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**Report of the Canadian Parliamentary Delegation  
on the First Part of the 2012 Ordinary Session of the  
Parliamentary Assembly of the Council of Europe**

**Canada-Europe Parliamentary Association**

**Strasbourg, France  
January 23 to 27, 2012**

# Report

## First part of the Ordinary Session of the Parliamentary Assembly of the Council of Europe Strasbourg, France, 23-27 January 2012

A delegation of Canadian parliamentarians comprised of Senator Consiglio Di Nino, Mr. Don Davies, M.P., Mr. Corneliu Chisu, M.P. and Ms. Joyce Bateman, M.P., travelled to Strasbourg to participate in the first part-session of the Parliamentary Assembly of the Council of Europe (PACE or Assembly), in which Canada enjoys observer status, along with Israel and Mexico. They were accompanied by Philippe Méla, association secretary, and Sebastian Spano, association Advisor. They were joined in Strasbourg by His Excellency Louis de Lorimier, Canada's ambassador to Belgium and to the Grand Duchy of Luxembourg and Permanent Observer to the Council of Europe and Mrs. Sirine Hijal.

The delegation also travelled to Luxembourg to meet with parliamentarians from the Luxembourg Parliament as well as various finance and trade officials. This latter mission was organized by His Excellency Louis de Lorimier as part of Canada's ongoing efforts to promote the Canada-EU Comprehensive Economic and Trade Agreement and ensure its ratification by EU member countries and its passage in the European Parliament.

### A. Overview

The first part-session featured a full order of business with a wide range of topics being debated in committees, political groups, and in the Assembly. The Assembly held regular debates on the following topics:

- Progress report of the Bureau of the Assembly and the Standing Committee
- Communication from Thorbjørn Jagland, Secretary General of the Council of Europe
- Election of the Council of Europe Commissioner for Human Rights
- Communication from the Committee of Ministers to the Parliamentary Assembly, presented by the Rt Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, United Kingdom, representing the Chairmanship of the Committee of Ministers
- The functioning of democratic institutions in Bosnia and Herzegovina
- The right of everyone to participate in cultural life
- Guaranteeing the authority and effectiveness of the European Convention on Human Rights
- The situation in Belarus

- The honouring of obligations and commitments by Serbia
- Protecting human rights and dignity by taking into account previously expressed wishes of patients
- Current affairs debate: the Russian Federation between two elections
- Advancing women's rights worldwide
- Promoting the Council of Europe Convention on preventing and combating violence against women and domestic violence
- The functioning of democratic institutions in Ukraine
- Enforced population transfer as a human rights violation
- Demographic trends in Europe: turning challenges into opportunities

The Assembly also heard from the following guest speakers:

- Grigol Vashadze, Minister for Foreign Affairs of Georgia
- Tarja Halonen, President of Finland
- Rt Hon. David Cameron MP, Prime Minister of the United Kingdom
- Michelle Bachelet, United Nations Under-Secretary-General and Executive Director of UN Women

## **B. Canadian Activities during the Session**

### **1. Overview**

The members of the delegation participated actively in the plenary session of the PACE, and in meetings of committees – in particular, the Committee on Political Affairs and Democracy, the Committee on Legal Affairs and Human Rights, the Committee on Migration, Refugees and Displaced Persons, the Committee on the Honouring of Obligations and Commitments of Member States of the Council of Europe, and the Committee on Equality and Non-Discrimination. The delegates also attended meetings of the various political groups in the Assembly.

The delegation was briefed by Ambassador Louis de Lorimier, Canada's Ambassador to the Kingdom of Belgium and the Grand Duchy of Luxembourg, and Permanent Observer to the Council of Europe.

A number of special meetings were organized in order to help the delegates broaden their appreciation of the work of the Council of Europe. To this end, meetings were arranged with the Director and Secretary of the European Commission for Democracy Through Law (the Venice Commission), and with the PACE Secretariat for International Cooperation and Elections Observation.

Several bi-lateral meetings were also held with delegations from PACE member countries, observers and partners for democracy including delegations from the Czech Republic, from Mexico, and from Morocco.

## **2. Briefing by Canada's Permanent Observer to the Council of Europe**

Ambassador de Lorimier provided the delegates with an overview of the work of the Permanent Observer of the Council of Europe. Ambassador de Lorimier discussed the progress of the continuing negotiations for the Comprehensive Economic and Trade Agreement with the European Union (CETA), along with some of the irritants in the progress, particularly the Fuel Quality Directive of the European Union and Canadian Oil Sands energy. He also updated the delegates on the recent economic and financial crisis in Europe, particularly the Euro crisis, and the steps being taken by the EU to manage the crisis. He further provided a short update on the political situation in Belgium.

### **a) CETA**

The Government of Canada has been successfully pursuing the CETA negotiations. The ninth round of negotiations is currently taking place. Approximately 90% of the negotiations have been completed. The agreement is likely to be finalized and ready for ratification in 2012. The only two areas in which there are unresolved issues are: how to deal with the effect of agricultural marketing boards; and, intellectual property protection. He commented that some of the more problematic issues in these two areas may never be fully resolved. But some accommodation will likely be reached to enable the agreement to be concluded.

### **b) EU Fuel Quality Directive and Canadian Oil Sands Energy**

One significant political impediment for the ultimate ratification of the agreement is the issue of fuel quality for fuel supplied by Canadian sources. He commented that this is effectively a euphemism for Oil Sands energy. The European Commission has issued a Fuel Quality Directive which imposes certain requirements on the composition of fuel to deal with greenhouse gas emissions.<sup>1</sup> Article 7a of the amended Directive imposes a so-called "Low Carbon Fuel Standard" requirement on fuel suppliers to reduce the greenhouse gas intensity of energy supplied for road transport. Further, there is a movement to amend the Fuel Quality Directive to designate Oil Sands oil as having a much higher greenhouse gas intensity than oil from other sources.

There is a very strong and well-organized anti-Oil Sands lobby in Europe. Unfortunately, there is considerable distortion of the facts surrounding the quality of fuel originating from the Oil Sands. A stronger and more positive message needs to be delivered about the quality of Oil Sands energy and the efforts to minimize the harm to the environment associated with Oil Sands energy production. He noted, for example, that over 80% of the water used in the production of Oil Sands oil is recycled. He also noted that carbon storage is widely used as a means to limit carbon emissions.

Ambassador de Lorimier made the observation that Europe needs energy and Canadian energy will be highly valued given the overall energy needs of Europe and the dwindling sources of reliable energy. He noted, in this regard, the EU's boycott of Iranian oil and the lack of a reliable source of Russian energy coupled with the questionable quality of Russian oil, and the phasing out of nuclear energy in Germany.

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<sup>1</sup> See European Commission, Directive 98/70/EC, as amended by Directive 2009/30/EC.

All of these factors tend to suggest that the EU will want, or need, to turn to Canada for energy supplies and perhaps be more accommodating on the fuel quality requirements.

Ambassador de Lorimier provided some important insights into the functioning of the European Commission (EC) to help the delegation understand some of the institutional pressures and contradictions surrounding the Fuel Quality Directive and Oil Sands energy. He considers the various Commissioners of the EC often to be working at cross-purposes. While the Commissioner for the Environment, who is charged with administering the Fuel Quality Directive, generally opposes Oil Sands energy, the EU Commissioner for Energy tends to favour Canadian energy sources. There would appear to be no unifying voice on this issue. This may work to Canada's advantage.

### **c) Euro Crisis**

Ambassador de Lorimier provided the delegation with an update on the continuing negotiations to deal with the Euro crisis. The difficulty for the Euro zone countries is the lack of co-ordinated fiscal policies. While the bailout of Greece may deal with the short term problems in the Euro zone, the additional funds to help Greece meet its debt obligations will not provide the needed solutions to prevent a repeat of the crisis. A political and legal solution will be required. In effect, the EU treaties will need to be amended in order to impose some fiscal discipline on Euro zone countries as a condition of eligibility for sovereign debt funding by the EU including the European Central Bank. To amend the treaties, however, all 27 members of the EU will have to consent. This is far from assured, with a number of countries already indicating they would not support such a move. In addition, a separate treaty will need to be negotiated between the 17 members of the Euro zone.

