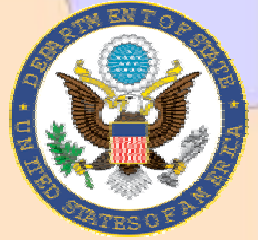


01 June 2005



Iraq Weekly Status Report

DEPARTMENT
OF
STATE

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Highlights

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1.0 Transition to Security Self-Reliance

- ï On May 26, the Iraqi Interior and Defense Ministers announced "Operation al Barkh (Lightning)" as a mission to secure long-term freedom for the Iraqi people. The Iraqi-led joint operation includes over 40,000 Iraqi Security Forces operating 24 hours a day, seven days a week and manning more than 675 fixed and mobile checkpoints.

2.0 Support a Free and Democratic Iraq

- ï On May 31 in a statement to the UN Security Council, Iraqi Foreign Minister Zebari reiterated the Iraqi Transitional Government's commitment to meeting the timeline for political transition, to have an inclusive political process, and stated the permanent constitution would enshrine the ideals of "pluralism, federalism, human rights and civil liberties."
- ï On May 28, the Arab League's Secretary-General Amr Mousa told reporters in Damascus that the Arab League was "ready to send consultants to help and offer assistance" in writing the new Iraqi constitution.

3.0 Provide Essential Services

- ï Japan announced it will grant \$100 million to build a power plant in Muthana governorate, the only governorate without a power plant.



Highlights

DEPARTMENT OF STATE

4.0 Establish Foundation for a Strong Economy

- ï A group of 86 Iraqi and American business executives revitalized the American Chamber of Commerce in Iraq. During a luncheon on May 26, Iraqi business leaders highlighted the importance of promoting the private sector and reducing unemployment.

5.0 Promote the Rule of Law

- ï An Iraqi court sentenced three rebels to death for rape, kidnapping and murder, the first death sentences passed in connection with the ongoing insurgency. The Iraqi government also announced that two Syrians were sentenced by a court in Baghdad to life imprisonment for joining the insurgency.

6.0 Maintain International Engagement and Support

- ï On May 1, the UN Security Council agreed to the continuation of the mandate of the Multinational Force, Development Fund for Iraq and International Assistance Monitoring Board, per requests from the ITG; current mandates for each will end with the completion of the political process.
- ï On May 25, NATO member Greece increased its involvement in Iraq saying it had agreed with the alliance to help transport equipment bound for Iraq on commercial cargo ships.



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

Iraqi Security Forces Update:

- ï The Iraq Police Service graduated 4,516 police officers in May from basic police training courses in Al Kut, Sulaymaniyah, Al Hillah, Jordan and Baghdad. The Iraqi Police Service graduated 157 police officers from advanced and specialty courses at the Adnan Training Facility on May 26, as part of the Iraqi governmentís on-going effort to train its security forces.
- ï On May 26, the Iraqi Interior and Defense Ministers announced ìOperation al Barkh (Lightning)î as a mission to secure long-term freedom for the Iraqi people. The Iraqi-led joint operation includes over 40,000 Iraqi Security Forces (ISF) operating 24 hours a day, seven days a week and manning more than 675 fixed and mobile checkpoints.
- ï Task Force Baghdad units took down 15 terror suspects during six early-morning raids conducted throughout Baghdad on May 22. One of the raids in central Baghdad netted two suspected terrorists and \$6 million. Another Iraqi citizenís tip helped in finding 14 mortar rounds.
- ï Iraqi Security Forces conducted an infiltration and raid in an area southeast of Mosul on May 26 which led to critical information resulting in the capture of six suspected insurgents. The very complex operation was planned, rehearsed and executed solely by the ISF. This successful operation demonstrated the ISFís growing capabilities in fighting a determined insurgency.



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

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Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	60,472
HIGHWAY PATROL	
OTHER MOI FORCES	30,784
TOTAL	91,256*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	76,268
AIR FORCE	182
NAVY	521
TOTAL	76,971**

Total Trained & Equipped ISF:

168,227

* 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] Support a Free and Democratic Iraq ñ **Developments**

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Constitution Update:

- ï During his "State of the Nation" address on May 31, Iraqi Prime Minister Jaáfari said that "the political process is proceeding smoothly. Preparations for drafting the constitution continue and this operation remains as important as the huge efforts we have exerted to form a government that comprises all colors. We have the same eagerness and insistence on completing the constitutional process on time as we insisted on holding the elections on 30 December 2005."
- ï On May 31 in a statement to the UN Security Council, Iraqi Foreign Minister Zebari reiterated the Iraqi Transitional Government's commitment to meeting the timeline for political transition in an inclusive political process, and stated the permanent constitution would enshrine the ideals of "pluralism, federalism, human rights and civil liberties."
- ï On May 28, the Arab League's Secretary-General Amr Mousa told reporters in Damascus that the Arab League was "ready to send consultants to help and offer assistance" in writing the new Iraqi constitution.



[2.0] Support a Free and Democratic Iraq ñ **Developments**

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Kurdish Regional Government:

ï Kurdish leader Massoud Barzani is to head an autonomous Kurdish region in northern Iraq after a deal with Iraqi President Jalal Talabani. The regional parliament will meet on June 4 for the first time since the January elections. After years of political discord between Talabani and Barzani, the two agreed at a meeting on May 28 that Barzani should serve as President of the Kurdistan Regional Government for the next four years.

