

UK-ITALY SUMMIT, 13 JULY 2004

JOINT STATEMENT

Prime Ministers Blair and Berlusconi met in London 13 July 2004 for the annual UK-Italy Summit. The UK and Italian Ministers of Foreign Affairs, Home Affairs, Trade and Industry, and Defence also attended.

The meeting confirmed the excellent relations that exist between the two countries. Both Prime Ministers welcomed the increased co-operation in the political, economic, military, commercial, and cultural fields. They pledged to strengthen these relations still further and to enhance their joint contributions to meeting European and international challenges in the interests of UK and Italian citizens.

Agreement on the Constitutional Treaty for the European Union

The two Prime Ministers strongly welcome the agreement on the Constitutional Treaty, which will enable the enlarged Union to work more effectively in order to respond to its citizens' demands and play a greater role on the international stage. Italy and the UK welcome the announcement that the Treaty will be signed in Rome this autumn. This will emphasise the continuity of ideals between the original Communities and the new "constitutional" Union.

They recognise in particular the achievements of the Italian and the Irish Presidencies in bringing negotiations at the Intergovernmental Conference to a successful conclusion. The ratification process should be an opportunity for a Europe-wide debate on the Union's objectives to make all the Member States' publics aware of Europe's future.

Priorities for the European Union

Following the appointment of José Manuel Durão Barroso as the European Commission President nominee, the two Prime Ministers expressed their belief that the four priorities for the European Union should be:

- **Making the enlarged Union an effective and successful community of shared values and destinies**, by fully implementing EU law across the Union in order to open up the opportunities of the enlarged single market to all.
- **Promoting the EU's role in the world and enhancing global stability and prosperity through the EU's external relations**, also through the implementation of the European Neighbourhood policy, the Strategic Partnership with the Mediterranean and the Middle East, the co-operation with strategic partners and by supporting candidates for EU membership to pursue reform.
- **Delivering economic success**, especially by refreshing and speeding up the implementation of the economic reform and better regulation agenda at the EU and national levels, to meet the Lisbon targets by 2010.

- **Developing an area of freedom, security and justice**, by enhancing institutional and operational co-operation among the Member States and with the EU Institutions, in order to better protect citizens and strengthen the EU's external borders and by implementing the EU Counter-Terrorism Action Plan.

Enlargement

The UK and Italy welcome the provisional closure of all the negotiating chapters with Bulgaria and the great progress made by Romania, inviting them to step up their efforts in the current semester. They support the aim of bringing the accession negotiations to a successful conclusion in 2004. They also welcome the decision to start accession negotiations with Croatia in 2005.

Italy and the UK also welcome the positive progress made by Turkey towards meeting the Copenhagen criteria. They also praise the positive contribution made by the Turkish Government to achieve a comprehensive settlement in Cyprus, especially Turkey's support for the Commission's positive proposals to end the isolation of Northern Cyprus. The two Prime Ministers encouraged the Commission to take full account of these and other positive developments, including proposals for a new Penal Code, in producing their report and expect the European Council to decide in December to start accession negotiations without delay.

European Security and Defence Policy (ESDP)

Italy and the United Kingdom are convinced that the European Union should play a major role on the international stage and agree that ESDP, as an essential component of the Common Foreign and Security Policy (CFSP), should be further developed to attain this goal, in line with the Treaty establishing a Constitution for Europe and the European Security Strategy. To this end, they agree to maintain a close reciprocal consultation on ESDP related questions, and reaffirm their joint commitment to the ongoing efforts to enhance ESDP capabilities, and to playing an active part in the work of the European Defence Agency. They welcome the great progress made with the proposals originally set out by the Italian Presidency on "European Defence NATO/EU consultation, planning and operations". We reaffirm today our commitment to support the development of NATO-ESDP and of an Atlantic Alliance underpinned by a more capable and coherent European military effort. The EU and NATO must work ever more closely together in strategic partnership in tackling the security threats we face.

Since we aim to have in sequence the command of military missions in Bosnia and in Afghanistan between 2005 and 2006, we have decided to set up a UK/Italy steering group in order to co-ordinate joint planning of those leading responsibilities. We are asking our Foreign and Defence Ministers and Chiefs of Defence Staff to set this up urgently.

