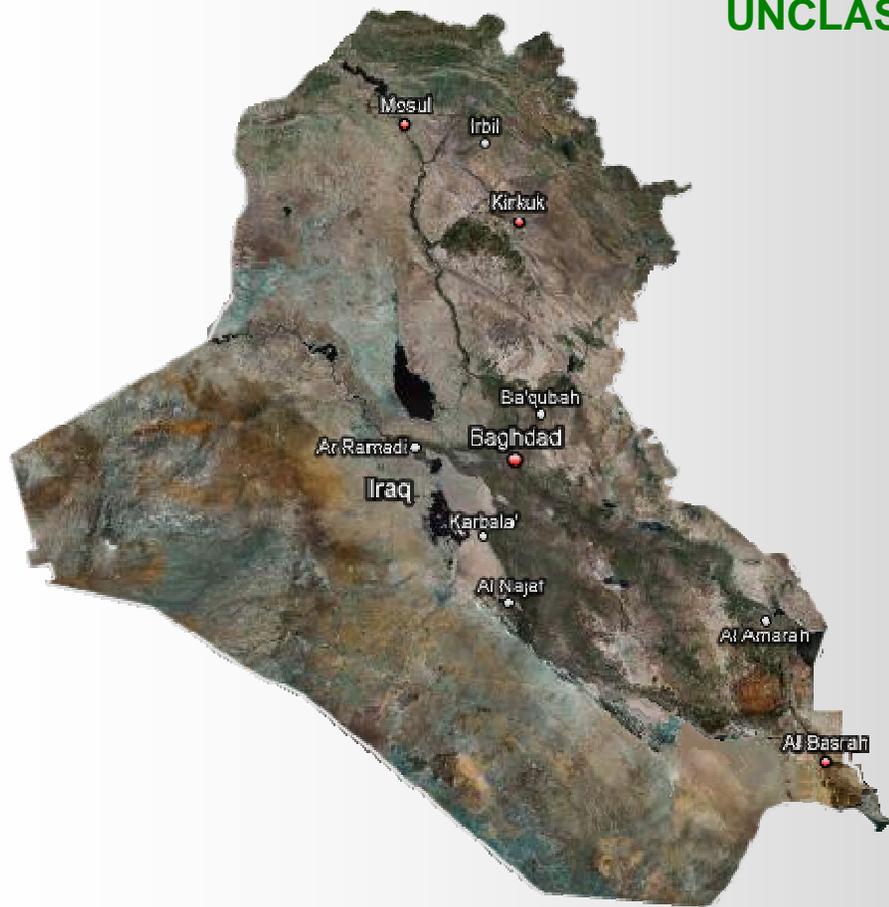


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Iraq

Status Report

February 4, 2009



Bureau of Near Eastern Affairs
U.S. Department of State



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HIGHLIGHTS



- **IHEC Releases Preliminary Provincial Election Results (*POLITICAL*, page 4).**
- **Iraq to Issue First New Government Treasury Bonds Since Saddam-Era (*ECONOMIC*, page 14).**
- **Iraq and Japan Sign Declaration of Cooperation (*DIPLOMATIC*, page 20).**
- **ISF Provide Safe and Secure Provincial Elections (*SECURITY*, page 21).**

POLITICAL - Governance & Legislation



Iraqi Provincial Elections Conclude Successfully, Votes Being Talled

IHEC Releases Preliminary Provincial Election Results:

- Preliminary results, which capture about 90% of the electorate's ballots, indicate that no party has won a majority in any province, likely leading to a period of complex coalition-building before governments are formed. Prime Minister Maliki's State of Law party has won a plurality in nine of the ten Shi'a majority provinces, with a 38% and 37% in Baghdad and Basrah respectively. Ex-Ba'athist Saleh al-Mutlaq's National Gathering Project has won the plurality 17.6% in Anbar, with the Iraqi Awakening Coalition (17.1%) and the IIP (15.9%) close behind. The yet-uncounted Special Needs Voting ballots, and an unannounced number of ballots quarantined pending fraud investigations could still alter these results. In Ninewa, the anti-Kurdish al-Hadba List won 48.4% of the vote, with the Ninewa List, a coalition of mainly Kurdish parties, in second with 25.5%.

