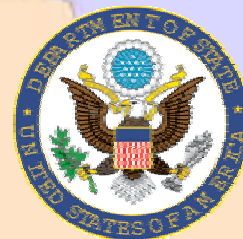


04 May 2005



DEPARTMENT
OF
STATE

Iraq Weekly Status Report

UNCLASSIFIED



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Highlights

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1.0 Neutralize the Insurgents

- ï Iraqi Security Forces (ISF) continue efforts to neutralize the insurgents.

2.0 Ensure the Continuation of Support for Iraqís Electoral Process through 2005

- ï Iraqís first democratically elected government in a generation took office on May 3. Shiite Arab leader Ibrahim al-Jaáfari was sworn in as prime minister, leading a cabinet of twenty-seven ministers that includes 15 Shiite Arabs, seven Kurds, four Sunnis and one Christian. Two deputy prime ministers were also sworn in, a Shiite and a Kurd. One or possibly two deputy prime minister spots and five Ministerial positions remain unfilled.

3.0 Create Jobs and Provide Essential Services

- ï HACFO has released all but \$120 million of the latest Congressional Notification. This reallocation of funds will address jobs creation and management initiatives.
- ï Average peak generation was 4,150 MW and average electricity generated was 84,629 MWh per day, representing a 5.5 percent increase from the previous week.



Highlights

4.0 Establish Foundations for a Strong Economy

- ï Former DPM and current Minister of Planning and Development Coordination (MoPDC) Barham Salih will visit Washington, DC to meet with the World Bank. This meeting will provide an indication of his plans as MoPDC.

5.0 Establish Good Governance, Rule of Law

- ï A press statement issued from the Central Criminal Court of Iraq (CCCI) noted that Saddam Hussein will appear in court within the next few weeks. The statement also said that the investigation of the crimes committed during his regime continues.

6.0 Maintain International Engagement and Support

- ï The US and EU continue to consult with the ITG regarding a major international conference they have offered to co-host on Iraq in Brussels. The conference, at the Foreign Minister level, will focus on support for Iraq's continued progress on development political, economic/reconstruction, and rule of law issues.



[1.0] Neutralize the Insurgents ñ Iraqi Security Forces Update

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Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	58,224
HIGHWAY PATROL	
OTHER MOI FORCES	29,562
TOTAL	87,786*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	73,450
AIR FORCE	188
NAVY	521
TOTAL	74,159**

Total Trained & Equipped ISF:

161,945

* Ministry of Interior Forces: Unauthorized absences personnel are included in these numbers

** Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers

Data as of May 2, 2005



[2.0] Ensure the Continuation of Support for Iraqís Electoral Process through 2005 ñ **Developments**

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Iraq Transitional Government Formation:

- ï Iraqís first democratically elected government in a generation took office on May 3. United Iraqi Alliance senior member and Daíwa Party leader Ibrahim al-Jaáfari was sworn in as prime minister, leading a cabinet of twenty-seven ministers that includes representatives of all Iraqís major ethnic and religious groups. Two deputy prime ministers also were sworn in.
 - ñ Five ministries and one or two deputy prime minister posts remain unfilled. According to press reports, no permanent ministers were named to the Defense, Oil, Electricity, Human Rights, or Industry and Minerals Ministries.

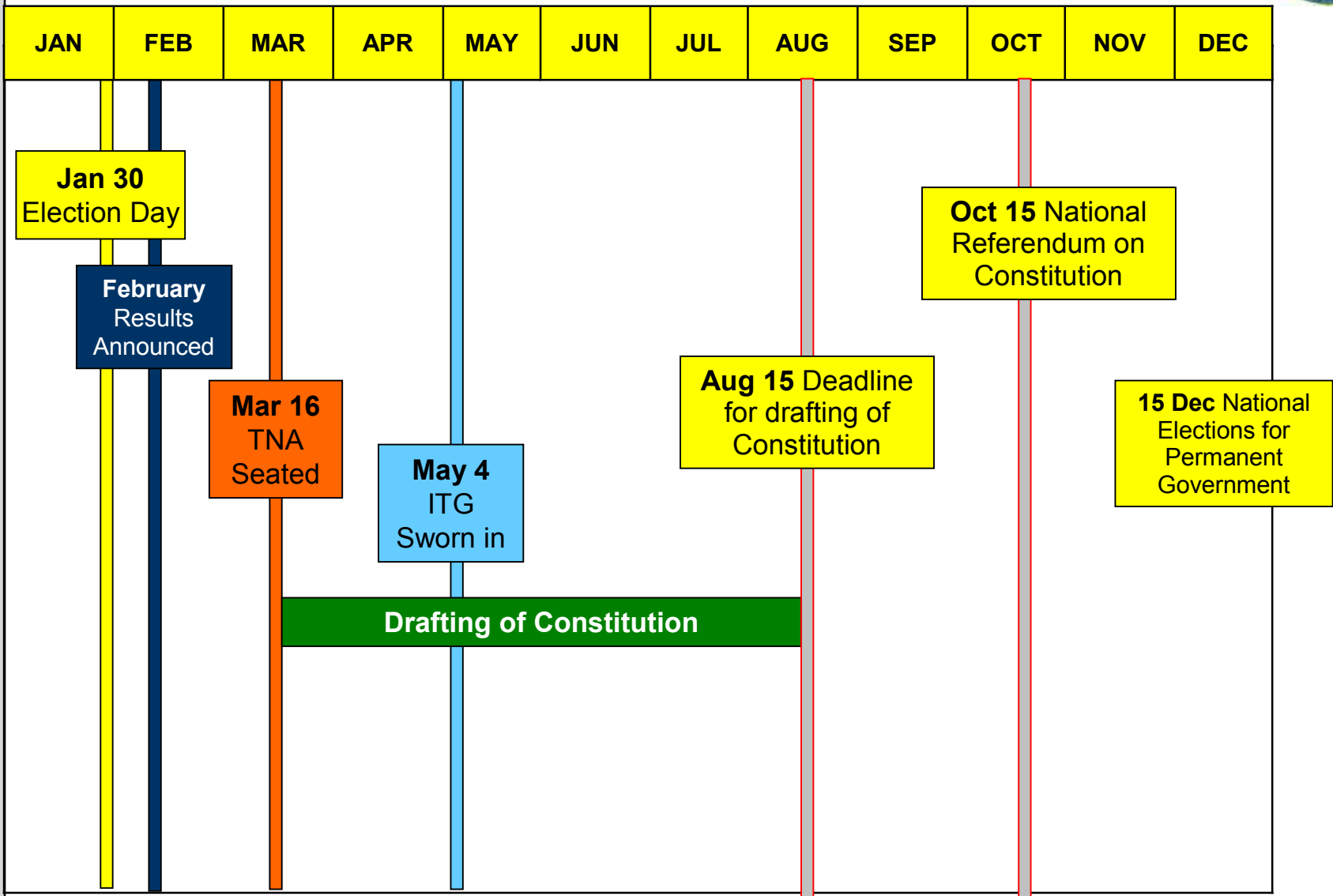
Continuing Transitional National Assembly (TNA) Responsibilities:

- Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- Draft Iraq's new Constitution by August 15, 2005; this will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.
- If it is approved, an election for a permanent Iraqi government under that new Constitution will occur by the end of 2005.



[2.0] Ensure the Continuation of Support for Iraqís Electoral Process through 2005 ñ Electoral Process Timeline

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[3.0] Create Jobs and Provide Essential Services ñ **Economy**

Oil Update:

- ï Crude oil prices in world markets for the week ending April 22 closed with the following prices:
 - ñ WTI Cushing at \$51.87/barrel
 - ñ Dated Brent at \$51.39/barrel
 - ñ Basra Light at \$45.02/barrel
 - ñ Oman/Dubai at \$47.51/barrel
- ï WTI Cushing, Dated Brent, and Oman/Dubai have replaced the OPEC basket in this section as these three crudes determine Iraq crude prices.

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

Employing Organization	Iraqis Last Week	Iraqis This Week	% Change on Week
PCO (Project and Contracting Office)	27,488	27,453	-0.1%
USAID	76,269	69,358	-9.1%
AIRP (Accelerated Iraqi Reconstruction Program)	2,725	2,850	4.6%
MILCON (Military Construction)	577	624	8.1%
*CERP (Commanders' Emergency Response Program)	23,706	23,706	0.0%
MNSTC-I	23,938	27,976	16.9%
IRRF NON-CONSTRUCTION	9,157	9,160	0.0%
GRAND TOTAL	163,860	161,127	-1.7%

[3.0] Create Jobs and Provide Essential Services ñ Food Security and Telecommunications



Public Distribution System (PDS):

- ï The Ministry of Trade (MoT) has contracted 150,000 MT of wheat flour from Turkey; the first truckloads have reportedly begun to arrive for Mayís distribution.
- ï The outlook for available rice stocks and imports for distribution remains dependent on domestic rice procurements and a nominal amount of imports. The MoT contracted 60,000 MT of US rice and 115,000 MT of Thai rice to fulfill distribution needs in June and July.

Telecommunications:

- ï The three major cell phone companies in Iraq (Asiacell, Iraqna, and Atheer) continue to enroll new subscribers at healthy rates. As of May 1, there were 2,180,355 active cellular subscribers in Iraq, a 6 percent increase over last month. Landline telephone subscribers in Iraq have also increased to 992,416. Prior to the war, there were approximately 833,000 landline subscribers and no cellular network.

[3.0] Create Jobs and Provide Essential Services ñ Education and Health Care



School Construction:

ï PCO has completed 475 schools renovations to date and a further 221 are under construction. Under the Accelerated Iraq Reconstruction Program (AIRP), an additional 24 school renovations have been completed and 16 are underway.

ñ 840 schools are scheduled for completion by mid-2005.

Health Care:

ï Construction is underway on 142 new primary health care (PHC) facilities across Iraq and one has been completed. Under the AIRP, an additional two PHCs are under construction and eight have been completed.

ï The State Company for Manufacturing Medicines and Medical Appliances in Nineveh announced it is now producing medicines for chronic diseases, high blood pressure, diabetes and gastric problems.

ñ The company will also be expanding production of other medicines, in addition to signing contracts with a number of Iraqi universities and research centers to research new medicines.

