

3 November 2004



Iraq Weekly Status Report

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F
S
T
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T
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Table of Contents

D
E
P
A
R
T
M
E
N
T

O
F

S
T
A
T
E

SECTION	SLIDE(S)
<u>1.0 Highlights</u>	3
<u>2.0 Political Affairs</u>	
2.1 Governance	4-6
<u>3.0 Economic Affairs</u>	
3.1 Economy	7-9
3.2 Essential Services	10-14
3.3 Oil and Power	15-20
<u>4.0 Reconstruction</u>	
4.1 IRRF Financial Status	21
<u>5.0 Security</u>	
5.1 Security and Stability	22-23
<u>6.0 General Information</u>	24



Highlights

D
E
P
A
R
T
M
E
N
T
O
F
S
T
A
T
E

Political/Governance

National Elections:

- Voter registration materials arrived at regional centers and the registration process began on 1 November.
- Iraqi political parties began developing party coalitions and developing coalition/candidate lists at both the national and governorate level for submission to the Independent Electoral Commission of Iraq (IECI).
- The voter education campaign conducted by the IECI and planning for national elections in January continued to advance this week.

Economic/Essential Services

Central Bank of Iraq (CBI) Issues New Currency Notes:

- The CBI recently issued the 500-dinar paper note in a decision to issue new currency notes in small denominations to facilitate market transactions.



Governance – Iraq Elections Timeline

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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

Election Planning Continues:

- The Independent Electoral Commission of Iraq (IECI) continues distributing informational pamphlets on voter registration procedures in preparation for the January elections.
- IECI successfully distributed registration materials to 21 regional centers.
- Voter registration began Monday, 1 November at 550 registration centers located mostly where Iraqis receive food rations.
- IECI is hiring 6,500 workers to staff local and regional electoral offices.
- Eight electoral experts are among the 35 UN international staff in Iraq.

Women's Role in the Elections:

- The National Democratic Institute holds workshops for women representing nine different political parties and identified as likely candidates in the national elections.
- The International Republican Institute (IRI) created a Women's Leadership Institute to assist women in becoming more effective advocates for their constituencies.
- IRI is sponsoring the NGO "Mothers of Iraq" in its campaign to educate and register women to vote.



Governance – Developments

Capacity Building:

- USAID continues to implement Local Governance Programs (LGPs) in 18 governorates, increasing Iraqis' understanding of democratic principles and the political process.
 - Representatives of two district councils in At' Tamim Governorate participated in a series of seminars entitled "Budgeting in Local Government: A Democratic Process", organized by LGP and attended by a majority of members from both district councils. Participants received training in budgeting and strategic planning, important to improving their skills in evaluating projects and understanding the interface between different levels of governmental budgets.
- The State Department is promoting capacity building and democracy through US-based programs for Iraqis.
 - "Public Affairs: The Art of Engaging and Informing the People" International Visitor Program (October 16 – November 6): The nine-person group coming from various Iraqi ministries, the Prime Minister's office and the Baghdad City Council are receiving extensive hands-on training at the State Department and at other agencies on the public affairs function.
 - "Elections" International Visitor Program (October 23 – November 13): The six person group of Iraqi journalists and NGO leaders are observing the US electoral process up close, before, during and immediately after the November elections.



Economy

Oil Update:

- Crude Oil prices in world markets for the week ending 29 October closed with Kirkuk Crude at \$41.01/barrel, Basra Light at \$42.81/barrel, and the OPEC basket at \$44.65/barrel.

Employment Update:

Sector	Iraqis last week	Iraqis this week	% Increase on week
Buildings, Health & Education	5,855	4,580	-21.8%
Electricity	2,373	2,135	-10.0%
Oil	191	180	-5.8%
Public Works & Water	423	428	1.2%
Security & Justice	6,500	6,467	-0.5%
Transportation & Communications	913	843	-7.7%
PCO Office Staff	146	146	0.0%
AIRP	13,320	10,000	-24.9%
PCO Weekly Survey TOTAL	29,721	24,779	-16.6%
USAID	37,142	35,439	-4.6%
MILCON TOTAL	989	948	-4.1%
GRAND TOTAL	67,852	61,166	-9.9%

Data as of 29 Oct 04



Economy (cont.)

Iraq Currency and Securities Exchanges:

- At the New Iraqi Dinar (NID) auction on November 2, the settlement price was 1,460 dinars per USD. A total of 16 banks traded.
- Bond values purchased by the top 5 banks on November 2 (in thousands of dollars):

Bank Name	Quantity Sold (in thousands of USD)	Percentage of Total Auction
Al-Warkaa Bank	\$8,000	36.58%
United Bank	\$3,000	13.72%
Al-Rasheed	\$2,665	12.19%
Industrial Bank	\$2,000	9.14%
Agriculture Bank	\$1,620	7.41%
Total	\$17,285	79.04%

- The Ministry of Finance auctioned ID 150 billion (about \$102.7 million) in T-Bills on October 25; the settlement yield was 2.5 percent.