POLITICAL - Governance & Legislation



Iraqi Provincial Elections Conclude Successfully, Votes Being Talled

Iraq's Provincial Elections Take Place Without Significant Security Incidents:

- **An estimated 7.5 million Iraqi voters participated in the January 31 polls to elect Provincial Council representatives. Security was tight, with Iraqi Security Forces providing a heavy presence in streets and polling stations, securing national and provincial borders, and enforcing vehicle bans and curfews in urban areas. Only minor security incidents were reported, none of which hindered the elections process. Observers reported a jubilant atmosphere at the polls, noting the large numbers of women voters, many of whom were voting for the first time. Some voters reported to the wrong polling place or were not on voting registers. 14,440 candidates competed nationwide for 440 seats in 14 provinces. Post-election challenges may include the seating of the new councils and the reactions to the results by those not elected. Provisional results are expected by the week's end, and IHEC intends to release certified results by February 23.**

POLITICAL - Governance & Legislation



Iraqi Provincial Elections Conclude Successfully, Votes Being Talled

Provincial Elections Turnout:

- Unlike in 2005, no major entities boycotted the elections. Overall turnout increased modestly. An estimated 51% of voters in the 14 provinces participated in the provincial elections this year; in 2005, 49.8% of voters in the same provinces cast ballots in the elections. The 2005 provincial polls, unlike the 2009 elections, occurred in conjunction with the Transitional National Assembly elections, which provided added incentive to vote.

Preliminary Date Set for Kurdistan Regional Parliament Elections:

- Adnan Mufti, speaker of the Kurdistan National Assembly (KNA), announced February 2 that elections for the regional parliament are expected to be held May 19, although the date is not yet finalized. These will be the first parliamentary polls held in the region since 2005. Delays in finalizing the date for elections are related to efforts to amend the regional elections law. Speaker Mufti explained that some KNA members want to amend the regional election law to lower the age for KNA membership from 30 to 25. Mufti also said there is a proposal being discussed in the KNA to increase the participation rate of women.



POLITICAL – Government of Iraq

Coalition Affiliation (at time of appointment)
United Iraq Alliance
Kurdistani Alliance
Iraqi Accord Front
Iraqi National List
Other / Independent

(F) = Female

***Formerly Iraqiya

Prime Minister
Nuri Kamil al-Maliki

President
Jalal Talabani
Deputy President
Tariq al-Hashimi
Deputy President
Adil Abd al-Mahdi

Deputy Prime Minister
Rafi Hiad Jiad al-Issawi

Deputy Prime Minister
Dr. Barham Ahmed Salih

Minister of Agriculture
Ali Husayn Kadhum al-Bahadili

Minister of Communications
Faruq Abd al-Qadir Abd al-Rahman

Minister of Culture
Mahir Dilli Ibrahim al-Hadithi

Minister of Defense
Abd al-Qadir Muhammad Jasim al-Aubaidi

Minister of Displacement & Migration
Dr. Abd al-Samad Rahman Sultan

Minister of Electricity
Dr. Karim Wahid al-Hasan

Minister of Education
Dr. Khudayr Mousa Jaffar al-Khuzai

Minister of Environment
Dr. Nermin Othman Hassan (F)

Minister of Finance
Bayan Jabr

Minister of Foreign Affairs
Hoshiyar Mahmud Zebari

Minister of Health
Dr. Salih Mahdi Mutlab al-Hasnawi

Minister of Higher Education and Scientific Research
Abid Dhiyab al-Ujayli

Minister of Human Rights
Eng. Wijdan Mikhail Salim (F)

Minister of Industry & Minerals
Fawzi Fransu Hariri

Minister of Interior
Jawad Kadhum Eidan al-Bulani

Minister of Justice
*** Safa al-Din Muhammad al-Safi (Acting)

Minister of Housing & Construction
Bayan Dizayee (F)

