



**Madrid and Valencia:
Latin America and the Mediterranean
in the Spanish Presidency**
The Latin American and Mediterranean Agendas
Compared

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CONFERENCE

The Spanish Presidency of the European Union

Supported by the Real Instituto Elcano, UACES (University Association for Contemporary European Studies), EWC (Europe in the World Centre) and the Instituto Cervantes Foresight Centre, University of Liverpool, 12 October 2002

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I). Introduction

This study compares the two major events in External Relations that took place during the Spanish Presidency of the Council of the European Union; the Vth Euro-Mediterranean Conference (Valencia, 22-23 April) and the II European Union (EU) - Latin-American and Caribbean (LAC) Summit of Heads of State and Government (Madrid, 17-18 May). The influence of the Spanish Presidency in the developments and outcomes of these events will be assessed.

The main difficulty of this exercise derives from the fact that the two policies and events that will be compared are of a completely different nature; the EU-Mediterranean relations are part of a proximity policy, while this is not the case in the EU-LAC relations. The implications of this difference are of the utmost importance and justify that the policies and treatment granted to each region have nothing to do with each other.

As a starting point, the relevance of the Mediterranean and of Latin America for the EU as a whole and for Spain in particular needs to be discussed. A brief overview of the EU policies towards both regions will also be undertaken. To begin the analysis of the Spanish Presidency, the priorities of the Presidency in External Relations will be described, showing this the importance attached to the Mediterranean and Latin America (LA). This policy review and the outcome of the Madrid Summit and the Valencia Conference will show that the Mediterranean – benefiting from the proximity policy above mentioned- is as a result receiving more attention and financial resources from the EU than Latin America.

The Caribbean is also involved in the new regional approach for the region since the first Rio Summit of 1999, which was an EU-LAC Summit. But the Caribbean has its own historical and contractual ties with the EU: the Caribbean countries belong to the African, Caribbean and Pacific (ACP) group of developing countries, that are covered by the Lomé Agreements since 1975 and now by the Cotonou Agreement (2000). Therefore the Caribbean States are part of two regional policies: that of the ACPs and that of LA. But these countries are in fact “more ACPs” than part of LA in their relations with the EU; both the trade regime and the financial aid are established in the Cotonou agreement, where they also engage in political dialogue with the EU. In fact the new policy for the LAC region was mainly designed for LA. Therefore the fact that in discussing the origins and interests of the LAC policy the focus is placed in the LA ignoring sometimes the Caribbean region does not distort the results of the analysis.

II). The relevance of the Mediterranean and Latin America from a European and a Spanish perspective

A). The Mediterranean and Latin America for the European Union

As already mentioned above, the Mediterranean is receiving more European attention in terms of financial resources, commercial instruments and other kind of support than Latin America. Indeed, when comparing the aid figures of the last years the results are very clear: the EU spends €1 per capita per year in Latin America, and nearly €3 in the Mediterranean. Even if there are reasons that could explain this figure in terms of the different level of development, the difference in the GDP per capita of each region would justify the granting of 1.5 more to the Mediterranean than to Latin America, but not a different of 1 to 3¹.

To understand this different level of interest and attention several aspects have to be considered. The main explanation lies in the fact that the Mediterranean partners are the EU's neighbours, therefore the Mediterranean has a strategic importance in terms of security, stability and responsibility. The political, economic and social situation in the Mediterranean partners has very important repercussions in the EU, with migratory flows and commercial exchanges spreading the effects of any kind of crisis or unrest. The Mediterranean policy belongs to the so-called proximity

policies, in which the EU offers privileged relations with neighbours above others. Working towards the improvement of living conditions and stability in the European neighbourhood is essential; as stated by Commissioner Patten, "Europe can only progress within a stable environment both internally and externally. Stability is also a must for the non-EU Mediterranean Partners"ⁱⁱⁱ. This simple fact in itself justifies that the importance, the ambition and the resources directed at the Mediterranean are not matched by those for LAC relations, which have more of a trade taste. This does not mean that LAC – or at least some LAC countries and regions- are not a priority for the EU; but the relations between the EU and the Mediterranean and the EU-LAC are definitely of a different nature and geo-strategic importance.

At the same time, and from a historical perspective, these countries have been former colonies of several EU Member States, amongst them of two founders of the EU –then EEC -France and Italy, but also the UK and Spain; therefore there is a sense of moral responsibility towards the countries of this region. There are also important commercial interests in the area. These political considerations do not play such a significant role in relation to Latin America, where there are mainly commercial interests at stake and where the ex-colonial responsibility is confined to Spain and Portugal.

The fact that the Mediterranean is an EU priority has also been confirmed by the President of the European Commission Romano Prodi in November 2001, in a speech delivered at the College of Europe, Brugesⁱⁱⁱ. In the same vein, this interest is reflected by the adoption of an instrument for the Mediterranean that does not exist for Latin America; a **Common Strategy on the Mediterranean Region**, adopted in the Feira European Council of June 2000^{iv} under the Portuguese Presidency. Currently there are only three Common Strategies; that of the Mediterranean together with that of Ukraine and Russia^v. As a result of the adoption of this Common Strategy, each incoming presidency has a duty to present to the Council their priorities for implementation of the strategy and for the Council to annually evaluate and review the progress achieved under this text^{vi}. Together with an obligation to review the situation in the region, and that of the cooperation programme, it is a clear sign that the EU wishes to make of this relationship a priority and give new impetus to the process. It also allows for qualified majority voting in the actions taken in its development (art. 23(2) of the Treaty on the European Union) and brings an integrated approach to the matter on the EU side, since the objectives and aims established are to be pursued not only by the EU but also by Member States when they act bilaterally towards the countries of the region.

