

Statement by Mr. Osamu Uno
Vice Minister for Foreign Affairs of Japan
The First Annual Review of the International Compact with Iraq
(29 May 2008, Stockholm)

Your Excellency Fredrik Reinfeldt, Prime Minister of Sweden,
Your Excellency Nouri Al Maliki, Prime Minister of Iraq,
Your Excellency Ban Ki-moon, Secretary-General of the United Nations,
Ladies and Gentlemen,

I would like to welcome the holding of the Iraq Compact First Annual Review Conference. Let me thank the Swedish Government for hosting this conference and commend the initiatives taken by the Government of Iraq and the United Nations for this conference.

[Appreciation for the Government of Iraq and international community]

One year has passed since the launching of the Iraq Compact. As described in the Annual Review, much progress has been made and the Government of Japan is especially pleased that the security situation has improved, which has been one of the most difficult problems.

I highly appreciate the leadership of Prime Minister Maliki for making undaunted efforts to tackle the problems under difficult circumstances. Our appreciation also goes to the continuing support of many countries and organizations.

When we look at the political situation, we recognize that this year, national reconciliation is gaining certain momentum with the adoption of the Accountability and Justice Law, the General Amnesty Law, and the Provincial Powers Law by the Iraqi Council of

Representatives.

We strongly expect that provincial elections will be held with an early passage of the Provincial Elections Law, and that the Oil and Gas Law will be enacted at an early stage this year. Japan attaches great importance to an early adoption of the Oil and Gas Law, so as to promote a sustainable business environment for foreign companies in those sectors.

The Government of Japan has hosted the Seminar on National Reconciliation for two years in a row, inviting influential Iraqi delegates. The Government of Japan continues to provide support for Iraq in tackling political issues.

[Annual Review of the Compact]

In the Annual Review, we should be aware of the fact that the Government of Iraq focused on economy & investment. Japan will continue to assist Iraq to meet their needs. In this regard, Japan highly appreciates the 6 proposals named “Partnership for Development” as it exemplifies the strong ownership of Iraq.

[Japan’s assistance]

In our assistance to Iraq in the economic field, we have been focusing on 4 Pillars: Japanese ODA Loan; grant aid; capacity building; and private sector exchanges.

(1) First, on Japanese ODA Loan. Japan has decided the provision of approximately up to 2.45 billion US\$ for 12 projects out of 3.5 billion US\$ pledged in 2003. These include assistance to the sectors of electricity, transportation, oil, irrigation, water and sewerage, aimed at tackling issues that Iraq faces. We expect that these assistances be

implemented promptly and appropriately by the Iraqi Government so as to make early gains.

On the remaining approximately 1.05 billion US\$, Japan continues consultations with the Iraqi Government and studies on the projects in order to decide which project to adopt as soon as possible. In doing so, Japan attaches importance to projects in the middle-western Sunni area from the view point of national reconciliation and of a well balanced development throughout Iraq.

Moreover, Japan has so far implemented debt relief steadily.

(2) Second, on Grant Aid. Japan pledged to extend 1.5 billion US\$ in 2003. We have already provided assistance amounting to 1.7 billion US\$: In the field of electricity, such as the construction of power stations in Taji, Mosul, and Samawah; as well as in health care, and public security sectors.

(3) Third, as for capacity building, Japan has trained more than 3,500 Iraqi people in various fields. We strongly hope that these trainees make full use of the training and contribute to the reconstruction of Iraq.

In light of our own experience, we believe that the efforts by the Iraqi people under their own initiative are essential for the reconstruction of Iraq, and that thus technical assistance holds the key.

(4) Forth and last, enhancement of private sector exchanges. This coming July, Japan will hold “Japan-Iraq Business Forum” in

cooperation with the Iraqi Government and the Kurdistan Regional Government in Amman, in which the public and private sectors of both countries will participate. This forum is being held based on the belief that economic growth through active private-sector business transactions is essential, along with the Government's assistance in order to achieve the full-fledged reconstruction and development of Iraq.

Japan, as a leading country in science and technology, will be able to contribute to Iraq through those private sector exchanges.

[Closing]

Continued efforts by the Government of Iraq are indispensable. Japan, for its part, remains fully committed to extending its cooperation for the reconstruction of Iraq.

Further cooperation between the Iraqi Government and the international community is also necessary, and we hope that the Iraq Consultative Group starts functioning fully as soon as possible.

Lastly, Japan strongly expects an enhanced cooperation between the Government of Iraq and Iraqi neighbouring countries including the establishment of embassies in Baghdad.

Thank you.