



***DRAFT  
WORKING PAPERS  
Iraq Status***

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# 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

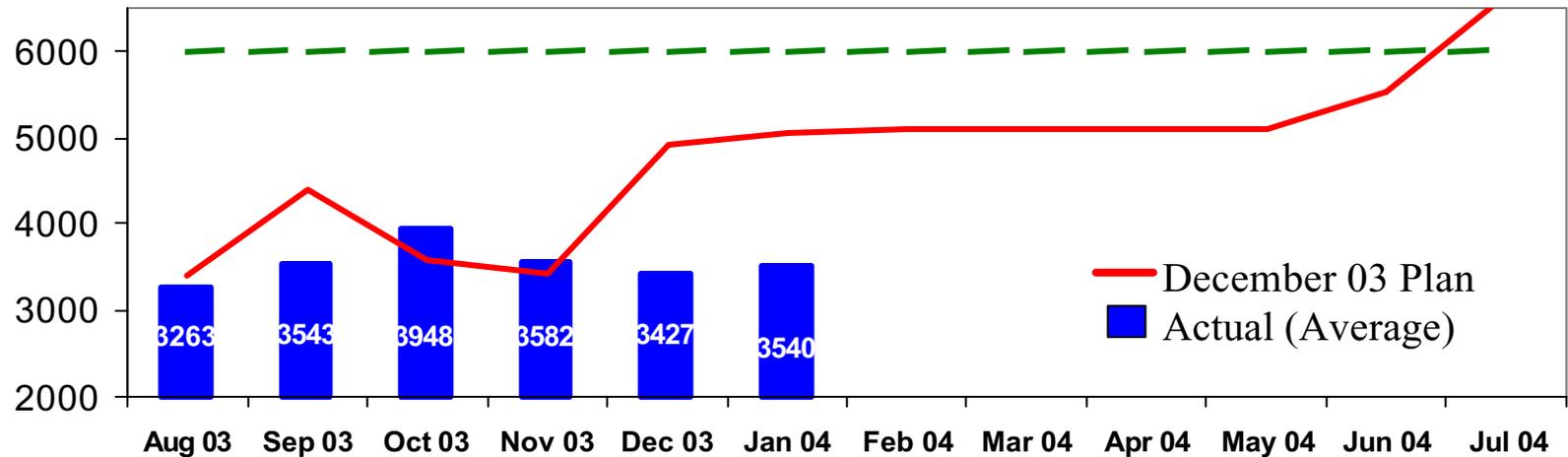
## Weekly Highlights:

- New electricity increase plan approved 14 Jan to prevent current project delays from impacting the goal of 6,000 MW by 01 Jun
- Cell phones currently available for Iraqi businesses
- New Iraqi Dinar (NID) at \$1 = NID 1,405
- Harris Corporation awarded \$96M to operate Iraqi national newspaper and broadcast network for 12 months

# Electricity Overview

Goal 01 Oct : 4,400 MW  
Production and Transmission

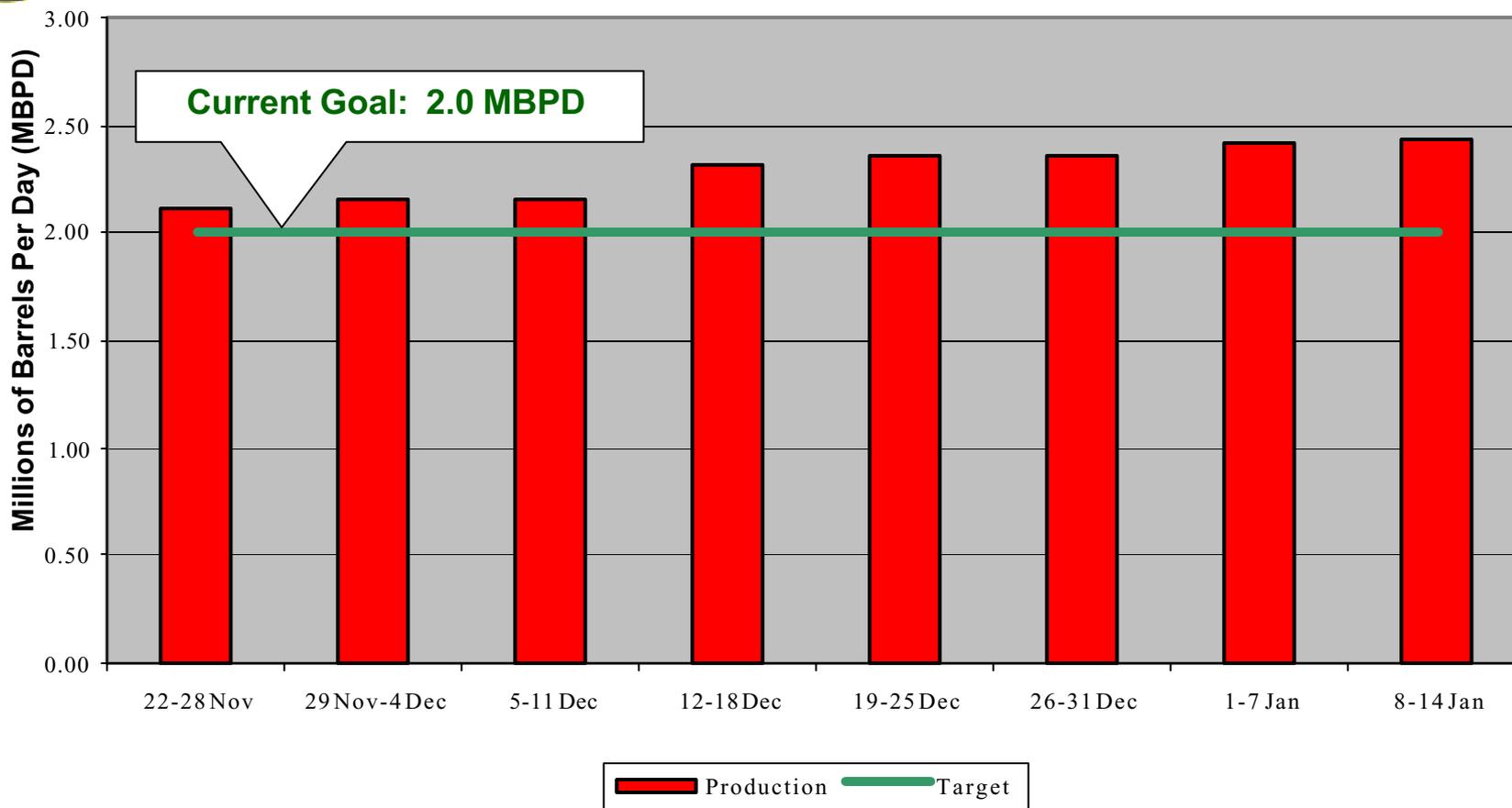
Goal Summer 04: 6,000 MW  
Production and Transmission



