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# *Iraq Status*

This briefing is classified  
**UNCLASSIFIED**  
Derived from: Multiple Sources



# Highlights

## CPA Priorities:

- Essential Services
- Security
- Governance
- Economy

## CPA Intermediate Objectives:

- Repair electric power infrastructure
- Rebuild the telecomms system
- Establish police training program
- Implement new media strategies

## Weekly Highlights:

- 23 of 26 projects tracked by TF-Restore Iraqi Electricity have started (Power Generation, Transmission, and Management Control)
- Memorandums of Understanding concluded to conduct police training in Jordan
- Pledges between \$14-\$19 billion received at Madrid Donor Conference
- Currency exchange going well - no major problems

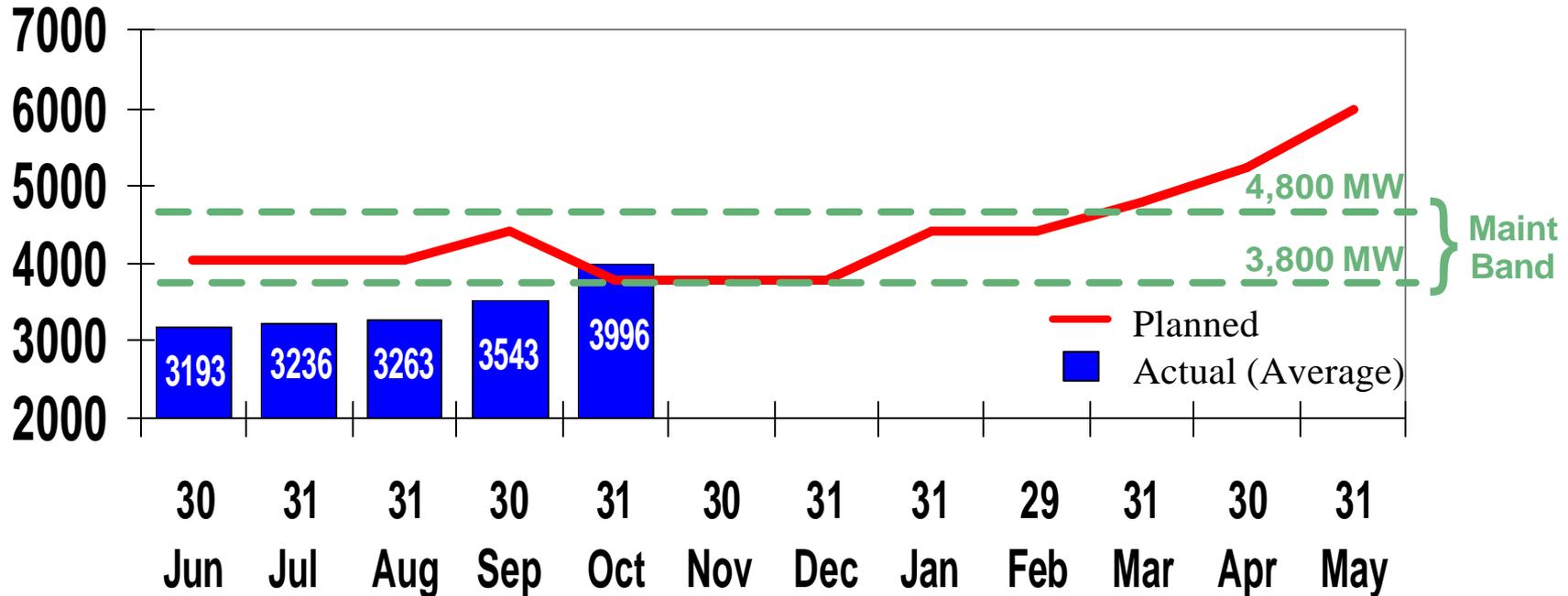


DEPARTMENT OF DEFENSE N/P

# TF Restore Iraqi Electricity (RIE) Overview

Goal 1 Oct 03: 4400 MW  
Production and Transmission

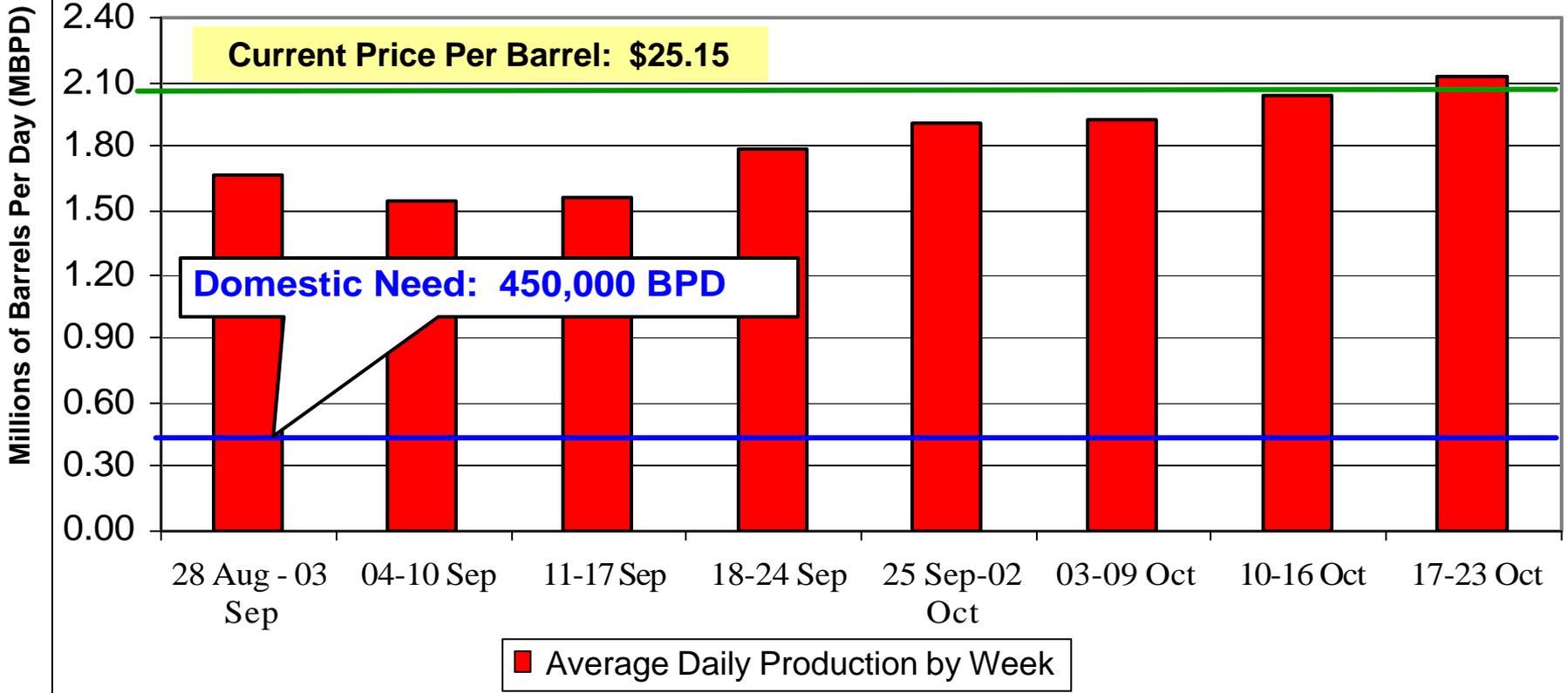
Goal 1 Jun 04: 6000 MW  
Production and Transmission



- Autumn Overhaul / Outage Program began 13 Oct 03 and ends Mar 04. Estimated power production range during this period is 3,800-4,800 MW
- 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)



**WEEKLY AVERAGE OF 2.12 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 03
- Post-war Peak: 2.142 MBPD on 20 Oct 03
- Weekly average of crude exports: 1.3 MBPD



