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<tr>
<td></td>
<td>27</td>
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</tbody>
</table>
Political/Governance

Najaf Standoff Ends:
• The Iraqi Interim Government (IIG) reestablished law and order in Najaf, and through the good offices of Ayatollah Sistani, brokered a deal with Sadr and his militia supporters that resulted in Sistani being handed the keys to the Imam Ali mosque.

Economic

Oil Production and Exports:
• As of August 24, oil revenue for 2004 has been estimated at $10.5 billion

Food Security:
• The Public Distribution System food pipeline shows possible shortfalls in all commodities over the course of the next four months.
Reconstruction
Accelerated Iraqi Reconstruction Program (AIRP):
• Recent decreased AIRP employment numbers due primarily to work stoppages from hostilities in Sadr City, Najaf, Diwaniya and Samarra.

Security
Security Forces Update:
• Iraqi security forces capabilities continue to improve. Capability is demonstrated by recent operations by Iraqi security elements in Najaf conflict.

Significant Attacks:
• Assassination attempts were made on the Ministers of Education and Environment in separate incidents on 24 August.
Governance - Developments

Najaf Situation:
- Tensions in Najaf were diffused on August 27 when Shi’ite cleric Ayatollah Ali al-Sistani was able to broker a deal with Moqtada al-Sadr’s forces and the keys to the Imam Ali mosque were handed over to Sistani.
- Aides of al-Sadr have stated that he plans to participate in the political process in Iraq. Additionally, media reports have announced that Sadr has ordered a ceasefire by Mahdi Army militia until his political plans are made public, although no formal, written ceasefire statement has been received.

NATO Training:
- A team of 57 NATO officers has begun training Iraqi security forces. This Training Implementation Mission will help rebuild the Defense Ministry and military headquarters.
Capacity Building:

- The State Department is promoting capacity building and democracy through US-based programs for Iraqis.
  - "NGO Management" International Visitor Program (August 14-Sept 3): Highlighting the role that the non-profit sector plays in U.S. society, and the many ways that non-governmental organizations (NGOs) promote democracy and civic involvement.
  - "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.

- USAID continues to implement local governance activities in 18 governorates, increasing Iraqis’ understanding of democratic principles and the political process.
  - Advisors from the Local Governance Program are working with local government representatives in Babil Governorate to improve the delivery of services, management techniques, and the execution of council responsibilities using the democratic process.
Economy

Oil Update

• As of August 24, oil revenue for 2004 has been estimated at $10.5 billion.
• Crude oil prices continue to fall in world markets with Kirkuk Crude closing at $37.90/barrel and Basra Light closing at $34.99/barrel for week ending 27 August.

Employment Update

Number of Iraqis employed by each sector/project

<table>
<thead>
<tr>
<th>Sector</th>
<th>Iraqis last week</th>
<th>Iraqis this week</th>
<th>% Increase on week</th>
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</thead>
<tbody>
<tr>
<td>Buildings, Health &amp; Education</td>
<td>2,546</td>
<td>2,945</td>
<td>15.7%</td>
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<tr>
<td>Electricity</td>
<td>516</td>
<td>482</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Oil</td>
<td>566</td>
<td>391</td>
<td>-30.9%</td>
</tr>
<tr>
<td>Public Works &amp; Water</td>
<td>4,021</td>
<td>3,459</td>
<td>-14.0%</td>
</tr>
<tr>
<td>Security &amp; Justice</td>
<td>3,900</td>
<td>3,815</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Transportation &amp; Communications</td>
<td>209</td>
<td>169</td>
<td>-19.1%</td>
</tr>
<tr>
<td>AIRP</td>
<td>12,903</td>
<td>12,914</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

PCO Weekly Survey TOTAL 24,661 24,175 -2.0%

USAID 62,621 88,436 41.2%

MILCON TOTAL 268 2,010 650.0%

GRAND TOTAL 87,550 114,621 30.9%

* AIRP decrease in employment of approximately 4,500 Iraqi workers is due to work stoppages from hostility in Sadr City, Najaf, Diwaniya and Samarra

Data as of 25 Aug
Economy (cont.)

