

25 August 2004



Iraq Weekly Status

Unclassified

DEPARTMENT
OF
STATE



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Highlights



Political/Governance

Iraq National Conference Outcomes:

- The Iraqi National Conference ended this week with the selection of 81 interim assembly members. These members, along with 19 from the former IGC, will serve on the interim assembly until they are replaced through national elections (Jan. 05).

Najaf Standoff Continues:

- Iraqi and coalition forces continue to encounter resistance from Jaysh al-Mahdi militia around the Imam Ali shrine in the holy city of Najaf.

Economic

Oil Production and Exports:

- As of Aug 19, oil revenue was estimated at \$9.9 billion.
- Iraq reopened two of its major oil pipelines in the North and South, thus restoring exports to recent normal levels.

Highlights (cont.)



Reconstruction

Project and Contracting Office (PCO):

- PCO reports \$872 million worth of work in place – a 5% increase for week ending 18 August 2004.

Security

Implications of Najaf Conflict:

- There has been a noticeable spike in acts against the Coalition due largely to heavy fighting with Al-Sadr's Mahdi Army forces in Najaf after Najaf's Governor requested Coalition assistance.

Security Forces Update:

- Iraqi Security Forces capabilities continue to improve and recruiting efforts continue to be very successful, but performance varies by region. 91,468 trained Iraqis are on duty and an additional 18,351 are in training.



Governance - Developments

National Conference:

- The National Conference was characterized by robust debate over issues of national importance and resulted in the selection of an interim national council that is broadly representative of Iraq's diversity.

Najaf Situation:

- Despite an apparent agreement on the part of Muqtada al-Sadr to end the current standoff and reports that Sadr himself is no longer in Najaf, Iraqi and coalition forces are still encountering resistance around the Imam Ali shrine from Jaysh al-Mahdi militia.

Capacity Building:

- The State Department is promoting capacity building and democracy through a US-based program 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.

International Cooperation:

- Bosnia has agreed to send a de-mining unit to Baghdad by early 2005.



Economy

Oil Update:

- As of Aug 19, oil revenue was estimated at \$9.9 billion.
- Two oil pipelines in the north and south reopened. The increase in Iraqi oil production caused crude oil futures to end sharply lower on Monday after a bull run priced futures near \$50 per barrel.

Employment Update:

Number of Iraqis employed in US-Funded Reconstruction Projects

Sector	Iraqis last week	Iraqis this week	% Increase on week
Buildings, Health & Education	1,738	2,546	46.5%
Electricity	260	516	98.5%
Oil	574	566	-1.4%
Public Works & Water	3,458	4,021	16.3%
Security & Justice	4,077	3,900	-4.3%
Transportation & Communications	186	209	12.4%
AIRP	17,568	12,903 *	-26.6%
PCO Weekly Survey TOTAL	27,861	24,661	-11.5%
USAID	51,450	62,621	21.7%
MILCON TOTAL	475	268	-43.6%
GRAND TOTAL	79,786	87,550	9.7%

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



Economy (cont.)

Securities Exchanges:

- On Aug 10, a workshop was held for 30 Iraq Stock Exchange Brokers.
 - Focused on developing high standards of ethical conduct within the Exchange.
 - USAID also helping to draft Exchange's new membership rules, by-laws, and disciplinary code.
- The Ministry of Finance auctioned ID 100 billion (about \$68.5 million) in T-Bills on August 16; the settlement yield was 5.5 percent.

Currency Update:

- At the New Iraqi Dinar (NID) auction on August 24, the settlement price was 1,460 dinars per dollar, the same as the previous day and unchanged since June 16.
 - A total of 18 banks trading.



Economy – Private Sector Development

Renewal and Reconstruction Conference & Exhibition:

- Will be held Sept 25- 27 in Dubai, UAE. It is divided into two conferences:
 - Opportunities and Developments in Iraq Infrastructure Projects Conference which will identify and quantify strategic issues affecting investment decisions in major sector development programs.
 - The Iraqi Oil, Gas, and Power Summit which will evaluate crucial factors associated with rehabilitation and development which will include high-level public and private sector presenters from various countries.

IIG Minister of Trade visit to the U.S. in November:

- The Minister of Trade is expected to embark on a four-city U.S. visit in November. The purpose of the visit is to expand economic development and investment in Iraq by meeting with U.S. private businesses.

