

Final Report

(approved by the European Council in June 2004)

on an

EU Strategic Partnership with the Mediterranean and the Middle East

Development of the Policy

The December 2003 European Council asked the Presidency and the SG/HR, in coordination with the Commission, to present concrete proposals on a strategy towards the region of the Middle East. To this end an Interim Report was welcomed by the General Affairs and External Relations Council on 22 March, and the European Council on 26 March, 2004. The Interim Report addressed this question and the related mandate from the European Council on developing relations with the Arab world.

This Final Report on an EU Strategic Partnership with the Mediterranean and the Middle East is based on the analysis and conclusions of the Interim Report and the consultations conducted with partners.

From the work done and the consultations held several key priorities have emerged in relation to the development of an EU Strategic Partnership with the Mediterranean and the Middle East. These include: the need to – inter alia – promote joint interests by helping to address the challenges of the EU's partners in the Mediterranean and Middle East; the importance of a partnership approach; the need for differentiation; recognition that reforms can succeed only if they are generated from within the affected societies and must not be imposed from outside; the need for a consistent basis for the EU's policies; and finally the desirability of translating these interests and principles into a concrete policy agenda which addresses the challenges facing the Mediterranean and Middle East.

Interests and Challenges

Europe and the Mediterranean and Middle East are joined together both by geography and shared history. The Mediterranean Sea has always linked the peoples of these areas. An increasing number of residents and citizens of the EU have origins in the Mediterranean and Middle East, further building the links at the most basic and personal level. Our geographical proximity is a longstanding reality underpinning our growing interdependence; our policies in future years must reflect these realities and seek to ensure that they continue to develop positively.

The Mediterranean countries are our neighbours. We have been working with them in the Barcelona process for almost ten years now. We have a solid and substantial set of co-operation activities in place which we intend to deepen. The EU also commits itself to advance its partnership with the countries of the Gulf. It remains committed to pursuing a resolution of the Arab-Israeli conflict and to working toward peaceful stabilisation and reconstruction in Iraq.

The Annex to this document sets out the EU's existing commitment to its relationship with the countries of the Mediterranean and the Middle East and its long standing engagement with the challenges confronting them. This engagement has been spearheaded by frameworks such as the Euro-Mediterranean Partnership, the Neighbourhood Policy and cooperation with the GCC, Iran and Yemen.

As stated in the EU Security Strategy, "Our task is to promote a ring of well-governed countries ... on the borders of the Mediterranean with whom we can enjoy close and co-operative relations".

While different countries face different challenges, it is possible to identify a number of challenges common to the majority of the countries involved. There is general agreement on the nature and scope of these challenges, which have been extensively documented in reports emanating from the countries concerned. These challenges will not be overcome by maintaining the status quo; political, social and economic reform is required. Such reforms can succeed only if they are generated from within the affected societies; they cannot and should not be imposed from outside.

Many of the challenges derive from a single over-arching concern; the burgeoning challenge presented by a predominantly young population creating an ever-increasing demand for education and fulfilling employment. Reforms in the Mediterranean and the Middle East shall open to these young people the prospect of attaining a stake in their society and achieving their aspirations. Ensuring a stable and prosperous future for these young people is the major challenge facing their governments.

The League of Arab States declared on the occasion of its Summit in Tunis on 22-23 May, 2004 that it is determined to cooperate with the international community more intensively, in order to ensure the prosperity and development of the Arab States and peoples.

The EU will seek to play its part in addressing these challenges in a co-operative spirit through partnership and dialogue. Among the security challenges which have already developed to worrying levels are regional conflicts, terrorism, proliferation of weapons of mass destruction, and organised crime.

Responses to these challenges comprise a wide range of measures, from promoting a WMD-free zone in the Middle East and preventing proliferation to ensuring economic growth and stability, managing and addressing migration issues, ensuring security of energy supply, promoting sustainable development, promoting the rule of law, respect for human rights, civil society and good governance.

Principles for Action

- Partnership and dialogue should be cornerstones of the strategy.
- Successful implementation requires a long term and coherent engagement with a pragmatic approach.
- The Strategic Partnership should fully reflect the fact that there is no basis for a one-size-fits-all approach.

- The Strategic Partnership's objective is the development of a prosperous, secure and vibrant Mediterranean and Middle East.
- The EU will work together with partners toward peaceful stabilisation and reconstruction in Iraq.
- The Strategic Partnership will focus on the countries of North Africa and the Middle East, including the countries of the GCC, Yemen, Iraq and Iran.
- Resolution of the Arab-Israeli conflict will remain a core strategic priority. It is clear that it will not be possible to realise a common zone of peace, prosperity and progress unless a just and lasting settlement of the conflict is in place. The Union's continuing commitment to the resolution of this conflict will remain a central feature of its external relations policy.
- However, progress on the resolution of the Arab-Israeli conflict cannot be a precondition for confronting the urgent reform challenges facing our partners, nor vice versa.
- The primary political concerns for the European Union involve good governance, democracy, the rule of law, human rights, gender, respect for the rights of minorities, cooperation on non-proliferation, counter-terrorism, conflict prevention and resolution, and economic development as recognized by the declaration of the Arab League Summit on 23 May, 2004.
- The Partnership will reflect the centrality of the role of education for youth, male and female, in creating a knowledge society.
- Equally, it will give support to the empowerment of women so as to foster their fullest possible participation in society.
- The Partnership will seek to promote understanding between the peoples of the European Union and the Mediterranean and the Middle East especially through fostering mutual respect for their unique cultures.
- Partnership will offer the opportunity to all partners to move at a pace in accordance with their willingness to engage.

- Partners progressing a reform-related agenda more quickly should have greater opportunities to avail of the wider benefits of partnership.
- The Strategic Partnership should build on existing structures, where they exist.
- Where this approach does not suffice new structures should be reflected upon for those countries with which existing bilateral or regional frameworks are insufficient.
- There are shared security concerns which we should tackle in a spirit of partnership; we should recognise a broad concept of security which addresses domestic concerns which foster insecurity, such as economic underdevelopment and unemployment, especially youth unemployment.
- An important factor in our relations is the presence in Europe of significant populations with origins in our partner countries.

Future Development of the Policy

The Strategic Partnership has been developed through consultation with the countries concerned including through the Euro Mediterranean Partnership Mid-Term Ministerial meeting in Dublin on 5-6 May, 2004 and at the EU-GCC Ministerial meeting on 17 May, 2004. Consultation will continue to play a major role in the development and review of the policy. This consultation will proceed dynamically through the interaction between the EU and its partners in the implementation of the Policy Agenda, and more formally through regular consultation on the broader agenda.

The EU will also work closely with the UN in pursuit of the goals set out in the Strategic Partnership. The EU will seek opportunities for coherent action with initiatives put forward by other actors, such as the G8 Broader Middle East and North Africa initiative.

It is envisaged that the elements set out in the associated Policy Agenda for the Strategic Partnership will provide the basis through which implementation of the Partnership can be carried out.

It is intended that the implementation of the Strategic Partnership be reviewed initially by the European Council in June 2005 and every semester thereafter. The Council's consideration of this implementation will be based on a report to be prepared by the Presidency, SG/HR and the Commission, with appropriate consultation with Member States, using existing structures.

A Policy Agenda for the Strategic Partnership

The primary objective of an EU Policy Agenda is to promote the development, through partnership, of a common zone of peace, prosperity and progress in the Mediterranean and the Middle East. The goal is to enjoy close and co-operative relations responding as far as possible to demands from within the Mediterranean and Middle East.

The Policy Agenda will be developed mainly through existing instruments and mechanisms.

In order to keep the Strategic Partnership dynamic and vital, and ensure its continuing relevance, a mechanism of review will be required in the framework of existing instruments.

The EU has a series of instruments available for its relations with the Mediterranean and the Middle East. The Barcelona process (and its enhancement through the European Neighbourhood Policy) provides a strong framework of relations with the Mediterranean countries and allows for both a multilateral and a country-by-country approach, tailoring the EU's relations to specific concerns regarding individual countries, to the countries' needs and to progress made.

On the other hand, EU relations with countries east of Jordan are less developed. With the GCC and Yemen the EU has contractual relations, whereas with Iran and Iraq there is not a contractual framework. The economic and social characteristics of these countries call for instruments different to the programmes used within the Barcelona framework.

A comprehensive, long standing EU Agenda for action based on partnership and participation by the partners of the Mediterranean and Middle East should address the following major issues through the achievement of clearly stated objectives.

1. The Middle East Peace Process

The overarching **objective** of the Union will continue to be a negotiated two-State solution agreed between the parties which would result in a viable, contiguous, sovereign and independent Palestinian State existing side by side in peace with an Israel living within secure and recognised borders. The Union reaffirms that the Quartet's Roadmap represents the only route to achieving such an outcome, and commits itself to continuing efforts to achieve the objective through this route. A key **principle** for the Union and for the Quartet as a whole is that Final Status issues are a matter for negotiation and agreement between the parties themselves and must not be prejudged. A just, comprehensive and lasting settlement must include Syria and Lebanon.

2. Political Dialogue – Human Rights and the Rule of Law

The EU should adopt the following **general approaches**, taking account also of requests from partners in the Mediterranean and the Middle East:

- To deepen the political dialogue with partners focusing on concrete reform issues;
- To develop systematic support for the rule of law and good governance, with emphasis on legal reform and human rights with a constructive involvement by national authorities;
- To support electoral processes and judiciary reform;
- To engage with non-violent political organisations and civil society movements at all levels in society, with such engagement open to all organisations committed to non-violent and democratic means;
- Work to implement the recommendations of the relevant Commission communication on human rights and democracy, as endorsed by the November 2003 Council, including through existing bilateral and regional programmes and increased focus through the European Initiative on Democracy and Human Rights;

In its relations with the Euro-Mediterranean Partnership

- Working within the European Neighbourhood Policy, develop national action plans on human rights and democracy and provide financial and other assistance for their implementation;
- Seek to establish sub-Committees on human rights and democracy under all Association Agreements;
- Enhance the substance of the existing political dialogue, with an increasing focus on the implementation of concrete reform measures in all areas of concern;

In its relations with countries east of Jordan

- Consider bilateral political engagement with those GCC members with a desire to move more rapidly on issues of concern;
- For this and for other objectives, consider strengthening the EU's capacity within the Gulf area;

With other countries outside these two frameworks

- Develop a dialogue on these issues with a new focus on the implementation of concrete reform measures;
- Consider holding closer and more regular consultations with the Arab League;
- Consider outreach to other relevant organisations;
- Consider developing with the countries east of Jordan a framework for dialogue and confidence building at the regional level.

3. Non-Proliferation, Security Dialogue and Counter-Terrorism

The EU's overarching **objective** should be to set up appropriate consultation and cooperation mechanisms for enhanced political dialogue on conflict prevention and crisis management, counter-terrorism and non-proliferation.

Among the **means** which can be used to carry this objective forward are the following:

Non Proliferation

In its relations with the Euro-Mediterranean Partnership

- The inclusion of the EU standard clause on non-proliferation of Weapons of Mass Destruction in all new Third Country Agreements;
- Establishment of expert sub committees under the Association and other Third Party Agreements;
- Intensification of dialogue within the political chapter of the Barcelona Process on the implementation of relevant international agreements and export/end use control policies;

In its relations with countries east of Jordan

- Intensification of dialogue under the relevant political instruments with GCC - and any existing and future instruments to be developed with Yemen, Iraq and Iran - on the implementation of relevant international agreements and export/end use control policies;

Security Dialogue

In its relations with the Euro-Mediterranean Partnership

- Reinforcement of the articulation between ESDP and the Barcelona Process by:
 - Raising awareness of actions in the field of ESDP and making them more visible;
 - Making co-operation more substantial and concrete;
 - Making it open to Mediterranean partners, on a case by case basis, to participate in exercises and training.

- Consider, when the situation allows, re-launching the Euro-Mediterranean Partnership discussion on the draft Mediterranean Peace and Stability Charter and other similar types of frameworks;

In its relations with countries east of Jordan

- Launch internal reflections and consultations with the area east of Jordan for a comprehensive approach to security in the area including encouragement to partners to consider confidence building measures such as notification of exercises, exchanges of military observers etc;
- Consider developing with the countries east of Jordan a framework for dialogue and confidence building at the regional level;

Counter-terrorism

In its relations with the Euro-Mediterranean Partnership

- Implementation of reinforced operational co-operation in the fight against terrorism among judicial and police authorities; through the Justice and Security sub-committees existing or currently being established under Euro-Mediterranean Association Agreements and the ENP Action Plans;

In its relations with countries east of Jordan

- Build on existing engagement with the GCC including on the question of tackling financing of terrorism and seek other opportunities for technical cooperation.

4. Migration

The EU aims to promote a comprehensive approach towards migration and the social integration of legally residing migrants and extend to all partners the dialogue and co-operation on migration which has already started with some Mediterranean partners.

In this regard the EU should adopt the following general approaches:

- Continue to provide technical assistance and cooperation for improved joint management of migration flows, including border control, and institutional capacity building;
- Seek the conclusion of readmission agreements with our partners;
- Strengthen the safeguards with respect to international obligations to provide protection for refugees alongside fair treatment of third country nationals who reside legally in the EU.

5. Economic Reforms

The EU will work in partnership to support internally driven reforms in the economic and social spheres through engagement with state and civil actors bearing in mind the framework of the relevant international reports on this matter. This objective can be advanced through the following approaches:

In its relations with the Euro-Mediterranean Partnership

- Continue trade liberalisation in the Euro-Mediterranean Partnership context with further liberalisation of agriculture and services and the full incorporation of regional cumulation of origin. In general continue to promote achievement of the Euromed Free Trade Area by the target date of 2010;
- Support the Euro-Mediterranean regional economic dialogue including at Ministerial level;
- Promote the approximation of the regulatory frameworks with those of the EU notably through the ENP Action Plans;
- Foster south-south regional integration; pilot experience of sub regional cooperation should involve at a first stage the three countries of Central Maghreb, as agreed at the Euro Mediterranean Partnership Ministerial Meeting held in Naples in December, 2003. The EU should also support initiatives such as the Agadir Agreement and the Arab Maghreb Union while seeking to ensure an inclusive approach;

In its relations with the countries of the GCC

- Conclude and implement the EU-GCC free trade agreement;
- Promote co-operation with GCC countries on issues such as the creation of a GCC single currency, or a GCC common commercial policy and single market;
- Commission to examine feasibility of technical assistance programmes for restructuring administrative frameworks in the Gulf area;

In its relations with Yemen

- Sustain economic and related administrative reform in Yemen and promote Yemen's integration in its region;

Common elements in its relations with the Mediterranean and the Middle East

- Promote WTO membership for countries of the Mediterranean and the Middle East in response to modernisation of their regulatory environment, and liberalisation of import and export trade;
- Promote the progressive establishment of regional free trade agreements, such as the linking of the EU/MED and EU/GCC free trade agreements;
- Taking advantage of the experience of the Euro-Mediterranean regional co-operation, develop, where necessary, analogous programmes derived from appropriate elements of the Barcelona Process;
- Foster energy, transport and telecommunications interconnections and linkages with the Trans-European Networks.

6. Social Development

- The EU will support specific actions within the partner countries fostering education and empowerment of women.
- These will include widening access to existing programmes of higher level education cooperation and a sharpening of focus to ensure that such cooperation has multiplier effects throughout the population, and at all educational levels.
- Equally, the EU will give particular attention to ensuring that access to the benefits of educational programmes and entrepreneurship and economic development packages is open to equal participation by all members of partner societies.

7. Cultural Dialogue

The EU will work to increase understanding and respect between the peoples and cultures of the EU and the relevant countries:

In its relations with the Euro-Mediterranean Partnership

- Accelerate the setting up of the Anna Lindh Euro-Mediterranean Foundation for the Dialogue of Cultures in Alexandria;
- Promote use of the Foundation as a focal point for research on the dialogue of cultures and civilizations;
- Promote use of the Foundation to enhance cooperation in the field of the media
- Commission and Member States to pursue and increase efforts to raise the visibility of EU actions in the Mediterranean;
- Pursue the Euromed Youth and Tempus Programmes with a view to increased co-operation among and development of civil society actors in the Mediterranean;

In its relations with countries east of Jordan

- Develop parallel and articulated programmes for youth exchanges and cooperation with universities east of Jordan;

Common elements in its relations with the Mediterranean and the Middle East

- Explore the potential for inter-cultural dialogue;
- Provide institutional support for social policies including in the field of education, youth, and the integration of minority communities;
- Examine ways to promote the role of the mass media as a contributor to understanding and respect between peoples;
- Promote cultural dialogue including exchange of experiences and best practices in the field of minority rights and the fight against racism, xenophobia, anti-Semitism and Islamophobia.

8. Iraq

- Encourage an EU approach to support stability in sovereign Iraq with a strong and central role for the United Nations in the political transition process.
- Build upon the Medium Term Strategy for Iraq, which has been developed in parallel with the Strategic Partnership, with a view to develop short, medium and long term policies for social, economic and political reconstruction in Iraq in a regional context.
- Encourage Iraq's regional integration by making full use of the EU's existing framework for dialogue with the neighbouring countries.

9. Iran

- Based on the Comprehensive Dialogue initiated in 1998, the EU should work for a full integration of Iran into the international community and towards a strengthening of EU-Iran relations through a comprehensive strategy, including the perspective of contractual relations, aiming at producing tangible results with regard to the four areas of concern (WMD, Human Rights, Terrorism, Middle East Peace Process).

10. Libya

- While improvement in the European Union's relationship with Libya is a desirable development, steps in this direction must await satisfactory resolution of all outstanding bilateral issues with EU member and negotiating states (including the La Belle case and that of the Bulgarian medical workers). As was decided at the Stuttgart European Council, Libya must accept the *acquis* of the Barcelona Process before membership in the Euro Mediterranean Partnership could be considered.

11. Synergy with other initiatives

- The EU will seek maximum coherence with the US, UN and other external actors in pursuit of the goals of the Partnership.

12. Continuing Consultation/Review

- The European Union will continue to use appropriate opportunities to consult with partners in the Mediterranean and in the Middle East on the Strategic Partnership;
- The Presidency, SG/HR and Cion will report on progress at the June 2005 European Council and thereafter on a six-monthly basis. This report will be prepared on the basis of inputs from the relevant working groups which may sit jointly for this purpose and will be tasked accordingly by the relevant bodies. The review, to be carried out within the framework of existing instruments, will focus in particular on progress with regard to the Policy Agenda for the Strategic Partnership set out in this report.

Existing instruments and frameworks

Relations between EU and the countries of the Mediterranean and the Middle East reflect the complexity and diversity of our partners and their situations. There is no single framework for partnership. The EU provides financial assistance in co-operation programmes with all countries except GCC Member States and Libya.

With the Mediterranean Countries, the EU has a partnership which covers political and security dialogue, economic relations – including the creation of a free trade area – and social and cultural relations – a dimension which is of fundamental importance to the spirit of the Barcelona Declaration. The creation of a free trade area, with the conclusion of Association Agreements embodying the principle of combining free trade with substantial financial support for promoting modernisation, are important aspects of the Barcelona Partnership. The Association Agreements and the Euro-Mediterranean Partnership promote legislative reforms and regulatory convergence.

Relations with this group of countries will be further enhanced within the European Neighbourhood Policy framework. This policy emphasises the necessity for concrete, measurable reforms with the objective of giving Mediterranean partners a stake in the EU four freedoms.

Libya is not at present a member of the Euro-Mediterranean Partnership. The Stuttgart European Council decided that it would be open to Libya to become a member once UN sanctions had been lifted and Libya had unconditionally accepted the Barcelona acquis in full. While the first requirement has now been met, Libya has yet to make a formal undertaking in regard to the second requirement. The EU's consideration of such an undertaking will depend on a satisfactory resolution of all outstanding bilateral issues with EU member and negotiating states (including the La Belle case and that of the Bulgarian medical workers).

Mauritania is a member of the Arab Maghreb Union, a significant regional organisation within the geographical scope of the initiative, and one in which several other Euro-Mediterranean Partnership partners are participants.

With the GCC, the focus has so far been on trade and economic relations. The Cooperation Agreement with the GCC covers a number of areas of economic cooperation; the EU and GCC also have political dialogue meetings. Negotiations for a free trade agreement are still underway.

There is already a Trade and Co-operation Agreement with **Yemen** and a formal political dialogue is expected to commence in July 2004.

There are at present no formal relations with Iraq. Future relations with a sovereign Iraqi government will be guided by the Medium-term Strategy to be adopted at the June European Council. The EU plays a role in supporting reconstruction in particular through the World Bank and the UN.

With **Iran** there are negotiations pending for a TCA and a parallel political agreement. The EU has also engaged in a “Comprehensive Dialogue” and a “Human Rights Dialogue” with Iran.