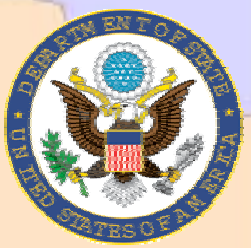
12 January 2005



DEPARTMENT OF STATE

Iraq Weekly Status Report

UNCLASSIFIED

Table of Contents

SECTION	SLIDE(S)
Highlights	3
1.0 Neutralize the Insurgents	5
2.0 Ensure Legitimate Elections	6
3.0 Create Jobs and Provide Essential Services	11
4.0 Establish Foundations for a Strong Economy	20
5.0 Establish Good Governance, Rule of Law	27
6.0 Maintain International Engagement & Support	28
7.0 General Information	30

Highlights

DEPARTMENT OF STATE

2.0 Ensure Legitimate Elections

ï 7,785 candidates representing 111 entities including political parties, coalitions, and individual candidates are on the ballot for the 275-seat National Assembly.

ï 9,000 candidates are registered to compete in the provincial elections.

ï Ballots have been printed.

ï Fourteen countries have agreed to host Out of Country voting for resident Iraqis.

3.0 Create Jobs and Provide Essential Services

ï Iraq is experiencing shortages of fuel and electric power, especially in Baghdad, due to attacks on infrastructure. MNF-I is working with the IIG to improve infrastructure security.

ï Approximately 1 million children, (87% of the target group) were reached during the National Measles, Rubella and Mumps Immunization Campaign for School Children (ages 6-7 years) conducted December 18 - 26, 2004.

Highlights

4.0 Establish Foundations for a Strong Economy

ï Follow-up steps to the Second Joint Economic Commission, held in Washington, D.C. December 20 ñ 21, 2004, are being discussed between the USG and Iraqi Government. In addition to the conclusion of three important bilateral instruments (100% Debt Cancellation Agreement and two Energy Memoranda of Understanding), both sides agreed to new steps to further Iraqís economic development and reintegration into the world economy.

5.0 Establish Good Governance, Rule of Law

ï Fifty-one members of the Interim National Council and senior political party representatives participated in a conference on federalism in Baghdad.

6.0 Maintain International Engagement and Support

ï Neighbors Conference in Jordan concluded successfully with statement supporting Iraqi elections on January 30.

12 January 2005

[1.0] Neutralize the Insurgents ñ Iraqi Security Forces Update

Iraqi Security Forces	Trained/On Hand	Required
Police	53,520	135,000
Civil Intervention Force	2,862	4,920
Emergency Response Unit	205	270
Border Enforcement	14,786	28,360
Highway Patrol	327	6,300
Bureau of Dignitary Protection	484	500
Army	4,159	24,425
National Guard	40,063	61,904
Intervention Force	9,159	6,360
Special Operations Force	674	1,967
Air Force	214	453
Navy*	508	582
Total	*126,961	*271,041

ï **The military forces continue to receive advanced unit training.**

ï ***The Iraqi Coastal Defense Force has been renamed the Iraqi Navy**

Data as of 11 January 2005

DEPARTMENT OF STATE

[2.0] Ensure Legitimate Elections ñ Developments

Election Planning continues:

- Voter registration ended and campaigning began on December 15. The voter registry now contains 14.27 million names.
- 7,785 candidates representing 111 entities including political parties, coalitions, and individual candidates are on the ballot for the 275-seat National Assembly.
- 9,000 candidates are registered to compete in the provincial elections.
- Ballots have been printed.
- 14 countries have agreed to host Out of Country voting (OCV) organized by the International Organization for Migration (IOM); estimated voting population in the 14 OCV countries is 1.2 to 2 million.
- IECI will allow Iraqis in the Anbar and Ninewa provinces to register to vote on election day at any voting center within their respective provinces.
- IECI plans to hire and train 194,000 poll-workers by election day.

[2.0] Ensure Legitimate Elections ñ Developments

Elections Monitoring:

ï The International Mission for Iraqi Elections (IMIE) is organizing the international monitoring effort based in Amman, with an office opening soon in Baghdad. IMIE will deploy about 100 elections experts to Iraq, focusing on the election process, rather than on a traditional observation mission.

ï U.S.-supported training continues for 8000 domestic elections monitors.

Look ahead: Transitional National Assembly (TNA):

ï Once elected, the TNA will:

- Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- Name a Presidency Council, consisting of a president and two deputy presidents, that will appoint a prime minister. The Prime Minister and his Council of Ministers must receive a vote of confidence in the Assembly by a simple majority.
- Draft Iraq's new Constitution which will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.

[2.0] Ensure Legitimate Elections ñ Developments

DEPARTMENT OF STATE

Capacity Building:

- Twenty-seven Iraqi elections trainers from South Central Iraq, 33 from Southern Iraq, and 22 from Baghdad participated in workshops organized by a USAID partner NGO.
- A final training session was held for members of the Coalition of Non-partisan Elections Monitors (CINEM) from northern Iraq. Forty-one representatives from 24 NGOs attended the three-day train-the-trainer sessions.
- Thirty Iraqi journalists from print and broadcast media attended a three-day seminar on ìThe Media and Electionsî in Al Basrah governorate.
- The Civic Coalition for Free Elections (CCFE), a non-partisan movement of 76 civic organizations from across Iraq, continued its media campaign this week with a press conference to build awareness of the coalition and the campaign. The coalition is supported by the USAID-funded NGO.
- A USAID-supported initiative is helping Iraqi government officials to build their capacity to disseminate information effectively and to interact with news media.

[2.0] Ensure Legitimate Elections ñ Out of Country Voting

Registration is scheduled to take place January 17 ñ January 23.

Voting is scheduled January 28 ñ January 30.