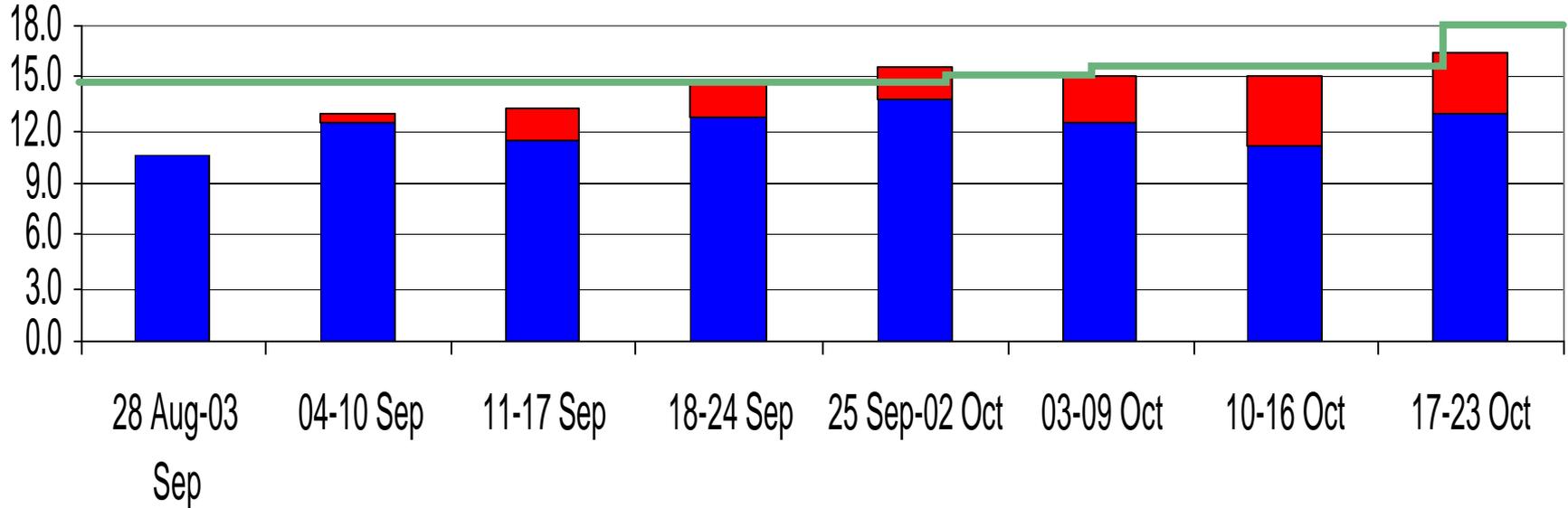


# Diesel Supply

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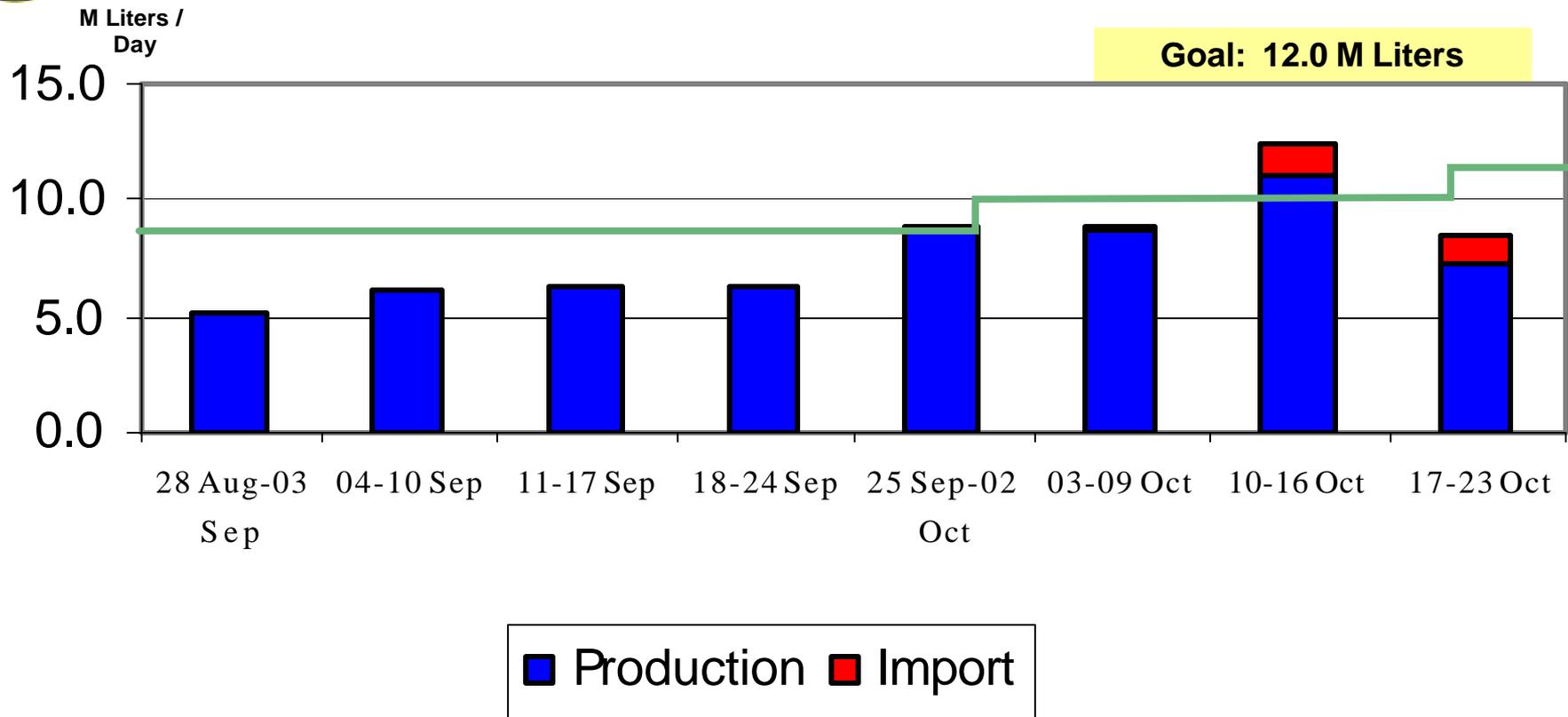
M Liters / Day

**Goal: 18.0 M Liters**



- **Supply currently 91% of goal**
- **Multiple pipeline breaks disrupt crude to Daurah Refinery (sabotage suspected), likely to reduce diesel and other refined product production over coming week**

# Kerosene Supply



- Kerosene imports began 05 Oct. Initial goal = 2.0M liters/day
- Current supply 71% of total goal
- Imports down because 51 truck-loads did not conform to specs

