This briefing is classified
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Derived from: Multiple Sources
### CPA Priorities:
- Essential Services
- Security
- Governance
- Economy

### CPA Intermediate Objectives:
- Repair electric power infrastructure
- Rebuild the telecomms system
- Successful Constitutional Convention
- Implement new media strategies

### Weekly Highlights:
- **Iraq National Power Production**: Reached a high of 4,005 MW this past week.
- **First successful international calls**: Through Iraqi telephone system.
- **27 Oct**: University of Mosul Law School holds first symposium on separation of power and concept of federalism.
- **Iraqi Media Network contract bidder conference**: To be held in Amman this week.
As of 04 0830 EST Nov 03

TF Restore Iraqi Electricity (RIE) Overview

Goal 01 Oct 03: 4,400 MW Production and Transmission
Goal 01 Jun 04: 6,000 MW Production and Transmission

- Autumn Overhaul / Outage Program began 13 Oct 03 and ends Mar 04. The planned power production is based on CPAs overhaul / maintenance plan.

- Coalition Forces began transitioning security duties for 20 electrical facilities to the Ministry of Electricity (MOE) security forces. Transition of authority will be complete by the end of Nov.

- The Iraqi MOE entered into a joint project with Jordan to construct an electrical distribution grid shared by the two countries. This is a long term project.
Crude Oil Production

Mid-Term Target (Dec 03): 2.1 MBPD (Pre-War Average for 2002)

- Long Term Target (Dec 04): 3.1 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Feb 03
- Post-war Peak: 2.185 MBPD on 28 Oct 03
- Weekly average of crude exports: 1.4 MBPD

Domestic Need: 450,000 BPD

Current Price Per Barrel: c. $23.61

WEEKLY AVERAGE OF 2.16 MBPD EXCEEDS MID-TERM TARGET OF 2.1 MBPD
Diesel Supply

Goal: 18.0 M Liters

- Supply currently 70% of goal
- Multiple pipeline breaks due to sabotage, wear, and parts/equipment failures have hampered refined product production and delivery over past week
Kerosene Supply

- Kerosene imports began 05 Oct. Initial goal = 2.0M liters / day
- Current supply 67% of total goal
Gasoline / Benzene Supply

Goal: 18 M Liters

- Current supply 73% of goal
Liquid Propane Gas Supply

- Southern LPG plant has stable power, will begin processing once NGL delivery starts; NGL processing delayed by pipe rupture in propane cooling system of NGL Plant
- Current supply 75% of goal
Essential Services - Education

Educational Enrollment

- School registration and attendance stabilizing at approximately 3.6 million primary and 1.5 million secondary students
- Record 97,000 Freshmen applications for 03-04 academic year (63,000 last year)
  - 22 Major Universities, 43 Technical Schools

Current Activities

- Ministry of Education (MOE) establishes universal school ID number to provide student and teacher management and more accurate budgets
- MOE survey supports planning and helps establish teacher and staff salaries
- MOE being equipped with the Education Management Information System (EMIS)

<table>
<thead>
<tr>
<th>K-12 School Buildings In Iraq</th>
<th>13,597</th>
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</thead>
<tbody>
<tr>
<td>Rehabilitations Completed by 10/14</td>
<td>1,628</td>
</tr>
<tr>
<td>Rehabilitation goal by 10/1</td>
<td>1,000</td>
</tr>
<tr>
<td>Ongoing school rehabilitations</td>
<td>393</td>
</tr>
</tbody>
</table>

Includes repair / replacement of doors, windows, restroom facilities; generally no major reconstruction or new construction
Essential Services - Healthcare

Milestones

- Oct 03: Achieve 100% of pre-war level of healthcare throughout Iraq
- EOY 03: 70-80% national coverage for children’s immunizations
- FY 04: Update medical technologies and fix infrastructure / equipment

Current Activities

- Ministry of Health (MOH) is developing a strategic plan for a sustainable healthcare system for 2005 and beyond
- Spanish Brigade completed newly built wing of 8 rooms accommodating 6 beds for the hospital in MND CS

Compared to life under Saddam’s rule:

- Public health spending has increased 26 times
- Doctor’s salaries are eight times higher
- Pharmaceutical distribution and child vaccination programs dramatically increased in size and effectiveness
Essential Services - Water

Water Supply and Sewage Treatment Milestones (in Liters)

<table>
<thead>
<tr>
<th></th>
<th>Pre-War</th>
<th>Post-war</th>
<th>Jun 04</th>
<th>Nov 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potable Water Availability</td>
<td>12.9 Million</td>
<td>4.0 Mil</td>
<td>13.4 Mil</td>
<td>21.3 Mil</td>
</tr>
<tr>
<td>Sewage System Coverage</td>
<td>6.2 Million</td>
<td></td>
<td>85% cap</td>
<td></td>
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Current Activities

- 1.6M people benefit from rehabilitation of six water treatment plants in Babil, Diyala, and Baghdad governorates
- 103 rural water treatment plants rehabilitated in five central and southern governorates (serve 272,000)
- Water treatment plant in al Hillah repaired (serves 550,000)
- Bechtel continues dredging at the first section of the two-part reservoir at Basrah end of the Sweet Water Canal

Irrigation Canals

<table>
<thead>
<tr>
<th>Irrigation Canals</th>
<th>Km (est)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Irrigation Canals in Iraq</td>
<td>27,000</td>
</tr>
<tr>
<td>Canals needing clearance May 03</td>
<td>20,000</td>
</tr>
<tr>
<td>Canals cleared as of 27 Sept</td>
<td>15,000</td>
</tr>
<tr>
<td>Canals being cleared per week</td>
<td>500</td>
</tr>
</tbody>
</table>

Ministry currently estimates 85% completion toward pre-war levels for water, sanitation and municipal services
Essential Services - Telecommunications

TELECOM Connections

<table>
<thead>
<tr>
<th>Type</th>
<th>Pre-War</th>
<th>Sept 2003</th>
<th>Jan 2004 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landline</td>
<td>1,100,000</td>
<td>850,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Wireless</td>
<td>0</td>
<td>0</td>
<td>50,000</td>
</tr>
<tr>
<td>Internet</td>
<td>4,500</td>
<td>4,900</td>
<td>50,000</td>
</tr>
</tbody>
</table>

- Milestones
  - Sep 03: Internet connectivity established to 15 of 18 governates
  - Oct 03: Cell phone contract awards to Asia-Cell (N), Orascom (C), Atheer (S)
  - Oct 03: Issue regulations encouraging competition and wireless Internet
  - 23 Oct: First successful international calls
  - 5 Nov: All active subscribers to have access to the international gateway
    - Two of thirteen switches installed
    - 250,000 consumer lines can then be restored to service
  - Dec 03: Begin cell phone service
  - Dec 03: Restore nationwide landline connectivity
Essential Services - Transportation

• Iraqi Civil Aviation Authority (CAA) sent 27 Air Traffic Controllers (ATC) to Jordanian Queen Noor aviation college for a four-week course
  – Important first step towards recertification as accredited controllers

• Ministry of Transportation (MOT) is working with Iraqi Airways to formulate a plan to fly the Hadj (end of Jan through first days of Feb 04)
  – Iraqi Airways has never failed to fly the Hadj
  – MOT views it as a service of national and religious importance

• Iraqi Republic Railways (IRR) is negotiating a contract with the Turkish Railway for transportation of petroleum products
  – Trains of partially refined crude will be transported to Turkey, where the tanker cars will be cleansed.
  – Returning train will transport gasoline

• Bechtel Railroad team held pre-bid meetings for subcontract to provide crush and transport ballast and subcontract for workshop construction and loading of IRR trains
Total Security Forces in Iraq

- Iraq Security Force casualties (since 01 Jun): 86 KIA, 153 WIA
- US Forces decreasing as a percentage of total forces
As of 04 0830 EST Nov 03

