



WORKING PAPERS

Iraq Status

This briefing is classified
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Highlights

CPA Priorities:

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

CPA Intermediate Objectives:

- Support Transition to Sovereignty
- Reconstruct Communications & Postal Systems
- Provide Electricity Services that meet National Needs

• Weekly Highlights:

- The formal transfer of sovereignty was announced at a ceremony on 28 Jun, two days ahead of schedule
- Recent polling shows a high level of Iraqi support (68%) for the Iraqi Interim Government
- Total number of telephone subscribers in Iraq is now over 1,245,000 (inc. 442,000 cell phone subscribers) – 49.5 % above pre-war levels
- On 22 Jun, total electricity production for the day reached 103,000 MW – the highest level since the war



Governance

- The formal transfer of sovereignty to the Interim Iraqi Government took place at a ceremony on 28 Jun, two days ahead of schedule
 - Ambassador Bremer announced the formal dissolution of the Coalition Provisional Authority (CPA)
- Recent poll shows a high level of support (68%) for the Interim Iraqi Government and new leadership
- The same poll also indicate that a large proportion of Iraqis expect that the upcoming elections for the National Assembly will be free and fair
- The Iraqi Property Claims Commission (IPCC) has 21 offices open across 10 governorates
 - Four more offices are due to open next month, and a total of 28 offices are planned
 - Around 6,000 claims have been received to date

CPA Objective: Governance

Support Transition to Sovereignty; Develop Civic Participation in Governance; Develop Framework and Capacity for Elections; Promote Respect for Human Rights; Promote Durable Solutions for Refugees and Internally Displaced Persons (IDPs)

Governance (Cont.) – National Transition



2004

08 Mar

Transitional Administrative Law signed

01 Jun

Iraqi Interim Government (IIG) Announced and Governing Council dissolved

Phase I
(Interim
Government)

04 Jun

Election Commission established

28 Jun

Transfer sovereignty from CPA to IIG

Jul

National Conference convenes and selects Interim National Council

2005

31 Jan

Elections for the National Assembly complete: NLT 31 Jan 05

Early '05

Iraqi Transitional Government takes power

Phase II
(Elected Government)

15 Aug

National Assembly completes draft of permanent constitution

15 Oct

Referendum for permanent constitution

15 Dec

Elections for government completed

31 Dec

Elected government assumes office



Essential Services - Water and Sanitation

- **A substantial increase in access to potable water should result as work on a number of treatment plants and systems is completed in the second half of 2004:**
 - Baghdad's Shark Dijlah plant will benefit 750,000 people
 - Ad Diwaniyah plant will benefit more than 80,000 people
 - An Najaf plant will benefit 560,000 people
 - Ninawa' Governorate plants will benefit 50,000 people
 - Fallujah plant will benefit more than 200,000 people
- **The Baghdad Water and Sewer Authority staff are receiving training that will improve services and planning for expanded delivery throughout the Baghdad Governorate**

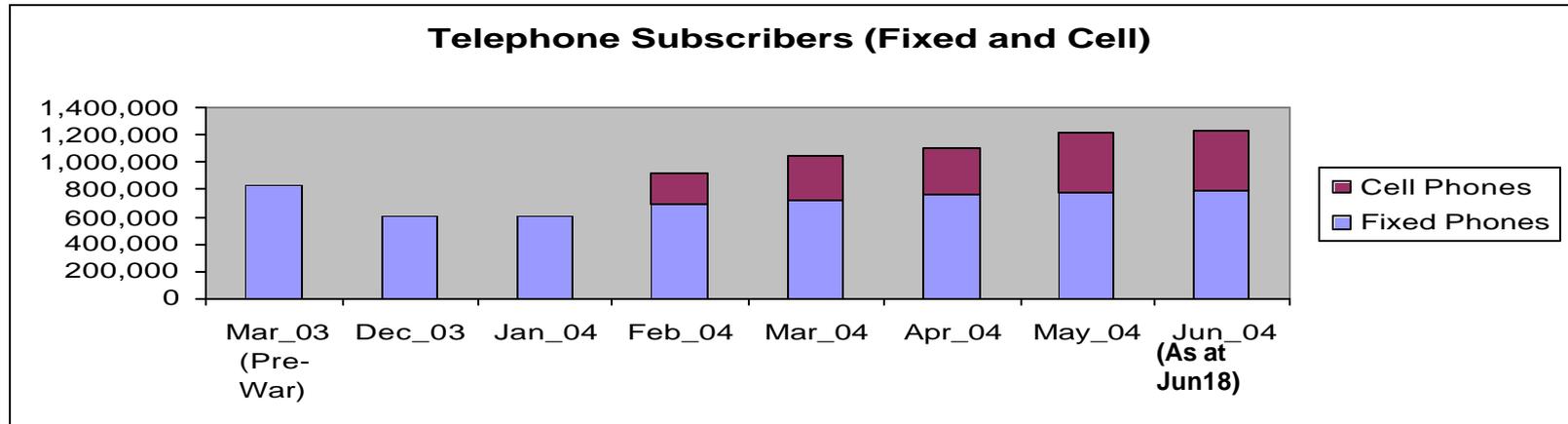
CPA Objective: Provide Water Supply, Sewerage & Municipal Services

Create viable organization to deliver water/sewerage/municipal services (WSMS);
Expand WSMS to meet national needs; Develop full range of municipal services &
inclusive delivery mechanism; Infrastructure improvements to water resource system;
Facilities improvements & capacity building within Ministry



Essential Services – Telecommunications and Post

- Total number of telephone subscribers in Iraq is now over 1,245,000 (457,000 cell phone subscribers) – 49.5% above pre-war levels



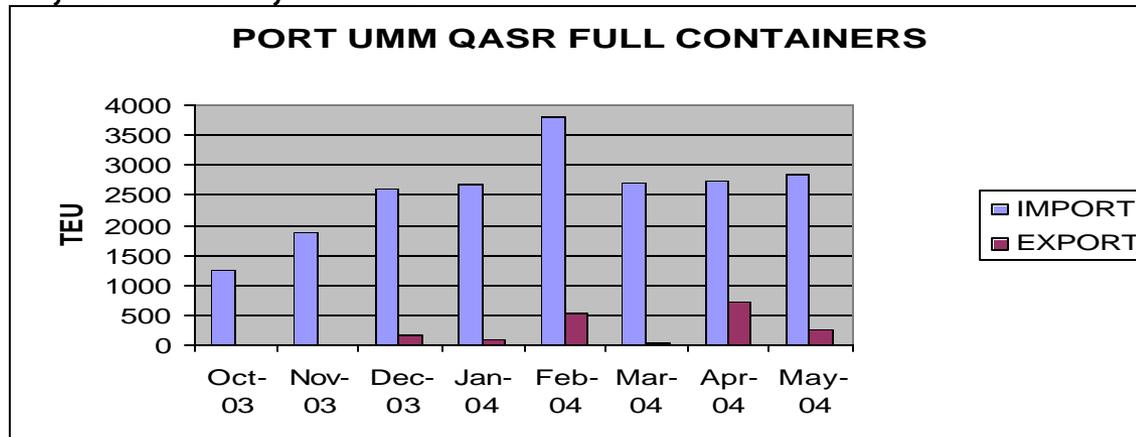
- Over 3,300 radios have been installed as part of the Baghdad Digital Network, representing 100% of those under contract
 - Provides emergency communications capability for police, fire and emergency medical technicians

CPA Objectives: Reconstruct Communications & Postal Systems

Build Iraq's first responder network • Establish independent regulatory agency • Upgrade Iraqi Telephone and Postal Company (ITPC) network • 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 – Transportation

- Reconstruction of Baghdad International Airport (BIAP) and other activities continue in preparation for commercial operations and increased traffic
 - A second group of Iraqi air traffic controllers commenced training
 - Work is expected to be complete by Aug 04
- For the week of 13 - 19 Jun, the average daily civilian departures were reported as follows: BIAP 50, Mosul 3, and Basrah 3
- Chart shows # of full containers (Twenty Foot Equivalent Units (TEU)) processed through Port Umm Qasr from Oct 03 through May 04