Central Bank of Iraq (CBI) Issues New Currency Notes:

- The CBI recently issued the 500-dinar paper note in a decision to issue new currency notes in small denominations to facilitate market transactions.
- With the decision came the addition of the 500-dinar paper note to the current denominations of 50, 250, 1,000, 5,000, 10,000 and 25,000 dinars.

Economic Development



Middle East Business Forum:

- The Commerce Department's U.S. Export Assistance Center, the World Trade Center Institute and the Maryland/Washington D.C. District Export Council will host the Middle East Business Forum on 29 November at the World Trade Center in Baltimore, MD.
- The event will cover current business climates and market opportunities throughout the Middle East, with a focus on Iraq including a Middle East Regional Outlook, a Middle East Business Forum, and Executive Briefings from CEOs currently doing business in the Middle East.
- One program of the Middle East Business Forum, Iraq and Afghanistan Reconstruction Outlook, will include speakers from the U.S. Department of Commerce, the Trade Bank of Iraq, JP Morgan Chase Bank, the Steele Foundation, AIG Worldsource, and CEOs currently doing business in Iraq.



Essential Services – Water and Sanitation

Water Treatment Projects:

- Repairs of a major water treatment plant in At' Tamim Governorate are 50% complete, and completion is scheduled for the end of November 2004. Under the Iraq Infrastructure Reconstruction Program, USAID is employing 124 Iraqis to repair the facility and return it to full capacity.

USAID Waste Water Treatment Projects:

- Design work is 80% complete and on 28 October, construction began on a sewage trunk line in a large, economically depressed district of Baghdad. The line will extend service to new areas and replace an old system that was prone to leaks and breakage. Project completion is scheduled for December 2005.

Sanitation Projects:

- USAID's new project to construct a landfill to serve Baghdad and surrounding governorates has begun with site excavation expected to begin in about two weeks which is scheduled to be completed in spring 2005.
 - The total project includes the construction of a three-to-five-year capacity landfill, as well as a master plan to expand the landfill to a 20 year capacity. The landfill area will also include a recycling and sorting area to handle nine to 23 tons of solid waste per day and will meet U.S. Environmental Protection Agency regulations for municipal solid waste facilities.

Essential Services – Food Security



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

- Embassy officials have received 94 contracts under MOT II, including pulses, tea, infant formula, vegetable oil/ghee, infant cereals and adult milk, which have been compiled into a new draft pipeline report that will be used to track those shipments.
- The Ministry of Trade sent a special team to Beirut, Lebanon last week to work on immediate funding of 20 contracts (which include sugar, infant formula, baby food, adult milk, soap and lentils) that were identified for immediate delivery, and the remaining 78 contracts under MOT II. Of those contracts, 45 L/Cs have been issued and the Ministry of Trade plans to complete the remaining 56 L/Cs this week.
- MOT plans to begin tendering, awarding contracts, and funding L/Cs, for commodities for MOT III during the first quarter of 2005.



Essential Services – Health Care & Education

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USAID Health Services Accomplishments to Date:

- Vaccinated over 3 million children under five and 700,000 pregnant women during recent vaccination campaigns.
- Provided doses of vitamin A for more than 600,000 children under two and 1.5 million lactating mothers.
- Distributed high protein biscuits to more than 450,000 children and 200,000 pregnant and nursing mothers.
- Provided potable water for 400,000 persons each day in Basrah City and 170,000 persons in Kirkuk and Mosul.

Current Education Construction Projects:

- The U.S. Project and Contracting Office (PCO) is completing renovations on about 200 schools, and soon plans to begin work on 1,000 more.
- So far, work has focused on the southern part of the country, but will soon move north. The entire project will cost \$79 million, or about \$35,000 to \$65,000 per school.
- International charities continue to help build schools; 600 of the 1,200 schools the PCO originally planned to renovate had already been improved and thus PCO resources were redirected to additional schools.



Essential Services – Education (cont.)

USAID's Iraq Infrastructure Reconstruction Program:

- The rehabilitation of a material testing laboratory at a southern Iraqi university is complete. This project is part of USAID's Iraq Infrastructure Reconstruction Program and was identified as being suitable for development in response for the need to perform tests on materials which will support the construction activities in Iraq.
- The major works undertaken in the upgrade of the laboratory included building and services improvements and furniture and equipment, repair, supply and installation of additional testing laboratory equipment, and institutional strengthening to enhance the standard of services provided by the laboratory.

