

BROOKINGS DOHA CENTER
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THE BROOKINGS INSTITUTION
EUROPE'S ROLE IN A CHANGING MIDDLE EAST
AND NORTH AFRICA: A SPECIAL POLICY
DISCUSSION WITH EU FOREIGN POLICY CHIEF
CATHERINE ASHTON
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P R O C E E D I N G S

MR. SHAIKH: If I could ask you to take your seats, please. If you could take your seats, please? There are some seats here, thank you.

Well, Excellencies, ambassadors, ladies and gentlemen, friends of the Brookings Doha Center, hello and welcome to the Center for a very special policy discussion entitled "Europe's Role in a Changing Middle East and North Africa."

We are extremely privileged to have with us today the most prominent voice in forming that role: Baroness Catherine Ashton, the EU's high representative for foreign affairs and security policy. Since the Middle East entered this turbulent period she has been, as you know, very active in dealing with its new realities. She has spent much time in the region engaging with transitional governments in Tunisia and Egypt. She has, of course, been intimately involved and moves -- contributed to institution state-building in the Palestinian territories. And most recently she has been meeting

leaders of the GCC to discuss developments in the Gulf. In case we forget, of course, she's also been leading the international community's discussions with Iran on its nuclear program.

With regard to today's discussion, perhaps most importantly she's been spearheading a review of the EU's assistance to its southern neighbors, calling for "a new approach rooted unambiguously in a joined commitment to common values." Yet, Baroness Ashton has also recently described EU foreign policy as "flying an airplane while we are still building the wings."

We look forward to hearing from you, Baroness Ashton, in more detail precisely how you intend to navigate the stormy weathers of the region. Thank you so much for being here. It's really a pleasure to have you here.

We're also very lucky to have with us two figures who have continued to provide key analysis of the developments underway. Dr. Tarik Yousef, on my right, is the founding dean of the Dubai School of

Government and a senior fellow. He's also a former World Bank and IMF economist. He researches economic development, political economy, and policy reform in the Middle East. Tarik, friend, welcome. Great to see you here. And also who is from Libya.

Abdulaziz Sager is the chairman and founder of the Gulf Research Center in Dubai. He's appointed as a member of the Makkah Province Council, and also serves as a member of the advisory board of several leading regional international institutions and universities.

Dr. Sager, your research, of course, focuses on Gulf and Middle East and strategic issues. And you recently published the article, "Why for All it's Problems the EU is Still a Model for the Arab World." Wonderful, thank you for making the trip as well to have you here.

Without further ado, Baroness Ashton, if I could ask you to say a few opening remarks. Thank you.

BARONESS ASHTON: I hope Excellencies will

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dispense with the formalities quite quickly, and I'll be Cathy (inaudible) for the rest of this important discussion.

I'm not going to give a formal speech. I just wanted to make some comments on some of the challenges that we are faced with and, to begin with, my arrival as high representative when I tried to set out very broadly what I thought foreign policy in the European Union should focus on.

I said there were three challenges. The first was to create a foreign policy service that was economics meets politics. The Commission had 135 delegations across the world doing excellent work on development, economics strategy, building relations with key governments from free trade agreements to association agreements, building in some of our values and our interests into a coherent approach. But what was missing was an equally strong approach on the political issues of concern brought through my office, where the politics and the economics could come together. And it's why I exist as two halves -- vice

president of the Commission, high representative of the Council -- in me, the embodiment of the European Union. And only in me, according to the treaty, which creates its own challenges in terms of time and space continuum.

The three priorities I set. First to build this foreign policy service. It will take some time to complete but to lay, at least in my time in office, the foundations. And then I said that the challenge for Europe, more than anything, would be how Europe approached its own neighborhood; that how effective Europe was in rising to the challenges in our neighborhood and supporting countries, governments, people into the future would be that which we would be judged by at the end of my time in office, and, frankly, much further on.

I said those words long, long before we've seen the events of the Middle East. And not because, frankly, I had any idea of what was going to happen. But it did seem to me that Europe's backyard was where Europe needed to show it could be effective.

For completeness, the third priority was the strategic partnerships we needed to build, whether those were with organizations -- and the GCC is a good case in point -- whether they were with our strategic partners from different parts of the world -- Brazil, India, United States, Russia, China -- where we had bilateral interests, but where we also had interests in trying to make sure that we supported international collaboration and cooperation across the world to deal with some of these issues.

It's just my coffee arriving. Always important, thank you.

So, that's the framework against which we begin. And I did, indeed, say it was like flying an airplane with somebody still building the wings. I think I also added, Salman, it was rather like flying a plane, building the wings, and somebody trying to take the tail off at the same time. And certainly it's been an enormous challenge to really try and build this. Remember, I'm still appointing senior staff at the present time. We are not an organization

that is by any means complete.