Essential Services - Water and Sanitation



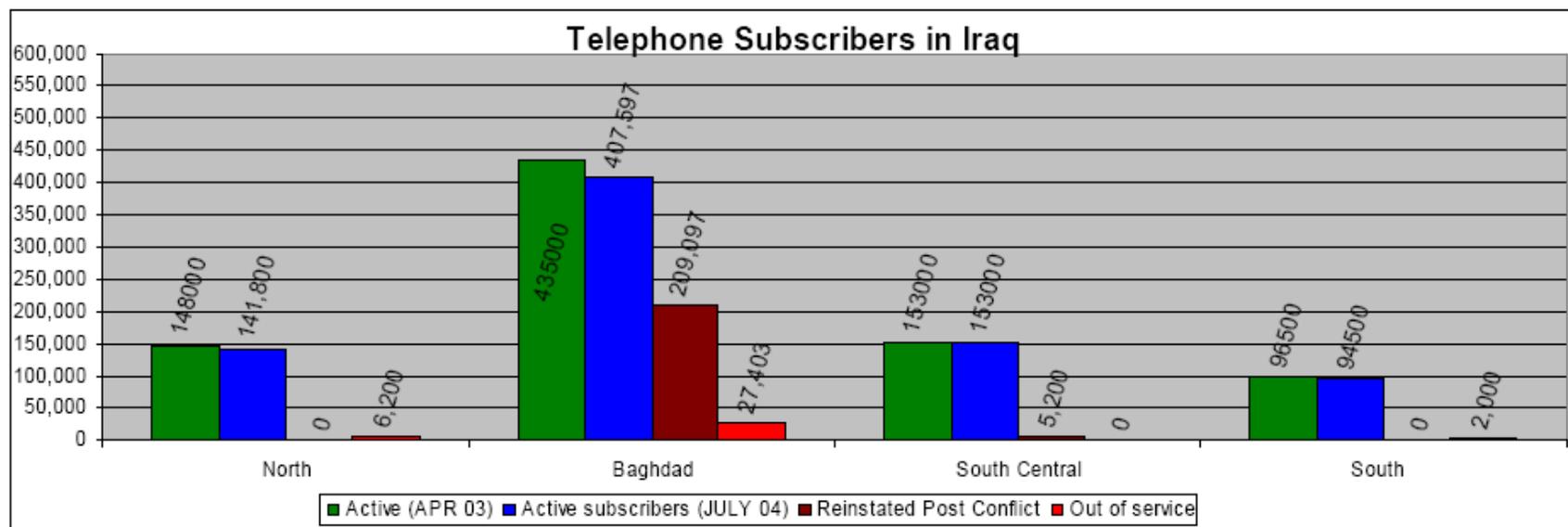
Current Projects:

- USAID is implementing approximately \$520 million in water and sanitation projects throughout Iraq.
 - These projects include construction and rehabilitation of water and sewage plants and networks, repairs to reservoirs and canals, landfill construction, and a rural water supply project.
- The rehabilitation of two wastewater treatment plants in Baghdad is continuing.
 - 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 75 percent complete and on schedule for completion by the end of October 2004.
- The \$30 million Ministry of Water Resources work program for unskilled laborers to clear canals and clean up project sites, begun in May 2004, continues.
 - Last week, over 60,000 laborers were working daily; the program is expected to end in September.



Essential Services - Telecommunications

- Total number of telephone subscribers in Iraq is now over 1,463,148 (including 663,416 cell phone subscribers) – 72.3% 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 the Iraqi Telephone and Postal Company

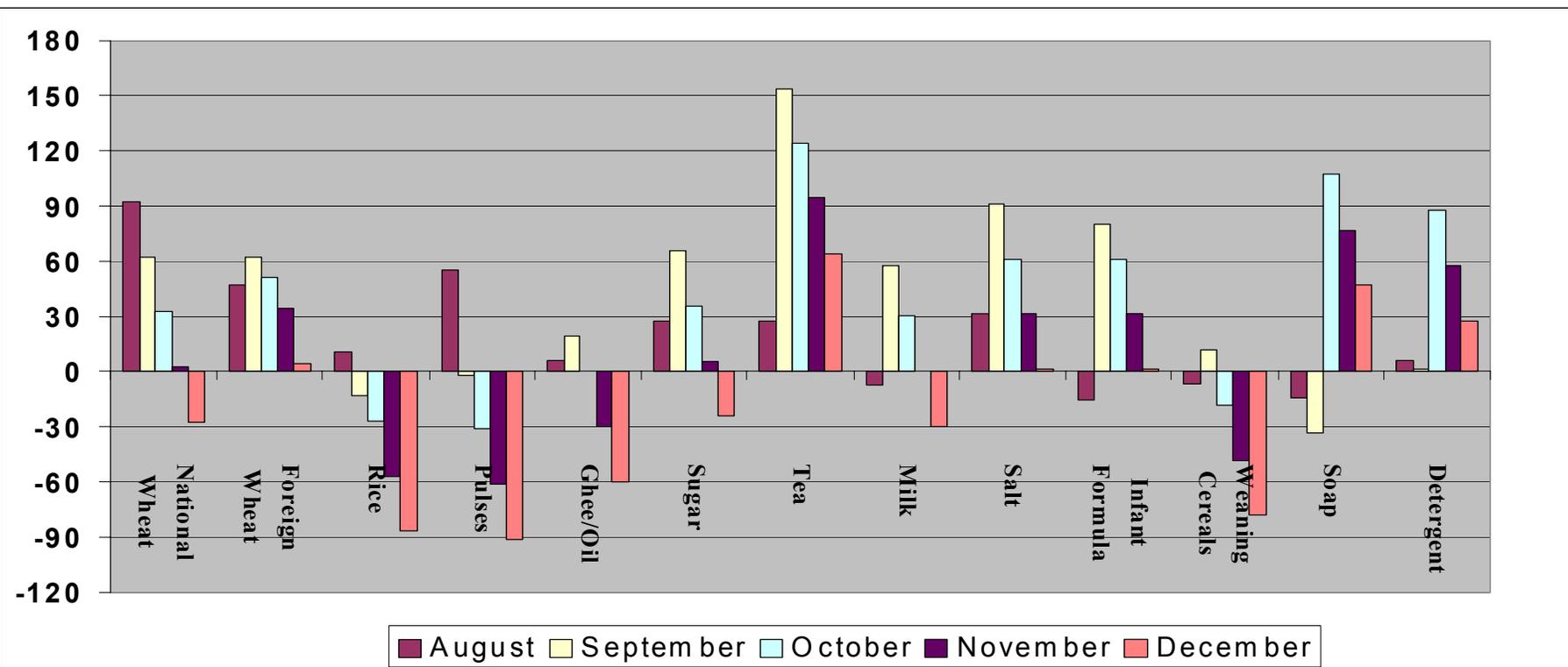
- The First Responder Network, a communications network that will connect police services, fire services, emergency response services, and the military, was issued a Notice to Proceed this week for Region 5.

