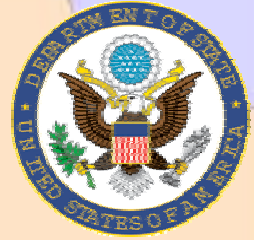


25 May 2005



Iraq Weekly Status Report

DEPARTMENT
OF
STATE

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Highlights

1.0 Transition to Security Self-Reliance

- ï On May 19, the Iraqi Police Service graduated 167 police officers from advanced training and specialty courses at the Adnan Training Facility. This was the initial class of the Basic Computer Skills course, with 15 graduates.

2.0 Free and Democratic Iraq

- ï On May 21, 1000-plus Iraqi Sunni leaders representing various political groups resolved to participate in the political process.

3.0 Provide Essential Services

- ï Electricity load served last week increased significantly to an average of 92,500 MWh, with several power plants coming back online. Hours of available power likewise increased to 9.9 hours in Baghdad and 9.0 hours countrywide. Peak capacity is above pre-war levels and is expected to increase into the summer months.



Highlights

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4.0 Establish Foundation for a Strong Economy

- ï The Trade Bank of Iraq (TBI) issued Iraq's first credit/debit cards on May 24.

5.0 Promoting the Rule of Law

- ï After a TNA vote of no confidence, the De-Ba'athification Commission has dissolved itself and a new commission has been formed. Faisal Al Lami, Director General of the commission, said it is discussing its legal situation and the TNA is now responsible for naming the commission that will observe the activities of the new De-Ba'athification Committee.

6.0 Maintain International Engagement and Support

- ï The UN Security Council will review the mandate of the MNF, the Development Fund for Iraq, and the International Assistance Monitoring Board on May 31.
- ï Ninety additional Fijian soldiers will be deployed to the United Nations Assistance Mission to Iraq (UNAMI) in July. A military spokesman said the extra Fijian troops would be posted to man two additional guard units in Basra and Erbil.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

Iraqi Security Forces Update:

- ï On May 19, the Iraqi Police Service graduated 167 police officers from advanced training and specialty courses at the Adnan Training Facility. The courses consist of Basic Criminal Investigations with 58 graduates, Interview and Interrogations with 21 graduates, Critical Incident Management with 25 graduates, Violent Crime Investigation with 29 graduates, Mid-level Management with 19 graduates and Basic Computer Skills with 15 graduates.
 - ñ This was the initial class of the Basic Computer Skills course, designed to provide students with sufficient computer skills to create, save, store and retrieve documents. The students also learn to access the internet to utilize search engines for research and other functions.
- ï An independently planned and executed cordon and search operation by Iraqi forces led to the capture of 26 anti-Iraq forces on May 14.
- ï On May 16, an Iraqi police unit provided reconnaissance, planning, and execution for an early morning raid of a residence in central Baghdad. The Iraqi National Police Emergency Response Unit captured five individuals at the residence, including the targets of the operation ñ two Amirs accused of participating in terrorist acts and also financiers of terrorist operations against Iraqis.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

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Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	59,831
HIGHWAY PATROL	
OTHER MOI FORCES	30,784
TOTAL	90,615*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	74,589
AIR FORCE	182
NAVY	525
TOTAL	75,296**

Total Trained & Equipped ISF:

165,911

* 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



[2.0] Free and Democratic Iraq ñ Developments

ITG and Constitution Updates:

- ï On May 21, 1000-plus Iraqi Sunni leaders held a conference to organize participation in the political process. In a statement, they declared their intent to participate in the drafting of the constitution and asserted that ìresisting the Occupation is a legitimate right.î Conference spokesman Adnan Dulaimi urged Sunnis of all ethnic backgrounds to participate in the next elections and the political process in general ìto protect the identity and independence of Iraq.î

