

DRAFT WORKING PAPERS Iraq Status

15 1500 EST Mar 04

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Highlights

DEPARTMENT OF DEFENSE

CPA Priorities:

- Essential Services
- Security
- Governance
- Economy
- Strategic Communications

CPA Intermediate Objectives:

- Reconstitute electric power infrastructure
- Reconstruct the telecom system
- Draft "Transitional Administrative Law"
- Build financial market structures
- Improve dissemination of information

Weekly Highlights:

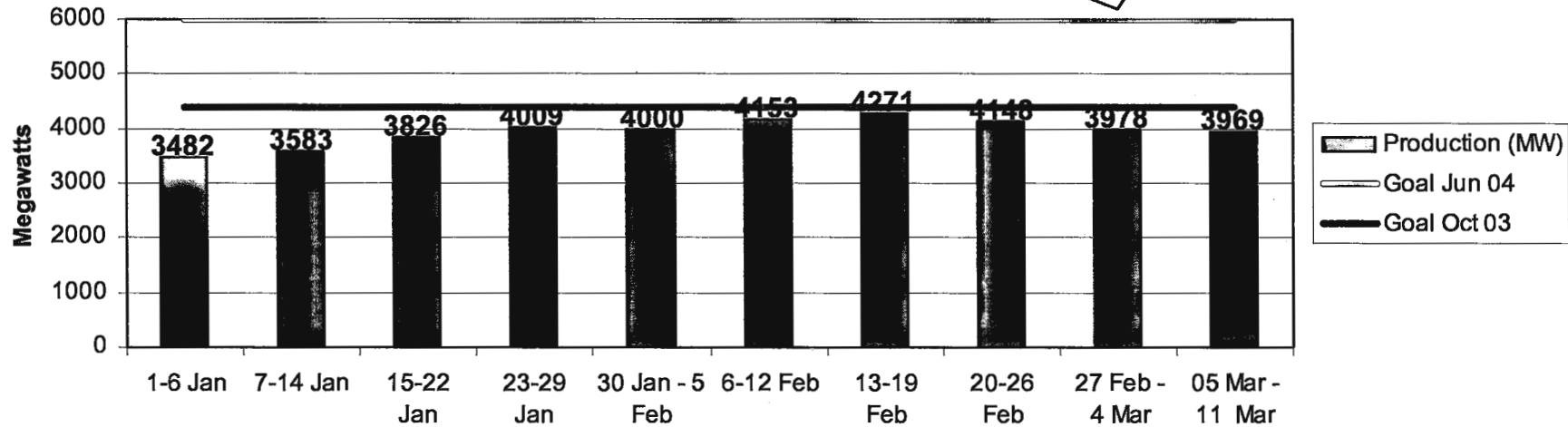
- Spring Maintenance Program has led to average of 1,172 MW scheduled maintenance losses over the past week during mild weather period
- Transitional Administrative Law will serve as supreme law from 30 Jun until election of new government under permanent constitution, by 31 Dec 05
- Over 30 donor countries commit to place more than one billion dollars of pledged funds into UN and World Bank trust funds
- CPA civics test indicates Iraqis in general are not well-informed on transition political issues
- 949,580 telephone subscribers – 14.1% above active subscribers pre-war; 244,000 cell phone subscribers



Electricity Overview

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Goal June 04: 6,000 MW Peak Production Capacity



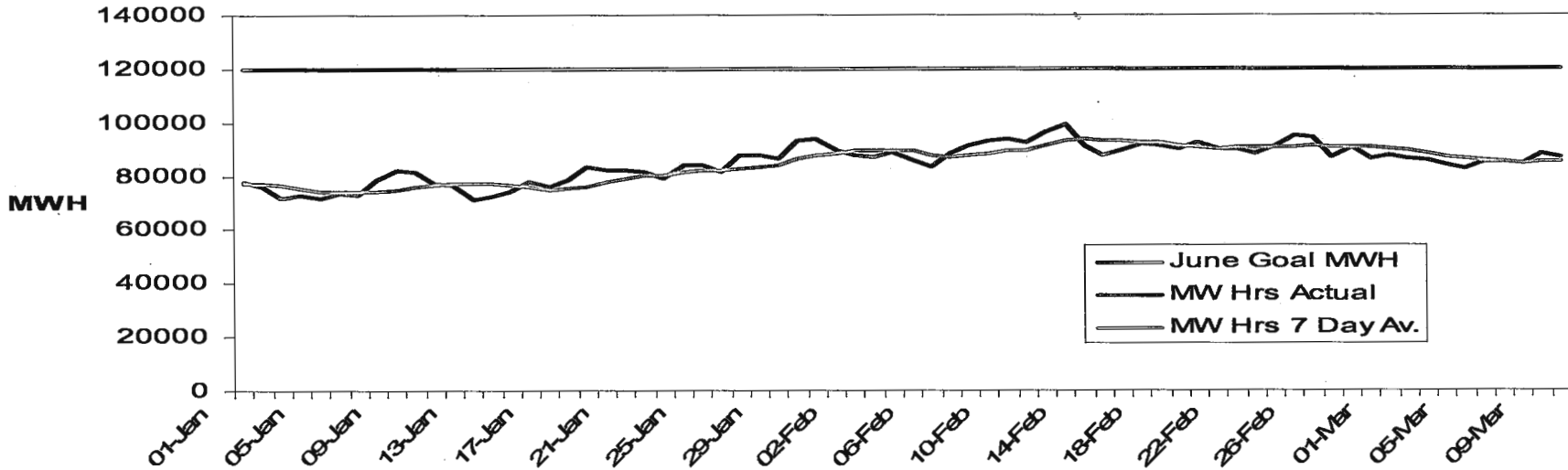
- **Ambassador Bremer approved a new increase plan on 14 Jan to prevent current project delays from impacting the goal of 6,000 MW by 01 Jun**
- **CPA Autumn Maintenance Program began Oct 03 transitioned into the Spring program in Feb and has resulted in 1,172 MW in scheduled maintenance losses on average over the past week. Unscheduled generator maintenance continues with 651 MW out of service**



