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This report provides weekly updates in the eight key areas identified as pillars of US government policy for victory in Iraq.

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December 6, 2006
Highlights

1. **Defeat the Terrorists and Neutralize the Insurgents**
   Iraqi Security Forces and Coalition operations against al-Qaida in Iraq in November resulted in 522 suspected terrorists detained and 126 terrorists killed. This is about 28% of the anti-Iraqi forces that were killed during the month of November.

2. **Transition Iraq to Security Self-Reliance**
   The Iraqi Ground Forces Command assumed operational control of the 3rd Iraqi Army (IA) Division December 5, making it the third of ten Iraqi Divisions to be completely under Iraqi control. This transfer occurred as the 3rd IA Division also officially took over security duties in western Ninewa province, bringing the level of Iraqi divisions independently in the security lead to 70%.

3. **Help Iraqis to Forge a National Compact for Democratic Government**
   The USG hosted Abd al-Aziz al-Hakim, leader of the Supreme Council for the Islamic Revolution in Iraq (SCIRI) and head of the United Iraqi Coalition (UIC), the largest bloc in the Council of Representatives. Hakim said that US troops should do more to fight the insurgency and denied that Shia militias are fueling sectarian strife in Iraq.

4. **Help Iraq Build Government Capacity and Provide Essential Services**
   Construction began on six Ninewa sewer repair projects that have an estimated June 2007 completion date. The $825,000 US Army-funded projects in Mosul, al-Hadbaa, al-Fesalyaa, Moharibin, al-Qadisiya, and al-Baladiyat will benefit more than 1.7 million people in those areas.
5. Help Iraq Strengthen Its Economy
The Basrah provincial government has begun implementation of a US-funded $10 million project to restore the date palm plantations of Basrah, creating 2,000 jobs. The director of the Basrah Date Palm Research Center stated that about 140,000 offshoots are being planted on approximately 1,250 hectares of land owned by about 1,000 farming families. He said because the individual farmers own the plantations, the farmers have economic incentives to maintain them.

6. Help Iraq Strengthen the Rule of Law
The Central Criminal Court of Iraq convicted 41 individuals for variety of crimes November 10-23, including possession of illegal weapons, possessing false civil affairs identifications, failure to renew resident identification and illegal border crossing.

7. Increase International Support for Iraq
The government of Japan approved the extension of the Air Self-Defense Force’s mission in Iraq until July 2007. The current mission conducts airlift operations to transport personnel and supplies for the UN and Multi-National Forces-Iraq in support of reconstruction missions in Iraq.

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents
Iraqi radio journalist Nabil Ibrahim al-Dulaimi was killed outside his home in Baghdad December 4 as he was walking to Radio Dijla.
[1.] Defeat the Terrorists and Neutralize the Insurgency

ISF and Coalition Forces (CF) See Gains in Dismantling AQI Leadership:

- Iraqi Security Forces (ISF) and Coalition operations against al-Qaida in Iraq (AQI) in November resulted in 522 suspected terrorists detained, and 126 terrorists killed. This is about 28% of the anti-Iraqi forces that were killed during the month of November.

CF Discover Weapons Cache and Car Bombs Near Rusafa:

- CF uncovered a weapons cache in a neighborhood of southern Baghdad just south of Rusafa December 2. Among the munitions discovered were three complete car bombs, 700 pounds of explosives, RPGs, mines, grenades and small arms. Additionally, CF located two SA-14 surface-to-air-missiles behind a false wall in a nearby house.
[1.] Defeat the Terrorists and Neutralize the Insurgency

Tearing Down the Al Qaeda Network in Iraq

- Dhanun Ahmad Mahmud Ahmad: Gatekeeper for the Leader of Mosul Weapons Facilitator in Northern Iraq, involved with VBIED attacks on Iraqis & CFs
- Mu'adh Nuri 'Ali Fahad ((Tha'ir)) ((al Badran)): AAM's driver, personal confidant and facilitator of meetings
- Khalid Jihad Muhammad Yunis ((Zubaydi)): AQI chief of security for northern Iraq

- Sattar 'Ayyash Majid Hammad ((al-Salmani)): AQIZ Emir of Habiniyah
- Abd-al-Karim Ibrahim Nhayyir Mahdi ((al-Hashimi)): Member of Jaysh al Iraq
- Ghazi Husayn Khamis Frayyih ((al-'Azzawi)): AQI Finance Emir for Salah al-Din.
[1.] Defeat the Terrorists and Neutralize the Insurgency

In a neighborhood of southern Baghdad, just south of Risalah, a CF platoon was conducting a mounted patrol to disrupt AIF and prevent sectarian violence.

