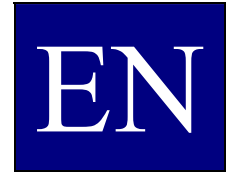




COUNCIL OF
THE EUROPEAN UNION



Brussels, 22 November 2005
14738/05 (Presse 308)

**Fifth meeting of the
EU-Morocco Association Council
(Brussels, 22 November 2005)**

Statement by the European Union

1. The European Union looks forward to this **fifth meeting** of the **Association Council** which presents a welcome opportunity to define the priorities for action for the coming year and review the significant developments which have taken place since the last meeting of the Association Council on 26 April 2004.
2. **Bilateral relations** have been developing promisingly. The European Union values Morocco as an important partner within the Euro-Mediterranean partnership and is committed to the development of a prosperous and deep partnership with Morocco in the context of the European Neighbourhood Policy.

P R E S S

3. The **European Neighbourhood Policy (ENP)** has added a new dimension to our relationship. The ENP was launched by the EU in order to share the benefits of an enlarged EU with neighbouring countries and to increase the stability, security and prosperity of both the European Union and its neighbours, while at the same time supporting the reform processes pursued by the partners themselves. Building on the achievements of the Barcelona Process, the EU seeks to work with each partner individually to achieve the objectives of a privileged relationship based on mutual commitment to shared values, principally within the fields of the rule of law, democracy and good governance, respect for human rights, shared commitment to combat terrorism and non-proliferation of WMD, promotion of good neighbourly relations and the principles of market economy and sustainable development. The relationship will be shaped by the degree of commitment to these common values and principles. The pace of progress of the relationship will depend on the efforts and achievements made in meeting those commitments.
4. On this basis, the EU and Morocco have agreed an ambitious **European Neighbourhood Policy Action Plan** which was officially launched in 2005. This Action Plan sets out a comprehensive set of priorities for the next three years. It contains jointly developed objectives, underpinned by concrete actions, tailor-made and adapted to the specific needs and priorities of Morocco. The EU welcomes that implementation of the Action Plan has already started in the sub-committees tasked to monitor and advance the work and calls for continuous and sustained action.
5. Respect for **democratic principles, human rights and fundamental freedoms** is at the basis of the relationship between the EU and Morocco and an essential element of the Association Agreement. In the framework of the European Neighbourhood Policy, both parties have reiterated that common values, including democracy, the rule of law, good governance and respect for human rights, will guide relations. The EU attaches great importance to the establishment of the subcommittee on human rights, democratisation and governance. The EU hopes that the subcommittee can be activated as soon as possible, before the end of the year.
6. Morocco has made considerable progress in advancing the **political reform** process in recent years. The European Union welcomes Morocco's commitment and undertakings towards achieving greater democratisation and modernisation of the society. Morocco is taking a leading role in this regard. Through the European Neighbourhood Policy, the EU seeks to support these efforts.

7. The EU supports the objectives of His Majesty King Mohammed VI's *National Initiative for Human Development*, which prioritises investment in the most underdeveloped areas of the country, and is aiming to provide much needed basic services such as clean water and schools. The EU encourages the Government of Morocco to use the Initiative as a framework for the reorientation of sectoral policies in key areas towards a coherent approach to realise the Millennium Development Goals and to alleviate poverty.
8. The EU welcomes the new **political parties' law**, as a tool to further enhance the role of the parties in the political process. The EU is willing to exchange experience and know-how on this matter. The EU, through the MEDA programme, also supports the modernisation programme of the **judiciary** started by the Government of Morocco with a view to introducing greater independence and impartiality, and calls for continuous efforts in this regard. In this context the need for effective measures to tackle corruption is crucial. The **modernisation programme of the Administration** launched by the Moroccan Government in order to strengthen the capacities of the Administration and make it more transparent and accessible to the citizens, is a further challenging task to which the EU is offering its assistance. **Decentralisation** and greater empowerment of local authorities is a further area in which the EU stands ready to offer support.
9. Important progress has been made by putting in place the legislative structure for the protection and promotion of **human** rights, including the adoption of an updated law against the use of torture in compliance with UN definitions. Key civil and political rights as recognised in international human rights instruments are translated in Moroccan law and respect for these rights is developing. However, institutions safeguarding human rights should be given sufficient resources. The EU welcomes the work undertaken so far by the inter-ministerial commission to review reservations to several human rights conventions, and encourages it to pursue its work as a matter of priority. The EU welcomes the maintenance of the moratorium on the death penalty and encourages Morocco to move towards a formal abolition of the death penalty as soon as possible. In this context the EU notes with satisfaction the national debate launched by the Moroccan authorities on the future formal abolition of the death penalty.