[3.0] Create Jobs and Provide Essential Services ñ **Water and Sanitation**

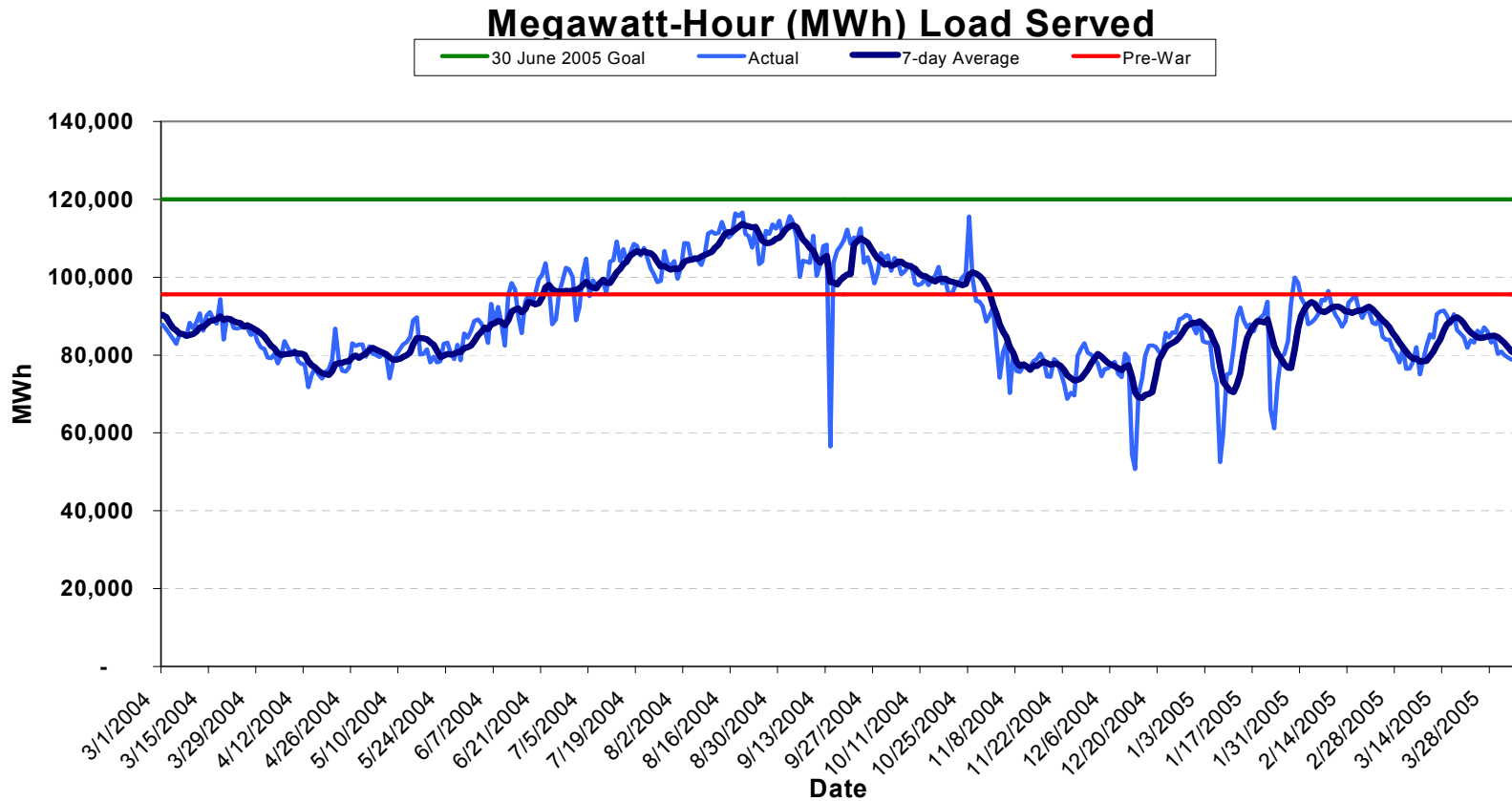


Water and Sanitation:

- ï PCO has 91 water treatment projects underway and has completed 12 to date. Under the AIRP, there are a further 13 water treatment projects under construction and 37 have been completed.
 - The majority of these projects are awarded directly to local contractors and local water authorities.
- ï The Karbala Water Treatment Plant project will install 10 compact clarifier units, with a total capacity of 25 million gallons per day. The project will also enlarge the existing inlet works and associated pump station.
 - The plant is located in the city's center, near one of Shiite Islam's holiest shrines. In addition to providing water to city residents, potable water is supplied seasonally to an estimated three million pilgrims. The project is now 26 percent finished and will be complete in September.
- ï Both Minister Latif Rashid and Minister Nasreen Berwari will remain in the new government for the Ministry of Water Resources and Ministry of Municipalities and Public Works, respectively.