B). The Mediterranean and Latin America for Spain as a EU member

Spain has always been very committed to LA; it was with Spanish accession to the EC in 1986 that the importance of the EU relations with LA grew^{vii}. Developments in EU policy towards the region have always been related to Spain in one way or another; thus in her second Presidency (second semester of 1995) a Communication setting up the priorities for action with Latin America for the period 1995-2000 was adopted^{viii}. It was also a Spanish initiative to hold a EU-LAC Summit of Heads of State and Government^{ix}, supported by France. Spain also lobbied strongly to host the II EU-LAC Summit; if Summits are to take place every two years, as now seems to be the case, the natural timing for this Summit would have been 2001, under the Swedish or Belgian Presidency.

In regard to the Mediterranean Spain has also been a driving force, even if the foundations of the policy had already been laid when Spain joined the Community. In March 1992 Spain proposed the creation of a Euro-Maghreb free trade area. When these negotiations were unsuccessful and the extension of the initiative to the whole Mediterranean region was considered, Spain was charged with the preparation of a meeting bringing together all EU members and the Mediterranean countries. These are the origins of the Barcelona process. When the Barcelona Declaration was signed and the process commenced, Javier Solana was the President of the Council –as the Spanish Foreign Minister- and Manuel Marín represented the Commission. Spain played a main role in the origins and development of this new process, and needs to continue doing so; the question arises as to whether Spain could more fully exploit the EU's Mediterranean policy, as successfully as other member states^x.

Although Spain has always advocated the interests of both regions in the EU, it is difficult to determine to which of the regions Spain has devoted –and devotes- more energy in this EU context. On the one hand, Barcelona is of fundamental importance to Spain since it is the only forum it has for dialogue and cooperation with the Mediterranean countries. This is even more significant given the very difficult relations that Spain now has with its closest Mediterranean neighbours. With LA this is not the case since Spain can cooperate with the LA Heads of State and Government at the Ibero-American Summits, that since 1991, brings together Spain, Portugal and all the Latin American Heads of State. Following this line of reasoning Spain should be more willing to prioritise EU-Mediterranean relations than EU-LA ones. However we find that the interest in the Mediterranean is not exclusively Spanish; the Mediterranean is also a key priority for other important EU Member States^{xi} and for the Commission. The events of September 11th have also given greater relevance to EU relations with the Mediterranean region. Latin America is not such a priority for other Member States, even if countries such as Germany, France and Italy have very important commercial relations with the region. Therefore following this argument Spain would need to push harder for Latin America than for the Mediterranean. But there are other factors that come into consideration here; Spanish companies' investment in the countries of Latin America is very high. Thus the new EU-Mercosur agreement, for example, will probably be of limited relevance in increasing Spanish investments to the region. This is not the case with the Mediterranean markets; there is very little Spanish investment and relations with the Arab world are not currently at their best.

At the same time Spain has always considered itself the voice of LA in Europe and the promoter of the region's interests, the "bridge" between Europe and America, as the European country sharing language, cultural values and history. Spain also manages to be more important in the region through the channelling of EU funds; in fact Spain's own aid to LAC is not as substantial as would be expected from its economic (commercial relations and investments) and cultural interests^{xii}. Spain's bi-lateral aid comes after Germany and Holland in terms of Official Development aid (ODA), providing only 6% of the total ODA to the region (although this represents more than half of her external aid budget), while the EU considered as a whole provides more than 60% of the region's ODA (OECD/CAD).

Therefore Spain has good reasons to justify its interest in lobbying within the EU for the development of the two regions. And this is exactly what Spain has done during its third Presidency of the EU.

III). Priorities of the Spanish Presidency in the field of External Relations

Spain started its third Presidency of the EU in January 2002; the Presidency priorities were presented in Brussels on the 7th January 2002. Under the banner "More Europe" six main priorities were identified:

1. Combating terrorism in an area of freedom, security and justice.
2. Successful introduction of the euro.
3. Impetus to the Lisbon Process at the Barcelona European Council: a more prosperous, dynamic Europe at the service of its citizens.
4. European Union enlargement.
5. External relations: More Europe in the world.
6. Debate on the future of Europe.

Considerable importance is attached to the external relations and international dimension of the EU; in fact the Presidency itself states that "More Europe" means "first and foremost", the "desire to give Europe its rightful place and influence in international relations". Out of the six priorities highlighted at least three have an external relations dimension: combating terrorism (through international cooperation), enlargement and external relations in itself. This demonstrates the importance to the

EU of relations with the wider world in the current international panorama of an inter-linked globalised world.

In the External Relations chapter, Spain seeks “More Europe in the world”, and puts forward twelve sub-priorities. From a geographical perspective the priorities are transatlantic relations and the situation in Afghanistan, the Euro-Mediterranean Association and the Middle East, Latin America, Russia, Western Balkans, Asia and Sub-Saharan Africa. From a substantive point of view the emphasis lies with the European Security and Defence Policy, United Nations and Development Cooperation.

Obviously relations with the US, the situation in Afghanistan and Asia are issues that had to be addressed in the aftermath of the terrorist attacks of September 11th. Some of the other priorities are a continuation of the policies the EU is currently involved with in the international arena, as is the case with the Western Balkans - in the context of the Stabilisation and Association Process - or Sub-Saharan Africa, where the aim is to “impart continued impetus” to EU policies in the region. Significant emphasis is given to Russia, with the EU-Russia Summit taking place in May in Moscow, in the context of a “good-neighbour policy”, but it is the Euro-Mediterranean Association – and within it the Middle East process, even if stated as different priorities - and Latin America, that constitute the main priorities of the Presidency in this field. This is stated in the Programme itself; as in regard to the Mediterranean it states that “Spain is especially sensitive to the Mediterranean” and for Latin America that “The second European Union-Latin America-Caribbean Summit will receive the Spanish Presidency's particular attention...”.