Minister of Labor & Social Affairs
Eng. Mahmud Muhammad Jawad al-Radi

Minister of Oil
Dr. Husayn Ibrahim al-Shahristani

Minister of Planning
Ali Ghalib Baban

Minister of Trade
Dr. Abd al-Falah Hassan Hummadi al-Sudani

Minister of Science & Technology
Dr. Raid Jahid Fahmi

Minister of Municipalities & Public Works
Riyadh Abd al-Hamza Gharib

Minister of Transportation
Amir Abd al-Jabar Ismail

Minister of Water Resources
Dr. Abd al-Latif Jamal Rashid

Minister of Youth & Sports
Eng. Jasim Muhammad Jaffar

Minister of State for Civil Society Affairs
Dr. Thamer Jafar al-Zubaidi

Minister of State for National Dialogue
Dr. Akram Mousa Hadi al-Hakim

Minister of State for National Security
Eng. Shirwan Kamil al-Waili

Minister of State for Foreign Affairs
Dr. Muhammad Munajid Aifan al-Dulaymi

Minister of State for Provinces Affairs
Dr. Khulud Sami Izzara al-Majun (F)

Minister of State for Tourism and Antiquities
Dr. Qahtan Abbas Numanal-Jabburi

Minister of State for Women's Affairs
Dr. Nawal Majid Hamid (F)

Minister of State for CoR Affairs
Safa al-Din Muhammad al-Safi

Minister of State at Large
Muhammad Abbas Muhammad al-Uraybi

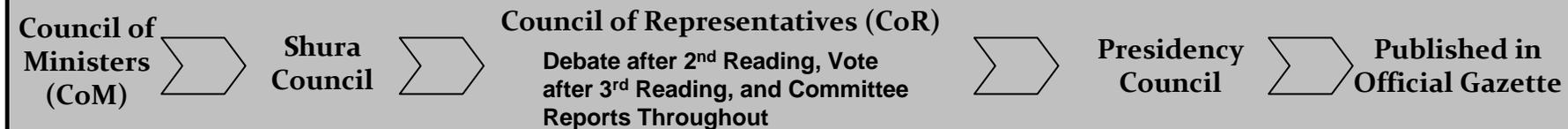
Minister of State at Large
Ali Muhammad Ahmad

Minister of State at Large
Hasan Radhi Kazim al-Sari

POLITICAL – Key Legislation



Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **Budget:** First reading held November 24, 2008. The Ministry of Finance then revised the budget to take into account falling oil prices. A second reading and debate are expected in February.

POLITICAL - Refugee Update



- **Regional governments report hosting as many as 2 million Iraqi refugees.**
- **The International Organization for Migration (IOM) estimates that over 2.8 million Iraqis are displaced inside Iraq.**
- **In FY08, the State Department's Bureau of Population, Refugees and Migration contributed \$287.08 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.**
- **The U.S. admitted 13,823 Iraqi refugees in FY08 (which ended September 30).**
- **Since the program's inception in FY07, 19,910 Iraqi refugees have been admitted for U.S. resettlement; in FY09 alone, the U.S. seeks to admit a minimum of 17,000 Iraqi refugees.**
- **In FY 2008, a total of 1,142 Special Immigrant Visa (SIVs) were issued for Afghan and Iraqi translators and interpreters (under the Section 1059 program).**
- **As of December 2008, a total of 1,311 SIVs have been issued in FY09 (under the Section 1244 program).**

ECONOMIC – Oil



Although prices have risen slightly, 2009 oil revenue projections remain pessimistic. Early January export increases are likely short-lived with observed production declines.

Crude Oil Update:

Price averages in world markets closed with the following prices:

