

26 1605 EST Jan 04



***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

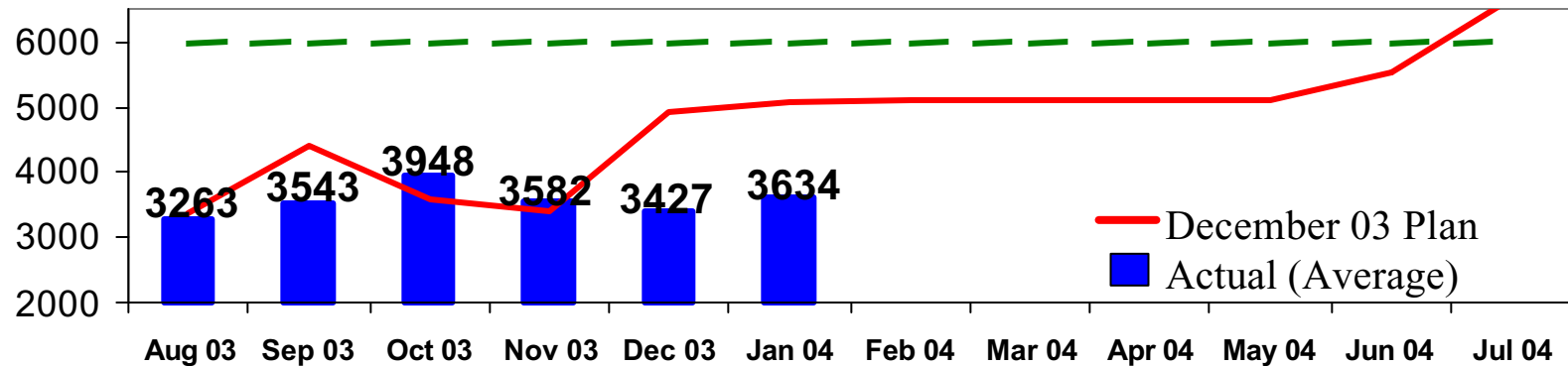
## Weekly Highlights:

- 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



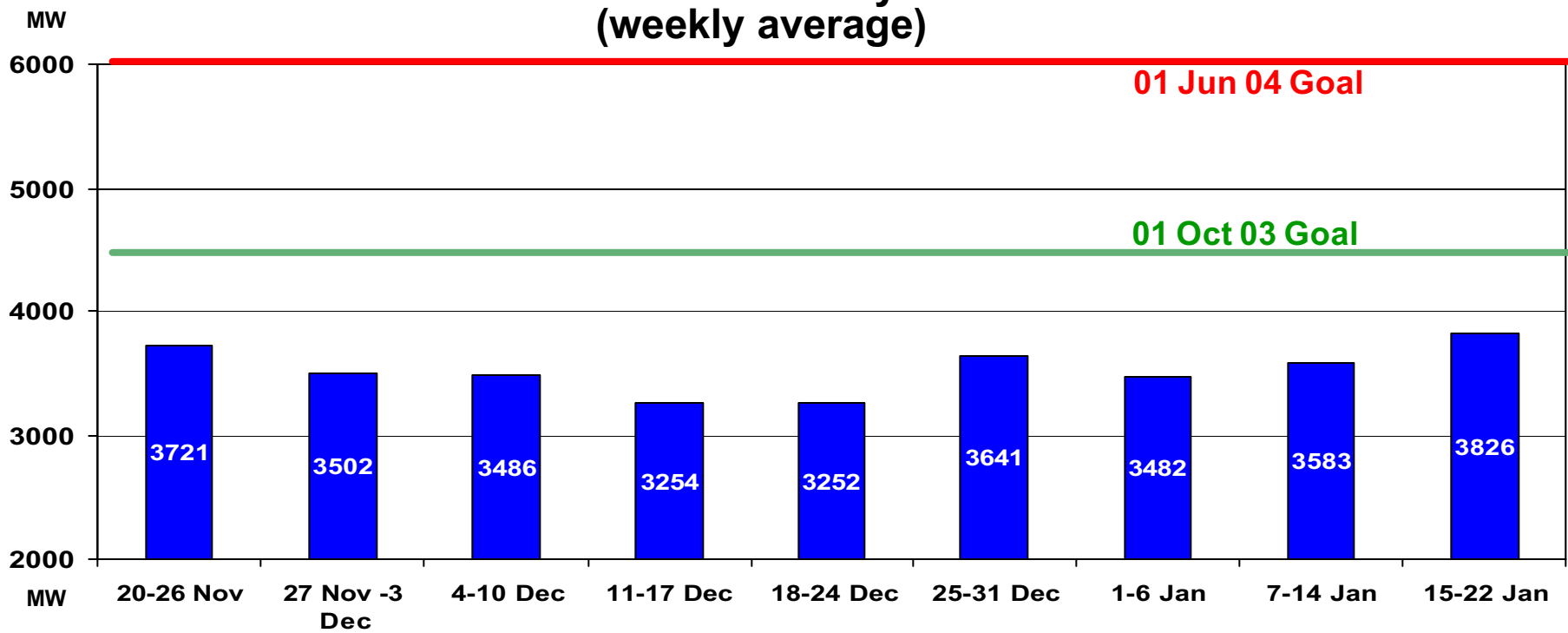
- **Ambassador Bremer approved a new increase plan on 14 Jan to prevent current project delays from impacting the goal of 6,000 MW by 01 Jun**
- **CPA Autumn Maintenance Program began Oct 03 and continues with 1,011 MW currently in scheduled maintenance. Unscheduled generator maintenance continues for 736 MW**