The lead vehicle of the patrol was struck by a command detonated IED causing no injuries.

After conducting a local area search, the platoon discovered a cache just northwest of the trigger point consisting of 3 VBIEDs and 700 pounds of explosives along with RPGs, mines grenades and small arms.

After further searches near the cache sight, CF discovered a false wall in a building with another large cache including 2x SA-14 Surface to Air missiles.

Total Findings:
- 3 X VBIEDs
- 2 X SA-14
- 700 LBS UNK EXPLOSIVES
- LAND MINES
- RPGs / AK-47s / GRENADES
- IED MAKING MATERIAL
[1.] Defeat the Terrorists and Neutralize the Insurgency

Operations Against Death Squads: 28 Nov – 4 Dec

- **BAGHDAD**: ISF/CF Conducted a Raid IVO Bayaa, IOT Capture Death Squad Members. 9 x Detainees
- **BALAD RUZ**: ISF/CF Conducted a Raid NE of Balad Ruз, IOT Capture Death Squad Members. NSTR
- **BAGHDAD**: ISF/CF Conducted a Raid IVO Sadr City, IOT Capture Death Squad Members. 1 x Detainee
- **BAGHDAD**: ISF/CF Conducted a Raid IVO S of Dourа, IOT Capture Death Squad Members. NSTR
- **ISKANDARIYAH**: ISF/CF Conducted a Raid IVO N of Iskandariyah, IOT Capture Death Squad Members. 3 x Detainees
- **BAGHDAD**: ISF/CF Conducted a Raid IVO New Baghdad, IOT Capture Death Squad Members. 1 x ETA
- **SAMARRA**: ISF/CF Conducted a Raid IVO Samarra, IOT Capture Death Squad Members. 4 x Detainees
- **BAGHDAD**: ISF/CF Conducted a Raid IVO Baghdad, IOT Capture Kill EJIK Cell Members. 1 x Detainee (Cell Ldr), 3x Detainees
- **BAGHDAD**: ISF & CF Conducted a Raid IVO Taji, IOT Capture Kill EJIK Cell Members. 1 x Detainee (Cell Ldr), 7x Detainees
- **FALLUJAH**: ISF & CF Conducted a Raid IVO Fallujah, IOT Capture Kill EJIK Cell Members. NSTR
- **BAGHDAD**: ISF & CF Conducted a Raid IVO Jihad, IOT Capture Kill EJIK Cell Members. 2 x Detainees (Cell Ldrs)

**12 TOTAL MISSIONS; 5 IN BAGHDAD**

<table>
<thead>
<tr>
<th>CELL LEADERS</th>
<th>CELL MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>31</td>
</tr>
</tbody>
</table>

3rd IA Division Assumes Security Duties in Western Ninewa:

• The Iraqi Ground Forces Command assumed operational control of the 3rd Iraqi Army (IA) Division December 5, making it the third of ten Iraqi Divisions to be completely under Iraqi control. This transfer occurred as the 3rd IA Division also officially took over security duties in western Ninewa province, bringing the level of Iraqi divisions independently in the security lead to 70%.

• During November, the 3rd IA Division conducted more than 400 military missions without US or other Coalition support, including foot patrols, reconnaissance patrols, and raids, successfully detaining terrorists and foreign fighters and confiscating stockpiles of enemy munitions and weapons.

550 IA Recruits Graduate from Basic Training:

• More than 550 IA recruits graduated from basic training November 26 at Camp Taji. The recruits were from the town of Taji and surrounding communities north of Baghdad.

Iraqi Army Graduates First Sniper Class:

• After seven weeks of training, nine Iraqi soldiers graduated from the advanced marksmanship and sniper “train-the-trainer” course in a ceremony at Besmaya range 30 kilometers east of Baghdad December 1. The recent graduates are now qualified to return to their units and train other prospective snipers in the techniques of urban sniper operations.

IA Continues to Increase Capability to Mass Brigade-Size Elements, Control Battle Space:

- Six companies from the 9th IA Division and one Coalition company conducted an operation to the west of Iskandariyah to disrupt insurgent activity November 29, detaining 83 anti-Iraqi forces.

- Two days later, the 9th IA Division launched a series of targeted raids in Yusifiyah, focused on capturing terrorist forces responsible for executing Iraqi civilians. They encountered heavy resistance in a complex urban environment, requesting air support through their embedded Coalition trainers. The six hour operation resulted in 43 anti-Iraqi force suspected members detained and another 20 killed during the firefight.

