

**ENABLING AND SUSTAINING  
PRIVATE FOREIGN INVESTMENT IN IRAQ**

**Third Meeting of the Working Group on  
Investment Zones in Iraq**

Agenda

Organised by the

*MENA-OECD INVESTMENT PROGRAMME*

In association with



*INVESTMENT DEVELOPMENT AUTHORITY OF LEBANON*

20-21 June 2012

Crowne Plaza Hotel  
Beirut, Lebanon

## Piloting investment zones in Iraq

**A workshop on the Iraqi economic zones (EZ) strategy** was held at the OECD headquarters in Paris on November 25-26, 2010, at the request of the Iraqi National Investment Commission (NIC). The topics discussed included: economic zone models ranging from traditional export-processing areas to special economic zones; the Iraqi legal framework for economic zones; the status of existing zones; sector prioritization; EZ policy frameworks and incentives; and EZ management structures. The participants agreed on guidelines for the investment zone strategy, which the NIC would formulate. These included target sectors in the pilot phase, the involvement of private capital in zone development, the establishment of a Department for Investment Zones in the NIC, and the formulation of an investment zone regulation based on the 2006 Investment Law.

**The first meeting of the Working Group on Investment Zones in Iraq** (29-30 March 2011, Amman, Jordan), brought together NIC officials, the Jordan Enterprise Development Corporation (JEDCO), Shannon Development Corporation (Ireland), and a range of experts. Participants discussed the draft Investment Zones Strategy and key provisions in the Investment Zone Regulation, such as tax and customs incentives, the interconnection between on-site and off-site infrastructure, the delegation of powers to one-stop shops within zones, the relationship between investment zones, free zones, and industrial zones, and institutional arrangements and licensing procedures.

**The second meeting of the Working Group** (23-24 November 2011, Istanbul, Turkey) centered on a MENA-OECD Investment Programme study of international good practices for attracting zone developers and users. OECD committed to developing the terms of reference for two of the six pilot investment zones in planning (Hatein and Baghdad International Airport). Based on the feasibility studies, the Programme will assist the NIC in targeting potential investors.

**The third meeting of the Working Group** will go further into details on attracting investors, in particular foreign investors, for both zone development and zone residence. In particular, the following issues will be discussed through a mixture of presentations, discussions, panel discussions, and breakout groups:

- **Investment protection assessment:** Presentation and discussion of a preliminary study on the risks investors face in Iraq, in particular for a major infrastructure project such as investment zone development. The assessment will cover political and regulatory risks in Iraq, homing in on issues such as dispute resolution and the risk of expropriation. The study will be discussed in more detail in a *panel discussion*, involving Iraqi officials, legal experts, and private sector representatives. Yet more details will be discussed in two breakout sessions, exploring investment protection from the perspectives of the private and the public sector.
- **Investment zone good practices:** Following on from the investment zone good practice study prepared for the second meeting in Istanbul, this expanded study collects good practices from around the world and provides detailed advice on everything from zone administration to engaging private capital in zone development – the explicit priority of the National Investment Commission (NIC). Two case studies, on Aqaba in Jordan and Tanger Med in Morocco will give a practical perspective. The presentations will be followed by a panel discussion focusing on the next steps for the NIC in developing the investment zones.
- **Engaging the private sector in zone development:** Finding private investors for investment zones is a priority of the NIC not only because of financing, but to ensure the flexible, professional management of the zones themselves. Doing so requires a phased approach, providing opportunities for the private sector to assume an increasing share of the risks and rewards through public private partnerships. A particular priority is to develop the zones around a few, selected anchor investors; major companies committed to investing in Iraq. These topics will be explored in more detail in a panel discussion, followed by two parallel sessions on engaging private capital and detailing the role of the NIC as the regulatory agency.

### **Government of Iraq Representatives**

Dr. Sami Al-Araji, Chairman, National Investment Commission  
 Mr. Abdulla Albander, Advisor to the Chairman, National Investment Commission  
 Mr. Alaa Harba, Chairman, Babil Investment Commission  
 Mr. Muqbil Abdulrahman Ahmed, Representative, Office of Deputy Prime Minister Shawis  
 Mr. Mohammed Hashim Ibraheem Al- Hamami, Representative, Office of Deputy Prime Minister Shawis  
 Mr. Riyadh Yousef Aboud, Chairperson, Infrastructure Committee, Office of the Deputy Prime Minister for Infrastructure  
 Mr. Taha Hamdi Mohammed, Director of Executive Office, Office of the Deputy Prime Minister  
 Dr. Sabah Salih Mahdi Al-Qaysi, Director General, General Commission for Free Zones, Ministry of Finance  
 Mr. Amer Abdulrazak Abdul Lateef, Expert, Ministry of Industry and Minerals  
 Mr. Qassim Enaya Frez, Ministry of Planning  
 Mr. Nizar Naser Hussein, Legal Expert, National Investment Commission  
 Ms .Basma Amer Omar Nadhmi, Legal Expert, National Investment Commission  
 Dr. Abdul-Jabbar Mahmoud Ahmed, Legal Expert, National Investment Commission  
 Mr. Mijwil Mahdi Ali, Chairman, Diyala Investment Commission  
 Mr. Anas Aqeel Talib, Ministry of Communication  
 Mr. Abdulhadi Hammood Abbood, Ministry of Communication  
 Mr. Majed Hasim Jasim Al-Mamoori, Ministry of Communication  
 Mr. Ather Mohamed Kalaf Albu-Shehab, Head of Protocol, Office of the Deputy Prime Minister