- 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 1,009 MW currently in scheduled maintenance. Unscheduled generator maintenance continues for 1,033 MW



# Crude Oil Production



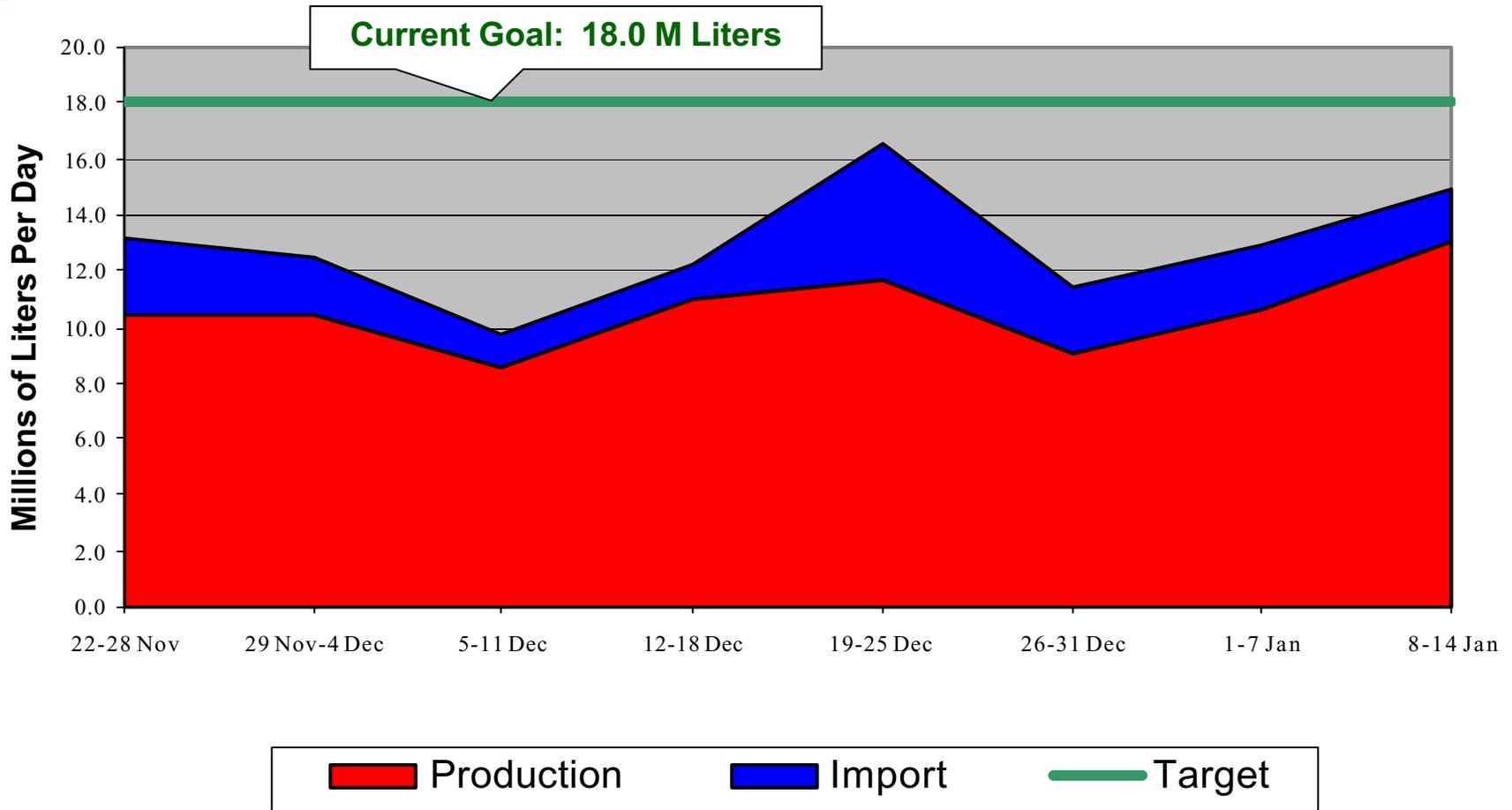
## Weekly Average of 2.428 MBPD Exceeds Target of 2.0 MBPD

- 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 06 Jan 04
- Weekly average of crude exports: 1.6 MBPD



