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ITALY'S FOREIGN POLICY IN THE NEW MILLENNIUM

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Introduction:

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PROCEEDINGS

MR. BENJAMIN: Good afternoon, and welcome to Brookings. I'm Daniel Benjamin. I'm the Director of the Brookings Center on the United States and Europe, and I'm particularly delighted to welcome you here today to hear an address from Franco Frattini, Italy's Minister of Foreign Affairs.

This event is being co-sponsored by the Council on the United States and Italy, a long-time supporter and partner of Brookings, and I'm particularly delighted to recognize Ambassador Richard Gardner, who's over here, a member of the Council's board and one of America's preeminent international lawyers and diplomats, as well as Michael Calingaert, who is Executive Vice President of the Council and a visiting scholar and an integral part of our team here at Brookings. We are very grateful for the Council's partnership and for its dedication to promoting a better understanding of Italy and its foreign policy.

Now, as everyone here knows, Franco Frattini has become one of the preeminent diplomats and policymakers in contemporary Europe. He has had a career that might be termed by many as "meteoric," except that meteors often fall to earth, and Minister Frattini's career always seems to be rising upwards. Indeed, I think the last time the minister spent much time going downhill, it was in exactly the right way in his youth as a certified ski instructor.

A lawyer by training, he was appointed Italy's Minister of Foreign Affairs on May 8th, 2008. This is his second tour of duty in that position. He previously served in 2002 to 2004. In between he spent four years at the European Commission as Vice President and Commissioner for Justice, Freedom, and Security, a particularly challenging portfolio in the post-911 period.

He has had a number of other senior positions in Rome, including a secretary-general of the prime minister's office under Prime Minister Berlusconi, and also in Brussels at the EU, and as such he is extraordinarily qualified to discuss not only the crises of the moment -- and I know that he will address the situation in the Caucuses and the subject of relations with Russia -- but also to consider the challenges facing the international architecture of security and international relations. I know he will do so within the context of a discussion of Italy's fourth-coming G8 presidency in 2009 and its national diplomacy, which most observers would agree is going through a period of great activity and great creativity through its engagement in areas ranging from the Eastern Mediterranean to Afghanistan.

Mr. Frattini, we're delighted to have you here today.

Ladies and gentlemen, please welcome Italy's foreign minister, Franco Frattini.

(Applause)

MINISTER FRATTINI: Well, first of all, thank you very much, ladies and gentlemen. Good afternoon and thank you very much to Brookings for inviting me to take the floor to express some points of view about important national issues, and of course I'll be later more than happy to answer -- to answer your questions.

I think, ladies and gentlemen, that the post-cold war world has proved to be less friendly than we expected. In fact, we have pacified and reunified Europe. We have put an end to the Balkan conflict. We decided to enlarge NATO and European Union, and yet we should ask ourselves are we more secure today than we were 20 years ago? I believe that very few of us could answer yes. Look around, and you see many areas of instability. Afghanistan, Iran, North Korea, Iraq, the Middle East, and, finally, the Caucuses. Moreover, transnational and known conventional threats are mushrooming everywhere, I would say -- energy, environment, mass migrations, the financial crisis -- we know perfectly the gravity of the situation -- and the food crisis.

One of the first points I would like to make here today is the following. I'm convinced there is a growing gap between the complexity of the world and international political community's capacity to respond. The existing multilateral institutions are often running after the different event and crises. The ongoing transition of international power and the emerging non-Western powers is exacerbating our difficulties. On one

hand, those powers are becoming indispensable to address the new challenges; on the other hand, they are more interested in consolidating their positions rather than in sharing the cost and responsibilities of global governance. In other words, I would say we have a governance gap. How shall we fill the current governance gap in order to make the world which will leave more secure or at least less insecure? I believe that the theoretical paradigms we have used over the last 60 years no longer suffice.

During the cold war the guiding principle of our policy was containment. This was a winning strategy then, but it was so because we had only one enemy, and a very specific one, and after the end of cold war, our strategy was based on the pursuit of liberalization and enlargement of Euro-Atlantic institutions. This was also successful until globalization showed its dark sides. New and challenging North Western powers emerged.

Finally after 9/11 the so-called global war on terror became a dominant paradigm, and rightly so, until we discovered that alongside terror there are numerous and not less threatening challenges out there.

