



WORKING PAPERS

Iraq Status

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Highlights

Priorities:

- Governance
- Security
- Essential Services
- Economy

Objectives:

- Support the Interim Iraqi Government
- Achieve a Secure and Stable Environment
- Reconstruct Communications & Postal Systems
- Reconstitute Oil Infrastructure
- Build Financial Market Structures

Weekly Highlights:

- The IIG announced plans to conduct a national census in Oct 04, which is an important step in preparing for the elections in Jan 05
- Iraqi government announced a new law allowing it to impose emergency security measures
- Total number of telephone subscribers in Iraq is now over 1,252,000 (incl. 461,000 cell phone subscribers) - 50.3 % above pre-war levels
- Estimated crude oil export revenue is around \$8.1B for 04
- Iraq's Finance Ministry is preparing to re-establish a domestic bond market with its first auction of treasury bills planned for 18 Jul



Governance

- **United Nations is assisting the Iraqi Interim Government (IIG) in preparation for national elections by Jan 05, including:**
 - **Provision of an intensive training program for the Independent Electoral Commission of Iraq (IEC)**
 - **IEC will establish branch offices in each province when this training is complete**
- **IIG announced plans to conduct a national census in Oct 04**
 - **Census is a necessary first step to prepare for national elections scheduled for Jan**
- **In Baghdad, the National Democratic Institute conducted leadership training sessions for three political parties**
- **USAID's Local Governance Program is continuing to work with governments throughout Iraq to help them improve service delivery to constituents**

Governance (Cont.)



- **USAID has been continuing its Democracy Dialogue Activities (DDA) and more than 14,000 program activities have been held in communities across Iraq**
 - **Has stimulated civic participation and increased Iraqis' understanding of democratic principles and the political process**
- **Iraqi Property Claims Commission (IPCC) has 22 offices open across 10 governorates**
 - **Four more offices are due to open this month, and a total of 28 offices are planned**
 - **Over 6,000 claims have been received to date**

Governance – National Transition



2004

01 Jun

Iraqi Interim Government (IIG) Announced and Governing Council dissolved

Phase I
(Interim
Government)

04 Jun

Election Commission established

28 Jun

Transfer sovereignty from CPA to IIG

Jul

National Conference convenes and selects Interim National Council

Oct

Iraqi Census to develop election rolls

2005

31 Jan

Elections for the National Assembly complete: NLT 31 Jan 05

Early '05

Iraqi Transitional Government takes power

Phase II
(Elected Government)

15 Aug

National Assembly completes draft of permanent constitution

15 Oct

Referendum for permanent constitution

15 Dec

Elections for government completed

31 Dec

Elected government assumes office



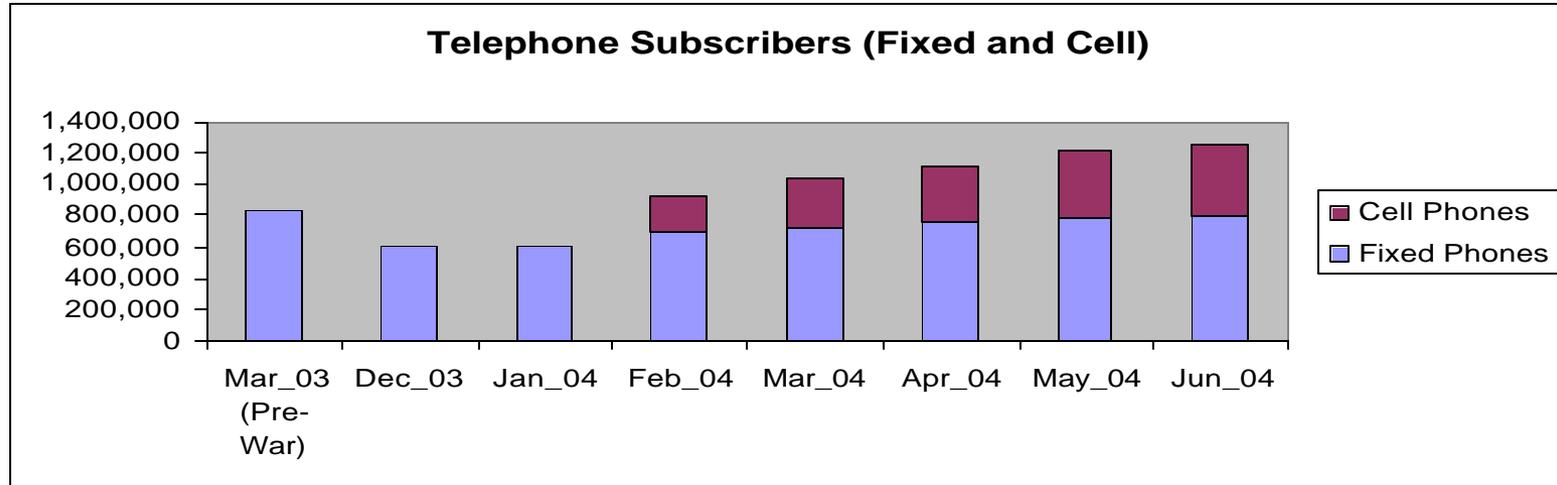
Essential Services - Water and Sanitation

- **A strategic approach for repairing and maintaining the Sweet Water Canal and for providing potable water to Basrah is being developed**
 - **PCO, USAID, the Ministry of Water Resources, and the Ministry of Public Works are working together on the approach**
- **A substantial increase in access to potable water should result as work on a number of treatment plants and systems is completed in the second half of '04, including:**
 - **Baghdad's Shark Dijlah plant will benefit 750,000**
 - **Ad Diwaniyah plant will benefit more than 80,000**
 - **An Najaf plant will benefit 560,000**
 - **Ninawa Governorate plants will benefit 50,000**
 - **Fallujah plant will benefit more than 200,000**



Essential Services - Telecommunications

- Total number of telephone subscribers in Iraq is now over 1,252,000 (incl. 461,000 cell phone subscribers) - 50.3 % above pre-war levels