And ambassadors like Luigi, who is here, have risen to the challenge of trying to move from being Commission to European Action Service without a roadmap, I think it's fair to say, for many of us.

From that, I wanted to say something about where I think we now need to take heart: neighborhood policy. What existed before was good work. Don't misunderstand anything I say suggesting that the work of the institutions have not helped support some of the values we hold dear. Our work with civil society in many countries, our work to try to move forward in terms of human rights, the rule of law, democracy, and so on is all there, it's all evidenced. But I would argue in a new situation it's not enough. And it needs to be built upon by this bringing together of what I've called politics and economics meeting. And I'll describe it simply with three Ms of where I think Europe has something to offer.

The first M -- and I make no apologies for this -- is money, not just the resources of the

European Union is able to put together to support, for example, the growth of civil society in countries where traditionally there has been little opportunity. In Tunisia, I met with groups of people allowed to come together for the very first time. In Egypt, I've met with young people and with women's groups from Tahrir Square who need support to be able to develop from where they are now into political parties able to compete effectively for elections.

For the support that we will see is necessary in Libya in the future, and our discussions -- as many have had, and Tarik will have more to say on this -- where the transitional council points to the opportunity to try and help support the building of civil society. My last group of people into Benghazi told me about the women who described how proud they were to be able to talk about the future constitution of their country, people coming together to be able to be enriched by the possibilities of working together in order to build their country. So, the money to do that and, I think, money to support

economic growth and development.

I often talk of one example, which is in my discussions in Egypt, there is a proposal for the building of a million houses over time. This is a long-term project where I think there's much we can offer not in terms of support financially to build a million houses, we don't have the resources, but being able to help support Egypt bring together public-private sector, financial institutions. The potential of something as big as that for a vision encompasses many of the things that I think could give a flavor of where Egypt could go in the future. It's one example.

So, trying to use resources differently, creatively, support on the ground, and this concept that I'm trying to develop of what I call mutual accountability. You will see a lot talked about conditionality. I prefer mutual accountability for one very simple reason: it's a two-way street. We have to deliver what we say we will do as much as we expect deliverance to come from the people and the governments with whom we are working. People are

entitled to ask is the money you're putting forward really going to the right groups of people and supporting us in our future? And we should be able to answer that question and be accountable in a mutual way. So I'm very keen to do that.

Second M is mobility. Real issues for people being able to move around the world and around Europe. Let me point to two particular groups of people. The first are the young people, the students, young populations in our neighborhood. Europe is quite old, I feel, quite old. Lots of young people who are leading and who will be leaders of their countries, some already absolutely fantastic to talk to and to listen to.

But that next generation coming up behind them, the capacity and the opportunity from ability and education and training and learning, we need to make sure that we're offering. And again, is something that Europe knows something of how to do, but we can expand and we can develop with the European Parliament engaged with that, with their programs,

with the institutions of Europe, and with the member states. Not just for the southern neighborhood, by the way, but also for the eastern neighborhood where the bringing together of young people and their opportunities can really foster those links and give real opportunity to those young people.

And the other group I'll focus on, which is business people. Being able to move across, as many business people in this room will know, is so important. The capacity to develop business ideas, business opportunities, to open businesses in other parts of the world will make a big difference. And if you're in a country now trying to develop further your economy, having the capacity to be able to more easily work alongside businesses or, indeed, to sell your goods is going to be important.

And that brings me to the third M, which is market access, the capacity to be able to access our markets. I was the European trade commissioner, so I know it's not just about the opening of markets, but it's also about the potential to be able to access the

markets with your goods and your services.

For example, meeting the standards that the European Union requires for goods and services can be a challenge in some countries. So supporting businesses to be able to reach the right standards can have a huge impact on the ability of businesses to trade effectively. You don't have to open the markets anymore, you need to allow people to access it. It's absolutely fundamental for small businesses.

And I'll just give you one figure to improve the point from Europe. Only 8 percent of small businesses trade in Europe, across the European borders. And only 3 percent of small businesses trade outside the European Union. It's partly the nature of small business, but it's also partly because it's much more difficult if you don't have the capacity to be able to find new markets and to be able to work those markets effectively. So, if you turn that around and imagine the implications of that for businesses in other parts of the world, there is a lot we can do on that.

So, money, resources, mobility, market access, the three Ms. And you'll see that, I hope, coming to the new neighborhood strategy, building on what we've done, but trying to really nail down the issues that we think we can make a contribution.

I just want to make three or four final points, and then I'll be quiet. The first is, it's absolutely critical that this is seen as long-term, that we build for the long term and we build deep. I've talked sometimes about deep democracy and the challenges of making sure that democracy is not just a moment, it's a process. It takes time to build the institutions and the capacity, and you always have to watch over it, whoever you are in whatever country, and make sure that it happens.