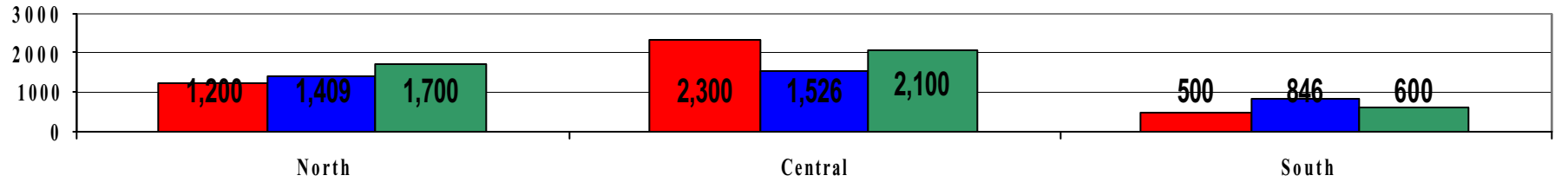
# Power Production

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### Total Country (weekly average)



### By Region

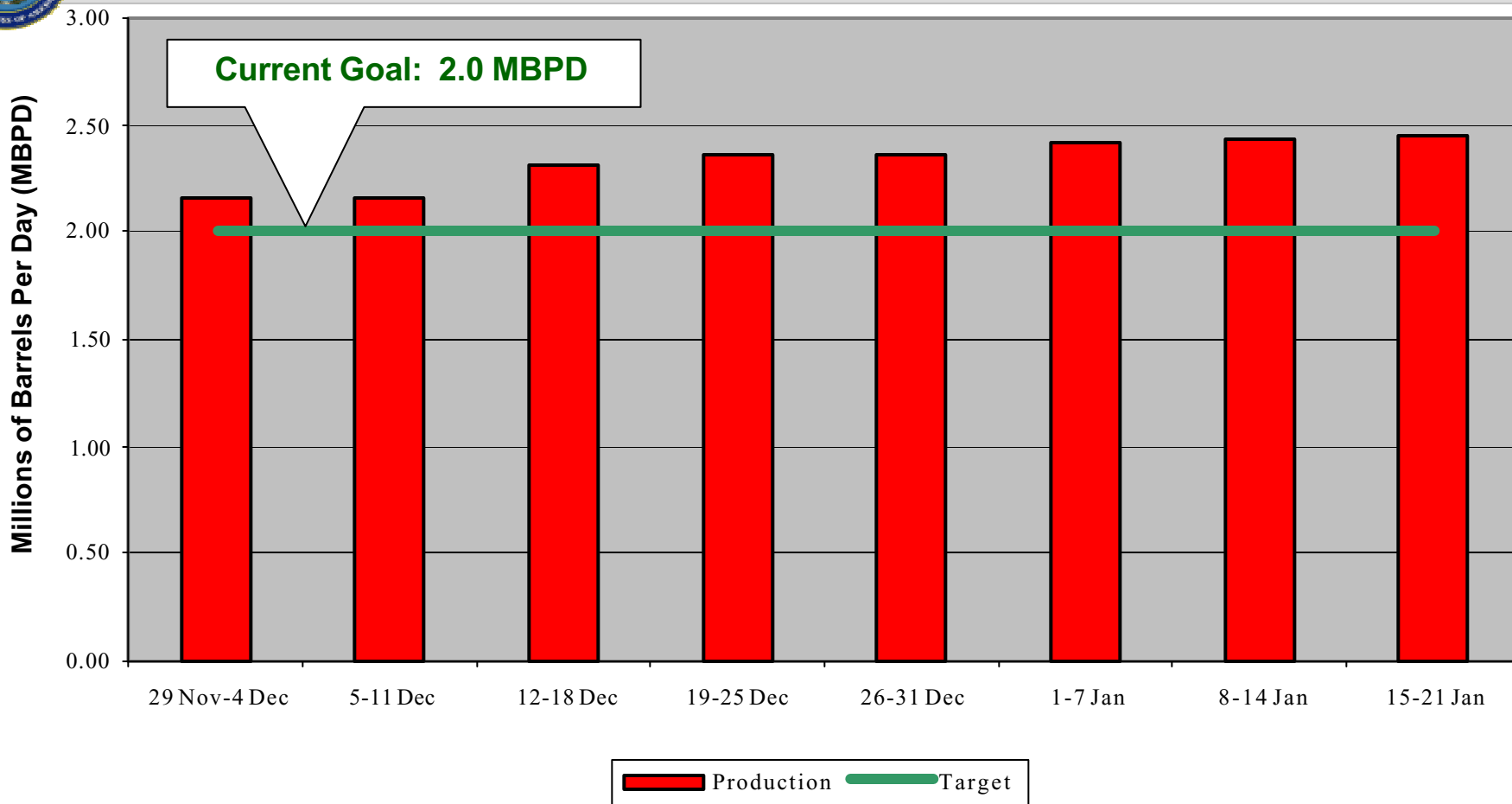


■ Pre-War 
 ■ Current 
 ■ 01 Oct 03 Goal



# Crude Oil Production

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**WEEKLY AVERAGE OF 2.452 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

