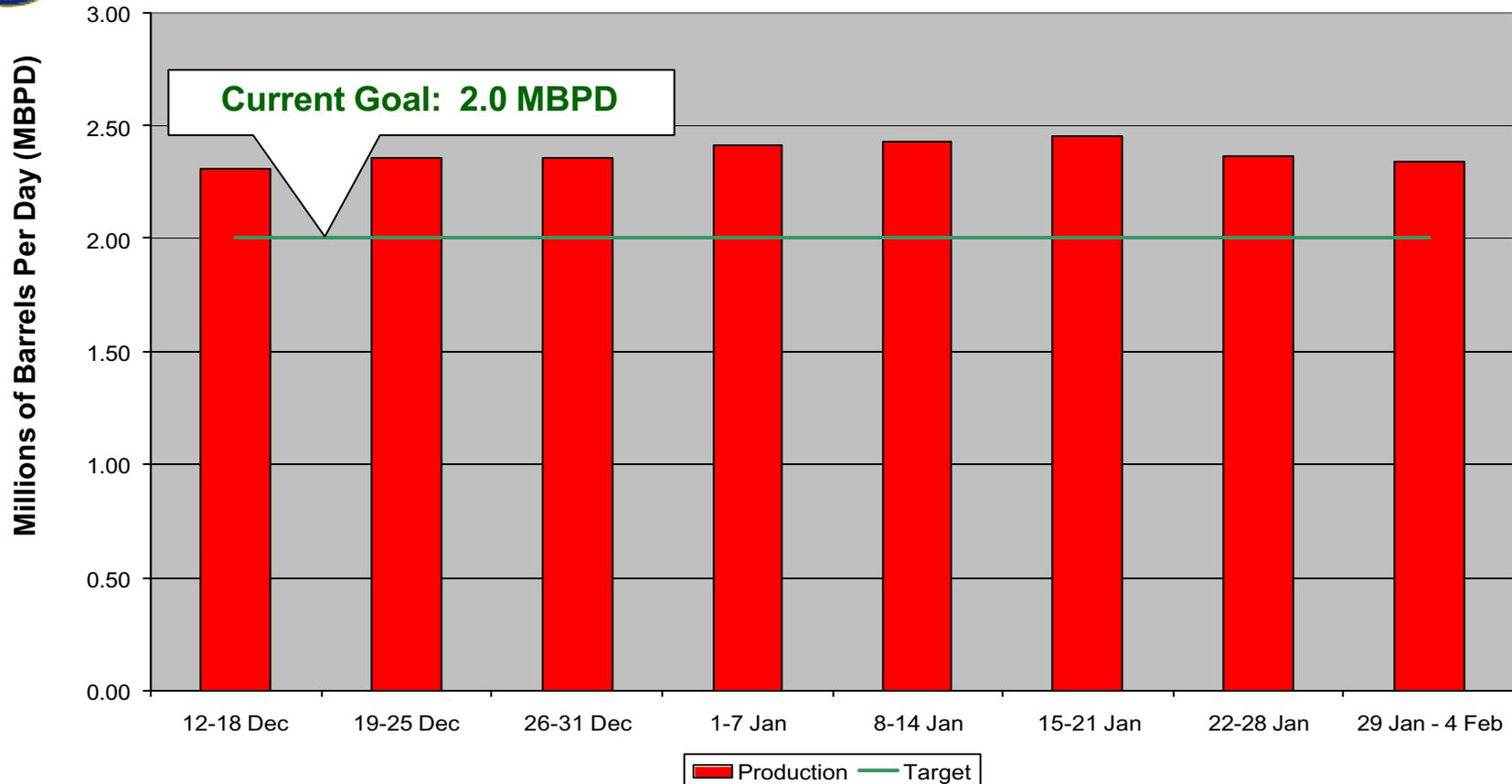
By Region



Data as of 05 Feb



Crude Oil Production



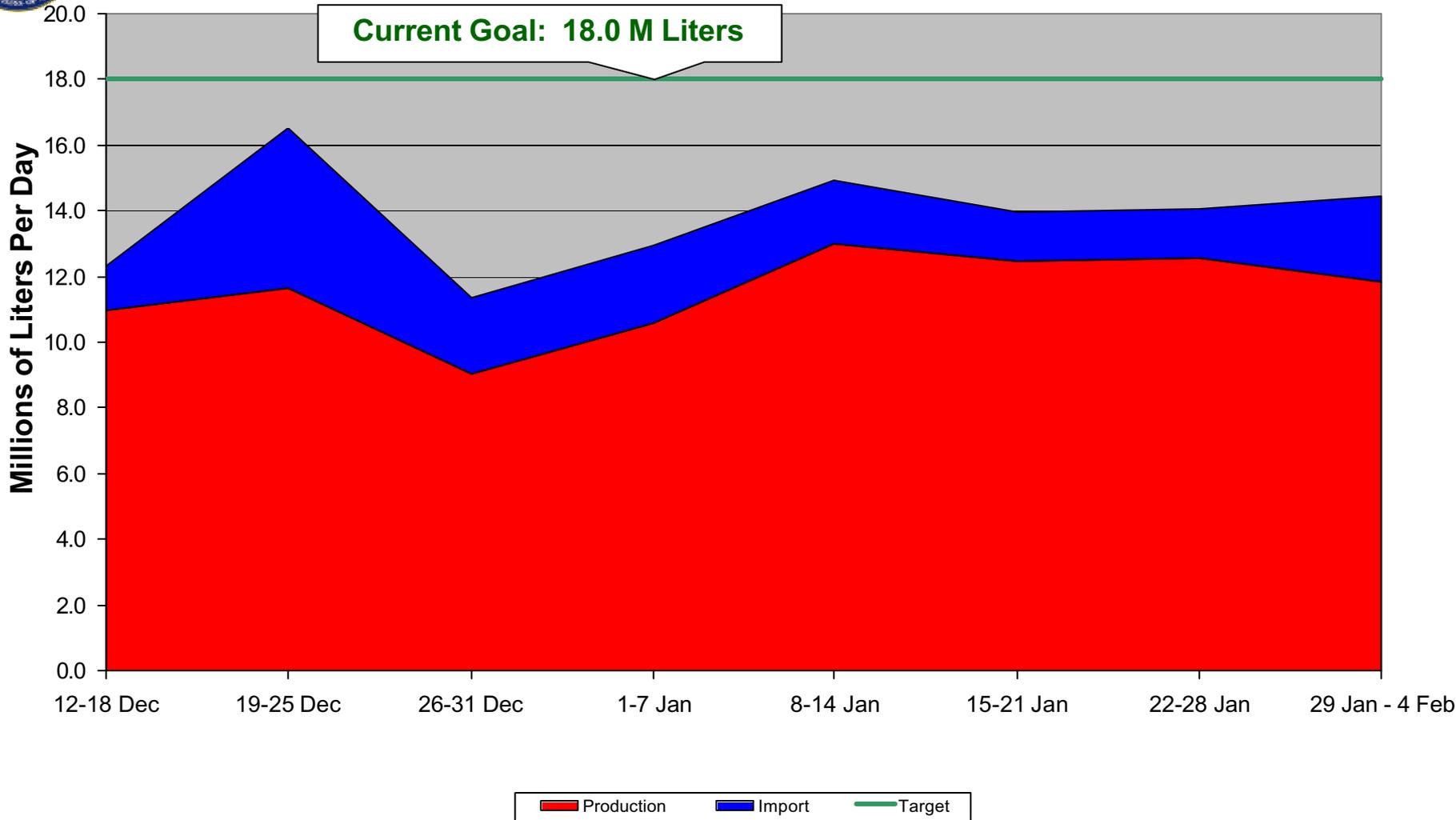
Weekly Average of 2.338 MBPD Exceeds Target of 2.0 MBPD

- Long Term Target (Dec 04): 2.8 - 3.0 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Mar 03
- Post-War Peak: 2.484 MBPD on 6 Jan 04
- Weekly average of crude exports: 1.58 MBPD

