

UNCLASSIFIED

27 0605 EDT Jul 04



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Iraq Status

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Highlights



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- ï **Significant attacks against Coalition Forces have declined in recent weeks**
- ï **Average electrical energy production for the week of 16 - 22 Jul was 106,533 megawatt hours per day**
- ï **Oil production was over 2.5 million barrels on 21 Jul, the first time since 08 May**
- ï **Total number of telephone subscribers in Iraq is now over 1,345,000 (including 524,000 cell phone subscribers) - 61.6% above pre-war levels**
- ï **Over 34% of the \$18.4 billion Iraq Relief and Reconstruction Fund (IRRF) is contractually obligated**



Governance - Developments

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- ï **The United Nations is assisting the Iraqi Interim Government (IIG) in preparation for Jan 05 national elections**
 - ñ **Options for voter and political party registration are being developed**
- ï **USAID is supporting civil society involvement in the national elections through:**
 - ñ **Educating voters on broad issues of democracy, participation, and elections**
 - ñ **Building capacity within local civil society organizations to monitor the electoral process and field domestic election observers**
- ï **Prime Minister Allawi has been visiting several Arab countries during the last week. Discussions included: Iraqi debt relief, border control, and security assistance**
 - ñ **PM Allawi attended a regional security conference in Cairo where improved security cooperation was sought**



Governance - Developments (Cont)



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- ï **USAID continues capacity building activities for local government:**
 - ñ **Management training seminars for local government officials are improving the delivery of essential services**
- ï **USAID continues Democracy Dialogue Activities (DDA) across Iraq**
 - ñ **Promotes civic participation and increases Iraqis' understanding of democratic principles and the political process**



Governance - National Transition

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2004

01 Jun

Iraqi Interim Government (IIG) Announced and Governing Council dissolved

**Phase I
(Interim Government)**

04 Jun

Election Commission established

28 Jun

Transfer of sovereignty from CPA to IIG

Jul

National Conference convenes and selects Interim National Council

2005

31 Jan

Elections for the National Assembly complete: NLT 31 Jan 05

Early i05

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

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- ï **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 2004, including:**
 - ñ **Baghdadís Shark Dijlah plant will benefit 750,000 people**
 - ñ **Ad Diwaniyah plant will benefit more than 80,000 people**
 - ñ **An Najaf plant will benefit 560,000 people**
 - ñ **Ninawaí Governorate plants will benefit 50,000 people**
 - ñ **Fallujah plant will benefit more than 200,000 people**
- ï **Japan is funding an \$11 million UN project to help restore the marshlands of southern Iraq, which were deliberately drained by Saddam Hussein**
 - ñ **Will support sustainable development through environmentally sound technologies, providing drinking water, sanitation and pilot wetland restoration for the Marsh Arabs**
 - ñ **Part of the \$1.5 billion Tokyo has pledged for postwar Iraqi reconstruction this year**

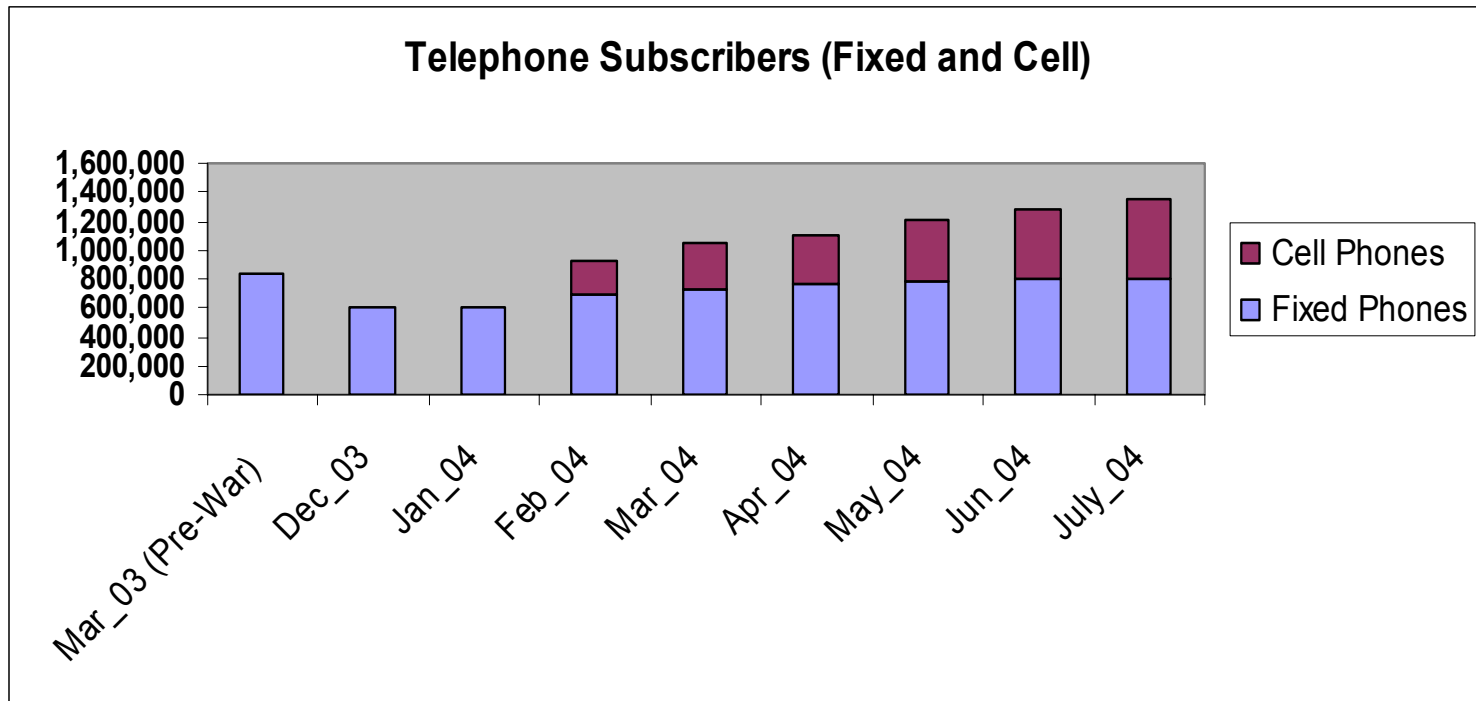


Essential Services - Telecommunications



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- ï Total number of telephone subscribers in Iraq is now over 1,345,000 (including 549,000 cell phone subscribers) - 61.6% above pre-war levels



- ï As of 18 Jul, there were 75,000 internet subscribers in Baghdad
 - ñ Pre-war, there was limited service, with 3,000 internet and 8,000 e-mail only accounts in 2002