- As of 22 Jun, there were over 63,000 internet subscribers in Baghdad
 - Pre-war, there was limited service, with 3,000 Internet and 8,000 e-mail only accounts in '02
- Telecommunications Sector Master Plan is complete and has been handed over to the Ministry of Communications
 - Will help to reform the sector by guiding decisions on policy, regulation, and reconstruction

Essential Services - Food Security



- **Food availability throughout Iraq has improved through the combined efforts of the Coalition and the Interim Iraqi Government:**
 - **Tenders for procurement of all commodities needed through the end of the year, including the three-month buffer, are complete and will be issued by Ministry of Trade (MOT) in the coming weeks**
 - **Both wheat and rice stock levels are above 30 days, excluding the national wheat harvest**
 - **MOT has concluded contracts with two Iraqi firms and a Turkish firm to supply 200,000 metric tons of flour in Jul and Aug**
 - **Harvest of national wheat through the end of Jul will ensure that there is an additional two months supply of wheat**
 - **Three berths are now operational at Umm Qasr with a combined off-load capacity for wheat in excess of 15,000 metric tons per day**
 - **Security on the highways has been enhanced and the ability of trucks to transport wheat and rice is being closely monitored**



Essential Services - Health Care

- **An independent Red Crescent Society assessment of the Iraqi Ministry of Health (MoH)'s recent measles vaccination campaign confirmed that it was successful in immunizing 97 percent of targeted children**
 - **MoH's campaign targeted 5.2 million children aged between 6 and 12**
- **Shortages in critical pharmaceuticals continue due to factors including supply chain problems and corruption. As part of the response:**
 - **MoH is holding discussions with the UN and World Bank to seek international assistance**
 - **MoH recently approved a second emergency drug purchase worth \$11.5M**
 - **MoH Inspector General has recommended the implementation of an improved inventory system**
- **Supplemental funds are targeting construction of primary health care clinics in every governorate and rehabilitation of 16 pediatric/maternal hospitals**
 - **240 Iraqi hospitals and over 1,200 preventive health clinics are operating**



Essential Services - Education

- To date, over 32,000 secondary school teachers and 3,000 supervisors have been trained as part of effort to upgrade the quality of education
- Nearly 2,500 schools have been rehabilitated to date and an additional 1,200 are expected to be complete by the end of the year
- Primary, intermediate, and secondary students completed their final examinations for the school year with minimal disruption
- With support from USAID, Iraqi government agencies are conducting various vocational training programs to help alleviate unemployment and supply appropriately skilled workers
- With funding from USAID, Iraqi NGOs are providing educational assistance to disadvantaged groups, including:
 - Literacy campaigns and mobile libraries for low income communities
 - An institute for disabled children to learn to read and write



Project and Contracting Office (PCO) Developments

- **Number of Iraqis employed on projects funded by the supplemental and Accelerated Iraq Reconstruction Program (AIRP) is now over 29,000**
- **Both the number of projects underway and number of Iraqis employed will jump significantly over the next few months**
- **To date, the PCO has issued 140 task orders, out of a total of 250**
 - **These task orders represent around 500 projects nationwide (out of a total 2,300)**
- **AIRP continues to gain momentum nationwide to meet urgent local needs**
 - **Projects cover: water and sanitation, health, education, building, roads, power, telecommunications, and various other**
 - **Over 11,000 Iraqis have been directly employed on AIRP projects**
 - **Over \$321M was under contract on 03 Jul**
 - **Stimulates local economy and provides opportunities for local businesses**

Project and Contracting Office (PCO)



Sector	2207 Report	Apportioned \$M	Committed \$M	Obligated \$M	Expenditure \$M
Security and Law Enforcement	3,243	2,976	2,214	1,507	220
Electricity Sector	5,539	2,538	2,403	1,708	111
Oil Infrastructure	1,701	1,701	1,649	933	16
Justice, Public Safety, and Civil Society (less Democracy)	1,038	825	582	300	14
Democracy	451	451	415	270	8
Education, Refugees, Human Rights, Governance	259	259	229	98	9
Roads, Bridges, and Construction	370	270	246	123	0
Health Care	793	512	484	283	0
Transportation and Telecommunications	500	467	365	71	4
Water Resources and Sanitation	4,148	816	804	451	0
Private Sector Development	184	136	100	42	16
Admin Expense (USAID, CPA Successor)	213	29	29	29	12
TOTAL	18,439	10,980	9,520	5,815	410
CONSTRUCTION	12,406	5,740	5,514	3,780	
NON-CONSTRUCTION	5,582	4,789	3,591	1,765	
DEMOCRACY	451	451	415	270	
Total	18,439	10,980	9,520	5,815	410

Data as of 07 Jul 04



Economy

- **On 28 Jun, estimated crude oil export revenue was around \$8.1B for 04**
 - **Revenues in Jun affected by attacks on northern and southern pipelines**
- **Consumer Price Index for May in Iraq declined by 1.2 percent relative to its level in Apr**
- **New Iraqi Dinar was at 1,460 dinars per dollar on 27 Jun, and has been stable for over four months**
- **Iraq's Finance Ministry will auction 150B dinars (\$103M) of treasury bills on 18 Jul**
 - **This is the first step in re-establishing a local bond market and will allow free-market forces to set interest rates**
 - **The bill issue will be used to repay debt issued by Saddam Hussein's regime**
 - **Future auctions are expected to take place every few weeks**
 - **A result of the capacity building efforts at the Central Bank of Iraq by Coalition advisors**



Economy (Cont.)