The main priorities for each of the three baskets of the Euro-Mediterranean Partnership are described; in the political basket the emphasis will be combating terrorism; in the economic and financial, several initiatives to bolster commercial integration, with the new initiative of creating a Euro-Mediterranean Development Bank in line with the Laeken European Council Conclusions^{xiii}. In the social, cultural and human the aim will be the adoption of a Justice and Home Affairs (JHA) Programme and initiatives to encourage a “Dialogue of cultures and civilisations”. It is surprising that the 5th Euro-Mediterranean Ministerial Meeting taking place in March in Valencia is not mentioned in the programme. Since the situation in the region – due to the Middle East crisis - was so uncertain, perhaps this silence is explained by doubts as to whether Valencia would take place.

Concerning Latin America, the programme only states that the second EU-LAC Summit will “encourage the development of economic and political relations”. The goal of extending the framework of relations with the Andean Community and Central America, together with that of concluding negotiations with Chile and boosting those with Mercosur, are also mentioned.

IV). Two different policies for two different regions. The Barcelona Process and Rio at a glance. Main differences

A). The Euro-Mediterranean relations

The Barcelona Conference on the 27 and 28 November 1995 adopted the Barcelona Declaration and inaugurated the so-called Euro-Mediterranean Partnership (EMP) or Barcelona process. This process provides for a completely new and comprehensive approach to the region, establishing a new era in the Euro-Mediterranean relations. Together with the multilateral regional dimension the EMP also covers the bilateral aspects of the relationship, through bilateral Association Agreements concluded with each of the Mediterranean partners. The EMP deals with three main fields of cooperation: security and stability, economic and financial and cultural, social and human.

In the political field, the aim of this first aspect of the Barcelona Declaration is to create “an area of peace and stability in the Mediterranean”. To achieve that objective the parties have engaged in political dialogue, and they have committed themselves to acting in accordance to certain principles (partnership building measures).

The aim of the second “basket” of the partnership is the creation of an area of shared prosperity. For this purpose a Euro-Mediterranean free trade area (FTA) should be established by 2010. As intermediate steps to reach this goal bilateral FTAs, between each Mediterranean partner country and the EU, will be concluded in a transitional period of a maximum duration of twelve years after the coming into force of each Association Agreement (that establish all the technical details concerning the FTA). Coordination and cooperation measures would be set in motion, with institutional and financial assistance from the EU (i.e. MEDA programme to support the economic and social transition).

The third basket (the social, cultural and human) tries to encourage the better understanding of the societies through exchanges and support to the civil society and social development. Since the Barcelona Declaration was signed in 1995 there have been several ministerial meetings, contributing to the development of the relationship.

B). EU relations with Latin America

If we take the 90s as a starting point, third generation cooperation agreements were signed in that decade, bringing a substantial enhancement to the relationships; these agreements are politically ambitious, including a democratic clause, and also deal extensively with economic cooperation^{xiv}. After that Association Agreements were concluded with some countries of the region (Mexico, EU-Mexico Global Partnership Agreement, that came into force in October 2000; Chile initialled in June 2002) and another is on its way with Mercosur. All include the establishment of free trade areas (FTAs).

The EU has been very committed to the region in terms of political dialogue; since the 80s the EU has been involved in an institutionalised political dialogue with regional Latin American groupings. This has been the case with the Andean Community (the first Ministerial Meeting was held in May 1980), Central America (through the San José Dialogue, since 1984) and the Rio Group Dialogue (institutionalised in 1990 by the Rome Declaration as a regional dialogue process).

The Rio Group Dialogue has a special importance as a predecessor of the current region-to-region relations, as a seed leading to the Summit approach started in Rio in 1999. This group was created in 1986 by six Latin American countries for political consultation. Membership of this group has been expanding to now include all the Latin American countries and representatives from the Caribbean countries. Since 1987 the EU has held annual Ministerial Meetings with the Rio Group, institutionalised in the Rome Declaration of 1990.

In 1999 the EU and Latin America decided to start a regional relationship at Heads of State level; the European Union and the Latin American and Caribbean Heads of State and Government, together with the President of the European Commission, met for the first time in Rio de Janeiro on the 28th and 29th of June 1999. This Summit discussed how to strengthen the political, economic and cultural links between the two regions with the aim of creating a “strategic partnership”, identifying many priorities to be pursued in the Rio Action Plan and Joint Declaration^{xv}. These priorities were narrowed down to eleven in Tuusula, by the bi-regional group of high officials set up by the Rio Declaration. The institutionalisation of this process would depend on the outcome and implementation of the decisions taken in Rio^{xvi}.

The commercial regime granted to the countries of the region is very diverse; free trade is, or will be, the rule with Mexico, Chile and Mercosur. This will also probably be the case over a longer period with the Caribbean countries, which are ACP countries and therefore covered by the Cotonou Agreement, signed on 23 June 2000. The treatment for the Andean Community and Central American countries is different, since they benefit from the GSP Drugs since 1990 and 1991 respectively, a regime that gives countries committed to fighting drugs special concessions. In

December 2001 the GSP scheme was extended until 31 December 2004^{xvii}. The outcome of the Madrid Summit could modify this situation in the mid-term, as will be discussed below.

C). Main differences between both policies

Without being exhaustive, there are a few major differences between both policies.

First of all, there are differences in the geographical scope. The current Barcelona framework, even if it was to be completed with bilateral agreements, has a global scope; it covers the region as a whole in a coherent way. Barcelona provides a new regional approach to the policies in the region and an umbrella for all the bilateral relations. Regional integration in Latin America is much more developed than in the Mediterranean^{xviii}. As a consequence, for Latin America the emphasis has been placed on the bi-lateral and sub-regional negotiation of agreements and political dialogue. The Rio Summit and the Rio Dialogue came as a complement to the previously existing regional, subregional and bilateral discussion fora; it allows a region-to-region dialogue, but the main political, trade and cooperation relations are still to be tackled at bilateral or sub-regional level.