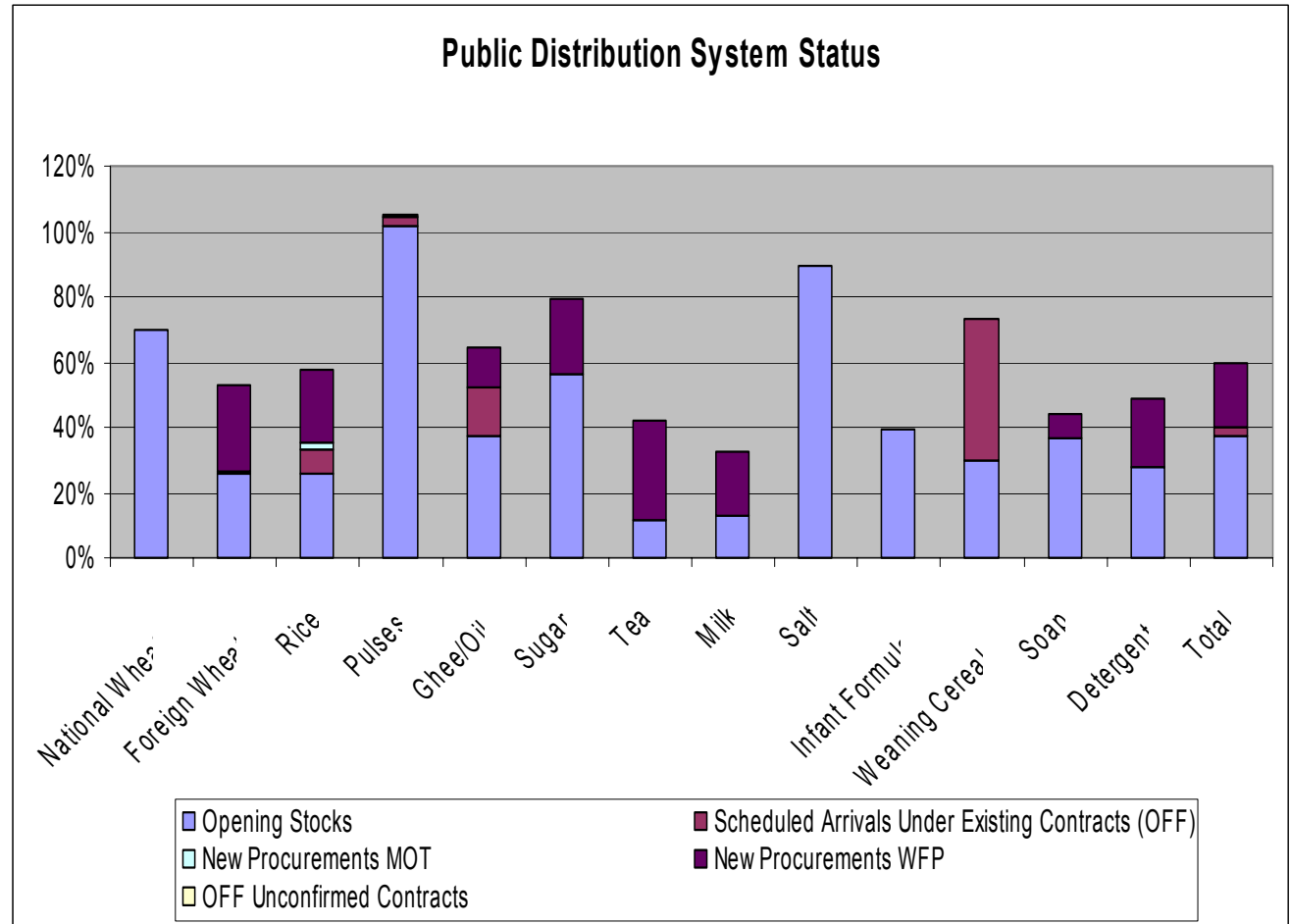


Essential Services - Food Security

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N/P

Chart below shows percentage of estimated requirements for Public Distribution System (PDS) goods from transition on 28 Jun 04 forward

The goal of the Ministry of Trade is to provide sufficient ration stocks for the current month plus a three-month buffer





Essential Services - Food Security (Cont)

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- ï Security has improved on major trucking routes and trucks continue transporting grain from the Umm Qasr port to storage facilities throughout the country
- ï The last two World Food Program (WFP) procured rice shipments will arrive in Iraq by the end of Jul
 - ñ WFP will stop all food shipments to Iraq in September. The pipeline will be reliant on Ministry of Trade procurement thereafter
- ï The WFP pipeline indicates possible shortfalls in the following commodities over the course of the next three months:
 - ñ National wheat (national harvest figures are not yet available), pulses, ghee, milk, infant formula, soap and detergent
- ï For the period of Jul through Sep, WFP projects 35,632 metric tons (mt) of Oil for Food commodity arrivals, which could be augmented by 35,000 mt of Indian wheat



Essential Services - Health Care

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- ï **Supplemental funds are targeting construction of primary health care clinics in every governorate and rehabilitation of 16 pediatric/maternal hospitals**
 - ñ **The Ministry of Health (MOH) provided a by-governorate allocation of the 150 Primary Healthcare Clinics to be constructed**
 - ñ **The MOH designated 17 Maternal and Child Hospitals to be refurbished throughout the country**
 - ñ **240 Iraqi hospitals and over 1,200 preventive health clinics are operating**
 - ñ **The Minister of Health signed the task order for the \$50 million Basrah Children's Hospital, which will be a 30-50 bed state-of-the-art children's facility**
- ï **Over 5 million children between the ages of six and 12 have been immunized for Measles, Mumps, and Rubella**
- ï **Over 3 million children under five years of age have been vaccinated since Jun 03**



Essential Services - Education

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- ï **On 15 Jul, USAID awarded a \$56.4 million contract to provide technical assistance to the Iraq Ministry of Education (MOE), includes:**
 - ñ **Institutional capacity building of the MOE**
 - ñ **Creation of model schools in each of the 81 sub-districts**
 - ñ **Training of primary and secondary school teachers**
 - ñ **Procurement of supplies and equipment for schools**
 - ñ **Promotes community participation in early childhood education**
- ï **With support from USAID, Iraqi government agencies are conducting various vocational training programs to help alleviate unemployment and supply appropriately skilled workers**
- ï **Over 32,000 secondary school teachers and 3,000 supervisors have been trained as part of effort to upgrade the quality of education**
- ï **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**
 - ñ **In Basrah governorate, USAID is working with the MOE to inventory the number of schools and assess immediate rehabilitation needs**



Project and Contracting Office (PCO)

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- ï Both the number of projects underway and number of Iraqis employed will jump significantly over the next few months
- ï The PCO has issued 183 task orders, out of a total of 250 (76%)
 - ñ These task orders cover 1,587 projects nationwide, out of a total 2,300 (69%)
 - ñ Over 33% of the \$18.4 billion supplemental is contractually obligated
 - ñ Over 56% of apportioned funds is contractually obligated
- ï The Accelerated Iraq Reconstruction Program (AIRP) is meeting urgent local needs across Iraq:
 - ñ Projects cover: water and sanitation, health, education, construction, roads, power, and telecommunications
 - ñ Over 14,500 Iraqis have been directly employed on AIRP projects
 - ñ Approximately 2,500 Iraqis employed on Sadr City landfill & sewer projects
 - ñ Stimulates local economy and provides opportunities for local businesses



Project and Contracting Office (PCO)



