

Canada - Europe
Parliamentary Association



Association parlementaire
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**Report of the Canadian Parliamentary Delegation
respecting its participation at the Committee on Economic
Affairs and Development of the Parliamentary Assembly of
the Council of Europe and the First Part of the 2011
Ordinary Session of the Parliamentary Assembly of the
Council of Europe**

Canada-Europe Parliamentary Association

**London, United Kingdom and Strasbourg, France
January 20 to 28, 2011**

Report

1) Meeting of the Committee on Economic Affairs and Development of the Parliamentary Assembly of the Council of Europe London, United Kingdom, January 20 – 21, 2011

A. Introduction and Overview

Senator Michael MacDonald, Senator Percy Downe, and Mr. Dean Del Mastro, MP travelled to London, England, as the Canadian delegates to the annual meeting of the Committee on Economic Affairs and Development of the Parliamentary Assembly of the Council of Europe (PACE or Assembly) at the European Bank for Reconstruction and Development (EBRD). They were accompanied by association secretary Philippe Méla, and by association advisor Sebastian Spano.

The purpose of this annual meeting is to engage senior EBRD officials in discussions of ongoing and future EBRD activities in the transition economies of Central and Eastern Europe and the former Soviet Union. The results of the meeting and information provided by EBRD officials form the basis of the Committee's annual report on "The European Bank for Reconstruction and Development: Focus on Eastern and South-Eastern Europe", which will be debated during the June part session Parliamentary Assembly of the Council of Europe in Strasbourg.

During their visit to London, the delegation was briefed by Canada's Director at the EBRD on Canada's involvement and position in current debates about the future of the Bank. The delegation participated in a regular committee meeting and attended a presentation by officials of the EBRD.

B. The European Bank for Reconstruction and Development (EBRD)

The European Bank for Reconstruction and Development was founded in 1991 in the wake of the collapse of communist regimes in Central and Eastern Europe. Its purpose is "to foster the transition towards open, market-oriented economies in Central and South-eastern Europe, as well as in the successor states of the former Soviet Union, and to promote private and entrepreneurial initiative in those countries that are committed to the fundamental principles of multi-party democracy, pluralism and a market economy." The Bank provides project finance (equity, loans, and loan guarantees), primarily to the private sector, but also to governments in 29 countries.

The Bank's mandate requires it to work only in countries committed to human rights and democratic principles. In addition, EBRD investments must reflect its commitment to strong corporate governance and respect for the environment.

Specifically, its mandate states:

Every EBRD investment must:

- help move a country closer to a full market economy;
- take risk that supports private investors and does not crowd them out; and
- apply sound banking principles.

Through its investments, the EBRD promotes

- structural and sectoral reforms;
- competition, privatization and entrepreneurship;
- stronger financial institutions and legal systems;
- infrastructure development needed to support the private sector; and
- adoption of strong corporate governance, including environmental sensitivity.

Functioning as a catalyst of change, the EBRD

- promotes co-financing and foreign direct investment;
- mobilizes domestic capital; and
- provides technical assistance.

Canada is a founding member of the Bank, which currently has a membership of 61 countries. The Minister of Finance is a Governor of the EBRD and one of 23 Directors on the Board of Directors is appointed by the Canadian government. The Bank is owned by the member countries with Canada holding a 3.4% capital share in the Bank. This represents the eight largest contribution to the Bank. Canada has also contributed to the Bank's operations through the Canadian International Development Agency (CIDA) and the department of Foreign Affairs and International Trade (DFAIT) budgets for specific development projects in countries such as the Ukraine, which Canada has targeted for assistance.

Canadian companies benefit directly from the operations and projects funded by the Bank. In 2009, Canadian consultants won 55 contracts worth over €2.28 million to provide management and other advice in the energy, finance, legal reform, and other sectors. The Bank typically also procures goods and services from member countries such as Canada. Canadian businesses have an important advantage through the Bank's procurement policies in obtaining access to emerging markets in Central Europe and Asia.

Canadian parliamentarians play an important role in the oversight of the Bank to ensure accountability for Canada's financial investment in the Bank. Through Canada's involvement as an observer state at the Council of Europe, both at the level of the Committee of Ministers and the PACE, Canada can observe first-hand how effectively Canadian funds are managed by the Bank. The Council of Europe plays an important supervisory role in relation to the Bank through the Economic Affairs and Development Committee of the PACE. Canada participates as an observer on the Committee.