The World Bank Supports the IIG's Goal to Improve Education:

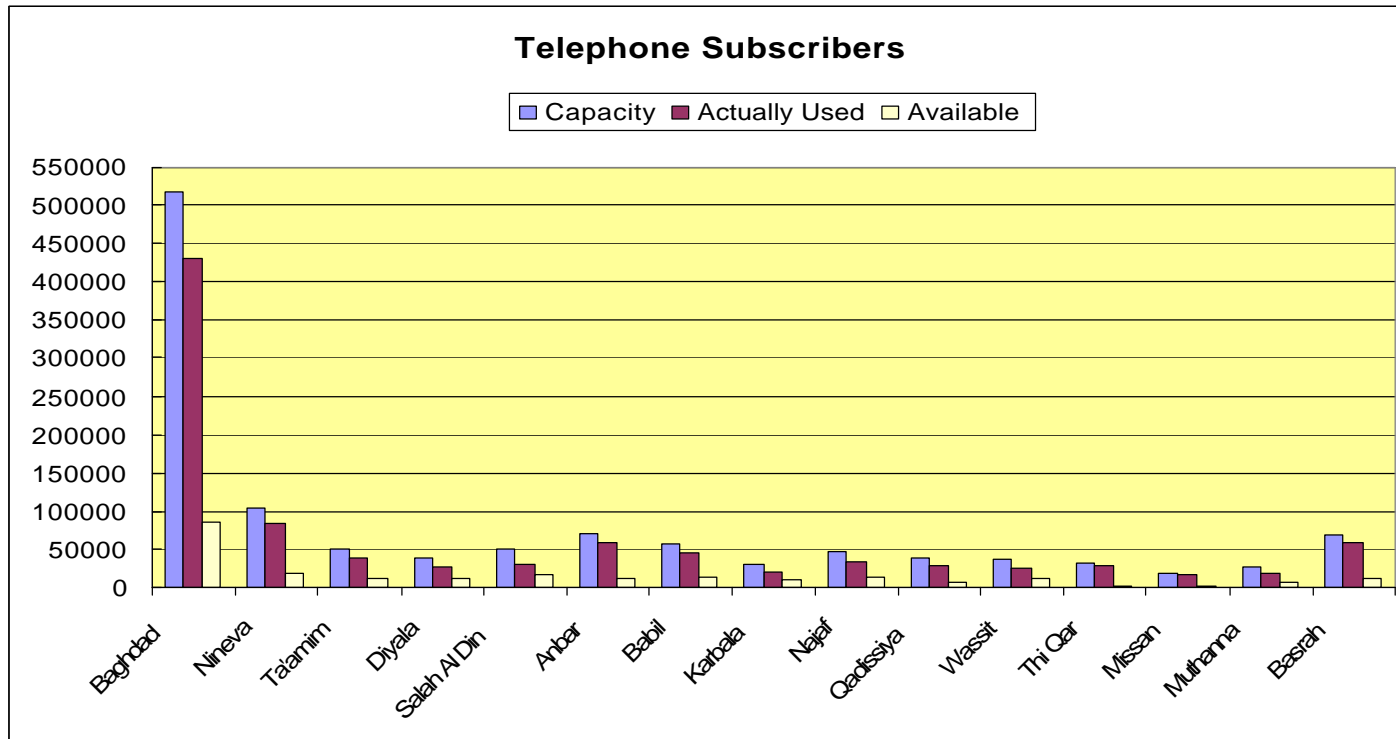
- The IIG presented education as one of the key sectors targeted for reform in Iraq's National Development Strategy. The Ministry of Education has partnered with the World Bank to provide support to meet the following goals:
 - Eliminate double sessions, construct 100 new schools, and repair 140 damaged schools in the next four years. The construction and repairs will be complemented by training and advisory support to Iraqi civil servants in key areas of education reform.
 - Print and distribute 69 million textbooks for the 2004-2005 school year, which is being financed by the multi-donor trust fund.



Essential Services – Telecommunications

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- Total number of telephone subscribers in Iraq is now over 2,028,000 (including 1,078,000 cell phone subscribers) – 143% above pre-war levels.
- There are now 950,000 land line telephone subscribers in Iraq, compared with 833,000 subscribers pre-war, a 14% increase.