[3.0] Create Jobs and Provide Essential Services ñ Electricity Overview



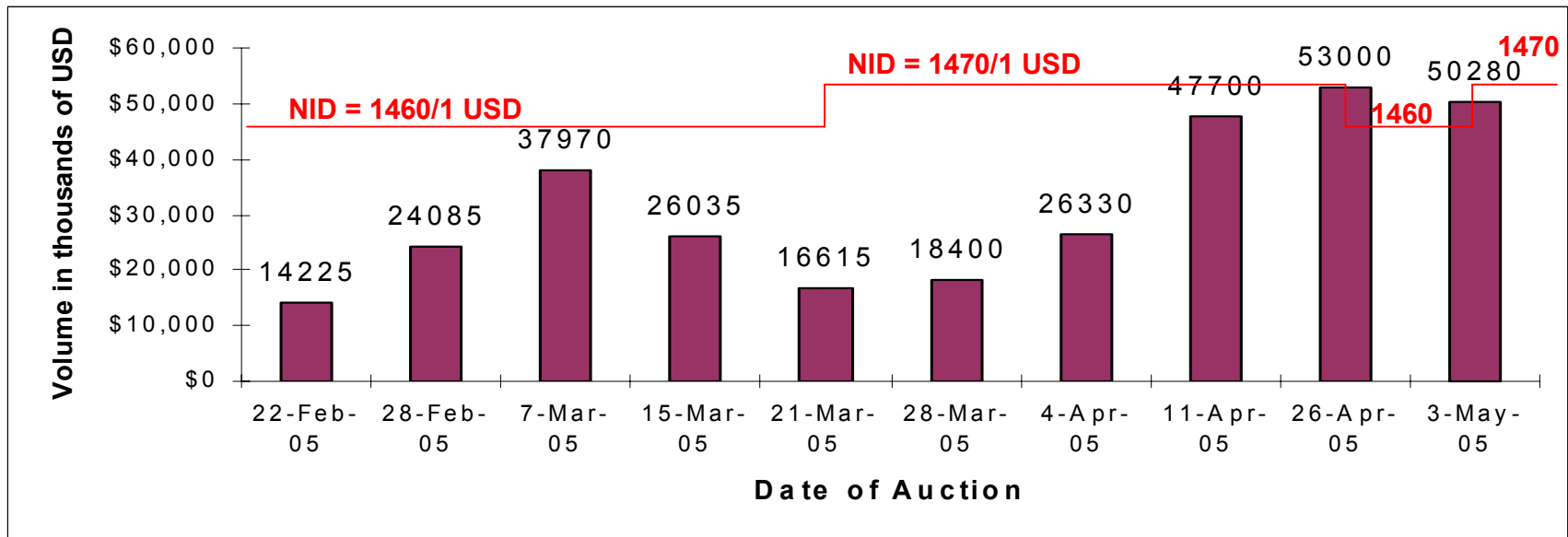
- ï Electricity load served in the last week (March 28 ñ April 3) was 80,932 MWh.
- ï Hours of available power averaged 11.3 in Baghdad.
- ï Scheduled and unscheduled outages were 1,360 MW and 514 MW, respectively.



[4.0] Establish Foundations for a Strong Economy

Iraq Currency Exchange:

- i At the New Iraqi Dinar (NID) auction on May 3, the settlement price was 1,470 dinars per USD with a total of 19 banks trading. The following table shows the purchase volume over the last two months:





[4.0] Establish Foundations for a Strong Economy

Iraqi Securities Exchange:

- ï The Ministry of Finance auctioned ID 200 billion (about \$136 million) in T-Bills on May 3; the settlement yield was 3.0 percent with four banks offering winning bids. The following shows the results of the previous seven auctions:

No. of Auction	Date of Auction	Amount 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
15	2/6/2005	100.040	91	5/9/2005	11	7	137.400	96.940	141.74	3.00%-7.00%	5.00%
16	2/20/2005	150.020	91	5/23/2005	10	4	253.000	145.520	173.86	3.00 %- 7.00%	3.00%
17	3/6/2005	200.040	91	6/6/2005	8	6	399.500	197.040	202.75	2.00%- 6.90%	3.00%
18	3/20/2005	200.040	91	6/20/2005	8	6	424.000	197.040	215.18	2.00% - 6.50%	3.00%
19	4/3/2005	200.020	91	7/4/2005	6	5	396.000	197.020	200.99	3.00% - 6.50%	3.00%
20	4/17/2005	150.040	91	7/18/2005	8	6	300.250	147.540	203.50	3.00% - 7.00%	3.00%
21	5/2/2005	200.030	91	8/2/2005	5	4	311.000	198.030	157.05	3.00% - 6.50%	3.00%