Data as of 06 Feb



Diesel Production



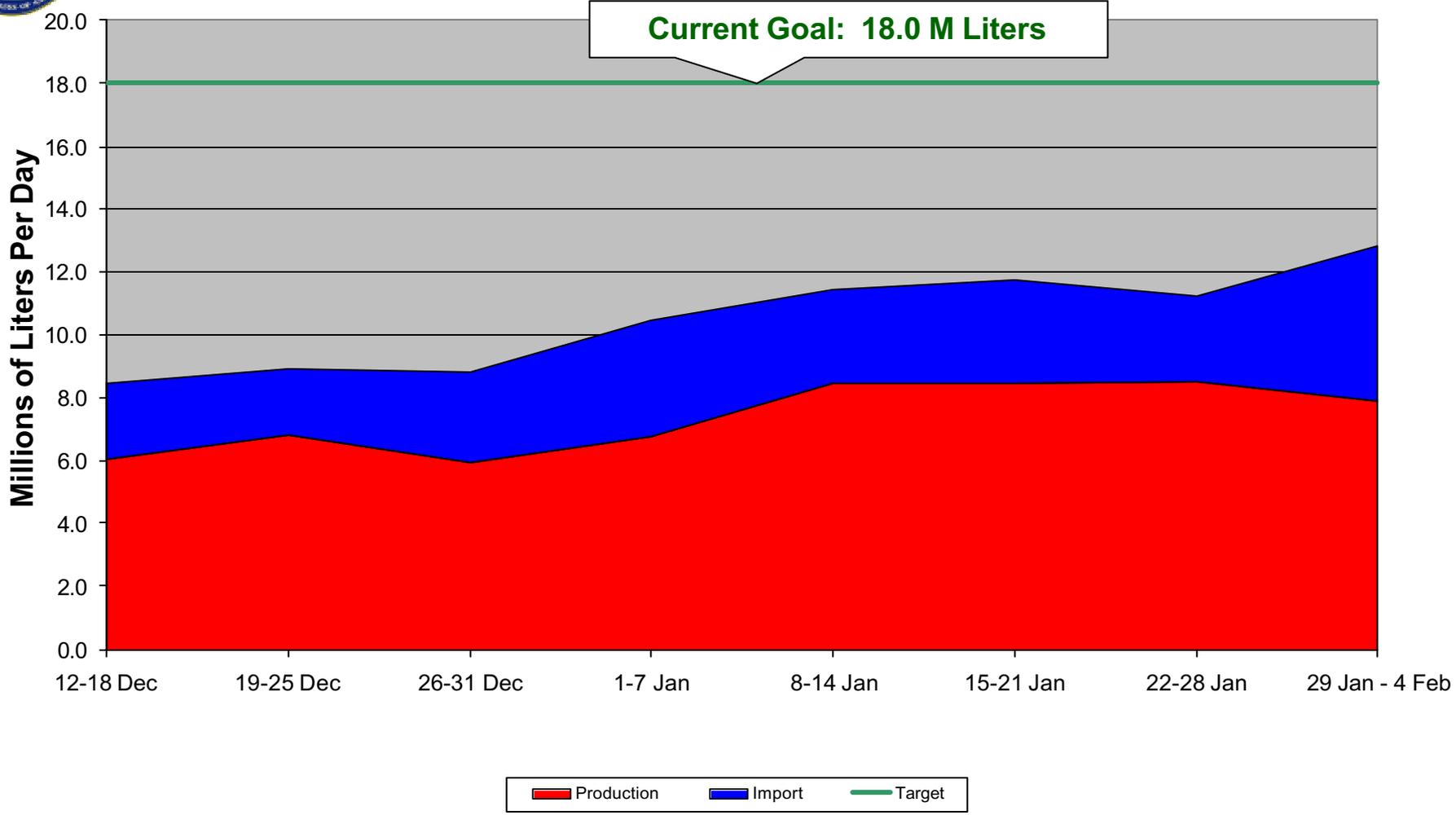
• This week's average production and imports are 80% of goal

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Kerosene Production

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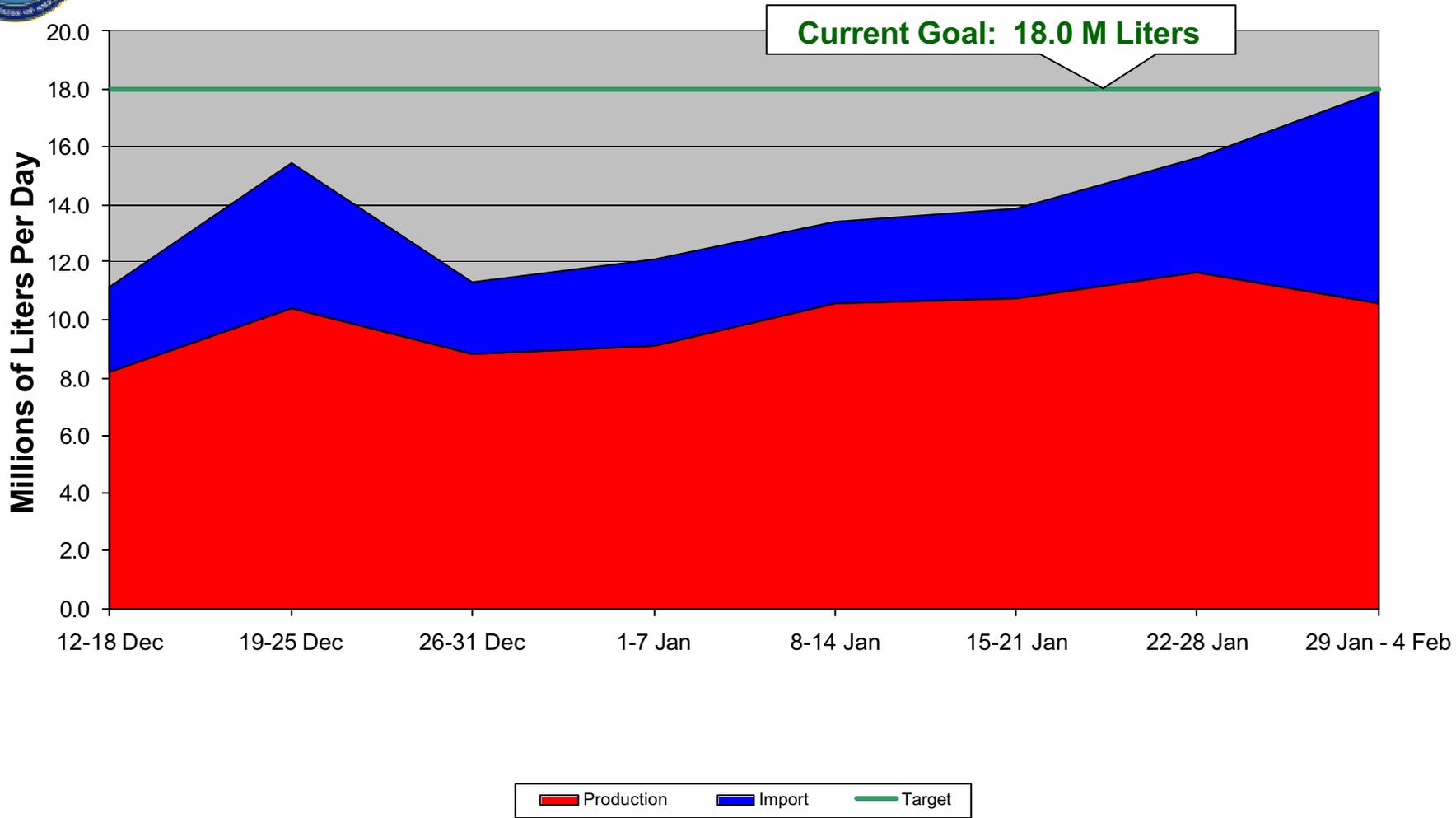