- The 2nd Brigade of the 5th IA Division conducted point raids and a cordon and search within Khatoon south of Baquba December 2, targeting 14 individuals. Of the 14, Iraqi Security Forces (ISF) located and detained ten. Additionally, they found a weapons cache in a local mosque and located and freed a kidnapped teenager.

ISF Establish River Patrol Unit on Tigris River:

- The ISF recently established a river patrol unit, consisting of five boats, to patrol and secure the Tigris River and its waterways in the Baghdad area.

MISSION
- NLT 0500 HOURS 1 DEC 06, 9TH IA DIVISION CONDUCTS MULTIPLE TARGETED RAIDS IN THE FALAHDT AO OF EAST BAGHDAD IN ORDER TO CAPTURE AND DENY SAFEHAVEN FOR AIF CELL MEMBERS THUS PROMOTING GREATER SECURITY FOR THE PEOPLE OF EAST BAGHDAD.

SUMMARY
- THE OPERATION INCLUDED MULTIPLE SIMULTANEOUS RAIDS TARGETING AIF CELL MEMBERS USING THE AREA AS A SAFE HAVEN.
- DURING THE OPERATION, SUSTAINED SMALL ARMS FIRE WAS REPORTED BETWEEN 0700 HOURS AND 1000 HOURS, RESULTING IN 1X IA KIA, 1X US WIA, AND 6X IA WIA.
- THE OPERATION RESULTED in 43 X DETAINNEES
- INCLUDED AMONG THE DETAINNEES WERE SEVERAL FOREIGN FIGHTERS
- APPROX. 20X AIF KIA / WIA.

SUMMARY:
83 X DETAINED
1X MURDER VICTIM RECOVERED
1X IED
4X IA WIA / 2 X RTD
1X SUSPECTED INSURGENT WIA

Task Organization
IA Personnel: 6x Infantry Co.
CF Personnel: 1x Infantry Co.
TAC, MTT

0327: OPERATION BEGINS WITH ESTABLISHING A SCREEN LINE ALONG SOUTHERN ROUTE BY CF
0500: CF BLOCKING POSITION ESTABLISHED ON RTE FURGIE
0530: IA BEGIN MOVEMENT
0600: IA CONDUCT SEARCH OF ALTHMAR COMPANY LAKE; SIMULTANEOUSLY ANOTHER IA UNIT CONDUCTS SCREENLINE ALONG NORTHERN ROUTE
0645-1345: 83 DETAINNEES CAPTURED
0820: CLEARING UNIT DETAINS 2 AIF VIC ALTHMAR COMPANY LAKE
0905: CLEARING UNIT ENCOUNTERED IED WHILE CLEARING A BRIDGE RESULTING IN 3 IA WIAS
1445: MISSION COMPLETE

DISPLAYED IA’S ABILITY TO CONDUCT BRIGADE LEVEL OPERATIONS.

Accomplished Mission: On 02 0530 DEC 06 4/2/5
IA conducted point raids and cordon and search
as part of the BDE operations within Khatoon.

Desired Endstate: 14 Targets captured and all
 caches found.

The Battalion successfully captured 10 out of 14
targets.

Significant Actions: 4/2/5 IA rescued one kidnap
victim and found weapons within a Mosque.

<table>
<thead>
<tr>
<th>Ministry of Interior Forces</th>
<th>Ministry of Defense Forces</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPONENT</td>
<td>TRAINED &amp; EQUIPPED</td>
</tr>
<tr>
<td>POLICE</td>
<td>~135,000***</td>
</tr>
<tr>
<td>NATIONAL POLICE</td>
<td>~ 24,400</td>
</tr>
<tr>
<td>OTHER MOI FORCES</td>
<td>~28,900</td>
</tr>
<tr>
<td>TOTAL</td>
<td>~188,300**</td>
</tr>
</tbody>
</table>

Total Trained & Equipped ISF:
~323,000****

* Ministry of Interior Forces: Unauthorized absence personnel are included in these numbers
** Ministry of Defense Forces: Unauthorized absence personnel are not included in these numbers
*** Army numbers include Special Operations Forces and Support Forces
**** Does not include the approximately 144,000 Facilities Protection Service personnel working in 27 ministries

Data as of November 27, 2006 (updated bi-weekly by DOD)
[3.] Help Iraqis to Forge a National Compact for Democratic Government—Developments

SCIRI Leader Hakim Visits US:

- Abd al-Aziz al-Hakim, leader of the Supreme Council for the Islamic Revolution in Iraq (SCIRI) and head of the United Iraqi Coalition (UIC), the largest bloc in the Council of Representatives, visited USG officials and spoke publicly in Washington. After his meeting with President Bush, Hakim asserted that US troops need to do more to fight the insurgency and denied that Shia militias are fueling sectarian strife in Iraq. Hakim also said at the US Institute of Peace that the only way to avert civil war in Iraq is for US-led forces to strike harder against Sunni-led insurgents. Minority Sunnis accuse SCIRI's militia, the Badr Organization, of targeting them.