- **The Iraq Stock Exchange opened on 24 Jun for the first time since the fall of the Ba'athist regime**
 - **About 50 of the 55 staff who run the exchange are women**
 - **More than 500 million shares were traded on the first day - more than the Baghdad Stock Exchange ever achieved**
 - **Currently only 15 companies are listed with about 100 more due to go public in the coming months**
- **More than 100 Iraqis from the country's Ministry of Agriculture will soon travel to Australia to learn about efficient farming in a free market economy**



Iraqi Budgeted Spending for 2004

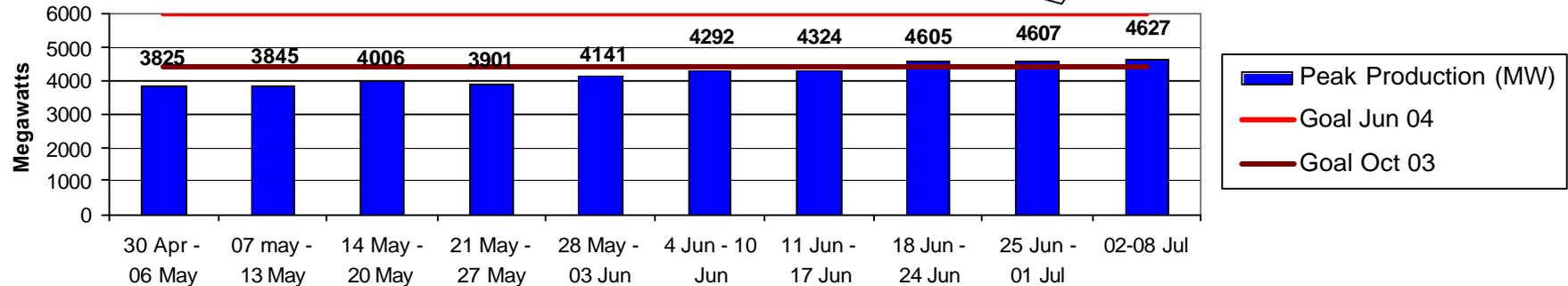
- The following chart shows budgeted Iraqi spending for '04, from all revenue sources:

Ministry funding in millions of US\$	Revised Iraqi Budget, March 2004					New OFF	Budgeted Total
	Salaries (inc. FPS)	Other Operating Expenses	Capital Projects	Other	Total	Deposits	
Finance (with selected major payments)*	17	12,938	184	814	13,953	1,580	15,533
<i>Public Distribution System</i>		2,400			2,400	200	2,600
<i>Fuel Imports</i>		2,100			2,100	0	2,100
<i>Transfer Payments</i>		1,671			1,671	0	1,671
<i>Foreign Obligations (e.g., reparations)</i>		1,432			1,432	0	1,432
<i>Local/Regional Grants</i>		831			831	0	831
<i>Salaries and Retirement Awards</i>		797			797	0	797
<i>SOE Restructuring and Salary Support</i>		761			761	50	811
<i>Regional Development</i>		600			600	277	877
<i>Nation Building projects</i>		571			571	0	571
<i>Additional Security Projects</i>		500			500	500	1,000
<i>Rapid Regional Response Program</i>		225			225	0	225
<i>CERP</i>		70			70	123	193
<i>All other</i>		981			981	430	1,411
Electricity	8	210	900	-	1,118	315	1,433
Health	230	750	50	-	1,030	0	1,030
Education	682	103	170	-	955	0	955
Transport	7	82	212	-	301	0	301
Housing	37	17	233	-	287	0	287
Oil	5	56	200	-	261	460	721
Public Works	15	21	166	-	202	0	202
Water Resources	19	7	128	-	155	0	155
Interior	367	108	10	-	485	0	485
Justice	42	67	42	-	151	0	151
Defense	77	24	0	-	101	0	101
Other Agencies	265	425	237	-	927	130	1,057
TOTAL	1,773	14,809	2,532	814	19,926	2,485	22,411

Electricity Overview



Goal Jun 04: 6,000 MW Peak Deliverable Generation Capacity

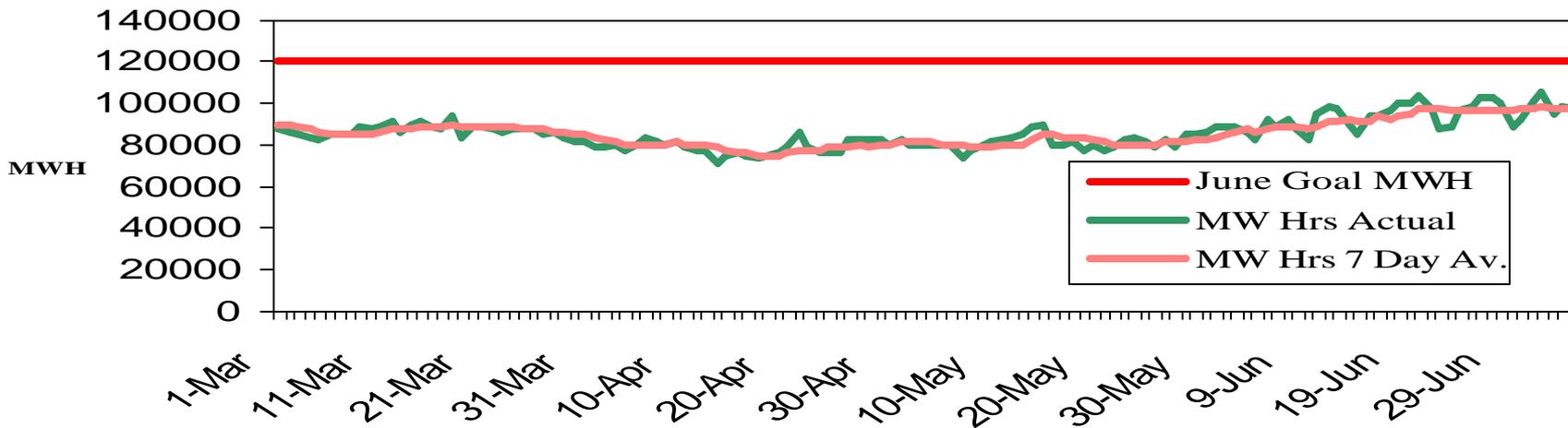


- Due to unforeseen problems, achievement of the Jun goal has slipped until at least Jul
- Spring maintenance program continues resulting in about 527 MW of generation capacity currently offline for scheduled and 672 MW for unscheduled maintenance

