DRAFT WORKING PAPERS

Iraq Status

This briefing is classified
UNCLASSIFIED
Derived from: Multiple Sources
## Highlights

<table>
<thead>
<tr>
<th>CPA Priorities:</th>
<th>CPA Intermediate Objectives:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Essential Services</td>
<td>• Reconstitute electric power infrastructure</td>
</tr>
<tr>
<td>• Security</td>
<td>• Reconstruct the telecom system</td>
</tr>
<tr>
<td>• Governance</td>
<td>• Draft &quot;Transitional Administrative Law&quot;</td>
</tr>
<tr>
<td>• Economy</td>
<td>• Build financial market structures</td>
</tr>
<tr>
<td>• Strategic Communications</td>
<td>• Increase professionalism of TV staff</td>
</tr>
</tbody>
</table>

### 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
Ambassador Bremer approved a new increase plan on 14 Jan 04 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 1,009 MW currently in scheduled maintenance. Unscheduled generator maintenance continues for 1,033 MW.

Data as of 16 Jan
Crude Oil Production

Weekly Average of 2.428 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
Diesel Production

- This week’s average production and imports are 83% of goal
Kerosene Production

Current Goal: 18.0 M Liters

- This week’s average production and imports are 63% of goal
Gasoline / Benzene Production

This week’s average production and imports are 75% of goal
Liquefied Petroleum Gas Production

This week’s average production and imports are 55% of goal
Essential Services - Education

Major constraints to reconstruction and reform in education:

- Politicization and rigid government control of the education system eroding Iraqi confidence in the system
- Inefficient management and limited capacity of the education sector
  - No rational process of strategic planning with inaccurate or contradictory data
  - Inadequate training of educational planning personnel
- Physical infrastructure deteriorating
  - Teaching aids absent and severe shortages of library books and science labs
  - 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
  - Lack of encouragement of innovation or initiatives
- Basic training and preparation of teachers is weak (5% of primary school teachers have university degrees)
  - Accreditation or evaluation systems nonexistent

Milestones:

- 72 million new textbooks will be distributed before end of school year
- 64,000 or more secondary teachers and 5,000 school principals and administrators will be trained in modern teaching methods
Essential Services - Healthcare

- Greatest cause of death among Iraqi infants is poor neonatal care:
  - Lack of skilled providers at birth
  - Low birth weight due to poor maternal nutrition/lack of child spacing
  - Feeding infant formula mixed with impure water
  - Lack of antibodies available through breastfeeding

- Improved infant survival rates being addressed through ongoing programs:
  - Nutrition training for health care workers and volunteers
  - Promotion of breastfeeding, screening for malnutrition, distribution of
    high protein biscuits, vitamin fortification of flour and salt, vitamin A
    distribution

- Immunization programs being continued to prevent childhood illnesses
  - More than 3 million children under five have been vaccinated under the
    Expanded Immunization Program since June 03

### 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

- Water supply network estimated functioning at 65% pre-war level
- 60% of population has access to limited supplies of potable water
- Local satisfaction with water service exceeds pre-war satisfaction levels (Oct – Dec 03 “Quality of Life Survey” conducted by Iraq Center for Research and Strategic Studies)
  - Of 19 governates, only 6 governates showed a net decrease in satisfaction levels
- Two thousand families in Baghdad’s Rashid district gained access to fresh water after new tanks were installed in their residential buildings

<table>
<thead>
<tr>
<th>Governorate</th>
<th>Water (service hours / day)</th>
<th>Before War</th>
<th>After War</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baghdad</td>
<td></td>
<td>19</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>Arbil</td>
<td></td>
<td>24</td>
<td>24</td>
<td>24</td>
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<tr>
<td>Dohuk</td>
<td></td>
<td>18</td>
<td>17</td>
<td>17</td>
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<tr>
<td>Sulaimaniyah</td>
<td></td>
<td>23</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>At-Ta’mim</td>
<td></td>
<td>14</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Nineveh</td>
<td></td>
<td>19</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Diyala</td>
<td></td>
<td>13</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Salah Al-Din</td>
<td></td>
<td>23</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Anbar</td>
<td></td>
<td>17</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Babylon</td>
<td></td>
<td>15</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>Karbala</td>
<td></td>
<td>17</td>
<td>17</td>
<td>23</td>
</tr>
<tr>
<td>Najaf</td>
<td></td>
<td>15</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Qadissiyah</td>
<td></td>
<td>12</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td>Basrah</td>
<td></td>
<td>19</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Dhi-Qar</td>
<td></td>
<td>23</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Al-Muthanna</td>
<td></td>
<td>18</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Maysan</td>
<td></td>
<td>14</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Wassit</td>
<td></td>
<td>20</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td><strong>Simple Average</strong></td>
<td></td>
<td><strong>17.9</strong></td>
<td><strong>15.5</strong></td>
<td><strong>19.2</strong></td>
</tr>
</tbody>
</table>
Essential Services - Telecommunications