- Hakim also has rejected a suggestion by UN Secretary-General Kofi Annan to hold an international conference on Iraq, calling it "illegal" and "unrealistic." Annan said last week that an international conference on Iraq could be useful if the groundwork was carefully prepared and all the political parties could be brought together somewhere outside Iraq.

- Tariq al-Hashemi, the leader of the 44-seat Tawafuq Front, the most powerful Sunni Arab party in the Council of Representatives, is scheduled to visit Washington in December.
Maliki Calls for Regional Meeting:

- Prime Minister Maliki said December 4 that his government will send envoys to neighboring countries to prepare for a regional conference on ending the violence in Iraq. Although Maliki has previously opposed giving neighboring nations a say in Iraqi affairs, he stressed that the conference would be held in Iraq, and that while his government would welcome help, it would not tolerate interference.

Political Parties Conference Rescheduled Again:

- In a press conference December 5, Prime Minister Maliki announced that the meeting of the political parties will convene mid-December. All Iraqi political figures, parties, and organizations - whether members of the political process or otherwise - will take part in the conference in order to sustain national unity and agree on a national code banning sectarian fighting. This is the third in a series of four national reconciliation conferences.
[3.] Help Iraqis to Forge a National Compact for Democratic Government– Developments

Iraq Civil Society Conference:

• America’s Development Foundation, a USAID implementing partner, hosted the Iraq Civil Society II Conference in Amman November 20-21. The conference was attended by key partners and Iraqi Government officials working with civil society groups.
[3.] Help Iraqis to Forge a National Compact for Democratic Government - Iraqi National Unity Government

- **President**: Jalal Talabani
- **Prime Minister**: Nuri al-Maliki
- **Deputy President**: Tariq al-Hashimi
- **Deputy Prime Minister**: Barham Salih
- **Deputy Prime Minister**: Salam al-Zawba’i

(F) = Female
**[4.] Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2**

As of December 5, 2006

<table>
<thead>
<tr>
<th>Sector</th>
<th>Apportioned</th>
<th>Committed</th>
<th>Obligated</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2207 Report</td>
<td>Apportion</td>
<td>Last Week</td>
<td>Current</td>
</tr>
<tr>
<td>Security and Law Enforcement</td>
<td>$5,002.59</td>
<td>$5,002.59</td>
<td>$4,986.68</td>
<td>$4,986.68</td>
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<tr>
<td>Electricity Sector</td>
<td>$4,239.51</td>
<td>$4,239.51</td>
<td>$4,238.03</td>
<td>$4,238.09</td>
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<tr>
<td>Oil Infrastructure</td>
<td>$1,724.70</td>
<td>$1,724.70</td>
<td>$1,722.90</td>
<td>$1,722.90</td>
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<tr>
<td>Justice, Public Safety and Civil Society</td>
<td>$1,304.15</td>
<td>$1,304.15</td>
<td>$1,303.84</td>
<td>$1,302.90</td>
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<tr>
<td>Democracy</td>
<td>$1,001.85</td>
<td>$1,001.85</td>
<td>$1,001.85</td>
<td>$1,001.85</td>
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<tr>
<td>Education, Refugees, Human Rights, Governance</td>
<td>$401.50</td>
<td>$401.50</td>
<td>$401.21</td>
<td>$401.21</td>
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<tr>
<td>Roads, Bridges and Construction</td>
<td>$333.60</td>
<td>$333.60</td>
<td>$332.45</td>
<td>$332.18</td>
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<tr>
<td>Health Care</td>
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<td>$818.90</td>
<td>$817.55</td>
<td>$817.53</td>
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<tr>
<td>Transportation and Communications</td>
<td>$464.12</td>
<td>$464.12</td>
<td>$464.11</td>
<td>$464.11</td>
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<tr>
<td>Water Resources and Sanitation</td>
<td>$2,131.08</td>
<td>$2,131.08</td>
<td>$2,129.43</td>
<td>$2,129.43</td>
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<tr>
<td>Private Sector Development</td>
<td>$813.95</td>
<td>$813.95</td>
<td>$813.95</td>
<td>$813.95</td>
</tr>
<tr>
<td>Admin Expense (USAID, STATE)</td>
<td>$213.00</td>
<td>$213.00</td>
<td>$212.45</td>
<td>$212.45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,448.95</strong></td>
<td><strong>$18,448.95</strong></td>
<td><strong>$18,424.66</strong></td>
<td><strong>$18,423.27</strong></td>
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<tr>
<td>IRRF II Construction</td>
<td>$10,598.29</td>
<td>$10,598.04</td>
<td>$10,263.39</td>
<td>$10,262.26</td>
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<tr>
<td>IRRF II Non-Construction</td>
<td>$6,824.33</td>
<td>$6,823.39</td>
<td>$6,802.56</td>
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<tr>
<td>IRRF II Democracy</td>
<td>$1,001.85</td>
<td>$1,001.84</td>
<td>$1,001.85</td>
<td>$1,001.84</td>
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<tr>
<td><strong>IRRF I Total</strong></td>
<td><strong>$2,473.30</strong></td>
<td><strong>$2,473.30</strong></td>
<td><strong>$2,473.30</strong></td>
<td><strong>$2,473.30</strong></td>
</tr>
<tr>
<td><strong>Grand Total IRRF I &amp; II</strong></td>
<td><strong>$20,922.25</strong></td>
<td><strong>$20,922.25</strong></td>
<td><strong>$20,896.57</strong></td>
<td><strong>$20,896.57</strong></td>
</tr>
</tbody>
</table>
During the week of November 29-December 5, electricity availability averaged 7.3 hours per day in Baghdad and 10.1 hours nationwide. Electricity output for the week was 9% above the same period in 2005.
[4.] Help Iraq Build Government Capacity and Provide Essential Services –Sanitation and Transportation