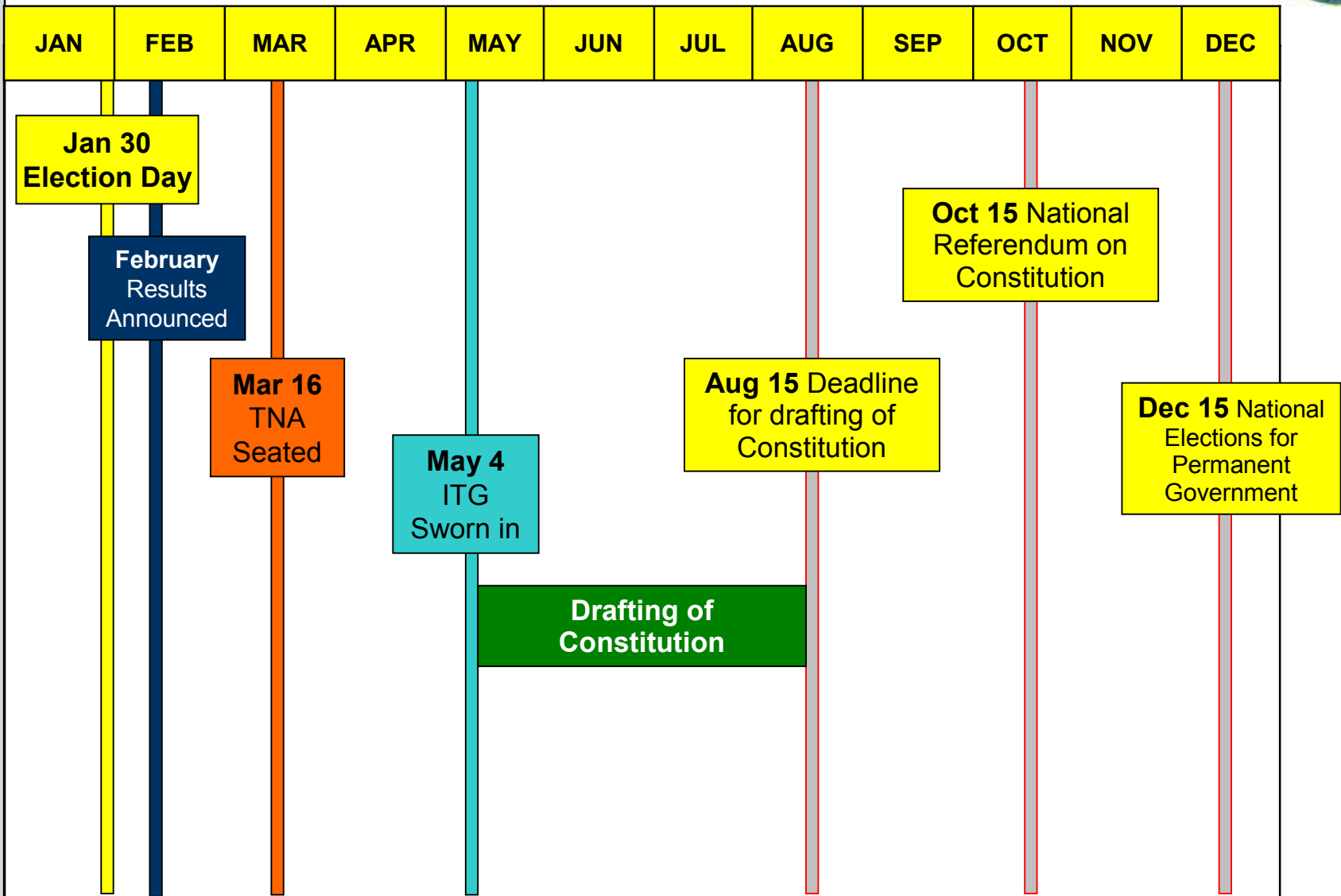
Continuing Transitional National Assembly (TNA) Responsibilities:

- Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- According to the Transitional Administrative Law, the TNA is to 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] Free and Democratic Iraq ñ Electoral Process Timeline

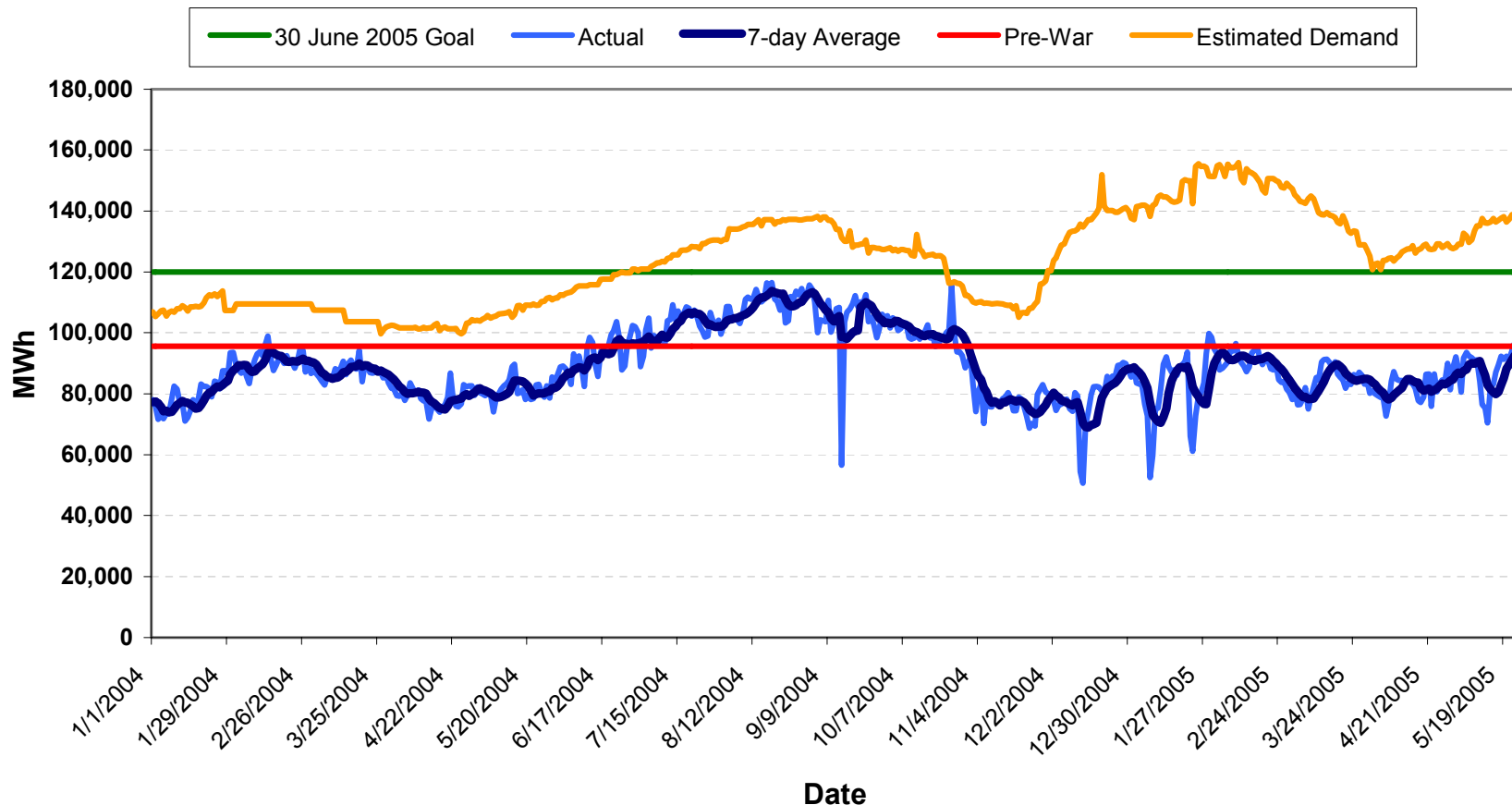
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[3.0] Create Jobs and Provide Essential Services ñ Electricity Overview