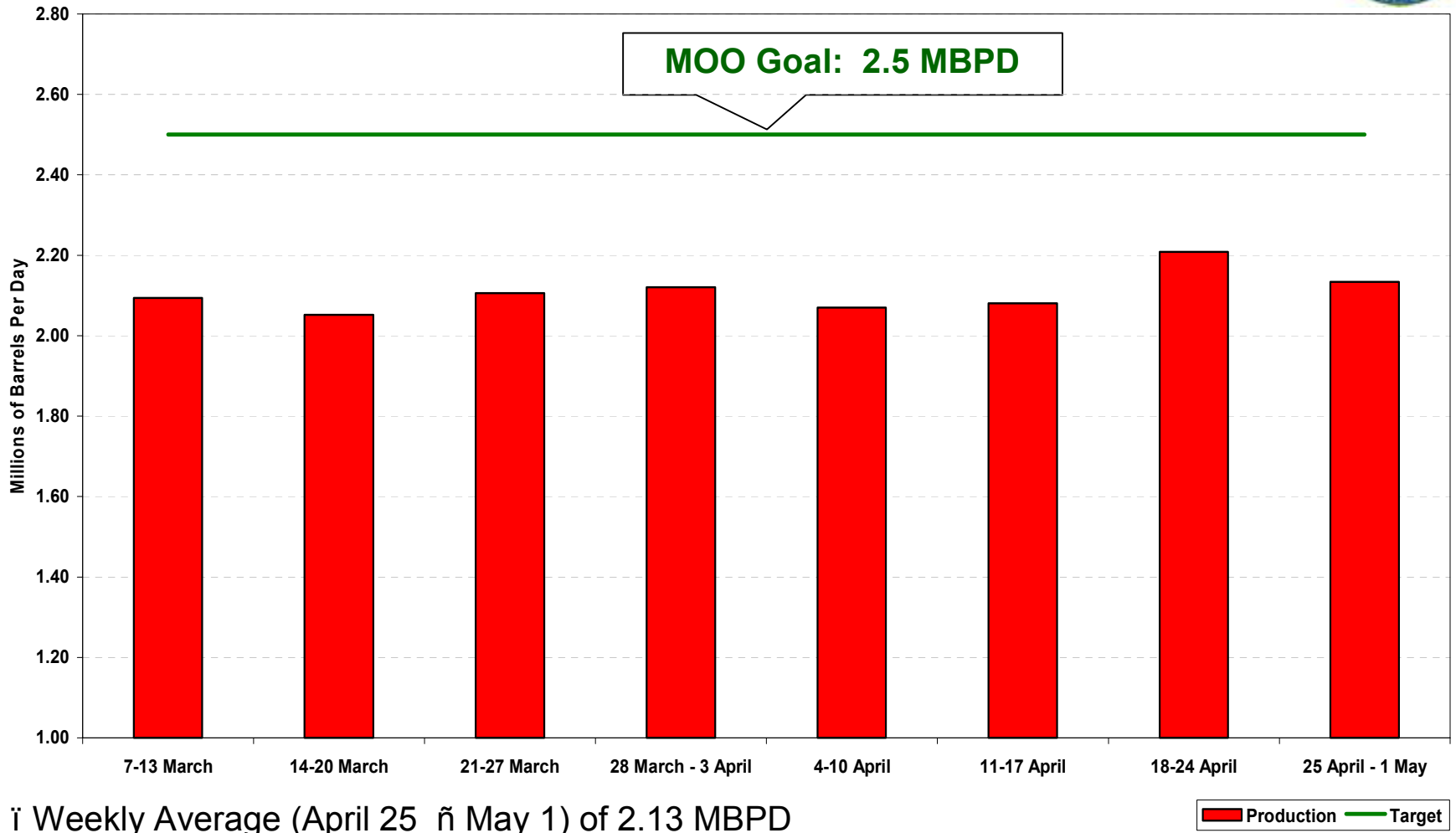
Broader Middle East/North Africa Trade and Investment Finance Conference in Amman:

- ï From May 17 ñ19, the Government of Jordan, US Export-Import Bank, Overseas Private Investment Corporation, Department of State, and US Trade and Development Agency will bring senior government, business, and financial leaders of the G-8 and countries and territories from the broader Middle East and North Africa to address key trade, investment, and finance issues facing the region.
- ñ The program will focus on a broad range of trade-related investment and finance programs and services, as well as sectors including agriculture, telecommunications, oil and gas, and water.



[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production

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ï Weekly Average (April 25 ñ May 1) of 2.13 MBPD

