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13 October 2004



Iraq Weekly Status Report

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DEPARTMENT
OF
STATE



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Highlights

Political/Governance

NATO Support:

- NATO approved plans that will send approximately 300 military trainers to Iraq to train Iraqi security forces.

Economic/Essential Services

Securities Auction:

- On October 11, the Ministry of Finance auctioned T-Bills worth ID 150 billion (about \$102.7 million); the cut-off yield was 3.2 percent.

Telecommunications Progress:

- Landline phone subscribers have surpassed pre-war levels, and are now at 950,385 subscribers.

Tokyo Donors Conference:

- The Tokyo Donors Conference is October 13-14. Although not a pledging conference, Deputy Secretary of State Armitage will work with allied countries for additional reconstruction contributions.

Reconstruction

Iraq Relief and Reconstruction Fund (IRRF):

- IRRF disbursements increased by 14 percent this week from the previous week.



Governance – Iraq Elections Timeline

2004

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

15 Aug

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



Governance – Developments

NATO Support in Iraq Expands:

- NATO approved plans to expand its training mission in Iraq, creating a military training academy to bolster Iraqi security forces. NATO will send around 300 military trainers to Iraq and expect personnel to begin to arrive in the coming weeks. NATO also assisted Iraq with rebuilding its Defense Ministry and Military Headquarters.

US and Iraq Discuss Cooperative Environmental Efforts:

- The Iraqi Environment Minister met with the State Department and other federal agencies to discuss ways to help the Iraqi Interim Government address environmental challenges. The US will provide technical and training assistance to support the Ministry.

Disarmament Process Begins in Baghdad:

- Members of Shiite cleric Moktada al-Sadr's militia have begun to turn over weapons to Iraqi authorities in Thawra City (Sadr City) as part of a peace agreement between the Iraqi government and followers of Sadr. Iraqi officials hope this will bring an end to weeks of fighting in the neighborhood.



Governance – Developments

Capacity Building:

- USAID continues to implement local governance activities in 18 governorates, increasing Iraqis' understanding of democratic principles and the political process.
 - Sixteen civic dialogue conferences were held in the Salah ad Din Governorate where participants discussed human rights, the Transitional Administrative Law (TAL), elections, Islam and democracy, and federalism. These conferences use an Iraqi staff trained to encourage community participation in the forums and answer questions about the democratic process.
- The State Department is promoting capacity building and democracy through US-based programs for Iraqis.
 - "Sister Cities" four-member Volunteer Visitor Program (October 10-October 24): The Governor of Kirkuk, the head of the Baghdad City Council, the head of the Baghdad Provincial Council and the Mayor of Suleimaniyah will visit the United States to observe civic life and sign cooperation agreements with their American counterparts.



Economy

Oil Update:

- Crude Oil prices in world markets for the week ending 8 October closed with Kirkuk Crude at \$38.12/barrel, Basra Light at \$40.75/barrel, and the OPEC basket at \$44.32/barrel.

Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

Sector	Iraqis last week	Iraqis this week	% Increase on week
Buildings, Health & Education	4,690	4,680	-0.2%
Electricity	3,738	3,493	-6.6%
Oil	406	410	1.0%
Public Works & Water	422	422 *	0.0%
Security & Justice	6,020 #	6,020	0.0%
Transportation & Communications	485 #	1,370	182.5%
PCO Office Staff	127	156	22.8%
AIRP	14,100	14,800	5.0%
PCO Weekly Survey TOTAL	29,988	31,351	4.5%
USAID	52,460	51,680	-1.5%
MILCON TOTAL	618	680	10.0%
GRAND TOTAL	83,066	83,711	0.8%



Economy (cont.)

Iraq Securities Exchanges:

- At the New Iraqi Dinar (NID) auction on October 7, the settlement price was 1,460 dinars per USD. A total of 15 banks traded.
- Bond values purchased by the top 5 banks (in thousands of dollars):

Bank Name	Quantity Sold (in thousands of USD)	Percentage of Total Auction
Al-Warkaa Bank	\$12,000	48.49%
Al-Rasheed Bank	\$5,990	24.21%
Iraq Bank	\$1,700	6.87%
Economic Bank	\$1,330	5.37%
Industrial Bank	\$1,000	4.04%
Total	\$22,020	88.99%

- The Ministry of Finance (MOF) auctioned ID 150 billion (about \$102.7 million) in T-Bills on October 11; the settlement yield was 3.2 percent with 6 banks offering winning bids. Below is a chart of the previous seven MOF T-Bill auctions:

Date of Auction	Amt of Issue	Term of Security (in days)	Maturity Date	Number Competitive Bidders	Winning Bidders	Total Valid Competitive Bids	Total Competitive Awarded	Cover Ratio %	Bid Range Yields	Cut Off yield	Amt Sold
7/18/2004	150.000	91	10/18/2004	14	10	154.400	146.780	105.19	3.00% - 9.50%	6.80%	150.000
8/1/2004	50.000	91	11/1/2004	10	6	100.750	46.340	217.41	2.00% - 7.50%	5.50%	50.000
8/15/2004	100.020	91	11/15/2004	10	8	162.600	96.850	167.89	3.00% - 6.50%	5.50%	100.020
8/29/2004	150.010	91	11/29/2004	9	4	178.500	146.560	121.79	2.00% - 7.20%	5.00%	150.010
9/12/2004	150.020	91	12/13/2004	7	5	228.250	147.520	154.72	2.00% - 7.20%	4.00%	150.020
9/26/2004	150.000	91	12/27/2004	7	5	316.250	146.500	215.87	1.50% - 5.00%	3.20%	150.000
10/10/2004	150.020	91	1/10/2005	8	6	289.750	145.270	199.46	2.00% - 5.40%	3.20%	150.020



Economic Development

USTDA Iraq Construction Sector Business Briefing:

- USTDA is conducting a Business Briefing on October 19 in Arlington, VA, to provide U.S. firms with the opportunity to meet with high-level Iraqi construction sector officials.
 - This briefing will provide U.S. firms with the opportunity to hear from key, Iraqi Ministry decision makers and to market U.S. products, services and technology related to the construction of residential and commercial structures, roads and bridges.
 - During USTDA's Business Briefing, the Iraqi delegates will make presentations about current and future projects in their country that may offer opportunities for U.S. firms. Presentations will be followed by pre-arranged, one-on-one meetings between delegates and U.S. firms to allow the firms to present their products, services, and technology to the delegates.



Essential Services – Water and Sanitation

Water Treatment Projects:

- Expansion of a major water treatment plant serving Baghdad and surrounding areas is 75% complete and will produce 250 million gallons of potable water per day for Baghdad residents.

Wastewater Treatment Projects:

- Thirteen sewer projects are now under construction and one has been completed.
- Sewage Treatment Plants in An Najaf, Al Qadisiyah, Karbala' and Babil Governorates will serve 440,000 people.
- The sewage treatment plant in Baghdad, barely functioning before the conflict, will be restored to almost 100% capacity, serving 80 percent of Baghdad's population.

Essential Services – Food Security



Public Distribution System (PDS) and MOT-Awarded Contracts:

- The U.S. Embassy is working closely with the Ministry of Trade to monitor and project delivery schedules for MOT I and MOT II, intended to procure adequate supplies of essential commodities for the food basket.
- The MOT recently awarded contracts under MOT II for 127,000 MT of vegetable oil/ghee, however, financing is pending. Delivery is expected to occur in tranches through the end of 2004. This amount is expected to meet the needs of the Public Distribution System (PDS) for the next three months. The MOT maintains an interest in procuring additional oil for a three-month buffer stock.
- MOT plans to award additional contract for rice under MOT II for 175,000 MT in the coming week. This additional contract is supposed to be used to meet a 3-month buffer stock requirement.



Essential Services – Health Care

Current Projects:

- The Minister of Health has stated that the Najaf Teaching Hospital is now scheduled to open on December 1. The hospital will include outpatient services, limited (45 bed inpatient) facilities, laundry, and food services.
- Primary health centers, at 150 locations, continue to move along as scheduled.
- During the past month, UNICEF has helped to deliver supplies for improved nutrition and is supporting nutrition training for medical staff.
 - Supplies have included the delivery of 543 metric tons of high protein biscuits throughout Iraq and the procurement of 215 grain feeders to support wheat flour fortification.
 - Using USAID funds, UNICEF is also planning a national micronutrient assessment in Iraq.
- Emergency response to Samarra went smoothly. Ten ambulances with supplies, personnel and blood components arrived within 48 hours after requested. Excellent coordination between the Ministry of Health and the MFNI component prevented delays.



Essential Services – Education

Highlights:

- Conducted a pilot accelerated learning program in five Iraqi cities to allow out of school children to complete 2 years of school in 1 year. More than 550 students participated.
- Completed a major initiative that trained nearly 33,000 secondary school teachers and administrators, including 860 masters trainers, nationwide.