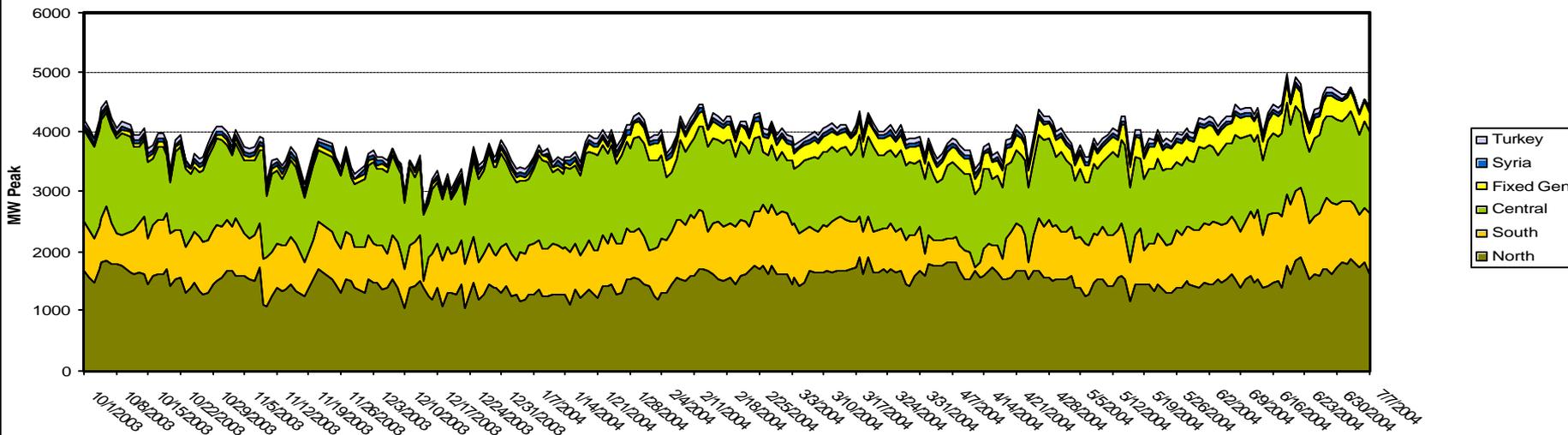


Power Production

Mega Watt Hour Production

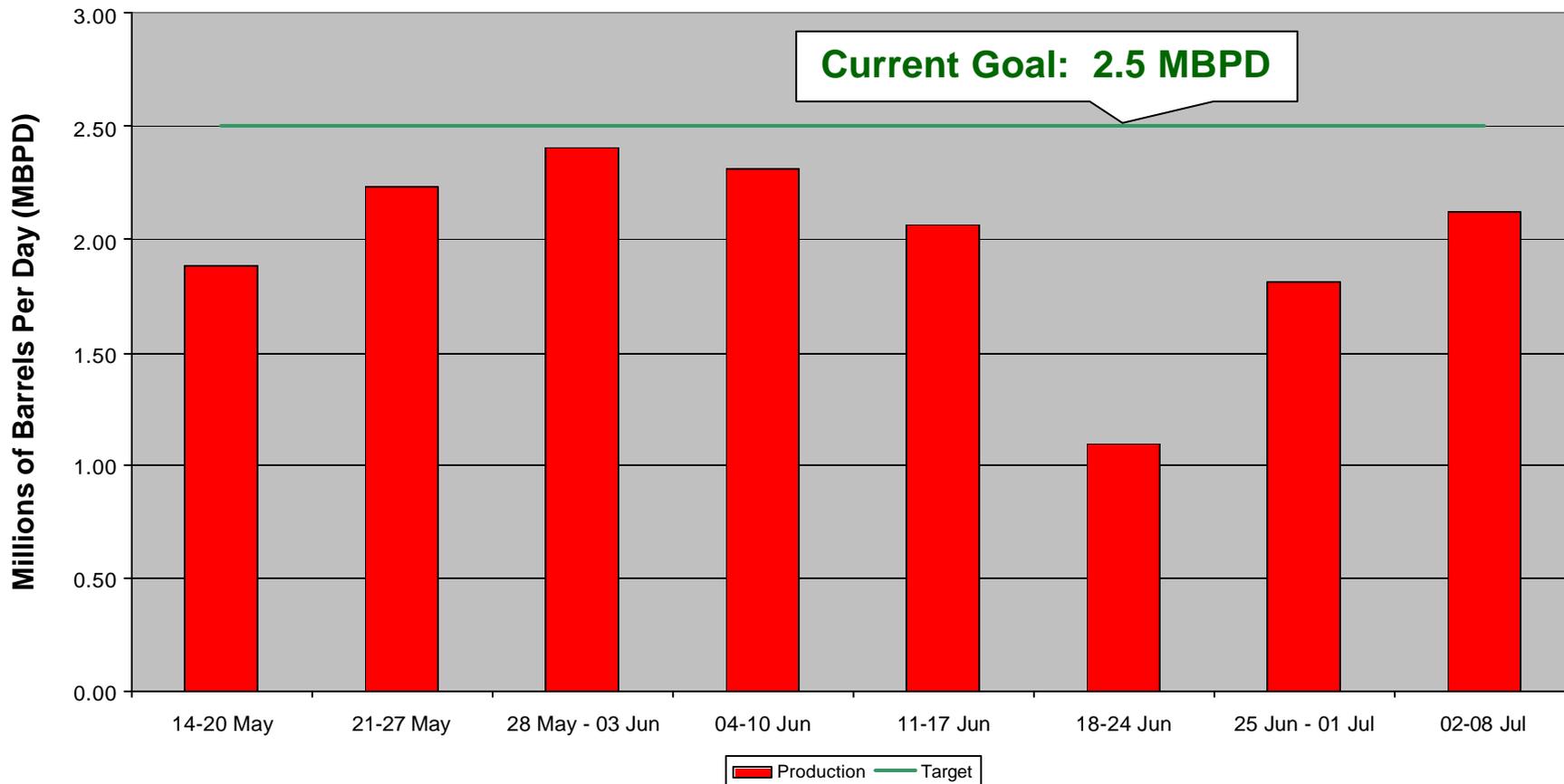


Generation By Region



