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No. 3

Iraq Development Fund Regulation

No. (3) of 2023

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Regulations

MINISTER COUNCIL RESOLUTION NO. (23405) OF 2023

The Council of Ministers decided in its twenty-eighth regular session held on July 11, 2023 the following:

Approving the issuance of Regulation No. (3) of 2023, the Iraq Development Fund Regulation, based on the provisions of Article (80 / Item (Third) of the Constitution, in order to facilitate the implementation of the provisions of Article (42) of the Federal General Budget Law of the Republic of Iraq for the fiscal years (2023 - 2024 - 2025).

Dr. Hamid Naim Al-Ghazi,

Secretary General of the Council of Ministers

July 26, 2023



Regulations

MINISTER COUNCIL

Based on the provisions of Item (Third) of Article (80) of the Constitution, in order to facilitate the implementation of the provisions of Article (42) of the Federal General Budget Law of the Republic of Iraq for fiscal years (2023 - 2024 - 2025) No. (13) of 2023;

The following order has been issued:

NO. (3) OF 2023

IRAQ DEVELOPMENT FUND REGULATION

ARTICLE 1

First: The Iraq Development Fund shall be linked to the Council of Ministers and enjoy moral personality and financial and administrative independence.

Second: The headquarters of the Fund shall be in Baghdad, and it shall have the right to open branches and offices inside and outside Iraq.



Regulations

ARTICLE 2

The fund aims at the following:

- First: Improving the attractive investment environment and launching sustainable economic and social development, taking into account the population representation in the non-organized-in-region governorates.
- Second: Developing Iraq's non-oil economic resources and diversifying them through financing investment projects.
- Third: Finding solutions to economic, social and environmental crises by attracting capitals, technology and manpower and transforming them into investment opportunities.
- Fourth: Creating a qualitative change in the adoption of technology and modern systems in management.
- Fifth: Financing projects that address the gaps between ministries' powers.
- Sixth: Attracting, attracting and mobilizing the capital category in the private sector that is looking for investment outlets to be employed in strategic, environmental and service projects.
- Seventh: Creating job opportunities through the investment projects that fund presents.
- Eighth: Developing human capital and skills to be in line with the business leadership requirements and the labour market.

ARTICLE 3

The fund shall undertake the following functions:



Regulations

- First: Investing in projects that address economic, environmental and social crises.
- Second: Investing alone or with others in establishing companies or funds, increasing their capital, or investing in securities in accordance with the investment policy approved by the Fund's board of directors.
- Third: Obtaining credit facilities and issuing bonds and financing instruments and other financial instruments.
- Fourth: Buying, selling, renting, renting out, exploiting and benefiting from immovable and movable assets.
- Fifth: Preparing guarantees for the fund's companies.
- Sixth: Concluding agreements and understanding memorandums and investing in the specialized fund or funds with the concerned authorities in countries and international organizations in accordance with the law.
- Seventh: conducting and sponsoring the local and international conferences and exhibitions. It has the right to invite the relevant authorities to seek grants, endowments, aids and donations from countries, institutions, organizations and donors.
- Eighth: Carrying out all other activities required to implement the Fund's objectives and its obligations.

ARTICLE 4

The fund shall be consisted of a board of directors, an executive manager of the fund and fund's offices.



Regulations

ARTICLE 5

First: The Fund's Board of Directors shall be the supreme body of the Fund.

Second: The fund shall have a board of directors consisted of (7) seven members:

- Prime Minister Chairman
- (3) Three members from government agencies to be selected upon nomination by the Prime Minister and approval of The Council of Ministers and for (3) years, renewable once only.
- (3) Three members representing the private sector, to be selected upon nomination by the Prime Minister and the approval of the Council of Ministers for (3) years nonrenewable.

Third: The executive director shall be a rapporteur for the board of directors and shall keep records in which the meetings of the Council and its discussions and decisions recorded.

Fourth: The fund's board of directors shall, in the first session of the board, select a vice-chairman from among the members who represent the private sector.

ARTICLE 6

First: The Board of Directors shall meet once a month or whenever the need arises at the invitation of the Chairman of the Board of Directors, and the quorum shall deemed complete with the presence of (4) members in addition to the Chairman of the Board.



Regulations

Second: The Chairman of the Board of Directors may invite whoever he/ she deems appropriate to attend the meetings of the Board, without the right to vote.

Third: The Board's decisions shall be issued by the majority of the votes of those present, and when the votes are equal, the side with which the president voted will be prevailed.

ARTICLE 7

The Board of Directors shall undertake the following tasks:

First: Drawing up the Fund's general policy from the legal, financial and technical aspects.

Second: Approving the internal policies, standards and procedures, the strategic vision and the investment policy that the Fund follows in its transactions and contracts of all kinds, provided that they are compatible with the international standards that ensure the integrity of Fund's financial centre and good financial workflow.

Third: Adopting the Fund's investment plan proposed by the executive director within the investment policy.

Fourth: Approving the financing of the specialized fund projects and monitoring their performance.

Fifth: Approving the banking facilities and the financing terms provided to the Fund.

Sixth: Adopting the estimated budget and the annual financial report of the Fund.

Seventh: Adopting the necessary performance measurement indicators to achieve the Fund's objectives.



Regulations

- Eighth: Verifying the executive director's commitment to disclose any information or developments about the fund's work or that he/ she owns, and that have an essential impact on Fund's assets.
- Ninth: Following up the performance of the fund and its subsidiaries and correcting their performance.
- Tenth: Establishing specialized funds that have legal personality and financial and administrative independence that works to solve problems in a specific sector and repealing one of the specialized funds or replacing one with another within the Iraq Development Fund.
- Eleventh: Approving the appointment of the directors of specialized fund based on the suggestion of the Fund's executive director.
- Twelfth: introducing, repealing or merging Fund's offices.

ARTICLE 8

- First: The Fund shall have an executive director who shall be responsible for the administrative, financial, legal and occupational affairs and shall represent the Fund before the judiciary and other agencies, and exercise the powers delegated to him/ her by the board of directors.
- Second: the Executive Director shall be appointed in accordance with a decision of Minister Council, at the suggestion of Fund's board of directors for a period of (3) years, renewable once, and he/ she shall enjoy the powers and privileges of the minister.



Regulations

ARTICLE 9

A private-sector member of the Fund's board of director and the executive director shall meet the following:

First: Holding, at least, Bachelor degree.

Second: Having expertise and competence in the field of Fund's work.

Third: Having good reputation and behaviour.

Fourth: Not convicted in a crime or felony of dishonesty.

ARTICLE 10

First: The Fund shall be consisted of the following offices:

1. Specialized Fund Management Office.
2. Study and Strategic Planning Office.
3. Investment and Finance Office.
4. Legal, Administrative and financial Office.
5. Project management Office.
6. Promotion and project service Office.
7. Public Relationship and Media Office.
8. Control and internal auditing Office.



Regulations

9. Executive director Office.

Second: The offices stipulated in Item (First) of this Article shall be managed by a person with expertise and specialization.

Third: The tasks of the offices stipulated in Item (First) of this Article shall be determined by a bylaw issued by the Executive Director at the approval of the Fund's Board of Directors.

ARTICLE 11

The specialized funds shall undertake the tasks of studies, designs and supervision of the projects assigned by the Fund's Board of Directors, and they shall rely on the offices in the Iraq Fund for Development to meet their administrative, financial and legal needs.

ARTICLE 12

The resources of the Fund shall be consisted of the following:

First: What is allocated to it from the federal general budget of the Republic of Iraq.

Second: Financial and in-kind aid, grants and donations provided by countries, local and international organizations and personalities.

Third: Internal and external loans.

Fourth: Any other sources stipulated in the laws and regulations in force.

ARTICLE 13

First: The Fund may take part in projects that differ in their returns, as follows:



Regulations

- a. Non-profit Social or service projects aiming at recovering capital without profits.
- b. Balanced and social profit projects that not aiming at achieving the highest profits at the expense of social impact, rather take into account the balance between social and commercial impact.
- c. Commercial profit projects.

Second: The Fund shall commit to adopting and applying standards and best globally-adopted practices, governance and interest conflict, transparency and compliance procedures.

ARTICLE 14

First: The Fund shall have an independent financial budget that includes its revenues and expenses and shall be presented by the Executive Director to the Board of Directors within two months as a minimum before the end of the current fiscal year for approval.

Second: The Fund shall adopt in its accounts the international accounting systems.

Third: The Fund's accounts shall be subject to the control and audit of the Federal Financial Controlling Bureau, in addition to the audit of an international audit firm, and the results of the audit shall be published on the Fund's website.

ARTICLE 15

The Executive Director may, at the approval of the Fund's Board of Directors, issue instructions or bylaws to facilitate the implementation of the provisions of this regulation.



Regulations

ARTICLE 16

This regulation shall be implemented as of the date of its publication in the Official Gazette.

Mohammed Shia' Al-Soudani,
Prime Minister