

# Iraq Status Report March 11, 2009



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

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#### **HIGHLIGHTS**



- Sunni and Shi'a Celebrate Together in Samarra, While PM Maliki Calls for Reconciliation and Stronger, Non-Sectarian Government (*POLITICAL*, page 4).
- Iraq's Prime Minister Expresses Concerns about the 2009 Budget (*ECONOMIC*, page 12).
- Iraq and Tunisia Reached a Bilateral Agreement Concerning Iraq's Outstanding Debt (DIPLOMATIC, page 18).
- Suicide Attacks in Iraq Shake Calm Felt Since the Provincial Elections (SECURITY, page 19).

# **POLITICAL - Governance & Legislation**



Iraqis focus on reconciliation, while former Minister of Women's Affairs seeks reappointment

## Sunni and Shi'a Celebrate Together in Samarra:

• More than one million Iraqi Shi'a pilgrims traveled to the mostly Sunni city of Samarra March 6 to commemorate the death of Imam Hasan Askari and visit the Golden Mosque, which contains the remains of the Imam. In a symbol of reconciliation, a Sunni mosque received Shi'a pilgrims for a prayer service and an estimated 5,000 Sunni and Shi'a prayed together in the city's Grand Mosque. Samarra's Mayor, Mahmoud Khalaf, stated, "This pilgrimage has exceeded all expectations. It serves the unity of Iraq." The Golden Mosque was bombed in 2006 by members of al-Qaida and is almost finished being reconstructed.

# PM Maliki Calls for Reconcilation and Stronger, Non-Sectarian Government:

• Prime Minister Nuri al-Maliki spoke out on March 7 against the practice of distributing top government positions among religious and ethnic groups, encouraging dialogue over sectarian quotas. This statement came just one day after a reconciliation conference in Baghdad where Maliki called for Iraqis to forgive and reconcile with members of Saddam Hussein's former regime. Maliki also revived the discussion of revising the constitution with an eye towards increasing the strength of the central government.

# **POLITICAL - Governance & Legislation**



Iraqis focus on reconciliation, while former Minister of Women's Affairs seeks reappointment

## Former Minister of Women's Affairs Seeks Reappointment:

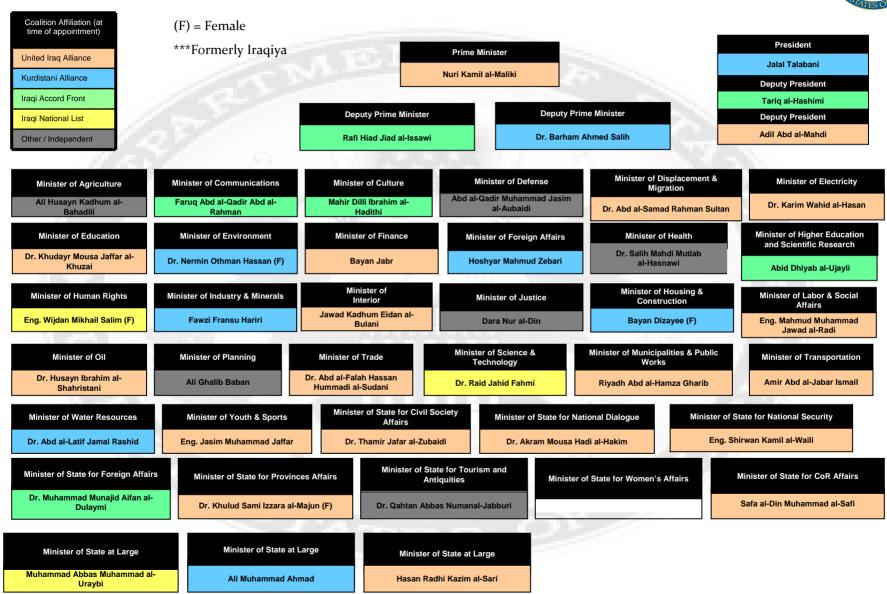
• Nawal al-Samarraie, Iraq's State Minister for Women's Affairs, announced March 9 that she will withdraw her resignation which she submitted to Prime Minister Nuri al-Maliki's office in February. The announcement came after three international aid organizations made pledges to address the needs of Iraqi women and 50 Iraqi women volunteered to help carry out the ministry's plans. Al-Samarraie had originally resigned because she felt there were not sufficient resources to address the problems Iraqi women are facing.