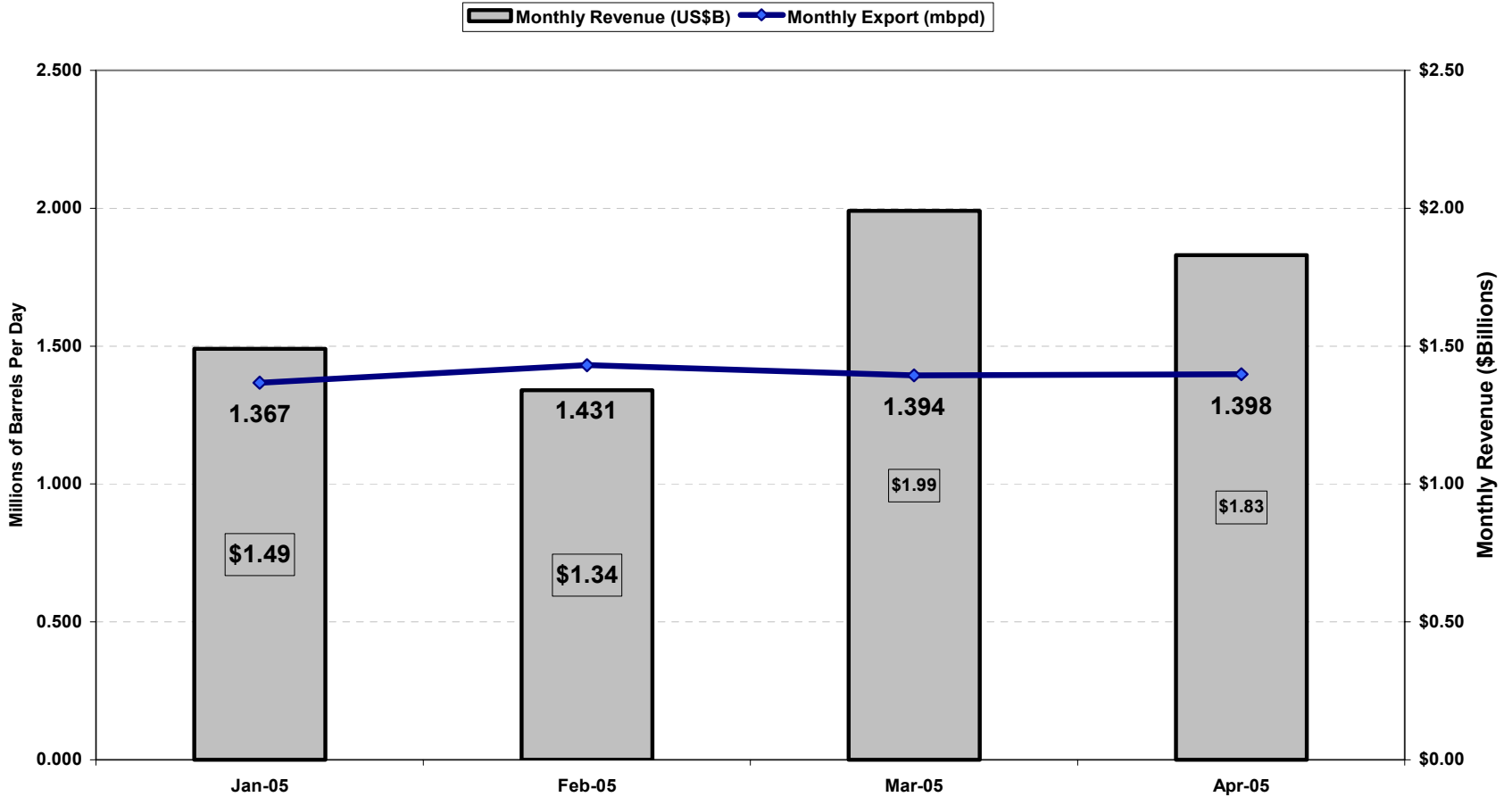
ï Pre-War Peak: 2.5 MBPD in March 2003

ï Post-War Peak: 2.67 MBPD



[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export

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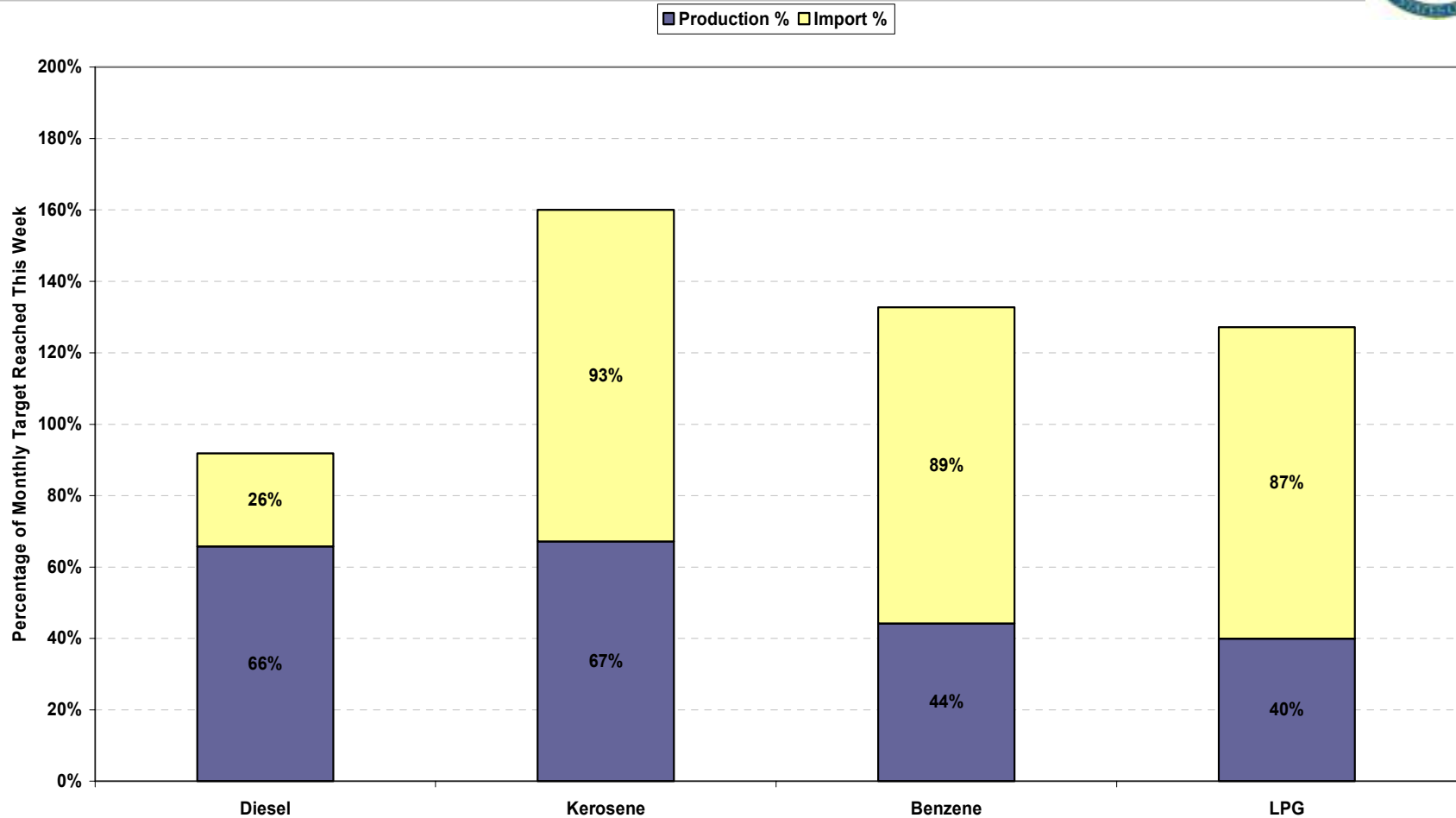