Iraq Daily Electricity Load Served



- ï Electricity load served increased significantly last week (May 17 - 23) to an average of 92,500 MWh, with several power plants coming back online. Hours of available power likewise increased to 9.9 hours in Baghdad and 9.0 hours countrywide.
- ï Demand levels have surpassed last summer's maximum of 7,200 MW, although temperatures are moderately high (low 90s °F).



[3.0] Provide Essential Services ñ Oil and Water and Sanitation

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Oil Update:

- ï Crude oil prices in world markets for the week ending May 20 closed with the following prices:
 - ñ Basra Light at \$38.47/barrel
 - ñ Kirkuk Crude at \$41.65/barrel
 - ñ Oman/Dubai at \$45.07barrel
 - ñ WTI Cushing at \$47.85/barrel
 - ñ Dated Brent at \$47.04/barrel

Water and Sanitation:

- ï PCO has 88 water treatment projects underway and has completed 21 to date. Under the Accelerated Iraq Reconstruction Program (AIRP), 12 more water treatment projects are under construction and 38 have been completed.
 - ñ Total water treatment capacity to be added from PCO projects is approximately 1.4 million cubic meters per day, which will benefit 2.5 million Iraqis.
- ï USAID is implementing the Baghdad Water Distribution Mains project in Sadr City, which consists of modeling the water distribution network and repairing or replacing mains, distribution pipes and valves.
 - ñ Over 4,000 houses have been connected to Baghdadís revitalized main water system. Contractors have installed 47 kilometers of new pipeline to date, providing approximately 40,000 people with safe drinking water.



[3.0] Provide Essential Services ñ Health Care, Education and Telecommunications

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Health Care:

- ï Construction is underway on 143 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 IRMO is working with Ministry of Health officials and a publishing company from New York on plans to create the Iraqi Journal of Medicine. The selection of an editorial board will be determined by the end of June, and the first edition is expected to be published in Fall, 2005.

School Construction:

- ï PCO has completed 555 schools renovations to date and a further 156 are under construction. Under the AIRP, an additional 25 school renovations have been completed and 15 are underway.
 - ñ 840 schools are scheduled for completion by mid-2005.