My point is that none of these known concepts could provide an effective guidance for dealing with the plurality of today's challenges posed by globalization and international complexity. We need to devise a new paradigm, a broader one. The future of global governance cannot be

but based on a principle of shared responsibility. We need to create what I can call a new community of responsibility powers -- all the new ones, like sharing common objectives and common responsibilities. I'll come back to the point at the end of my presentation.

I'd like now to turn to some of other major challenges that such a new community of powers should address.

The first: Two key horizontal issues -- nonproliferation and economic multilateralism. What our citizens are asking from us comes down to two main things -- physical and economic security. Our security and world stability today depend and will depend in the future on an increasingly number of factors, but among them the one I would put on the top of the list would be the issue of nonproliferation. Today's most serious challenges to our security, like Iran or North Korea, are related to the problem of nuclear proliferation. Should these two states or other states go nuclear? This would activate a nuclear race, which will make the international system more and more unpredictable and risky. Democracies could be blackmailed tomorrow by an increasing number of nuclear autocracies and/or rogue states, not to mention the risk of nuclear weapons falling in the hands of terrorist groups.

Iran and North Korea are two key cases to test the political will of international community and the new community of powers to stop nuclear proliferation. Therefore, we need a firm and united international

front to make sure that these two states can fly with international obligations. And the same time I want to stress that we badly need a broader approach to nonproliferation, like the strengthening of a comprehensive and multilateral regime. If we continue to deal with the challenge of proliferation on a case-by-case basis, we will continue to have the same kind of problems with other states. What we need, in other words, is to strengthen the NPT regime and to adapt it to today's more complex reality. If it has become easier to proliferate, then it is obvious that we need to tie it to our norms and procedures for their enforcement. "Enforcement" now is the key word to be used. The NPT conference review, which will take place, as you know, in 2010, could provide the opportunity to make some significant breakthrough to this regard.

To this end, however, we will need to start our work now. My country, Italy, intends to put nonproliferation at the top of its G8 presidency's agenda next year. Needless to say, in order to succeed, we need first the strong commitment of United States. I cannot tell you how a strengthened, nonproliferation regime should look like. I know it should be based on what one American expert, Graham Allison, some time ago called the three no's: No loose nukes, no new nukes, no new nuclear states.

One last point on nonproliferation. Let's not forget Article VI of the NPT Treaty and the sort of linkage that it established between

nonproliferation and disarmament. Any effort to strengthen the nonproliferation regime would greatly benefit from the existing nuclear power's commitment to reduce and gradually dismantle their nuclear weapons.

The other horizontal priority for the new community of powers to deal with is economic stability. Too many instability factors are crowding our lives -- the credit crunch, the volatility of exchange rates, the energy crisis, the food crisis, the increasing gap between haves and have-nots, and the stalemate of the Doha negotiations on trade. These different problems and crises involve an ever broader number of countries -- developed countries, emerging powers, and consumers of energy and producers and so on and so forth. I believe we need to seriously, very seriously, reflect on the adequacy of the current mechanisms of economic governance. Again, there should be a shared responsibility for the stabilization of global economic environment. I think we should launch a debate on economic governance and involve in it the new economies. The shift of power over the last decade has created the new economic and financial multipolarity. We need to take into the account the interest and views of these economic actors in order to create a better functioning economic governance based on effective multilaterally -- and I stress "effective" multilateralism. Should we fail to do so, economic nationalism and protectionism would take over, paving the way for a dangerous zero

sum gain competition among states as opposed to what we want and most important one, which can be realized only if multilateralism works and works well.

The new community of responsible powers should commit itself also to the solution of the major national crises. Among these crises, two are particularly important for international stability -- Middle East and Afghanistan.

Let me start with the Middle East. The Middle East and the Gulf have been, for far too many years, the most unstable regions of the world. It is certainly the area from where most of today's security challenges come from, ranging from Islamic fundamentalism to terrorism, ethnic and religious conflicts and proliferation. To consolidate international stability, we need to find sustainable political solutions for this region. I have already discussed the Iranian problem, but I would like to stress that Iran has to accept as soon as possible a diplomatic solution to reassure the international community, its neighbors, and Israel in particular about its intention. They have to stop, simply, the enrichment of uranium.