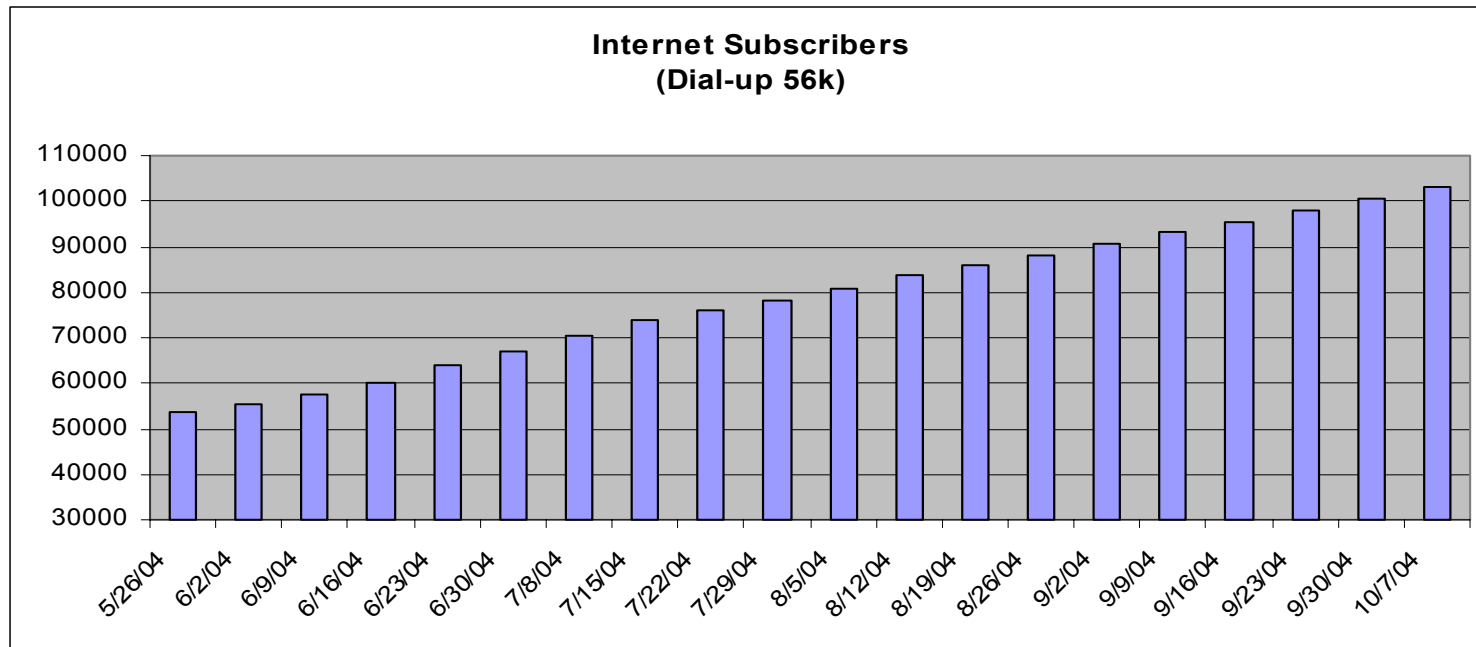
School Rehabilitation:

- There are an estimated 20,000 schools in 14,924 buildings in Iraq and 80 percent of them (11,939) need some sort of repair.
 - Some 40 percent (5,970) need major rehabilitation and 9 percent (1,343) are in need of demolition or rebuilding.
 - In 2002, the UN estimated that half of all school toilet facilities did not meet basic hygienic standards. Since the start of the war, over 3,100 schools have been renovated. It is estimated that 4,500 new schools will need to be built.



Essential Services - Telecommunications

- Total number of telephone subscribers in Iraq is now over 1,753,000 (including 803,000 cell phone subscribers) – 110% above pre-war levels.
- There are now 950,000 land line telephone subscribers in Iraq, compared with 833,000 subscribers pre-war.