EUFOR, as the EU's first major military/civilian crisis management operation, which will take over the stabilisation task from NATO at the end of this year in Bosnia will be a crucial

mission. It will accelerate and underpin Bosnia's Euro-Atlantic integration, pursue the fight against organised crime, terrorism and war criminals and demonstrate that the EU and NATO can work together in this vital region.

This mission, and support through NATO in Afghanistan depend above all on improved European capabilities. We support strongly the efforts of the EU's High Representative and the NATO Secretary-General to lead a process of transformation in the development of Europe's national and multinational forces. We will both support this by our contributions to NATO's Response Force and by establishing high-readiness battlegroups for the EU. We can announce today that the UK and Italy both intend to provide substantial contributions to generating battlegroups to make our respective multi-national operational headquarters available to commend operations using them. We will work together in NATO and the EU to ensure that these initiatives are mutually reinforcing.

Underpinning this work is the ever closer UK/Italy Defence industrial relationship. The UK is committing substantial resources over ten years to developing our helicopter capability. The UK and Italy will be able through these military and industrial links to work together in this strategically important area of future capability.

An area of Freedom, Security and Justice

The UK and Italy express their support for the establishment of an area of freedom, security and justice, and the need for European action to add value to the efforts of Member States. The Union and the Member States should provide these policies with adequate resources. Consistent with these goals, the UK and Italy are committed to developing co-operation in the joint management of the Union's external borders – including through the forthcoming start-up of the EU Borders Agency – to combat illegal migration, especially by sea, and in the field of repatriation.

The two countries will shortly arrange a joint repatriation flight for failed asylum applicants and illegal migrants. Together the UK and Italy have already mounted joint naval patrols in the Mediterranean to combat illegal sea-borne migration and will consider further maritime initiatives. UK-Italian co-operation against people smugglers will also be stepped up through sharing strategic intelligence and information. To further strengthen practical joint efforts to deal with illegal migration on the ground, the UK and Italy will exchange Airline Liaison Officers and immigration officials to airports and seaports. They will continue to promote a balanced approach, combating illegal immigration while welcoming and integrating legal migrants.

Terrorism is a threat to democracy, peace and stability. The UK and Italy reiterate their commitment to continued co-operation to combat terrorism in all its forms, irrespective of its motivations. Counter-terrorism experts from both countries will work together bilaterally and within multilateral fora to identify measures to make it more difficult for terrorists to enter, reside and operate in the territory of the EU. Italy and the UK confirm their commitment to implementing the measures set out in the 25 March Declaration. In particular, it will be necessary to promote operational co-operation among the Member

States and with the European institutions, with an emphasis on the early-warning of terrorist attacks.

The Lisbon Agenda, employment and competitiveness

The two Prime Ministers stressed the need to address urgently the economic and structural weaknesses that hold back the EU from achieving greater growth, jobs and prosperity and social cohesion. In this context, both parties have underlined the importance of increased investment in physical and human capital to complement structural reform and note the contribution that the European Action for Growth can make towards this objective.

The two Prime Ministers agreed to co-ordinate proposals for simplifying European legislation, part of the wider regulatory reform agenda, which should be a priority for the new Commission. New legislation and proposed significant amendments should be subject to a full impact assessment, including competitiveness testing and extensive early consultation with stakeholders. Efforts to streamline existing European legislation and rescind redundant regulations should be stepped up, with clear priority areas identified for simplification and better business input into the process.

The UK and Italy will work together closely to ensure that the work of the Kok Group, and the outcomes from the Mid-Term review of Lisbon more generally, maintain the momentum for reform. Employment Ministers Smith and Maroni will continue a joint focus on the implementation of labour market reforms, considering in particular, ways in which the Recommendations of the Kok task force on employment for UK and Italy can best be implemented. Good practice will be shared with EU colleagues as a contribution to the follow-up to the Kok report. This should focus particularly on areas of active labour market policies, building on the joint work of the two employer organisations at their conference in London on 6 May. The Prime Ministers also welcomed the forthcoming joint event between UK and Italian employee organisations.

