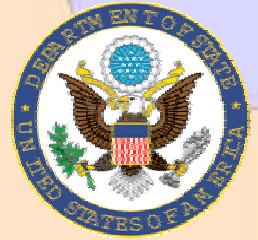


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15 September 2004



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Iraq Weekly Status

This briefing is classified
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Table of Contents

SECTION	SLIDE(S)
<u>1.0 Highlights</u>	3-4
<u>2.0 Political Affairs</u>	
2.1 Governance	5-6
<u>3.0 Economic Affairs</u>	
3.1 Economy	7-9
3.2 Essential Services	10-13
3.3 Oil and Power	14-15
<u>4.0 Reconstruction</u>	
4.1 Project and Contracting Office (PCO)	16-17
<u>5.0 Security</u>	
5.1 Security and Stability	18-21
<u>6.0 General Information</u>	22

Highlights



Political/Governance

Election Timeline:

- ï Iraqís interim Prime Minister Allawi announced that elections will go ahead as scheduled next January.

Economic

Telecommunications:

- ï Total number of telephone subscribers in Iraq is now over 1,531,732 (including 732,000 cell phone subscribers) ñ 83.9% above pre-war levels.

Iraqi Stock Exchange (ISX):

- ï 113 companies are currently listed on the ISX, an increase of over 400% since trading first opened on June 24.

Highlights



Reconstruction

Reallocation of Iraq Relief and Reconstruction Fund (IRRF) Spending:

- ï A proposal to shift \$3.46 billion of the IRRF to improve security, boost oil output and prepare for national elections was introduced this week and is awaiting approval from Congress.

Security

Security Forces Update:

- ï Of the \$3.46 billion IRRF reallocation, \$1.804 billion is planned for Security and Law enforcement improvements. The increase will allow expansion of police, national guard and border forces.
- ï Iraqi security forces capabilities continue to improve. Capability is demonstrated by Iraqi Army, Special Operations Forces, Iraqi Intervention Forces, National Guard, and Police.
- ï Two-thirds of Iraqi Regular and Intervention Force battalions are now trained or in training; six are operational and 12 are conducting basic training.

Governance - Developments



Iraq Elections On Schedule:

- Interim Prime Minister Iyad Allawi announced that National Assembly elections will proceed as planned in January 2005. Prime Minister Allawi said the IIG is determined to win the war against the terrorists and establish democracy in Iraq.

UN to Assist in Pollution Cleanup:

- The United Nations' Environment Program (UNEP) will assist Iraq in cleaning up a variety of pollution problems resulting from more than a decade of instability and neglect by the former regime. UNEP will also train Iraqi experts in building the proper skills to be fully independent in the long-term.

Governance - Developments



Capacity Building:

- i The State Department is promoting capacity building and democracy in Iraq, including through US-based programs for Iraqis:
 - ñ "Elementary and Secondary Education" International Visitor Program (August 31-September 17): An introduction to American education for six Ministry of Education officials, teachers, school administrators and others involved in educational policy making.
 - ñ U.S. Media and Political Campaigns International Visitor Program (September 5-September 25): The program for Iraqi journalists will examine the role of the media in U.S. political campaigns and the particular symbiosis between the media and the candidates they cover.

Economy



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Employment Update

Number of Iraqis employed by each sector/project

Sector	Iraqis last week	Iraqis this week	% Increase on week
Buildings, Health & Education	2,011	3,726 *	85.3%
Electricity	482	3,919 *	713.1%
Oil	374	402	7.5%
Public Works & Water	1,173	308	-73.7%
Security & Justice	3,815	6,560	72.0%
Transportation & Communications	150	175	16.7%
AIRP	14,237	15,053	5.7%
PCO Weekly Survey TOTAL	22,242	30,143	35.5%
USAID	88,436	88,436	0.0%
MILCON TOTAL	716	1,017	42.0%
GRAND TOTAL	111,394	119,596	7.4%

Note : * Indicates Sectoris projection numbers, rather than DB contractoris reported actuals

Data as of 8 Sept



Economy (cont.)

Iraq Securities Exchanges

ï At the New Iraqi Dinar (NID) auction on September 13, the settlement price was 1,460 dinars per dollar, the same as the previous day and unchanged since June 17.