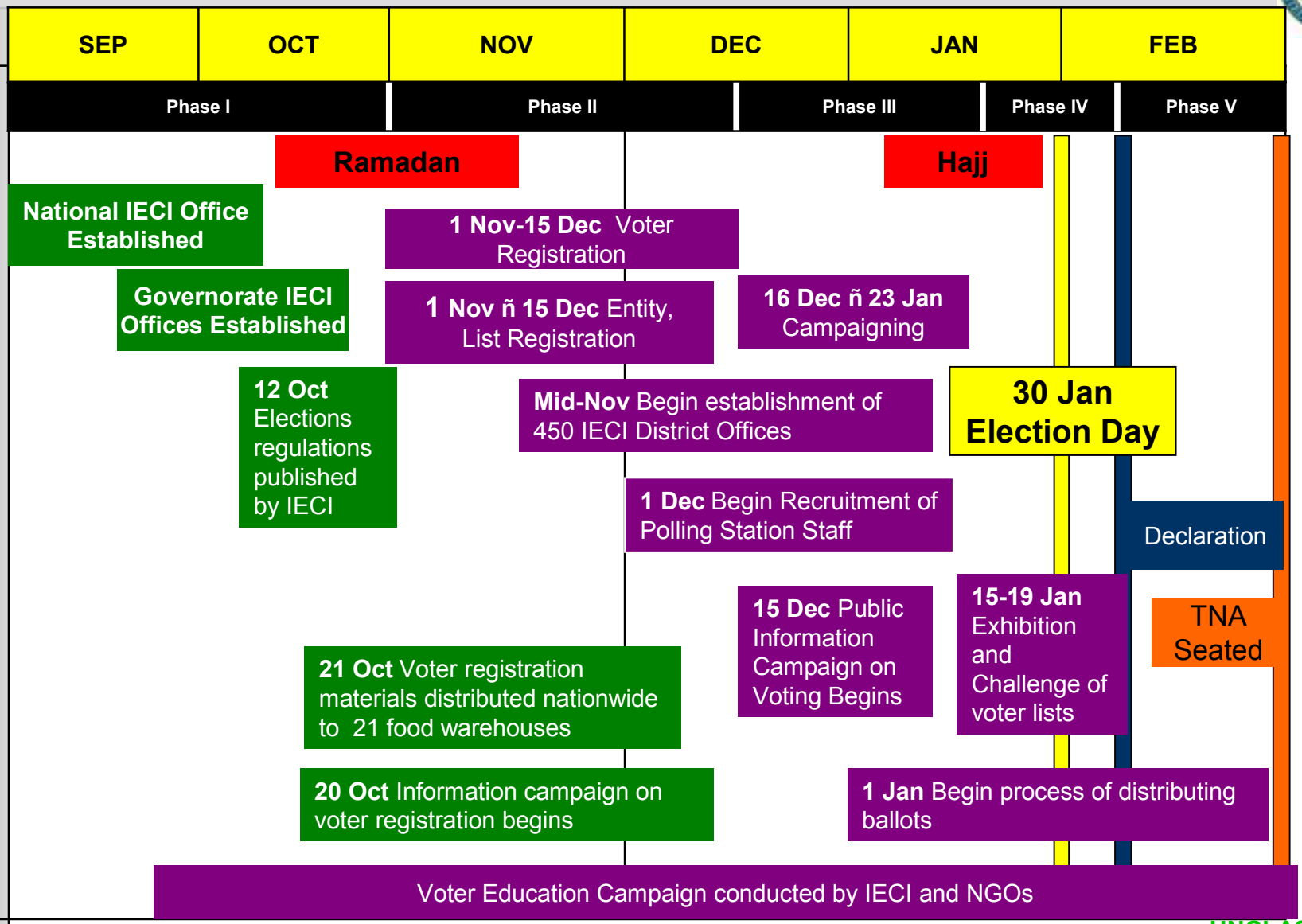
United States:

- Polling center locations in Detroit, Chicago, Los Angeles, Nashville, & Washington, DC. Exact locations of polling centers are still being finalized.
- Estimated 230,000 eligible voters in the United States.
- Voter Eligibility ñ according to CPA Order 96 ñ a person must:
  - ñ be deemed an Iraqi citizen, or
  - ñ be entitled to reclaim Iraqi citizenship,
  - ñ or be eligible for Iraqi citizenship (be born to an Iraqi father);

  and:
  - ñ have been born on or before 31 December 1986; and
  - ñ be registered to vote according to procedures issued by the IECI.
- Eligible Iraqis must register and vote *in person* at Out of Country registration centers.
- Out of Country voting information, including a certified list of political entities and independent candidates, can be found at www.iraqocv.org

12 January 2005

[2.0] Ensure Legitimate Elections ñ Iraq Elections Timeline



DEPARTMENT OF STATE

[3.0] Create Jobs and Provide Essential Services ñ Economy

Oil Update:

ï Crude Oil prices in world markets for the week ending January 7 closed with Kirkuk Crude at $40.76/barrel, Basra Light at $32.60/barrel, and the OPEC basket at $36.92/barrel.

Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

Employing Organization	Iraqis last week	Iraqis this week	% Increase on week
PCO	19,748	19,263	-2.5%
USAID	51,532	56,734	10.1%
AIRP	9,233	9,066	-1.8%
MILCON	690	675	-2.2%
CERP	26,200	12,173	-53.5%
MNSTC-I	8,571	6,202	-27.6%
IRRF NON-CONSTRUCTION	17,994	17,404	-3.3%
GRAND TOTAL	**133,968**	**121,517**	-9.3%

***CSO Unemployment Figure for the overall Iraqi population is 22.5% as of January 5, 2005.**

****CERP Figure have been reported by 1st Cavalry Division Only**

*****Iraqis Last Week CERP Figures included OTI Figure that are already included in USAID Figures**

Data as of 12 January 2005

[3.0] Create Jobs and Provide Essential Services ñ Economy

USAID Long-Term Employment Programs:

- During the Second Joint Economic Commission held in December, USAID described projects underway that will provide 16,000 loans to micro, small and medium size businesses by June 2005.
- USAID will be working with existing vocational and employment centers throughout the country to get Iraqis back to work.
- USAID plans to fund workshops on how to manage and grow businesses to be held with Iraqi universities and chambers of commerce throughout the country in 2005.

Private Sector Assessment:

- USAIDís Agriculture Reconstruction and Development Program for Iraq (ARDI) is conducting an assessment in Dahuk, Arbil and Sulaymaniyah Governorates of the private sectorís role in providing agricultural inputs to farmers.
  - In Arbil, there is a large concentration of input dealers that maintain small warehouses storing fertilizers and agricultural chemicals. These supplies are imported from neighboring countries in the region. Other suppliers display a wide variety of vegetable seeds, mostly from American companies.