# Diesel Production

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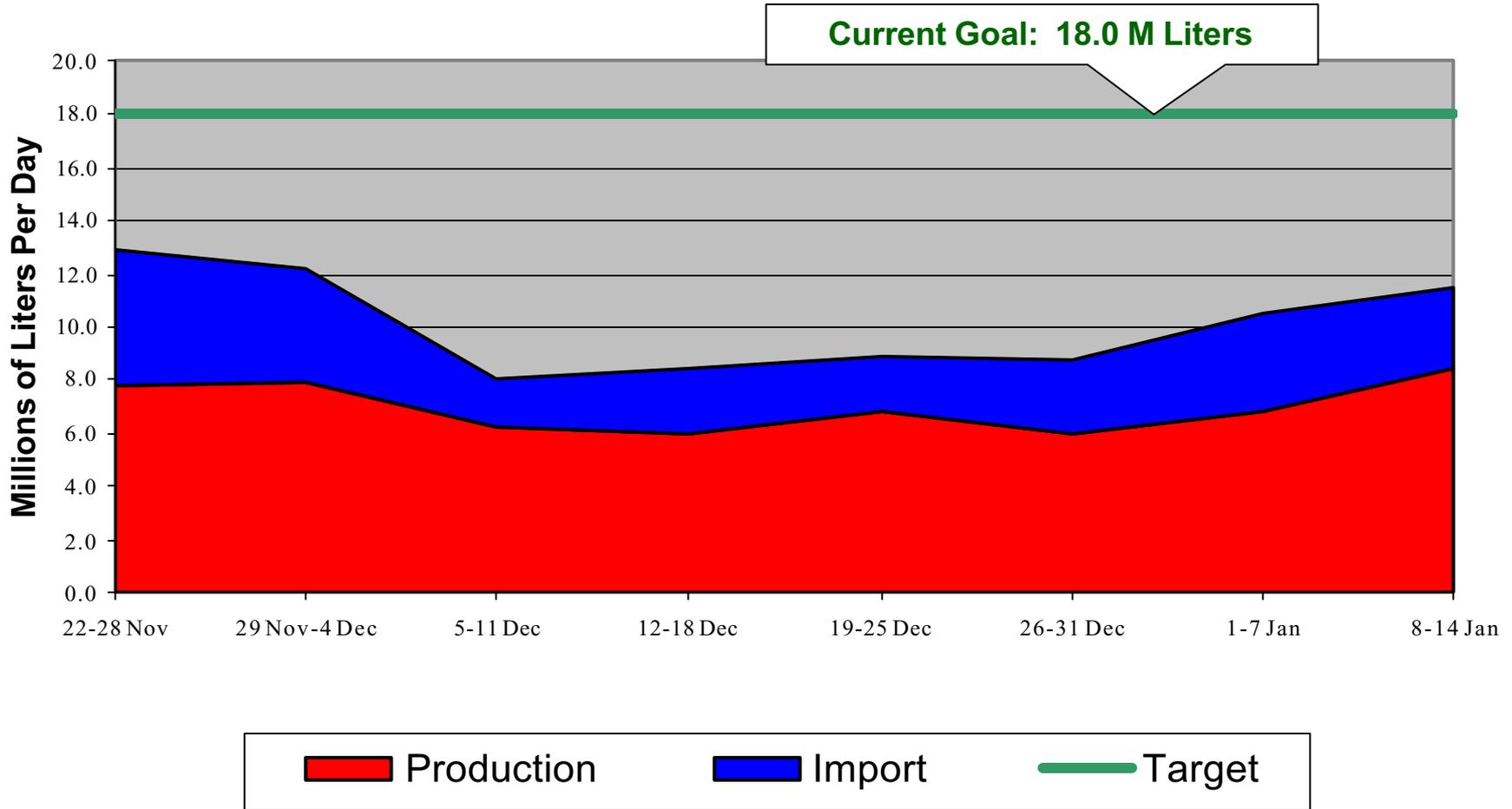


- This week's average production and imports are 83% of goal



# Kerosene Production

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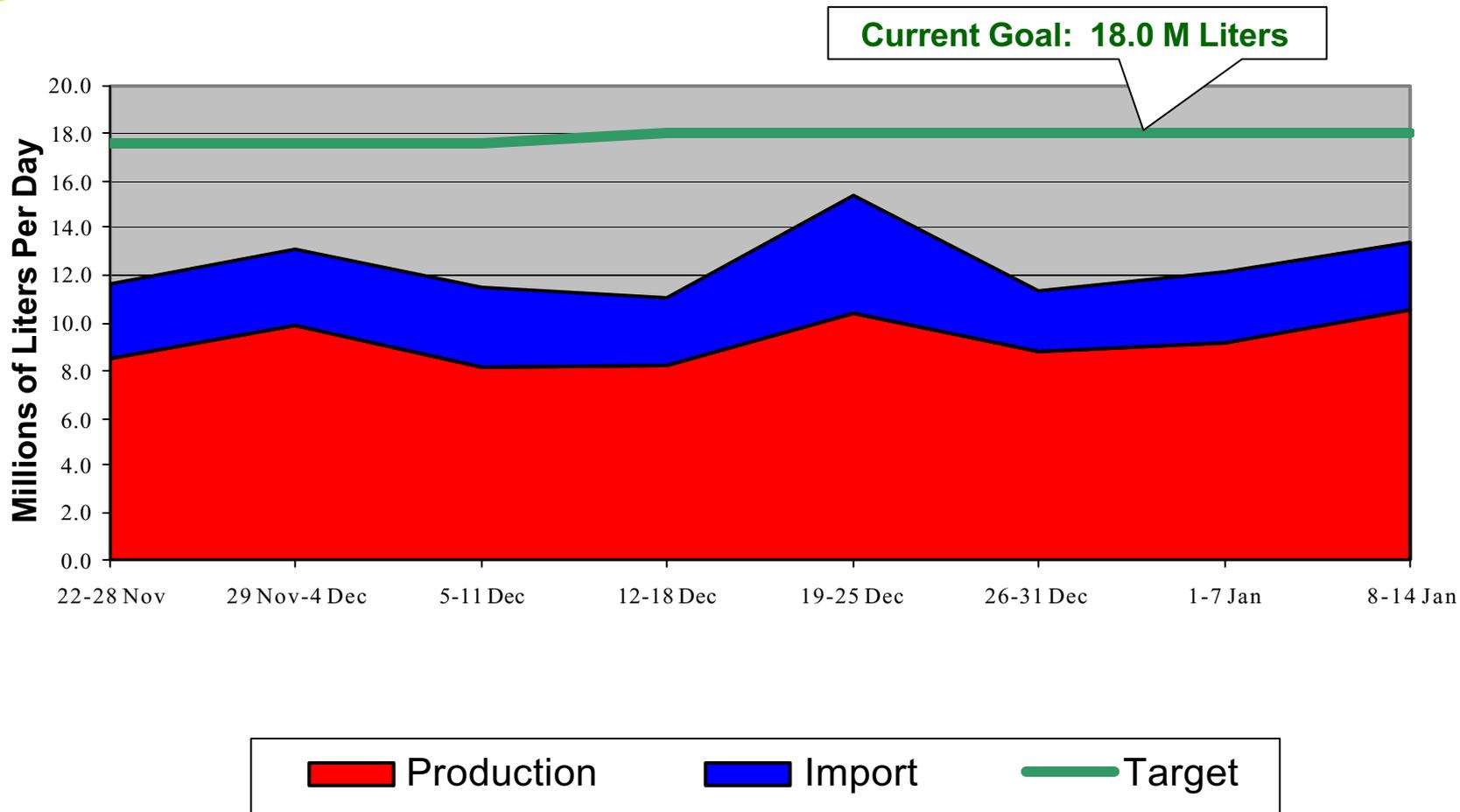