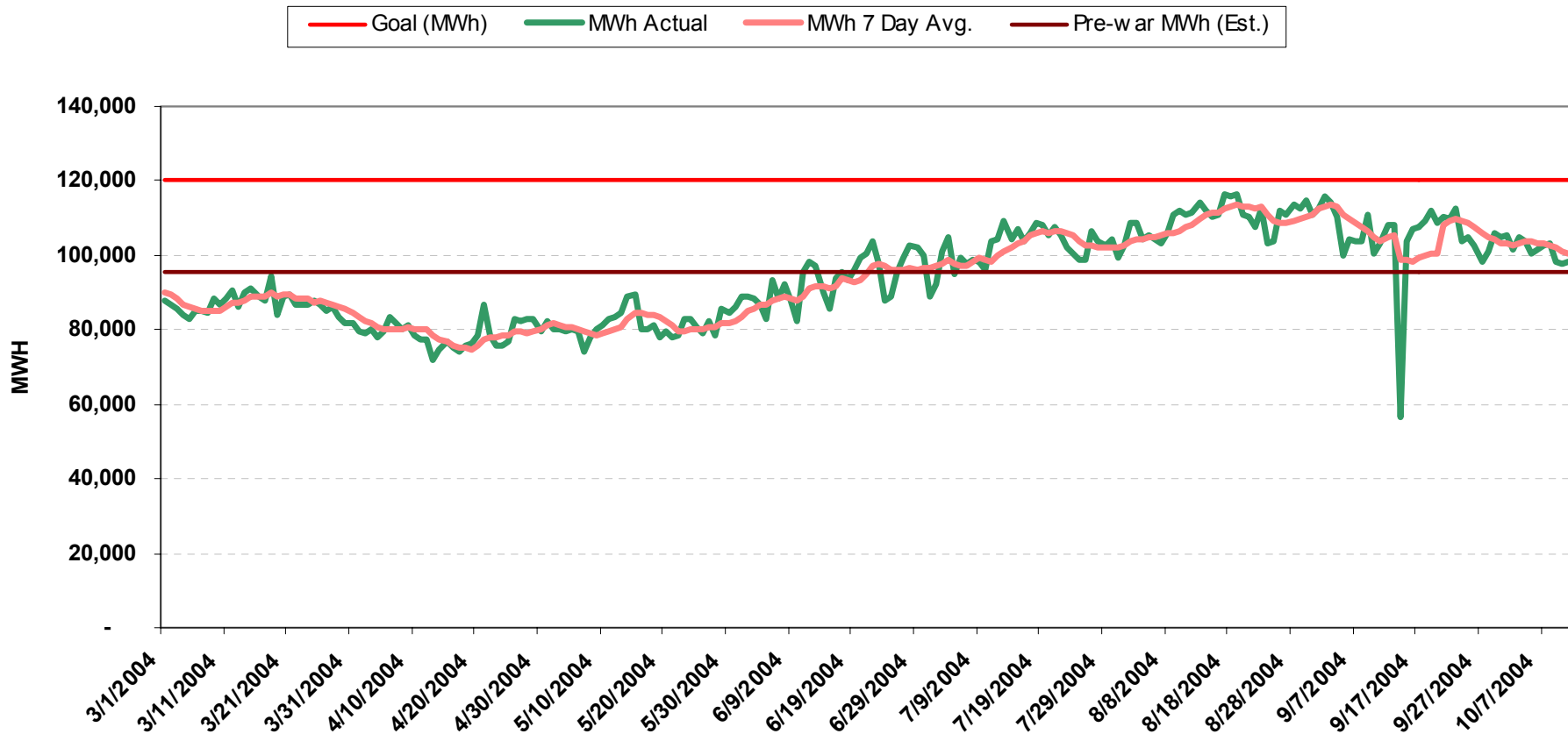


- This chart shows the number of publicly owned 56k dial-up subscribers. Pre-war, there was limited service, with 3,000 Internet and 8,000 e-mail only accounts. In 2003, there were 5,000 Internet and 10,000 e-mail only subscribers. As of October 7th, there are 102,978 subscribers. These statistics do not reflect the large number of unregulated users of Internet cafés.