[3.0] Create Jobs and Provide Essential Services ñ Water and Sanitation

Water Treatment Plants:

- Work to restore 14 water treatment facilities in Basrah Governorate was completed on December 14, 2004. These facilities range from conventional treatment plants to pre-manufactured compact units.
- The Mosul Water and Sewer Project is 96% complete. This activity includes the the provision of an independent power supply to allow 24-hour availability of water, the restoration of water towers and the city storm drain and the sewer system. Personnel have been trained in maintenance and operations, and nearly all centrifugal pumps have been installed.
- Work continues on a project to improve the sewage collection system in a populous district of Baghdad. When complete, the rehabilitated system will provide improved service to 1.5 million residents. Many parts of the district have poor quality sewage disposal, which results in raw sewage pooling in streets and homes, jeopardizing public health.
  - The rehabilitation activity is in the final stage of phase one in the three-phase implementation. The project will clean, repair, rehabilitate, and build new extensions of the sewage collection system in the Baghdad district as well as restore critical elements of the system and improve flows to the wastewater treatment plant.
  - Overall, this activity is 39% finished, and is scheduled for completion in the third quarter of 2005.

[3.0] Create Jobs and Provide Essential Services ñ Food Security

Public Distribution System (PDS) and MOT-Awarded Contracts:

- Current estimates indicate that Iraq will meet 65% of its rice requirements this month. A shortage in infant formula, which also fell short in December, is likely in January.
- The Port of Umm Qasr has two vessels of rice at berth; one has about 8,000 metric tons (MT), 2.8 days of supply remaining on board, and the other is awaiting test results and has about 22,000 MT, 7.7 days of supply on board. The British military assisted in moving the rice samples via air from Basrah to Baghdad.
- The Port of Aqaba has rice in warehouses moving slowly to Iraq. Quantities are between 13,000 MT and 19,000 MT (4.5 days of supply and 6.6 days of supply).
- Given continued deliveries of Australian wheat, coupled with stocks, domestic wheat and imported wheat flour, Iraq is expected to meet its January distribution requirement of 315,000 MT. As of December 31, approximately 202,000 MT of wheat were offloaded at Umm Qasr for the month of December. Vessels carrying over 70,000 MT of wheat have also been offloaded in Umm Qasr.

[3.0] Create Jobs and Provide Essential Services ñ Health Care

Disease Prevention and Control:

- Approximately 1 million children, (87% of the target group) were reached at schools and homes during the National Measles, Rubella and Mumps Immunization Campaign for School Children (ages 6-7 years) conducted December 18 - 26, 2004.
- The World Health Organization (WHO) provided over $700,000 in support to the Ministry of Health to cover items including staff incentives, social mobilization, trainings, meetings and vehicle rental. Independent monitoring was conducted by WHO, UNICEF, Iraqi Red Crescent Society (IRCS) and Medical schools.

Support to Primary Health Care:

- Currently, there are 87 Public Health Centers (PHC) under construction, and 17 hospitals under renovation. Work is ongoing for the USAID-managed Basrah Hospital.
- PCO will fund the full renovation of the Najaf Teaching Hospital using $15 million in reallocated funds through the Iraq Relief and Reconstruction Fund (IRRF).

[3.0] Create Jobs and Provide Essential Servicesñ Education

USAIDís Higher Education and Development (HEAD) program:

- DePaul University and a consortium of other US universities continue to work with Iraqi counterpart institutions to build their capacity under USAIDís Higher Education and Development (HEAD) program.
  - As part of this program, the International Human Rights Law Institute (IHRLI) at DePaulís College of Law recently completed work with a major Baghdad university to support more effective clinical legal education. Similar activities are being conducted by IHRLI and its partners at a university in northern Iraq and another in southern Iraq.
  - The activity was designed to prepare law students to become productive professionals from the outset of their career, emphasizing ethical practices and the important public service role they will have in building the legal system in the new Iraq.

School Rehabilitation:

- A secondary school serving 700 girls in Baghdad Governorate was rehabilitated through a $55,330 Community Action Project (CAP). The aging facility underwent renovations, including a major overhaul of the schoolís plumbing, wiring, and fixtures. Twenty teachers now hold classes at the new facility.
- In Qadisiyah Governorate three school rehabilitation projects were recently approved by CAPs. The projects will benefit 900 families and 1,575 children. The estimated time to completion is 70 days.

[3.0] Create Jobs and Provide Essential Services ñ Telecommunications

ï Total number of telephone subscribers in Iraq is now over 2,342,920 (including 1,382,805 cell phone subscribers) ñ 181% above pre-war levels.

Landline Telephone Subscribers

Priority	Governorate	Available Capacity	Occupied Capacity	Free capacity
1-	Baghdad	516643	432004	84639
2-	Ninewa	104817	85884	18933
3-	At-Tamim	50319	38489	11830
4-	Salah ad Din	47992	32054	16938
5-	Diyala	37950	27510	10440
6-	Al-Anbar	70098	60094	10004
7-	Maysan	19065	16702	2363
8-	An-Najaf	47480	34728	12752
9-	Karbala	31091	21966	9125
10-	Dhi Qar	31805	29102	2703
11-	Al-Muthanna	26000	20378	5622
12-	Al-Qadisiyah	38042	29698	8344
13-	Wasit	36672	25077	11595
14-	Al-Basrah	78500	60568	17932
15-	Babil	57160	45861	11229
		1193634	**960115**	**234449**