C. Briefing by the Canadian Director of the EBRD, Ms. Suzanne Hurtubise

The members of the delegation received an informative and thorough briefing from Ms. Suzanne Hurtubise, EBRD Director for Canada and Morocco.¹ Assisting in the presentation was Ms. Hurtubise's advisor, Autumn Longley. Ms. Hurtubise provided an overview of the Bank's activities in 2010, noting that a record number of projects – 386 - had been signed in 2010, with investments totalling a record €9.0 billion. The EBRD's expected net profit for 2010 is €1 billion.

Ms. Hurtubise reviewed the EBRD's capital reserve plan for the period 2011-2015, referred to as the Capital Reserve Review 4 (CRR4), which was approved in 2010. Under the CRR4 plan subscribed capital is expected to increase by €10 billion, of which €1 billion is paid-in and €9 billion is callable. Annual business volume is expected to rise to €9 billion in the first two years and up to €8.5 billion during 2013-2015.

Ms. Hurtubise discussed the various ways in which Canadians benefit directly from the EBRD's operations including through consulting assignments, procurement opportunities and co-financing. There is approximately €200 million available for technical cooperation consulting projects and Canadians have been successful in obtaining more than €2 million per year in consulting assignments.

Approximately €600 million are also available annually for procurement opportunities. Ms. Hurtubise noted that Canadian financial institutions are active in co-financing EBRD projects, including Cordiant Capital, which represents the EBRD's 15th largest co-financing partner.

D. Meeting of the PACE Committee for Economic Affairs and Development with EBRD Officials

Committee meetings at the EBRD featured presentations by, and discussions with, Bank officials. Parliamentarians and staff also had the opportunity to engage in informal discussions with EBRD officials during a luncheon hosted by the Bank.

The program for meetings with senior EBRD officials consisted of presentations by the following officials: Mr Thomas Mirow, EBRD President; Mr Erik Berglof, EBRD Chief Economist; Mr Peter Reiniger, Managing Director for central and south-eastern Europe; Mr Henry Russell, Director for Small Business Finance; and Ms Cecile Devino, EBRD Gender Advisor.

1. Address by Thomas Mirow, President of the EBRD

Mr. Mirow reviewed the EBRD's results in 2010, provided an outlook for 2011 and set out the Bank's priorities for the 2011-2015 period. Mr. Mirow began by noting that 18 months ago, expectations for economic recovery in the so-called "transition region" – the region of newly-emerging democracies and market economies in the caucuses and the former East-bloc - had been gloomy. The Bank's results for 2010 showed that the recovery is well on its way as demonstrated by the renewed investment interest in the region. Preliminary results indicate that the Bank achieved a record €9 billion in annual business volume, an increase of more than 11% over 2009. The Bank signed a record 386 projects, representing a

¹ Morocco is also a member of the Bank, but it has elected to allow Canada to represent it on the Bank's Board of Directors.

23% increase over 2009. The size of individual projects decreased, however, due to a greater emphasis on assisting smaller enterprises which typically have difficulty accessing capital.

The total value of projects financed through the Bank was €22 billion, of which €9 billion was financed directly by the EBRD and €13 billion was financed using external funding. This was the first time that the Bank's project financing exceeded €20 billion.

The Bank made significant progress on three strategic initiatives of particular importance to the Economic Affairs and Development Committee of the Parliamentary Assembly of the Council of Europe. In the early transition countries the number of new projects increased by 35% to 113, totalling €940 million. Investments in the Western Balkans showed a similar increase reaching €1 billion. Under the Sustainable Energy Initiative, investments reached €2.1 billion.