Securities Exchange

• Two USAID Requests for Funds actions were reviewed and approved.
  – One action for $.5M will train Iraqi Stock Exchange staff in compliance, surveillance, inspection and enforcement skill and techniques.
  – The second action for $1M will procure an automated trading, clearing, settlement and depository system for the Iraqi Stock Exchange.

• Trading surges at the Iraqi Stock Exchange (ISX) with NID 3 billion (US $2M) in trading value and double the number of listed companies since trading began last fall.

• Trading sessions are held in a former hotel restaurant twice a week for two hours per day. There are plans to build a new trading floor within 6 months.

Currency Update

• At the New Iraqi Dinar (NID) auction on August 30, the settlement price was 1,460 dinars per dollar, and has remained unchanged since June 16.
  – A total of 18 banks trading.
Economy – Private Sector Development

Boosting Wheat Production

- The MOA and USAID’s Agriculture Reconstruction & Development Program (ARDI) are working together to develop a wheat production campaign.
  - The campaign aims to replace a portion of imports with more efficient domestic production and increase employment and incomes for Iraqi farmers.
  - The campaign will help improved Iraq’s seed certification program, the most significant factor in improving wheat quality and yields.

Employment and Vocational Training Centers

- USAID will provide additional resources (instructional material, trainers, etc) to the 18 employment and 6 vocational centers the DOL opened in Iraq earlier this year. The following are conservative estimates of current program participants:
  - 128,000 Iraqis have registered with the employment centers from Jan - July, 2004
  - 57,000 vacancies identified
  - 34,000 people willing to undergo training
  - 600 Iraqis have been trained
- Baghdad's labor pool is about 8 million people, thus this program has about 2% of the population registered.
Current Projects

• PCO has several current water supply projects totaling $64.9M and several water sanitation projects, including Najaf City sewerage rehabilitations totaling $55M.

• The rehabilitation of two wastewater treatment plants in Baghdad continues.
  – These plants will treat nearly 75 percent of the wastewater flow from Baghdad municipality once complete.

• Restoration of 14 Basrah Governorate water treatment plants is almost complete. All USAID work at this plant is scheduled for completion mid-September 2004.

• The rehabilitation of a wastewater treatment plant in Babil Governorate continues and is on schedule for completion by November.
  – Once complete, the plant will serve approximately 53,000 Iraqis.
Essential Services - Telecommunications

- Total number of telephone subscribers in Iraq is now over 1,480,148 (including 680,416 cell phone subscribers) – 77.7% above pre-war levels
- There are now 799,732 land line telephone subscribers in Iraq, compared with 833,000 subscribers pre-war

Source: IRMO Office of Communications as reported by Iraqi Telephone and Postal Company

- The First Responder Network, a communications network that will connect police services, fire services, emergency response services, and the military, was issued a Notice to Proceed this week for Region 5
Essential Services - Food Security

WFP Program

- This chart is the current projection of monthly closing stocks in days of supply of the Public Distribution System through the end of 2004. The MOT’s goal is to establish a three-month buffer stock. The horizontal axis is placed at 30 days stock to reflect a minimum goal of enough stock on hand to meet ration requirements of the proceeding month.

- The pipeline shows shortfalls in all commodities over the course of the next four months.

Source: IRMO Office of Trade Food Security Team
Essential Services - Health Care & Education

Health Care

- PCO has 35 new projects underway, totaling $214M that can start within 30-60 days of cessation of hostility.
  - The health care sector constitutes a total of $33.6M of the funding, to include;
  - Five new clinics at $1.2M each and a new maternity & pediatric clinic at $27.5M

Education

MEF CERP Projects

- There are currently 35 CERP projects totaling $1.2M that have been initiated and prioritized by the MEF.
- Additionally, there are 9 older miscellaneous repair and upgrade projects totaling $252K that are left over from the MEF’s predecessors.
- Projects among the 35 include:
  - 5 youth centers totaling $100K
  - 2 playgrounds totaling $32K
  - 4 kindergartens totaling $70K
  - School furniture totaling $33K
  - 2 primary and 1 secondary schools totaling $65K
  - An art and an engineering college totaling $95K
Essential Services – Education (cont.)