Electricity Overview

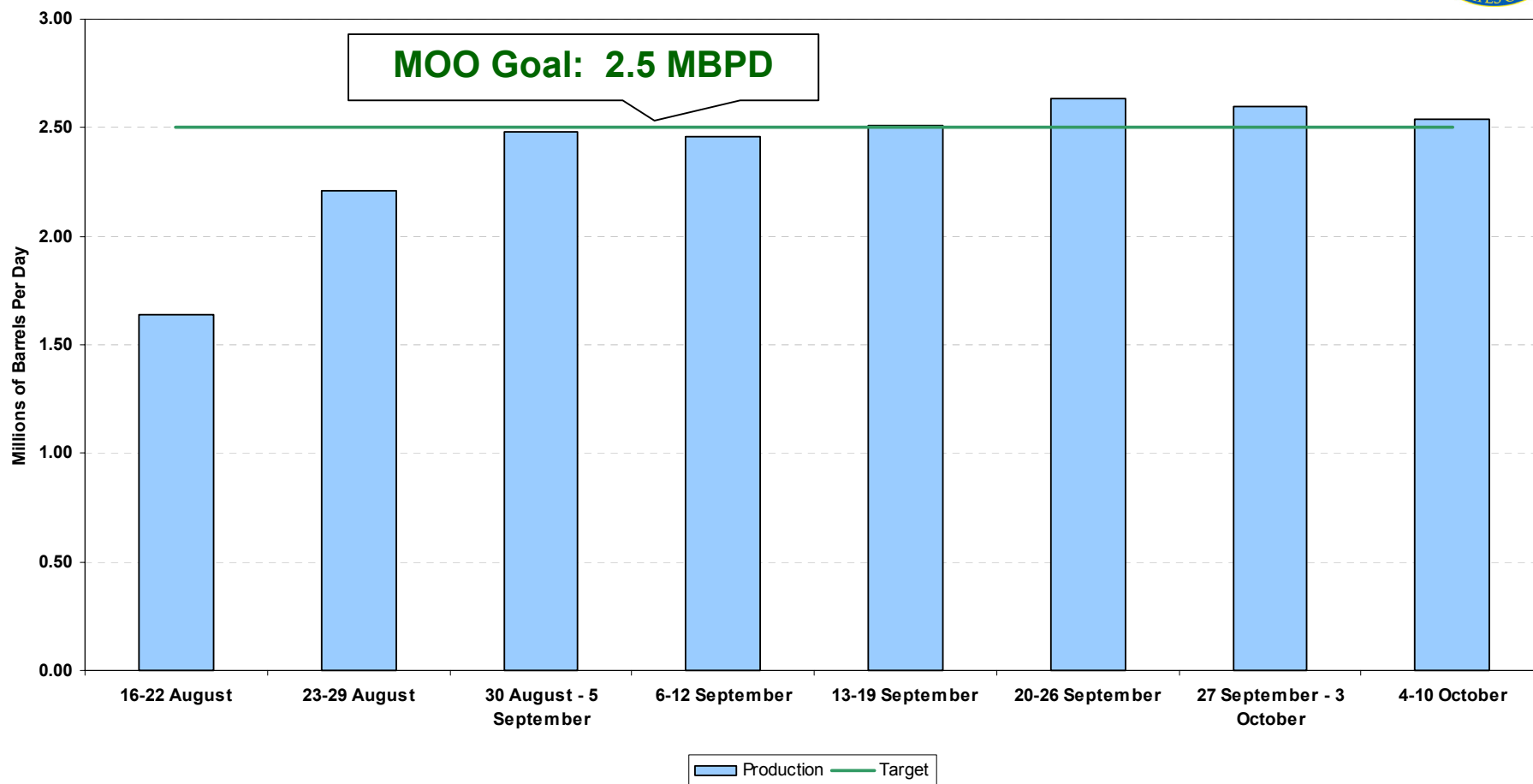


Megawatt Hour Production (MWh)