## Tariq Aziz, "Chemical Ali" Sentenced to 15 Years:

• Tariq Aziz, former Foreign Minister and Deputy Prime Minister under Saddam Hussein, and Ali Hassan al-Majid, AKA "Chemical Ali" were sentenced to 15 years in prison March 11 for their role in the 1992 executions of 42 Baghdad merchants accused of raising food prices during sanctions. Ali has previously received three death sentences for war crimes, and Aziz was acquitted last week in his trial for the 1999 deaths of Shi'a protesters. Aziz still faces charges related to Saddam Hussein's brutal operations against Kurds in the 1980s.

# POLITICAL - Government of Iraq

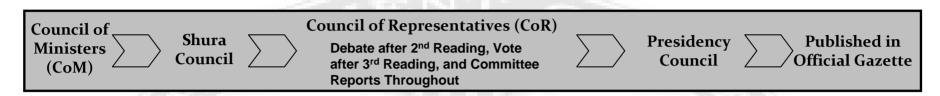




# **POLITICAL – Key Legislation**



**Legislative Process** 



- <u>Hydrocarbons Package</u>: 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.
- <u>Budget</u>: The Council of Representatives (COR) passed a budget on March 5. The budget must now be approved by the Presidency Council.
- COR Speaker: The COR has yet to reach a consensus on appointing a new Speaker since Mahmoud Mashadani was ousted on December 23, 2008. The COR began its spring recess on March 5 and will resume on April 14.

# **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, 21,521 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**



## Oil sector remains active despite absence of new federal laws

Crude Oil Update:

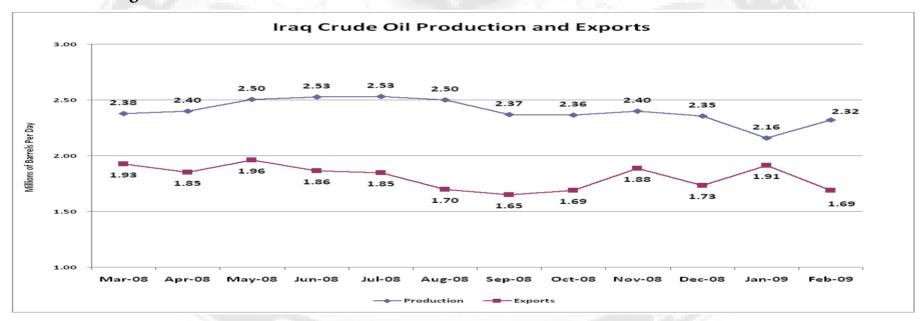
Price averages in world markets closed with the following prices:

Basrah Light at \$46.21/barrel

WTI Cushing at \$43.26/barrel

Dated Brent at \$44.15/barrel

Oman/Dubai at \$42.79/barrel



#### Revenue estimates:

2007: \$41.0 Billion

2008: \$61.9 Billion \*

2009 (ytd): \$5.14 Billion

<sup>\*</sup> Estimate adjusted as a result of newly-available Iraqi data.

#### **ECONOMIC - Oil**



Budget woes push Iraq to consider its options in developing the sector

#### Minister of Oil Comments on Current Oil Prices:

• Oil Minister Hussein al-Shahristani said during an al-Sharqiyah interview that current crude oil prices are "not profitable and not fair" for oil producing countries. The minister stated that the Organization of Petroleum Exporting Countries (OPEC) is working to control prices and "inch them up." OPEC plans to meet March 15 in Vienna, Austria. Some OPEC members have been calling for production cuts.

