

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

**Draft Agenda for the Fifth Meeting of the
Working Group on Investment Zones in Iraq**

Organised by the
MENA-OECD INVESTMENT PROGRAMME

28-29 April 2013

Cairo, Egypt

DRAFT



Meetings of the Working Group

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 put together. 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 feasibility study terms of reference for two of the six planned pilot investment zones (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 (June 20-21 2012, Beirut, Lebanon) focused on an updated version of the good practice study and the results of preliminary OECD research into the Iraqi investment protection framework, which is one of the major determinants for attracting foreign investors as zone residents or even zone developers. Participants discussed the priorities for improving investor protection in the economy generally, and in investment zones in particular. Participants also explored in more detail, with experts, consultants, and investors, the possibility of attracting private investment for zone development. The MENA-OECD Investment Programme presented draft terms of reference for the feasibility study of one of the pilot zones (Hatein), while Iraqi participants presented sector targeting plans for two others: Baghdad International Airport (telecommunications) and Diyala (tourism).

The fourth meeting of the Working Group (11-12 November 2012, Amman, Jordan) reviewed the progress of the NIC towards establishing the Department for Investment Zones and preparation of the Hatein zone feasibility study. It also provided a forum to discuss plans for the BIA and Diyala zones, using, *inter alia*, international good practices as a benchmark. Interactive training sessions on project finance and legal investment protection allowed participants to apply the relevant concepts to concrete cases and brainstorm optimal approaches.

The fifth meeting of the Working Group (28-29 April 2013, Cairo, Egypt) will review the legal framework for investment zones in Iraq and provide guidance on how investment and industrial zones can be developed to ensure they fit together strategically. It will also explore the use of venture capital funds with a public mandate to finance projects located within these zones and further examine ICT development and its relationship to investment zones. In addition, the Working Group will provide an update, enriched with international good practice examples, on the Diyala investment zone, and the feasibility study conducted for the Hatein zone. The meeting will conclude with a review of the conclusions and recommendations drafted during all working group meetings held under Phase III of the Iraq project, in preparation for a high-level meeting that will tentatively take place in Baghdad, in September 2013.

Government of Iraq Representatives

Sami Al-Araji, Chairman, National Investment Commission
 Abdullah Mohammed Bander Al-Zirej, Economic Advisor, National Investment Commission
 Sabah Salih Mahdi, Director General, Free Zone Authority, Ministry of Finance
 Saad Baqer Kadhim Al-Shakarchi, Deputy Director General, Ministry of Communications
 Alaa Ibrahim Abbas, Chairman, Babil Investment Commission
 Mijwil Mahdi Ali, Chairman, Diyala Investment Commission
 Nizar Naser Hussein, Legal Expert, National Investment Commission
 Basma Amer Omar Nadhmi, Legal Expert, National Investment Commission
 Rashad Khalef, Senior Legal Consultant, National Investment Committee
 Abduljabbar Mahmood Ahmed, Legal Consultant, National Investment Committee

From the Infrastructure Finance Working Group

Mhand Hsam Al Den Mhamd Amin, Chief of Staff, Office of the Deputy Prime Minister for Infrastructure
 Riyadh Yousef About, Chairperson, Infrastructure Committee, Office of the Deputy Prime Minister for Infrastructure
 Ather M. Kalaf, Co-ordinator of the Working Group Committee, Office of the Deputy Prime Minister for Infrastructure

International and OECD Experts

Ashraf Abdelwahab, Corporate Affairs Manager, Egypt and North Africa, Microsoft Middle East and Africa
 Mohamed Abdel Wahab, Chairman and Executive Manager of Cairo Contact Centers Park in Maadi
 Abraham Akkawi, Managing Partner, Ernst and Young
 Florian Amereller, Partner, MENA Associates
 Eugene Brennan, Director, Consultancy Services Group
 Paul Deegan, Projects Manager, Shannon Development
 Mostafa El-Erian, Lawyer, El-Erian Associates LLC
 Elif Gürpınar, Business Development Director, Polaris International
 Asif Hasnain, Senior Economic Development Expert, UNIDO
 Khalid Mahdi, Chairman, Private Sector Development Centre – Iraq
 Rachel Muller, US Embassy, Baghdad
 Ole Olsen, Professor of Law, University of Oslo
 Sherif Oteifa, Advisor to Egypt's Minister of Investment
 Hisham Mohammed Salem, Deputy Programme Director, Development of Government Services Programme
 Representative, Ministry of Investment, Egypt
 Nick Skibiak, Director of Analytics, Dunia Frontier Consultants

MENA-OECD Investment Programme

Anders Jönsson, Iraq Project Co-ordinator, MENA-OECD Investment Programme, OECD
 Abdelrahman Sherif, MENA-OECD Investment Programme, OECD
 Christelle Monteillet, Iraq Project Advisor, MENA-OECD Investment Programme, Amman
 Thomas Flynn, Deputy Iraq Project Advisor, MENA-OECD Investment Programme, Amman
 Bashar Al-Zubi, MENA-OECD Investment Programme

Sunday, 28 April 2013

09:00-09:30	Introduction and opening remarks
Room:	Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq Anders Jönsson, Iraq Project Co-ordinator, MENA-OECD Investment Programme, OECD Representative, Ministry of Investment, Egypt
09:30-11:00	Session 1 – Review of the Legal Framework for Investment Zones in Iraq
	<p><i>The session will provide an update on the status of the amended 2006 Investment Law and the Investment Zone Regulation, and further explore their provisions in regard to the establishment of investment zones in Iraq in view of recent proposed changes. It will also give the NIC the opportunity to outline the progress made on the investment zones pilot programme.</i></p> <p>Update on the progress of the investment zones pilot programme – Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq</p> <p><u>Egypt's General Authority for Investment (GAFI): Presentation on Egypt's Special Economic Zones</u></p> <p>Review of the amended 2006 Investment Law and Investment Zone Regulation – Abdelrahman Sherif, Policy Analyst, MENA-OECD Investment Programme, OECD</p> <p>Panel discussion on the review of the amended 2006 Investment Law and Investment Zone Regulation The panel discussion will focus on:</p> <ul style="list-style-type: none"> • <i>What is the progress of the Investment Zones programme in the NIC?</i> • <i>What is the status of the amended 2006 Investment Law?</i> • <i>What is the status of the Investment Zone Regulation?</i> • <i>What priority issues need to be addressed?</i> • <i>What are international best practices?</i> • <i>How can the OECD assist?</i> <p>Panel members:</p> <ul style="list-style-type: none"> • Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq • Abdelrahman Sherif, Policy Analyst, MENA-OECD Investment Programme, OECD • Mostafa El-Erian, Lawyer, El-Erian Associates LLC • Florian Amereller, Partner, MENA Associates • Representative, Ministry of Investment • Ole Olsen, Professor of Law, University of Oslo • Eugene Brennan, Director, Shannon Development
11:00-11:30	Coffee break
11:30-12:30	Session 2 – Analysis of the legal situation of Public-Private-Partnerships in Iraq
	<i>The new Public-Private-Partnership (PPP) draft law which is pending adoption will provide a</i>

framework for the use of PPP's primarily for infrastructure projects, including the establishment of investment zones in Iraq. The session will identify priority issues for the use of PPP's from a private and public perspective, and provide recommendations for the way forward.

Getting PPPs going: good practices from the region

– Abraham Akkawi, Managing Partner, Ernst and Young

Elements of PPP legislation

– Ole Olsen, Professor, University of Oslo

Panel discussion on the legal situation of Public-Private-Partnerships (PPP) in Iraq

The panel discussion will focus on:

- *What are the main obstacles for the use of Public-Private-Partnerships for the establishment of investment zones in Iraq, from the private and public sector perspective, respectively?*
- *How can PPPs be implemented in Iraq based on the current legal framework?*
- *What priority issues need to be addressed?*
- *What institutional capacities are needed?*

Panel members:

- Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq
- Sherif Oteifa, Advisor to Egypt's Minister of Investment
- Ole Olsen, University of Oslo
- Florian Amereller, Partner, MENA Associates

12:30-14:00

Lunch

14:00-15:30

Session 3 – Planning options for Investment Zones in Iraq

Room:

Special Economic Zones (SEZs) can differ in their sector focus, organisation, and structure. Planning for and establishing these zones, and the different types of SEZs in Iraq, therefore require a different approach. The session will outline development strategies for investment and industrial zones in Iraq; the potential effect of investment zones on Iraq's private sector; and the role that private developers can play in investment zone development.

Industrial and Investment Zone Development

- Asif Hasnain, Senior Economic Development Expert, UNIDO
- Thomas Flynn, Deputy Iraq Project Advisor, MENA-OECD Investment Programme

Private sector developer perspective: Polaris industrial park

- Elif Gürpınar, Business Development Director, Polaris

A view of the Iraqi private sector's perspective on zone sectors

- Khalid Mahdi, Chairman, Private Sector Development Centre - Iraq

Panel discussion on the status of investment zones in Iraq

The panel discussion will focus on:

- *How can investment zones and industrial zones fit together?*

	<ul style="list-style-type: none"> • <i>What can proposed investment zones mean for Iraq's private sector? What are the linkages between foreign zone users and Iraq's private sector?</i> • <i>How can Iraq ensure that foreign investment benefits Iraq's business and economic development?</i> • <i>What are the next steps for establishing investment zones in Iraq?</i> <p>Panel members:</p> <ul style="list-style-type: none"> • Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq (TBC) • Asif Hasnain, Senior Economic Development Expert, UNIDO • Thomas Flynn, Deputy Iraq Project Advisor, MENA-OECD Investment Programme • Polaris • Khalid Mahdi, Chairman, Private Sector Development Centre – Iraq
15:30-16:00	Coffee break
16:00-17:30	Session 4 – Investment Zones for Information and Communication Technologies (ICT)
Room:	<p><i>At the last meeting of the working group, several development scenarios were presented for ICT-focussed investment zones. This session will examine private sector participation in Iraq's ICT development, the value of a private sector-drive development approach, and how investment zones can further spur ICT development to benefit Iraq's business and economic development.</i></p> <p>Presentation of current plans of the Ministry – Saad Baqer Al-Shakarchi, Deputy Director General, Ministry of Communications, Iraq</p> <p>Opening Remarks about Egypt's government and ICT Development – Mohamed Abdel Wahab, Chairman/Executive Manager of Cairo Contact Centers Park (Maadi)</p> <p>E-government services for ICT development – Hisham Mohammed Salem, Deputy Programme Director, Development of Government Services Programme</p> <p>ICT development, private sector support, and investment zones – Ashraf Abdelwahab, Corporate Affairs Manager, Egypt and North Africa, Microsoft</p> <p>Panel discussion on Iraq's ICT investment zone development <i>Based on the presentations, the panel discussion will focus on:</i></p> <ul style="list-style-type: none"> • <i>What are the current plans of the Ministry of Communications and the NIC?</i> • <i>Which institutional capacities will be needed to further develop Iraq's ICT sector?</i> • <i>What are the comparative advantages of Iraq to host an ICT zone?</i> • <i>Based on infrastructure requirements, what are next steps in ICT zone development?</i> <p>Panel members:</p> <ul style="list-style-type: none"> • Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq (TBC) • Hisham Mohammed Salem, Development of Government Services Programme • Ashraf Abdelwahab, Corporate Affairs Manager, Microsoft MENA • Paul Deegan, Projects Manager, Shannon Development

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| | <ul style="list-style-type: none">• Eugene Brennan, Director, Consultancy Services Group• Saad Baqer Al-Shakarchi, Deputy Director General, Ministry of Communications, Iraq |
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Monday, 29 April 2013

9:00-10:00	Session 5 – Venture Capital with a Public Mandate
	<p><i>With growing oil revenues, Iraq is well placed to use some of its wealth to fund ventures into new sectors to spur the diversification of the economy. One option for Iraq is to utilise venture capital funds with a public mandate to spur investment in ventures deemed too risky for traditional capital markets. This session will explore the possibilities for venture capital investment to contribute to Iraq's development and examine how the Iraqi government could employ a Sovereign Wealth Fund (SWF) – a state-owned investment fund composed of financial assets that are established for the purposes of investment return, but also sometimes with a clear economic development mandate – to harness venture capital.</i></p> <p>International best practice and lessons learnt from Sovereign Wealth Funds - <i>Bashar Al-Zubi, MENA-OECD Investment Programme</i></p> <p>Panel discussion on the status of investment zones in Iraq The panel discussion will focus on:</p> <ul style="list-style-type: none"> • <i>How could the Investment Zones programme be linked strategically to venture capital and sovereign wealth funds?</i> • <i>What would be the structure and mandate of such wealth funds?</i> • <i>What are the main risks and concerns?</i> • <i>What are the next steps for increasing venture capital flows into Iraq?</i> <p>Panel members:</p> <ul style="list-style-type: none"> • Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq (TBC) • Bashar Al-Zubi, MENA-OECD Investment Programme • Paul Deegan, Projects Manager, Shannon Development • Nicholas Skibiak, Director of Analytics, Dunia Frontier
10:00-10:30	Coffee Break
10:30-11:45	Session 6 – Plans for the Diyala Investment Zone
	<p>Presentation of current plans of the Ministry – <i>Mijwil Mahdi Ali, Chairman, Diyala Investment Commission</i></p> <p>The tourism sector in Iskandar Malaysia - <i>Christelle Monteillet, Iraq Project Advisor, MENA-OECD Investment Programme</i></p> <p>Strategies to attract foreign investors in the tourism sector in Ireland - <i>Paul Deegan, Projects Manager, Shannon Development</i></p> <p>Panel discussion on the Diyala investment zone <i>Based on the presentation about the Diyala Zone, the panel discussion will focus on these major issues:</i></p> <ul style="list-style-type: none"> • <i>What is the sector focus of the Diyala zone?</i> • <i>What key factors does the zone have to attract investors?</i> • <i>What are the next steps and the roll-out plan?</i>

	<p>Panel members:</p> <ul style="list-style-type: none"> • Mijwil Mahdi Ali, Chairman, Diyala Investment Commission (TBC) • Christelle Monteillet, Iraq Project Advisor, MENA-OECD Investment Programme • Paul Deegan, Projects Manager, Shannon Development
11:45-12:30	Session 7 – Options for a Hatein Feasibility Study
	<p>Options for Hatein Feasibility Study - <i>Paul Deegan, Projects Manager, Shannon Development</i></p> <p>Panel discussion on Hatein Feasibility Study <i>Based on the presentation about Hatein feasibility study, the panel discussion will focus on these major issues:</i></p> <ul style="list-style-type: none"> • <i>What are the next steps to implement the feasibility study?</i> • <i>What institutional arrangements are needed to divide the feasibility study in project modules and ensure each module's successful completion?</i> • <i>What does the Iraqi government need to do to attract private investors?</i> • <i>Can this feasibility study be a model for other studies?</i> <p>Panel members:</p> <ul style="list-style-type: none"> • Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq (TBC) • Paul Deegan, Projects Manager, Shannon Development • Polaris
12:30-13:00	Session 8 – Final Declaration and Closing Remarks
	<p>Review of all working group meetings' outcomes and conclusions - <i>Sami Al-Araji, Chairman, National Investment Commission (NIC), Iraq (TBC)</i> - <i>Anders Johnsson, Iraq Project Co-ordinator, MENA-OECD Investment Programme, OECD</i></p>
13:00-14:00	Lunch

Special Session Tuesday, 30 April 2013

14:00–18:30	Special Economic Zone Study Tour – Polaris Parks
Bus from hotel	<ul style="list-style-type: none"> • Guided tour of the Polaris Parks Special Economic Zone for members of the Working Groups.

Contacts

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