• This week's average production and imports are 71% of goal



Gasoline / Benzene Production

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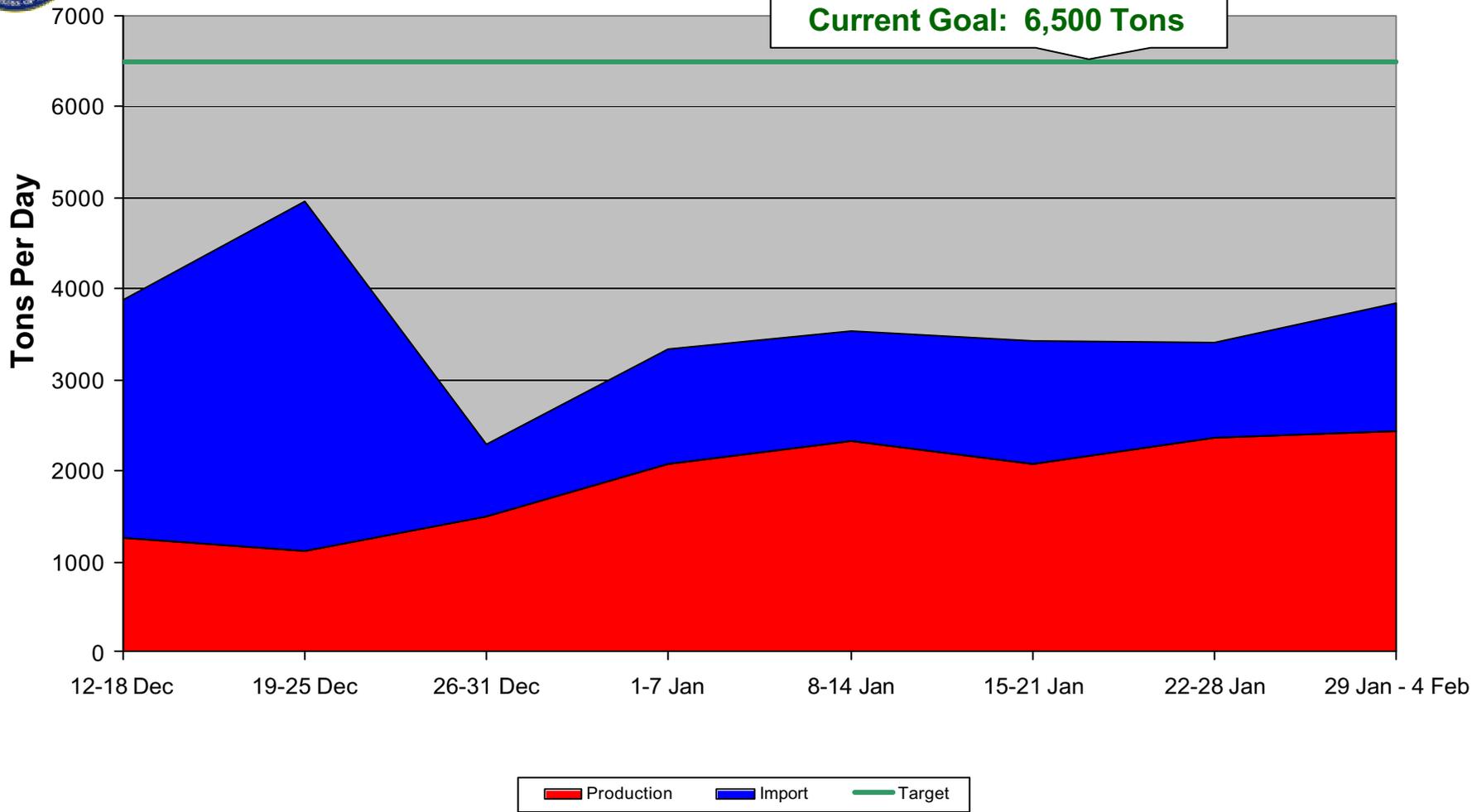