The EU needs to develop more outward looking policies so that its economy is more open to trade, for example through the multilateral process and enhancing the economic relationship with its largest trading partner, the US. The two Prime Ministers call on the Dutch Presidency to review at the November European Council the progress made on the areas identified for EU-US economic co-operation at the recent EU/US summit. The two Prime Ministers also stressed the urgent need for the EU to take steps to put the Doha Development Agreement back on track.

The two Prime Ministers acknowledged that Corporate Social Responsibility (CSR) is a key area of co-operation between Italy and UK, based on recognition of a voluntary, business-led approach to CSR, avoiding any form of national public social labels and third party certification. Ministers Maroni and Hewitt will reinforce their co-operation in this field, promoting the agreements already concluded and involving EU colleagues and the Commission.

Financial Perspectives

The negotiations on the next Financial Perspectives offer an opportunity to increase the effectiveness of EU budget to better meet the challenges of an enlarged Union and help transform it into the most competitive and innovative area worldwide. The level of expenditures and the allocation of funds among sectors must be consistent with the agreed priorities of the EU. Both Italy and UK are committed to a rigorous and sound budgetary discipline.

International issues

Iraq

The two countries confirm their intention to build on their military and overall co-operation within the framework of the multinational force (MNF) and to pursue new ways of collaboration between their official Representatives in Iraq. Both countries express their commitment to the social and economic development of Iraq, through technical and expert assistance, and institution-building programmes.

Italy and the UK welcome the transfer of powers from the Coalition Provisional Authority to the Iraqi Interim Government. This event is a real step toward the final goal of full reintegration of the new, democratic and peaceful Iraq into the international community.

We welcome the decision of NATO's Istanbul Summit to agree to the request of the new Iraqi government for Alliance help with training Iraq's security forces. We are working together in NATO to ensure the Alliance can provide a coherent and rapid response to this crucial request. We will work together, as Allies in NATO and as leading members of the Multi-national Force in Iraq to ensure this succeeds.

Both countries share the hope that the EU would be ready to play a stronger role in Iraq's political and economic reconstruction, which should be implemented in a multilateral framework, to strengthen the unity and the cohesion of the international community. In this regard, the two Governments welcomed the Commission's latest document outlining a framework for the EU's engagement in Iraq.

Afghanistan

Italy and the UK are committed to working together in support of NATO'S plans for International Security and Assistance Force (ISAF) expansion and in support of the electoral process in Afghanistan. This country, so recently a haven for terrorists and a source of regional and international instability, is being turned round by the determined efforts of President Karzai, who deserves and will get the full support of the international community and NATO in particular. The UK and Italy support the expansion of NATO's role in Afghanistan. We believe that the NATO Response Force, to which Italy is currently contributing the land component, has a crucial role to play in strengthening ISAF in the run-up to this Autumn's elections in Afghanistan. The UK and Italy welcome the announcement that the Presidential elections will be held in October, and that parliamentary elections will

follow next Spring. Italy and the UK will do all they can to support and assist the Afghan government and United Nations to prepare and conduct them.

And we are making today a longer-term joint commitment to the Alliance's mission in Afghanistan. Italy is scheduled to lead the ISAF mission in late 2005/early 2006. The UK has offered to take the lead, through our leadership role in the Allied Rapid Reaction Corps, in succeeding Italy in command of ISAF in early 2006. We will work closely with the Afghan government, NATO Secretary-General, the United Nations, and our Allies to make a success of this venture.

Continued efforts in Afghanistan are needed to re-establish law and order. Italy and the UK are the lead nations on judicial reform and counter-narcotics, respectively. Italy and the UK are committed to continued close co-operation in this area, building on the progress made so far with the training of judges and the redrafting of the penal code. This will help ensure the prosecution of criminals, including drugs traffickers.

Western Balkans

The Western Balkans remains a major priority. The future of the region is within Europe, as confirmed at the Thessaloniki summit in June 2003. Italy and the UK, working with EU and international partners, will help the countries of the region to realise this aim but the countries themselves must implement sustainable and permanent reform. In the near future, a joint visit will be undertaken by the UK and Italy at political level.