The regional approach that the EU-LAC Summits creates is more flexible than that with the Mediterranean where, so far, regional relations has meant all the countries of the two cooperating regions working together. For LAC relations this is not the case; as stated by the Assessment Report " Bi-regional activities in the framework of the EU-LAC Summit are understood to be those originating in one or various EU members states or in the European Commission or in one or various LAC countries or in one of their integration organisations involving the participation of various countries (more than one country) of both regions"^{xix}. The Mediterranean policy could learn this from the LAC one; maybe more progress would be made in the framework of the Barcelona process if in some areas countries willing to go further are allowed to do so without having to wait for the whole group.

This difference of geographical scope (global vs. bilateral or sub-regional) in the policies is also reflected in the commercial chapter. Barcelona calls for an overall Euro-Mediterranean FTA to be established by 2010, but for Latin America, there is no common commercial regime for the region, nor is one likely to be established in the near future. It is remarkable that the approach being taken by the EU in the Mediterranean, its neighbourhood, is reflected in the actions of the US in its neighbourhood, Latin America. After the conclusion of the North American Free Trade Association (NAFTA) negotiations leading to a pan-American free trade area are currently underway - the Initiative for the Americas, which should be completed by 2005.

As for the contents of the policies, Barcelona created something more ambitious and comprehensive than what the Rio approach brought to the EU-LAC policy. In fact if we consider the structure of the Mediterranean Association Agreements they do not differ very much from that of the Europe Agreements concluded with the candidate countries, which emphasises the degree of commitment to this region. Although of course in the Europe Agreements there are provisions dealing with the approximation of laws and the gradual accomplishment of all the single market freedoms. The topics that are discussed in the Barcelona process are much wider and more detailed than those in the Rio Summit approach. In Barcelona there are technical discussions, for example, on rules of origin, competition, public procurement. Rio and the relations with the LAC countries in the bilateral and regional fora, have a more general and trade related character. There is an emphasis on stressing the common political values and an emphasise upon human rights, democracy and the rule of law. Nevertheless this is starting to change as the region engages in Association Agreements with the EU.

The most difficult chapter in the relationship with the Mediterranean is the political chapter; the Middle East conflict makes dialogue difficult and very sensitive and the cooperation in security measures nearly impossible, threatening sometimes even the continuity of the Euro-Mediterranean Partnership. The project of a Charter for Peace and Stability, that would institutionalise political dialogue and contribute to the stability of the region, has been under discussion since 1999, when

the main guidelines were drafted at the Stuttgart Euro-Mediterranean Foreign Ministers meeting. The guidelines mention five instruments: a) enhanced political dialogue, b) partnership building measures, c) measures to improve good-neighbourly relations and regional cooperation, d) preventive diplomacy, crisis management and rehabilitation post-conflict, and e) joint action modalities.

However this proposal has not progressed. Despite this, political dialogue as a result of Barcelona has been institutionalised and takes place regularly; it is the first time that the 27 partners can discuss issues such as democracy, governance or human rights. This is a fundamental achievement of Barcelona, bringing together the parties in one of the worst conflicts of our times. At the same time it is the Middle East conflict that explains why Barcelona is considered to be at a stand-still at the political level.

In regard to Latin America, a shared world view and cultural values have made it easier to develop political relations. When taking the region as a whole (LAC) it is the political dimension of the relations that has experienced the highest level of development; e.g. coordination in multilateral fora, whether World Trade Organisation, the International Criminal Court, etc...the EU and Latin America have a tendency to share perspective.

In terms of the economic aspects the opposite conclusion emerges. The Mediterranean countries are developing a closer relation with the EU through FTAs, while relations with the LAC are only beginning to move in this direction.

V). The Madrid Summit vs. the Valencia Conference

A). Preparatory work

The preparation of such events needs substantial time and preparatory work. Meetings have to take place initially on the EU side and later on with the partner countries, at different levels. The preparatory work leading to the Madrid Summit started much earlier and was heavier than that leading to Valencia.

The preparations for Madrid started in 2000 when the first Rio Summit finished. The Commission issued a Communication in October 2000^{xx} proposing to narrow down the 11 objectives to three for the Madrid Summit: these included an objective for each of the dimensions of the relation: for the political dimension the promotion and protection of human rights; for the economic field the promotion of the information society; and for the social aspects the reduction of social imbalances. To achieve these aims the proposed actions were as follows:

- ☞ Creation of an EU-Latin America/Caribbean discussion forum for the promotion and protection of human rights. This forum would discuss and contribute to the pooling of experience and submit a report with conclusions to the Summit.
- ☞ Launch of a new programme –@LIS, Alliance on Information Society- to foster education, adapt the regulatory environment and promote the use of the new technologies.
- ☞ New EU-LAC “Social Initiative” in development cooperation to tackle social imbalances and provide assistance. This Initiative would discuss, pool experience and explore new ways, submitting a report to the Summit.

As for the rest of the priorities highlighted in Rio and in Tuusula the Commission considers that they should be incorporated into the bilateral and sub-regional dialogue.

From the discussion with the partner countries consensus was reached on the main topics: democracy and security; reinforcement of multilateralism and regional integration; social equity and cultural diversity.