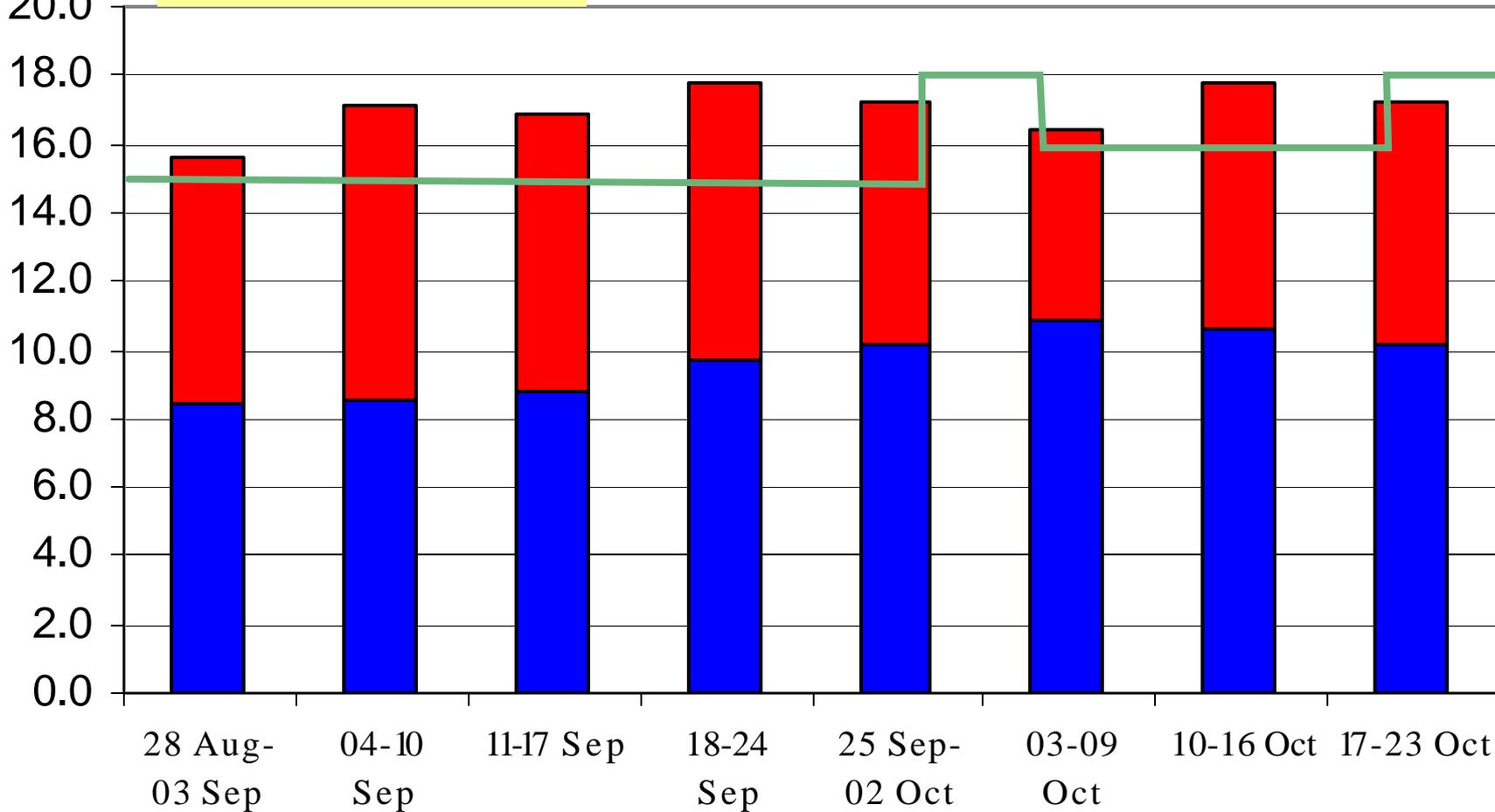


# Gasoline / Benzene Supply

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M Liters / Day

Goal: 18 M Liters



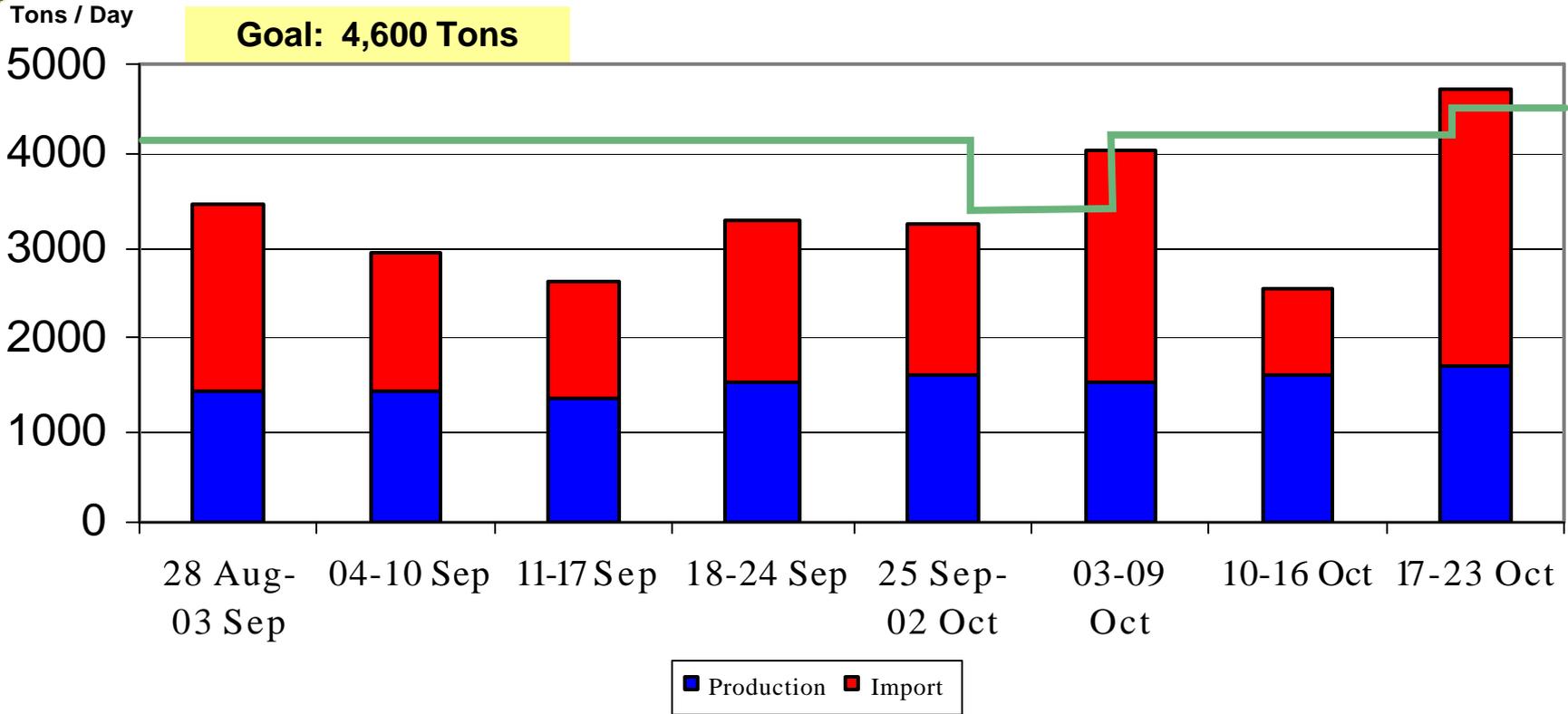
■ Production ■ Import

• Current supply 96% of goal



# Liquid Propane Gas Supply

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- **Southern LPG plant has stable power, will begin processing once NGL delivery starts; first firing of NGL plant with load set for 25 Oct**
- **LPG imports up due to unloading of LPG barge**
- **Current supply 102% of goal**

# Essential Services - Education



## Educational Enrollment

- Approximately 3.6 million primary and 1.5 million secondary students enrolled
- Ministry of Higher Education has 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 investigation identified up to 30,000 teachers who could be fired as part of de-Ba'athification
- Post-conflict attendance (enrolled students) has returned to pre-conflict levels
- 1.7M copies of 10 different math and science textbooks were delivered to Baghdad Central Municipal Administration warehouse for distribution

K-12 School Buildings In Iraq	13,597
Rehabilitations Completed by 10/14	1,628
Rehabilitation goal by 10/1	1,000
Ongoing school rehabilitations	393

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**
- **Internet connectivity was installed at the MOH this week**
- **MOH is actively training Facility Protective Services personnel to increase security at healthcare facilities**
- **CPA-MOH team discussing transition plans for termination of UN Oil for Food (OFF) program with UN and WHO representatives**

# Essential Services - Water

## Water Supply and Sewage Treatment Milestones (in Liters)

	Pre-War	Post-war	Jun 04	Nov 04
Potable Water Availability	12.9 Million	4.0 Mil	13.4 Mil	21.3 Mil
Sewage System Coverage	6.2 Million		85% cap	

### Current Activities

- 1.6 million people benefit from rehabilitation of six water treatment plants in Babil, Diyala, and Baghdad governorates
- 272,000 benefit from rehabilitation of 103 rural water treatment plants in five central and southern governorates
- 550,000 people in Hillah benefit from repaired water treatment plant operating at 80% capacity
- Bechtel continues dredging at the first section of the two-part reservoir at Basrah end of the Sweet Water Canal

Irrigation Canals	Km (est)
Total Irrigation Canals in Iraq	27,000
Canals needing clearance May 03	20,000
Canals cleared as of 27 Sept	15,000
Canals being cleared per week	500