The other priority is the Middle East peace process. Even though as it seem likely, the Annapolis process unfortunately will not come to fruition by the end of this year. We need to do everything in our power to make sure that the process will be not interrupted or reversed. We need to save what has been achieved and further build on it without, as it

happened, restarting once again from zero. To succeed, we would need a strong engagement of the next American administration from the very beginning of its term in continuity with what President Bush is doing now, and we do need also a stronger European engagement, an active engagement, also rather key international and regional players -- first of all in the Arab world.

We also need the active support of international community to build a regional compact in the Middle East based on interstate cooperation, a compact that would create a basis for a sustainable peace in the region. I would talk about sustainable, comprehensive, lasting peace in the region.

I would like now to talk about Afghanistan. Again, this is an extremely complex undertaking whose success requires the full commitment of the broader community of powers I've been talking about. The stabilization of Afghanistan cannot be seen only as a preoccupation or an obsession of western powers. It should be, for obvious reasons, in the interest of everybody, also of the other known Western major powers and the countries of the region. Therefore, Italy has advocated the strong regional approach to the Afghan's conflict involving more closely, besides Pakistan, also India, China, Russia, and Central Asia. We are convinced that the regional approach will usefully complement the other elements of our common strategy in Afghanistan. As president of the next G8, Italy

intends to strengthen such regional dimension of Afghanistan issue. I believe that also the European Union should devise a more active, I would say proactive, policy towards Pakistan, whose stability is crucial for the future of Afghanistan and the entire region. A group of countries -- friends of Pakistan -- should very soon start working.

I would like to mention, now, Russia. As we have seen in the Caucasus, Russia is not that easy with the current situation in European neighborhoods. European Union has played, I believe, a very crucial role, and we should thank particularly the French presidency to come up with a diplomatic solution to the crisis. We have unanimously condemned Russia's disproportionate reaction to Georgia's initial, I would say, unwise attack to solve this issue, as well as Moscow's decision to unilaterally recognize the two secessionist entities. At the same time, however, we need to be aware that Russia is also part of the solution. It should be part of the solution starting from the European neighborhood itself. It will be very difficult to envisage regional peace in that region against Russia instead of with Russia. Moreover, we need Russia to address the many global challenges I've already mentioned from Iran to Afghanistan, nonproliferation, and energy security. Therefore, we need a two-level approach towards Moscow. In other words, we need to firmly stand by our principles, no return to spheres of influence, respect of neighbor sovereignty, etc., and in the same time to keep Russia closely

engaged, to seek common solutions both regionally and globally. A policy of isolation or an attempt to return to a policy of containment will play in the hands of Russia nationalist and would make Moscow a farther, reluctant partner. This wouldn't be in our interest.

Let me conclude on Russia. I believe that Georgian crisis has demonstrated that we need a new strategy for what we call the 'neighborhood', a strategy that would reconcile two goals, a gradual anchorage of those countries to the Western space on one hand and the preservation of positive relationship with Russia on the other. It is not going to be easy. But we should passionately try.

And now my conclusions. Up until now we've always thought that multilateralism from a normative step point strictly depended upon institutions. This was based on belief that only formal institutions could produce norms. What we have built since the Second World War is in fact a top-down multilateralism. We did the same in Europe through the European process, though gradually and pragmatically through what we call Jean Monnet's "neo- functional" approach. Therefore, as a result of such institutionalist approach, we have been spending a lot of time over the last two decades discussing on how better to reform our global institutions. The debate has ranged from the enlargement of UN Security Council to the enlargement of G8 and, more recently, the idea of a League of Democracies. None of these attempts for a grand reform of global

institutions seem to be going anywhere from a variety of reasons, which I'm not going to discuss now. But the problem is, however, that the longer we are paralyzed with the debate over the reform of global institutions, the longer we are condemned to live under a normative disorder and a governance gap that will reduce people's fate and multilateralism and will encourage the resurgence of nationalism and negative competition among the states. The question I would like to pose therefore is: can we fill the current governance gap and save multilateralism by using a new approach, namely a bottom-up approach, rather than a top-down one? Putting aside, without abandoning, the time-consuming discussion on a 'grand reform' of global institutions, could we not instead focus first on the attempt to pragmatically create 'from below', and for each of the challenging areas I have described, a web of norms and commitments that an ever broader community of responsible powers would subscribe to and commit to share? This is the question, targeting for those areas I've mentioned -- nonproliferation, trade, development, energy, environment, and building up in each of these areas common principles, common codes of behavior, common responsibilities shared by the major stakeholders of international system. Pragmatically promoting such global norms should maybe become our priority. It would help to consolidate this new community of responsible powers, and this in turn would facilitate at a later stage the necessary and, I would say, inevitable reform, also of the formal

institutions.

