

## Japanese Assistance to Reconstruction of Iraq

February 2004  
Government of Japan

### 1. Summary

(1) At the International Donor's Conference on Reconstruction of Iraq on 24 October 2003, Ms. Yoriko Kawaguchi, Minister for Foreign Affairs of Japan, announced Japan's grant assistance totaling US\$ 1.5 billion through various channels for the immediate reconstruction needs of Iraq. This chiefly corresponds to the reconstruction needs anticipated through 2004, in order to meet the medium-term reconstruction needs, Japan will provide assistance of up to US\$ 3.5 billion, for a period extending approximately through the year 2007.

(2) On the occasion of the meeting between Foreign Minister Kawaguchi and Secretary-General Kofi Annan on 22 February, the Government of Japan announced its decision to make available financial contributions of approximately US\$ 0.5 billion, to be paid into the International Reconstruction Fund Facility for Iraq (IRFFI)

(US\$ 0.5 billion is part of US\$ 1.5 billion pledged for 2004).

(3) This paper presents an overview of Japanese assistance totaling up to US\$ 5 billion to the reconstruction of Iraq in terms of disbursement channels, priority areas and resource allocation in each area.

### 2. Japan's reconstruction assistance and its priority areas

Japan's total assistance of up to US \$5 billion pledged at the International Donors Conference for the Reconstruction of Iraq in October 2003 will be distributed as follows:

#### (1) Assistance to meet reconstruction needs mainly during 2004 (US\$ 1.5 billion)

Grant aid totaling US \$1.5 billion which includes assistance provided thus far.

(a) US\$ 1.5 billion will be disbursed through the following channels.

(i) Direct assistance to Iraq and assistance through international organizations: US \$1 billion. Approximately US \$120 million have already been disbursed to various projects.

(ii) Contribution to the IRFFI US\$ 490 million.

- Facility administered by the United Nations: Commitment to contribute US\$ 360 million.
- Facility administered by the World Bank: Commitment to contribute US \$ 90 million. Plan to further contribute US \$40 million after approval of

the FY 2004 budget.

(iii) **Contribution to Small-scale enterprises financial facility of the International Finance Corporation (IFC)**

- **contribute US\$ 10 million to finance micro- and small-scale enterprises in Iraq.**

**(b) US\$ 1.5 billion is planned to be distributed to the following priority areas.**

- **Electricity : US\$ 400 million**
- **Water/sanitation and health : US\$ 500 million**
- **Education : US\$ 100 million**
- **Others(employment, improvement of security, environment, protection of cultural treasures, supporting sports,etc) : US\$ 500 million**

**(c) Projects/areas under consideration for direct bilateral assistance to Iraq**

- **Electricity (in discussion with the Ministry of Electricity etc):**
  - **Rehabilitation of power stations constructed by Japanese corporations (Taji Gas Turbine Power Station; Mosul Gas Turbine Power Station; Mosul Hydroelectric Power Station)**
  - **Barge mounted power station**
  - **Provision of mobile substations/power stations**
- **Water and sanitation (in discussion with the Ministry of Municipalities and Public Works and Baghdad Mayoralty etc)**
  - **Compact Water Treatment units to the city of Baghdad**
  - **Provision of such equipment as garbage trucks, septic cars, water tankers, bulldozers**
- **Health (in discussion with the Ministry of Health etc):**
  - **Rehabilitation and provision of medical equipment to the 13 hospitals that Japan has assisted with ODA Programs in the part**

<p><b>(2) Assistance to meet the mid-term reconstruction needs between 2005-2007</b> <b>(US\$ 3.5 million)</b></p>
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**(a) Assistance, in principle, in the form of loans up to US\$ 3.5 billion**

**(b) Priority areas shall include establishment of infrastructure such as electricity, communication and transportation.**