Mr. Mirow outlined the four strategic priorities of the Bank for the 2011-2015 period:

- **Building Stable Financial Sectors:** This initiative is aimed at developing local financial markets and promoting sound banking systems. The aim is to relieve the regions in which the Bank operates of the over-dependence on external sources of funding and address the problem of foreign currency lending.
- **Diversifying Economies:** This is considered the next step in the development of many transition economies. For some countries in the regions, this means developing a knowledge-based economy. For other commodity-rich countries, the goal is to lessen the dependence on natural resources.
- **Tackling Energy Efficiency, Climate Change and Energy Security:** The EBRD has placed considerable emphasis on energy issues for several years. The global financial crisis, which brought to light the inefficient and wasteful generation and consumption of energy in many countries in the region, has highlighted the need for improvement in energy use and security.
- **Accelerating Transition in Infrastructure:** The financial crisis has had a significant impact on the infrastructure sector. A strategy needs to be in place to minimize the impact of any future crisis. This calls for a more focused approach in designing projects and development of more sound financing models involving the public and private sector.

The EBRD's regions of operation continue to face other challenges, namely in the form of competition from emerging economies, eliminating trade barriers and improving the business environment through strengthening the rule of law and fighting corruption. Still, Mr. Mirow expressed confidence that these regions would emerge from the economic and financial crisis better equipped and more resilient in dealing with future crises. Countries in the EBRD's regions of operation demonstrated a commitment to the process of economic reform and to democracy, something for which these countries deserve praise.

2. Presentation by Mr. Erik Berglof, EBRD Chief Economist

Mr. Berglof presented the highlights from the EBRD's 2010 *Transition Report*. This report is prepared annually and its purpose is to analyse and understand the process of transition in the "transition region" where the Bank operates. He began by recalling that in 2009 the region was the worst-hit in the world.

In 2010 the region was the slowest-recovering region in the world. However, there were significant differences among countries in the region with some faring far better than others (Turkey performed significantly better than Romania, for example). The slow rebound or lack of rebound in the region is explained by several factors: pre-crisis credit boom leading to over-borrowing and now resulting in a rise in non-performing loans and slow debt inflows; and second round effects from the output decline including revenue collapses and unemployment. For 2011, a moderate recovery of about 4% is expected.

The Transition Report for 2010 highlights the need for a new “growth agenda” that focuses on safer and stronger growth. To achieve these objectives, Mr. Berglof emphasized the need for building local currency finance and capital markets, removing obstacles to export growth and improving the business environment. The rationale for developing local currency finance is that it would strengthen local capital markets and reduce the dependence on foreign capital, particularly when foreign exchange markets become volatile and lead to increased risk. In the area of increasing export growth, Mr. Berglof noted that exports could be an important driver of growth in the region. However, to achieve greater export levels, significant structural reforms are required including reducing trade barriers and improving the business environment by reducing corruption and entrenching the rule of law.

3. Presentation by Mr. Peter Reiniger, Managing Director, Central and South-Eastern Europe

The Central and South-Eastern Europe region (CSEE) consists of 16 countries in different stages of economic and transition development. Eight of these countries are in the European Union, Croatia is at an advanced stage in UE accession, and several other western Balkan countries working towards this goal. Overall, the region was impacted severely by the economic and financial crisis with GDP down 20% in some countries, high unemployment levels, mounting fiscal deficits and banks weakened due to increased non-performing loans. The Bank has a strong local presence in the region which contributes to a deep understanding of economic conditions in the region. In 2009 and 2010, the CSEE region contributed about 40% to the Bank’s new business. The Bank has supported the CSEE through: providing liquidity in the financial system; assisting in the development of infrastructure; working to develop energy efficiency and security and renewable energy; and strengthening the corporate sector.

The economic outlook for the region remains challenging with the recovery fragile and uneven. Growth reached 2.2% in 2010 and is expected to reach 3% in 2011. The region remains very dependent upon trade and investment links to the EU, and therefore very much tied to economic developments in the EU. The recovery will depend upon improvements in the investment climate and competitiveness.

The priority areas for the Bank’s operations in the region include: energy security and efficiency and renewable energy projects to enable the region to comply with EU energy directives and to address long-term sustainability; continuing support for financial institutions including support in the development of local capital markets; and support for commercialization and private sector involvement in the transport and municipal sectors.

4. Mr. Henry Russell, Director, Small Business Finance

Ensuring the availability of finance for micro, small and medium enterprises (MSMEs) is a key element of the EBRD's financial sector strategy. At the end of 2010, the EBRD portfolio of financing in the region amounted €3.4 billion. The EBRD is the single largest MSME investor in the transition region providing 28% of financing. The Bank provides capital to commercial banks in the region as well as to micro finance banks and non-bank microfinance institutions to enable these institutions to lend to MSMEs. In addition to providing MSMEs with sustainable access to financial services through a range of financial institutions, the EBRD provides technical assistance to over 200 partner financial institutions to enhance their capacity to assess risks of lending to MSMEs and improving their capacity and confidence to lend.