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 Iraqi Government's goal was 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.*



*Based on most recent Grain Board Weekly Stock report dated 7 August 04



Essential Services - Health Care

Health Care:

- Continued progress is being made on the 150 Primary Health Centers (PHCs) reported earlier, with two more groundbreakings held this week.
- The Najaf Teaching Hospital, damaged in April, was scheduled for repairs this past week.
- Iraqi medical personnel and translators are staffed at the Convention Center treating minor injuries to 175 conference participants.
- The Ministry of Health is ensuring that Najaf has emergency response capability, including blood supplies, on stand-by in case of need.



Essential Services - Education

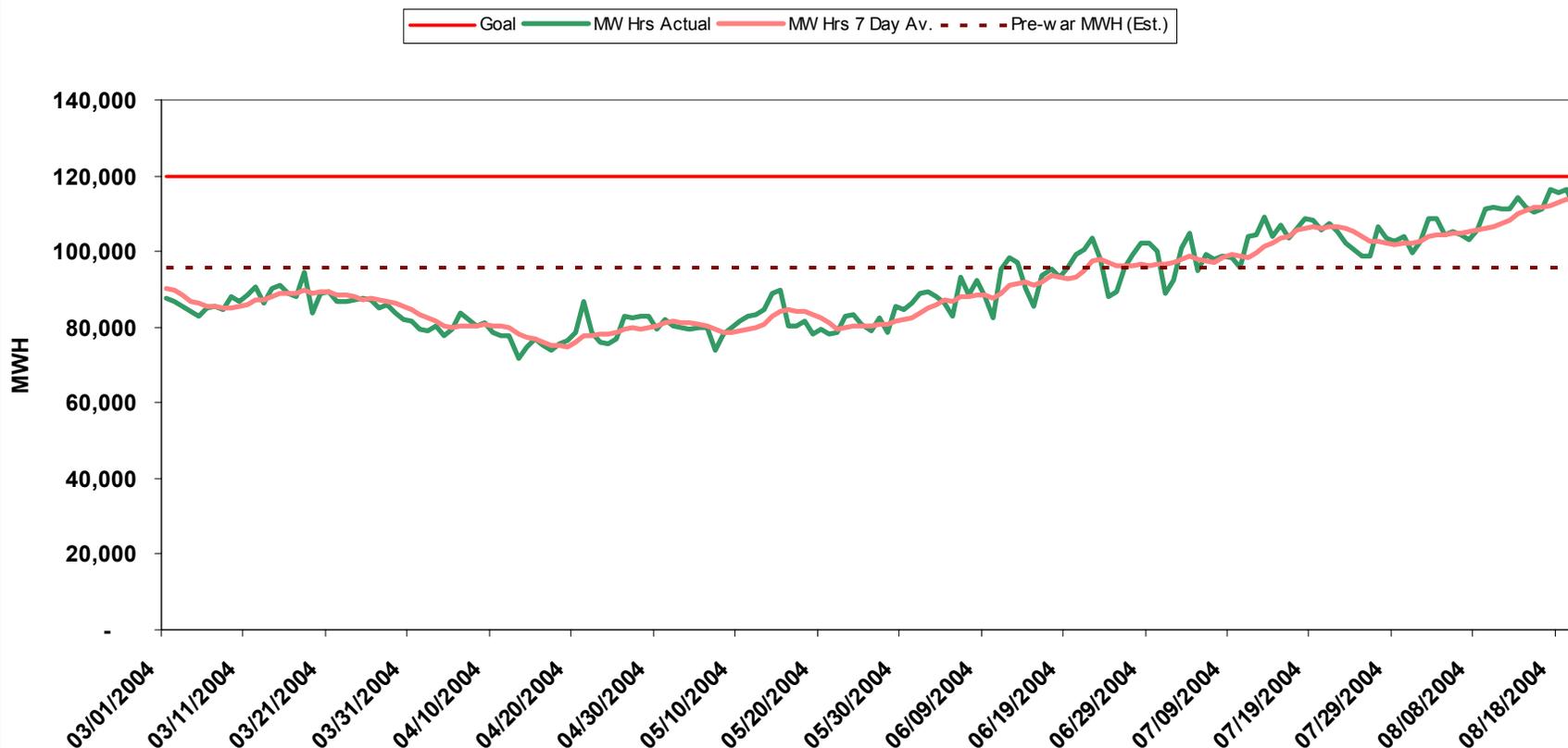
Education:

- Civil Affairs facilitated the transfer of 10 pallets of Heart-to-Heart International-donated materials, including school supplies and toys, from the Kuwait Federal Express delivery yard to the U.S. Marine Corps.
- A World Bank (WB) Adviser to the IIG advised that the WB is serious about tackling any contract problems relating to the procurement of textbooks.
 - Textbooks are scheduled to arrive in November.
 - The delay has been a result of several issues and WB states it is absolutely normal.
- WB Meetings have taken place with the Minister of Education and a Senior Ministry Consultant to discuss the National Competitive Bidding process for the distribution and printing of the curriculum for the coming school year funded by the Bank.
- K-12 schools will open September 18, 2004, an improvement from last year's delayed start of October 1, due to rehabilitation projects.