DRAFT WORKING PAPERS

Stability Contributors

Countries with forces in Iraq

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

32

TOTAL ~25,000

Countries considering decision to provide forces for Iraq

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

14

TOTAL TBD

46 Countries
Potentially Supporting Iraqi Stability and Humanitarian Relief
Governance - National

MILESTONES

• 14 Jul: GC established

• 11 Aug: Constitutional Prep Committee appointed

• 01 Sep: Highly qualified interim cabinet ministers appointed
  – 9 PhDs, remainder with advanced degrees
  – 2 physicians, 1 attorney, numerous engineers

• 10 Sep: Governor of Central Bank named

• 19 Sep: Council of Judges established to supervise judicial and prosecutorial systems - provides independent judiciary

• Oct: Constitutional Prep Committee submits options to choose Convention

• 15 Dec: Deadline to establish constitutional process and timeline

• Challenges:
  – Capacity for elections
  – Method to choose qualified reps to Constitutional Convention
DRAFT WORKING PAPERS
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Governance - International Recognition

MILESTONES

• 08 Sep: Arab League grants seat to GC
• 12 Sep: GC members seated at UN session
• 20 - 21 Sep: GC - Ministerial delegation attended WB / IMF meetings in Dubai
• 24 Sep: Iraqi delegation attends OPEC meeting
• 22 Sep - 03 Oct: 13 GC members attend UN sessions
• 02 Oct: GC President Chalabi addresses UN GA
• 08 Oct: GC reps attend OIC Kuala Lumpur meeting
• 16 Oct: UNSC approves resolution inviting GC to submit by 15 Dec a timetable for drafting new constitution and holding democratic elections
• 21 - 23 Oct: Iraqi delegates attend Madrid Donors’ Conference

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Governance - Local

- 255 municipal councils mostly in urban areas
  - 100% of Iraqis represented by a council at municipal or governate level
- Baghdad has one city, 88 neighborhood, and 9 district councils
  - First time in 35 years people of Baghdad have direct, meaningful say in community affairs
- 27 Oct: 300 women attend Sulimaniya University forum on women’s participation in politics and government
- 27 Oct: University of Mosul Law School held symposium on governance issues entitled “Human Rights and Democracy”
  - Focused on separation of powers; human rights within a democracy; and concept of federalism
  - Later sessions will target general public to raise awareness of governance issues and produce a better informed electorate
- Challenges:
  - Increasing involvement of women (75 of 800 representatives at various levels)
  - Enhancing credibility of local councils
Economics - Financial Market Structures

- Central Bank Governor announced six foreign banks to be licensed to operate in Iraq in the next five years
  - Request for Application to be issued within weeks
  - Banks should put up minimum capital of $25 million and concentrate on high-tech and e-banking services
- UN transfers additional $1 billion to Development Fund for Iraq from Oil For Food escrow account
- Currency exchange is proceeding well
  - Over 2.25 billion banknotes positioned in Iraq
  - Expect over 1.5 billion notes to be exchanged directly for old dinars
  - Central Bank conducts currency auctions to set market exchange rate (Oct 22 auction market settlement rate = 1,920 old dinars to $1)
Economics - Private Sector Development

- Six legal experts to review key commercial laws related to impact trade, investment, and commercial activity
  - Determine extent to which legislation promotes or constrains private investment and private sector growth and development
  - Make recommendations re legislation that creates investor friendly, market-driven economic legal framework
- National Employment Program in public works sector will generate 100,000 jobs per quarter
  - Pilot program already generated 9100 jobs
- CPA is developing privatization plan for 150 of 190 State Owned Enterprises (SOEs)
  - Minister of Industry and Minerals proposes leasing 18 SOEs to foreign concessionaires for 5 to 10 years
Economics - Donors' Conference

• Madrid Donors Conference attended by 73 countries, 19 International Organizations and 13 Non-Government Organizations

• United Nations, World Bank, and International Monetary Fund estimate costs to build Iraqi infrastructure: $50 - 75B

• $20.3B Supplemental covers 27 - 40% of the estimate

• Conference brings in $13 billion in new pledges
  – $4.9 billion are outright grants
  – Loans account for the balance
Iraq Funds Status ($ Millions)

- **Total Available**: $9,662
- **Total Committed**: $6,804

**Iraq Funds Status ($ Millions)**

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

**Legend**
- **Total**
- **Committed**