5. Ms. Cecile Devino, EBRD Gender Advisor

Ms. Devino provided an overview of the EBRD's Gender Action Plan (GAP). The GAP was approved by the Bank's Executive Committee in May 2009. It was conceived as a way to promote gender equality and empower women in the Bank's investment and technical cooperation projects in the transition region. She noted that women's participation in the workforce has declined and those women who are employed tend to be in low-skilled and low wage jobs. She commented on how the deterioration of state-supported social services forces women to make choices between an unpaid family caring role and paid employment.

Pilot projects have been established in a number of countries including Georgia, Kyrgyz Republic and Romania. Pilot sectors include agribusiness, natural resources and financial institutions. Through the Small Business Finance Group, access to MSMEs credit is made available to women by establishing a fixed number of loans to women entrepreneurs. In addition, technical assistance is provided to finance institutions that extend credit to train loans officers on understanding the needs of women borrowers and to increase the number of woman officers.

Ms. Devino reported on the EBRD's Business Advisory Service – Women in Business Program, which was established to provide support and consultancy services to women in the pilot project countries and economic sectors to help them develop business ideas, learn entrepreneurship and acquire business skills such as financial planning and market analysis. It also supports women managers and enterprises with a female-dominated workforce.

E. Meeting of the PACE Committee for Economic Affairs and Development

Following meetings with EBRD officials, the committee held its regular meeting. The Committee heard a presentation on "Promoting microcredit for a more social economy" from the rapporteur, Mr. Martin Braun and held an exchange of views based on Mr. Braun's memorandum. The Committee then discussed its work programme and appointed rapporteurs for the following subjects:

- The activities of the European Bank for Reconstruction and Development (EBRD) in 2010-2011;
- Budgets of the Council of Europe for the financial years 2012-2013;
- Expenditure of the Parliamentary Assembly for the 2012-2013 financial years; and
- Analysis of the use made by Assembly's political groups of their allocations for 2010.

The Committee heard a presentation on the North-South Centre (the European Centre for Global Interdependence and Solidarity) Executive Council and Lisbon Forum 2010 and held a discussion on the Committee's representation to the Centre in 2011.

2) First part of the 2011 Ordinary Session of the Parliamentary Assembly of the Council of Europe, Strasbourg, France, 24-28 January 2011

Senator Michael MacDonald, Senator Percy Downe, Mr. Massimo Pacetti, M.P. and M. Jean Dorion, 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 association Secretary, Philippe Méla, and by association advisor Sebastian Spano, and were joined in Strasbourg by Ms. Brigitte Maille and Mrs. Sirine Hijal representing Canada's ambassador to Belgium and Permanent Observer to the Council of Europe.

A. Overview

The winter session featured a full order of business² 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,
- Inhuman treatment of people and illicit trafficking in human organs in Kosovo,
- The protection of journalists' sources,
- Follow-up to the reform of the Council of Europe,
- Joint debate:
 - The protection of witnesses as a cornerstone for justice and reconciliation in the Balkans
 - The obligation of member states of the Council of Europe to co-operate in the prosecution of war crimes
 - Reconciliation and political dialogue between the countries of the former Yugoslavia,
- Joint debate:
 - The implementation of judgments of the European Court of Human Rights
 - Preventing harm to refugees and migrants in extradition and expulsion cases: Rule 39 indications by the European Court of Human Rights,
- The functioning of democracy in Hungary,
- Violence against Christians in the Middle East,
- The situation in Belarus in the aftermath of the presidential elections,
- The situation in Tunisia,
- Monitoring of commitments concerning social rights,

2 The order of business is available at: <http://assembly.coe.int/default.asp>.

- Preventive health care policies in the Council of Europe member states,
- Promoting active ageing – capitalising on older people’s working potential.

