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Iraq: How is the Commission supporting the country?

The objective of the EU's policy towards Iraq is to contribute towards a safe, stable, unified, prosperous and democratic Iraq that upholds human rights and protects its minorities. To contribute towards this direction, the EU is fully engaged in the reconstruction of Iraq.

Between 2003 and 2006, the Commission provided €718,5 million to assist Iraq, focusing mainly on the rehabilitation of basic services, support of the political process, including elections, support of job creation and of Iraqi capacity building. This included almost €600 million to the International Reconstruction Fund Facility for Iraq (IRFFI) and a €100 million package for humanitarian assistance.

The Commission is by far the main donor of IRFFI funds, with 46% of the total received so far by the IRFFI. Adding up all the donations coming from EU countries, European support to the IRFFI now accounts for as much as 58% of total donor deposits.

In its 7 June 2006 Communication (entitled '*Recommendations for renewed European Union engagement with Iraq*'), the Commission provided a holistic response to the complex and pressing challenges of Iraq. By putting forward several key objectives (*i.e. endorsing and supporting democratic government, security, Rule of Law, Human Rights; improving delivery of basic services; paving the way of Iraq's economic recovery; and developing an effective and transparent administrative framework*), the Commission has, against the difficult security background in Iraq, set out its medium-term strategy.

The EU has emphasized the importance of an enhanced dialogue with Iraq's neighbours and expressed its support of initiatives that strengthen regional co-operation. The Commission will participate in the Iraq Neighbours meeting that will take place in Sharm El Sheikh (Egypt) on 4 May 2007. The meeting will bring together Iraq with its neighbours, other key Arab countries, the UN, Arab League and other important world players to discuss current developments in Iraq and their repercussions at regional and international levels. The Commission is also participating at the International Compact for Iraq conference. It will express its support to the Compact through concrete initiatives.

In addition, Iraq's future membership of the WTO and its participation in other international fora remains central to the Commission's objectives.

Furthermore, with regards to Iraq's global international context, the Commission received a mandate and opened the negotiations for a Trade and Cooperation Agreement (TCA) with Iraq in November 2006. The negotiating process aims to facilitate Iraqi engagement with the International Community and with the EU in particular. This will pave the way for establishing contractual relations with Iraq, integrating it into the global economic structures.

The EU is deeply concerned about the mounting humanitarian and refugee situation that threatens both Iraq and the neighbouring countries, notably Syria and Jordan. The EU has therefore actively participated in the Geneva UNHCR International Conference (held on 17-18 April) and expressed its support of the Iraqi refugees and Iraq's neighbours' efforts. In order to address the humanitarian situation, the Commission has adopted a two-fold approach. Beyond the €100 million provided back in 2003, a new €10 million humanitarian package has recently been decided including €6.2 million for the Iraqis who have fled to neighbouring countries; and €4 million for the internally displaced people within Iraq.

In 2007 Commission intends to focus its assistance on:

- Capacity building of the Iraqi administration in areas such as public financial management and rule of law
- Energy cooperation, with a focus on the gas sector
- Support to the political process
- Support to the Compact Secretariat
- Continued support to basic services
- Humanitarian support (if needed)