

**Agreed Minutes of the  
First Meeting of the Joint High Level Cooperation  
Commission between Italy and Iraq  
Rome, 14<sup>th</sup> of December 2009**

The First Joint High Level Cooperation Commission between Italy and Iraq established under article 14 of the Treaty of Friendship, Partnership and Cooperation signed in Rome on the 23<sup>rd</sup> of January 2007 and entered into force on the 5<sup>th</sup> of July 2009 was held in Rome on the 14<sup>th</sup> of December 2009. The Italian delegation was led by H.E. the Minister of Foreign Affairs Franco Frattini and the Iraqi delegation by H.E. the Minister of Foreign Affairs Hoshyar Zebari. The two delegations were composed of representatives of their respective Governments.

The deliberations took place in a cordial and friendly atmosphere which reflected the close relations between Iraq and Italy.

The two Ministers appraised the progresses registered in the political process, in the building of effective democratic institutions and in the security situation in Iraq, to be further consolidated. They also examined the situation in the region and agreed on the importance of the role of neighboring countries in supporting progresses in Iraq, together with the rest of the International Community.

They noted the effective cooperation between the two Countries within the United Nations and in other multilateral fora. They welcomed the increasing role of the UN in Iraq.

Iraq looks forward to Italy's support in the United Nations and International fora with a view to relieving it of its obligations under Chapter VII of the UN Charter.

H.E. Hoshyar Zebari commended the support of Italy to the People and to the Institutions of Iraq for the stabilization and the reconstruction of the Country.

Both parties expressed the common will for an active and growing

participation of the Italian economic system to such reconstruction in the framework set by strategies and national plans for the development of the Country defined by the Government of Iraq.

They also underlined the contributions given to the strengthening of relations by agreed frameworks of cooperation at the level of Regional and Local Administrations, Chambers of Commerce, Business Associations, Research and Academic Institutions, Sport Organizations, NGOs and other bodies and subjects of the civil society, according to the relevant legislation and rules of the two Countries.

The two sides took note that Italy is presently the second importer of goods from Iraq, but almost exclusively of crude oil. They also noted the relevant increase of Italian exports to Iraq in the last two years especially in the energy, industry and infrastructure fields. They agreed that such exports should further increase, also in other fields, in the framework of the participation of the Italian productive system to the reconstruction of Iraq, thus reducing the existing substantial unbalance in bilateral trade. They agreed to encourage the diversification of Iraqi exports to Italy. They noted the importance of the reciprocal participation to trade fairs and exhibitions and of the exchange of visits by businessmen, as well the positive role played in this field by the Italian Institute for Foreign Trade (ICE).

The two Parties shared the intention to encourage the establishment of a Joint Business Council.

The Parties have confirmed the common desire that Italian and Iraqi companies jointly participate, whenever possible, to the implementation of initiatives whose preparations and negotiations are underway or have been envisaged.

In this framework they considered a number of initiatives to be realized through joint ventures and project financing, taking advantage of the Iraqi legislation on investments and of the activity of the Iraqi National Commission on Investments, of the Framework Agreement between the Italian Export Credit Insurance Agency (SACE) and the Trade Bank of Iraq, and, where applicable, of the instruments provided by SIMEST, as well as, when it will enter into force, of the Agreement on Promotion and Protection of Investments initialed today.

The following are among the initiatives considered:

- production of fiber-glass pipes;
- production of rails and other steel components;
- production of pre-cast building materials;
- setting up of shipyards in Iraq;
- assembly plant of urban transport buses;
- industrial cooperation in the field of heavy engineering equipments.

They also welcomed the participation of Italian companies to the following activities to be financed by the Iraqi side:

- Construction and equipment of general hospitals;
- Rehabilitation of the Mosul Dam;
- Design of the Al Faw port;
- Rehabilitation, modernization and construction of networks for hydrocarbons transport;
- Rehabilitation and construction of power plants and power distribution grids;
- Consultancy for the National Strategic Plan for Water Resources Management;
- Participation of the Italian defense industry to the development of Iraqi security forces.

Recalling the talks held on the occasion of the visit to Iraq of the Minister of Economic Development of the Republic of Italy, the Hon. Claudio Scajola, and the progress made since then on the matter, the parties confirmed that in the construction and management of the port of Al Faw the participation of the Italian economic system is highly welcomed.

The parties expressed the common willingness to encourage and facilitate the participation of Italian companies to other initiatives in Iraq in the fields of agriculture and agro-industry, mining, energy including oil and gas equipment, water, environment, cement and other building materials, manufacturing industry, transport, communications, housing, infrastructure including urban underground, airports, waste and sanitation, information technology, retail trade, and services. They will also encourage and facilitate activities and investments of Iraqi companies in Italy.

They agreed to encourage a wider involvement of the banking systems of the two countries in support of trade and investments and to facilitate the issuing of letters of credit and other financial instruments.

They agreed to examine ways and means to facilitate trade by reducing the impact of non tariff measures.

They agreed to update the existing bilateral agreements on air transport in order to facilitate air links between Italy and Iraq.

Both sides will facilitate the promotion of tourism and the cooperation in the fields of investment and exchange of experiences through agreements which may be concluded by the concerned bodies of both countries.

The two Parties expressed satisfaction for the decision of the Government of Iraq to finalize the contract with a consortium led by a major Italian oil company for the development of the oil field of Zubair. The Parties expressed the view that this development, while giving a relevant contribution to the oil production of Iraq, to its export and to its fiscal capabilities, will also strongly foster cooperation between Iraqi and Italian companies in related fields.

The Ministers expressed the mutual satisfaction for the support given by Italy to the reconstruction and the stabilization of the Country since 2003 on a grant basis, either bilaterally or through IRFFI and other multilateral channels, conducted especially in the fields of capacity building, health, water, environment, agriculture, transport, private sector development, cultural heritage, good governance, e-government, rule of law and human rights, besides its support in the field of security.

The parties noted the commitment of Italy also in the current year to implement further programs on a grant basis in favor of Iraq's agriculture (multidisciplinary training for Iraqi officials and technicians, pest management through FAO); water resources planning (through FAO and UNDP); agro-industry (rehabilitation of the Mosul dairy plant); higher education and scientific research (scholarships for PhDs and post-graduate courses in Italy and for Italian language); institution building (high level training for Iraqi diplomats; informatization of the library and of the research center of the Iraqi Parliament; support to Parliament for legislation on economic reforms and their social impact); culture and cultural heritage (on-the-job training for the planning and management of the Iraq Museum and the museums' system of the Country and for the maintenance of the Ur archaeological site; revitalization of the Citadel of Erbil and cooperation for the rehabilitation of the museums of Erbil, Suleimanya and Dohuk); good governance and rule of law (support to the national reconciliation process through NGOs and specialized institutions; training on International Humanitarian Law); transports

(soft loan and grant for the rehabilitation of the Iraqi Meteorological System for airports); environment (program to develop the Marshlands region); humanitarian assistance (contribution to UNHCR and ICRC in favour of Iraqi refugees and displaced); industrial and private sector development (fostering small and medium sized enterprises through UNIDO).

The two parties expressed satisfaction for the continuation through 2010 and possibly further, according to circumstances, of the activities of the Italian led Unit for the Support to the Reconstruction of the Dhi Qar Province.

Minister Zebari reminded the appreciation for the cancellation by Italy of 2.4 billions Euro of Iraqi debts in compliance with the decisions of the Paris Club.

The Parties have taken note of the positive works done for the implementation of the first part (100 million Euro) of the soft-loan as per art. 16 of the Treaty of Friendship, Partnership and Cooperation, for rebuilding Iraq's agricultural sector, promoting the related services and revitalizing the private sector (supply of equipments for the agricultural sector and for the related irrigation activities).

They agreed that further allocations of the soft loan as per the above Treaty should be utilized for the development of the industrial sector and in particular of small and medium scale enterprises, and to support the health sector in connection to the Development Policy Loan (DPL) envisaged by the World Bank and to the related mechanisms of Public Expenditure Review. It may also be utilized for support to other sectors further agreed upon by the two Parties. The loan should also cover educational and training components in each sector.

The two sides also agreed on the following initiatives to be financed or co-financed by Italy on a grant basis:

- improving health services and capabilities for the population of the Dhi Qar Province;
- training and re-training of scientists for applications in the fields of agriculture and environment;
- master plan for industrial zones development (implemented by UNIDO);
- training activities in the field of port engineering, construction and management.

The Italian side will take under consideration the possibility of funding the following further activities:

- training in the field of e-government;

- support to parliamentary activities and national reconciliation.

They agreed that further activities financed by the Italian Government will be mainly focused on the following sectors:

- cultural heritage;
- agriculture and agro-industry;
- irrigation and water resources management;
- healthcare;
- development of SME's;
- training and university cooperation.

The two sides welcomed the program for research scholarships provided by the Government of Iraq to Iraqi PhD students for activities in Italian academic institutions, and agreed to facilitate its implementation.

On the occasion of the Joint High Level Commission the Parties signed a Protocol on Cultural Cooperation and initialed an Agreement on the Promotion and Protection of Investments.

The Parties took positively note of the signature of the Memorandum on Police Cooperation between their respective Ministries of Interior and of the on-going negotiations on a Memorandum on Defense Cooperation.

The two Ministers underlined the importance of concluding an Agreement on Avoiding Double Taxation on Revenues and Fiscal Evasion as an essential tool to favor the intensification of bilateral economic relations.

The two Parties expressed appreciation for the cooperation established within the framework of the NATO Training Mission in support of Iraqi armed and security forces and in particular for the training of the Federal Police by the Carabinieri.

They agreed to further develop the training provided bilaterally in Italy to members of the Iraqi armed forces.

They also commended the contribution of Italy in the framework of the EUjust Lex programme for training activities in the field of penal justice.

The two sides agreed on the importance of a prompt finalization of the Trade and Cooperation Agreement between the European Union and Iraq, and of the

related Memorandum on Strategic Partnership on Energy.

Both Ministers appraised the achievements of the mutual commitments of Iraq and of the International community contained in the International Compact which allowed socio-economic growth in a framework of increasing security and stability.

The two parties concurred on the positive results during the recent years and on the need to elaborate upon a new strategy for dialogue and coordination between Iraq and its partners according to the Iraqi Government's priorities.

The two sides agreed that the next meeting of the Joint High Level Cooperation Commission will be held in Baghdad on a date in 2010 to be agreed upon through diplomatic channels.

The Minister of Foreign Affairs  
of the Italian Republic  
Franco Frattini



The Minister of Foreign Affairs  
of the Republic of Iraq  
Hoshyar Zebari