- ï 2003 Revenue: \$5,076.6 M
- ï 2004 Revenue: \$17,012.3 M
- ï 2005 Revenue: \$6,200 M (cumulative for 2005)



[4.0] Establish Foundations for a Strong Economy ñ Refined Products

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Note: This chart represents the average percentage of daily target reached for the week of April 25 ñ May 1

ï Diesel: 16.5 ML of 18 ML

ï Benzene: 23.8 ML of 18 ML

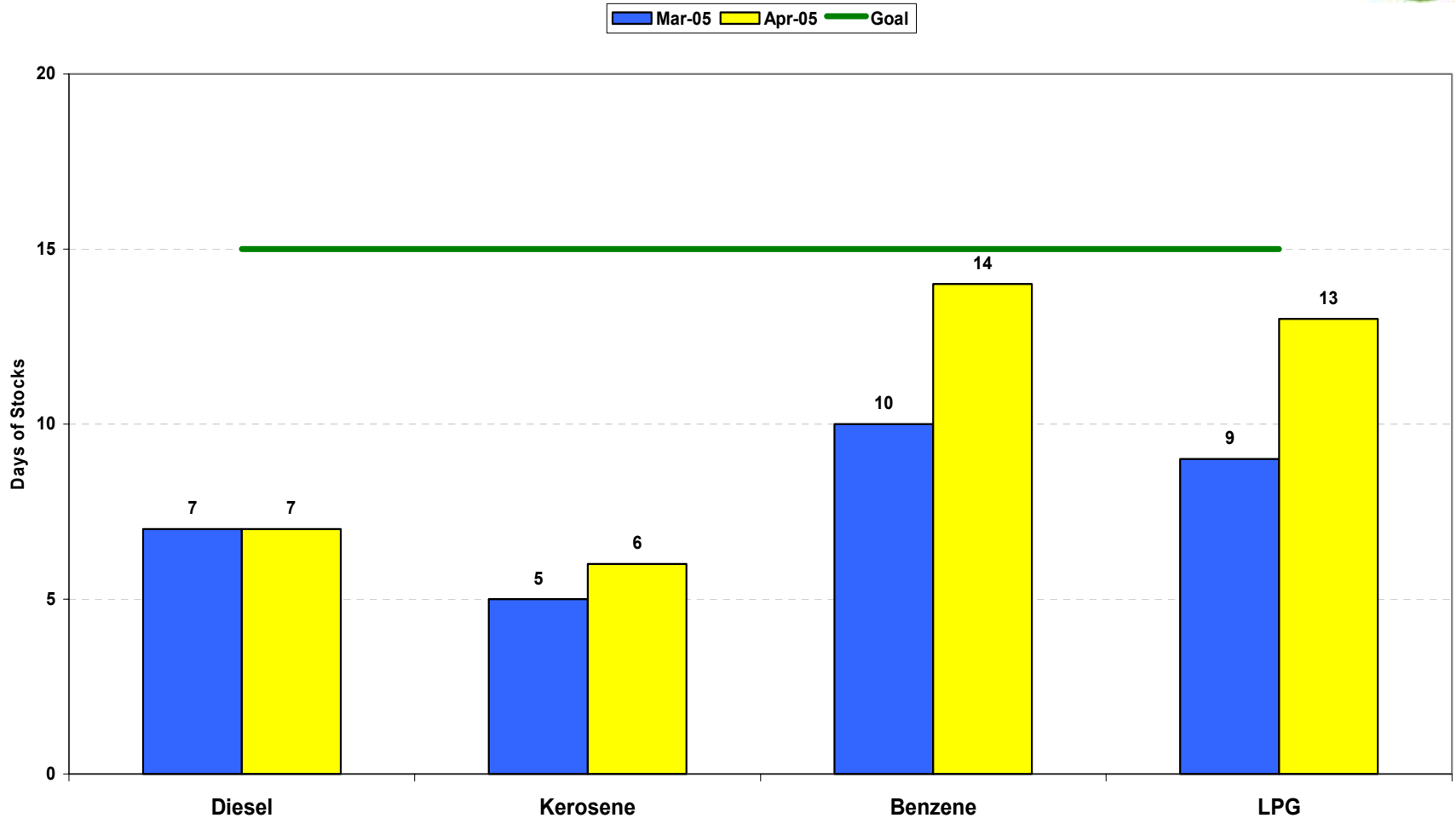
ï Kerosene: 8.8 ML of 5.4 ML

ï LPG: 5,468 tons of 4,300 tons



[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels

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ï 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.