Sanitation:

- Construction began on six Ninewa sewer repair projects that have an estimated June 2007 completion date. The $825,000 US Army-funded projects in Mosul, al-Hadbaa, al-Fesalyaa, Moharibin, al-Qadisiya, and al-Baladiyat will benefit more than 1.7 million people in those areas.

Transportation:

- The al-Kaleefa Company completed all work November 29 for the Abu Gharaq street repair in Babil province. The $452,000 Iraq Reconstruction and Relief Fund (IRRF) project consisted of constructing approximately 4 km of new streets and rebuilding 2 km of streets in the community of Abu Gharaq, a residential area northeast of al-Hillah.
[4.] Help Iraq Build Government Capacity and Provide Essential Services – Special Interest

Special Interest:

• Construction was completed on two agricultural building projects in Ninewa province – the Ag Nimrud building and the Ag al-Qosh building – November 4. The $198,000 US Army-funded projects serve as compounds for the city of Nimrud and the city of al-Qosh's agriculture departments.

• Construction began on the al-Huteen police station in al-Amarah, Maysan province November 18. The $366,000 US Army-funded project calls for the demolition of the existing police facility structure and the addition of two larger structures. This project will increase the square footage and provide a separate facility for juvenile and female offenders.
[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation

Oil Update:
• Crude oil price averages in world markets for the week ending December 1 closed with the following prices:
  – Basrah Light at $55.69/barrel
  – Dated Brent at $62.73/barrel
  – WTI Cushing at $62.01/barrel
  – Oman/Dubai at $57.75/barrel

Employment Update:
• The following chart shows the number of Iraqis employed by USG-administered projects:

<table>
<thead>
<tr>
<th>Employing Organization</th>
<th>Iraqis Last Week</th>
<th>Iraqis This Week</th>
<th>% Increase on Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCO (Project and Contracting Office)</td>
<td>22,728</td>
<td>22,728</td>
<td>0.00%</td>
</tr>
<tr>
<td>USAID</td>
<td>60,580</td>
<td>59,032</td>
<td>-2.56%</td>
</tr>
<tr>
<td>AIRP (Accelerated Iraqi Reconstruction Program)</td>
<td>530</td>
<td>530</td>
<td>0.00%</td>
</tr>
<tr>
<td>MILCON (Military Construction)</td>
<td>102</td>
<td>102</td>
<td>0.00%</td>
</tr>
<tr>
<td>CERP*</td>
<td>7,234</td>
<td>7,234</td>
<td>0.00%</td>
</tr>
<tr>
<td>MNSTC-I</td>
<td>11,065</td>
<td>11,756</td>
<td>6.24%</td>
</tr>
<tr>
<td>IRRF NON-CONSTRUCTION</td>
<td>6,422</td>
<td>6,422</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>108,661</strong></td>
<td><strong>107,804</strong></td>
<td><strong>-0.79%</strong></td>
</tr>
</tbody>
</table>

* CERP employment numbers are representative of Baghdad only.

Data as of December 5
[5.] Help Iraq Strengthen Its Economy - Banking Sector

Central Bank’s US Dollar (USD) Currency Auction:

• The following table shows volume sold and exchange rates for USD in the Iraqi currency auction since January 3. Since September, the Central Bank has begun slowly appreciating the dinar, as suggested by the IMF, to tackle rampant inflation over the past year. This welcome increase in the dinar’s value against the dollar is reflected in the figure below.

Central Bank of Iraq
USD Currency Auction: January 3, 2006 – November 28, 2006

- The New Iraqi Dinar (NID) exchange rate line is calculated as a weekly weighted average (NID/USD)
[5.] Help Iraq Strengthen Its Economy – Securities Markets

Trading of Iraqi Bonds on the International Secondary Bond Market:

- The following table shows the daily bond resale price and yield on Iraqi bonds issued January 20. The bonds were originally issued to about two-thirds of Iraq’s commercial creditors as part of a debt exchange arrangement at Paris Club terms. Iraq’s commercial debt was approximately $22 billion before the debt-swap arrangement. The bonds, which are not yet rated, will mature in 2028. The bonds’ current yield of 9.6 percent remains one of the highest in the world for sovereign debt instruments.

**Iraqi Commercial Bond Sales**

<table>
<thead>
<tr>
<th>Bond Price in USD</th>
<th>Yield Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$60.00</td>
<td>7.50%</td>
</tr>
<tr>
<td>$62.00</td>
<td>8.00%</td>
</tr>
<tr>
<td>$64.00</td>
<td>8.50%</td>
</tr>
<tr>
<td>$66.00</td>
<td>9.00%</td>
</tr>
<tr>
<td>$68.00</td>
<td>9.50%</td>
</tr>
<tr>
<td>$70.00</td>
<td>10.00%</td>
</tr>
</tbody>
</table>

Trading High = $73.98 (January 24)
Trading Low = $64.66 (August 30)
[5.] Help Iraq Strengthen Its Economy – Economic Events

New Investment Law:

- The Presidency Council approved the Iraqi National Investment Law November 30. Once published in the Official Gazette, it will enter into effect. The Investment Law establishes a legal and regulatory framework for both Iraqi and foreign companies to invest in Iraq, with the hope that it will pave the way for increased investment and private sector participation. The banking, insurance, and oil and gas extraction and production sectors are not included in the law.

Basrah’s Date Palms Project Offers Jobs:

- The Basrah provincial government has begun implementation of a US-funded $10 million project to restore the date palm plantations of Basrah, creating 2,000 jobs. The director of the Basrah Date Palm Research Center stated that about 140,000 offshoots are being planted on approximately 1,250 hectares of land owned by about 1,000 farming families. He said because the individual farmers own the plantations, the farmers have economic incentives to maintain them.
[5.] Help Iraq Strengthen Its Economy – Economic Events

Regional Trade Cooperation:

- According to Iranian trade data, since March 2006, exports to Iraq have increased 19% compared with the same period last year, reaching $700 million.

- Iraq’s Ministry of Trade has called upon Iran to play a greater role in supporting the Iraqi economy. A ministry source said in a press statement November 29, “The director of the Finance and Administration Department in the ministry, Abdul-Khaliq al-Amiri, has met with the Iranian charge d'affaires in Baghdad to discuss economic and commercial relations, in addition to activating the bilateral agreement between Iraq and Iran.” The Iranian charge d'affaires confirmed Iran's willingness to support the Iraqi economy and to coordinate with the Ministry of Trade in importing items for all Iraqi regions.
[5.] Help Iraq Strengthen Its Economy – Crude Oil Production

Iraqi Oil Ministry Goal: 2.5 MBPD

- Weekly Average (November 27 – December 3) of 2.18 Million Barrels Per Day (MBPD)
[5.] Help Iraq Strengthen Its Economy – Crude Oil Export

- 2005 Revenue Estimate: $23.5 Billion
- 2006 Revenue Estimate: $29.5 Billion (Year to Date)
[5.] Help Iraq Strengthen Its Economy – Total Critical Refined Product Supplies

- Diesel: 12.8 ML supply of 23.4 ML target
- Kerosene: 7.2 ML supply of 16.4 ML target
- Gasoline: 12.7 ML supply of 27.4 ML target
- LPG: 2,267 tons supply of 5,500 tons target

Note: This is a daily average for the week of November 27 – December 3
The goal is to have on hand 15 days supply of all refined products, calculated on the basis of maximum consumption over the year and not adjusted for seasonal variation. The numbers given above are monthly averages.
[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights—

**Iraqi Judicial System**

**CCCI Convicts 41 Insurgents:**

- The Central Criminal Court of Iraq (CCCI) convicted 41 individuals for a variety of crimes November 10-23, including possession of illegal weapons, possessing false civil affairs identifications, failure to renew resident identification and illegal border crossing.

- The trial court found an Iraqi man guilty of participating in terrorist activities and attacking Iraqi and Multi-National Forces (MNF) in violation of Article 4/1 of the anti-terrorist laws. MNF apprehended the defendant during a targeted raid. The defendant confessed to participating in the video production of the Merez dining facility bombing that killed 18 MNF service members and wounded another 30. The trial panel found the defendant guilty and sentenced him to death November 13.

- The trial court found a Sudanese man guilty of violating Article 24, Residency/Entering Iraqi Border Illegally. MNF apprehended the defendant in a targeted raid to disrupt anti-Iraqi Forces and anti-MNF elements. The defendant admitted to entering Iraq for terrorist purposes. The trial panel sentenced him to life imprisonment November 14.

- Since its establishment in April 2004, the CCCI has held 1,740 trials for Coalition-apprehended insurgents. The proceedings have resulted in 1,501 convictions.
[7.] Increase International Support for Iraq – Developments

Japanese Government Extends Air Mission in Iraq:

- The government of Japan approved the extension of the Air Self-Defense Force's mission in Iraq until July 2007. The current mission conducts airlift operations to transport personnel and supplies for the UN and Multi-National Forces-Iraq in support of reconstruction missions in Iraq.

The Republic of Korea finalizes Iraq Deployment Plans:

- South Korea notified the USG of its plan to reduce the number of its troops in Iraq next year while extending their deployment. Under the plan, the Korean contingent in Erbil will be reduced from the current 2,300 to 1,200 by April 2007 and a complete troop pullout will be made by the end of 2007.

Bulgaria Open to Continuing Presence in Iraq:

- Bulgaria's Defense Minister Veselin Bliznakov said December 1 that his country will extend its contingent of 153 non-combat troops to guard the Ashraf refugee camp near Baghdad after March 2007, so long as it receives a new invitation from the US.

Italy Withdraws last troops From Iraq:

- Italy completed withdrawal of remaining troops from Iraq December 1. Italian Prime Minister Berlusconi had promised during campaigning that he would remove all of Italy’s troops from Iraq.
[7.] Increase International Support for Iraq – **Contributors to Iraqi Stability Operations**

Data as of November 29, 2006

**26 Countries with forces in Iraq (in addition to US)**

<table>
<thead>
<tr>
<th>Albania</th>
<th>Denmark</th>
<th>Latvia</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>El Salvador</td>
<td>Lithuania</td>
<td>Slovakia</td>
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<tr>
<td>Australia</td>
<td>Estonia</td>
<td>Macedonia</td>
<td>South Korea</td>
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<td>Azerbaijan</td>
<td>Georgia</td>
<td>Moldova</td>
<td>Ukraine</td>
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<td>Bosnia-Herzegovina</td>
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<td>Bulgaria</td>
<td>Japan</td>
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<tr>
<td>Czech Republic</td>
<td>Kazakhstan</td>
<td>Romania</td>
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</tbody>
</table>

**TOTAL ~ 18,039 Forces**

*Note: Fiji participating as a part of the UN mission in Iraq.

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**34 Countries and NATO***

(including US)

Support Iraqi Stability Operations

*Includes the 26 countries listed above, the US, Fiji, and six NATO, non-MNF-I countries: Hungary, Iceland, Netherlands, Portugal, Slovenia, Turkey*
Radio Journalist Killed in Baghdad:

- Iraqi radio journalist Nabil Ibrahim al-Dulaimi was killed outside his home in Baghdad December 4 as he was walking to Radio Dijla.
- According to the Committee to Protect Journalists, 89 journalists and 37 media support workers have been killed in Iraq since the March 2003 US-led invasion.

Joint Statement by Ambassador Khalilzad and General Casey:

- US Ambassador to Iraq Khalilzad and Multi-National Forces-Iraq Commanding General Casey issued a joint statement December 4 condemning recent sectarian violence in Iraq in which they said that “the true enemies of all Iraqis are the murderers who carry out these senseless and cowardly attacks, regardless of sect, tribe or ethnicity. They are terrified of progress in this country and are determined to sow sectarian discord for their own selfish agenda.”
Danish Journalists Acquitted:

- Three Danish journalists who published classified intelligence reports on Iraq's former weapons program were acquitted December 4 on charges of endangering national security.

- The Copenhagen City Court ruled the men acted in the public interest when they published a series of articles in 2004 citing leaked Danish intelligence reports saying that there was no evidence that Iraq had weapons of mass destruction.
Special Addendum: Provincial Reconstruction Teams (PRT)

PRT Mission Statement:
• To assist Iraq’s provincial governments with developing a transparent and sustained capability to govern, promoting increased security and rule of law, promoting political and economic development, and providing provincial administration necessary to meet the basic needs of the population.

Provincial Reconstruction Team Concept:
• The PRT concept was developed to improve on Regional Embassy Office (REO) and Provincial Support Team (PST) programs. The PRTs are a civil-military operation led by the civilians with extensive support from US and Coalition Forces. The PRTs are an integrated capacity-building effort built around Local Governance Program (LGP) and include support from other agencies to cover all key capacity development needs.

PRT Operations Status:
• PRTs have been established in Tamim/Kirkuk; Ninewa/Mosul; Babil/Hilla; Baghdad; Anbar/Ramadi; Diyala/Baquba; Salah ad-Din; Basrah; and Dhi Qar. PRTs are comprised of representatives from the US Department of State, United States Agency for International Development, Multi-National Force – Iraq, Department of Justice, Gulf Regional Division of the Army Corps of Engineers, Multi-National Corps – Iraq and Coalition partners.

Interested in working in Iraq?
Please visit http://careers.state.gov/opportunities/iraq/index.html for a list of available positions
• This brief draws from multiple sources. References are cited on the following pages.

• Please forward all questions and/or comments to:
  NEA-I-IPOG-DL@state.gov
Notes and Source Citations (1 of 3)

Slide 5:

Slide 6:

Slide 7:

Slide 8:

Slide 9:
- MNSTC-I, The Advisor – 2 December 2006
- MNSTC-I, The Advisor – 2 December 2006

Slide 10:

Slide 11:

Slide 12:

Slide 13:

Slide 14:

Slide 15:
- DoD Input to Iraq Weekly Status Report December 6, 2006
Notes and Source Citations (2 of 3)

Slide 16:

Slide 17:
- Embassy Reporting

Slide 18:
- Embassy Baghdad OI

Slide 19:
- NEA Political Section, NEA-I-POL-DL@state.gov

Slide 20:
- IRMO Weekly Report, December 5, 2006

Slide 21:
- POC Bob Means (202) 647-9815
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 22:
Sanitation:
- Iraq Reconstruction Report – November 29
Transportation:
- USACE Daily Report – December 5

Slide 23:
Special Interest:
- USACE Daily Report – December 1
- USACE Daily Report – November 29
- Iraq Reconstruction Report – November 27
Notes and Source Citations (3 of 3)

Slide 24:
- Oil Prices are sourced from Bloomberg

**Employment Update:**
- Information regarding the Employment Update was sourced from the IRMO Weekly Report – December 5, 2006
- CERP has not reported figures for some time. Until they report accurate data, the number will remain at 0.
- PCO will be reporting on a bi-weekly basis.

Slide 25:
- Information regarding the NID auction was gathered from the Central Bank of Iraq’s website: http://www.cbiraq.org

Slide 26:
- Iraqi Bond Prices are sourced from Bloomberg

Slide 27:
- DoS IIC Dec 4 - Unclassified
- REO Basrah Cable 175 – Dec 2 - Unclassified

Slide 28:
- DIA Iraq Weekly Update – Dec 4 - Unclassified
- Izdihar Business News – Nov 22-29

Slide 29:
- Department of State, NEA-I-ECON, 202-647-9885

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Slide 31:
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Slide 32:
- Department of State, NEA-I-ECON, 202-647-9885
Notes and Source Citations (3 of 3)

Slide 33:

Slide 34:
- http://english.people.com.cn/200612/05/eng20061205_328680.html
- http://english.people.com.cn/200612/05/eng20061205_328372.html
- Reuters, “UK to cut Iraq troops by "thousands" by end-2007,” November 27

Slide 35:
- DOD Input to Weekly Status Report, updated bi-weekly

Slide 36:

Slide 37:
- Associated Press, “Journalists Acquitted in Iraq WMD Case,” December 4

Slide 38:
- NEA Political Section, NEA-I-POL-DL@state.gov