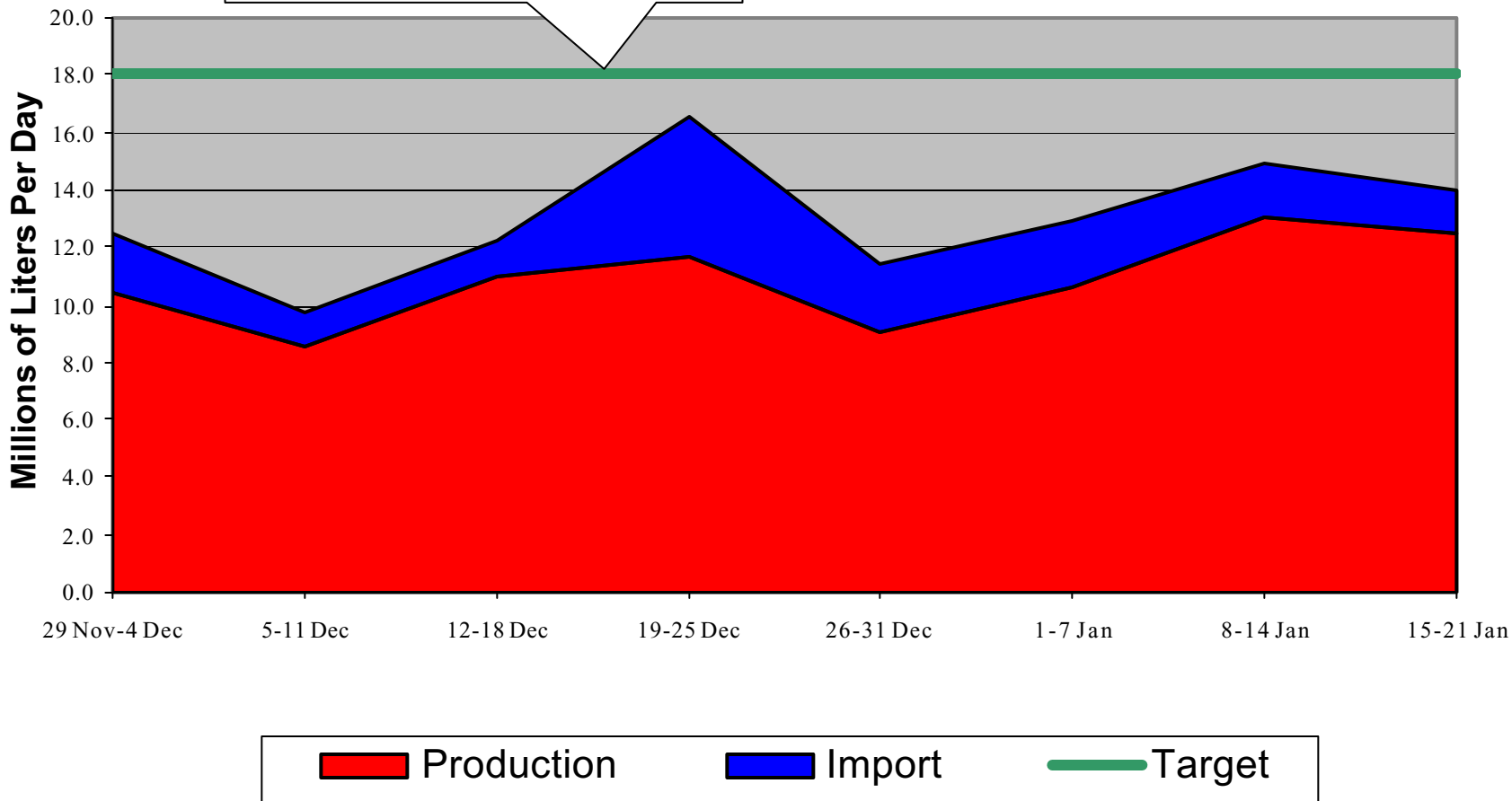
Data as of 22 Jan



# Diesel Production

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Current Goal: 18.0 M Liters

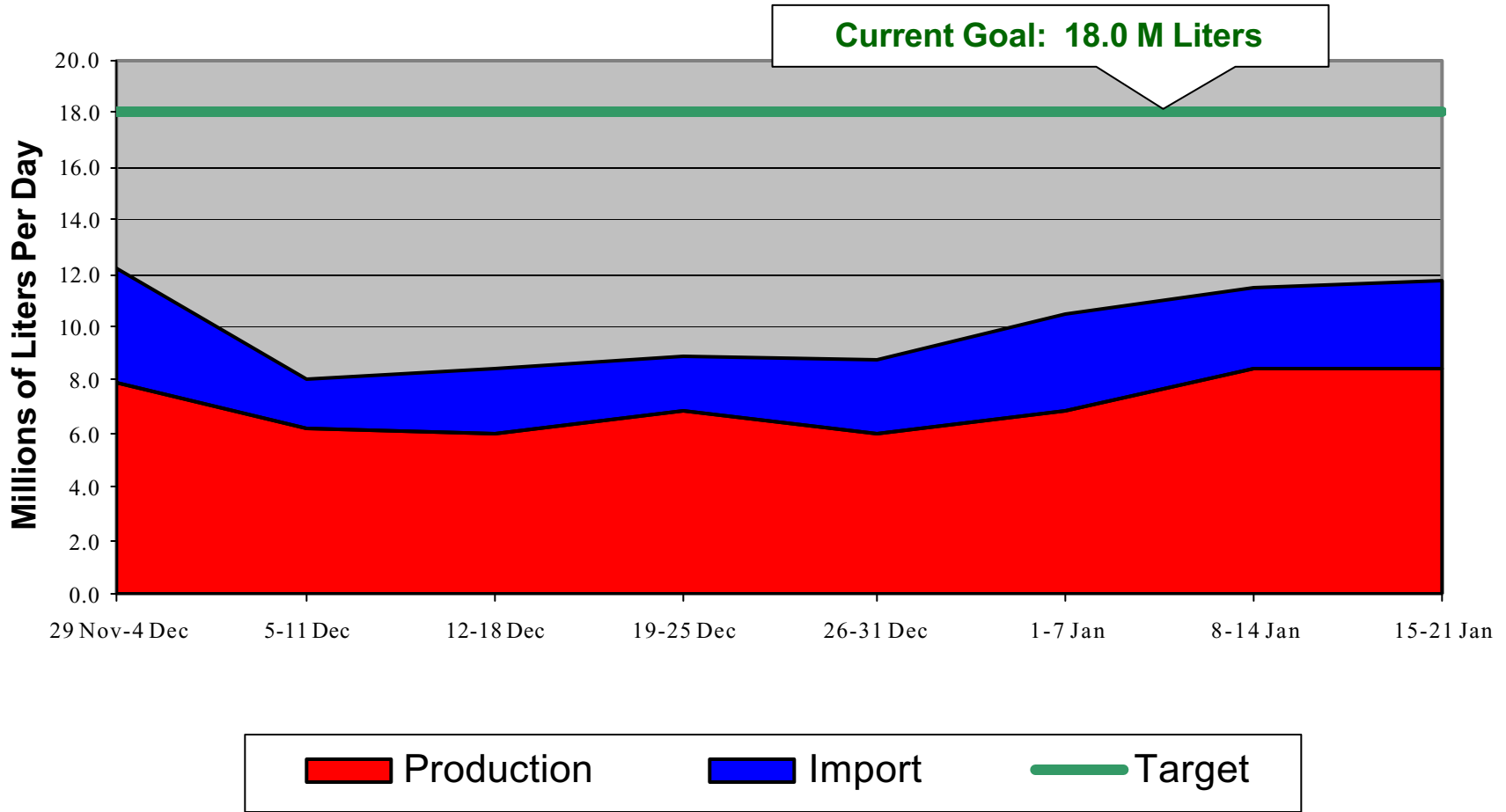