NID monthly average:

ï April 2004:	1440	July 2004:	1460
ï May 2004:	1461	August 2004:	1460
ï June 2004:	1458		

ï The Ministry of Finance auctioned ID 150 billion (about \$102.7 million) in T-Bills on August 30; the settlement yield was 5.0 percent.

ï Total number of transactions at the Iraq Stock Exchange (ISX) for the month of August, 2004 was 3736, with almost 2.66 billion shares traded. This is an increase in volume of about 33% since trading began on June 24.

ï 113 companies are currently listed on the ISX, with an average of 5 new companies being added each week. Since June 24, 86 new company listings have been added on the ISX.



Economy ñ Private Sector Development

Agriculture Development

- USAID will re-equip 3 agricultural extension centers in northern Iraq.
 - These centers are used to train farmers in agricultural techniques and technologies to improve crop productivity.
 - Extension agents work in the fields of plant protection, soils, agronomy, and animal resources.
 - The centers currently employ 24 extension agents who train about 400 individuals in the field each year.

Iraqi Construction Sector Business Briefing

- The United States Trade and Development Agency (USTDA) is conducting an Iraqi construction sector business briefing on October 19, 2004, in Arlington, VA.
 - The briefing will provide businesses with an opportunity to hear from high-level Iraqi construction sector officials about the current and future projects in Iraq and the opportunities available for businesses.
 - The Iraqi delegation is comprised of officials from Iraqi Ministry of Housing and Construction, the State Corporation for Roads and Bridges, the National Center for Engineering Consultancy, the National Center for Construction Labs and Research, and representatives of the state-owned Iraqi construction firms.

Essential Services - Water and Sanitation



Current Projects

- ï Total non-construction obligations for the week are \$11.2M.
 - ñ The majority of this amount is due to the second delivery order of generators from Bertoli in support of the Ministry of Water Resources (PC 64000).
 - ñ The assets will be installed at key locations throughout Iraq as reliable backups at water treatment and pumping facilities.
- ï USAID is beginning work on a new rural water initiative that will bring water to rural communities with 1,000 to 5,000 people.
 - ñ The new project will install approximately 150 wells in 300 rural communities.
 - ñ Several standard designs for varying sizes of communities have been developed to reduce design costs
- ï USAID's rehabilitation of the Sweet Water Canal System will increase water production by 100 percent, serving almost 2.1 million people.



Essential Services - Health Care

Current Projects

- ï Four Primary Health Centers are scheduled to begin in both Najaf and Sadr City in the next few weeks. Both are on an accelerated schedule per the Minister of Health's request.
- ï Work continues on the Najaf Teaching Hospital and the emergency and administration areas are expected to be open on September 16, 2004.
- ï The rehabilitation for the Najaf Maternity Hospital is being assessed at \$15 million, including upgrades to the physical plant and equipment purchases.
- ï Overall, the proposed 150 Primary Health Center sites are being finalized and identified as cleared properties by the Iraqi MOH legal department. Reconstruction continues on the 19 hospitals already begun.
- ï The Iraqi Academy of Health Science Center (IAOHSC), a permanent training facility, is being actively pursued, with a proposed site under negotiations. This Academy will be the central point of training for almost all of the primary health care activity as well as other specialized education.



Essential Services ñ Education

Elementary Education

- ï The Embassy IRMO/Ministry of Education (MOE) office, USAID and the First Cavalry Division are making steady progress in enhancing the education experience for Iraqi children.
 - ñ However, significant obstacles remain in maintaining security for civilian/military reconstruction, logistical support and distribution for donations, equipment, textbooks and supplies.

School Construction

- ï The MOE is soliciting assistance monies from the World Bank for new school buildings, which may delay the number of schools available until September 2006.
 - ñ The MOE is requesting an investment of \$43.2 million for school construction and \$7.4 million for rehabilitation of existing facilities.
 - ñ The work at individual schools ranges from \$45,000 - \$70,000 and can be completed quickly. The original summer break of 90 days may still hold for the 2005-6 school year.



Essential Services ñ Telecommunications

- ï Total number of telephone subscribers in Iraq is now over 1,531,732 (including 732,000 cell phone subscribers) ñ 83.9% above pre-war levels.
- ï There are now 799,732 land line telephone subscribers in Iraq, compared with 833,000 subscribers pre-war.

