On July 13th, 2003 the Coalition Provisional Authority officially inaugurated a 25-member Iraqi Governing Council of prominent Iraqis from diverse political and religious backgrounds. This new governing council will have the right to set policies and make decisions (in cooperation with the coalition) in every area of national policy, including financial and economic reform, education, electoral law and health.¹

The governing council’s wide-ranging authority is an extraordinary reversal of Coalition Provisional Authority (CPA) policy, as US Administrator Bremer first conceived of the Iraq governing council as a consultative, “advisory” panel. After intense negotiations and unexpected CPA concessions, the CPA will now be required to consult with the new Iraq Governing Council on all major decisions and questions of policy in Iraq.²

In its first public statement on July 13, the Council declared that “the most important priority of the council is to direct all of its efforts towards achieving security and stability in the country, revitalizing the national economy and providing public services... All this will be done through the establishment of a government with full functions and through the encouragement of the institutions of civil society.”³
Background: The Evolution of Iraq’s Governing Council

- Upon assuming his position as US Administrator in Iraq, Bremer immediately abandoned the US policy of holding an Iraqi national conference to establish an interim government. Instead, Bremer proposed an advisory “political council” of Iraqis—appointed by the U.S.—to advise coalition officials.  

- The seven Iraqi factions expected to lead the “advisory” council were troubled by Bremer’s commandeering of Iraqi control over council member selection. Grave concern arose that some groups, particularly Shiite, would boycott the council altogether, setting the stage for a potential CPA-Iraqi conflict.

- The Iraqis were finally offered “concessions” in early July by Bremer, amidst the climate of escalating anti-American violence, growing Iraqi mistrust and concern for its self-rule. These concessions include calling the body a governing council rather than a political council to reflect the fact that more power would be put in the hands of Iraqis, and having Iraqi leaders from the seven groups, and not Bremer, ultimately nominate members of the council, many of whom have openly denounced US presence in Iraq.

- On July 13th, Bremer officially acceded to Iraqis’ demands for substantive political power, inaugurating the Iraqi Council as the principal governing body, and declaring that “The council will immediately exercise real political power, appointing interim ministers and working with the coalition on policy and budgets.”

Makeup of Iraq’s Governing Council

- The majority of members are Shiites—who make up a 60 per cent majority of the 24 million population—and who suffered deeply under Saddam’s minority Sunni government.

- The council makeup was decided after more than two months of deliberations to strike a balance between Iraq’s factions: 13 Shiites, five Kurds, five Sunnis, one Christian and one Turkoman. Three members are women.
As the council members come from a wide range of ethnic and religious groups, there is a great possibility for potentially violent tensions to be resolved through democratic processes. Some Council members are intent on establishing an Islamic State in Iraq, and others, such as the Iraq communist party leader, the Kurdish National Party head and a leading Assyrian Christian nationalist, have been elevated to unexpectedly powerful roles.

Duties of Iraq’s Governing Council

Ministerial authorities

- The governing council shall name an interim minister for each ministry.
- Each minister will be responsible to the governing council, reporting back to it regularly. The governing council shall have the authority to dismiss ministers should they lose the council’s confidence.

Policy authorities

- The CPA will be required to consult with the governing council on all major decisions and questions of policy.
- The governing council shall decide how it wishes to organize itself for the purpose of preparing new policies. It may choose to form specialist commissions to generate proposals. It could also include experts from the United Nations, the coalition or other bodies on such commissions.

Foreign Affairs

- In addition to naming Iraq’s interim minister of foreign affairs and overseeing his or her work, the governing council will arrange for international representation during the interim period.
- Together with the coalition, the council shall name Iraqi nationals to serve as representatives to international organizations and conferences.
The council will also have the authority to appoint heads of Iraq’s bilateral missions abroad and to receive representatives from other countries.

**Budget and Finance**

- The governing council will name an interim finance minister and oversee his or her activities.
- The Governing Council, with the coalition and with the involvement of the International Monetary Fund, World Bank and the U.N. Development Program, will (according to the CPA) play a full part in drawing up the 2004 national budget. It will also have the right to develop policies regarding monetary and fiscal matters.
- The 2004 budget will be subject to the Governing council approval. The council will have the right to consider substantial amendments to the 2003 emergency budget.

**Security**

- The governing council shall have the right to prepare policies on matters concerning Iraq’s national security, including the rebuilding and reform of Iraq’s armed forces, police and justice sector.
- The governing council will be responsible for ensuring that Iraq’s police and military are de-politicized and that the principle of civilian oversight and supervision of the military is established.
- Operational security matters will remain the responsibility of the coalition during the period of transition.

**Constitutional Process**

- The governing council shall consider appointing a Preparatory Constitutional Commission to recommend a process by which a new constitution for Iraq will be prepared and approved.
- The Commission would report to the council. The recommended procedure would lead to a new constitution based on the principles adopted at the previous Salahuddin and Nasariyah conferences.
Once adopted, the constitution would pave the way for national elections leading to a
new, fully sovereign Iraqi government which will immediately take over the powers
and responsibilities of the coalition as mandated under UN Resolution 1483.

**Coalition Provisional Authority Control**

- US Administrator L. Paul Bremer has final veto power over all the Governing Coun-
cil’s policy decisions, but has reportedly promised not to use it except in the “most
extraordinary circumstances.”

**Activities of Iraq’s Governing Council to Date**

- The Council has been meeting daily since it was announced on July 13, and Bremer
has been in attendance at every session.
- In its first public act, the council declared April 9 as a national holiday marking Saddam’s
fall from power and annulled all the old holidays celebrated under the Ba’ath regime.
- On July 15, the council sent a request to former New York police commissioner Bernard
Kerik, who is in charge of rebuilding Iraqi police, and U.S. ground forces commander,
Gen. Ricardo Sanchez, asking that the council be briefed routinely on the security situ-
ation in the country.
- On July 15, the Governing Council said it that it would send three or four of its own
members as a delegation to the U.N. Security Council to formally claim their place as
Iraq’s rightful government.8
- On July 15, the council recommended new legislation to create Iraqi courts to investigate
Hussein’s regime for war crimes and crimes against humanity. Human Rights Watch
has challenged the proposal, arguing that it would be inappropriate to put former vic-
tims of Saddam and in the position of judging their tormentors.
- According Fawzi Hariri, a spokesman for one of the Council’s members. The Govern-
ing Council will begin filling Cabinet positions beginning July 21, 2003, through a
gradual process of appointments.
Overall, the Governing Council is meant to be the forerunner of a larger constitutional assembly that will have about a year to draft a new constitution. A western diplomat told reporters that a preliminary constitutional committee is expected to be named in early August, 2003.

By mid- to late-September, the 200- to 250-strong Constitutional Convention is expected to take office and begin deliberations.

The convention is expected to take nine months to a year to produce a draft constitution, after which Iraqis will hold a referendum to vote on the document. Free elections to pick a government are expected to follow.
Notes:


4. John Daniszewski, Iraqis OK Plan for Temporary Governing Council; Key groups’ unanimous backing of the U.S. proposal is a first move toward democracy in the country, Support had been in doubt, Los Angeles Times, July 8, 2003.


Iraq Revenue Watch monitors Iraq’s oil industry to ensure that it is managed with the highest standards of transparency and that the benefits of national oil wealth flow to the people of Iraq. Iraq Revenue Watch complements existing Open Society Institute initiatives that monitor revenues produced by the extractive industries.

In many parts of the world, the lack of proper stewardship over oil resources has resulted in corruption, the continued impoverishment of populations, and abuses of political power. By prompting governments to tackle these problems early, the Open Society Institute hopes to help Iraq avoid this plight.

The Open Society Institute currently supports a recently launched initiative, Caspian Revenue Watch, which monitors the development of oil production in the Caspian basin. The goal is to promote transparency, accountability, and public oversight in the management of oil and natural gas revenues.

Iraq faces even greater challenges than the Caspian region. If Iraq is to become an open, democratic society it will need to develop transparent accountable institutions for ensuring honest management of oil revenues.

There is an urgent need for Iraq Revenue Watch given the current occupied status of the country. The Coalition Provisional Authority and the Iraqi Governing Council should establish rules that ensure complete transparency regarding Iraqi oil revenues. So doing will foster a stable, democratic Iraq, and will protect the Coalition Provisional Authority from charges of misappropriation during this period of trusteeship over Iraq’s reconstruction.

The Open Society Institute, a private operating and grantmaking foundation based in New York City, implements a range of initiatives throughout the world to promote open society by shaping government policy and supporting education, media, public health, and human and women’s rights, as well as social, legal, and economic reform.

For more information, contact:
Iraq Revenue Watch program
Open Society Institute
400 West 59th Street
New York, New York 10019
USA
E-mail: irw@sorosny.org
http://www.iraqrevenuewatch.org/