The Assembly also heard from the following guest speakers:

- Mr. Ahmet Davutoğlu, Minister of Foreign Affairs of Turkey and Chairperson of the Committee of Ministers
- Mr. Thorbjørn Jagland, Secretary General of the Council of Europe
- Mr. Abdullah Gül, President of Turkey
- Mr. Boris Tadić, President of Serbia
- Mr. Traian Băsescu, President of Romania

B. Canadian Activities during the Session

1. Overview

The members of the delegation actively participated in a number of meetings of committees – in particular, the Political Affairs Committee, the Economic Affairs and Development Committee, the Committee on Legal Affairs and Human Rights, the Committee on Migration and Refugees and the Joint Committee (with representatives of the Committee of Ministers and the PACE). An informal meeting was also held with the Vice-Chairperson of the Committee on Committee on Rules of Procedure, Immunities and Institutional Affairs. In addition, the members attended meetings of the various political groups in the Assembly.

The delegation was briefed by Ms. Béatrice Maille representing Canada’s ambassador to Belgium and Permanent Observer to the Council of Europe.

A number of special meetings were also organized in order to help the delegates broaden their appreciation of the work of the Council of Europe, including meetings with the European Commission for Democracy through Law, and the Directorate on External Affairs of the Council of Europe.

2. Briefing by Canada’s Permanent Observer to the Council of Europe

Ms. Béatrice Maille provided the delegates with an overview of the work of the Permanent Observer of the Council of Europe and updated the delegates on the recent reform efforts of the Council of Europe led by its Secretary-General Mr. Thorbjørn Jagland. Ms. Maille emphasized that she is available to offer support to the delegates to further their involvement with the PACE and make their participation meaningful. She offered ideas on greater collaboration between the Permanent Observer and the Canadian delegation between the PACE part-sessions. In relation to the current project of reform of the Council of Europe, she noted that the Secretary General has a number of important goals including heightening the profile of the Council of Europe, making it more relevant on the European stage, maximizing the participation of member countries, streamlining its operations, strengthening its relations with the European Union while avoiding duplication in the work done by both organizations. Ms. Maille also answered questions from the delegates on making the most of their participation in the PACE and explained the functioning of the various organs of the Council or Europe.

3. Meeting with the European Commission for Democracy through Law (Venice Commission)

The Canadian delegation attended a presentation by Dr. Thomas Markert, Secretary of the European Commission for Democracy through Law and Mr. Pierre Garron, Head of the Elections and Referendums Division of the Commission. Dr. Markert provided an overview of the activities of the Commission. He highlighted the three principal areas of the Commission's work: constitutional assistance; elections and referendums, political parties; and constitutional justice and co-operation with constitutional courts.

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.

The Commission plays an important role in promoting the adoption of constitutions by member and non-member countries that conform to European constitutional standards.³ 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.

The work of the Commission is conducted by independent experts who are considered eminent in their fields of study.⁴ 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 noted that Canada's work in the areas of elections and 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). Nonetheless, where Canadians collaborate with the Commission in various areas, he commented on the high calibre of their work. He mentioned Elections Canada and the Chief Electoral Officer's contribution to various projects involving electoral reform in some of the countries served by the Commission. He also commented on the excellent

3 For a comprehensive review of the Commission's work, see European Commission for Democracy through Law, *The Venice Commission 2009 Annual Activity Report*, Council of Europe, 2010, http://www.venice.coe.int/site/dynamics/N_Series_ef.asp?Y=all+years&S=12&L=E&R=.

4 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.

contributions of some of Canada's Supreme Court judges to conferences organized by the Commission and to other Commission projects relating to constitutional reform.

Dr. Markert and his colleague Mr. Garrone provided insightful answers to questions from the delegates, particularly with respect to the constitutional and electoral reform processes in a number of countries in which the Commission has been involved. They also discussed some of the successes of the Commission, along with some of the challenges.

4. Meeting with the Directorate of External Relations of the Council of Europe

Canadian delegates met with Mr Zoltán Taubner, Director of External Relations, and Mr Jiří Vogl, Head of the Department of Relations with International Organizations and Non-Member States. The principal items on the agenda of this meeting were: the Council of Europe and EU relations since the adoption of the European Union Reform Treaty; and relations with observer delegations.

The Council of Europe maintains relations with other international organizations and institutions as well as with non-member states. The CoE has particularly well-defined and long-standing relations with the European Union, the Organization for Security and Cooperation in Europe and the United Nations. These international organizations are considered major partners of the Council of Europe.