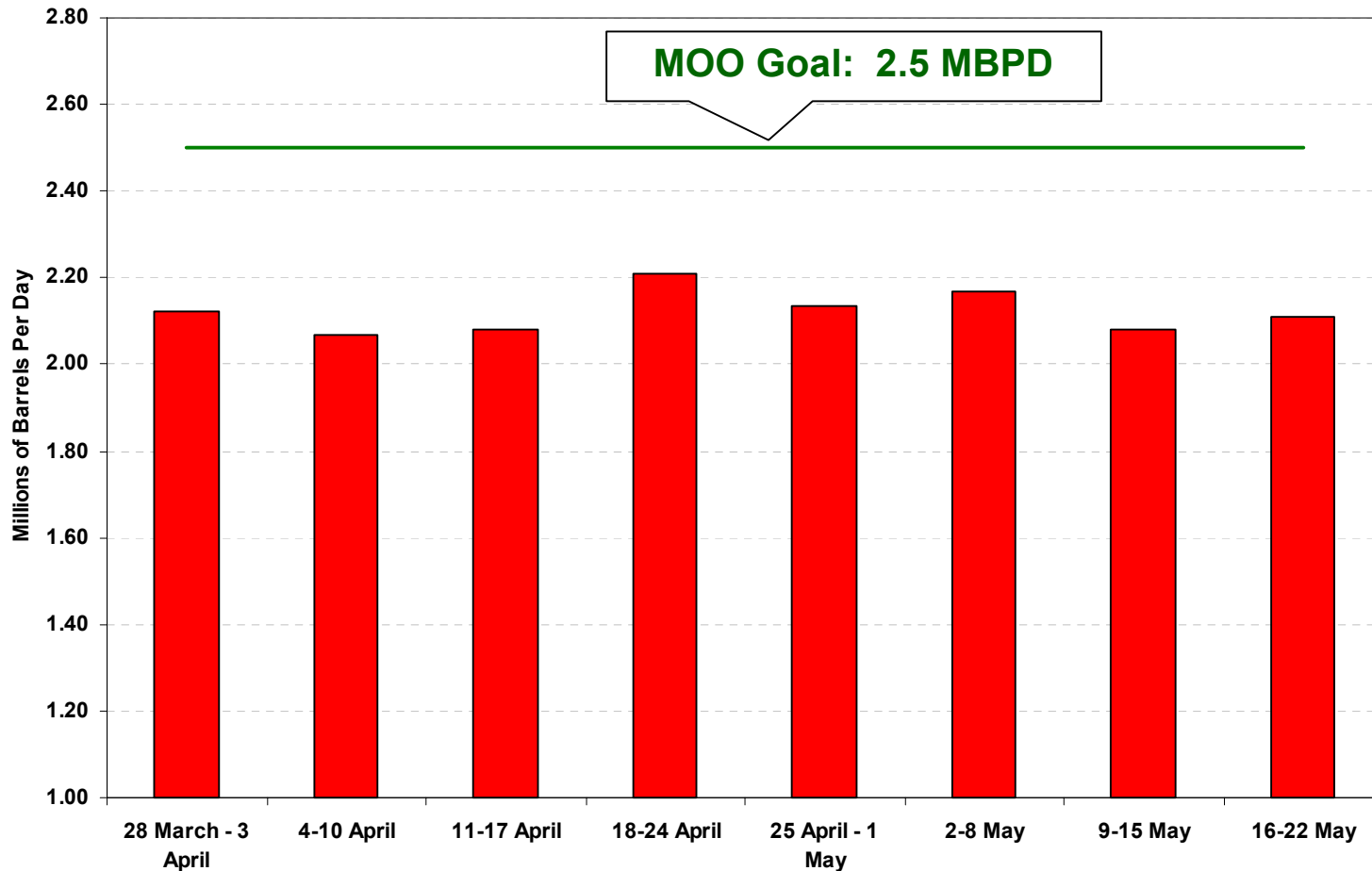
Telecommunications:

- 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.