• This week's average production and imports are 99% of goal



Liquefied Petroleum Gas Production

Current Goal: 6,500 Tons



• This week's average production and imports are 59% of goal

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N/P

Data as of 06 Feb

Essential Services - Education



- **Ministry of Education (MoE) held workshop for provincial Directors General and training department heads to discuss future operations of the Training Institute**
 - **Goal is to restructure and re-energize the professional development program run by the Ministry**
- **Accelerated Learning Program students finished week-long mid-year examinations with high attendance rates (97% across Iraq)**
 - **Provides out-of-school children a second chance for education**
 - **Children who pass year-end exams will be integrated into main schools**
 - **Classrooms will receive new chalkboards**
- **More than 1,500 secondary students applied for a student-exchange program sponsored by State Department's YES Program**
 - **12 students will attend high school and live with a US family**

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Essential Services – Healthcare

- **Ministry of Health (MOH) focus shifting from curative-based model to primary healthcare clinic model**
- **MOH testing a rapid-response disease surveillance system**
 - **Will enable health care workers to track disease paths and protect other people from becoming infected**
- **Hospital / clinic operating budgets increased from \$24M in FY03 to \$40.5M in FY04**
- **Minister of Health attended a World Bank sponsored seminar in Amman, Jordan, on 25 & 26 January 2004**
 - **Purpose of the seminar was to facilitate National Health Planning, Health Sector Reforms, Health Systems Development, and Role of the Donor Community**

Healthcare Milestones

- **Apr 04: Electronic health surveillance program initiated**
- **Jun 04: Model health care clinics established**
- **End 04: 90% of all children receive routine immunizations**
- **End 05: Infant mortality rate reduced by half to 50 / 1,000**



Essential Services – Healthcare (cont)

- **600 primary healthcare clinics in Iraq will receive state-of- the-art medical equipment, basic clinical supplies and training**
 - **Kits include 58 types of medical supplies:**
 - **Basic equipment—goose neck lamps, sterilizers, scales**
 - **Basic instruments—stethoscopes, thermometers**
 - **Furniture—basic exam tables, privacy curtains, office desks**
 - **Laboratory supplies—microscopes, cell counting chambers, test tubes**
- **Two recent grants provided for 300 protective x-ray suits to be given to hospitals in mid-March**
- **240 hospitals and 1200 primary health clinics offer basic healthcare services**
 - **Baghdad and South at 100% of prewar level**
 - **North is better than prewar level**
 - **70 private hospitals in operation**



Essential Services – Water

- According to Nov 04 poll, Iraqis view water as one of the most effectively delivered services in post-war Iraq
- Dredging and concrete liner repairs are largely complete on all 6 water treatment streams at Kerkh wastewater treatment plant
 - Plant will return to service Apr 04, and will serve nearly 1.4M Baghdad residents
- \$12.4M wastewater project for Basrah to be completed by Sep 04
- In Southern Iraq, work began on 12 of 14 water treatment plants, and 80% of 250 water pumps have been delivered
- Water storage in most Iraqi reservoirs is approaching historic averages
 - Dokan and Derbendikhan reservoir levels are well below normal due to excessive water releases to generate hydropower
- International Medical Corps has completed repair of Amarah sewage treatment plant
 - At full capacity, plant treats 36,000 cubic meters per day, reducing level of pollution in the Tigris and al Kahila rivers and marshes



Essential Services – Food Security

- According to Nov 04 poll, Iraqis view agriculture as one of least effectively delivered services in post-war Iraq
- Ministry of Agriculture held first technical workshop for its Crop Technology & Management Demonstrations Program in Mosul
 - Program focuses on revitalization of agricultural production
- Due to recent rise in food prices, many Iraqis replaced the traditional sacrificial lamb or goat used for Islamic holy festival of Eid al-Adha with fish or chicken
- Ministry of Agriculture has made the goal of increasing Iraq's date palm yields a top priority
 - Iraqi date orchard areas once largest in world; total number of date palms has since dropped from 30M to 16M
 - Dates are Iraq's second largest export after oil
 - USAID is assisting in developing rehabilitation activities for this agricultural and economic sector
- Banana producers have flooded Iraqi market with bananas, a fruit that until recently, was not available to most Iraqis

Essential Services - Telecommunications

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- Iraqi Telephone and Postal Company (ITPC) crews have activated three switches, with total of 31,000 subscribers now online
 - Additional 62,000 subscribers are wired to nine switches that will be activated by mid-Feb 04
- Subscriber connections rate will increase with ITPC wiring crews fully active at all sites (as many as 2,000 lines per day per site)
- All 13 telephone switches in Baghdad will be accepted by USAID and ITPC by mid-Feb 04
 - 12 switches have been inspected and approved by USAID/ITPC
- Security incidents suggest anti-Coalition forces are targeting Baghdad fiber rings, which enable switches to communicate with other switches
 - Two sabotage incidents have occurred recently on these rings
- Zip codes and address blocking schemes agreed upon for all of Iraq
- Iraqna, Iraqi subsidiary of Orascom, announced roll-out of prepaid wireless plan service in central region of Iraq