Since 2005, the Council of Europe's external relations have been guided by the principles developed during the Third Summit of the Heads of State and Government of the Member States of the Council of Europe (16-17 May 2005). More recently, the Council of Europe has been working closely with the European Union to develop areas of collaboration. Since the coming into force of the European Union Reform Treaty (Lisbon Treaty), this collaboration has intensified to facilitate the EU's accession to the European Convention on Human Rights and Fundamental Freedoms (ECHR), which is the central treaty that binds the member countries of the Council of Europe. With accession to the ECHR, negotiations are under way for the EU to acquire a form of membership status in the Council of Europe and for the European Parliament to have standing in the Assembly.

Mr. Taubner indicated that the EU's accession to the ECHR and the negotiations in respect of the EU's status with the CoE are important projects for the Directorate of External Relations.

With respect to relations with observer delegations, Mr. Taubner indicated that the Council of Europe places a high value on the participation by observer delegations in the work of the CoE and in their involvement in CoE projects. He noted that Canada has been quite active in the development of CoE conventions such as the Convention on Cybercrime. He further noted that promoting greater participation by observer delegations in the work of the CoE continues to be an important objective of the CoE.

5. Meeting with the Second Vice-Chairperson: Committee on Rules of Procedure, Immunities and Institutional Affairs

Canadian delegates attended an informal meeting with Mr. Egidijus Vareikis, second Vice-Chairperson on the PACE Committee on Rules of Procedure, Immunities and Institutional Affairs (Rules Committee).

Delegates used the opportunity presented by this meeting to discuss some of the concerns that have been raised in the past about the *Rules of Procedure of the Assembly* and how the rules limit the ability of observer delegations to become as fully involved in Assembly proceedings as they would like. Mr. Variakis, in his role as a Vice-Chairperson on the Rules Committee, indicated that he would be receptive to suggestions for reform of the Rules to facilitate greater participation by observer delegations. The Rules Committee is currently in the process of studying the Rules with a view to making recommendations to the Assembly for amendments to facilitate greater participation by all delegations and to streamline the procedures to make Assembly debates more effective and relevant. Canadian delegates indicated that they would consult with their colleagues on the Canada-Europe Parliamentary Association to determine whether there are any proposals that the Canadian delegation would like to present to the Rules Committee.

6. Meeting of the Joint Committee

The Joint Committee is made up of representatives of the Committee of Ministers and members of the Assembly. In attendance at this meeting were the Permanent Observers (primarily ambassadors) to the Council of Europe representing their respective governments, and individual country delegates to the Assembly. The Joint Committee offers a forum whereby both organs of the CoE can discuss issues of common interest and concern relating to its effective functioning.

The agenda for this meeting focused on the ongoing project of reform of the CoE initiated by Secretary General Thorbjørn Jagland, and on the evolving relations between the European Union and the Council of Europe. Participants engaged in a lively discussion on how to improve relations between the Committee of Ministers and the Assembly. It was noted by some Assembly members that the Committee of Ministers too often fails to follow-up on recommendations of the Assembly for legislative action on issues of concern to the Assembly. They also expressed concern that many resolutions and recommendations of the Assembly directed to the individual member countries of the CoE were not followed by legislative or policy action on the part of these countries. They further noted that effective communication between the two organs of the Council of Europe is sometimes lacking.

With respect to the CoE-EU relations, the participants discussed the progress of the current negotiations for the EU's accession to the European Convention on Human Rights (ECHR) and the EU's membership status in the CoE, both at the level of the Committee of Ministers and at the Assembly. One issue that received considerable attention was the appropriate mechanism to enable members of the European Parliament to acquire status to sit as members of the PACE. It was noted that once the EU accedes to the ECHR, it would become subject to the jurisdiction of the European Court of Human Rights. This would in turn entitle the EU to nominate judges to the Court and participate in their selection. The authority to select judges lies with the Assembly under the *Statute of the Council of Europe*. Thus, the EU's right to nominate and select judges to the Court would need to be exercised by members of the European Parliament through participation in the Assembly as voting members.

7. Canadian Intervention in Assembly Debates

- Debate on the Situation in Tunisia

M. Jean Dorion, M.P. delivered a speech on the recent political events in Tunisia. The text of the speech is reproduced here.⁵

«Monsieur le Président, chers collègues, bravo d'abord pour l'excellent rapport de notre collègue Anne Brasseur.