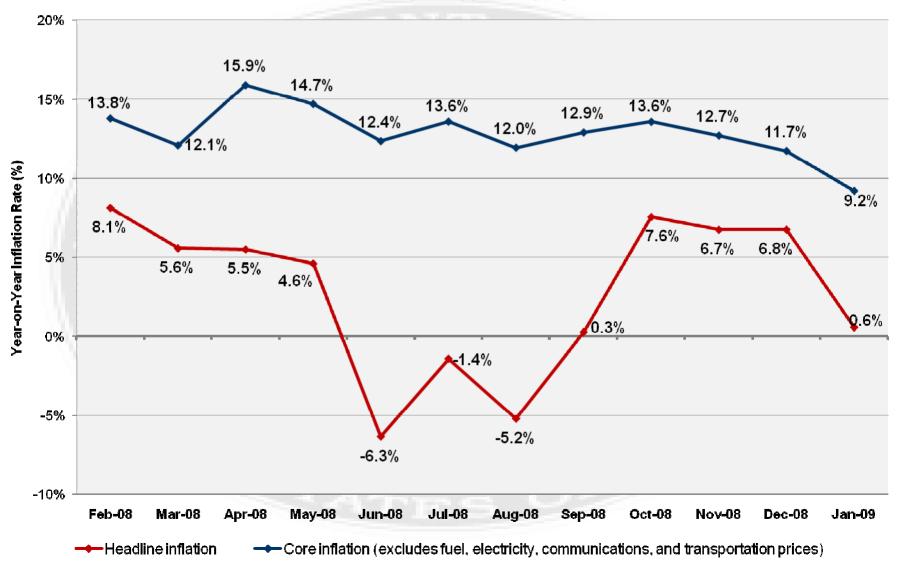
# Government of Iraq Seeks to Increase Production:

• The Government of Iraq wants to increase oil production as quickly as possible due to current financial strains. It appears that Iraqi Prime Minister Nuri al-Maliki has endorsed a two-pronged oil development strategy advocated by Deputy Prime Minister Barham Salih. The strategy would include the drilling programs to increase production by 500,000 barrels per day, to reconstitute the Iraq National Oil Company, and to establish a "Supreme Oil Council."

# **ECONOMIC - Fiscal and Monetary Affairs**



#### **Year-on-Year Inflation**



# **ECONOMIC – Fiscal and Monetary Affairs**



Though non-oil revenue in some sectors has increased, Iraq's parliament cut its budget by nearly 7%

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$45.38	\$44.48	\$44.89	\$66.08
Yield	14.17%	14.40%	14.29%	9.95%

## Iraq's Prime Minister Expresses Concerns about the 2009 Budget:

• Prime Minister Nuri al-Maliki said March 8 he was "uncomfortable," with the cuts the Iraqi parliament made to the 2009 budget. Parliament voted March 5 to reduce Iraq's 2009 budget from \$62 billion to \$58.6 billion, a reduction of 7%. Both the Prime Minister and the Minister of Finance, Bayan Jabr, lobbied to keep the budget at \$62 billion. Maliki said the budget cuts could hurt the government's efforts to boost Iraq's electricity supply with new procurement contracts and improve the Iraqi agricultural sector, Iraq's second largest sector behind oil.

# **ECONOMIC – Fiscal and Monetary Affairs**



Though non-oil revenue in some sectors has increased, Iraq's parliament cut its budget by nearly 7%

## Revenues from Iraqi Ports Increase 46% in February:

• According to figures released March 3, shipping traffic through Iraq's ports increased by 46% in February, resulting in a revenue increase of 20%. The State Company for Iraqi Ports did not disclose the total revenue, but said that 110 vessels entered Iraqi ports in February, compared with a monthly average of 75 vessels. This is the highest number of commercial vessels to pass through the ports in recent history. The Government of Iraq issued tenders in February for foreign shipping companies to run three new berths at the deep water port of Umm Qasr.

### **ECONOMIC – Private Sector**



Addressing private sector reform will help open Iraq up to other sources of reconstruction funding

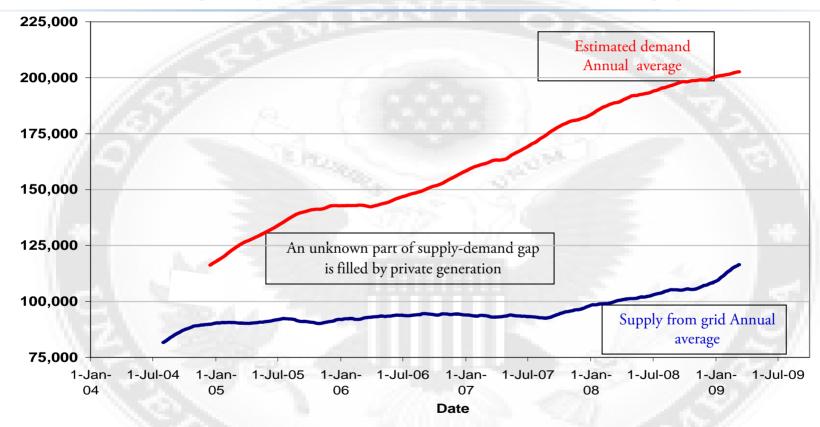
## Private Sector Conference Held in Najaf:

• The Iraqi Business Council and the Consumer Protection Society organized a conference March 7 which provided professionals with a forum to exchange their views about the private sector in Iraq and the problems it is facing. The two organizations adopted a draft for a project which aims to draw officials' attention to the needs of the private sector so that the necessary legislative and economic reforms can be addressed. The draft was adopted at the provincial level in Anbar, Basrah, and Najaf and aims also to bolster the role the private sector has in Iraq's reconstruction efforts. Of the legislative reforms identified, Mona al-Musawi, the chairperson of the Consumer Protection Society, noted that legislation addressing competition, monopolies, anti-dumping, and investment are necessary, particularly for attract foreign investors.

# Public Services – Electricity



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



- Daily electricity supply from the grid March 3-9 was 24% above the year-earlier period and met 72% of demand, compared with 58% for the year-earlier period.
- Based on estimated demand, hours of power after meeting demand from essential services were Baghdad 17.1and Iraq 15.7. Year-ago levels were Baghdad 10.0 and Iraq 11.9.

UNCLASSIFIED March 11, 2009

# **Beyond Baghdad**





A garbage truck offloads trash at Solid Waste Transfer Station #1, located south of Kirkuk, Iraq. The \$2.5 million facility has the capacity to handle 300 tons of waste per day. (USACE photo) "...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services."

#### President Barack Obama

# Recent Highlights

With PRT support, women from across Diyala province came together for the <u>Women of Diyala:</u> <u>Speak</u> conference held on February 26, 2009. The event brought together women from various communities and backgrounds including Kurds, Sunni, Shi'a, women from rural and urban areas, the young and old, as well as others from various professional fields. Also in attendance were NGO representatives, government officials, and provincial elders. The conference brought together this diverse group of women to discuss plans for the future and "although these women came from diverse backgrounds, they shared a common set of priorities."

An English Exchange event was held at the University of Tikrit as a way for 20 local students and 10 U.S. soldiers to meet and interact. Both student and soldier alike were given the opportunity to get to know each other and to set aside any preconceived ideas they may have had. The event, which should surely help build relations with the community, will continue to be held on a monthly basis.

The first environmentally engineered and constructed landfill in Iraq was built in Kirkuk recently with the help of a multi-agency effort which included PRT Kirkuk, the Army Corps of Engineers, the EPA, the Kirkuk provincial government, and USAID. The landfill is the first of its kind for Iraq and was constructed as a way to properly dispose of waste and refuse that had otherwise been dumped illegally. Such illegal and unregulated trash dumps pose a serious environmental and health risk to the area. The landfill was constructed to meet U.S. and European standards and will teach the Iraqis proper waste management techniques as well as providing jobs to local residents.

# Diyala

Salah ad Din

Kirkuk

# **DIPLOMATIC** – Political Engagement



#### Border dispute with Iran resurfaces

## **Iraq-Iran Border Disagreement Remains:**

• Iraqi Foreign Minister Hoshyar Zebari said March 9 that difficulties remain on defining land and sea borders between Iraq and Iran. FM Zebari told the Iraqi television station al-Sharqiya that the Iraqi government has "very big problems with the Iranian side with setting and drawing the land, sea and coastal borders" and that the Iraqi government's "long-time attempts to convince Iran about the necessity and the importance of moving forward together, in order to avoid problems, have been frustrated." Some speculation remains that Iraq also wants to renegotiate a 1975 border treaty; however, Iran opposes this.

# **DIPLOMATIC** – Economic Engagement



#### GOI pressed to settle outstanding debt issues

# Egypt to Urge GOI to Pay Outstanding Debt:

• Egyptian Deputy Foreign Minister Abdel Rahman Salah stated that the Egyptian government will press Iraq to repay outstanding debt estimated to be around \$2 billion during bilateral talks scheduled to occur this week. Deputy Foreign Minister Salah also declared that Egypt will not reopen its diplomatic mission in Baghdad until the outstanding debt issue is resolved and Egypt increases its exports to Iraq. Egypt's diplomatic mission has remained closed after the Egyptian chief envoy to Iraq was assassinated in 2005.

## Iraq and Tunisia Agree on Debt Settlement:

• The Iraqi government announced March 9 that it has reached a bilateral agreement with the Tunisian government concerning Iraq's outstanding debt. Iraq's Ministry of Finance released a statement declaring that "under the terms of this settlement, Tunisia's claims were cancelled in exchange for a cash payment by Iraq equal to 10.25 percent of the outstanding amount." The Iraqi government has not released the exact amount of debt that Tunisia currently claims.

## **SECURITY - Situation Update**



### Suicide attacks in Iraq shake calm felt since the provincial elections

#### Car Bombing in Babil Kills 12 and Wounds 40:

• A car bombing at a livestock market in the town of Hamza, Babil province, killed 12 people and wounded 40 March 5. Babil province has a mixed Sunni Arab and Shi'a population and has experienced relative peace for months. Iraqi officials said they suspected the bombing to be the work of militants linked to feuding local Shi'a politicians unhappy with the results of the recent provincial elections.

## Suicide Attack at Baghdad Police Academy Kills 28, Wounds 57:

• A suicide bomber struck near the Baghdad Police Academy March 8, killing 28 people including five police officers, and wounding 57 more, according to Iraq's Interior Ministry. Although the Police Academy is surrounded by high blast walls, applicants lined up outside are exposed to traffic; the suicide attacker was able to infiltrate the area and detonate a motorcycle laden with explosives. The Academy has been the target of recent attacks, the last of which occurred on December 1, killing 15 people.

## Suicide Attack in Abu Ghraib Kills Reconciliation Dignitaries:

• A suicide attack on Sunni and Shi'a dignitaries killed 33 people and wounded 46 others March 10. A group of tribal leaders were touring a market place in the Abu Ghraib district of Baghdad after leaving a National Reconciliation conference when a suicide bomber approached the group and detonated an explosive vest. Two Iraqi journalists were also killed in the attack.

# **SECURITY – Security Transition**



#### U.S. announces troop reductions

## Two U.S. Combat Brigades Will Not Be Replaced:

• The United States military announced March 8 that two combat brigades scheduled to return to Iraq this year, along with associated enabling forces, will not be deployed there. The reduction of 12,000 U.S. soldiers will bring the number of U.S. combat brigades in Iraq from 14 to 12. The U.S. will also transfer 74 facilities and areas of control to the Iraqis by the end of March. Also, Britain's remaining 4,000 troops are scheduled to leave Iraq by September.

# **SECURITY - Iraqi Security Forces**



Iraq Security Forces as of Dec 31, 2008 a						
Component	Current Authorized Personnel b	Assigned Personnel	Total Trained Personnel to date			
Ministry of Interior (Mol) Forces <sup>e</sup>						
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 Mol	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 <a href="http://www.state.gov/p/nea/rls/rpt/2207/c26517.htm">http://www.state.gov/p/nea/rls/rpt/2207/c26517.htm</a>
- 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 <a href="http://www.defenselink.mil/pubs/pdfs/9010">http://www.defenselink.mil/pubs/pdfs/9010</a> Report to Congress Dec 08.pdf

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov

# NOTES AND SOURCE CITATIONS (1 of 2)



#### Slide 4:

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- AP, March 9, http://hosted.ap.org/dynamic/stories/M/ML\_IRAQ?SITE=FLROC&SECTION=HOME&TEMPLATE=DEFAULT
- AP, March 11, http://news.yahoo.com/s/ap/20090311/ap\_on\_re\_mi\_ea/ml\_iraq\_528; BBC, March 11, http://news.bbc.co.uk/2/hi/middle\_east/7937034.stm

#### Slides 6-8:

Department of State, NEA/I Political Section, NEA-I-POL-DL@state.gov

#### Slide 9:

Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

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- AP, March 9, http://www.google.com/hostednews/ap/article/ALeqM5jUgnf\_h1tymdmTHrMf8uSi8NkDPgD96QHIKG0
- "UPI, March 5, http://www.upi.com/Energy\_Resources/2009/03/05/Outside\_View\_New\_Iraq\_oil\_strategy/UPI-42341236269963/

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#### Slide 16:

- Source for Stories: PRT Weekly Summary 20-28 February 2009
- MNF-I, http://www.mnf-iraq.com/index.php?option=com\_content&task=view&id=25617&Itemid=128
- Source for President Obama's Quote: http://www.whitehouse.gov/the\_press\_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq

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New York Times, MNFI Press Release, March 8, http://www.nytimes.com/2009/03/09/world/middleeast/09troops.html?ref=world; http://www.mnf-iraq.com/index.php?option=com\_content&task=view&id=25701&Itemid=128

Slide 21:

DoD Input to Iraq Status Report March 11, 2009