• This week's average production and imports are 77% of goal



# Kerosene Production

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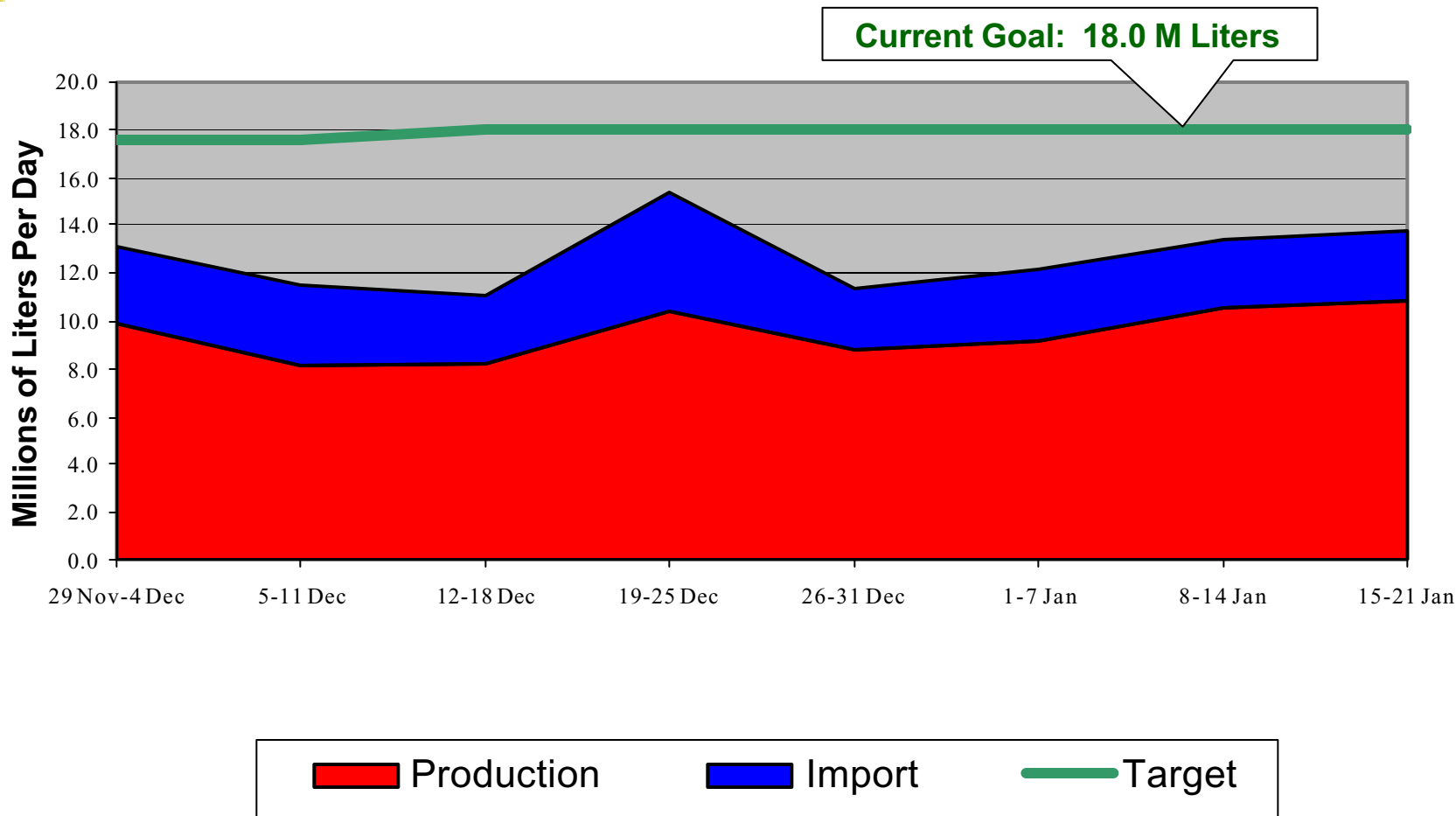