Democracy where it is built has one particular relevance, which is that not only can you elect a government but you can also say goodbye to a government. So those countries that are heading on the path to democracy need to feel that it's deep and it's solid and it's grounded in the culture and the

country.

The second is that the long-term also is about building the planning processes in Europe. So countries know they're making those commitments for the long term. And for me, I'm talking now about what we want to set and train in my time in office for 20 years. I won't be there for 20 years, but seeing that we have a plan and being able to project forward and backwards as to what Europe will be doing in that timeframe. Because, again, for the kind of transition that I think in some places is necessary and is wanted, we need to be there as a long-term. And that's what Europe is good at. We understand and we're there for the long-term.

And I think thirdly that this is led by the people. It's not led by us. We are not imposing on anyone. But where we do have something to offer, whether it's the three Ms I described or simply our own history, that I think we can and would be willing to offer it. But on invitation, not imposition. And so talking with neighbors in our southern neighborhood

it is important to me that we're talking with different groups. As I've said, whether it's women's groups, young people, groups from different political backgrounds, people involved in different ways, the governments, the transitional teams, whoever they are, to actually support the process into the long-term.

My very final point is just a couple of areas of caution. And they're different. One is looking across this neighborhood at what's happening in different countries. My mind is never that far from what's going on in Iran, as I have to deal with the nuclear talks. Even more prominent in my mind is the Middle East peace process and the capacity to try and get movement and dialogue now, which I've been working on for many months, but which we're trying to push harder, now, on the significance and importance of reaching a solution.

And last week, I was chairing the -- hosting the Ad Hoc Liaison Committee to support the institution building for the Palestinian state, and the significance of what Prime Minister Salam Fayyad

has been able to achieve.

And thirdly, I use the word "impatience," that for people seeing the changes happen, there is a sense of impatience. And in my discussions here in Qatar, we've talked about that a little, about how important it is for those involved in transition to see that these are long-term objectives and that people will want to see change in a hurried way, but it will take time. And balancing that in times of transition, the need to see change and the need to see change done properly and with that deep and long-term vision, is going to be absolutely essential.

I've said enough. I hope that gives a flavor of the work that Europe is currently involved in. Thank you.

MR. SHAIKH: Thank you so much. Tarik, if I could ask you? I'm going to come to you, and then I'll come to Abdulaziz. Thank you.

MR. YOUSEF: Thank you, Salman. Thanks to Brookings Center at Doha for inviting us to this special occasion. And it gives me great pleasure to

be sitting on the podium with Her Excellency Catherine Ashton, whose voice has recently been loud, clear, and effective when it comes to my own home country of Libya. And for that, I think myself and many Libyans owe her a debt of gratitude for all that she has championed and for what the Europeans have done and, hopefully, will be doing more of soon.

My reflections on her remarks, however, start off with my own background as someone who has spent most of my academic and research career in the U.S. And where being in the U.S. and being associated with the U.S. institutions turns you immediately into a Euro-skeptic, turns you into someone who essentially questions and asks often whether the European Union and Europe is able to rise up to the challenges that it faces and address them, especially in the neighborhood countries where it has some appealing and logical and historical interests at heart.

But I'm also an economist, and so my impulsive skepticism becomes even more heightened when you combine being based in the U.S., where Euro-

skepticism is high, with someone who is trained as a dismal scientist, where you often are trained to think of policy with a very critical mind.

Both of these issues, in my view, are important, nonetheless, for what they mean for current discussions about the Euro Mediterranean future, the European role in the region, and the immense task that Her Excellency Catherine Ashton has before her in charting a new course of interactions and modalities for relations between the north and southern side of the Mediterranean.

I say that that's the case because over the last 15 years -- 20 years, you could go even further back -- there has not been a shortage of proposals and ideas and frameworks in my own lifetime that have tried to bring the northern and the southern parts of the Mediterranean closer to each other. And where, in fact, as someone recently was quoted, suggested the promises were extensive, the costs were high, but the results on the ground were often limited. And disappointments gave way to yet more and more

agreements. I can think of four to five of these just in the last decade alone, beginning from the Association Agreements, the Luxembourg Agreement, the Barcelona Process, and finally, the Mediterranean Union, just a few years ago championed by President Sarkozy.

Perhaps one of the big failures in all of these agreements is precisely what Her Excellency had alluded to: the failure to link the economics and the politics at the heart of them. Making the economics and the politics not just an afterthought or a clause to be fought over, but a guiding principle for bringing the regions together and bringing about results within countries that are sustainable, that are supported by the populations, and that are viewed as legitimate.

Let me give you two reasons, at least, for why these two are linked. Many of the components or the policies engendered, embodied in these agreements -- in my humble opinion and the opinion of many others -- they seem or they appear to be economic processes

and economic policies and financial requirements at heart. But, in fact, inside of them there is quite a bit of politics.