ñ Talabani heads the Patriotic Union of Kurdistan, while Barzani leads the rival Kurdistan Democratic Party, which together have governed the three northern provinces of Dohuk, Arbil, and Suleymaniyah.

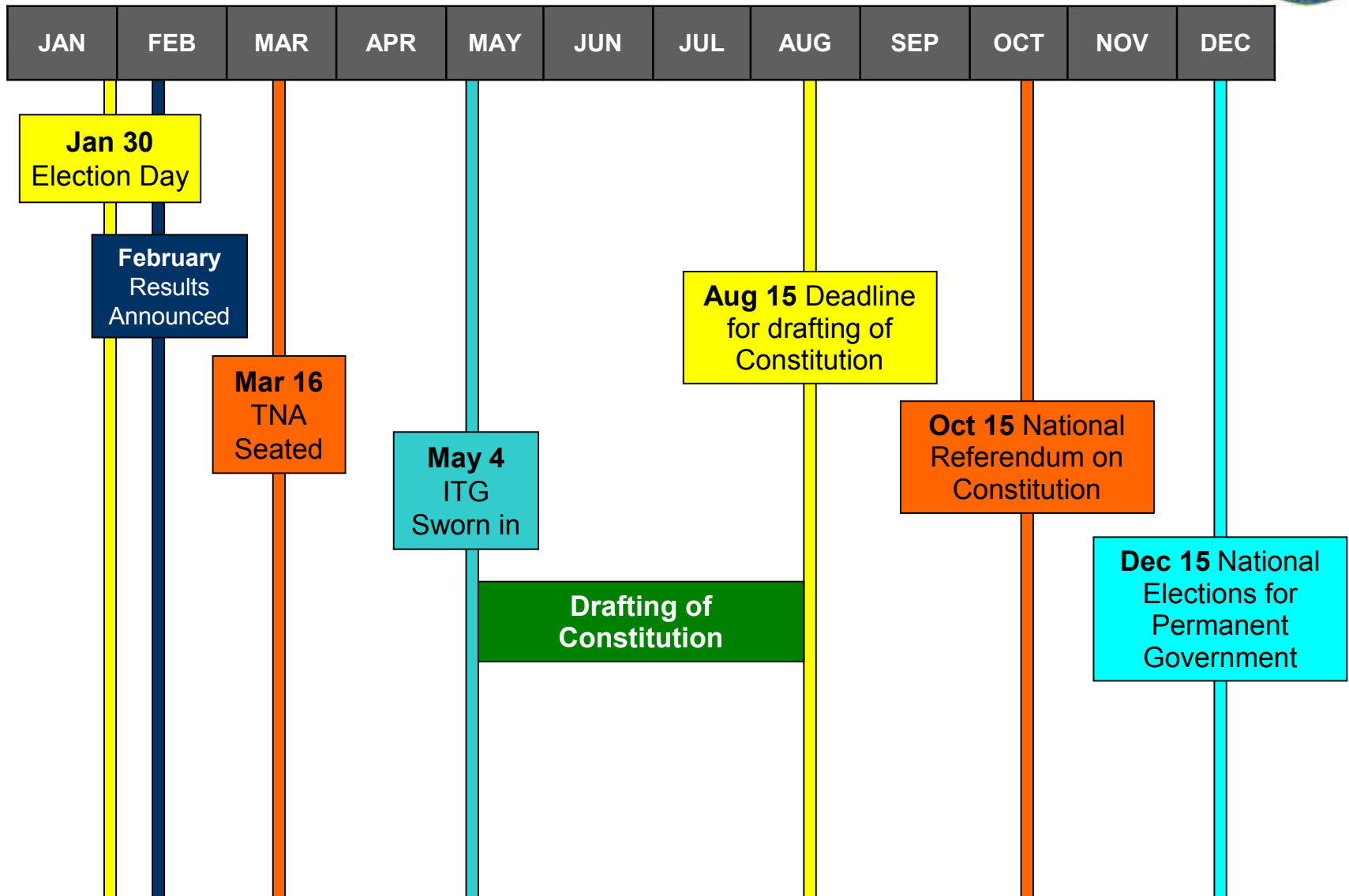
Continuing Transitional National Assembly (TNA) Responsibilities:

- 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] Support a Free and Democratic Iraq ñ Electoral Process Timeline