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



# Essential Services - Telecommunications



## TELECOM Connections

Type	Pre-War	Sept 2003	Jan 2004 Goal
Landline	1,100,000	850,000	1,100,000
Wireless	0	0	50,000
Internet	4,500	4,900	50,000

### Milestones

- **Sep 03:** Internet connectivity established to 15 of 18 governates
- **Oct 03:** Cell phone contracts awarded to Asia-Cell (N), Orascom (C), Atheer (S)
- **Oct 03:** Issue regulations encouraging competition and wireless Internet
- **23-24 Oct:** Restore international landline connectivity
- **Dec 03:** Begin cell phone service
- **Dec 03:** Restore nationwide landline connectivity

# Essential Services - Transportation



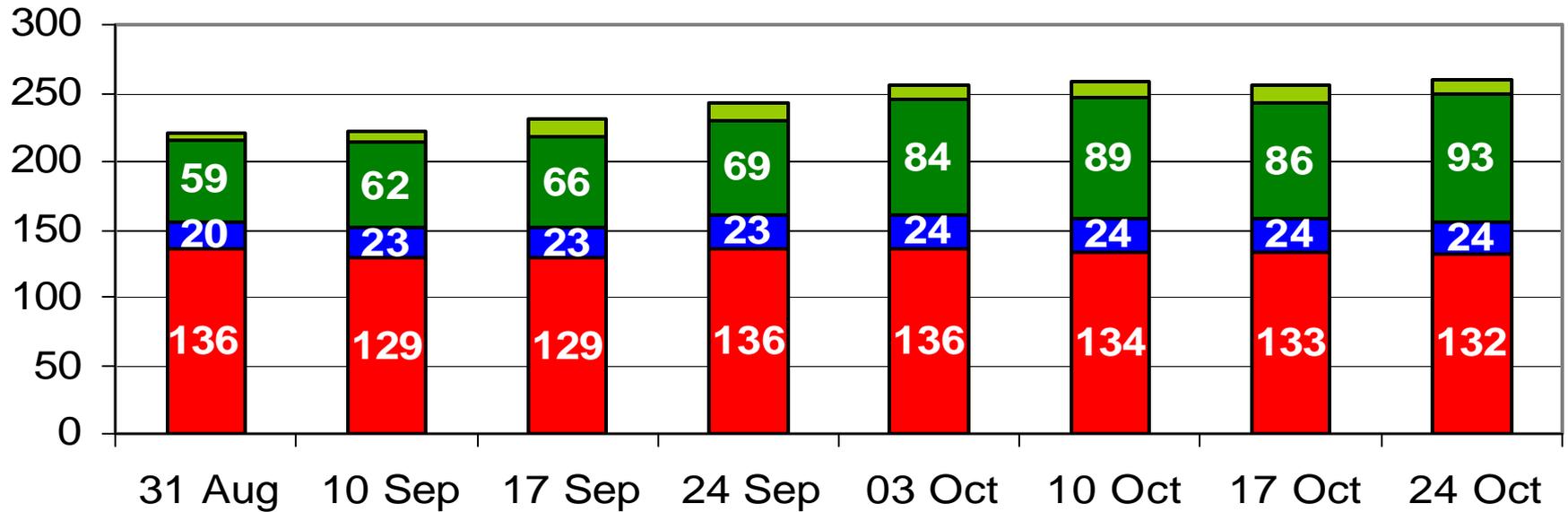
- **Iraqi Civil Aviation Authority (CAA) sent 27 Air Traffic Controllers (ATC) to Jordanian Queen Noor aviation college for a four-week course**
  - **Important first step towards recertification as accredited controllers**
- **Ministry of Transportation (MOT) is working with Iraqi Airways to formulate a plan to fly the Hadj**
  - **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

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(x1000)