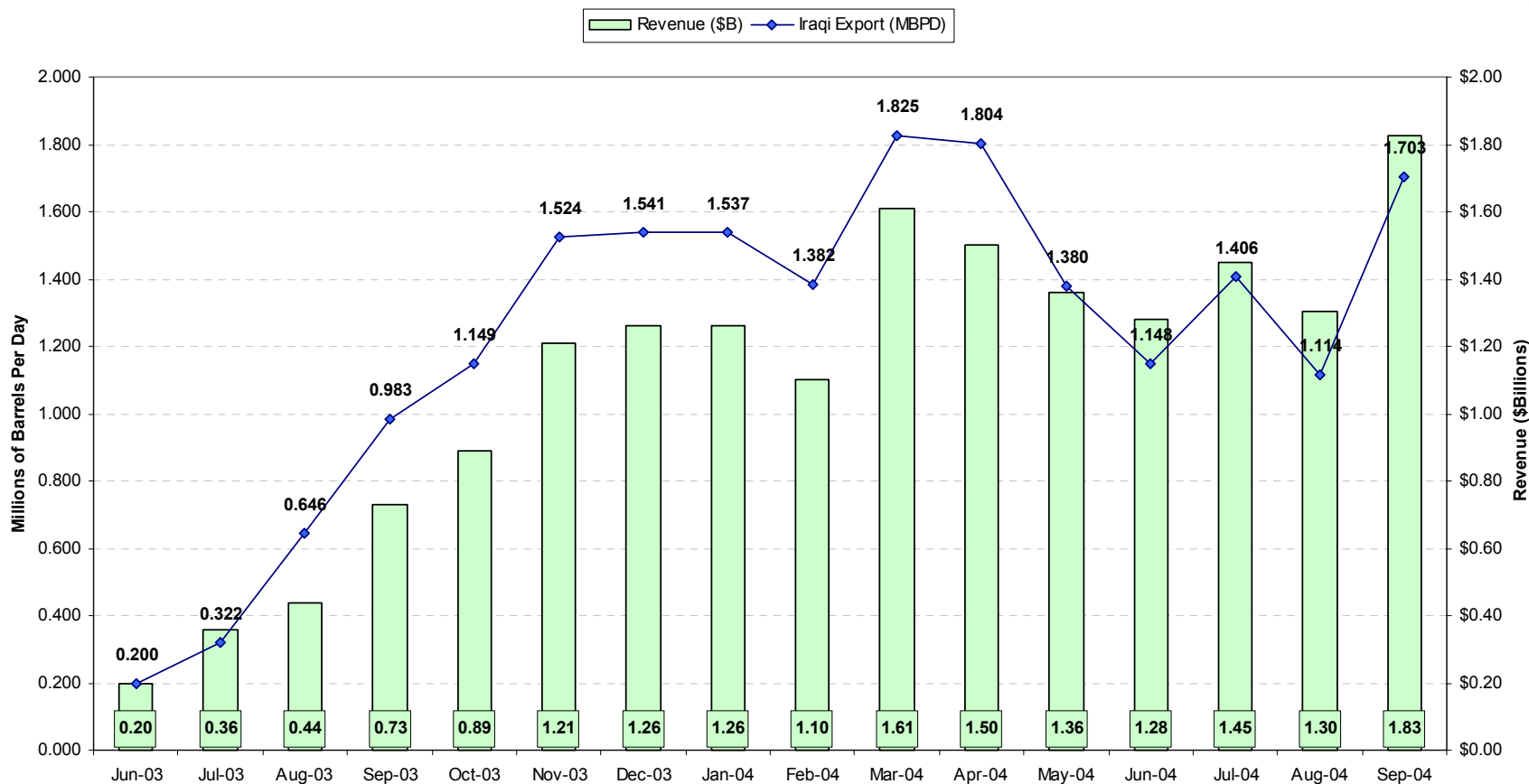
- On average 813 MW of generation capacity was scheduled offline and while 473 MW was unscheduled for maintenance.
- 7 Day Average (5 – 11 Oct): 100,375 MWh

Crude Oil Production



- Weekly Average (Oct 4-10) of 2.541 MBPD Exceeds 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: 2.67 MBPD