10. The **Justice and Reconciliation Commission** ("Instance Équité et Réconciliation") has performed unprecedented work to investigate the legacies of the past and has been successful in launching a public debate. The report of the Commission is expected for the end of November and the EU hopes that the Government of Morocco will give adequate follow-up to the work of the Commission. A dynamic **civil society** has started to emerge, sustained by the activity of numerous associations working notably in the field of democratisation and human rights. The EU encourages the authorities to continue seeking the dialogue with these associations, including when elaborating major political proposals. Advances have been made in the area of the **freedom of the press**, although some concerns exist as to certain provisions of the 2002 press law which limit freedom of expression. Individual journalists still risk being sentenced to heavy fines or prison for carrying out professional duties. The EU calls on the Government of Morocco to undertake a review of the Press Code in order to eliminate such restrictions that hamper the full exercise of freedom of expression, and notes the statements made by the Moroccan authorities on the possibility of its future review.

11. Through the reform of the Family Code in 2004 very important advances have been made with regards to the development of the legal framework guaranteeing **equality between men and women**. Further progress is ongoing through the alignment of the relevant provisions in the Nationality Code to the Family Code. For these reforms to be effective, the judiciary needs to be supported and adequately trained. The EU is providing assistance in this regard. Further action needs to be taken to reduce the disparities between men and women, notably with regards to the literacy rate of women, the enrolment of girls in primary schools and female participation in the labour force.

12. The EU calls for continuous action on these issues as well as on the other ones identified in the ENP Action Plan and invites the Association Council to give instruction to its subordinate bodies to follow up these matters with a view to reaching concrete results in the coming year.

13. The Association Council meeting provides the opportunity for the European Union and Morocco to continue their regular **political dialogue** on subjects of common interest, agreed in the Association Agreement and valued by both. While the Association Council remains the central body in the bilateral relationship, including with regard to the political dialogue, the European Union is pleased that a reinforced political dialogue has been established with Morocco, with two meetings having taken place on 29 June 2004 and 9 November 2005.
14. Regarding **regional and international issues** as well as **common threats**, the EU and Morocco have agreed in the framework of the European Neighbourhood Policy to strengthen their political dialogue and co-operation on these matters with a view to promoting peace and stability, as well as contributing to the prevention and resolution of conflicts.
15. Morocco's **participation in Operation ALTHEA in Bosnia Herzegovina** since it commenced in December 2004 continues to be very much welcomed and appreciated by the EU. With 130 troops deployed, this constitutes a significant contribution to the operation. It is also a useful demonstration of the practical possibilities afforded for co-operation in the area of ESDP with EU Mediterranean partners.
16. Regarding the **Barcelona Process**, the EU appreciates Morocco's long-standing commitment as well as its valuable contributions to the Process. The EU has been actively preparing the celebration of the 10th Anniversary of the Barcelona Process which will bring together the Heads of State for the first ever Euromed Summit to be held in Barcelona on 27-28 November, 2005.
17. This Summit will be an opportunity to revitalize the partnership, so that it delivers visible results on issues which matter to citizens in the EU and Mediterranean Partners. Heads of State and Government will agree a Summit Declaration and Five-Year Work Programme designed to provide the basis for Euro-Mediterranean Cooperation for the next five years. The Work Programme will be supported through the European Neighbourhood Policy which encompasses measures to develop the regional and national dimensions of the Barcelona Process, supported by the technical and financial assistance provided through the MEDA Programme and the future European Neighbourhood and Partnership Instrument. The Summit will place a special emphasis on strengthening dialogue between governmental and non-governmental actors across the Mediterranean region, underlining the important role of civil society to this Process. Plenary discussion will focus on four themes: strengthening good governance and democracy; economic reform; education; and justice, security and migration. The Summit should also be an important landmark in the fight against terrorism through the adoption of a Code of Conduct against terrorism.