Essential Services – Transportation



- **Ministry of Transportation aviation team is beginning discussions with UK military and civilian teams in Basrah to facilitate airport transition to Iraqi civil aviation authority**
- **As part of infrastructure reconstruction, Iraqi operating engineers will receive vocational training under the Iraqi Infrastructure Reconstruction Program**
 - **Training will be conducted by Bechtel staff**
 - **Program ensures that Iraqi staff can sustain the operation and maintenance of equipment and systems installed by Bechtel after reconstruction work is complete**
- **Iraqi Republic Railways working with USAID to repair railroad track at the port of Umm Qasr and between the port and al Basrah to ensure grain shipments from the seaport reach the mills**
- **Iraq agreed in principle to establish a border crossing at Ovakoy, Turkey**
 - **Project will expand existing road into 4 lane divided highway, and provide a new bridge over Tigris**
 - **Financed by Turkey**



Total Security Forces

Security Forces (x1,000)	25 Dec	01 Jan	09 Jan	16 Jan	23 Jan	30 Jan	06 Feb
Additional Iraqi Recruits *	5.4	5.9	7.1	7.5	7.1	6.7	6.8
Other Coalition	24.5	24	24.5	25.5	25.6	25.6	24.5
Iraqi Coalition Forces	165.3	198.3	203.4	202.9	206.6	206.3	209.2
US	122	122	125	124	122	109	117.6
Total	312	344	353	353	354	341	351

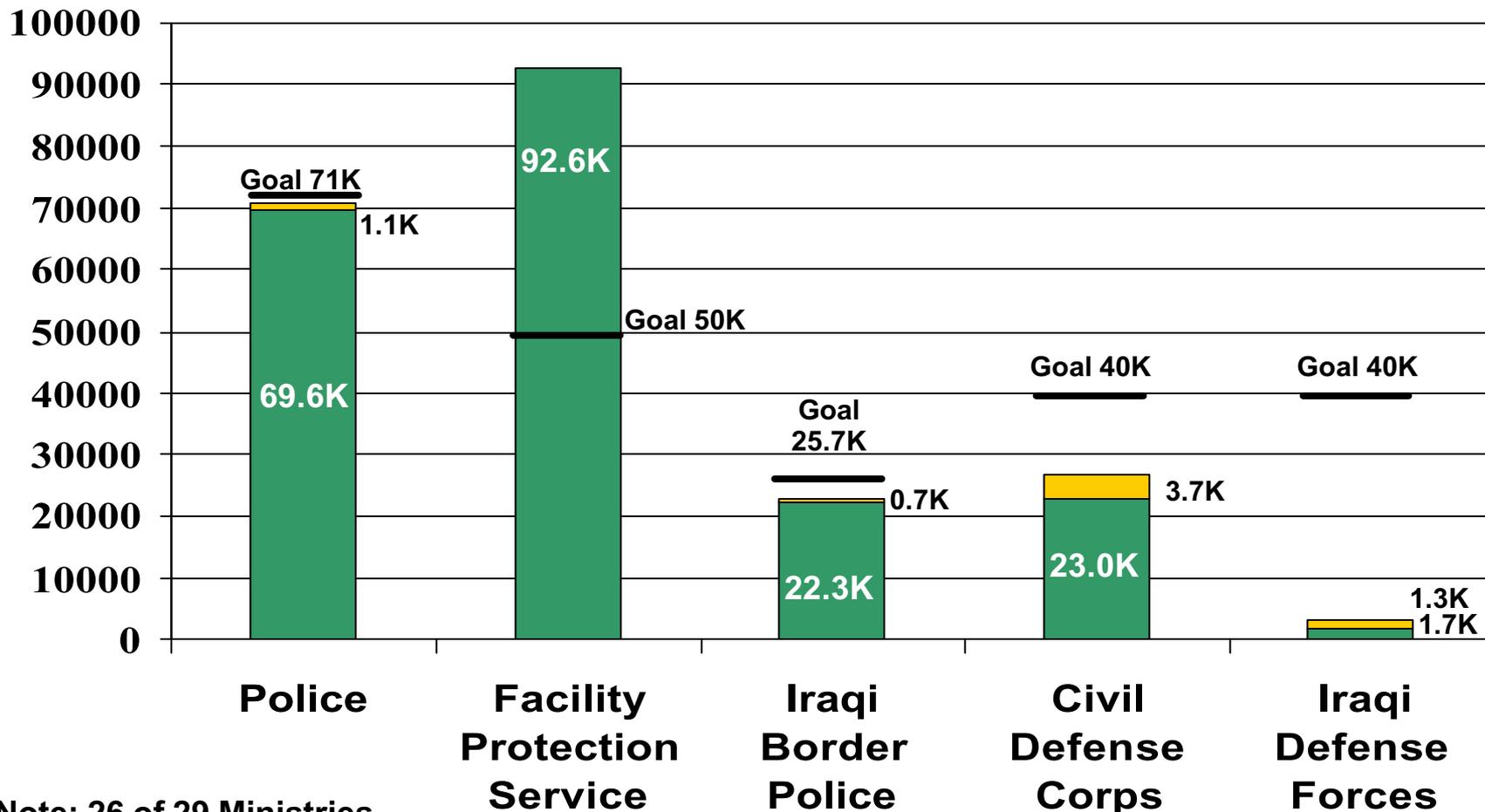
* Iraqi Recruits not included in total due to their training status