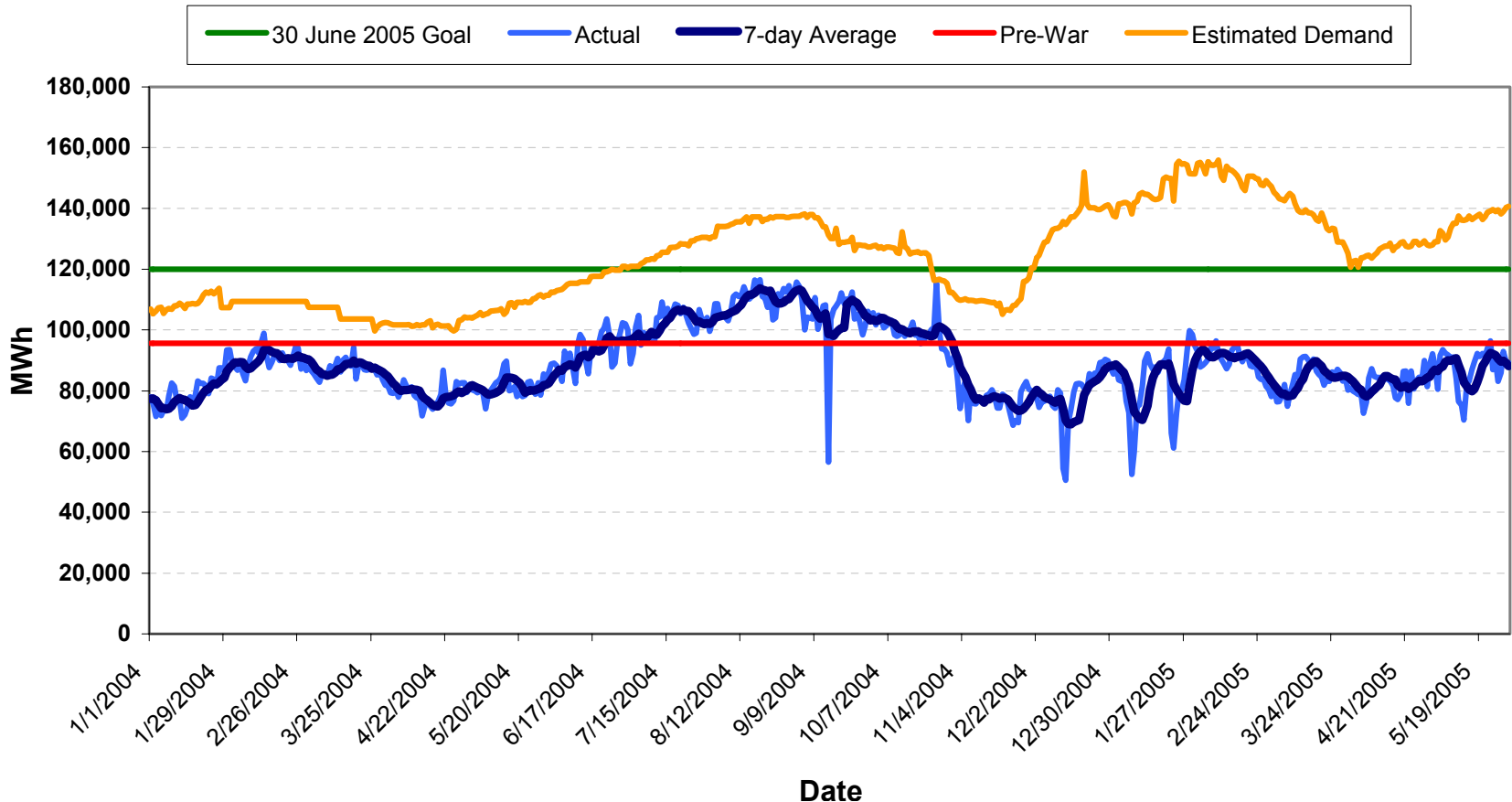
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[3.0] Create Jobs and Provide Essential Services ñ Electricity Overview

Iraq Daily Electricity Load Served



- i Electricity load served increased significantly last week (May 24 - 31) to an average of 89,200 MWh with poor performance by Baghdad area power plants. Average hours of available power were 7.8 hours in Baghdad and 7.9 hours countrywide. Babil governorate received 4 hours.
- ii Demand levels continue to increase.



[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 27 closed with the following prices:
 - ñ Basra Light at \$39.96/barrel
 - ñ Kirkuk Crude at \$43.45/barrel
 - ñ Oman/Dubai at \$46.08barrel
 - ñ WTI Cushing at \$50.29/barrel
 - ñ Dated Brent at \$48.51/barrel

Water and Sanitation:

- ï PCO has 82 water treatment projects underway and has completed 27 to date. Under the Accelerated Iraq Reconstruction Program (AIRP), there are a further 12 water treatment projects under construction and 38 have been completed.
- ï 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 The Third Infantry Division is working with the Ministry of Health to rebuild the entire water system in Zafaraniya, a suburb of Baghdad.
 - ñ The \$3.5 million project will provide potable water to more than 200,000 residents.



[3.0] Provide Essential Services ñ Health Care

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Health Care:

- ï Construction is underway on 143 new primary health care (PHC) facilities across Iraq. Under the AIRP, an additional two PHCs are under construction and eight have been completed.
- ï One million sachets of Oral Rehydration Salts were delivered from UNICEF to the Ministry of Health in May as contingency stocks to be used for treatment during the diarrhea/cholera season. Diarrhea is a major killer of children in Iraq, causing around 25 percent of child deaths.
- ï USAID, in cooperation with WHO and UNICEF, is supporting the Ministry of Health's campaign to vaccinate children against measles, mumps and rubella.
 - ñ Ninety-eight percent of the targeted 2.7 million children in 14 governorates were reached during Phase 1 of the campaign. During the first five days of Phase 2, forty seven percent of approximately 934,541 targeted children in five governorates were vaccinated.
- ï The Minister of Health is seeking to establish a national campaign to vaccinate children against polio in June and July 2005. Polio has not been a concern in Iraq for several years, however, the potential of the virus importing from nearby countries with ongoing outbreaks, particularly in Sudan and Yemen, has initiated the support of the campaign. The Ministry has developed plans with the assistance from the USG, WHO, and UNICEF to support these activities.