18. The EU pays tribute to Morocco for having hosted in June the Euro-Mediterranean meeting of Ministers of Economy and Finance, the first ministerial meeting ever to take place in a country on the Southern shore of the Mediterranean. The EU also welcomes the meeting of the Euromed Parliamentary Assembly in Rabat on 20 and 21 November. The EU looks forward to the meeting of Transport Ministers in December in Marrakech.
19. The **Western Sahara** conflict remains a major obstacle to greater regional stability, co-operation and prosperity. The European Union supports the United Nations Secretary General's efforts towards a just, lasting and mutually accepted political solution of the conflict, which will allow for the self-determination of the people of Western Sahara as envisaged by the UN Security Council. The European Union continues to encourage the parties to work towards such a solution by engaging constructively and flexibly with the new Personal Envoy of the UN Secretary General, Mr Peter Van Walsum. The EU welcomes his appointment as well as the appointment of the new UN special representative, Mr. Francesco Bastagli and hopes that new impetus can be given to the process. It calls on the parties to seize this opportunity to move beyond the current impasse.
20. The European Union remains concerned about the humanitarian aspects of the Western Sahara conflict. The EU welcomes the release of the last 404 Moroccan prisoners of war in August by the Polisario Front. The EU had continuously called for their immediate release and repeatedly intervened with the parties to that effect. It is hoped that this step will be followed by more concrete action from Morocco, Algeria and the Polisario Front, each within their area of responsibility with a view to resolving the remaining humanitarian issues linked to the conflict. The EU urges the parties to co-operate with the ICRC in accounting for those who are still missing as a result of the conflict, and to collaborate with the UN High Commissioner for Refugees in the implementation of confidence building measures. The European Union is also concerned about the events surrounding the demonstrations in Laayoune in May of this year and subsequent detention and allegations of mistreatment of Sahrawis in the territory and the Tindouf camps as pointed out by the UNSG in his report in October 2005. The EU underlines the point that action taken should be justified, proportionate and in full respect of human rights and fundamental freedoms. The Council recalls the demarches carried out in this context with the Moroccan and Algerian authorities, as well as with the Polisario Front.

21. The promotion of good neighbourly relations and responsibility over the prevention and resolution of regional conflicts are among the objectives of the European Neighbourhood Policy. The European Union remains convinced that strengthened co-operation in the **Maghreb** would be to the benefit of the countries of the area and encourages them to work towards this objective and hopes that the Arab Maghreb Union Summit will take place soon.
22. **Migration** pressure on Europe's southern borders is increasing. The EU recognises Morocco's substantial efforts to tackle illegal migration which have led to improved control of the maritime border with Europe and the dismantling of a number of trafficking gangs. But the EU acknowledges that illegal immigration needs to be tackled in the broader context. The EU and Morocco should strengthen dialogue and cross border co-operation with all countries of North Africa since illegal immigration is an issue of shared responsibility that requires a regional approach. Joint efforts to improve the management of migration flows should be part of a broader, mutually beneficial partnership on migration related issues, which should also address issues of protection and respect of international standards for asylum seekers and migrants, and include a dialogue with sub Saharan countries. The EU welcomes the Moroccan-Spanish initiative to hold a Euro-African Ministerial Conference on the management of migratory flows with the participation of the main concerned countries of origin, transit and destination.
23. The EU notes that eight rounds of negotiations have already taken place on the draft **readmission** agreement. It calls on Morocco to make further progress by reinforcing its efforts to conclude a readmission agreement by the end of this year.
24. The EU reiterates its strong and unequivocal condemnation of **terrorism** in all its forms and manifestations, whatever the origin, cause or motives. The appalling terrorist attacks in London this year have demonstrated very starkly that the threat posed by terrorism is far from over and that the fight against terrorism, in full respect of human rights and fundamental freedoms, must be given the highest attention. The EU welcomes the deepening engagement with Morocco on counter-terrorism issues and pledges to strengthen further co-operation in the ongoing fight against terrorism. The co-operation will be reinforced by the counter-terrorism provisions in the Action Plan approved in the context of the European Neighbourhood Policy which provides the framework for a structured and strategic dialogue on the fight against terrorism.. Moreover, the EU has recently agreed a work programme for providing Morocco with technical assistance with a view to contributing to strengthening its capacity to fight terrorism. This programme follows an assessment mission which took place in June this year and will be implemented by Member States and the Commission in the nearest future. The EU encourages Morocco to pass its long-planned legislation on money laundering and terrorist financing. This will allow the EU to develop further co-operation.