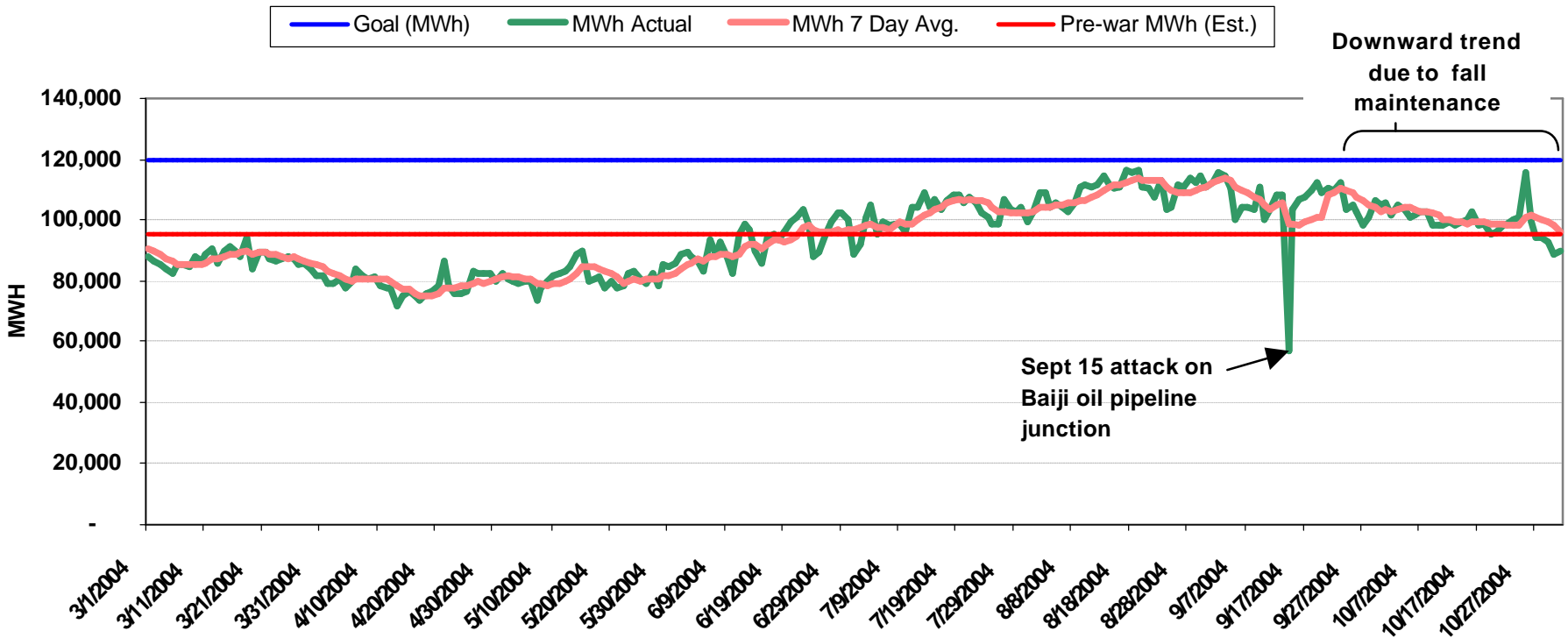
- There are 103,000 internet subscribers now, compared with less than 12,000 before the war. These statistics do not reflect the large number of unregulated users of Internet cafés.



Electricity Overview

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Megawatt Hour Production (MWh)