Le peuple tunisien vit actuellement des jours de joie et d'inquiétude : joie d'être enfin libéré de la chape de plomb qui a pesé si longtemps sur la Tunisie ; joie également d'avoir mis en fuite un tyran. Mais en même temps il s'inquiète à l'idée que les conditions d'une véritable démocratie ne sont pas encore irréversiblement assurées en Tunisie.

Le cas tunisien est un test dont le succès pourra nourrir l'espoir de liberté dans de nombreux autres pays de la région. Il serait tragique que le monde démocratique ne lui accorde pas toute l'attention requise !

Nos pays ne doivent pas seulement faire pression pour que le peuple tunisien dispose de la liberté voulue pour choisir le plus tôt possible ses propres dirigeants. Ils doivent aussi donner à tous les despotes cette leçon qui veut que les crimes commis contre la démocratie ne paient pas.

Nos gouvernements doivent envoyer un message clair : nos pays ne sont pas des refuges pour les ex-dictateurs et leurs proches.

Nous, parlementaires, devons faire pression sur nos gouvernements, afin que ceux qui ont commencé à agir ne fléchissent pas, et que ceux qui n'ont encore rien fait passent à l'action.

En conséquence, nos gouvernements doivent s'assurer que les membres de la famille Ben Ali et les personnages clés du régime qui ont bénéficié d'un droit de résidence permanent dans certains de nos pays ne l'ont pas obtenu de manière frauduleuse.

Par ailleurs, si des accusations sont portées par les autorités judiciaires tunisiennes contre les proches de Ben Ali résidant dans nos pays, nos gouvernements doivent examiner la possibilité de les extraditer en Tunisie afin qu'ils affrontent la justice.

Enfin, il faut aussi, dans un premier temps, geler les avoirs de ces personnes dans nos pays respectifs afin que leurs biens ne soient pas liquidés ou transférés dans des paradis fiscaux.

Par la suite, il conviendra de nous assurer qu'ils ne proviennent pas du blanchiment d'argent sale. Si tel était le cas, si ces biens avaient été acquis par l'abus de pouvoir, la corruption ou le détournement de fonds publics, il faudra les saisir afin de les rendre à leur véritable propriétaire : le peuple tunisien !

⁵ The verbatim record of M. Dorion's speech is available in French at: <http://assembly.coe.int/Mainf.asp?link=/Documents/Records/2011/E/1101271500E.htm>. Note that only a summary of the speech is provided in the English version of the PACE verbatim record of proceedings.

Merci et que vive la Tunisie démocratique ! »

C. 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, bioethics and cloning, terrorism, trafficking in human beings, organised crime and corruption, cybercrime, violence against children; 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.⁶

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

⁶ For a complete list of the Council of Europe's treaties, see:

<http://conventions.coe.int/Treaty/Commun/ListeTraites.asp?CM=8&CL=ENG>.

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 OECD, the European Bank for Reconstruction and Development (EBRD) and the International Organization for Migration (IOM). This wide 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).⁷

Respectfully submitted,

The Honourable Michael L. MacDonald, Senator
Canada-Europe Parliamentary Association

⁷ 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

ASSOCIATION	Canada-Europe Parliamentary Association
ACTIVITY	I. Meeting of the Committee on Economic Affairs and Development II. First Part of the Ordinary of the Parliamentary Assembly of the Council of Europe
DESTINATION	London, United Kingdom and Strasbourg, France
DATES	January 20 to 28, 2011
DELEGATION	
SENATE	The Hon. Michael L. MacDonald The Hon. Percy Downe
HOUSE OF COMMONS	Mr. Jean Dorion Mr. Dean Del Mastro Mr. Massimo Pacetti
STAFF	Mr. Philippe Méla, Association Secretary
TRANSPORTATION	\$ 49, 217. 50
ACCOMMODATION	\$ 12, 695. 31
HOSPITALITY	\$ 37. 15
PER DIEMS	\$ 5, 317. 93
OFFICIAL GIFTS	\$ 0. 00
MISCELLANEOUS / REGISTRATION FEES	\$ 533. 88
TOTAL	\$ 67, 801. 77