• This week's average production and imports are 63% of goal



# Gasoline / Benzene Production

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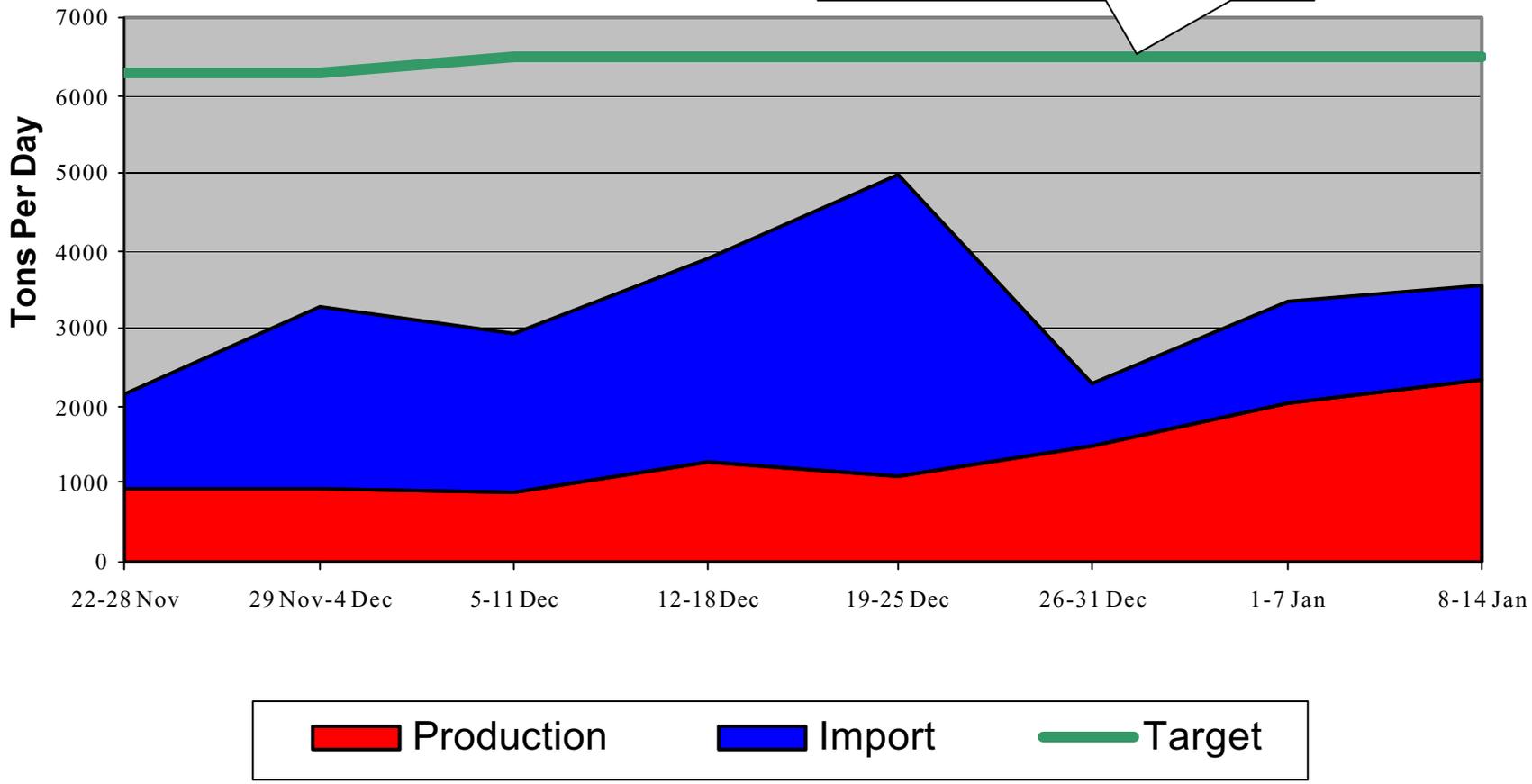
• This week's average production and imports are 75% of goal