One of the reasons, arguably, why they had been failures in terms of the implementation or agreement of them is that they require political processes to support them. You cannot -- or in many cases, and I think our European friends and our American friends will tell us this -- you cannot just engage in broad, ambitious reform projects on the economic sphere without a political process that supports them, that encourages them, and that legitimizes them. Questions of competition, questions of who wins and who loses, who gains access, these are fundamentally political questions, even if their ultimate outcomes are economic ones. And so for that reason, I think the new direction, the new vision by Her Excellency is exactly what's needed. It's refreshing, it's ambitious.

There's another reason, I would argue, that economics and politics are also linked. And that has

to do with this particular moment where we are in the region.

We're witnessing, especially in the Southern Mediterranean countries, as Her Excellency noted, transitions. She used the term "transitions." These transitions are fragile, they're unpredictable. The transition in Egypt today, in Tunisia, likely transition in Libya, in other countries, they're volatile, they're unpredictable, they're fragile.

Failure on the economic side tends to complicate the transition politically, often resulting in things that you don't desire either on the economic or on the political sphere. Hence supporting, I would argue, these transitions economically, up front, supporting them generously, making credible commitments to seeing that they be successful is one of the best assurances we have for seeing the stability and the cohesion and the internal peace that will allow for these transitions to emerge, and for the Southern Mediterranean countries to become real partners with the Europeans. And in my view, that

would open up the space then for a lot of the market access, a lot of the mobility, if you start with the first M, which is the resources committed to these economic fragilities.

I say this -- and forgive me for maybe repeating it again -- because I've just spent the last few days in Washington thinking that, in fact, I would find a blueprint in D.C. for how to support the transitions in the region economically. And yet there was a visible shortage of any creativity, of any serious commitment to at least one and maybe the pivotal country at the moment in the region, Egypt, not only for Egypt's sake, but for Tunisia's sake and for the entire region.

It was very difficult to understand why at this particular moment in Egypt's history, very little had been made concrete in terms of how the world was willing to come and support Egypt economically, financially to help bridge this critical juncture that the country finds itself in. But as every minister from Egypt has reminded everyone, our failure to

stabilize Egypt economically will complicate for us the job of stabilizing it politically and the kind of Egypt that is likely to emerge and the kind of forces that are likely to emerge.

Let me just stop here by reemphasizing again, or perhaps by noting what I should have said, that while being a skeptic as an economist and someone who has spent most of my time in U.S. institutions, I do believe in the importance of history and culture and geography, all of which should tell us and should remind us that, in fact, the Southern Mediterranean should not only strive, should not only be committed, but should make every effort to be closer integrated with the Northern Mediterranean countries of Europe. I think mutual accountability in this regard, perhaps, would be the guiding principle in addition to making the economics and politics. But we've got plenty on the geography, on the culture, on the sense of history, and on many other economic and political fundamentals that should bring these regions together, partly because the stability and the prosperity of

both sides, I think, will be even more intimately connected from this point on than at any other moment in the last 50 years, in my humble opinion.

MR. SHAIKH: Thank you, Tarik. You see, that's why I picked on you next because you've given us a broad framework as well as an international perspective.

And certainly last but not least, Abdulaziz. If I could ask you to speak? And particularly I know you're going to speak about the GCC's interaction with the EU.

MR. SAGER: Well, first I'd like to welcome you all here. And it's a great pleasure to be at the Brookings Institution in Doha. Thank you for the invitation and thank you for organizing, particularly being with Baroness Ashton. It is a great pleasure for me.

I'm going to be very precise and just deliver a very special message and give more time for the discussion. I think we all need to recognize the real role of the GCC country. President Obama has

praised a lot the ruler of Qatar by saying the important role that Qatar has played in the Libya issue, and I think we all witness that role. So it's not any more the traditional stereotype of going and begging only. But I think there is a serious active role and involvement that being from the GCC country led by Qatar on the issue of Libya and UAE. And also, other countries have played a very significant role on Yemen. Now we have seen the discussion with both, with the opposition or the rebellion and with the government. So there is a significant role have been from this part of the world.

And honestly, they're taking this role slightly earlier. I mean in the case of Lebanon, we have seen also the involvement and the serious involvement from the GCC country on the Lebanese issue and on the peace process. So today is not anymore a conventional, traditional obeying only and contributing financial aid programs. There is a serious political role because we realize the importance in the role of the GCC and we all recognize

that part.

Second, I don't think we should generalize all the situations in the Middle East. So there are specificity for countries. Tunisia is slightly different than from Egypt, Egypt different from Bahrain. Yes, there might be some commonality in certain issues, but there is a specificity and I think the EU and the GCC have recognized that specificity very clearly.

I think also it's quite important, you know, for the EU and for the others to understand that the system here in the GCC is slightly different. I mean, we have an absolute monarchy, but an absolute monarchy does not mean a dictatorship. And I think, surprisingly, the monarchs are the ones who really move faster in terms of reforms and development because they want to stay in power and they want to pass it. So they have a lot of, you know, interest in really reforming and doing much more quicker and faster in that one. So if there is any sort of destabilization in the region, it will have a great

impact not only in the region but much more beyond that.

I also wanted to mention the point on the peninsula shield involvement in Bahrain. This is an agreement between the GCC countries. It is absolutely legitimate that sort of intervention in Bahrain. It was upon the request of the Kingdom of Bahrain, and it is in support and assistant to the Bahraini forces to deal with an external threat and not an internal issue. And I think today also it was reemphasized by the Bahraini foreign minister, saying that, yes, once the job is done, once we feel more secure, once the threat is not there, those forces will not be there and they are not needed to continue there.

But also, nobody should misunderstand the importance of this region in terms of the energy both in terms of supply and prices. We have seen the impact on Libya. Twenty dollar that, you know, moved the price and the market. But I think if it hasn't really given the region -- the roof is the limit in that. So we're going to have a very serious impact on

that one.

Another point I wanted to mention here, we're all very concerned about the Iran intervention in our domestic politics, and I think we have heard the foreign minister stating that. But, at the same time, we really appreciate the effort done by the EU in terms of the -- you know, dealing with the Iran nuclear issue. And we hope the pressure will continue because the more you ease up the pressure in Iran, you are going to see less commitment from the Iranian side as we constantly get the message from their side they will continue. It's a point of no return, the nuclear program will continue. And so far, we have no serious evidence that this program is for peaceful use.

But, at the same time, the interventionist policy that Iran have adopted -- and now we have seen Kuwait, Bahrain, and also -- and Saudi Arabia have decided maybe to close down their embassy and remove their people, feeling insecure of the dramatic staff in Iran. So that's always an issue of Iran and the area of cooperation between the GCC in Iran in

maintaining the pressure on that side.

My last point will be very simple. This is a great partnership between the GCC and the EU. And I think moving forward in that partnership, we are going very soon to have the Egyptian finance minister touring the region. Egypt needs a lot of financial support, Tunis need a lot of financial support. You very well mentioned the question of money, and I think there is some synergy here where both can put their effort together and help those countries. First, maintain the same principles, which is the human rights issue, the right of people -- expression. The smooth transition and transformation of society. But, at the same time, also help them to come out of their current situation where economically they have suffered. A lot of those countries have difficult economic times, so they need to rebuild.

And we need to count a lot on the European toolbox. You have a soft security approach, you have a lot of interesting -- toolbox, I call it -- without having all the packages that are provided with it.

So, you have less packages coming with that, more interesting toolbox that can be used. At the same time, a partnership between the two can help a lot for a lot of those countries who need to overcome situations. They need to address a lot of those issues.

In general, I would say it's a great pleasure to have you here with us and I'm happy that you're going to continue your trip to Abu Dhabi, where you will have the meeting also there with the GCC foreign minister. There is a lot of commonality, and I am sure working together and assuring you of the partnership from this part of the world will help a lot to work together.

Thank you.

MR. SHAIKH: Thank you. Thank you very much. I am going to ask a few questions now, and then hopefully we'll have a few minutes for Q&A in the audience as well.

Cathy.

BARONESS ASHTON: Well done.

MR. SHAIKH: You've talked very compellingly about the transitions. You've talked about deep democracy, and the importance of patience in all of this. I think you've also debunked, I think, in your remarks perhaps the notion initially that Arabs don't do democracy or they're not ready for democracy.

I'd like you just to expand a little bit more, though, about the culture and institution-building that needs to go in underpinning the transition to democracy.

BARONESS ASHTON: There's a kind of myth around somehow values belong to certain groups of people and not others. And for the purpose of completeness, let me be clear that the values that people hold are universal. You know, for human rights to apply to you, you simply have to be human and here. There are no other criteria.

So I think it's very important that we start from the principle that people pretty much want the same things. And it's up to them to want those things, and to decide how and when. And therefore,

I'm not advocating that change should come without people wanting it. I'm advocating where people have made clear what they want. It's for those who have the opportunity, the privilege of leading, to deliver it. So there's not an inconsistency.

I think secondly, that where we've got that sort of transition, it has to be led in a way that respects the culture and the traditions and the history of who people are. Democracy, when it comes, may end up looking the same in that there's an election and people get voted in or voted out or whatever. The processes that get there could be quite different. And one of the things that we've got on offer is that we have 27 countries who have found themselves going through enormous change, have been involved in warfare, have killed each other for centuries in some cases, and who have found themselves now moving to the point where they argue across the table about issues and where they're able to come at that from the position of different and strong democracy.