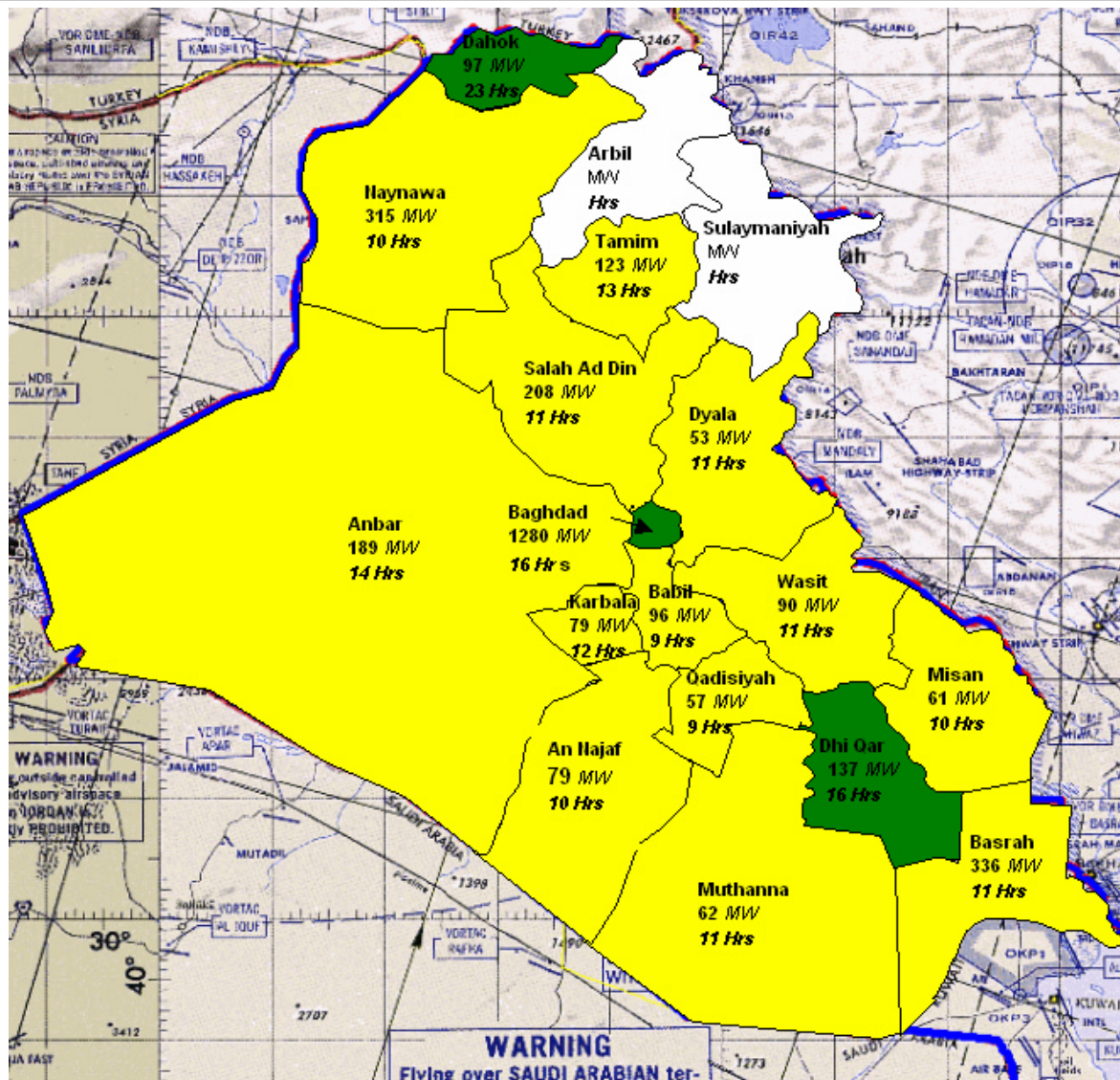


- On average 865 MW of generation capacity was scheduled offline and while 780 MW was unscheduled for maintenance.
- 7 Day Average (25-31 Oct): 96,265 MWh



Electricity – Hours of Power

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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

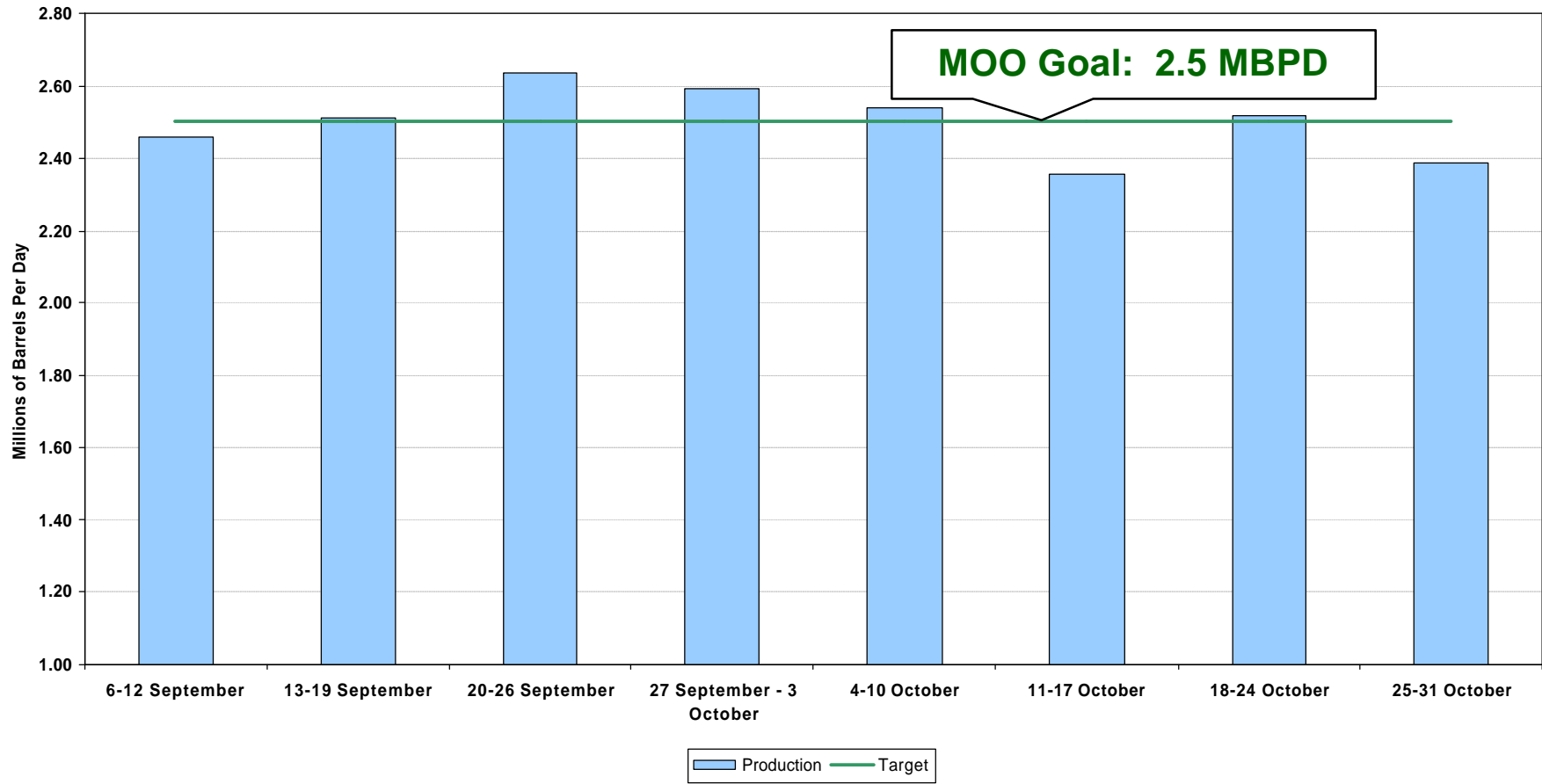
Baghdad	-4.9
Dahuk	-1.1
Ninewah	-3
Tamim	-2.3
Salah Ad Din	1.8
Anbar	-3.9
Diyala	-7
Babil	-8.7
Karbala	-24.9
Najaf	-8.4
Qadisiyah	-2.9
Wasit	-15
Muthanna	2.1
Dhi Qar	-1
Maysan	3.1
Basrah	-11.1
Arbil	Unknown
Sulaymaniyah	Unknown