Electricity Overview



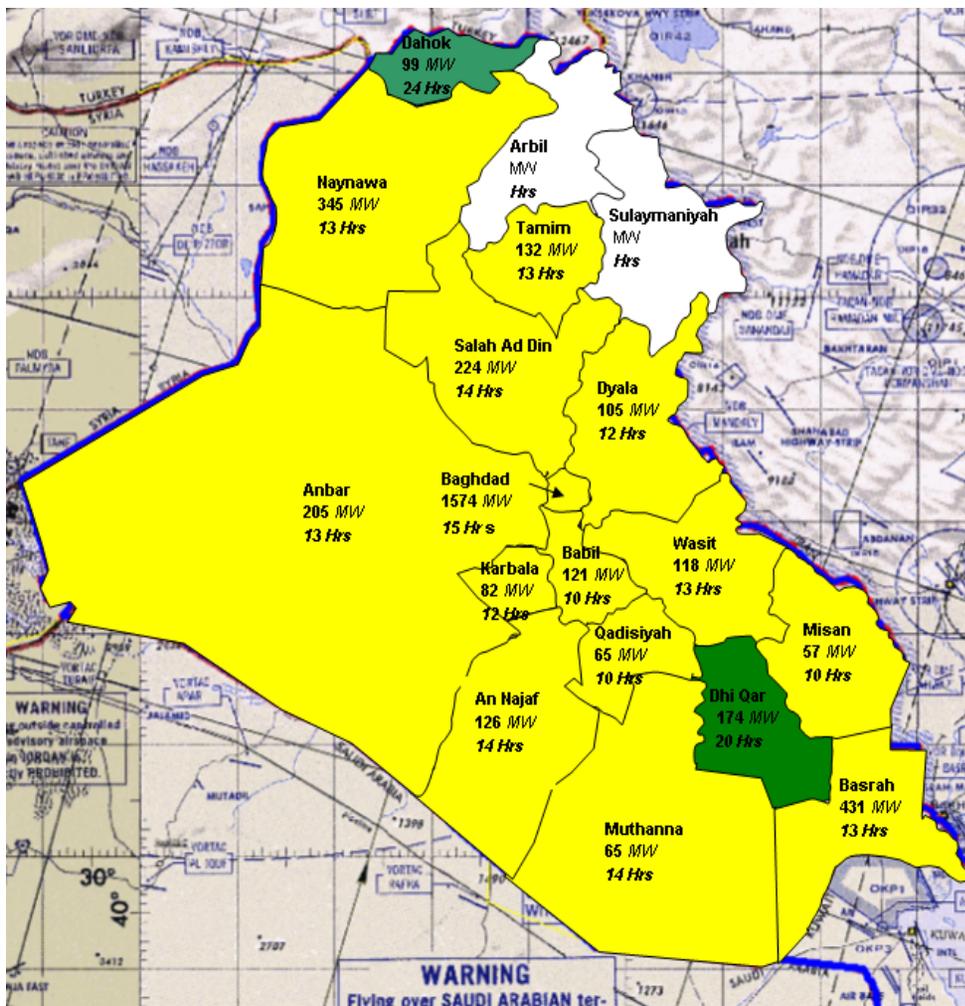
Megawatt Hour Production (MWH)



- 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



Hours of Power



Average hours of Electrical Service provided over a 7 Day Period

≤ 8 Hrs = Red	
9 to 15 Hrs = Amber	
≥ 16 Hrs = Green	
No Report = White	

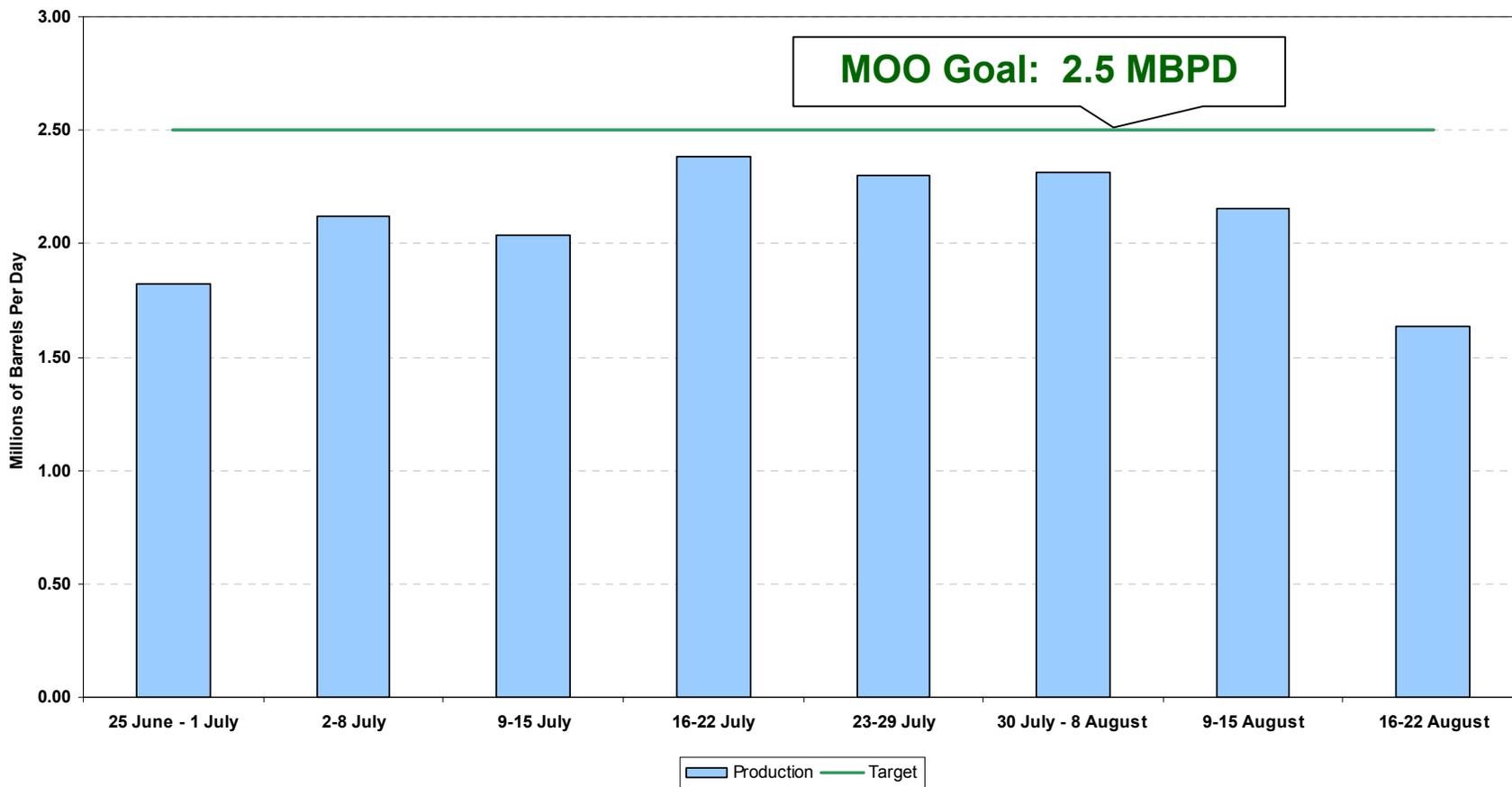
Percent Change in MW over a 7 Day Period

