

**Statement by Mr. Hideki Ito, Deputy Director General, Middle Eastern
and African Affairs Bureau, Ministry of Foreign Affairs of Japan at the
Pledge Session of the Yemen Consultative Group Meeting
November 16, 2006**

Ladies and Gentlemen,

At the outset, Japan welcomes the preparation of the Third Socio—economic Development Plan for Poverty Reduction (DPPR 2006—10), under the strong ownership of the Government of the Republic of Yemen, in consultation with a number of stakeholders. I am also very pleased to attend this Consultative Group Meeting (CGM) in order to implement the Plan chaired by the World Bank, hosted by the Government of the United Kingdom, and sponsored by the Gulf Cooperation Council (GCC).

Japan considers it very appropriate that the DPPR, as its pillars, aims at addressing such important subjects as the achievement of steady economic growth, promotion of good governance, reduction of regional and gender disparities, enhancement of decentralization. Japan believes that the promotion of good governance including capacity building of the central government as well as local authorities is an essential element for development. Japan hopes that the Government of Yemen will steadily implement the result of this meeting.

Japan, on the understanding that further efforts will be made by Yemen in this direction, reconfirms its position to continue its assistance toward Yemen in three areas of priority, namely, primary education, rural water supply and health. Those priority areas were agreed upon in the bilateral Economic Cooperation Policy Consultation held in Sana'a in June this year. It may be added that assistance in such fields as vocational training, food production growth, electoral system support and grass root level economic and social developments are also under preparation. Japan's total assistance toward Yemen in the past three decades amounts to around 700 million US dollars. Despite very tight financial situation, Japan will give utmost consideration to the assistance for Yemen.

Japan understands that this meeting has become a reality through a number of preparatory meetings between Yemen and the GCC countries after an action plan envisaging the integration of Yemen into the membership of GCC was discussed at the Summit Meeting held in Abu Dhabi last December. Japan considers it important that the GCC countries neighboring to Yemen will take active position including mobilization of financial resources for implementing the DPPR and achievement of the MDGs. That will contribute to the development of Yemen and the stability of the region through cooperation between Yemen and GCC. It is desirable that not only the traditional donors but also emerging donors extend assistance to Yemen. Japan is ready to continue its assistance toward Yemen in cooperation with the international community in such an expanded donor circle.

Japan initiated the negotiations of Free Trade Agreement (FTA) with the GCC countries in September, 2006. Therefore Japan follows with great interest the development of the possible integration of Yemen into GCC membership. Japan hopes that the DPPR will be implemented smoothly, obtaining sufficient supports and enjoying the benefit of the investments based upon the outcome of this meeting. That will lead to the enhancement of the capacity of Yemen, thereby allowing Yemen to secure the membership of GCC.

In concluding my statement, I hope this CGM will be fruitful for the Government of Yemen and all the stakeholders as well.