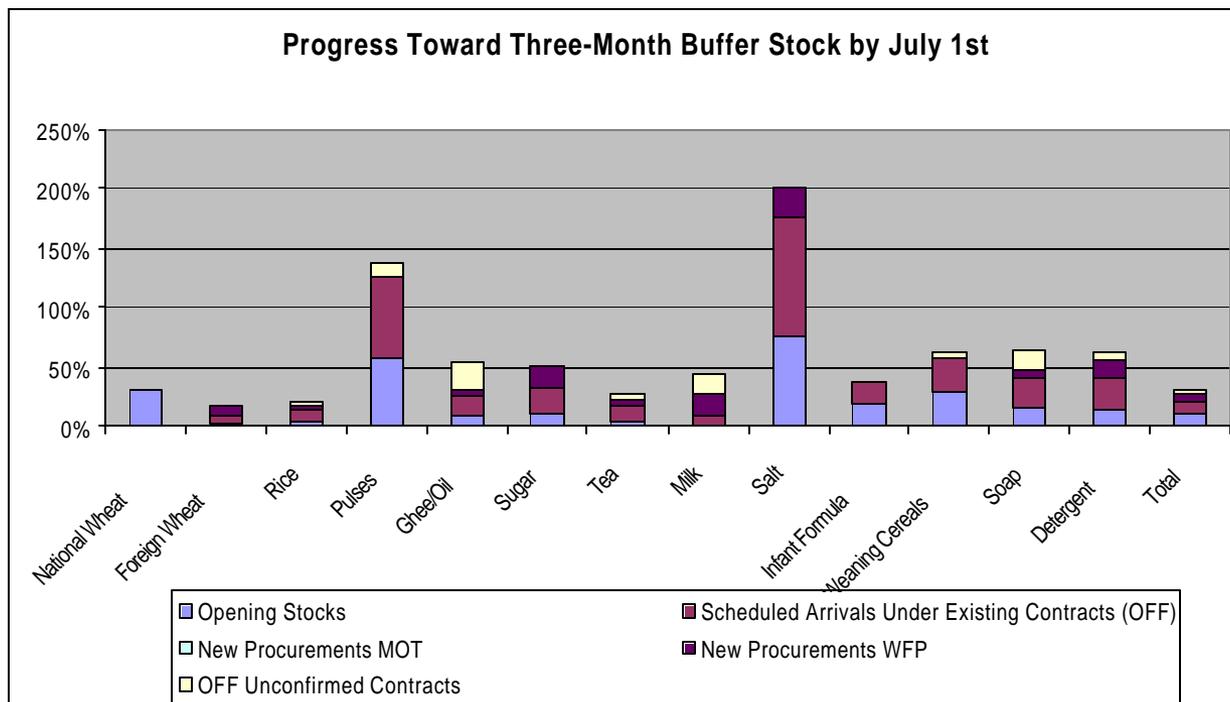
CPA Objectives: Restore Economically Strategic Transportation Infrastructure

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

Essential Services - Food Security



- Chart below shows % of estimated requirements for Public Distribution System (PDS) goods from Apr – 01 Jul
- Requirement includes stocks sufficient for the period and a three month buffer by 01 Jul
- While substantial additional shipments of most goods have been procured, they are not shown as these shipments will arrive after 01 Jul



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)

- **Food availability throughout Iraq has improved through the combined efforts of CPA and the Iraqi Interim Government:**
 - **Security on the highways has been enhanced and the ability of trucks to transport wheat and rice is being closely monitored**
 - **Latest reports show that the normal daily requirement for these commodities is close to being met**
 - **Financial incentives for truck drivers have been implemented**
 - **Harvest of national wheat through the end of Jul will ensure that there is an additional two months supply of wheat**
 - **The offload capacity of wheat at Umm Qasr has improved in recent weeks**



Essential Services - Health Care

- **The Minister of Health (MoH) personally orchestrated the emergency response to the recent bombing of the Iraqi National Guard (formerly the Iraqi Civil Defense Corps) recruiting station in Baghdad**
 - **Included allocation of reserve stocks of medical supplies, ambulances, and health professionals to the six hospitals receiving patients from the blast**
- **Estimated that 85% of Iraqi children have now been immunized**
- **240 Iraqi hospitals and over 1,200 preventive health clinics are operating**
 - **Iraqi non-governmental organizations are using USAID assistance to rehabilitate health facilities throughout the country**
- **Delivery of a second emergency drug purchase expected mid-July as part of the MoH efforts to address drug shortages**
- **Training for medical professionals and support for primary health care centers is improving the awareness and treatment of malnutrition**

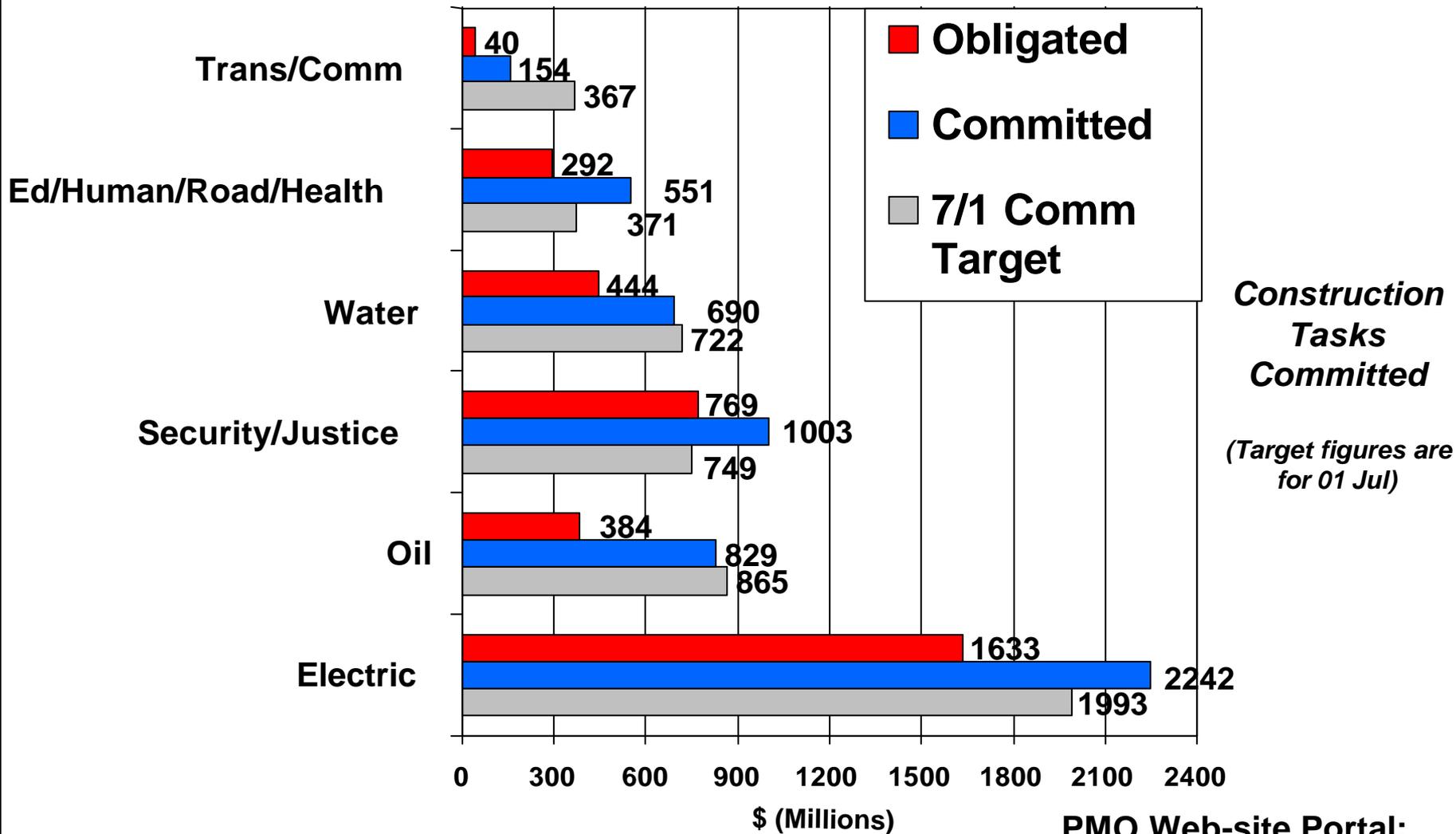
CPA Health Objective: Improve Quality and Access to Health Care