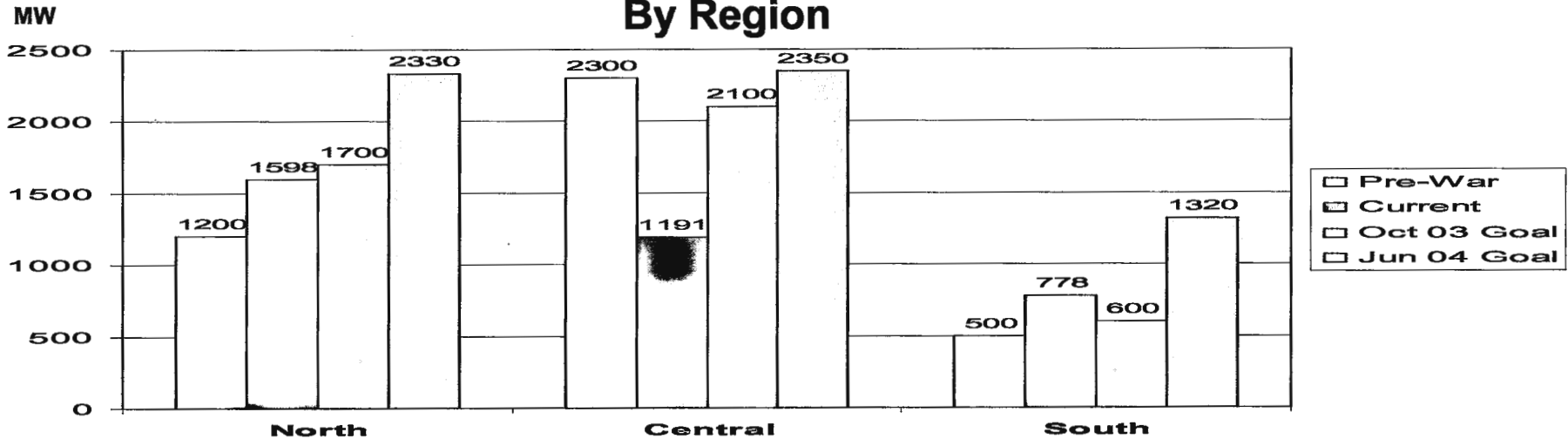
Power Production

DEPARTMENT OF DEFENSE

Mega Watt Hour Production



By Region

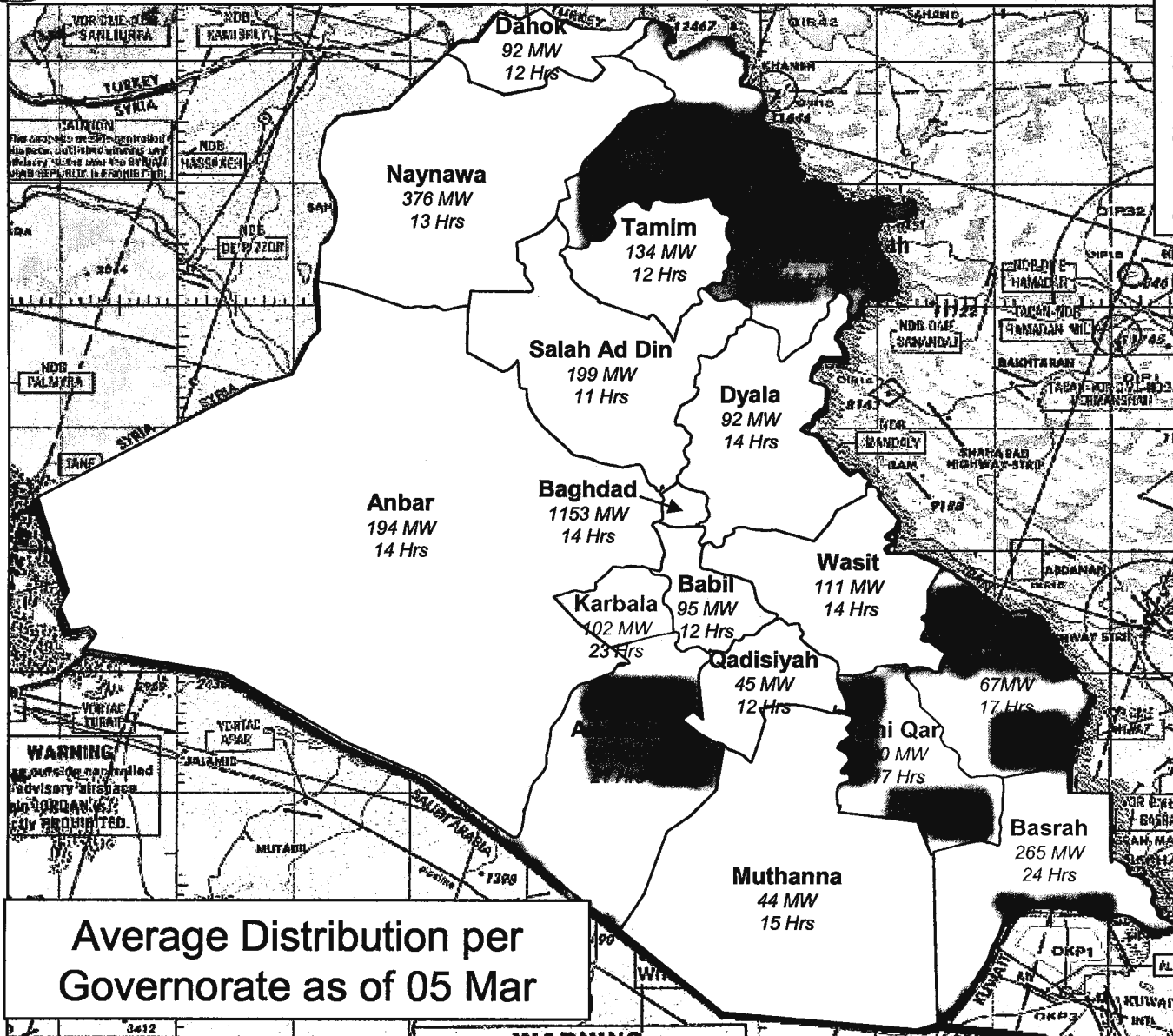


Data as of 11 Mar



Hours of Power – Week of 5 March

DEPARTMENT OF DEFENSE



AVERAGE HOURS OF ELECTRICITY AVAILABLE TO RESIDENTS

- ≤ 8 Hrs = Red ○
- 8 to 16 Hrs = Amber ○
- ≥ 16 Hrs = Green ○

Estimated Peak Industrial Allocation

| | |
|--------------|---------|
| Baghdad | 51.8 MW |
| Duhok | |
| Naynawa | 64.5 MW |
| Tamim | 19.0 MW |
| Salah Ad Din | 9.0 MW |
| Anbar | 34.0 MW |
| Dyala | 4.0 MW |
| Babil | 19.3 MW |
| Karbala | 19.5 MW |
| Najaf | 15.0 MW |
| Qadisiyah | 11.5 MW |
| Wasit | 0 MW |
| Muthanna | 23.0 MW |
| Dhi Qar | 10.0 MW |
| Misan | 7.0 MW |
| Basrah | 37.0 MW |

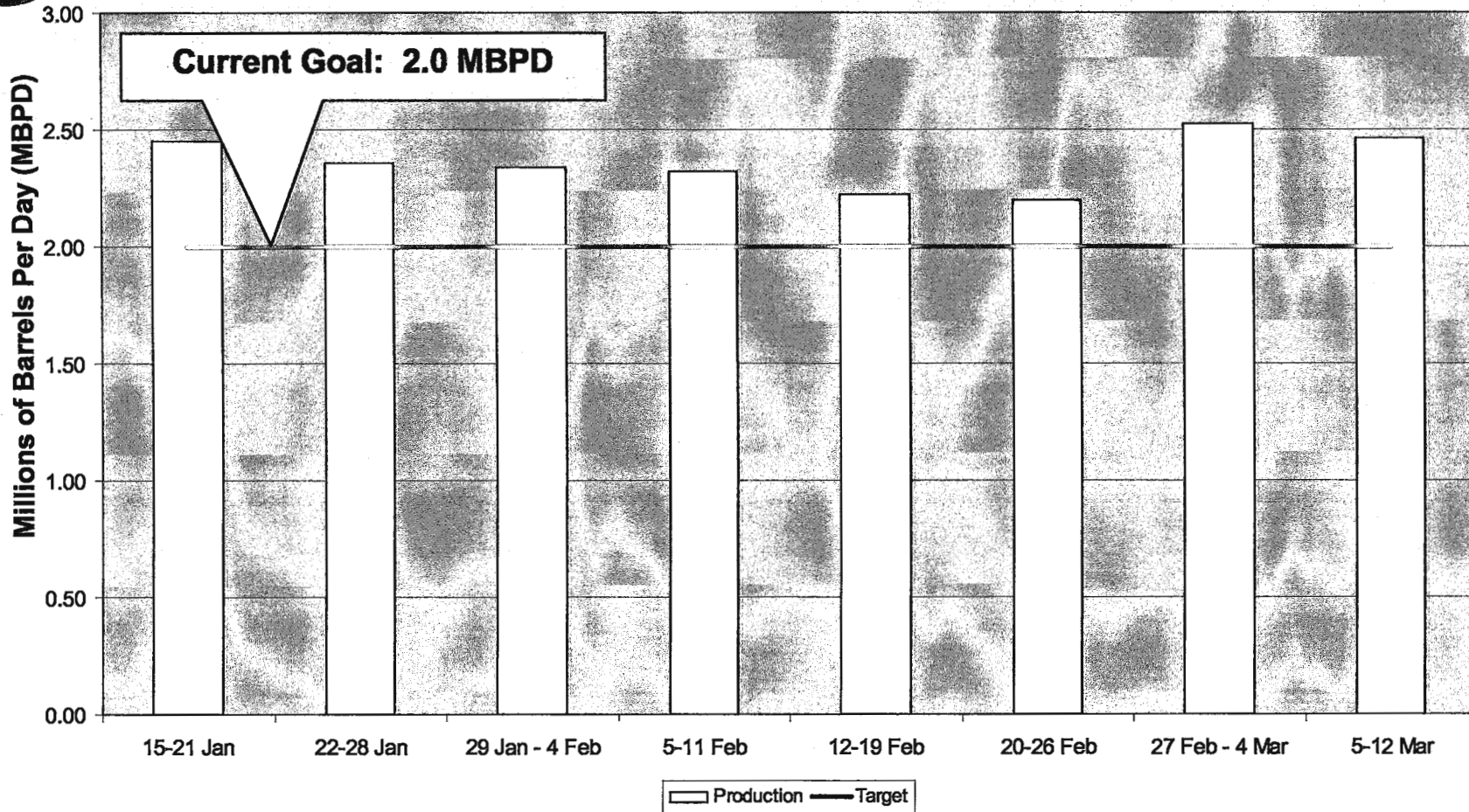
Average Distribution per Governorate as of 05 Mar