[3.0] Provide Essential Services ñ Education and Telecommunications

Education:

- ï PCO has completed 589 schools renovations to date and a further 122 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.
- ï USAID is working with the Ministry of Education and a Jordanian firm to develop an early childhood learning television program to help pre-school age children develop learning and comprehension skills.

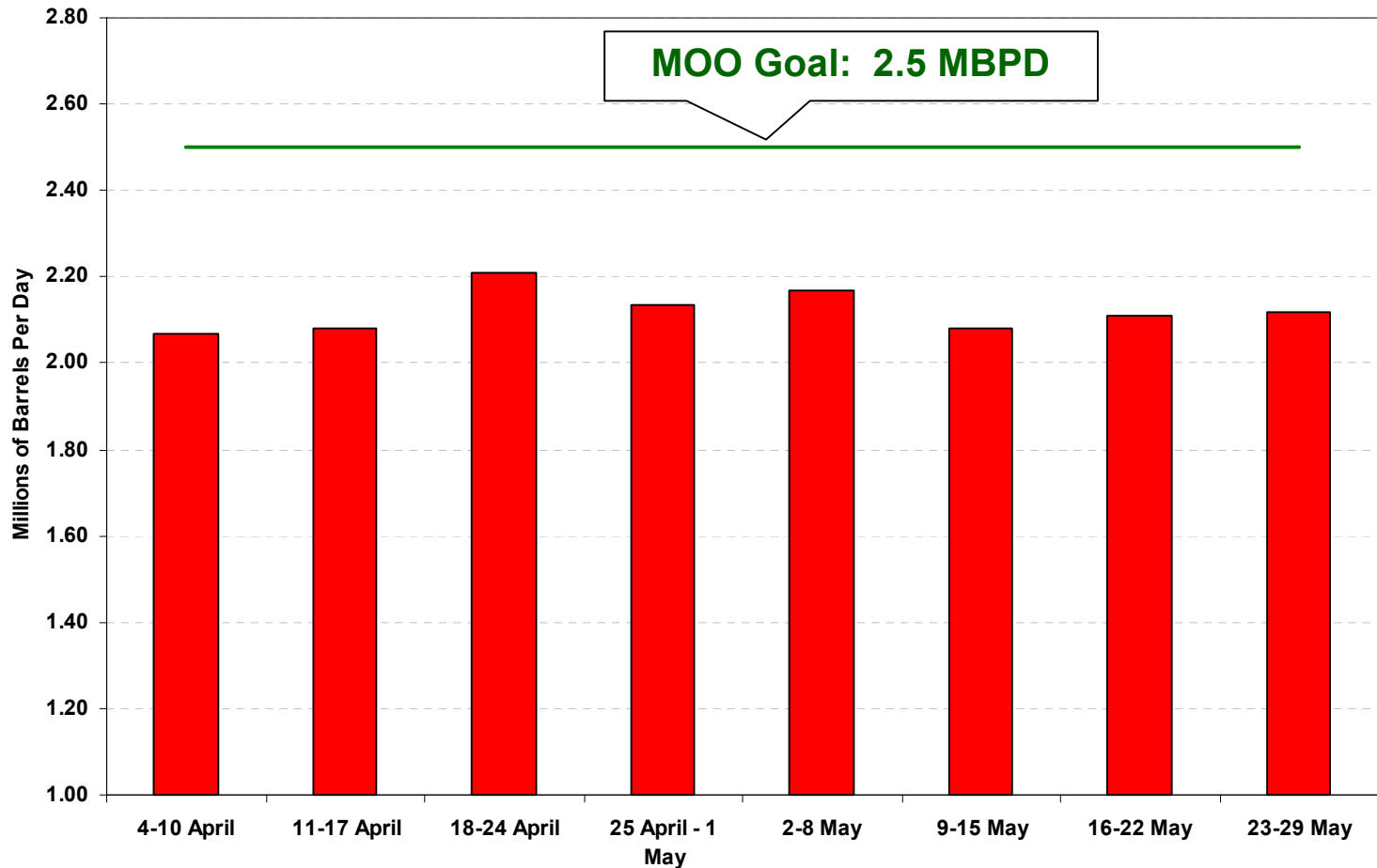
Telecommunications:

- 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 Operation Iraqi Freedom, 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