Baghdad	9.3
Dahuk	-1.0
Ninewah	7.3
Tamim	3.7
Salah Ad Din	9.0
Anbar	1.4
Diyala	26.9
Babil	15.2
Karbala	3.2
Najaf	19.2
Qadisiyah	-20.7
Wasit	-12.3
Muthanna	-9.7
Dhi Qar	12.5
Maysan	-9.7
Basrah	2.8
Arbil	Unknown
Sulaymaniyah	Unknown

Average Electrical Power Distribution per Governorate as of 18 August 2004

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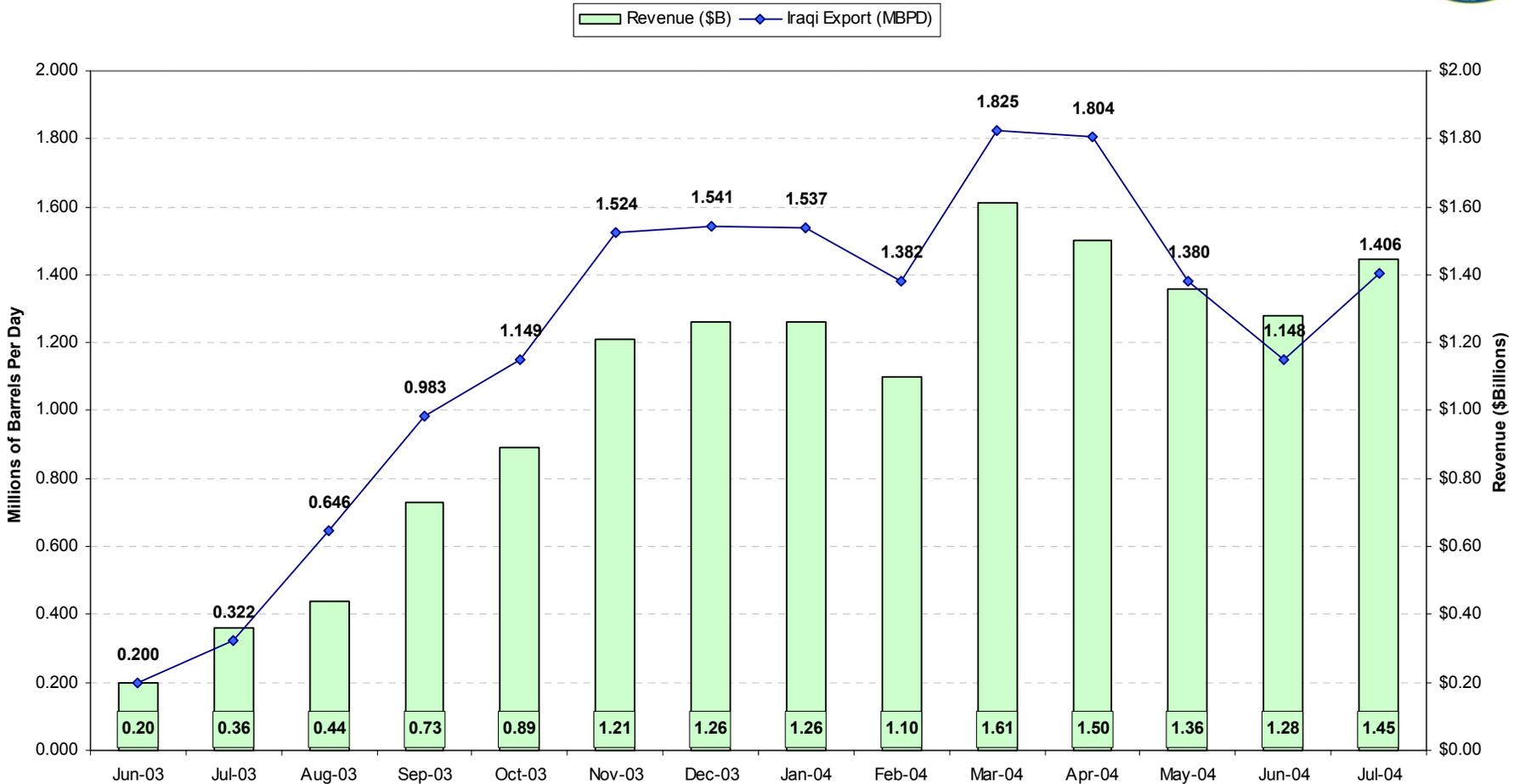
Crude Oil Production