While the Madrid Summit was being prepared the Argentinean crisis developed; during the weeks that followed there was a high level of uncertainty as to whether Argentina would continue its path of regional integration with Mercosur or become protectionist. Had this been the case, Mercosur

negotiations would have had to come to an end, with the important repercussions this would have entailed. The Commission, on its side, decided that the acceleration of the EU-Mercosur negotiations was a good way of supporting Argentina; the crisis should result in further regional integration instead of discouraging it. It also decided to charge Commissioners Lamy (Trade), Patten (External Relations) and Solbes (ECOFIN) to work on the possible measures that could be taken to support this country (Commission meeting of January 15th). Other commercial concessions have been analysed. DG ECOFIN expressed its views on January 22nd.

As for the Mediterranean, a Commission Communication was adopted in February^{xxi}. The Valencia Communication is a very ambitious document that revises the achievements accomplished and the challenges we face, and puts forward, in 15 structured and substantial recommendations, what should be done in Valencia to meet these challenges. There are recommendations for each of the three dimensions of the partnership, starting with the political and finishing with the economic. One of the recommendations, dealing with the establishment of a Justice and Home Affair programme, has its own heading, so as to avoid classifying it under the Social or the Political baskets. There have been difficulties in classifying such a programme since the beginning, placing part of it under the Political chapter in the Association Agreements and other parts under the Social in the Barcelona Work Programme. This reflects the different perceptions in both shores and the extreme sensitivity of this topic.

In the political field, the recommendations deal with the strengthening of dialogue through Political Directors meetings (Rec.1) and the adoption of a series of measures to fight against terrorism (Rec. 2).

In the economic basket, there are many important Recommendations to further liberalise trade (agriculture, services), stimulate South-South trade integration (supporting the Agadir process), promote infrastructure development and interconnection (energy, transport, telecommunications), sustainable development and environmental protection and a fundamental commitment to harmonise the regulatory framework for the gradual move from a Free Trade Area to an Internal Market. The Commission suggests the Ministerial Conference endorse the decision taken by the Trade Ministers in Toledo in March 2002 to include the Mediterranean partners in the pan-European system of rules of origin (Rec 7). The Commission also recommends the creation of a new financial facility or of a European/international bank (Rec 13).

The Social, Cultural and Human chapter is considered fundamental in the light of the international circumstances: the Commission proposes, in Rec. 5, the creation of a Euro-Mediterranean Foundation to promote a dialogue between cultures and civilisations, together with the extension of the Tempus higher education programme to the Mediterranean region.

The April meeting of Foreign Affairs Ministries (General Affairs Council) was especially charged for the Spanish Presidency in the preparation of Madrid and Valencia; the Council adopted the EU guidelines for Valencia only a few days before the meeting and the conclusions concerning relations with the Andean Community and Central America^{xxii}. The Presidency also had to face considerable difficulties deriving from the situation in the Mediterranean region; just before Valencia the situation in the Middle East was so volatile that it was thought that Valencia might have to be cancelled. At the end Valencia took place, but Syria and Lebanon did not attend. This is not new, since Syria and Lebanon did not go to Marseilles in 2000 either. Lebanon was due to sign its Association Agreement in Valencia but this also had to be postponed.

B). Madrid and Valencia

1. General remarks

In both Madrid and Valencia discussions were organised in three meetings, dealing with the three usual dimensions: political, economical and financial and social, human and cultural. Important

achievements were made in the three fields in both meetings, despite the very tense context of the Valencia Conference. In Valencia the Arab Mediterranean Partners boycotted the Israeli Foreign Affairs Minister intervention; this made the atmosphere strange and prevented a consensus from being reached concerning the inclusion of a mention of the conflict in the Action Plan. Only the Presidency Conclusions could make a reference to the conflict; according to which negotiations to solve the conflict should lead to the creation of a viable and democratic Palestinian State whilst guaranteeing the Israeli State secure and recognized borders. The Ministers also considered that the Palestinian Authority needed to be preserved, strengthened and assisted.

Before carrying out a comparative analysis of the outcomes of both meetings, in each of the main fields, there are a few differences of a general nature that need to be highlighted.

The most obvious first difference is the different levels of the meetings; when talking about Valencia we are talking about a Foreign Affairs Ministers meeting, and when referring to Madrid we talk about a Summit of Heads of State and government. In Madrid 48 Heads of State and Government gathered together, while Valencia saw the meeting of 15 EU and 10 Mediterranean Foreign Affairs Ministers (plus Libya as observer). In both cases the Secretary General of the Council was there and the Commission was represented by the Commissioner for External Relations Chris Patten. In Madrid the Commission was also represented by the President of the Commission R. Prodi and the Trade Commissioner Lamy. This different level of the meetings may contribute to explain the fact that the commitments reached in Valencia were more specific than those reached in Madrid, as will be seen below.

The Summit, taking place in Madrid in May 2002, represented the culmination of a series of events bringing together the EU and Latin America and the Caribbean in different aspects and levels, the so-called margin events. Amongst them there were meetings at Ministerial level (Meeting of Science and Technology Ministers that took place in Brasilia in March 2002; Meeting of Social Security Ministers of Valencia, May 2002; Information Society meeting, in Sevilla, April 2002 and Foreign Affairs Ministers meeting that took place in Madrid the eve of the Summit). Besides these high level meetings there have been other events bringing together the civil society, Ombudsmen and National Human Rights Institutions, bishops, and meetings such as a business forum and a cultural forum. The successful preparation and development of these events has been a hard task for the Presidency, but it was brilliantly accomplished.

Not so many events preceded the Euro-Mediterranean Valencia Conference; a Trade Ministerial Meeting took place in Toledo in March 2002 and an Industry Ministers Meeting in Malaga in April, but they were not conceived as a "Valencia margin event" but in the framework of sectoral EU-Mediterranean ministerial meetings.