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Sector	2207 Report	Apportioned \$M	Committed \$M	Obligated \$M
Security and Law Enforcement	3,235	2,976	2,419	1,604
Electricity Sector	5,465	2,538	2,417	1,870
Oil Infrastructure	1,701	1,701	1,607	973
Justice, Public Safety, and Civil Society (less Democracy)	1,033	825	604	316
Democracy	451	451	420	270
Education, Refugees, Human Rights, Governance	259	259	238	107
Roads, Bridges, and Construction	368	270	243	123
Health Care	786	577	524	334
Transportation and Telecommunications	500	467	385	75
Water Resources and Sanitation	4,247	892	832	516
Private Sector Development	183	135	100	47
Admin Expense (USAID, CPA Successor)	213	29	29	29
TOTAL	18,439	11,120	9,818	6,264
CONSTRUCTION	12,406	5,815	5,545	4,031
NON-CONSTRUCTION	5,582	4,854	3,853	1,963
DEMOCRACY	451	451	420	270
Total	18,439	11,120	9,818	6,264

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Data as of 20 Jul

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Economy

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- ï On 21 Jul, estimated crude oil export revenue was approximately \$9.2 billion for 2004
- ï The New Iraqi Dinar was at 1,460 dinars per dollar on 22 Jul, and has been stable for five months
- ï Iraq's Finance Ministry auctioned 150 billion dinars (\$103 million) of treasury bills on 18 Jul
 - ñ This is the first step in re-establishing a local bond market and allows free-market forces to set interest rates
 - ñ Future auctions are expected to take place every few weeks
 - ñ A result of the capacity building efforts at the Central Bank of Iraq by Coalition advisors
- ï Nearly 3,000 micro-credit loans totaling over \$6 million have been made to Iraqi businesses
 - ñ Provides credit to financially viable micro and small businesses



Economy (Cont)



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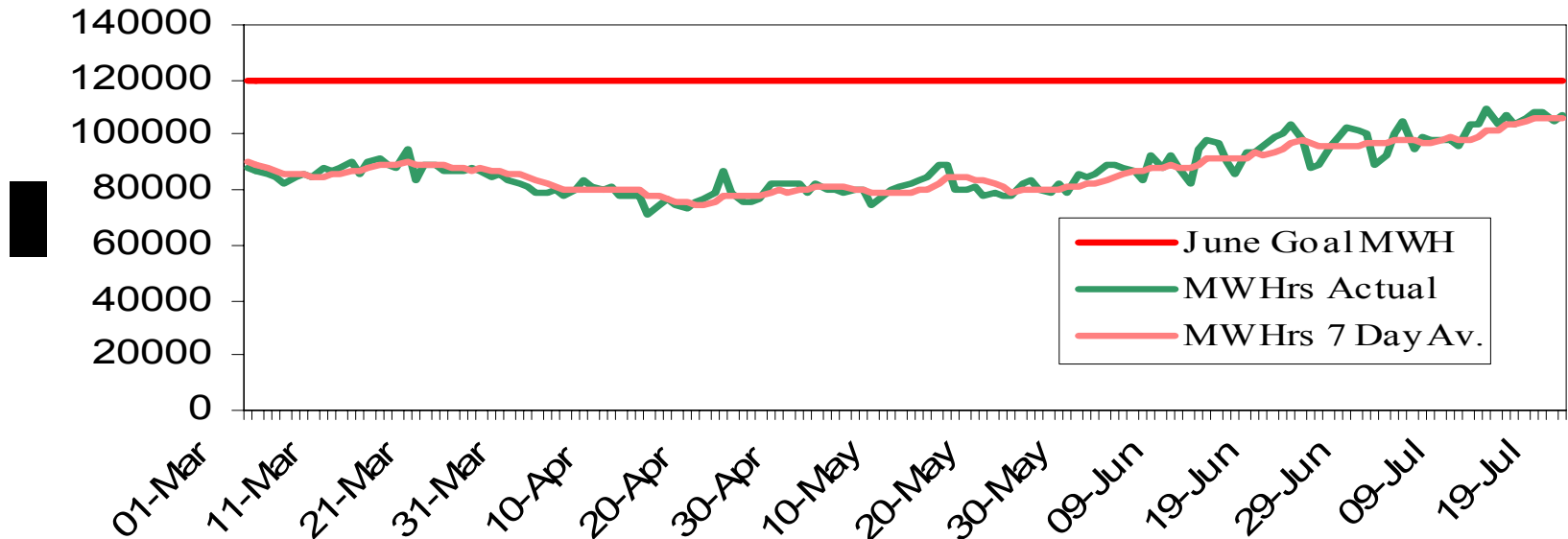
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- ï **Since the Iraq Stock Exchange opened on 24 Jun, trading volume has grown significantly**
 - ñ **The exchange is open two days a week for two hours per day**
 - ñ **There are now 27 listed companies traded and officials are hoping this number will grow to 120 in the next 45 days**
- ï **USAID is assisting the Iraqi Ministry of Labor and Social Affairs (MOLSA) to develop a vocational training program that will help the Iraqi government address Iraqís high unemployment rate**
- ï **USAID is currently supporting the development of business skills among Iraqís small and medium sized businesses**
 - ñ **By Fall 04, USAID will expand outreach and the number of existing Iraqi Business Centers, which provide training, consulting, and business entrepreneurship services**



Electricity Overview

Mega Watt Hour Production



- ï Due to unforeseen problems, achievement of the Jun goal has slipped until at least Jul
- ï Summer maintenance program continues resulting in about 463 MW of generation capacity offline for scheduled maintenance and 465 MW for unscheduled maintenance

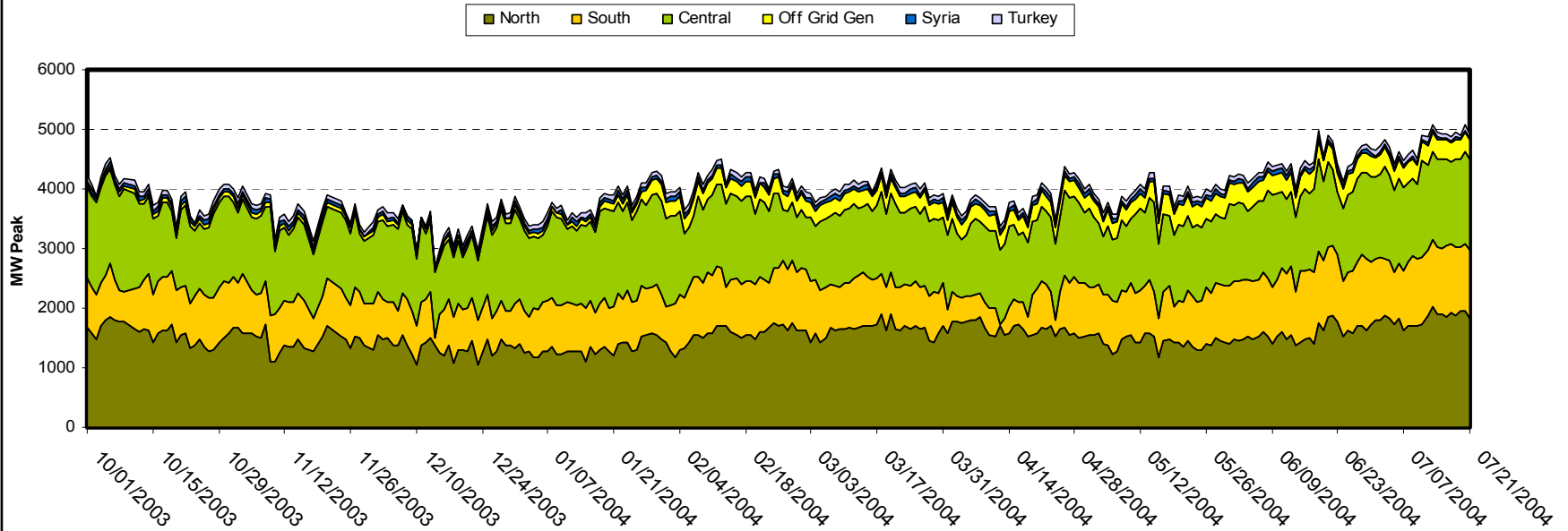
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Power Production