Production Target

ï Weekly Average (May 23-29) of 2.12 MBPD

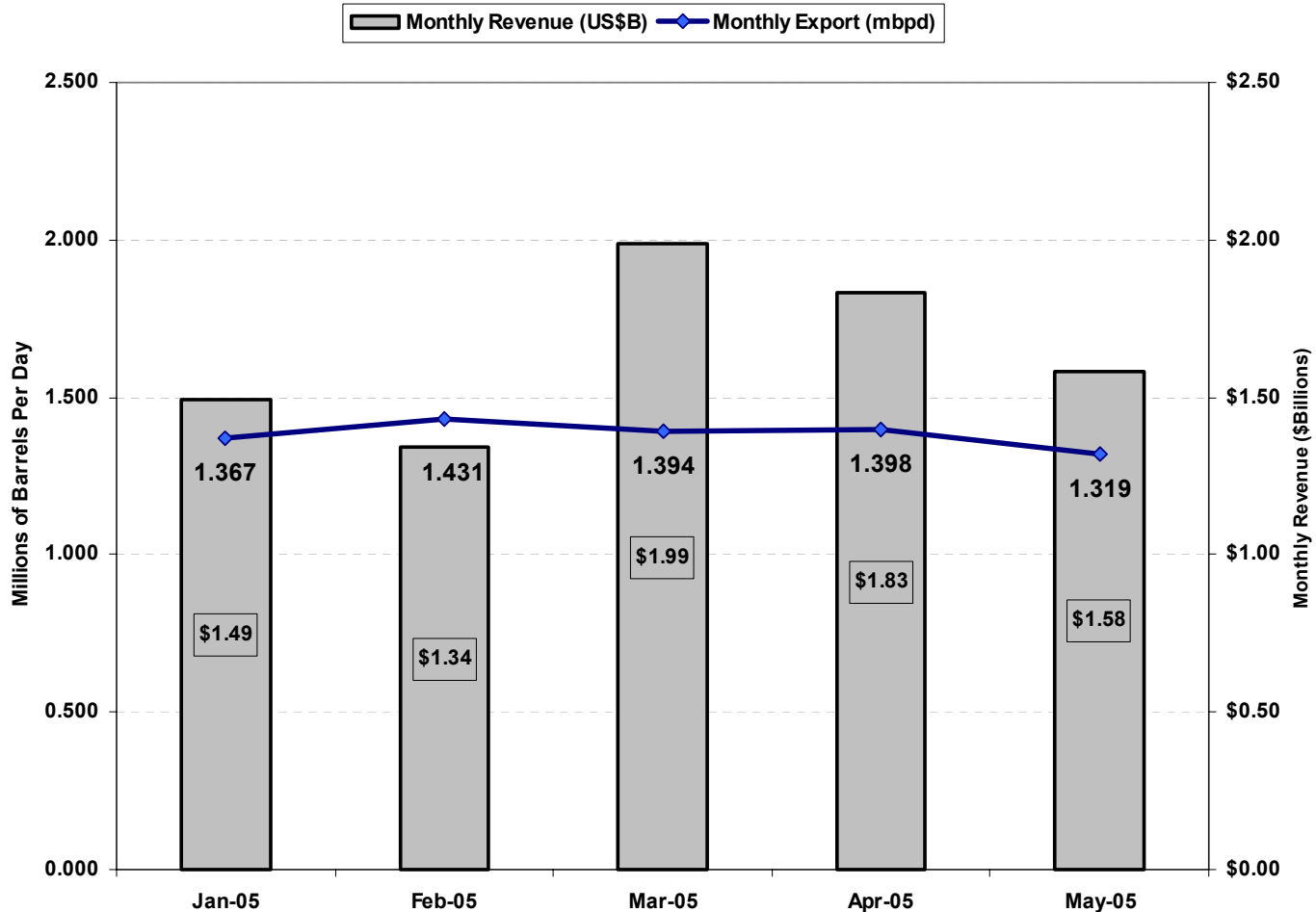
ï Pre-War Peak: 2.5 MBPD in Mar 2003

ï Post-War Peak: 2.67 MBPD



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

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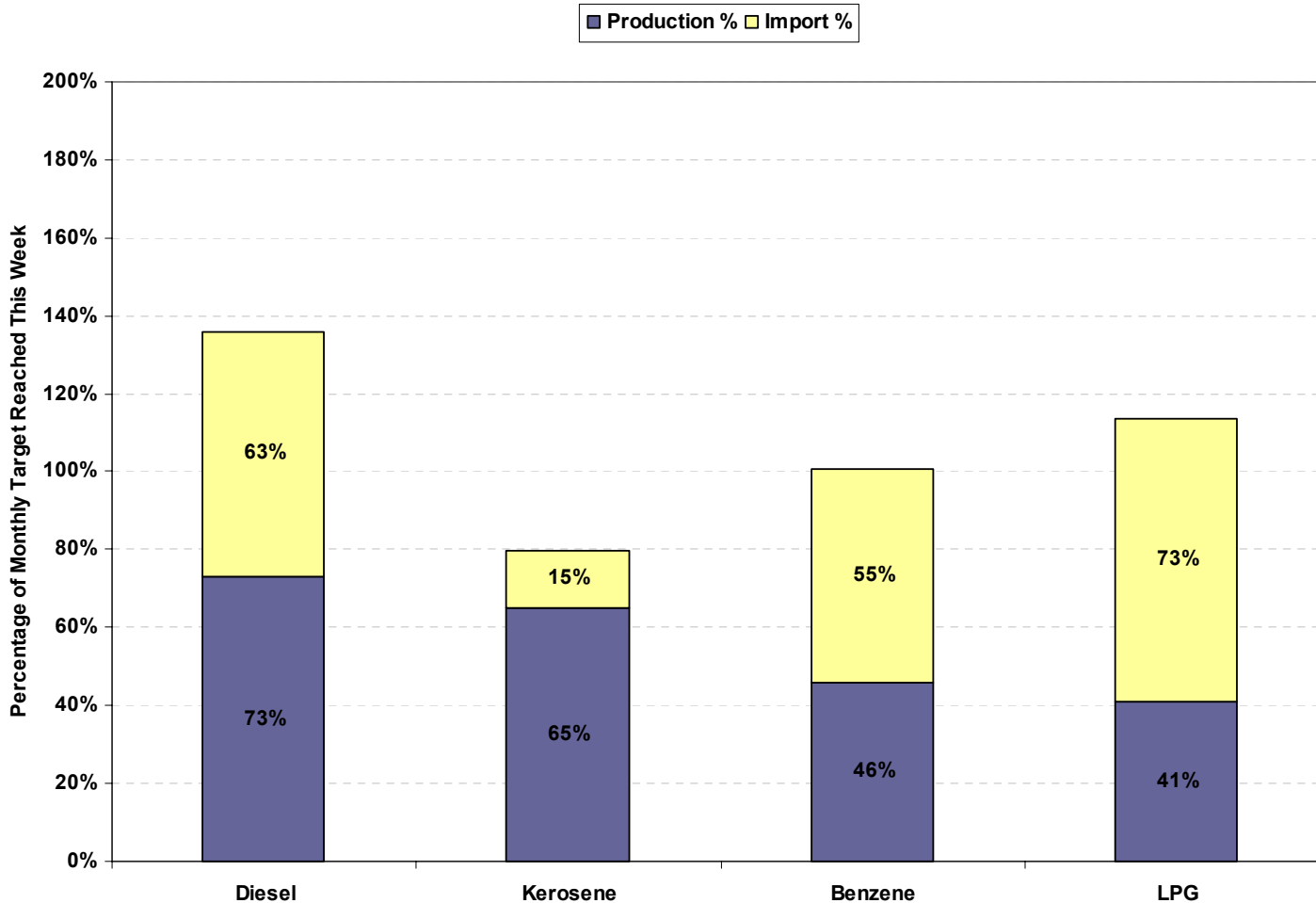