In Madrid itself there were also Summits in the margins of the EU-LAC Summit; these were the bilateral EU-Mexico meeting, the signature of the Association Agreement with Chile, and the meetings with regional groupings: EU-Mercosur, EU-Central America (Informal Summit and San José Dialogue) and EU-Andean Community. The agenda for the days around the Summit was therefore very charged, mainly for the European side (the troika –the current and future Presidents of the European Council, the Spanish and the Danish Prime Ministers, the President of the European Commission and the Secretary-General of the Council had to intervene in all the meetings); six meetings at Head of State and Government level were held in only two days.

In Valencia there was only a Ministerial event taking place, the Foreign Affairs Meeting, bringing all the parties together. Despite this, taking advantage of being together, there were meetings of the EU troika with the Agadir countries, with the Arab countries and the Arab League and with Israel.

The involvement of the civil society in the LAC framework has been considerable, and undoubtedly greater than in the Euro-Med Conference. This role was also stated in one of the documents produced at the Madrid Summit^{xxiii}. In the Euro-Mediterranean case there are functioning Civil Forums supported by the Commission, the last one having taken place in April in Valencia, but civil

society is less organised in some of the Med countries. Both the Commission in its Communication and the Valencia Action Plan mention the need to further support and ensure the involvement of civil society.

The many margin events, civil society involvement and higher level of the EU-LAC Summit gave it greater visibility than the Valencia Ministerial Meeting. In fact visibility in the Barcelona framework needs to be enhanced; in Valencia it was decided to launch a programme on Information and Communication to improve the visibility of the partnership^{xxiv}.

2. Analysis of the outcomes in each field

The political aspects

The atmosphere created by the September 11th terrorist attacks made the political agenda focus in the cooperation in the fight against terrorism. With the Mediterranean, this crystallized in several areas for action, the main one being the activation of a Euro-Mediterranean network of contact points for the fight against terrorism.

In the Madrid Summit the fight against terrorism was also a central point: the parties agreed to strengthen political, legal and operational cooperation mechanisms to combat terrorism. But they did not establish specific mechanisms to achieve this aim. At the same time, the fight against terrorism is framed in the main general commitments of the Summit, in political terms, which is a commitment to multilateralism; the parties have agreed to cooperate and engage in a dialogue in international fora, reinforcing consultations in the UN system on subjects of common interest that include fight against terrorism but also human rights, democracy, environment, trade negotiations, corruption and drugs and related crimes, support for Doha Development Agenda, ratification of the Kyoto Protocol, the future International Criminal Court.

Although dialogue is always to be welcomed, we have to be careful and avoid falling into dialogue "fatigue" in the EU-LAC context; we should also try to find ways of reaching specific commitments or engagements with each other as a result of the dialogue.

Madrid and Valencia both mention human rights and democracy, but in a different way. Valencia encourages the continuation of political dialogue on human rights and mandates Senior Officials to undertake a study to better structure this dialogue. As for the Latin American countries, there are references to reinforcing democratic institutions, the commitment to the rule of law and the protection of human rights, but in a more rhetoric way.

Therefore we can conclude that in the political aspects the achievements of Valencia are more specific and will bring new developments in practice to this field, while those of Madrid are more rhetoric and will not be so clearly translated into specific actions.

The economic and financial cooperation

The international economy deceleration (as a result of the current crisis and the September the 11th attacks) explains that from a commercial point of view trade liberalisation, with the establishment of free trade areas in particular, is to play the main role. The process leading to the Euro-Mediterranean Free Trade Area moved forward in Valencia with the signature of the Algeria Association Agreement (and the Lebanon Agreement, that should have been signed in Valencia but that had to wait until June). In Madrid the negotiations with Chile were concluded and a new impetus given to the negotiations with Mercosur. A new initiative - political dialogue and cooperation Agreements - that could crystallize in Association Agreements with a Free Trade Area with the Andean Community and Central American countries, was endorsed in Madrid. The Summit devoted a few lines to Argentina, welcoming and supporting the efforts of the Argentinean authorities to complete an economic programme that should enable "successful negotiations with the IMF and other financial organisations"^{xxv}.

Trade liberalisation was thus the main component of this “basket” in Madrid and in Valencia. But in the Mediterranean we are trying to go further; we are trying to establish a similar regulatory framework. The next steps will be a move from the free trade area to establishing an internal market; the Euromed Internal Market Programme has just been launched in an effort to harmonise rules, policies and regulations. In this sense the decision to endorse the principle of participation of the Mediterranean partners in the system of pan-European cumulation of origin, agreed in Valencia following the Toledo Trade Ministers Meeting, was very important.

At the same time this chapter shows the commitment of the EU to support regional integration initiatives. In Valencia the EU showed again its support to the Agadir process; the EU reiterated its offer of technical assistance, and the hope that the process would be kept open to other signatories. It also supported any other initiative with this aim, mentioning particularly the UMA. Madrid also showed support to regional integration in regions such as Mercosur, but mainly the Andean Community and Central America, stating that one of the objectives of the new Agreements will be the “completion of the process of regional integration among the countries within Central America/Andean Community, with a view to contributing to higher economic growth”.

Even if there are similarities, in fact what lies behind in both approaches is very different. In Latin America there are already important regional integration schemes; in fact the EU is now trying to offer something to the region as a whole, to go from a sub-regional and bilateral to a regional policy covering the whole subcontinent. This is exactly the opposite situation to that of the Mediterranean partners; regional integration amongst the Mediterranean partners is nearly non-existent, and to establish a Euro-Mediterranean free trade area by 2010 further South-to-South integration is essential; the step that goes from 12 bilateral free trade areas to a single larger one requires Mediterranean partner countries to open themselves up to each other; this is what the EU is trying to encourage in the region, supporting Agadir.