- **Weekly Average of 1.636 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**



Monthly Export: Volume & Revenue



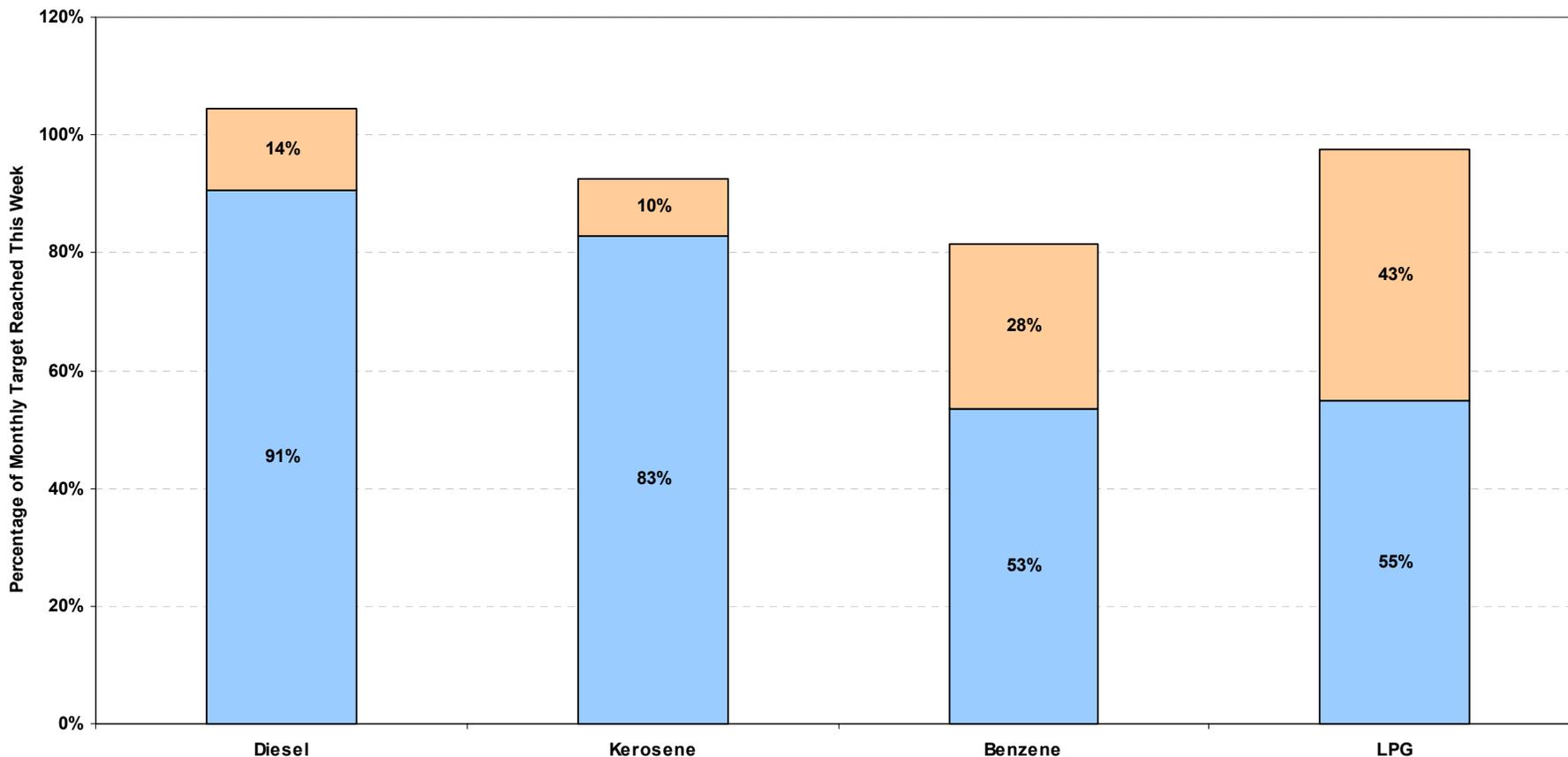
- **Current Monthly Average: 1.000 MBPD**
- **Current Monthly Revenue: \$0.62B**