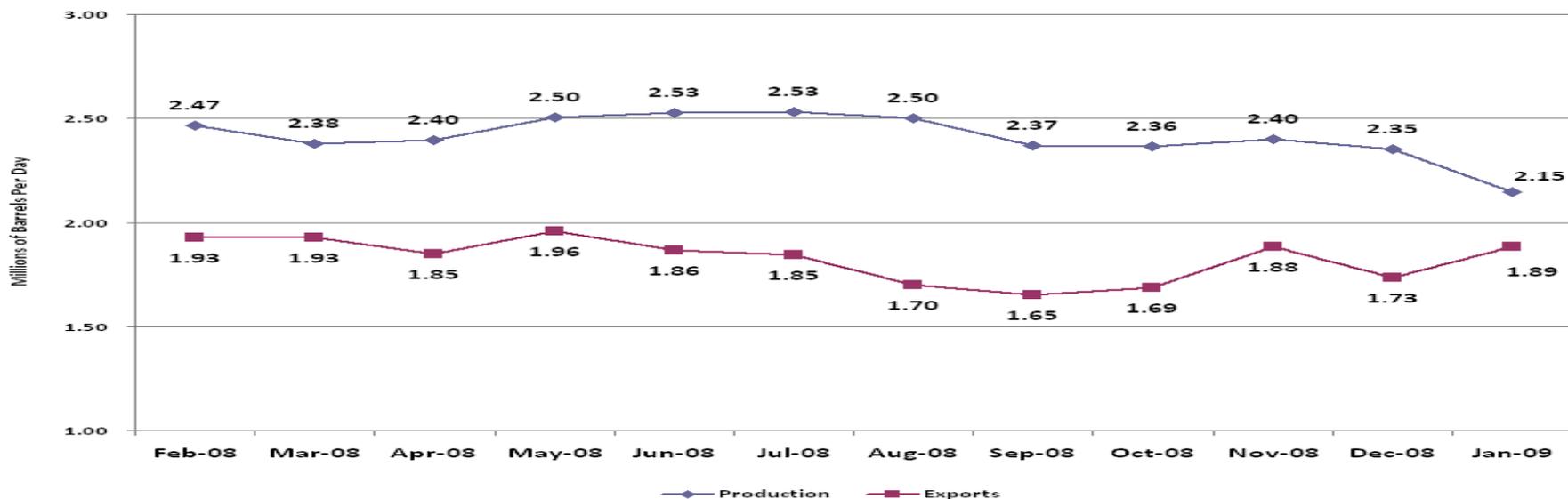
Basrah Light at \$38.94/barrel

Dated Brent at \$44.25/barrel

WTI Cushing at \$42.52/barrel

Oman/Dubai at \$43.39/barrel

Iraq Crude Oil Production and Exports



Revenue estimates:

2007: \$41.0 Billion

2008: \$61.6 Billion

2009 (ytd): \$2.3 Billion

ECONOMIC – Oil



Oil exploration and contracting proceeds in fits and starts, with Baghdad and the KRG continuing to pursue their own objectives

KNOC Forms Solo Exploration Project:

- **The South Korean state-run oil company Korea National Oil Corporation (KNOC) announced February 3 that, in spite of failing to attract consortium partners, it has started its own \$2.1 billion oil exploration project in the Kurdistan region of Iraq. As a part of the deal, KNOC will operate the Qush Tappa and Sangaw South fields, and won stakes of 15%-20% in six fields. Included among the six fields is the Bazian block in the KRG, which will be run as a consortium which includes the South Korean refiner SK Energy. KNOC will, in return, provide the KRG with \$2.1 billion worth of infrastructure, which includes power and water facilities, sewage systems, and other such infrastructure. The eight blocks have estimated reserves of 7.2 billion barrels, of which Korean companies will have the rights to 1.9 billion barrels.**

ECONOMIC – Oil



Oil exploration and contracting proceeds in fits and starts, with Baghdad and the KRG continuing to pursue their own objectives