- ï 2003 Revenue: \$5,076.6 M
- ï 2004 Revenue: \$17,012.3 M
- ï 2005 Revenue: \$8,457.1 M (cumulative for 2005)



[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 23-29

ï Diesel: 24.4 ML of 18 ML

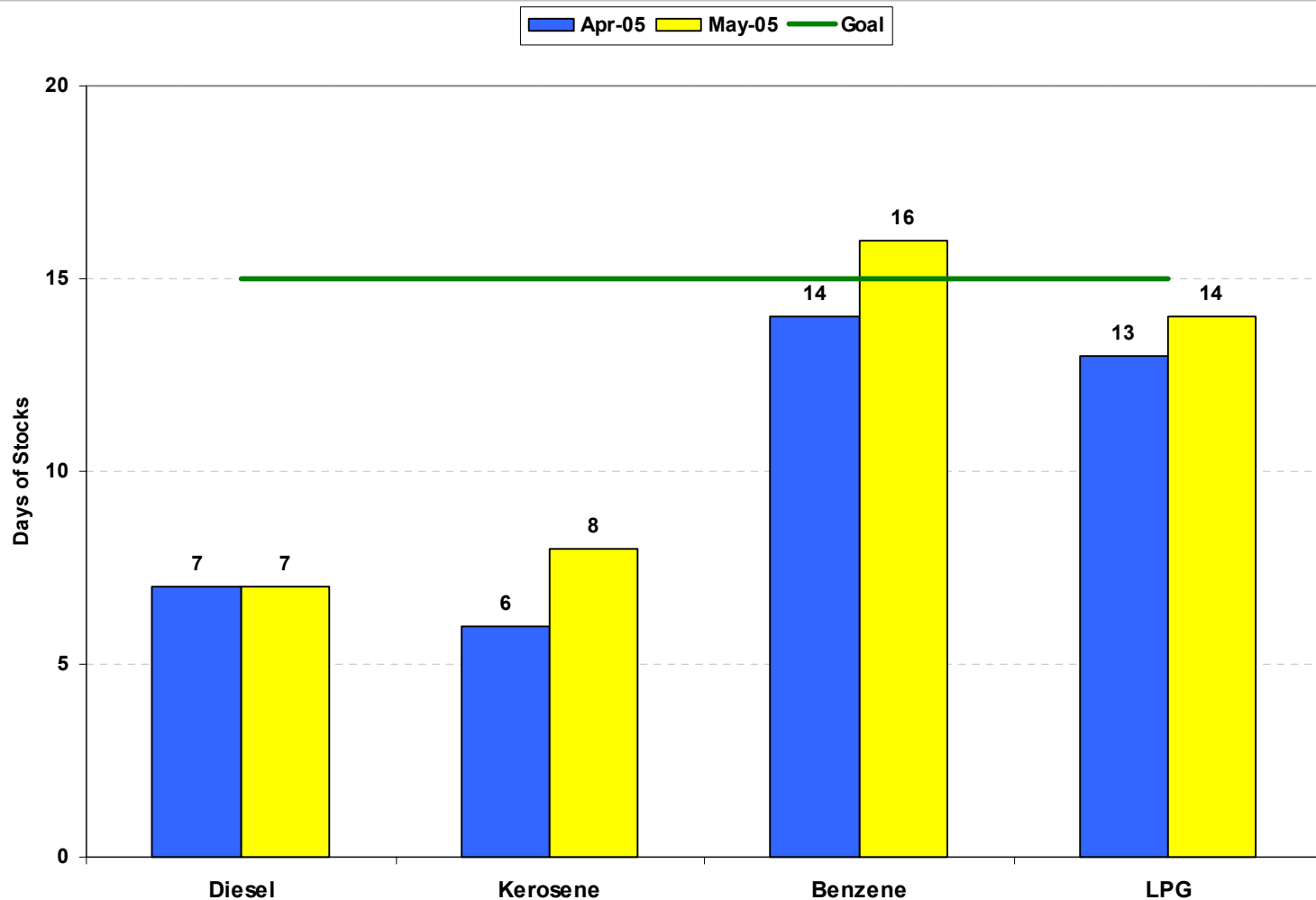
ï Benzene: 18.1 ML of 18 ML

ï Kerosene: 4.3 ML of 5.4 ML

ï LPG: 4,892 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



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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 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)	28,579	28,748	0.6%
USAID	63,617	60,569	-4.8%
AIRP (Accelerated Iraqi Reconstruction Program)	4,171	4,333	3.9%
MILCON (Military Construction)	531	522	-1.7%
*CERP (Commanders' Emergency Response Program)	23,706	23,706	0.0%
**MNSTC-I	23,619	23,619	0.0%
IRRF NON-CONSTRUCTION	11,663	11,663	0.0%
GRAND TOTAL	155,886	153,160	-1.7%

Data as of June 1, 2005

*CERP numbers are from the latest GRD SitRep

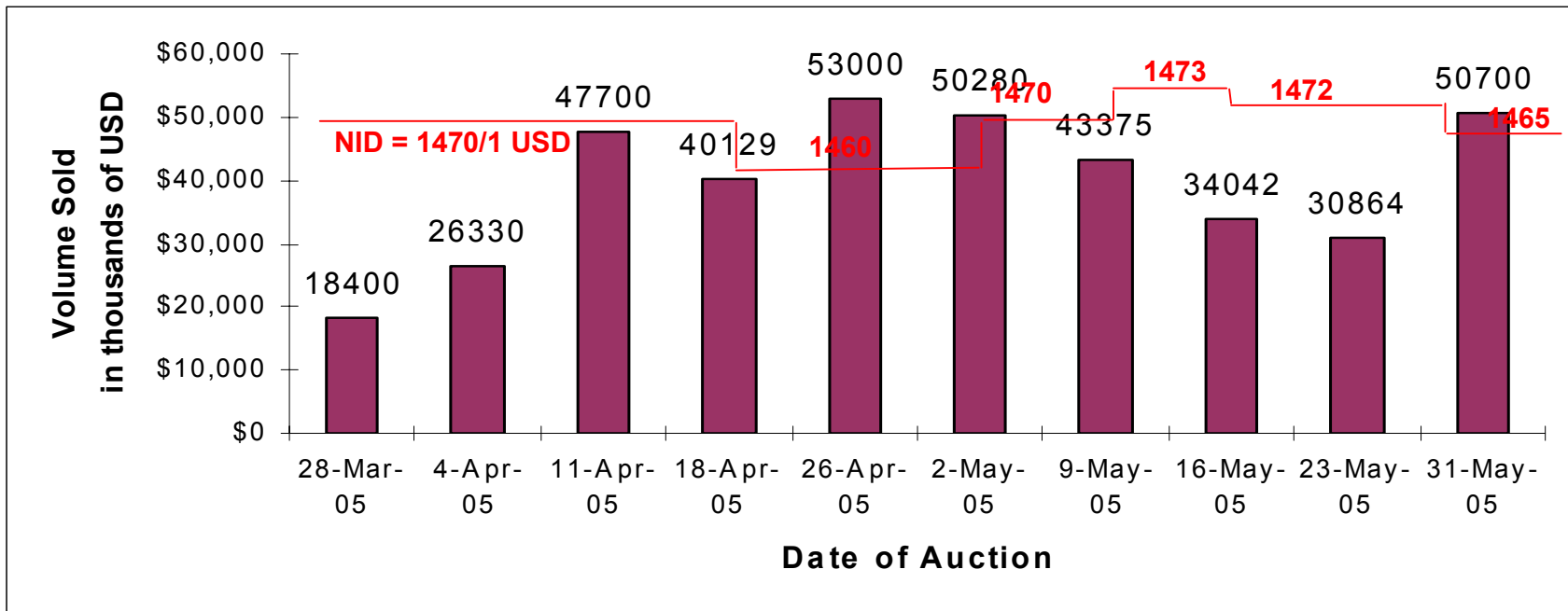
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[4.0] Establish Foundation for a Strong Economy - Banking Sector

Iraq Currency Exchange:

- ii At the New Iraqi Dinar (NID) auction on May 31, the settlement price was 1,465 dinars per USD. Twenty banks offered and sold a total of NID 50,700 (\$34.6 million). 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

Iraqi Stock Exchange:

- ï On May 30, the Iraqi Stock Exchange (ISX) traded 539,320,554 shares with a total trading volume of NID 5,018,973,594 (\$3,425,921). The industrial sector, which includes manufacturing, packing, and chemical producing companies, comprises the largest percentage of trading. On May 30, the industrial sector traded 50,344,921 shares with a trading volume of NID 405,319,599 (\$276,669).
- ï The banking sector comprises the second largest percentage of trading. On May 30, nine banks traded 429,656,923 shares with a trading volume of 4,059,853,487 (\$ 2,771,231).

Private Sector Development:

- ï On June 1, the World Bank International Finance Corporation signed an agreement with the Iraq National Bank to provide the first investment for the Iraq Small Business Financing Facility (SBFF). This facility will provide \$170 million in loans to small and medium sized businesses.