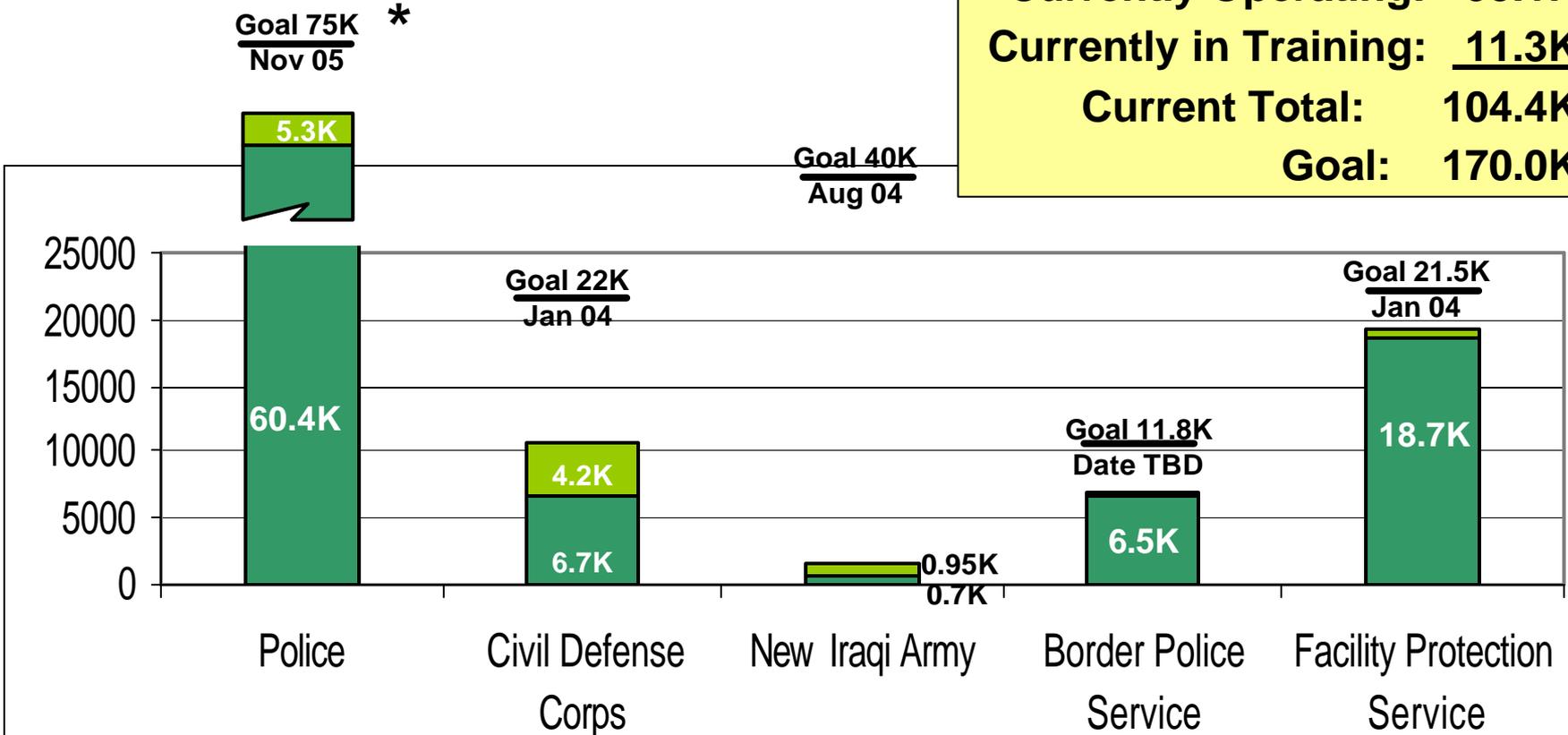
- **Iraq Security Force casualties (since 01 Jun): 82 KIA, 127 WIA**
- **US Forces decreasing as a percentage of total forces**

# Iraqi Security Forces



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**Currently Operating: 93.1K**  
**Currently in Training: 11.3K**  
**Current Total: 104.4K**  
**Goal: 170.0K**



\* Based on 1,500 graduates per month trained in Jordan

■ Operating w/Coalition ■ Additional Recruits



# Stability Contributors

## Countries with forces in Iraq

**32**

**TOTAL ~24,000**

Albania	72	Macedonia	31
Azerbaijan	151	Moldova	56
Bulgaria	475	Mongolia	173
Czech Rep	271	Netherlands	1,071
Denmark	345	New Zealand	56
Dom Rep	316	Nicaragua	115
El Salvador	360	Norway	113
Estonia	43	Philippines	88
Georgia	70	Poland	2,487
Honduras	372	Portugal	3
Hungary	299	Romania	731
Italy	2,423	Slovakia	82
Kazakhstan	29	Spain	1,141
Korea	686	Thailand	447
Latvia	179	Ukraine	1,648
Lithuania	98	UK	9,223

## Countries considering decision to provide forces for Iraq

**14**

**TOTAL TBD**

**46 Countries**  
**Potentially Supporting**  
**Iraqi**  
**Stability and**  
**Humanitarian Relief**

As of 24 Oct 03

# 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 report with 3 options to choose Convention - favors direct elections for reps
- Challenges:
  - Capacity for elections
  - Method to choose qualified reps to Constitutional Convention

# 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**

## 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
- Councils are interim and advisory
- USAID subcontractors provide training and support to municipal councils
  - Accounting, budget and finance
  - Selecting council members
  - Selecting priority projects
  - Improving cooperation between municipal government agencies and international organizations with reconstruction and development
- Challenges:
  - Increasing involvement of women
  - Enhancing credibility of local councils



## Economics - Financial Market Structures



- **17 taskings in Economic Growth approved by the CPA include:**
- **Installation of 80 inter-bank payment systems (76 completed to date)**
  - **System will not be operational until bank staff are trained**
- **IMF estimates Iraqi will have \$8.5 billion budget deficit in 2004, which will have to be made up with outside donations**
- **New nominee for Iraq Trade Bank under review**
- **Currency exchange is proceeding well**
  - **Program receiving some favorable Iraqi news media reports**
  - **One newspaper referred to the new Dinar as the “Liberation Dinar”**
  - **The October 21 Dinar market settlement rate was 1950 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**
- **John Deere Company signed Iraqi partner as authorized dealer and service center**
  - **Marks return of a major US multinational to the Iraqi market**
- **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