Average Electrical Power Distribution per Governorate as of 13 October 2004



Crude Oil Production

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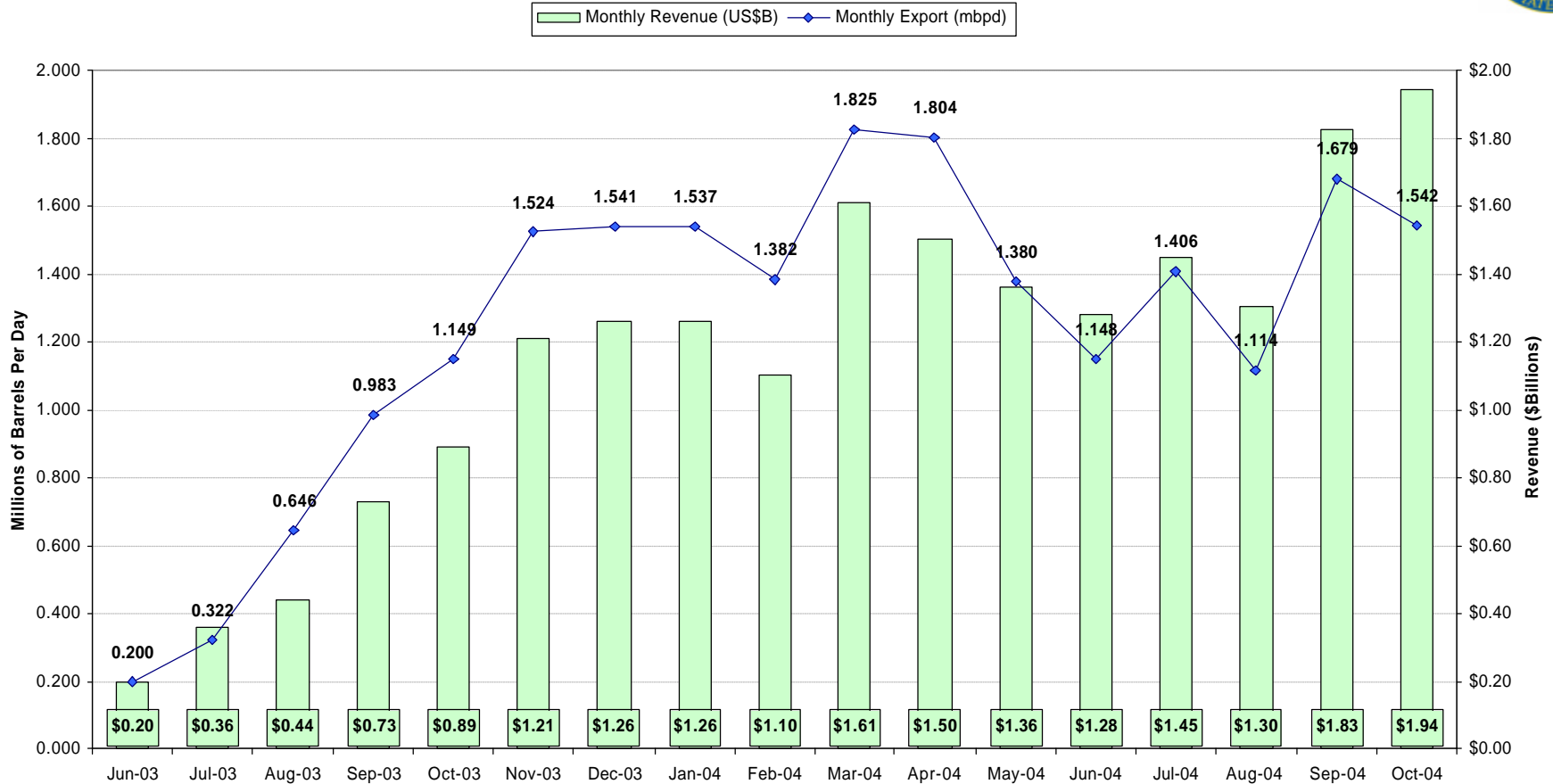


- **Weekly Average (Oct 25-31) is 2.39 MBPD**
- **Near Term Ministry of Oil (MOO) Target (Dec 04): 2.8 – 3.0 MBPD (Pre-War Capacity)**
- **Pre-War Peak: 2.5 MBPD in Mar 03**
- **Post-War Peak: 2.67 MBPD**