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



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\$Millions			Committed		Obligated		Disbursed	
	Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week
Security and Law Enforcement	5,035.6	5,035.6	4,798.8	4,812.8	4,246.4	4,299.2	2,353.7	2,403.1
Electricity Sector	4,308.2	4,057.6	3,714.7	3,870.8	2,786.8	2,831.6	1,105.6	1,127.1
Oil Infrastructure	1,723.0	1,723.0	1,626.9	1,627.2	1,099.5	1,099.7	279.0	292.6
Justice, Public Safety and Civil Society	1,224.2	1,224.2	1,055.4	1,056.6	883.1	894.4	287.6	294.9
Democracy	905.4	905.3	865.0	866.9	849.0	850.9	403.7	418.5
Education, Refugees, Human Rights, Governance	363.0	363.0	294.0	299.0	280.1	282.2	96.2	96.3
Roads, Bridges and Construction	355.2	355.2	343.3	342.5	194.5	194.2	91.1	93.9
Health Care	786.0	786.0	745.7	741.1	584.9	579.6	100.6	108.1
Transportation and Communications	509.0	508.5	479.7	479.7	378.4	378.8	80.9	83.1
Water Resources and Sanitation	2,156.7	1,829.2	1,756.8	1,756.8	1,179.5	1,231.7	153.8	163.0
Private Sector Development	860.3	840.3	827.0	827.2	777.2	815.9	456.8	456.8
Admin Expense (USAID, STATE)	213.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0
TOTAL	18,439.5	17,656.9	16,536.4	16,709.7	13,288.5	13,487.2	5,438.1	5,566.4
IRRF 2 Construction		10,837.2	9,889.1	10,033.4	7,408.5	7,512.2	2,459.2	2,516.6
IRRF 2 Non-Construction		5,914.4	5,782.3	5,809.5	5,031.0	5,124.1	2,575.2	2,631.3
IRRF 2 Democracy		905.3	865.0	866.9	849.0	850.9	403.7	418.5
IRRF 1 Subtotal	2,473.3	2,473.3	2,473.3	2,473.3	2,473.3	2,473.3	2,150.0	2,150.0
Grand Total IRRF 1 & 2	20,912.8	20,130.2	19,009.7	19,183.0	15,761.8	15,960.5	7,588.1	7,716.4

Data as of June 01, 2005



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

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First Death Sentences for Convicted Insurgents:

- ï An Iraqi court sentenced three rebels to death for rape, kidnapping and murder, the first death sentences passed in connection with the ongoing insurgency. The Iraqi government also announced that two Syrians were sentenced by a court in Baghdad to life imprisonment for joining the insurgency. The three death sentences, passed on men aged 25, 30 and 44, followed their conviction on charges of taking part in 20 different rebel operations during which they killed and captured policemen and raped Iraqi women. Members of the public attending the trial in the town applauded the sentence and shouted, "long live justice."

Iraqi President Expects Saddam Trial in Two Months:

- ï On May 31, Reuters News Service reported that Saddam Hussein could go on trial for crimes against humanity within two months, far earlier than expected. Asked in a CNN interview when Saddam's trial would begin, Iraq's President Talabani said: "I hope within two months."

[5.0] Promote the Rule of Law ñ Public Integrity and Anti-CorruptionJournalism and Civil Society Workshops:

- ï USAIDís Iraq Civil Society and Media Support Program (ICSP) organized workshops to build the capacity of journalists and reporters to cover civil society organizations and their activities. The Baghdad Civil Society Resource Center (CSRC) hosted a two-day forum for Iraqi journalists to debate freedom of expression, freedom of the press, and the rights of journalists to perform their jobs in an open society. This forum drew 50 participants, over half of whom were female, and received widespread coverage in the media.



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

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International Support:

- ï On May 1, the UN Security Council agreed to the continuation of the mandate of the Multinational Force, Development Fund for Iraq and International Assistance Monitoring Board, per requests from the ITG; current mandates for each will end with the completion of the political process.
- ï On May 25, NATO member Greece increased its involvement in Iraq, saying it had agreed with the alliance to help transport equipment bound for Iraq on commercial cargo ships. Diplomats in Greece said the agreement was the result of a recent meeting in Washington between US President George W. Bush and Greek Prime Minister Costas Karamanalis.
- ï Serbs, Croats and Muslims who completed training this month for the first army unit bringing together Bosniaís warring factions of 10 years ago leave for Iraq on June 1 to join the coalition forces. The 36 volunteers ñ including one woman ñ are trained to destroy unexploded ordnance and ammunition in a mission expected to last two rotations of six months.



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

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International Support:

ï Iraq has agreed to move 3,100 Iranian Kurd refugees, living in harsh and dangerous conditions near Ramadi, to a safer area in northern Iraq. The UN High Commissioner for Refugees (UNHCR) welcomed the ìbreakthroughî as Al Tash camp has been virtually cut off from aid since 2003.

ï Meeting with Iraqi Prime Minister Jaáfari in Baghdad, the UN Secretary-Generalís Special Representative Qazi has reviewed the overall political and security situation and pledged the continued support of the United Nations to the country's government and people. Mr. Qazi stressed that both the constitutional process and the transition itself would benefit from an inclusive approach whereby all Iraqi constituencies were represented. He reiterated the UN's readiness to support the Iraqi government and people through national dialogue, technical advice, donor coordination of international assistance as well as through its humanitarian projects and programs.

ñ Under the umbrella of the UN Assistance Mission in Iraq (UNAMI), 18 UN entities are working together to coordinate international aid to Iraq and to offer assistance in rebuilding the country.

[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