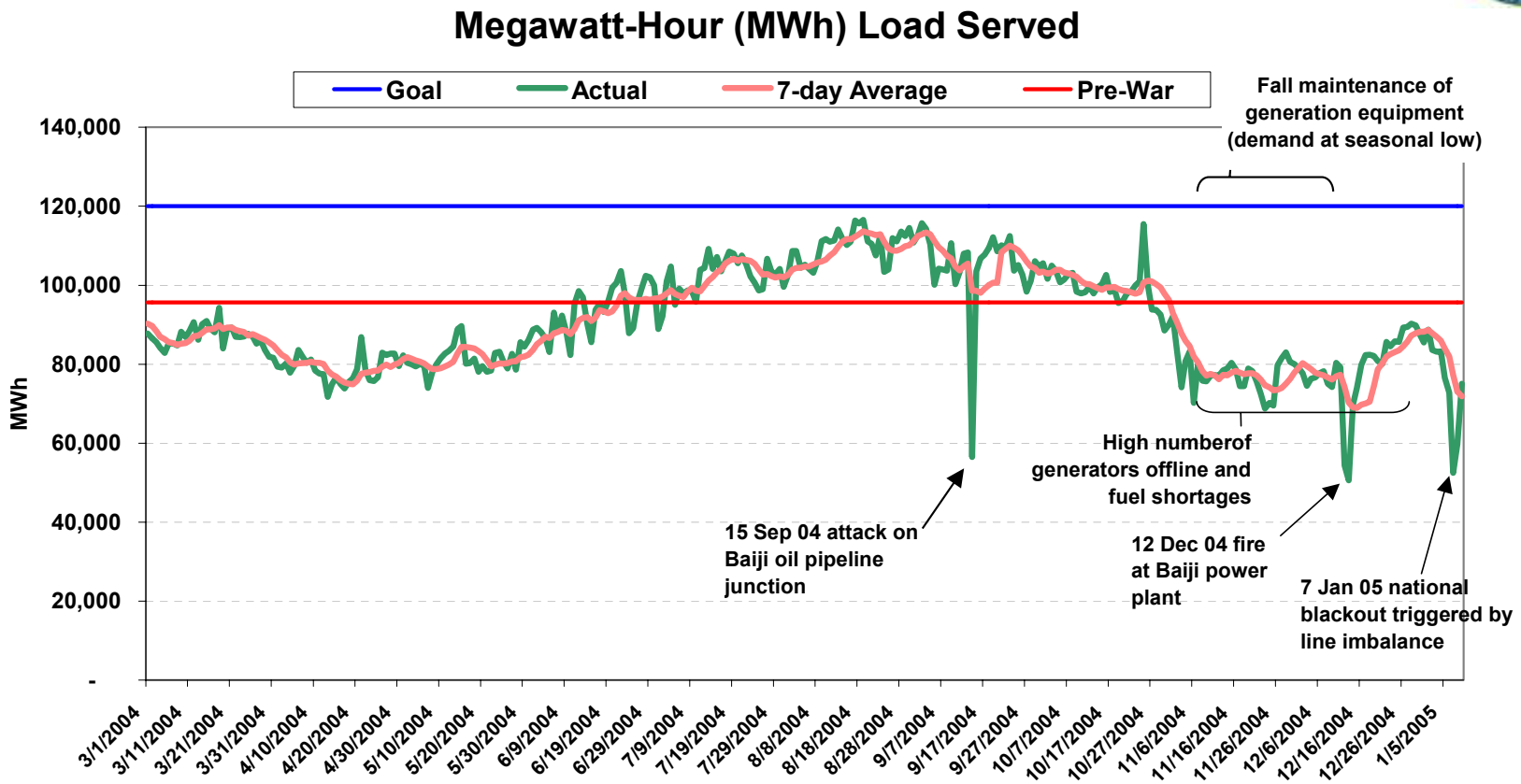
Source: IRMO Office of Communications

As of 31 December 2004

ï As of December 29, 2004, there are 120,022 active internet subscribers for the state-owned Internet company. These statistics do not reflect the large number of unregulated users of Internet cafes.