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Generation By Region

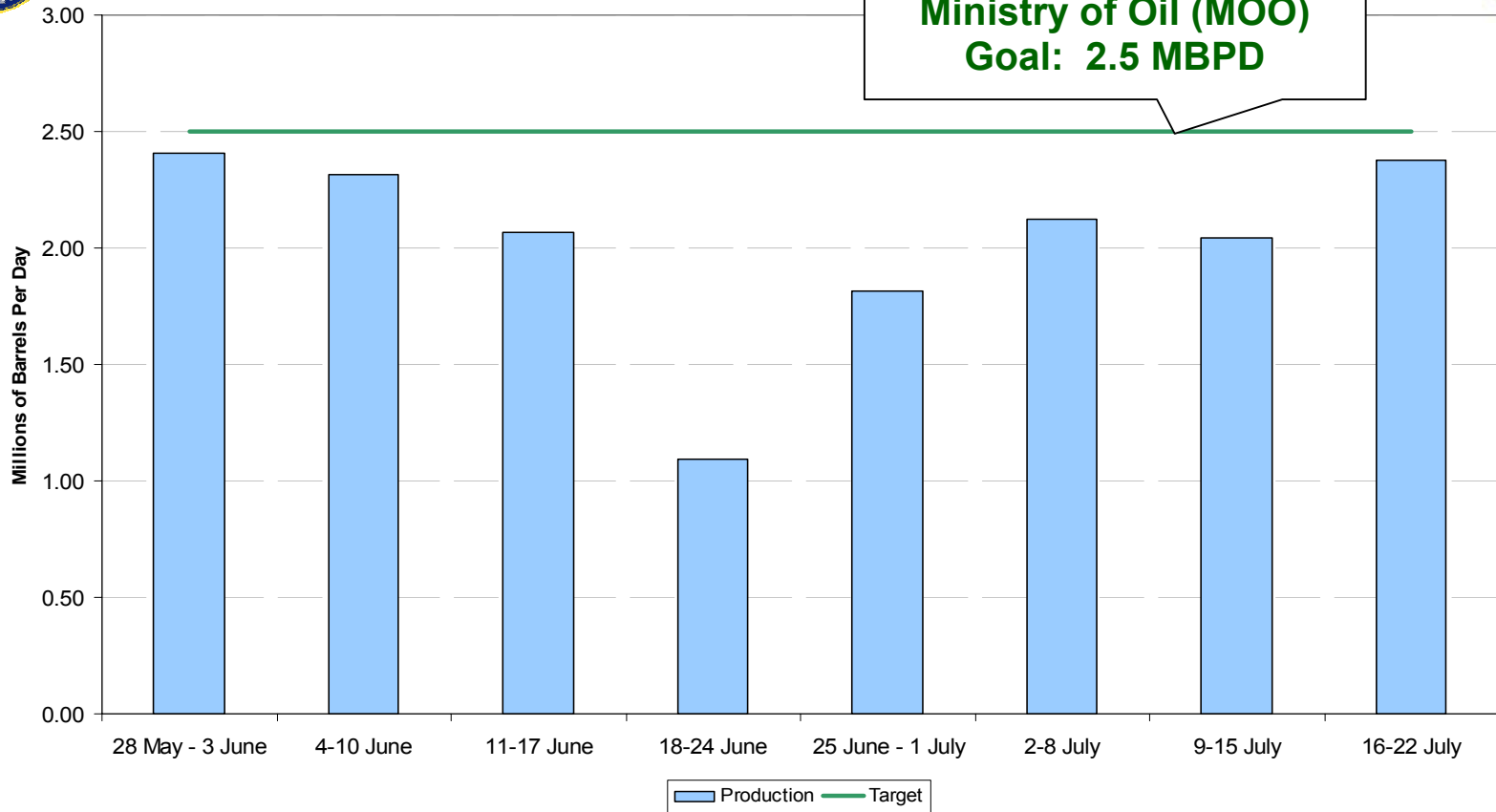


Record Production: 13 Jul reached Peak Generation of 5,063 MW or 109,177 MWH



Crude Oil Production

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Ministry of Oil (MOO)
Goal: 2.5 MBPD