This brings me to what should be my very last point. I believe that the center of the future Trans-Atlantic agenda -- there should be the common objective of expanding such community or responsible powers shaping it and developing it step by step, area by area, and eventually formalizing it as soon as the circumstances mature.

What I remind when I speak of community of responsible powers is not something like the 19th century concert of powers. The concert had at that time a negative agenda and its main purpose was to avoid war among powers through mutual restraint. The community of responsible powers, instead, will have to have a 'positive' agenda' to actively address today's many challenges. We need the US leadership and a strong and united Europe to make it happen. Thank you.

(Applause)

MS. BINDI: Thank you, Minister Frattini, for your interesting speech and most of all for coming here in what is a very charged week for you. So, we are particularly grateful that you stopped by Brookings on your way to New York. And before -- I know the public will have questions, I take the initiative I break the ice. I have actually two comments, one on the last thing you said on global normativism. You also mentioned Jean Monnet. Jean Monnet said "men go, institutions remain", but when he worked on the making of the first European community, the

European Community for Coal and Steel, he tried to respond to one challenge which he faced when he was joint secretary-general at the League of Nations. That is to say, the issue of enforcement. You talk about a web of norms and commitment for each of the main areas. How do you make sure that these norms are enforced and are respected, just like it happens in the EU? Because know that the magic of EU is that it is enforced by the member states even if initially there was no way of forcing the states to do so, other than the judgment from the European courts of justice.

And then the second question I would like to ask you would be to elaborate on the issue of the nonproliferation treaty. As you know, in December, we will host here at Brookings a conference at the request and in collaboration with your ministry on this issue, and you said that we need to strengthen and adopt the nonproliferation treaty in 2010 in order to adapt to today's more complex reality. If you could to elaborate on that and give us some concrete ideas that you would like us to discuss in particular here in December, we would be grateful.

MINISTER FRATTINI: Well -- okay, these two points. I talked about Weber norms. I talked about a bottom-up approach rather than a top one -- a top-down approach, because as a matter of fact we have been working very hard to try to stop nuclear proliferation in North Korea and in Iran. So far, we did not succeed. Is a matter of credibility, is

a matter of implementation. Why? Because after having decided a strategy, including sanctions in case of noncompliance of Iran, for example, we were not able to implement sanctions, and we are still discussing on how implement and how to agree upon a new set of sanctions at the level of Security Council of UN, because the international system works on a top-down approach. We talk about credibility of Security Council and immediately we think about how to profoundly reform the old system of UN decision making. We don't think on how to make it credible, implemented once and then have it adopted, once a strategy is approved. That's what I call bottom-up approach.

First we have to agree on a common set of principles, including practical implementation, including common behaviors. I talk about a code of common behaviors to be agreed upon, and then we can think about how to learn the lesson of the good results if we will have good results to discuss on how to change profoundly the structure of the international institutions, because otherwise we risk to be trapped in a very long time-consuming exercise. I can mention EU, treaties, reform. We have been discussing for a very long time about whether to adopt a constitution for Europe or just simply amending the existing treaty or to prefer a constitutional treaty, which is something different from the constitution. Is very hard to understand to everybody. But finally after 12, 13 years of legal discussions, Ireland, a state that deserves full respect,

Ireland said no, we don't want, and we are in a stalemate. Nobody knows whether it's possible to resume the process toward the entering into force of Lisbon treaty after the signature of the Lisbon treaty by the governments of all 27 member states, including Ireland, and people said no, I don't agree, and through a referendum. They said you have to wait and to respond to what is to us, Irish citizens, really of interest more security, more capacity of building infrastructure, less bureaucracy, and so on and so on. This is why I don't like at all to be trapped in a very long, I would say, exercise of discussion on institution before addressing the profound rules of problems that lead to frustration of people.