He noted that for the time being, Greece is the object of financial stability measures, but other countries are vulnerable. He noted that Italy could require financial assistance as well. In Italy, the problem is not a matter of wealth or lack of financial resources, but a problem of poor governance and organization of resources. Even France is showing signs of vulnerability. It recently lost its coveted AAA sovereign debt credit rating. This may ultimately have political consequences for President Nicolas Sarkozy, whose chances of re-election in the coming presidential elections are not assured.

### **d) Political Situation in Belgium**

Despite resolution on a number of seemingly-intractable constitutional issues (the Brussels-Halle-Vilvoorde electoral district where Flemish voters feared encroachment by French-speakers and an agreement on a constitutional reform to transfer more powers from the federal to the regional level), and the formation of a government on 6 December 2011, there remain concerns about the stability of the government. While the major political parties in Belgium were able to agree on the selection of a Prime Minister (a francophone socialist, Elio Di Rupo) and his cabinet, which was sworn in 6 December 2011, it is unclear how long the coalition will last. Ambassador de Lorimier expressed concern that the lack of national parties compounded by the fact that each political party has a Flemish wing and a Walloon wing may create uncertainty as to whether the current coalition made up of six political parties will be stable.

### 3. Meeting with the Secretary of the European Commission for Democracy Through Law

The Canadian delegation attended a presentation by Dr. Thomas Markert, Director and Secretary of the European Commission for Democracy through Law. Dr. Markert provided an overview of the activities of the Commission.

The European Commission for Democracy through Law, also known as the Venice Commission, was created in 1990 as a consultative body of the Council of Europe to provide independent advice on constitutional law including advice on the functioning of democratic institutions and fundamental rights, electoral law and constitutional justice. It does so by providing opinions at the request of states and at the request of the various organs of the Council of Europe – the Parliamentary Assembly of the Council of Europe, the Committee of Ministers and the Secretary General – as well as the European Union. These opinions are publicly-available and posted on the Commission's website.

The work of the Commission is conducted by independent experts who are considered eminent in their fields of study.<sup>2</sup> These experts include scholars in international law and constitutional law, judges of supreme or constitutional courts and members of national parliaments. These individuals are appointed for four years by the member countries of the Commission.

The member countries of the Commission include the 47 members of the Council of Europe (CoE) and several states who are not members of the CoE. The Commission now has 57 full member states and a number of associate, observer and special co-operation states who participate in the Commission's work. Canada, like Argentina, the Holy See, Japan, Kazakhstan, the United States, and Uruguay, is an observer member of the Commission.

Dr. Markert surveyed the work of the Commission. He noted that the Commission plays an important role in promoting the adoption of constitutions by member and non-member countries that conform to European constitutional standards.<sup>3</sup> It has been instrumental in drafting the constitutions of many of the former East Bloc countries, and the newly-created nation-states in the Balkans (Bosnia & Herzegovina and Montenegro, for example) that have made, or are making, the transition to democracy. These countries have not had much experience with democratic constitutions and institutions. Since the initial work of establishing new constitutions, the Commission has done considerable follow-up work for these countries to "fine-tune" their constitutional structures and address implementation problems.

Arab countries are also expressing interest in the Commission's work, particularly those countries that are in the course of moving to more democratic forms of government following lengthy periods of time under autocratic rule.

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<sup>2</sup> European Commission for Democracy through Law, "Article 1," *Revised Statute of the European Commission for Democracy through Law*, Resolution (2002) 3 (adopted by the Committee of Ministers of the Council of Europe on 21 February 2002) [Statute of the Venice Commission], [http://www.venice.coe.int/site/main/Statute\\_E.asp?PrintVersion=True&L=E](http://www.venice.coe.int/site/main/Statute_E.asp?PrintVersion=True&L=E).

<sup>3</sup> For a comprehensive review of the Commission's work, see European Commission for Democracy through Law, *The Venice Commission 2010 Annual Activity Report*, Council of Europe, 2011, [http://www.venice.coe.int/site/dynamics/N\\_Series\\_ef.asp?L=E&Y=all+years&S=12&R=&MenuL=E](http://www.venice.coe.int/site/dynamics/N_Series_ef.asp?L=E&Y=all+years&S=12&R=&MenuL=E).

Dr. Markert discussed the constitutional and political difficulties in a number of specific countries in which the Commission has been involved. In Hungary, a new government was formed with a coalition of political parties led by the Fidesz Party. The coalition captured 2/3 of the seats in the Hungarian parliament. This enabled the government to enact significant constitutional changes, many of which have come under heavy criticism in Hungary and in Europe. Among the more objectionable reforms: no consensus with opposition parties was sought in drafting the new constitution; important checks on the power of the government were removed, particularly checks provided by the judiciary and the central bank; and the Constitutional Court is prevented from scrutinizing the budget to ensure the government's compliance with human rights commitments.

A particular problem he identified, among others, is legislation affecting the independence of the judiciary. The legislation has lowered the retirement age of judges from 70 to 62. This will result in the loss of about 300 senior judges. There are concerns as well about the appointment process of new judges, which may be tainted by partisan political considerations. The European Union is approaching the issue delicately and treating it as a question of age discrimination. The Venice Commission has been asked by the EU to provide an opinion on the judicial independence issue. The EU has already successfully applied pressure with respect to the independence of the Hungarian Central Bank. This resulted in Hungary reversing its initiatives for greater government control over the Central Bank.

With respect to the political situation in Russia, Dr. Markert reported that the Monitoring Committee (the Committee on the Honouring of Obligations and Commitments by Member States of the Council of Europe) of PACE has asked the Commission to meet with representatives of Russian authorities and other interested stakeholders to review recent troubling anti-democratic initiatives by the Russian Federation and to provide an opinion on these initiatives. In particular, the Commission will review and provide an opinion on: legislation for elections to the Duma; legislation affecting freedom of assembly (the so-called "laws on meetings, rallies, marches and pickets"); the extremist designation given to political opponents and activists (the law on Counteraction to Extremist Activities); and legislation on the Federal Security Service (FSB). The Committee expects to have its report on The Honouring of obligations and commitments by the Russian Federation ready in time for the third part session of the Assembly in June 2012.

On Ukraine, Dr. Markert discussed the recent prosecution and conviction of former Prime Minister Yulia Tymoshenko and the related problem of judicial independence in the Ukraine. He noted that Ms. Tymoshenko was tried by a judge without security of tenure, and noted other irregularities in her prosecution. In particular, he remarked that the prosecution service in the Ukraine is extremely powerful, but subject to manipulation by the executive. With respect to the Tymoshenko trial, it may be noted that she, along with other members of her government, was tried under several controversial provisions of the Criminal Code of Ukraine - Articles 364 (abuse of office) and 365 (exceeding official powers). As the Parliamentary Assembly of the Council of Europe noted in a resolution adopted during the first part-session of 2012, these provisions effectively

criminalize normal political decision-making and do so *post facto*, or retroactively.<sup>4</sup> With respect to judicial independence, the resolution calls for Ukraine to abolish or severely shorten the probation period of five years for judges, and that judges in their probation period should not be assigned complex or politically sensitive cases.

Dr. Markert noted that Canada's work in the areas of elections as well as constitutional justice is highly respected by the Commission. He lamented the fact that Canada is not a member of the Commission, though it is entitled to be (Canada is currently an observer). Canadians have collaborated in the Commission's work in various areas including electoral reform, constitutional and judicial reform. He noted that as a state with a federal constitutional structure, Canada would be an ideal candidate for full member status. He also commented on the excellent contributions of some of Canada's Supreme Court judges to conferences organized by the Commission and to other Commission projects relating to constitutional reform. He mentioned that the Chief Justice of the Supreme Court of Canada, the Rt. Hon. Beverley McLachlin, is expected to be a participant at an upcoming conference organized by the Commission.