The financial commitment towards the Mediterranean was also evident in Valencia, in that it saw a very important new development - steps that could lead to the creation of a new financial institution for the region – a Euro-Mediterranean Bank. Initially, a reinforced Investment Facility is to be set up within the EIB to bolster investment, mainly for the private sector and for infrastructure. This would be complemented with an EIB office in the region and a Euro-Mediterranean Partnership Arrangement. In a year the situation will be reviewed. The financial package for the facility for the period 2003-2006 has been established at €225 million (ECOFIN Council decision, 20 June). This is a major achievement that could contribute significantly to the development of the private sector in the region, with the positive consequences this might have.

The Social, Cultural and Human aspects

In view of the current international atmosphere, in the aftermath of the September 11th events, the need for dialogue between people, cultures, civilisations and religions is considered essential; there is a need to make clear that we are not facing the “clash of civilizations” that Huntington mentioned, and is so often argued. Therefore this dimension has been the focus of much work and attention, with new initiatives coming to the fore. In this context initiatives in the education field have been adopted, such as the extension of the inter-University cooperation programme Tempus to the Mediterranean partners, and the launching of a new scholarships programme for post-graduate education for Latin Americans in the EU, called Alfañ.

The development of this dimension has been greater in the Euro-Mediterranean framework; the Islamic world is more different to the European than the Latin American, and there were feelings of distrust between both shores after the terrorist attacks that needed a quick reaction in terms of dialogue and understanding. In Valencia the Ministers agreed on the principle of creating a Euro-Mediterranean Foundation as an intergovernmental structure that would promote dialogue and enhance the visibility of the Barcelona process “through intellectual, cultural and civil society exchanges”. At the same time an Action Programme for the Dialogue between cultures and

civilisations, has been adopted. This Programme develops new initiatives in youth, media and education aspects.

Again in this field we find a new initiative specific for the Mediterranean. In fact one of the main achievements of Valencia, under this partnership, has been the adoption of a programme of “cooperation in the field of Justice, in combating drugs, organised crime and terrorism as well as cooperation in the treatment of issues relating to the social integration of migrants, migration and movements of people”^{xxvi}. This programme will deal with all the above mentioned fields, covering in the movement of people part not only the fight against illegal migration, or strict visa policies, but also ways to better integrate and provide better conditions for legal migrants; this is so to try to achieve a balance between the EU ‘defensive’ JHA priorities and of ‘constructive’ JHA objectives. The programme draws on the experience that the EU has had in the cooperation with candidate countries. Such a programme is of the utmost importance for the EU and especially for the Southern European countries and fundamentally Spain.

The achievements in this field in Madrid have not been very numerous; the scholarships programme and the Information Society programme (@lis, Alliance for the Information Society) are the only specific commitments undertaken. The rest of the initiatives were more generic and open (such as combating HIV/AIDS or cooperation in natural disasters preparedness). Maybe this is the reason why the new programme on Information Society is mentioned as a success under this partnership and not in the economic one, as the Commission considered when drafting its Communication.

The documents and follow up

The Valencia Euro-Mediterranean Conference concluded with two documents: the Presidency Conclusions and an Action Plan. In the first one, in eighteen points, the Presidency recalls the main decisions taken and devotes nearly half of its paragraphs to the Middle East conflict. The conclusion ends with reference to the future; a Ministerial Meeting will be held during the Greek Presidency in the first half of 2003, and the next Euro-Mediterranean Conference (Barcelona VI) will take place in the second half of 2003, under the Italian Presidency. But the important document is the Action Plan that sets out in more detail all the decisions and commitments, and the necessary steps to be taken to follow them up.

Three documents come out of Rio; a Political Declaration, containing all the agreements reached in each of the dimensions; a Common Values and Positions document and an Assessment Report that describes cooperation between Rio and Madrid and the present. The major conclusions are therefore to be found in the Political Declaration.

We can see when comparing the documents resulting from both meetings that the Euro-Mediterranean ones are much more specific and deal with a wider set of subjects: water, energy, transport, telecommunications, tourism, economic dialogue, internal market, financial cooperation, free trade in services. Under each of these headings specific proposals and initiatives are presented. As for the Madrid Summit documents, we find a much more rhetorical language that is not translated in many cases to specific commitments and identified means (for example, agreement to “promote gender equality” or “address the challenges faced by small economies”).

The third EU-LAC Summit will be held in Mexico in 2004. It is an encouraging sign that Mexico, a member of NAFTA, has decided to host the next EU-LAC Summit; it shows the willingness of this country to keep its links with Europe.

After Madrid, and after having decided the venue of the next EU-LAC Summit, the process appears to be firmly established.

VI). Conclusions

A method of evaluating the achievements of a Presidency can be to check if the priorities and aims that the Presidency itself pre-established in its Work Programme have been accomplished. When doing so for the case of the Spanish Presidency we can see that the objectives have been achieved.

The developments of the Euro-Mediterranean relations that Valencia fostered are a very significant step forward; the grid of Euro-Mediterranean Association Agreements is nearly completed now after the signature of Algeria and Lebanon. The Justice and Home Affairs programme represents a very relevant improvement because it will allow dialogue in a very sensitive but crucial area, where it has traditionally been excluded. The Spanish Presidency had to engage in a difficult exercise in persuasion to make some other countries agree to the setting up of a new financial structure for the Mediterranean; the new financial facility is in itself a success, and it might pave the way for the creation of an EIB majority owned subsidiary for the region. The Facility will be officially launched on 18th October in Barcelona, bringing the 27 Euromed partner countries together for this event. To provide more funds to the private sector in this region will undoubtedly have positive economic and social effects.

Valencia also established a number of improvements to the institutional structure of the process (mainly the Euromed Committee) to enhance the feeling of co-ownership of the process. At the same time, the European Parliament proposal of launching a new Euro-Med Parliamentary Assembly has been endorsed.

