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IRAQ 4

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Relations with Iraq - European Union's position for the Cooperation Council's 3rd meeting (Brussels, 19 March 2023)

Delegations will find attached the European Union's position for the 3rd EU-Iraq Cooperation Council.

3rd MEETING OF THE EU-IRAQ COOPERATION COUNCIL
(Brussels, 19 March 2023)

European Union Common Position

1. The EU welcomes the third meeting of the EU-Iraq Cooperation Council. This will be the first edition under the EU-Iraq Partnership and Cooperation Agreement (PCA) since it entered into force in 2018.
2. The EU-Iraq Partnership and Cooperation Agreement (PCA) constitutes the main framework for enhancing cooperation and strengthening EU-Iraq relations, based on both Parties' common will to consolidate, deepen, and diversify their relations in areas of mutual interest. Following the last EU-Iraq Cooperation Council in 2016, the first High-Level Political Dialogue under the PCA was held in January 2020. Throughout 2020 and 2021, meetings of the three PCA thematic subcommittees were held, notably on human rights and democracy, trade and energy, followed by the third Cooperation Committee in September 2021. In addition, an informal Migration Dialogue took place in February 2021.
3. The EU expresses its unequivocal support to the unity, sovereignty and territorial integrity of Iraq, with full respect to its ethnic and religious diversity. A stable, democratic and prosperous Iraq is essential for the EU, and an anchor of stability, with direct effect on regional security, including on migration flows. The EU restates its firm commitment to further develop the strong partnership with Iraq and underlines its strategic nature and significant potential especially under the current geopolitical landscape following Russia's war of aggression against Ukraine. In this regard, the EU's strategic policy frameworks, such as REPowerEU, the European Green Deal and the Global Gateway offer additional opportunities for enhanced cooperation and investment in Iraq. EU – Iraq engagement at the highest political level is illustrated by numerous bilateral visits – including the HRVP's visit to Iraq in September 2021 and his participation at the Second Baghdad Conference for Cooperation and Partnership in Amman in December 2022.

4. The EU welcomes the Government of Iraq's announced priorities. This includes the fight against corruption at all levels, improving public services, bringing arms under the control of state institutions, climate action, implementing structural economic reforms, and finding durable solutions for the internally displaced and the protection of minorities. It is now urgent for the government of Iraq to deliver concrete results and swiftly adopt the necessary measures and reforms to meet the demands and aspirations of the Iraqi people. The EU will continue to support Iraq on its path for reforms, national reconciliation and commendable role in support of regional cooperation including within the Bagdad Conference process. As Iraq continues its challenging path from conflict to stabilisation, development and prosperity, EU-Iraq relations are growing stronger based on important achievements over the last years.

COOPERATION IN THE FIELD OF FOREIGN AND SECURITY POLICY

5. The EU-Iraq partnership is important for the stability and prosperity not only of Iraq, but also of the wider region. The EU commends efforts by the Government of Iraq to foster dialogue and promote de-escalation and welcomes the Second Baghdad Conference held in Jordan on 20 December 2022. The EU and its Member States remain committed to support and contribute to the follow-up as an inclusive regional process with the participation of the EU. The EU also commends Iraq's contribution to facilitating dialogue between Saudi Arabia and Iran and welcomes the announced agreement on resumption of diplomatic relations between the two countries. The EU will continue to encourage all actors to engage constructively in pursuit of regional cooperation and to fully respect Iraq's unity, sovereignty and territorial integrity. The EU stands ready to enhance, through the means of its cooperation, Iraq's resilience and to support any regional initiatives to improve regional connectivity, particularly through electricity interconnections and transport networks.
6. The EU condemns in the strongest possible terms the repeated shelling and drone attacks against the Kurdistan Region in Iraq, often resulting in loss of life and injuries. These attacks violate Iraq's sovereignty and territorial integrity and they must not happen again. The EU stands in full solidarity with the Iraqi people, the Government of Iraq and the Kurdistan Regional Government.
7. The fight against Da'esh is not over and the hard-won gains of the past years by Iraq must not be lost. The EU calls on the Government of Iraq to maintain its focus on the fight against terrorism including against Da'esh and to ensure accountability. The EU is committed – including through the Global Coalition against Da'esh – to continue supporting Iraq in the fight against terrorism and the stabilisation and reconstruction efforts in liberated areas, through both reinforced support to the Coalition's communication efforts, as well as coordination with other international actors and missions, such as NATO Mission Iraq.

8. The EU welcomes ongoing efforts and the commitment of the Government of Iraq to repatriate Iraqi nationals, notably from Al-Hol Camp and calls on the Government to develop and operationalise a plan towards durable solutions for internally displaced people and host communities. The EU is supporting such efforts together with its Member States and International Organisations, as part of the EU's policy to develop a broader dialogue with Iraq dedicated to counterterrorism and security as well as prevention of radicalisation and extremist violence.
9. The consolidation of rule of law, improved human rights standards and the need for the Government of Iraq to ensure state monopoly on coercive power are equally essential to limit the risk of future cycles of violence. The EU is concerned about the potential for destabilising effects of the continued presence of armed non-state militias in Iraq and encourages the Government of Iraq in its efforts to bring them under the full control of the state. The EU remains committed to contributing to the implementation of civilian aspects of Iraqi security sector reform (SSR) through the EU Advisory Mission in Iraq (EUAM Iraq) established in 2017 upon request by the Government of Iraq. The Mission has unique competence and expertise in integrated border management, command and control, preventing and countering violent extremism, counter terrorism and organised crime, by deployment of advisors from services of EU Member States and in close cooperation with respective Iraqi interlocutors, notably in the Ministry of Interior and National Security Advisor's office. The Mission has also a presence in Erbil, with the aim to act as a bridge between the federal and regional level on civilian related SSR. The mandate of EUAM has been renewed by the EU Council until 30 April 2024. The EU expects a Status of Mission Agreement for the EUAM to be concluded in the near term.
10. Effective cooperation between the Government of Iraq and the Kurdistan Regional Government remains crucially important. Joint efforts to improve governance and security coordination in the disputed territories, including the full and effective implementation of the Sinjar Agreement, are essential. Furthermore, it is important at the same time to resolve disagreements pertaining to oil and gas, and to budgetary transfers.

11. Promoting peace and stability and achieving de-escalation of tensions in the broader Middle East are key priorities for the EU. The JCPoA aims to contribute in this regard. Ensuring an exclusively peaceful character of the Iranian nuclear programme could contribute to regional stability and security. As a key security priority, the EU will continue to invest diplomatically and politically to ensure that Iran does not acquire a nuclear weapon.
12. The EU is committed to reinforcing cooperation with Iraq in foreign policy at bilateral, regional and multilateral level, notably in the UN framework, as well as with the League of Arab States (LAS). Syria continues to be a high priority for the European Union. The EU remains firmly convinced that any sustainable solution to the conflict requires a genuine political transition in line with UNSCR 2254. In its absence, there will be further instability in Syria and the region, preventing the return of refugees from neighbouring states and fuelling further drug trafficking. In this context, the EU reiterates that it is not the time to normalise relations with the Syrian regime. Normalisation without substantial concessions of the Syrian regime would ease pressure and encourage the regime to remain uncompromising. The EU underlines the utmost importance of maintaining pressure on the Assad regime until there is genuine progress in the political process. The EU fully supports the efforts of United Nations Special Envoy Pedersen, including for his proposed “steps-for-steps” initiative. After the devastating earthquakes in Syria and Türkiye on 6 February 2023, the EU and its Member States are providing increased additional assistance to alleviate the suffering of the affected people as soon as possible. European Commission President von der Leyen and Swedish PM Ulf Kristersson announced the holding of a donors’ conference on 20 March 2023. The EU will furthermore host a seventh Brussels conference on 15 June on the Future of Syria and the Region, in order both to focus international pressure for a political solution to the conflict, and to generate pledges of humanitarian support for Syria and in support of Syrian refugees and their host communities in the region.

13. The EU commends the efforts by Iraq and Türkiye to further strengthen their relations, and encourages enhanced political dialogue and closer cooperation between the two Governments on areas such as economy, trade, cultural exchanges, managing shared water resources and fighting terrorism and violent extremism. At the same time the EU calls for a cessation of unilateral military actions that undermine Iraq's sovereignty and have a destabilising effect on Iraq and the wider region. The EU calls on all actors to act in a proportional manner with due regard to international law.
14. The EU commends the tripartite engagement of Iraq with Jordan and Egypt, including on Foreign Ministers' level, as all three countries would benefit from enhanced economic cooperation, improved connectivity and security, with a view to strengthen regional cooperation in the Eastern Mediterranean.
15. The EU welcomes the relaunching of relations between Iraq and Kuwait, as highlighted during the successful visit of Prime Minister Al Sudani to Kuwait City on 23 November 2022 and by other positive steps. Solving the remaining outstanding issues, notably the delimitation of Iraqi-Kuwaiti maritime border, would contribute positively to regional cooperation.

16. The EU condemns Russia's unprovoked and unjustified military aggression against Ukraine, grossly violating international law and the principles of the UN Charter and undermining global security and stability. The EU appreciates Iraq's support at the United Nations General Assembly in condemning Russia's aggression against Ukraine and attempted illegal annexations, as well as on the respective UNGA resolution of February 2023 calling for comprehensive, just and lasting peace in Ukraine and the withdrawal of Russia from the territory of Ukraine in its internationally recognised borders. The EU emphasises the strong joint interest in further condemning Russia's clear violation of and contempt for international law. The EU relies on Iraq's assistance to prevent the circumvention of EU restrictive measures adopted in response to the Russian aggression against Ukraine.
17. Confronted with the shortfall of wheat imports from Russia and Ukraine and fluctuating vegetable oil prices, Iraq faced severe challenges. The EU is committed to ensuring food security in Iraq. The EU-led Solidarity Lanes, the UN-led Black Sea Grain Initiative, and the efforts by neighbouring EU countries to Ukraine to facilitate exports of grains stabilised the global markets and drove down food prices to pre-war levels. The EU restrictive measures do not target the trade of food and fertilisers between Russia and third-countries. In this regard, the EU welcomes steps taken by the Parliament of Iraq to adopt an emergency food security law, allocating funds for staple food supplies, gas, electricity and payment of salaries. The EU leads the world response to show solidarity with Ukraine and with countries affected by the damaging consequences of Putin's war. The EU encourages Iraq to avoid export restrictions on agricultural goods. The EU will seek convergence on how to meet the food security challenges in international fora. The EU stands ready to cooperate in the spirit of solidarity to address the global impacts of the war on food security, energy, and finance, including by supporting the efforts of the United Nations and its Secretary General in that regard.
18. The EU is concerned by Russian state-sponsored foreign information manipulation and interference aiming at justifying and supporting its military aggression against Ukraine, as well as to undermine the EU's position on this issue, targeting the audiences in the EU and in countries of the region, gravely distorting and manipulating the facts. It is of major concern that pro-Kremlin false narratives are being spread intensively in the media and social networks in Arabic language across the MENA region, including Iraq. The EU stands ready to share with Iraq and all partners its practices and expertise in countering Russian disinformation.

THEMATIC COOPERATION

Trade and investments

19. Over the past year, the EU provided substantial support through the Iraqi Ministry of Trade for the preparation of all documents needed for Iraq to advance in its WTO accession. This enabled the Iraqi authorities to submit the full suite of documentation to WTO. This is not only an important step towards WTO accession, but first and foremost, a process that provides momentum for the Iraqi authorities to review, revise and reform key economic legislation and procedures and to align further with the international trade rules. The EU strongly encourages Iraq to continue on this reform path. The EU recalls the favourable trade conditions between the EU and Iraq in the framework of the PCA and encourages efforts to strengthen the implementation of relevant regulations.
20. The EU supports ongoing discussions aiming at both the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) expanding their operations to Iraq. Recent EU strategic policy frameworks such as REPowerEU, the European Green Deal and the Global Gateway could facilitate enhanced cooperation and investment. The EU trusts that a Framework Agreement with the EIB will be concluded in the near term, and supports having EBRD operational in Iraq soon.
21. The EU has removed Iraq from its list of high-risk third countries, which present strategic deficiencies in their regimes on anti-money laundering and countering terrorist financing ('AML/CFT') posing significant threats to the financial system of the Union. In doing so, the EU acknowledged that Iraq has implemented sufficiently comprehensive measures, and that the necessary requirements to remove strategic deficiencies identified under article 9 of the Directive (EU) 2015/849 were met. The EU remains committed to support Iraq's efforts to improve its Anti-Money laundering and Counter Terrorist Financing regime, inter alia through strengthening the capacities of the Central Bank of Iraq to promote and regulate inclusive financial services, with the aim to avoid Iraq's future listing by the FATF. In this context, the EU welcomes recent measures taken by Iraq (e.g. to digitize financial transactions to combat money laundering).

22. It is crucial that Iraq remains committed and (re)-engages on a realistic and sustainable economic strategy as well as a socio-economic reform agenda to foster good economic governance and human capital, proper economic diversification as well as the green transition and consistent private and financial sector development including its legal framework. Iraq also needs to address employment promotion, labour standards as well as social and environmental safeguards. These structural reforms also call for substantial Iraqi budget allocations, clear Iraqi mandates and explicit medium- to long-term commitment to ensure successful and sustainable implementation. It also needs to invest in its infrastructure to meet its Sustainable Development Goals, address climate change mitigation and adaptation, and enhance national and regional connectivity in the fields of energy, transport, and digital.

Human rights, democracy and people-to-people contacts

23. Promoting human rights, including civil and political rights, remain a fundamental principle for the EU also in its partnership with Iraq. The EU expects Iraq to respect its citizens' fundamental right to peaceful assembly and freedom of expression, in line with the Iraqi constitution. Iraqi security forces must exercise maximum restraint in the handling of protests and need to guarantee the safety of protestors. The Government of Iraq holds the final responsibility and the EU expects perpetrators of all violations to be held accountable. The EU welcomes the adoption of the Yazidi Female Survivors Law and will follow closely its effective implementation. The EU urges Iraq to swiftly adopt the anti-domestic violence law, notably to provide women survivors of gender-based violence with full and safe access to shelters and justice. The EU expresses concerns about press freedom and safety of journalists in Iraq and condemns the violent targeting of the LGBTI community in Iraq because of their sexual orientation. The EU calls upon Iraq to abolish the death penalty and, as a first step, expects Iraq to introduce a *de facto* moratorium on the use of death penalty and to increase its multilateral human rights engagement.
24. In the framework of EU's support to Iraq's democratic development, the EU deployed, for the first time, following an Iraqi request, an Election Observation Mission (EOM) for the October 2021 parliamentary elections. The elections were peaceful, orderly, technically well-managed, competitive, and the largely calm electoral campaigns enabled voters to make informed choices and freely express their will. The EOM produced a public report with recommendations with a view to improving future electoral processes. The EU is committed to work together with the Government of Iraq and other partners to continue supporting the implementation of democratic reforms, and to follow-up on the EOM's recommendations, including with an EU Election Follow up mission (EFM) to be deployed in the first half of 2023.

25. The EU supports the Government of Iraq in strengthening democratic and inclusive governance, with the full participation of all components of the Iraqi society, including women and youth, as well as ethnic and religious minorities. The EU acknowledges the commitment of the new Government of Iraq to protecting and improving the situation of minorities, in particular the Yazidi community. The EU underlines that much remains to be done in building transparent, accountable and democratic institutions. The EU stands ready to support the Government of Iraq to ensure the full inclusion and representation of women in public life, including the labour market and the electoral process. The EU supports and empowers civil society organisations and human rights defenders in Iraq as important components of the Iraqi society and democracy. The EU looks forward to renewed cooperation between the European Parliament and the Iraqi Council of Representatives.
26. The EU and Iraq aim to strengthen their cooperation in the field of employment and social affairs. Iraq should promote decent work and ensure the effective implementation of international labour standards it committed to, including by combatting forced and child labour. It is also crucial to address the observations of the ILO's supervisory bodies related to the right to organise and collective bargaining.
27. More than five years after the territorial control of Da'esh was ended, the humanitarian situation in Iraq has improved due to the efforts of Iraqi authorities, the international community and the non-governmental sector. Nevertheless, considerable challenges for internally displaced Iraqis linked to Da'esh remain unaddressed. These challenges include also barriers to return, inadequate access to basic social services as well as limited recovery, reconstruction and reconciliation and the increasing effects of climate change, such as aggravated water shortage and desertification. In this context, the EU stresses the rights of persons belonging to religious minorities and the importance of an inclusive reconciliatory process. Emphasising ownership by the Government of Iraq to address these challenges, the EU remains equally committed to helping Iraqi authorities in addressing the most pressing humanitarian needs of the Iraqi population and calls on the Government of Iraq to provide more financial support, and to allow for and facilitate access of humanitarian actors across the country.

28. All persons in Iraq should be able to return to their areas of origin, have access to basic services and be (re)-integrated into national welfare schemes. The EU stands ready to continue to support the Government of Iraq, in line with UN priorities, to find sustainable solutions for holistically addressing fragility and displacement, by supporting the areas of education, job creation, or social protection, and the provision and strengthening of civil documentation and housing land and property rights. Further steps on IDPs and existing camps should avoid leading to secondary displacement, and should provide clear perspectives for their future as well as allowing for full access to social services.
29. The EU supports the Government of Iraq in promoting people-to-people exchanges, including through instruments like Erasmus+ and peer-to-peer knowledge sharing and capacity building in higher education and research. The EU welcomes the recent designation of an Erasmus+ National Focal Point by the Iraqi authorities that will further strengthen cooperation in the relevant fields. To that end, the EU encourages the Government of Iraq to undertake administrative measures to allow all Iraqi higher education institutions to benefit from EU-funded opportunities for international mobility and cooperation in higher education.
30. The EU welcomes an increased awareness of the protection and safeguarding of cultural heritage by the Government of Iraq and underlines the importance of cooperation in this field. The EU is making a major contribution in reviving the spirit of Mosul and Basra through reconstruction and in the revitalisation of the Erbil Citadel. Moreover, the EU Advisory Mission in Iraq is advising national authorities in improving the capacity to address and fight organised crime against cultural heritage.

Migration and asylum

31. In the framework of Article 105 of the PCA and its other relevant obligations, the EU and Iraq will continue to closely cooperate on migration, including on protection and forced displacement, migration governance and management, countering migrant smuggling and trafficking in human beings, return and readmission, as well as sustainable reintegration.
32. Furthermore, the EU supports, through different NDICI-GE and Member States' projects, ongoing Iraqi efforts in the field of social and economic reintegration and to find durable solutions for Iraq's internally displaced populations.
33. The EU welcomes the appointment of the new Iraqi Migration Committee and wishes to engage as soon as possible to enhance migration cooperation between the EU, its Member States and the Government of Iraq.
34. Further to that, it is crucial that efforts on return and readmission, including non-voluntary returns, are enhanced and concrete steps to improve cooperation are taken in the short term, in order to achieve substantial and sustained results in relation to cooperation on readmission assessed under the EU Visa Code. The EU recalls that Iraq has an international obligation to readmit its nationals and ensure that they are received without undue delay, following confirmation of their nationalities in accordance with customary international law and readmission agreements where applicable.
35. In the context of the situation at the EU-Belarus border, which was and still is used as a tool of foreign policy by the Belarussian regime, Iraq has constructively engaged with the EU. The EU commends Iraq's efforts to repatriate its citizens from Belarus and facilitate their reintegration. The EU welcomes that the suspension of all commercial flights to Minsk remains in place.

Energy, climate change and environment

36. The EU commends Iraq for its ratification of the Paris Agreement and encourages Iraq's commitment to follow up on the required steps to implement Iraq's Nationally Determined Contributions. The EU and Iraq reiterate their commitment to undertake efforts to limit global warming. The EU reiterates the importance of coordination on climate action and encourages Iraq to take substantive steps to reduce carbon emissions, as well as to tackle the effects of global climate change on its people and strengthen resilience to the impacts of the climate crisis that are already underway.
37. The EU reiterates the importance of ongoing electricity and gas market reforms in Iraq, in view of international assistance offered. The EU understands that Iraq relies on the private sector for its gas market reform and to address, inter alia, gas flaring. Nevertheless, the EU encourages Iraq to reduce unnecessary gas flaring, to collect the gas instead to become less import-dependent and to use the saved gas for domestic electricity production. The EU welcomes that Iraq signed up to the Global Methane Pledge and sees the need for rapid action.
38. The EU encourages Iraq to make full use and implement effectively the World Bank's technical assistance project on electricity. The EU lauds Iraq's commitment to foster renewables (notably solar power) and improve the country's energy efficiency potential to green the energy sector. The EU encourages Iraq to enter into a framework agreement with the European Investment Bank. This enables Iraq to mobilise investments into renewables, to become eligible for the European Fund for Sustainable Development (EFSD+) and develop through this instrument concrete initiatives in line with the EU's Global Gateway strategy.

39. Environmentally sustainable approaches are essential for Iraq, notably on water management and energy, also to address social challenges like demographic growth, refugees and internally displaced population. Further support to water management, including support in its negotiations with neighbouring countries on the issue will be crucial. The EU welcomes Iraq's initiative to host a national climate conference in Basra March 12/13 and to participate at the UN 2023 Water Conference in New York.
40. The EU and Iraq have expressed a shared interest in urgently tackling greenhouse gas emissions reduction, climate adaptation, and environmental degradation and biodiversity challenges through the transition towards sustainable, fair and resilient economies.
41. The EU is ready to share its policy experience and stands ready to help Iraq reap all the benefits that the green transition can offer. While underlining that Iraq needs to do its part, the EU *inter alia* provides support for energy sector governance, climate smart agriculture, and renewable energy. The EU will, moreover, explore options to provide technical assistance in areas hitherto not offered to build capacity of relevant Ministries (e.g. legislation, methane regulation and monitoring on air pollution).

Economic reforms and development cooperation

42. The EU welcomes the establishment of a new PCA subcommittee on development cooperation.
43. The EU will continue to support the Government of Iraq in delivering on its comprehensive reform commitments as called for by its citizens in areas as improved governance and human capital, combatting corruption, promoting economic diversification as well as the green transition and developing the private sector as envisioned in the Government of Iraq's White Paper (of October 2020). Including through the Team Europe Initiative, the EU will support Iraq through banking sector reform, access to finance and enabling a business and investment friendly environment. In addition, the EU, together with further international partners, also supports Iraq by remaining an active member of the Iraq Economic Contact Group (IECG), which assists Iraq with international expertise on the planning and sequencing of such reforms.

44. The EU supports Iraq in fighting corruption at all levels but stresses that much more needs to be done. The EU stands ready to further support Iraq, while underlining that Iraq needs to do its part through substantial support and reforms. This includes the need for Iraq to work more on all aspects of governance, including public finance management, decentralisation, migration governance, housing land property rights, civic documentation and civil registry. Iraq also needs to improve its human capital, including by education and vocational training, job creation and social protection, also considering that the Iraqi population is young and yearning for jobs and change. While the EU will continue its targeted interventions in these key areas to improve public services and basic services, Iraqi authorities need to take ownership, enact the accompanying reforms and provide financial as well as political support in order to make these endeavours a sustainable success throughout the whole country and avoid the resurgence of widespread protests and withstand demographic pressures. The re-establishment by Iraq of the social contract between State institutions and citizens, thus rebuilding accountability and trust, is of primary importance.

45. Substantial bilateral, regional and thematic development funds have been made available to Iraq in the past years. The EU has shifted its support from post conflict recovery to long-term development aimed at consolidating the country's fragile political and economic stability, also targeting the (re-)integration of displaced populations into national systems. The Multiannual Indicative Programme focuses on green job creation and economic diversification, human development including on education and social protection, and digital and participatory governance and democracy.
46. The EU will continue to coordinate closely with other international partners active in Iraq, notably with the UN, and in particular with UNAMI, as well as NATO, as appropriate, and in due respect of the EU's institutional framework.
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