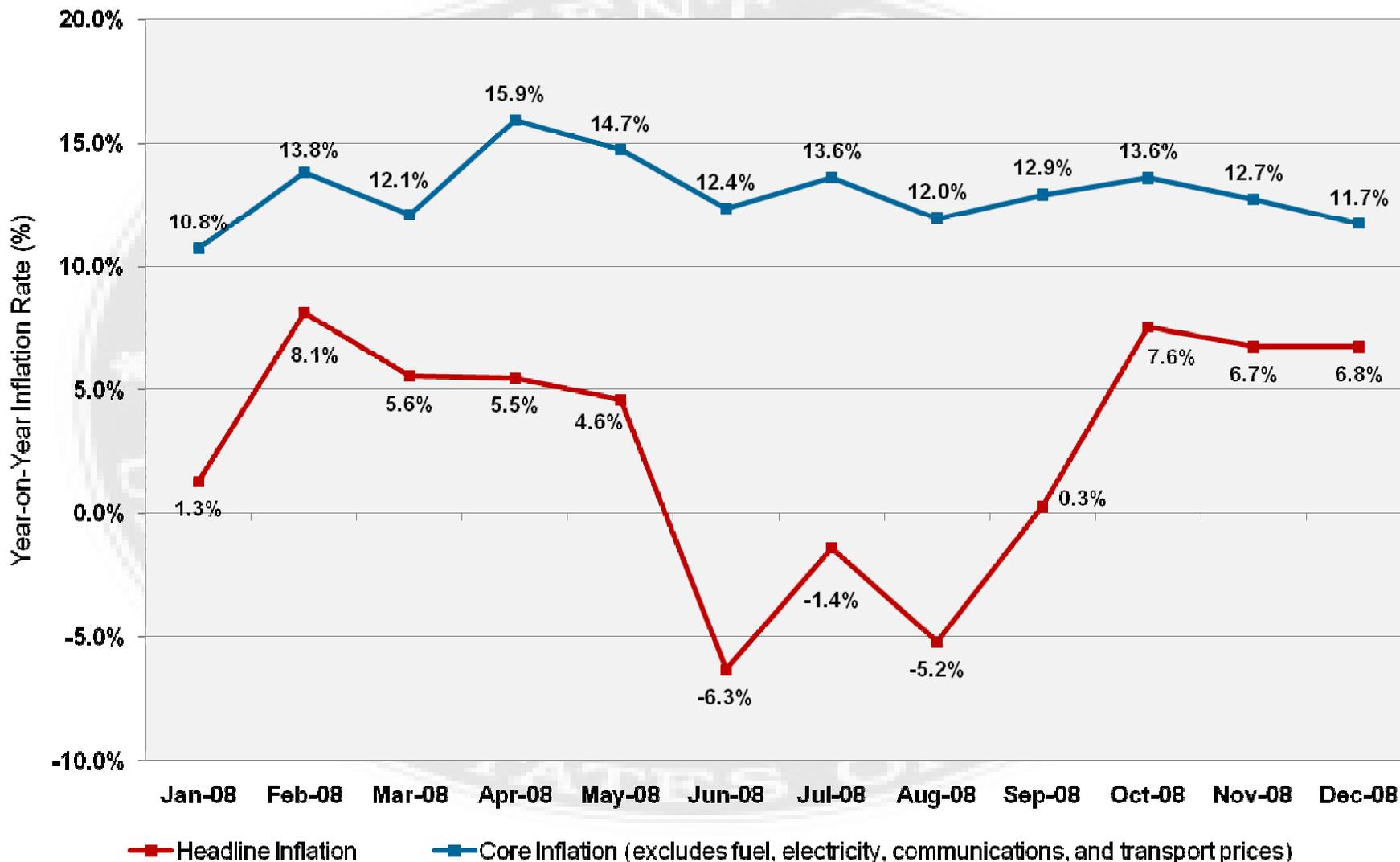
Deadline for International Oil Companies to Submit Documents for Second Licensing Round Extended:

- **The Ministry of Oil extended the deadline for international oil companies to send in qualifying documentation to bid for the second round of oil and gas contracts. According to the Ministry, the previous deadline, January 31, was extended by two weeks to February 15 due to all of the holidays which occurred in January. The second bid round opened December 31 and put up for tender 11 oil and gas fields, including several super giant fields.**

ECONOMIC - Fiscal and Monetary Affairs



Year-on-Year Inflation



ECONOMIC – Fiscal and Monetary Affairs



In the face of declining oil revenues, the Iraqi government is seeking additional ways to raise revenue to finance the budget

Iraq to Issue First New Government Treasury Bonds Since Saddam-Era:

- **Minister of Finance Bayan Jabr said January 28 that Iraq will issue its first new government treasury bonds since Saddam Hussein was removed from power. The bonds, worth approximately \$5 billion, will be guaranteed by the government. Jabr did not give a time frame to issue the debt, which will help finance investments, boost oil exports, and increase future revenues.**

ECONOMIC – Private Sector



As Iraq looks to attract more private capital investment, security and political stability remain critically important

Investment Symposium to Be Held February 22:

- **An advisor to the Iraq National Investment Commission (INIC), Abdullah al-Bandar, announced that a plenary symposium on investment will be held in Iraq February 22, bringing together members of the INIC and provincial governors to discuss investment in the provinces and impediments to development. Bandar also said the repercussions of the global financial crisis have acted as a catalyst to attract foreign investment to Iraq and hoped capital funds for investment would be drawn to Iraq.**

ECONOMIC – Private Sector



As Iraq looks to attract more private capital investment, security and political stability remain critically important