Concerning EU-LAC relations, the Spanish Presidency has also significantly moved things forward. The conclusion of the negotiations with Chile has been an important achievement. Current negotiations with Mercosur have also experienced a substantial acceleration; the political and cooperation chapters are almost concluded, while for the trade negotiations a roadmap was established in Rio de Janeiro in July 2002; this roadmap provides guidance until the second half of 2003, when a Ministerial meeting should take place to kick off the final stage of negotiations. Nonetheless many countries of Mercosur will hold elections in the coming months, starting with Brazil on the 6th of October; Argentine in March and Paraguay in April. We will have to see if the new authorities remain as equally engaged in the EU-Mercosur negotiations as the current ones. At the same time the CAP is currently undergoing reform, so it will be difficult for the EU to make any kind of concessions or contractual arrangements for the future without knowing the future shape that it will take.

The most significant novelty of the Summit can be considered the upgrading of relations with Central America and the Andean Community. Probably no other Presidency would have put this on the negotiating table and defended it so courageously against the resistance of other Member States. Even if the new agreements do not foresee the establishment of a free trade area, as desired by the American counterparts, they do not close the door to that option; in fact this seems to be the logical development of trade relations in the mid-term.

From all the above we can conclude that the work and the achievements of the Spanish Presidency have been impressive; despite the very difficult international context during which all the events took place and the crisis in both, Mediterranean and Latin American, regions the outcomes can be considered very satisfactory. Of course there is room for improvement in some aspects, but these need time and the Spanish Presidency has laid the foundations for them to happen.

This study has also showed that EU-Mediterranean relations are completely different to EU-LAC relations, and so they should be. The EU policy towards the Mediterranean is, and probably always will be, more ambitious and far-reaching than that devoted to other areas of the world. The outcome of Valencia, more impressive and ambitious than that of Madrid, illustrates this point; the results of

Valencia and Madrid are the natural developments of each of the policies and the different starting points when the Presidency commenced.

One of the key points in the success of the Spanish Presidency in this field has been the excellent cooperation the Presidency has maintained with the Commission; Commission and Spanish officials have collaborated very well with in the preparation and execution of these events. For its part the Spanish Presidency left a very good impression on the Commission.

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ⁱ For the period 1995-1999 MEDA funds to the Mediterranean amounted to €3435 million. In Latin America since 1996 the figure adds to about €500m a year. In per capita terms this makes €1 for Latin America vs. 2.96 for the Mediterranean. When considering the GDP per capita of each region, the Latin American GDP per capita (€4,127) was 1.5 times higher than that of the Mediterranean (€2,668) in the year 2000.

ⁱⁱ Interview with Commissioner Patten, Euromed Special Feature, December 1999.

ⁱⁱⁱ "Challenges and opportunities in the new century". When stating the main priorities for the EU and the Commission he made a very important reference to the Mediterranean, in the context of establishing "an arc of stability at Europe's gates", with the aim of achieving a "broader, coherent and active policy...in an arc stretching through Russia and Ukraine to the Mediterranean". In this speech President Prodi came forward with new initiatives and ways to strengthen the partnership.

^{iv} 2000/458/CFSP. 19 June 2000.

^v European Council Common Strategy of 11 December 1999 on Ukraine (1999/877/CFSP) and on Russia (1 December 1997).

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- ^{vi} P.33 of the Common Strategy.
- ^{vii} According to the Spanish Secretary of State for Latin America, Mr. Cortés, EU Member States have increased their aid to the LAC region in 18% since 1986.
- ^{viii} "The European Union and Latin America: The Present Situation and Prospects for Closer Partnership 1996-2000". COM (95) 495 final.
- ^{ix} President Aznar launched the idea at the Viña del Mar Ibero-American Summit of November 1996 (Antón, 2001).
- ^x For example, the French influence in Morocco is considerable; there have very important historical ties, but even now Moroccan elites study in France and use France as a model in many fields.
- ^{xi} Italy, Greece, France. Both forthcoming Italian and Greek Presidency want to have a Mediterranean event in their agenda.
- ^{xii} In 2000, Spanish companies were the second source of FDI in Latin America just after the US (Arahuetes, 2002).
- ^{xiii} The Laeken European Council of 14-15 December 2001 "stresse[d] the need to disburse as soon as possible the financial resources available for development aid" and "invite[d] the Council and the Commission to examine the setting up of a Euro-Mediterranean Development Bank".
- ^{xiv} Antón Cortés, 2001.
- ^{xv} 55 priorities for the three fields, Declaration of Rio de Janeiro (29-06-1999).
- ^{xvi} According to the Rio Declaration, "On the basis of this First Summit and the implementation of its decisions, a Second Summit could be organised in due course".
- ^{xvii} Regulation (EC) No 2501/2001, 10 December 2001.
- ^{xviii} Currently there is a regional integration initiative in the region between Morocco, Tunisia, Jordan and Egypt (the Agadir initiative).
- ^{xix} Point 12 of the Madrid Summit Assessment Report.
- ^{xx} "Communication from the Commission to the Council and the European Parliament follow-up to the First Summit between Latin America, the Caribbean and the European Union" , Com(2000) 670 final, 31.10.2000.
- ^{xxi} SEC(2002) 159 final," Communication from the Commission to the Council and the European Parliament to prepare the meeting of Euro-Mediterranean foreign ministers, Valencia, 22-23 April, 2002".
- ^{xxii} General Affairs Council Conclusions, Luxembourg, 15th April 2002.
- ^{xxiii} Point 16 of the Common Values and Positions Document.
- ^{xxiv} Valencia Action Plan point 20.3.
- ^{xxv} Madrid Summit Political Declaration, point 18.
- ^{xxvi} The long name is the result of a difficulty in reaching consensus, not accepting the Mediterranean partners any mention to "Home Affairs", as would have been the normal title proposed by the EU (JHA).