Cell Phone Users by Region

Region	Population *	Cell phone users	Penetration
NORTH	4,147,300	289,000	6.97%
S. CENTRAL (BAGHDAD)	6,677,000	332,000	4.97%
SOUTH	4,501,000	111,000	2.47%

As of Sep 09

Source: IRMO Office of Communications as reported by cell phone companies/Iraqi Central Statistical Organization 1997 Census, (assuming 3% annual growth)

- ï As of August 5, there are 79,600 internet subscribers. These statistics do not reflect the large number of unregulated users of Internet cafÈs.

Essential Services ñ Oil



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Crude Oil



ï Post-War Production Peak:	2.606 MBPD
ï Long-Term Target (Dec):	2.8 MBPD
ï September Average Export:	1.635 MBPD

ï 2003 Revenue: \$5,076.6M

ï 2004 Revenue:

ñ Pre-Transition: \$8,105.2M

ñ Post-Transition: \$2,429.9M

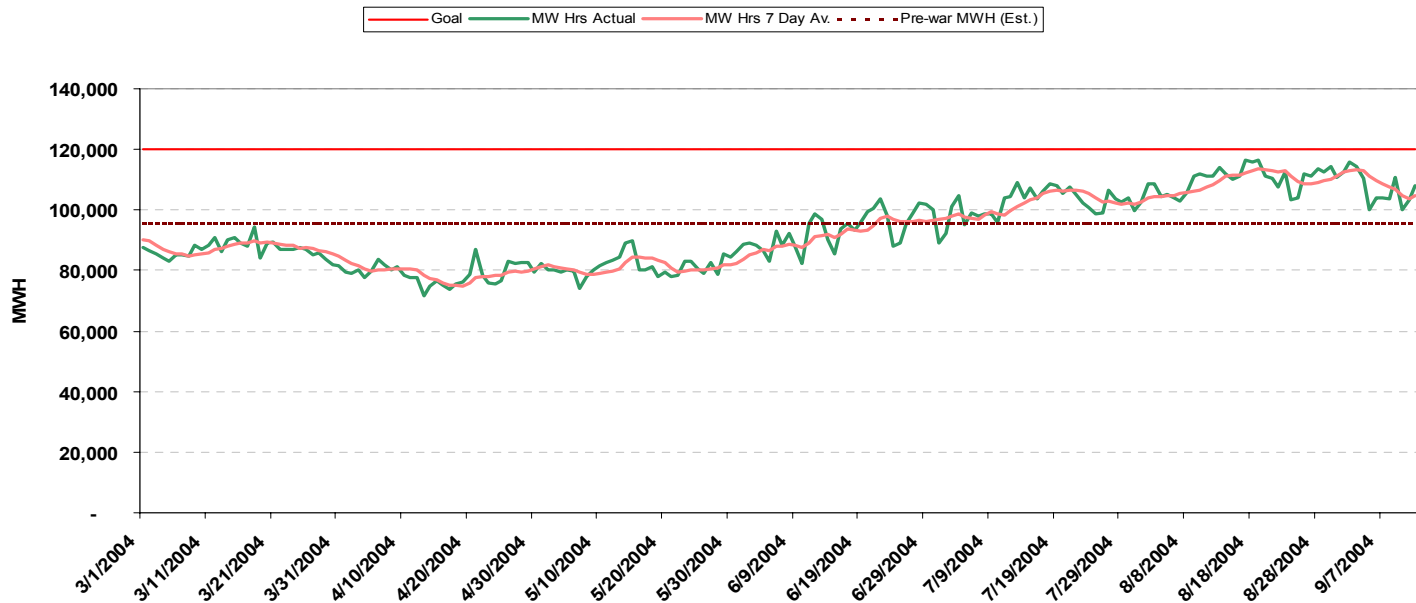
\$10,535.1M



Essential Services ñ Power

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Megawatt Hour Production (MWH)



Electrical Generation

- ï Pre-War 95,600 Megawatt Hour Production (est.)
- ï Goal 120,000 Megawatt Hour Production
- ï On average 470 MW of generation capacity was scheduled offline and while 331 MW was unscheduled for maintenance.
- ï 7 Day Average: 104,852 MWH



Project and Contracting Office (PCO) Developments



- ï To date, the PCO has issued 206 task orders, out of a total of 390 (53%).
 - ñ These task orders cover 2,301 projects nationwide, out of a total 2,824 (81%).
 - ñ Of the \$18.4 billion supplemental, \$9.94 billion has been committed, \$7.10 billion is contractually obligated, and \$1.138 billion has been disbursed.
 - ñ There are 119,596 Iraqi Employees from over 310 Iraqi Firms working on reconstruction affiliated with PCO.