### **International and OECD Experts**

Mr. Carl Dawson, Iraq Project Coordinator, MENA-OECD Investment Programme, OECD  
 Mr. Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme, OECD  
 Ms. Christelle Monteillet, Iraq Project Advisor, MENA-OECD Investment Programme, Amman  
 Ms. Muna Aghawani Molyneux, Deputy Iraq Project Advisor, MENA-OECD Investment Programme, Amman  
 Mr. Bashar Al-Zu'bi, Assistant Iraq Project Advisor, MENA-OECD Investment Programme, Amman  
 Mr. Paul Attenborough, Consultant  
 Mr. Eugene Brennan, Consultancy Services Group, Shannon Development  
 Mr. Tawfiq Tabbaa, Managing Partner, Sanad Law Group  
 Mr. Laurence Héron, Transaction support services, Ernst & Young  
 Mr. Abraham Akkawi, Infrastructure and PPP Advisory Services Leader MENA, Ernst & Young  
 Mr. Khaled Al Habardi, Chairman & General Manager, SABIC Lebanon  
 Mr. Florian Amareller, Lawyer, Amareller Legal Consultants  
 Mr. Sateh Aranout, Senior Urban Specialist for Saudi Arabia, Libya, Iraq and Lebanon, World Bank  
 Mr. Nicolas Champrenault, Manager of the Beirut Office, Ernst & Young  
 Mr. Mostafa El-Erian, Lawyer, El-Erian Associates LLC  
 Mr. Chistopher Gunson, Lawyer, Pillsbury Winthrop Shaw Pittman LLP  
 Mr. Nadim Kayyali, Partner, Sanad Law Group  
 Mr. Mohazem Mahmoud Khalaf, Senior Associate, Sanad Law Group  
 Mr. Houssam Mehio, Regional Sales Manager, SABIC  
 Mr. Hassan Aldahan, Chairman, Nain Alnahrain Investment Company JSC  
 Mr. Khaled Amri, Senior Manager, Infrastructure and PPP Advisory Services, Rail Sector Leader  
 Ms. Camelia Baho, Customer Relationship Manager, ARAMEX  
 Mr. Mohd Kharma, Chief Project Development Officer, SODIC  
 Mr. Karim Jaber, Sales Manager, ARAMEX  
 Mr. Nadim Makdessi, Director of the One-Stop-Shop Directorate, IDAL

**Wednesday 20 June 2012**

<b>09:00-09:30</b>	<b>Introduction and opening remarks</b>
Liberty Room	Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme Dany Gedeon, Director General, Ministry of Industry, Lebanon Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq
<b>09:30-13:00</b>	<b>Session 1 – Investment protection assessment</b>
9:30-11:00  Liberty Room	<p><i>In an insecure investment environment like that of Iraq, investors face not only commercial risks, but a host of external risks tied to security, regulation, enforcement, and dispute resolution. To attract investment, Iraq needs to make considerable progress in reducing those risks, notably in providing credible investment protection. Investment protection ranges from legislation on incorporation, intellectual property, trade, procurement, and licensing to questions of enforcement and interaction with the public sector. In particular, the complexity and substantial sums involved in public-private partnerships often require special legislation.</i></p> <p><b>Presentation of the Investment Protection Assessment for investment zones</b> – Nadim Kayyali, Partner, Sanad Law Group, Amman, Jordan</p> <p><b>Panel discussion:</b> Moderator: Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme</p> <ul style="list-style-type: none"> <li>• Sami Al-Araji, Chairman, National Investment Commission, Iraq</li> <li>• Laurence Héron, Senior Manager, Ernst &amp; Young</li> <li>• Florian Amereller, Amereller Attorneys</li> <li>• Hassan Aldahan, Bain Alnahrain Investment Company, Amman, Jordan</li> <li>• Eugene Brennan, Consultancy Services Group, Shannon Development</li> <li>• Mostafa A. El-Erian, El-Erian Associates, LLC</li> <li>• Nadim Kayyali, Partner, Sanad Law Group, Amman, Jordan</li> </ul>
<b>11:00-11:15</b>	<b>Coffee break</b>
11:15-12:30  Olympic Room	<p><b>Parallel sessions on investment protection in Iraq</b> <i>Based on the investment protection assessment, participants will divide up into two break-out groups to explore investment protection priorities from the perspectives of investors, on the one hand, and the public sector on the other.</i></p> <p><b>Session A: Investor perspective</b> Participants: Private sector investors Moderator: Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme</p> <p><b>Experts:</b></p> <ul style="list-style-type: none"> <li>- Abraham Akkawi, Infrastructure and PPP Advisory Services Leader MENA, Ernst &amp; Young</li> <li>- Florian Amereller, Amereller Attorneys</li> <li>- Khaled Al Habardi, Chairman and General Manager, SABIC Lebanon</li> <li>- Hassan Aldahan, Bain Alnahrain Investment Company, Amman, Jordan</li> <li>- Laurence Héron, Senior Manager, Ernst and Young</li> </ul>