Data as of 11 Mar



Crude Oil Production

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WEEKLY AVERAGE OF 2.463 MBPD EXCEEDS TARGET OF 2.0 MBPD

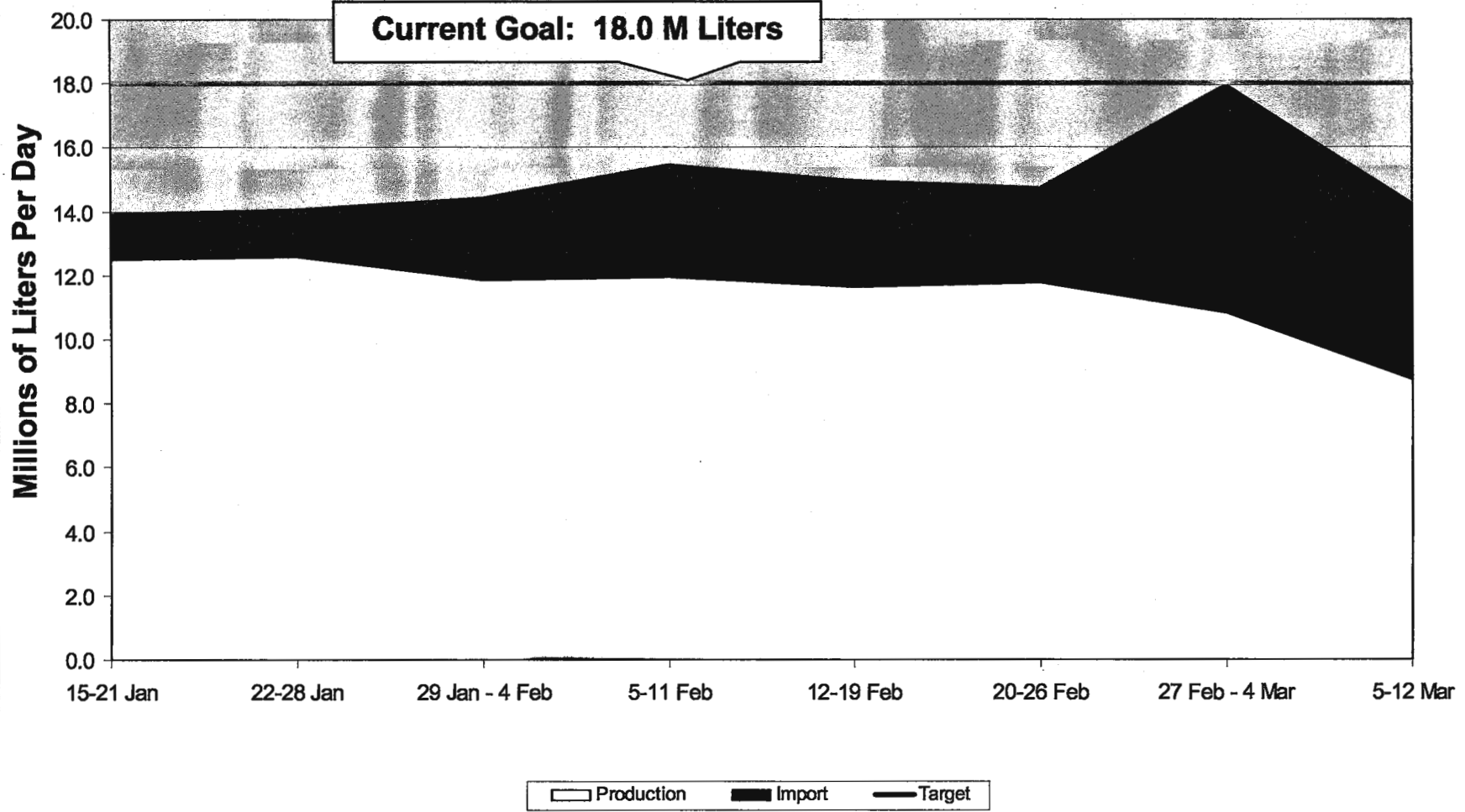
- Long Term Target (Dec): 2.8-3.0 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Mar 03
- Post-war Peak: 2.541 MBPD on 28 Feb
- Weekly average of crude exports: 1.521 MBPD