A member state of the Commission would be entitled to fully participate in the activities of the Commission, including its governance, full voting rights in plenary sessions and other meetings, and preparation of reports and opinions. Observers are entitled to more limited forms of participation. Dr. Markert estimated that the annual fee for member states is about 60,000 Euros. There is no fee for observer states. It is also noted that although Canada is listed as an observer state, no individual has been appointed to participate in Commission activities.

#### **4. Meeting with Members of the Delegation from the Czech Republic**

Canadian delegates met with three representatives of the Czech Republic delegation to the PACE: Mr. Vaclav Kubata, Member of Parliament and member of the Committee on Foreign Affairs, Chamber of Deputies, and Chair of the Czech delegation to the PACE; Ms. Jana Fischerova, Member of Parliament, Chamber of Deputies; and Mr. Otto Chaloupka, Member of Parliament, Chamber of Deputies.

The discussion focused largely on the issue of the Canadian government imposing visa requirements on visitors from the Czech Republic in July 2009. By way of background, in October 2007, Canada lifted the visa requirement for the Czech Republic. In the approximately two visa-free years, Canada saw an influx of asylum claims from Czech citizens. It is estimated by the Government of Canada that nearly 3000 claims were received during this period, compared with less than five claims in 2006. Many of these asylum claimants identified themselves as Roma. In 2010, the number of asylum claims from the Czech Republic dropped by 99% compared with 2009. The Czech Republic has objected to the visa requirements and has actively sought support from the European Union (since visas are within the competency of the European Commission) to pressure Canada to lift the visa requirements. The Czech Republic has also threatened not to ratify the Canada-EU Comprehensive Trade Agreement that is

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<sup>4</sup> See, Parliamentary Assembly of the Council of Europe, Resolution 1862 (2012), *The Functioning of democratic institutions in the Ukraine*, adopted on 26 January 2012: <http://assembly.coe.int/Main.asp?link=/Documents/AdoptedText/ta12/ERES1862.htm>.



currently being negotiated and which requires ratification of all 27 member countries of the EU.

The Chair of the Czech delegation, Mr. Kubata, began by acknowledging that the visa issue is of particular concern to the Czech Republic. He was concerned that the treatment of the Roma in the Czech Republic has been blown out of proportion and perhaps sensationalized in the media. He resents the label of “racist” that is sometimes used to describe their treatment. He considers the Czech government works diligently to accommodate the Roma and provide the necessary social supports for their integration into Czech society. He is concerned that a much larger group of Czech visitors is being affected by the visa requirement. Notwithstanding the Czech government’s reaction to the visa issue, he remains confident that the Czech government will support CETA.

Senator Di Nino noted that Canada and the Czech Republic have good relations. While the visa issue may be seen as an irritant in the relationship, the government of Canada is working towards a resolution of the issue. He noted that the CETA is an important agreement for both countries. Significant progress is being made towards concluding the agreement, which may happen in the spring of 2012. He added that Canada is among the most generous countries in the world in receiving immigrants. Yet, where there are concerns that asylum claims may be illegitimate and a form of queue-jumping, it is understandable that measures should be taken to address this.

Mr. Davies noted that Canada grants visa-free status to over 50 countries. Eight criteria are used to determine whether a country should be accorded this status including a record of respecting visa terms as well as the number of visa holders from a given country that make refugee claims. With respect to Czech visas, there is a perception that the Roma asylum claims are illegitimate. He indicated that he accepts that the Czechs take adequate measures to protect Roma. Moreover, the government of Canada does not take the view that there is persecution of the Roma in the Czech Republic. It is for this reason that their refugee claims are not considered well-founded. Mr. Davies noted the recent government proposals for reforming the refugee determination process. The so-called “country list” approach is being considered by the government. Under this approach, if a country is on a list of approved visa-free countries, no refugee claims are possible from individuals originating from those countries, and no appeals may be made from decisions to reject a refugee claim at the outset. While his party does not necessarily support the proposal, it may offer the solution to the Czech visa problem.

A general discussion took place on government, democracy and the economy in both countries. Voter turnout in the last election for the Czech parliament was 64% compared with 61% for Canada. Mr. Kubata lamented what he described as a lack of respect for politicians in his country. He expressed concern about the rise of oligarchs in the political process. One particular oligarch is reputed to be wealthy enough to finance an entire election campaign. The participation of women in the Czech parliament is just over 25%, comparable to the rate in Canada, which stands at just under 25% following the most recent federal election, although it is noted this is in large part due to the significant increase in the number of female Members of Parliament from the New Democratic Party. Approximately 40% of New Democratic Party MPs are women.

The majority of national media outlets are in private hands, with four independent television networks. All but one of the country's national newspapers are controlled by other EU countries.

In general, the Czech Republic enjoys good economic conditions. The country coped comparatively well with the financial crisis facing Europe largely due to its well-regulated banking and finance sector. Its main exports are automobiles and machinery. The country assembles Skoda, Volkswagen and Peugeot/Citroën automobiles. The Galileo space project of the EU will be based in Prague, bringing more job opportunities to the country. Among the economic challenges are: health care reform; pension reform; public sector spending; overdependence on a small group of EU nations for Czech exports (mainly Germany); and energy self-sufficiency. Mr. Kubaita noted that the country needs to expand its export opportunities with countries such as Turkey, Canada and the BRIC countries. Energy self-sufficiency is a particular problem given the unreliability of Russian gas supplies.

## **5. Meeting with Members of the Delegation from Mexico**

Canadian delegates held a meeting with members of the observer delegation from Mexico. A wide-ranging discussion took place on the following topics: travel and tourism in Mexico; commercial relations; visas; economic conditions in Mexico; and the role of women in the political process in Mexico.

Senator Di Nino noted that Canadian media report that Mexico is still the most favoured travel destination for Canadians. While there are a number of high profile reports of violence against tourists, in general Mexico is considered a safe travel destination.

The visa requirement for Mexican visitors continues to be somewhat of a sore spot in the Canada-Mexico relationship. The government of Canada has, however taken steps to facilitate and streamline the visa application process including the simplification of paperwork and the establishment of additional visa application centres in Mexico.

It was commented that Canada and Mexico enjoy extremely good trade relations, largely as a result of the North American Free Trade Agreement. Mexico is Canada's fifth-largest export market and the third largest exporter to Canada. Two-way trade in 2001 exceeded \$27 billion. Canada is also among the largest countries with direct investments in Mexico, in the amount of over \$4.6 billion. Approximately 2500 Canadian companies operate in Mexico including Bombardier and Research in Motion, along with many small to medium-sized companies.

The Mexican delegation described the economic situation in Mexico as generally stable for middle class Mexicans with access to capital and credit. Unemployment was said to be at about 6%. Although its manufacturing sector continues to be viable, Mexico is threatened by offshore low-cost producers, particularly China. Chinese producers are attracting Mexican investors seeking low factory assembly costs and a lax regulatory regime for labour and the environment. Chinese manufacturers are also accused of illegal dumping of mostly pirated goods, which has hurt the manufacturing sector in Mexico. Corruption by Mexican officials is believed to facilitate this dumping.

A discussion of the Maquiladora manufacturing region in Mexico took place. Mexican delegates commented that while the region has been a success in attracting foreign investment, there are many social and economic problems in the region, including a high incidence of drug use and crime, gang violence, murder, as well as poor labour and employment conditions for workers. Some of the delegates spoke of the exploitation of women, on whom the Maquiladora factories depend for cheap labour in the assembly of electronics. China was said to be one of the biggest violators of labour rights.

Finally, the delegates engaged in a discussion on the prospects for women in politics in Mexico. Women represent about 23% of members of the Senate of Mexico and 28% of members of the House of Representatives. Despite the imposition of a quota system under which political parties must include a minimum number of women on the party lists of candidates, the number of women representatives is discouraging. Delegates commented on a number of techniques employed by political parties to circumvent the quota system, particularly the practice of successful women candidates resigning shortly after election, to be replaced by male candidates.