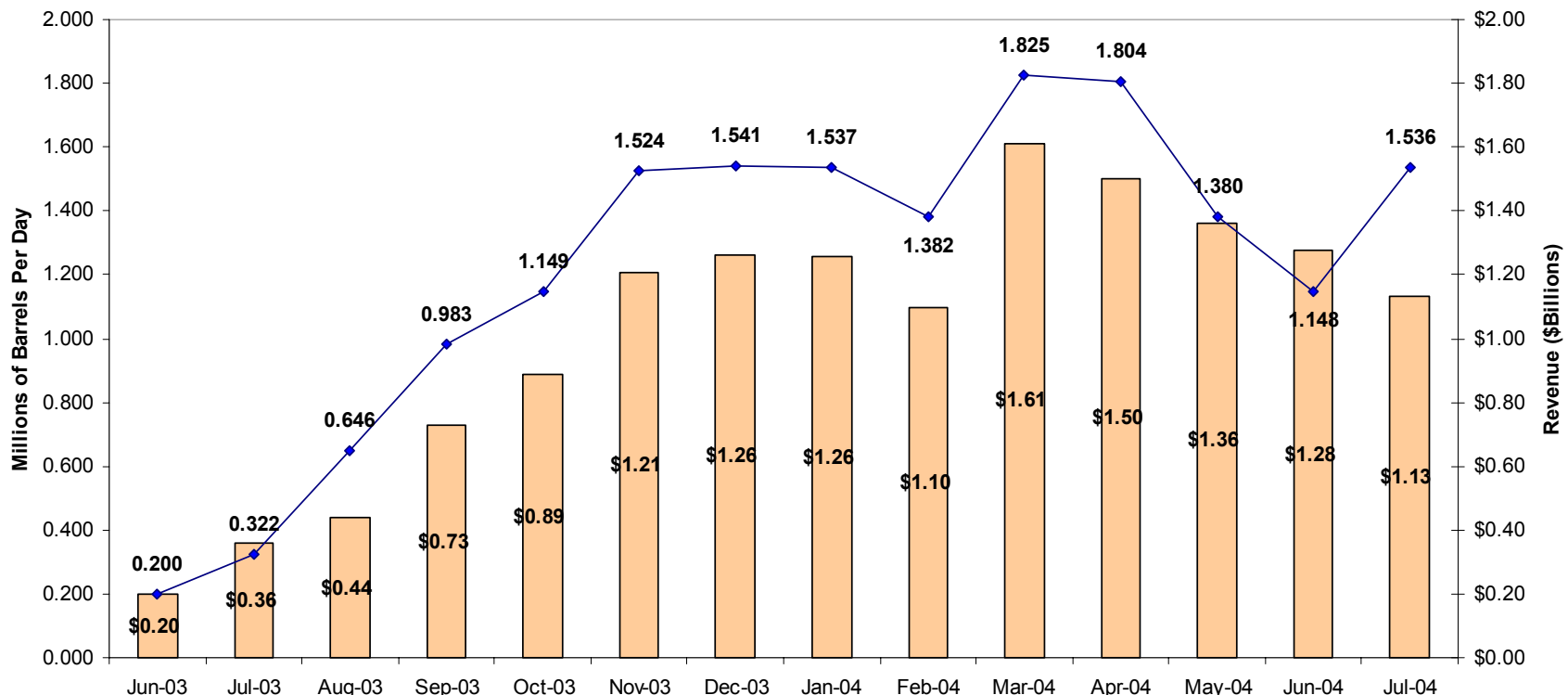
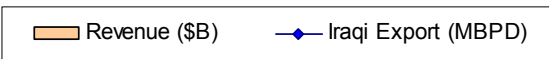
- ï Weekly Average of 2.375 MBPD Is Below Target of 2.5 MBPD
- ï Long Term MOO Target (Dec 04): 2.8 - 3.0 MBPD (Pre-War Capacity)
- ï Pre-War Peak: 2.5 MBPD in Mar 03
- ï Post-War Peak: 2.595 MBPD on 16 Apr 04



Monthly Export: Volume & Revenue

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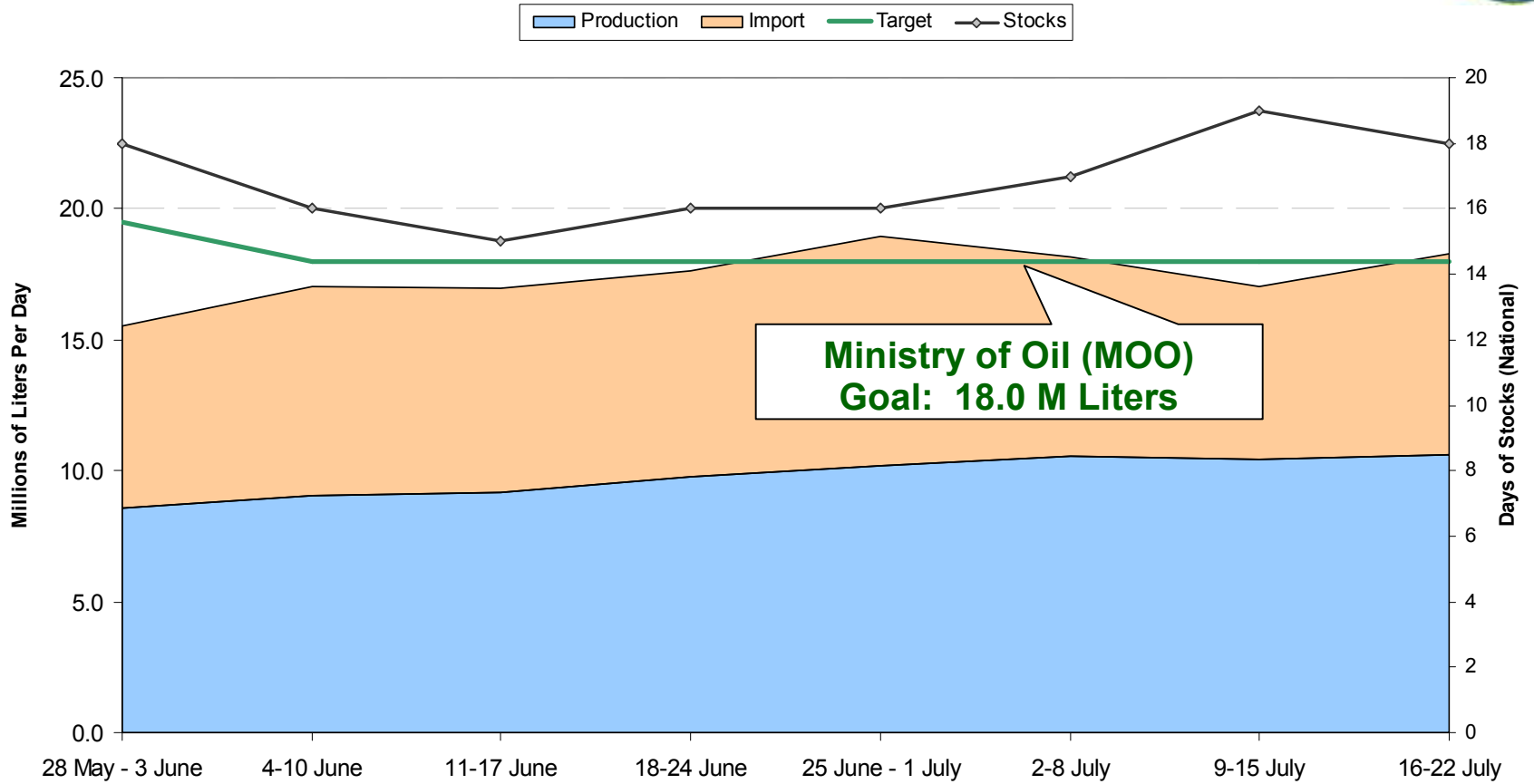
ï Current Monthly Average: 1.536 MBPD