# Liquefied Petroleum Gas Production

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N/P

Current Goal: 6,500 Tons



• This week's average production and imports are 55% of goal

# Essential Services - Education



## Major constraints to reconstruction and reform in education:

- Politicization and rigid government control of the education system eroding Iraqi confidence in the system
- Inefficient management and limited capacity of the education sector
  - No rational process of strategic planning with inaccurate or contradictory data
  - Inadequate training of educational planning personnel
- Physical infrastructure deteriorating
  - Teaching aids absent and severe shortages of library books and science labs
  - Only 2,241 out of 11,939 damaged schools rehabilitated to date
- Deterioration of quality of education
  - Low level of education financing, lack of minimum standards in teaching-learning materials such as textbooks, libraries, laboratories
  - Lack of encouragement of innovation or initiatives
- Basic training and preparation of teachers is weak (5% of primary school teachers have university degrees)
  - Accreditation or evaluation systems nonexistent

## Milestones:

- 72 million new textbooks will be distributed before end of school year
- 64,000 or more secondary teachers and 5,000 school principals and administrators will be trained in modern teaching methods

# Essential Services - Healthcare

- **Greatest cause of death among Iraqi infants is poor neonatal care:**
  - Lack of skilled providers at birth
  - Low birth weight due to poor maternal nutrition/lack of child spacing
  - Feeding infant formula mixed with impure water
  - Lack of antibodies available through breastfeeding
- **Improved infant survival rates being addressed through ongoing programs:**
  - Nutrition training for health care workers and volunteers
  - Promotion of breastfeeding, screening for malnutrition, distribution of high protein biscuits, vitamin fortification of flour and salt, vitamin A distribution
- **Immunization programs being continued to prevent childhood illnesses**
  - More than 3 million children under five have been vaccinated under the Expanded Immunization Program since June 03

## Healthcare Milestones

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

# Essential Services - Water



- Water supply network estimated functioning at 65% pre-war level
- 60% of population has access to limited supplies of potable water
- Local satisfaction with water service exceeds pre-war satisfaction levels (Oct – Dec 03 “Quality of Life Survey” conducted by Iraq Center for Research and Strategic Studies)
  - Of 19 governates, only 6 governates showed a net decrease in satisfaction levels
- Two thousand families in Baghdad’s Rashid district gained access to fresh water after new tanks were installed in their residential buildings

Governorate	Water (service hours / day)		
	Before War	After War	Current
Baghdad	19	11	17
Arbil	24	24	24
Dohuk	18	17	17
Suliamaniyah	23	23	24
At-Ta'mim	14	16	16
Nineveh	19	15	17
Diyala	13	9	13
Salah Al-Din	23	10	19
Anbar	17	12	13
Babylon	15	16	23
Karbala	17	17	23
Najaf	15	11	23
Qadissiyah	12	8	19
Basrah	19	15	17
Dhi-Qar	23	23	24
Al-Muthanna	18	17	18
Maysan	14	16	16
Wassit	20	19	23
<b>Simple Average</b>	<b>17.9</b>	<b>15.5</b>	<b>19.2</b>

## Essential Services - Telecommunications

- **Cell phones currently available for businesses**
  - Availability for average citizen anticipated early Feb 04
  - Black market cell phones being sold for up to \$700/phone
- **Operational Telephone Lines:**
  - Baghdad: 51% phone lines operational (~ 221,000 in Dec 03)
  - Nationwide: 71% phone lines operational
- **Iraqi Telephone & Postal Company (ITPC) continues to make progress in splicing cables at communication sites**
  - ITPC has connected 37,200 subscribers at 4 of 12 communication sites being rehabilitated
- **Iraqi Postmaster General announced 5 million new Iraqi stamps in production**
  - Coordinating zip code assignment for provinces (6-month project)
- **CPA and Ministry of Communications working on frequency allocations for public-safety band in Baghdad**

# Essential Services - Transportation

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- **Kurdistan Regional Government intends to restore commercial air service in Arbil through the Hawler International Airport Commission**
  - Airport expected to support 10 flights/day and 30,000 passengers / month
  - Daily air cargo service could support as many as 100 Arbil businesses
- **3 critical bridges—Khazir, Tikrit, & Al Mat—will be in service by summer**
  - Khazir, Tikrit, and Al Mat bridges are three spans that are indispensable for transporting commercial and humanitarian goods in Iraq
  - Rehabilitation of the bridges is part of USAID's \$34-million transportation program, implemented by Bechtel and Iraqi subcontractors

	Port cargo capacity (raw tonnage)	Commercial aircraft departures from Iraq
Pre-war national baseline	7M tons	2 - 3 per day
Current	6.3M tons	40 per day
01 Jul 04 Goal	7-8M tons	200 – 300 per day

# Total Security Forces in Iraq

Security Forces (x1,000)	04 Dec	11 Dec	18 Dec	25 Dec	01 Jan	09 Jan	16 Jan
Additional Iraqi Recruits *	4.5	4.7	4.8	5.4	5.9	7.1	7.5
Other Coalition	24.2	24.7	24.5	24.5	24	24.5	25.5
Iraqi Coalition Forces	159.9	161.6	161.6	165.3	198.3	203.4	202.9
US	123	123	122	122	122	125	124
Total	307	309	308	312	344	353	353