N/P



Diesel Production

DEPARTMENT OF DEFENSE

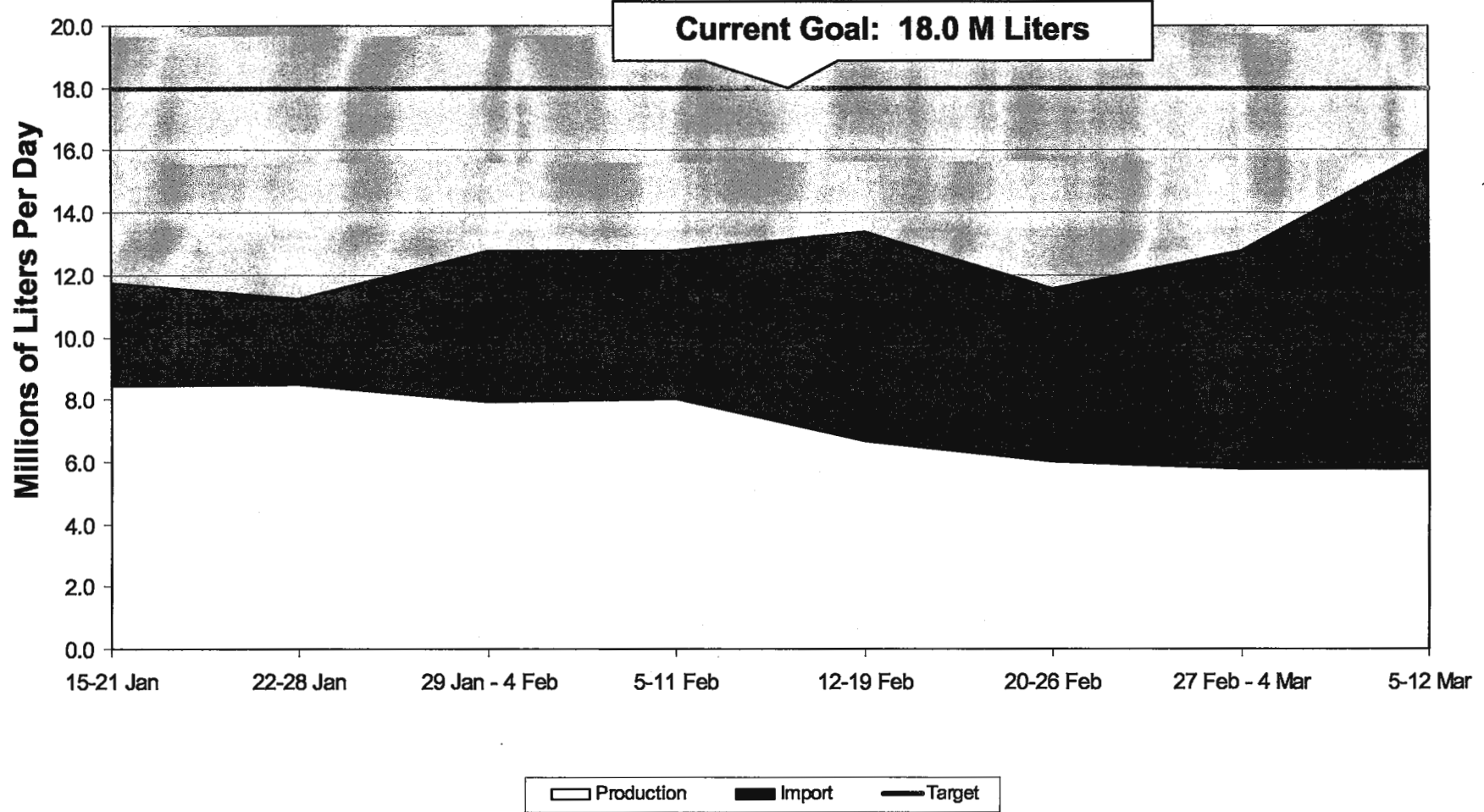


• This week's average production and imports are 79% of goal



Kerosene Production

DEPARTMENT OF DEFENSE

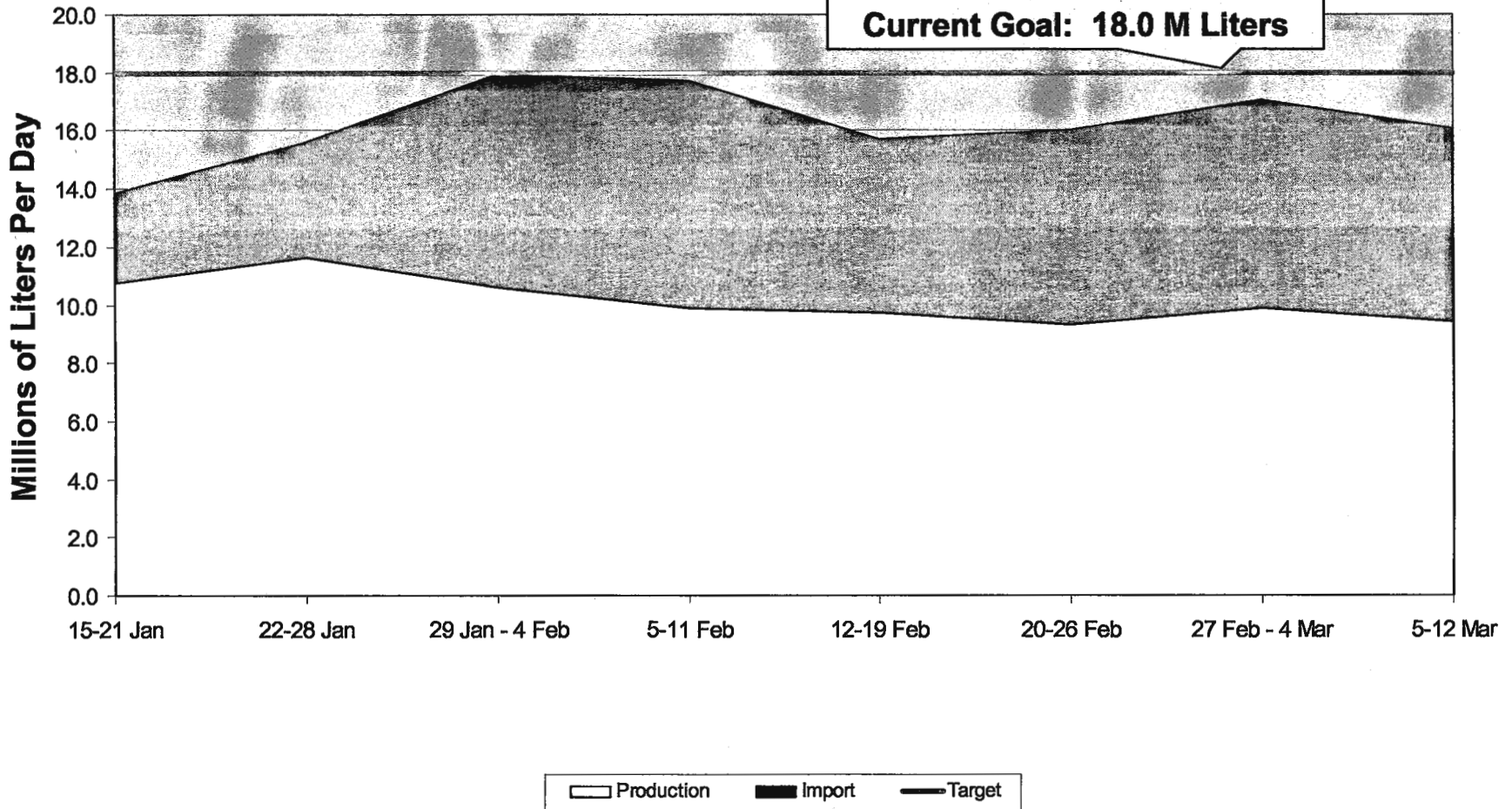


• This week's average production and imports are 89% of goal



Gasoline / Benzene Production

DEPARTMENT OF DEFENSE
GASOLINE / BENZENE PRODUCTION

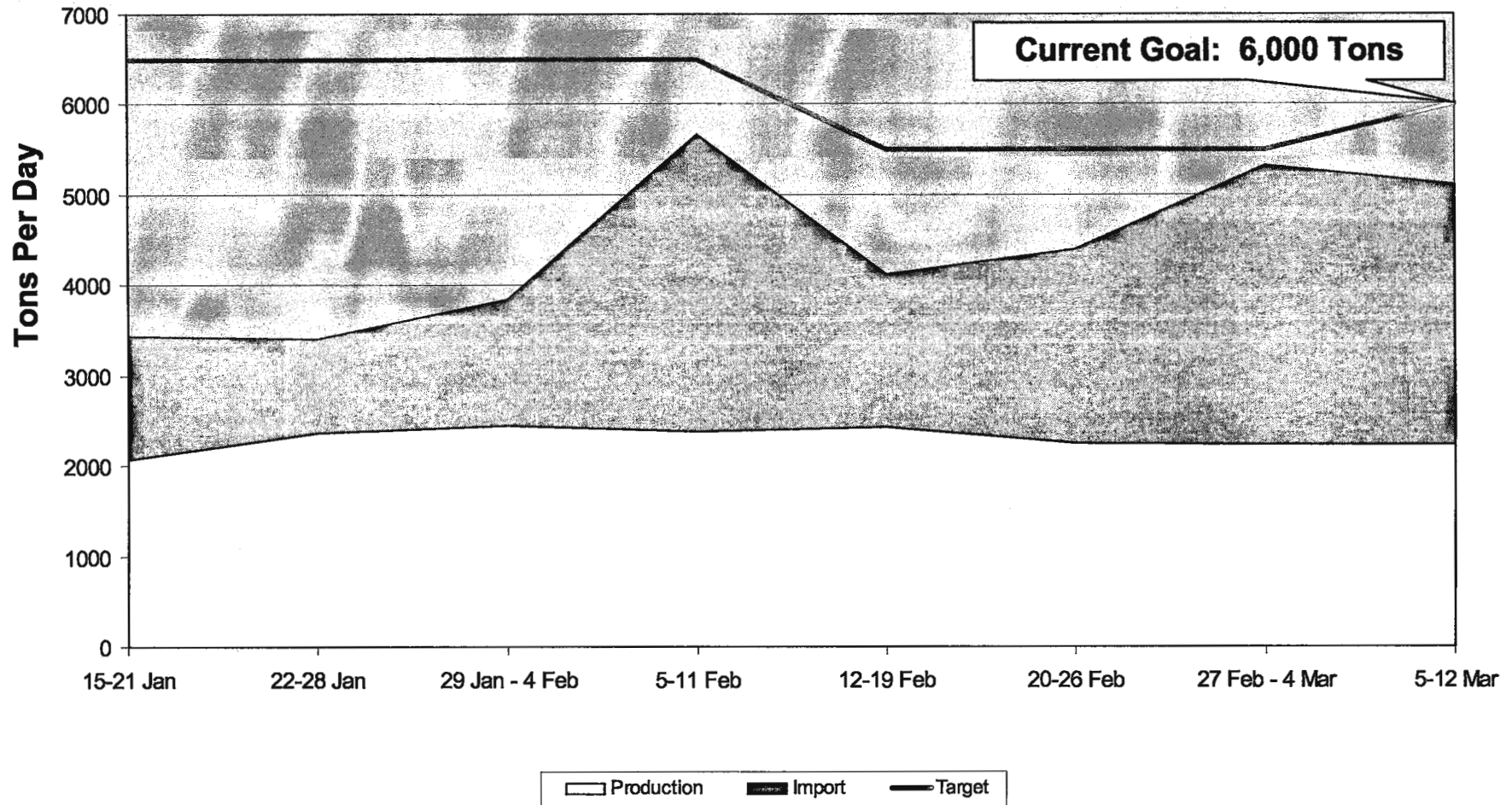


• This week's average production and imports are 89% of goal



Liquefied Petroleum Gas Production

DEPARTMENT OF DEFENSE



- This week's average production and imports are 89% of goal
- Current goal increased to 6,000 Tons



Essential Services - Education

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- Education Minister hosted UNICEF, UNESCO, World Bank, and the British Council in Amman to facilitate donor coordination to the Education Ministry
- CPA coordinated review and editing of 48 primary and secondary math and science textbook titles
- USAID and UNESCO printed and distributed more than 8.7 million textbooks
 - Textbook distribution provided one book for every two students
- 300,000 technical textbooks delivered to Iraq's 42 technical institutes and colleges by Kuwait Public Authority for Applied Education and Training, through the Kuwait Humanitarian Operation Center, an agency of the Kuwait Foreign Ministry
- Burpee Seed Company donated / shipped over 4,000 pounds of vegetable seeds to Iraqi agricultural colleges

CPA Education Objective: Improve Quality and Access to Education

- Reorganize and staff the Ministry of Education
- Rehabilitate school buildings and build new schools
- Advance national dialog on curriculum reform
- Continue and expand teacher training



Essential Services – Education (cont)

- **More than 2,300 schools rehabilitated through USAID Emergency School Rehabilitation Program**
 - **After years of neglect many of Iraq's primary and secondary schools were dilapidated and not safe**
 - **Program began in June 03 to improve schools for the 03 school year**
 - **Initial program goal of rehabilitating 1,000 schools by 01 Oct 03**
- **USAID will continue to support Ministry of Education priority to rehabilitate schools in its second year of project programming through follow-on education contract, as well as through NGOs**
 - **Ministry and community groups will lead process and USAID will provide financial and technical support**
 - **Currently identifying schools in need of repair, coordinating local and national government responsibilities, and monitoring repairs**
 - **World Bank will also support school rehabilitation**

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Essential Services – Healthcare

- **US Secretary of Health and Human Services Tommy G. Thompson visited 31st Combat Support Hospital and Women’s Health Care Center at Al-Wayaith Hospital in Iraq and King Hussein Cancer Center in Jordan**
- **Approximately 100 Iraqi physicians and nurses are in Egypt participating in 4 week trilateral medical training program involving Iraq, Japan, and Egypt**
 - **Physicians and nurses updating skills in intensive care practices, nursing procedures, and endoscopic surgery**
- **Ministry of Health (MoH) new Arabic-English website www.mohiraq.org is online**
 - **Plans to gather and manage health information via web-based databases**
- **USAID, CPA and MoH developing a national health strategy through health working groups, health facilities database and disease surveillance system**

CPA Health Care Objective: Improve Quality and Access to Health Care

- **Develop health care organizations, management, and infrastructure**
- **Train health care professionals**
- **Pharmaceuticals logistic support**
- **Secure system**
- **Public health**

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Essential Services – Healthcare (cont)

- **MoH, CPA, USAID and partners are improving health care in Iraq**
 - **Years of neglect have created poor standard for health care**
 - **Health services returned to pre-war levels, but remain below international standards**
- **MoH to introduce program to fortify wheat flour with iron and folic acid to reduce iron deficiency anemia and folic acid deficiency in women of childbearing age**
- **MoH and USAID renovating 52 clinics and reequipping 600 primary health centers with essential equipment**
- **MoH and USAID developed interventions to improve children’s health in Iraq**
 - **A national immunization program has reached 70% of children under 5**
- **USAID issued request for proposals for next phase of health sector work, focusing on:**
 - **Strengthening health policy and systems strengthening**
 - **Developing technical and operational support for the health care system**
 - **Provide technical and operational support to deliver maternal and child health services**



Essential Services – Water

- Three grants will provide for the renovation of water treatment stations in the village of Al Kharma in Al Anbar Governorate
- Civil engineering work at Al Hillah and Ad Diwaniyah wastewater plants is complete
 - Civil work phase rehabilitated the entire plant except mechanical and electrical components
- Ongoing USAID water and sanitation infrastructure projects total \$183M, and will benefit 14.5M Iraqis

CPA Food Security Objective: Provide Water Supply, Sewerage & Municipal Services; Improve Water Resource Management