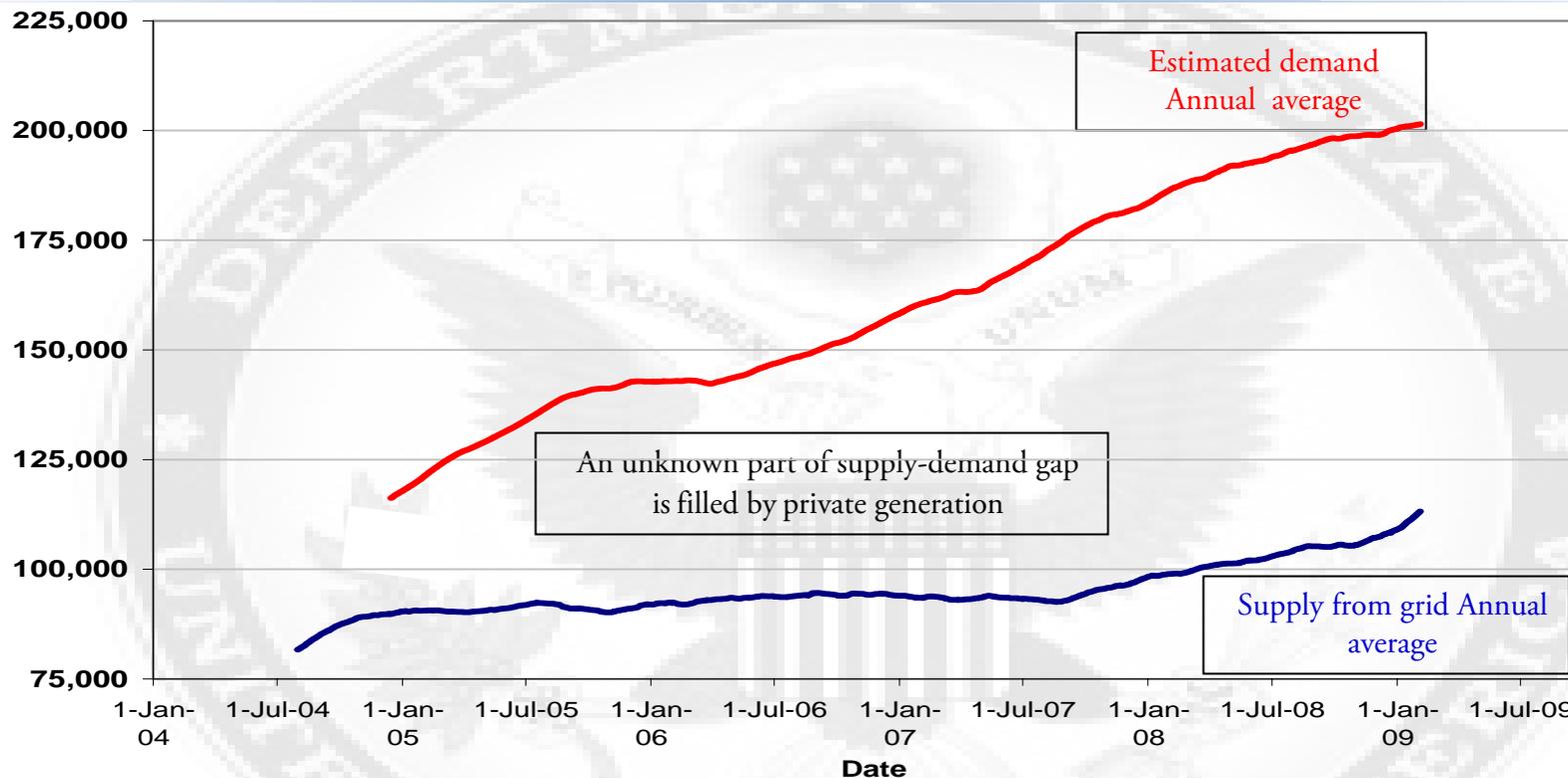
Provincial Elections Security Crucial Test for Future Investment in Basrah:

- According to the British Consul General in Basrah, Nigel Haywood, the months following the January 31 scheduled Iraqi provincial elections will provide a crucial test for whether the southern port city of Basrah is ready for international investment. If the elections are viewed as legitimate and peace is maintained, it may mark a turning point for Basrah, which also has substantial oil reserves throughout the province. "The business world is looking quite closely at Basrah now, and the elections," Haywood said. British troops will withdrawal from Basrah on July 31 according to the terms of their security agreement with the Government of Iraq. "If they can get through the election and the Iraqi Security Forces can deliver a safe post-election scenario, then we can say Basrah is stable, and resilient," British military spokesman Lieutenant Colonel Dickie Winchester said.

