

MENA-OECD Investment Programme's Iraq Project

“Improving the business and investment climate in Iraq – policy dialogue and capacity building for key actors”

In the Iraq Project's Fourth Phase, the MENA-OECD Investment Programme (the Programme) will support the Government of Iraq's (GoI) efforts to encourage pro-poor growth through private sector development. A two-pronged project of capacity building measures and policy dialogue will support the GoI in attracting non-hydrocarbon private investment to diversify the economy. The project will benefit in particular the Office of the Deputy Prime Minister for Economic Affairs, the National Investment Commission, the Iraqi private sector and governorates, as well as Kurdistan Regional Government's (KRG) Board of Investment. The Swedish International Development Co-operation Agency (Sida) intends to provide funding for the period 1 December 2013 to 30 June 2016.

Annex: Component Descriptions

1. Capacity building:

- The Programme will employ OECD policy instruments, such as the Policy Framework for Investment (PFI), to assess the legal and institutional investment framework and the GoI's ability to define, develop, and implement successful investment promotion strategies.
- Based on these reviews, the Programme will develop training programmes to support the GoI to improve its investment and business climates and its ability to attract and retain private investment.

2. Policy dialogue:

- The Programme will integrate the GoI into the Programme's regional working groups, such as Competitiveness, SME Policy, and Investment, and the OECD-MENA Women's Business Forum.
- The Programme will continue its Working Group on Investment Zones in Iraq.



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Capacity Building

Component 1. Strengthening the Iraqi investment policy framework: activities will be built around the two pillars: 1) assessment of the legal and institutional investment framework, and 2) capacity-building activities, including the development of training material.

Component 2. Investment promotion diagnostic and development: aims to increase the NIC and the PICs' capacity as the GoI's main investment promoters and to align their operations with best practice. The Programme will conduct an investment promotion diagnostic to assess Iraq's investment promotion efforts. Based on the diagnostic's findings, the Programme will develop a capacity building programme that includes study tours, matchmaking events, investment roundtables, and other training sessions. This will help the NIC to better attract and retain investment, particularly in key sectors strategic to Iraq's long-term economic development. The Programme intends to conduct similar activities with the KRG's Board of Investment.

Policy Dialogue

Component 3. Economic Zones (Working Group on Investment Zones): this continues the previous activities of the Working Group on Investment Zones in Iraq, which consists of a series of dialogues and training sessions. The focus in this phase will be to establish a clear framework for the GoI's three types of economic zones, which the Iraqi government can use to promote investment into strategic sectors. In addition, the Project intends to advise the GoI's efforts to conduct a feasibility study for a pilot investment zone.

Component 4. Integration into regional working groups and activities: will encourage the GoI to fully participate in the Programme's regional working groups (financed in part by a grant from Sida) and the Programme's activities at the IMF Training Centre in Kuwait. The planned working groups include: investment, SME policy, and competitiveness. In addition, the Programme will integrate the GoI into its training activities in Kuwait and the OECD-MENA Women's Business Forum.

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