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

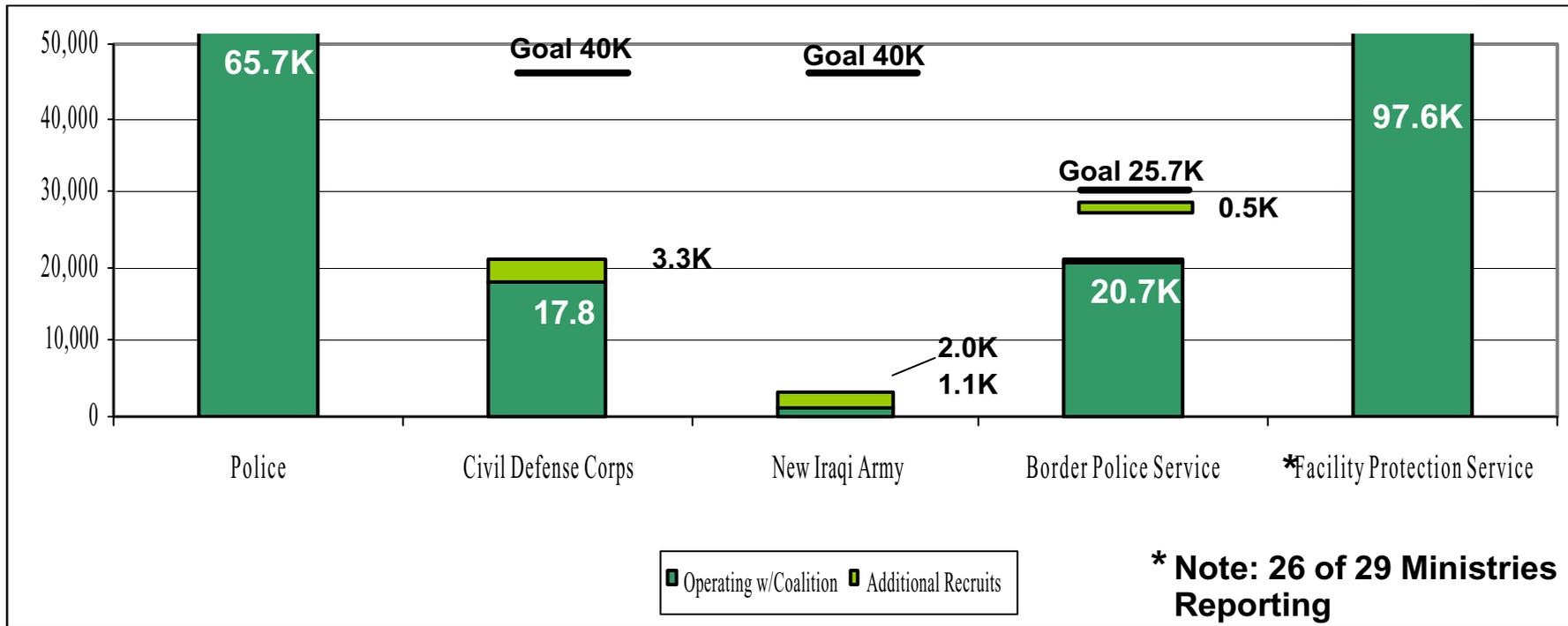
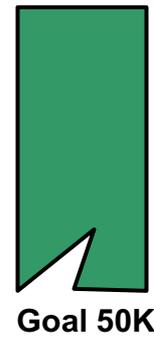
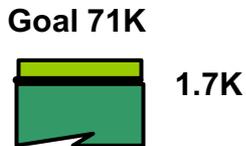




# Security Forces

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<b>Currently Operating:</b>	<b>202.9K</b>
<b>Currently in Training:</b>	<b><u>7.5K</u></b>
<b>Current Total:</b>	<b>210.4K</b>
<b>Goal:</b>	<b>226.7K</b>





# AMMO / Explosives / Weapons Captured (Weekly)

Captured AMMO & Explosives	21 - 28 Dec	29 Dec- 04 Jan	05 - 11 Jan	12 - 18 Jan
<b>Assembled IED</b>	<b>44</b>	<b>61</b>	<b>52</b>	<b>45</b>
<b>RPG rounds, Grenades</b>	<b>100</b>	<b>1,373</b>	<b>1,394</b>	<b>1,947</b>
<b>MANPAD rounds</b>	<b>4</b>	<b>13</b>	<b>21</b>	<b>4</b>
<b>Mortar, Artillery, Rocket Rounds</b>	<b>1,337</b>	<b>3,584</b>	<b>3,263</b>	<b>5,541</b>
<b>Mines</b>	<b>6</b>	<b>8</b>	<b>304</b>	<b>48</b>
<b>Pounds of Explosives</b>	<b>185</b>	<b>113</b>	<b>2,301</b>	<b>510</b>
<b>Rounds &lt; 30mm</b>	<b>16,914</b>	<b>82,964</b>	<b>30,597</b>	<b>55,574</b>
Captured Weapons				
<b>RPG Launchers</b>	<b>52</b>	<b>149</b>	<b>189</b>	<b>221</b>
<b>MANPAD Launchers</b>	<b>0</b>	<b>13</b>	<b>32</b>	<b>9</b>
<b>Small Arms</b>	<b>365</b>	<b>664</b>	<b>644</b>	<b>590</b>
<b>Crew Served Weapons</b>	<b>16</b>	<b>16</b>	<b>1</b>	<b>23</b>



# Stability Contributors

## Countries with forces in Iraq

**34**

**TOTAL ~25,500**

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

# Governance – Democracy Building



- **Success requires accelerated effort to develop institutions and build Iraqi capacity**
- **Governing Council requested support communicating with constituents**
  - **USAID Office of Transition Initiatives is working with CPA to provide 20 Outreach Centers throughout Iraq to provide information about the transition**

## Governance Sector Milestones by 01 Jul 04

- **Transitional Administrative Law leading to formation of a transitional national assembly and process for direct elections to Constitutional Convention in 2005**
- **Development of Governing Council and Transitional National Assembly launched**
- **Programs underway promoting democratic political parties through technical assistance, training of party staff, outreach and media capacity building**
- **Provincial and local government assume responsibility for decision-making, service delivery and revenue collection**
- **Central government gains capacity for communication and coordination with local / regional government structures during the decentralization process**
- **Iraqi Office of Public Integrity launched**
- **Independent election commission established, international experts recruit and train Iraqi staff and procedures for nation-wide voter registration are developed**