Crude Oil Monthly Export – Volume & Revenue



- October Monthly Export: 1.473 MBPD

- October Monthly Revenue: \$0.766B

- 2003 Revenue: \$5,076.6M

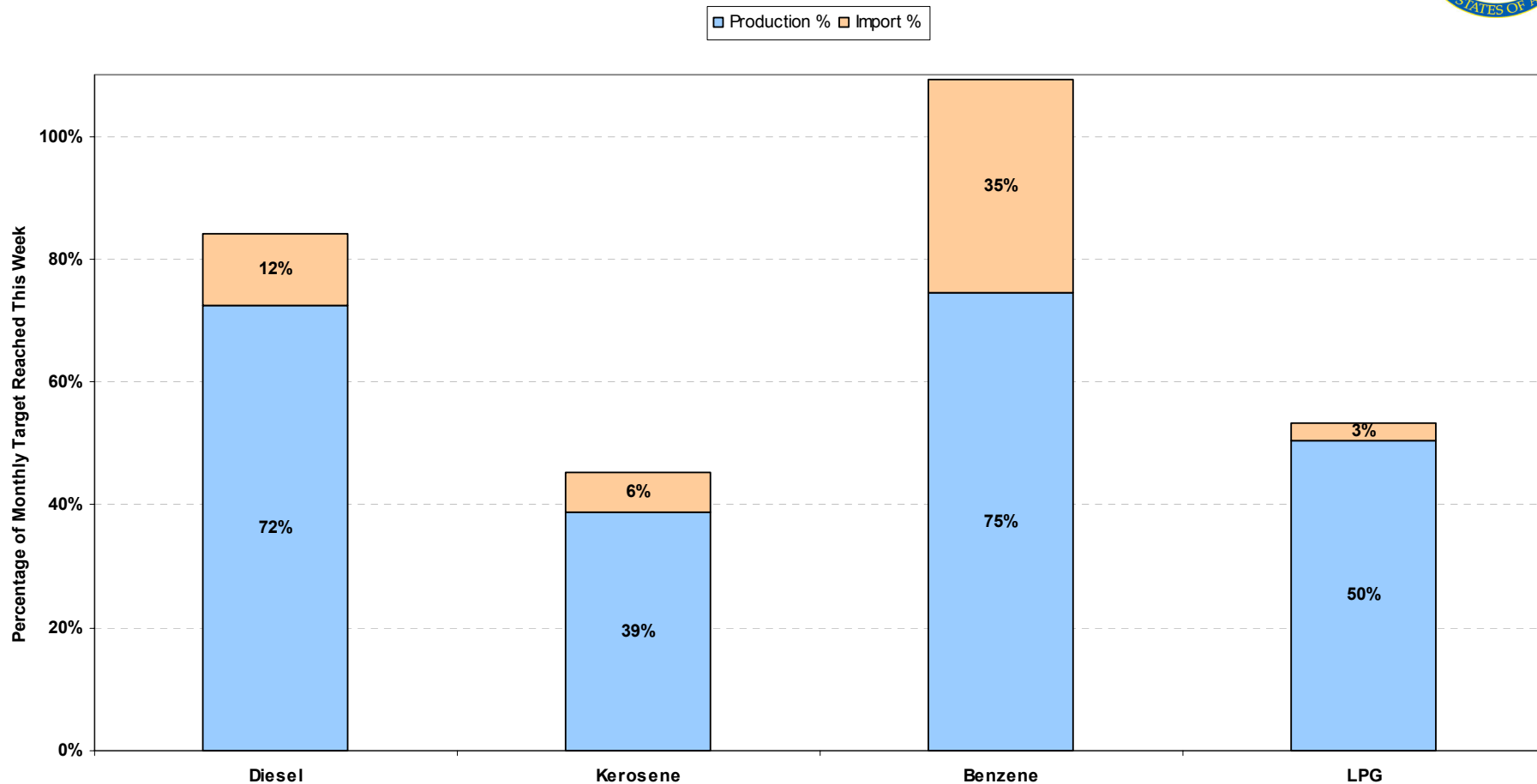
- 2004 Revenue:

- Pre-Transition: \$8,105.2M

- Post-Transition: \$5,341.6M

\$13,446.8M

Refined Products – Domestic Production & Imports

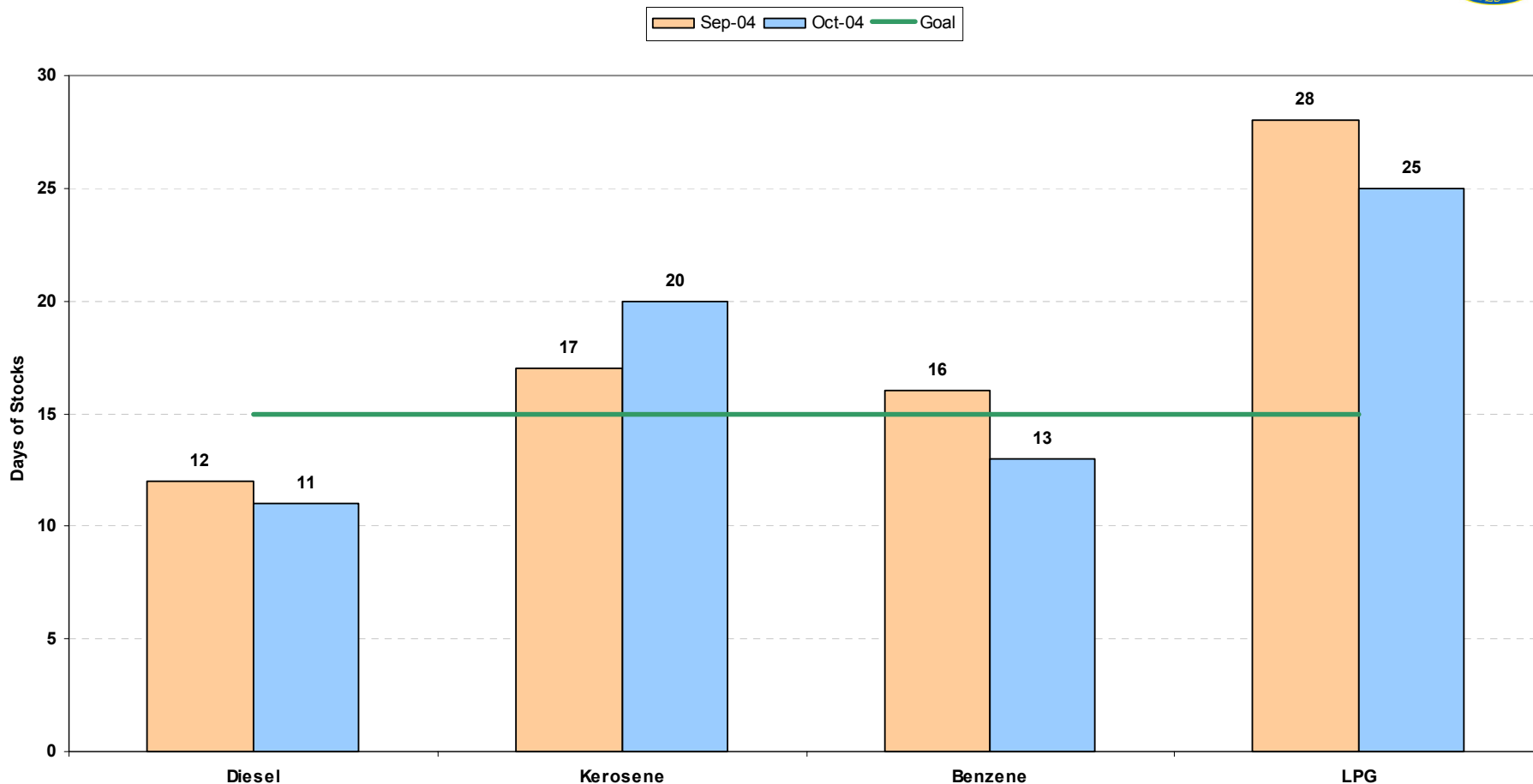


Note: This chart represents the percentage of target reached for the week of Oct 4-10

- Diesel: 15.1 ML of 18 ML
- Kerosene: 6.8 ML of 15 ML
- Benzene: 19.7 ML of 18 ML
- LPG: 2,295 tons of 4,300 tons

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National Stock Levels



- The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



Iraq Relief and Reconstruction Fund (IRRF) – Financial Status

\$ Millions	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Sector								
Security and Law Enforcement	5045	5044	2789	2962	2213	2235	660	826
Electricity Sector	4350	3840	2690	3250	2171	2184	331	340
Oil Infrastructure	1701	1701	1191	1195	705	723	48	50
Justice, Public Safety, and Civil Society	1122	979	751	838	426	442	55	56
Democracy	831	541	522	504	425	466	78	78
Education, Refugees, Human Rights, Governance	379	260	241	241	137	137	28	28
Roads, Bridges, and Construction	359	299	244	275	134	145	12	15
Health Care	786	786	764	763	455	453	4	4
Transportation and Communications	499	499	378	381	173	173	12	13
Water Resources and Sanitation	2311	1408	930	1068	733	752	23	24
Private Sector Development	843	168	127	142	93	140	47	47
Admin Expense (USAID, State)	213	29	29	29	29	29	26	26
TOTAL	18439	15554	10656	11648	7694	7879	1324	1507
CONSTRUCTION	11416	8954	6139	7090	4777	4816		
NON-CONSTRUCTION	6192	6059	3995	4054	2492	2597		
DEMOCRACY	831	541	522	504	425	466		
Total	18439	15554	10656	11648	7694	7879		

Data as of 12 Oct 04



Iraqi Security Forces Update

<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	39,041	135,000
Civil Intervention Force	0	4,920
Emergency Response Unit	76	270
Border Enforcement	14,313	32,000
Highway Patrol	589	1,500
Bureau of Dignitary Protection	446	500
Army	4,789	27,000
National Guard	38,338	61,904
Intervention Force	1,585	6,584
Special Operations Force	630	1,967
Air Force	167	502
<u>Coastal Defense Force</u>	<u>412</u>	<u>582</u>
Total	*100,386	272,729

*The military forces continue to receive advanced unit training and may require some equipment



Stability Contributors – OIF

Countries with forces in Iraq

31

Albania	Lithuania
Armenia*	Macedonia
Australia	Moldova
Azerbaijan	Mongolia
Bulgaria	Netherlands
Czech Rep	Norway
Denmark	Poland
El Salvador	Portugal
Estonia	Romania
Georgia	Singapore
Hungary	Slovakia
Italy	Thailand*
Japan	Tonga
Kazakhstan	Ukraine
Korea	UK
Latvia	

TOTAL ~23,700 Forces

*No forces in country, but
deployment scheduled

32 Countries
(including US)
and NATO
**Supporting Iraqi
Stability Operations**

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