Data as of 06 Feb



Security Forces

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Note: 26 of 29 Ministries Reporting





AMMO / Explosives / Weapons Captured (Weekly)

Captured AMMO & Explosives	12 - 18 Jan	19 - 25 Jan	26 Jan 01 Feb	02 - 08 Feb
Assembled IED	45	63	33	49
RPG rounds, Grenades	1,947	947	785	1,143
MANPAD rounds	4	28	0	0
Mortar, Artillery, Rocket Rounds	5,541	4,776	1,568	3,615
Mines	48	36	17	2,100
Pounds of Explosives	510	469	68	1,420
Rounds < 30mm	55,574	41,135	950	1,204
Captured Weapons				
RPG Launchers	221	261	66	101
MANPAD Launchers	9	19	6	18
Small Arms	590	491	326	311
Crew Served Weapons	23	0	15	14

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Stability Contributors

Countries with forces in Iraq

34

TOTAL ~25.6K

- Albania
- Australia
- Azerbaijan
- Bulgaria
- Czech Rep
- Denmark
- Dom Rep
- El Salvador
- Estonia
- Georgia
- Honduras
- Hungary
- Italy
- Japan
- Kazakhstan
- Korea
- Latvia

- Lithuania
- Macedonia
- Moldova
- Mongolia
- Netherlands
- New Zealand
- Nicaragua
- Norway
- Philippines
- Poland
- Portugal
- Romania
- Slovakia
- Spain
- Thailand
- Ukraine
- UK

Countries considering decision to provide forces for Iraq

10

TOTAL TBD

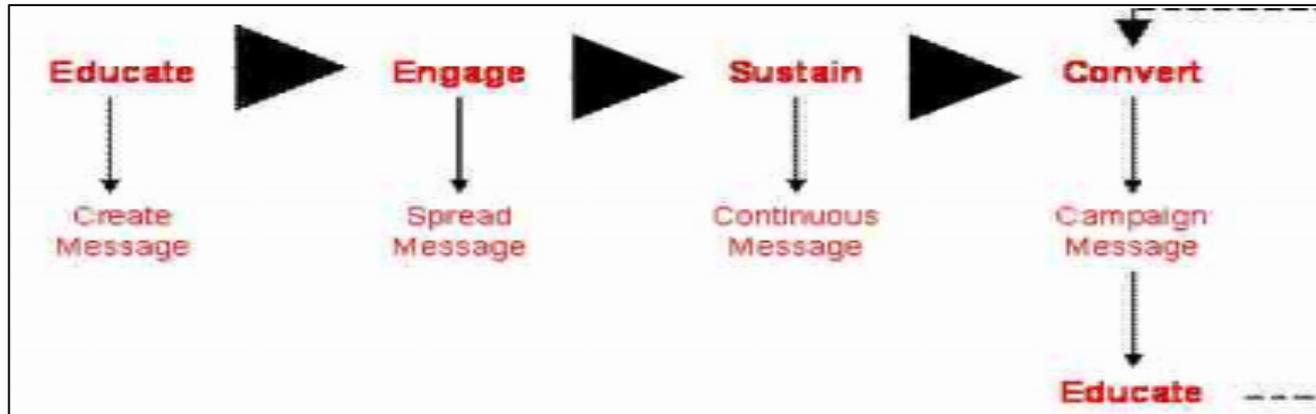
44 Countries
 Potentially Supporting
 Iraqi Stability and
 Humanitarian Relief

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Governance – Democracy Building

- At the CPA Civic Education Training of Trainers Workshop in Al Hillah, community leaders learned how to deepen the commitment of their neighbors to democratic government. In this workshop, USAID's Local Governance Program focused on the outcome of the campaign – developing a commitment to the democratic ideal



- Over half of Iraqis are active in community affairs and one in five belongs to a NGO
- USAID Local Governance Program teams in Al Anbar have assisted CPA and the Coalition Forces with governorate council selections



Governance – National Transition

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2003

Nov 15

New agreement between CPA and GC on transition process

Feb 28

Drafting and approval of Transitional Administrative Law

Mar 31

Bilateral security agreements

2004

May 31

Selections to Transitional National Assembly

Jul 1

Transitional National Assembly selects executive and assumes full sovereign powers for governing Iraq → CPA and GC dissolve