Public Services – Electricity



GOI needs to strengthen policy actions to manage demand and usage patterns



- Daily electricity supply from the grid January 28-February 3 was 47% above the year-earlier period and met 66% of demand, compared with 43% for the year-earlier period.
- Based on estimated demand, hours of power for January 27-February 2 after meeting demand from essential services were Baghdad 16.1 and Iraq 14.0. Year-ago levels were Baghdad 6.3 and Iraq 8.6.



Beyond Baghdad



Campaign Posters and Banners in Karbala

“True success will take place when we leave Iraq to a government that is taking responsibility for its future.”

President Barak Obama

Recent Highlights

Ninewa

In advance of the January 31 provincial elections, the Provincial Council Media Office and the Journalistic Freedoms Observatory hosted a forum for political candidates with support from PRT Ninewa. The forum included participants from various political groups as well as several journalists and two television stations. Topics for discussion included voting procedures and other issues leading up to the elections.

Erbil

A three-day religious tolerance conference promoting continued dialogue between governmental and religious leaders from different backgrounds recently concluded. The conference, sponsored by the Erbil Regional Reconstruction Team, was attended by Kurdistan National Assembly Speaker Adnan Mufti, members of the Iraqi Council of Representatives and provincial representatives from a number of ethnic and religious backgrounds.

DIPLOMATIC – Political Engagement



UN Predicts Record Return of Displaced Iraqis

UNHCR Estimates Double the Number of Returnees in 2009:

- **According to the Baghdad Representative of the United Nations High Commissioner for Refugees (UNHCR) Daniel Endres, over 500,000 Iraqi refugees and internally displaced people may return to their homes if the security conditions continue to improve this year. In 2008 approximately 220,000 Iraqi refugees and internally displaced people returned to Iraq. Endres stated, “If everything continues to go well, including elections, property restitution and stability, it's possible that 500,000 people could return in 2009.” The United Nations estimates that nearly two million Iraqis remain outside the country and an additional 2.8 million are displaced inside Iraq.**

DIPLOMATIC – Economic Engagement



Iraq Expands Cooperation with International Partner

Iraq and Japan Sign Declaration of Cooperation:

- **The Iraqi Ministry of Foreign Affairs announced that the Iraqi government has signed a declaration of cooperation with Japan, which aims to “to expand the strategic partnership between the two countries.” Signed in Baghdad January 28, the agreement outlines Iraqi-Japanese cooperation in infrastructure rebuilding and cultural and educational collaboration.**

SECURITY - Situation Update



Iraqi Security Forces demonstrate their capabilities by providing safe and secure provincial elections

Iraqi Security Forces Ensure Safe Elections:

- **Iraqi Security Forces (ISF) deployed outside polling centers in 14 of 18 provinces for the January 31 provincial elections, ensuring a safe and secure electoral process for Iraq's citizens. Throughout the country, each polling site boasted teams of Iraqi Police officers backed by Iraqi Army soldiers to check voters entering the sites and keep a watchful eye on any threats. The elections were an indicator of how far the ISF have come since 2005, when Coalition Forces played the primary role securing elections. This time, however, the ISF were in the lead. While there were a few minor cases of violence, no serious security incidents impeded the day's events.**

Woman Accused of Recruiting Suicide Bombers Arrested:

- **Iraqi officials detained a woman suspected of recruiting more than 80 female suicide bombers and admittedly masterminding 28 bombings in different areas of the country. Iraqi military spokesman Major General Qassim al-Moussawi identified the woman as Samira Ahmed Jassim, also known as "Umm al-Mumineen," or the Mother of Believers, and showed her confession to authorities during a February 3 press conference in Baghdad. Jassim, who was arrested by Iraqi Security Forces January 21, is allegedly linked to the insurgent group Ansar al-Sunnah based in Diyala province. According to the U.S. military, at least 36 female suicide bombers attempted or successfully carried out 32 suicide attacks in 2008, compared with only eight in 2007.**

SECURITY – Security Transition



Transitions facilitate improved life for Iraq's citizens and greater GOI capabilities

JSS Adl Handed Over to Iraqi Ministry of Trade:

- **Multi-National Division - Baghdad** soldiers transferred responsibility for Joint Security Station (JSS) Adl, formerly a four-story shopping center, to the Iraqi Ministry of Trade in the Mansour district of northwest Baghdad February 2. Iraqi officials are hoping to transform the JSS back into a shopping center to help the community's economy and create up to 300 jobs for local citizens.

