



INTERACTION COUNCIL

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Final Communiqué

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We are living in an environment of technological and economic globalisation. Our destinies are more closely interlinked in this new century than ever before. None of the global problems can be resolved by confrontation of military force. Instead our century's keyword is "cooperation". Resolving these issues will require courage and energy on the side of our governments to change what they are capable of changing and the serenity to accept those things, which they cannot change. Further it will require wisdom to distinguish the one from the other.

On 10 - 13 May 2009, the InterAction Council held its 27th Annual Meeting in the King Abdullah Economic City in Saudi Arabia, to consider the state of the world, discuss energy availability and related concerns, and discuss a new opportunity for the world. Prior to the plenary meeting "Muslim Christian Dialogue: Common Roots of the Two Great Religions" was held as part of the Council's traditional interfaith dialogue.

I. PRESENT STATE OF THE WORLD

As predicted by the Council last year in Stockholm, the most dramatic change to world circumstances has been in the world economy. If this global recession deteriorates into a global depression, it could lead many countries to relapse into national egoism and various forms of protectionism. Cooperative efforts are imperative, if we are to fully resolve the financial crisis.

Greed played a major role in the present global financial crisis. The regulatory and supervisory authorities have been absolutely insufficient and inadequate. The most pressing task is to strengthen confidence and to promote cooperation, which will not be possible without taking drastic measures to treat the causes of eroding economic confidence.

Although the financial crisis may have its roots in the most developed countries, the ensuing economic recession has not ended there. The effects of the crisis on the global South will be devastating. It is estimated that an additional 100 million people or more could be pushed below the poverty line. There is a danger that the economic crisis will distract from the joint responsibility, which the international community must have towards the least developed countries. Hunger still afflicts hundreds of millions – among the most important issues today is the necessity to provide food security.

The international community has welcomed a change of administration in the United States. After eight years of unilateralism, it is a positive change for the world to see a US administration reaching out towards multilateralism. These are fertile times for a cooperative approach.

Increased multilateral cooperation go hand in hand with regional cooperation. Europe enjoys a stable peace among its nations and states. There has never been a comparable exercise. However, since its expansion over the last decade, the EU finds itself in constitutional difficulty.

The status of China and India as world powers must be recognized, and relations with them as well as their role in the international order must be handled with careful diligence. With this rise in power will come increased responsibilities.

Russia is, and will continue to be, a world power with its vast resources and the growing global demand for oil, natural gas and nuclear energy capacities. Cold War concepts are outdated, and the challenges should be met through unity and renewed cooperation.

Without enduring peace between Israel and its Arab neighbours, the Middle East will remain a trouble centre. The only long-term solution to the enduring Israeli Palestinian conflict is a two-state peace settlement based on previous UN resolutions and the borders of 1967. We urgently need action.

Peace requires a readiness for compromise. The US and Iran should stop provoking and instead begin talking and listening to each other. The example of Iraq demonstrates that it is easy to wage a war on a country, but it is difficult to withdraw without leaving short, medium and long term negative consequences.

The war in Afghanistan illustrates other problems. After coups, foreign interventions and civil war, it became the home of an international terrorist group. If poverty, civil war and ethnic conflict are allowed to fester in, states anarchy results and world security can be imperiled.

Africa is still plagued by several conflicts. The situation in Darfur and in the Horn of Africa are destabilising for the whole continent. The African Union plays an increasing role. A framework is set for economic, social and political cooperation, which is essential for the continent.

All five nuclear powers have violated their obligations under the Nuclear Non-Proliferation-Treaty (NPT). They have “modernised” their weapon systems by developing new nuclear weapons and attendant delivery systems. The nuclear world powers run the risk of engaging in two additional arms races: the development of anti-missiles and the militarisation of space. An international treaty against the first use of nuclear weapons is a major step: it must include all nuclear powers, which have not yet made such a declaration.

An alarming challenge of our century is the proliferation of small arms. There exists more handheld small weapons than ever before and we cannot ignore the role that they have played, and will continue to play, in losses of life.

The phrase a “clash of civilizations” was coined only a dozen years ago. Such a clash can be avoided through dialogues. With respect to disputes, the major faiths can and must have a dialogue based on their commonalities. The Council has engaged in such a dialogue for over two decades. Interfaith dialogues initiated by Saudi Arabia’s King Abdullah -- first held in Madrid, Spain, and at the UN in New York in 2008 – also adhere to this principle. There can be no peace among nations without peace among religions, and there can be no peace without dialogue and no dialogue without understanding.

Therefore, the InterAction Council recommends the following:

1. We reaffirm our policy recommendations made in Stockholm in 2008 on the financial crisis.
2. There is a continued need to alleviate banks and other financial institutions from the burdens of their toxic assets.
3. The creation of one and the same reliable international system of regulation and supervision over all kinds of financial institutions and instruments is urgently required.
4. The resources of the IMF and the World Bank should be increased and these institutions should be reformed.
5. A special emphasis ought to be placed on Africa, the most vulnerable continent to the ongoing economic meltdown. There must be deliverances on the promises made to Africa at Gleneagles Summit in 2005, the recent G20 in London and by the World Bank and the IMF.
6. The international community must support the African Union and help it to interact with new trade partners on its own terms.
7. Corruption and poor governance prevent advances in development. All states should be urged to ratify the UN Convention against Corruption.
8. Aware of the critical impact of the financial crisis increasing hunger and poverty, the Council welcomes discussion on scientific research being deployed to increase productivity and enhance disease resistance of crops.
9. The initiative of the European Commission in maintaining development commitments even during the financial crisis should be adopted by the European Council of Ministers.
10. Discussions should be initiated for a global role for Russia based on oil and gas supplies, rather than based on strategic weapons.
11. King Abdullah's peace initiative, as endorsed by the Arab League, to create a new dynamic of peace and stability in the Middle East and provide justice to the Palestinian people, should be supported.
12. The Arab League peace initiative of 2002 should also be supported. The international community must have proper regard to the Arab League as an important stakeholder in resolving conflicts in the Middle East.
13. The international community must condemn the continued Israeli blockade of Gaza, which is in contravention of international law.
14. A rapprochement between the United States and Iran must be supported. The international community should advise against military intervention in Iran.

15. The Council endorses the initiatives on nuclear disarmament by the four American statesmen, George P. Shultz, William J. Perry, Henry A. Kissinger and Sam Nunn.
16. A central solution to the proper control of international uranium enrichment programs must be found. The “11 Benchmarks for Global Nuclear Disarmament” announced by the Minister for Foreign Affairs of Japan on April 27th 2009, which includes the peaceful use of nuclear power for civil energy, should be endorsed.
17. All nuclear powers must be subject to the NPT and IAEA regimes. This must include all of the world’s nuclear states, as well as undeclared nuclear powers such as Israel.
18. The nuclear powers must fulfill their duties according to the NPT. Non-nuclear countries such as Australia, Canada, Brazil, Japan, Poland, Germany and other nations should put pressure on the nuclear world powers to comply with the NPT.
19. New treaties on no first use of nuclear weapons and the non-militarisation of space should be concluded. The Comprehensive Test Ban Treaty must be universally ratified.
20. The production and export of small arms must be restricted and the world needs to conclude a treaty on small arms just as it has done on landmines.
21. The international community must recognise that the concept of human responsibilities is more essential than ever and political leaders should reinforce their efforts to facilitate the adoption of the Declaration on Human Responsibilities.
22. The international community should welcome the initiative by King Abdullah on a dialogue among religions, specifically the following recommendations:
 - to reject theories that call for a clash of civilizations and cultures and to warn of the danger of campaigns seeking to deepen conflicts and destabilize peace and security;
 - to enhance common human values, to cooperate in their dissemination within societies and to solve the problems that hinder their achievement;
 - to disseminate the culture of tolerance and understanding through dialogue so as to be a framework for international relations.

II. ENERGY AVAILABILITY, ENVIRONMENTAL AND ECONOMIC CONCERNS

Energy Market Challenges and Co-operation

We face major energy challenges. A decline in the demand for energy sources and low commodity prices has meant less investment in the energy sector. Price volatility is

extremely detrimental. We require a stabilisation of oil prices. Recently we have seen a shift in energy demand growth towards the developing countries.

Fossil fuels will continue to be a dominant energy source. Carbon capture and storage (CCS) technology provides a win-win situation and can be used to address both environmental concerns and enhanced oil recovery. The development of an emissions trading scheme based on the European model could address the costs of developing CCS technology.