2005

Mar 15

Elections to constitutional convention

Dec 31

Constitutional ratification and national elections

New Government Assumes Power



Justice

- **New Senior Advisor in place – Edward Schmults, former Deputy Attorney General, Department of Justice**
- **Central Criminal Court of Iraq (CCCI)**
 - **Al Jazeera photographer convicted of aiding others in planning attacks against Coalition forces / failing to report plans for such attacks, sentenced to 5 years imprisonment**
 - **Sheik Moyed, leader of Al Hawza in Baghdad, acquitted of kidnapping charges after 2 victims recanted their earlier testimony; still pending trial on charges for theft of government property and weapons**
 - **Suspect in case referred to CCCI (who had confessed to attempted ambush of US patrol with an RPG) escaped from US detention facility**

Economics - Financial Market Structures



- As of 30 Jan, estimated crude oil export revenue is \$1.2 billion
- The World Trade Organization (WTO) formally placed Iraq's request for observer status on the agenda for the February 11 WTO General Council session
- CPA commercial bank strengthening team began advisory services to Rafidain and Rasheed banks (two largest state-owned banks in Iraq)
- Baghdad stock exchange installed a communication system at its temporary location
 - Includes a high-speed internet satellite connection
 - Stock market will open in late February
- CPA's Financial Management Information System (FMIS) team continued preparation for system implementation in Mar 04
 - Received approval from World Bank on the system capability
- CPA continues to work with Minister of Finance to finalize changes to the 2004 Iraqi budget
 - In addition, CPA is meeting with representatives from around the country to address their budget issues



Economics - Currency & Banking

- CPA issued over 1,000 micro-credit loans, totaling more than \$2 million (out of approximately \$20 million scheduled), primarily in the South Central Region (Hilla area)
 - Micro-lending will begin in the South and the North in February, and in the Sunni areas at the end of February
- Currency exchange completed
 - Over the last week, exchange rate of the new Iraqi dinar (NID) against the U.S. dollar has stabilized in a tight range from 1,360-1,400 NID per dollar
 - The foreign currency reserves held in currency notes at the Central Bank of Iraq have risen to \$1.5 billion. This figure excludes Development Fund for Iraq (DFI) balances

Banking Sector Metrics

- Proportion of Iraqi bank branches whose bankers have been certified by our programs by Mar 05
- Number of Iraqi firms that bid on reconstruction subcontracts, and the number that win, as a proportion of all bidders
- Change in number of commercial loans issued by Iraqi banks in 2004 versus 2003
- Number of jobs created by non-State Owned Enterprises in 2004

Economics - Other Developments



- **Limited Consumer Price Survey of 9 food items and 4 fuel items undertaken by CPA and CJTF-7 is in its fourth week**
 - **Survey draws from 19 cities throughout Iraq and aims to determine price trends within the country**
 - **Includes state store prices and 'market' prices for fuel, which are both significantly greater than the nationally mandated prices**
- **The National Employment Program has created over 76,000 jobs**
- **Coalition Joint Task Force 7 (CJTF-7) Civil Affairs units estimate that CPA has directly created approximately 393,950 jobs for Iraqi Citizens (46.3 percent complete, based on a target of 850,000)**
 - **Security/National Defense employs 212,543**
 - **National Employment Program employs 76,812**
 - **CJTF-7 employs 48,663**
 - **Civilian contractors working under CPA contracts employ 53,000**



Program Management Office (PMO)



Awarded by 1 Jul 04

Work Under Way Now

Construction	
Electrical	\$511,135,260
Public Works	\$94,860,000
Security	\$160,000,000
Schools	\$89,760,000
Non-Construction Procurement	
Security & Law	\$270,000,000
Justice & Public Safety	\$70,000,000
Electric	\$50,000,000
Oil	\$322,000,000
Transportation	\$27,000,000
Education	\$10,000,000
TOTAL	\$1,604,755,260

PMO Web-site Portal operational:
www.rebuilding-iraq.net

Construction	
Oil	\$1,200,000,000
Electrical	\$1,993,000,000
Security & Justice	\$749,000,000
Water & Public Works	\$722,000,000
Trans/Comm	\$367,000,000
Bldgs/Education/Health	\$371,000,000
Non-Construction Procurement	
Oil Infrastructure	\$824,000,000
Electrical	\$221,000,000
Security & Law Enforcement	\$2,703,000,000
Water Resources & Sanitation	\$160,000,000
Trans/Comm	\$157,000,000
Roads, Bridges & Construction	\$421,000,000
Private Sector Development	\$172,000,000
Education, Refugees, Human Rights	\$204,000,000
TOTAL	\$10,264,000,000

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Strategic Communication

- **Al-Hurra (Arabic for “The Free One”), Arabic-language US satellite television effort, will begin next week**
 - **Broadcasts will include news, sports, movies and educational programming**
 - **Content will be geared towards younger audiences in Arab countries**
- **National Employment Program– which generated 77,000 public works jobs in Iraq– was facilitated in part by public announcements**
 - **Iraqi Ministries promoted program with TV/radio announcements, posters and public appearances by local leaders**
- **Campaign to educate Iraqi people on Transitional Administrative Law (TAL) has been developed**
 - **Uses all media to increase awareness, improve understanding**
 - **TAL Themes beginning mid-Feb**
 - **TAL Explanatory Document beginning early Mar**
 - **“12 Principles of Democracy” series weekly**