Lusitania Room	<p><b>Session B: Public sector perspective</b></p> <p>Participants: Public sector participants</p> <p>Moderator: Carl Dawson, Iraq Project Coordinator, MENA-OECD Investment Programme</p> <p><i>Experts:</i></p> <ul style="list-style-type: none"> <li>- Eugene Brennan, Consultancy Services Group, Shannon Development</li> <li>- Paul Attenborough, Consultant</li> <li>- Nabil Itani, Chairman, Investment Development Authority of Lebanon (IDAL)</li> <li>- Sami Al-Araji, Chairman, National Investment Commission, Iraq</li> </ul>
<p>12:30-13:00</p> <p>Liberty Room</p>	<p><b>Report back from parallel sessions</b></p> <p><i>The rapporteur of each break-out group will summarise the priorities identified. This presentation is followed by a brief discussion and consensus.</i></p> <p>Moderator: Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme</p>
<b>13:00-14:00</b>	<b>Lunch</b>

**Wednesday 20 June 2012**

<b>14:00-18:15</b>	<b>Session 2 – Investment zone good practices</b>
14:00-15:30 Liberty Room	<p><i>This session focuses on a revised version of the comparative study presented at the second working group meeting, and in particular on how to involve the private sector, the efficiency of the investment zone regulation, and the options for structuring the NIC and its Department for Investment Zones (DIZ). The discussion will bring in the views of a number of potential investors in zone development.</i></p> <p><b>Investment zone good practices</b> – Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme</p> <p><b>The cases of Aqaba (Jordan) and Tanger Med (Morocco)</b> – Bashar Al-Zubi, MENA-OECD Iraq Project Advisor, Amman</p> <p><b>Good practices from the MENA region</b> – Sara Barclay, Consultant, Monitor Group</p>
<b>15:30-16:00</b>	<b>Coffee break</b>
16:00-17:30 Liberty Room	<p><b>Panel discussion of the comparative study</b> <i>Based on the issues raised in the comparative study, the panel discussion will focus on three major issues:</i></p> <ul style="list-style-type: none"> <li>• <i>Organisational capacities of the NIC: How should the DIZ be structured? What additional capacities are needed for the NIC to administer investment zones?</i></li> <li>• <i>One-stop shops: How can OSS be designed to be as efficient as possible? What guarantees can the NIC give to investors via OSS?</i></li> <li>• <i>Engaging private sector capital</i></li> </ul> <p><b>Panel members:</b> Moderator: Carl Dawson, Iraq Project Coordinator, MENA-OECD Investment Programme</p> <ul style="list-style-type: none"> <li>• Sami Al-Araji, Chairman, National Investment Commission, Iraq</li> <li>• Florian Amereller, Amereller Attorneys</li> <li>• Abraham Akkawi, Infrastructure and PPP Advisory Services Leader MENA, Ernst &amp; Young</li> <li>• Khaled Al Habardi, Chairman &amp; General Manager, SABIC Lebanon</li> <li>• Sara Barclay, Consultant, Monitor Group</li> <li>• Eugene Brennan, Shannon Development</li> <li>• Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme</li> </ul>

**SPECIAL NOTICE**

**The Investment Development Authority of Lebanon (IDAL)  
has the pleasure to invite participants for dinner.**

Location: La Plage Restaurant, Ein Mreisseh

Bus pick-up: At 8:00pm at the Crowne Plaza hotel, arriving at 8:30pm at the restaurant