So, the principle is that countries need to develop it for themselves, but there are things that others have gone through, if only to explain the things not to do or the things that went wrong, that I think can be quite valuable. And so the offer of many countries in the European Union, many of whom have no real connections in this part of the world, is simply this: That if there's anything that we doubt that you would find interesting to know about or valuable to know, we'd love to share it. Because our experiences may be different, but there will be elements of the same.

And then finally, linked to that is making sure that the resources to enable people to do that can be available. Building -- if you're going into democracy building, the political process takes time and energy, and needs to be bedded in. And that, again, is what I mean by patience, that you have to allow things to develop. Not to delay things, but simply to enable people to feel that there's a chance for it to grow and develop properly.

MR. SHAIKH: Thank you. Let me follow up one more question to you first, and that's on this debate of values and into something that you've just mentioned. Of course, by some and in some quarters, the EU has been criticized, like other states, the United States, and perhaps even others in the region, for supporting reform in some parts of the region but being reticent in others. Are there lessons to be learned here for the EU?

And could you, since you are not necessarily hamstrung by pursuing, you know, national interests, but you are to represent a broader EU view, could you be somebody that can, you know, lead the charge on calling for reform across the region?

BARONESS ASHTON: Well, I think that people have to call for reforms that they want across the region. But let me put it like this in answer to your first question. There's a spectrum of how you try and work with different countries. And I've written about this because I think it is important. It's very easy to say, if a regime behaves in a particular way, you

have no dealings with them. And there are some regimes in the world that the EU has no dealings with.

There are plenty of countries with whom we work where we don't agree with a lot of things that they do. My view is, generally, engagement is better than not. You may not achieve everything, but engagement is better than not. And so when I look back on how the EU has operated, and indeed look at now the countries that we're working with, I take that as my first principle, that if we engage we've got more opportunities to be able to promote, to support, to develop ideas across the world. This is not just a regional issue.

Sometimes you need to disengage, sometimes you need to withdraw and say this is inappropriate. I was the trade minister that withdrew our general system of Preferences Plus system from Sri Lanka because I felt that what had happened merited that. So I'm not frightened of withdrawing and recognizing that that sometimes is appropriate. But generally, engagement is better. It doesn't mean you support

everything in a country or regime. It does mean that you're prepared to work to transport people in that country or regime.

And the critical thing is never to lose sight of who you are and what your values are. And so while you're doing it it's about promoting those and supporting those values in the future.

MR. SHAIKH: Tarik, on Libya, you know that some individual leaders -- most notably, I think, in a recent op-ed President Obama as well as Prime Minister Cameron, President Sarkozy -- have effectively called for regime change in Libya. Now, that's not the EU's position, as you know. It's focused on a broader consensus, especially a humanitarian consensus.

Is there more that the EU can be doing with regards to Libya? And before you answer, Abdulaziz. The GCC and particularly Qatar has been very, as you said, forward regarding Libya. And even talking about equipping the rebels. I would like you to talk a little bit about that, as well as in terms of that aspect of regime change.

MR. YOUSEF: As always, Salman, a very easy question. But I have one noted observation, and that's an observation that everyone is thinking about, thinking through right now. How do you reconcile the political objectives with the military objectives? The political objectives on everyone's mind call for regime change, at least the countries that matter.

The military objectives that are specified in the U.N. Security Council resolution speak about limited -- they fall short of regime change and call, essentially, for the protection of civilians. Hence the gap that emerges between the ultimate political objectives and the mandate of political operations.

And I don't think it's one that countries have thought through, at least the powers that ultimately can make a difference and are called upon to make a difference in bridging this. I don't think they have thought through it or engaged enough in sort of the conversations and debates and agreements on who goes when and what are the steps, one, two, three, for us to close this gap?

But I've got news, also, for Europe based on, again, the few days I spent in Washington. Everyone you speak to in Washington -- whether it's State Department, the Department of Defense, White House -- is acting on the assumption that Libya's future, bridging that gap, aiding or not aiding the rebels, ensuring that Qaddafi is pushed out is a European problem to be sorted through in NATO with the European countries deciding for themselves how to do it, reconciling their differences, having the tough debates, and more importantly, paying for it or finding a way to come up with the finances to ensure that it's paid for.

This is, from my perspective of someone in Libya, this is extremely frightening. One, Europe has not had much experience in this sort of intervention. It's under immense budgetary constraints. And three, it doesn't even have the military hardware should it commit itself financially.

What proposals can it conjure up in providing support to further sustain the military

operations? And possibly helping in assisting the Libyans to achieve the ultimate political aim of regime change? I think this is the heart of the dilemma that Europe faces in Libya, and Libyans face as they look to Europe and the U.S.

