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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

THE SITUATION IN THE MIDDLE EAST

QUESTION OF PALESTINE

STRENGTHENING OF SECURITY AND COOPERATION IN THE MEDITERRANEAN REGION

Letter dated 4 November 1994 from the Permanent Representative of Morocco to the United Nations addressed to the Secretary-General

I have the honour to transmit the text of the Declaration of Casablanca adopted by the Middle East/North Africa Economic Summit held at Casablanca, Morocco, from 30 October to 1 November 1994.

I should be grateful if you would have the text of this letter and its annex circulated as a document of the General Assembly under agenda items 12, 38, 40 and 68.

(Signed) Ahmed SNOUSSI Permanent Representative

<u>ANNEX</u>

[Original: English]

DECLARATION OF CASABLANCA

1. At the invitation of His Majesty King Hassan II of Morocco and with the support and endorsement of Presidents Bill Clinton of the United States of America and Boris Yeltsin of the Russian Federation, the representatives of 61 countries and 1,114 business leaders from all regions of the world gathered for a Middle East/North Africa Summit in Casablanca from 30 October to 1 November 1994. The participants paid tribute to His Majesty, King Hassan II, in his capacity as President and host of the Conference, and praised his role in promoting dialogue and understanding between the parties to the Middle East conflict. They also expressed their appreciation to the Government and people of Morocco for their hospitality and efforts to ensure the success of the Summit.

2. The Summit leaders are united behind the vision that brought them to Casablanca, that of a comprehensive peace and a new partnership of business and Government dedicated to strengthening peace between Arabs and Israelis.

3. Governments and business leaders entered into this new partnership of a deeper understanding of their mutual dependence and common goals. Business leaders recognized that Governments should continue to forge peace agreements and create foundations and incentives for trade and investment. They further recognized the responsibility of the private sector to apply its new international influence to advance the diplomacy of peace in the Middle East and beyond. Governments affirmed the indispensability of the private sector in marshalling quickly adequate resources to demonstrate the tangible benefits of peace. Together, they pledged to show that business can do business and contribute to peace as well, and, indeed, to prove that profitability can contribute substantively to the economic scaffolding for a durable peace.

4. The Summit commended the historic political transformation of the region as a consequence of significant steps towards a just, lasting and comprehensive peace, based on United Nations Security Council resolutions 242 (1967) and 338 (1973), a process that began with the 1979 treaty between Egypt and Israel and was expanded dramatically by the Madrid peace conference three years ago. That process has borne fruit, and the recent signing of the treaty of peace between Israel and Jordan has given a new dimension to the process. The decisions of Morocco and Tunisia to establish, respectively, liaison offices and liaison channels with Israel constitutes another new positive development. These accomplishments and the next stages of accelerated movement towards a comprehensive peace in the region, including the Syrian Arab Republic and Lebanon, need to be powerfully reinforced by solid economic growth and palpable improvement of the life and security of the people of this region. The Summit expressed a strong hope that they will be soon able to join the regional economic effort.

5. In this connection, the participants noted that the urgent need for economic development on the West Bank and Gaza Strip requires special attention from the international community, both public and private, in order to support the Israel-Palestine Liberation Organization (PLO) Declaration of Principles and subsequent implementing agreements to enable the Palestinian people to participate on equal bases in regional development and cooperation. They stressed the equal importance of moving ahead on Jordanian-Israeli projects as well as on cooperative projects between Israel and Jordan in order to advance the Israeli-Jordanian peace treaty.

6. The participants recognized the economic potential of the Middle East and North Africa and explored how best to accelerate the development of the region and overcome, as soon as possible, obstacles, including boycotts and all barriers to trade and investment. All agreed that there is a need to promote increased investment from inside and outside the region. They noted that such investment requires free movement of goods, capital and labour across the borders in accordance with market forces, technical cooperation based on mutual interest, openness to the international economy and appropriate institutions to promote economic interaction. They also noted that the free flow of ideas and increased dialogue, especially among the business communities in the region, will strengthen economic activity. In this context, the participants noted favourably the decision of the Gulf Cooperation Council regarding the lifting of the secondary and tertiary aspects of the boycott of Israel.