## **6. Meeting with the Head of the PACE Election Observation Office**

Senator Consiglio Di Nino attended a meeting with Mr. Vladimir Dronov, head of the Interparliamentary Co-operation and Election Observation Division of PACE, and Ambassador de Lorimier to discuss the work of the PACE Election Observation office. This meeting was arranged on the initiative of Ambassador de Lorimier who was seeking to better understand the activities of PACE in the area of election monitoring, particularly in relation to the work of the Organization for Security and Cooperation in Europe, which devotes considerable resources to election monitoring. Ambassador de Lorimier considered it opportune to arrange the meeting given that Senator Di Nino has considerable experience in election monitoring through his work with the Canadian delegation to the Parliamentary Assembly of the Organization for Security and Co-operation in Europe (OSCE PA).

The meeting provided an opportunity for Mr. Dronov and Senator Di Nino to exchange views on the work of the two organizations. Senator Di Nino noted that the OSCE's work in democratic development is not limited to monitoring during elections. It is also involved in pre-election preparation such as voter registration, party registration and media participation. Post-election, the OSCE will follow-up with non-governmental organizations, political parties and other interested stakeholders to assess the transition of power. Members of the Parliamentary Assembly of the OSCE are invited to join election monitoring missions. Senator Di Nino noted that he has taken part in numerous election observation missions as a delegate to the OSCE PA. He further noted that the missions may be of short duration or they may be long-term missions, depending upon the challenges faced by a country in transitioning to democracy and establishing democratic institutions.

Mr. Dronov discussed some of the recent developments respecting election monitoring by PACE. New conflict of interest guidelines for parliamentarians who make up election observation missions have been established by PACE. The guidelines address a

number of concerns including countries engaging in “forum-shopping” in an effort to select an organization that will provide a more favourable report on an election that is to be monitored. It also tries to deal with parliamentarians compromising PACE election observation missions due to particular biases for or against the country whose election is being monitored. One of the ways PACE tries to address potential biases is to balance the election observation teams by pairing parliamentarians of different nationalities or ethnicities.

The PACE has sent missions to European and non-European countries, the latter including Chile, Morocco, Kazakhstan, South Africa and Tunisia. Generally, the political groups within PACE and the parliaments of member countries pay for the costs of their delegates’ participation in an observation mission. Normally, 30 election observers are sent on each mission.

## **7. Meeting with the delegation from Morocco**

The Canadian delegation took the opportunity of its participation in the first part-session of the PACE to meet with delegates from the Moroccan delegation to the PACE. The Parliament of Morocco was accorded the status of partner for democracy on 21 June 2011, as part of the PACE’s ongoing efforts to engage with countries in the Maghreb and other neighbouring regions that wish to benefit from the Assembly’s experience in democratic development and promoting the rule of law.<sup>5</sup> Delegates met with Mr. Lahcen Bijjeddiguén, Vice President of the Chamber of Councillors in the Parliament of Morocco, Dr. Mekki El Hankouri, deputy in the Chamber of Councillors of the Parliament of Morocco, and Mme Ghyslaine Derrous, Advisor to the Moroccan delegation. A wide ranging discussion was held on the following topics: Canada-Morocco relations; the democratization process in Morocco; relations between Morocco and other countries; and social conditions in Morocco.

Senator Di Nino began by noting that Canada has good relations with Morocco, including in the areas of trade as well as cultural and educational exchanges. Dr. El Hankouri reported that Canada is well-recognized in Morocco. There is significant immigration from Morocco to Canada with higher-skilled Moroccans tending to prefer Canada over the EU, a major destination for lower-skilled Moroccans. A Moroccan Chamber of Commerce was recently established in Canada. A significant number of students are enrolled in Canadian universities and there is a willingness to expand commercial, educational and cultural relations.

Delegates discussed some of the challenges faced by skilled professionals emigrating to Canada, in particular the difficulty in obtaining recognition of foreign professional credentials and the difficulty many professionals experience finding work in their fields because of the lack of recognition of credentials. Delegates acknowledged these difficulties, but pointed out that recognition of foreign credentials does not fall within the legislative jurisdiction of the federal government. Each profession is largely self-governing and subject to provincial jurisdiction. Any legislation to facilitate the

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<sup>5</sup> See the report of the Political Affairs Committee of PACE, *Request for Partner for Democracy Status with the Parliamentary Assembly submitted by the Parliament of Morocco*, 1 June 2011: <http://assembly.coe.int/Documents/WorkingDocs/Doc11/EDOC12625.pdf>.

recognition of foreign credentials would have to come from each province. Canada has, however, established a program to enable professionals to provide information on their educational and professional qualifications to obtain an evaluation of the strength of their applications for recognition of foreign credentials and the likelihood of gaining accreditation.

Morocco is undergoing important constitutional and institutional reforms since the 1990s. Although Morocco is a constitutional monarchy, with significant executive powers exercised by the King of Morocco, a number of important reforms have resulted in the strengthening of Morocco's democratic institutions. As a result of constitutional reforms, Parliament, made up of an upper house, the House of Councillors, and a lower house, the House of Representatives, has acquired powers over budgetary review, approving bills, questioning ministers and establishing commissions of inquiry to investigate government actions. In addition, the House of Representatives may dissolve the government through a vote of non-confidence.<sup>6</sup>

The House of Representatives is made up of 325 seats, of which 30 are reserved for women, to be elected from a national list of female candidates. The remaining 295 members are elected in 95 multi-member constituencies. Members of the House of Councillors are indirectly elected. A large majority of Councillors are chosen by electoral colleges representing the various regions of the country and composed of representatives from local government. The remaining members are chosen by electoral colleges representing the elected members of professional chambers (representing the agricultural sector, commerce, industry and other sectors), and electoral colleges made up of trade unions. In recent elections, an Islamist party, the PJD captured a majority of seats in the lower chamber.

Morocco is also undergoing significant social reforms. Polygamy is now extremely rare as a result of legal reforms to the Family Code in 2007. (It is now restricted to exceptional circumstances and permitted under strict legal conditions.) The Family Code reforms also resulted in women acquiring greater rights including the right to obtain a divorce and certain rights in respect of property.

## **8. Canadian Intervention in Assembly Debates**

Canadian delegates actively participated in Assembly debates, including speeches by Senator Di Nino, Mr. Chisu, Mr. Davies and Ms. Bateman. A total of six speeches were delivered, and the text of one speech was submitted to the Assembly as debate was cut short before the speech could be delivered. All speeches delivered by delegates, whether delegates of member or observer delegations become part of the verbatim record of the proceedings of the Assembly and made available to the public.

The following speeches were delivered by delegates:

- Mr. Chisu delivered a speech on "The functioning of democratic institutions in Bosnia and Herzegovina:"

I am pleased to have the opportunity to address this Assembly in respect of the challenges encountered by Bosnia and Herzegovina in

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<sup>6</sup> *Ibid*, paras. 20-23.

transitioning to a fully functioning democracy. Bringing about constitutional reform is an urgent necessity both for the people of Bosnia and Herzegovina and for Europe generally. It is truly unfortunate that the political leaders have not been capable of initiating the necessary reforms to the constitution and democratic institutions of Bosnia and Herzegovina so that its people can move forward and participate fully in the economic and social benefits that could be achieved if the nation were to undertake the necessary reforms.

It is truly to be lamented that the funds needed for economic and social development cannot be extended to Bosnia and Herzegovina because of the ongoing stalemate and the lack, till now, of a functioning government. The IMF and the EU have both pledged substantial funds: €1.2 billion from the IMF and €100 million from the EU. These funds have been held back because no fiscal framework has been agreed to by the various parties. The political stalemate has also resulted in foreign direct investment being severely affected.

Canada has a keen interest in ensuring that the governmental institutions of Bosnia and Herzegovina become fully functioning. Canada is a member of the peace implementation council and its steering board. Canada has deployed 40 000 military troops in Bosnia and Herzegovina over 15 years. It has also invested over 450 million Canadian dollars in the Balkan region, of which Bosnia and Herzegovina has been one of the largest recipients. Most recent activities have focused on developing the rule of law, health and education. It has also played a significant role in such areas as policing, mine action, human rights and media freedom.