I will end by just saying that I'm of the mind that while Libya has immense interest for countries outside of Europe, our security -- the future of Libya's security, Libya's stability, Libya's peace, and Libya's instability and it's propensity to cause problems for the rest of the world should chaos ensue -- is primarily a European issue that Europeans have to deal with. This is a historic opportunity for Europe, in my humble view, to claim the influence that it deserves and it's earned in that country, and to do justice on account of the historical legacies. And to set a foundation after 42 years of dealing and accommodating one of those regimes that I think Her Excellency would agree with me, should have never been accommodated or brought in from the cold.

MR. SAGER: Well, it's obvious that Middle

East becoming the direct neighbor of the European countries. So whatever happened to the North African side has a direct impact on Europe.

I think the GCC have been very clear in terms of their position. They were the first to announce their support of the rebellion. At the same time, they took it further through the Arab League by asking for the no-fly zone; further to the OIC, Organization Islamic Conference. So they spared no effort in terms of lobbying, telling, doing their utmost for the best interests of the Libyan people.

At the same time, they participated on the surveillance through the air force of Qatar and the United Arab Emirates. The recognition and the delegitimization of the Libyan government has, you know, strongly taken -- the lead was taken by Qatar and by the GCC countries: managing the economy through the oil export and trying to use that as a tool to help the people inside; hosting the, you know, the last meeting in Doha was quite important, of course, and sending a very clear message coming from this part of

the world.

So I think they spare no effort, capacity, or position to clear it, you know, for the rest of the world that, yes, we are in support of the Libyan people, that we wish to help them. And also, I think many of the countries are in agreement in supporting the rebels with adequate means that can help them to overcome the aggression of the Muammar el-Qaddafi forces.

MR. SHAIKH: Do you want to say something on Libya?

BARONESS ASHTON: I'd be very happy to. The -- I just really wanted to pick up on Tarik's point about how the U.S. may view the European perspective on this.

I'm actually a real believer in partnership and partners for this. And one of the reasons we had a meeting in Cairo last week under the U.N. with the OIC, the Arab League, the Africa Union, and the EU was my proposal to Ban Ki-moon, that the organizations of the -- not just of the region, but under the U.N.

umbrella, of the whole global community -- need to come together to work out the plan.

I think Europe has to absolutely take its responsibility from that. I don't for one minute suggest otherwise, and it's why I've been looking at humanitarian corridors, getting ready to be able to support U.N. missions, why I've had people in Benghazi, why we've had the beginnings of links in order to start putting a bigger plan together. We're all, I think, thinking of that.

But I think what we need to do is also with our partners in other organizations. This is for the Africa Union of enormous significance, for the Arab League of enormous significance, for the GCC. And I wouldn't accept and I don't think, Tarik, you were saying this -- that somehow the Europeans are going to come galloping over the hill and be the great, you know, saviors of all this. Absolutely wrong. This is about partnership and collaboration, and working together with those from the region and, more importantly, from the country. So they get the

country that they want based on the support of the international community.

MR. SHAIKH: I'm going to ask one more question and then we'll open it up for just one. I know, Cathy, you have to leave, actually, in just a few minutes, but I can't not ask you about the Middle East peace process.

You've spoken about the achievements of Salam Fayyad and the Palestinians' readiness for statehood. It seems to me that May is going to be a big month for the peace process, not least because Prime Minister Netanyahu may well be speaking about it in a joining session of Congress on May 24.

Looking forward, how is Europe going to contribute regarding the peace process? And particularly in perhaps some of the disputes that may well arise in terms of the Palestinians themselves moving towards the UN and declaring statehood?

BARONESS ASHTON: Well, we could spend many -- have many hours on this. So let me just make a few points very briefly, some in response to your

question.

I mean, first of all, the EU plays two big roles. Economically we are the biggest supporter of the Palestinian authority, and we've already committed the money for next year to be able to continue the process that Salam Fayyad has so successfully led. And that process of state building is in the interests of both the Palestinians and the Israelis. So, this is an important element.

Secondly, politically all 27 member states have a very clear worked out position. We support the 2 state solution, we support -- based on 67 lines with line swaps. We support Jerusalem as a capital of both, and we support that the position of refugees needs to be sorted out. All of those big issues that become very familiar to me and are very familiar to you. We have a common position.

We've worked extremely hard to get the quartet to be as effective as it possibly can. And for the first time under our chairmanship, we had meetings with the negotiators from both sides. I want

the quartet to meet as soon as possible to put in place a strong statement to support and enable President Abbas to be able to come back into the talks with a clear set of parameters that we can move forward with.

We are doing everything that we can, but we do not underestimate the role of the United States in this. And I would not be so foolish as to do that. But we work hand-in-hand and very closely with them in trying to achieve that.

For me, particularly, the issues of Gaza have stayed with me. I was the first politician that the Israelis allowed into Gaza from their side. I've been back since, I will go again, and I've met with the groups of people and many children in Gaza. And I am very determined to try and support movement that will enable the people of Gaza to build their economy and to have a potential for the future that is, at the moment, far from being realized.