[4.0] Establish Foundations for a Strong Economy ñ IRRF I & II Financials



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Financial Status-IRRF I & II	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Sector								
Security and Law Enforcement	5,036	5,036	4,717	4,721	4,132	4,130	1,995	2,045
Electricity Sector	4,308	4,089	3,945	3,943	2,960	2,960	1,004	1,030
Oil Infrastructure	1,723	1,723	1,570	1,583	1,011	1,006	261	263
Justice, Public Safety, and Civil Society	1,224	1,145	1,009	1,007	799	812	232	260
Democracy	905	832	756	756	670	670	343	346
Education, Refugees, Human Rights, Governance	363	379	286	286	273	273	83	84
Roads, Bridges, and Construction	355	355	343	343	193	194	72	73
Health Care	786	786	756	756	559	557	71	77
Transportation and Communications	509	513	477	472	329	327	65	70
Water Resources and Sanitation	2,157	1,839	1,753	1,758	1,067	1,068	107	117
Private Sector Development	860	835	780	780	765	765	447	449
Admin Expense	214	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18,439	17,560	16,420	16,435	12,790	12,793	4,709	4,842
IRRF II CONSTRUCTION		10,402	10,100	10,021	7,288	7,284	2,154	2,216
IRRF II NON-CONSTRUCTION		6,326	5,564	5,658	4,831	4,839	2,213	2,280
IRRF II DEMOCRACY		832	756	756	670	670	343	346
IRRF I SUBTOTAL	2,475	2,475	2,475	2,475	2,475	2,475	2,150	2,150
GRAND TOTAL IRRF I & II	20,914	20,035	18,895	18,910	15,265	15,268	6,859	6,992

Data as of May 4, 2005

[5.0] Establish Good Governance, Rule of Law ñ Refugees, Democracy and Human Rights



Mass Grave Discovered in Iraq:

- i Investigators have uncovered a large grave that may contain the bodies of 1,500 Kurds killed in the 1980s. It could produce evidence needed to prosecute Saddam Hussein and his top lieutenants for mass killings during his regime. This week, international forensic experts examined the mass grave site in Samawa, on the Euphrates River, about 230 miles southeast of Baghdad. Many of those buried in the 18 trenches were believed to be Kurds killed in 1987 and 1988 during a scorched-earth campaign, said Gregg Nivala, from the US government's Regime Crimes Liaison Office (RCLO). The RCLO continues to provide forensic assistance in the exhumation process.

Saddamís Trial Will Begin Soon:

- i A press statement issued from the Central Criminal Court of Iraq (CCCI) mentioned that Saddam Hussein will appear in court within the next few weeks, and that the investigation of the crimes committed during his regime is ongoing. The ICC chief judge visited the suspects, including Saddam, to ensure the suspectsí proper treatment by the detention facilities. Saddamís lawyer met with the chief judge and discussed judicial procedures with him.

[5.0] Establish Good Governance, Rule of Law ñ Refugees, Democracy and Human Rights

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Women ìEngendering the Constitutionî:

- ï On April 14, a USAID partner providing support to the Iraqi Transitional Government hosted an ìEngendering the Constitutionî meeting for fifty women members of the Transitional National Assembly, governorate councils, and non-governmental organizations. The purpose of the workshop was to offer participants an accurate overview and definitions of gender concepts and tools for carrying out gender analysis when drafting and evaluating the new Iraqi constitution. This meeting was scheduled around one of many thematic issues designed to give Iraqi women relevant information on the protection of their rights.

Justice Integration Project Contract Signed:

- ï The Department of State (INL) signed a contract with BearingPoint, LLC to implement the Justice Integration Project. The initial contract aims to establish the following: an integrated justice system that will address cooperation at the ministerial level, integrated Standard Operating Procedures for the different elements of the system, and a common tracking method for individuals and cases. INL will give a presentation on the Justice Integration Project to the new Iraqi Ministers of Justice and the Interior in Baghdad.



[6.0] Maintain Int'l Engagement & Support ñ **Developments**

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International Support:

- ï The US and EU continue to consult with the ITG regarding a major international conference they have offered to co-host on Iraq in Brussels. The conference, at the Foreign Minister level, will focus on support for Iraq's continued progress on development political, economic/reconstruction, and rule of law issues.
- ï The Government of Iceland will allocate \$1.5 million to a prosthetics project to be run by Ossur, Inc. in a hospital in Dahuk, northern Iraq. The project's aim is to provide up to 600 Iraqis with prosthetic feet, provide local Iraqi prosthetic specialists with the training and provide follow-up treatment for the Iraqi recipients. Preparations for the project have already started and it is estimated to last for the next 12-18 months.
- ï Japan's government is set to invite top Iraqi officials to Tokyo this summer with the possibility for resuming yen loans Iraq. Prime Minister Junichiro Koizumi is likely to tell Iraqi leaders about the planned resumption of financial assistance to support Iraq's efforts toward democratization. Yen loans have been suspended since 1985.



[6.0] Maintain Int'l Engagement & Support ñ Stability Contributors

27 MNF-I Contributors (in addition to US)

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

*Note: Fiji participating as a part of the UN mission in Iraq.

TOTAL ~ 23,000 Forces

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



Iraq Weekly Status ñ General Information

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- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov