

Measuring Stability and Security in Iraq

**May 2006
Report to Congress
In accordance with the
Department of Defense Appropriations Act 2006
(Section 9010)**

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Erratum Page Insert for the Department of Defense report, “Measuring Stability and Security in Iraq,” section 9010 Defense Authorization Code, May 2006

On page three and page six, replace “formation of this new government, from the parliament elected on December 15, 2005—in which 77% of the population voted” with: “formation of this new government, from the parliament elected on December 15, 2005—in which 77% of the electorate voted.”

On page nine replace, “with voter turnout close to 77%” with: “with voter turnout close to 77% of the electorate.”

Report to Congress Measuring Stability and Security in Iraq

This report to Congress on measuring stability and security in Iraq is submitted pursuant to section 9010 of the Department of Defense Appropriations Act 2006, Public Law 109-148. This is the fourth in a series of reports on this subject and the second of these reports under Section 9010. The most recent report was submitted in February 2006.

The report is divided into two sections corresponding to the indicators and measures identified in Section 9010. The first section of the report, "Stability and Security in Iraq," describes trends and progress towards meeting goals for political stability, strengthening economic activity, and achieving a stable security environment in Iraq.

The second section of the report, "Security Forces Training and Performance," describes progress in the training, development, and readiness of the Iraqi Security Forces, including the forces of the Ministry of Defense (MOD) and the police and paramilitary forces of the Ministry of Interior (MOI).

A classified annex to this report provides classified data concerning security force training and performance and addresses possible U.S. military force rotations.

The report complements other reports and information about Iraq provided to Congress. The information in this report is made available with the assistance of many departments and agencies of the U.S. Government, the U.S. Embassy in Iraq, Multi-National Force-Iraq, and the Government of Iraq.

Measures of Stability and Security and the National Strategy for Victory in Iraq

The President's National Strategy for Victory in Iraq focuses on helping the Iraqi people build a new Iraq with a constitutional and representative government that respects political and human rights and with sufficient security forces to maintain domestic order and keep Iraq from becoming a safe haven for terrorists. To this end, the United States is pursuing an integrated strategy along three broad tracks:

- **Political:** helping the Iraqi people forge a broadly supported compact for democratic government.
- **Economic:** assisting the Iraqi government in establishing the foundations for a sound economy with the capacity to deliver essential services.
- **Security:** developing the capacity of Iraqis to secure their country while carrying out a campaign to defeat the terrorists and neutralize the insurgency.

Each of these tracks is integrated with the others; success in each is necessary for success along the other tracks. Security depends on a democratic political process, which in turn depends in part on economic opportunity. Economic progress depends on securing the Iraqi infrastructure against sabotage and attack and protecting the Iraqi people from terrorist attacks that undermine individual participation in economic development and the political process.

The National Strategy for Victory in Iraq uses measurable trends indicating progress along each of these tracks to indicate where pro-

grams are achieving success and where it is necessary to increase efforts or adjust implementation of the strategy.

The President's strategy also identifies eight strategic objectives, or pillars, of the integrated political, economic, and security strategy: defeat the terrorists and neutralize the insurgency; transition Iraq to security self-reliance; help Iraqis forge a national compact for democratic government; help Iraq build government capacity and provide essential services; help Iraq strengthen its economy; help Iraq strengthen the rule of law and promote civil rights; increase international support for Iraq; and strengthen public understanding of Coalition efforts and public isolation of the insurgents.

Key indicators of progress since the last report include the following.

Political Progress. The Iraqi people met two critical milestones in their country's democratic advance. On April 22, 2006, the Council of Representatives (the Iraqi Parliament) elected senior members of the new government, including the President, two Deputy

Presidents, the Speaker of the Council of Representatives, and the Speaker's two deputies. At the same time, Nuri al-Maliki was nominated as the new Prime Minister. Under the Constitution, the Prime Minister was given a month to form his cabinet.

On May 20, 2006, the Prime Minister met his Constitutional deadline by naming and winning Council of Representatives approval for his cabinet, and Iraq's national unity government was sworn in the same day. With the exception of the Defense and Interior portfolios, cabinet positions were filled by consensus among Iraq's major political parties. From the outset, Prime Minister al-Maliki sought to fill the Interior and Defense portfolios with competent individuals who were non-sectarian and not associated with any militias. Prime Minister al-Maliki continues to consider candidates for these two critical posts, and permanent ministers for Defense and Interior should be named soon. In the meantime, Prime Minister al-Maliki will be the acting Minister of Interior and Deputy Prime Minister Dr. Salam al-Zawba'i will be the acting Minister of Defense.

Major Milestones toward a Democratic Iraq	
Jan 30, 2005	Election of Iraqi Transitional National Assembly (TNA)
Oct 15, 2005	National Referendum on the Constitution
Dec 15, 2005	National Elections under the new Constitution
Mar 16, 2006	First Session of Council of Representatives (CoR)
Apr 22, 2006	Election of Presidency Council by CoR Nomination of Prime Minister by Presidency Council (PC)
May 20, 2006	Naming of Cabinet by Prime Minister designee*
May 20, 2006	Vote of Confidence for Prime Minister, his Cabinet, and his Program*

* Prime Minister Nuri al-Maliki is Acting Minister of Interior and Deputy Prime Minister Salam al-Zawba'i is Acting Minister of Defense.

Formation of this new government, from the parliament elected on December 15, 2005—in which 77% of the population voted, in fulfillment of the Constitution ratified by the Iraqi people on October 15—represents the culmination of the democratic process launched by the Iraqi people, with Coalition support, after their liberation from tyranny in April 2003. The United States remains committed to meeting the important challenge of helping Iraqis build bridges of trust across ethnic and sectarian lines, establishing security and rule of law for all Iraqis, increasing basic services and economic opportunity, and fighting corruption.

Despite efforts by terrorists and foreign fighters to derail the democratic process, Iraqis persevered. Following the bombing of the Golden Mosque in Samarra on February 22, 2006, Iraqi leaders stood together in a united front against further violence and continued with the political process.

Economic Activity. The Iraqi government continued to make progress implementing its economic agenda, despite numerous challenges. The delay in forming the new government led to a postponement of the first quarterly review under Iraq's Standby Arrangement with the International Monetary Fund and slowed some reform efforts. The Iraqi economy has demonstrated overall macroeconomic stability since the last report, the currency remains stable, and reserves are above targets. Iraq continues to reduce external debt on the basis of the Paris Club members' agreement in November 2004 and similar treatment from non-Paris Club creditors. Despite some variation due to acts of violence and technical issues, electrical production is at the same levels as reported in February 2006—about 6% higher than for the same period in 2005. The average oil production for the first four months of 2006

remained steady at an average of 1.9 million barrels per day (mbpd). This is still short of the Iraqi Ministry of Oil goal of 2.5 mbpd. Oil exports increased from an average of 1.2 mbpd early in the first quarter to 1.4 mbpd. More than 90% of government revenue comes from oil exports, and lower than desired export volumes have been somewhat offset by higher prices for Iraqi oil.

The Security Environment. Anti-Iraqi forces—extremists and terrorists—continue to fail in their campaign to derail the political process, to alienate the Iraqi people from democratic governance and security institutions, and to foment civil war. They attack Iraqi civilians, officials, and Security Forces with a goal of undermining the legitimately elected Government of Iraq and the democratic process. The February 22 bombing of the Golden Mosque of Samarra produced an upsurge in sectarian and militia violence but did not produce the civil war hoped for by its perpetrators. Iraqi government and religious leaders were united in condemning the attacks and in restraining sectarian unrest. The Iraqi Security Forces (ISF) also played a key role, operating effectively and with restraint. The performance of the ISF was critical to halting the spread of violence, keeping the perpetrators of the bombing from achieving their broader strategic goal. Although polls indicated that a majority of Iraqis were concerned that sectarian violence could spread to become civil war, the same polls indicated that perceptions of neighborhood safety remained relatively unchanged. This view reflects data that indicate that more than 80% of terrorist attacks were concentrated in just 4 of Iraq's 18 provinces. Twelve provinces, containing more than 50% of the population, experienced only 6% of all attacks.

Iraqi Security Forces. The Ministry of Defense (MOD) and the Ministry of

Interior (MOI) Security Forces continue to increase in size and capability, and are increasingly taking over the lead combat responsibility from Coalition forces.

Training, equipping, and fielding of Security Forces personnel continue. As of May 15, 2006, 117,900 MOD personnel have been trained and equipped, including 116,500 in the Iraqi Army, Support Forces, and Special Operation Forces. This is 86% of MOD authorized force strength. The Iraqi Air Force now includes 600 trained and equipped personnel, which reflects 37% of authorized strength, and the Iraqi Navy is at 70% of authorized strength, with 800 trained and equipped personnel. Furthermore, 145,500 MOI personnel, including police, National Police, border forces, and other MOI personnel, have been trained and equipped, which reflects 77% of the MOI authorized end-strength. The MOD and the MOI are on track to complete initial training and equipping of 100% of their authorized end-strength by the end of December 2006, at which time the initial build-up will be completed and efforts will focus on replacing losses. The total number of Iraqi soldiers and police who have completed initial training and equipping is approximately 263,400, an increase of about 36,100 since the last report.

The number of Iraqi units able to take the lead in combat operations against the

insurgency continues to increase. Iraqi-planned, Iraqi-conducted, and most important, Iraqi-led missions continue throughout Iraq. As of May 15, 111 Iraqi Army, Special Operations, and Strategic Infrastructure Battalions are conducting counter-insurgency operations, 9% more than reported in February. This is 89% of the total number of battalions authorized. Seventy-one of these battalions are in the lead in military operations in their sectors, with the Coalition in a supporting role. All 28 authorized Iraqi National Police battalions are in the fight, with 2 in the lead.¹

More Iraqi units are assuming the security lead in their territory. Fifty-seven Iraqi Army battalions and six National Police battalions now have the security lead in their territory. The ISF have the lead in 60% of Baghdad; for Iraq as a whole, the area for which the ISF have the lead has risen to 30,000 square miles, an increase of 20,000 from the February 2006 report. Two divisions, 16 brigades, and 63 battalions of the ISF now have the lead for security responsibility in their respective areas of operation. In addition, the MOD, MOI, or Ministry of Finance has assumed control and responsibility for 34 Forward Operating Bases from Coalition forces.

¹ The “National Police” refers to units formerly known as the Ministry of Interior National Special Police (e.g., National Police Commandos and Public Order Battalions) and not to the Iraqi Police Service (“beat cops”), which is a national police service.

I. Stability and Security in Iraq

Political Progress

The goal of Coalition military operations in March-April 2003 was to liberate Iraq from a dangerous tyranny and to turn the country back to the Iraqi people as they build new democratic institutions to fill the vacuum left by the defeated dictatorship. That goal is being achieved.

The ultimate goal of the political process remains for Iraq to be governed by an effective and representative democratic system that is supported by the Iraqi people; capable of exercising responsibility for managing Iraq's affairs, including security; accepted as legitimate by the international community; and committed to promoting civil society, the rule of law, and respect for human rights.

To achieve this goal, the United States is supporting Iraqi efforts to forge a broadly supported national compact for a democratic government, including:

- supporting continued achievement of benchmarks in the political process;
- supporting the formation of a national unity government that embodies the compact among Iraq's principal communities and political parties endorsed in election results;
- strengthening national institutions;
- ensuring that all communities see the political process as a peaceful and preferred way of protecting their interests; and
- promoting increased support by the international community for Iraq's political, economic, and security development.

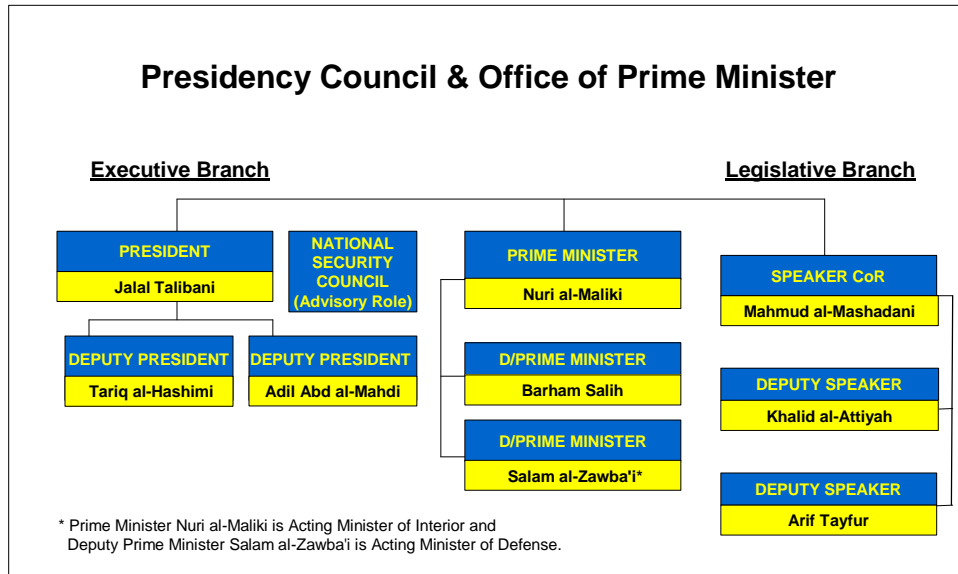
Measures of progress include:

- achievement of political benchmarks set forth in the Iraqi Constitution as well as those in United Nations Security Council Resolution 1546 and the Transitional Administrative Law;
- formation of a national unity government representative of all Iraqi communities;
- participation in the political process by all Iraqi communities, evidence that they view the process as legitimate and effective;
- establishment of rule of law institutions; and
- expansion of international support.

Achievement of Political Benchmarks

Despite delays, Iraqi political leaders made important progress in their efforts to create a national unity government. On April 22, 2006, the Council of Representatives (CoR) elected the Speaker, the Deputy Speakers, and the Presidency Council (i.e., the President and two Deputy Presidents). Jalal Talabani was reelected to the Presidency with Adil Abd al-Mahdi and Tariq al-Hashimi selected as Deputy Presidents. Mahmoud al-Mashadani was voted Speaker of the CoR. President Talabani then empowered Dawa party leader Nuri al-Maliki to form a government as Prime Minister.

Under the Constitution, the Prime Minister designate was given a month to form his cabinet. The Prime Minister met his Constitutional deadline by announcing and winning CoR approval for his cabinet on May 20, 2006. On the same day, Iraq's national unity government was sworn in. With the exception of the Defense and Interior portfolios, cabinet



positions were filled by consensus among Iraq's major political parties. From the outset, Prime Minister al-Maliki sought to fill the Interior and Defense portfolios with competent individuals who were non-sectarian and not associated with any militias. Prime Minister al-Maliki continues to consider candidates for these two critical posts, and permanent ministers for Defense and Interior should be named soon. In the meantime, Prime Minister al-Maliki will be the acting Minister of Interior and Deputy Prime Minister Dr. Salam al-Zawba'i will be the acting Minister of Defense.

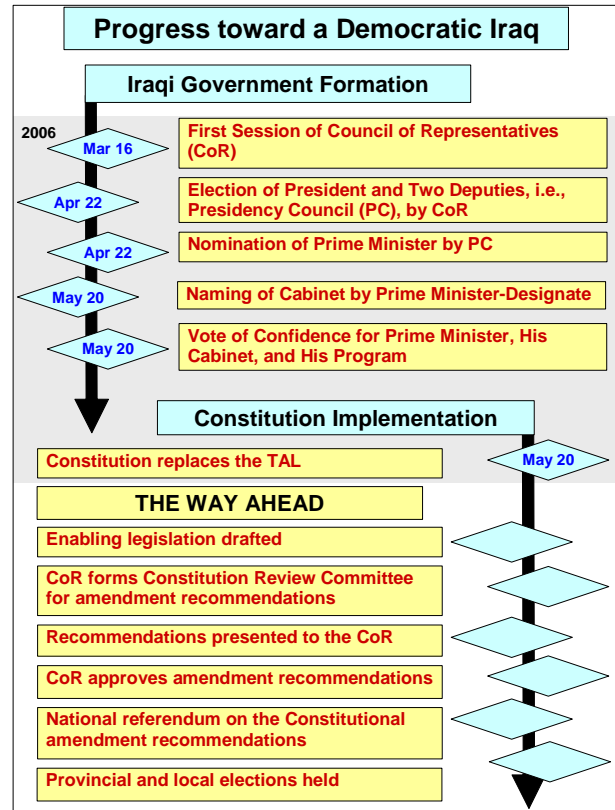
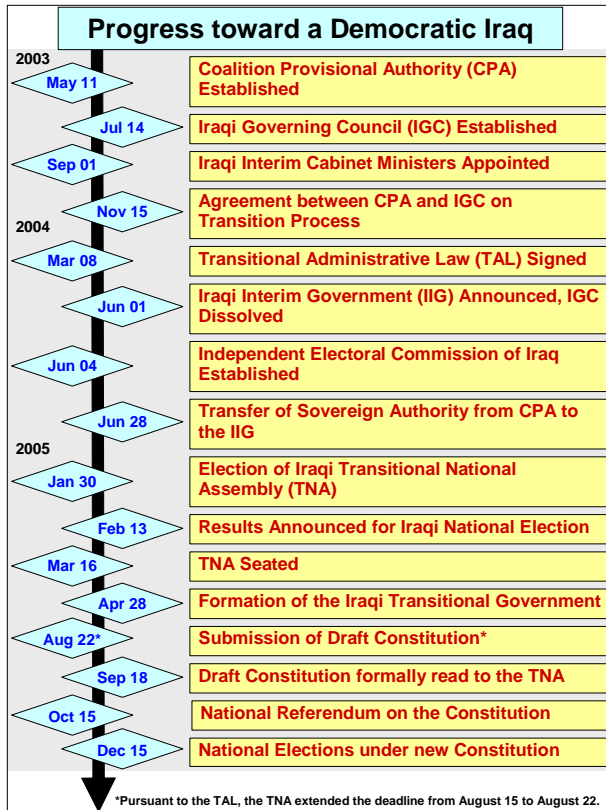
Iraq's new national unity government reflects the diversity of Iraqi society and is the product of an election noteworthy for its high levels of participation by all major Iraqi communities. In three years, Iraq has gone from Saddam's one-man rule to an inclusive national unity government chosen by a freely elected parliament under a popularly ratified constitution.

The new government has tough work ahead of it to address many pressing needs. The Prime Minister has stated that the new government is committed to upholding the rule of

law, promoting Iraqi unity and national reconciliation, protecting and increasing its resources, and using them to benefit all Iraqis.

Formation of this new government, from the parliament elected on December 15, 2005—in which 77% of the population voted, in fulfillment of the Constitution ratified by the Iraqi people on October 15—represents the culmination of the democratic process launched by the Iraqi people, with Coalition support, after their liberation from tyranny in April 2003. The United States remains committed to meeting the important challenge of helping Iraqis build bridges of trust across ethnic and sectarian lines, establishing security and rule of law for all Iraqis, increasing basic services and economic opportunity, and fighting corruption.

Although the seating of the elected government is a critical political milestone towards victory in Iraq, it is not the final one. Major political events over the next year include, but are not limited to, implementation of enabling legislation, a constitutional amendment process, and provincial elections.



The new Iraqi government will be responsible for passing enabling legislation to clarify and codify general provisions of the new Constitution adopted by popular referendum on October 15, 2005. The new Constitution calls for approximately 55 enabling or implementing laws to make the Constitution operative, including such significant and broad areas as the judiciary and natural resource management. The new government's progress in passing this enabling legislation will be an important measure of progress in the continuing political process. Another important measure of progress will be the smooth transition of leadership in the various ministries to minimize disruption.

Now that the government has been seated, the Council of Representatives (CoR) will form a Constitution Review Committee to make recommendations for changes to the Constitution. The committee will have four

months from its formation to make recommendations and report back to the CoR. Upon approval, the changes will be submitted to the Iraqi people within two months for a vote. This will be a dynamic process and Iraqi leaders may adjust the current timelines in order to give priority to other urgent tasks.

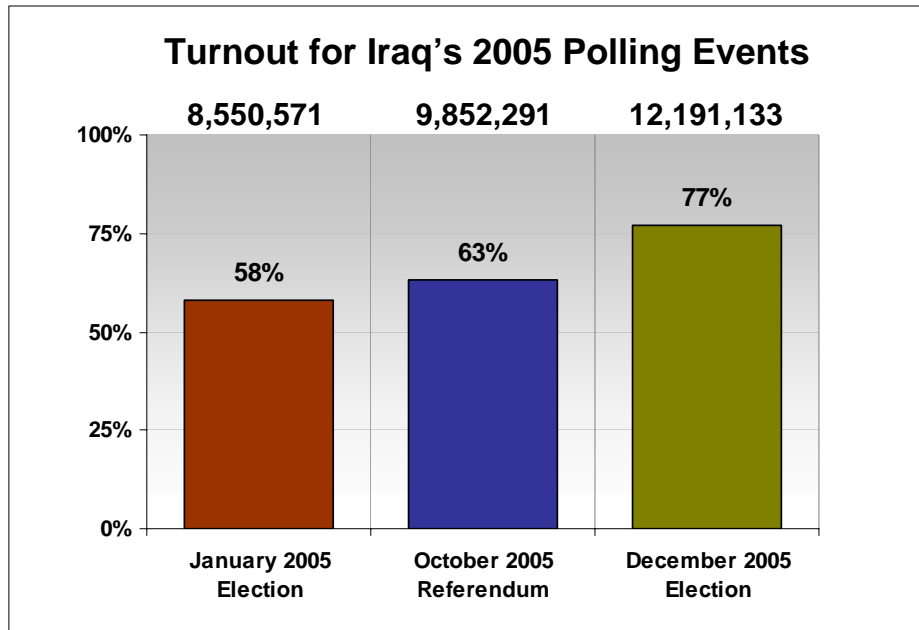
The chart above illustrates the timeline and benchmarks for the political process in Iraq.

Participation in the Political Process

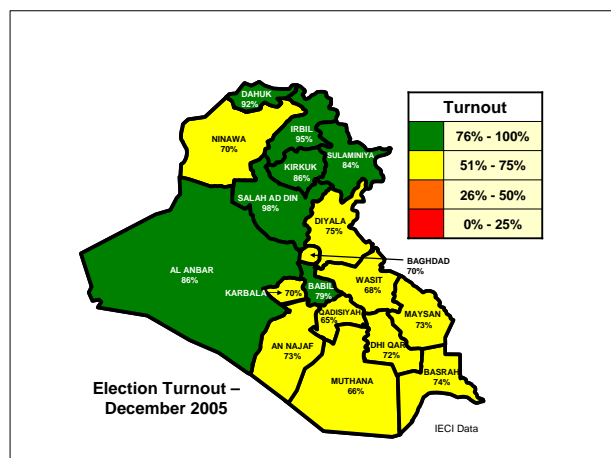
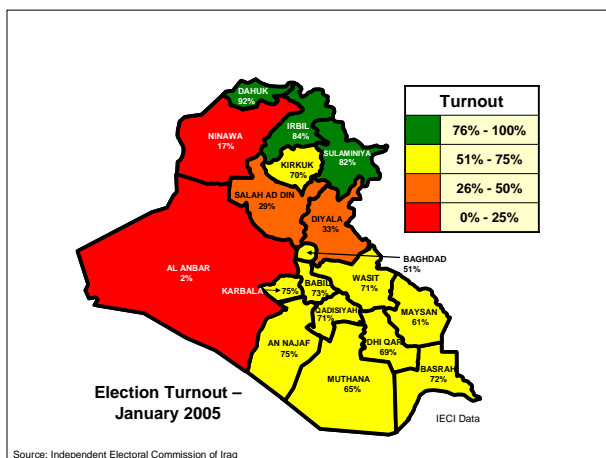
Beginning with the November 15, 2003, Agreement between the Coalition Provisional Authority and the Iraqi Governing Council and the Transitional Administrative Law agreed to on March 8, 2004, and progressing through elections and formation of a new government, a key objective has been to expand avenues of participation in the political process and ensure that all major communities in Iraq accept the process as

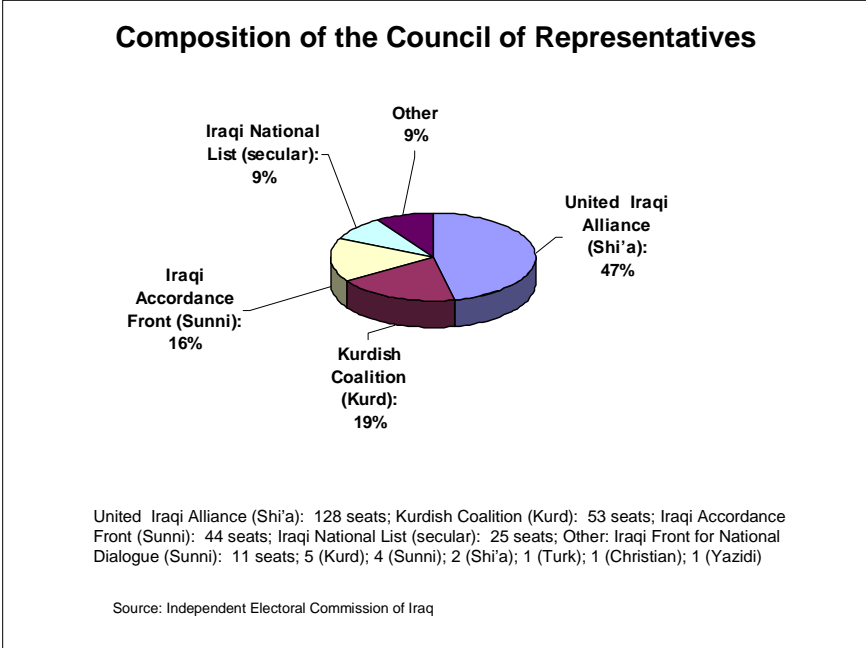
legitimate and effective in advancing their interests. Extensive outreach efforts helped advance the political process and led to the significant engagement of all communities—including participation by Sunnis in the political process and an acceptance of their role by Iraq’s other communities. The broad-based participation by all segments of Iraqi

society in last December’s election was a noteworthy achievement, especially the substantial participation by Sunnis, which resulted in a large bloc of Sunni parliamentarians and increases the likelihood of a sustainable political arrangement.



Growth in Participation in the Electoral Process





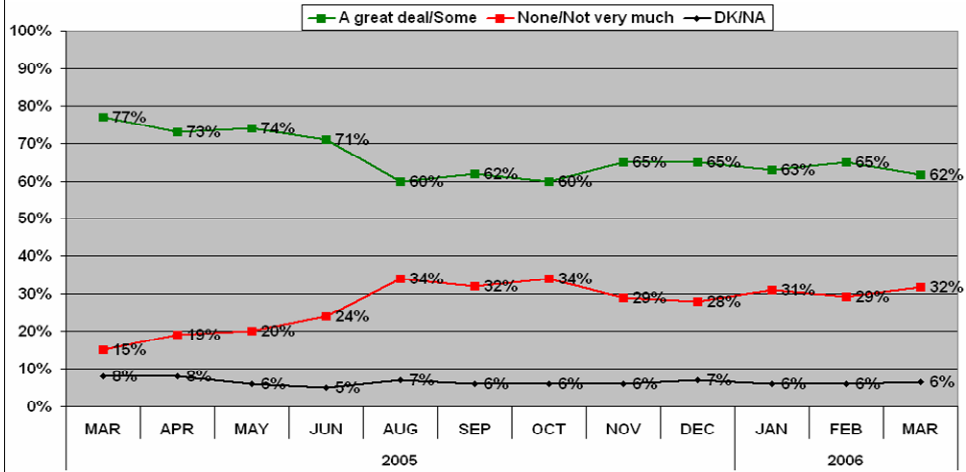
With voter turnout close to 77%, the final results of the December 2005 elections were certified by the Independent Electoral Commission of Iraq on February 10, 2006. The final results reflect Iraq's ethnic/sectarian balances. The Arab Shi'a-based United Iraqi Alliance (UIA) won 128 seats in the 275-seat assembly, the largest bloc among the contestants. This plurality, however, was not sufficient for the UIA to form a government independently. Completion of the government formation process requires a two-thirds super-majority in the Council of Representatives (CoR) for appointment of the Presidency Council and an absolute majority for other key post members. As a result, it was necessary to form a coalition government, drawing from some or all of the other large blocs in the CoR (i.e., the Kurdish Coalition, the Sunni Arab parties, and the non-sectarian Iraqi National List electoral coalitions).

The opportunity for a true unity government with broad-based buy-in from major electoral

lists and all of Iraq's communities is the direct result of the efforts of Iraqi leaders to expand participation in the political process. These efforts have succeeded, and at every stage Iraqi leaders have had to bargain and compromise.

Iraqi views of the effectiveness of the democratic process and government continue to develop. As the following charts show, the majority of Iraqis are confident in the government to improve the situation in the country, despite all the challenges ahead. They also believe that the government is leading Iraq in the right direction. As the data are broken down by province, however, it is clear that the Northern and Southern areas of the country have a more positive view of the central government than the Sunni areas of Central and Western Iraq. Nevertheless, the population tends to regard the national government as more capable than their provincial governments

CONFIDENCE IN THE GOVERNMENT TO IMPROVE THE SITUATION

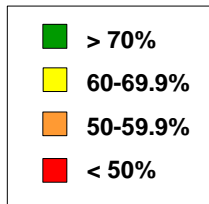


Source: Nationwide Survey, March 2006

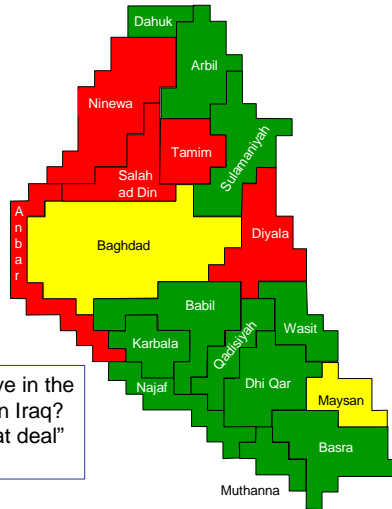
Confidence in Government

National Government

Population weighted map

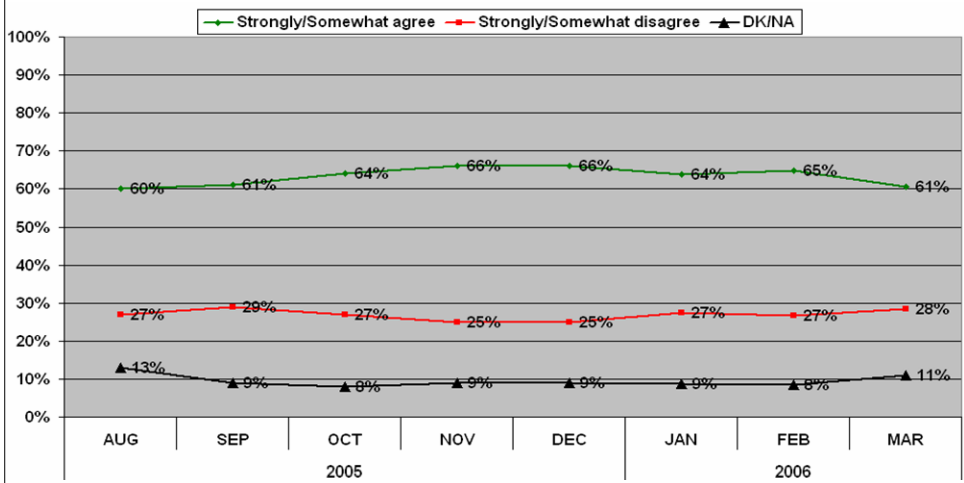


Poll: How much confidence do you have in the government to improve the situation in Iraq? (Depicts those that responded "a great deal" or "some confidence.")



Source: Nationwide Survey, March 2006

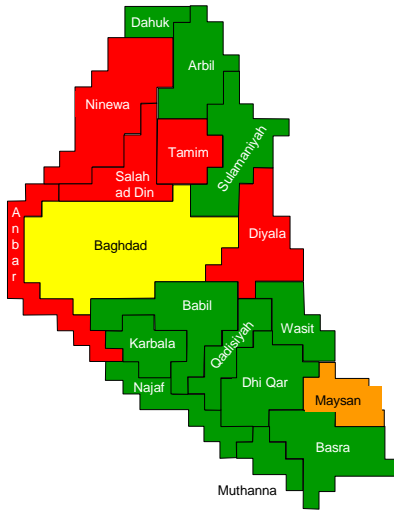
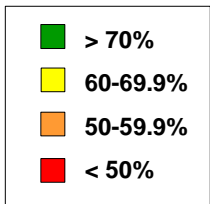
NATIONAL GOVERNMENT IS LEADING THE COUNTRY IN THE RIGHT DIRECTION



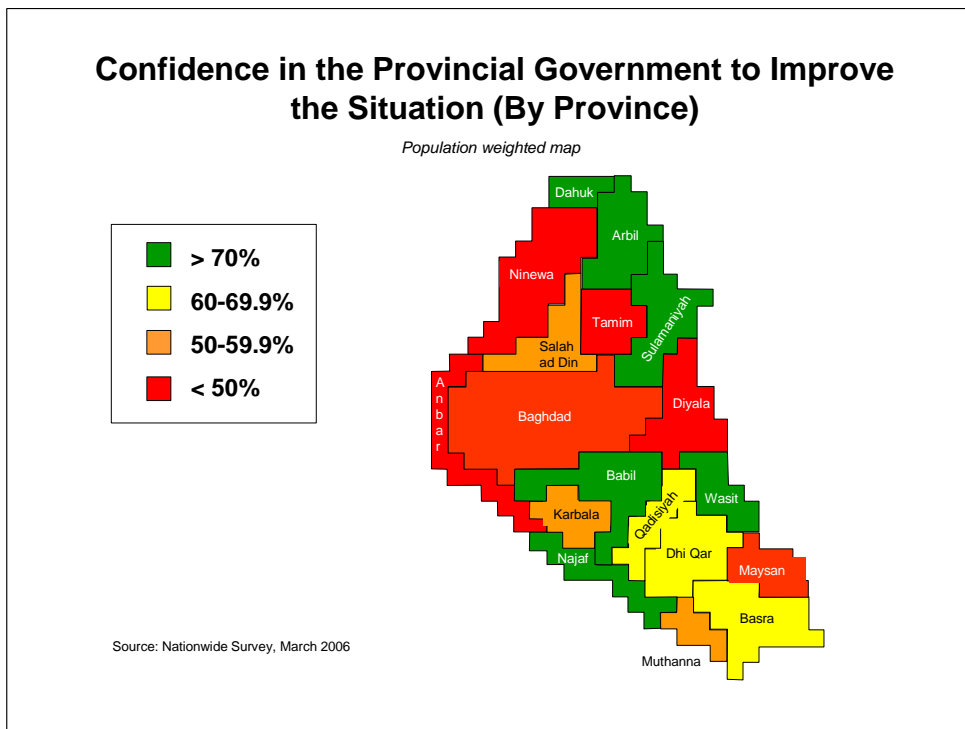
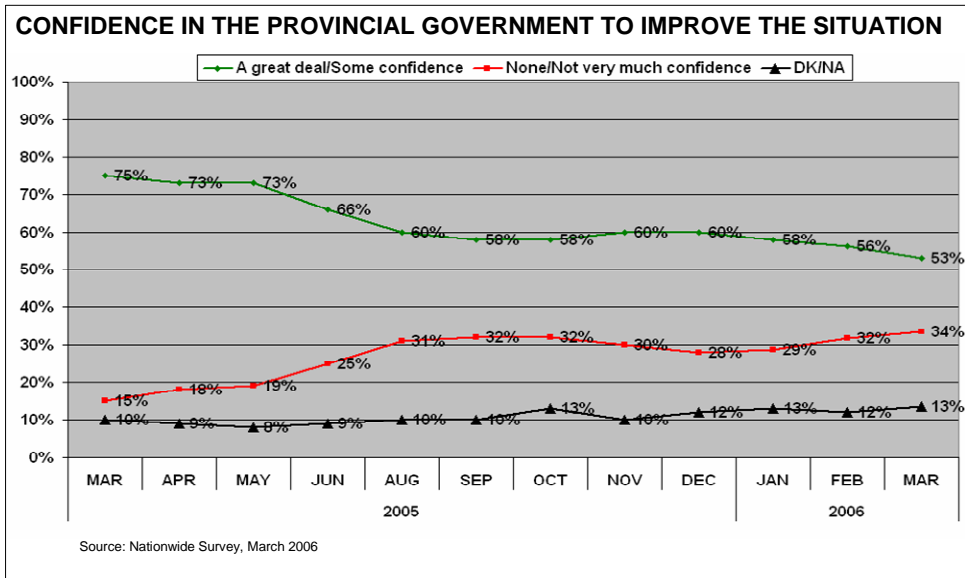
Source: Nationwide Survey, March 2006

National Government Is Leading the Country in the Right Direction (By Province)

Population weighted map

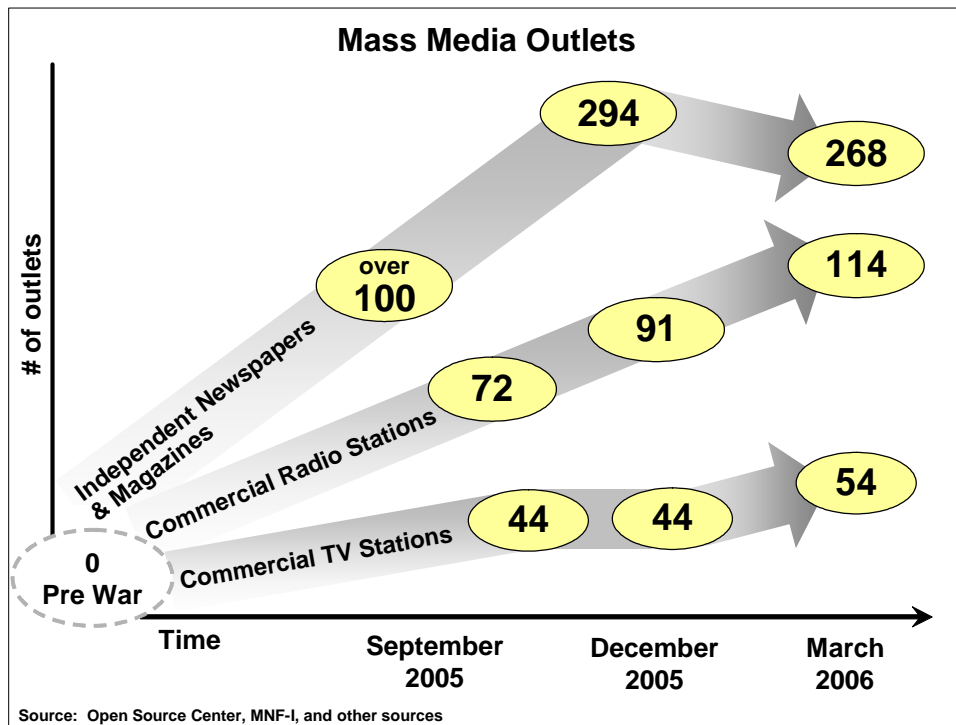


Source: Nationwide Survey, March 2006



Participation in the political process is also reflected in the continued growth of a free and open press—another hallmark of a free

and democratic society. Vibrant and diverse independent mass media continue to develop in Iraq.



Establishment of Rule of Law Institutions

Political stability is predicated upon the rule of law. The United States, its Coalition partners, and other international donors are helping Iraq strengthen the rule of law by committing resources to help Iraqis build a legal system that instills confidence in their new government. Iraq's rule of law institutions include:

- the judiciary and judicial system;
- the Ministry of Justice and the Iraqi Correction System;
- anti-corruption institutions; and
- the Ministry of Interior (addressed in this report under Iraqi Security Forces).

Judiciary

Promoting an independent, unbiased, and just judicial system through technical assistance

and training of prosecutors, attorneys, and judges is an essential part of implementing the rule of law in Iraq. As reported previously, the relatively small number of Iraqi judges (fewer than 800 nationwide, out of a projected need for at least 1,200) face profound challenges, both procedural and substantive, in responding to a large criminal caseload, and an equally large number of detainees. However, it is important to note that currently there are 150 judges in a 2-year training program that concludes in January 2007, at which time they will join the bench and another 150 judges will join the training program. Thus, by January 2009, the total number of trained judges will be 1,100.

The Higher Juridical Council (HJC), an assembly of 25 judges and court staff representing diverse components of the Iraqi judicial system, continues to administer the work, function, and overall operation of the courts—criminal and civil, trial and appellate.

The U.S. Department of Justice and other offices and operations (both civilian and military) at the U.S. Embassy in Baghdad are working with the HJC's Chief Justice to identify programs and mechanisms to enhance the capacity of the Judicial Training Institute and to allow him to appoint Iraqi judges with greater facility and frequency in the immediate future.

Inextricably tied to this issue is the related and equally compelling problem of threats of violence—and actual acts of violence—against members of the sitting judiciary. Virtually no month passes without some serious threat and/or act of violence visited upon a judge. The U.S. Government has responded by providing secure housing, personal security details, courthouse protection, and personal protection firearms to some members of the Iraqi judiciary through the U.S. Department of Justice's Marshal Services. These efforts are paying off, as illustrated by the 47% decrease in assaults against members of the judiciary since May 2005.

The Iraqi High Tribunal (IHT) is an independent judicial body established to prosecute members of the former Iraqi regime for war crimes, genocide, crimes against humanity, and a limited number of offenses under the Iraqi criminal code. The IHT reviews individuals placed in detention for Coalition forces to determine if they are potentially subject to prosecution. As of March 26, the IHT had arrest warrants against 67 individuals who were being held in physical and legal custody by Multi-National Force-Iraq (MNF-I). The MNF-I held an additional 10 detainees who are under review by the IHT to determine if an arrest warrant should be issued or if they should be recommended for conditional release.

Currently, the Iraqi High Tribunal is prosecuting Saddam Hussein and seven other defendants, including Barzan al-Tikriti (former Head of Iraqi Intelligence), Taha Ramadan (former Vice President), and Awad al-Bandar (former Chief Judge of the Revolutionary Court). The case focuses on the destruction of the village of Ad-Dujayl (a small farming community located approximately 50 km north of Baghdad) following a failed assassination attempt against Saddam Hussein in 1982. The regime conducted a coordinated retaliation against the villagers, including the execution of 148 people, including more than 25 children; mass internment of more than 1,400 of the town's residents; and the destruction of orchards. The prosecution has completed its presentation of complainants, witnesses, and evidence. The Trial Chamber presented final charges against the defendants on May 15, 2006. The case has moved to the defense phase. A verdict of guilty would be followed by a sentencing phase and, most likely, an appeal.

The U.S. Embassy's Regime Crimes Liaison Office is actively supporting the investigation and prosecution of cases against an additional five former regime members. These cases include atrocities against the Kurds; suppression of the 1991 uprising; draining of southern marshes that led to the mass relocation and mass execution of certain Bedouins, commonly known as Marsh Arabs; establishment of repressive "special" courts; and the 1990 invasion of Kuwait.

Ministry of Justice

U.S. Department of Justice advisors, working through the International Criminal Training Assistance Program, have trained and mentored Iraqis at every level of the Ministry of Justice since the fall of the Ba'athist regime.

A challenge facing the Ministry of Justice (MOJ) is providing adequate capacity to house the detainee and prisoner population. The MOJ currently operates prisons at 19 locations, including 13 facilities holding male inmates and 13 facilities holding both female and juvenile inmates, that house about 10,000 convicted and pretrial detainees. With assistance from U.S. reconstruction funds, three new prison facilities (Khan Bani Sa'ad, Nasiriyah, and Dahuk) are under construction and should add 3,800 beds by late 2006 or early 2007. A fourth facility planned at Basrah Central will add another 1,200 beds. In addition, MNF-I forces are training Iraqi correction officers in anticipation of eventual turnover of security detainees and possible turnover of additional detention facilities. However, substantial additional capacity will still be required to prevent overcrowding.

Anti-Corruption Institutions and Programs

Corruption remains a serious problem in Iraq. The statist and over-regulated nature of the economy, inherited from the dictatorial regime, provides ample opportunities for illicit behavior. Subsidies dating to the Saddam era offer incentives for corrupt transactions in the energy and foodstuff sectors. Active attacks on anti-corruption entities by individuals and political interests are significant problems. The United States is working closely with Iraqi institutions to address the problems of corruption.

The Iraqi government has begun to change the economic environment that encourages corrupt behavior, most notably by beginning to remove massive subsidies on petroleum products and foodstuffs. Efforts to privatize state-owned firms, still dominant features of the economy, are beginning. The seating of the permanent government under the Constitution should help make possible more systematic and sustained action to reform the

economy. The Government has already, however, put in place the foundations of a comprehensive anti-corruption system, built around the:

- Commission on Public Integrity;
- ministries' Inspectors General; and
- Board of Supreme Audit.

Final adjudication of corruption cases is the responsibility of a five-judge panel of the Central Criminal Court of Iraq (CCCI). The Commission on Public Integrity and the Inspectors General were created by Coalition Provisional Authority (CPA) orders in early 2004. The Board of Supreme Audit pre-dates the Saddam Hussein regime, but was re-established with a new mandate by CPA order in 2004 as the supreme auditing body in Iraq.

The Commission on Public Integrity (CPI) now has 180 active investigators, more than 1,000 personnel, and 4 provincial offices. In 2005, the CPI conducted more than 2,600 investigations and referred more than 600 cases to the Central Criminal Court of Iraq for criminal proceedings. The number of convictions, however, remains low.

There are now 31 ministry Inspectors General (IGs), one in each ministry, with a total IG staff of more than 2,000 personnel. In 2005, the IGs conducted more than 3,700 ministry audits, 1,000 inspections, and 2,700 investigations. Of these, more than 1,100 criminal cases have been referred to the Commission on Public Integrity for action, and another 250 cases were sent directly to the Iraqi courts system through the IG for the Ministry of Justice.

Since the end of 2004, the Board of Supreme Audit has conducted required audits of every government entity. One audit resulted in a landmark Commission on Public Integrity

investigation into allegations of corruption in Ministry of Defense procurement during the Interim Government.

The United States funds a number of special advisors who work with each of the anti-corruption institutions in building their capacity. Four advisors to the Commission on Public Integrity were funded in 2004; 12 advisors were funded in 2005. One Inspector General-advisor position was funded in 2004; this number was increased to two in 2005. The Board of Supreme Audit also has one advisor. Technical assistance will continue to help develop laws, systems, and institutions that provide necessary checks and balances in the handling of public finances and to develop law enforcement capacity that is effective and active in the fight against corruption.

In addition to working directly with Iraq's anti-corruption institutions, the United States is funding extensive work with the Iraqi Ministry of Finance and other major ministries to install effective systems for budget planning and execution that will improve the transparency of the budget process.

United States assistance is helping build the foundation for solid civil society institutions in Iraq. One program provided investigative journalism training to working Iraqi journalists, reporters, and editors from print; TV and radio journalists; online journalists; and journalism professors. This training reinforced the media's "watchdog" role in the fight against corruption. Since October 2004, a U.S. Government-funded Iraq Civil Society and Media Program, which works with civil society organizations throughout Iraq, has also been in operation. The program uses a three-pronged approach—increasing public awareness, anti-corruption advocacy, and workshops and technical assistance—to combat corruption.

The U.S. Government is also funding assistance to the Iraqi judiciary, particularly in the area of strengthening judicial integrity and capacity. Assistance includes a training program on judicial independence, governmental accountability, and human rights. This funding also provides training courses to ministry Inspectors General in the areas of ethics, corruption, internal audits, and international accounting principles. The corrosive effect of corruption in Iraq has been a consistent theme in Prime Minister al-Maliki's public statements. Most recently, when announcing the formation his cabinet, the Prime Minister stated that he would personally assume supervision over combating corruption.

Expansion of International Support for Iraq

The United Nations Security Council unanimously passed a series of resolutions that authorize the presence of Coalition forces in Iraq and that demonstrate continued international backing for the Iraqi political process. The UN maintains its presence in Iraq through the United Nations Assistance Mission Iraq (UNAMI). This mission played an essential role in supporting the Independent Electoral Commission of Iraq in the electoral process, helping ensure that the process led to the final ratification of the official results. The UNAMI has made important contributions to the recent period preceding government formation by maintaining essential communication links with all parties in the process. The proposed opening of the UNAMI base in Irbil would be an important milestone for the UN presence in Iraq and would allow further expansion in the capacity of the UN to assist in governance, reconstruction, and humanitarian activities in northern Iraq.

Other donor activities include the following.

- The international donor community, apart from U.S. contributions, has pledged \$13.5 billion in assistance, much of it in the form of low-interest loans; as of March 2006, more than \$3.5 billion had been disbursed.
- International support to the Iraqi Security Forces includes the NATO Training Mission, the United Nations Assistance Mission Iraq protection force, and support for the police and judiciary by European countries and the European Union.
- Most donor countries cite risk to staff and associated security costs as the main reason for delays in carrying out their pledges. Efforts are being made to eliminate the major hurdles of security and costs of operations faced by donors in Baghdad. Plans are being implemented to provide a secure living and work space for donor nations within the International Zone, called the Donor Village.

Economic Activity

The President's National Strategy for Victory in Iraq highlights three objectives in helping the Iraqis build their economy:

- building the capacity of Iraqi institutions to maintain infrastructure, rejoin the international economic community, and improve the general welfare of all Iraqis;
- reforming Iraq's economy, which has been shaped by war, dictatorship, and sanctions, so that it can be self-sustaining in the future; and
- restoring Iraq's neglected infrastructure so it can meet increasing demand and the needs of a growing economy.

This strategy complements the National Development Strategy (2005-2007) of the Government of Iraq, whose national economic objectives are:

- strengthening the foundations of economic growth;
- revitalizing the private sector;
- improving the quality of life; and
- strengthening good governance and security.

Building the Iraqi Economy

The Iraqi government continued to make progress implementing its economic agenda, despite numerous challenges. The primary objective of the economic reform program is to maintain macroeconomic and financial stability, while providing for investment in both the oil and the non-oil sectors to secure the basis for sustainable growth and transition to a market economy. In the near term, the Iraqi government is attempting to improve administrative capacity; reduce subsidies (especially for petroleum products); and target more resources for health, education, security, and provision of reliable electricity.

A major challenge to the economic agenda has been the delay in forming the new government, which led to a postponement of the first quarterly review under Iraq's Stand-By Arrangement with the International Monetary Fund. The delay in forming the new government also slowed economic reform efforts. In December 2005, the Iraqi government began a schedule of fuel subsidy reductions designed to reduce price distortions, smuggling, and corruption, and to add \$1 billion to budget revenues in 2006. The government carried out the first reduction in December, but a planned March reduction was postponed and will likely be included in future reductions later in the year. To help

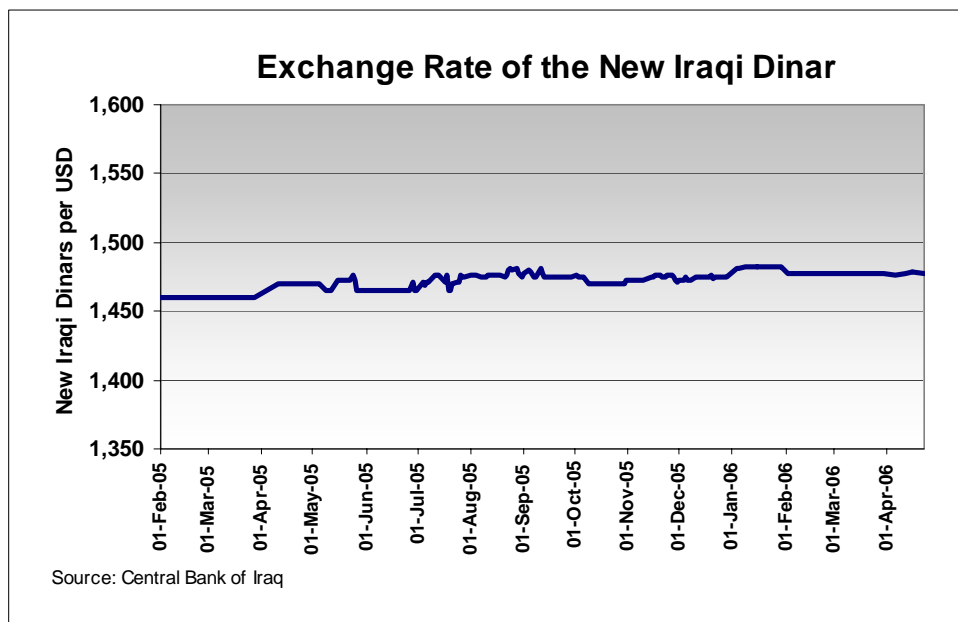
gain public support for this effort, the U.S. Government has been working with the Iraqi government to roll out a subsidy reform public education campaign.

Other aspects of the reform program have moved ahead. In March 2006, the government ordered the Ministry of Oil to license private firms to import premium refined fuel products (high-test benzene and low-sulphur diesel) at full market price, tax-free, and without quantity restrictions. The Ministry of Oil needs to draft licensing regulations to implement the order. If fully implemented, this action will increase fuel supplies as well as reduce incentives for corruption in the fuel distribution network.

In February 2006, the Ministry of Finance completed the first draft of a fully detailed budget classification and chart of accounts in line with International Monetary Fund's Government Financial Statistics Manual 2001. In addition, the Central Bank of Iraq (CBI) has made significant progress in establishing a modern electronic banking system, the National Payments System. The rules and regulations for the payments system are com-

plete, the headquarters in Baghdad of the two largest state-owned banks are already connected to the CBI, and the remaining state-owned and private commercial banks will be connected through a telecommunications system funded by the World Bank.

Iraq has also been successful in maintaining fiscal stability through cautious management of the budget. Because the government is not in a position to borrow domestically or internationally to finance a deficit, revenue shortfalls could become financing gaps without careful management of expenditures. The government will need to maintain control over the wage and pension bill and provincial government expenditures, while steadily decreasing government subsidies and increasing capital expenditures. The United States and other international advisors are working with Iraqis to improve the government's capacity to draft and execute a sustainable budget. The United States is also working with the Ministry of Finance to implement financial management systems that will provide greater transparency into the government's budget and expenditure processes.



Managing the budget will be a particular challenge this year, as first quarter revenues fell below projections because oil production and export volumes were lower than expected. Higher than expected oil prices are helping mitigate revenue shortfalls, as is slower than projected expenditure for capital investment. Nevertheless, under-spending of the capital budget threatens to slow the pace of reconstruction and limit investment in oil infrastructure.

In addition to managing the budget, the new government will need to focus on banking sector reform as part of a broad strategy to revitalize Iraq's private sector. The United States continues to provide assistance through programs to improve the financial payments system, to strengthen central bank monitoring of commercial banks, and to provide technical assistance on reforming state-owned banks. Other U.S. programs support micro-credit lending to emerging Iraqi entrepreneurs and small- and medium-enterprise loans for Iraqi businesses, which support job creation in the most dynamic part of the Iraqi economy. The United States is also providing technical assistance to help redevelop the Iraqi agricultural sector.

Integrating Iraq into the World Economy

The United States continues to work with the Iraqi government and international donors to maximize effective reconstruction assistance for Iraq. At the October 2003 International Donors' Conference in Madrid, donors other than the United States pledged more than \$13.5 billion in assistance for the reconstruction of Iraq. This includes \$8 billion in assistance from foreign governments and \$5.5 billion in lending from the World Bank and the International Monetary Fund—all to be disbursed between 2004 and 2007. As of March 2006, more than \$3.5 billion of the

non-U.S. pledges had been disbursed or made available for the Iraqi government to draw on; about \$3 billion of this was from donor governments, either in bilateral projects or through the World Bank and UN-administered International Reconstruction Fund Facility for Iraq.

The Iraqi government continues to make progress in reducing its external debt. Iraq's high level of Saddam-era debt (approximately \$125 billion) precluded it from borrowing abroad and levied an unmanageable burden on its economy. The agreement of Paris Club members (plus Korea) in November 2004 to reduce their claims on Iraq by 80%, combined with similar treatment from non-Paris Club creditors, will help bring Iraq's debt to sustainable levels. Thus far, Iraq has qualified for a 60% reduction in Paris Club claims and will qualify for an additional 20% reduction after three years of successful performance under the Stand-By Arrangement and successor arrangements. As of May 2006, 17 of the 18 Paris Club creditors had signed such agreements. The process of debt reconciliation with non-Paris Club creditors is moving more slowly, but several countries have already signed agreements providing debt relief on Paris Club terms. Others, including some of the largest creditors, have indicated a willingness to provide debt relief on terms at least as favorable as those of the Paris Club.

Iraq's settling of its commercial debt on terms comparable to the Paris Club also has been successful. Creditors have agreed to receive cash or new debt in the form of sovereign bonds for about \$18 billion of the \$22 billion in commercial claims. More than 10,000 outstanding claims to commercial creditors have been resolved, with 96% of the creditors (by value) who received offers having accepted.

Macroeconomic Indicators

Economic indicators are collected and published regularly, largely through the Iraqi Ministry of Planning and Development Cooperation and international organizations, such as the World Bank, the United Nations Development Programme, and the International Monetary Fund (IMF). Data quality and reporting have improved, but Iraq's ability to generate regular and comprehensive macroeconomic data is still limited due to the legacy of the previous regime and post-war difficulties. The United States and international financial institutions are providing assistance to improve the capacity of the Ministry of Planning and Development Cooperation, the Central Office of Statistics and Information Technology, the Ministry of Finance, and the Central Bank of Iraq to collect and produce such statistics. The U.S. State Department's Iraq Reconstruction Management Office is able to track performance metrics on some indicators on a weekly basis. Data from the IMF have not been updated since the February report to Congress because postponement of the first review of perform-

ance under the Stand-By Arrangement has delayed publication of new data and projections.

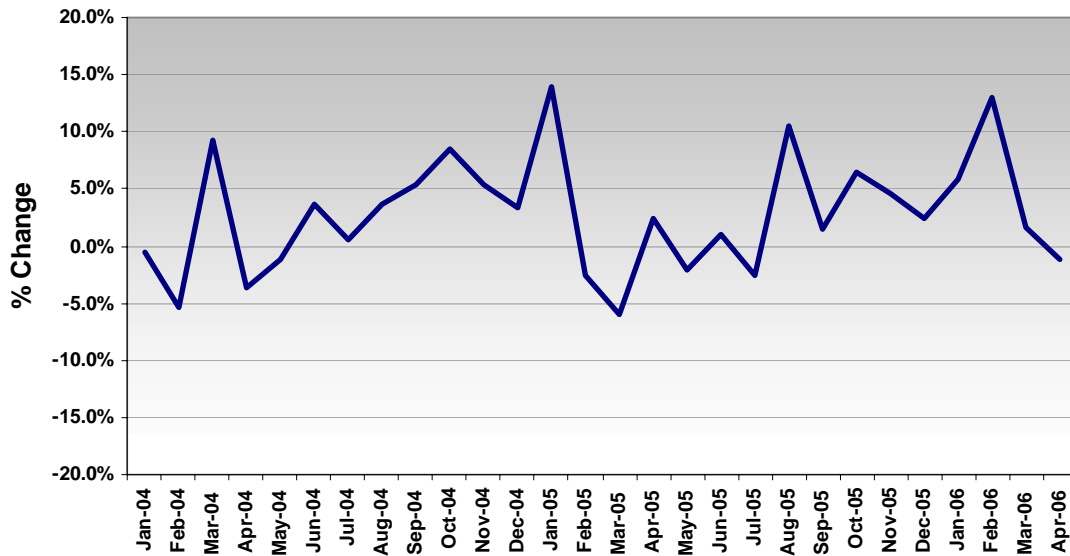
As outlined in the table below, projections from the International Monetary Fund and the World Bank assume that economic growth over the medium term will remain dependent on the performance of the oil sector, as it accounts for more than two-thirds of Iraq's Gross Domestic Product (GDP). The outlook also assumes that the Iraqi government's investment in the oil sector will generate increased oil production and strong GDP growth over the medium term. Strong export revenue and reduction in subsidies will lead to sustainable budgets and moderate inflation. Risks to this scenario include the difficult security situation, political uncertainties associated with a new government and Constitution, problems managing a large reconstruction program, a possible decline in export prices, and a possible lower than expected expansion in oil production. The new Iraqi government will need to exert strong leadership to keep the program on track.

GDP Estimates and Projections, 2004-2007

	2004e	2005p	2006p	2007p
Nominal GDP (in USD billion)	25.7	33.2	41.7	52.8
Government Oil Revenue (in % of GDP)	69.6	67.8	72.9	74.2
Per Capita GDP (USD)	949.0	1,189.0	1,452.0	1,783.0
Real GDP Growth Rate (%)	46.5	2.6	10.4	15.5
Primary Fiscal Balance (in % of GDP)	-39.6	-10.8	-8.2	-0.3
Consumer Price Inflation (annual %)	32.0	33.0	22.0	10.0

Source: World Bank and International Monetary Fund estimates (e) and projections (p).

Monthly Consumer Price Index (% Change)

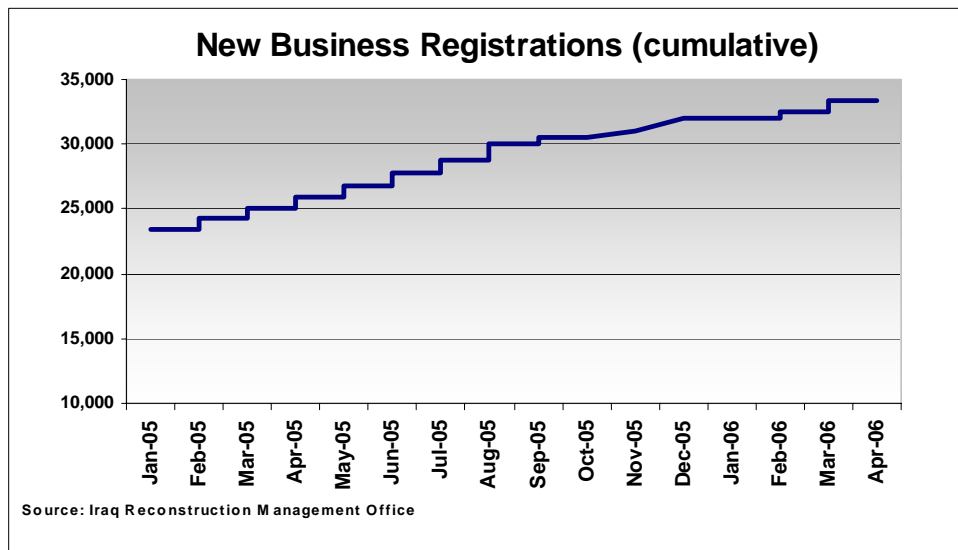
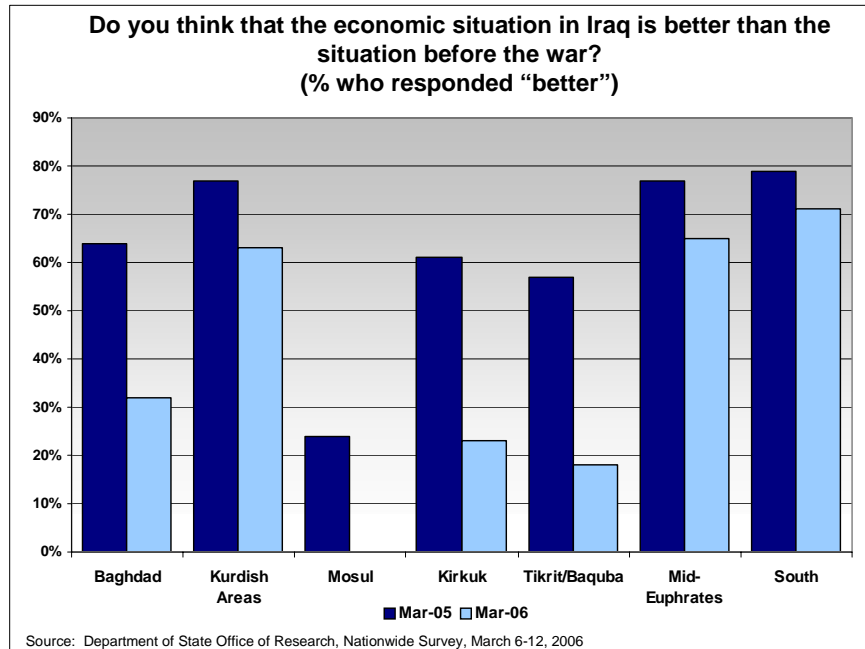


Inflation continues to be volatile, with spikes generally caused by commodity shortages and seasonal variations. The sharp rise in the February 2006 Consumer Price Index (13.1%) was due to fuel subsidy reductions and was followed by an increase of 1.7% in March. The high inflation in the first quarter of 2006 tempered in April, declining by 1.2%. The decline was due to decreases in fuel, electricity, and medical/medicine prices.

Unemployment and poverty remain concerns, although there are substantial difficulties in measuring them accurately. Official Iraqi unemployment statistics from the Government of Iraq place unemployment at 18%. Other estimates range between 25% and 40% due to employment definition discrepancies, the difficult reporting environment, and dif-

ferences in estimates of employment in the informal versus formal economy. It is likely that the increase in entrepreneurial activity and associated employment may not be accurately captured in most surveys.

Polling data indicate that the Iraqi public's perceptions of the state of the economy are mixed, although they are generally more pessimistic than they were a year ago. There are wide differences between respondents in less violent areas (Kurdish North and largely Shi'a South), where substantial majorities continue to believe the economic situation is better than before the war (Operation Iraqi Freedom), and the so-called "Sunni Heartland," where most do not see the economy as better than before the war.



There is evidence Iraqi private sector activity continues to expand. U.S. Government agencies attempt to spur private sector activity with microfinance loans, bank lending to small- and medium-sized enterprises, capital

market development, business skills development, vocational training, investment promotion, business center support, and creation of economic zones.

Sector Indicators

Oil Infrastructure

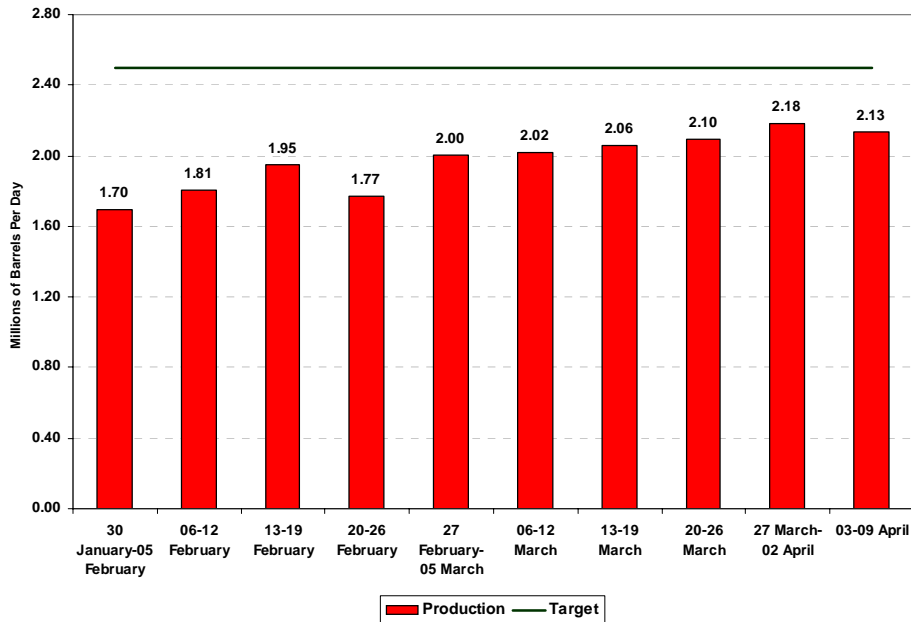
When Coalition forces began Operation Iraqi Freedom, they entered a country whose energy infrastructure had deteriorated over many years. The Coalition set out to help the Iraqi government restore oil facilities; increase production; and improve refining, natural gas production, and pipeline facilities. Terrorist attacks, dilapidated infrastructure, poor maintenance, and other challenges have slowed progress. Beyond attacks on various worksites, terrorists have attacked crude export and petroleum product pipelines, impeding exports and the refining and distribution of petroleum products, such as gasoline and diesel.

Crude oil production remained steady at an average of 1.9 million barrels per day (mbpd) in the first four months of 2006, while

exports increased from an average of 1.2 mbpd early in the first quarter to 1.4 mbpd. Poor weather and a lack of storage facilities in the South, and pipeline maintenance challenges and sabotage in the North hurt production and exports. Achieving oil production export goals continued to be hampered by intimidation of workers and terrorist attacks on infrastructure. Poor maintenance practices, logistical bottlenecks, inadequate capital investment, increased demand, and terrorist attacks on oil plants and pipelines have caused shortages of liquefied petroleum gas, gasoline, kerosene, and diesel.

Reconstruction efforts are under way to help Iraqis increase oil production and exports. For example, the al-Fatah project, a major river-crossing project—key to increasing oil exports from Northern oil fields—is 99% complete. The al-Basrah Oil Terminal is also being refurbished to improve tanker loading efficiency in the South.

Oil Production – Weekly Average



Source: Iraq Reconstruction Management Office

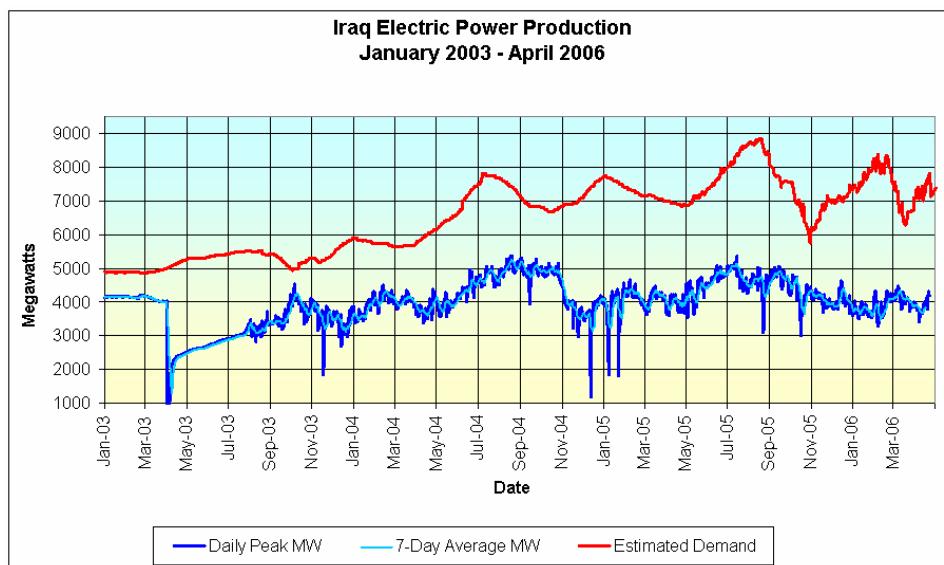
Electricity

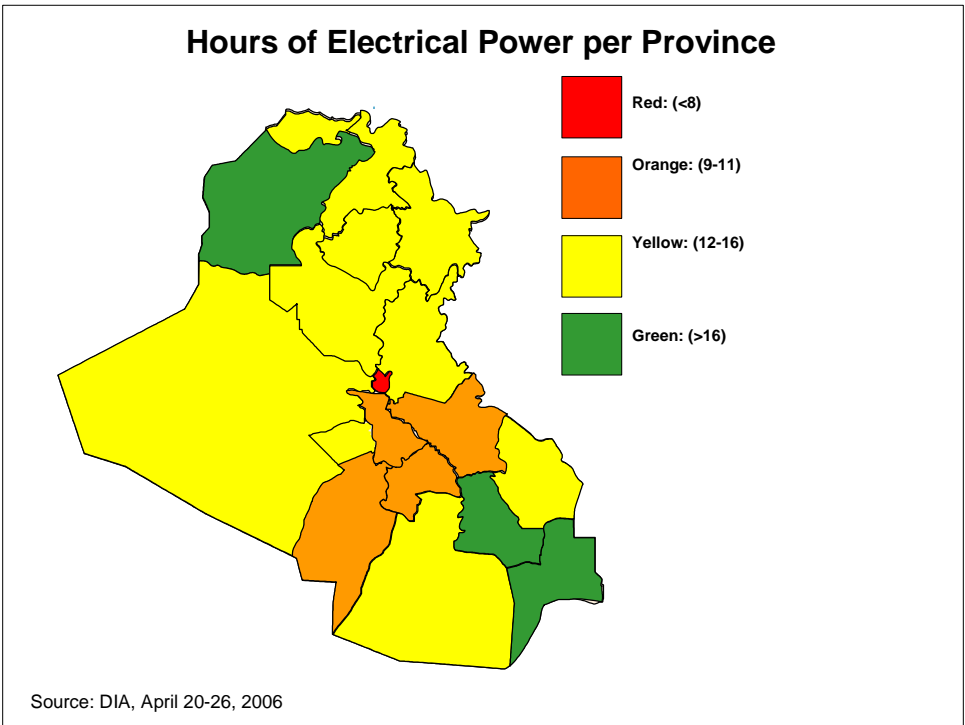
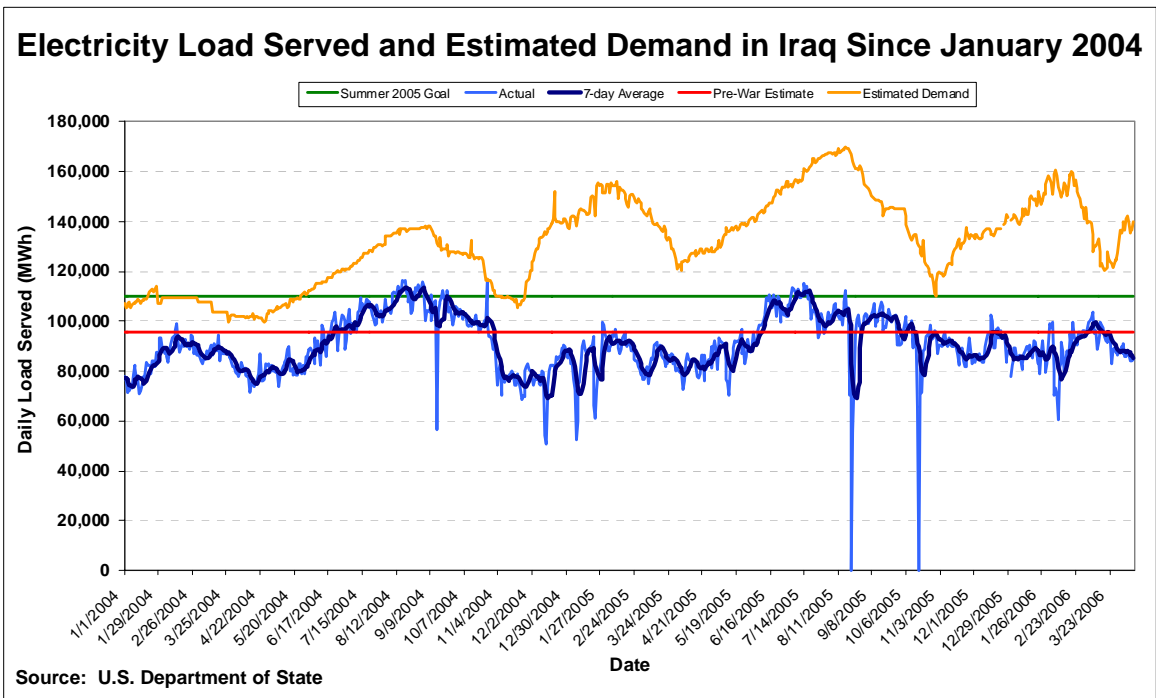
Delivering adequate electric power throughout Iraq continues to be difficult due to substandard operations and maintenance practices, rapidly increasing consumer demand, sabotage, shortages of refined fuel, reconstruction challenges, and an infrastructure that has been deteriorating for years. These challenges have partially offset advances that the Iraqis and Coalition partners have made in this sector, including the rehabilitation of various units at power plants and training of Iraqis to operate them. Distribution projects that will provide more equitable power distribution to millions of Iraqis, ensuring that as many Iraqis as possible will have access to electricity, are under way.

More than \$1 billion in electricity projects have been completed. An additional \$1.1 billion worth of projects will increase transmission stability and add 500 MW of

generating capacity. The U.S. Government is working with the Iraqi government to encourage proper operations and maintenance practices and training at electricity power plants, particularly around Baghdad. Efforts also are under way to support added generation of power and to improve the resiliency and redundancy of electricity infrastructure.

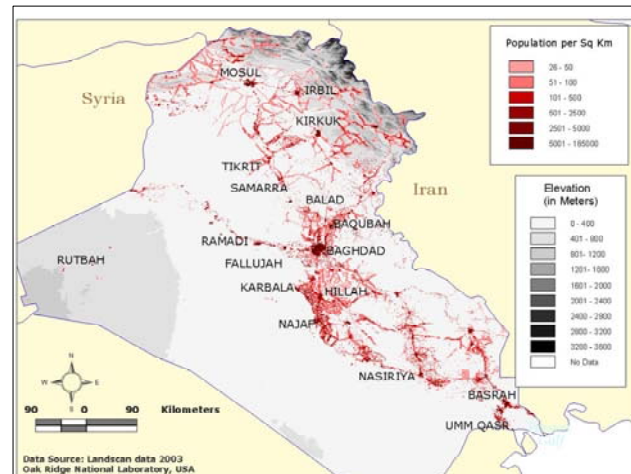
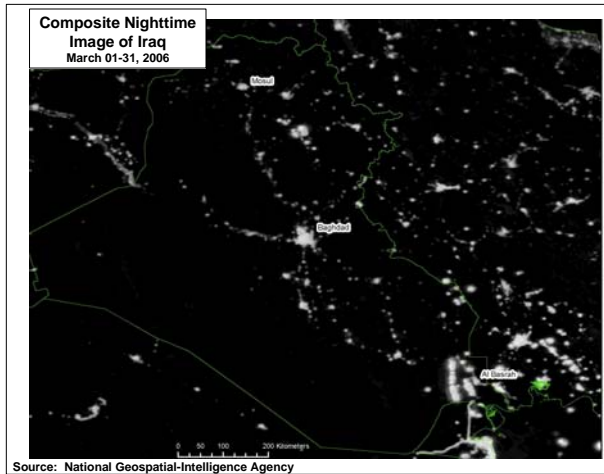
Peak capacity for the 3-month reporting period January 16 through April 15—a period of seasonally declining demand—averaged 3,916 megawatts (weekly average), and daily load served averaged 89,450 megawatt hours. Hours of power vary throughout the country, with the national average at 11 hours of electricity each day. Baghdad averages 6 hours of state-generated power, while Basrah and the Northern provinces average more than 13 hours each day. Demand will continue to rise during the summer months due to increased use of air conditioners and other electrical appliances.





During times where state-generated electricity is not available, many Iraqis meet their electricity requirements through private

sources, as seen in a composite night view of Iraq.

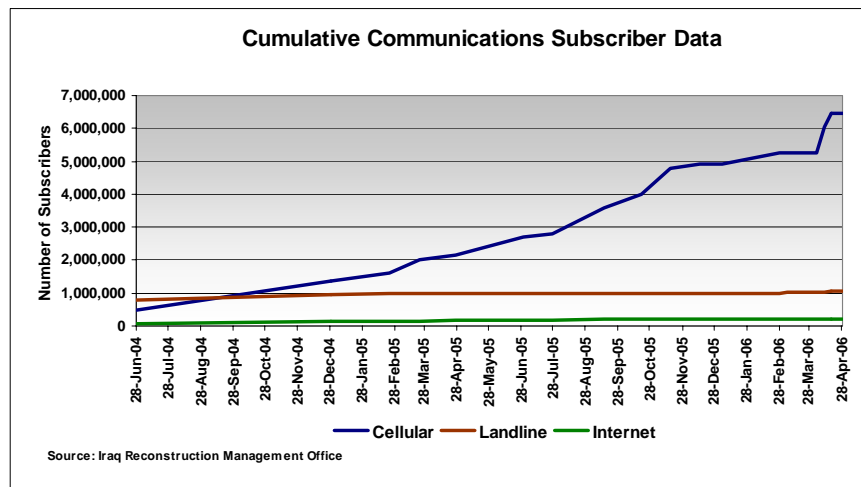


Communications

The communications sector continues to expand, although growth is beginning to level off. Although the number of landline subscribers has been relatively stable, the three major cell phone companies continue to enroll subscribers. The U.S. State Department's Iraq Reconstruction Management Office reports that as of April 28, 2006, there were 6.4 million cellular telephone subscribers and 1.0 million landline connections. This reflects a 30% increase in cellular subscribers since the last report and more than a 200% increase in telephone

access since the end of 2004. The state-owned Internet service provider (ISP) currently serves 207,000 subscribers. This figure excludes private ISPs and public Internet cafes.

U.S. Government projects continue to support improved communications among Iraqi ministries. Thirty-five of 42 government sites in Baghdad, the Central Bank of Iraq, and two state-owned banks are now connected via the Wireless Broadband Network. Iraqi telecommunications engineers are being trained on proper operations and maintenance procedures to maintain this network.



Water

Through U.S. Government-funded water projects, large- and small-scale water treatment facilities have been rehabilitated or constructed, expanding access to potable water for an estimated 3 million people at a standard level of service. More projects planned or under way will provide access to clean water to an additional 5.4 million people at a standard level of service and will also improve the water supply for rural residents.

More Iraqis have access to sewage collection and treatment today than in 2003. More than 5.1 million people have access to sewage service.

Capacity development and operations and maintenance (O&M) are critical to sustaining the substantial investment that the United States has made in potable water, sanitation, and water resource infrastructure. The U.S. Government is implementing several initiatives to assist the Iraq Ministry of Water Resources and the Ministry of Municipalities and Public Works in the transition to self-reliance. These programs focus on training middle managers in project management, water quality assessment, finance and administration, communications, utility master planning, and facilities O&M.

Security Environment

Defeating the enemy and moving responsibility for security to the Iraqi government remain top goals in the security track. To achieve these goals, the United States, its Coalition partners, and the Iraqi government are focused on objectives that include:

- neutralizing enemy effectiveness, influence, and ability to intimidate; and
- increasing the capacity of the Iraqi government and its security structures and forces to provide national security and public order.

Indicators of the status of the security environment include:

- composition, strength, and support for groups that threaten security and stability: anti-government and anti-Coalition forces (the “enemy”) and militias;
- attack trends (including the number of attacks and their effectiveness);
- Iraqi perceptions of security and security institutions; and
- capabilities of Iraqi Security Forces and institutions.

Information about the Iraqi Security Forces is presented later in this report.

The Enemy

Anti-government and anti-Coalition violence in Iraq derives from many separate elements, including Iraqi Rejectionists, former regime loyalists (including Saddamists), and terrorists, such as Al-Qaida in Iraq. Other violence comes from criminal activity and sectarian and inter-tribal violence. Each of these groups has divergent and often incompatible goals; however, some groups collaborate at the tactical and operational level. Enemy elements may engage in violence against one another as well as against the Coalition. Sectarian and inter-tribal violence may not target Coalition forces at all. Therefore, to categorize the violence in Iraq as a single insurgency or a unified “opposition” is both

inaccurate and misleading. Some security strategies used by the Coalition and Iraqi Security Forces may work broadly against all groups. At other times, tactics, techniques, and procedures must be adapted to the particular enemy. It is unlikely that the Coalition and Iraqi Security Forces will make progress against each of these violent factions at the same pace.

- **Rejectionists.** Sunni and Shi'a Rejectionists use violence or coercion in an attempt to rid Iraq of Coalition forces. This element includes former regime members who continue to reject the Coalition and the Iraqi government, many employing a political and military strategy to subvert emerging institutions and infiltrate and co-opt security and political organizations. Beyond this shared goal, Rejectionist groups diverge regarding long-term objectives. Rejectionists continue to employ a dual-track strategy in Iraq, attempting to leverage the political process to address their core concerns and demands while attacking Coalition and Iraqi Security Forces. Some hardline Sunni Rejectionists have joined Al-Qaida in Iraq in recent months, increasing the terrorists' attack options. MNF-I expects that Rejectionist strength will likely remain steady throughout 2006, but that their appeal and motivation for continued violent action will begin to wane in early 2007. Since the Samarra bombing, sectarian Rejectionist groups, including militant Shi'a militias, have increased attacks against rival sectarian groups and populations. Both Sunni and Shi'a Rejectionists have conducted reprisal ethno-sectarian attacks.
- **Former Regime Loyalists.** Saddam loyalists are no longer considered a

significant threat to the MNF-I end-state and the Iraqi government. However, former regime members remain an important element involved in sustaining and enabling the violence in Iraq, using their former internal and external networks and military and intelligence expertise involving weapons and tactics. Saddamists are no longer relevant as a cohesive threat, having mostly splintered into Rejectionists or terrorist and foreign fighters.

- **Terrorists and Foreign Fighters.** Terrorists and foreign fighters, although far fewer in number than the Rejectionists or former regime loyalists, conduct most of the high-profile, high-casualty attacks and kidnappings. Many foreign fighters continue to arrive in Iraq via Syria, a flow that began with Syrian government assistance before and during Operation Iraqi Freedom. Al-Qaida in Iraq (AQI) is currently the dominant terrorist group in Iraq. They continue efforts to spark a self-sustaining cycle of ethno-sectarian violence in Iraq, but have so far failed in their endeavors. AQI pursues four broad lines of operation: anti-MNF-I, anti-government, anti-Shi'a, and external operations. Ansar al Sunna (AS) is another significant, mostly indigenous, terrorist group that shares some goals with AQI. Because of similar agendas, AQI and AS tend to cooperate on the tactical and operational levels. Most recently, there have been indications of cooperation between AQI and Rejectionists as well. It is estimated that 90% of suicide attacks are carried out by AQI.

The Iraqi population generally rejects suicide attacks as a legitimate tactic, and other insur-

gent groups publicly distance themselves from suicide attacks. The current positive effects of intolerance for Al-Qaida in Iraq (AQI) among Sunni Arabs may be limited if Sunnis perceive a lack of progress in reconciliation and government participation or if increased sectarian violence draws various Sunni insurgency elements closer. Local Sunni Arab groups opposed to AQI lack the organization, money, training, and popular support to counter AQI effectively. Meanwhile, many insurgent leaders look at terrorist violence as contributing to their political and military goals, although they distance themselves from the attacks on civilians.

Enemy elements remain resilient, capitalizing on established networks to prevent capture and to conduct attacks against Coalition and Iraqi Security Forces as well as rival ethno-sectarian groups. Relationships among insurgents, terrorists, and criminal opportunists are blurred at times, although the ideological rifts between terrorists and other resistance groups remain. The Sunni Arab insurgents have effective and collaborative leadership, resiliency, and links with the Sunni Arab political leadership. They also exploit Iraqi Sunni Arab fears, suspicions, and dissatisfaction in order to gain support for insurgent violence, and create these dynamics by attacking infrastructure and eliminating or threatening friendly, cooperative Sunni Arabs.

Of the groups described above, terrorists and foreign fighters posed the most serious and immediate threat during this reporting period. Although the overall level of support to terrorists and foreign fighters among Iraqis is apparently declining, Al-Qaida in Iraq (AQI), which is suspected of conducting the attack on the Golden Mosque in Samarra and of escalating violence between Sunni and Shi'a, remains intent on instigating civil war to

derail the Iraqi government. Although AQI has been unsuccessful in driving Iraq to civil war, Sunni and Shi'a Arab reprisals elevated the level of violence throughout this period.

Operations by Al-Qaida in Iraq and associated terrorist groups are facilitated by passive or coerced support from the Sunni population and Sunni Arab insurgent groups, whose activities impede anti-terrorist operations of the Iraqi Security Forces and Coalition forces. The insurgency depends on passive popular support, which, in turn, allows insurgents to coerce other opponents into silence acceptance or active assistance. This situation feeds the cycle of sectarian fears and violence and rationalizes the need for Shi'a to defend the various ethnic or confessional groups. The problem of sectarianism and militias is an important challenge that has emerged in the recent period, in part because of the political vacuum caused by the delay in forming a new government.

Militia Groups

Militia groups help both maintain and undermine security in Iraq, as well as contribute to achieving the goals of their affiliated political parties. In many cases, these militias, whether authorized or not, provide protection for people and religious sites where the Iraqi police are perceived to be unable to provide adequate support. Sometimes they work with the Iraqi police. In some cases, they operate as a power base for militia leaders trying to advance their own agendas. Militia leaders influence the political process through intimidation and hope to gain influence with the Iraqi people through politically based social welfare programs. Militias often act extra-judicially via executions and political assassinations—primarily perpetrated by large, well-organized Shi'a militia groups and some small Sunni elements. Militias are also

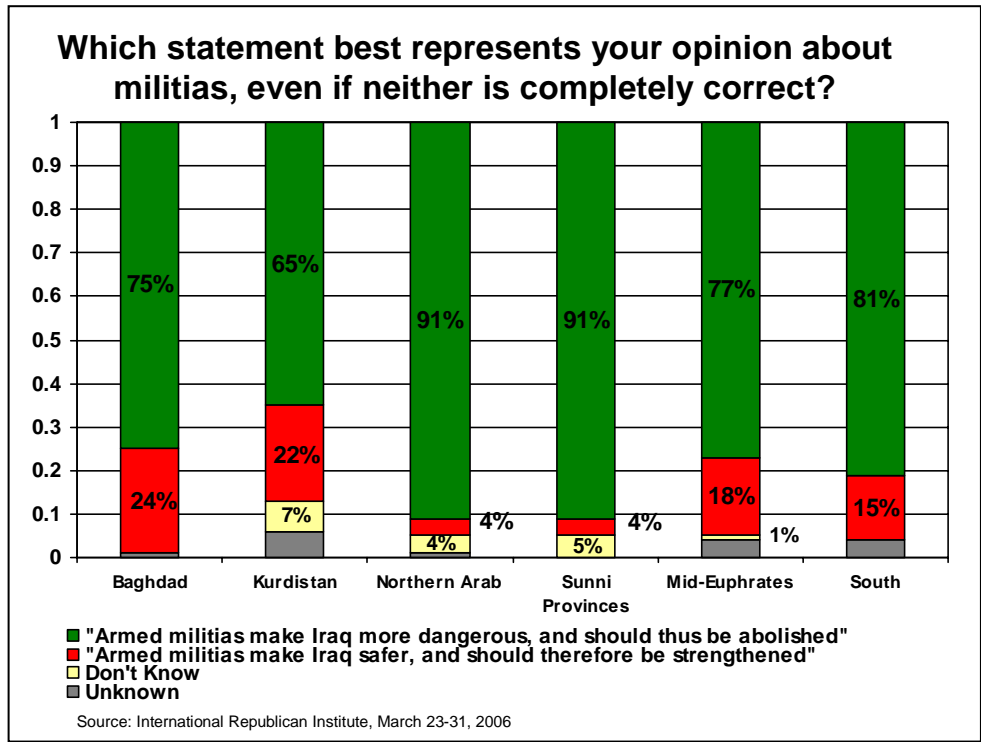
sometimes engaged in purely criminal activity, including extortion and kidnapping.

Iraq's Kurds and some Shi'a Arabs generally view their militias as necessary and beneficial, but the existence of such armed groups exacerbates mistrust and tension within Iraq's population. The militias could also undermine the legitimacy of Iraq's new government and Security Forces and could challenge the country's unity.

Polling data indicate that most Iraqis agree that militias make Iraq a more dangerous place and should be disbanded. The Prime Minister and the country's most prominent Shi'a cleric, Grand Ayatollah Ali al-Sistani, have discussed banning militias, and al-Sistani issued a statement declaring that "[w]eapons must be exclusively in the hands of government forces and these forces must

be built on a proper national basis so that their loyalty is to the country alone, not to political or other sides."

The most prominent militia groups are the Badr Organization—essentially the paramilitary wing of the Supreme Council for the Islamic Revolution in Iraq, but technically its own political party now—and Shi'a cleric Muqtada al-Sadr's Jaysh al-Mahdi (JAM). The Kurdish Peshmerga is technically an "authorized armed force," rather than a militia, and is supported by the Kurdish Regional Government. However, it shares many of the features of other ethno-sectarian or political militias. Of these groups, only JAM has attacked both Coalition and Iraqi Security Forces, and it was responsible for two major uprisings in 2004.



The Transitional Administrative Law, Coalition Provisional Authority Order 91, and the Iraqi Constitution all mandated the demobilization of militia groups. In addition, Order 91 authorized government assistance for members of authorized militias to join the Iraqi Security Forces (ISF); to retire and receive a pension, if eligible; or to receive training for civilian employment. Although some minor groups did disband, the Badr Organization (which was entitled to government assistance) and Jaysh al-Mahdi (which was not, since its forces fought against the Coalition) have not disbanded. In addition, although some Peshmerga forces have joined the ISF, other units remain intact as the de facto security force for the Kurdish region. Although legally authorized, the special status accorded to the Peshmerga is an occasional source of contention with both Shi'a and Sunni leaders. Individual militia members have been incorporated into the ISF, but the loyalties of some probably still lie, to some extent, with their ethno-sectarian leaders. Shi'a militias, in particular, seek to place members into Army and police units as a way to serve their interests and gain influence. This is particularly evident in the Shi'a-dominated South, where militia members have hindered the implementation of objective law enforcement.

Shi'a militias have been involved in sectarian violence. Tactics employed by such militias have varied, including death squads, Sharia courts, and campaigns of intimidation. Shi'a militias, including the Badr Organization and Jaysh al-Mahdi (JAM), have been accused of committing abuses against Sunni civilians, exacerbating sectarian tensions. In addition, JAM is implicated in much of the unrest that followed the February 22 Samarra mosque bombing. The Shi'a militias receive arms and other support from Iran, reinforcing Sunni fears of Iranian domination and further

elevating ethno-sectarian violence. JAM and some smaller Shi'a extremist groups have attacked both Sunni Arabs and Coalition forces. Because of Iranian-sponsored training and technological support, these operations are among the most lethal and effective conducted against Coalition forces.

Shi'a militias, and to a lesser extent the Peshmerga, are a significant point of contention with Sunni leaders, who use their existence as justification to form Sunni militia elements. Although no large Sunni militia units have formed, in some neighborhoods Sunnis are banding together to form their own security units because of real or perceived Shi'a threats and mistrust of Coalition and Iraqi Security Forces.

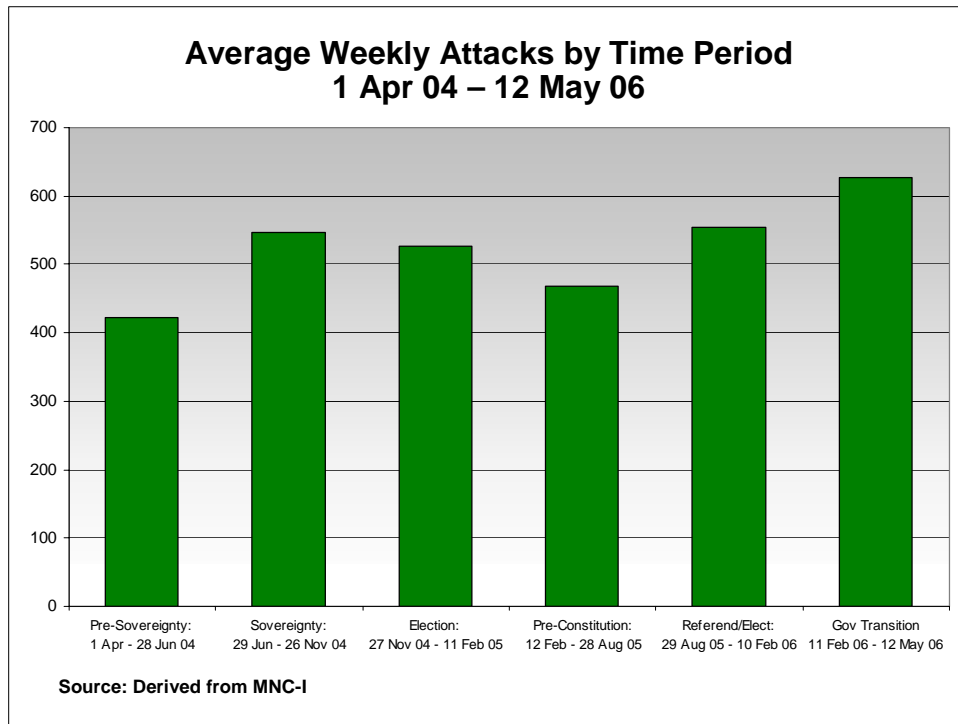
The militias described above, along with other smaller groups, operate openly and with popular support in areas where they provide social services and contribute to local security. They are likely to remain active in areas where Iraqi institutions and forces are not yet adequate to meet the social and public safety needs of the local population.

Attack Trends and Violence

For this report, the term "attacks" refers to all incidents reported to Multi-National Force-Iraq (MNF-I) through daily Significant Activity Reports. It includes known attacks on Coalition forces, Iraqi Security Forces, the civilian population, and infrastructure. It does not include criminal activity, nor does it include attacks initiated by Coalition or Iraqi Security Forces. The complexity and effectiveness of these attacks vary. They can range from a single insurgent firing a single shot causing no casualties to a highly coordinated complex attack using two or more weapon systems.

Overall, average weekly attacks during this “Government Transition” period were higher than any of the previous periods. Reasons for the high level of attacks may include terrorist and insurgent attempts to exploit a perceived inability of the Iraqi government to constitute itself effectively, the rise of ethno-sectarian

attacks following the Golden Mosque bombing, and enemy efforts to derail the political process leading to a new government. The formation of the new, permanent Iraqi government that addresses key sectarian and political concerns could help reverse the attack trend.



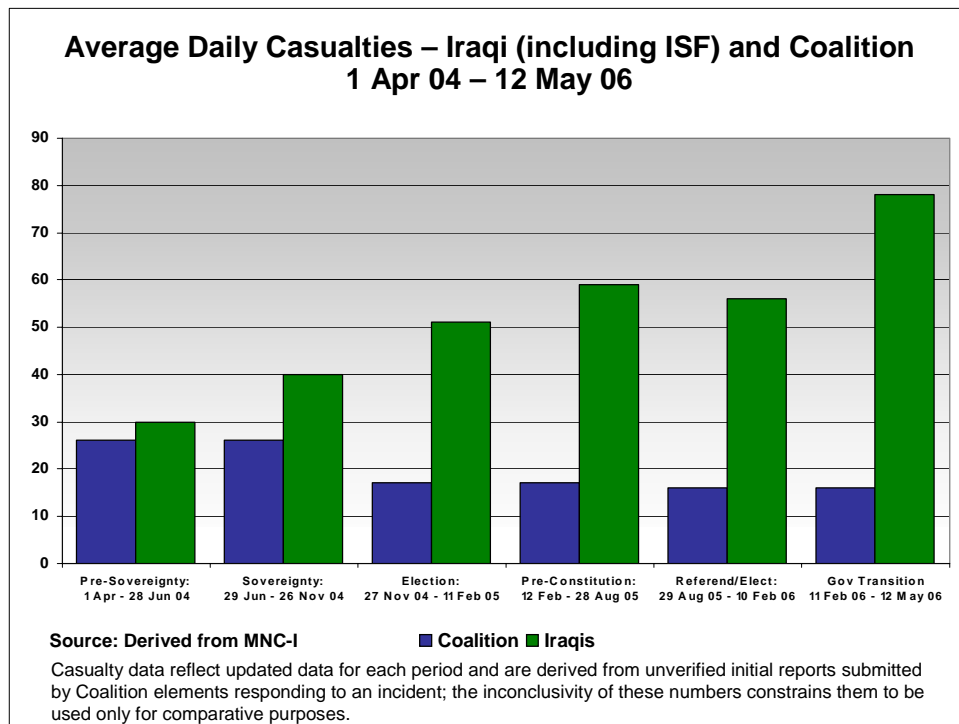
Note: MNC-I data is a record of significant events and attacks only. Not all attacks or incidents are reported to MNC-I. Other organizations may use a different methodology in counting attacks. However, trend data tends to be consistent among various reporting methods.

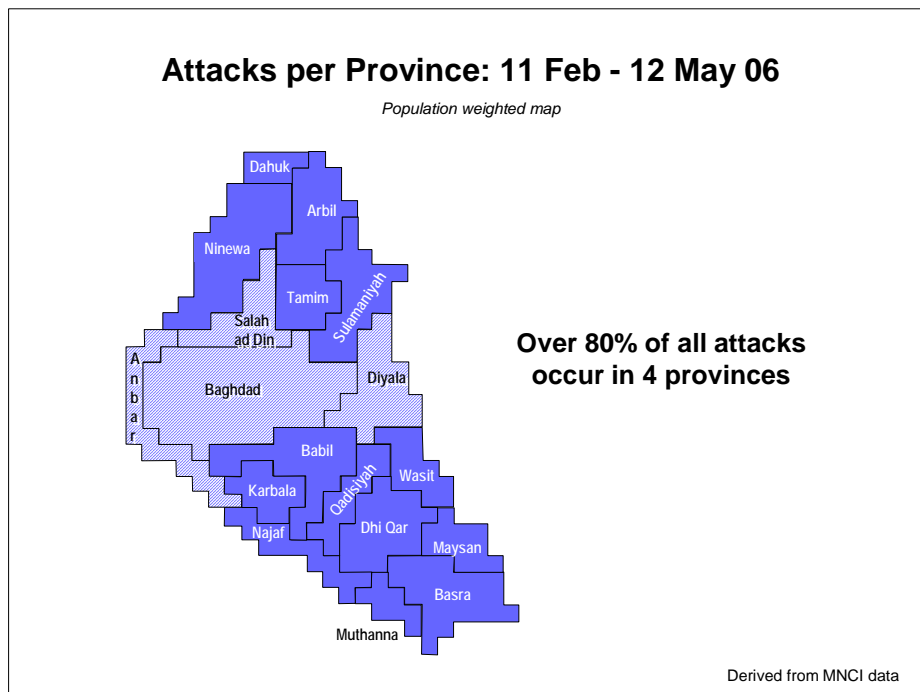
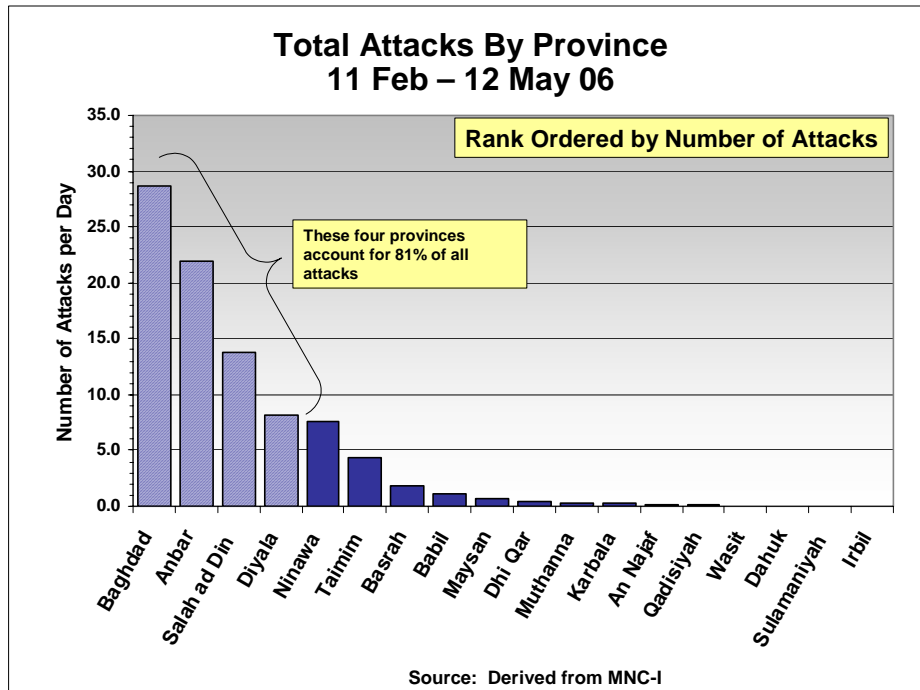
During government transition, Coalition forces continued to attract the majority of attacks and were targeted in 68% of all attacks. These attacks are largely unsuccessful, however, as Coalition forces and facilities are well protected and responsive. Attacks against the Coalition generally consist of standoff attacks, such as small arms fire, indirect weapons fire, and improvised explosive devices (IEDs), with most attacks involving various forms of IEDs. Civilian targets are, by comparison, “soft targets”—lacking protection. As a result, an attack against a civilian target often produces far greater casualties than a similar attack on Coalition forces or the Iraqi Security Forces.

(February through April 2006) increased by 13% compared to the “Referendum/Election” period. Overall casualty levels rose substantially, reflecting the increase in sectarian violence following the Golden Mosque bombing. Baghdad is the epicenter of attacks, experiencing 32% of the total number of incidents in this reporting period. Baghdad’s large and diverse population, its high profile as the capital, and the robust foreign presence there—political and military officials, the media, contractors, and others—drive the levels of violence. Iraq’s other restive areas include al-Anbar, Salah ad Din, northern Babil, Ninawa, and southwestern Diyala provinces, and the city of Kirkuk. Violence in southern and Kurdish northern Iraq is comparatively low.

Trend Analysis

The average number of weekly enemy attacks during the government transition period





Twelve provinces, containing 50% of the population, experienced only 6% of all

attacks; ten provinces averaged one or fewer attacks per day since February.

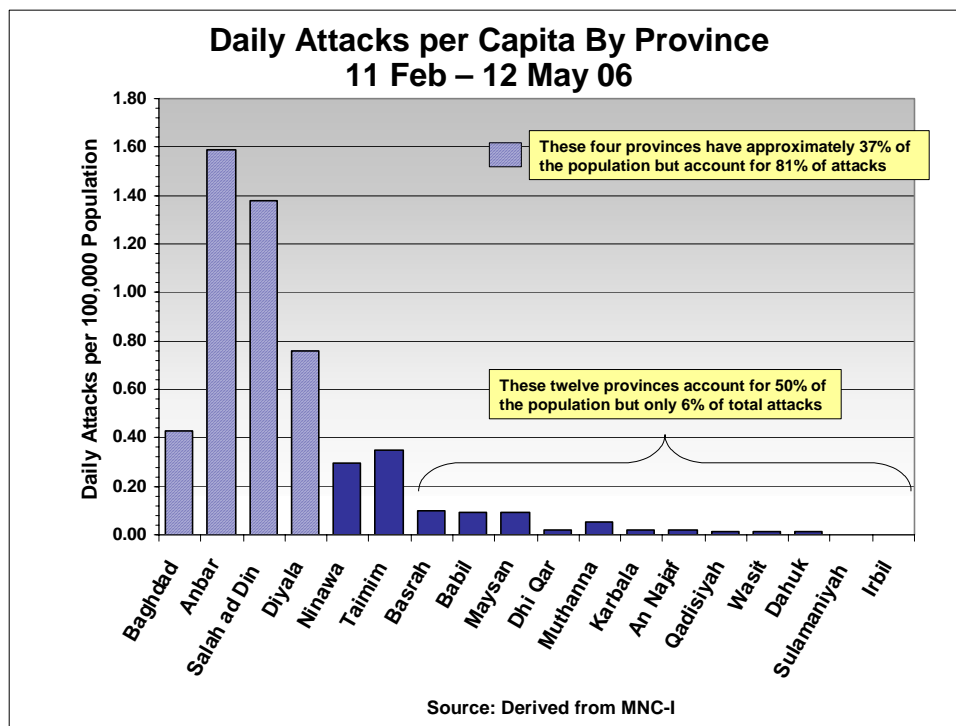
Over the first quarter of 2006, the increased responsibilities of the Iraqi Security Forces (ISF) and heightened sectarian tension (especially in Baghdad) have led to an apparent shift between the percentage of attacks directed against Coalition forces and those targeting ISF and civilians.

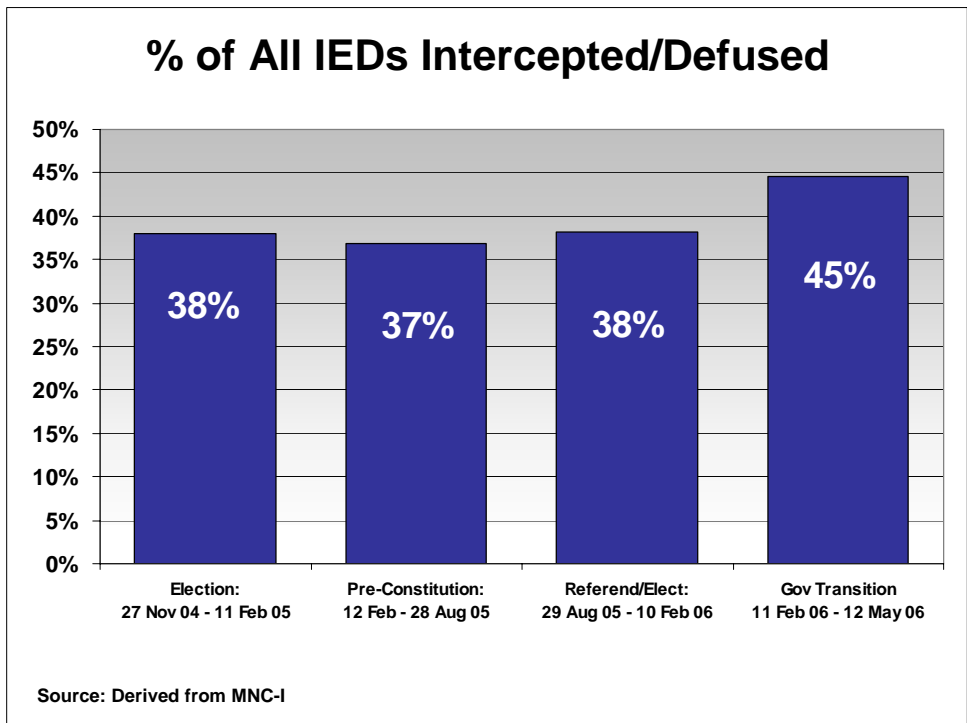
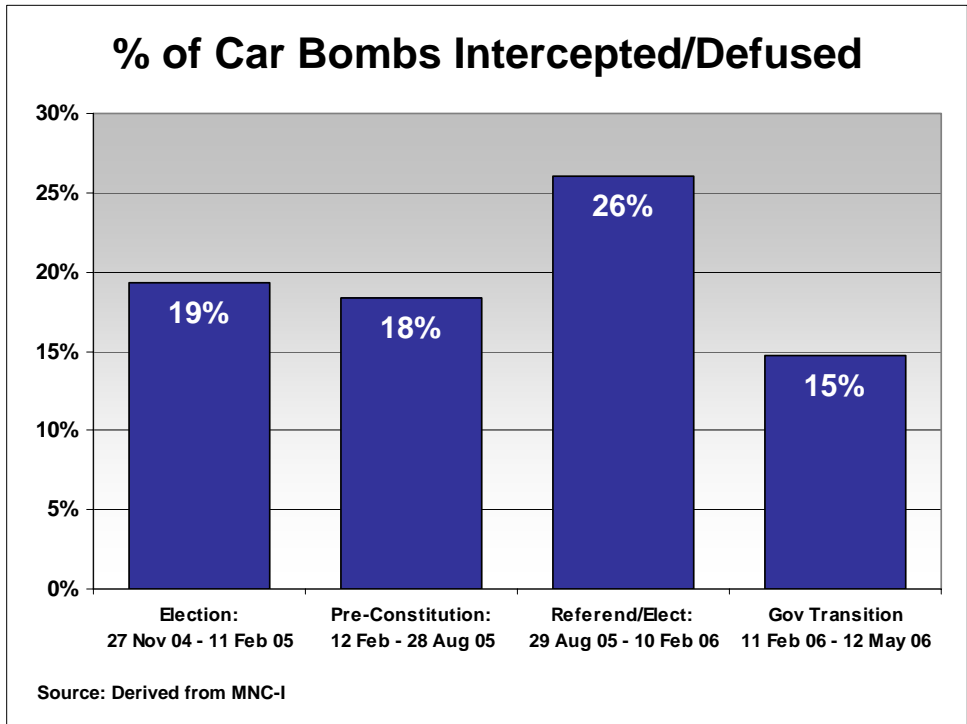
The Golden Mosque attack triggered a cycle of ethno-sectarian violence resulting in increased attacks against civilians. Nationally, in January 2006, civilians were the target of 9% of attacks; in February, 10%; and in March the percentage increased to 13%. Violence targeting the Iraqi Security Forces (ISF) and civilians tends to occur at higher levels in large cities with ethnically mixed population (e.g., Baghdad, Mosul, and Baquba). Baghdad showed a more pronounced increase in the targeting of civilians than the national trend. In Baghdad,

civilians were targeted by 10% of attacks in January, 12% in February, and 18% in March. Attacks targeting the ISF and civilians employ more small arms and rocket-propelled grenades because these attacks usually involve more direct engagements.

Following the Golden Mosque bombing, there was a significant increase in car bombs, largely centered on Baghdad and directed at civilians. March 2006 saw the highest level of car bomb attacks since October 2005. In the government transition period, 15% of car bombs were intercepted and rendered safe before they indiscriminately killed or maimed their intended victims.

Car bombs are a small percentage of total improvised explosive device (IED) attacks. Overall, about 50% of IEDs were discovered and rendered safe before detonation.

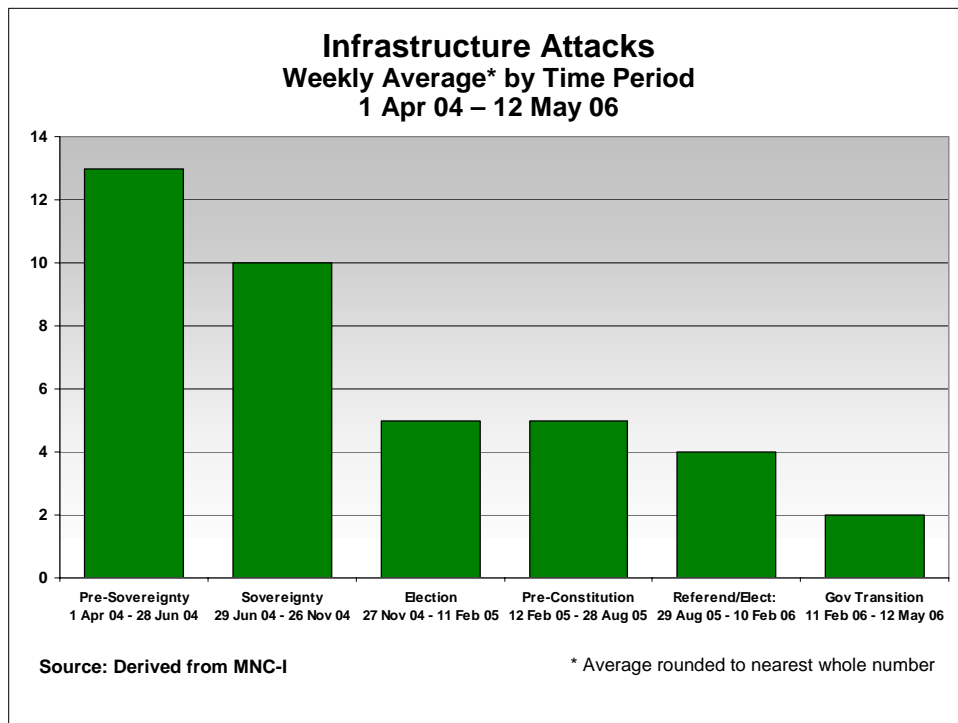




Infrastructure Attacks

The total monthly number of infrastructure attacks has trended downward since August 2005, indicating that Coalition and Iraqi Security Forces efforts to secure critical infrastructure may be having some success. These attacks presently account for about 1% of overall attacks. Electricity and oil infrastructure continue to be affected by insurgent attacks, as well as by intimidation of workers and criminal activities that are not reflected in attack data. These factors contribute to reduced electrical distribution, lower than targeted oil production and export, and problems with production and distribution of refined products. However, the majority of these problems are not due to insurgent attacks, but rather to such factors as inadequate maintenance and inadequate capital investments in the transmission infrastructure.

Not all attacks and intimidation are insurgent actions; some are criminal in nature. However, it is often difficult to distinguish insurgent or terrorist activity from “simple” criminal conduct, and the insurgents and terrorists are heavily involved in organized criminal enterprises. The relatively small number of infrastructure attacks has a disproportionate impact in part because infrastructure repair is hampered by insurgent and criminal intimidation of repair contractors and maintenance workers. In the electrical sector, this has caused significant delays in repair of high-voltage lines. The resultant instability of the high-voltage transmission system has degraded the transmission and generation reliability of the national grid, causing frequent interruptions and blackouts. Developing rapid-repair capability with security for workers is a high priority, and the issue is being addressed with positive results.



The establishment of Strategic Infrastructure Battalions (SIBs) has improved oil infrastructure security between Kirkuk and Bayji by providing some security presence along the pipeline, deterring criminals and saboteurs seeking easy targets. With the introduction of SIB partnership arrangements with Coalition and Iraqi Army Forces, the capability of the SIBs has improved significantly. Since the development of the partnership arrangement between the 4th Iraqi Army Division and the 1st Brigade SIB four months ago, there has been only one infrastructure attack in the Kirkuk and Bayji area. In terms of physical infrastructure, more remains to be done in hardening of key sections and in developing a real quick-response force and pipeline rapid-repair teams with dedicated security support.

Contraindications of Civil War

The rise in sectarian incidents following the February 22 bombing of the Golden Mosque created understandable concern about the possibility of civil war. Polling conducted in mid-March by the U.S. State Department Office of Research showed substantial concern among all major Iraqi ethnic and sectarian groups and all regions that civil war could break out. But the February 22 bombing did not produce the civil war its perpetrators hoped to create.

The United States and Iraqi governments continue to monitor indicators of civil war in Iraq. These indicators would include:

- ethno-sectarian considerations as the overriding force in decision making;
- unrestrained, self-sustained sectarian strife across multiple provinces;
- ethno-sectarian mobilization; and
- forced population movements.

Some of these conditions exist within Iraq, especially in and around Baghdad, and the percentage of Iraqis concerned about civil war has increased in recent months. However, the insurgency and sectarian strife do not currently constitute a civil war.

Sectarian strife is a significant contributor to violence, particularly against civilians. However, current trends in ethno-sectarian conflict, limited population displacements, and routine militia mobilizations are not likely to stop political and economic progress throughout the remainder of the year.

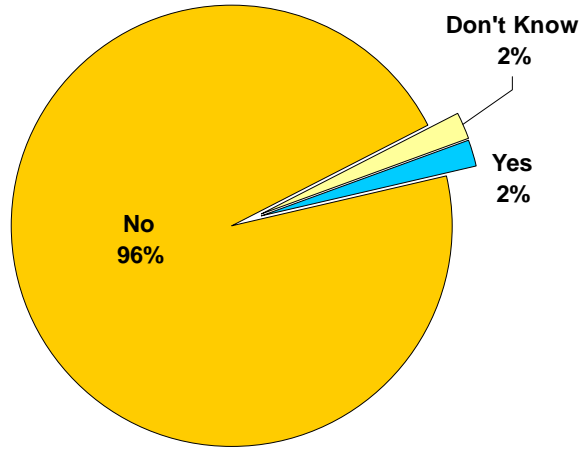
Decisions Not Driven by Ethno-Sectarian Considerations

Iraq's religious leaders did not use the Golden Mosque bombing to promote sectarian intransigence and violence, but quickly rallied to support the Iraqi government and the effort to stop the cycle of violence. The successful formation of a unity government—broadly supported by the Iraqi people—is another critical positive indicator. Iraqi Security Forces did not fracture along sectarian lines during the crisis and generally performed well in restraining sectarian violence.

Although many Iraqis express substantial fear of civil war, the Iraqi people overall are committed to the concept of national unity, and they reject violence as a means for political change.

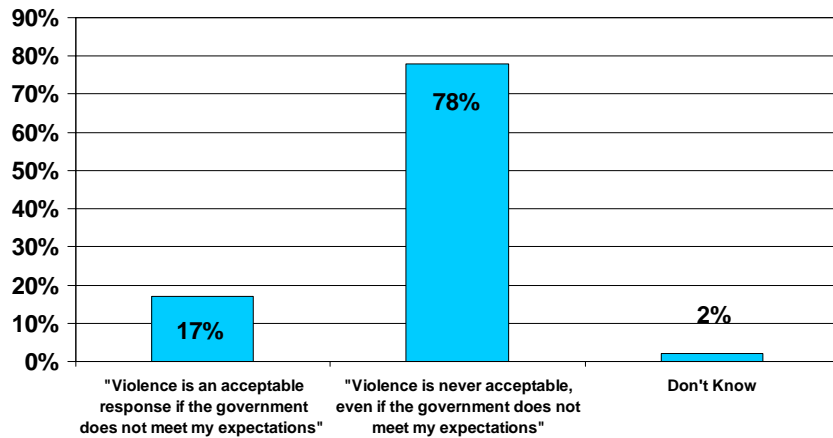
Ninety-six percent of Iraqis polled totally reject the legitimacy of the attack on the Golden Mosque. Seventy-eight percent of Iraqis polled also replied that “violence is never acceptable” as a means to redress grievances.

Do you think the recent attack on the mosque in Samarra is an acceptable form of political expression?



Source: International Republican Institute, March 23-31, 2006

Please tell me which statement best represents your opinion about violence, even if neither is completely correct.



Source: International Republican Institute, March 23-31, 2006

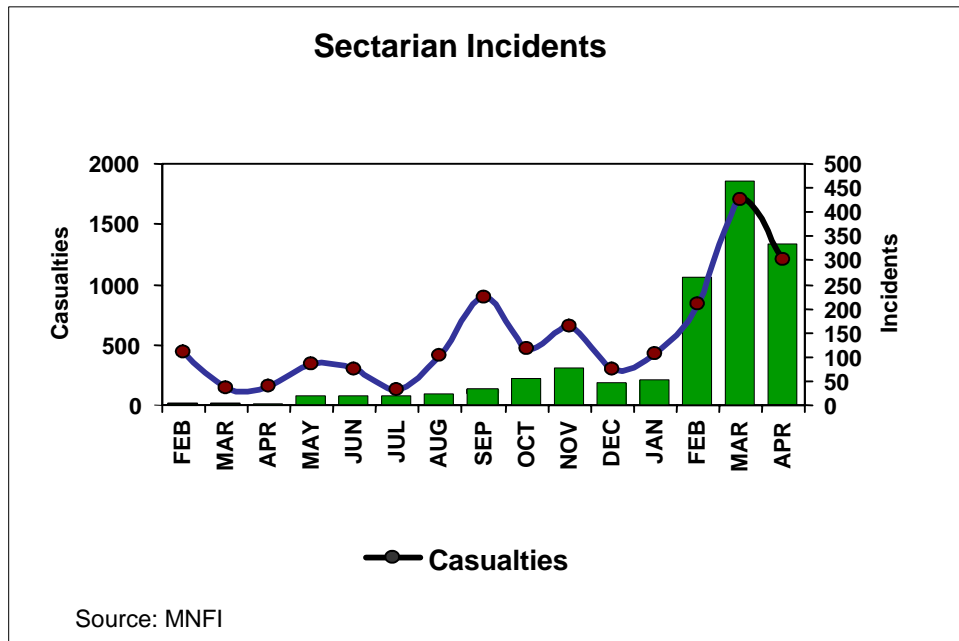
Limited Scope of Sectarian Strife

Sectarian violence increased sharply in the days and weeks following the Golden Mosque attack, but did not remain at those high levels. Since then, sectarian violence has remained relatively constant, albeit at a higher level than it was prior to the attack. The fact that the violence did not continue to escalate is significant. Several important factors contributed to limiting the escalation of sectarian violence and reducing the threat of civil war, including requests for tolerance from religious leaders, the successful continuation of the process of forming a new unity government, and the increasing presence and strength of Iraqi Security Forces.

Sectarian violence, tribal loyalty, and extra-governmental militias are not a recent inven-

tion; all existed prior to the war, though in different forms. After the initial outrage over the mosque bombing and the corresponding violent reprisals, the pattern of sectarian conflict in Iraq quickly limited itself to the larger Baghdad area, where ethno-sectarian violence pre-dates the February 22 attack, with some significant but infrequent attacks taking place in outlying regions. Terrorist groups continue to carry out mass-casualty attacks against Shi'a gatherings and culturally significant sites on a routine basis in an effort to achieve a state of self-sustaining sectarian strife.

Attack trends in the weeks following the Golden Mosque bombing have demonstrated the inability of widespread sectarian violence to take hold beyond the capital and southwest Diyala.



Ansar al-Sunna's car bomb attacks in Shi'a areas following Shi'a militia executions of Sunni civilians exemplify the cyclical pattern of violence. This violence, however, cannot be ascribed completely to ethno-sectarian retaliation. Some of the executions were likely perpetrated by Shi'a groups as part of an ongoing campaign to target former regime elements and other enemies. There have also been execution-type killings of Shi'a by Sunnis that pre-date both the Samarra bombing and the Coalition intervention in Iraq.

Little Indication of Ethno-Sectarian Mobilization

Militia groups and organizations supported by militias are a potential problem and bear close watching. The Jaysh al-Mahdi (JAM) has taken arms against the Coalition in the past, most notably in the seizure of the holy sites in Najaf in 2004. JAM was also involved in sectarian violence immediately after the Samarra bombing, but stopped most sectarian violence on the exhortation of Muqtada al-Sadr. Although sectarian executions continue to take place in Baghdad, widespread mobilizations and major attacks by militias have not been seen since the immediate aftermath of the Samarra bombing. Nevertheless, the potential for such ethno-sectarian mobilization remains.

No Massive Forced Population Movements and Internally Displaced Persons

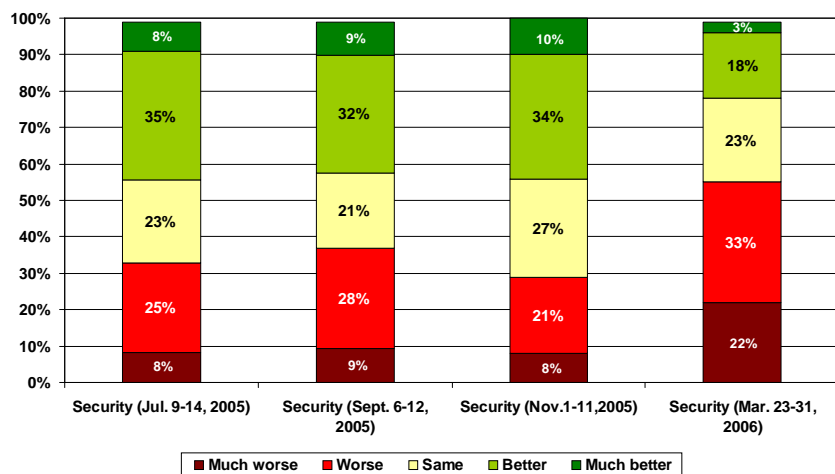
Displacement due to sectarian violence escalated after the Samarra bombing. It is

difficult to determine the specific number of internally displaced persons (IDPs). The International Organizations for Migration (IOM) placed the number of IDPs at 48,800, while the Ministry of Displacement and Migration (MoMD) estimated 86,000 IDPs. The Multi-National Force-Iraq assessment is that approximately 84,000 individuals have been displaced, based on extensive non-governmental organization reporting from the IOM and official data from the MoMD. According to U.S. Agency for International Development implementing partners, the vast majority of the displaced are not in IDP camps. Most have taken refuge with family and friends; however, "host fatigue" can be expected to occur after a relatively short period of time. Population flows have greatly reduced in recent weeks and the numbers do not appear to be increasing significantly.

Iraqi Perceptions of Security

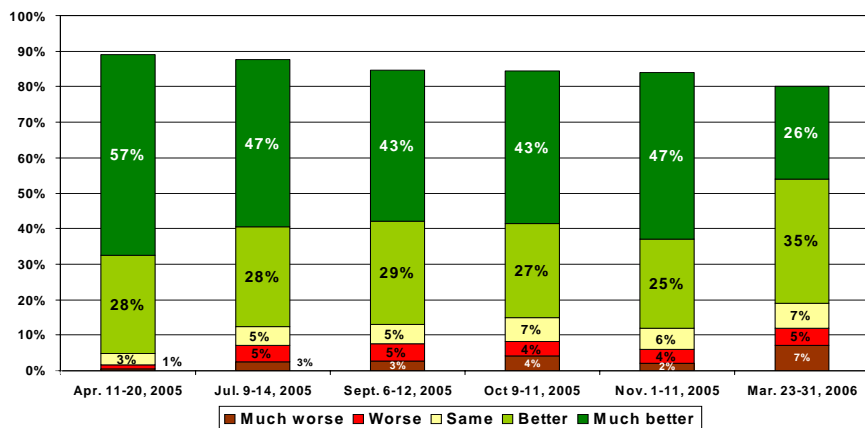
Perceptions of security among the Iraqi people are an important indicator of trends in achieving overall security and political stability. As could be expected, after the Golden Mosque bombing and the cycle of violence that followed, a majority of Iraqis polled responded that conditions for peace and stability had worsened since the previous poll. Most Iraqis still believe that conditions will improve, but in the aftermath of the March violence and in the absence of a seated government, expectations for achieving that improvement were pushed out from one to five years from now.

Please tell me whether you feel that the security has gotten better, worse or stayed the same over the last three months:



Source: International Republican Institute, March 23-31, 2006

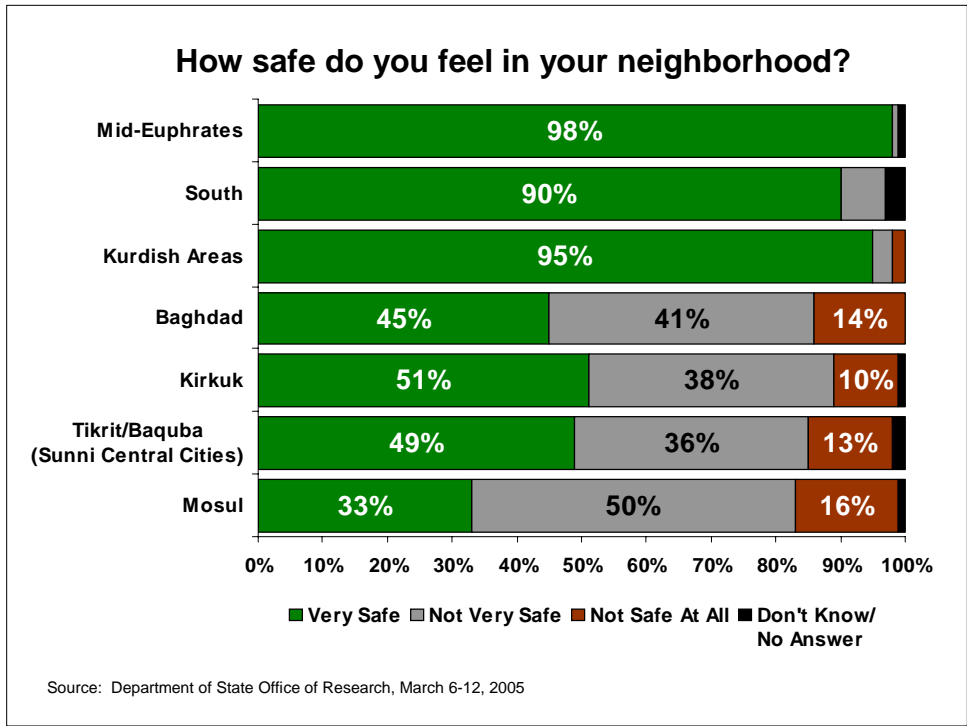
Thinking about the future, do you feel that things will be better, the same or worse in five years?



Source: International Republican Institute, March 23-31, 2006

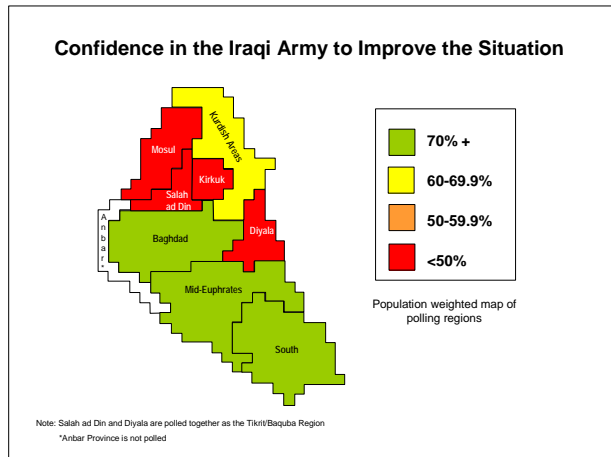
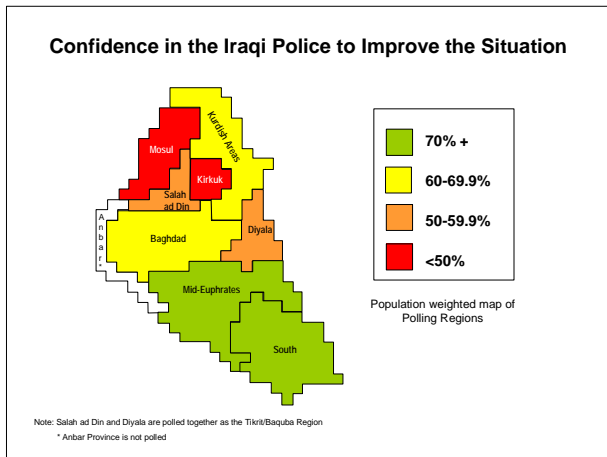
Although 55% of Iraqis polled indicate that they believe the security situation has gotten worse over the last three months, perceptions of local security have remained relatively stable and in most polling areas have improved since October 2005. Ninety percent of respondents in Shi'a areas and 95% of respondents in Kurdish areas reported that

they feel "very safe" in their neighborhoods. Only in the Baghdad area, where many of the post-Samarra attacks have occurred, did residents report a decrease in a sense of neighborhood security. Only 45% of Baghdad respondents reported feeling "very safe," as opposed to 52% in October 2005.

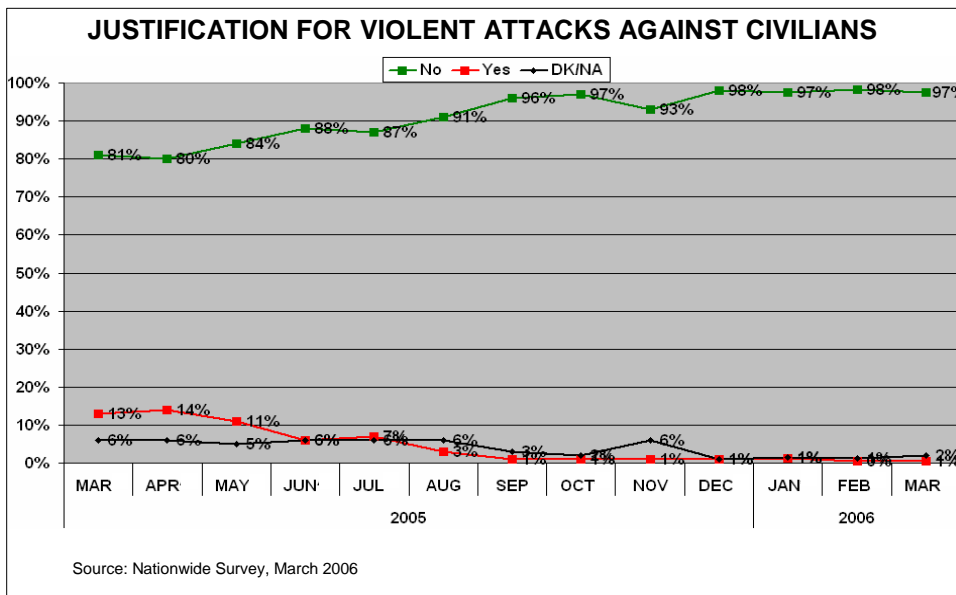
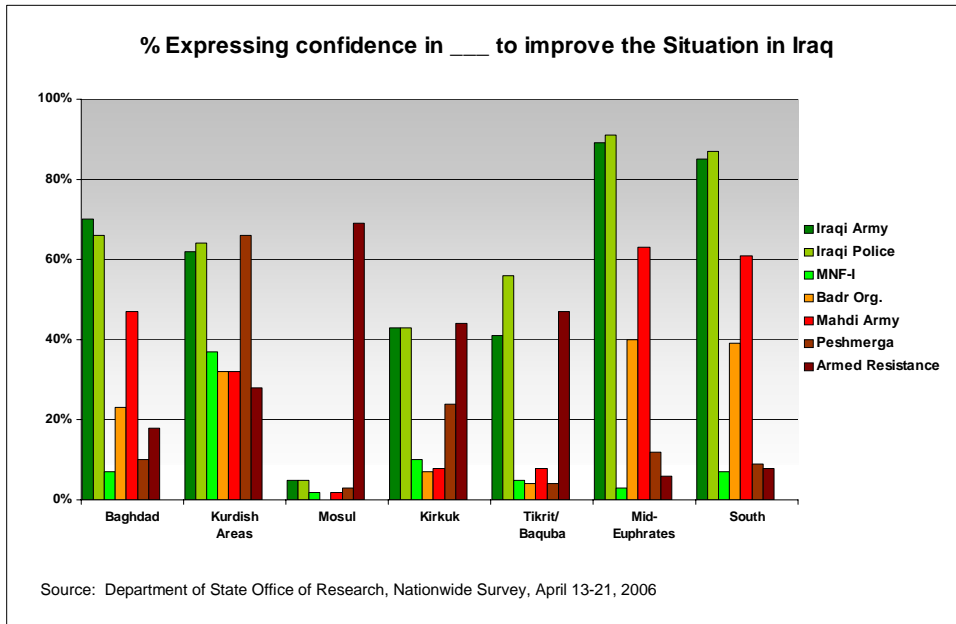


A positive indicator of stability is the confidence that Iraqis place in the Iraqi Army and Police to establish and maintain security. Iraqi Security Forces (ISF) have demonstrated increasing competence by taking the lead in successful operations throughout Iraq. Nationwide, Iraqi opinion demonstrates confidence in both the Iraqi Police and the Iraqi Army to improve the situation. Poll data at

the provincial levels show that the regions where Iraqis have the least amount of confidence are the same ones experiencing the greatest turmoil. Regional and Western media increased reporting on the Coalition forces' transition of leadership for security responsibility to the ISF in the more secure areas of the country.

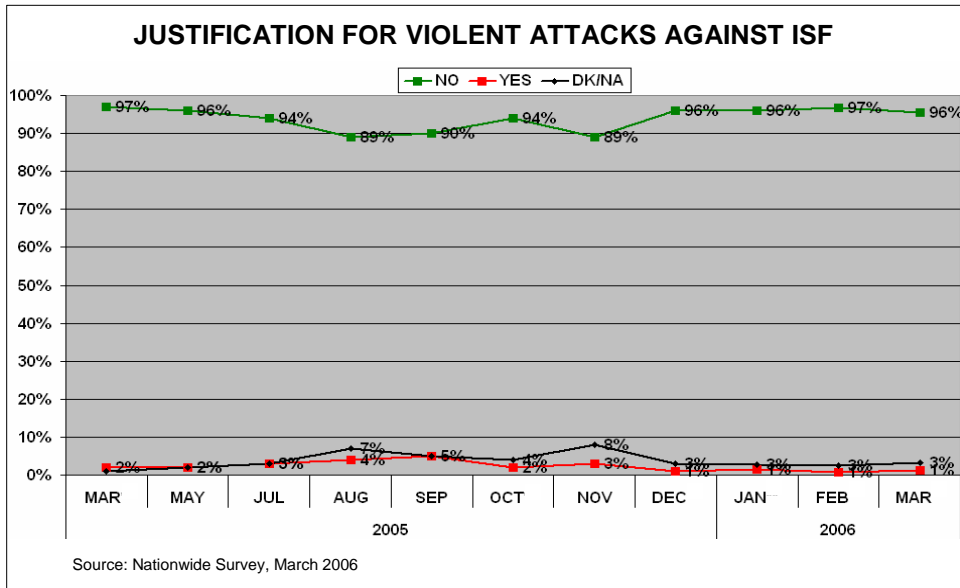


Source for Maps: Nationwide Survey, April 13-21, 2006



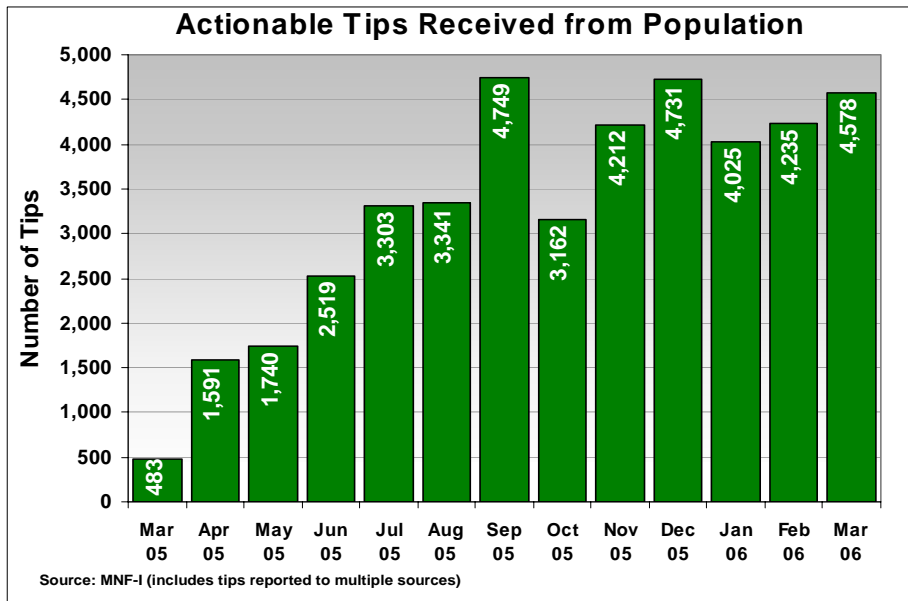
Insurgent violence continues to alienate the Iraqi people from anti-government forces. The public outcry against attacks on Iraqi civilians was strong. Moreover, recent polls show that more than 95% of those polled believe that there is no justification for

attacks against the Iraqi Security Forces. Ninety-six percent of respondents recently polled said that the insurgents are not working in the best interests of the Iraqi people.



Actionable tips remain a noteworthy indicator of the general population’s growing support of the government’s attempt to rid the country of the insurgency. Tips have grown ten-fold since this time last year and by 10%

since the last report. With increased public awareness of the hotline capability and the improving communications system within Iraq, tips should continue at high levels for the foreseeable future.



II. Security Forces Training and Performance

Iraqi Security Forces (ISF) continue to grow in strength and capability as indicated by:

- progress in the training and equipping of ISF personnel;
- assessed capabilities of operational units; and
- progress in assuming responsibility for security of areas within Iraq.

In addition, progress in developing institutional capability within the Ministry of Defense (MOD) and the Ministry of Interior (MOI) is an increasingly important indicator of the transition to Iraqi security self-reliance. As the MOD and the MOI continue to staff, train, and equip forces, increased emphasis has been placed on the development of institutional capacity to direct, support, and sustain the Iraqi Security Forces.

Progress in Training and Equipping the Iraqi Security Forces

Force generation has continued apace this quarter, with focus on development of the

Objective Counter-Insurgency Force for the Iraqi Armed Forces and the Objective Civil Security Force for the police forces. The total number of Iraqi soldiers and police who have completed initial training and equipping is approximately 263,400 as of May 2006, an increase of more than 36,100 in the three months since the last report.

With the generation of Iraqi Army battalions now more than 89% complete, the focus of the Army's train-and-equip effort has shifted towards building combat support and combat service support forces. These units provide critical combat enablers, such as logistics and transportation support; intelligence, surveillance, and reconnaissance; and medical support that will allow the Iraqi Armed Forces to sustain operations. More than 65% of personnel in the Iraqi Army's support forces have now been trained and equipped, and logistics units continue to increase in capability.

Current Status of Trained and Equipped Iraqi Security Forces			
<u>Ministry of Defense Forces</u>		<u>Ministry of Interior Forces</u>	
COMPONENT	OPERATIONAL	COMPONENT	TRAINED & EQUIPPED
ARMY*	~116,500	POLICE**	~101,200
AIR FORCE	~600	OTHER MOI FORCES	~44,300
NAVY	~800	TOTAL	~145,500
TOTAL	~117,900	OBJECTIVE	188,000
OBJECTIVE	137,500		

Total Trained & Equipped ISF:
~263,400

* MNSTC-I expanded the train and equip mission from 4 to 11 Strategic Infrastructure Battalions (SIBs) on 29 Mar 06. This change is reflected in the adjusted Iraqi Army authorization.
** The Ministry of Interior dissolved the National Highway Patrol into the regular Police on 17 Mar 06. This change is reflected in the adjusted Iraqi Police trained and equipped numbers.

Data as of 15 May 06

Assessing the Capabilities of Iraqi Security Forces

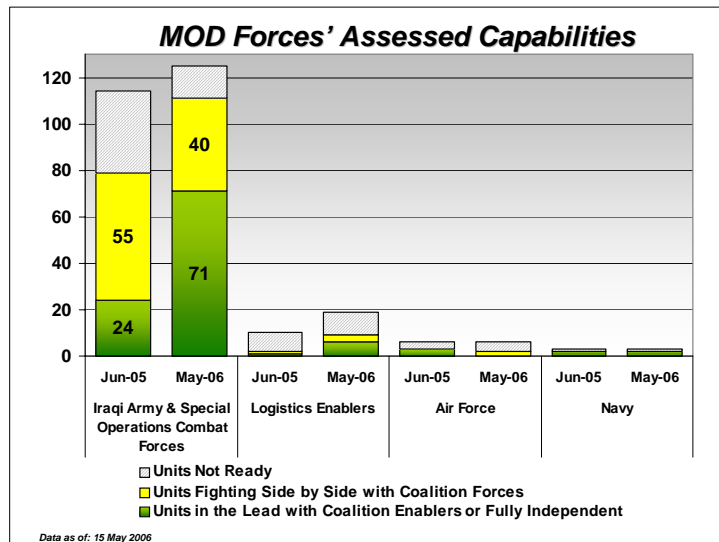
Although the numbers of Iraqi Army and Police trained and equipped are critical indicators of significant progress, the growing capabilities of these units and the ministries that support them are equally important indicators. There are 111 Iraqi Army combat battalions “in the fight,” including 2 Special Operations battalions and 7 Strategic Infrastructure Battalions. There are also 28 National Police battalions in the fight.

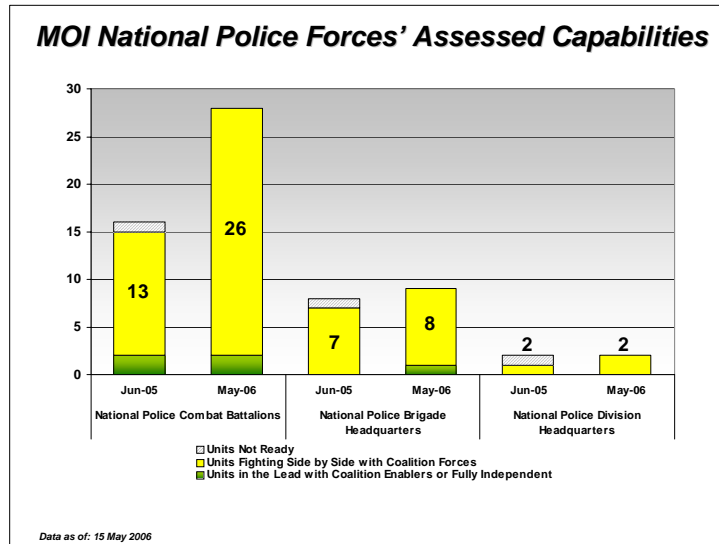
MNC-I assesses the readiness of Iraqi units at four different levels. These levels are described as: “Units Being Formed”; “Coalition and Iraqi Security Forces Fighting Side-by-Side”; “Iraqi Lead with Coalition Support”; and “Independent Iraqi Operations.” These categories are an evolutionary development from the Transition Readiness Assessment (TRA) described in previous reports. The TRA began about a year ago and since then has been refined to enable more accurate measurement of inputs from the advisory teams on the various criteria being assessed, such as manning, command and control, training, sustainment/logistics, equipping, and leadership. Just as is the case for U.S. units, readiness assessment levels of Iraqi units may

change over time as key personnel rotate, equipment is added or replaced, operations tempo changes, etc.

Iraqi units in all categories except “Units Being Formed” are operational—that is, capable of (and frequently engaged in) operations against the enemy. Units rated as “Iraqi Lead with Coalition Support” marks the point at which a unit can control its own area of responsibility and, therefore, allow Coalition units to focus elsewhere. This has up to now been the focus of our training effort.

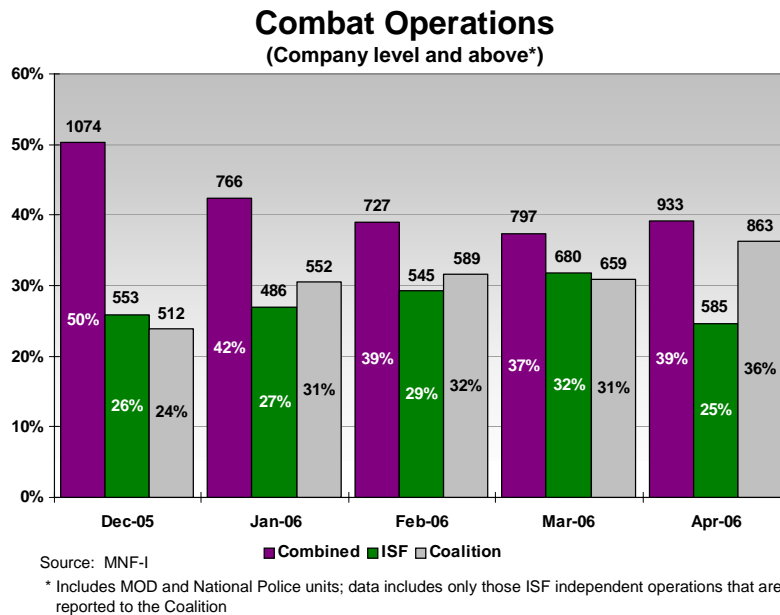
Units assessed as “Independent Iraqi Operations” are capable of planning, executing, and sustaining counter-insurgency operations. This level requires considerably more capability than just being able to fight and win at the small-unit level. Considering the need for further development of Iraqi logistical elements, ministry capacity and capability, intelligence structures, and command and control, it will take time before a substantial number of units are assessed as fully independent and requiring no assistance. Training and equipping Iraqi Security Forces for these functions is an increasing focus of effort in 2006.



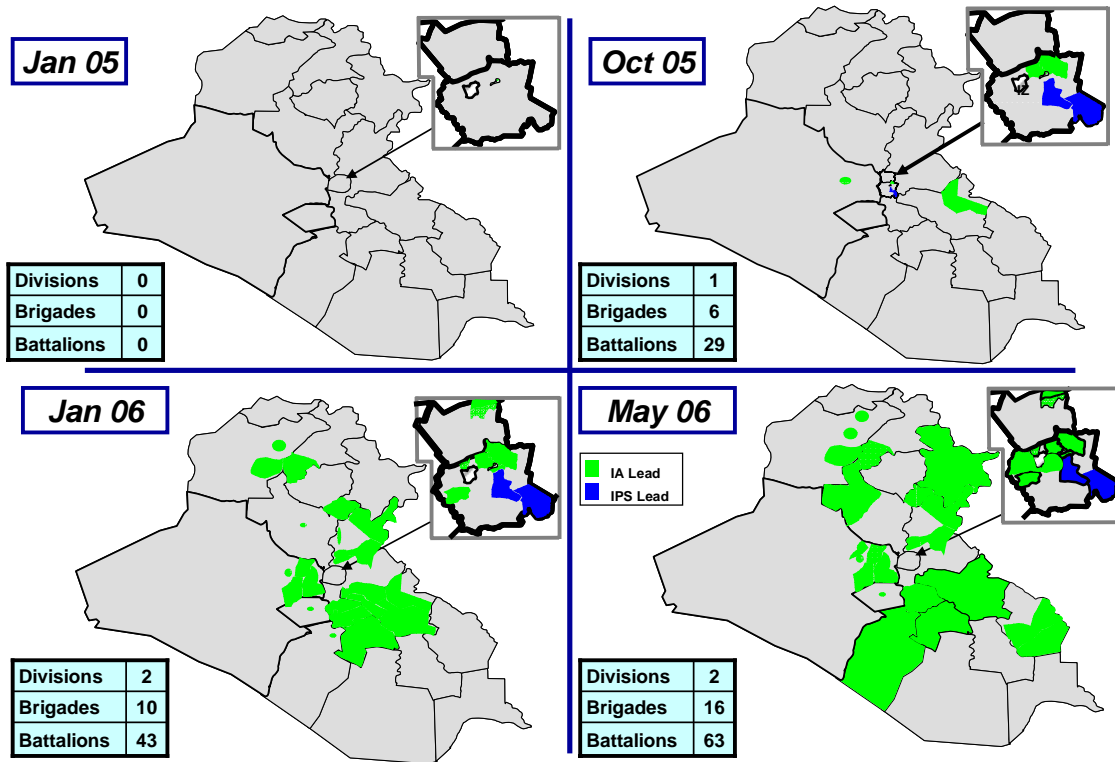


Iraqi Security Forces (ISF) demonstrate increasing capability to plan and execute counter-insurgency operations. The number of counter-insurgency operations conducted independently by ISF as a percentage of total combat operations increased steadily from December 2005 through March 2006. In April, the Coalition forces intensified their own combat operations, which affected the percentage of combat operations led by the ISF. However, the number of ISF and combined ISF/Coalition combat operations in

April exceeded the number of independent and combined operations of the previous month. There are also many counter-insurgency operations conducted by Ministry of Interior (MOI) forces that are not being reported by the MOI to Multi-National Corps-Iraq (MNCI). MNCI is presently working to get better visibility on these other independent Iraqi operations, and expects to include these in the next report.



Iraqi Security Forces Taking Lead Responsibility



Progress in Assuming Security Responsibilities for Areas within Iraq

Increasingly, Iraqi Security Forces (ISF) are taking the lead in operations and primary responsibility for the security of their nation. The accompanying maps show the rapidity of this progress. Coalition forces continue to support and assist the ISF as they move towards the capability for fully independent operations and security self-reliance. As of May 15, there were 2 Iraqi divisions, 16 brigades, and 63 Army and National Police battalions with security lead in their areas of responsibility. These areas include more than 30,000 square miles of Iraq.

Iraqi-planned, Iraqi-conducted, and most important of all, Iraqi-led missions continue

throughout Iraq. With its growing capability and capacity, the ISF continue to take an active role in day-to-day operations. As of May 6, 2006, the MOD, MOI, or Ministry of Finance has assumed control and responsibility for 34 Forward Operating Bases from Coalition forces.

Developing Ministerial Capability

The development of institutional capability within the Ministry of Defense (MOD) and the Ministry of Interior (MOI) to ensure effective civilian oversight, direction, resourcing, and sustainment of the Security Forces is also critical to Iraqi security self-reliance. A main line of operation for Multi-National Security Transition Command-Iraq (MNSTC-I) since October 2005 has been to

manage the programs to build ministerial capacity at the MOD and MOI. In February, MNSTC-I awarded a contract to provide civilian experts to work side by side with Iraqi officials within these ministries. Such efforts were previously undertaken by a much smaller number of U.S. Government employees. Although they made significant progress under extremely difficult conditions, the changes in government, the lack of continuity in ministerial leadership, as well as intimidation and assassination of key senior officials, hindered their overall effort. Now that a new government has been formed, MNSTC-I is positioned to assist the new leadership of these ministries in developing their organizations further.

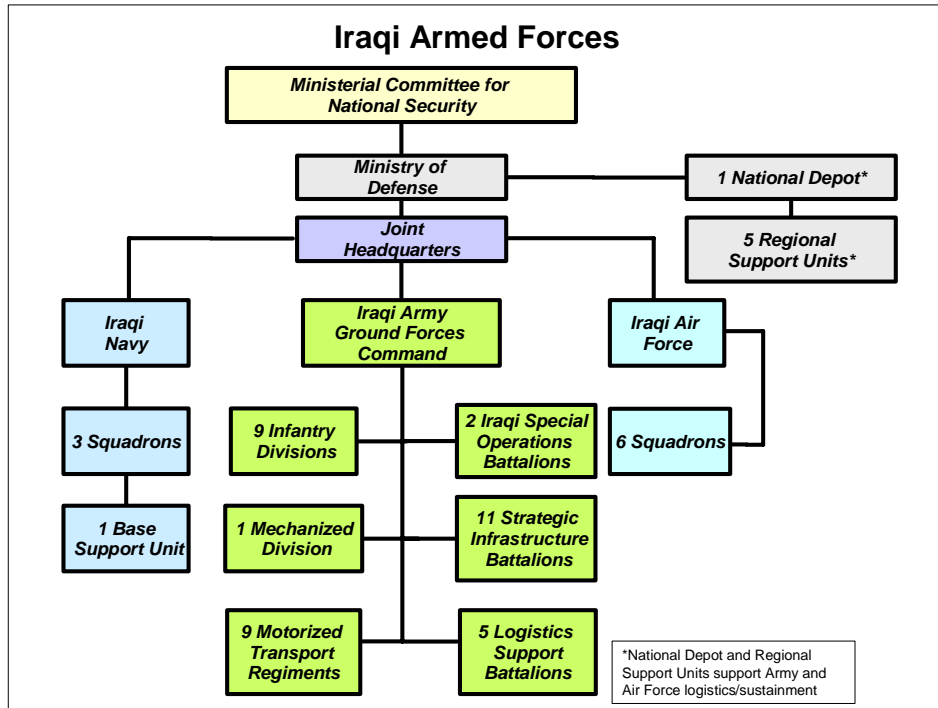
Despite these problems, key doctrine and processes have been developed and are being implemented for such functions as personnel, plans and policies, communications, budgeting, and contracting. Extensive work has been done on logistics doctrine at the Ministry of Defense (MOD), but only to a limited extent at the Ministry of Interior (MOI). In these areas, however, implementation remains uneven. One of the more effective areas is development of plans and policies. The MOD has established its hierarchy of national security and supporting strategies and policies, and the Joint Headquarters' Joint Operations Planning Committee has endorsed the MOD's 2006-2007 National Military

Strategy. At the MOI, a Strategic Planning Working Group has been established, and a 5-year plan for the MOI is under development.

Inter-ministerial cooperation and coordination efforts between the Ministry of Defense and the Ministry of Interior have made progress this quarter. The first national-level command and control exercise is scheduled for May 2006, and significant progress has been made this quarter in preparing for this command post exercise. It will provide a forum for the Iraqi Security Forces, security ministries, and Coalition forces to rehearse synchronized operations and the proper roles, responsibilities, and authorities of each, as they will exist under Provincial Iraqi Control. Specifically, the exercise will allow high-level Iraqi leadership to practice national command and control linkages and to discuss the national decision-making process.

A further notable achievement this quarter is the commencement of efforts by the Ministry of Defense and the Ministry of Interior to each create a Center for Leadership and Ethics. These centers will provide oversight for ethics education, training, and assessment within these ministries. They will accelerate the development of forces that conform to international human rights standards and police practices in democracies.

Ministry of Defense Forces



Iraqi Ministry of Defense (MOD) forces consist of Army (including Special Operations Forces), Air Force, and Navy (including Marines) personnel. Since the last report, the total number of MOD personnel trained and equipped has surpassed 117,900. The objective end-strength of the MOD is approximately 137,500 personnel.

Combat support and combat service support units continue to be generated to provide critical combat enablers. Operational Regional Support Units, Motor Transport Regiments, Logistics Support Battalions, and Headquarters and Service Companies are currently supporting Iraqi personnel in the fight. Strategic Infrastructure Battalions remain focused on securing the critical oil pipelines. This quarter, the train-and-equip mission for these battalions was increased from 4 to 11 battalions to reflect the adjusted Iraqi Army authorization.

In addition to continued generation of military units, development of the civilian functions of the MOD is necessary for the Iraqi Armed Forces (IAF) to be able to operate and sustain themselves more independently of Coalition forces. An integrated and coordinated effort to ensure that key ministerial functions develop commensurate with those of the IAF has made progress over this quarter. Notable strides have been made in building the identified minimum essential processes, which include executive support, contracting, logistics, plans and policy, personnel management, communication, budgeting, and intelligence. The MOD has approved the Defense Resources and Requirements Management Process, an important step in establishing a strategic decision-making model that will ensure that authority is delegated to the appropriate level and that decisions are balanced and informed. This modularized business model is focused on planning, programming and budgeting,

execution, and review. Coalition advisors established such processes in late 2004 and early 2005, but they were not sustained because of neglect by the Iraqi officials who were responsible for their functioning—yet another reason why establishment of a new government with a longer tenure and a long-term focus on the MOD's challenges will be crucial to building the MOD's capacity and managing its processes.

Significant strides have been made in building Iraqi logistical capabilities this quarter, although Coalition forces continue to provide materiel movement, life support, and other combat support to the Iraqi Armed Forces. The MOD's logistic system is composed of comprehensive lines of support at the operational and tactical levels. The National Depot at Taji, which is managed by the civilian component of the ministry, provides strategic and some operational-level supply and maintenance support through its military, civilian, and contractor staff. It provides warehouse facilities for the receipt, storage, and issue of the Iraqi Army and Air Force's national stockholding of most classes of supply and facilities for conducting vehicle overhauls and other 4th-line (i.e., national depot-level) maintenance support. The National Depot feeds five Regional Support Units (RSUs) that provide maintenance and supply support to nearby units. Four of these RSUs are currently operational, and the fifth is being formed. The National Maintenance Contract, which extends through March 2007, continues to provide a limited interim solution for organizational and intermediate maintenance requirements of the Iraqi Armed Forces at ten different locations throughout the country. The capability to provide some routine maintenance is being developed within the support units.

After a period of significant turmoil within the MOD Inspector General's (IG) office in

2004 and 2005—including the apparent accidental death of the previous IG and attempts by the previous minister to marginalize the office—progress has been made in recent months in the development of the IG's internal investigative capability. The current minister is using the IG to investigate internal issues, including personnel and contracts.

Equipping the Iraqi Armed Forces (IAF) has continued according to plan since the last report, with the procurement and delivery of more than 25,000 AK-47s, more than 6,200 9mm pistols, nearly 1,300 light and medium machine guns, and nearly 1,000 light and medium vehicles. Individual soldiers were issued more than 17,000 sets of body armor and more than 15,000 Kevlar helmets. In addition, the MOD received 176 HMMWVs, which have been distributed among the divisions and Motorized Transportation Regiments.

Ethno-Sectarian Diversity at the Ministry of Defense

The U.S. Government is committed to helping create an Iraqi military that reflects the ethnic and sectarian diversity of the Iraqi people, with integrated units loyal to the Iraqi people as a whole. The leadership of the MOD, selected with MNSTC-I coordination, is majority Sunni. The officer corps tends to have a higher percentage of Sunnis than either the population as a whole or the enlisted ranks. Nationally recruited Iraqi Army divisions are roughly representative of the ethnic/sectarian composition of the country. The 2nd and 4th Divisions are predominantly Kurdish, and the 8th, and 10th Divisions are almost all Shi'a personnel, because they are composed mainly of soldiers recruited from the regions in which they are based. Over time, as replacements from the national recruiting pool fill out divisions, the distribution by ethnic/sectarian group could

become more balanced across the whole Army.

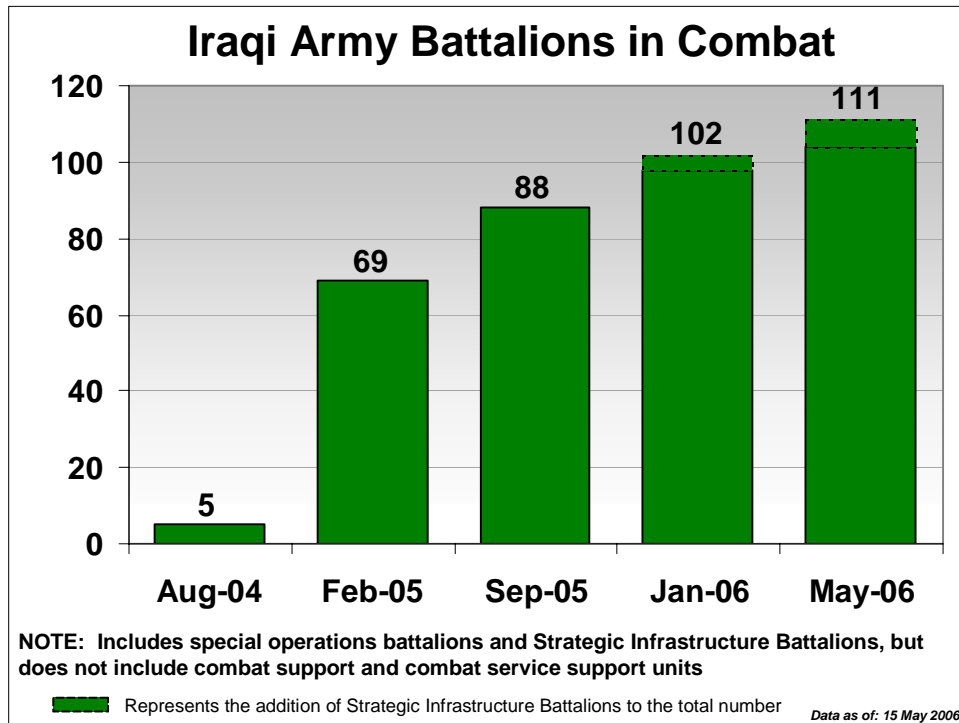
Absenteeism at the Ministry of Defense

The extent of absenteeism in the Iraqi military tracks with where a unit falls in its training and employment lifecycle. During individual and collective training, some recruits determine that the life of a soldier is not for them and leave, while others fail to meet training course standards and are dismissed. Approximately 15% attrition is the norm for initial training. When a unit is fully trained and employed in combat operations, some soldiers find that they do not like the particular location or they find that the danger of the counter-insurgency is too much for them. Absent-without-leave rates are typically about 1%-4% for most divisions, although deployments to combat sometimes cause absentee spikes of 5% to 8%. However, soldiers in units in this final stage of development are unlikely to leave the service. What

remains is a unit that is confident in its ability to fight, in its leaders, and in its backup (which is, increasingly often, another Iraqi unit).

Army

The Iraqi Army includes approximately 116,500 trained and equipped combat soldiers (including Strategic Infrastructure Battalion personnel and approximately 9,600 support forces). The capability of Iraqi Army units continues to improve, facilitated by the close partnership and mentoring of Iraqi units by Coalition forces. A year ago, only three Iraqi battalions had lead responsibility for security in their respective areas. By October 2005, that number had grown to 1 division, 4 brigades, and 23 battalions. Today, the number of Iraqi Army units that have assumed the lead has doubled to 2 Iraqi Army divisions, 14 Iraqi brigades, and 57 Iraqi battalions.



Force generation of Iraqi Army units—which is increasingly focused on combat enablers—continues according to the force structure plan. Of the planned nine Motorized Transportation Regiments (MTRs) to support each of the nine Iraqi Army light infantry divisions, four are now at least initially operationally capable. These MTRs provide improved mobility and sustainment support for the Iraqi forces. The operational regiments are conducting critical logistical support missions in partnership with the Coalition Support Command. All nine MTRs are expected to reach initial operational capability by mid-2006. Under the Iraqi Armed Forces Logistics Concept, the 9th Mechanized Division will be supported by a total of five Logistics Support Battalions, of which two are currently operational. Generation of the remaining battalions will significantly increase the division's ability to sustain itself throughout its area of operations. In addition to these combat enablers, the structure of each combat battalion, brigade, and division has been adjusted to include a Headquarters and Service Company (HSC), which provides organic support to these units. This support includes resident transportation, communications, medical, supply, and maintenance capabilities. To date, approximately 80% of the required HSCs have been formed, of which 41% are operational.

The Iraqi Armed Service and Supply Institute (IASSI) at Taji plays a critical role in training the officers and non-commissioned officers (NCOs) to fill support and combat service support positions throughout the Iraqi Army. The IASSI has trained more than 5,000 officers and NCOs who will be the soldiers and supervisors for the Motor Transport Regiments, Regional Support Units, and Headquarters and Service Companies. The IASSI continues to directly support the development of critical Iraqi Army support and combat support capabilities.

The basic training system, consolidated under the command of the Iraqi Training Brigade, continues to develop, and training has continued apace. All three Iraqi Training Battalions are now formed and fully operational. This has significantly increased the Iraqis' ability to train capable soldiers in sufficient quantities for force generation and replacement needs. New recruits continue to attend a 5-week program of instruction at the Kirkush Military Training Base and An-Numiniyah. Upon graduation, they receive additional specialty training. Depending on their military occupational skill assignment, the training varies from three to seven weeks. This specialized training develops infantry, armor, administration, communications, transportation, maintenance, and military police skills, among others. Other training initiatives, such as the Military Intelligence School, the Signal School, the Bomb Disposal School, the Combat Arms Branch School, the Engineer School, and the Military Police School, contribute to the professionalization of the Iraqi Army through teaching diverse soldier specialties necessary to conduct and sustain counter-insurgency operations.

A system of Regional Training Centers and the Non-Commissioned Officer (NCO) Academy focus on the junior leader development critical to building a professional force that has a solid NCO Corps. The newly piloted Sergeants Major Course and Chief Warrant Officer Course have been added to the NCO Professional Education System. Three Iraqi Military Academies at Zahko, Qualachulon, and ar Rustimiyah continue to conduct new officer training. The 1-month Former Officer Course (FOC) continues to emphasize human rights, ethics, and counter-insurgency operations. The importance of ethics, human rights, and leadership in the Iraqi Armed Forces has led to the concept of the Center for Ethics and Leadership to

provide institutional oversight for ethics education, training, and assessment.

The institutional leadership courses are complemented and reinforced through partnership with Coalition Military Transition Teams. These teams, embedded with every Iraqi battalion, brigade, and division, provide daily guidance and mentorship. In addition, Iraqi units are partnered with Coalition forces. These two programs, combined with the expertise and leadership taught through the institutional base, are critical for development of both unit proficiency and leadership essential to increased operational effectiveness. Monthly Transition Readiness Assessments are prepared as tools to measure each unit's progress in specific sectors and to identify areas needing improvement.

The Army maintains command authority over the Strategic Infrastructure Battalions (SIBs). The SIBs, initially conceived by the Iraqi Transitional Government, continue to be evaluated for effectiveness in securing the strategic pipelines, but still remain limited in their ability to protect the critical oil pipelines. MNSTC-I recently expanded its train-and-equip mission from 4 to 11 SIBs to reflect the increased Iraqi Army authorization of these units. These battalions are built on the standard light infantry model. Because these battalions are home-based, they are scheduled to receive fewer vehicles than regular Iraqi Army battalions. Training of these battalions continues to utilize a "train the trainer" model that focuses specifically on squad- and platoon-level tasks.

Iraqi Special Operations Forces

The Iraqi Special Operations Forces (ISOF) are composed of approximately 1,600 trained and equipped personnel organized into the Iraqi Counter-Terrorism Task Force (ICTF), the Iraqi Commandos, a support battalion,

and a special reconnaissance unit. The ISOF will complete force generation by the summer of 2006. The ICTF and Commandos continue to conduct reconnaissance and direct action missions throughout the nation, demonstrating their high level of expertise, reliability, and effectiveness in accomplishing their mission. The ISOF continue to operate primarily with U.S. equipment, including the M4 carbine, M240 machine guns, M2 heavy machine guns, and up-armored HMMWVs. These forces are fully equipped for performing diverse combat missions, although they require some Coalition support to enable them to deploy rapidly nationwide.

The training program for these personnel has remained a rigorous and intense process that includes an extensive assessment and selection program prior to indoctrination. Coalition units continue to mentor and provide guidance to these highly skilled and motivated forces, increasing their growth and professionalization.

Navy

The Iraqi Navy is tasked with defending Iraq's coast, territorial waters, vital ports, and offshore assets. The Navy and Marines continue to work closely with Coalition maritime forces to conduct maneuvers to provide offshore oil platform security as well as to patrol Iraqi territorial waters. The Iraqi Navy currently has more than 800 trained and equipped sailors and Marines organized into an Operational Headquarters, two afloat squadrons, and six Marine platoons. The Iraqi Navy continues to develop capabilities for surface surveillance, maritime interdiction, oil terminal protection, and support operations. The Navy has shown improvement in the command and control capability of the Operational Headquarters as well as the capability to mount a Quick Response Force for board-and-search missions, while main-

taining communications with the headquarters and operating forces.

The Iraqi Navy order of battle includes the Patrol Boat Squadron, composed of 5 Predator Class boats; the Assault Boat Squadron, composed of 10 Rigid Hull Inflatable Boats; and 24 Fast Assault Boats. The Navy is awaiting delivery of the three al-Faw patrol boats, which continue to be delayed. The procurement of two Off-Shore Support Vessels has been delayed by MOD until the formation of the new government. The Marine battalion is conducting oil terminal point defense, visit board search and seizure, and force protection.

Training of the Iraqi Navy continues to be conducted by the Iraqi Navy Training Department, with the assistance of the Coalition's Navy Transition Team. Training remains focused on maintaining basic seamanship skills and conducting maritime operations. Afloat Forward Staging Base and visit board search and seizure training continues. Marine training continues to be supported by U.S. Navy Mobile Security Detachments and includes regular marksmanship refresher training.

Training and mentoring of the Iraqi Navy is primarily focused on improving command and control and ensuring sustainability through mentoring in logistics and engineering support. The planned procurement of the Off-Shore Support Vessels and al-Faw class patrol boats will allow for greater operational progress. Despite underdeveloped institutional support and acquisitions capability, the Navy developed significant operational momentum in 2005 and the first part of 2006.

Air Force

The Iraqi Air Force continues to make progress in developing some capability to sup-

port counter-insurgency operations. The Air Force has approximately 600 trained and equipped personnel and continues to develop three airpower capabilities: reconnaissance, battlefield mobility, and air transport.

Iraqi reconnaissance aircraft have a limited capability to perform oil infrastructure reconnaissance and surveillance support for nationwide counter-insurgency operations. The Iraqi Air Force (IAF) reconnaissance aircraft consist of single-engine airplanes used in civilian and commercial markets. One such IAF type, the CH-2000, has continued to experience issues with carbon monoxide presence, which has limited its effectiveness. A temporary fix has been designed, and full operational capability is expected by late May. Another IAF reconnaissance aircraft, the CompAir, awaits the arrival of a U.S. Air Force team, scheduled to be in theater in May, to modify the fleet and return it to operational status.

The Iraqi Air Force has three squadrons of helicopters (2nd Squadron, 4th Squadron, and 12th Squadron) in support of battlefield mobility. Sixteen UH-1H helicopters have returned to the United States for modifications and upgrades to the Huey II configuration. The first seven of these aircraft are scheduled to return to Iraq in January 2007, with the remainder following two to three months later. The 4th Squadron will initially operate 10 Mi-17s procured by the Iraqi MOD. Eight of these 10 have been delivered, but they are awaiting additional armor, weapons mounts, and pilot training and proficiency. These aircraft are expected to be operational by the end of 2006. The 12th Squadron operates five Bell 206 Jet Ranger helicopters, which are used for training purposes.

The 23rd Transport Squadron, with its three C-130E aircraft, completed its move to the

new al-Muthanna Air Base early this quarter. This squadron has continued to perform transport, mobility, and humanitarian missions this quarter.

Ministry of Interior Forces

Ministry of Interior (MOI) forces consist of the Iraqi Police Service (IPS) and national forces. The national forces consist of the National Police, the Department of Border Enforcement, and the Center for Dignitary Protection. The IPS is composed of patrol, traffic, station, and now highway police assigned throughout Iraq's 18 provinces. Effective in March, the MOI merged the former Iraqi Highway Patrol with the respective provincial police departments. As such, the authorization for the MOI forces has been decreased to approximately 188,000 trained and equipped personnel. Within the National Police, 28 battalions are in the fight, with 6 battalions having security lead for their areas of responsibility.

As mentioned in the last report, the Commander of MNF-I has designated 2006 the "Year of the Police," and an aggressive plan is being implemented to develop professional civil security forces that have the confidence of the Iraqi public. The "Year of the Police" initiatives are focused on creating a force loyal to the people of Iraq and its Constitution and committed to human rights and rule of law. The Coalition Police Assistance Training Team (CPATT), under MNSTC-I, leads the effort, partnering with MOI to plan, coordinate, and execute the necessary measures to develop the ministry. This partnership allows CPATT to mentor MOI at every level, from the individual police officer to the minister. Force generation has been accelerated, and CPATT anticipates that it will have trained and equipped the authorized number of MOI forces by December 2006. This accelerated

force generation plan continues to ensure that Iraqi Police Forces are equipped with the right training and gear for the current operational environment. Increased focus is on leader development, with the Center for Ethics and Leadership initiative as well as efforts to change the Baghdad Police College from its current focus on training basic police officers to developing Iraqi police officers. In addition to professionalizing the force, progress has been made in developing the internal investigative capability of the MOI's Internal Affairs section. The Internal Affairs section graduated another group of students, bringing the total number of trained Internal Affairs specialists to 25. A specifically adapted Ethics and Human Rights training class, which provides 20 hours of training, is in its first session for currently serving Internal Affairs personnel.

Additional "Year of the Police" initiatives include the establishment of more than 200 police transition teams at the national, provincial, district, and local levels to provide Coalition oversight, mentorship, and training to the police forces. Partnership with Coalition forces has strengthened with other MOI forces as well. More than 25 Border Transition Teams will mentor and enable development of border forces. In addition, the Iraqi Department of Homeland Security Customs and Border Patrol teams provide critical mentorship at points of entry, and the 38 National Police Transition Teams continue to support the development of the National Police units. Partnership relationships are also being developed between Coalition forces and the National Police units.

Ethno-Sectarian Diversity at the Ministry of Interior

The U.S. Government is committed to helping the Iraqi government create a MOI that reflects the diversity of the Iraqi people. The

goal is to create ethnically integrated units at a national level, while still allowing local police to reflect the ethnic composition of the communities in which they serve. The former Police Commandos, now part of the National Police, have a diverse ethnic representation. The former Public Order Battalions, also now part of the National Police, tend to be disproportionately Shi'a, due to a lack of Sunni participation when these units were being formed in preparation for the January 2005 elections. Merging the National Police Commandos and the Public Order Battalions into one National Police force will help produce a more representative ethnic mix. Unlike the National Police, local police forces tend to be of the same ethnic mix as the communities in which they live and work.

Human Rights at the Ministry of Interior

The Iraqi government and its Coalition partners are taking steps to promote structural reform within the MOI to protect human rights. Iraqi police recruits receive 32 hours of human rights and rule of law training during the 10-week police basic training program. At the 3-week-long Transition Integration Program, in-service personnel receive 20 hours of human rights and rule of law training. National Police Forces receive 9-15 hours of human rights training during their 6-week courses. Additionally, throughout the country there are numerous programs to train existing MOI security forces in human rights standards, such as embedding civilian advisors and military police into Iraqi police stations.

The U.S. Government also aided the Iraqi government in establishing an abuse complaint process system involving the Inspector General, Internal Affairs, and the Public Affairs Office. The MOI, however, still lacks adequate capacity to police itself and eradicate human rights abuses. Many human rights

violations occur at detention centers (e.g., police jails) because the centers have inadequate facilities. The centers have no places to shower, pray, or prepare food; plumbing and electrical systems are substandard. Furthermore, the police are not trained as jailers. A majority of these detention centers have been identified, and inspections are ongoing. To date, the Joint Iraqi Inspection Committee, consisting of Iraqi Inspectors General from various ministries, supported by the U.S. Embassy and MNF-I, has inspected seven facilities.

Absenteeism at the Ministry of Interior

Absenteeism in the Iraqi Police Service is harder to quantify because the patrol, station, and traffic police are operating without significant transition team oversight. It appears, however, that absenteeism among National Police units (formerly Police Commandos, Public Order Brigades, etc.) generally follows the same pattern as in the military.

National Police

The Minister of Interior signed an order to reorganize and merge the Police Commandos, the Public Order and Mechanized Police, and the Emergency Response Unit (ERU) to form a single force, the Iraqi National Police, on April 1, 2006. The National Police are organized with a National Police Headquarters, under which will fall the 1st and 2nd National Police Divisions, the 1st National Police Mechanized Brigade, and the ERU. The two divisions of National Police were formed from the Commando Division and Public Order Division. The 1st National Police Mechanized Brigade will remain a direct supporting unit. The ERU, previously part of the Ministry's Supporting Forces organization, has been reassigned as a direct reporting unit to the National Police Headquarters. Two academies, Camp Solidarity and Camp

Dublin, provide specialized training and professional development and also fall under the National Police Headquarters. The Headquarters was formally recognized to provide command and control, manning, equipping, training, and sustainment for these National Police Forces. The Minister of Interior has approved the future evolution of the National Police into a carabinieri-like capability; plans continue to be developed for such a transition.

There are currently about 22,700 National Police personnel who have been trained and equipped, an increase of 4,000 since the last report. Training on Iraqi law, including human rights, rule of law, and democratic policing techniques, will be increased at the National Police Academy. These forces continue to play a prominent role in the security of Baghdad and other key areas throughout Iraq. Reorganization will increase their effectiveness and capabilities as a national, rapid-response force for countering armed insurgency, large-scale disobedience, and riots.

The 1st and 2nd National Police Divisions will reach 95% of equipping and authorized manning by June 2006 and will complete force generation by December 2006. The 1st National Police Mechanized Brigade continues to provide route security along Route Irish (from the International Zone to Baghdad International Airport), and is currently completing the fielding of 62 Armored Security Vehicles.

Under the April 1, 2006, reorganization, the National Police will consolidate its initial training program and finish basic training programs at the National Police Force Training Academies. The focus of training is now on leader development and “train the trainer” courses to facilitate the transition to Iraqi lead in all areas. New recruits will undergo six intense weeks of training at the

academy in northern Baghdad. Each training cycle is designed to accommodate 300–500 students. The syllabus spans weapons qualification, urban patrolling techniques, unarmed combat apprehension, use of force, human rights and ethics in policing, introduction to Iraqi law, vehicle checkpoints, and improvised explosive device characteristics and recognition. The effectiveness of this training has been proven through the successful conduct of myriad combat operations by National Police Forces.

Also effective April 1, 2006, was the reassignment of the National Police Transition Teams (NPTTs) to MNC-I. This reassignment ensures an integrated approach to command and control for the transition teams, as MNC-I is also responsible for the operational control of other teams, such as the Military Transition Teams. It also facilitates a more synchronized effort between Iraqi Forces and operational Coalition units. The NPTTs continue to be collocated with the National Police forces in the field, where they work with them on a daily basis to mentor and monitor the leadership as the Iraqis plan and execute operations, while emphasizing the importance of human rights and the rule of law. These teams help professionalize the forces, improve operational effectiveness, and provide links to Coalition combat enablers.

In addition to the National Police Transition Teams’ daily interaction with the National Police, MNF-I, U.S. Embassy-Baghdad, and International Police Liaison Officers make unannounced visits to National Police Force sites to assess progress with regard to detainee handling.

Allegations of detainee abuse and extrajudicial police actions are being taken very seriously. The Coalition is taking significant steps to ensure Iraqi investigation of abuse allegations and to promote public reporting

on the investigations, with the intent of building public confidence in Iraqi National Police Forces. The MOI has initiated investigations into allegations of wrongdoing by its forces. Although allegations of misconduct are troubling, the National Police Forces provide a significant capability to the MOI, and the growing pride and dedication of its personnel are demonstrated by their operational success and minimal rate of absences-without-leave.

The Emergency Response Unit (ERU), now a direct reporting unit of the National Police Force Headquarters, continues to develop its capabilities. More than 400 trained and equipped personnel are assigned to the highly trained, national-level unit similar to the hostage rescue team of the U.S. Federal Bureau of Investigation. Force generation remains on track and is expected to be complete by the summer. During the past quarter, the ERU operated primarily in the Baghdad area in support of counter-insurgency operations.

The Emergency Response Unit training consists of a 4-week basic course followed by a 4-week advanced course. These courses include instruction on basic handling of detainees, human rights training, target reconnaissance, physical fitness, and basic mission planning. Selected personnel receive training at the 8-week Explosive Ordnance Disposal course or the 6-week Intelligence/Surveillance course.

The Emergency Response Unit (ERU) receives strong mentorship from former U.S. Special Operations personnel, who develop leadership and mission planning and execution capabilities. The ERU consistently demonstrates strong officer and NCO levels of leadership. Beginning in April, MNC-I transition teams will begin to take respon-

sibility for mentoring and coaching of the ERU.

Iraqi Police Service

The Coalition Police Assistance Training Team (CPATT) has trained and equipped approximately 101,200 Iraqi Police Service (IPS) personnel, an increase of 18,800 since the last report. The IPS is organized into patrol, station, traffic, and highway patrol directorates in all major cities and provinces in Iraq. Its mission is to enforce the law, safeguard the public, and provide internal security at the local level. The MOI directed that the Iraqi Highway Patrol (IHP) be merged into the IPS structure and that currently serving IHP personnel be assigned to the provinces as a sub-directorate similar to the existing organization for station, patrol, and traffic directorates. This force adjustment accounts for about 2,000 of the increase in trained and equipped IPS; however, the total number of IPS personnel to be trained and equipped has not changed as a result of the merger. The CPATT projects that it will have trained and equipped the total authorization of 135,000 personnel by December 2006. More than 225 Iraqi Police stations have been constructed or refurbished, an increase of more than 80 since February 2006. An additional 225 police stations are projected to be completed by December 2006.

The Iraqi Police Service (IPS) is equipped with AK-47s, PKCs, Glock pistols, individual body armor, high frequency radios, small pick-ups, mid-size SUVs, and medium pick-ups. Logistics capabilities continue to be an area of concern for the IPS, particularly with respect to vehicle maintenance. Significant progress has been made in the effective distribution and improved accountability of supplies and equipment. Forces in the nine key cities are currently approaching 80% of their authorized key pacing items.

Training of Iraqi Police continues primarily at the Jordan International Police Training Center (JIPTC) and the Baghdad Police College (BPC). The JIPTC has a throughput capacity of approximately 1,500 students per class, while the BPC has a throughput of approximately 1,000. These training initiatives are complemented by smaller regional training academies. Trainees undergo a 10-week basic police course, where the curriculum continues to focus on rule of law, human rights, and policing skills in a high-threat environment. In the past quarter, more than 20,000 police personnel have received additional specialized training on diverse subjects, including interrogation procedures and counter-terrorism investigations. Officer and non-commissioned officer (NCO) development is being expanded to regional training centers to facilitate attendance and minimize security challenges during movement of students. Leadership development efforts remain on track to meet the December 2006 goal of having all required officers and NCOs trained.

Department of Border Enforcement

The Department of Border Enforcement (DBE) has trained and equipped approximately 21,000 personnel, an increase of 2,300 since the last report. These forces are organized into 5 regions, 12 brigades, and 38 battalions, and include the forces that will man the 258 border forts. Significant progress has been made in the construction of these forts, with 244 border posts and forts now completed, an increase of 74 since the last report. Efforts continue to repair and finish construction of the remaining posts by mid-2006. The Iraqi border forces continue to work closely with Ministry of Defense and Coalition forces to create a layered security effort to protect the borders of Iraq, including border patrols by the DBE units, Iraqi Army checkpoints, and Coalition forces. The 11-

man Coalition Border Transition Teams (BTTs) continue to provide mentorship and support the development of the border units. The BTT members are trained in various specialties, including logistics and communications, and provide critical assistance to the border force commanders in the areas of personnel management, intelligence, operations, budgeting, equipment accountability, and maintenance. As part of the "Year of the Police," the number of BTTs has been increased from 15 to more than 25.

Equipping the Department of Border Enforcement and Point of Entry forces continues this quarter. The force generation and distribution plan calls for the delivery of 85% of the key equipment by the summer of 2006, with the balance to be completed by the end of 2006. Typical organizational equipment includes small and medium pick-up trucks; mid-size SUVs; generators; and mobile, base, and hand-held radios. Personal equipment, including AK-47s, medium machine guns, and individual body armor, complete the outfitting of the border forces.

Three academies, each with a capacity of approximately 800, are utilized for training border patrol students. The Iraqi Border Patrol (IBP) Basic Training Course focuses on an introduction to law enforcement, human relations, human rights, weapons qualification, combat life saving, vehicle searches, Iraqi border law, arrest and detainee procedures, and small unit patrolling. The curriculum is currently being updated to institute an additional block of specialized instruction for first aid, communications, maintenance, and food preparation. Each new recruit will complete three weeks of core curriculum and then be tracked according to one of these four specialties. The Department of Border Enforcement (DBE) academies have reached a significant milestone, with the

first Iraqi-instructed courses taught at the al-Kut, Basrah, and Sulamanyah DBE Academies. In addition, the first group of Iraqi officers and non-commissioned officers (NCOs) completed instructor training in February 2006. These instructors have assumed responsibility for teaching students at the Iraqi Officer and NCO IBP Courses.

There are 14 land Points of Entry (POEs), of which 13 are functional. Efforts continue to assess the POEs and implement a more effective POE strategy. Progress in designating POE standard organizations, delineation of responsibilities, and development of detailed policies and procedures has continued. Because multiple ministries are involved in the operation of POEs, however, significant changes will not be likely until the formation of the new government. The Iraqi Department of Homeland Security, in coordination with MNSTC-I, has continued its rotation of Customs and Border Patrol Teams (formerly Border Support Teams). These subject matter experts have made an important impact on the POEs, particularly along the Syrian border.

Border forces and Points of Entry (POEs) are assessed using a Transition Readiness Assessment. Ratings have demonstrated improvements in the capabilities along the border and POEs. The increased emphasis on Border Transition Teams and the Customs and Border Patrol Teams has made a significant improvement as the Coalition expertise and mentorship affects the Iraqi border forces. Continued improvement is anticipated as more equipment, an improved

Iraqi-led logistics program, and additional training are provided to the MOI Department of Border Enforcement and POEs.

Center of Dignitary Protection

The Center of Dignitary Protection (CDP) has trained and equipped approximately 600 people. Currently no individuals are in training. The CDP is prepared to train the Protective Security Details (PSDs) of Iraq's Tier I leaders for the new government. Training for personnel will consist of the established four sub-courses. Tier I PSDs undergo a 5-week program, Tier I Motorcade Escorts undergo a 4-week course, Tier I Site Security undergo a 2-week course, and Tier II PSDs undergo a 4-week course. These courses continue to emphasize defensive and lifesaving driving skills, site security, control point access, bomb threat actions, improvised explosive device countermeasures, facility and route reconnaissance, security functions, and basic lifesaving skills. An Iraqi training team will be prepared to assume responsibility for training future Tier I PSD personnel by June 2006.

Although no official Transition Readiness Assessment exists for the Center of Dignitary Protection (CDP), thorough assessments are provided by the contract mentors and advisors attached to each team. The procedures utilized by the CDP Tier I PSDs are constantly evaluated and adapted as necessary to increase effectiveness. Each personal security detachment is equipped with basic equipment kits.

III. Transitioning Security Responsibility to the Iraqi Government and Criteria for Withdrawing Forces

As described previously in this report, the transfer of security responsibility from Coalition forces to the Iraqi government is an objective of the security track in the National Strategy for Victory in Iraq. Such transfers reflect the capability of the Iraqi government to fulfill its sovereign responsibility in the most fundamental vital interest of any state—to protect its citizens and safeguard its territory. As Iraqis take on more responsibility for security, Coalition forces will increasingly move to supporting roles in most areas. In some cases, this may allow for personnel reductions or, as the President announced earlier this month, to delay previously scheduled deployments. Our posture on the ground will remain responsive and flexible, as will that of our Coalition partners. As the security situation evolves, we will ensure that we maintain sufficient forces on the ground to help Iraq consolidate and secure its gains on many different fronts.

Transitioning Security Responsibility

Iraqi Security Forces' (ISF) lead within designated territories or areas of responsibility, described in the previous section, is only one step in fulfilling the criteria for transferring security responsibilities in any province. In concept, security transition is a four-phased process:

- Implement Partnerships—MNF-I and its Major Subordinate Commands establish and maintain partnerships across the entire spectrum of Iraqi Security Forces units, from battalion through to ministerial level.
- Iraqi Army Lead (IAL)—Process during which Iraqi Army units progress through stages of capability

from unit formation to the ability to conduct counter-insurgency operations.

- Provincial Iraqi Control (PIC)—Iraqi civil authorities satisfy the conditions required to assume control and exercise responsibility for the security of their respective provinces.
- Iraqi Security Self-Reliance—The Government of Iraq achieves PIC (or a combination of PIC and IAL) throughout Iraq; and the Government, through its security ministries, is capable of planning, conducting, and sustaining security operations and forces.

These phases are not strictly sequential. For example, Iraqi forces do not have to assume the lead in each governorate before Coalition forces may begin transfer of provincial control in governorates where all conditions, including Iraqi Security Forces lead for security, have already been established.

Phase one of the security transition concept, implementing partnerships, is already complete. As described in the section on Iraqi Security Forces, the second phase, Iraqi Army lead, is well under way in several provinces. The third phase, establishing provincial Iraqi control over security, will be implemented on an area-by-area basis, building to control of entire governorates. The Iraqi government, jointly with military and political leadership of the United States and Coalition partners in Iraq, assesses when conditions permit handing over security responsibility for specific areas from Coalition forces to the Iraqi civil authorities. The Joint Committee to Transfer Security Responsibility (JCTSR) has developed criteria to guide the transfer of

security responsibility. The Ministerial Committee for National Security acknowledged these criteria on February 3, 2006. The JCTSR principals include the U.S. Ambassador, the United Kingdom Ambassador, the Iraqi Ministers of Defense and Interior, the Iraqi National Security Advisor, and the Commanding General and Deputy Commanding General of MNF-I. Conditions necessary to transfer security responsibility are evaluated both in provinces and provincial capitals. Recommendations for transfer include an assessment of conditions in four categories:

- threat assessment;
- Iraqi Security Forces;
- governance; and
- MNF-I Forces.

The recommendation to transfer security responsibility is based on the specific situation in any one province or provincial capital in the context of the overall security environment. The appropriate Multi-National Force Division Commander, Provincial Governor, with assistance from representatives from the Iraqi Ministries of Interior and Defense and U.S. and United Kingdom Embassies, are now conducting monthly assessments of provinces—and of provincial capitals if provinces do not meet security transition criteria. A Joint Committee to Transfer Security Responsibility (JCTSR) working group will continue to meet monthly to review the assessments and present recommendations to the JCTSR principals regarding which provinces are ready to be transferred. Once a decision is made, the JCTSR working group will provide oversight of the development of transition directives, public affairs plan, and post-transfer security agreement between MNF-I forces and provincial governors. Each and every transfer will ensure an effective and successful handover

of security responsibilities. Moreover, the transition and reduced presence of MNF-I forces will be clearly visible to the Iraqi people. The May joint assessments for the 18 provinces and provincial capitals of Iraq are currently being conducted.

Criteria for Withdrawing Forces

In consultation with the military commanders in Iraq, the Government of Iraq, and allies, the Secretary of Defense continues to advise the President on the appropriate level of U.S. Forces in Iraq and the surrounding theater of operations based on current conditions. These conditions include, but are not limited to, key elements of MNF-I Campaign Plan—such as the increasing leadership of Iraqi Security Forces in counter-insurgency operations and ownership of areas of responsibility—and progress in the political process. Pursuant to these conditions, and acting on the advice of his military commanders and the Secretary of Defense, earlier this month, the President decided to delay the deployment of a brigade-sized unit from Germany to Iraq.

Arbitrary deadlines or timetables for withdrawal of Coalition forces—divorced from conditions in Iraq and the region—would be a serious strategic error, as they would suggest to the terrorists, Saddamists, and Rejectionists that they can simply wait to win. No war has ever been won on a timetable, and neither will this one. Lack of a timetable, however, does not mean that the Coalition's posture in Iraq is static. On the contrary, the Coalition continually adjusts its posture and approaches as conditions evolve and Iraqi capabilities grow.

As Iraqis take on more responsibility for security, Coalition forces will increasingly move to supporting roles in many areas. As security conditions improve and as the Iraqi Security Forces become more capable of

securing their own country, Coalition forces will move out of the cities, provide transition teams, reduce the number of bases from which they operate, and conduct fewer visible missions, but remain postured to assist. Although the Coalition military presence may become less visible, it will remain lethal and decisive, able to confront the enemy wherever it may gather and organize.

The military posture will continue to adjust to the requirements and conditions in Iraq and the status of Iraqi capabilities. The Coalition

retains the ability to quickly reinforce Iraqi personnel as required and to provide critical enablers as Iraqis develop their own capabilities. Coalition troop levels will increase if necessary to defeat the enemy or to provide additional security for key events, like the recent referendum and elections. But the goal, over time, is to reduce Coalition forces as Iraqis continue to take on more of the security and civilian responsibilities themselves. This process is already under way.