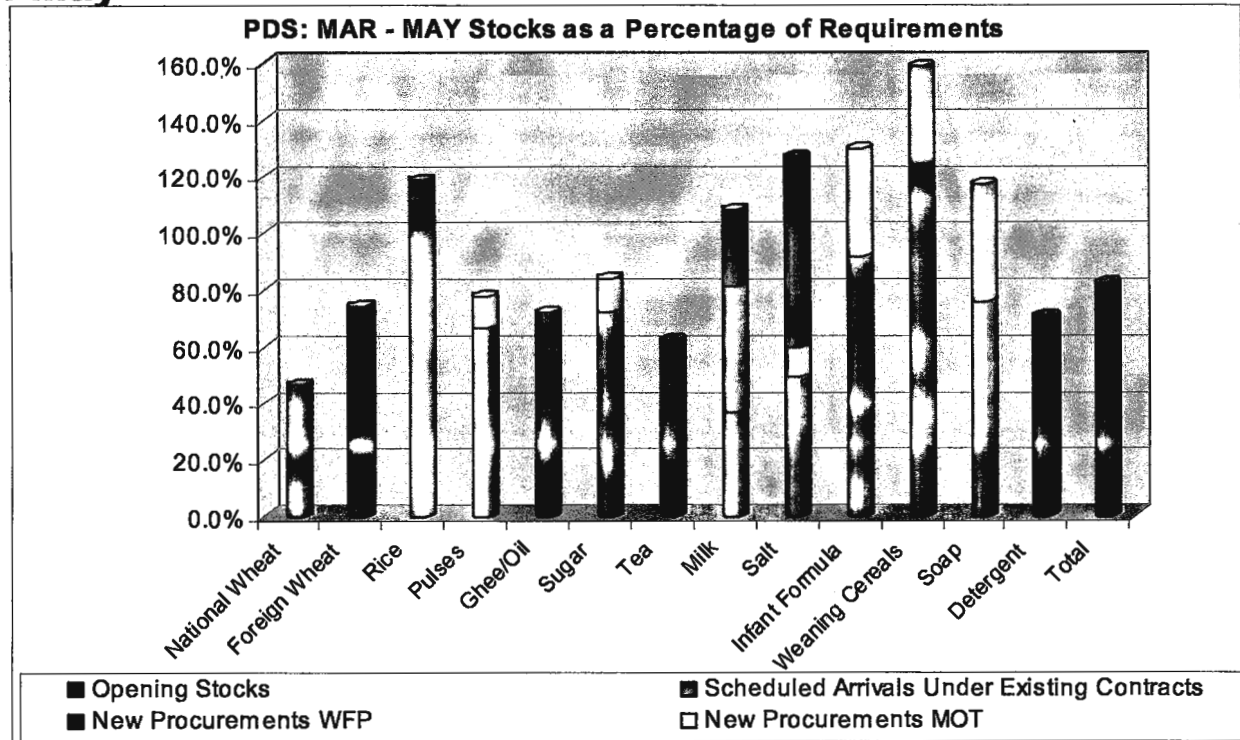
Create viable organization to deliver water, sewerage and municipal services (WSMS) • Expand WSMS to meet national needs • Develop full range of municipal services and inclusive delivery mechanism • Improve Ministry processes in preparation for Iraq's sovereignty • Infrastructure improvements to water resource system • Facilities improvements within Ministry • Capacity building within Ministry



Essential Services – Food Security

DEFENSE DEPARTMENT

- Chart shows the stocks for public distribution goods as a percentage of estimated Requirements On Hand that Iraqis receive under Public Distribution System (PDS) until end of May
- The percentage of estimated requirements includes opening stocks (amount on hand), and scheduled arrivals of goods
- PDS stocks are calculated as a % of estimated demand for Mar through May
- Having 100% of each commodity ensures stock availability through May



CPA Food Security Objective: Provide Food Security for all Iraqis

Enhance capacity of Ministry of Agriculture • Assure supply of inputs • Strengthen research system • Ensure adequate stocks for Public Distribution System (PDS) • Monitor food security • Hand over administration of system in the North • Initiate reform of rations basket • Environmental Initiatives



Essential Services – Food Security (cont)

DEPARTMENT OF DEFENSE

- **CPA anticipates no food shortages in April / May rations**
 - **New procurements of food basket commodities include accelerated delivery schedules for low stocked commodities**
- **1,654 confirmed contracts for 2.1M tons of Public Distribution System (PDS) supplies**
 - **Only 267 contracts are unconfirmed (603,000 tons of supplies -- 14% of all contracts)**
- **USAID is assisting Ministry of Agriculture (MoA) to restore Iraq to its dominant position in the international date market**
 - **MoA establishing 18 date palm nurseries throughout Iraq**
- **USAID Winter Crop Technology Demonstration**
 - **128 farm families participating**
 - **Demonstrates new methods of cultivation to increase crop yields**

| Governorate | Number of Orchards | Number of Offshoots |
|--------------------|---------------------------|----------------------------|
| Basrah | 3 | 6,000 |
| Maysan | 1 | 3,000 |
| Dhi Qar | 1 | 3,000 |
| Al Muthanna' | 1 | 3,000 |
| Wasit | 1 | 3,000 |
| Al Qadisiyah | 2 | 3,000 |
| An Najaf | 1 | 3,000 |
| Karbala' | 1 | 3,000 |
| Babil | 1 | 3,000 |
| Baghdad | 3 | 4,000 |
| Al Anbar | 1 | 2,000 |
| Diyala' | 1 to 2 | 2,000 |
| Salah ad Din | 1 | 2,000 |
| Total | 18-19 | 40,000 |

Source: USAID

USAID country-wide plan for re-establishing date orchards

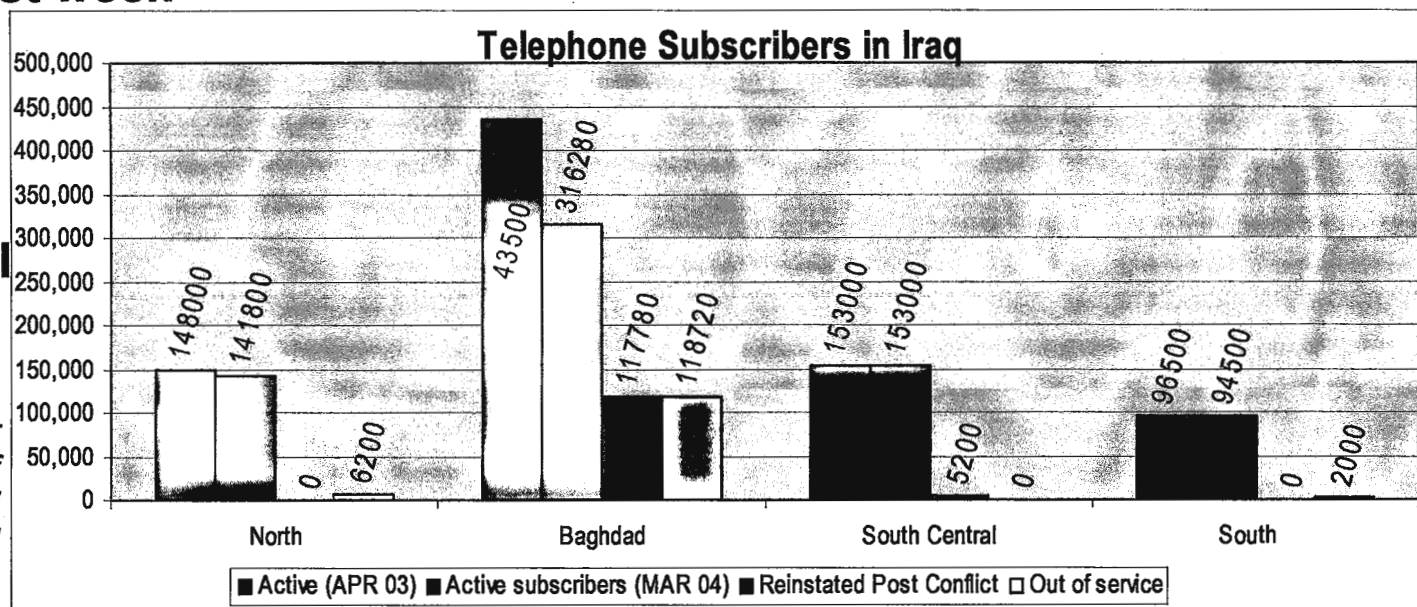


Essential Services – Telecommunications

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- Total number of telephone subscribers: 949,580
 - 14.1% above active subscribers pre-war
 - Includes 244,000 cell phone subscribers (19,000 since last week)
- CPA has reinstated service for 122,980 subscribers since May 03, including 11,430 since last week
- CPA has repaired 18 telephone switches since May 03 with full supporting service

Source: CPA Senior Advisor to the Minister of Communications Iraqi Telephone and Postal Company (ITPC)



CPA Objectives: Reconstruct Communications & Postal Systems

Build Iraq's first responder network • Establish independent regulatory agency • Upgrade Iraqi Telephone and Postal Company (ITPC) network for interoperability • Build transmission component data network for Iraq, including international gateways • Restructure ITPC and its business operations • Upgrade and modernize postal systems • Upgrade ITPC outside plant for increased subscriber capacity and use