- ï The Accelerated Iraq Reconstruction Program (AIRP) is meeting urgent local needs across Iraq, currently working on 621 total projects for \$2.4B:
 - ñ Projects cover: water and sanitation, health, education, building, roads, power, telecommunications, and various other with a new emphasis on schools and clinics.
 - ñ Upcoming round of contract awards will be open to all nations, with exception of states that sponsor terrorism.

Project and Contracting Office (PCO)



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Sector	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	3235	3095	2722	2731	1913	1921	550	562
Electricity Sector	5465	2538	2182	2328	1975	1975	248	344
Oil Infrastructure	1701	1701	1340	1317	818	820	39	42
Justice, Public Safety, and Civil Society	1033	825	733	705	407	382	41	43
Democracy	451	451	420	420	319	369	34	34
Education, Refugees, Human Rights, Governance	259	259	241	240	127	128	24	25
Roads, Bridges, and Construction	367	270	223	223	132	132	6	7
Health Care	786	577	574	574	381	385	2	2
Transportation and Communications	500	467	418	410	210	215	8	9
Water Resources and Sanitation	4246	892	860	860	672	676	14	16
Private Sector Development	183	135	102	102	49	69	34	34
Admin Expense (USAID, State)	213	29	29	29	29	29	19	20
TOTAL	18439	11239	9844	9939	7032	7101	1019	1138
CONSTRUCTION	12406	5815	5459	5555	4501	4478		
NON-CONSTRUCTION	5582	4973	3965	3964	2212	2254		
DEMOCRACY	451	451	420	420	319	369		
Total	18439	11239	9844	9939	7032	7101		

Interagency Iraqi Security Forces Update



Highlights:

- ï The focus of effort is shifting from acquisition of equipment to distribution within theater.
- ï 96,681 trained Iraqis are on duty and an additional 19,796 are in training.*
- ï Iraqi Security Forces capabilities continue to improve, but performance varies by region. Recent operations by elements in Najaf fighting demonstrates capability.

Manning:

- ï Additional 257 recruits started basic training in the Iraqi Army this week.
- ï 7,158 available and qualified recruits are now awaiting transportation to training.

Training:

- ï 855 law enforcement students graduated from training this week.
- ï 2,500 candidates will start police training this week.

Equipping:

- ï Over 4,000 radios are on hand and will be distributed starting this week.
- ï 122 ambulances and 157 other vehicles were delivered this week.

*Numbers reflect the expanded plan based on the recent troops to task analysis conducted by Iraqi Security Forces leadership and Multi-National Transition Security Command-Iraq, approved by Iraqi Interim Government leadership. These numbers do not include members of the Facilities Protection Service (FPS).

Ministry of Interior Man, Train & Equip Status



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<u>Organization</u>	<u># On Hand</u>	<u># Trained/In Training</u>	<u># Planned*</u>
Iraqi Police	84,950	35,295/3,479	135,000
Border Police	16,798	14,313/485	32,000
Civil Intervention Force	0	0/0	4,800
Emergency Response Force	83	83/0	270

*Reflects the expanded plan numbers based on the recent troops to task analysis

Ministry of Defense Man, Train & Equip Status



DEPARTMENT OF STATE

<u>Organization</u>	<u># On Hand</u>	<u># Trained/In Training</u>	<u># Planned</u>
Iraqi Army	12,699	4,789/7,910	27,000
Iraqi Intervention Force	7,417	1,928/5,489	6,584
Iraqi Special Operations Force	651	576/75	1,620
Coastal Defense Force	412	282/130	409
Air Force	182	143/39	502
Iraqi National Guard	41,461	39,272/2,189	62,032

*Reflects the expanded plan numbers based on the recent troops to task analysis



Stability Contributors - OIF

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Countries with forces in Iraq

31

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

TOTAL ~24K

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

Countries committed to provide forces for Iraq

1

33 Countries
 (including US)
and NATO
 Potentially Supporting
 Iraqi Stability and
 Humanitarian Relief

Iraq Weekly Status ñ General Information



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- ï Development, coordination and distribution responsibilities for the Iraq Weekly Status Report have been transferred from the Department of Defense to the Department of State.
- 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