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Crude Oil Production



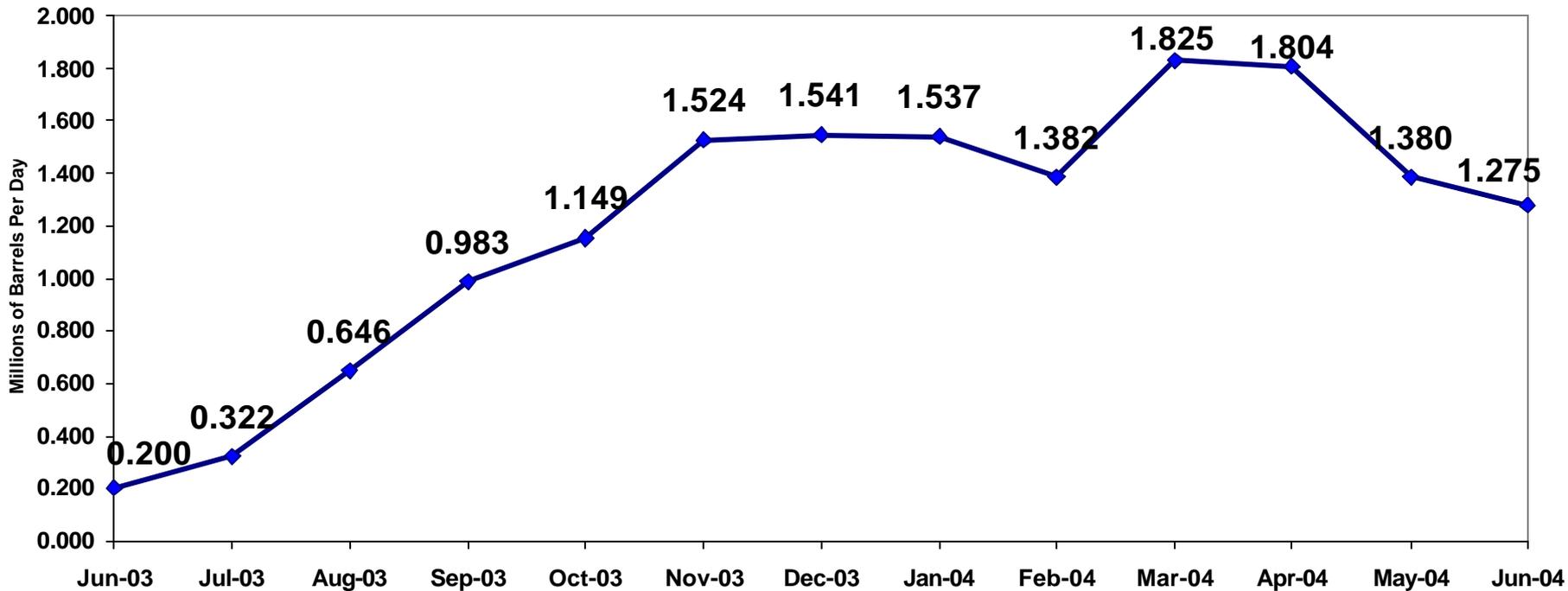
Weekly Average of 2.122 MBPD Is Below Target of 2.5 MBPD