25. The UN plays a key role in mobilising the international community in the fight against terrorism. The European Union supports the Secretary General's strategy and attaches the utmost importance to universal adherence to, and full compliance with, all thirteen UN counter-terrorism Conventions and Protocols without reservations. Morocco is not yet a party to two of those conventions and is urged to accede to the International Convention for the Suppression of Terrorist Bombings and the Convention on the Taking of Hostages. The early adoption of a Comprehensive Convention against International Terrorism is an EU priority. The EU believes that Morocco can play an important role in bringing about an international consensus on a Comprehensive Convention that includes an unequivocal condemnation of terrorism in all its forms and manifestations.
26. The EU recognises the importance of the fight against the factors underlying radicalisation and recruitment with a view to reaching an enduring solution to the problem of terrorism. The Union is determined to continue efforts to disrupt the activities of the networks and individuals who draw people into terrorism and to challenge the ideologies that distort religion in order to justify the use of violence to achieve political objectives. Furthermore, the EU will continue to make use of all appropriate instruments in its internal and external action to address conditions in societies that create an environment in which people may become more easily radicalised, such as racism, religious prejudice, and lack of respect for human rights and fundamental freedoms.
27. **On economic issues**, the European Union is pleased to note that Morocco has managed to maintain macroeconomic stability. Nevertheless, the economy remains fragile with a narrow industrial base and a high dependence on the agricultural sector. The EU encourages the government to strengthen economic policies in order to raise GDP growth above the level needed to combat poverty and reduce unemployment.
28. The EU appreciates Morocco's fiscal consolidation efforts, which form an integral part of the strategy for increased economic growth. In this context, it welcomes Morocco's intention to bring the budget deficit below 3% of GDP by 2009. This will require an increase in the tax revenue base and a reduction in exemptions, in particular as regards VAT.

29. The EU is pleased to see that Morocco has implemented various reforms to improve the business environment order to encourage investment. The EU considers that swift implementation of the planned reforms, *inter alia* in the legal system, and a guarantee of sufficient competition on the domestic market are necessary in order to increase investment and attract more direct investment, in particular from the Union, as part of the gradual establishment of a free-trade area.
30. The European Union hopes that Morocco will take practical steps to ensure genuine implementation of the new labour code and thus continue with reforms to promote employment and education, combat illiteracy and provide vocational training. There is a pressing need to carry out those reforms, and in particular to improve education, in order to raise the growth rate and relieve unemployment and poverty.
31. The European Union notes that the Agadir Free-Trade Agreement between Morocco, Tunisia, Egypt and Jordan, signed in Rabat on 25 February 2004, has not yet entered into force. The EU believes that it is important that the Agreement enters into force as soon as possible,. The EU encourages Morocco to continue the regional integration process and speed up the entry into force of the free-trade agreements already signed (e.g. the agreement with Turkey).
32. The EU is pleased to note the progress made by Morocco with regard to the liberalisation of industrial trade. The EU notes the Moroccan declaration and welcomes the Moroccan initiative on the acceleration of the calendar of its tariff dismantling for a certain number of industrial products. However, the EU regrets that a number of obstacles to trade are impeding European exports. In that connection, the EU regrets that several trade-related questions raised in the Association Committee on 3 June 2005 and the Subcommittee on Trade on 10 October 2005 have yet to be resolved: customs valuation method; problems in the ceramics sector; restrictions on exports of leather and hides; protection of intellectual property rights. The EU hopes that these matters will be resolved swiftly. It would also stress the need to create an environment favourable to business as this is a key requirement for attracting foreign investment.