What is the regional of the failure and the referendum in France, in the Netherland, in Ireland? For sure, the Irish people, I would say, talk tremendously important benefits from European money. They rebuilt the country with the regional funds coming from Brussels. The French people are very proud Europeans and they said no. Why? Because we were unable to address how the institution or legal problem, the profound rules, of the, I would say, fear about globalization, uncertainty about the future. That's why I prefer a bottom-up approach, because once we had to -- we have responded to the preoccupations coming from the population, we will be much stronger in putting on the table proposals of reform. Otherwise, we discuss here about what kind of system would be the best one to reform Security Council and then we put

on the table take or leave it, because we have decided within the closed doors. Is it possible to accept? To me it's very hard to accept. This is the reason why I prefer to start from the ground, from listening to the people, and the bottom-up approach instead of a top-down one.

Second point, nonproliferation. Very difficult. Now it would be very premature to anticipate, just dissipate detail proposal. That should be exactly the result of the discussion, which is in preparation. But one point should be clear, should be very, I would say -- I have to stress this point, and we should stress this point in the next future, nonproliferation, I would say, is the common denominator to address all the crises that are around the world. You talk about Afghanistan and Pakistan. It is related also to nonproliferation, because Pakistan is a nuclear power.

You talk about Central Asia and Iran. Of course, nonproliferation. You talk about the crisis in Caucuses? Is it, of course, related also to nonproliferation -- because if we start with proliferation, it's very hard to, I would say, imagine that Russia will stop and will follow the line that we do want to be followed -- disarmament and nonproliferation and reduction and destructions of weapons of mass destruction.

You talk about Middle East. Is there a problem on nonproliferation there? Because Israel is under constant threat of aggression by Iran. It's a problem. So, nonproliferation is one of the keys to address all the issues that pose a threat to the security of modern

democracy. That's why it's, to me, so important -- the new phase, which will open by renegotiating the NPT in 2010, and that's why I'm very grateful to Brookings to have -- accept for having accepted -- to have here a discussion about this to pave the way to, I would say, increase our, I would say, public awareness of the importance of nonproliferation.

When we talk about proliferation -- nonproliferation -- very few people know what we are talking about. That's -- the first point should be to explain. What does it mean? What are consequences in case of nonproliferation strategy phase? That is my starting point.

MS. BINDI: Okay. Now, if you can identify yourself when you start. I would say ladies first? Nina?

MS. GARDNER: Nina Gardner. For the purposes of this talk, co-chair and founder of Americans in Italy for Obama, so we welcome you.

It was interesting that you should mention --

MINISTER FRATTINI: A bit louder.

MS. GARDNER -- you should mention nonproliferation, because that is actually one of the main planks of an Obama presidency, so I think there'll be a lot for you to be working on together.

One of the questions I wanted to ask you is when Obama comes to Italy, and I think Italy's quite on the short list after Germany, France, and England, and he asks Italy to continue its commitment in

Lebanon, in Afghanistan, in Iraq, and other trouble -- troubled areas, can we continue -- can we count on a continued Italian commitment in those difficult areas when there could be a lot of internal pressure to pull out?

Thank you.

MINISTER FRATTINI: Well, you'll remember perfectly that the government Berlusconi was in a very difficult situation 2003, and nevertheless we accepted to take part of the mission in Iraq after request of the America. United States asked Italy for help, for support, and even though there was, in Italy, growing criticism, we did so. We did so in Afghanistan from the very beginning of the international mission there, and we did so from the very beginning with the Italian commitment towards, I would say, preventing and urging and sanctioning Iran for the noncompliance with international obligation. So, we did so in even more difficult moments of our recent history. We paid a very heavy price, but nevertheless I can say the government of Italy will be firmly committed to cooperate with the first international partner, which is the United States, and one of the first messages we have sent to NATO and to America immediately after the April elections in Italy was to remove the Italian national caveats. You remember. Before this government, Italy was submitted, because of domestic problems in Italy at that time to some national caveats. According to these caveats, Italian contingence were not obliged to the same rules of engagement the other contingence. We

decided to remove. Now we expressed solidarity. Our intention is to cooperate towards more coordination, more cooperation, more burden sharing in Afghanistan, and, you know, we have accepted to be on the top of the country-building states in the NATO training mission in Iraq. Italy now is a country number one in the NATO training mission to form police and security forces of Iraq. So, we will continue to this for sure.

MS. BINDI: The gentleman in the first row.

SPEAKER: Thank you. Still on the security agenda, Mr. Minister, two issues.