Crude Oil Monthly Export – Volume & Revenue

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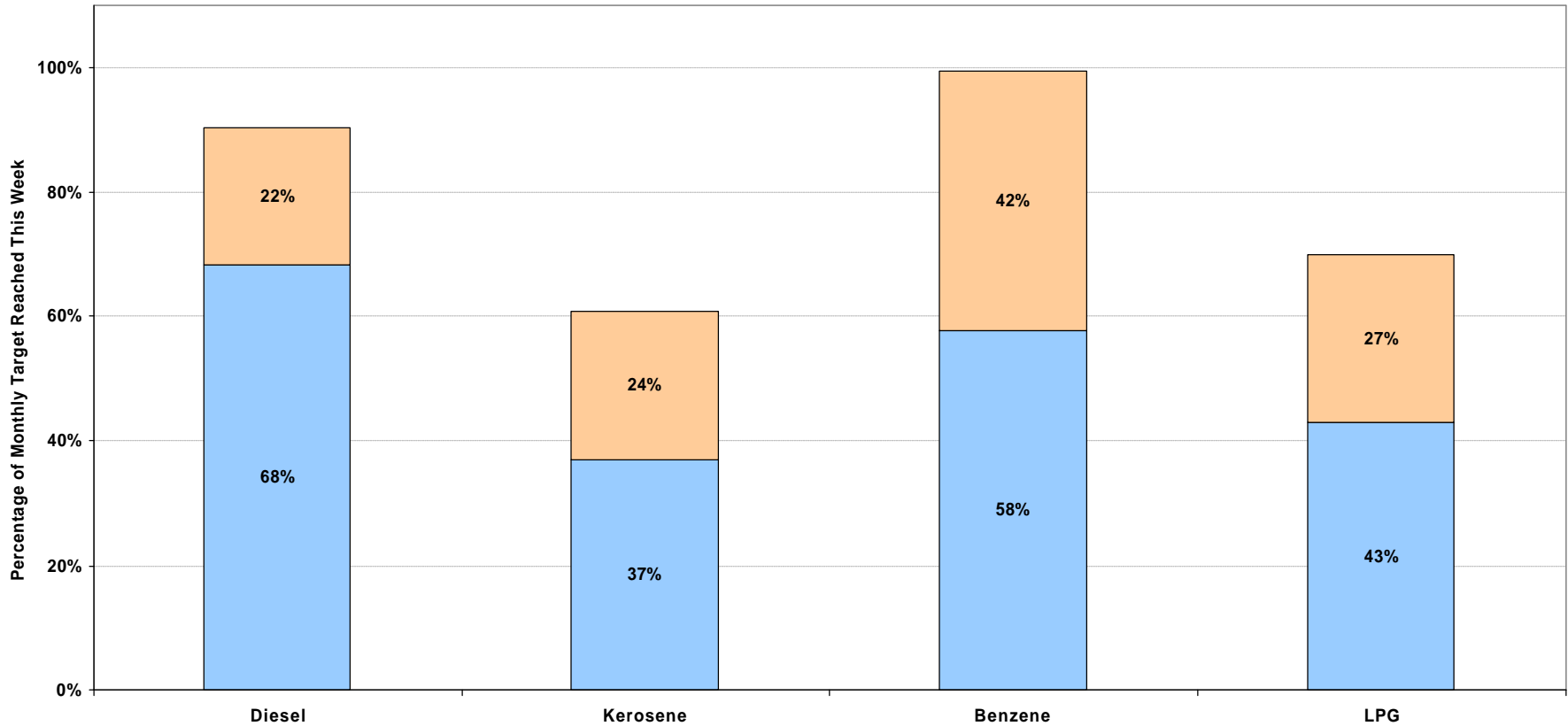


- **2003 Revenue: \$5,076.6M**
 - **2004 Revenue:**
 - **Pre-Transition: \$8,105.2M**
 - **Post-Transition: \$6,519.2M**
- \$14,624.4M**