MOD Hosts First Iraqi Senior Leader Seminar for Intelligence:

- The Iraqi Ministry of Defense (MOD) along with the Director General for Intelligence and Security hosted a three day conference for senior military intelligence officers and senior MOD staff in Baghdad, January 25-27. The seminar was the first of its kind and was designed to teach senior Iraqi officials the importance and implications of understanding and applying intelligence in the national strategic decision-making process. The conference included discussions on defining Iraqi strategic interest, cooperation between intelligence agencies, and similarities between the Iraqi and U.S. intelligence community. Multi-National Security Transition Command- Iraq (MNSTC-I) officials attending the conference stressed the importance of interagency cooperation and the sharing of intelligence to their Iraqi counterparts.



SECURITY - Iraqi Security Forces

Iraq Security Forces as of Dec 31, 2008 ^a			
Component	Current Authorized Personnel ^b	Assigned Personnel ^c	Total Trained Personnel to date ^d
Ministry of Interior (MoI) Forces ^e			
Iraqi Police Service ^f	334,739	305,831	220,013
National Police	46,580	43,538	56,577
Border Enforcement ^g	45,550	40,976	38,846
Total MoI	426,869	390,345	315,436
Ministry of Defense (MoD) Forces ^h			
Army	174,805	196,127	240,058
Army Training and Support Forces ⁱ	22,345	19,990	22,930
Air Force	3,690	2,148	4,572
Navy	3,596	1,887	1,494
Total MoD	204,436	220,152	269,054
Counter Terrorism Bureau			
Special Operations ^j	6,190	4,209	4,564
Total Iraqi Security Forces	637,495	614,706	589,054

- Increase of 1.6K assigned and 8.5K trained since last report.

a. Numbers do not include ministry staffs.

b. Numbers reflect Government of Iraq (GOI) authorizations.

c. Numbers are based upon GOI payroll data and do not reflect present for duty totals.

d. Numbers reflect total Iraqi Security Forces (ISF) personnel trained to date, some of which are no longer assigned due to casualties, AWOL, and normal separation.

e. MoI strength excludes other services within Ministry Of Interior (MOI), including the MOI HQ, MOI Forensics, Facility Protection Services, and contracted guards.

f. The Iraqi Police Service consists of all provincial police forces (station, patrol, traffic, and special units) assigned to all 18 Iraqi provinces.

g. Data associated with Ports of Entry Directorate has been pulled out of the Directorate of Border Enforcement. Expect authorized and assigned strengths to fluctuate as the new PoED organization takes shape.

h. The Ministry Of Defense (MOD) authorized numbers are derived from Modified Tables of Organization and Equipment (MTOEs).

i. The MoD Army Training and Support Forces include logistics units and training center cadre.

j. Does not include personnel assigned to Counterterrorism Bureau (CTB) or Counterterrorism Command (CTC) headquarters.

CONTACT INFORMATION



This brief draws from multiple sources. References are cited on the following pages.

For additional information, please see:

- Department of State, Section 2207 Report on Iraq Relief and Reconstruction
<http://www.state.gov/p/nea/rls/rpt/2207/c26517.htm>
- Department of State, Section 1227 Report on Iraq
<http://www.state.gov/p/nea/rls/rpt/1227/c26862.htm>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/pubs/pdfs/9010_Report_to_Congress_Dec_08.pdf

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



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- Associated Press, February 3, http://www.google.com/hostednews/ap/article/ALeqM5hwK_CSpBxsNuVUEaDuOwmSSCiqGwD96454500

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- MNFI Press Release, February 2, http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=25235&Itemid=128

Slide 23:

- DoD Input to Iraq Status Report February 4, 2009