The two Prime Ministers congratulated Croatia on the decision by the June Council to give it EU candidate status and looked forward to the start of its accession negotiations early in 2005. They emphasised the importance of continued full co-operation by Croatia with ICTY, including taking all steps to help deliver Ante Gotovina to The Hague.

The two Prime Ministers underlined their commitment to work together to ensure the success of EUFOR in building on SFOR's success in Bosnia-Herzegovina. To this end Italy has indicated its willingness to assume leadership of EUFOR following the UK in late 2005. They urged the authorities in Bosnia and Herzegovina – and in particular in the Republika Srpska – to improve and intensify co-operation with ICTY.

Both Prime Ministers welcomed the outcome of the recent Presidential elections in Serbia. This demonstrated a continued commitment to a European future which the UK and Italy fully support. Both urged democratic forces within Serbia and Montenegro to accelerate the reform process, to fulfil all international commitments - including full co-operation with ICTY - and to establish a fully functioning State Union.

The UK and Italy remain committed to the establishment of a democratic, stable and multi-ethnic Kosovo within the framework of UNSCR 1244. The new Special Representative of the UN Secretary General in Kosovo, Mr Jessen Petersen, will have our full support.

Libya

The two Prime Ministers welcomed Libya's decision to renounce weapons of mass destruction and to contribute to regional stability by combating terrorism and illegal immigration. Italy and the UK agree to step up co-operation in these sectors and will continue to assist Libya to fulfil the commitments made in its 19 December announcement

Italy and the UK are ready to support Libya's efforts to fully normalise relations with the EU by solving all the outstanding bilateral issues with the European Union members and by accepting the Barcelona acquis and by resolving the issues of the La Belle disco bombing and the case of the Bulgarian/Palestinian medics.

The United Nations

Italy and the UK are committed to preserving the central role of the United Nations in addressing the challenges facing the international community. Both countries are major supporters of the United Nations' activities in terms both of their financial contributions and their participation in United Nations peace keeping operations.

They are also committed to the further development of the role of the United Nations in combating poverty, malnutrition and illiteracy. The Rome-based United Nations agencies and related activities are an example of this. They support the efforts of the United Nations to meet the objectives outlined in the Millennium Declaration.

Italy and the UK will pursue common EU objectives through the United Nations, and will promote EU-UN co-operation, building upon the mechanisms set out in the EU-UN Joint Declaration on crisis management.

Both countries are encouraging efforts aimed at strengthening the role of the United Nations and at making their organs more effective, transparent and responsible to the membership.

Non-Proliferation

Italy and the UK recall the joint declaration on the non-proliferation of weapons of mass destruction (WMDs) issued on 4 March 2004 and remain committed to working together to tackle the threat to international peace and security from the proliferation of these weapons and their means of delivery.

The UK and Italy will work to implement United Nations Security Council Resolution 1540 and continue to develop their co-operation in the framework of the Proliferation Security Initiative.

The UK and Italy note with concern the challenge posed by Democratic People's Republic of Korea and welcome the current 6-Party Talks format. They confirm their continued commitment to jointly addressing, in the framework of EU policy towards Iran, the

concerns raised by the Iranian nuclear programme, and to supporting the ongoing process in the IAEA.

Middle East Peace Process

The two Prime Ministers reaffirmed the European Council's latest declaration on the Middle East Peace Process, which welcomed the prospect of Israel's withdrawal from the Gaza Strip. If implemented in accordance with the elements identified in the European Council conclusions of March 2004, this withdrawal would mark a major step forward towards the implementation of the Road Map.

The two Prime Ministers therefore stated that the EU, together with the other Quartet Members and by agreement with the Parties, should be ready to assume a political, security and economic role in order to make the Gaza Strip a successful example of peaceful, effective and transparent Palestinian self-government. The UK and Italy are ready to co-operate to actively support the Palestinian Authority in its reform process, particularly the reform of the Palestinian security forces.

The two Prime Ministers also expressed the hope that the security situation in the region and progress with electoral reform would soon enable the Palestinian Authority to hold free and fair elections, starting with the Municipal elections.

Development

The two Prime Ministers remain fully committed to providing debt relief and to channelling that relief towards poverty reduction through full implementation of the HIPC initiative.