33. The European Union is pleased to note that Morocco has started to work towards implementing the Euro-Mediterranean Charter for Enterprise, adopted in Caserta (Italy) on 4 October 2004. The effective implementation of the Charter will help to improve the business climate and attract investment. The mechanisms established for monitoring implementation of the Charter are improving coordination between the public and private participants responsible for developing the private sector, and SMEs in particular.
34. The EU notes that Morocco has embarked upon a process of aligning its technical regulations with the Community system in certain priority sectors. The EU would encourage Morocco to continue and speed up the reform process in this area with a view to negotiating an agreement on conformity assessment and acceptance of industrial products.
35. The EU considers that the extension of the scope of the Association Agreement to right of establishment and liberalisation of trade in services will generate substantial benefits for both sides. As provided for in Article 31 of the Agreement, the EU therefore proposes that the Association Council should recommend the early opening of negotiations on an economic integration agreement covering trade in services and right of establishment. As well as the EU-Morocco bilateral track, those negotiations will also comprise a dimension of regional integration between Morocco and its Mediterranean partners.
36. **Agriculture** accounts for a substantial proportion of all trade between the European Union and Morocco. In 2004 the Community's agricultural imports made up over 13% of bilateral trade and EU agricultural exports to Morocco represented 5% of our total exports to Morocco. Since the Association Agreement came into force in 2000, liberalisation has had a positive impact, increasing each year, on agricultural imports from Morocco. Agricultural trade has been sustained and displays constant buoyancy. This tendency should increase in terms of both quantity and quality over the next few months following the new negotiations which both sides are to embark upon in 2006 on the basis of the agricultural road map recommended in the Luxembourg conclusions of the Euromed Foreign Affairs Ministers (31 May 2005).

37. The EU welcomes the Moroccan authorities' intention to give their full support to the ambitious process of continuous and reciprocal liberalisation of trade in agricultural, processed agricultural and fisheries products. Such liberalisation would take account of the specific agricultural characteristics of both sides and make provision for a selected number of exceptions and a timetable for gradual implementation tailored to the level of development. To that end, the Commission has been authorised by the Council to open negotiations on a liberalisation agreement with the Kingdom of Morocco as soon as possible, taking account of the basic principles of the European Neighbourhood Policy as well as the priorities of the Policy's action plans.
38. The EU is pleased to note that the first meeting of the **Subcommittee on Agriculture and Fisheries** was held in Rabat on 16 March 2005. At that meeting there was an exchange of views on several questions concerning those two sectors, including health and plant health. Both sides thereby showed that they were willing to implement together the measures defined in the EU-Morocco action plan. In this context, Morocco has undertaken to provide the European side with a table of the priorities to be implemented. The EU also notes that the measures to be implemented constitute necessary accompanying measures within the context of the plans to open up agricultural trade.
39. In economic cooperation, the EU is pleased to note that a date has been fixed for the next meeting of the economic dialogue.
40. On customs matters, an EU-Morocco Association Council Decision amending Protocol 4 to the EU-Morocco Association Agreement, to allow the new diagonal cumulation rules to be applied, was submitted to the Association Council for adoption. The EU looks forward to its early adoption with a view to introducing the pan-Euro-Mediterranean origin cumulation.
41. The EU welcomes the adoption by the Association Council of Decision No 1/2005 derogating from the preferential rules of origin for clothing. That derogation will apply from the date on which preferential rules of origin identical to the rules of origin defined in Protocol 4 to the EU-Morocco Agreement enter into force between Turkey and Morocco.