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Refined Products

Production % Import %



- Diesel: 18.8 ML of 18 ML
- Kerosene: 4.6 ML of 5 ML

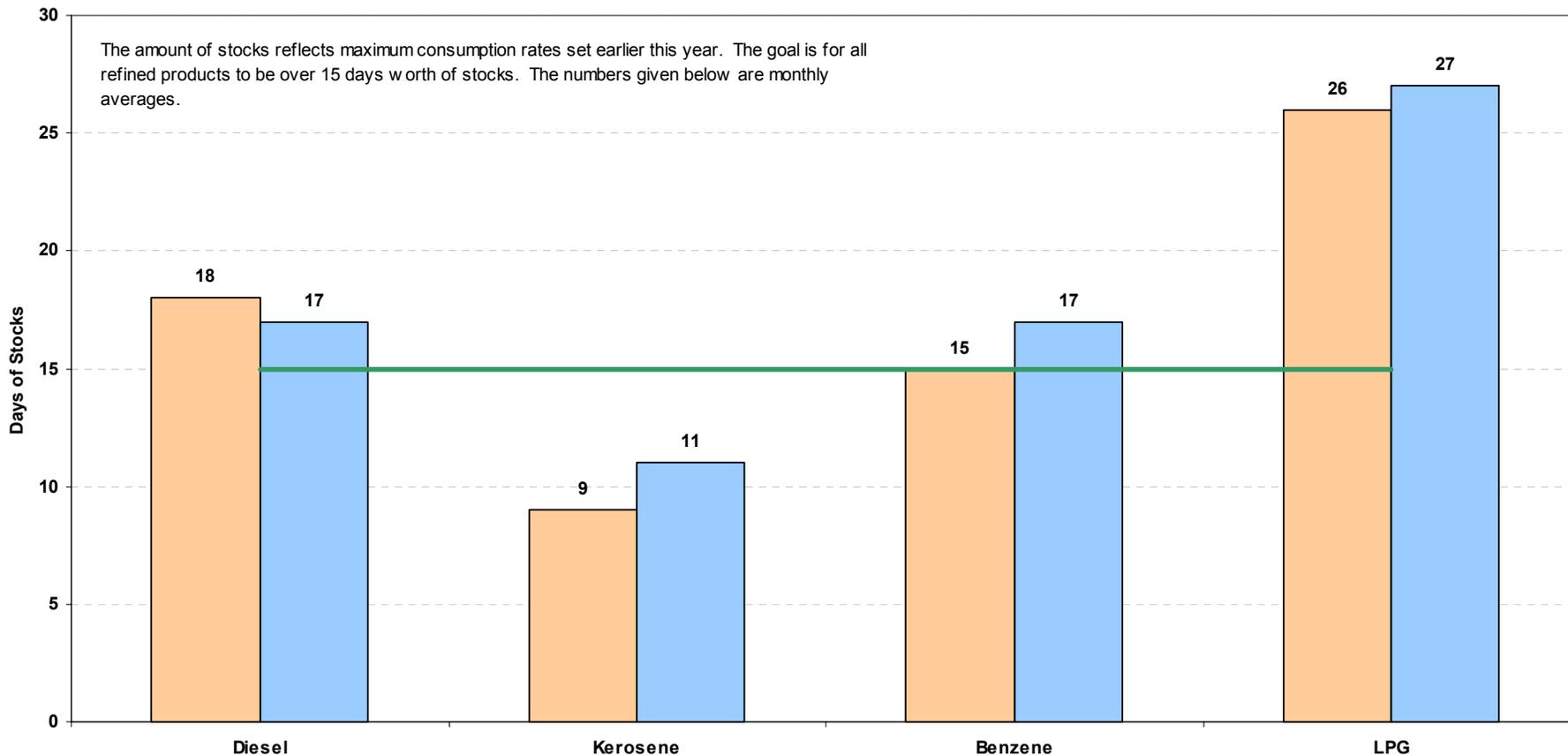
- Benzene: 17.9 ML of 22 ML
- LPG: 3,903 tons of 4,000 tons

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National Stock Levels

Jul-04 Aug-04 Goal



• National stock levels are remaining steady.

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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 17,568 Iraqis on 357 projects.
 - Upcoming round of contract awards will be open to all, with exception of states that sponsor terrorism.

Project and Contracting Office (PCO)



Sector	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	3235	2976	2594	2667	1717	1854	369	373
Electricity Sector	5465	2538	2204	2211	1910	1915	207	214
Oil Infrastructure	1701	1701	1454	1508	986	1005	31	32
Justice, Public Safety, and Civil Society	1033	825	715	723	396	400	28	31
Democracy	451	451	420	420	309	318	14	23
Education, Refugees, Human Rights, Governance	259	259	241	241	125	125	16	23
Roads, Bridges, and Construction	367	270	256	235	124	104	4	4
Health Care	786	577	565	574	376	379	2	2
Transportation and Communications	500	467	416	417	193	206	6	6
Water Resources and Sanitation	4246	892	839	823	638	638	12	13
Private Sector Development	183	135	102	102	49	49	17	34
Admin Expense (USAID, State)	213	29	29	29	29	29	15	18
TOTAL	18439	11120	9835	9950	6852	7022	721	773
CONSTRUCTION	12406	5815	5392	5438	4364	4351		
NON-CONSTRUCTION	5582	4854	4023	4092	2179	2353		
DEMOCRACY	451	451	420	420	309	318		
Total	18439	11120	9835	9950	6852	7022		

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Interagency Iraqi Security Forces Update

Highlights:

- The focus of effort is shifting from acquisition of equipment to distribution within theater.
- 91,468 trained Iraqis are on duty and an additional 18,351 are in training.*
- Iraqi Security Forces capabilities continue to improve, but performance varies by region.

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:

- 61 law enforcement candidates completed training this week.
- Three Battalions started initial operations 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

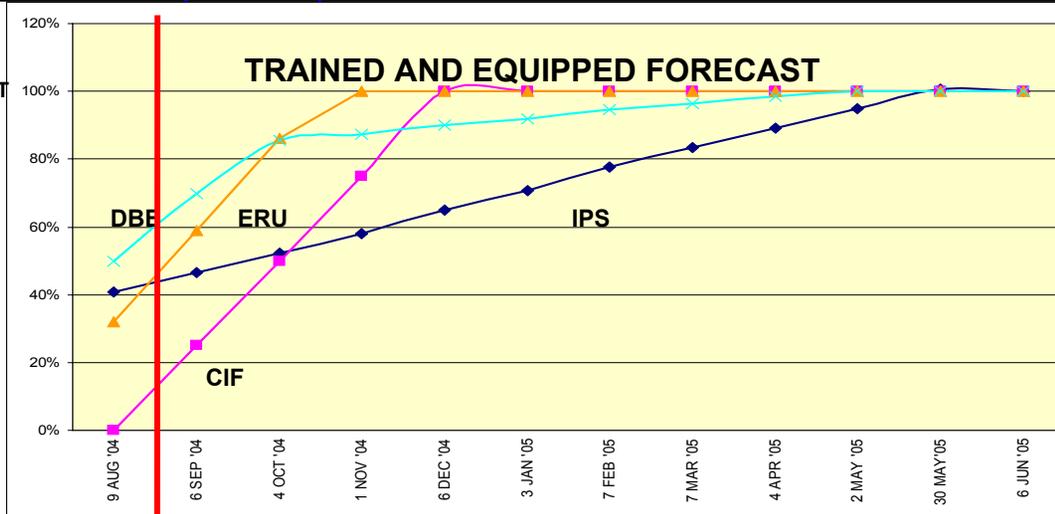
Ministry of Interior Man, Train & Equip Status