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

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MOO Goal: 2.5 MBPD

ï Weekly Average (May 16-22) of 2.11 MBPD

ï Pre-War Peak: 2.5 MBPD in Mar 2003

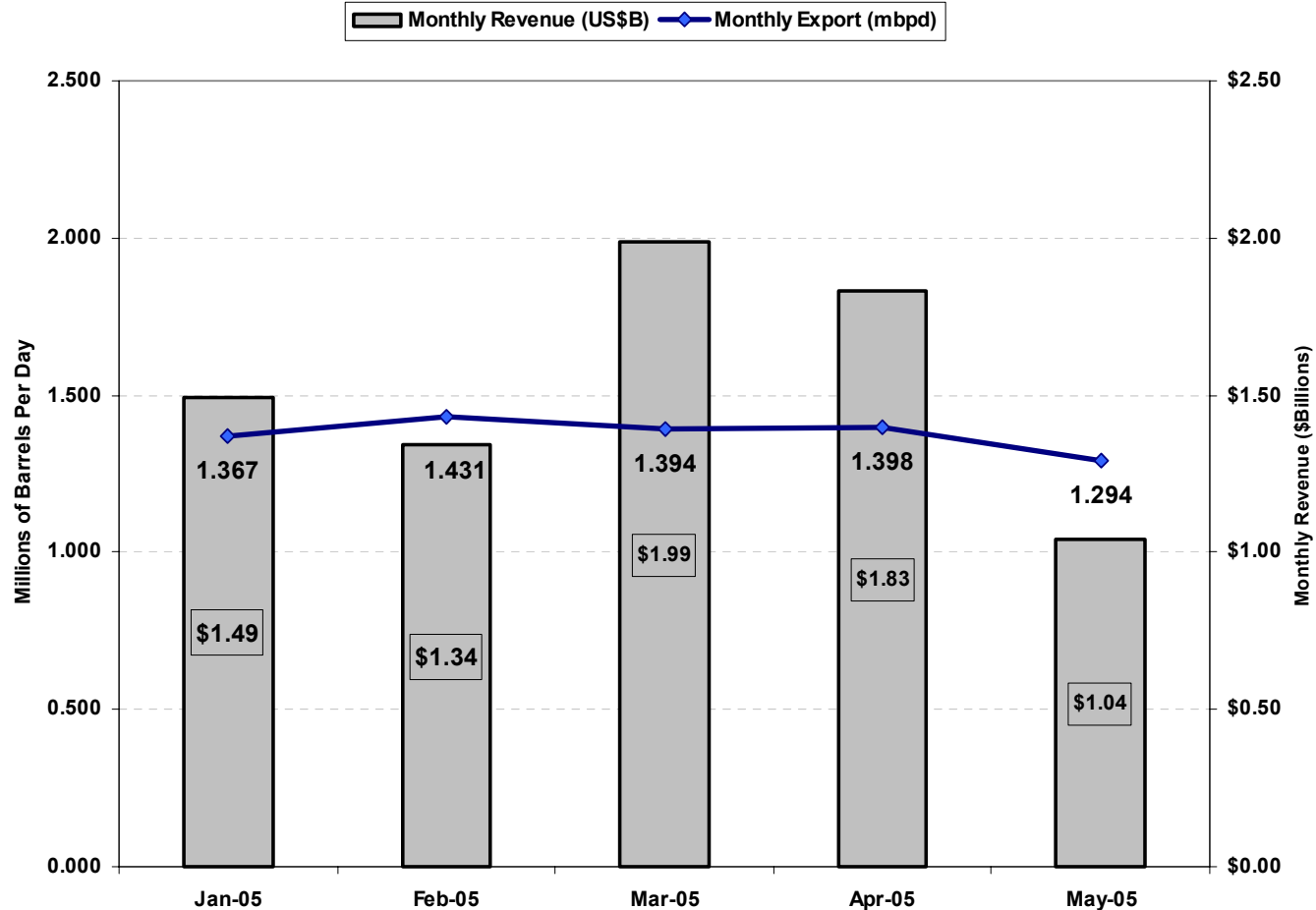
ï Post-War Peak: 2.67 MBPD

■ Production — Target



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

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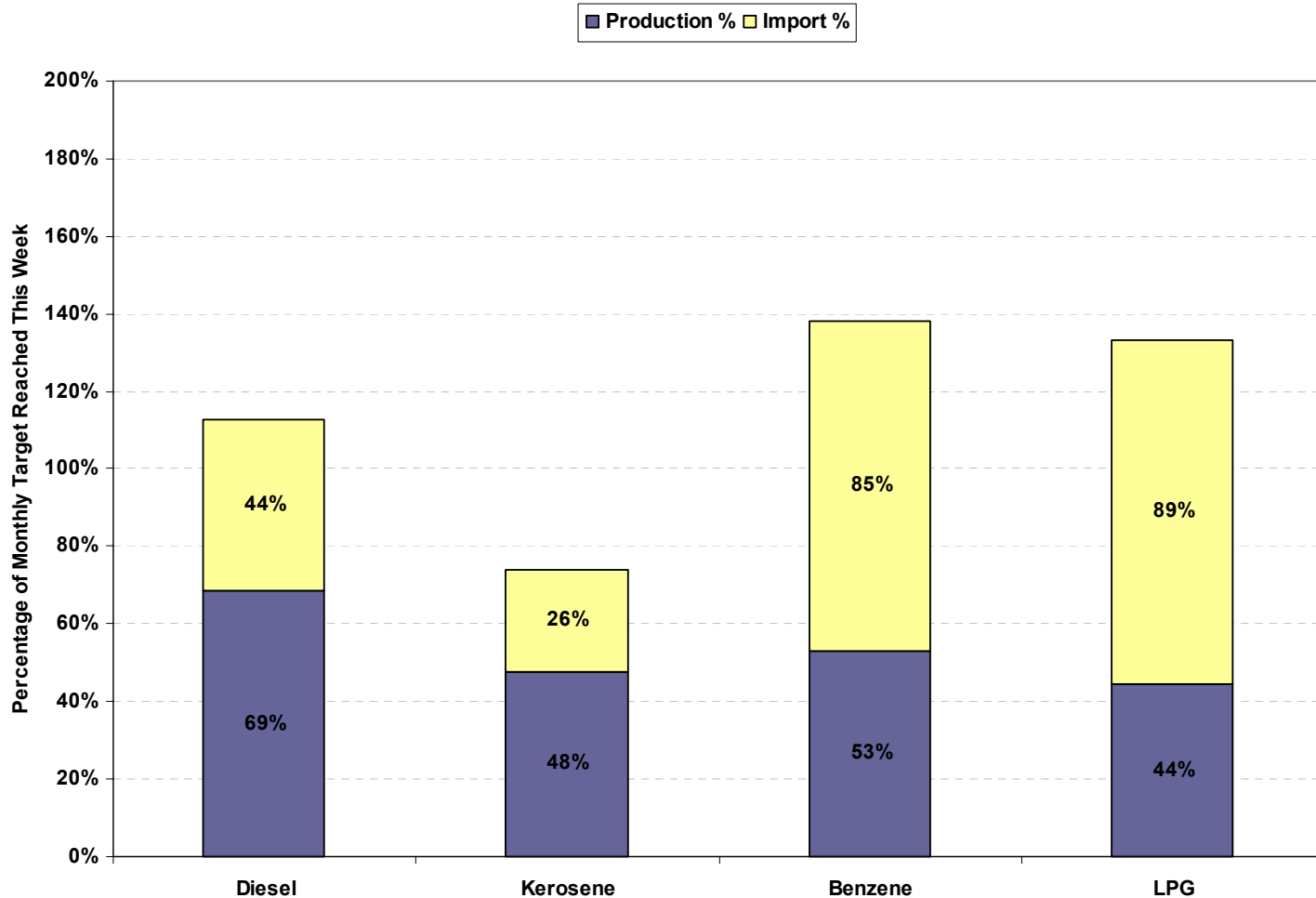