Secretary Gates on Afghanistan had expressed his discomfort a while ago about the low level received -- low level of commitment on the part of NATO or European members of NATO in general not identifying any particular country in terms of the troop requirements estimated by the military commanders in the field, and actually using pretty strong words before Bucharest as to whether or not the Europeans believed that this was a shared mission or not. The French were hailed for supplying a battalion when divisions are required. So, your perception as to whether the military commitment in terms of troops and materials on the part of the European members of NATO is adequate at this point or not and what should be the steps following?

And on the European Union side, same question. Do you think that it's possible to envisage in the foreseeable future a defense

component, a meaningful defense component beyond the objectives so far are not quite realized and achieved of a shared and common European foreign policy? Can there be a European Union defense policy which would imply European armed forces? Is that conceivable? Thank you.

MINISTER FRATTINI: Well, first point, first question -- I do believe that we should, I would say, stress, highlight and then stress, the barter sharing aspect of NATO mission in Afghanistan. We did so by confirming -- not only confirming but improving our capacity to cooperate there on Afghanistan. We held the capital's command and the Iraq province. Now we have in the Iraq province about 2.3 thousand soldiers. We cooperate without national caveats, as I said. We are ready to engage in concrete operations of request, of other contingence, including to fight against Talibans and to have important ground operations. We are convinced that we can do more in terms of coordination among all the national contingence between NATO and EU and also in terms of more exchanges of information and data between the national contingence. I'm convinced that we can do more in terms of equipping and training Iraqi forces, because sooner or later we should be -- we will have to be prepared to see Afghani forces and institutions able -- able -- to run the country, which is not yet the case at particularly outside Kabul. So, Italy is committed. But I have to admit there should be something more coming from other states, other members of international community, and there

should be something more in terms of building together at European level a true European defense strategy.

What is the problem now at European level? The problem is capabilities. We don't invest enough in military capabilities. We used to be, I have to say frankly, for a very long time consumers of security instead of producers of security. The time has come to shift from consuming to producing security at European level. This is our problem. We were accommodating in a very easy situation. Very comfortable. Our biggest ally providing us with security and we consumed security. But the world has changed. And now we have to support the strategy put forward by the French presidency, which intends to come up with a broad perspective of European defense strategy by the end of December.

Italy, of course, is strongly in favor. I don't know whether all the 27 member states of Europe are also in favor, but one thing is absolutely clear. We cannot succeed in addressing together international crises we have if don't have a true European powerful defense strategy and if we don't have capabilities -- military capabilities.

On final point, I would say sometimes -- I wouldn't say often, sometimes -- we don't see enough coordination between ESDP European missions and NATO. We have to have a better coordination between European defense missions that we have, quite successful ones, and NATO. Better coordination is one of the keys to have success. These are

the three main points: More capabilities; more coordination; and comprehensive European defense policy. We do want to succeed, and we are working very hard to make it possible French presidency succeeds.

MS. BINDI: Carlos?

MR. PASCUAL: Carlos Pascual, Brookings. Mr. Minister, thank you again for joining us.

I'm very sympathetic to the point that you make about the importance of building from the bottom up to try to revitalize the system of international governance, and if we take your example that you focused on, on nuclear nonproliferation, you addressed your comments in particular around the importance of revitalizing the nuclear nonproliferation treaty, so presumably this would mean that there needs to be a new set of rules of the game that provide the foundation for governance. And then the question arises, how do you get the rules? And as we have seen in the past when you have, let's say, 192 countries trying to negotiate at the same time, the bottom-up becomes chaos, and so you talk about a new community of responsible states, and you indicate that that needs to be expanded. So, if I'm correctly understanding the logic and the rationale that you're working toward, what does this expansion of the community of responsible states look like, and what kinds of actions will Italy take during its G8 presidency to start bringing this about?

MINISTER FRATTINI: Well, thank you very much for this question; because this question gives me the opportunity to elaborate a bit more about some intention Italy has as next G8 presidency.

I think what is very important is to make full use of a flexible model of G8. Some are thinking about the expansion, enlargement of G8. How to reform G8 structure. How many countries should be invited to take part of the model of G8. This exactly -- I don't believe is necessary now. If that we should focus on what are the real problems and who are the real protagonists that should be involved, and I'll give you an example -- I've already mentioned the outreach on Pakistan and Afghanistan -- when I talk about Pakistan and Afghanistan, I yet to talk about first how to give people at least legal certainty about the demarcation of borders. You know perfectly that between Pakistan and Afghanistan there are more than 1,000 kilometers of borders that are not demarcated. And this is the area where all the Talibans and tribes and terrorist groups proliferate and grow.