I agree with the rapporteurs that while the Dayton Accord has in some respects created a kind of straitjacket that creates challenges in establishing functioning democratic institutions, trying as it does to balance the interests of the various ethnic groups, the accord cannot continue to be used as an excuse for compromising good faith and collaboration. Clearly, there needs to be political will on the part of all parties to work together to achieve the necessary constitutional reforms. The so-called blueprint for constitutional reform, developed by the Venice Commission in 2005, would seem to offer the solutions to deal with what can only be described as a constitutional crisis.

With respect to the implementation of the judgment of the European Court of Human Rights in the Sejdić and Finci case, one can only remark that there can be no place in a modern democracy for discrimination on the basis of ethnicity and race that is entrenched in a country's constitution, a constitution that denies Jews and Roma the right to stand for public office, in this case, the presidency of Bosnia and Herzegovina and the House of the Peoples of Bosnia and Herzegovina.

I urge the political leaders of Bosnia and Herzegovina to work together to achieve the needed reforms to the country's governing institutions. The country stands to gain so much. The recommendations proposed by the co-rapporteurs are reasonable and can have great effect. It simply takes political will on the part of all. Thank you.

- Mr. Davies delivered a speech on "The right of everyone to participate in cultural life:"

It gives me pleasure to speak about a topic that often does not receive the attention that it deserves: the role of culture in society, and the importance of youth access to culture.

We live in a time when, despite the enormous wealth and resources that may be available to promote and develop a nation's cultural life, the benefits of culture are not equitably distributed. Although we claim to be recognising cultural life as a human right by enshrining cultural rights in international conventions that seek to promote and guarantee participation in cultural life, large segments of national populations are unable to benefit from cultural pursuits, either as participants in cultural events or as creators of culture.

The rapporteur emphasised the important link between culture and human rights. Cultural resources are essential to the exercising of other rights, such as democratic rights and rights of citizenship, and cultural rights are necessary for educational development, particularly that of our young people. Educational opportunities allow us to realise our full potential as citizens and as individuals.

The lack of access to culture, the arts and other creative pursuits may be a symptom of the broader problem of a lack of funding for our schools. Pursuits such as music, dance, visual arts and other media ensure that young people develop into well-rounded individuals who are expressive and nuanced and can use their faculties for creative problem-solving, but, sadly, arts and creative programmes tend to suffer most as a result of cuts in education funding – along with broader cuts in the arts and culture – because of the misguided perception that culture and the arts are somehow not practical or essential to our economic lives. In purely economic terms, however, cultural industries are known to contribute significantly to the economic well-being of a nation, whether we measure that contribution in terms of gross domestic product and exports or whether we consider the importance of culture to the development of our national heritage. It is estimated that the economic impact of Canada's cultural sector amounts to some 84 billion Canadian dollars annually, which, in 2007, represented 7.4% of Canada's GDP. It is also estimated that the cultural sector contributes approximately 1.1 million jobs to our economy.

As for the contribution of the arts and culture to our national heritage, it is widely recognised by all governments that culture has two objectives, economic and social. That has motivated nations around the globe to implement international conventions for the protection of cultural heritage. An important document in Canada is the UN Convention on the Protection and Promotion of the Diversity of Cultural Expressions. I am proud that Canada played a leading role in the wording of the convention and was one of the first nations to adopt it.

We must continue to create, promote and share culture in order to foster greater understanding and human expression. By respecting all people and all the differences between them, we can build a better world for everyone.

- Senator Di Nino delivered a speech on “Guaranteeing the authority and effectiveness of the European Convention on Human Rights:”

I congratulate the rapporteur. Well done!

I am grateful for the opportunity to present an observer’s point of view on a matter that is fundamentally important not only to the Council of Europe but to the world. I now wish to present a different view. Although the issues raised by the rapporteur may be considered to be internal to the member states of the Council of Europe, we should remind ourselves that the European Court of Human Rights and the Convention for the Protection of Human Rights and Fundamental Freedoms exert great influence beyond the borders of Europe.

The Court has an excellent global reputation as an institution that has rendered well reasoned and respected judgments. Its decisions have served to guide the courts in many countries, including Canada’s Supreme Court, particularly in the interpretation and application of our own charter of rights and freedoms. In young countries such as Canada, courts often seek the reasoned opinions of courts such as the ECHR for guidance when grappling with the scope and interpretation of fundamental rights. A survey of judgments of the Supreme Court of Canada revealed that the Strasbourg Court’s judgments had been considered and referred to and that, in some cases, its reasoning had been adopted. Our Supreme Court has relied on its judgments on cases dealing with a broad range of rights and freedoms, including religious freedom, freedom of the press, access to justice and to the courts, the right to life, liberty and security of the person, the right not to be subjected to arbitrary detention or corporal punishment and the rights of the child, to name but a few.

It should also be emphasised that the Court’s influence extends beyond its carefully crafted jurisprudence. It has clearly also served to instil and reinforce the values of democracy and the rule of law in the European Union and in Europe’s neighbouring regions, which has



proved to be of infinite value to European states that have been working diligently to establish democratic institutions that value human rights after decades of oppression. The fact that the Council of Europe now numbers 47 member states is testimony to that.

I urge the Assembly to support the measures proposed by the rapporteur, especially her urging of the Committee of Ministers that their member states enact legislation or, by other appropriate means, ensure that the authority and judgments of the Court are respected and reinforced. In particular, the recommendation that the Assembly should assume a greater role in scrutinising the effort of member states to implement reforms agreed to at the Interlaken and Izmir conferences should be supported.

- Mr. Chisu delivered a speech on “The situation in Belarus:”

I am pleased to have the opportunity to address this Assembly on the situation in Belarus. The human rights situation and the state of democracy in Belarus can only be described as appalling, and there appears to be no indication from the government of Mr Lukashenko that it has any interest in restoring even a semblance of democracy. What else can one say of the systematic campaign to shut down political free speech, civil society groups and the independent media, and to set up countless obstacles to opposition parties to contest fair elections, including the imprisonment of opposition politicians?

The litany of offences against democracy are too numerous to mention, but together they represent large-scale, gross and systematic human rights violations. This cannot be tolerated, and the Council of Europe is to be commended for its persistence in drawing attention to this situation, and for the steps it proposes to compel Belarus to respect basic constitutional freedoms and the rule of law that are the cornerstones of free and democratic societies.

Canada has expressed its concerns about the deplorable lack of political freedoms in Belarus, and has taken concrete measures. On 6 April 2011, along with 14 other states, Canada requested that the OSCE trigger its so-called Moscow mechanism, which required the preparation of an independent and impartial assessment of the post-electoral situation following the December 2010 presidential election.

Canada has limited its official relations with Belarus following the 2006 presidential election, which it considers to have been terribly flawed. Belarus was later added to Canada’s area control list requiring Canadian exports to Belarus to be authorised by an export permit.

Recently, Canada has on various occasions publicly condemned or expressed its serious concerns about the violations of human rights and the rule of law in Belarus. In November 2011, the Canadian Foreign Affairs Minister spoke out against the conviction of Belarusian

human rights activist Ales Bialiatski, head of the human rights organisation Viasna, on the trumped-up charges of tax fraud.

What the rapporteur proposes is fundamentally sound and presents an opportunity for the Government of Belarus to redeem itself, at least partly, when elections are held in 2012. The Venice Commission and the OSCE have presented a set of recommendations and provided useful tools for reforming the electoral legislation of Belarus, including measures to strengthen the independence of the Belarus electoral commission so that it can be a fully independent, arm's-length election control body that will ensure that elections are conducted freely and fairly, with the full participation of all parties.

The rapporteur is calling for Belarus to invite international election observers to monitor the 2012 election and the various political campaigns during the election. The rapporteur also calls for full backing for the EU's targeted sanctions against Belarus. The report further calls for maintaining on hold high-level contacts with Belarusian authorities, and continuing the suspension of special guest status at the Council of Europe until there has been a moratorium on the death penalty and demonstrable progress in upholding the values and principles of the Council of Europe.

The imposition of the death penalty in the case of two young men convicted of the metro bombings in Minsk, after a trial that was a travesty of justice, is most troubling. This is an issue that I will endeavour to raise in my own country.

The Council of Europe and the international community should continue to apply pressure wherever it can in all areas of its relations with Belarus.