Africa is a priority. The UK and Italy are committed to supporting development in Africa, including through the G8 Africa Action Plan and the New Partnership for African Development (NEPAD). They welcome the work of the Commission for Africa and look forward to its conclusions in Spring 2005

Italy and the UK are committed to fostering Africa's inclusion into the global economy by increasing net flows of financial resources towards the continent, according to the G8 and NEPAD principles. The UK proposal for an IFF may play an important role in providing the resources needed in the next decade.

While aid (including debt relief) remains an essential tool for achieving this goal, private investment also has to be fostered in Africa and trade increased by improving access to markets. To this end, last year the European Union had begun negotiations with four African regions for the conclusion of Economic Partnership Agreements (EPAs) in the framework of the Cotonou Agreement. The EPAs, which should be in force by the end of 2007, would liberalise trade between Europe and Africa, foster Africa's regional integration and create wider African markets which would be far more attractive to foreign investments and enable greater exploitation of domestic resources

The UK and Italy are committed to continuing the work on corruption and transparency in the field of development. They particularly welcome the important progress that is being made on EITI, and will work together in partnership with the G8 to take this forward.

Italy and the UK agree to increase their co-operation to tackle HIV and AIDS in Africa and globally. To this end, they reaffirm their commitment: to a focus on poverty reduction; to enhance harmonisation and work with UNAIDS and partner governments at the country level; as G8 partners, to the 'Global Fund for AIDS, Tuberculosis and Malaria' (the Fund) and to enhancing the performance and effectiveness of the Fund and better co-ordination mechanisms in country; as EU partners, to strengthen the EC's role in tackling HIV and AIDS in developing countries.

Italy and the UK are convinced that promoting peace and security in Africa is an essential condition for guaranteeing the sustainable development of the continent. Consequently, they will continue to support Africa's efforts to establish a Peace and Security Mechanism, based on the recently-created Council for Peace and Security of the African Union (AU) and on the future African Stand-by Force. The recent endorsement of the G8 Action Plan on Expanding Global Capability for Peace Support Operations is another major step towards this goal, complementing the EU's African Peace Facility.

The UK and Italy are already co-operating in various regions of Africa, for example in Sudan and Somalia; that co-operation can be strengthened. The UK and Italy commit themselves to helping facilitate a successful conclusion of the Intergovernmental Authority on Development (IGAD)-sponsored Conference and to supporting the building of lasting peace and stability in Somalia.

Bilateral issues

The two Prime Ministers expressed their conviction that promoting investment between their two countries is vital for the economic growth of Italy and the UK, and is highly beneficial for stimulating the European economy. Therefore, as a contribution to this work the CBI and Confindustria are invited to jointly identify barriers to trade and investment between the UK and Italy.

The two Prime Ministers welcomed the growing industrial co-operation between UK and Italian companies, inter alia, in the defence sector. Italian direct investment in the UK has doubled in recent years. They also took note of the continued co-operation between British Nuclear Fuels Ltd. (BNFL) and SOGIN in the field of nuclear decommissioning and expressed their encouragement for the expansion of opportunities that will benefit sectors in both countries. They welcomed the fact that negotiations on a technical memorandum governing forms of collaboration in the terrestrial digital television sector were at an advanced stage. The two Prime Ministers aim to promote a corresponding growth in UK direct investment to Italy, by providing UK companies with more information on the opportunities offered by the Italian market and the structural reforms being carried out in Italy.

The Prime Ministers welcomed the increasing prospects of exchange programmes for UK and Italian lecturers and students. The recent signing of a Memorandum of Understanding between the UK and Italian Education Ministers on co-operation for teacher exchanges and training schemes should also promote exchanges. The two Prime Ministers also agreed to examine how the learning of each other's languages in the schools of each country could be improved, including the possibility of setting up bilingual classes.

The two Prime Ministers agreed to further strengthen UK-Italian diplomatic co-operation by seconding officials between the two countries' diplomatic services. UK officials joining the Embassy in Rome will be able to begin their posting with a secondment to the relevant Italian Ministry. The UK and Italy will also explore further possibilities for co-leasing and sharing Embassy facilities.