• This week's average production and imports are 65% of goal



# Gasoline / Benzene Production

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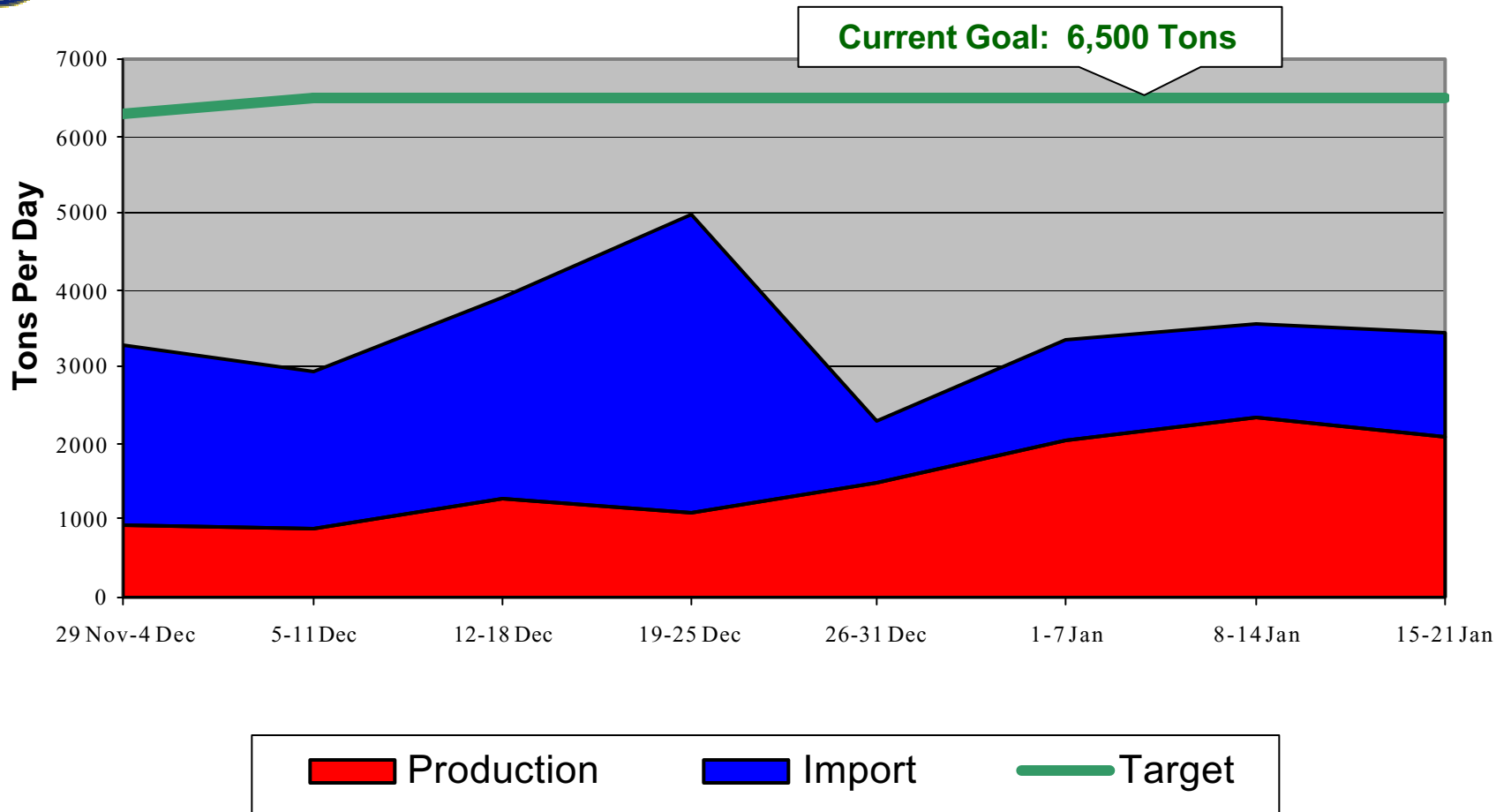
• This week's average production and imports are 77% of goal





# Liquefied Petroleum Gas Production

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- This week's average production and imports are 53% of goal
- Production rates decreased due to repairs on southern plant

## Essential Services - Education

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- **Major constraints to education reconstruction and reform:**
  - **Physical infrastructure deteriorating - 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**
  - **Basic training and preparation of teachers is weak (5% of primary school teachers have university degrees)**
    - **Accreditation or evaluation systems nonexistent**
- **Recent Progress:**
  - **Ministry of Education has begun discussion on curriculum reform**
  - **Local school committees have been working with USAID to rehabilitate schools through small grants**
  - **The University of Baghdad's Archeology Department improving its library facilities and establishing IT capacity**



# Essential Services - Healthcare

- **Ministry of Health (MOH) reports current doctor / patient ratio in Iraq is 1 / 10,000, compared to the U.S. ratio of 1 / 3,000 to 1 / 4,000**
- **Improved infant survival rates through ongoing programs**
  - **Nutrition training for health care workers**
  - **Promotion of breastfeeding, malnutrition screening, high protein biscuits, vitamin fortification of flour and salt, vitamin A distribution**
  - **Continued immunization programs to prevent childhood illnesses**
  - **Over 3 million children under five vaccinated under the Expanded Immunization Program (EIP) since Jun 03**
  - **Four small grants totaling more than \$122,000 have been approved for NGOs that specialize in maternal and child health**