- 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: 2.595 MBPD on 16 Apr 04



Crude Oil Exports

Monthly Average of Crude Oil Exports

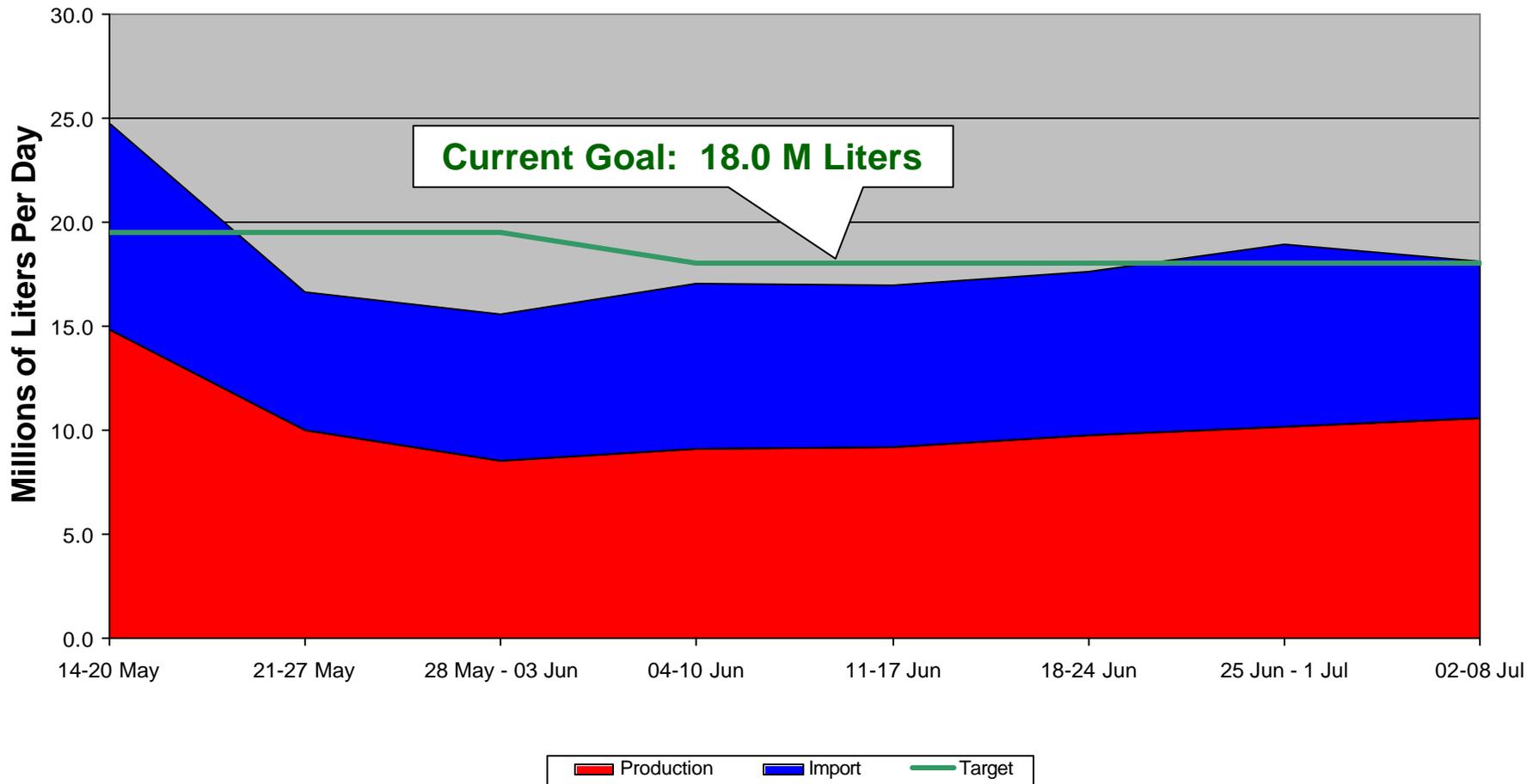


- **Current Monthly Average: Jun data up to 27 Jun; no data for Jul**



Diesel Supply

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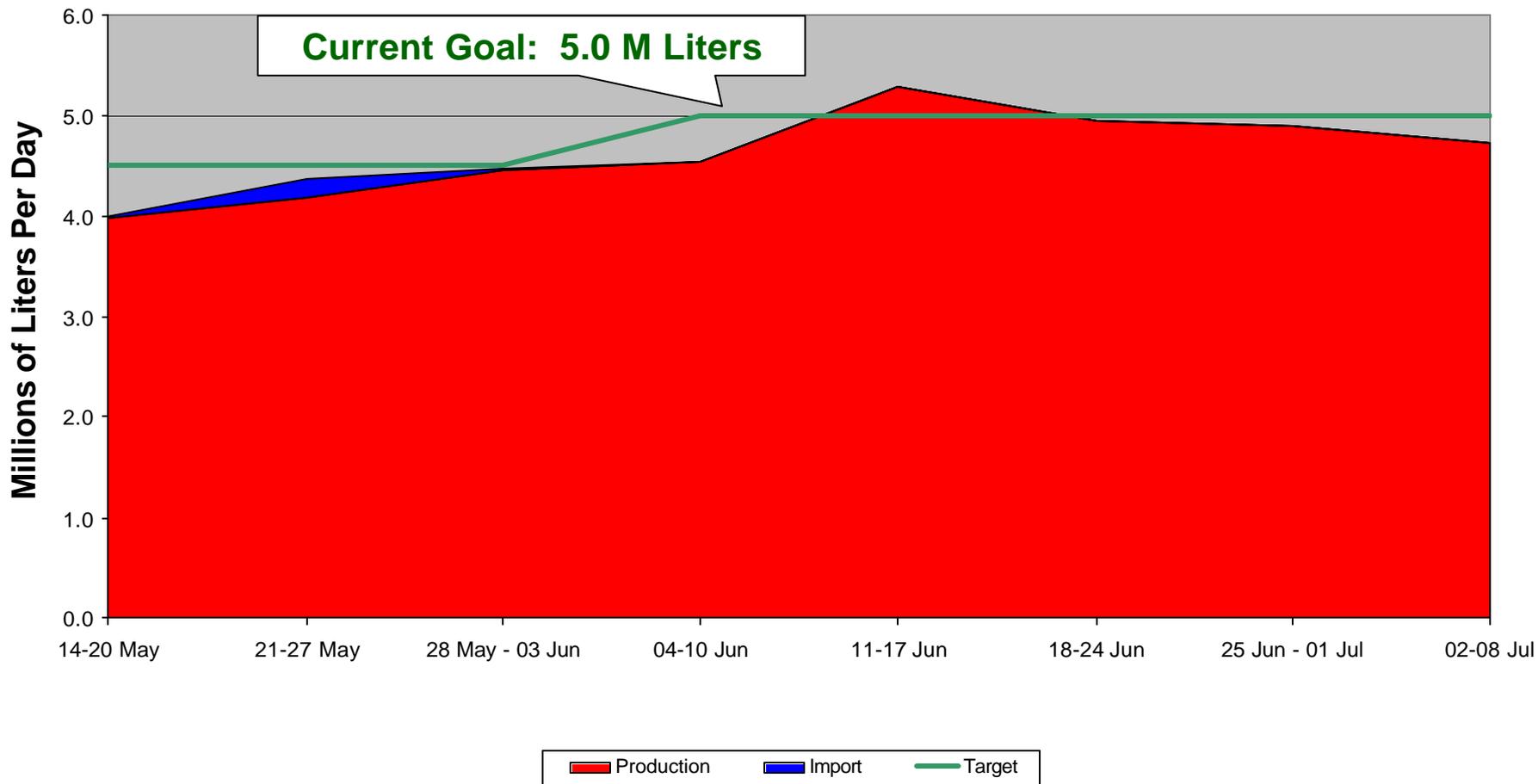