- Cell phones currently available for businesses
  - Availability for average citizen anticipated early Feb 04
  - Black market cell phones being sold for up to $700/phone

- Operational Telephone Lines:
  - Baghdad: 51% phone lines operational (~ 221,000 in Dec 03)
  - Nationwide: 71% phone lines operational

- 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

- Iraqi Postmaster General announced 5 million new Iraqi stamps in production
  - Coordinating zip code assignment for provinces (6-month project)

- CPA and Ministry of Communications working on frequency allocations for public-safety band in Baghdad
Essential Services - Transportation

- Kurdistan Regional Government intends to restore commercial air service in Arbil through the Hawler International Airport Commission
  - Airport expected to support 10 flights/day and 30,000 passengers/month
  - Daily air cargo service could support as many as 100 Arbil businesses
- 3 critical bridges—Khazir, Tikrit, & Al Mat—will be in service by summer
  - Khazir, Tikrit, and Al Mat bridges are three spans that are indispensable for transporting commercial and humanitarian goods in Iraq
  - Rehabilitation of the bridges is part of USAID’s $34-million transportation program, implemented by Bechtel and Iraqi subcontractors

<table>
<thead>
<tr>
<th></th>
<th>Port cargo capacity (raw tonnage)</th>
<th>Commercial aircraft departures from Iraq</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-war national baseline</td>
<td>7M tons</td>
<td>2 - 3 per day</td>
</tr>
<tr>
<td>Current</td>
<td>6.3M tons</td>
<td>40 per day</td>
</tr>
<tr>
<td>01 Jul 04 Goal</td>
<td>7-8M tons</td>
<td>200 – 300 per day</td>
</tr>
</tbody>
</table>
### Total Security Forces in Iraq

<table>
<thead>
<tr>
<th>Security Forces (x1,000)</th>
<th>04 Dec</th>
<th>11 Dec</th>
<th>18 Dec</th>
<th>25 Dec</th>
<th>01 Jan</th>
<th>09 Jan</th>
<th>16 Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Iraqi Recruits *</td>
<td>4.5</td>
<td>4.7</td>
<td>4.8</td>
<td>5.4</td>
<td>5.9</td>
<td>7.1</td>
<td>7.5</td>
</tr>
<tr>
<td>Other Coalition</td>
<td>24.2</td>
<td>24.7</td>
<td>24.5</td>
<td>24.5</td>
<td>24</td>
<td>24.5</td>
<td>25.5</td>
</tr>
<tr>
<td>Iraqi Coalition Forces</td>
<td>159.9</td>
<td>161.6</td>
<td>161.6</td>
<td>165.3</td>
<td>198.3</td>
<td>203.4</td>
<td>202.9</td>
</tr>
<tr>
<td>US</td>
<td>123</td>
<td>123</td>
<td>122</td>
<td>122</td>
<td>122</td>
<td>125</td>
<td>124</td>
</tr>
<tr>
<td>Total</td>
<td>307</td>
<td>309</td>
<td>308</td>
<td>312</td>
<td>344</td>
<td>353</td>
<td>353</td>
</tr>
</tbody>
</table>

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

Data as of 16 Jan 04
Security Forces

Currently Operating: 202.9K
Currently in Training: 7.5K
Current Total: 210.4K
Goal: 226.7K

Police
- Currently Operating: 65.7K
- Goal 40K
- 3.3K

Civil Defense Corps
- Currently Operating: 17.8K
- Goal 40K
- 2.0K
- Goal 25.7K
- 0.5K