First point is a pragmatic point. It's not matter of rules. Second point on that region. How is possible to, I would say, think about a nuclear power, like Pakistan, which should cooperate, should take part of international community strategy against terrorists, being in the same time a country facing a very difficult financial and economic crisis in the, I would say, weeks to come -- not months to come. How is possible in the same

time to get Pakistan involved to deal with terrorism and in the same time to give the public opinion of Pakistan the impression that we don't want to use them to fight Osama Bin Laden only, but we want to help them to get a better life, to help in economic terms, and so on and so on. And then the idea to organize a special outreach. Outreach should be not a region model but a flexible one. On Afghanistan and Pakistan, we should have on board China. We should have on board perhaps Saudi Arabia and of course Russian federation and plus states like India, because if we don't get on board India, it's very difficult to accommodate a difficult situation with Pakistan -- between Pakistan and -- this is an example.

I would like to organize another special outreach, a political level, a ministerial level, on the crisis areas in Sub-Saharan Africa. I would like to do that in cooperation with the African Union and the Arab League. Probably for the first time we would decide to invite the secretary-general of the Arab League to take part of G8 and outreach special exercise. Why? Because it's simply not possible to concede of the same actors we conceded to deal with food crisis, to deal with Pakistan, or to deal with the Sub-Saharan Africa. The flexibility should be the key. That's why I do prefer talking about how to fully use the potential of these flexible exercises instead of talking, as somebody did, increasing the number of G8 members from 8 to 13. Why not 12? Why not 15? And then we are trapped in a very long discussion on the model of legal

discussions and so on and so on.

This is the example of G8, and when we talk about G8 I consider that some, I would, emerging economies should be taken into account but also some emerging actors, just to give another example. Traditionally, the jade members invited in the outreach highest-level exercise, head of state and government, five states -- Brazil, Mexico, South Africa, India, and China. No Arab states. No modeling states at all. How is possible to deal at the highest level without having around the same table at least one country not representing the Arab League but bringing to the table some sensitivities. So, we will invite Egypt to take part of the outreach leaders' exercise. This is just another example. We couldn't do that if we, I would say, would have been trapped and this discussion -- is it possible -- should we change something in the regulation of G8 or not? We decided to take a political action. This is the example. This is why G8 will be the opportunity also to start from the ground and bottom-up exercise asking for concrete answers instead of abstract, top-down proposals put on the table and please take or leave it. This is the idea.

I'm afraid I have to go --

MS. BINDI: Shall we go to the last questions?

MINISTER FRATTINI: -- in five minutes. Yes. Okay.

MS. BINDI: We can go to the last one, two, three and then --

MINISTER FRATTINI: Okay.

MS. BINDI: -- the last one?

MINISTER FRATTINI: And only one answer, okay.

MR. JONES: Yes, Mr. Minister. Bill Jones from the Executive Intelligence Review. Perhaps the greatest crisis facing the world at this point is the blow-out of the international financial markets, and right now there is kind of a consensus of sorts that there's going to be an attempt to bail it out, a trillion-dollar bailout and more. It's not sure that that's going to be very successful and may meet a lot of objection from the general population. Nevertheless, your own colleague, Mr. Tremonti, has put forward a proposal on trying to create a new Bretton Woods style of system through an agreement between nations. Shouldn't this be a part of the discussion? Is there a consideration of having that placed as an item of discussion on the G8 agenda as Italy takes over?

MINISTER FRATTINI: Well, very briefly --

MS. BINDI: There is a second question..

MINISTER FRATTINI: Oh, yes, yes, yes, I regrouped. I do want to -- two questions.

SPEAKER: Mr. Minister, I'd like to begin by thanking you personally for your contribution to better relations across the Atlantic and note that Italy is second to none in its contribution to international peacekeeping forces. We're grateful for that.

Say a word, please, about how the West should react to Soviet -- to Russian aggressive behavior in Georgia and the apparent disunity between Europe and the United States in terms of how the response -- how strong the response should be.

MS. BINDI: The next question please.

SPEAKER: In light of continued support for U.S. alliance, I wonder if you'd comment a little bit about basic expansion of the U.S. Air Base in Vicenza. I know this has been delayed and there's still continual opposition from local groups. Could you explain or elaborate on just what's happening over there with the consolidation of the 173rd Air Brigade?