Develop health care organizations, management, and infrastructure; Train health care professionals; Pharmaceuticals logistic support; Public health



Program Management Office (PMO)

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



Program Management Office (PMO) (cont)

Sector	2207 Report	Apportioned \$M	Committed \$M	Obligated \$M	Expenditure \$M
Security and Law Enforcement	3,243	2,976	2,030	1,216	194
Electricity Sector	5,539	2,538	2,336	1,667	109
Oil Infrastructure	1,701	1,701	1,604	900	12
Justice, Public Safety, and Civil Society (less Democracy)	1,038	825	520	254	14
Democracy	451	451	375	270	8
Education, Refugees, Human Rights, Governance	259	259	229	47	6
Roads, Bridges, and Construction	370	270	246	123	0
Health Care	793	512	474	228	0
Transportation and Telecommunications	500	467	354	69	4
Water Resources and Sanitation	4,148	816	759	450	0
Private Sector Development	184	136	100	39	10
Admin Expense (USAID, CPA Successor)	213	29	29	28	9
TOTAL	18,439	10,980	9,056	5,291	366
CONSTRUCTION	12,406	5,740	5,469	3,562	
NON-CONSTRUCTION	5,582	4,789	3,212	1,459	
DEMOCRACY	451	451	375	270	
Total	18,439	10,980	9,056	5,291	366



Economy

- On 24 Jun, estimated crude oil export revenue was over \$7.7B for 2004
 - Revenues have been affected by attacks on northern and southern pipelines
- In Jan 04, the Ministry of Planning reported a national unemployment rate of 28% and an underemployment rate of 21.6%
- According to a recent survey, average household income has risen from \$124 per month in Oct 03 to \$214 in Jun 04
- The Consumer Price Index for May in Iraq declined by 1.2% relative to Apr
- The New Iraqi Dinar was at 1,460 dinars per dollar on 20 Jun, and has been stable for over four months
- Micro-credit loans now total almost \$5M, with 2,500 clients

CPA Economic Objectives

Build financial market structures; Develop transparent budgeting and accounting arrangements; Private sector initiatives; Design oil trust fund; Lay foundations for an open economy; Pursue national strategy for human resources development



Economy (Cont)

- Through its Firm Level Assistance Program, USAID is helping CPA identify Iraqi companies to apply for loans ranging from \$2 to \$5 million
 - Will allow companies to finance economically viable investment projects to improve and expand their operations and create jobs
 - Relationships have been established with 60 companies and capacity building has been performed with more than 30 companies

CPA Economic Objectives

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Accelerated Iraqi Reconstruction Program (AIRP)



- **The Accelerated Iraqi Reconstruction Program (AIRP) continues to gain momentum nationwide to meet urgent local needs**
- **Projects and requirements were developed as a joint effort between CPA, PMO, various US and Iraqi agencies, and local community leadership**
- **Projects cover: water and sanitation, health, education, construction, roads, power, and telecommunications**
- **Benefits of the AIRP include:**
 - **6,000 Iraqis have been directly employed on projects to date**
 - **Jump starts community essential services construction and improves Iraqi's quality of life**
 - **\$250 million under contract by 30 Jun (\$206 million as of 24 Jun)**
 - **Stimulates local economy**
 - **Provides opportunities for local businesses**

Iraqi Budgeted Spending for 2004

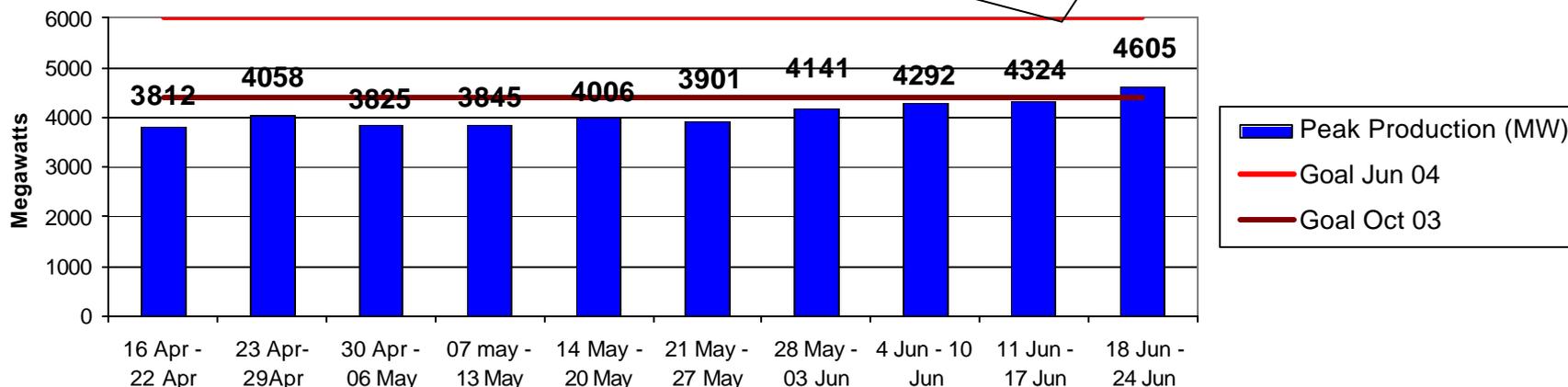
- The following chart shows budgeted Iraqi spending for 2004, from all revenue sources:

Ministry funding in millions of US\$	Revised Iraqi Budget, March 2004				New OFF	2004	
	Salaries (inc. FPS)	Other Operating Expenses	Capital Projects	Other	Deposits	Budgeted Total	
Finance (with selected major payments)*	17	12,939	184	814	13,953	1,580	15,533
<i>Public Distribution System</i>		2,400			2,400	200	2,600
<i>Fuel Imports</i>		2,100			2,100	0	2,100
<i>Transfer Payments</i>		1,671			1,671	0	1,671
<i>Foreign Obligations (e.g., reparations)</i>		1,432			1,432	0	1,432
<i>Local/Regional Grants</i>		831			831	0	831
<i>Salaries and Retirement Awards</i>		797			797	0	797
<i>SOE Restructuring and Salary Support</i>		761			761	50	811
<i>Regional Development</i>		600			600	277	877
<i>Nation Building projects</i>		571			571	0	571
<i>Additional Security Projects</i>		500			500	500	1,000
<i>Rapid Regional Response Program</i>		225			225	0	225
<i>CERP</i>		70			70	123	193
<i>All other</i>		981			981	430	1,411
Electricity	8	210	900	-	1,118	315	1,433
Health	230	750	50	-	1,030	0	1,030
Education	682	103	170	-	955	0	955
Transport	7	82	212	-	301	0	301
Housing	37	17	233	-	287	0	287
Oil	5	56	200	-	261	460	721
Public Works	15	21	166	-	202	0	202
Water Resources	19	7	128	-	155	0	155
Interior	367	108	10	-	485	0	485
Justice	42	67	42	-	151	0	151
Defense	77	24	0	-	101	0	101
Other Agencies	265	425	237	-	927	130	1,057
TOTAL	1,771	14,809	2,532	814	19,926	2,485	22,411