Oil, coal and gas will continue to be immensely important for national security. While diversification of supply should be encouraged, the positive role of interdependence should also be emphasized.

The issue of energy security is pressing both among energy exporters and consumers: mutual trust must be enhanced. Saudi Arabia's commitment to cooperation with energy consumers and producers is welcome. With the aim to generate a global movement for joint action on energy issues, the country has played an important role in creating a fruitful dialogue between oil producers and consumers. This dialogue has led to the creation of the international energy forum with biennial ministerial meetings and the Joint Oil Data Initiative, which is helping to increase oil market transparency.

Therefore the InterAction Council recommends the following:

1. Energy should not be used as a cover for geopolitical purposes.
2. International cooperation is the only way to address global energy challenges. It is necessary to maintain stability in energy producing regions and to ensure the safety of transit channels.
3. Energy security concerns should not be confused with energy import dependence.
4. The "asset for asset" policy put forward by Russia should be recognized as a means of encouraging interdependence and dissipating risks among the supply and demand chain.
5. Adequate and continued investment throughout the energy value chain is essential for market stability in both the short and long-term. Transparency and predictability in demand and supply are prerequisites for such stability.
6. Energy prices need to be stabilised at an appropriate price range, which is sufficient to stimulate investment in conventional as well as renewable energy sources.
7. Even in times of economic crisis, governments should be encouraged to continue investment in the energy sector to maximize the potential of current reserves.
8. Parallel investment efforts should be made in the promotion of energy efficiency, renewable resources and clean fossil fuel technologies.
9. The example of Canada, where CO₂ has been captured and injected into the oil field for enhanced recovery, should be seen as positive.

10. The action taken by the Four Kingdoms (The Netherlands, Norway, Saudi Arabia and the United Kingdom) in terms of CCS should set a precedent.
11. Continued and concerted efforts to improve energy efficiency, which would include a move away from subsidies, are required.
12. The research and development of biofuels which do not compete with food production should be encouraged.

Climate Change and Renewable Energies

Climate change is one of the biggest challenges facing the planet this century. Global action is urgently required. However, a shared and focussed vision of how to address climate change is lacking, and the urgency is not fully reflected in the views of the public.

Mankind has an impact on the global climate, the signs of this are now visible on earth. If left unchecked, climate change will reinforce itself with untold consequences. Rapid roll out of low carbon technologies, including renewable energy technologies, is vital. Unless we can find ways of developing CCS, all is lost in terms of the climate. To meet emissions targets, half of all global electricity will need to come from renewable energy sources, and all possibilities should be explored in the search for cleaner energy sources. Presently many countries use nuclear energy and are further considering its potential.

Therefore the InterAction Council recommends the following:

1. World leaders must take lead in the action on climate change. Governments' energy policies should be shaped by climate change.
2. Developed nations must meet their obligations to provide technical and financial support to the developing nations in the search for a solution to climate change. To achieve a success in this joint endeavour, we need the spirit of "self-reliance and mutual cooperation."
3. The need to reduce energy poverty is vital. Joint efforts by the public and private sector, adequate regulatory reform and private investment initiatives should be encouraged towards this end. The Council welcomes Saudi Arabia's King Abdullah "energy for poor" initiative, announced in June 2008.
4. A clear signal is required that the nations of the world accept the need for a de-carbonised future.
5. A price must be put on greenhouse gas emissions. If global agreements cannot be reached, regional or national schemes will have to be developed.
6. All future international negotiations on a successor treaty to the Kyoto Protocol must include a common plan but should utilise differentiated and realistic targets to properly reflect the capabilities of different states.

7. Public understanding and awareness of the immediacy of climate change must be raised to bring pressure on leaders to push for real action at Copenhagen in December 2009.
8. It is necessary to accelerate research, development and commercialization of renewable energies and to further explore the potential of all renewable energies, including geothermal and ocean-current energy.
9. It is particularly essential to encourage and assist production of simple solar cooking stoves for rural households in Africa and elsewhere in developing countries to discourage deforestation and cutting down trees for firewood.
10. The initiatives of China to increase its energy efficiency and to develop new technological solutions should be welcomed as part of the recognition of the need for shared responsibility in respect of climate change.

III. A NEW OPPORTUNITY FOR THE WORLD

Two decades after the end of the Cold War, antiquated perceptions of East and West as adversaries still persist. This has led to a polarised society, preventing true international cooperation. However, a new multilateral era has dawned, and its recognition will require the emergence of a new international architecture.

The optimum means of securing global peace, security and prosperity is to adopt a rules-based approach. Such an approach requires the capacity to enforce those rules, which will call for the cooperation of all states.

There remain huge challenges in the disarmament and non-proliferation process. It is necessary to reassure states that nuclear weapons are not necessary for security or an elevated status in the international community. New frontiers are emerging in space and cyberspace. We must avoid entering a new age of warfare.

Therefore, the InterAction Council recommends the following:

1. A move towards multilateralism is imperative. In this regard the new US administration's support for a multilateral foreign policy should be welcomed and supported.
2. There must be an appropriate sharing of burdens to provide the capacity to meet this multilateral approach.
3. Any solution to global differences should be addressed through inclusion rather than isolation, and a rules-based system must be established for the maintenance of international peace and security.
4. We need to move away from Cold War concepts of East and West as adversaries.

5. The modern world still relies on old Cold War institutions to solve modern problems. Such institutions must be adapted as soon as possible to reflect the realities of the modern world and to better meet its challenges.
6. Instruments and symbols of the Cold War should be dismantled. The role of NATO in the new international order must be revisited.
7. Russia and NATO should refrain from heedless and provocative military acts reflective of old Cold War behaviour, such as Russia's flying exercises near NATO borders and NATO's military exercises in Georgia.
8. Serious dialogue should begin in order to create an inclusive Euro-Atlantic security compact with full participation of NATO and EU member states, Russia and its neighbors.
9. In particular, it is recommended that the European Union work with Russia and Ukraine to cooperatively resolve the disputes over security and energy.
10. The peaceful resolution of the North Korean issue can only be achieved through a multilateral approach. The six power talks on North Korea should be resumed.
11. An active approach to the Middle East is required if the rules-based system is to be adopted and adhered to. No problem can be dealt with in isolation.
12. African states should be encouraged towards self-reliance and away from aid dependence to ensure that they are not conscripted in any re-emergence or resurgence of a Cold War.
13. The United States and Russia should take the lead in the nuclear disarmament process, which should be extended to a tripartite endeavor including China.
14. The world must recognize the emergence of threats against the technological and economical infrastructures and the need for an effective defence against cyber warfare

The InterAction Council extends its sincere appreciation to the Kingdom of Saudi Arabia for hosting the 27th Annual Plenary Session at the King Abdullah Economic City as well as the Governments of Japan, Korea and Australia for their continuous generous support. Special appreciation goes to Saudi Arabian General Investment Authority.

List of Participants

IAC Members

1. H.E. Mr. Helmut **Schmidt**, Honorary Chairman (former Chancellor of Germany)
2. H.E. Mr. Ingvar **Carlsson**, Co-chairman (former Prime Minister of Sweden)
3. H.E. Mr. Jean **Chrétien** Co-chairman (former Prime Minister of Canada)
4. H.E. Mr. Andreas **van Agt** (former Prime Minister of the Netherlands)
5. The Honourable Tun Abdullah Ahmad **Badawi** (former Prime Minister of Malaysia)
6. H.E. Mr. James **Bolger** (former Prime Minister of New Zealand)
7. H.E. Mrs. Gro Harlem **Brundtland** (former Prime Minister of Norway)
8. H.E. Mr. Yasuo **Fukuda** (former Prime Minister of Japan)
9. H.E. Mr. Bacharuddin Jusuf **Habibie** (former President of the Republic of Indonesia)
10. H.E. Mr. Seyed Mohammad **Khātami** (former President of the Islamic Republic of Iran)
11. H.E. Mr. **Lee** Hong-Koo (former Prime Minister of Korea)
12. H.E. Mr. AbdelSalam **Majali** (former Prime Minister of Jordan)
13. Sir James Fitz-Allen **Mitchell** (former Prime Minister of Saint Vincent and the Grenadines)
14. H.E. Mr. Benjamin William **Mkapa** (former President of Tanzania)
15. H.E. Mr. Olusegun **Obasanjo** (former President of the Nigeria)
16. H.E. Mr. Andrés **Pastrana** (former President of Colombia)
17. H.E. Mr. Romano **Prodi** (former Prime Minister of Italy)
18. H.E. Mr. **Tung** Chee Hwa (former Chief Executive, Hong Kong administration)
19. H.E. Mr. George **Vassiliou** (former President of Cyprus)
20. H.E. Mr. Franz **Vranitzky** (former Chancellor of Austria)
21. H.E. Mr. Richard von **Weizsäcker** (former President of Germany)

Representative of the Custodian of the Two Holly Mosques King Abdullah bin Abdulaziz Al Saud

22. H.R.H. Prince Khaled **Al-Faisal**, Governor of Makkah (Kingdom of Saudi Arabia)

Associate Members

23. H.E. Sheikh Abdul-Aziz Z.**Al-Quraishi**, Organising Chairman of the 27th Annual Meeting, former Governor of SAMA (Central Bank), Chairman of Saudi-U.S. Businessmen's Association (Kingdom of Saudi Arabia)
24. Prof. Thomas **Axworthy**, Chair of the Centre for the Study of Democracy, Queen's University (Canada)
25. Baroness **Jay**, Chairperson of the Overseas Development Institute, London (U. K.)
26. Prof. Hans **Küng**, Professor Emeritus, Tübingen University (Switzerland)
27. H.E. Mr. Seiken **Sugiura** (former Justice Minister of Japan)

Special Guests

28. Dr. Abdulwahabe **Abu-Sulaiman**, Professor of Jurisprudence, Member of High Committee of Scholars (Kingdom of Saudi Arabia)
29. H.E. Mr. Amr bin Abdullah **Al-Dabbagh**, Governor, Saudi Arabian General Investment Authority, SAGIA (Kingdom of Saudi Arabia)
30. H.E. Dr. Ahmad Mohamed Ali **Al-Madani**, President of the Islamic Development Bank (Kingdom of Saudi Arabia)
31. Dr. Khaled **Almaena**, Editor-in-Chief, Arab News, Senior Columnist, Al-Eqtisadiah, Asharq Al-Awsat, & Gulf News (Kingdom of Saudi Arabia)
32. H.E. Dr. Majid A. **Al-Moneef**, OPEC Governor for Saudi Arabia (Kingdom of Saudi Arabia)
33. H.E. Dr. Abdulrahman H. **Al-Saeed**, Advisor – The Royal Court, President of Center for Specialized Studies (Kingdom of Saudi Arabia)

34. H.E. Ambassador Tatsuo **Arima**, Special Envoy of the Government of Japan for the Middle East (Japan)
35. H.E. Mr. Lakhdar **Brahimi**, Special Adviser to UN Secretary-General
36. Dr. Olav **Brundtland** (Norway)
37. Grand Mufti Dr. Mustafa **Ceric**, Islamic Community in Bosnia and Herzegovina
38. Mr. Roger **Cohen**, Columnist, The New York Times, The International Herald Tribune (USA)
39. Mr. Ahmed Maher **El-Sayed**, former Foreign Minister (Egypt)
40. Lord Charles **Falconer**, former Minister of Justice (UK)
41. H.E. Mr. Jack F. **Matlock, Jr.**, former U.S. Ambassador to the Soviet Union
42. Prof. Ahmad S. **Moussalli**, Professor, American University of Beirut (Lebanon)
43. Prof. Amin **Saikal**, Director, Centre for Arab and Islamic Studies, Australian National University (Australia)
44. H.E. Mr. **Tang** Jiaxuan, State Councillor of the People's Republic of China
45. Prof. Teizo **Taya**, Professor, Rikkyo University (Japan)
46. H.E. Mr. Faisal H. **Trad**, Ambassador Extraordinary and Plenipotentiary of the Kingdom of Saudi Arabia to Japan
47. Dr. Dmitri **Trenin**, Director, Carnegie Moscow Center (Russia)
48. H.E. Dr. Abdul Aziz A. Bin Almas **Turkistani**, Ambassador Designate of the Kingdom of Saudi Arabia to Japan
49. Mr. William F. **Weld**, former Governor of Massachusetts (USA).