Refined Products – Domestic Production & Imports

Production % Import %



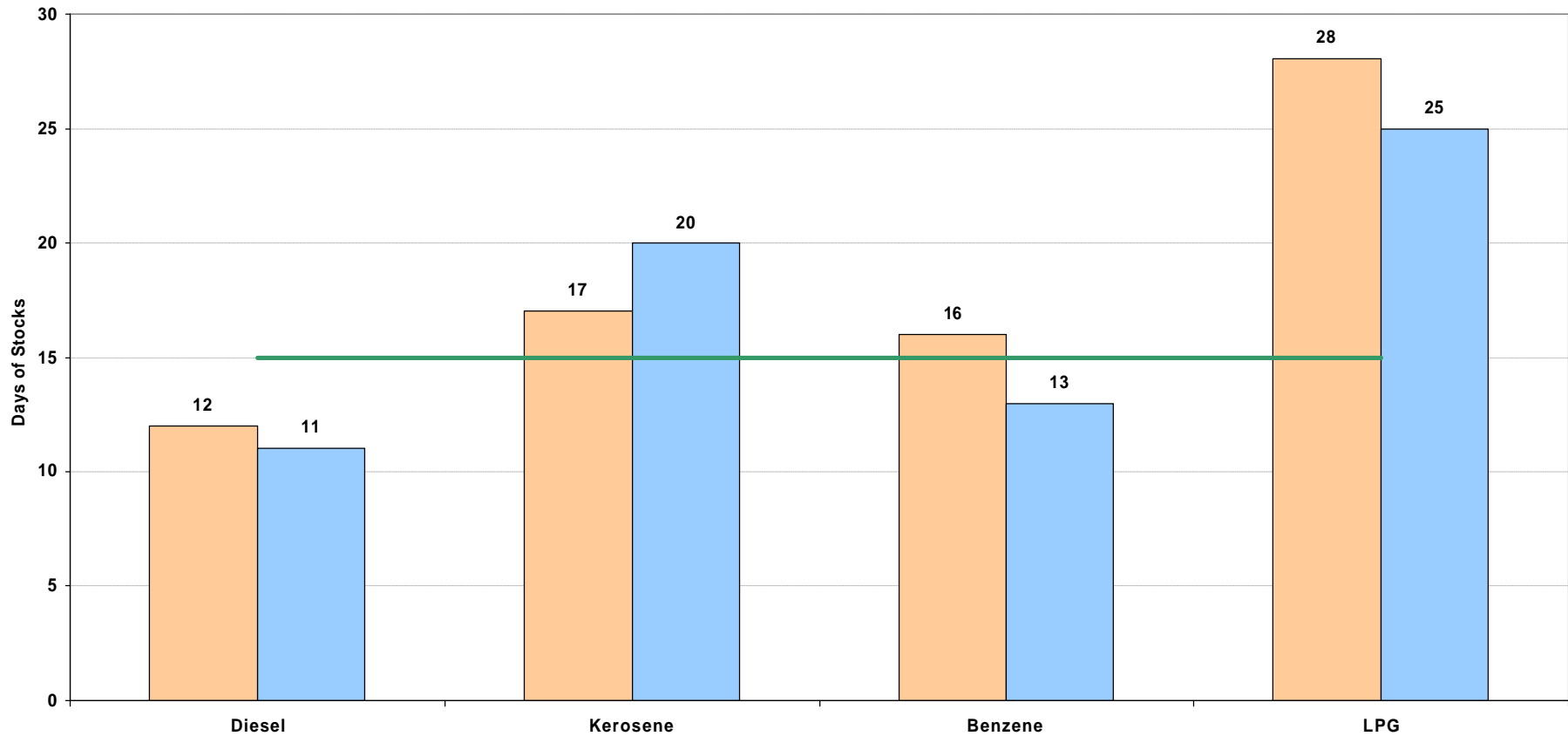
Note: This chart represents the percentage of target reached for the week of Oct 25-31

- Diesel: 16.3 ML of 18 ML
- Kerosene: 9.1 ML of 15 ML
- Benzene: 17.9 ML of 18 ML
- LPG: 3,000 tons of 4,300 tons



National Stock Levels

Sep-04 Oct-04 Goal



- 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	5045	3428	3652	2255	2325	790	798
Electricity Sector	4350	3840	3366	3432	2218	2213	367	371
Oil Infrastructure	1701	1701	1200	1200	735	735	55	56
Justice, Public Safety, and Civil Society	1122	979	838	834	483	510	62	63
Democracy	831	541	504	473	472	472	80	96
Education, Refugees, Human Rights, Governance	379	290	241	145	138	138	33	33
Roads, Bridges, and Construction	359	299	289	298	148	150	15	18
Health Care	786	786	763	637	456	333	4	4
Transportation and Communications	499	499	384	390	181	187	13	14
Water Resources and Sanitation	2311	1408	1240	1241	780	787	25	25
Private Sector Development	843	168	142	142	140	140	47	47
Admin Expense (USAID, State)	213	29	29	29	29	29	26	26
IRRF II SUBTOTAL 9%	18439	15585	12424	12473	8035	8019	1517	1551
CONSTRUCTION	11416	8954	7546	7591	4904	4848		
NON-CONSTRUCTION	6192	6090	4374	4405	2659	2699		
DEMOCRACY	831	541	504	473	472	472		
IRRF 1 SUBTOTAL 69%	2475	2475	2418	2418	2418	2418	1704	1704
GRAND TOTAL IRRF I & II 16%	20914	18060	14842	14891	10453	10437	3221	3255

Data as of 3 Nov 04



Iraqi Security Forces Update

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<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	43,627	135,000
Civil Intervention Force	0	4,920
Emergency Response Unit	100	270
Border Enforcement	18,148	32,000
Highway Patrol	555	1,500
Bureau of Dignitary Protection	446	500
Army	3,887	27,000
National Guard	41,261	61,904
Intervention Force	1,794	6,584
Special Operations Force	604	1,967
Air Force	167	502
<u>Coastal Defense Force</u>	<u>409</u>	<u>582</u>
Total	*110,998	272,729

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



Stability Contributors – OIF

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28

Countries with forces in Iraq (in addition to US)

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

TOTAL ~ 24,000 Forces

29 Countries and NATO
(including US)
Support Iraqi Stability Operations

Iraq Weekly Status – General Information



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N
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S
T
A
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- 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