ï Current Monthly Revenue: \$1.13B



Diesel Production & Imports

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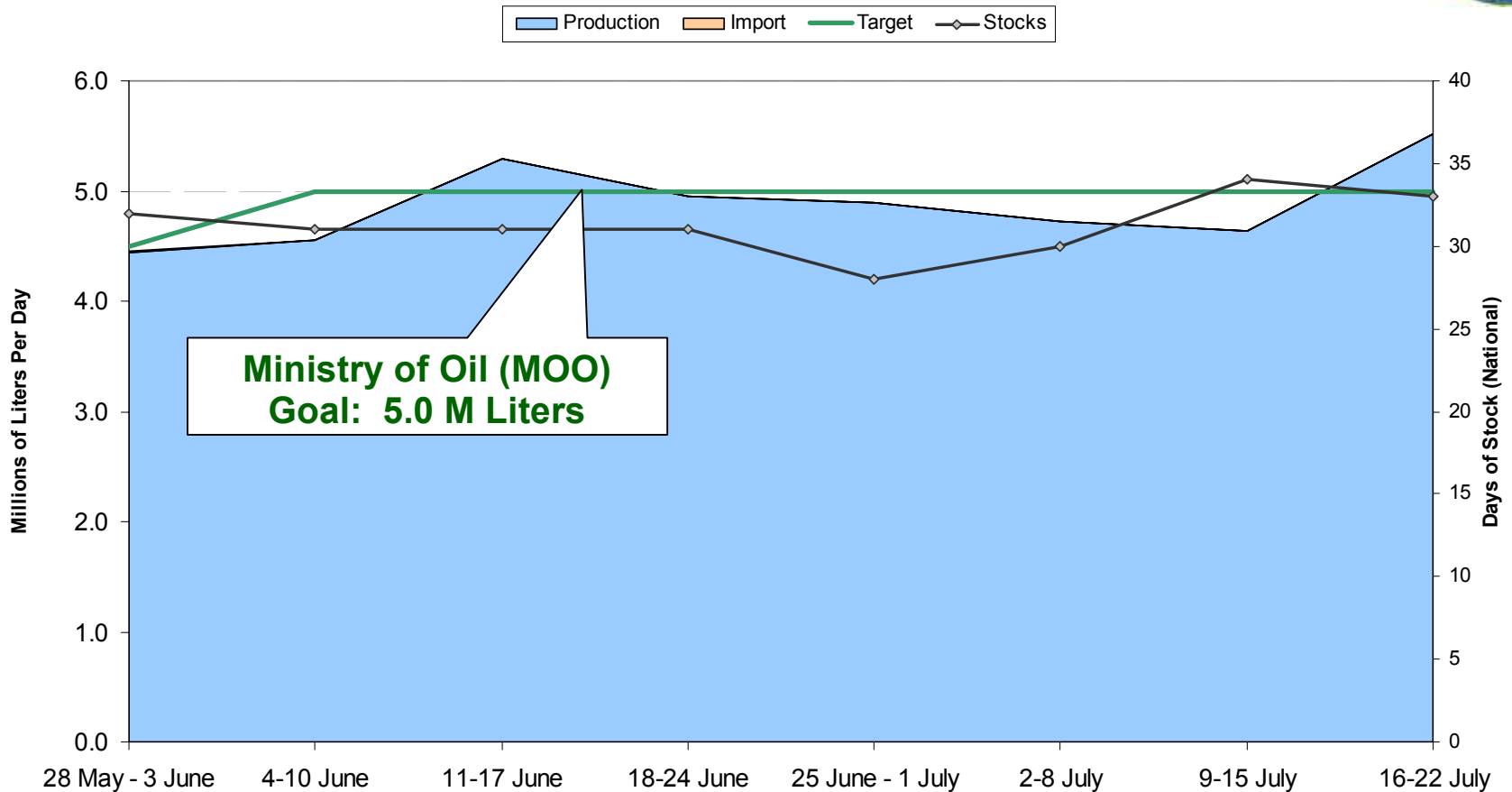
ï This week's average production and imports are 102% of goal

ï National diesel stock is 18 days



Kerosene Production & Imports

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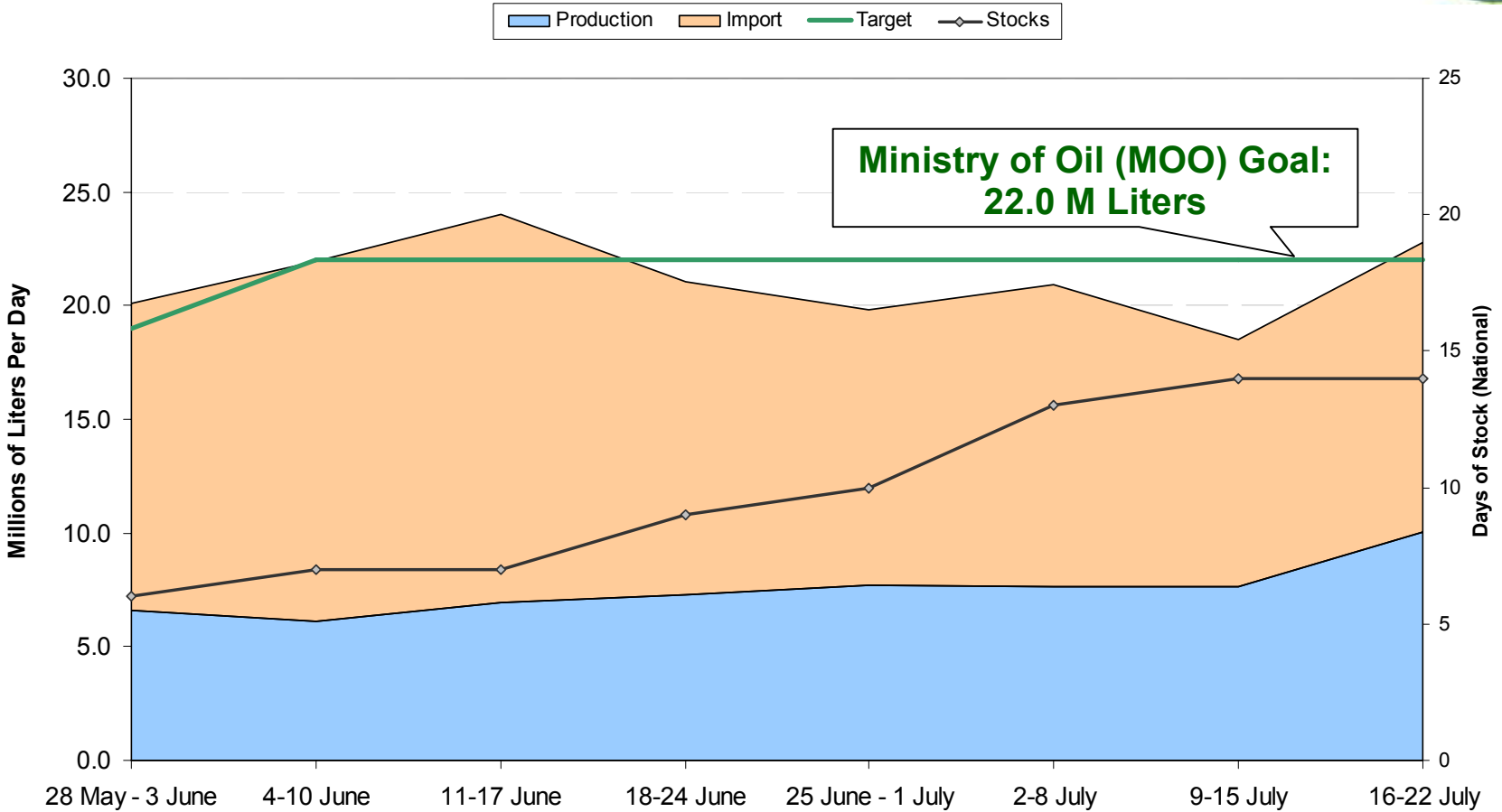


- ï This week's average production and imports are 110% of goal
- ï National kerosene stock is 33 days