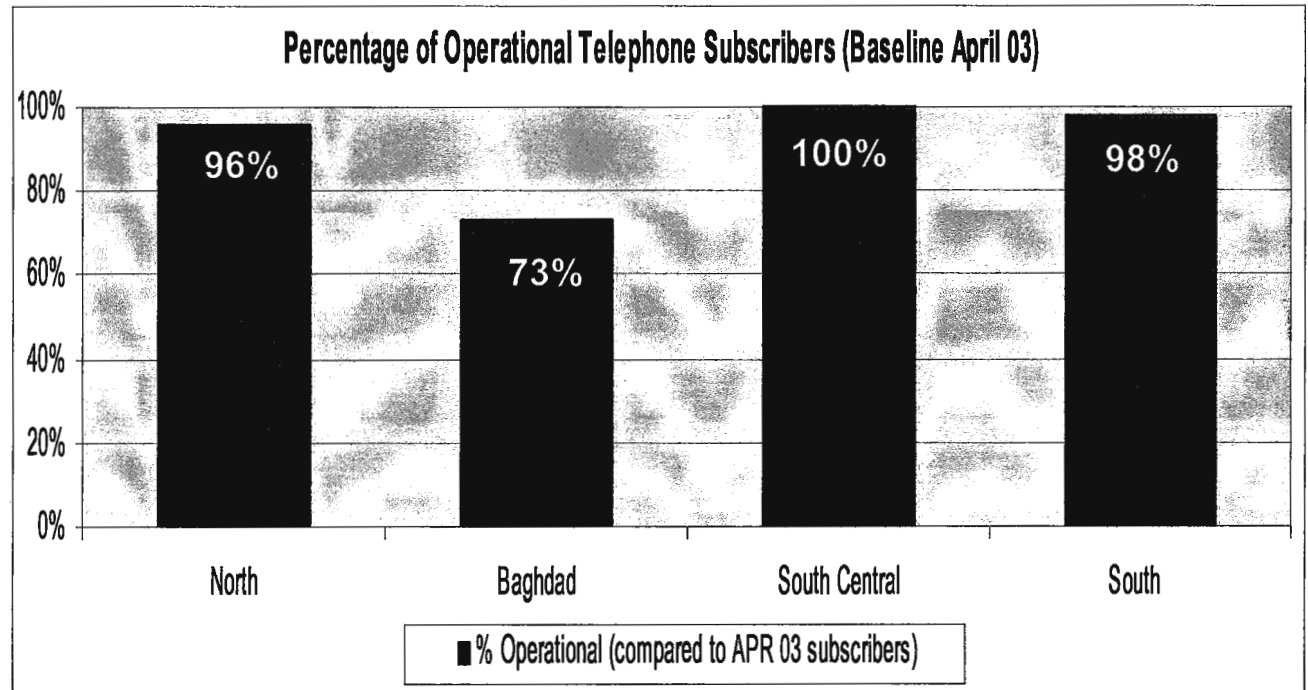


Essential Services – Telecommunications (cont)

DEPARTMENT OF DEFENSE

- Three cell phone companies continue to sign up new subscribers
 - Mosul, Sulaymaniyah, and Kirkuk: 117,000 subscribers
 - Baghdad: 87,000 subscribers (19,000 since last week)
 - Basra, Al Kut, Amarah, Samawah, and Nasiriyah: 40,000 subscribers
- Penetration rate (# of active landline telephone subscribers as a percentage of the population) is 2.7% (using an estimated population of 25.9M)
 - Teledensity rate (all subscribers with a telephone) is 3.7% of population

- Percentage of operational telephone subscribers compared to number of active subscribers in Apr 03
- The percentage of active subscribers in Baghdad increased by 3% over last week





Essential Services – Transportation

- **USAID is implementing projects worth \$31.5 million to repair Iraq's bridges, road, and railways**
- **Reconstruction of Al Mat Bridge is complete and was opened last week**
 - **Bridge is now used by over 3,000 trucks daily in the delivery of commerce to Iraq from Jordan**
- **More than 5,000 flights have arrived and departed Baghdad International Airport since Jul and the airport now averages 30 flights / day**
- **On 29 Feb, the Very Small Aperture Terminal (VSAT) was installed by International Air Transport Association (IATA), and the Iraqi Civil Aviation Authority (CAA) and technicians from Bechtel**
 - **The last of 7 VSAT installed sites improves voice and data linkage between air traffic control and aircraft throughout Iraq**

CPA Objectives: Restore Economically Strategic Transportation Infrastructure

Enable Iraqi civil aviation to prepare for international commercial aviation and cargo service • Enable Iraqi Port Authority to administer a port of call with intermodal capabilities and inland container distribution • Enable Iraqi Republic Railways to provide domestic and international passenger and freight capabilities • Reform civil service at Ministry of Transportation

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| | Required | On Payroll (Untrained) | On Duty (Partially Trained) | On Duty (Fully Qualified) | In-Training | TOTAL |
|---|----------------|---------------------------|-----------------------------------|---------------------------------|-------------|----------------|
| Iraqi Border Police | 8,835 | 0 | 8,259 | 0 | 521 | 8,259 |
| Dept of Border Enforcement | 16,892 | 0 | 9,873 | 0 | 0 | 9,873 |
| Iraqi Police Service | 75,000 | 59,638 | 12,422 | 2,324 | 3,840 | 78,224 |
| Iraqi Civil Defense Corps | 40,000 | 0 | 0 | 32,428 (OJT Continuous) | 2,028 | 34,456 |
| Iraqi Armed Forces (IAF) | 40,000 | 0 | 0 | 3,005 | 1,709 | 4,714 |
| Facilities Protection Service (Ministries & MSCs) | 50,000 | 0 | 0 | 73,992 | 0 | 73,992 |
| Totals | 230,727 | | | | | 209,518 |



AMMO / Explosives / Weapons Captured (Weekly)

| Captured AMMO & Explosives | 16 - 22 Feb | 23 - 29 Feb | 01 - 07 Mar | 08 - 14 Mar |
|----------------------------------|----------------|----------------|----------------|----------------|
| Assembled IED | 60 | 57 | 63 | 36 |
| RPG rounds, Grenades | 1,407 | 3,870 | 1,839 | 1,984 |
| MANPAD rounds | 0 | 206 | 4 | 5 |
| Mortar, Artillery, Rocket Rounds | 8,318 | 8,711 | 5,574 | 1,800 |
| Mines | 30 | 586 | 12 | 849 |
| Pounds of Explosives | 67 | 771 | 66 | 0 |
| Anti-Aircraft rounds | 0 | 491 | 96 | 0 |
| Captured Weapons | | | | |
| RPG Launchers | 57 | 99 | 45 | 64 |
| MANPAD Launchers | 15 | 9 | 8 | 1 |
| Small Arms | 357 | 230 | 306 | 228 |
| Crew Served Weapons | 35 | 65 | 18 | 13 |

DEPARTMENT OF DEFENSE

N/P

Data as of 14 Mar

22

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Stability Contributors

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Countries with forces in Iraq

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

TOTAL ~24K

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

Countries considering decision to provide forces for Iraq

6

TOTAL TBD

40 Countries
Potentially Supporting
Iraqi Stability and
Humanitarian Relief

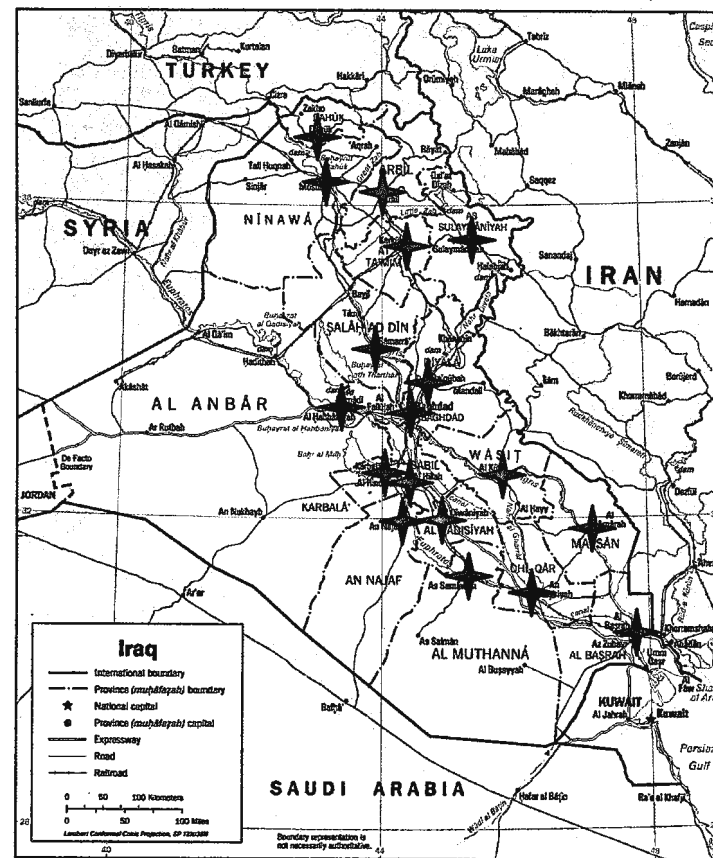


Governance – Democracy Building

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- Transitional Administrative Law (TAL) signed 08 Mar after one-week delay
- TAL will serve as Iraq's supreme law between 30 Jun handover of sovereignty and election of a new government under a permanent constitution, no later than 31 Dec 05
- Transitional period defined by TAL
 - Phase I: Iraqi Interim Government assumes sovereignty, governing within limits of TAL (Interim Government structure to be defined in an annex to the TAL); CPA dissolves
 - Phase II: Iraqi Transitional Government, an elected body, takes office no later than 31 Jan 05, and governs until permanent constitutional government takes office
- TAL Fundamental Rights highlights
 - Equality regardless of gender, nationality, religion, or origin
 - Free expression and assembly protected
 - Right to security, education, health care
- TAL posted on internet at www.cpa-iraq.org

Provincial Councils Refreshment



Refreshment to become more representative of population than when originally created

- ★ Provincial Council refreshed
- ★ Refreshment in process
- ★ Not included



Governance – National Transition

DEPARTMENT OF DEFENSE

2003



New agreement between CPA and GC on transition process

2004



Drafting of Transitional Administrative Law (TAL)



TAL signed



Establishment of Election Commission



Annex to TAL released describing selection process and powers of Interim Government



Selection of Interim Government



30 Jun

N/P



Governance – National Transition (cont)

DEPARTMENT OF DEFENSE

2004

Transition Period



Sovereignty /Interim Government Takes Office



Election of Transition Government

2005



Constitution Writing Begins



Referendum for Constitution



Election of Government under Permanent Constitution



****Elected Government Takes Office****



Economics – Financial Market Structures

DEPARTMENT OF DEFENSE

- **CPA Administrator signed order for a new Central Bank Law aiming to achieve long-term growth and prosperity through**
 - **Maintaining domestic price stability**
 - **Fostering stable and competitive market-based financial system**
- **In collaboration with the CPA, USAID is assisting Rasheed and Rafidain banks to reconcile year-end financial statements according to International Accounting Standards**
- **Iraq Stock Exchange is expected to open next month**

CPA Economic Objective: Commence Reform of Tax System

- **Reform tax rates**



Economics – Currency & Banking

DEPARTMENT OF DEFENSE
FOURTH QUARTER

- As of 07 Mar, the Operating Consortium has issued 109 letters of credit on behalf of the Trade Bank of Iraq totaling \$482 million
- As of 04 Mar, the balance in the Development Fund for Iraq (DFI) was \$8.1 billion
 - Total payments out of DFI amount to \$5.3 billion
 - DFI investment program has earned \$14 million in interest
- At a donor committee meeting in Abu Dhabi on 28 - 29 Feb over thirty countries committed to place more than one billion dollars of pledged funds into the UN and World Bank trust funds
- As of 20 Feb Iraq's two large state-owned commercial banks, Rafidain and Rasheed, have extended dollar loans totaling \$8.9 million, a 49% increase over the dollar loan amount extended as of 30 Nov 03
- CPA has issued over 1,400 micro and small business loans worth approximately \$3 million

CPA Economic Objective: Build Financial Market Structures

- Modernize the Central Bank
- Commercial Banking System
- Re-establish Baghdad Stock Exchange
- Restructure National Debt

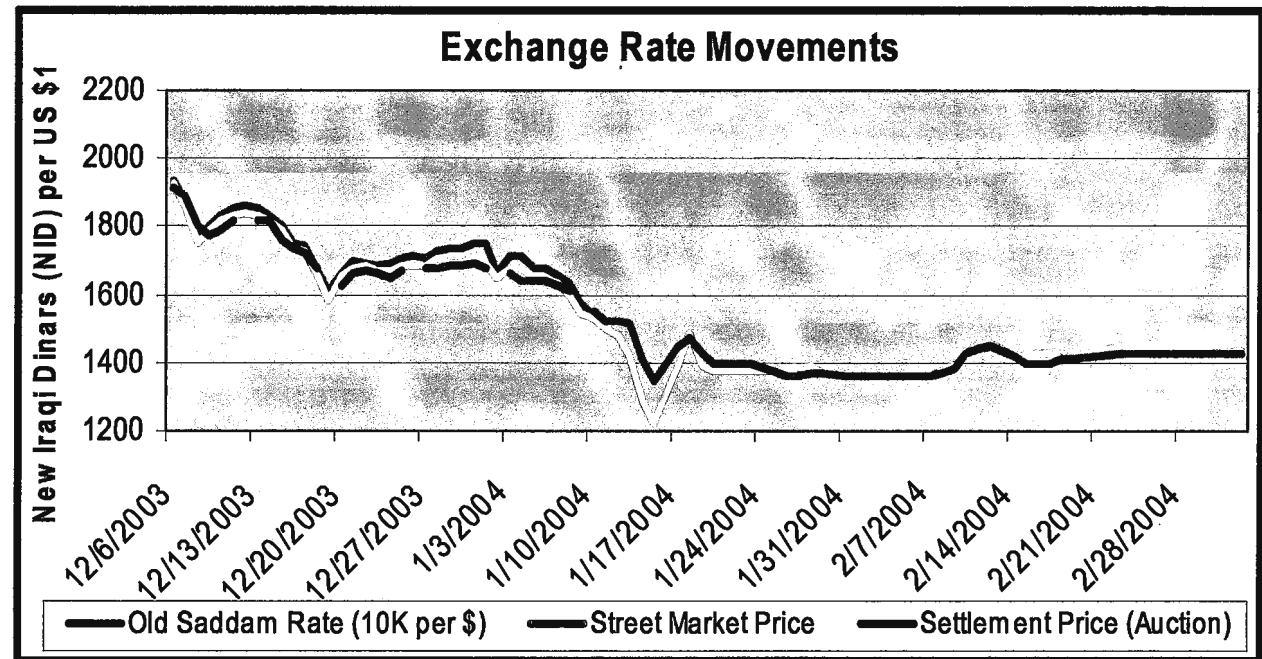


Economics – Currency & Banking (cont)

DEPARTMENT OF DEFENSE

- The Currency Auction was developed and is operated by the Central Bank of Iraq (CBI)
- At the New Iraqi Dinar (NID) auction on 04 Mar, the settlement price was 1,425 dinars per dollar and the value of dollars sold at the auction was \$19.3 million
- From 28 Feb – 04 Mar, the NID depreciated 0.4 percent against the US dollar

| Date | # banks participating | Amount sold or bought | Auction price (dinars per dollar) |
|--------|-----------------------|-----------------------|-----------------------------------|
| 16-Feb | 13 | \$7.735 million | 1,400 |
| 17-Feb | 14 | \$11.310 million | 1,425 |
| 19-Feb | 14 | \$13 million | 1,415 |





Economics – Other Developments

DEPARTMENT OF DEFENSE

- Ministry of Planning announced unemployment rate of 28 % and underemployment rate of 21.6 %, a total of 49.6 % affected
- The National Employment Program came to a close at the end of Feb after creating nearly 77,000 public works jobs
 - A new program will commence in Apr
- CJTF-7 C-9 estimates that CPA has created 378,333 jobs for Iraqis (45 percent of the CJTF-7 target of 850,000):
 - Security / National Defense: 218,194
 - CJTF-7: 51,673
 - Civilian contractors working under CPA contracts: 69,495
 - Governorate Teams: 1,550

CPA Economic Objective: Pursue National Strategy for Human Resources Development

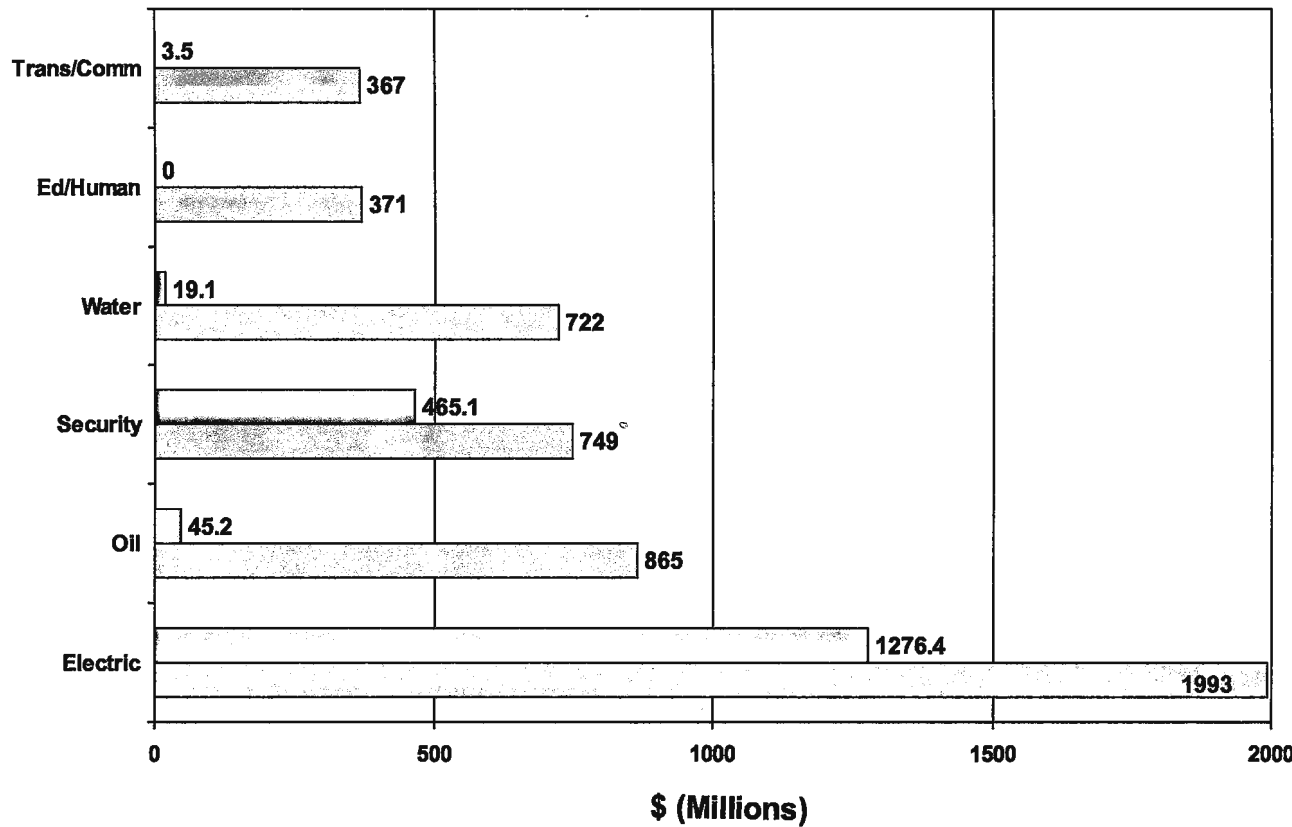
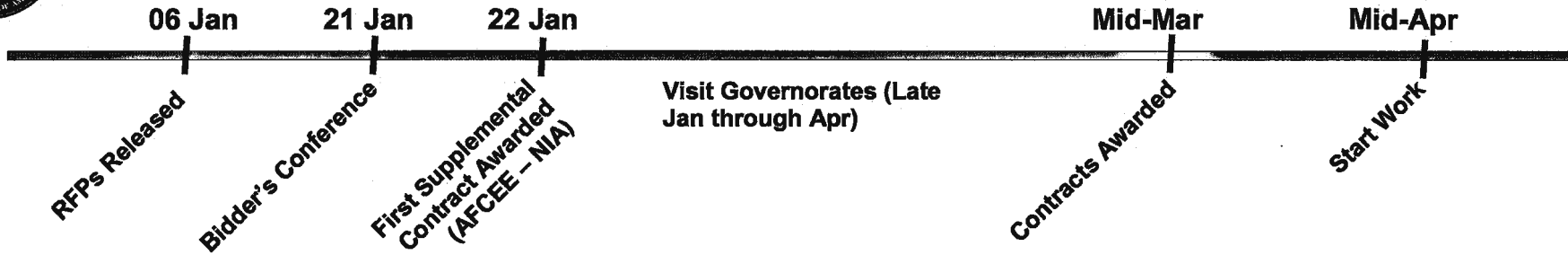
- Begin work to employ 100,000 workers in Public Works programs around the country



