DRAFT WORKING PAPERS

Iraq Status

This briefing is classified
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### Highlights

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<th>CPA Priorities:</th>
<th>CPA Intermediate Objectives:</th>
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<td>• Essential Services</td>
<td>• Reconstitute electric power infrastructure</td>
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<td>• Security</td>
<td>• Reconstruct the telecoms system</td>
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<td>• Governance</td>
<td>• Successful Constitutional Convention</td>
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<td>• Economy</td>
<td>• Build financial market structures</td>
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#### Weekly Highlights:
- Average peak output for the reporting period was 3941MW
- Cellular system vendors awaiting licenses—pre-positioning equipment
- GC under pressure to meet Dec 15 deadline for process
- Central Bank Governor announced six foreign banks to be licensed to operate in Iraq in the next five years
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 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)

- Current Price Per Barrel: c. $25.43
- Domestic Need: 450,000 BPD

WEEKLY AVERAGE OF 2.2 MBPD EXCEEDS MID-TERM TARGET OF 2.1 MBPD

- Long Term Target (Dec 04): 3.1 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Feb
- Post-war Peak: 2.255 MBPD on 02 Nov
- Weekly average of crude exports: 1.4 MBPD
Diesel Supply

Goal: 20.9 M Liters

- Target raised to 20.9 M liters / day on 01 Nov
- Supply currently 61% of goal
- Multiple pipeline breaks due to sabotage, wear, and parts / equipment failures continue to hamper production and delivery of all refined products
Kerosene Supply

- Kerosene imports should improve over next two weeks – two kerosene ships at Khor Az Zubayr; imports by truck from Turkey, Jordan and Kuwait should increase to over 5 million liters / day by mid-Nov

- Current supply 52% of goal – target raised to 18.4 on 01 Nov

Goal: 18.4 M Liters

As of 10 2300 EST Nov 03
Gasoline / Benzene Supply

Goal: 20.6 M Liters

- Target raised to 20.6 M liters / day on 01 Nov
- Current supply 56% of goal
• Southern LPG plant has stable power, will begin processing once NGL delivery starts, around 11 Nov

• Sabotage to natural gas pipeline supplying Mosul plant that produces 80 - 85% of Iraq’s domestic LPG

• Current supply 45% of goal – target raised to 7900 on 01 Nov
Essential Services - Education

- Education Minister to meet with UNICEF and UNESCO reps in Jordan to rationalize different data sets produced for Iraq education sector
- Ministry preparing to deliver second master teacher training class for 200 teachers, principals and supervisors based in Baghdad
- 88 Baghdad Neighborhood Advisory Councils collaborate to enhance school learning quality
- 98% of initial distribution of student kits is completed (1,182,000 kits)
- 82% of school furniture has been delivered; remainder by end of month

TEXTBOOK STATUS

- 21 of 24 revised math and science texts delivered to primary and secondary schools
  - In Baghdad, 68% of all math and science textbooks distributed; 84% distributed around the rest of Iraq
- Status of remaining texts:
  - 47.10% of grade 6 science books have been delivered
  - 69.47% of grade 2 math books have been delivered
  - 29.44% of grade 10 physics books have been delivered
Essential Services - Healthcare

Milestones

- Oct: 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

- Contracts for the rehabilitation of 63 medical clinics around the country include 25 in Baghdad, 20 in Al Basrah, 10 in An Nasiriyah, and 8 in north
- Ibn Al-Qiff Spinal Injury Hospital received equipment and supplies to improve inpatient care for 125 patients and general care for 4,000 patients
  - Teaching hospital and only spinal injury treatment facility in Iraq

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 Mil</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 Mil</td>
<td></td>
<td>85% cap</td>
<td></td>
</tr>
</tbody>
</table>

Current Activities

- Ministry of Municipalities and Public Works estimates that 50% of the population has access to potable water
- Ministry achieved 30 Sep target of 80% of pre war level for public access to water/sanitation and municipal services
  - Equipment, spare parts, and supplies remain primary limiting factor
- Ministry plans approximately 80 sewer projects to achieve target of 15% of the population with sewage access by Jul 05

- All Baghdad’s sewage treatment plants will be running at full capacity by Oct 04, serving 3.5 million residents

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</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>
As of 10 2300 EST Nov 03

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

- Oct: Cell phone contract awards to Asia-Cell (N), Orascom (C), Atheer (S)
- 23 Oct: First successful international calls using new satellite gateway
- 15 Nov: All active subscribers to have access to the international gateway
- Four of 12 Baghdad telephone exchanges installed
- Dec: Begin cell phone service
- Dec: Restore nationwide landline connectivity
- Draft licenses for three mobile telecommunications vendors being formulated
  - Vendors pre-positioning cellular equipment
  - Expectation is that limited operations will begin in urban areas within 30 days of award
• Italy promised to fund 35 automatic weather stations in Iraq providing real-time meteorological data to the international community
• Plans to transition the commercial side of BIAP from military to civilian control have begun
  • BIAP passenger terminal has been processing passengers for govt and NGO charter flights without incident since 05 Oct
• Railway security continues to deteriorate with only two trains completing runs last week
  • 25 Oct was worst single day with three separate attacks on the railroad system and one derailment
  • CPA and CJTF-7 are conducting review to identify immediate and longer term solutions
• Iraq Telephone and Post Company (ITPC) reported that 400 bags of mail are held-up in Jordan due to a lack of safe ground transportation
  • ITPC preferred solution is to fly the mail to Baghdad on Jordanian Air
### Security Forces (x1000)

<table>
<thead>
<tr>
<th>Date</th>
<th>Additional Iraqi Recruits *</th>
<th>Other Coalition</th>
<th>Iraqi Operating w/ Coalition</th>
<th>US</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-Sep</td>
<td>13.7</td>
<td>23</td>
<td>66</td>
<td>129</td>
<td>218</td>
</tr>
<tr>
<td>24-Sep</td>
<td>13.5</td>
<td>23</td>
<td>69</td>
<td>136</td>
<td>228</td>
</tr>
<tr>
<td>3-Oct</td>
<td>11.9</td>
<td>24</td>
<td>84</td>
<td>136</td>
<td>244</td>
</tr>
<tr>
<td>10-Oct</td>
<td>11.7</td>
<td>24</td>
<td>89</td>
<td>134</td>
<td>247</td>
</tr>
<tr>
<td>17-Oct</td>
<td>11.5</td>
<td>24</td>
<td>86</td>
<td>133</td>
<td>243</td>
</tr>
<tr>
<td>24-Oct</td>
<td>11.3</td>
<td>24</td>
<td>93</td>
<td>132</td>
<td>249</td>
</tr>
<tr>
<td>31-Oct</td>
<td>6.4</td>
<td>25</td>
<td>116</td>
<td>131</td>
<td>272</td>
</tr>
<tr>
<td>7-Nov</td>
<td>6.9</td>
<td>25</td>
<td>131</td>
<td>128</td>
<td>284</td>
</tr>
</tbody>
</table>

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

- Iraq Security Force casualties (since 01 Jun): 86 KIA, 153 WIA
- US Forces decreasing as a percentage of total forces
Iraqi Security Forces

Currently Operating: 131.5K
Currently in Training: 6.9K
Current Total: 138.4K
Goal: 221.7K

* Based on new goals briefed by CDRCENTCOM to President and SecDef

<table>
<thead>
<tr>
<th>Service</th>
<th>Currently Operating</th>
<th>Currently in Training</th>
<th>Goal</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>62.2K</td>
<td>0.1K</td>
<td>71K</td>
<td>0.9K</td>
</tr>
<tr>
<td>Civil Defense Corps</td>
<td>8.5K</td>
<td>5.3K</td>
<td>40K</td>
<td>0.7K</td>
</tr>
<tr>
<td>New Iraqi Army</td>
<td></td>
<td></td>
<td>35K</td>
<td>0.1K</td>
</tr>
<tr>
<td>Border Police Service</td>
<td>12.2K</td>
<td>0.9K</td>
<td>25.7K</td>
<td>0.5K</td>
</tr>
<tr>
<td>Facility Protection Service</td>
<td></td>
<td></td>
<td>50K</td>
<td>0.1K</td>
</tr>
</tbody>
</table>

Operating w/Coalition □ Additional Recruits
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

Total: 32
Total forces: ~25,000

Countries considering decision to provide forces for Iraq

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

Total: 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

As of 10 2300 EST Nov 03
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
- Late Oct: Transportation Minister Behnam and SA Darrell Trent participate in high-level talks with Jordanian and Syrian transportation ministers and other governmental leaders
Progress Indicators:

• 19 of 64 neighborhoods in Al Hillah (Babil Governorate) plan to establish neighborhood advisory councils
  – Neighborhood contains up to 30,000 residents, similar to U.S. city ward
  – Basic unit of urban organization

• Babil Governorate Information Center is fully operational, staffed by seven Iraqi systems analysis, programming, database, and computer training specialists
  – Focuses on developing statistical data to support operational and policy decisions of the Babil interim Governorate Council and Ministry of Education
  – Maysan Governorate tribal and political party leaders attended a summit to draft a peace treaty, agreeing not to solve disputes with violence
  – Reinforced the concept of rule of law and importance of courts

• Maysan Governorate Treasury Director and 70 department heads of the Finance Directorate General will attend a budget and finance seminar
  – Will address directorate concerns that current budget planning and allocation process is confusing, contradictory, and slow
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
  – 72% of new Iraqi dinars being printed overseas have arrived
  – Expect over 1.5B notes to be exchanged directly for old dinars
  – 1.22 trillion new dinars in circulation, represent 28% of 4.364 trillion expected to be converted
  – Central Bank conducts currency auctions to set market exchange rate
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 - Oil for Food Program Transition

• CPA / MOH delegation to Amman coordinated transition plans for pharmaceuticals and medical supplies currently being provided by OFP
  – Considering using Amman as a staging area for collection and distribution

• UN Food and Agriculture Organization (FAO) has renegotiated 27 OFP contracts
  – More than 40,000 metric tons of fertilizer, 810 vehicles, planting seed, fungicides and irrigation equipment to be delivered to Ministry of Agriculture (MOA) warehouses

• Delivery of fertilizer under OFP is behind schedule
  – FAO estimates 60,000 metric tons of DAP fertilizer will arrive by mid-Nov and remaining 80,000 metric tons by mid-Dec

• MoMPW is coordinating with Ministry of Trade and CPA Operations Center in tracking OFP deliveries, inspection, and certification of water and sewer equipment
Iraq Funds Status ($ Millions)

Total Available $9,662
Total Committed $6,804