• This week's average production and imports are 101% of goal



Kerosene Supply

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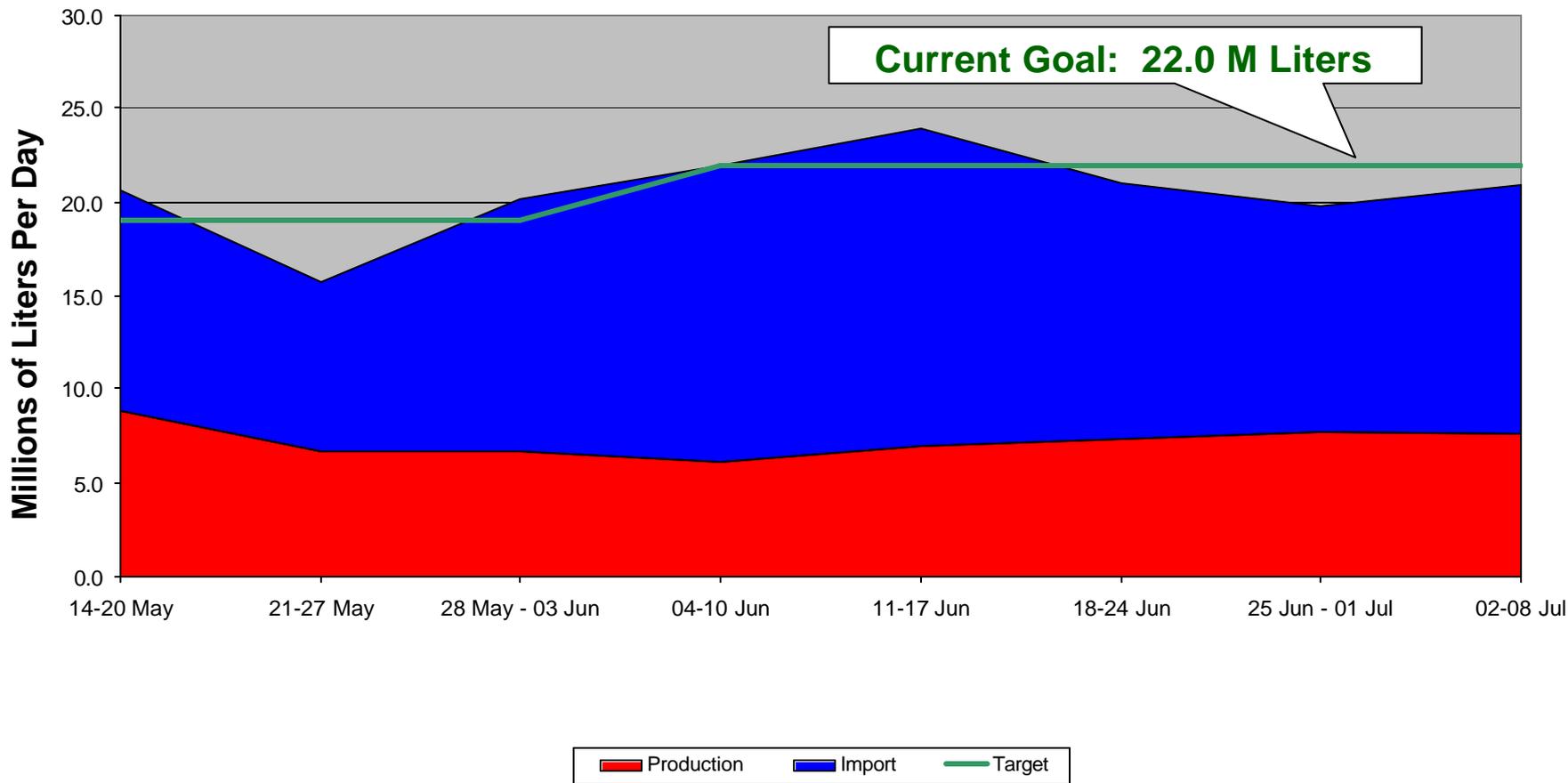


- This week's average production and imports are 95% of goal



Gasoline / Benzene Supply

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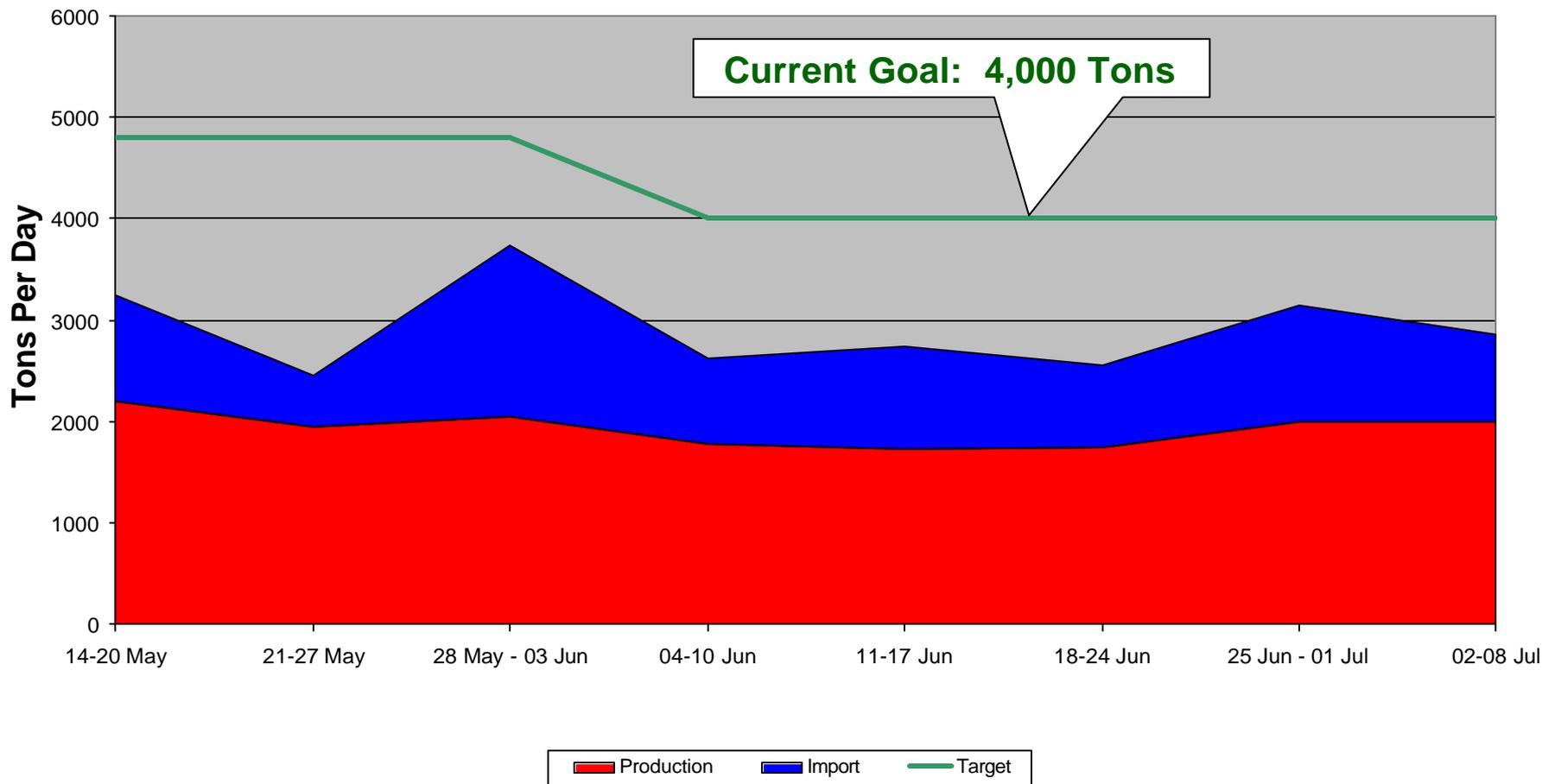


