

# EUROPEAN PARLIAMENT

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*Committee on International Trade*

**2007/2181(INI)**

5.2.2008

## **OPINION**

of the Committee on International Trade

for the Committee on Foreign Affairs

on a proposal for a European Parliament recommendation to the Council on the  
European Union's role in Iraq  
(2007/2181(INI))

Draftsman: Ignasi Guardans Cambó

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## SUGGESTIONS

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

Addresses the following recommendations to the Council:

1. Welcome Iraq's observer status in the World Trade Organisation (WTO) as a key step towards the reintegration of Iraq into the international economy which helps to complement positively the negotiations between the EU and Iraq on a Trade and Cooperation Agreement; look forward to its full accession to the WTO at an appropriate time in the future; in the meantime, continued support for capacity building within the country should be guaranteed through financial contributions;
2. Carry out negotiations on the Trade and Cooperation Agreement between the EU and Iraq in a manner that facilitates and encourages internal reforms in Iraq and that brings the Iraqi trade regime closer to multilateral system rules and disciplines;
3. Provide Iraq with assistance in setting up adequate and legitimate institutions which enable its representatives to negotiate the terms of accession, and encourage continual EU assistance for the promotion of adherence to and active participation of Iraq in international organisations, conventions and treaties such as the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the International Labour Organisation (ILO), the Kyoto Protocol and the Biodiversity Convention;
4. Focus on the EU's involvement in the development of the International Compact with Iraq (ICI) and on supporting Iraq's reform towards a diversified market economy that responds to the needs and demands of Iraqi society and copes with the requirements and opportunities of sustainable and fair participation in world trade;
5. Take into account the development and socio-economic diversity among Iraq's constitutional regions in the future shaping of trade policy and in contributions to the reconstruction of the country; therefore recommend that support be given primarily to capacity building for micro-, small - and medium-sized enterprises;
6. Concentrate continual EU assistance for the building of capacity as regards Iraqi administrative and economic institutions, in particular with regard to the restructuring of the institutional framework, especially an independent central bank, a stable currency, a tax and budgetary authority and unhampered development of financial markets and call on the private sector to encourage economic market reform and direct foreign investment;
7. Call on the Iraqi authorities to comply with the transparency requirements specified in Article X of GATT 1994, to adopt the necessary legislation and to build up their capacity to implement it in areas such as intellectual property, public procurement, technical barriers to trade, sanitary and phyto-sanitary measures;

8. Call on the Iraqi authorities to ensure transparency and non-discrimination regarding public procurement, in particular to extend most favoured nation treatment to all EU suppliers in respect of procurement by all public authorities, until Iraq accedes to the plurilateral agreement on Government Procurement (GPA);
9. Encourage the Iraqi government to use the revenue from the sale of petroleum in such a way as to ensure that it is reinvested in Iraq and that it is managed by public procurement bodies under the final authority of the Iraqi government; recommend that this approach should be an essential condition for the EU to support the reconstruction and development of the Iraqi economy;
10. Recognise that it is of mutual benefit and strong interest for both the EU and Iraq to guarantee a regulatory and *de facto* fair level playing field among foreign investors in the country;
11. Consider, in light of the need for more sustainable trade patterns that access to energy resources shall be a matter of multilateral rule-setting which shall not be undermined by bilateral trade agreements that compete for the most favourable access conditions;
12. Ensure that the EU's executive institutions and bodies provide complete, regular and transparent information on the actual disbursement and implementation of EU assistance, including those funds to be deployed indirectly through other organisations such as the International Reconstruction Fund Facility for Iraq (IRFFI);
13. Regularly inform Parliament of the stage reached in the negotiations between the EU and Iraq on Trade and Cooperation;
14. Encourage the establishment of regular dialogue between the Commission, the World Bank, the International Monetary Fund and the European Investment Bank, in order to coordinate the approaches to and initiatives for the restructuring and/or cancellation of the debt and the relevant economic policy requirements in order to enable social, ecological and economic sustainable development in the country in accordance with the preferences expressed by the Iraqi people;
15. Strongly recommend the Commission to establish its own database from 2008 onwards for projects managed under the auspices of the UN and the World Bank or any other international institution and which receive a global financial contribution from the EU general budget for very specific clusters of projects; each project should be identifiable in this database and clearly earmarked by its EU financial contribution;
16. Recommend the Member States and the Commission to move slowly toward the establishment of projects governed and financed by the EU; ask the Commission to provide Parliament with a document setting out a strategy as to how this can be done by May 2008; projects which should remain for some time with the UN and the World Bank should be explained;
17. Recommend the EU to continue to give financial support for programmes which will help to rebuild Iraqi society as a whole;

18. Support the progressive establishment of regional economic co-operation as a valuable first step towards reducing tensions and allowing for the gradual development of political and security co-operation in Iraq;
19. Call on Iraq as well as the Member States to promote good governance, transparency and accountability regarding the exploitation of natural resources, while ensuring that such exploitation does not cause any ecological imbalances and is used mainly for the benefit of the Iraqi people.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	23.1.2008
<b>Result of final vote</b>	+ : 17 - : 4 0 : 1
<b>Members present for the final vote</b>	Kader Arif, Francisco Assis, Graham Booth, Carlos Carnero González, Daniel Caspary, Christofer Fjellner, Béla Glattfelder, Ignasi Guardans Cambó, Jacky Hénin, Alain Lipietz, Caroline Lucas, Marusya Ivanova Lyubcheva, Erika Mann, Vural Öger, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Peter Šťastný, Gianluca Susta, Daniel Varela Suanzes-Carpegna, Iuliu Winkler, Corien Wortmann-Kool
<b>Substitute(s) present for the final vote</b>	Jean-Pierre Audy, Zbigniew Zaleski
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	