- Mr. Chisu delivered a speech on "The honouring of obligations and commitments by Serbia:"

Thank you, Mr President. I am pleased to have the opportunity to address this Assembly on Serbia's honouring of its obligations and commitments. As noted by the co-rapporteurs, Serbia has clearly made considerable progress in meeting important commitments in respect of co-operation with the International Criminal Tribunal for the former Yugoslavia, in reforming its electoral laws and its criminal justice system, in enhancing its relations with its neighbours, and in taking measures to improve the protection of minorities.

Canada, along with the international community, is encouraged by the positive steps Serbia has taken under the presidency of Boris Tadić to achieve many of the reforms that are widely viewed as essential for Serbia to become a fully functioning member of the community of nations that values democracy and the rule of law. The co-rapporteurs highlighted the considerable progress that has been made in Serbia's

relationships with the Council of Europe and the European Union, while also highlighting that further progress needs to be made. I therefore want to touch on Canada's relationship with Serbia and its response to the progress Serbia has made.

First, Canada has welcomed Serbia's arrest of the two remaining fugitives from the ICTY, Ratko Mladić and Goran Hadžić, and has applauded the efforts of President Tadić to foster regional co-operation and reconciliation. Canada and Serbia have also signed a memorandum of understanding on the prosecution of war crimes, crimes against humanity and genocide. Beginning in 2010, there have also been registered, continuous reciprocal high-level visits between Canada and Serbia, notably that of the Canadian Defence Minister to Belgrade in 2011. That was the first visit by a Canadian ministerial delegation since 2001.

Although Canada is generally pleased with the progress of our relationship with Serbia, we continue to be concerned about its record on protecting human rights and the issue of corruption in a number of sectors. There is still prejudice against a number of minorities, notably Roma and Albanians, despite recent efforts by Serbia to protect human and minority rights. Corruption remains a challenge, especially in health care, despite some recent bold measures taken by the government to combat corruption.

I commend Serbia's political leadership on the tremendous progress it has made in trying to establish a strong, stable, free-market democracy. However, I also echo the recommendations of the co-rapporteurs that Serbia must continue along this path as reform is still needed in a number of important areas.

- Ms. Bateman delivered a speech on "The functioning of democratic institutions in Ukraine."

I am pleased to have the opportunity to speak on the state of democracy and human rights in Ukraine. I applaud the work of the rapporteurs in highlighting the deteriorating conditions of the rule of law and democracy in Ukraine. The concerns that have been chronicled by the rapporteurs echo many of the concerns expressed in Canada. The recent developments have created difficulties in Canada's bilateral relationship with Ukraine.

It should be noted that Canada was the first western nation to recognise Ukraine's independence, in December 1991. We have enjoyed close relations since that time. Canada believes that an independent and democratic Ukraine contributes significantly to regional stability, and it supports Ukraine's eventual integration into Euro-Atlantic institutions.

Canadian engagement with Ukraine has many dimensions. Canada deployed hundreds of Canadian election observers to monitor Ukraine's elections, including the Orange revolution and the 2010 presidential elections. Substantial financial contributions have been made to the Chernobyl shelter fund and the nuclear safety account. Canada is the fourth largest donor of technical assistance to Ukraine, having invested over CA\$360 million in bilateral official development assistance since 1991. This engagement has been accompanied by high-level state visits, such as Prime Minister Stephen Harper's visit to Ukraine in October 2010, when he took the opportunity to urge President Yanukovich to stand firm on Ukraine's commitments to democracy and human rights.

Although the bilateral relations between Canada and Ukraine remain active, the deterioration of democracy in Ukraine after the 2010 Ukrainian elections has been a particular cause for concern to the Government of Canada. The trial and sentencing of former Prime Minister Tymoshenko exemplifies the declining state of democracy, the rule of law and the independence of the judiciary in Ukraine.

In September 2011, Prime Minister Harper and Foreign Minister Baird wrote to President Yanukovich, expressing Canada's concerns about the Tymoshenko trial. Following the 23 December 2011 decision of the Kiev court of appeals to uphold Tymoshenko's conviction, Canada's Foreign Minister issued a statement expressing disappointment in the ruling and urging the Ukrainian Government to strengthen judicial independence and capacity.

On behalf of the Canadian delegation and on behalf of the Parliament, I reiterate our grave concern and urge the Assembly to adopt the draft resolution.

- Ms. Bateman was on the speaker's list on the topic of "Advancing women's rights worldwide." Debate was cut short, however, and she was not able to deliver her speech. The text of the speech was provided to the Assembly and made part of the record of the proceedings:

It is my pleasure to speak today on a topic that is of fundamental importance: the advancement of women's rights on a global scale.

Despite the stated commitments of governments everywhere to bring about equality in all fields of endeavour, as the rapporteur notes in her report, there is room for improvement in many aspects of society.

I would like to focus my remarks on one particular area: women's participation in the political process.

It is now generally accepted that a more equitable representation of women in politics is needed globally to reflect the representation of women in society. It is also essential to ensure that women's unique

and diverse interests are taken into account in developing public policy.

The international community has made a number of commitments to attempt to rectify the lack of opportunities for women to advance. The UN Convention on the Elimination of All forms of Discrimination against Women, to which Canada is a signatory, represents one notable effort.

In terms of political participation, the widely recognised minimum benchmark to ensure a critical mass of women in parliament has been set at 30%. The Under-Secretary General has just updated us with international data.

In Canada over the past decade, the proportion of seats held by women has remained near 20%. I am pleased to be able to say that in 2011 of 308 seats in the House of Commons, 76 are now held by women (that is 25%).

That is the international and Canadian snapshot. At a very local level, I have to say that without the support of my family, particularly my husband, Darrell, I would not have been able to serve in public life. It has now been my privilege to serve my community for over 11 years.

A major hurdle for women is at the party levels, not at the polls. The role of political parties in promoting and supporting women to run for nominations has repeatedly been identified as the most important factor in increasing the representation of women in parliament. When more women candidates run for office, more women are elected to office.

Ensuring that both women and men will be able to influence decisions and resource allocations requires going beyond simply increasing the number of women in different positions to providing real opportunities for influencing the agendas, institutions and processes of decision-making.

### **C. Mission to Luxembourg**

The Embassy of Canada to the Grand Duchy of Luxembourg organized a full day of meetings between Canadian delegates and parliamentarians of the Grand Duchy of Luxembourg. Meetings were also held with officials from quasi-governmental organizations. Ambassador de Lorimier stressed that these meetings are a critical part of the ongoing effort by the Canadian government to organize more bi-lateral meetings with members of the European Union and with EU parliamentarians for the purpose of promoting the Canada-EU Comprehensive Economic and Trade Agreement (CETA).

#### **1. Meeting with Members of the Foreign Affairs Committee of the Parliament of Luxembourg**

A useful dialogue took place between Canadian delegates and members of the Foreign and European Affairs, Defence, Cooperation and Immigration Committee of the Luxembourg Chambre des Députés. The Chair of the Committee, Mr. Ben Fayot, expressed his appreciation for the visit, noting that this was the first time that a Canadian parliamentary delegation has met with representatives of the Luxembourg Parliament.

An important issue raised by Committee members was Canada's withdrawal from the Kyoto climate change agreement. Mr. Fayot emphasized that climate change is of deep concern to Luxembourg, an issue that requires a global response.

Senator Di Nino responded that his government's actions were motivated by the concern that the goals of Kyoto are not achievable. He noted that previous Canadian governments retreated significantly from their commitments under Kyoto. The Canadian government wishes to address climate change, but through more effective, and achievable means. Without the involvement in Kyoto of major greenhouse gas emitting nations such as the United States of America, China and India, the Kyoto agreement is ineffective in achieving the goal of addressing climate change. He noted that Canada has numerous sources of alternative energy including hydro-electric, wind, solar and nuclear. With respect to the Oil Sands, new technologies have greatly reduced the impact on the environment, particularly carbon capture technology and water recycling.

Mr. Davies indicated that he shares the view that previous governments failed to take steps to reduce the level of greenhouse gases in Canada, which in fact increased since the Canadian government's signing of the agreement. Nonetheless he expressed regret that Canada has now withdrawn from the Kyoto agreement. He acknowledges that all political parties in Canada are committed to addressing climate change, but their approaches differ. He noted that a number of positive steps have been taken by the government including incentives to home owners to retrofit their homes, and public subsidies for electric vehicles and alternative fuels. A continuing challenge for Canada is the Oil Sands. This is a significant Canadian asset. Extraction methods and the burning of fossil fuels, however, are a concern. The New Democratic Party does not favour expansion of the Oil Sands at the moment until a study of its impacts on greenhouse gas emissions can be conducted. Although strides have been made in reclaiming water used in the process, significant amounts of water are still required to extract oil from the sands.

Mr. Chisu was concerned that extreme measures that would be economically unsustainable would be required to meet the Kyoto targets. Canada, nonetheless, remains committed to curbing greenhouse gases and will pursue more realistic and achievable measures. He maintained that Canada has among the highest environmental standards in the world. In Canada generally, there is a strong effort to promote the use of alternatives to fossil fuels.

It should be noted that the Committee was divided in its view of the effectiveness of Kyoto. At least one member of the Committee, Mr. Fernand Kartheiser, was in agreement with the Canadian position that the Kyoto targets were not sustainable. Mr. Kartheiser further noted that opinions on Kyoto were also divided among the general population of Luxembourg. Mr. Marcel Oberweis, while conceding that the Oil

Sands were a remarkable energy asset, expressed an interest in Canada's efforts to promote renewable sources of energy and energy efficiency.

## **2. Meeting with the Speaker of the Luxembourg Chambre des Députés**

The Canadian delegation met with M. Laurent Mosar, President of the Chambre des Députés of the Luxembourg Parliament. Much of the discussion focused on the economic and financial climate in both Europe and Canada. Senator Di Nino commented that Canada has managed the economic and financial crisis relatively well, due in large part to Canada's past efforts to better control government spending and control its public debt. In addition, Canada has benefitted from a well-regulated financial sector, which shielded us from the severe consequences that resulted from the financial and economic crisis in the United States. Still, he cautioned that personal debt in Canada is exceeding comfortable levels. In addition, there are numerous economic challenges facing the global economy and the financial system that must be confronted directly.

Mr. Davies noted that Canada has no US-style banking. Canada's system of tight financial regulation has benefitted the country. While high commodity prices have helped Canada avoid some of the worst consequences of the global economic crisis, he was concerned about the loss of Canada's manufacturing base to low-cost countries such as China. He was also concerned about the loss of good jobs and the erosion of a strong middle class.

Mr. Chisu commented on Canada's relationship with the United States, Canada's largest trading partner. Canada's recovery is closely tied to improving economic conditions in the US. There is still concern about the rate of recovery in the US. As for our fiscal situation, Canada injected billions of dollars into the economy in an effort to stave off a major financial and economic crisis. Most of this money was borrowed. There is a need now to pay down that debt.

Mr. Mosar, for his part, provided a general overview of the economic situation in Luxembourg. He noted that Luxembourg's public finances are in need of reform. Luxembourg's financial sector is in a period of consolidation, but it is quite stable. The country remains a good place to invest, given its strong financial sector and skilled work force. There is a large daily influx of workers in Luxembourg coming mainly from France, Germany and Belgium. These workers are attracted by the generally high wage levels and good working conditions. It is estimated that the population of Luxembourg nearly doubles during the working day.

## **3. Meeting with Mr. R. Goebbels, Member of the European Parliament for Luxembourg**

Ambassador de Lorimier organized a meeting for the Canadian delegation with Mr. Robert Goebbels, a member of the European Parliament for Luxembourg. He stressed that this meeting was an important opportunity to discuss the benefits of the Canada-EU Comprehensive Economic and Trade Agreement for Canada and the EU with a parliamentarian from the European Parliament, which will ultimately need to approve the agreement.

Mr. Goebbels, in his introduction to the delegation, noted that his interests at the European Parliament are in the areas of energy and infrastructure. He too encourages more bi-lateral meetings. He supports the CETA and he will vote in favour of the agreement when it comes before the European Parliament for ratification. He reminded the delegates that while Luxembourg may be a small country, it is highly influential and plays an important role within the EU. It is perceived as an “honest broker” with no hidden agenda, thus enabling it to play a mediating role or act as a “go-between” in negotiations. Luxembourg also benefits from drawing upon three important linguistic traditions in Europe: French, German and English.

With respect to the economic situation in Europe, his view is that the EU will find a solution to the crisis. There is no concern that the most extreme scenarios could materialize such as the disintegration of the EU or the Euro zone. He reminded the delegates that the EU is the largest economic bloc in the world, the largest investor in the world and the biggest market to the rest of the world. There remains considerable interest among non-member European countries in joining the EU. Croatia is set to join the EU shortly. Germany, arguably the strongest member of the EU in economic terms, has strong incentives to remain in the EU. In reality, Germany stands to lose more by leaving the EU or the Euro zone. It benefits the most from a stable currency across a group of countries as this allows Germany to maintain a high level of exports without affecting the price of its currency, and thus, the price of its exports. Under its own currency, its exports would be priced too high.

As for the situation in Greece, he does not believe that Greece would leave the Euro zone and issue Drachmas as these would de-value severely. More importantly, the major EU countries stand to lose too much if they were to allow Greece to default on its sovereign debt, since the debt is held largely by banks in Germany, the United Kingdom and France. There is a mutual interest in finding a solution to the crisis, even if it means Greek debt holders taking a loss or a “haircut” on their loans.

More generally he commented that the EU perhaps should have “deepened” the union before enlarging it. Greater efforts should have been made to ensuring some fiscal coordination and being more vigilant in scrutinizing the fiscal policies of member nations. He recalled that Greece engaged in some “dirty tricks” by manipulating or falsifying data on the state of its finances in order to enter the Euro zone. The proposed fiscal compact that is currently being negotiated should address some of these issues, but amendments will be needed to the EU’s basic constitutional documents, in this case, the Treaty on the Functioning of the European Union. Unanimity will be required to effect these treaty amendments. A new treaty will also need to be negotiated between the members of the Euro zone to establish a new fiscal framework applicable to all Euro zone countries.

Mr. Goebbels expressed his thoughts on the Arab Spring. He observed, as many have, that Islamist parties are gaining popularity in the aftermath of the democratic processes that were set in motion as a result of the uprising in parts of the Arab world. It is not surprising that these parties have made significant gains in elections in countries such as Tunisia, Libya and Egypt as these parties are well-organized. He is not convinced, however, that religious extremists are as a great a threat as is generally thought. Religious-based parties, after all, have had a significant presence in Europe for many



years. He remains optimistic that real democracy will happen in these countries, but it will take time.

#### **4. Meeting at the Agency for the Development of the Financial Sector**

An informative presentation was made to the Canadian delegation by M. Fernand Grulms, Chief Executive Officer of the Agency for the Development of the Financial Sector of Luxembourg (“Luxembourg for Finance”). Luxembourg for Finance is the agency established for the purpose of developing Luxembourg’s financial sector. The agency is a public-private partnership between the Government of Luxembourg and the Luxembourg Financial Industry Federation. It is presided over by Luxembourg’s Minister of Finance.<sup>7</sup>

Mr. Grulms, in his presentation, provided an overview of the functioning of the financial industry in Luxembourg, with particular emphasis on the international orientation of Luxembourg as a financial capital. Luxembourg is promoted as a financial gateway to the European market of 500 million people. He described the concept of the EU financial passport for all areas of the finance industry. The EU financial passport effectively ensures investors access to an area that goes beyond the boundaries of the EU and includes the European Economic Area (EEA). The advantages of locating a finance office in Luxembourg is that it would enable a firm to conduct banking in the EEA with few impediments. Moreover, Luxembourg has considerable experience as well as the infrastructure to facilitate cross-border finance across the globe.

The finance sector is supported by a network of over 140 banks from 24 different countries, 3800 investment funds, and 245 insurance companies. Its human resources in the financial sector are impressive: 48,000 banking employees and 30,000 employees in professions that support banking such as law, tax, and auditing.

Luxembourg is the largest investment fund centre in Europe, and the second largest in the world. The US ranks first in the latter category, but it serves only the US market, while Luxembourg serves all of Europe, with an extensive global reach. It ranks first in the distribution of global funds.

The Luxembourg stock exchange has a unique specialty in trading bonds. Normally, bonds are traded over the counter. This specialized market is important for institutional investors, such as pension funds, that are required by law or by the terms of any agreements to invest in liquid assets. To prove liquidity, a listing on a stock exchange is considered an important consideration. With respect to insurance, 94% of premiums on insurance policies issued by Luxembourg insurers are collected from outside of Luxembourg.

In response to questions concerning the perception that Luxembourg is a tax haven, Mr. Grulms noted that Luxembourg recently adopted a model treaty of the Organization for Economic Cooperation and Development dealing with transparency in the financial sector. Under the terms of the model treaty, if there is a serious presumption based on the evidence that a citizen is sheltering his or her money for the purpose of tax evasion or other illegal activity, the financial authorities would lift the veil of secrecy and the

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<sup>7</sup> For more background on the Agency, see <http://www.lff.lu/about-us/>.

financial institution suspected of sheltering the funds must disclose financial details to the authorities.

## **5. Meeting with the Luxembourg Chamber of Commerce**

The Luxembourg Chamber of Commerce is a unique institution with no parallel in Canada. Unlike chambers of commerce in Canada or the US, the Luxembourg Chamber of Commerce has quasi-governmental or quasi-official roles. Its public roles include: being consulted by the government before enacting any legislation that may have an economic impact, particularly legislation in the form of directives from the European Union; meeting on a regular basis with legislators in Luxembourg and in the European Union; helping firms with the regulatory processes in Luxembourg; promoting trade between Luxembourg and other countries; and vocational training including overseeing apprenticeships and cooperative placements. In addition, all firms that are considered resident in Luxembourg must become members of the Chamber of Commerce.

The head of the Chamber of Commerce, M. Pierre Gramegna, Director-General, in addition to providing an overview of the Chamber's role and activities, discussed the economic climate in Luxembourg, emphasizing that Luxembourg depends upon trade. While, economic conditions are generally favourable, he is concerned about poor productivity levels in Luxembourg, as well as a rising unemployment rate, currently at 6%, the highest it has been in a number of years. While the country's public finances are generally sound, with well-funded pension plans and other public sector commitments, he nonetheless cautions that conditions could deteriorate if measures are not taken to control public spending.

M. Gramegna noted that only 5% of Luxembourg's trade is with Canada. He would like to see an increase in the trading relationship between both countries. To this end, the Chamber of Commerce has organized a trade mission to Canada in March 2012. A delegation, which will include the Luxembourg trade minister, will visit Montreal, Toronto and Vancouver. He considers Luxembourg a hub of European business, and would like to see more Canadian businesses locate in Luxembourg.

## **D. Background: The Council of Europe**

The Council of Europe is an intergovernmental organisation which aims:

- to protect human rights, pluralist democracy and the rule of law;
- to promote awareness and encourage the development of Europe's cultural identity and diversity;
- to find common solutions to the challenges facing European society: such as discrimination against minorities, xenophobia, intolerance, terrorism, trafficking in human beings, organised crime and corruption, cybercrime, violence against children, economic challenges; and
- to consolidate democratic stability in Europe by backing political, legislative and constitutional reform.

Founded in 1949, the Council of Europe has now reached a membership of 47 countries from the Azores to Azerbaijan, and from Iceland to Cyprus, with Montenegro joining as its newest member in May 2007. The Council's main objective is to promote and defend democratic development and human rights, and to hold member governments accountable for their performance in these areas. However, it is also very active in fostering international cooperation and policy coordination in a number of other areas, including legal cooperation, education, culture, heritage, environmental protection, health care, and social cohesion. The Council of Europe is responsible for the development of more than 200 European treaties or conventions, many of which are open to non-member states, in policy areas such as human rights, the fight against organized crime, the prevention of torture, data protection and cultural co-operation.<sup>8</sup> Canada is a signatory to a number of these treaties, including the Convention on Cybercrime.

The Council's main institutions are the Committee of Ministers (its decision making body, composed of member states' foreign ministers or their deputies), the Parliamentary Assembly, the Commissioner for Human Rights, the European Court of Human Rights and the Congress of Local and Regional Authorities.

The Parliamentary Assembly consists of 636 members (318 representatives and 318 substitutes), who are elected or appointed by the national parliaments of the 47 Council of Europe member states from among their members. The parliaments of Canada, Israel and Mexico currently hold observer status with PACE. The special guest status of Belarus, which had applied for membership in the Council of Europe in 1993, was suspended in January 1997 in the wake of the adoption of a new constitution in Belarus, which was widely seen as undemocratic.

The Assembly elects the Secretary General of the Council of Europe, the judges of the European Court of Human Rights and the Council's Commissioner for Human Rights. It is consulted on all new international treaties drafted by the Council, holds the Council and member governments accountable, engages in studies of a range of issues of common interest to Europeans and provides a common forum for debate for national parliamentarians. The Assembly has played an important role in the process of democratization in Central and Eastern Europe and actively monitors developments in member countries, including national elections. It meets four times a year in Strasbourg, with committee meetings taking place more frequently. Council and Assembly decisions and debates are often reported widely in the European media.

The Council of Europe and its Parliamentary Assembly bring together policy – and decision-makers - from a range of politically, culturally, and geographically diverse countries. Together, the Council and Assembly provide the primary forum for the formation of a trans-European political community committed to democracy and human rights. The Parliamentary Assembly also provides parliamentary oversight functions for several key international organizations, including the Organization for Economic Cooperation and Development, the European Bank for Reconstruction and Development (EBRD) and the International Organization for Migration (IOM). This wide

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<sup>8</sup> For a complete list of the Council of Europe's treaties, see: <http://conventions.coe.int/Treaty/Commun/ListeTraites.asp?CM=8&CL=ENG>.

ranging role in international policy-making and in the promotion and protection of democracy and human rights makes the Council and Assembly an important venue for pursuing and advancing Canada's multilateral and bilateral engagement in Europe. Canada is an observer to both the Committee of Ministers, where it has participated actively in a number of policy areas (the other observers are the Holy See, Japan, Mexico and the United States) and the Parliamentary Assembly (where the other observers are Israel and Mexico).<sup>9</sup>

Respectfully submitted,

Mr. Corneliu Chisu, M.P.  
Canada-Europe Parliamentary Association

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<sup>9</sup> Canadian officials from several federal government departments and agencies and from one provincial government participate in more than 20 meetings annually of committees, expert groups, and steering committees of the Council of Europe. Canadian parliamentarians attend all four parts of the annual session of the Parliamentary Assembly, as well as parliamentary committee meetings at the EBRD in London and the OECD in Paris.

## Travel Costs

<b>ASSOCIATION</b>	Canada-Europe Parliamentary Association
<b>ACTIVITY</b>	First Part of the 2012 Ordinary Session of the Parliamentary Assembly of the Council of Europe
<b>DESTINATION</b>	Strasbourg, France
<b>DATES</b>	January 23 to 27, 2012
<b>DELEGATION</b>	
SENATE	The Honourable Consiglio Di Nino, Senator
HOUSE OF COMMONS	Ms. Joyce Bateman, M.P. Mr. Corneliu Chisu, M.P. Mr. Don Davies, M.P.
STAFF	Mr. Philippe Méla, Association Secretary Mr. Sebastian Spano, Analyst
<b>TRANSPORTATION</b>	<b>\$ 16,009.00</b>
<b>ACCOMMODATION</b>	<b>\$ 8,487.00</b>
<b>HOSPITALITY</b>	<b>\$ 677.00</b>
<b>PER DIEMS</b>	<b>\$ 8,604.00</b>
<b>OFFICIAL GIFTS</b>	<b>\$ 150.00</b>
<b>MISCELLANEOUS / REGISTRATION FEES</b>	<b>\$ 0.00</b>
<b>TOTAL</b>	<b>\$ 33,927.00</b>