It's going to be essential in the next weeks and months as we move towards September, which as I

keep pointing out, is moving towards us rather rapidly, that we are working together to try and get this moving again. I think September, for the Palestinians is a bit of a line in the sand. It is a moment when they will look to the international community and say, what have you done?

Recognition is not an issue for me. The EU doesn't recognize anyone in that sense, it's member states who will do it. But for me, the most important thing will be to try to get the talks moving.

My final point is this. I have said this loudly and clearly in Israel and in Palestine. It's absolutely the moment to do it. It's not the moment to retreat away from it, it's the moment to have action and to see the resolution. And frankly, it's not rocket science. Everybody knows what the discussions have got to be about. I think it really needs to move now.

MR. SHAIKH: We can have some questions. We'll just take two, but, please, if you could just make them questions rather than long comments. The

lady at the back and this gentleman here. Okay.

MS. BILLINGS: Hi. I'm Susie Billings with the Australian Trade Commission here in Doha.

I am curious, you talked about one of your key areas being money and the assistance or in helping political parties come where they have not been in the past. Brookings a couple of weeks ago had a leader of the April 6 movement, somebody from the ElBaradei campaign. How does Europe support political party buildings without being seen to be as predominantly Christian nations and to be financing or interfering in the politics of these countries? Certainly, these campaigns based on what we heard at the last Brookings talk need assistance, they need organizational structure, and they need funding to combat or create marketing spin, marketing awareness, et cetera. And, just logistically, how do you balance that?

MR. SHAIKH: Mic, please?

MR. KOBAR: Thank you. Osama Kobar from the Wireless Innovation Center in Qatar.

Like, unfortunately, the Libyan issue is

really in the middle of a tug of war between the European Union, the Arab League, and the American interests. So I don't really to discuss it from a political point of view, but from a humanity point of view and specifically from a moral point of view, like how the European Union really watching Libyan civilians are being massacred, are being killed, are being slaughtered by a mad person while they are still really sitting around tables and discussing ways and means and it is taking really weeks and weeks with no real interventions. So I would really would like to know your input here.

Thank you.

BARONESS ASHTON: Hello, Australia.

Political party funding. We don't fund political parties in the European Union. We are forbidden, it's not what we do. But if you are creating a political party, there are many things that you need to understand and know how to do.

And so the work that we're looking at and we're seeing whether we can find a way of doing this

through a new, perhaps, endowment or whatever, is all of the valuable lessons about how you build a political party and how you operate as a political party. And that includes just some of the very basic things that people need to know.

I was very struck by a comment that Chancellor Merkel made at a conference not long ago. And she said, when East Germany and West Germany came together she was in a political party that had 0.3 percent of support, or even people had ever heard of, and how important it is to be able to know and understand what you need to do. So it's the mechanics, not the politics, that we would be engaged in for exactly the reasons that you suggest.

I hear the passion in your voice about Libya. For our part in the European Union, where 27 countries come together, is in wanting to support as much as we can the humanitarian crisis that we see before us. It's why I'm working to make sure that we are ready to respond to the calls of the United Nations if they ask us to back up their aid. It's why

the European Union has provided, I think, all of the money that's currently in the flash appeal. It's European money.

It's why the ships that are taking people out of Misurata are being funded in part by European money. It's why we've been trying to help and support moving towards stopping the fighting, and then to try and build the support. And it's why I've got people on the ground going in and out, trying to find ways in which we can build our support. And it's why we're saying to Ban Ki-moon the importance of trying to get humanitarian corridors established. And why my old friend Valerie Amos has been in Libya in the last couple of days.

That's what we think from the European Union's perspective we can move forward. Individual member states have made their positions clear. From President Sarkozy and his initial meeting in Paris, where he deliberately moved to try and stop what he feared would be a bloodbath in Benghazi. And the continuation of what NATO is doing, specifically

designed to support civilians and keep people alive is really important.

But I understand what you feel in what you say. For our part, we're doing everything we can from a humanitarian perspective.

MR. SHAIKH: Okay. I think we are actually going to come to an end here. I know Omar and Dr. Zachariah and others, I'm sorry. It's because we are on a tight schedule.

BARONESS ASHTON: I have to get a plane.

MR. SHAIKH: Yes, and you have to catch a plane. I know you're also going to quickly whisk through the Islamic museum, which I highly commend is one of the nicest buildings here.

Let me just say thank you to you, Cathy, and also to our other two guests, Abdulaziz and Tarik. We talked about the prominent role that Europe is going to play. It seems as if this is, in many ways, Europe's moment working with others in the international community.

I know you yourself are going to continue to

play a very prominent role in this. We wish you the best of luck and we look forward to having you back in Doha soon. Thank you very much.

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