**Thursday 21 June 2012**

<b>9:00-12:30</b>	<b>Session 3 – Engaging the private sector in zone development</b>
09:00-10:30 Liberty Room	<p><i>This session will focus on different ways to involve the private sector in developing and managing investment zones. The explicit goal of the NIC, to attract private investors to develop zones in Iraq, is not only difficult in the pilot stage but also requires substantial capacity to set up public-private partnerships. This would require not only appropriate legislation, but also the institutional capacity to shape and administer such complex financial arrangements. The session starts with a presentation on structuring PPPs, followed by a panel discussion.</i></p> <p><b>Structuring public-private partnerships to develop investment zones</b> - Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme</p> <p><b>Engaging the private sector in zone development</b> - Eugene Brennan, Consultancy Services Group, Shannon Development</p> <p><b>Bringing in anchor investors – experiences from the MENA region</b> - Abraham Akkawi, Infrastructure and PPP Advisory Services Leader MENA, Ernst &amp; Young</p> <p><b>Panel discussion:</b> Moderator: Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme</p> <ul style="list-style-type: none"> <li>• Sami Al-Araji, Chairman, National Investment Commission, Iraq</li> <li>• Mr. Hassan Aldahan, Chairman, Nain Alnahrain Investment Company JSC</li> <li>• Eugene Brennan, Consultancy Services Group, Shannon Development</li> <li>• Khaled Al Habardi, Chairman &amp; General Manager, SABIC Lebanon</li> <li>• Nadim Kayyali, Partner, Sanad Law Group, Amman, Jordan</li> </ul>
<b>10:30-11:00</b>	<b>Coffee break</b>
<b>11:00-12:30</b>	<b>Parallel sessions on private sector involvement</b>
Queen of the Colonies n°2 Room	<p><u>Session A: Involving the private sector in pilot zones</u> Moderator: Christelle Monteillet, Iraq Project Advisor, MENA-OECD Investment Programme, Amman</p> <p>Experts:</p> <ul style="list-style-type: none"> <li>- Abraham Akkawi, Infrastructure and PPP Advisory Services Leader MENA, Ernst &amp; Young</li> <li>- Eugene Brennan, Consultancy Services Group, Shannon Development</li> <li>- Khaled Al Habardi, Chairman &amp; General Manager, SABIC Lebanon</li> </ul>
Queen of the Colonies n°3 Room	<p><u>Session B: Status and role of the NIC/Department for Investment Zones</u> Moderator: Carl Dawson, Iraq Project Coordinator, MENA-OECD Investment Programme</p> <p>Experts:</p> <ul style="list-style-type: none"> <li>- Eugene Brennan, Consultancy Services Group, Shannon Development</li> <li>- Sara Barclay, Monitor Group</li> <li>- Christopher Gunson, Pillsbury Law</li> </ul>
<b>12:30-14:00</b>	<b>Lunch</b>
<b>14:00-14:30</b>	<b>Report-back from parallel sessions</b>

Liberty Room	<i>Rapporteurs from each session report on the main conclusions, followed by a general discussion and comments from the Iraqi delegation.</i> Moderator: Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme
<b>14:30-15:00</b>	<b>Session 4 – Conclusions from the meeting and final declaration</b>
Liberty Room	Moderators: Anders Jönsson, Policy Analyst, MENA-OECD Investment Programme Sami Al-Araji, Chairman, National Investment Commission, Iraq



## Contacts

### Government of Iraq

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**Dr. Sami Al-Araji**

Chairman, National Investment Commission

E-mail: [samialaraji@yahoo.com](mailto:samialaraji@yahoo.com)

Telephone: +964 7901 933821

### MENA-OECD Investment Programme

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[www.oecd.org/mena/investment](http://www.oecd.org/mena/investment)

**Dr. Alexander Böhmer**

Head of Unit

MENA-OECD Investment Programme

E-mail: [alexander.boehmer@oecd.org](mailto:alexander.boehmer@oecd.org)

Telephone: +33 1 45 24 19 12

**Mr. Carl Dawson**

Iraq Project Coordinator

MENA-OECD Investment Programme

E-mail: [carl.dawson@oecd.org](mailto:carl.dawson@oecd.org)

Telephone: +33 1 45 24 75 53

**Mr. Anders Jönsson**

Policy Analyst

MENA-OECD Investment Programme

E-mail: [anders.jonsson@oecd.org](mailto:anders.jonsson@oecd.org)

Telephone: +33 1 45 24 18 53

**Ms. Maha El Masri**

Consultant, Iraq Project

MENA-OECD Investment Programme

E-mail: [maha.elmasri@oecd.org](mailto:maha.elmasri@oecd.org)

Telephone: +33 1 45 24 96 54

**Mr. William Graff**

Project Assistant

MENA-OECD Investment Programme

E-mail: [william.graff@oecd.org](mailto:william.graff@oecd.org)

Telephone: +33 1 45 24 88 23

Fax: +33 1 44 30 60 14