Conference on Higher Education

- Twenty-two Iraqi University presidents have returned from a week-long conference in Amman, Jordan
  - The conference included both formal presentations from Iraqi and Jordanian education ministries and U.S. and Jordanian-led working session to discuss how to improve the higher education system
  - The conference identified 4 critical needs of Iraqi universities including:
    - Rehabilitation of infrastructure and administrative systems
    - Installation of internet connections
    - Strengthening/modernizing curriculum and teaching labs
    - A provision of programs for stranded students to complete PhD’s in the U.S.
  - This conference was the second of its kind; the first was held April 25 – May 1, 2004, in Washington, DC and Oklahoma. The next conference is scheduled for October 2004, where Iraqi university presidents will travel to Washington D.C. and Kansas.
• Summer maintenance program continues resulting in about 545 MW of generation capacity currently offline for scheduled and 130 MW for unscheduled maintenance.
• 7 Day Average: 112,751 MWH

*Data unchanged from last week
Hours of Power

Average Electrical Power Distribution per Governorate as of 18 August 2004

*Data unchanged from last week
Crude Oil Production

- Weekly Average of 2.207 MBPD is Below Target of 2.5 MBPD
- Long Term Ministry of Oil (MOO) Target (Dec 04): 2.8 – 3.0 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Mar 03
- Post-War Peak: 2.595 MBPD on 16 Apr 04

MOO Goal: 2.5 MBPD
• Current Monthly Average: 1.018 MBPD
• Current Monthly Revenue: $0.95B
Refined Products

- Diesel: 13.2 ML of 18 ML
- Kerosene: 3.8 ML of 5 ML
- Benzene: 12.3 ML of 22 ML
- LPG: 2,930 tons of 4,000 tons

Note: The State Oil Marketing Organization (SOMO) is the only importer of refined products into Iraq since August 20th.
National Stock Levels

- National stock levels are remaining steady.

The amount of stocks reflects maximum consumption rates set earlier this year. The goal is for all refined products to be over 15 days worth of stocks. The numbers given below are monthly averages.
Project and Contracting Office (PCO) Developments

• To date, the PCO has issued 227 task orders, out of a total of 390 (58%).
  – These task orders cover 2,312 projects nationwide, out of a total 2,824 (82%).
  – Of the $18.4 billion supplemental, $9.8 billion has been committed, $6.8 billion is contractually obligated, and $872 million has been disbursed.

• The Accelerated Iraq Reconstruction Program (AIRP) is meeting urgent local needs across Iraq:
  – Projects cover: water and sanitation, health, education, building, roads, power, telecommunications, and various other with a new emphasis on schools and clinics.
  – AIRP projects currently employ 12,903 Iraqis on 357 projects.
  – Upcoming round of contract awards will be open to all, with exception of states that sponsor terrorism.
<table>
<thead>
<tr>
<th>Sector</th>
<th>2007 Report</th>
<th>Apportion</th>
<th>Last Week</th>
<th>Current</th>
<th>Last Week</th>
<th>Current</th>
<th>Last Week</th>
<th>Current</th>
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<td>2976</td>
<td>2667</td>
<td>2654</td>
<td>1854</td>
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<td>Justice, Public Safety, and Civil Society</td>
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<td>Democracy</td>
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<td>Education, Refugees, Human Rights, Governance</td>
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<td>Roads, Bridges, and Construction</td>
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<td>104</td>
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<td>Water Resources and Sanitation</td>
<td>4246</td>
<td>892</td>
<td>823</td>
<td>859</td>
<td>638</td>
<td>671</td>
<td>13</td>
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<td>Private Sector Development</td>
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<td>135</td>
<td>102</td>
<td>102</td>
<td>49</td>
<td>49</td>
<td>34</td>
<td>34</td>
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<tr>
<td>Admin Expense (USAID, State)</td>
<td>213</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>18</td>
<td>19</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>18439</strong></td>
<td><strong>11120</strong></td>
<td><strong>9950</strong></td>
<td><strong>9760</strong></td>
<td><strong>7022</strong></td>
<td><strong>6988</strong></td>
<td><strong>773</strong></td>
<td><strong>886</strong></td>
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<td><strong>CONSTRUCTION</strong></td>
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<td><strong>5815</strong></td>
<td><strong>5438</strong></td>
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<td><strong>4351</strong></td>
<td><strong>4490</strong></td>
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<td><strong>NON-CONSTRUCTION</strong></td>
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<td><strong>2180</strong></td>
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<tr>
<td><strong>DEMOCRACY</strong></td>
<td><strong>451</strong></td>
<td><strong>451</strong></td>
<td><strong>420</strong></td>
<td><strong>420</strong></td>
<td><strong>318</strong></td>
<td><strong>318</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18439</strong></td>
<td><strong>11120</strong></td>
<td><strong>9950</strong></td>
<td><strong>9760</strong></td>
<td><strong>7022</strong></td>
<td><strong>6988</strong></td>
<td></td>
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</tr>
</tbody>
</table>