Gasoline / Benzene Production & Imports

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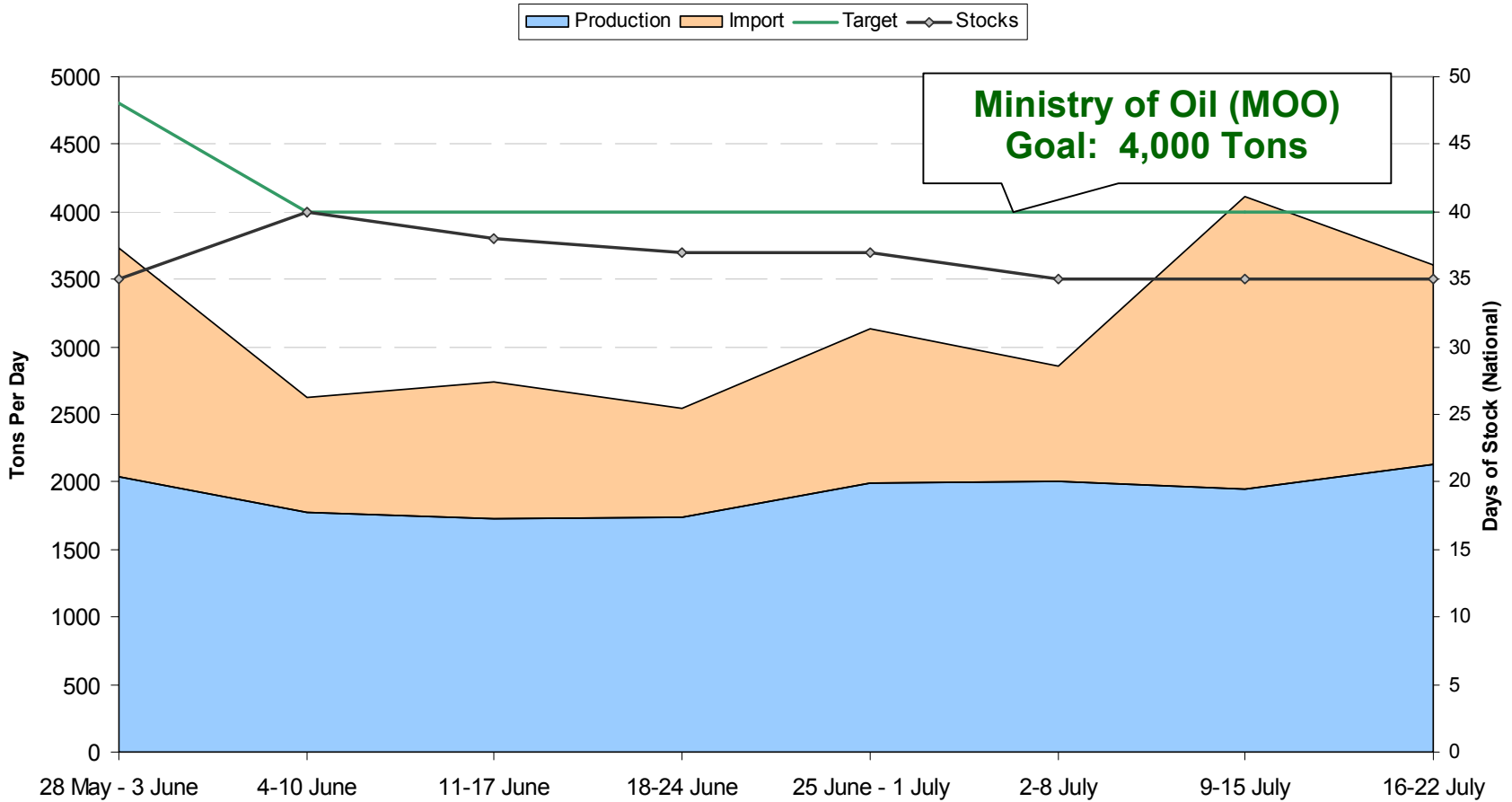
ï This week's average production and imports are 104% of goal

ï National benzene stock is 14 days



Liquefied Petroleum Gas Production & Imports

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ï This week's average production and imports are 90% of goal

ï National LPG stock is 35 days



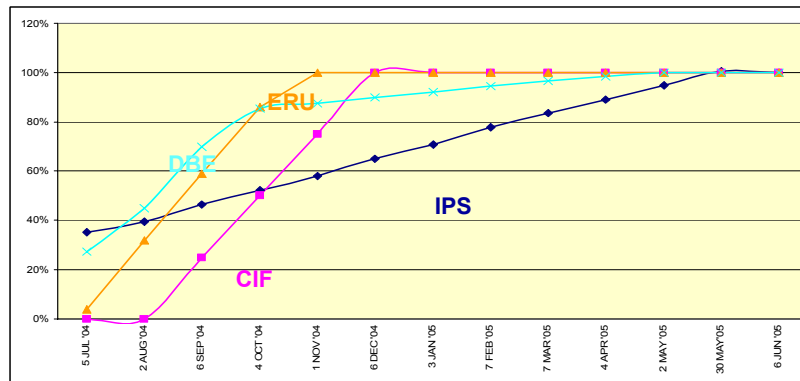
Ministry of Interior Man, Train & Equip Status

CURRENT STATUS

		MANNING		TRAINING			EQUIPPING							
							WEAPONS		VEHICLES		COMMS		BODY ARMOR	
FORCE	COMPONENT	REQID	O/H	NOT TRNID	IN TRNG	TRNID	REQID	O/H	REQID	O/H	REQID	O/H	REQID	O/H
IRAQI POLICE	IRAQI POLICE SVC	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	156	0	116	40	1,020	500	58	0	352	0	300	50
DEPT OF BORDER ENFORCEMENT		20,420	18,248	0	25	18,223	17,153	4,417	3,700	1,298	3,552	1,292	12,626	4,000
FACILITIES PROTECTION SERVICE		73,992	73,992	0	0	73,992	49,500	7,396	155	45	1,155	0	8,350	0
TOTAL		188,851	180,748	55,262	3,543	121,943	215,217	94,716	19,810	6,671	60,364	14,016	115,445	32,366

TRAINED AND EQUIPPED FORECAST

- 50 % OR LESS OF REQUIREMENT
- 51-84 % OF REQUIREMENT
- 85-100 % OF REQUIREMENT



DEPARTMENT OF DEFENSE N/P



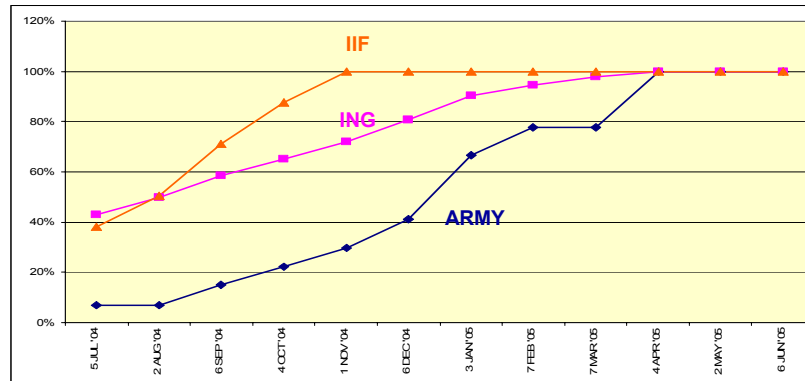
Ministry of Defense Man, Train & Equip Status