# Governance – National Transition

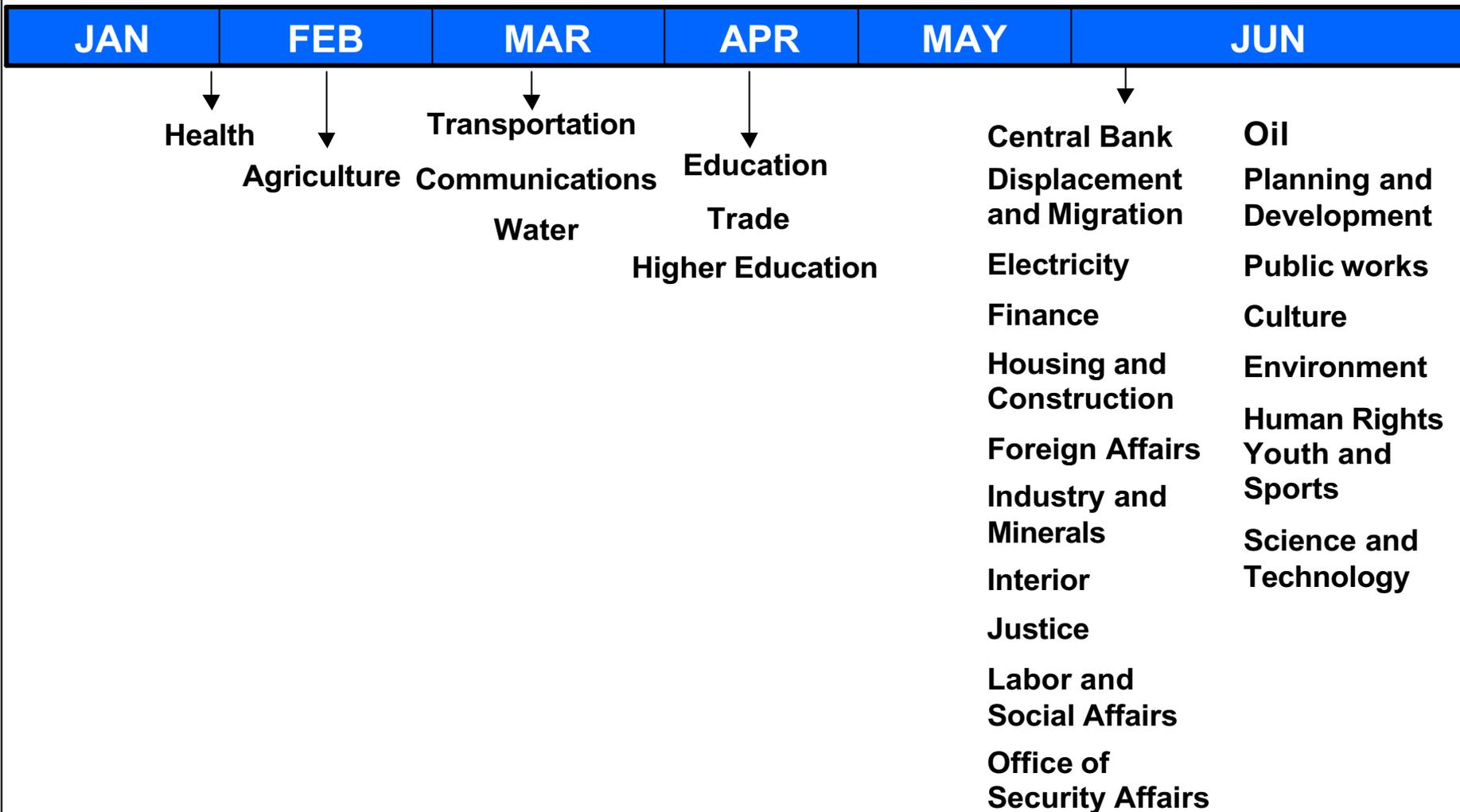
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# Ministry Graduation Program

## Projected Ministry Graduation Time Line



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# Justice - New Official Documents



- **Delegation of Authority Regarding Establishment of a Property Claims Commissions signed 14 Jan 04**
  - **Authorizes Governing Council to establish Iraq Property Claims Commission (IPCC) to collect and resolve real property claims**
  - **To promulgate procedures through statute for promptly resolving claims in a fair and judicious manner**

# Economics - Financial Market Structures



- **Ministry of Finance is preparing an automated accounting and budgeting system to manage financial information in Iraq's public sector**
- **The system aims to:**
  - **Enable Iraq to establish strong fiscal controls and proper segregation of duties**
  - **Enable written policies and procedures for procurement and budget execution**
  - **Facilitate improved cash and debt management**
  - **Assist in the efficient processing of transactions**
  - **Produce reports in a timely and accurate manner**
- **Training in the operation and management of the new system will also be provided to staff of the Iraqi ministries**

# Economics – Currency & Banking

- CPA micro credit program aims to reactivate private sector growth, development and employment by providing credit services to financially viable small labor-intensive businesses
  - 827 loans totaling \$1.6 million have been made with a repayment rate of 100 percent
- Currency exchange completed
  - Recent volatility of the dinar and its appreciation relative to the US dollar can be attributed to the conclusion of the currency exchange program
  - Price should stabilize in the coming days
  - The settlement price was 1,405 Iraqi dinars per US dollar, compared with an average street price of 1,395 to the dollar

## Banking Sector Metrics

- Proportion of Iraqi bank branches whose bankers have been certified by our programs by March 2005
- 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