- ï 2003 Revenue: \$5,076.6 M
- ï 2004 Revenue: \$17,012.3 M
- ï 2005 Revenue: \$7,909.8 M (cumulative for 2005)



[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 May 16-22

ï Diesel: 20.3 ML of 18 ML

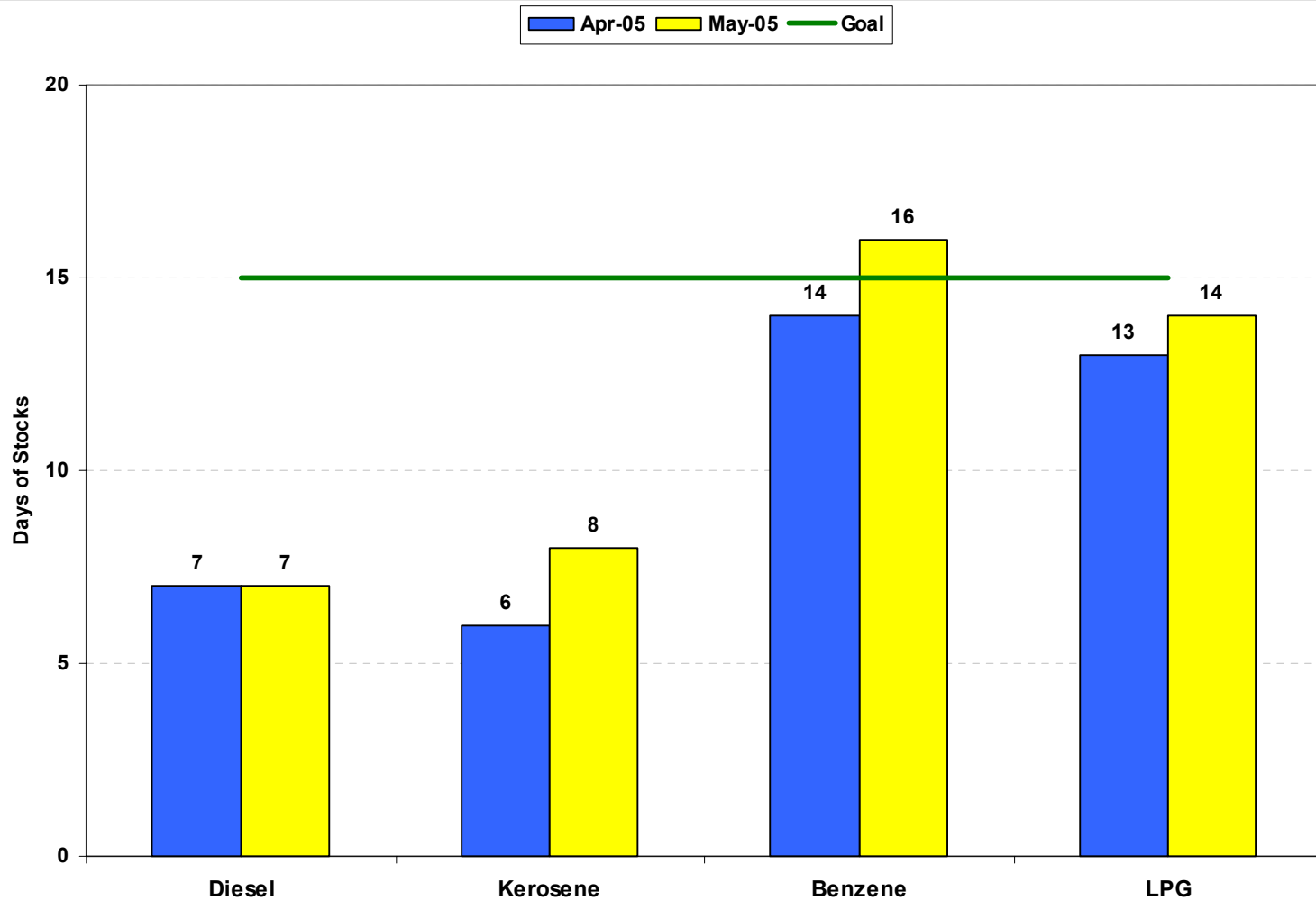
ï Benzene: 24.8 ML of 18 ML

ï Kerosene: 4.0 ML of 5.4 ML

ï LPG: 5,736 tons of 4,300 tons



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



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 Foundation for a Strong Economy ñ Agriculture, Food Security and Job Creation



Public Distribution System (PDS):

- ï The Ministry of Trade (MoT) has contracted 150,000 MT of wheat flour from Turkey; the first truckloads have begun to arrive for Mayís distribution.
- ï The MoT contracted 60,000 MT of US rice and 115,000 MT of Thai rice to fulfill distribution needs for June and July.