MINISTER FRATTINI: Louder, please.

MALE SPEAKER: I was wonder if you could comment about what's happening with the expansion of the U.S. Air Base in Vicenza because it's been delayed for several years. There's been local opposition. Can you just elaborate on what's -- how that process is proceeding right now?

MS. BINDI: Last one.

MALE SPEAKER: Mr. Minister, after -- for over a century being a country of emigration, Italy is now a country of immigration. How does that affect your work as foreign minister?

MINISTER FRATTINI: I understand. Well, on financial

governance I can confer my colleague Tremonti intends to propose a new item under the G8 Italian presidency of finance ministers to discuss about how and whether to elaborate and to build a new Bretton Woods, a new global governance in economic field, is exploring possibilities to have a discussion with European colleagues and United States and to pre-discuss item which is extremely sensitive to pave the way for a smooth discussion because what is absolutely difficult is to put on the table a proposal which is not perfectly and carefully prepared. This is the work of the government. This is the work in the EU of Minister Tremonti, which is discussed, as you know. He made some proposals in the so-called Euro-Group -- is the members of Europe Group that are members of Europe currency and they are still discussing about something on global governance. So, this discussion will be on the agenda in preparation of G8 in the coming months.

On Russia -- what is very clear that Europe is playing a constructive role. We are concerned. We were concerned about the violation of international rules. We were very frank and very clear. I was in permanent contact but only with the colleagues of European states. I was in constant contact with the American administration. We were discussing at level of members of G8, but without Russia, and G7, foreign ministers group put forward very clear and, I would say, very tough declaration. But in the same time, I think rightly Europe played a balance

of role by avoiding isolating Russia. I think it's not in the interest of United States to have one of the closest friends like Italy not talking with Russia. I think it is in the interest of United States to have one of its closest friends and allies speaking to President Putin and Russian authorities, prime minister, and President Putin in a very frank way by saying what is right and what is wrong, and I think the fact that Italy is the second largest country in the EU mission that will be patrolling the security zone along the border of Georgia is another sign that Italy is not only speaking to Russia but is ready to engage itself on the ground. We are committed to cooperate, and you perhaps will know that president of Georgia will thank Italy as the first contributor to do humanitarian aid. We have been in Georgia since 17th of August.

The Red Cross established the first humanitarian aid camp, which is there, which is helping every day 5,000 people. We are there. We are the first largest contributor through humanitarian aid to Georgia. That's the concrete example of what Italy does. And I think rightly so.

Well, integration is one of the main areas where we do need a European policy rather than a national one. Is not possible to, I would say, phase huge flows of migrants that are desperate people. They try to cross Mediterranean to come to Sicily and from Sicily they go north. They go to Austria, Germany, Sweden. But the first country of this nation is Italy. Is simply not possible to stop there -- enormous flows of migrants

that put at risk their lives, because they are desperate people; they are poor; they are victims of conflicts, of poverty -- without having a coordinated approach first with the countries of origin, secondly with the country of transit, and thirdly with the countries of destination, that is, European member states. I've been working very hard during the last four years as European responsible exactly also for this, and I succeeded in launching some joint strategies. Immigration European strategy, a joint strategies and programs, with countries of origin, like Senegal, like Mauritania, like Guinea or Nigeria; and countries of transit, like Morocco or Libya. We recently signed very important agreement, bilateral agreement, with Libya, including a common strategy, common approach, vis-à-vis immigration. But we were also able to succeed in bringing closer member states of Europe on sharing objectives, proposals and actions. We patrol Mediterranean jointly with a number of members states from 7 to 13 member states patrolling together to prevent illegal migration. We participate to help people in need. And, finally, we are about to approve to adopt what we call European pact for immigration -- sharing burden, sharing objectives, sharing actions to prevent and to fight illegal migration, sharing initiatives to welcome those who want to come to Europe to respect the law and to work legally, to get a legal job. We are studying about -- I've launched a proposal that's responsible for -- in Europe that is quite similar to your green card to welcome highly skilled workers,

because we do need foreign workers, but we don't need criminals. We don't need those who violate the law. This is the two-track approach we are following now.

Okay?

MS. BINDI: Mr. Minister, thank you very much for coming.

MINISTER FRATTINI: Thank you.

(Applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

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