CURRENT STATUS

		MANNING					EQUIPPING							
				TRAINING			WEAPONS		VEHICLES		COMMS		BODY ARMOR	
FORCE	COMPONENT	REQ'D	O/H	UNTRAINED	IN TRAINING	TRAINED	REQ'D	O/H	REQ'D	O/H	REQ'D	O/H	REQ'D	O/H
IRAQI POLICE	IRAQI POLICE SVC	90,000	84,950	↓ 49,171	↓ 2,899	↑ 32,880	136,054	↑ 90,073	14,895	↑ 5,447	45,065	↑ 12,769	90,000	40,391
	CIVIL INTERVENTION FORCE	4,800	0	0	0	0	11,490	0	1,002	0	10,240	0	4,800	0
	EMERGENCY RESPONSE UNIT	270	↑ 93	0	31	↓ 62	1,020	500	58	0	352	0	270	50
DEPT OF BORDER ENFORCEMENT		16,276	14,313	0	0	14,313	17,153	8,017	3,700	1,408	3,700	1,402	12,626	4,000
FACILITIES PROTECTION SERVICE		73,992	73,992	0	0	73,992	49,500	7,396	155	↑ 49	1,155	0	8,350	0
TOTAL		185,338	↑ 173,348	↓ 49,171	↓ 2,930	↑ 121,247	215,217	↑ 105,986	19,810	↑ 6,904	60,512	↑ 14,171	116,046	44,441

- 50 % OR LESS OF REQUIREMENT
- 51-84 % OF REQUIREMENT
- 85-100 % OF REQUIREMENT



As of 16 Aug

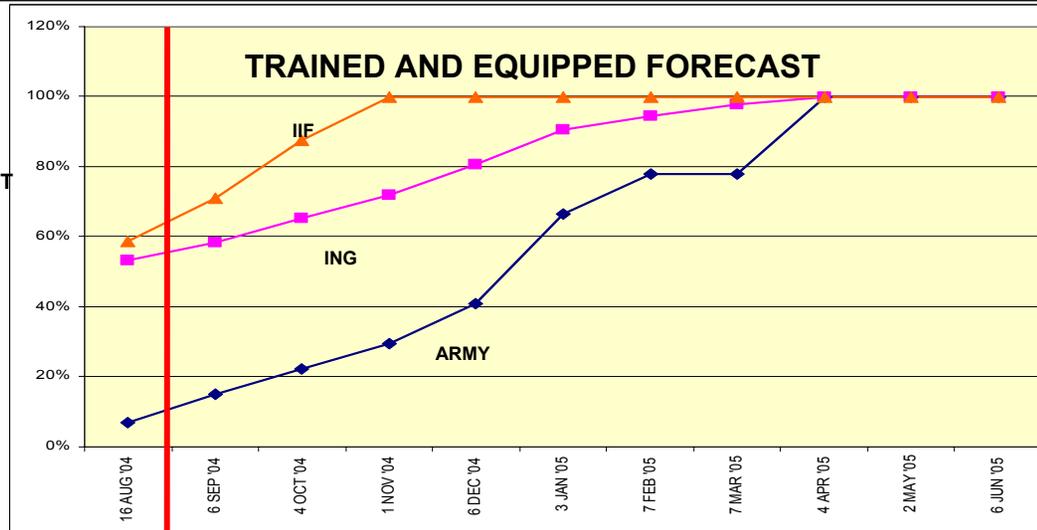
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Ministry of Defense Man, Train, & Equip Status

CURRENT STATUS

		MANNING					EQUIPPING								
		MANNING		TRAINING			WEAPONS		VEHICLES		COMMS		BODY ARMOR		
FORCE	COMPONENT	REQ'D	O/H	UNTRAINED	IN TRAINING	TRAINED	REQ'D	O/H	REQ'D	O/H	REQ'D	O/H	REQ'D	O/H	
ARMY	ARMY	27,000	9,749	0	5,960	3,789	↑23,606	15,432	↑2,298	1,728	3,596	0	20,949	6,137	
	NATIONAL GUARD	41,088	↑41,336	0	↓2,361	↑38,975	42,576	36,055	1,311	↑658	6,963	0	41,088	↓18,900	
	INTERVENTION FORCE	6,584	↑6,989	0	↑5,516	1,473	8,850	3,300	583	152	1,798	594	6,584	2,741	
	SPECIAL OPS FORCE	1,620	↓597	0	↓81	516	1,898	824	180	42	1,212	12	1,620	924	
AIR FORCE		502	162	0	46	116	383	0	34	4	21	0	502	0	
COASTAL DEFENSE FORCE		409	412	0	130	282	486	12	15	15	156	1	409	0	
TOTAL		77,203	↑59,245	0	↑14,094	↑45,151	77,799	55,623	4,421	↑2,599	13,764	607	71,152	↓28,702	



- 50 % OR LESS OF REQUIREMENT
- 51-84 % OF REQUIREMENT
- 85-100 % OF REQUIREMENT

As of 16 Aug

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Stability Contributors - OIF

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

32 Countries
Potentially Supporting
Iraqi Stability and
Humanitarian Relief

Iraq Weekly Status – General Information



- Development, 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