Program Management Office (PMO)

DEPARTMENT OF DEFENSE

N/P



Construction Tasks Committed by 01 Jul

PMO Web-site Portal:
www.rebuilding-iraq.net

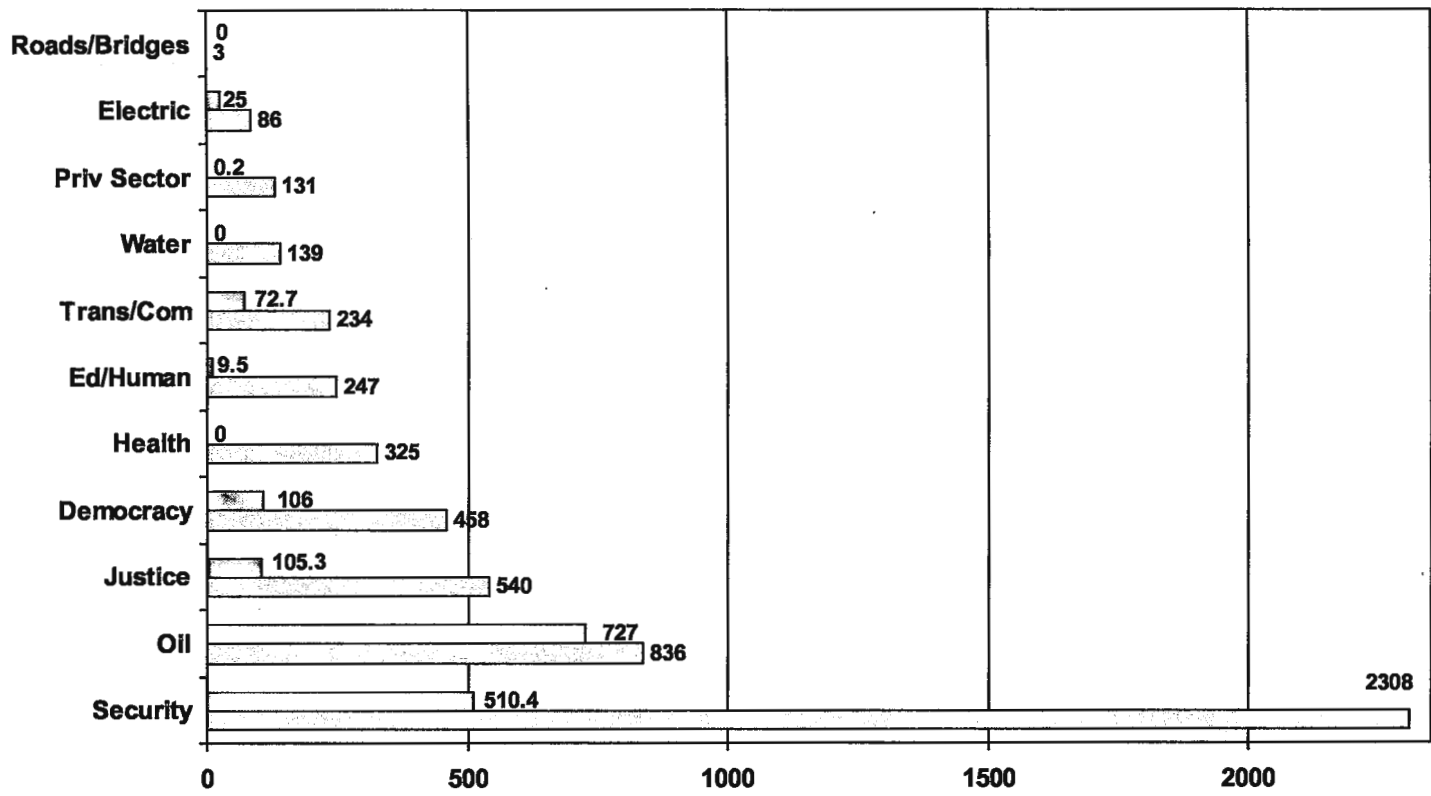
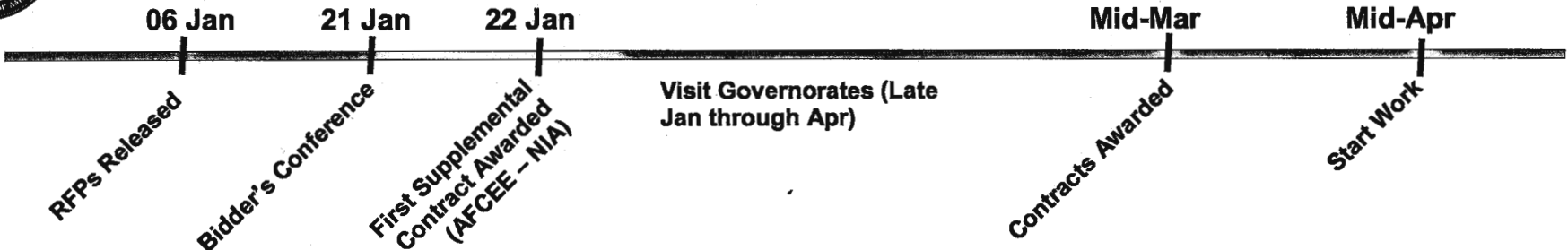
10 Mar - Status

□ Target ■ Committed



Program Management Office (PMO) (cont)

DEPARTMENT OF DEFENSE



Non-Construction Procurement by 01 Jul

10 Mar - Status

□ Target ■ Committed

\$ (Millions)



Program Management Office (PMO) (cont)

| Sector | 2207 Report | Apportioned | 10 Mar - Status | |
|---|---------------|----------------|-----------------|----------------|
| | | | Committed | Obligated |
| * Security and Law Enforcement | 3,243 | 2,332.7 | 950.5 | 249 |
| Electricity Sector | 5,560 | 1,683.1 | 1,301.4 | 428.2 |
| Oil Infrastructure | 1,701 | 1,600.0 | 772.2 | 443.4 |
| Justice, Public Safety, and Civil Society (less democracy) | 560 | 560.9 | 130.3 | 25 |
| Democracy | 458 | 458.0 | 106 | 106 |
| Education, Refugees, Human Rights, Governance | 280 | 138.5 | 9.5 | 9.5 |
| Roads, Bridges, and Construction | 370 | 119.3 | 0 | 0 |
| Health Care | 793 | 330.0 | 0 | 0 |
| Transportation and Telecommunications | 500 | 164.0 | 76.2 | 0 |
| Water Resources and Sanitation | 4,332 | 496.2 | 19.1 | 18 |
| Private Sector Development | 184 | 64.5 | .2 | 0 |
| TOTAL | 18,439 | 7,947.2 | 3,365.4 | 1,279.1 |
| CONSTRUCTION | 12,611 | 3,950 | 1,809.3 | 665.1 |
| NON-CONSTRUCTION | 5,370 | 3,539.2 | 1,449.1 | 508.0 |
| DEMOCRACY | 458 | 458 | 106 | 106 |
| Total | 18,439 | 7,947.2 | 3,365.4 | 1,279.1 |

DEPARTMENT OF DEFENSE

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In Millions

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* Cancellation of Battalion Sets

UNCLASSIFIED



Strategic Communication

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- **CPA conducted a short 'civics test' in Feb poll in 7 cities**
 - **Results indicate that Iraqis in general are not well-informed on transition political issues**
 - **USAID is funding independent Iraqi filmmaker, Evini Films, to produce public service messages and documentaries to inform Iraqis on benefits and challenges of democracy in anticipation of June transition**
 - **On 26 Feb, CPA Iraqi Women in Local Government Program and Iraq Foundation for Development and Democracy co-sponsored conference on role of women in new Iraq, focusing on**
 - **Representation of women in National Transitional Assembly and in government positions**
 - **Women's legal rights, including a focus on current laws and how they affect women, and Islamic law**
 - **On 26 Feb, Basra Governor convened his first 150-participant conference on federalism & decentralization**
- **23 – 29 Feb Poll Findings:**
 - **Fewer than half (42%) of survey respondents understand purpose of TAL or who writes / approves it**
 - **Approx. half as many respondents understood that a constitution is a nation's fundamental law**
 - **Approx. one-third of respondents correctly identify federalism with election of local officials, and views diverge widely on concerns about federalism**