7. Based on the agreements between Israel and the PLO, it is important that the borders of the Palestinian territories be kept open for labour, tourism and trade to allow the Palestinian authority, in partnership with its neighbours, the opportunity to build a viable economy in peace.

8. The participants paid tribute to the multinational negotiations initiated in Moscow in 1992, which have significantly advanced the objectives of the peace process. The Governments represented at Casablanca will examine ways to enhance the role and activities of the multilateral negotiations, including examining regional institutions that address economic, humanitarian and security issues. The participants noted that the progress made in the peace process should go hand in hand with serious consideration of the socio-economic disparities in the region and requires that the idea of security in the region be addressed in all its dimensions: social, economic and political. In this context, they agreed that these issues need to be addressed within the framework of a global approach encompassing socio-economic dimensions, safety and welfare of individuals and nations of the region.

9. The participants recognized that there must be an ongoing process to translate the deliberations of Casablanca into concrete steps to advance the twin goals of peace and economic development and to institutionalize the new partnership between Governments and the business community. To this end:

(a) The Governments represented at Casablanca and private sector representatives stated their intention to take the following steps:

(i) Build the foundations for a Middle East and North Africa economic community, which implies, at a certain stage, the free flow of goods, capital and labour throughout the region;

(ii) Taking into account the recommendations of the regional parties during the meeting of the Subcommittee on Finances of the Regional Economic Development Working Group Monitoring Committee, the Casablanca Summit calls for a group of experts to examine the different options for funding mechanisms, including the creation of a Middle East and North African Development Bank. This group of experts will report on its progress and conclusions within six months in the light of the Summit following on from the Casablanca Conference. The funding mechanism would include appropriate bodies to promote dialogue on economic reform, regional cooperation, technical assistance and long-term development planning;

(iii) Establish a Regional Tourist Board to facilitate tourism and promote the Middle East and North Africa as a unique tourist attraction;

(iv) Encourage the establishment of a Private Sector Regional Chamber of Commerce and Business Council to facilitate intraregional trade relations. Such organizations will be instrumental in solidifying ties between the private and public sectors of the various economies;

(b) The participants also intend to create the following mechanisms to implement these understandings and embody the new public-private collaboration:

(i) A Steering Committee, comprising government representatives, including those represented in the Steering Committee of the multilateral group of the peace process, will be entrusted with the task of following up all issues arising out of the Summit and coordinating with existing multilateral structures such as the Regional Economic Development Working Group and other multilateral working groups. The Steering Committee will meet within one month following the Casablanca Summit to consider follow-up mechanisms. The Committee will consult widely and regularly

with the private sector;

(ii) An Executive Secretariat to assist the Steering Committee, located in Morocco, will work for the enhancement of the new economic development pattern, thus contributing to the consolidation of global security in the region. The secretariat will assist in the organization of the Regional Chamber of Commerce and a Business Council. It will work to advance the public-private partnership by promoting projects, sharing data, promoting contacts and fostering private-sector investment in the region. The secretariat will assist in the implementation of the various bodies referred to in the present Declaration. The Steering Committee will be responsible for the funding arrangements, with the support of the private sector.

10. The participants welcomed the establishment of a Middle East/North Africa Economic Strategy Group by the Council on Foreign Relations. This private-sector group will recommend strategies for regional economic cooperation and ways to overcome obstacles to trade and private investment. It will operate in close association with the secretariat and submit its recommendations to the Steering Committee.

11. The participants also welcomed the intention of the world economic forum to form a business interaction group that will foster increased contacts and exchanges among business communities and submit its recommendations to the Steering Committee.

12. The participants in the Casablanca Summit pledged to transform this event into lasting institutional and individual ties that will provide a better life for the peoples of the Middle East and North Africa. They resolved that the collaboration of the public and private sectors that constituted the singularity of the Casablanca Summit will serve as a milestone in the historic destiny that is now playing itself out in the Middle East/North Africa region.

13. The participants expressed their appreciation to the Council on Foreign Relations and to the World Economic Forum for their substantive contribution to the organization of the Casablanca Summit.

14. The participants expressed their intention to meet again in Amman, Jordan, in the first half of 1995 for a second Middle East/North Africa Economic Summit, to be hosted by His Majesty King Hussein.