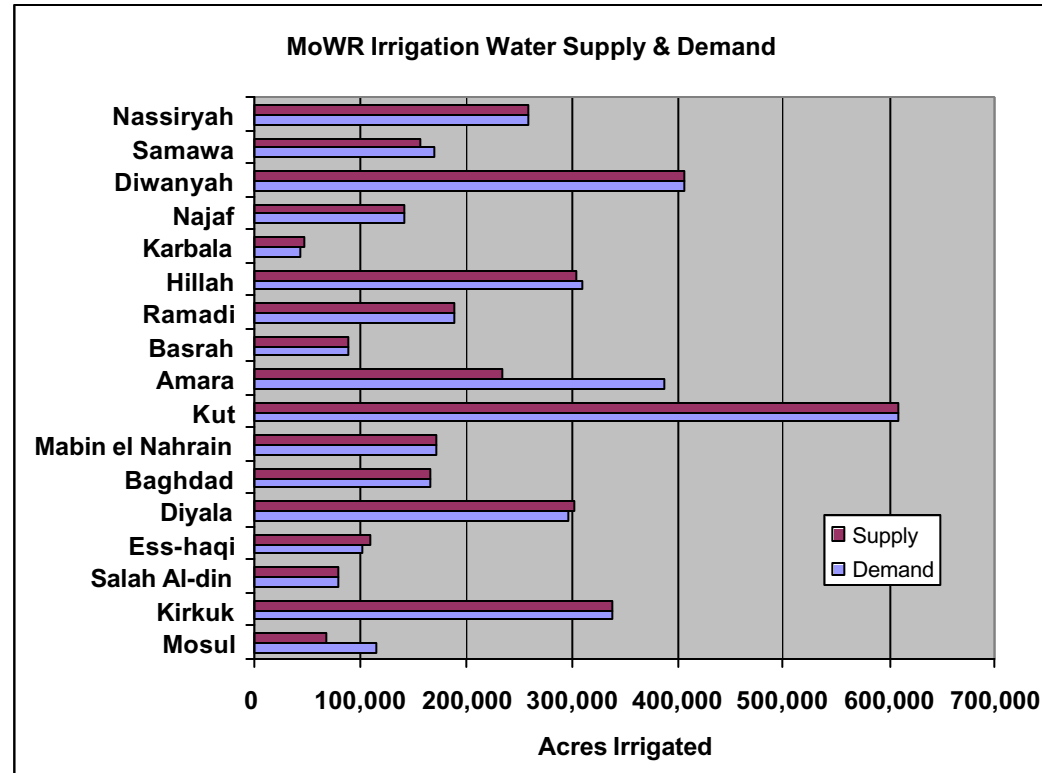
## Healthcare Milestones

- **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



- **220 water treatment plants in Iraq, cumulatively operating at 65% pre-war levels**
- **Work continues on Sweet Water Canal system, which will benefit 1.75M residents of Basra City; 23% of silt in canal removed to date**
- **Iraq Foundation conducting \$4M US-backed study aimed at developing plan to restore Mesopotamia Marshlands**
  - **Marshes 10% of previous 7,000 square-miles**
- **Sewage treatment plants being restored in Central Iraq**
  - **Al Hillah: 85% complete (serve 53,000 Iraqis)**
  - **Ad Diwaniyah: 80% complete (serve 80,000 Iraqis)**
  - **An Najaf: 65% complete (serve 141,000 Iraqis)**



- **Water Resource Management / Irrigation**
  - **Water to meet demands for winter crops (03 / 04) provided at: 92% rate for Tigris River basin & 99% for Euphrates River basin**
  - **Land irrigation status (relationship between supply & demand) by Governorate depicted in graph above**



## Essential Services - Telecommunications

- **Iraq Postal Service has 320 post offices nationwide**
  - **Two international postal routes through Jordan and Kuwait**
  - **Employs 3,200 workers (compared with 2,400 pre-war)**
- **Cell phones currently available for businesses**
  - **Phones will be sold to private citizens from 200 outlets beginning in early Feb 04**
  - **Black market cell phones being sold for up to \$700 / phone**
- **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**
- **CPA and Ministry of Communications working on frequency allocations for public-safety band in Baghdad**

# Essential Services - Transportation

- To date, 10,185 pilgrims and 317 buses have crossed Iraqi border into Saudi Arabia via *Ar-Ar* border crossing
  - Border security controlled by Iraqi border police and customs personnel
- Royal Jordanian (RJ) airline resumed charter service to Iraq on 11 Jan
  - RJ will operate 4 flights per week between Amman and Baghdad, and will gradually increase frequency of flights
- Consumer gas shortages continue in Iraq; black-market for gas persists
  - Gas stations sell at legally mandated 20 Iraqi dinars (\$.01) per liter
  - Black market price for gas ranges from 250 - 600 Iraqi dinars per liter
- Port at Umm Qasr dredged to an average depth of 12.5 meters exceeding previous depth of 9 - 10 meters
  - All 21 berths now open to deep-draft ships

	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)	11 Dec	18 Dec	25 Dec	01 Jan	09 Jan	16 Jan	23 Jan
Additional Iraqi Recruits *	4.7	4.8	5.4	5.9	7.1	7.5	7.1
Other Coalition	24.7	24.5	24.5	24	24.5	25.5	25.6
Iraqi Coalition Forces	161.6	161.6	165.3	198.3	203.4	202.9	206.6
US	123	122	122	122	125	124	122
Total	309	308	312	344	353	353	354

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

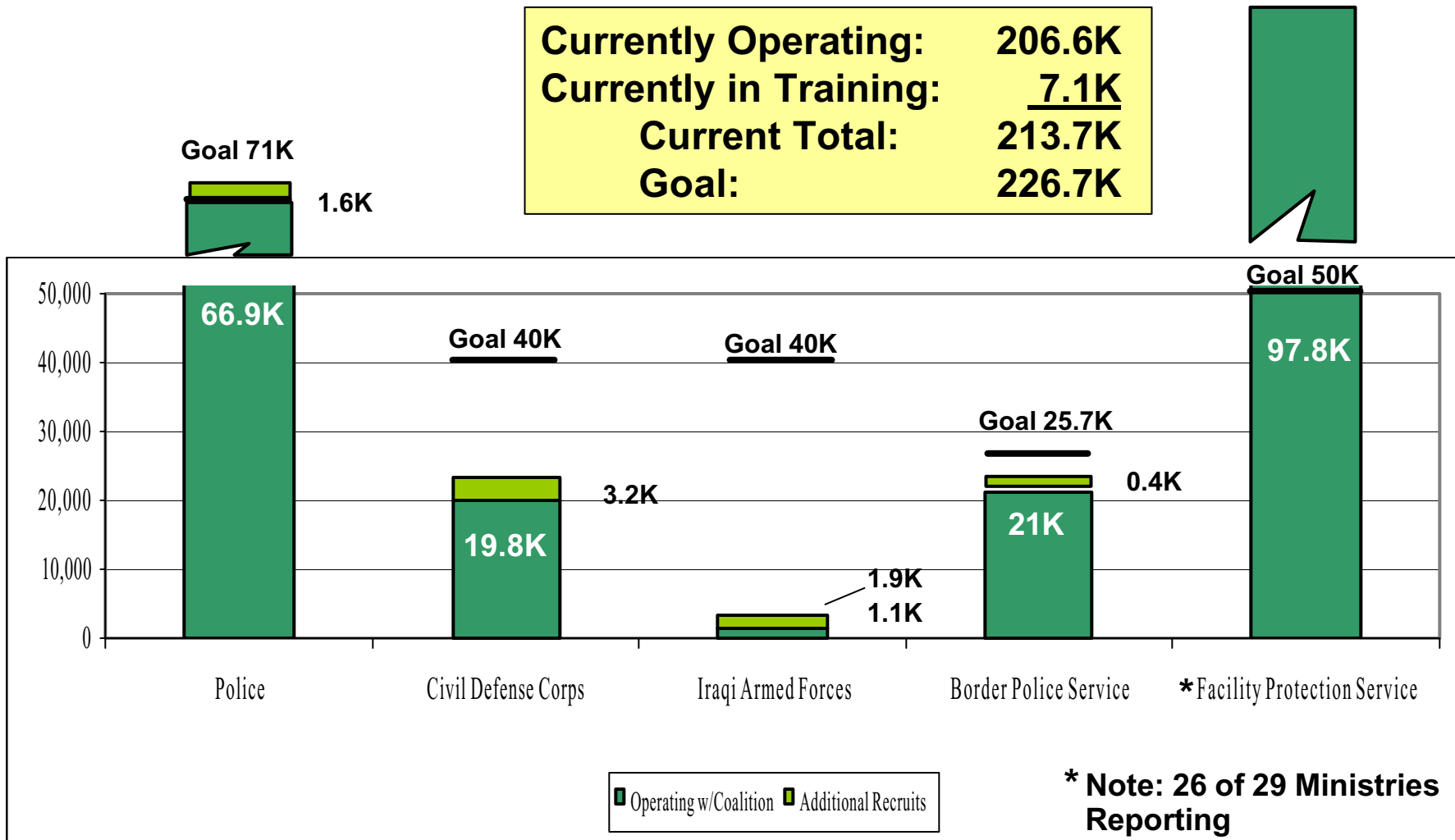




# Security Forces

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<b>Currently Operating:</b>	<b>206.6K</b>
<b>Currently in Training:</b>	<b><u>7.1K</u></b>
<b>Current Total:</b>	<b>213.7K</b>
<b>Goal:</b>	<b>226.7K</b>







# AMMO / Explosives / Weapons Captured (Weekly)

Captured AMMO & Explosives	29 Dec- 04 Jan	05 - 11 Jan	12 - 18 Jan	19 - 25 Jan
<b>Assembled IED</b>	<b>61</b>	<b>52</b>	<b>45</b>	<b>63</b>
<b>RPG rounds, Grenades</b>	<b>1,373</b>	<b>1,394</b>	<b>1,947</b>	<b>947</b>
<b>MANPAD rounds</b>	<b>13</b>	<b>21</b>	<b>4</b>	<b>28</b>
<b>Mortar, Artillery, Rocket Rounds</b>	<b>3,584</b>	<b>3,263</b>	<b>5,541</b>	<b>4,776</b>
<b>Mines</b>	<b>8</b>	<b>304</b>	<b>48</b>	<b>36</b>
<b>Pounds of Explosives</b>	<b>113</b>	<b>2,301</b>	<b>510</b>	<b>469</b>
<b>Rounds &lt; 30mm</b>	<b>82,964</b>	<b>30,597</b>	<b>55,574</b>	<b>41,135</b>
Captured Weapons				
<b>RPG Launchers</b>	<b>149</b>	<b>189</b>	<b>221</b>	<b>261</b>
<b>MANPAD Launchers</b>	<b>13</b>	<b>32</b>	<b>9</b>	<b>19</b>
<b>Small Arms</b>	<b>664</b>	<b>644</b>	<b>590</b>	<b>491</b>
<b>Crew Served Weapons</b>	<b>16</b>	<b>1</b>	<b>23</b>	<b>0</b>



# 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



- Success requires accelerated effort to develop institutions and build Iraqi capacity
- 300 tribal leaders met in Al Nasiriyah to discuss their role in the transition to democracy
  - Deputy Chairman of the Assembly also addressed ways to end terrorism

## 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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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

# Economics - Financial Market Structures

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- **Central Bank of Iraq (CBI) issued a Request for Applications (RFA) for Foreign Banking Licenses on November 5th**
  - **Advisory Committee (AC) for Foreign Bank Licensing will review all foreign bank applications and determine which banks proceed to Stage 2**
  - **AC is expected to announce banks that will proceed to Stage 2 by 28 Jan**
- **Ministry of Finance, assisted by CBI, will issue a Request for Proposals (RFP) for a private accounting firm or financial services firm to provide accounting and debt reconciliation services on Iraq external sovereign debt**
- **The Trade Bank of Iraq has issued over \$100 million in letters of credit to international suppliers so Ministries can import essential goods and equipment**
  - **Over \$120 million in letters of credit pending issuance**

# Economics - Currency & Banking

- As of 20 Jan, 982 loans totaling \$1,970,300 have been disbursed to micro and small sized businesses in Iraq. Average loan size is \$2,126 for an average term of twelve months
  - About 17% of current clients are female
- Currency exchange completed
  - Exchange put 4.62 trillion new dinars into circulation, 106 percent of original demand estimate of 4.36 trillion dinars, and destroyed the old currency
  - Value of the new dinar increased from ID 2000 = \$1 to ID 1300 = \$1 during the conversion
    - Recent appreciation of the dinar attributed to conclusion of the currency exchange program

## 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



- **As of 10 Jan, crude oil export revenue is estimated at \$5.3 billion since Iraqi exports resumed in Jun 03**
- **The National Employment Program has now created approximately 76,000 jobs**
- **CPA has directly created approximately 391,654 jobs for Iraqi citizens**
  - **By sector: Security / National Defense is employing 207,394**
  - **The National Employment Program is employing 76,139**
  - **CJTF-7 is employing 55,121 Iraqis**
  - **Civilian contractors working under CPA contracts are employing 53,000 people**

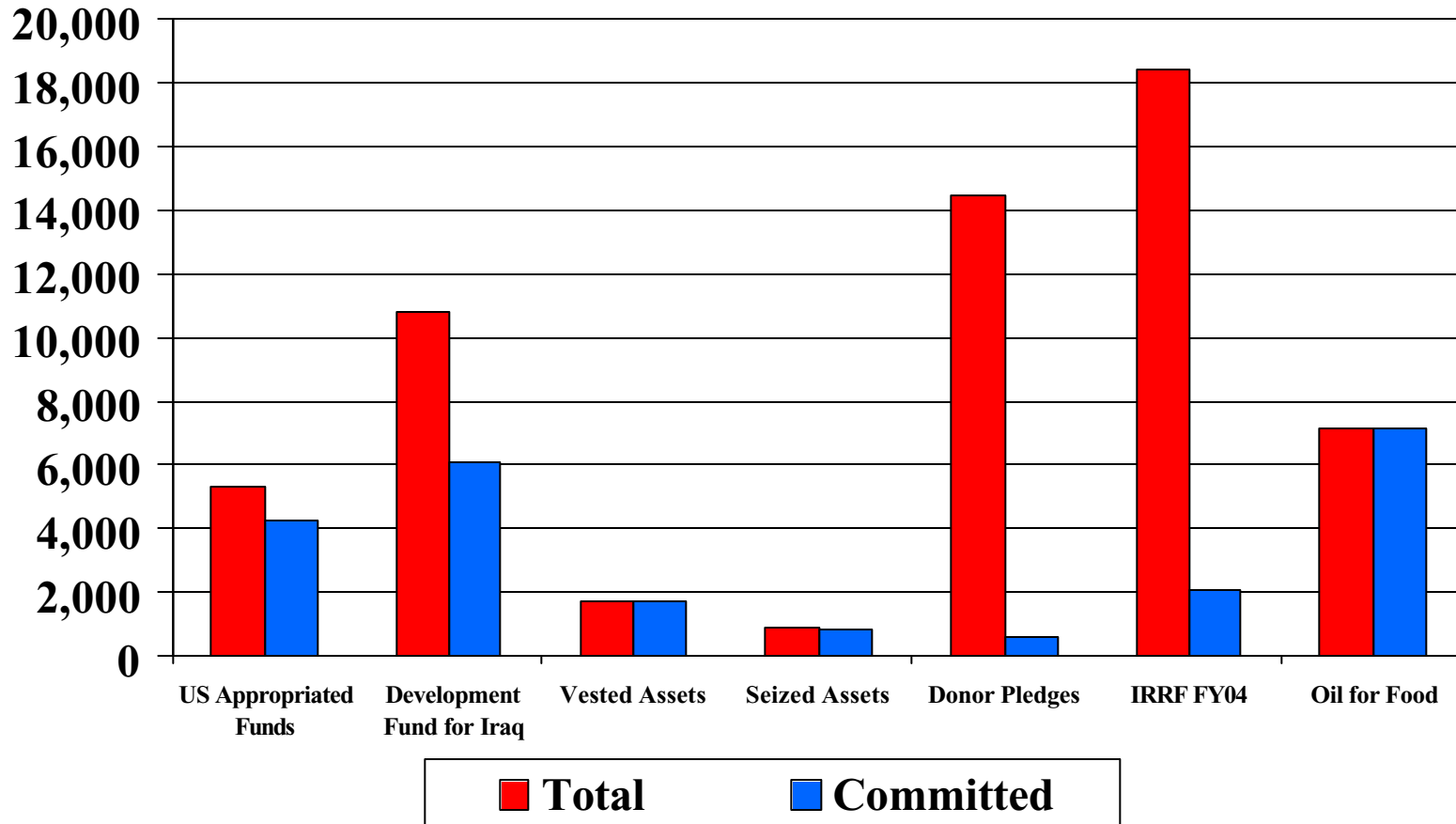
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# Iraq Funds Status (\$ Millions)

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



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N/P





# Program Management Office (PMO)

- **\$5.0B in Construction Requests For Proposals Released**
  - **Successful Bidders conference held 21 Jan - Dulles Marriott - over 600 people attended**
  - **Construction Proposals due 05 Feb**
  - **Target for award in Mar**
- **DepSecDef assigned responsibility for acquisition and program management support to SecArmy**
- **PMO back office has completed move from leased space in Rosslyn to the Pentagon**
- **PMO Web-site Portal operational: [www.rebuilding-iraq.net](http://www.rebuilding-iraq.net)**



# Strategic Communications

- **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