

Brussels, 18 January 2010

EU and Iraq sign a Strategic Energy Partnership Memorandum of Understanding

The European Union and the Republic of Iraq have today signed in Baghdad, Iraq, a Memorandum of Understanding on a "Strategic Energy Partnership" which provides a political framework for reinforcing energy relations between Iraq and the EU. It also outlines priorities for future cooperation, taking into account the possible role of Iraq as a natural gas supplier for the Southern Corridor and that Iraq has the world's third largest proven petroleum reserves; Iraq could become an energy bridge between the Middle East, the Mediterranean and the EU.

The Memorandum outlines the following areas of cooperation: development of an energy policy for the Iraqi people, energy security of supplies between Iraq and the EU, renewable energy and energy efficiency measures.

The Memorandum was signed by the Commissioner for Energy Andris Piebalgs and by the Iraqi Minister for Oil Hussain Al-Shahristani. Baroness Ashton, The EU High Representative for Foreign Affairs and Security Policy and Vice President of the Commission, will subsequently co-sign the MoU together with the Council Presidency.

Commissioner Piebalgs said: *"Iraq represents a vital link for EU's security of supply. It is already an important supplier of oil and can become a key gas supplier for the Southern corridor; the EU can help Iraq to develop electricity system and tap its vast renewable resources. The MoU lays the foundation of a strengthened EU-Iraq bilateral relation"*.

In recent years the EU has significantly strengthened its relations with partners in the Middle East and North Africa and this policy is one element in diversifying EU energy imports. Commissioner Piebalgs also mentioned that last year in Prague, President Talabani was already supporting the Southern Corridor gas pipelines. Full energy partnership means cooperation on elements that will make Iraq stronger by introducing energy demand management, energy efficiency and renewable energy.

After signing the Memorandum, the Commissioner met with Prime Minister Al-Maliki for a discussion on bilateral relations. During the meeting, Commissioner Piebalgs underlined the EU commitment to establish a long-term, mutually beneficial relationship with Iraq. Commissioner Piebalgs also noted that the Partnership and Cooperation Agreement between Iraq and the EU which is being finalised contains specific energy provisions. He mentioned that, once implemented, it would lay down a solid foundation for further developing relations between the EU and Iraq across a wide range of areas.

Areas of cooperation covered by the memorandum:

- Contribution to the development of a comprehensive and integrated energy policy for Iraq;
- Energy action programme for EU-Iraq cooperation covering the period 2010-2015;
- Updated Iraqi gas development programme;
- Assessing the Iraqi hydrocarbon transit and supply network. Enhancing safety and reliability of the pipelines;
- Identifying sources and supply routes for gas from Iraq to the European Union;
- Ensuring sustainability of energy policy in Iraq, including the necessary legislative, regulatory and institutional framework;
- Prepare a plan of action for the development of renewable energy in Iraq.