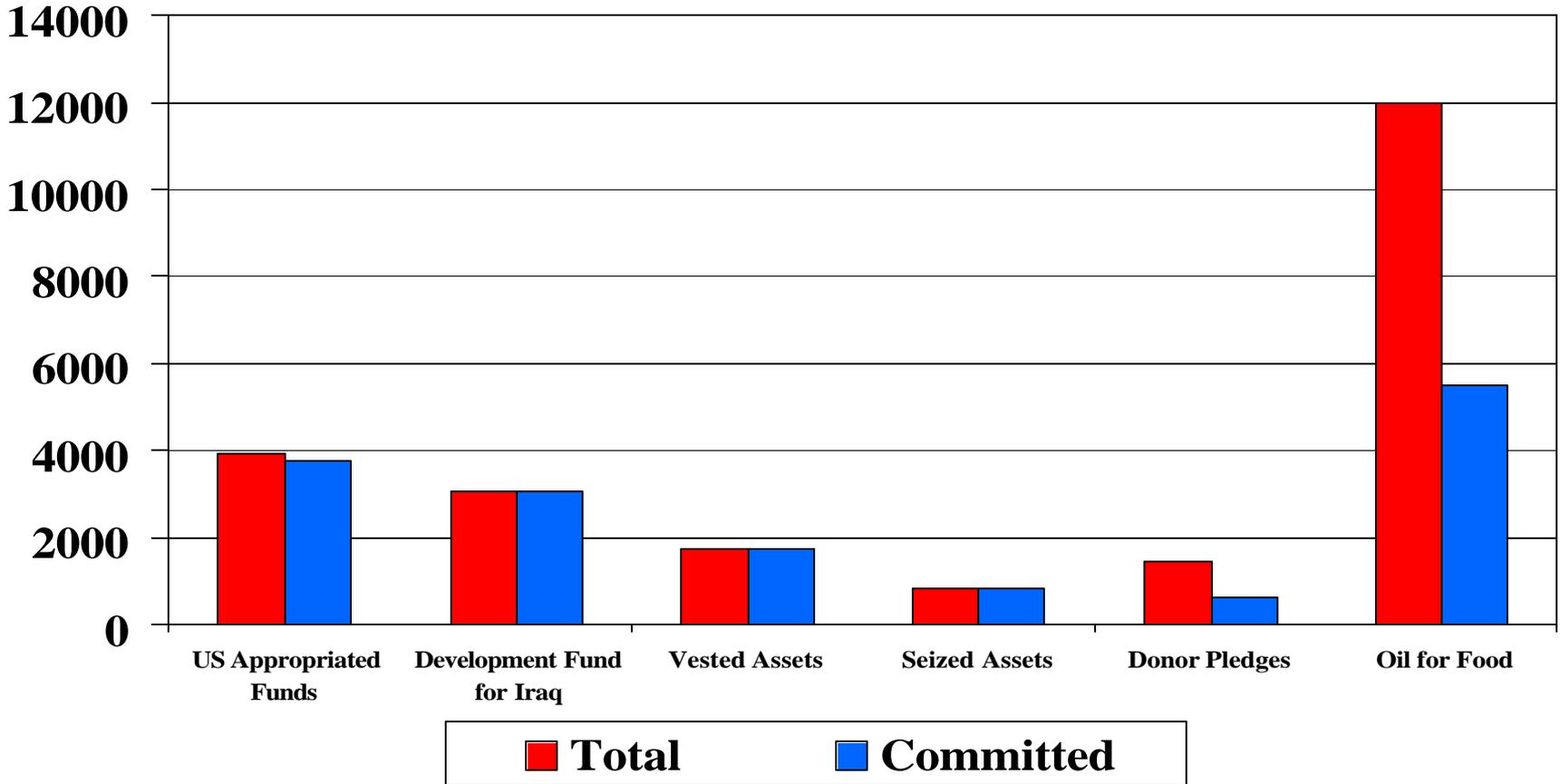


- **United Nations, World Bank, and International Monetary Fund estimate costs to build Iraqi infrastructure: \$50 - 75B**
- **\$20.3B Supplemental covers 27 - 40% of the estimate**
- **Pledges between \$14-\$19 billion received at Donors' Conference**
- **Largest pledge after US from Japan: \$1.5 billion in grants for 2004, \$3.5 billion in loans from 2005-2007**
- **Much of the proposed aid is tied to loans or other such arrangements**



# Iraq Funds Status (\$ Millions)

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



**Note: UN Oil for Food escrow account at approx \$12B prewar. Approx \$5.5B has been "prioritized." Review of remaining contracts to be completed in weeks and residual funds transferred to DFI**

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