CURRENT STATUS

		MANNING		TRAINING			EQUIPPING							
		REQiD	O/H	NOT TRNiD	IN TRNG	TRNiD	WEAPONS		VEHICLES		COMMS		BODY ARMOR	
FORCE	COMPONENT	REQiD	O/H	NOT TRNiD	IN TRNG	TRNiD	REQiD	O/H	REQiD	O/H	REQiD	O/H	REQiD	O/H
ARMY	ARMY	27,000	7,909	0	6,073	1,836	18,909	15,432	1,980	1,728	3,596	0	27,000	6,137
	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
	INTERVENTION FORCE	6,584	2,741	0	1,361	1,380	8,850	3,300	583	152	1,798	594	6,584	2,741
	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 DEFENSE 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

TRAINED AND EQUIPPED FORECAST

- 50 % OR LESS OF REQUIREMENT
- 51-84 % OF REQUIREMENT
- 85-100 % OF REQUIREMENT



DEPARTMENT OF DEFENSE N/P



Security - Developments

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- ï **Al Kasik Military Base in Mosul is complete and was handed over to the New Iraqi Army on 21 Jul**
 - ñ **The military base houses 3,500 Iraqi Armed Service soldiers and will have a capacity in excess of 7,000 in months to come**
- ï **The Iraq Intervention Force (IIF) is being established, trained and equipped for urban counterinsurgency operations**
 - ñ **The initial IIF battalion deployed into Baghdad at the end of Jun**
 - ñ **All three battalions of the first IIF brigade will be ready by end of Jul**
- ï **On 08 Jul, 39 of 45 battalions of the Iraqi National Guard (ING) were manned above 75% strength**
 - ñ **Conducting joint patrols throughout Iraq with Coalition and Iraqi Police forces**
 - ñ **Focus on equipping, training, and reconstituting the force**



Security - Developments (Cont)



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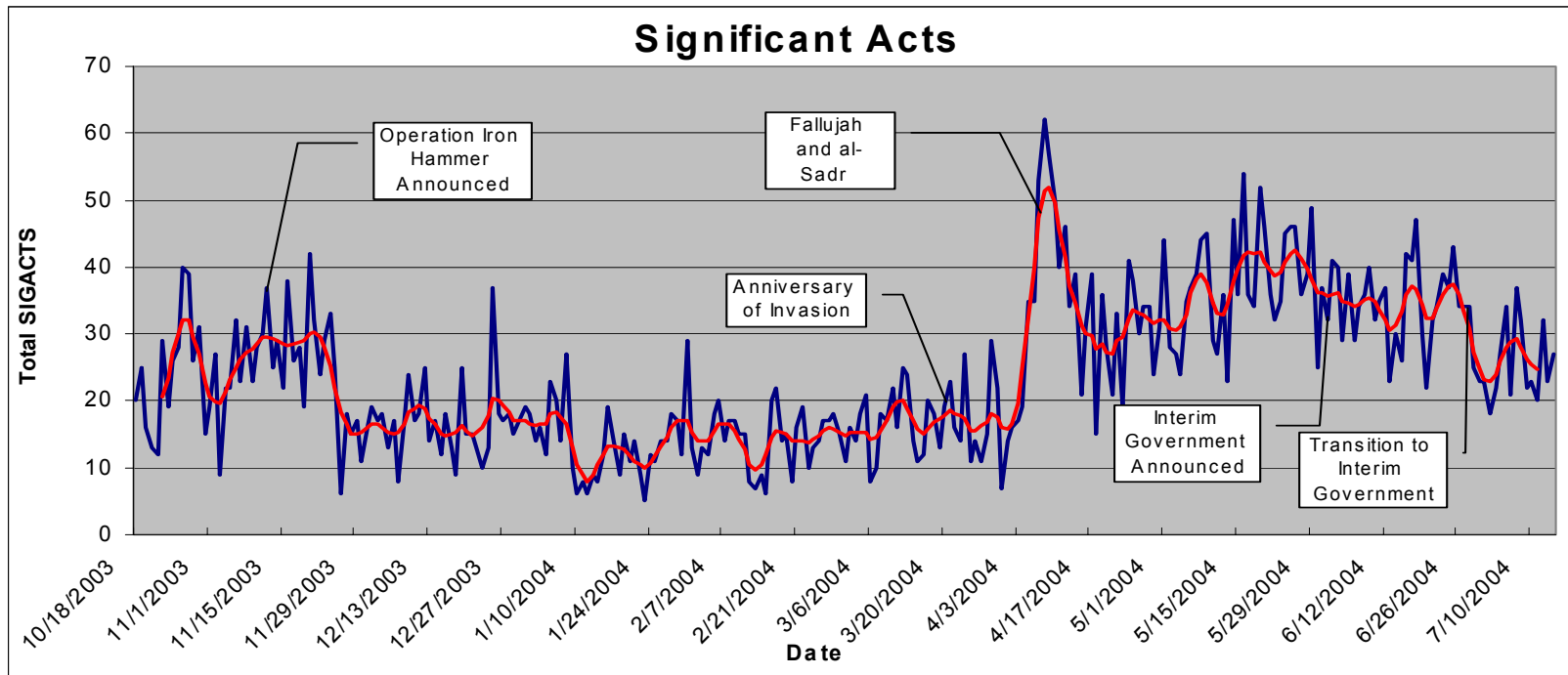
- ï **A total of 5,891 new IPS recruits completed academy training**
 - ñ **Five classes (over 3,898 students) graduated from the Jordan Academy**
 - ñ **Four classes (1,993 students) graduated from the Baghdad Public Safety Academy**
- ï **Coalition advisors are providing professional development training for IPS officers. The number of IPS graduates from these courses:**
 - ñ **Basic Criminal Investigation** **165 (target 1,200)**
 - ñ **Criminal Intelligence Course** **91 (target 120)**
 - ñ **Emergency Response** **40**
 - ñ **Dignitary Protection** **169**
 - ñ **Mid-level Management** **63 (target 300)**
 - ñ **Executive Leadership Course** **55 (target 300)**



Security - Developments (Cont)



- ï Chart below shows significant insurgent activities in Iraq to 10 Jul
 - ñ Includes attacks using improvised explosive devices (IEDs), vehicle-borne IEDs, mortars, rocket propelled grenades (RPG), and improvised rockets
 - ñ There appears to be a trend of decreasing acts against the Coalition that has become more pronounced since the transition to the Iraqi Interim Government





Stability Contributors - OIF

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Countries with forces in Iraq

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

TOTAL ~22K

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

Countries considering decision to provide forces for Iraq

4

TOTAL TBD

34 Countries
Potentially Supporting
Iraqi Stability and
Humanitarian Relief