Employment Update:

- ï 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)	29,624	28,579	-3.5%
USAID	67,188	63,617	-5.3%
AIRP (Accelerated Iraqi Reconstruction Program)	3,050	4,171	36.8%
MILCON (Military Construction)	555	531	-4.3%
*CERP (Commanders' Emergency Response Program)	23,706	23,706	0.0%
MNSTC-I	24,443	23,619	-3.4%
IRRF NON-CONSTRUCTION	9,160	11,663	27.3%
GRAND TOTAL	157,726	155,886	-1.2%

Data as of May 25, 2005

*CERP numbers are from the latest GRD SitRep

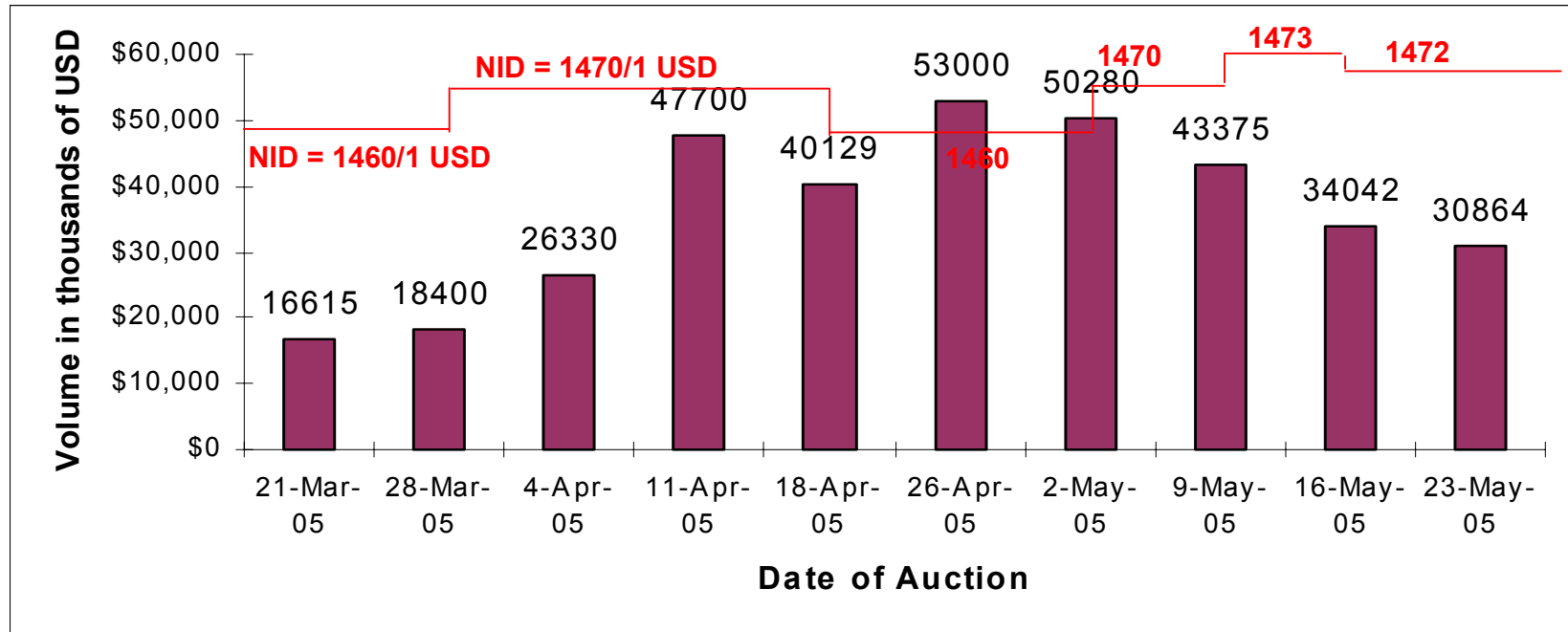
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[4.0] Establish Foundation for a Strong Economy - Banking Sector

Iraq Currency Exchange:

- ii At the New Iraqi Dinar (NID) auction on May 23, the settlement price was 1,472 dinars per USD. Twenty banks offered a total of \$53.7 million and traded a total of \$30.86 million at the auction price. The following table shows the purchase volume over the last two months:



- ii On May 16, the Central Bank of Iraq began providing banks with 50 percent of their foreign currency demand. Banks are now required to disclose the purpose of foreign currency purchases.



[4.0] Establish Foundation for a Strong Economy

TBI Issues Credit/Debit Cards:

- i The Trade Bank of Iraq (TBI) issued Iraq's first credit/debit cards on May 24. A number of VISA cards were distributed to ministers, government officials and financial professionals in a ceremony at the TBI headquarters in Baghdad.
 - ñ The TBI plans to issue 30,000 VISA cards in Iraq by the end of 2005. Cards will be available to account holders of the general public.
 - ñ The TBI also announced plans to install Iraq's first network of automated teller machines to enable VISA cardholders to withdraw Iraqi dinars or US dollars from their accounts.

Iraqi Stock Exchange:

- i On May 18, the Iraqi Stock Exchange (ISX) traded 1,696,012,951 shares with a total trading volume of NID 10,183,242,246 (\$6,917,963). In only twice per week trading, the ISX traded nearly 14 billion shares within the first seven months and has tripled its trading volume in less than one year.
 - ñ The industrial sector, which includes manufacturing, packing, and chemical producing companies, comprises the largest percentage of trading. On May 18, the industrial sector traded 1,299,571,224 shares with a trading volume of NID 7,856,935,932 (\$5,337,592).
 - ñ The banking sector comprises the second largest percentage of trading. On May 18, eight banks traded 388,389,205 shares with a trading volume of NID 2,239,145,695 (\$1,521,159).

[4.0] Establish Foundation 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
Security and Law Enforcement	5,036	5,036	4,769	4,799	4,206	4,246	2,281	2,354
Electricity Sector	4,308	4,083	3,753	3,715	2,774	2,787	1,091	1,106
Oil Infrastructure	1,723	1,723	1,568	1,627	1,020	1,100	275	279
Justice, Public Safety, and Civil Society	1,224	1,224	1,055	1,055	870	883	278	288
Democracy	905	905	765	865	749	849	394	404
Education, Refugees, Human Rights, Governance	363	363	287	294	275	280	96	96
Roads, Bridges, and Construction	355	355	343	343	194	194	90	91
Health Care	786	786	755	746	584	585	100	101
Transportation and Communications	509	509	479	480	337	378	80	81
Water Resources and Sanitation	2,157	1,804	1,758	1,757	1,090	1,180	134	154
Private Sector Development	860	840	791	827	777	777	458	457
Admin Expense	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18,439	17,657	16,354	16,536	12,904	13,289	5,306	5,438
IRRF II CONSTRUCTION		10,837	9,896	9,889	7,220	7,409	2,401	2,459
IRRF II NON-CONSTRUCTION		5,915	5,693	5,782	4,935	5,031	2,511	2,575
IRRF II DEMOCRACY		905	765	865	749	849	394	404
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	20,123	18,829	19,011	15,379	15,764	7,456	7,588

Data as of May 25, 2005



[5.0] Promoting the Rule of Law ñ Iraqi Judicial System

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Legislative Drafting Training for TNA Senior Staff:

- ï USAIDís partner providing support to the Transitional National Assembly (TNA) held a second round of training sessions on ìLegislative Drafting for Democratic Social Changeî in early May. The five-day course discussed legislative theory and methodology and its application to drafting research reports and bills focusing on security, human rights and court administration. Sub-topics included honor killings, forced marriage and violence against women, the use of civil society institutions as a cover for terrorist activities, weapons and arms control, terrorism in Iraq, the structure of the court system and individual courts, qualifications and selection of judges, case management, and balancing the number of cases against the number of judges.



[5.0] Promoting the Rule of Law ñ Public Integrity and Anti-Corruption

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Civil Society Organization Training on Human Rights:

ï USAIDís Iraq Civil Society and Media Support Program (ICSP) recently organized workshops for Civil Society Organizations (CSOs) on a host of Human Rights related issues at all four of the programís regional Civil Society Resources Centers (CSRC). A human rights training manual was also created and shared with CSRC staff by an external ICSP consultant who supervised the training and reported on staff competencies in planning and implementing human rights events. In addition, a variety of citizensí forums were held focusing on incorporating human rights into the constitution and the role of CSOs in advocating for the rights of women, children, the elderly, and minorities.

De-Baíathification Commission Dissolved:

ï After a TNA vote of ñno confidence,î the De-Baíathification Commission has dissolved itself and a new commission has been formed. Faisal Al Lami, Director General of the commission, said it is discussing its legal situation and the TNA is now responsible for naming the commission that will observe the activities of the new De-Baíathification Committee. Al Lami added that the new and the dissolved members would meet soon to evaluate the performance of the former commission.



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

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International Support:

- ï The UN Security Council will review the mandate of the MNF, the Development Fund for Iraq, and the International Assistance Monitoring Board on May 31.
- ï Ninety additional Fiji soldiers will be deployed to the United Nations Assistance Mission to Iraq in July. A Fijian military spokesman said the extra Fijian troops would be posted to man the two additional guard units in Iraq, specifically in Basra and Erbil.
- ï German General Harald Kujat, chairman of the NATO's military alliance, said in Hungary that the opening of a NATO training camp for Iraqi officers in Baghdad has been delayed until at least late September.
- ï A US company has reached an agreement with the Iraq Ministry of Defense to rebuild 77 T-72 main battle tanks and other military vehicles for the Army of Iraq. The T-72 tanks were donated to Iraq by the Government of Hungary with NATO's approval, and the US company will refurbish the tanks in Hungary under a US State Department license before NATO takes possession and ships them to Iraq. The contract is expected to take up to six months.



[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