Electricity Overview



Goal 04 Jun: 6,000 MW Peak Deliverable Generation Capacity

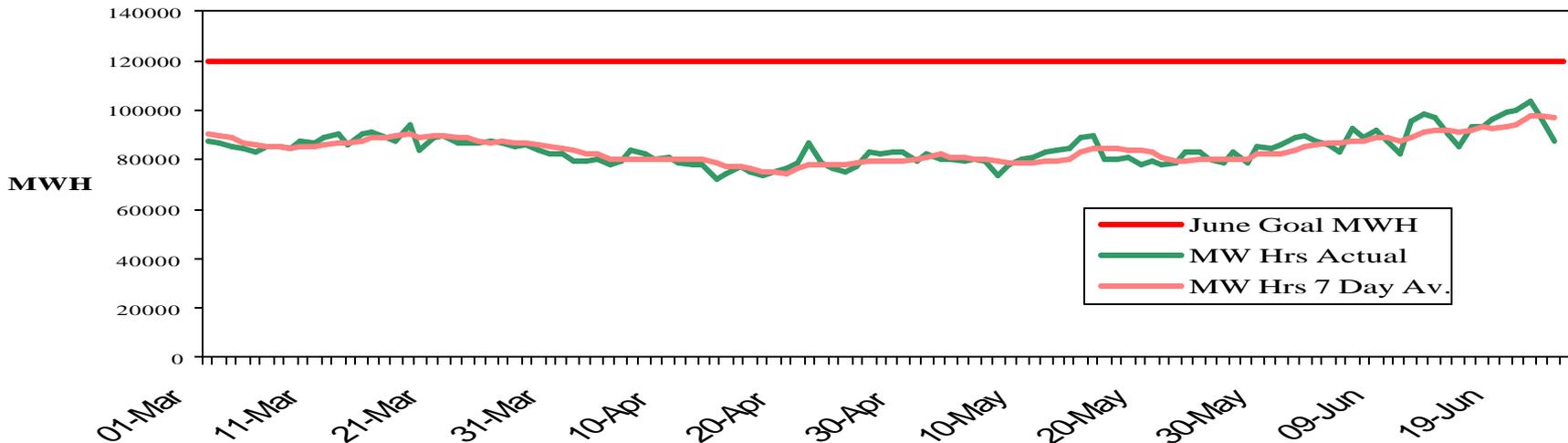


- Ambassador Bremer approved an increase plan in Jan to reach 6,000 MW of peak deliverable capacity and 120,000 MWH of daily production by 01 Jun. Due to unforeseen problems, these goals will slip until at least 30 Jun
- CPA spring maintenance program continues resulting in 736 MW of generation capacity currently offline for scheduled and 371 MW for unscheduled maintenance

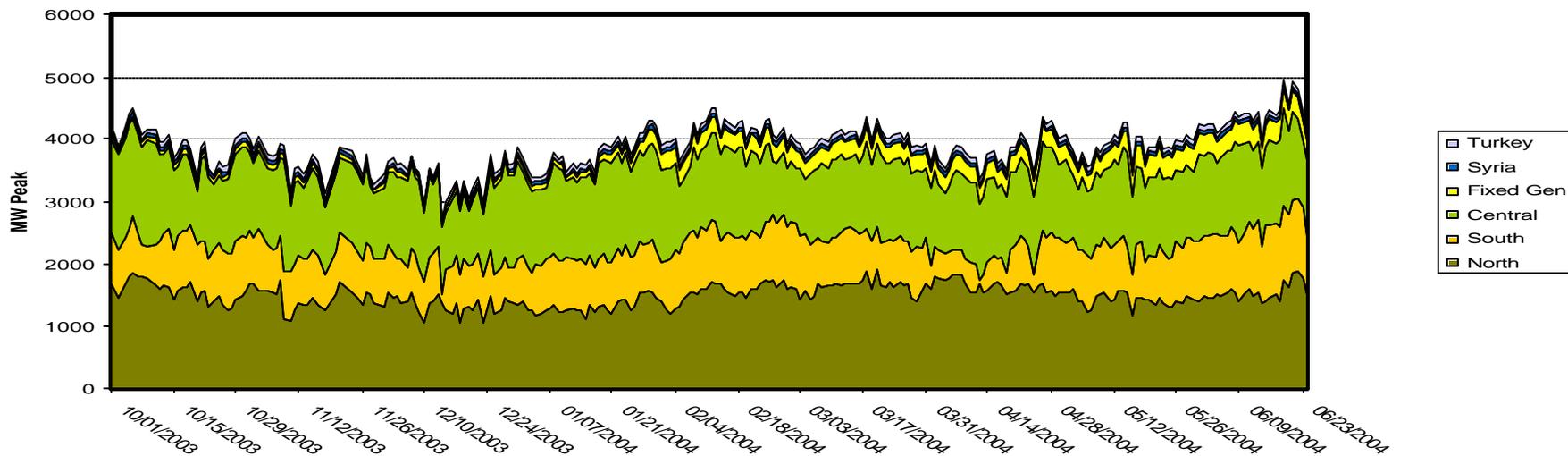


Power Production

Mega Watt Hour Production



Generation By Region



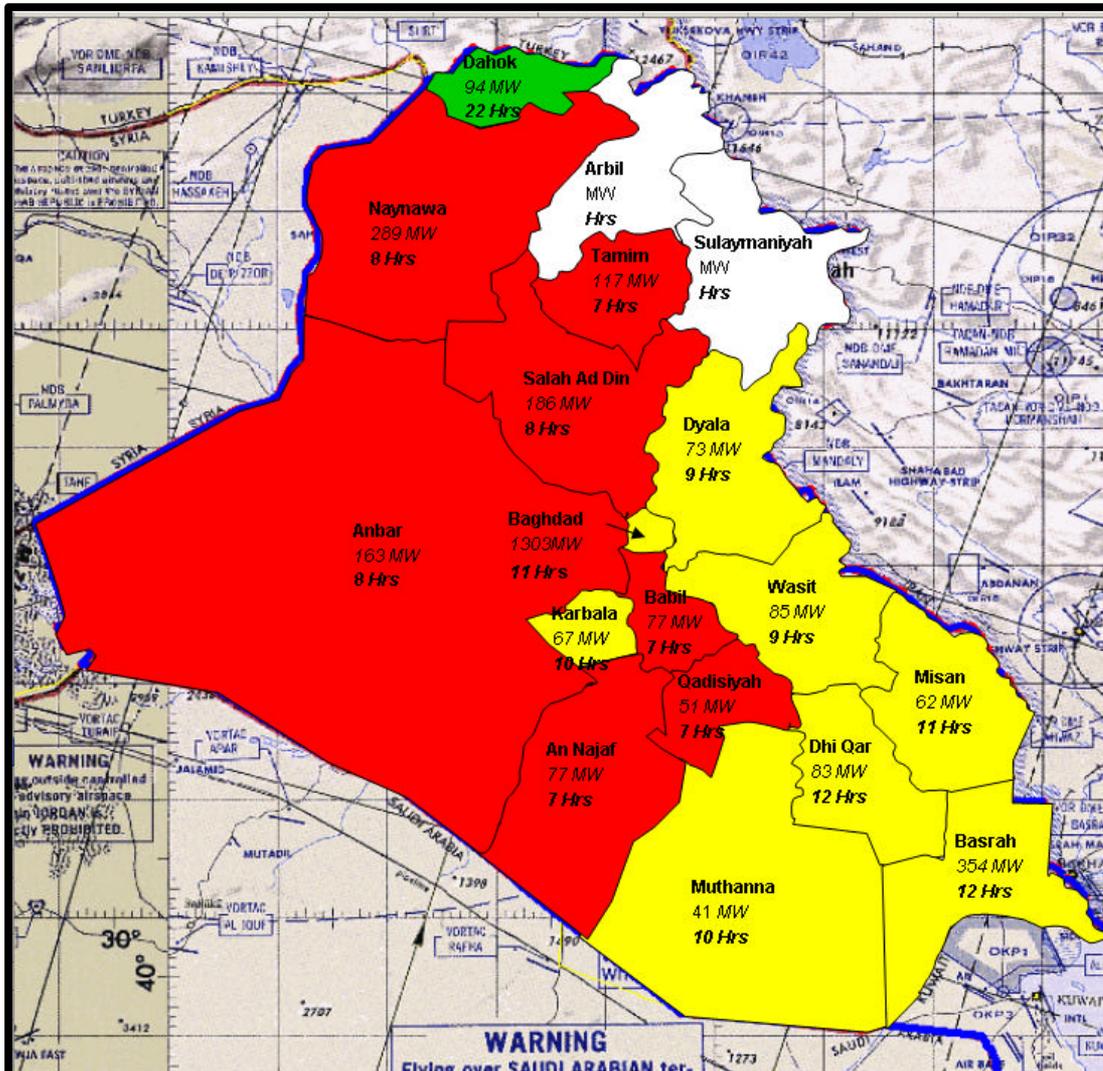
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Hours of Power



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N/P



Average Electrical Power Distribution per Governorate as of 16 June 2004

Average hours of Electrical Service provided over a 7 Day Period

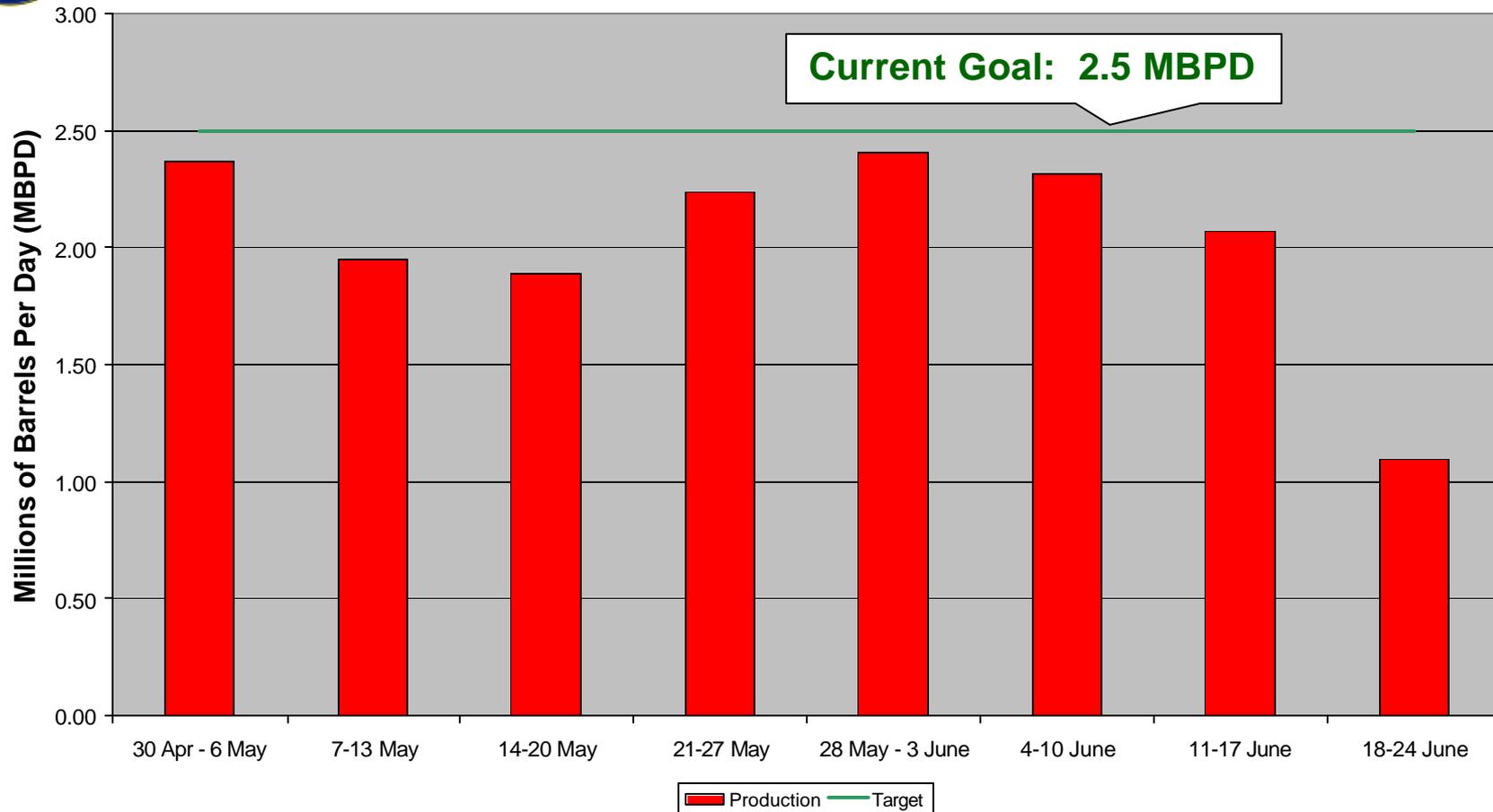
≤ 8 Hrs = Red	
9 to 15 Hrs = Amber	
≥ 16 Hrs = Green	
No Report = White	

Percent Change in MW over a 7 Day Period

Baghdad	8.8%
Dahuk	-0.7%
Ninewah	-0.9%
Tamim	-4.4%
Salah Ad Din	3.3%
Anbar	-0.3%
Diyala	-0.3%
Babil	-12.2%
Karbala	2.2%
Najaf	5.0%
Qadisiyah	17.1%
Wasit	-2.0%
Muthanna	33.0%
Dhi Qar	-14.1%
Maysan	-2.7%
Basrah	9.5%
Arbil	Unknown
Sulaymaniyah	Unknown

Total MW Generated	3,890
Total MW w/Losses	3,423
Total MW Delivered	3,122
Percent Deviation	8.8%

Crude Oil Production



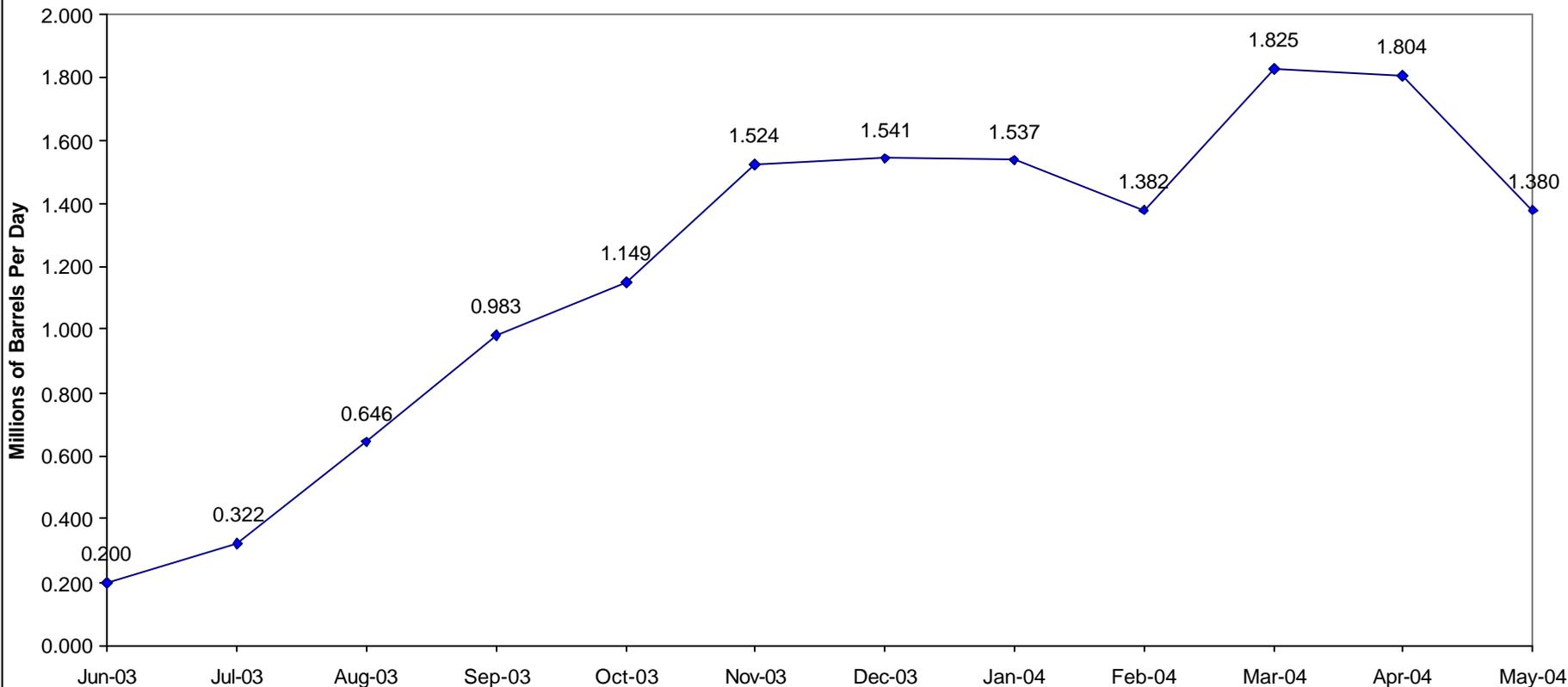
Weekly Average of 1.092 MBPD Is Below Target of 2.5 MBPD

- Long Term 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



Crude Oil Exports

Monthly Average of Crude Oil Exports



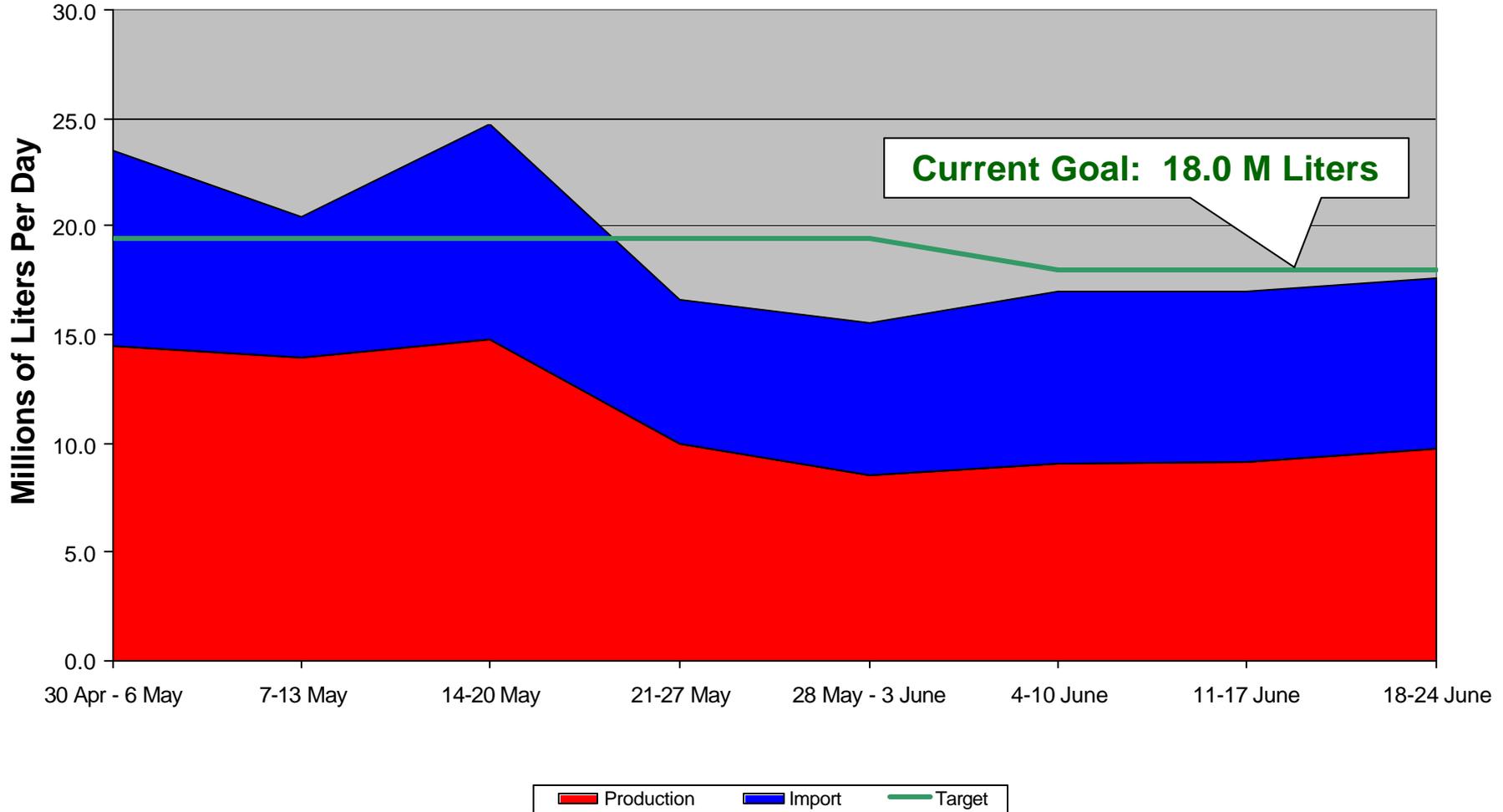
• **Current Monthly Average: 1.0 – 1.1 MBPD**

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Diesel Supply

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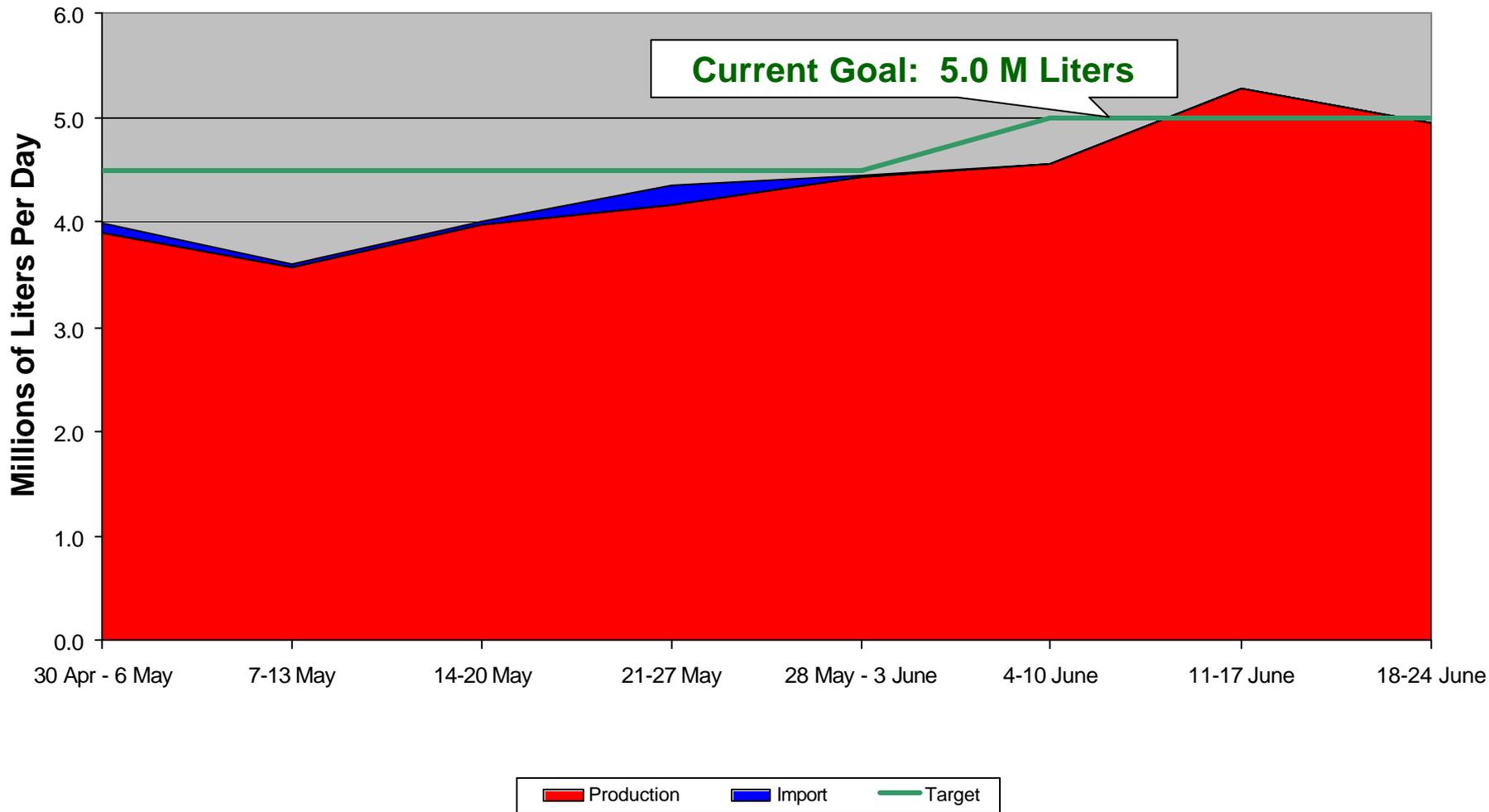


• This week's average production and imports are 98% of goal



Kerosene Supply

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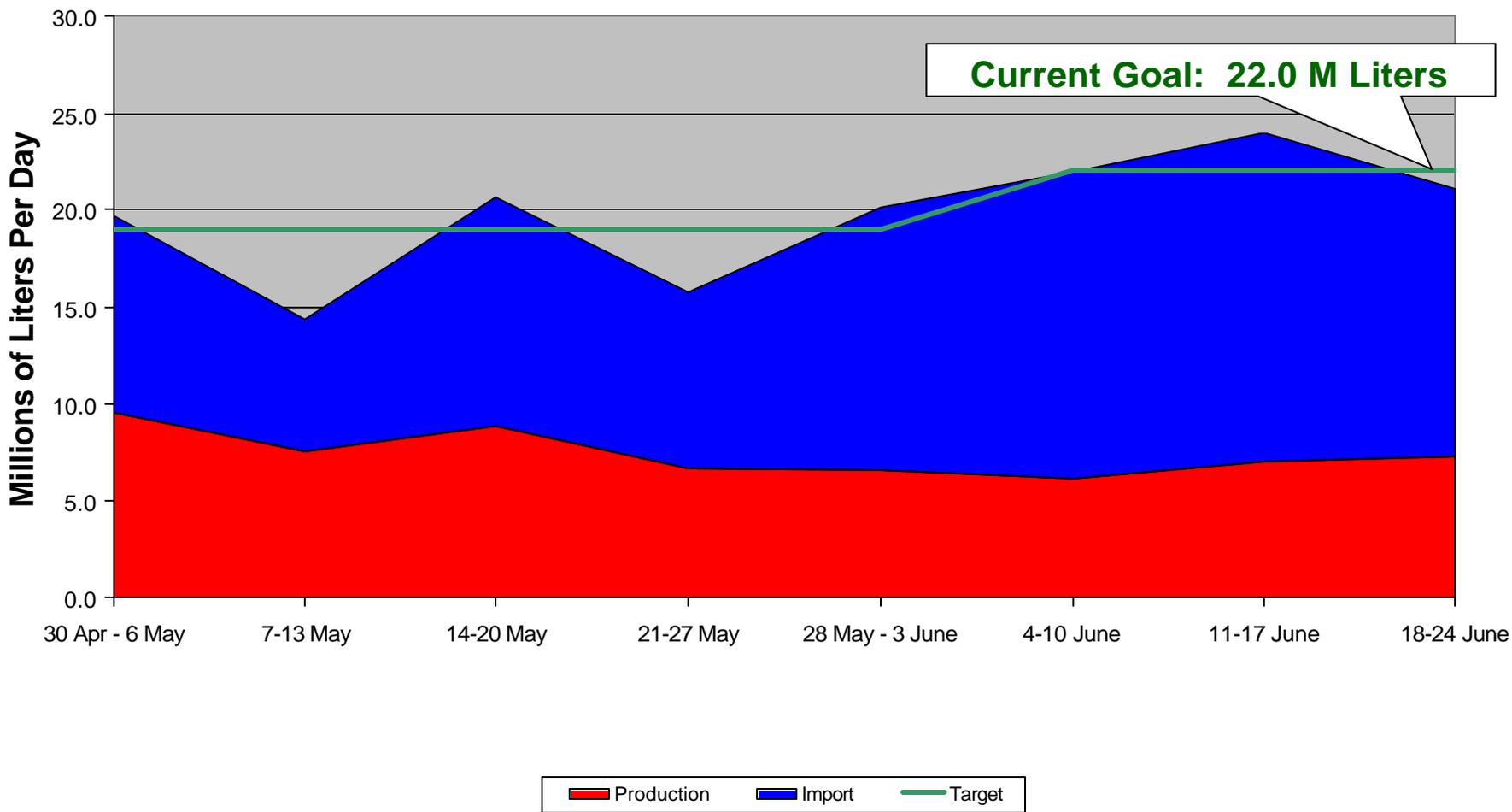


• This week's average production and imports are 99% of goal



Gasoline / Benzene Supply

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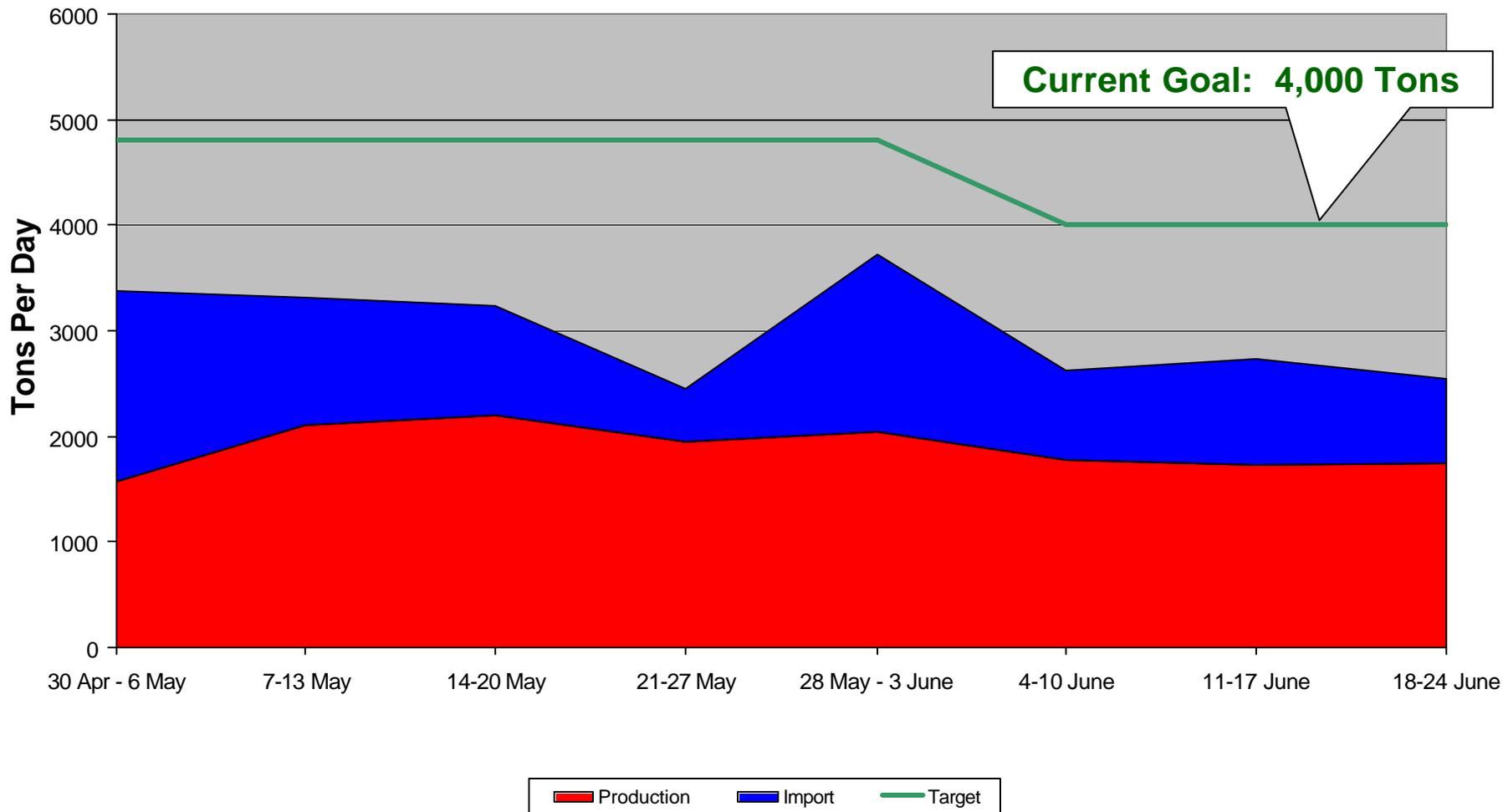


- This week's average production and imports are 96% of goal



Liquefied Petroleum Gas Supply

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• This week's average production and imports are 64% of goal



Security Forces Personnel & Training Summary

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	Required	On Duty			Total On Duty	In Academy Training	In TIP Training	Total On Duty & In Training
		Untrained	TIP* Trained	Academy Trained				
Iraqi Police Service (IPS)	89,369	56,096	22,214	5,857	84,167	2,387	1,485	88,039
	Required	On Duty			Total On Duty	In Academy Training	TOTAL	
		Untrained	Prior Trained	Academy Trained				
Dept of Border Enforcement	20,420	0	17,968	255	18,223	25	18,248	
Iraqi Armed Forces (IAF)	35,000	7,906				2,316	10,222	
Iraqi National Guard (ING)	41,088	36,766				2,362	39,128	
Facilities Protection Service(FPS)	73,992	73,992				77	74,069	

Total Required: 259,869

*TIP =Transition Integration Program

Total on Duty and in Training: 229,706



Security - Build Justice

- On 19 Jun, Ambassador Bremer appointed Judge Radhi as the first Commissioner of the Commission on Public Integrity (CPI), whose responsibilities will include:
 - Investigating corruption, enforcing financial disclosure regulations on senior officials, and promulgating a Code of Conduct for public servants
- The Judicial Review Committee (JRC) has completed vetting of all judges and prosecutors from the former regime
- During the week of 12-18 Jun, the Central Criminal Court of Iraq (CCCI) referred seven cases to trial following investigations, and tried six cases
 - The (CCCI) was created as a model court for Iraq, to try cases of national importance and to showcase new rights accorded criminal defendants
- More than 500 detainees who were no longer considered to be a security threat were released in recent weeks from Coalition custody at Abu Ghraib

CPA Objective: Build Justice

Establish Independent Judiciary; Reform Judicial System; Improve the Penal System; Establish Commission on Public Integrity; Solidify Real Property Rights



Security - Developments

- Coalition advisors are working with Iraqi security forces to increase surveillance and protection of the oil pipelines after the recent attacks
- The weapons reward program is continuing in An Najaf. As of 18 Jun, the following weapons and ammunition have been turned in to security forces
 - More than 45 mortars, 850 assault rifles, 220 rocket-propelled grenade (RPG) launchers, 770 RPG rounds, and 1,800 mortar rounds
- The initial battalion of the Iraq National Task Force (INTF) division will deploy into Baghdad by the end of Jun after the completion of training
 - The INTF is being established, trained and equipped for urban counterinsurgency operations
 - All three battalions of the first INTF brigade will be ready by end of Jul
- The Iraqi National Guard (formerly the Iraqi Civil Defense Corps) are conducting joint patrols throughout Iraq with Coalition and Iraqi forces
 - Focus is on equipping, training, and reconstituting the force

CPA Objectives: Security

Achieve a Secure and Stable Environment; Develop Institutions that are Effective in Protecting Society and Constitutional Order ; Develop Iraqi Defense Capabilities and Oversight Mechanism

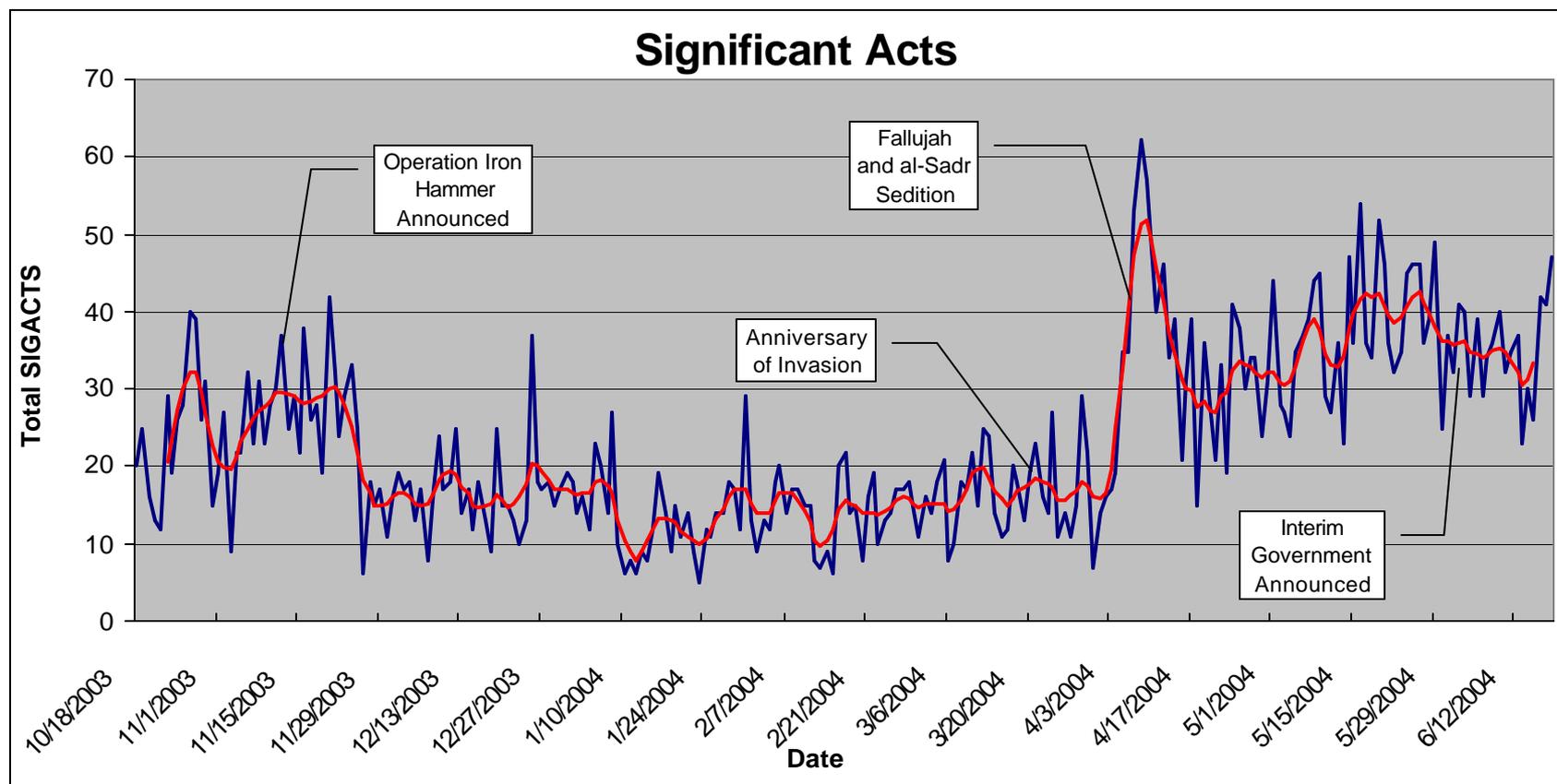


Security – Developments (Cont)

- Efforts are underway to recruit six additional 400-man public order battalions as part of the Iraqi Police Service (IPS) civil intervention force
 - With these additions, the IPS civil intervention force will total nine public order battalions and two counterinsurgency battalions
- More than 50 IPS officers from Baghdad received special training in urban warfare at a military training base during the week of 12-18 Jun
- IPS officers are also being taught basic criminal investigation, criminal intelligence, and dignitary protection by Coalition advisors
- The first Executive Leadership course for senior IPS officers was successfully completed on 17 Jun with 41 attending
- The acquisition of two Seeker Reconnaissance Aircraft will enhance the capability of the Iraqi Air Force to conduct aerial surveillance of borders and energy infrastructure
 - 14 more surveillance aircraft will be acquired in the near term

Security – Developments (Cont)

- Chart below shows significant insurgent activities in Iraq to 18 Jun, which includes attacks using:
 - Improvised explosive devices (IED), vehicle-borne IEDs, mortars, rocket propelled grenades (RPG), and improvised rockets





Stability Contributors - OIF

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Countries with forces in Iraq

31

TOTAL ~22,700

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

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

Countries considering decision to provide forces for Iraq

5

TOTAL TBD

Countries committed to provide forces for Iraq

0

36 Countries

Potentially Supporting
 Iraqi
 Stability and
 Humanitarian Relief