New Iraqi Army
- Currently Operating: 20.7K
- Goal 25.7K
- 1.1K

Border Police Service
- Currently Operating: 65.7K
- Goal 50K

*Facility Protection Service
- Currently Operating: 1.7K
- Goal 71K

Note: 26 of 29 Ministries Reporting

Data as of 16 Jan
## AMMO / Explosives / Weapons Captured (Weekly)

<table>
<thead>
<tr>
<th>Captured AMMO &amp; Explosives</th>
<th>21 - 28 Dec</th>
<th>29 Dec-04 Jan</th>
<th>05 - 11 Jan</th>
<th>12 - 18 Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembled IED</td>
<td>44</td>
<td>61</td>
<td>52</td>
<td>45</td>
</tr>
<tr>
<td>RPG rounds, Grenades</td>
<td>100</td>
<td>1,373</td>
<td>1,394</td>
<td>1,947</td>
</tr>
<tr>
<td>MANPAD rounds</td>
<td>4</td>
<td>13</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Mortar, Artillery, Rocket Rounds</td>
<td>1,337</td>
<td>3,584</td>
<td>3,263</td>
<td>5,541</td>
</tr>
<tr>
<td>Mines</td>
<td>6</td>
<td>8</td>
<td>304</td>
<td>48</td>
</tr>
<tr>
<td>Pounds of Explosives</td>
<td>185</td>
<td>113</td>
<td>2,301</td>
<td>510</td>
</tr>
<tr>
<td>Rounds &lt; 30mm</td>
<td>16,914</td>
<td>82,964</td>
<td>30,597</td>
<td>55,574</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Captured Weapons</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RPG Launchers</td>
<td>52</td>
<td>149</td>
<td>189</td>
<td>221</td>
</tr>
<tr>
<td>MANPAD Launchers</td>
<td>0</td>
<td>13</td>
<td>32</td>
<td>9</td>
</tr>
<tr>
<td>Small Arms</td>
<td>365</td>
<td>664</td>
<td>644</td>
<td>590</td>
</tr>
<tr>
<td>Crew Served Weapons</td>
<td>16</td>
<td>16</td>
<td>1</td>
<td>23</td>
</tr>
</tbody>
</table>
## Stability Contributors

### Countries with forces in Iraq

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

**34**

**TOTAL ~25,500**

### Countries considering decision to provide forces for Iraq

- Lithuania
- Macedonia
- Moldova
- Mongolia
- Netherlands
- New Zealand
- Nicaragua
- Norway
- Philippines
- Poland
- Portugal
- Romania
- Slovakia
- Spain
- Thailand
- Ukraine
- UK

**10**

**TOTAL TBD**

### 44 Countries

**Potentially Supporting Iraqi Stability and Humanitarian Relief**

Data as of 16 Jan
Governance – Democracy Building

- Success requires accelerated effort to develop institutions and build Iraqi capacity
- Governing Council requested support communicating with constituents
  - USAID Office of Transition Initiatives is working with CPA to provide Outreach Centers throughout Iraq to provide information about the transition

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

- **Nov 15**: New agreement between CPA and GC on transition process
- **Dec 10**: Tribunal established for crimes against humanity
- **Feb 28**: Drafting and approval of Transitional Administrative Law complete
- **Mar 31**: Bilateral security agreements complete
  - Sections to Transitional National Assembly complete
- **Jul 1**: Transitional National Assembly selects executive and assumes full sovereign powers for governing Iraq
  - CPA and GC dissolve
- **Mar 15**: Elections to constitutional convention complete
- **Dec 31**: Constitutional ratification and national elections complete