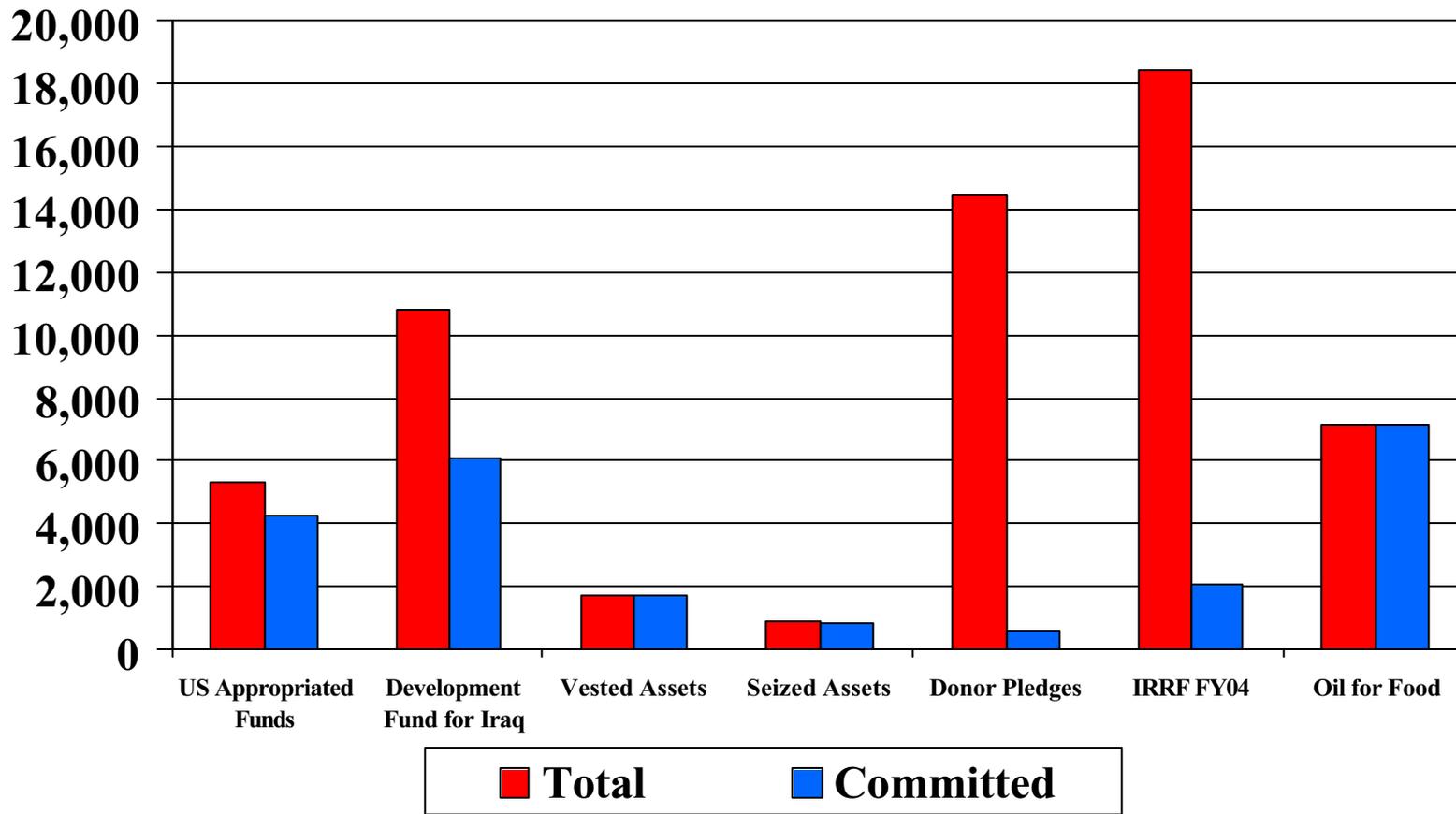


- **National Employment Program’s job generation project now employs more than 75,000 people**
  - **Total project spending surpassed 10 billion new Iraqi dinars**
- **The \$4-million Marshlands Restoration and Management Program initiated in Oct 03 provides social economic assistance to marsh dwellers integrated with wetlands restoration**
- **Najaf businesses are developing stable local economies by collaborating with local government**
- **Export-Import Bank of the US (Ex-Im Bank) can provide three different types of financing to support Iraqi reconstruction efforts**
  - **Short-term credit insurance under new, \$500 million facility for the Trade Bank of Iraq**
  - **Guarantees or insurance if there is a creditworthy source of repayment**
  - **Working capital guarantees for US subcontractors to US government-funded reconstruction contracts**



# Iraq Funds Status (\$ Millions)

**Total Available: \$58,858**  
**Total Committed: \$22,706**



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N/P



# Program Management Office

- **\$5.0B in Requests For Proposals Released**
- **PMO Released Construction and Program Management (PgM) solicitations**
  - **10 Construction solicitations in five sectors: Electricity, Communications / Transportation, Buildings / Housing, Security / Justice, Public Works / Water. Oil already competed by US Army Corps of Engineers**
  - **7 PgM solicitations for 6 sectors and PMO**
- **Proposals awarded by 15 Mar and 30 Mar for PgM and construction respectively**
  - **Bidders conference 21 January – Dulles Marriott (Tentative)**
- **PMO administration and program support transitioning to SecArmy**
- **PMO Web-site Portal operational: [www.rebuilding-iraq.net](http://www.rebuilding-iraq.net)**



# Strategic Communication

- **Al-Iraqiyah (formely known as Iraqi Media Network)**
  - Harris Corporation awarded 12 month, \$96M contract to operate Iraqi national newspaper and broadcast network
  - Contract includes two potential six-month extensions
  - Two Middle Eastern media companies will advise Harris Corp. in developing network
  - Objective is to establish a locally-staffed network, with oversight from a board of governors
  - Content will include local news and entertainment
  - Total network will ultimately include 30 TV and radio transmitters, 3 broadcast studios, and 12 bureaus in Iraq
- **Al-Hurra (Arabic for “The Free One”), an Arabic-language US satellite television effort, will begin broadcasting soon**
  - Signal will originate from studios in Washington, DC and bureaus in the Middle East
  - Al-Hurra will employ approximately 200
  - Network will resemble a cable news network, though will also include other informational, lifestyle and sports programming
  - Network will be available to everyone with a satellite dish in the region