12 January 2005

[3.0] Create Jobs and Provide Essential Services ñ Electricity Overview

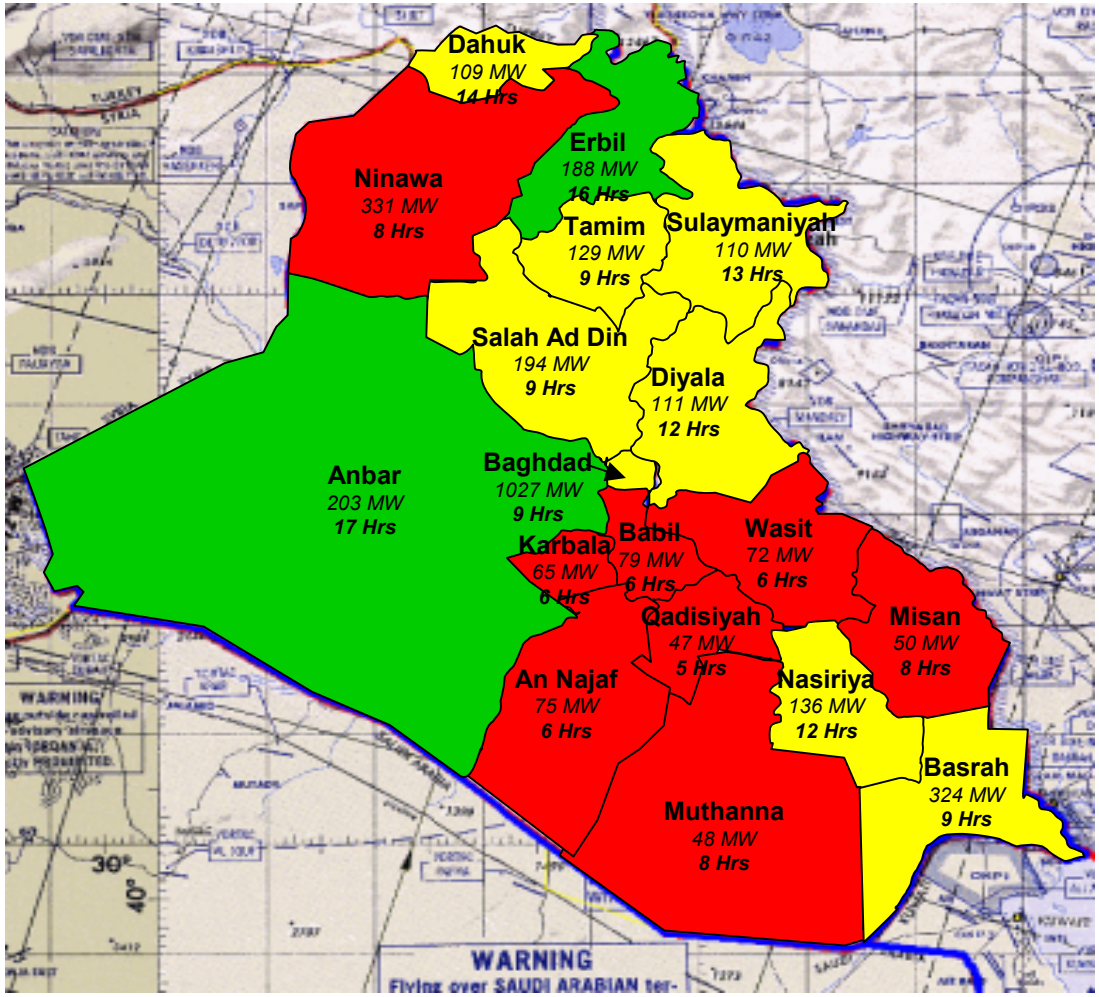


- Iraqís grid suffered a nationwide-blackout January 7th caused by a 132 kV line imbalance. The Ministry of Electricity is investigating the reason that the power grid could not contain the fault.
- The 7-day national average of load served (3 Jan ñ 9 Jan 05): 71,800 MWh (down from 87,800 MWh last week).
- Fuel shortages (due to pipeline interdictions and insecure trucking routes) continue to plague the electricity sector; at the end of the week, 388 MW were offline due to lack of fuel.
- Other unplanned outages at the end of the week totaled 1079 MW. Outages due to maintenance were 775 MW.
- Because of the blackout, the average hours of power in Baghdad and nationally dropped to 6.7 and 7.1 hours respectively.

DEPARTMENT OF STATE

12 January 2005

[3.0] Create Jobs and Provide Essential Services ñ Hours of Power



AVERAGE HOURS PER DAY OF ELECTRICITY IN EACH GOVERNORATE FOR THE 7-DAY PERIOD

> 8 Hrs = Red

9 to 15 Hrs = Amber

7 16 Hrs = Green

No Report = White

IRAQ National Average: 9.6 Hours/Day

DEPARTMENT OF STATE

[4.0] Establish Foundations for a Strong Economy

Follow-Up to the Second Joint Economic Commission:

- During the Second Joint Economic Commission, held in Washington, DC December 20 ñ 21, 2004, the USG and Iraqi delegations agreed to new steps to further Iraqís economic development and reintegration into the world economy.
- The Iraqi side outlined measures to maintain fiscal stability and implement the 2005 budget, detailing plans to reform state subsidies which account for 60% of budget expenditures and create major market distortions in key areas of the economy.
- The US side outlined technical assistance programs underway that support Iraqís economic reforms, including USAID programs to strengthen the IIGís economic data gathering and analysis, train Iraqi commercial banks in loan management, and help the Central Bank develop more monetary policy instruments.
- The Iraqi Government also detailed its plans to increase productivity through investment in agriculture and strengthen market mechanisms. USAID agreed to support the Ministry of Agricultureís Transition Plan, by establishing over 100 agricultural demonstration cities throughout Iraq to reinvigorate crop and livestock production, and boost rural job creation.
- The IIG-funded Housing Fund will begin lending this month and plans to add 30,000 new residential units in and around Baghdad in 2005. USAID and the Department of Treasury will provide technical assistance for the start-up operation of this Fund.
- The Third Joint Economic Commission will be held in Baghdad in the spring of 2005.

[4.0] Establish Foundations for a Strong Economy

Iraq Currency and Securities Exchanges:

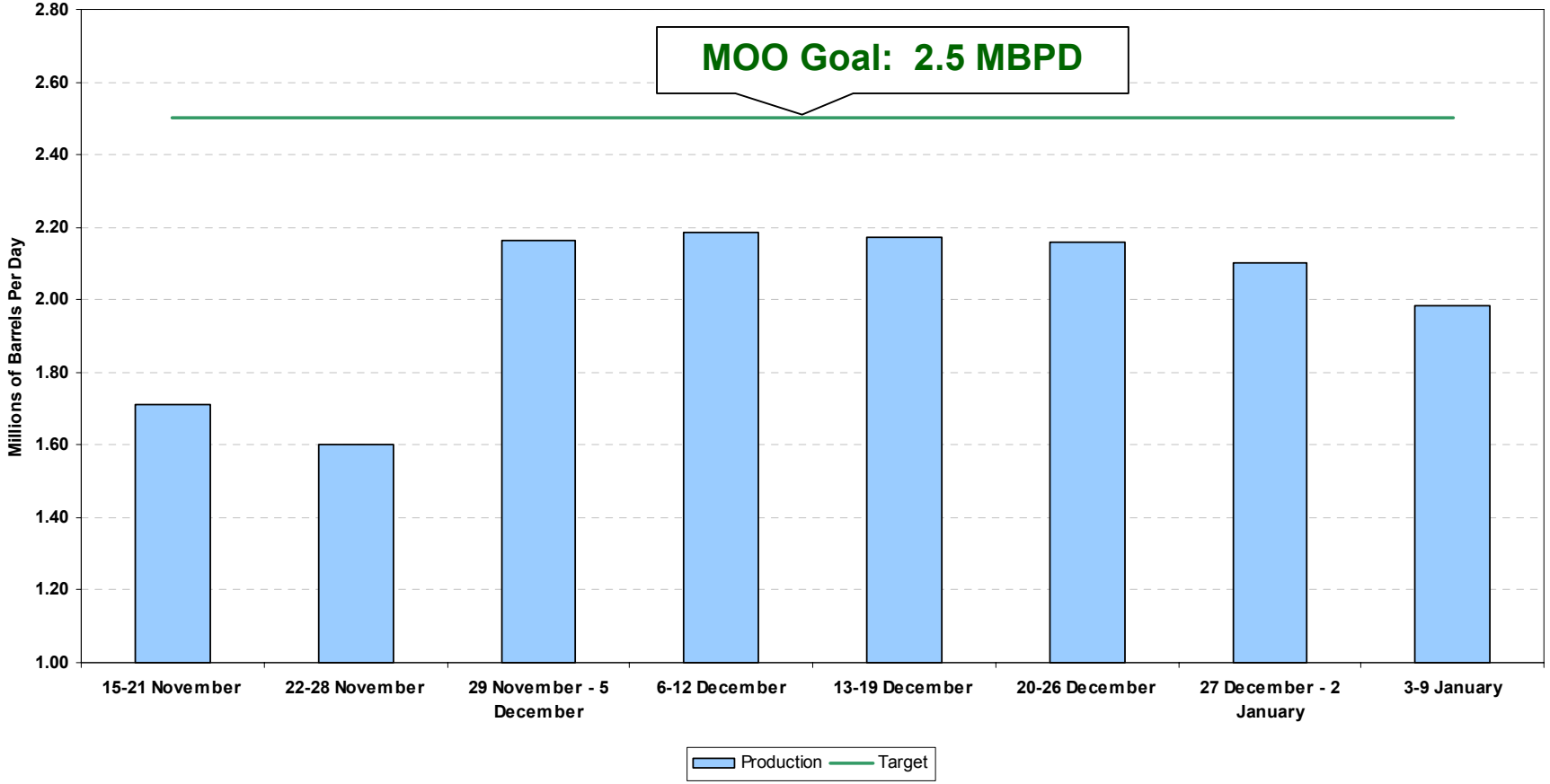
- At the New Iraqi Dinar (NID) auction on January 11, the settlement price was 1,460 dinars per USD with a total of 18 banks trading. The following table shows the purchase value of the top five banks:

Bank Name	Quantity Sold (in thousands of dollars)	Percentage of Total Auction
Al-Warkaa Bank	5,000	20.74%
United Bank	3,500	14.52%
Iraq Bank	2,400	9.95%
Al-Basra Bank	2,250	9.33%
Middle East Bank	1,670	6.93%
Total	**14,820**	**61.47%**

- On January 9, 2005, the Iraqi Stock Exchange (ISX) traded a total of 52,548,111 shares with a value of ID 526,492,087 ($360,611) in 263 trades.
  - The most active trading was in the Industrial Sector with a total of 10 companies trading 11,703,243 shares, for a total value of ID 138,580,975 ($94,918).
  - The second most active trading was in the Banking Sector. The Commercial Bank of Iraq and the Bank of Baghdad traded 28,477,931 shares for a total value of ID 293,301,737 ($200,891).
  - At the current rate of trading, the projected total number of trades for January would be about 1.58 billion shares compared to August 2004 which saw a total of 2.66 billion shares traded, an increase of 33% since the ISX opened in June 2004.

12 January 2005

[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production

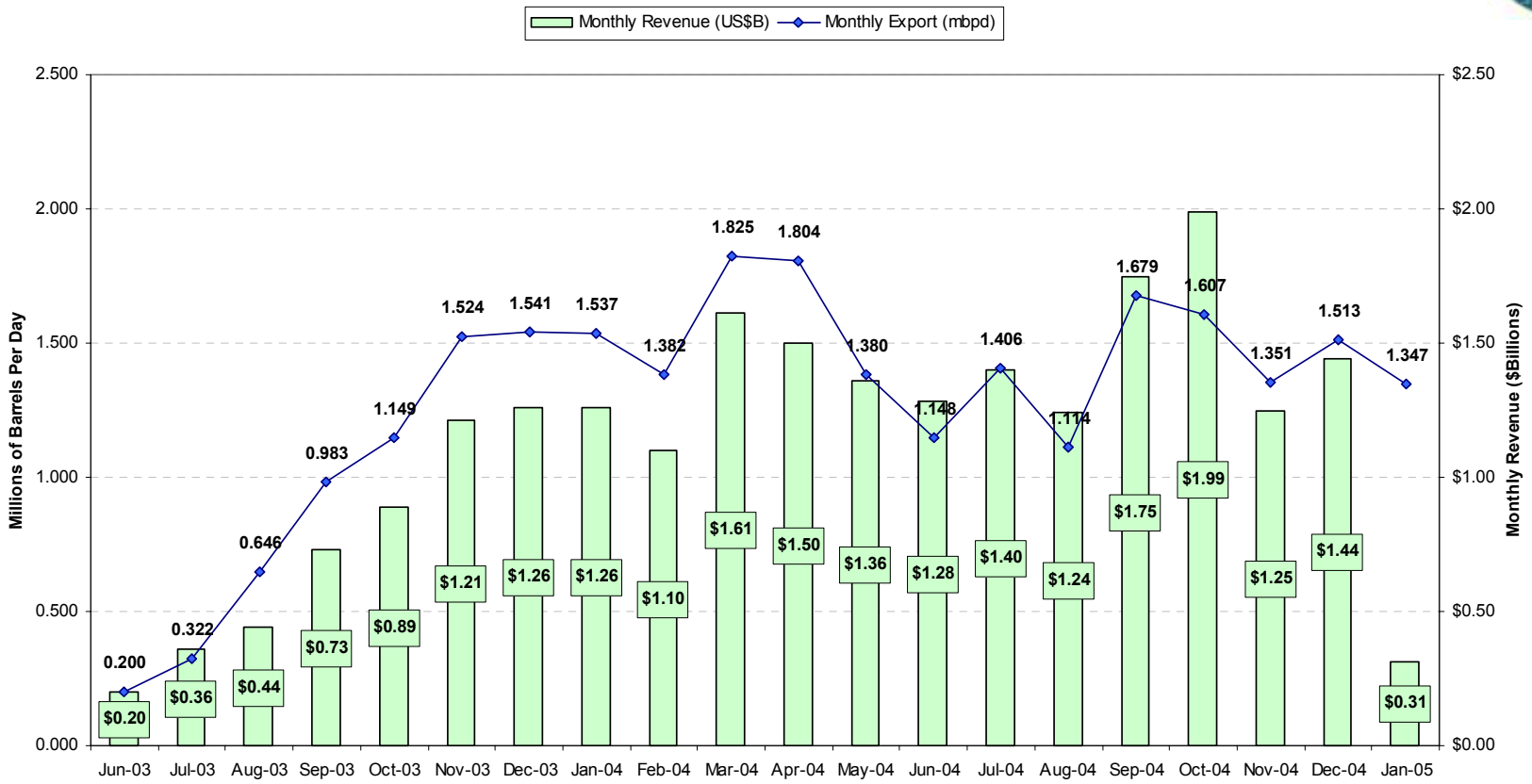


- Weekly Average (3 - 9 Jan) of 1.99 MBPD
- Pre-War Peak: 2.5 MBPD in Mar 03
- Post-War Peak: 2.67 MBPD

DEPARTMENT OF STATE

12 January 2005

[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export



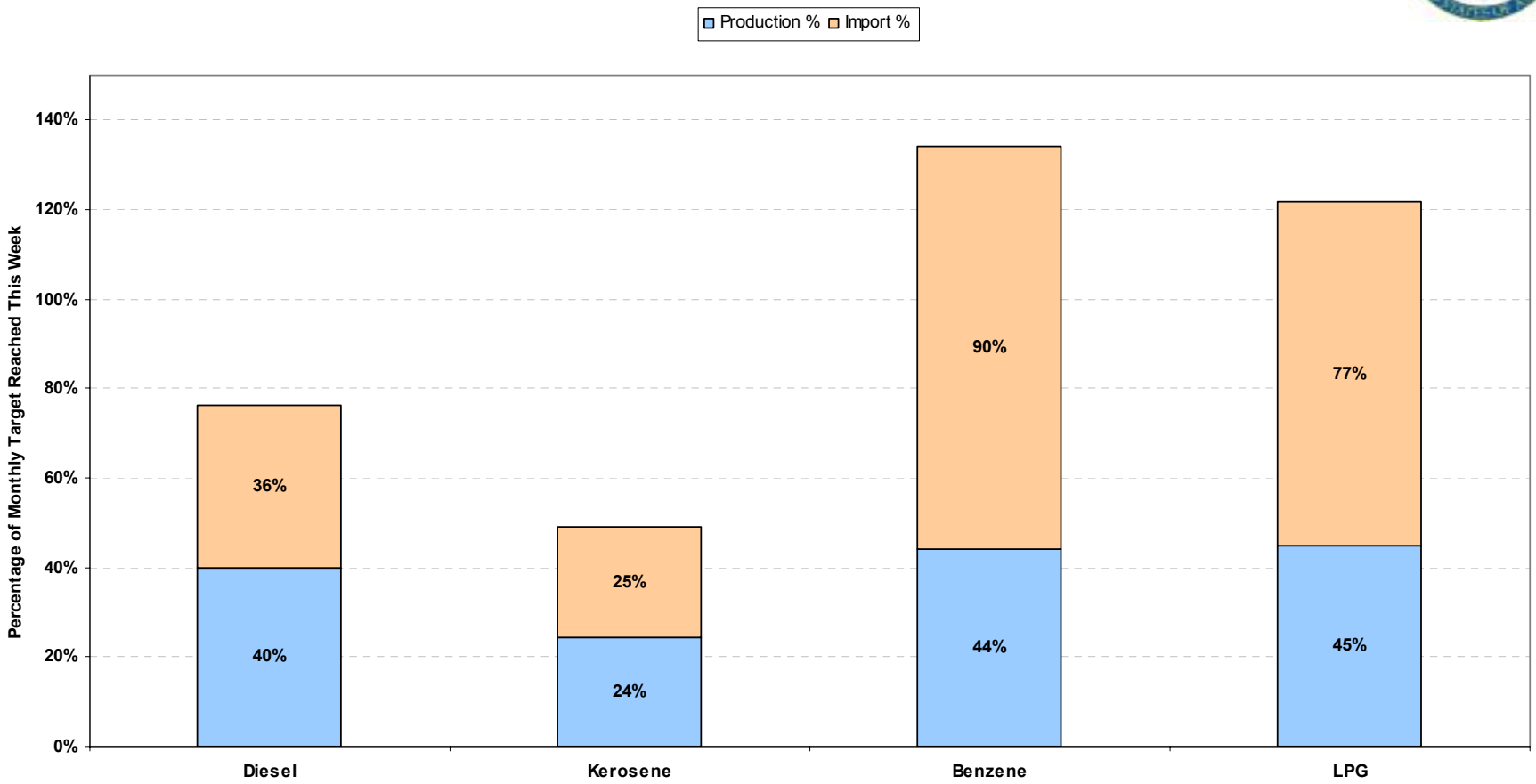
- **2003 Revenue: $5,076.6M**
- **2004 Revenue: $17,012.3M***
- **2005 Revenue: $313.5M**

***Due to a calculation error, the 2004 revenue has been revised downward to the number above.**

DEPARTMENT OF STATE

12 January 2005

[4.0] Establish Foundations for a Strong Economy ñ Refined Products



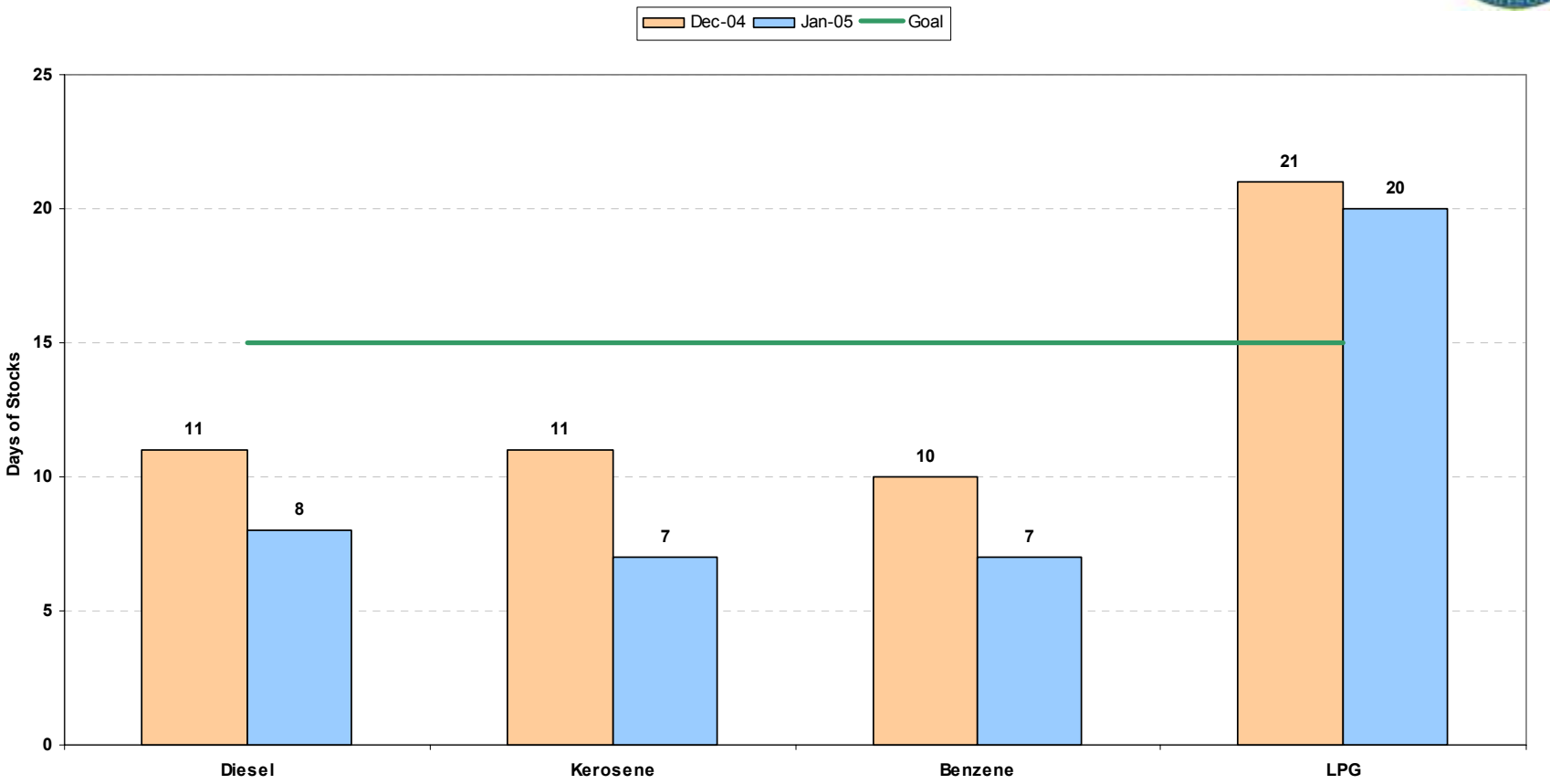
Note: This chart represents the percentage of target reached for the week of 3 - 9 Jan