- This week's average production and imports are 95% of goal



Liquefied Petroleum Gas Supply

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



CMATT Man, Train & Equip Status

CURRENT STATUS

		MANNING		TRAINING			EQUIPPING							
							WEAPONS		VEHICLES		COMMS		BODY ARMOR	
FORCE	COMPONENT	REQ'D	O/H	UN-TRAINED	IN TRAINING	TRAINED	REQ	O/H	REQ	O/H	REQ	O/H	REQ	O/H
ARMY	CONVENTIONAL FORCES	27,000	7,909	0	6,073	1,836	18,909	15,432	1,980	1,728	3,596	0*	27,000	6,137
	IRAQI NATIONAL GUARD	41,088	37,371	0	2,193	35,178	42,576	36,055	1,311	392	6,963	0*	41,088	8,495
	IRAQI INTERVENTION FORCE	6,584	2,741	0	1,361	1,380	8,850	3,300	583	152	1,798	594*	6,584	2,741
	IRAQI SPECIAL OPS FORCE	1,592	569	0	54	515	1,722	515	110	0	1,148	0*	1,592	515
AIR FORCE		502	146	0	30	116	383	0	34	4	21	0*	502	0
COASTAL DEFENCE FORCE		409	307	0	120	187	486	12	30	62	156	1*	409	0
TOTAL		77,175	49,043	0	9,831	39,212	72,926	55,314	4,048	2,338	13,682	595*	77,175	17,888

- 49 % OR LESS OF REQUIREMENT
- 50 - 69 % OF REQUIREMENT
- 70-84 % OF REQUIREMENT
- 85-100 % OF REQUIREMENT

* Limited Comms in place but not final solution, Especially for SOF

DEPARTMENT OF DEFENSE



CPATT Man, Train & Equip Status

CURRENT STATUS

		MANNING		TRAINING			EQUIPPING							
							WEAPONS		VEHICLES		COMMS		BODY ARMOR	
FORCE	COMPONENT	REQ'D	O/H	UN-TRAINED	IN TRAINING	TRAINED	REQ	O/H	REQ	O/H	REQ	O/H	REQ	O/H
POLICE	CONVENTIONAL POLICE & HQs	89,369	88,352	55,262	3,402	29,688	136,054	82,403	14,895	5,328	45,065	12,724*	89,369	28,316
	CIVIL INTERVENTION FORCE	4,800	0	0	0	0	11,490	0	1,002	0	10,240	0*	4,800	0
	EMERGENCY RESPONSE UNIT	270	51	0	40	11	1,020	500	58	0	352	0*	300	50
DBE		20,420	18,248	0	25	18,223	17,153	4,417	3,700	1,298	3,552	1,292*	12,626	4,000
FPS		73,992	73,992	0	0	73,992	49,500	7,396	155	45	1,155	0*	8,350	0
TOTAL		188,851	180,643	55,262	3,467	121,914	215,217	94,716	19,810	6,671	60,364	14,016*	115,445	32,366

- 49 % OR LESS OF REQUIREMENT
- 50 - 69 % OF REQUIREMENT
- 70-84 % OF REQUIREMENT
- 85-100 % OF REQUIREMENT

* Limited Comms in place but not final solution, Especially for SOF

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Security - Build Justice

- To improve security of court officials, a program is being developed that will train more than 130 additional Iraqis each month to be judicial personal security detail
- To increase court efficiency, advisors developed an automation/computer delivery plan that placed 72 computers in the twelve Baghdad area courts and the Central Criminal Court of Iraq (CCCI)
 - Plans for computer training and internet access to these courts will be carried out by representatives from the Coalition forces in Baghdad



Security - Developments

- Iraqi government announced a new law allowing it to impose emergency security measures to combat terrorism
- The initial battalion of the Iraq Intervention Force (IIF) deployed into Baghdad at the end of Jun
 - The IIF is being established, trained and equipped for urban counterinsurgency operations
 - All three battalions of the first IIF brigade will be ready by end of Jul
- At the end of Jun, 41 of 45 battalions of the Iraqi National Guard (formerly the Iraqi Civil Defense Corp) were manned above 75 percent strength
 - Currently conducting joint patrols throughout Iraq with Coalition and Iraqi Police forces
 - Focus on equipping, training, and reconstituting the force
- Efforts are underway to recruit six additional 400-man public order battalions as part of the Iraqi Police Service civil intervention force
 - With these additions, the Iraqi Police Service civil intervention force will total nine public order battalions and two counterinsurgency battalions



Security - Developments (Cont.)

- **A total of 5,502 new IPS recruits have completed the eight week training course**
 - **Five classes, or over 3,411 students, have graduated from the Jordan Academy**
 - **Four classes, or 2,091 students, have graduated from the Baghdad Public Safety Academy**
- **Approximately 25,000 IPS personnel who served as police under the former regime have completed a three-week Transitional and Integration Program taught by Coalition**
- **IPS officers are also being taught basic criminal investigation, criminal intelligence, and dignitary protection by Coalition advisors**



Stability Contributors - OIF

Countries with forces in Iraq

32

TOTAL ~23K

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

- Macedonia
- Moldova
- Mongolia
- Netherlands
- New Zealand
- Norway
- Philippines
- Poland
- Portugal
- Romania
- Singapore
- Slovakia
- Thailand
- Tonga
- Ukraine
- UK

Countries considering decision to provide forces for Iraq

4

TOTAL TBD

36 Countries

Potentially Supporting Iraqi Stability and Humanitarian Relief

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