New Government Assumes Power
# Ministry Graduation Program

## Projected Ministry Graduation Time Line

<table>
<thead>
<tr>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>Agriculture</td>
<td>Transportation</td>
<td>Education</td>
<td>Central Bank</td>
<td>Oil</td>
</tr>
<tr>
<td>Communications</td>
<td>Water</td>
<td>Trade</td>
<td>Displacement and Migration</td>
<td>Planning and Development</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>Higher Education</td>
<td>Trade</td>
<td>Electricity</td>
<td>Public works</td>
<td></td>
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<tr>
<td>Agriculture</td>
<td>Communications</td>
<td>Water</td>
<td>Finance</td>
<td>Culture</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>Trade</td>
<td>Higher Education</td>
<td>Housing and Construction</td>
<td>Environment</td>
<td></td>
</tr>
<tr>
<td>Higher Education</td>
<td>Trade</td>
<td>Higher Education</td>
<td>Foreign Affairs</td>
<td>Human Rights</td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>Higher Education</td>
<td>Higher Education</td>
<td>Industry and Minerals</td>
<td>Youth and Sports</td>
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<tr>
<td>Higher Education</td>
<td>Trade</td>
<td>Higher Education</td>
<td>Interior</td>
<td>Science and Technology</td>
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<tr>
<td>Higher Education</td>
<td>Trade</td>
<td>Higher Education</td>
<td>Justice</td>
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<tr>
<td>Higher Education</td>
<td>Trade</td>
<td>Higher Education</td>
<td>Labor and Social Affairs</td>
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<td>Higher Education</td>
<td>Trade</td>
<td>Higher Education</td>
<td>Office of Security Affairs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Justice - New Official Documents

- Delegation of Authority Regarding Establishment of a Property Claims Commissions signed 14 Jan 04
  - Authorizes Governing Council to establish Iraq Property Claims Commission (IPCC) to collect and resolve real property claims
  - To promulgate procedures through statute for promptly resolving claims in a fair and judicious manner
Ministry of Finance is preparing an automated accounting and budgeting system to manage financial information in Iraq’s public sector.

The system aims to:
- Enable Iraq to establish strong fiscal controls and proper segregation of duties
- Enable written policies and procedures for procurement and budget execution
- Facilitate improved cash and debt management
- Assist in the efficient processing of transactions
- Produce reports in a timely and accurate manner

Training in the operation and management of the new system will also be provided to staff of the Iraqi ministries.
Economics – Currency & Banking

• CPA micro credit program aims to reactivate private sector growth, development and employment by providing credit services to financially viable small labor-intensive businesses
  – 827 loans totaling $1.6 million have been made with a repayment rate of 100 percent

• Currency exchange completed
  – Recent volatility of the dinar and its appreciation relative to the US dollar can be attributed to the conclusion of the currency exchange program
  – Price should stabilize in the coming days
  – The settlement price was 1,405 Iraqi dinars per US dollar, compared with an average street price of 1,395 to the dollar

Banking Sector Metrics

• Proportion of Iraqi bank branches whose bankers have been certified by our programs by March 2005

• 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

• National Employment Program’s job generation project now employs more than 75,000 people
  – Total project spending surpassed 10 billion new Iraqi dinars
• The $4-million Marshlands Restoration and Management Program initiated in Oct 03 provides social economic assistance to marsh dwellers integrated with wetlands restoration
• Najaf businesses are developing stable local economies by collaborating with local government
• Export-Import Bank of the US (Ex-Im Bank) can provide three different types of financing to support Iraqi reconstruction efforts
  – Short-term credit insurance under new, $500 million facility for the Trade Bank of Iraq
  – Guarantees or insurance if there is a creditworthy source of repayment
  – Working capital guarantees for US subcontractors to US government-funded reconstruction contracts
## Iraq Funds Status ($ Millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Available</th>
<th>Total Committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNCLASSIFIED</td>
<td>$58,858</td>
<td>$22,706</td>
</tr>
</tbody>
</table>

### Diagram

- **US Appropriated Funds**
- **Development Fund for Iraq**
- **Vested Assets**
- **Seized Assets**
- **Donor Pledges**
- **IRRF FY04**
- **Oil for Food**

- **Total**
- **Committed**
Program Management Office

- $5.0B in Requests For Proposals Released
- PMO Released Construction and Program Management (PgM) solicitations
  - 7 PgM solicitations for 6 sectors and PMO
- Proposals awarded by 15 Mar and 30 Mar for PgM and construction respectively
  - Bidders conference 21 January – Dulles Marriott (Tentative)
- PMO administration and program support transitioning to SecArmy
- PMO Web-site Portal operational: www.rebuilding-iraq.net
Strategic Communication

- Al-Iraqiyah (formerly 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