Data as of 25 Aug
Interagency Iraqi Security Forces Update

Highlights:
- The focus of effort is shifting from acquisition of equipment to distribution within theater.
- 89,126 trained Iraqis are on duty and an additional 17,636 are in training.*
- Iraqi Security Forces capabilities continue to improve, but performance varies by region. Recent operations by elements in Najaf fighting demonstrates capability.

Manning:
- In spite of heavy fighting this week, recruiting efforts for the Iraqi Security Forces continue to be very successful.
- 750 recruits started basic training in the Iraqi Army this week.

Training:
- 83 law enforcement candidates completed training this week.
- 672 border enforcement candidates started training this week.
- 45 law enforcement students started training this week.

Equipping:
- Badly needed equipment for all the security forces is arriving in large quantities.

*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
## Ministry of Interior Man, Train & Equip Status

<table>
<thead>
<tr>
<th>Organization</th>
<th># On Hand</th>
<th># Trained/In Training</th>
<th># Planned*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraqi Police</td>
<td>84,950</td>
<td>32,880/4,236</td>
<td>135,000</td>
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<tr>
<td>Border Police</td>
<td>14,313</td>
<td>14,313/0</td>
<td>32,000</td>
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<tr>
<td>Civil Intervention Force</td>
<td>0</td>
<td>0/0</td>
<td>4,800</td>
</tr>
<tr>
<td>Emergency Response Force</td>
<td>92</td>
<td>62/30</td>
<td>270</td>
</tr>
</tbody>
</table>

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

Data as of 30 Aug
## Ministry of Defense Man, Train & Equip Status

<table>
<thead>
<tr>
<th>Organization</th>
<th># On Hand</th>
<th># Trained/In Training</th>
<th># Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraqi Army</td>
<td>10,434</td>
<td>3,789/6,645</td>
<td>27,000</td>
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<tr>
<td>Iraqi Intervention Force</td>
<td>6,989</td>
<td>1,473/5,523</td>
<td>6,584</td>
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<tr>
<td>Iraqi Special Operations Force</td>
<td>1,620</td>
<td>628/0</td>
<td>1,620</td>
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<tr>
<td>Coastal Defense Force</td>
<td>412</td>
<td>282/130</td>
<td>409</td>
</tr>
<tr>
<td>Air Force</td>
<td>162</td>
<td>116/46</td>
<td>502</td>
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<tr>
<td>Iraqi National Guard</td>
<td>39,581</td>
<td>37,925/1,656</td>
<td>62,032</td>
</tr>
</tbody>
</table>

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

Data as of 30 Aug
33 Countries (including US) and NATO Potentially Supporting Iraqi Stability and Humanitarian Relief

Stability Contributors - OIF

Countries with forces in Iraq
- Albania
- Australia
- Azerbaijan
- Bulgaria
- Czech Rep
- Denmark
- El Salvador
- Estonia
- Georgia
- Hungary
- Italy
- Japan
- Kazakhstan
- Korea
- Latvia

Total ~24K

Countries committed to provide forces for Iraq
- Lithuania
- Macedonia
- Moldova
- Mongolia
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Romania
- Singapore
- Slovakia
- Thailand
- Tonga
- Ukraine
- UK

31 Countries

Data as of 26 Aug 04
Developing, coordination and distribution responsibilities for the Iraq Weekly Status Report have been transferred from the Department of Defense to the Department of State.

This brief draws from multiple sources. References are cited on the respective pages in the “Notes Page” section (View Notes Page).

Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov.