

Introduction

Between December 1998 and May 1999 the Hellenic Foundation for European and Foreign Policy, the Costantinos Karamanlis Institute for Democracy and the Department for International and European Studies of Athens University organized two series of lectures on “Development of the Euro-Mediterranean relations. Perspectives and Problems”.

The ambassadors of the Mediterranean countries of the European Union as well as those of the countries of the Mediterranean basin which are members of the Barcelona Process and are based in Athens were invited to speak on their countries’ position regarding the euro-mediterranean cooperation while I moderated most of the debates.

In November 1995 the Ministers of Foreign Affairs of the fifteen countries of the European Union and twelve of Mediterranean countries (Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority) signed the Barcelona Declaration which is the cornerstone for the promotion of the euro-mediterranean cooperation beyond the establishment of a free trade zone in the year 2010.

For the first time, a political as well as a social and cultural dimension were included in the Declaration. The political dimension aims at the creation of a peaceful environment in the Middle East, a zone of stability on the southern border of the European Union. Needless to say that such a goal can be attained only if a significant progress is achieved in the Middle East process.

Between 1995 and 1998 the Barcelona Process went through different stages. In April 1999 at the Ministerial Conference in Stuttgart the process was given a new impulse. It was made clear that the Barcelona Process is not a substitute for the solution of the Middle East problem, but operates only as a contributor to its success. All events which preceded are mentioned in the texts of the lectures. Some ambassadors spoke with a written text, others did not. The present publication, which contains only the contribution of those ambassadors who have submitted a written text, clearly shows the approach of their country to the Euro-Mediterranean Partnership.

At the European Councils of Vienna and Cologne (1999) it was decided that the Mediterranean must be one of the regions on which the Common Strategy of the European Union, according to the Amsterdam Treaty, had to be implemented.

The Common Strategy of the European Union on the Mediterranean Region was adopted at the European Council of Feira in June 2000. This document includes the vision of the European Union for the Mediterranean region, its objectives, the areas of action and specific initiatives as well as instruments and means for the implementation of such policy.

Ioannis Bourloyannis-Tsangaridis
Ambassador (ret.)

Áthens, November 2000

HE Mr. Bernard Kessedjian, Ambassador of France to Greece

“ FRANCE AND THE MEDITERRANEAN ”

A view from France

Before starting my speech, I would like to thank the Ambassador Mr. BOURLOGIANI as well as the ELIAMEP for the invitation to participate in its works, whose the quality and the validity I know.

The History of the Mediterranean is one of the richest of the World History. A little number of civilisations created at the same time so many political, philosophical, religious, cultural, moral references in the frame of the wealth of ideas, arts and sciences, which characterised the Greek area at its zenith.

The great French historian Fernard BRAUDEL, who was specialised in Mediterranean believes that in the mainland around this sea, which is full of ruins of ancient civilisations, « human beings and gods founded the Western Civilisation », namely the European.

The Mediterranean constitutes a connecting link among three continents, it was the cradle of civilisations with universal resound.

It also constitutes a zone of potential perils, something that imposes the mobilisation of its peoples, aiming at the prevention and the overcoming of the dangers of disruption that always lie in wait for.

1) For France, the Mediterranean represents a compulsory aspect for the European edifice and for the stability of Europe.

A) This conception corresponds with the history and our geographical position :

Let us remember certain numbers :

170 million citizens on the north shores of the Mediterranean, namely, actually, in the state-members of the European Union.

140 million on the south shores, from Morocco to Egypt.

80 million totally in the area of Middle East, including Turkey (the largest part of this area consists of the Turkish population, which is today 65 million citizens).

On the south shores of the Mediterranean, someone can meet annual percentages of demographic increase over 2%, while on the north shores they do not exceed 0.5%.

I should recall that this percentage amounts to 0.5% in France and to 0.4% in Greece, while in Algeria it reaches at 2.4% and in Turkey 1.6%.

In a few years the relation of the population between the two shores of the Mediterranean will have been reversed, stretching the imbalances.

Only one example of these imbalances : education. We still meet proportions up to 30% or 60% illiterates in the countries of the south shores, while on the north shores, more than 85% of the population goes to school.

These facts will still have effect for a large period of time. The future of Europe is not conceived without the Mediterranean area. The question is about a fundamental axis of strategy.

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2. The Mediterranean in the centre of the European edifice

France was the factor of the E.E.C. opening towards the South. For this reason today it tries to prevent the opening towards East from turning out against the South.

Our ambition is a world turning round many axis that will be governed by the rules and the universal principles which we share : State of Justice, respect for International Law, peaceful arrangement of disputes, when there is need, through arbitration or through international Courts, democracy as a way of collective organisation, freedom, dignity for every man and woman that found the Nations, financial co-operation, social mutual guarantee.

Since the first steps of the European construction, the bonds among the Mediterranean countries and certain members of the Community led us to favourable behaviour towards the neighbours of the South.

In the zone of the industrial countries, first the Community put in order the System of generalised preferences (SGP), which was adopted during the second CNUCED. The purpose was to favour the industrialisation of the countries under development, offering to their exports invoice facilities.

Portugal, Spain, which for a long period of time were put aside because of authoritarian regimes, found again, after Greece, the democratic institutions and their native

family, namely, democratic Europe.

In relation to Greece, you may remember the dominant role that France played in order to facilitate its integration in European Union. I believe, on the other hand, that the common signal « Greece - France alliance » appeared in your country.

Today, I find it difficult to believe that that signal is used blindly.

Being a part of its era, it reflects a reality, a decisive friendly policy of France on the side of Greece, in the name of a historic mutual guarantee, in the name of a spherical conception of stability in Europe and the Mediterranean , with the purpose of escorting it to a decisive moment of its history.

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3. Creation of a Euro-mediterranean space

Today, our purpose is the creation of a real Euro-mediterranean association, as it results from the principles that were set during the Conference of Barcelona, in November 1995.

The frame was defined in November 1995, in the Conference of Barcelona.

The initiative of Barcelona is double :

-on the one hand Europeans and the Mediterranean countries defined alone, meaning without intervention out of the region, the frame of co-operation

-on the other hand the proposed co-operation has a spherical character, which covers all the domains : economy, policy and security, civilisation.

The aim is to make the Mediterranean a « zone of common prosperity », according to an expression of the President of the French Republic.

The goal is the creation of a complete economic area and of a real association of policy and security.

3. 1. A complete economic area

Our ambition is to result in a unique Euro-mediterranean market, which will constitute a guarantee of political stability and the prelude of a new type of institutional relations.

This initiative responds to an intense expectation of the countries of the south shores.

Allow-me to recall that, on an average, more than 55% of the imports of the countries of the south shores of the Mediterranean (including Turkey) come from the European Union and vice-versa that the European Union constitutes the first commercial destination of the products of these countries, as an average of 60% - 80% of their exports finally reaches there.

Having suggested to the countries of the south shores of the Mediterranean that they should finally create a zone of free transaction, E.U. assumes responsibilities, which it has to be able to face. Vice - versa, the countries of the South choose the co-operation and they make clear their will to secure their financial development, as well as the development of institutions and of democracy in co-operation with Europe.

The ambitions of the association led to the elaboration of new instruments of co-operation, as the new Euro-mediterranean connection treaties and the economic regulation MEDA.

Destined to substitute the accords of co-operation of the decade of 70s, the new accords aim at the creation, with the third Mediterranean countries, of a symmetrically free transaction for industrial products and an opening of the markets of services with 2010 on the horizon (except for Turkey for which nothing is provided at this moment in the field of services). The Mediterranean agricultural products are, for the time being, subject to proportions and diaries because of the restrictions of the CAP. The liberation is being, consequently, realised progressively and mutually.

Financial aid is the compensation of the free transaction that is being established. The regulation MEDA that was adopted in July 1996, takes under consideration two great changes : the essential increase of the donations (4.7 billion ECUs for the period 1996-1999, to which the loans from the European Bank of Investments are added), consequently the duplication of grants that the E.U. provided until then to the Mediterranean.

The regulation of MEDA defines a general sum of money. Consequently no bilateral relations exist any longer. The distribution per country is indicative and is subject to political and economic conditions. These programs of financing are not compulsory, while the distribution of the general sum among the beneficiary countries is in connection with their progress.

The question is about a great innovation and an essential contribution to the achievement of the goals of Barcelona, which provide aid to the transitional economic phase and to the creation of a zone of free transactions, continuous economic and social development, regional and across frontiers co-operation.

A political and security association

The domain of policy and security is based on a series of engagements concerning the State of Justice, the respect for public freedoms, neighbourly relations, peaceful resolution

of disputes that can finally lead to the adoption of a real Euro-mediterranean constitutional charter. According to our conception, the question is to help this political will become reality.

The challenge of stability in the Mediterranean cannot be faced efficiently otherwise, but in the frame of co-ordination among European companies, on the first line of which are found the countries of South Europe.

Our interests in the subject of security in this zone are common, our will for stability is identical, we want to secure the economic development of the region.

I welcome, under this prospect, the great activity of the Greek Government concerning all these issues and her engagement in favour of the process of Barcelona, the numerous initiatives that were taken towards this direction (Euro-mediterranean conference in Alexandroupolis in October 1998 concerning issues relevant to regional co-operation, including Balkans and Black Sea , efforts of the Greek authorities aiming at the facilitation of the political dialogue between representatives of Israel and Palestine).

It is about very actual and useful initiatives, which certify the particular significance of the Euro-mediterranean association for your country.

Concerning the question of stability in the Middle East, which concerns you directly, we are well aware of the difficulties of the European policy of opening towards Turkey.

Turkey constitutes a section of the European domain, this is indisputable for us. It will be asked a day to enter the European Union. Among the 15, no one doubts about this issue.

This country faces in its domestic affairs great political and social developments, when at the same time it defines fundamental and economic choices and up to a point moral choices, as well, which will have important effect both to its future and the future of the region.

One of the questions that are posed is to learn if it is possible for this country to advance towards an obscure future, under the pressure of a part of its population or if, on the contrary, it wishes, as we propose to it, to follow a European road, which meets evidently the respect of principles and values which are con-substantial with the E.U. : democracy, freedom, human rights, State of Justice, respect of International Law and spirit of neighbourly relations.

France estimates that the door of Europe must stay open for Turkey but it is a responsibility, which appertains to Turkey to declare if it wishes to make the necessary progress in order to become a part of the Union.

In order to approach these issues, France had proposed a year ago the European Conference as a frame. Until now this was not possible. It is not possible for the Customs union to be absolutely completed for reasons that you are aware of. We are sorry for this.

It is not possible to speak about security in Eastern Europe without mentioning Cyprus.

Concerning this issue I would like to recall certain ideas of France that are frequently subject to misinterpretation. We have two ambitions : to have the political problem of the island arranged and to welcome Cyprus in the European Union.

In 1995, during the French Presidency, the European Union invited Cyprus to apply for candidacy. I remember that this idea had provoked then some reactions on behalf of certain big companies.

Today negotiations have begun. They continue in a good rhythm, the candidacy of Cyprus presents many positive elements and everyone recognises its achievements, particularly in the economic sector.

France has welcome these first results underlining, at the same time, the need for progress concerning the issue of political arrangement, as well.

For this reason we invite the Turkish-Cypriots to participate in the negotiations and to stop trying to obstruct them. This negative policy does not lead anywhere, it only preserves tensions.

would like to clarify a point : France has declared that it considers the political arrangement in the island a precondition for the integration of Cyprus in E.U.. Evidently, the question is not posed in this way and we don' t give the right of *veto* concerning the integration of Cyprus to any third country.

What we wish is progress in both fronts : the advance of the integration negotiations, something that is happening and the progress towards a political solution.

It is necessary for Greeks and French to discuss more on these issues and to develop the dialogue between the two countries in a more systematic way.

The knowledge of Greece concerning the Balkans and Eastern Mediterranean is for us and the whole Europe a precious advantage. The experience that France has in the Mediterranean basin and the means which it is ready to develop in order to contribute to the securing of stability are important.

There is fertile ground for close co-operation among our countries. Let us concentrate our powers in the service of peace and prosperity in the Mediterranean.

With this cost we will succeed in building the security of Europe.

Because there will be no security in Europe without security in the Mediterranean.

The risk for Greece and France is hard, but showing courage and imagination is worth for it.

This is, absolutely, in accordance with our tradition and mentality.

HE Mr. Javier Jiménez-Ugarte, Ambassador of Spain to Greece

HE BARCELONA PROCESS: PAST, PRESENT, AND FUTURE”

A view from Spain

I. Background & Origin

The fall of the Berlin wall in 1989 and the lifting of the iron curtain had immediate consequences in the world. The then European Community directed its diplomatic action towards Central and Eastern Europe in order to help the former COMECON and Warsaw Pact members adopt democracy and market economies. This kindled mistrust among the Mediterranean and Third World countries, who feared that Europe would neglect them in favour of its Eastern neighbors as far as cooperation and aid were concerned.

The Mediterranean members of the Community, among them Spain, likewise regarded this new scenario with certain concern. Suspecting that the foreseeable and future accession of the Central and Eastern European countries could cause an eastward shift in the European Union's centre of gravity, to the detriment of the Southern countries, they underlines the pressing need for Europe to adopt a true Mediterranean policy.

On 2 December 1989 – a date very close to the fall of the wall – the then Deputy Director General for North Africa and current Special EU Envoy for the Middle East peace process denounced this situation in an article entitled *The Mediterranean: a Forgotten Sea*. To quote his words, “Spain has no Mediterranean policy. All it has is a handful of trade agreements that were revised, following the accession of Spain and Portugal, to incorporate some new elements of cooperation which continue to be regarded by the beneficiaries

themselves as clearly insufficient.”

Spanish diplomacy then began a policy of raising the awareness of its Community partners in order to make them realize that the Southern countries faced challenges that exceeded their possibilities and would therefore need help if they were to meet them, and that the problems posed by the EU’s “Southern frontier” also affected them, for better or for worse. The strictly commercial resources and mechanisms of the global Mediterranean policy hitherto developed were insufficient.

Therefore, working in close collaboration with the other Mediterranean countries, imaginative actions were undertaken, such as setting up the 5+5 group which brought together Spain, Portugal, France, Italy and Greece on the part of Europe, and Mauritania, Morocco, Algeria, Tunisia, and Libya as members of the then recently founded Arab Maghreb Union (AMU), in an attempt at dialogue. The aircraft incidents – with which everyone is familiar – interrupted this dialogue.

In 1990, following the model of the CSCE that emerged from the Helsinki Conference, the then Spanish Minister of Foreign Affairs, Fernando Ordóñez, proposed calling the CSCM (Conference on Security and Cooperation in the Mediterranean), to be based on the three baskets (political, economic, and social) established in the Helsinki Declaration. The project was not successful, owing to the opposition or indifference of other Mediterranean and Northern European countries. Furthermore, the Gulf war and the beginning of the Middle East peace process threw this initiative out of phase. But the seed of the future Barcelona Conference had been sown.

In 1994 the MIDITERRANEAN FORUM was set up at Alexandria. It initially grouped together 10 countries (the five aforementioned European partners plus Morocco, Algeria, Tunisia, Egypt and Turkey) which were subsequently joined by Malta. It continues to exist and its action is very beneficial to the Barcelona process.

Together with the Mediterranean EU countries, Spain carried on with its campaign to persuade its European partners of the need to devise a coherent and comprehensive Euro-Mediterranean policy. The other four Mediterranean partners were already convinced of the need for this new policy. Working in close collaboration with Commissioner Marín, the outline of what was to be this new policy was drafted and submitted to Germany in October 1994 in order for it to be discussed at the Essen European Council and subsequently developed at a Euro-Mediterranean ministerial conference. The basic elements of the policy were:

- To establish a Euro-Med free trade zone to come into effect around 2010;
- To double the financial aid budgeted by the EU for the 1995-1999 five-year period;
- To step up technical cooperation on the basis of the experience gleaned with the Eastern European Countries.

The idea took shape at the successive Essen (December 1994) and Cannes (June 1995) European Councils. At Essen, it was decided to hold a ministerial conference in Barcelona in the second half of 1995, under the Spanish presidency of the Council. The 15 EU

members would take part, together with a further twelve Mediterranean countries: Morocco, Algeria, Tunisia, Egypt, Syria, Lebanon, Jordan, Malta, Cyprus, Turkey, Israel, and the Palestinian Authority.

Spanish diplomacy scored an indisputable success with Barcelona. The then President of the Government, Felipe González, and Minister of Foreign Affairs Javier Solana, visited the countries in the area to persuade their leaders of the advantages of attending this meeting. This success was particularly remarkable in the case of Damascus and Beirut, whose leaders had refused, since the start of the peace process, to take part in multilateral regional meetings attended by Israel, yet they agreed to participate in the Barcelona conference.

II. The Barcelona Conference

The conference ended with the so-called BARCELONA DECLARATION, a wide-ranging and programmatic accord, whose contents can be summed up as follows: The Declaration is divided into three chapters, in keeping with the political and security, economic, and socio-cultural “pillars.” Each chapter is structured around a declaration of principles followed by concrete proposals for action.

1. POLITICAL AND SECURITY PARTNERSHIP: ESTABLISHING A COMMON AREA OF PEACE AND STABILITY

With respect to principles, the objectives reaffirmed in this chapter are to act in accordance with the Charter of the United Nations and the Universal Declaration of Human Rights; to develop the rule of law and democracy, while recognizing the right of each member to choose and develop its own political systems; and to respect human rights, citing among others, the right of association for peaceful purposes and freedom of expression, thought, conscience and religion, without discriminating on the grounds of gender, race or religion. The 27 participants undertake to give favourable consideration, through dialogue, to exchanges of information on the aforementioned matters.

The parties likewise pledge to respect pluralism and diversity in their societies; to combat manifestations of racism and xenophobia; to ensure mutual respect for their sovereign equality and fulfillment in good faith of the obligations they have assumed under international law; to refrain from intervening in internal affairs and to respect the territorial integrity and unity of the other partners and peoples; to settle their disputes by peaceful means; to cooperate in combating terrorism, drugs and organized crime; and lastly, to foster regional security by acting in favour of the non-proliferation of weapons of mass destruction.

Among the courses of action mentioned are the consideration of measures to prevent the proliferation of nuclear, chemical and biological weapons, and excessive accumulation of conventional arms. The parties likewise undertake not to develop military capacity beyond their legitimate defense requirements, to foster conditions conducive to establishing good neighborly relations between them and to support processes promoting stability, security and prosperity in the region, as well as to foster regional and subregional cooperation.

Lastly, the 27 states pledge to *consider any confidence and security-building measures*

that could be taken between the parties with a view to the creation of an “area of peace and stability in the Mediterranean,” including the long-term possibility of establishing a Euro-Mediterranean pact to that end.

Incidentally, although the Barcelona Declaration referred to **the long-term possibility of establishing a Euro-Mediterranean pact** with a view to achieving peace and stability, this term was later replaced by the expression “charter for peace and stability” as a result of the opposition of the Arab countries, for whom the word “pact” had very negative connotations, owing to the memory of “pacts” such as that of Baghdad. I have pointed this out because it underlines two interesting aspects: the sensitivities that need to be dealt with when making headway in the Barcelona Process, and the realistic stance of those who drafted the final document, which establishes – not overly optimistically – the conclusion of the charter as a long-term goal.

It may seem utopian to endeavour to establish a Peace and Stability Charter in the Mediterranean under the current circumstances. I stated earlier that the Declaration itself acknowledged the difficulties that hamper this process. Nonetheless, this project is justified by the need to fulfill the political commitments made at Barcelona. Moreover, the Charter aims to set up *a common area of peace and stability in the Mediterranean*, and the stability and security dimension thus lies in the nucleus of partnership that is sought after. And what is more, the political partnership constitutes one of the most significant innovations of the Barcelona Process, which sets out to achieve it through the twofold formula of stability and development – the two indissoluble building blocks.

2. ECONOMIC AND FINANCIAL PARTNERSHIP: CREATING AN AREA OF SHARED PROSPERITY

The main objective stated in this chapter is the creation of an **area of shared prosperity**. The parties set themselves the following long-term goals in order to achieve this: acceleration of the pace of sustainable socio-economic development; improvement of the living conditions of their populations; increase in the employment level and reduction in the development gap; and the encouragement of regional cooperation and integration. With a view to achieving these objectives, the participants agree to establish an economic and financial partnership as follows:

The gradual establishment of a free-trade area through the new EUROMED partnership agreements and free-trade agreements between partners of the European Union. 2010 was set as the target date for the gradual establishment of this area. To this end, tariff and non-tariff barriers to trade in manufactured products will be progressively eliminated, and trade in agricultural products will be progressively liberalized, as will trade in services.

This process will be facilitated by pursuing policies based on the principles of market economy and economic integration, and by promoting the adjustment and modernization of economic social structures, giving priority to the development of the private sector and the upgrading of the productive sector and to the establishment of an appropriate framework (institutional and regulatory) for a market economy. Lastly, transfers of technology will be encouraged.

The Barcelona Declaration lists other cooperation possibilities, which I will not go into detail so as not to bore my audience. These are: promoting investment, regional cooperation with a view to developing trade between partners, relations between enterprises, environment, the role of women in development, energy, water, restructuring and modernization of agriculture and the food and agriculture industries, improving infrastructure – particularly transport – and training research scientists.

As for financial cooperation, the Cannes European Council agreed to earmark ECU 4,685 million for this in the form of available Community budget funds for the period 1995-1999.

3. PARTNERSHIP IN SOCIAL, CULTURAL, AND HUMAN AFFAIRS

Of the principles set forth in this chapter, there is particular emphasis on respect for religions and cultures and on dialogue between them. The need to develop human resources is stress in relation to both education and culture. The importance of the health sector and social development is also underlined.

A novel feature of the Barcelona Declaration is the acknowledgement of **the essential contribution civil society can make in the process of development of the Euro-Mediterranean partnership and as an essential factor for greater understanding and closeness between peoples**. The parties accordingly agree to strengthen and/or introduce the necessary instruments of decentralized cooperation in order to encourage exchanges between those active in development, leaders of political and civil society, the cultural and religious world, universities, the research community, the media and the trade unions. They likewise agree to strengthen their cooperation in the field of illegal immigration and reduce migratory pressures through vocational training programmes and job creation schemes. They also stress the importance of cooperating against terrorism, drugs, racism and xenophobia.

4. BODIES SET UP BY THE BARCELONA PROCESS

In order to implement and monitor the application of this ambitious programme, several bodies were set up:

- The **Conferences of Ministers of Foreign Affairs** are held periodically. Apart from Barcelona, two of these conferences have taken place to date – Malta (1997) and Palermo (1998). The first of these was an intermediate conference to review and update the results achieved so far.
- The **thematic conferences of ministers** do not have a set periodicity, though no more than two are held under each presidency. So far, conferences have been organized on industry, water management, energy, tourism, cultural heritage and culture, and the environment.
- The **Barcelona Committee** is made up of one representative of each of the 27 partners who meet regularly in Brussels to analyze the situation, prepare the meetings of foreign ministers, update the work programme and examine the projects submitted and the

progress of the Barcelona process.

- The **Senior Officials Group** conducts a political dialogue to examine the most appropriate means and methods of implementing the principles adopted by the Barcelona Declaration, and submits practical proposals for the meetings of Foreign Ministers. This work is very important, since it clears the way for successful ministerial meetings.

III. DEVELOPMENT OF THE BARCELONA PROCESS

The process began immediately after the Conference. In mid-1996, the European Commission enacted the MEDA REGULATIONS governing the distribution and award of the EU funds allocated to the different EUROMED programmes. The member states set about implementing different initiatives at what could even, perhaps, be regarded as a surprising pace, showing considerable imagination.

A ministerial conference was held in Valetta in April 1997, following the pattern established at Barcelona: the twice-yearly Conferences of Ministers of Foreign Affairs were to be hosted alternately by member and non-member countries. Although Tunisia had initially offered to be the venue, a change of plan became necessary owing to Syria's and Lebanon's refusal to meet Israel in an Arab country. Malta turned out to be a difficult conference. The Middle East Peace Process, which was progressing well in 1995, had run into complications after the Wye Plantation negotiations between Syria and Israel were broken off in February 1996 and as a result of the new Likud government's policy towards negotiations with Palestine. Moreover, what was, perhaps, a mistake was to try to link the Barcelona Process with the Peace Process. This led to the conference coming to an end before conclusions could be reached, through these were subsequently achieved through "Fax diplomacy."

The conclusions upheld the essential action lines and budgets established at Barcelona. There was emphasis on aspects of economic action, such as private investments, intellectual property norms, taxes and competition, etc., and it was also stressed that the ECUS 4,685 of the community budget should be used with integrity.

The following year, an AD HOC CONFERENCE OF MINISTERS OF FOREIGN AFFAIRS was organized in Palermo on 3 and 4 June under the British presidency. It was given a voluntarily informal nature and therefore no final conclusions were drawn. The Presidency merely issued a declaration on which consensus was considered to have been reached after it was read out to the plenary session and no objections were raised. Palermo managed to improve the atmosphere of the dialogue and thus revitalize the Barcelona Process, which had reached a low in Malta. At Malta it was decided to give political priority to the MEPP; at Palermo the procedure was reversed, so as to allow the Barcelona process to influence relations between members. New confidence was thus generated and the initial hopes were restored, allaying the suspicions of the Southern members and paving the way for a more participatory partnership. The Commission's announcement of the reopening of the MEDURBS, MEDMEDIA and MEDCAMPUS decentralized programs to give a new boost to joint efforts in fields of co-operation between cities, the media and universities also contributed to this favourable environment.

On 28 and 29 January the Euro-Med Conference on Regional Cooperation took place in Valencia. This conference laid the foundations for fostering South-South cooperation, took stock of the achievements accomplished to date, and paved the way for future action in this field. It particularly prepared the ground for Stuttgart with respect to chapters 2 and 3 (economic and socio-cultural issues) of the Charter.

IV. RESULTS, ACHIEVEMENTS AND SETBACK OF THE BARCELONA PROCESS BEFORE STUTTGART CONFERENCE

A. Chapter I is, perhaps, the most difficult to put into practice. At the outset, the Barcelona Process was conceived by its European promoters as the long-term global framework that could complete their relations with the Mediterranean partner countries. At the same time, it was seen as a post-peace instrument which, operating on the basis of the favourable prospects of the Middle East question in 1995, could make a powerful contribution to building peace, through subregional cooperation and integration.

As I said earlier, the Barcelona Declaration made it clear that the Euro-Mediterranean process did not aim to replace other actions and initiatives undertaken to promote peace, stability and development in the region, but rather to contribute to their success. At the same time, it reaffirmed a stance towards the Peace Process – reiterated at all the ministerial meetings – based on the principles enshrined in the UN Security Council resolutions and in the letter of invitation to attend the Madrid Conference: peace for land. Although they are two parallel processes, the principles of Barcelona and the political circumstances in the Middle East cause them to be necessarily inter-linked and mutually influencing.

The influence of the MEPP on Barcelona has varied. The eight Arab partners have striven to keep the link alive with a varying degree of conditionality. The advent to power of the coalition led by Likud in Israel, and its new policy towards the peace process, have had an impact on the Barcelona platform, particularly the first chapter, and primarily the possibility of drafting a Charter for Peace and Stability, since, according to Arab logic, this could only be signed after a global, just and lasting solution to the Middle East conflict is reached.

Another dispute that influences this process – though perhaps to a lesser extent – is the Aegean issue. Awing to the difficult relations between Turkey and the EU, since 1996 the Ankara authorities have reduced their level of participation in the EUROMED process. In October 1996 the Commission decided to continue with the MEDA projects allocated to Turkey, despite the European Parliament's decision to the contrary. But the slowness of these projects in getting off the ground and Greece's objections to them even led Ankara to issue warnings that it was prepared to abandon the EUROMED process. It has nevertheless continued to take part, but a low level, as a demonstration of its disapproval of the EU's policy.

Given the current circumstances in the region, it is obvious that the political conditions are not conducive to a fast negotiation of the Charter for Peace and Stability. It

has therefore been decided to set about clearing the way and identifying concepts and perceptions – that is, determining common denominators that can lay the groundwork for drafting this document whenever the political circumstances permit.

The conclusions of the Malta and Palermo conferences reiterate the principle established in Barcelona and take into account the work performed to far on the conceptual aspect. The group of senior officials were encouraged to continue in the same direction. A further meeting of senior officials was held on the matter in Brussels at the end of November to draft a preliminary document to be submitted to the ministers at their Stuttgart meeting.

As regards the relationship between the two processes, Barcelona and the Middle-East Peace Process, a successful attempt has been made to ensure that the setbacks of the latter do not bring the former to a standstill. Indeed, now that the MEPP is deadlocked, one of the tasks of the Barcelona Process is to allow the dialogue between the member countries to continue. At Palermo, Arab readiness and Israeli caution enabled the dialogue between the member countries to carry on. the Barcelona Process is presently the only regional forum where Arabs and Israelis, Turks, and Cypriots sit around the same table, thereby acknowledging the tempering role of the Euro-Mediterranean relationship.

Moreover, certain measures, originally termed “confidence-building” and now known as “partnership-building,” have begun to be implemented, namely:

a) **EUROMESCO**, the association – “network” in Community jargon – of institutes for policy studies in the different countries. The results so far have been good: reports on EUROMED issues, meetings to exchange opinions, etc. A parallel network of institutes for studies in economics also contributes its thoughts and experience to the EUROMED heritage.

b) **REGISTERS OF TREATIES AND EXCHANGES OF INFORMATION.** There are plans to crate several registers, to be deposited at the Council of the European Union, namely: for agreements concluded between the EUROMED countries from November 1995 onwards and those signed by each country in the field of human rights. The possibility is also being examined of setting up another for instruments of human-rights law.

This exercise is intended to increase transparency and provide an overall view of the cooperation ties between the Euro-Mediterranean partners by building up a general picture of the inter-state agreements and those relating to the whole of the region.

c) **PILOT SCHEME TO CRATE A EUROMED SYSTEM TO PREVENT, ALLEVIATE AND MANAGE NATURAL AND MANMADE DISASTERS.**

Sponsored jointly by Italy and Egypt, this project is designed to define the concept of disasters, identify the authorities responsible, cope jointly with emergencies and provide relief in disasters.

At this preliminary stage, the aim is to establish the resources available, set up a network of civil protection schools for the joint training of personnel and endeavour to create a crisis cell

and a network of competent authorities.

A steering committee comprising one official from each of the 27 member countries has been set up. A meeting has already taken place in Rome (September 1998), where the first action plan was outlined. In June, Spain will host the meeting of the civil protection collaboration in dealing with earth tremors and tidal waves, forest fires and maritime and urban hazards. Among the projects that come under Chapter I, this one offers the best prospects for the future.

d) DIPLOMATIC SEMINARS

Five of these seminars have been held to date. They are meetings of middle-ranking diplomats in which lectures are given by prominent figures (diplomats of member states and the Commission, professors, etc.) on Euro-Mediterranean topics. Their aim is twofold: on the one hand, they make the reality and progress of the EUROMED process known; and, on the other, they enable the diplomats from these countries to get to know each other and forge personal ties that will undoubtedly contribute to the smoother running of the Barcelona Process.

B. IN THE ECONOMIC FIELD, CHAPTER II, the results have been slower. The current situation of the negotiations for the partnership agreements is as follows:

Turkey, Cyprus, and Malta signed the agreements before 1995.

EU PLO and Tunisia have signed and ratified them. The Agreement between and Tunisia is in force since 1 March 1998.

Israel, Jordan and Morocco: The Agreements have been signed but not yet ratified.

The rest are at a more or less advanced stage of negotiation. Syria, to be precise, began a year ago. In some cases, the negotiations have been difficult, as they have sparked the sensitivity of particular European countries to the liberalization of imports of certain products from the South.

It should be pointed out that the creation of a free trade zone is not an end in itself, but rather an instrument to facilitate the development of the Southern countries in a common Euro-Mediterranean area, complementing the partnership agreements with an area of shared prosperity. The long-term effects will be positive; nonetheless, accompanying measures must be stepped up to mitigate the social costs of economic transition in the South. These costs arise from the disappearance of the extreme protectionism that has so far prevailed in several of those countries, or from the threat of diminished customs revenues, which are an important source of funding for the state and have given rise to misgivings about adhering to the Barcelona Process.

In this sector special attention is paid to promoting private investments in other Mediterranean countries. It was agreed at Palermo that these flows of investments should

be encouraged and, at the same time, partners should carry out actions aimed at creating a favourable environment for them. The steps taken in the direction with the London conference on investments and the experts' meeting in Brussels on economic transition have been followed by a conference on the capital market.

On very thorny issue is debt. This cannot be dealt with in the EUROMED context, but rather at the fora created especially for this purpose, such as, for example, the Paris Club. At Malta, it was agreed to continue with the dialogue on this matter so as to achieve progress at the relevant fora. Mention was likewise made of the question at Palermo, where it was stated that negotiation should take place in the appropriate spheres, and not in the framework of the partnership. On this basis, the participants wanted the issue to be included in the economic-financial dialogue.

A thematic conference of industry ministers was held in Austria in October 1998 and gave rise to further progress in the field of industrial cooperation.

C. And lastly, a host of initiatives and projects have been registered in **the third chapter**, evidencing how splendidly this sector has been received by the 27 Mediterranean partners. Particularly worthy of mention in the inter-religious dialogue section is the Swedish Euro-Islam project for inter-cultural dialogue, which is highly relevant to the future of the Islamic communities in Europe. Two conferences have been held, in Stockholm and Amman. Spain has likewise organised several inter-religious meetings in Alcalá de Henares. Two conferences of culture ministers have taken place, in Bologna in 1996 and in Rhodes in September 1998. Another project on the Euro-Mediterranean cultural heritage (EUROMED HERITAGE) has received Spain's unconditional support. The institutes for political studies have joined the Euromesco network and currently exchange programmes and studies. Also under way are projects involving relations between universities in which that of Alicante is participating on behalf of Spain. The list is endless.

Noteworthy projects in the social field are the dialogue on migration (run by the Netherlands and jointly sponsored by Spain, Algeria and France), which will attempt to develop a sensitive but necessary chapter relating to confidence-building in its broadest sense. Another project, entitled "Violence and Politics in modern Society", is also under way. Consideration is being given to holding a meeting on unemployment and job creation in this area.

As for terrorism, it was agreed at Palermo to hold a meeting of senior officials and experts on the basis of the results achieved at the Madrid meeting of the Mediterranean Forum on 23 March 1998. They will likewise submit their conclusions to the Stuttgart ministerial meeting. The meeting was held in Brussels last November and the priorities in it marked the breaking of the taboo surrounding this issue, which is particularly sensitive for all 27 parties. The aim was to identify common objectives, explore the possibilities of stepping up cooperation and endeavour to achieve concrete results, preventing the issue from becoming politicised.

Neither has the media aspect been neglected: the Salonica conference in 1996 laid the foundations for cooperation between the media of the 27 countries.

V. RELATIONS WITH OTHER MEDITERRANEAN BODIES

There are other ongoing Mediterranean dialogues, albeit on different planes and with different approaches to those of the Barcelona Process.

One of these is the NATO dialogue with Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia. It is not a dialogue between all these countries and the NATO members; rather, it follows the 16+1 format. That is, the ambassadors or representatives of the Southern countries are called by NATO and informed individually and successively of the Organization's activities. The purpose of this dialogue is to contribute to security and stability in the Mediterranean by allaying mistrust and correcting mistaken perceptions of NATO in the Southern countries. It is also planned to strengthen other initiatives such as EUROMED, the WEU, the OSCE, etc., though these should not overlap, but rather complement each other.

The **WESTERN EUROPEAN UNION** has likewise started up a dialogue with Algeria, Egypt, Israel, Tunisia, Morocco, Mauritania and Jordan. Unlike the NATO dialogue, the 28 WEU member do not hold meetings with those of the South. The contacts take place every six months at three levels: Diplomatic (meetings in Brussels of the presidency and secretary-general and each country's ambassador), expert (the Mediterranean group of the WEU meet representatives of the ministries of foreign affairs and defence) and academic (invitations are issued to the WEU's Institute for Security Studies). These meetings have the same objective as those of NATO: to prevent mistrust through information and transparency. Moreover, these countries are asked their opinions on security issues of common interest that fall under the WEU's area of responsibility.

For its part, the **MEDITERRANEAN FORUM** catered to this need for coordination and confidence-building at its latest meeting in Palma de Mallorca (April 1998) and Malta (March 1999) by establishing that **initiatives in the security and stability sector should be the object of information and prior consultation between the Member States**, as well as pointing out the need to continue to promote measures to foster confidence in the economic and socio-cultural sectors.

As can be seen, Barcelona provided a broader framework than the Forum and the other two organizations for confidence-building in the Mediterranean. The Barcelona context is global, since it includes both political and socio-cultural aspects and aims to incorporate not only the military dimension but also economic and social aspects into security, aware that possible risks from the South can stem more from socio-economic factors than from purely military ones.

From the Barcelona standpoint, there is a concurrence of objectives that is conducive to creating a climate of confidence, ease and prevention of mistrust in the Mediterranean basin. Therefore, all these initiatives coexist, complement each other and are regarded as different facets of a single objective.

VI. SPAIN'S ROLE IN THIS POLICY

This list of data reflects the important role played by our country in the founding of the Euro-Mediterranean policy. The choice of Barcelona as a host city for this conference and its development and success proved our drawing power in the Mediterranean sphere.

I have stressed earlier the organization of the inter-religious dialogues of Alcalá de Henares, Spain's participation in the heritage protection project. There are specific plans to set up a Mediterranean institute for submarine archaeology based in Cartagena, which will coordinate efforts in this sector and train specialists from the Southern countries.

A meeting of the presidents of the 27 national parliaments and the European Parliament was held in March 1999 in Palma de Mallorca; this event marked another significant step forward in relations between the two shores of the Mare Nostrum. Together with Italy, Spain cosponsored a conference on improving farming and the food and agriculture industries in Capri last September. The conference on regional cooperation I mentioned earlier was a success and fully achieved its aims.

VII. THE STUTTGART CONFERENCE

EVALUATION

1. Kosovo's conflict, although not on the agenda, overshadowed the Conference; its inauguration had to be postponed one hour because of Minister Fisher's briefing on the issue before the Bundestag; Minister Vedrine arrived late on the 15th and his Italian colleague left early on the 16th. Many speeches made references to the conflict, while the Arabs hinted at it in order to insinuate the double standards that the West uses with the Palestinian refugees.

2. In the first chapter, it has to be noted the unbalance between the number of speeches devoted to the PPOM and those whose subject was the Charter, the latter being few and far between. There was unanimous consent on the need to follow up, and a tentative date was agreed on for the next Ministerial Meeting; the high-ranking officials were entrusted with its preparation. The working and the finalization of the text have been separated from its final approval by the Conference, to be done "as soon as the political circumstances allow it" (paragraph 12), in contrast to Malta resolutions, which stated "when

3. It was achieved that terrorism continue to be included in Euromed proceedings (paragraph 15), in a meeting of experts and high-ranking officials to be held in the 2nd half of 1999.

4. The progress and consolidation of the political dialogue was noted: chapter 12 to 15 include a number of measures in support of the process, even though the contents thereof are not too far-reaching as yet. The seminar on "violence in politics," co-organized by Egypt and the Netherlands, adds to the initiatives in this respect.

5. In the economic field, the celebration of both the Conference on Private

Investments, to be held in Portugal during her Presidency, and the Conference on Water Resources of Torino were unanimously approved. Many delegations criticized the delays and red tape in the allocation of the MEDA funds. Vice President Marin soothed the anxieties of the Southern partners when he confirmed in this speech that the EU would maintain among its priorities the financial contribution to the Barcelona process.

6. In the 3rd chapter (paragraph 34) all delegations gave the go-ahead to the Conference on Public Health and Infectious Diseases, to be held in Montreal during the 2nd half of 1999.

7. Special stress must be laid on the ongoing dialogue about migrations and flow of persons (paragraph 34). The Ministers expressed their wish to convene a meeting of high-ranking officials on the issue.

8. Libya's admission did not arise any problems, and all countries, including those with strong reservations concerning Tripoli (France, Israel, U.K. and the Netherlands), congratulated themselves on Libya's invitation. Paragraph 37 states the general satisfaction about her participation as special guest of the Presidency and its future incorporation to the Barcelona process as a fully-fledged member as soon as the sanctions are lifted and Tripoli accepts the EUROMED acquit. Therefore, Libya's entrance will not require a new resolution by the Ministerial Conference, but it will suffice with a decision by the Barcelona Committee.

9. As far as the procedure is concerned, special mention has to be made to the "Conclusions of the Presidency," read before the meeting and agreed upon by all delegations. This formula, already employed in Palermo and Valencia, has proved decisive in the success of the meetings because it has avoided the long-winded discussions on the working of the conclusions, as happened in Malta 97.

10. The assessment from Palermo-98 onwards is encouraging: a good deal of the goals of this ad hoc Conference have been satisfactorily accomplished. In spite of disagreements between the Israeli and the Arab partners, the spirit of dialogue and compromise has prevailed, thus permitting the adoption of the said conclusions. The further development of the Charter continues, as well as the enhanced political dialogue. The decision to keep including terrorism and migration in the political dialogue reinforces the whole process, in the sense that it is a clear sign of its maturity, making it possible to raise subjects that not long ago were considered taboo by some of the 27 countries involved.

11. As for the future, besides the aforementioned Conferences on Health, Investments and Water, two Ministerial Conferences, one informal and the other formal, are scheduled for the year 2000.

12. As a conclusion, we can reaffirm that the Barcelona spirit lives on and that the Barcelona Process is following its course, in spite of the difficulties inherent to the political instability of the region. Therefore, the Stuttgart Conference can be characterized as a turning point in the path chartered in Barcelona, in the sense that this process has overcome its initial phase and has already entered into its consolidation and maturity.

HE Mr. Nouredine Sefiani, Ambassador of Morocco to Greece

*“DEVELOPMENTS ON THE EURO-MEDITERRANEAN
RELATIONS:
PROSPECTS AND PROBLEMS – THE POINT-OF-VIEW OF*

A view from Morocco

First of all, I would like to thank ELIAMEP for giving me this opportunity to present the views of my country regarding the Mediterranean.

The first observation to be made in this regard is that one cannot talk about the Mediterranean policy of Morocco, which is only part of a whole, without talking about or foreign policy in general.

In this regard one can observe that Moroccan foreign policy is based upon geographical and historical factors.

Very briefly, in order to focus later on our Mediterranean policy, one should stress that Morocco is at the same time an Arab country, and African country, a non-aligned country and a Muslim country.

As an Arab Country, Morocco is a member of the Arab League, and therefore it supports the Arab positions in several international issues. The most important one being of course the Palestinian question. In this regard we do support the creation of a Palestinian state as a homeland for the Palestinian people.

Morocco has also been playing a leading and moderating role in Arab politics. Morocco has hosted a majority of Arab summits in several cities in Morocco and these summits have contributed to further enhancement of the Arab position in world affairs.

Finally Morocco supports Euro-Arab dialogue and thinks that it should be further developed.

Morocco is also an African country and as such Morocco strengthens and develops its relations with all African countries in trade, business, investments and so on. As a matter of fact, we have actually more than 5000 African students being trained in Morocco.

As a non-aligned country, Morocco is not only a founding member of the non-aligned movement but it also plays an active role in the promotion of its principles namely at the United Nations, whenever we deal with issues such as disarmament, international conflicts, and so on...

Finally Morocco is also a founding member of the Organization of the Islamic Conference, which was created in Rabat. Morocco has hosted several summits of the Islamic Conference and currently the Secretary General of the Conference is Dr. Azzeddine Laraki, who is from Morocco. As an active member of the Conference, Morocco promotes its objectives and among other things its search for dialogue between religions.

Having very briefly explained our foreign policy let us now deal with a very important component of this foreign policy – namely, the Mediterranean dimension. In this to deal with the following:

- The foundations of Morocco's Mediterranean policy,
- The Euro-Moroccan partnership,
- The Moroccan approach to this partnership,
- The convergence between Morocco and Greece in the Mediterranean.

D) The foundations of Morocco's Mediterranean policy

Since the beginning Morocco has chosen to be strongly linked to Europe. We have even used the phrase 'anchorage to Europe' in order to stress the seriousness of our foreign policy choice. Therefore one could say that our Euro-Mediterranean policy is both a strategic choice and a choice hand through history.

A) The Euro-Mediterranean policy as a strategic choice

As I mentioned before, Europe is our first and natural partner and the share of Europe in our foreign trade is increasing. For instance in 1981, 49% of our exports went to Europe and 41% of our imports came from Europe. The importance of Europe for us is such that at

one point we even requested to become a member of the European Union. Of course, we knew when we made the request, that being geographically in Africa we could not become a full member of the E.U. However, our request was made just to stress the importance we attach to our relations with Europe.

Our choice for anchorage with Europe has been made very early, and one has to remember that in the fifties and the sixties when we were promoting this policy it was the Cold War era, and most of the countries would rather side either with the USSR or with the U.S.A., and the choice of Europe as a partner was seldom made by countries.

Moreover, this choice was not only a major political decision, but it was sustained by a strong political and economic basis.

One has to remember that at that time most of the countries of the developing world has a one party system. In Morocco since the beginning we have chosen to have a multiparty system. Our Constitution even prohibits the one party system. We have a free press with more than 450 newspapers and magazines. Since the beginning we always had all the spectrum of political parties from the community party to very conservative parties on the right.

In the economic field also while many countries were believing in state enterprises and promoting the public sector, we have always believed in the market economy and have been promoting the private sector. As a matter of fact, Morocco has been an uninterrupted market-oriented economy since the middle ages.

All those orientations both in the political field and the economic field have served as a basis for rapprochement with Europe and have made it more credible for us to request in our foreign policy our anchorage with Europe. This process to be true also if one considers our recent history.

B) The Euro-Mediterranean policy as a historic choice

After the signing of the Rome treaty in 1957, Morocco and EEC (which was 6 member states), started their preliminary contacts and negotiations, and were finalized in 1969 through the conclusion of an association agreement, which was a purely commercial agreement.

A second agreement called "Agreement of cooperation" was signed in 1976 and was a more comprehensive text, because it included the trade, economic, financial and social aspects and this was also a preferential trade agreement with many and important tariff reduction with out reciprocity.

Later on with the accession of Greece, Spain and Portugal to the EEC, Morocco had to sign an adaptation protocol. This was linked also with the signing of a fishing agreement, which was important for Spain.

New development in world affairs and specially in Europe, namely within the former Eastern European countries have led Morocco to requesting 1989, to have a new

framework of cooperation with Europe b instituting a real partnership.

It is only in February 1992 that the European commission replied to Morocco with new proposals for a partnership with 4 pillars:

- Political dialogue,
- Financial cooperation,
- Economic partnership, and
- Creation of a free trade area.

It was during the European Summit in Lisbon, Portugal, in June 1992 that this new approach was adopted by the European leaders who gave their approval for a new agreement with Morocco and to the progress he has made in the political and economic field.

In the framework of this mandate the new agreement was reached with Morocco in 1995 just a few days before the holding of he Barcelona Conference in February 1996.

II) The Euro-Mediterranean partnership

The Euro-Moroccan partnership has two sides:

- One is the partnership agreement signed with Europe in February 1996, and
- The other is the Barcelona process.

It goes without saying that the agreement signed with Morocco is only one part of the wider picture, which is the Barcelona process. Therefore, one cannot speak about one without talking about the other, the two being inter-linked.

The Barcelona Process and the agreement signed between Morocco and the European Union have as you all know, 4 aspects.

A) Political dialogue

This includes on the bilateral side, a political dialogue between Morocco and the E.U. The basis of this dialogue is partnership, which is the key word, which means a balanced relationship for both sides.

On the multilateral side, the political dialogue includes all the 15 members of the E.U. and the 12 Mediterranean countries. Dialogue includes all sorts of subjects including security. In this regard, two observations have to be made:

- 1) During the Barcelona Conference and during the preparatory meetings that preceded in Barcelona, several countries of the South Mediterranean had reservations regarding in particular human rights, and they insisted that every country has its own conception on this matter. As far as Morocco is concerned, we have no difficulties on this question and we accept the definition of human rights as accepted internationally. As a matter of fact, we even have included in our Constitution a new article saying that Morocco will respect human rights as recognized internationally.

- 2) The second observation to be made is that during the Stuttgart meeting which was held in April 1999. The ministers of the 15 and 12 have agreed on some basic principles regarding a draft charter for security and stability in the Mediterranean. They also agreed to send back this draft to a meeting of new experts in order to finalize the text.

B) Creation of a free trade area:

In Barcelona it was agreed that for the whole Mediterranean this F.T.A. should be created around the year 2010. As far as Morocco is concerned, the agreement we signed with the E.U. stipulates the 12 years after the entry into force of our agreement with Europe, the F.T.A. should be achieved. It should be noted that since the entry into force of the agreement took place only in 1999, the target date is 2011.

During this transitional period, Morocco will lift all tariff barriers for European industrial products entering Morocco. As far as Moroccan industrial products are concerned, they have entered the European markets freely since 1976.

It should be noted that this agreement has no time limit, but it could be reviewed when it is necessary to do so.

C) Economic and financial cooperation

The purpose of this cooperation, which is made through the famous program known as MEDA, is to help the Moroccan economy in two aspects:

- 1) To accomplish economic reforms necessary in order to modernize the Moroccan economy, and
- 2) To help the restructuring of the Moroccan economy in order to face the European competition.

D) Cultural and Social Cooperation

The purpose is to further enhance cultural exchanges and exchanges through what is now known as being civil societies, i.e. NGO, press and so on.

It should be noted that since Barcelona, several meetings took place both on a sector-by-sector basis (for instance, Ministers of Culture, Ministers of Industry and so on...), and also through general meeting of the whole. In particular, two conferences should be mentioned: the one which took place in 1997 in Malta and the one which took place in 1999 in Stuttgart. These two conferences having to review the progress made since Barcelona were called Barcelona II and III.

Having said this, one should note that Morocco has its own opinion on this process.

III) The Moroccan approach to the Euro-Mediterranean partnership

The Moroccan approach has many aspects and sometimes it is very technical. For instance, since we produce certain types of flowers, one has to make very specific definitions to make sure that our quota in this respect include, in fact, the right kind of

flowers that we do produce in Morocco.

Besides this remark, I will concentrate only on a few observations:

1) The first one is that in general, Morocco criticizes the contents and the pace of the Barcelona process.

We consider that many promises were made and that they have not been fully met. More specifically, the principles that were agreed upon in Barcelona are great, but there is not enough financial supports to put them into effect.

MEDA procedure in particular is very complicated and restrictive and it hinders and delays the realization of projects. At the same time, the world economic situation is moving rapidly and one has to cope quickly with new developments and new technologies.

2) The second observation relates to agricultural products. It is in this sector that we have a favorable competitive advantage and where we can compete favorably with European products. But the F.T.A. doesn't include the agricultural sector, and only a few agricultural products from Morocco are admitted in the E.U. (tomatoes, potatoes, flowers and so on...). However, their admission is limited in two ways: first, we have only a limited quota for these limited products and second, the E.U. limits our access through its price policy.

3) As far as industry is concerned two observations should be made: the first one is the study of the three thirds.

According to a study made regarding the impact of our agreement with the E.U. on our industry only one third of our industry can face the European competition, the second third could face the European competition only if it goes through a very severe industrial restructuring and finally the last third of our industry will have to disappear because it is no longer competitive. This reality is very painful on the Social front.

This is why we request Europe to substantially increase MEDA funds and to speed up and simplify procedure for funds delivery.

The other observation to be made in this regard is that even in industrial sectors in which we are very competitive like textiles, Europe is still protecting its obsolete industry for obvious social reasons, we request Europe to let free market rules play fully and freely in this regard.

4) Finally regarding the social and cultural aspects of our F.T.A., one can observe that Europe has adopted a very restrictive policy through its visa policy for the free circulation of people. One should observe that in our world today any industrial product from the South Mediterranean can enter freely any European market. But this is not the case for people and this is a basic human rights requirement.

Having said this, one should make a very positive remark which is that in many areas the Moroccans' and the Greeks' approach to Europe are very similar.

IV) The convergence between Morocco and the Hellenic Republic in the Mediterranean

As you all know the Hellenic Republic and the Arab world have enjoyed very good relations throughout history. And as far as Morocco is concerned and without having to go back to 1180, which was the date on which the first Greek ambassador came to Morocco, one has to observe that our two countries hold similar views and have common interests regarding the Mediterranean.

As far as we are concerned we consider that Greece, the most ancient civilization in the Mediterranean is also the country most aware of the specificities of the Mediterranean within the E.U. and the European policy and by playing this role as a bridge between North and South, Greece is not only promoting its own interests in Brussels as a Mediterranean country but is also gaining further the friendship of the South Mediterranean which is a good tool for its foreign policy.

The specificity of the Mediterranean and of Greece as one of the prominent spokes country in this regard is possible in several fields in agriculture, industry, and so on...but also in the general approach of Europe to the Mediterranean.

In conclusion,: one can only refer to the inevitable globalization of the world and what will be the role and the importance of the Mediterranean in this regard. Of course in the past the Mediterranean has been the cradle of many brilliant civilizations and the birthplace of many religions which extended their influence all over the world. As far as the future is concerned, it will be shaped through our actions now, and both the future of Europe and of the southern shore of the Mediterranean lies only through stronger links between the two and through the reinforcement of our relations in all field political, economic and social.

Taking into account that the world is moving quickly and that other regions are speeding the pace of their integration, we have to follow suit or even outpace them. Otherwise we will not be the source and inspiration of the civilization of the future but merely its consequence and its copy.

Thank you.

HE Mr. Youssef Ben Haha, Ambassador of Tunisia to Greece

*“ EURO-MEDITERRANEAN PARTNERSHIP:
IMPLEMENTATION AND PROSPECTS “*

A view from Tunisia

I would, initially, like to thank, the Institute of Democracy CONSTANTINOS

CARAMANLIS and the Hellenic Foundation of European and Foreign Policy (ELIAMEP) for the chance that they offer to me to contribute, within this prestigious organisation, with a dialogue to which, without making any complement, Greece has a great contribution and continues to offer an effective share .

In a world, where humanity prepares to celebrate its input in the third millenium, there is need to point out the role of the Mediterranean in the rise of civilizations, which marked out history.

Crossroads of exchanges and communications, area of confrontation and of solidarity, source of cultures and civilizations, cradle of the three large monotheist religions: Judaism, Christianity and Islam, the Mediterranean was always in the heart of the large events, which marked with their prints our past and our future.

Today, like yesterday, in spite of the contrast between the two shores even among the countries and the multitude of sources of tensions, which are included in the border of this sea and at the moment when the new international economic order, in gestation, seeks for support, the Mediterranean, which had never been out of the big international changes, is present again as a zone of co-operation with feature of union among the peoples of its shores, the history, the geography and the tradition and for ambition the formation of a politico-economic pole, capable to face the challenge of a galloping globalisation.

At least, this is the message that the participants in the historical meeting of Barcelona of 1995 wanted to pass and which we can translate in this way « to transform, with the help of relations of equal partnership, the Mediterranean in a lake » of peace and a zone of prosperity, stability and security.

I . FUNDAMENTAL CHANGES

1. The stages

- Five years after the Treaty of Rome, referring to an appendix of the Treaty, Tunisia and Morocco required (1963) from E.E.C., the conclusion of connection agreements, with the prospect of creating a Free Trade Zone.

- In 1969, purely commercial agreements, with certain advantages concerning the industrial sector, were concluded with the above mentioned countries.

- In 1976, the Mediterranean policy of the EEC was materialized by the signature, according to the above mentioned diagram, of the Mediterranean agreements.

With unlimited duration and a spirit of willingness for a mutually beneficial co-operation between the European Community and the Southern Shore of the Mediterranean,

the agreements cannot resist, on the one hand, to the erosion of the Generalised System of Preferences (SGP) and on the other hand to the importance of the E.C. extension to the South.

Thus, the idea of a partnership between Europe and North Africa (Maghreb) will be born, since the very start of the decade of 90s, as a result of the dialogue 12+5, among the 12 countries of the European Union and the 5 of Maghreb (N. Africa).

- The acceleration of the events, which emerged at the end of the Cold War period, will urge Europe to install a renovated Mediterranean policy inspired by the Euro- N. African, partnership in two dimensions. A bilateral dimension, which will be realised with the help of connection agreements of a new type and a regional dimension based on the declaration of Barcelona of 1995. Being complementary, the two instruments will form the framework of a single and global approach of all the problems of the Mediterranean.

2. The factors which have supported these changes:

a. At the European level:

- A fundamental data, namely, the different level of development of the two shores of the Mediterranean. This imbalance, which tends to worsen according to European analysts can constitute an additional source of tensions.

- This aggravation would be the result of the pressure of migratory currents, which will be encouraged by a galloping demographic evolution, in the majority of the countries of the South.

- The third motivation is related to the implications of the globalisation of the economy, above all, the one that is relative to the regional groupings of countries in Regional Economic Zones (ZER). European Union, as well as United States and Japan, has the ambition to constitute a regional pole.

In this spirit, being extended, at the same time, towards the East, the EU chose the policy of economic integration of its neighbours of the South, and this movement, within the framework of a free trade zone.

- This integration of the countries of the South finds its justification in the natural space that the Mediterranean constitutes for the European trade, as well as in the natural and human resources, which the European economy needs.

- At the end, the last motivation is of internal nature. It is dictated by the necessary balance between the two immediate vicinities of the European Union.

b. At the level of the countries of South Mediterranean :

More specifically :

- At the era of globalisation of the economy; to integrate the countries of this area into an economic pole, capable to respond to their preoccupations, avoiding in this way the risk of a marginalisation.

- To benefit from the European assistance and support in order to complete the necessary reforms for their development and to be able to face the international competitiveness.

- To benefit from the effects induced by their association with the European Union, as well in the domain of trade as in the sector of investments.

- To participate, actively, in the construction of peace, that the area needs with the plenitude of organisations, which have invested in this process.

It is, also, particularly necessary to mention that the declaration of November the 28th, 1995, of Barcelona, is the fruit of the « conjunction » of mutual interests.

Allow - me, here, to make a digression in order to tell you that, concerning Tunisia, it is by no means accidental that we were the first to sign in July 1995 a connection agreement with the European Union, which came into effect on May the 1st, 1998. Already in June 1993, before the European Parliament President Zine El Abidine BEN ALI, recalling the past and foreseeing the future, appealed for a contract of solidarity and progress between Europe and the countries of the South Mediterranean.

II. THE CONTRIBUTION OF EUROMEDITERANEAN PARTNERSHIP

Either it is about bilateral agreements or it has to do with the declaration of Barcelona, we attempt the same approach to achieve the same goals.

The new architecture is based on three pillars:

- political dialogue and security
- economic and financial co-operation
- cultural and social co-operation

1. Political dialogue and security.

This issue refers, especially, to the fundamental principles of peaceful coexistence, to the determination of the parts to fight against the new phenomena and the crimes across frontiers, which threaten the stability of the area.

The hesitations, which have marked the beginning of this dialogue and the incomprehension concerning certain questions, which were considered to be important by

one or the other side, resulted in enabling a consensus for the development of a project of the Euromediterranean Charter of peace and stability based on article V of the Treaty of Maastricht.

This project should have 4 axes :

- provision of a mechanism of peaceful conflicts' resolution
- establishment of measures of confidence.
- fighting against terrorism and the organised crime.
- respect for the principles of democracy and of humans rights, namely, the domain, which was reserved for the preventive diplomacy.

2. Economic and financial co-operation

This one turns around the establishment of a Free Trade Zone and of accompanying measures of financial and economic nature necessary to the recovery of the economies of the countries of the South.

A) The Free Trade Zone

- the establishment of the Free Trade Zone will be done gradually over a 12 years period starting from the date that the connection agreement will come into effect.
- this regime relates to the industrial products , the agricultural - alimentary products and the right of establishment and the providing of services. Concerning agricultural products, they are ruled by particular protocols, which have effect until 2000. Thereafter a reexamination of the agricultural sector, in general, will take place.

B) Accompanying measures .

The goal of these measures is to support the action of the associated country in order to ensure the necessary reforms and the development of the structures of production.

- financial co-operation includes has two forms, the first one that is granted in the form of donations, within the framework of the program MEDA and the other one in the form of loans from the European Bank of Investments.

Allow-me to mention, here, the lack of proportionality between the sum of money allocated to the bilateral co-operation - 90 % - and that for regional co-operation - 10 % - .

- economic co-operation turns around a macro-economic dialogue, the realisation of joint actions, the technical, administrative and regulatory aid.

The fundamental fields are those of education and professional training, of scientific and

technical co-operation, the environment, the evaluation of conformity, as well as the promotion of investments.

3. Cultural, social and human co-operation.

In contrast with the other domains, in the case of cultural co-operation a certain development takes place at a regional level and embraces all the fields of the exchanges likely to support a dialogue concerning civilization, which will be based on knowledge and mutual comprehension.

Concerning social co-operation, a sector where the bilateral co-operation still excels, its examination is sent for study by association councils.

For the time being, Europe excludes freedom of movement of individuals between two shores and supports, decentralising them, the exchanges among civil societies.

III. PERSPECTIVES

Worked out in an economic situation of globalisation, putting face to face two communities with unequal levels of development, the Euro-Mediterranean partnership is synonymous with challenges for the partners of South and it renders necessary particular efforts in order to succeed in integrating in a free trade zone, economies, hitherto, under protection. Without the comprehension and the support of the European partners, all the efforts would be vain and the sacrifices useless.

Before approaching the prospects on the level of the various issues, it is important to recall that slowness for the signature and the ratification of the connection agreements could slow down the impulse, which has presided the choices of willingness of the peoples of the south shores. This slowness is also noted on the level of implementation of certain agreements, which have come into effect.

1. Concerning the first question, meaning that of political dialogue and security, we note a positive evolution towards the globality of the concept of security.

This concept is not limited, any more, to her military aspects and includes, from now on, at the same time, the different levels of development, the problems of international terrorism and of criminality across frontiers, as well as the problems of environment. Thus, security becomes a political concept. The problems that dominate the area of the Mediterranean, which were mentioned above, should not move us away from a reality made tangible by the evolution of the relationship among the states around the Mediterranean basin. During this transitional period that followed the end of the Cold War period, we passed from the concept of defense, which dominated during the Cold War period, to that of security and stability, with the project of a Charter of stability at the horizon. That means that the prospects are serious and promising.

2. The economic and financial question.

Opening their markets to free - exchange, the countries of the South will be double taxed. On the one hand, stopping protecting their economies, they will record a loss of earnings, because of the abolition of custom duties , on the level of the budget revenue. On the other hand, they will be obliged to adapt their production to the requirements of free - exchange if they want to be competitive. Something that demands programmes of reorganisation of the industrial domain, almost totally, including the infrastructures. Thus, the consequences will be of two types:

- the first one has to do with financial problems due, on the one hand, to the loss of earnings, as a result of the abolition of protectionism, on the other hand to the investments, which are necessary for the recovery of the economic sector.

- the second one has to do with the social problems and in particular with the consequences concerning the policies of employment and the revisions of the policies of formation of the labour potentiality.

These consequences will be added to the cash shortage that a good number of countries of the South face, because of the weight of the external debt, which often results in negative transfers. This situation is likely to be complicated if adequate solutions are not found concerning exports of the agricultural products of countries of the South. Certainly, the transitory agreements were signed with countries, whose connection agreements came into effect, transferring for later the negotiations concerning this question.

But when we know that the main part of exports of the countries of the South has to do with raw materials and agricultural products, it is to be feared that the opening to the East of the EU and the projects of free exchange zone with the countries of Mercosour, South Africa, Mexico, the Baltic States, Russia and the Ukraine will influence the future negotiations negatively. For all these reasons, the EU is requested to invest more in this affair :

- Reexamining, for a better adoption, mechanisms of compensations, able to realise a fast recovery of the Third World Countries

- Equipping the program MEDA with an instrument of work and co-ordination, able to meet the needs for co-operation, such as a Bank of Development for the Mediterranean.

- Supporting with the help of attractive measures the investments in the Third World Countries, helping them to be able to respond to the new requirements of the capital

- Working out a project of legal framework able to encourage the investments in the Third World Countries and likely to constitute an additional guarantee for the investors.

- Supporting the horizontal co-operation by the support and the assistance for the creation of the free trade zones among the countries of the South.

By doing this, Europe would have contributed effectively and in a durable way to the improvement of the economic and social situation in the Mediterranean.

Necessary precondition for the establishment of security and stability in this area, where it has the ambition to create, just like United States and Japan in their respective areas, a powerful regional pole.

CONCLUSION

Without underestimating the capacities of the countries of the South to face these challenges, we have to note that this issue is not easy and that it demands co-ordinated efforts in relation to the goals of the Euro-Mediterranean Partnership.

Indeed, accompanying measures provided by the agreements, in particular on the level of the program MEDA, are inferior to the sacrifices that the countries of the South have to do, and far from the fact that the first experiences have shown a certain slowness and complexity in the procedures of the granting of the assistance of the EU. It is necessary to give time to time, would say some. As the machine is not yet well oiled, one counts on the expressed wills for overcoming these problems.

This opinion is not common to all the countries of the South, which fear immediate losses, as their profits are transferred for later.

The response to these apprehensions and these challenges passes through a global and complete approach of the Mediterranean dialogue, which will seal a solidarity for a common future around this Sea that we want: lake of peace, stability and co-operation.

HE Mr. Ali Tuygan, Ambassador of Turkey to Greece

*“DEVELOPMENTS ON THE EURO-MEDITERRANEAN
RELATIONS: PROSPECTS AND PROBLEMS”*

A view from Turkey

It is a privilege for me to be one of the guest speakers addressing the question of Euro-Mediterranean relations from a national perspective. I thank the Hellenic Foundation for European and Foreign Policy (ELIAMEP), Constantinos Karamanlis from the Institute for Democracy, and the University of Athens' Division of International and European Studies for this opportunity.

I would like to start by giving you a broad picture of Turkish Foreign Policy, and the challenges facing Turkey today. I believe that this will provide the appropriate background for a meaningful discussion of the Euro-Mediterranean issues. As for any other country, Turkey's foreign policy objectives are directed by the country's realities which are defined by its history, geography, national interests, international obligations and commitments, and the general climate and trends in both regional and international affairs.

A country's geography is not subject to change nor can a nation dissociate itself from its history. A country's past plays a crucial role in shaping its future. Similarly, a country's geographic location is obviously an important component in determining its options. A particular geography can offer a country certain advantages and place new opportunities before it as well as major challenges and risks. Turkey, in this respect, is undeniably unique by any standard. While firmly anchored in the West in terms of historical, political, economic, and geographic affiliation, it is also linked to the East by its past and culture.

Its unique geographic location simultaneously ascribes Turkey a multitude of associations. It is at once a European, Balkan, Caucasian, Middle Eastern, Mediterranean, and Black Sea coastal state. This geography has become more important and challenging in the post-cold war era since it currently consists of the world's most sensitive regions, engulfed in conflicts, undergoing major transformations and in the process of social and economic transition, as well as presenting great opportunities. Indeed, since 1989, extraordinary developments have radically altered the politico-military environment in the world. A far more complex set of international relations has emerged as a result. The international community and its organizations had to review their objectives and to adapt their structures.

Turkey has found a new frame of reference for its foreign policy. It felt the repercussions of the dynamics set in motion in the post-cold war era more vigorously than others. Its foreign policy considerations almost instantly broadened in scope. It found its cultural, linguistic and historical ties revived in the vast landmass of Eur-Asia. It had to direct its attention simultaneously to several fronts, ranging from the process of European integration to the Caucasus and central Asia, from tragedies in the Balkans to dramatic events in the Persian Gulf and Middle East.

Turkey assumed a pivotal role during and after the Gulf crisis and war. It helped, to

the farthest possible extent, to bring the hostilities in Bosnia and Herzegovina to an end. It tried very hard, as a member of the OSCE/Minsk group, to find a just and peaceful settlement to the Azeri-Armenian conflict over Nagorno-Karabakh. It strongly supported the Middle East peace process. It participated in a wide range of United Nations and international operations from Somalia to Bosnia and Herzegovina, from Albania to Georgia and Hebron. It helped the new republics in central Asia and Azerbaijan to stand firmly on their own feet by consolidating their independence, realize their economic and social development and fully integrate with the international community. It assumed a leading role in promoting economic cooperation among regional countries. The Black Sea Economic Cooperation is one such venture and one of Turkey's significant contributions to regional cooperation.

On the economic front, Turkey, with its vast potential, aspires to reach the level of welfare of the Western world. The Turkish economy is one of the fastest growing among the OECD countries. Between 1950-1994 the average growth rate was around 5.4%. Today Turkey is the 17th largest economy in the world based on purchasing power parities. Its volume of trade reached 65 and 74 billion U.S. Dollars in 1996 and 1997 respectively. Once only a recipient of aid and credits, today Turkey is a donor country. Yet, the Turkish economy faces a long-standing high inflation problem. Income distribution needs to be addressed. New investments in the energy sector are needed, and environmental projects require more funding.

To successfully face the multitude of challenges confronting her, Turkey needs a stable environment. Yet, the fact remains that Turkey finds itself in the middle of many important conflicts that donate the world agenda. The situation evolving around Iraq is far from stable. Turkey played a very important role in the international coalition to reverse the aggression against Kuwait. Yet, inability to bring a lasting solution to the second phase of this problem hurts us deeply. The momentous steps taken towards peace in the Middle East had created high hopes for the future. Yet, today, the Middle East peace process is going through a period of stagnation full of dangers. In the Caucasus, the dispute between Azerbaijan and Armenia continues to stand as a major obstacle to regional peace, stability and cooperation, notwithstanding other regional problems.

I need not dwell at length on the situation in the Balkans since this is very well known to this audience. Turkey continues to advocate strong ties of friendship and cooperation between the Balkan countries in a way that would include all and work against none. You may wish to know how all of this affects us.

The Gulf War and the continuing sanctions against Iraq have cost Turkey 35-40 billion U.S. Dollars in calculable economic losses. The Middle East dispute limits Turkey's ability to enhance mutually beneficial relations in the area. The instability in the Caucasus adversely affects our economic cooperation and trade with regional countries. Furthermore, it raises great difficulties from Turkey's trade with central Asian republics. The situation in the Former Yugoslavia hurts us because the shortest links between Turkey and Europe for trade, communication and the free flow of people go through the Balkans. The turmoil of the recent years has been costly.

I would like to underline here that while being affected in a very substantial way by all these disputes, Turkey is not party to any one of them. This is something of fundamental importance to bear in mind when looking at Turkey as a neighbor.

Perhaps this was a long introduction to Turkey's stand on the Euro-Mediterranean partnership. I thought it was necessary because I wanted to show you in unmistakable terms that Turkey stands for regional peace and cooperation since this serves Turkish national interests – which are greater prosperity, greater stability and greater security. The Euro-Mediterranean partnership is the product of a number of political, economic, social and institutional developments that have taken place over a long period. These developments have not necessarily been linked in a direct fashion, yet they all have contributed to the shaping of the partnership in different ways. However, I find it useful to mention a few so as to emphasize the more relevant aspects of this evolution.

Firstly, the European security framework has changed. This is true not only for the threat assessment by the West, but also for the new frontiers of Europe as well as the new frontiers of security. Today the paramount concern is no longer the Soviet threat, but rather ethnic violence, terrorism, organized crime, migratory pressures and proliferation of weapons of mass destruction.

The second important development that has made an impact on Euro-Mediterranean relations is the institutional evolution and the expansion of the E.U. In 1970 the European political cooperation was launched and by 1981 Greece and by 1986 Spain and Portugal joined the community. This southward expansion has been an important element in the shaping of European approach to the Mediterranean since it created greater common ground between the southern members.

Thirdly, the economic difficulties encountered by the Mediterranean countries, the growing economic disparity between the haves and the have-nots, and the migratory pressures thus created have convinced the Europeans of the need to come up with an effective program to remedy the situation.

Lastly, I would like to mention the natural tendency of the EU to expand its power and influence as a trading bloc over an area particularly important for oil supplies. Thus, the Barcelona Declaration was adopted in November 1995. The process launched in Barcelona outlined three tasks:

- Definition of a common area of peace and stability through a reinforcement of political dialogue and security,
- creation of a zone of shared prosperity through:
 - the progressive establishment of a free-trade area,
 - the implementation of appropriate economic cooperation and concerted action in the relevant areas,
 - a substantial increase in the EU's financial assistance to its partners,
- and a rapprochement between people through a social, cultural and human partnership aimed at encouraging understanding between cultures and exchanges between civil societies.

Turkey attended the Barcelona meeting and signed the Declaration, and thus is a partner in

the process.

The results so far achieved under this process are not striking. In the first basket regarding political and security dialogue, the meetings of senior officials have failed to produce tangible results. These officials have been discussing questions such as preventive diplomacy, good neighborliness, stability, confidence and security building as well as arms control and disarmament. It is clear to everybody that the difficulties encountered in the Middle East peace process have a negative impact on the work undertaken. Under this heading I should also mention the Turkish-Greek differences and the question of Cyprus without going into details. These no doubt also constitute obstacles to greater stability in the Eastern Mediterranean. Has the Euro-Mediterranean process had any positive impact on these problems? Hardly any.

In a way, all of this is understandable. The Euro-Mediterranean process was not designed as a forum for resolving long-standing questions. It was designed to help create a favorable environment to achieve that end. There remains much to be done in the direction. This will have to be a realistic process recognizing the existence of major disputes, the existence of different for dealing with these disputes and the existence of different parameters in terms of the interests and the countries involved.

As regards the third basket, namely, "Partnership in Social and Human Affairs," again progress here has been held by differences of view on the questions of human rights, immigration, terrorism and other issues falling under this heading. From the Turkish point of view, the basket which lends itself better than any other to effective cooperation, given political will of course, is the third one, which regards economic and financial partnership.

To achieve the targets set under this heading, the EU has agreed to allocate 4.6 billion ECUs over a four-year period. This represents roughly half of what has been allocated to the Central and Eastern European countries for the same period (1995-1999). The populations involved for these two groups of countries are 230 and 96 million respectively. We know for a fact that the Mediterranean countries expect a lot more from the EU in this respect. This is important because the establishment of a free-trade area in the year 2010 without adequate improvement in the economies of some partner countries may create results contradicting the aims of the Barcelona Declaration.

Having put the emphasis on the economic basket of the Euro-Mediterranean partnership, I should highlight an important problem between Turkey and the European Union regarding the financial assistance to be provided to Turkey as a result of the Customs Union, since this commitment by the European Union also covers the MEDA funds. The Customs Union had foreseen in 1995 a "Financial Cooperation Package" for Turkey in order to reduce the impact of the country's opening to European Union competition. Within this package the European Union had committed to Turkey, over a period of 5 years starting from 1996, financial assistance in the amount of 2.2 billion ECUs. This package included the following:

- EU budget (1996-1999): a grant of 375 million ECUs.
- Revised Mediterranean policy (1992-1996): 300-400 million ECUs.
- European Investment Bank (1996-2000): 750 million ECUs.

- MEDA funds (1995-1999): 750 million ECUs were foreseen. This was later reduced to 300-400 million.
- Macro-economic assistance: in case Turkey experienced acute balance of payment difficulties, 300 million ECUs.
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Out of these five undertakings by the EU, two have not been carried out because of the Greek veto. These are the funds from the European Union budget and the European Investment Bank credits. 339.5 million allocated under the revised Mediterranean policy have been used during the 1992-1996 period. Turkey has not sought recourse to macro-economic assistance.

As for MEDA funds, here too political considerations have come into play and the European Parliament has asked the Commission to freeze the allocation of MEDA funds to Turkey until certain political conditions were met. It should be emphasized that during the last four years covered by this program, Turkey has only received a total of 12 million Euro. This is a disappointment for Turkey, especially due to the trade figures pertaining to trade between the EU and non-member Mediterranean countries.

In 1998, the EU's imports from the non-member Mediterranean countries were close to 32 billion Euro, while exports reached 50 billion Euro. The EU's imports and exports to and from Turkey were roughly 11.3 and 18.9 billion Euro respectively. In other words, Turkey's trade with the EU constituted 31.7% for imports and 33.6% for exports of the EU's trade with non-member Mediterranean countries. The foreign trade gap favoring the EU before Customs Union was half the present amount of 7.52 billion Euro (1998). In other words, the EU member states have benefited from the Customs Union, but have failed to fulfill their commitments. This is a bad sign for the future of the Euro-Mediterranean's second basket, since it will have an impact on how other non-EU Mediterranean countries see the process.

In summary, the Euro-Mediterranean partnership has started with an ambitious agenda, but political realities have pulled the carpet out from under it. The process needs to take on a pragmatic and practicable form. Financial questions have to be resolved. While the allocation of MEDA funds may not represent a vital financial sum, it shows the willingness or lack of it on the part of the EU to carry forward its Mediterranean policy effectively.

Turkey will continue to support this process. However, I should underline that Turkey has a long-standing relationship with the EU emanating from its association agreement and the Customs Union, now in force for the last three years. In other words, Turkey has its own relationship with the EU. The Euro-Mediterranean partnership is not the vehicle but one of the many dimensions of a much broader relationship.