

Workshop on Iraq National Investment Reform

Amman, 22-24 January 2008

Recommendations for next steps in OECD/GoI cooperation (part of the International Compact for Iraq)

The points below are the result of collective input from the participants at the workshop about the improvement of the Iraqi investment framework and fighting corruption and enhancing transparency in public procurement, as it concerns the contributions the MENA-OECD Investment Programme can provide. These points follow-up the conclusions of the meeting between MENA-OECD representatives and the Iraqi delegation held in Cairo in November 2007 (attachment) and in Amman, January 2008.

Recommendations on the improvement of the investment climate:

1. Assist the GoI in drafting implementing regulations for the Investment Law #13/2006.
2. Develop with officials from the GoI a deeper understanding of specific clauses in investment laws in line with international and regional standards.
3. Support the National Investment Commission in drafting of an investor guide.
4. Assist GoI in defining a sector specific marketing strategy for investment attraction, implemented through a structured selection process to establish the sectors and priorities for investment promotion.
5. Support the Iraqi investment promotion strategy targeted at attracting intra-regional investment flows.
6. Prepare a road map to help the GoI join international mechanisms for investment dispute settlement, such as the International Centre for Settlement of Investment Disputes (ICSID), the New York Convention on the Recognition of Foreign Arbitral Awards, and other relevant international investment instruments.
7. Create a check list of issues which can be found in standard modern Bilateral Investment Treaties (including elements of the negotiation process) and advice on a country selection strategy.
8. Work with the National Investment Commission (NIC) and the Provincial Investment Commissions (PIC), in particular with the one in Baghdad, to assist drafting of internal guidelines and best practices. This work is supposed to support the role of the Commissions as the main licensing agencies for international investment in Iraq and clarify the delimitations of their respective competences (definition of “strategic” investment projects).

9. Interact more closely with the OECD and other international and regional organizations to benefit from their activities and resources and involve Iraqi delegates more effectively in the regional dialogue and activities organized by the MENA-OECD Initiative.
10. Support partnerships with neighbor countries' agencies related to economic and investment issues, such as the Jordanian Investment Board. This activity can help GoI officials to benefit from experience elsewhere through specific capacity building programs (e.g. arrangement of training seminars in investment promotion and treaty negotiations).
11. Provide assistance in planned privatization of SOEs including public-private partnership models, especially in the industrial sector identified already by the GoI.
12. Comment on investment related provisions of the draft hydrocarbon law currently under consideration.
13. Provide analytical support in the drafting of modern Banking and Insurance laws as crucial elements of a more developed a financial sector.
14. Support the publication of the Iraqi Legislative Gazette (Alwaqa'e al-Iraqiya) on a GoI webpage.

Recommendations on fighting corruption and enhancing transparency in public procurement:

1. With a view to enhance the investment climate, engage in a stocktaking exercise reviewing the main sources of corruption in Iraq and the legislative framework regulating integrity and fighting corruption.
2. Establish support for Iraqi institutions engaged in fighting corruption, including through integration into the network supported by the MENA-OECD Initiative (ACNET).
3. Identify good practices for Iraq, taking account of the legislative framework and based on identified international best practices
4. Provide training on public procurement and anti-corruption legislation based on regional and international good practices.
5. Provide analytical support to GoI institutions in enhancing communication and awareness on the detrimental effects of/and strategies to combat corruption.
6. Examine the public procurement regulations and procedures at the various levels of government and provide recommendations for improvement.
7. In consultation with the UN, explore the feasibility of establishing a committee in charge for improving the transparency and accountability of procurement procedures followed by the international donor community in Iraq. Such a committee would involve representatives of all parts of society and the international community.