42. The next meeting of the **Customs Cooperation Committee** will be held in Brussels on 29 November 2005. On that occasion, both sides will describe the progress which has been made on work linked to the action plan, and in particular questions relating to trade facilitation, origin, customs value, counterfeiting and customs cooperation and mutual assistance in customs matters.
43. The EU welcomes the conclusion of negotiations on a horizontal agreement in the air transport sector and a Galileo cooperation agreement, and is pleased to note the negotiations currently in progress with a view to a comprehensive aviation agreement. The EU trusts that the Galileo agreement and the horizontal agreement can be signed and the comprehensive aviation agreement initialled, at the Euro-Mediterranean ministerial conference on transport to be held in Marrakech on 15 December 2005.
44. In the energy sector, the EU congratulates Morocco on the reforms which have already been implemented and the important projects which have been undertaken, *inter alia* in connection with the introduction of natural gas. Implementation of the conditions necessary for improving the security of energy supplies remains a priority. The EU would remind Morocco of the importance of regional energy cooperation and Morocco's strategic significance in that context.
45. The EU is also pleased to note the holding of the second meeting of the **Research and Innovation Subcommittee** in Brussels on 23 and 24 May 2005, following which both sides agreed to put into practice various strands of cooperation. The EU welcomes that the Scientific and Technical Cooperation Agreement between Morocco and the European Union has now entered into force following ratification by both sides. The EU is pleased to note that the first meeting of the Internal Market Subcommittee, which took place in Brussels on 25 April 2005, enabled the priority strands of cooperation to be identified. The EU notes that Moroccan competition legislation entered into force in 2001, and its implementation has necessitated a period for education, communication and strengthening of capacities.

46. The EU welcomes the holding of the second meeting of the **Justice and Security Subcommittee** in Rabat on 25 February 2005. Both sides approved the priority themes to be developed in 2005: the fight against terrorism, the fight against organised crime (in particular, trade and trafficking in human beings), money laundering, combating drugs and cooperation in family law, in particular parental responsibility, including cases of child abduction. The EU also welcomes the specific follow-up measures which have been implemented in certain areas, in particular the money laundering, *inter alia* through twinning projects. The EU is keen to see the co-operation projects in the field of migration implemented soon. The EU would also like to see specific follow-up measures to be taken in the area of family law before the next meeting of the Subcommittee.
47. In **social cooperation**, the EU notes the outcome of the 5th meeting of the Working Party on Social Affairs and Migration, held in Brussels on 3 October 2005. The EU welcomes the further development of dialogue within that Working Party, including questions relating to public health, which shows the importance attached by both sides to this crucial area in their relations. The Working Party noted the considerable progress which had been made by Morocco through the implementation of a national strategy on social affairs and employment, the application of the new family code and the new labour code, new legislation on civil status and the new immigration law.
48. Morocco is the main recipient of Community aid under the **MEDA** programme. Commitments amount to EUR 1 337,1 million for the period from 1995 to 2004: EUR 660 million under MEDA I (1995-1999) and EUR 677,1 million under MEDA II (2000-2004). In payments, over the period from 1995 to 2004, Morocco received a total of EUR 570,7 million under the MEDA programme (EUR 127,5 million under MEDA I and EUR 443,2 million under MEDA II). The disbursement rate (payments as a proportion of commitments) amounted to 104% in 2004. For the period from 2000 to 2004 (MEDA II), the disbursement rate (payments as a proportion of commitments) stands at 65%. These results place Morocco ahead of all other MEDA countries both in funds allocated and in funds disbursed.

49. The national indicative programme for 2005-2006 was approved by the MED Committee on 9 March 2004. The total funding earmarked for this programming exercise amounts to EUR 275 million. The 2007-2009 programming exercise has been launched. Initial discussions with the Moroccan authorities, on the basis of the EU-Morocco action plan, show that special emphasis should be placed on the social sphere, with particular reference to the education and health sector, the area of justice and good governance, human rights, migration and the environment, and all measures accompanying the implementation of the action plan through twinnings and specific ad hoc technical assistance.
50. Grants under the MEDA programme are supplemented by risk-capital and interest-subsidy financing relating to loans provided from its own resources by the **European Investment Bank (EIB)** in the environment sector. It will be noted that the volume of EIB loans for Morocco over the period from 1992 to 2004 amounts to EUR 1 883 million. The main areas targeted are motorway and country road construction and repair, improvement of sewage and water management systems, urban sanitation, repair of the rail network and development of the banking industry.
-