- ï Diesel: 13.7 ML of 18 ML
- ï Kerosene: 8.8 ML of 18 ML
- ï Benzene: 24.1 ML of 18 ML
- ï LPG: 5,234 tons of 4,300 tons

DEPARTMENT OF STATE

12 January 2005

[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.

ï Security problems affecting feeder lines and truck routes are hampering distribution of petroleum products within Iraq, exacerbating local shortages.

DEPARTMENT OF STATE

12 January 2005

[4.0] Establish Foundations for a Strong Economy ñ IRRF I & II Financials

DEPARTMENT OF STATE

Financial Status-IRRF I & II			Committed		Obligated		Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	4356	4438	3232	3264	1182	1208
Electricity Sector	4350	3627	3328	3319	2703	2677	581	618
Oil Infrastructure	1701	1701	1266	1397	920	941	97	123
Justice, Public Safety, and Civil Society	1121	1120	865	878	591	600	115	132
-Democracy	832	832	696	696	581	606	190	191
Education, Refugees, Human Rights, Governance	379	379	179	179	171	171	43	43
Roads, Bridges, and Construction	359	355	295	285	187	182	33	33
Health Care	786	786	750	710	417	476	16	27
Transportation and Communications	499	512	475	467	322	323	24	27
Water Resources and Sanitation	2311	1373	1308	1283	891	886	42	35
Private Sector Development	843	843	403	402	327	327	69	70
Admin Expense (USAID, State)	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18439	16602	13950	14082	10371	10482	2421	2536
CONSTRUCTION	11306	9440	8444	8555	6360	6380	1239	1307
NON-CONSTRUCTION	6301	6330	4810	4831	3430	3496	992	1038
DEMOCRACY	832	832	696	696	581	606	190	191
IRFF I SUBTOTAL	2475	2475	2475	2475	2475	2475	1907	1907
GRAND TOTAL IRRF I & II	20914	19077	16425	16557	12846	12957	4328	4443

No data received from OPIC or USIP this week

Changes driven by actions on obligations

Data as of January 12, 2005

[5.0] Establish Good Governance, Rule of Law ñ Refugees, Democracy and Human Rights

Package Distribution to Internally Displaced Families:

- USAIDís Office of Foreign Disaster Assistance (OFDA) and a partner in Diyala Governorate distributed livelihood assets packages (LAPs) to 100 internally displaced families (IDPs) in a town in Diyala Governorate, where there are large numbers of IDP families living in tents.

Conference on Federalism in Baghdad:

- Fifty-one members of the Interim National Council and senior political party representatives participated in a conference on federalism in Baghdad. The conference was organized by a USAID partner NGO and dealt with critical issues, such as the control over state-owned resources and the protection of minority rights.

Womenís Role in Government:

- 22 of the 25 women members of the Interim National Council attended a three-day conference that focused on the issues women face as members of the Interim National Council and the future Transitional National Assembly. The training covered topics such as legislative procedures, networking, and media outreach.

Local Governance Program (LGP):

- LGP specialists supervised the rehabilitation of three water discharge regulators in Al Qadisiyah governorate. The discharge regulators will irrigate a total of 75,000 acres, benefiting more than 30,000 farmers and 5,000 families that rely on the water system.

[6.0] Maintain Intíl Engagement & Support ñ Developments

- Amman Neighbors Conference concluded January 6 with a joint pledge from the participants to support Iraqi elections on January 30, condemn all acts of terrorism in Iraq, and call for international contributions to Iraqi stability.
- Planning in the 14 Out of Country Voting countries is moving along. Polling in the United States will take place in Washington DC, Detroit, Los Angeles, Nashville, and Chicago.

[6.0] Maintain Intíl Engagement & Support ñ Stability Contributors

DEPARTMENT OF STATE

28 **Countries with forces in Iraq (in addition to US)**

Albania	El Salvador	Latvia	Poland
Armenia	Estonia	Lithuania	Portugal
Australia	Georgia	Macedonia	Romania
Azerbaijan	Italy	Moldova	Slovakia
Bulgaria	Japan	Mongolia	Thailand
Czech Rep	Kazakhstan	Netherlands	Ukraine
Denmark	Korea	Norway	UK

TOTAL ~ 24,500 Forces

*Note: Fiji participating as a part of the UN mission in Iraq

29 Countries and NATO
(including US)
Support Iraqi Stability Operations

Data as of January 6, 2005

Iraq Weekly Status ñ General Information

ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).

ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov