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**Report of the Canadian Parliamentary Delegation  
on the Meeting of the Committee on Economic Affairs and  
Development of the Parliamentary Assembly of the Council  
of Europe and the First Part of the 2009 Ordinary Session of  
the Parliamentary Assembly of the Council of Europe**

**Canada-Europe Parliamentary Association**

**London, United Kingdom and Strasbourg, France  
January 22 to 30, 2009**

# Report

## I

### MEETING OF THE COMMITTEE ON ECONOMIC AFFAIRS AND DEVELOPMENT OF PACE

LONDON, UNITED KINGDOM

January 22 – 23, 2009

#### A. INTRODUCTION AND OVERVIEW

Hon. Yoine Goldstein, Senator, travelled to London, England, as the Canadian delegate to the annual meeting of the Committee on Economic Affairs and Development of the Parliamentary Assembly of the Council of Europe (PACE) at the European Bank for Reconstruction and Development (EBRD). He was accompanied by the association's secretary Philippe Méla.

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 contribution of the European Bank for Reconstruction and Development to economic development in central and eastern Europe", which will be debated during the June PACE session in Strasbourg.

During his visit to London Senator Goldstein was briefed by Canadian Officials at the EBRD on Canada's involvement and position in current debates about the future of the Bank. He also participated in a regular committee meeting and in a visit to the Financial Services Authorities (FSA) where he participated in a briefing by senior officials of the FSA.

#### **A. *The 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 toward open, market-oriented economies in Central and Southeastern 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 market economics."<sup>1</sup> 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:

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<sup>1</sup> Department of Finance Canada, International Trade and Finance Branch, "Canada at the European Bank for Reconstruction and Development 2007," [http://www.fin.gc.ca/admin/bank-banque/ebd07\\_1-eng.asp#Overview](http://www.fin.gc.ca/admin/bank-banque/ebd07_1-eng.asp#Overview)

Every EBRD investment must

- help move a country closer to a full market economy: the transition impact;
- 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 the eighth largest shareholder – tied with Spain and following the other G-7 countries and Russia – contributing 3.4% of the Bank's capital. 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.

***B. Briefing by Mrs. Gillian Elias and Mrs. Andrea King, Advisors to the Director.***

Senator Goldstein received an excellent and thorough briefing from Mrs. Gillian Elias and Mrs. Andrea King, Advisors to the Director, on the role of the Bank.

To start the presentation it was indicated that in October 2008 the EBRD's shareholders had agreed for the Bank to start operations in Turkey. The EBRD will support the private sector and reach out to areas away from the large metropolitan centres. In the first two years of operations, investment of up to US\$ 600 million will focus on developing the agribusiness sector, supporting small and medium-sized enterprises (SMEs), furthering privatisation, delivering municipal services effectively and promoting energy efficiency projects. At the same time, the Early Transition Countries (ETC), the eight poorest countries of operations: Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Moldova, Mongolia, Tajikistan and Uzbekistan remain the same. More than 50 per cent of the people in these countries live below the national poverty line. It is to be noted

that the business and portfolio of the bank are shifting to Southern and Eastern Europe in the Capital Resources Review 3 (CRR3) compare to the CRR2<sup>2</sup>.

Following the €1b net income by the Bank in 2007, it was agreed by the Board of Directors to create a Shareholder Special Fund of €115M that will complement the assistance of around €80 million a year that has traditionally been contributed by donor countries. Some 80 per cent of the new fund will be directed to countries that are eligible for Overseas Development Aid, with a special emphasis on ETC and Western Balkans nations. Part of this fund will be used to contribute to the safety and security of the people of the region and their

environment. Also, some of these profits will be paid in the form of a grant to the Chernobyl plant, a key contribution to funding the New Safe Confinement being built to make the plant environmentally safe and also to the complex and costly process of cleaning up the nuclear waste from the 1986 accident.

The Board of Directors also decided to allocate €1M to the launch of a Gender Action Plan (GAP) that will focus on using the Bank's investments to promote gender equality and equal opportunity through increasing the economic participation of women in the EBRD's countries of operations. Mrs. Chikako Kuno, a well known specialist of Micro-finance is the Chair of the Gender Steering Group.

As far as the worldwide financial crisis is concerned, the Bank is going to help its clients to survive by providing them innovative financial packages as well as increased technical cooperation. Consequences of the crisis are not limited to an expected decrease of the net income for the year 2008 as well as a growing of the portfolio of the bank at a time the bank is operating in an environment where the financial risk has increased due to the crisis as well as the lower co-financing rate with traditional financial institutions.

On the Canadian side, the Canadian International Development Agency (CIDA) has contributed almost €50M to the EBRD's Technical Cooperation (TC) funds. Canada's support has largely been channelled through its own regional funds and through multilateral initiatives such as the Early Transition Countries Fund, the Balkan Region Special Fund, the Western Balkans Fund and the Russia Small Business Fund. The Department of Foreign Affairs and International Trade has contributed in the amount of €66M towards supporting nuclear safety (Chernobyl, NW Russia). Currently, with regards to co-financing projects, Canada is the 15<sup>th</sup> largest co-financing partner of the Bank.

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<sup>2</sup> To know more about the CRR: <http://www.ebrd.com/about/strategy/general/crr.htm>

### ***C. Meeting of the PACE Committee for Economic Affairs and Development with EBRD Officials***

Committee meetings at the EBRD featured an agenda full of 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.

#### Program for Meetings with Senior EBRD Officials

- 09:30 Plenary Session under the joint chairmanship of the Committee and Mr. Manfred Shepers, EBRD Vice-President  
Address by the President of EBRD, Mr. Thomas Mirow
- 10:30 Mr. Andrew Kilpatrick, Director of Project Design and Appraisal – transition report 2008
- 11:15 Western Balkans, a review of the Bank’s results and strategy by Mr. Peter Reiniger, Business Group for the CEEB and Western Balkans
- 11:45 Latest developments in EBRD evaluation work by Fredrik Korfker, Chief Evaluator
- 12:30 Summing-up by the Chairpersons

Mr. Manfred Schepers, EBRD Vice-President, welcomed the Committee and stressed the usefulness of having an annual exchange of views between the Bank and parliamentary representatives. He also emphasized the importance of the political and social repercussions of the financial crisis.

#### ***Address by the President of EBRD, Mr. Thomas Mirow***

Mr. Mirow indicated that the cooperation between the Bank and the Parliamentary Assembly of the Council of Europe (PACE) goes back to 1992 when a framework agreement was signed and the goal of both institutions was the promotion of integration, stability and prosperity in the region stretching from central Europe to central Asia. Also, considering the financial crisis, that the possible social and political impact will be a key question for PACE. As for the EBRD making a contribution to resolving the financial and economic crisis this has already become a priority. Due to the financial crisis, the Bank has decided to increase its business volume this year by €1B or roughly 20 percent, in order to be able to provide more help – in the form of loans and equity – to banks that are the direct link to the real economies of the clients of the Banks. In doing this, the Bank, as PACE does, attaches the highest importance to good governance, institution building and integrity issues. In this context the Bank’s Board of Governors decided at its Annual Meeting 2008 to set up a Special Shareholder Fund to supplement technical cooperation and grant financing. As PACE will be debating the situation in the Caucasus during the upcoming 1<sup>st</sup> Part Session, Mr. Mirow provided the Committee with an overview of the situation in this region of the world:

- Georgia experienced a rapid decline in GDP to about 2 percent after the conflict in August, after strong growth of more than 8 percent in the first half year of 2008 had occurred. The EBRD was actively involved in the stabilisation of the

financial sector, the support for the real economy and for municipalities through its investments.

- In Azerbaijan there are encouraging signs that the country will be able to withstand the current global crisis relatively well, thanks to its natural resources. The country has considerable financial reserves and growth is still strong, albeit slower than in recent years.
- So far Armenia appears to be less affected by the crisis than other countries. The country, however, may feel second-round effects because of its high dependency on remittances and external financing, especially from Russia.

The EBRD remains the largest institutional investor in all countries of the Western Balkans and activities range from: infrastructure development, including critical regional transport corridors; to the energy sector; also the financial sector; to small and medium-sized enterprises.

Mr. Mirow indicated that since last October, Turkey became a recipient of the Bank's investment and that the EBRD plans to invest about €600M in Turkey by the end of the year 2010. At the same time, Russia is still the bank's largest country of operations with more than 35 percent or almost €2 billion of its business volume in 2008. Russia has been hit very hard by the financial crisis and the investments of the EBRD are targeted to support the diversification of the Russian economy. The pledge from the Russian government to reform the legal framework and fight corruption makes this market a more secure one for potential investors.

***Presentation by Mr. Andrew Kilpatrick, Director of project appraisal - Economic overview with particular reference to EBRD area of operations***

Mr. Kilpatrick focused his presentation on the financial crisis and its impacts on the business of the EBRD and the consequences on its countries of operations.

Mr. Kilpatrick explained that according to most economic indicators, most transition economies remain buoyant in the first half of 2008 but that many countries are now slowing sharply particularly on the industrial production side. This is of course directly related to the slow down of the economy worldwide as well as the sharp drop of commodity prices and the depreciation of local currencies versus the Euros or USD. He indicated that due to the crisis, capital inflows are now slowing down and this and the slowing of the economic growth has a stressing effect on the financial sector and brings lower confidence in this sector. However, it is to be noted that the transition region was resilient in the first part of the crisis due to the fact that the crisis did not start in emerging market but rather in more economically advanced countries. At the start of the crisis, there was no sudden withdrawal of investments except for Russia and public balance sheets were stronger compared to other past crisis, also noteworthy is that countries like Russia, Kazakhstan and Azerbaijan had large warchests at their disposal due to previous high oil prices prior to the crisis. However, that being said, Mr. Kilpatrick pointed out that this may not last as the crisis deepens and less money is flowing from foreign banks. As well, like everywhere else, fundamentals may

deteriorate, balance sheets may be affected by growing liabilities, confidence can disappear, and panics and currency crashes could occur.

Once the crisis is over, it will be possible to place countries in three categories: the ones where growth has slowed markedly such as Poland or Croatia; the ones where growth has stopped such as Russia and Kazakhstan and the ones where growth reversals have occurred, as could be the case for Ukraine. As well, we may see transition region moving from high and synchronized growth to great variations across countries. All in all, it is expected that in most countries, growth will slow sharply or stop completely in 2009.

Mr. Kilpatrick also indicated that the crisis would have various impacts on transition countries such as: a regression of financial development, with a most immediate impact on the small and medium sized enterprises sector; a challenge to trade liberalisation with possible trade restrictions, as well as in some countries, for example Russia, some large scale privatization could be reversed, and a sharp decline of perhaps Foreign Direct Investment by way of less transfer of new skills and know-how.

Mr. Kilpatrick then examined in details the various drivers of growth specifically: Education, Competition and Trade and Product Mix.

### **Education:**

He noted that in order to achieve growth, the quality of the education matters and that, education quality is currently lagging in transition economies. It appears that there is a clear relationship between scores attained on the PISA<sup>3</sup> test and educational expenditures per student. He also noted that both enrolment and expenditures are lower in transition economies than in OECD Countries. Therefore, it is essential that these countries to focus on the quality of their secondary education in order to build a skilled workforce to increase their current competitiveness.

### **Competition:**

There appears to be strong evidence of a link between product market competition and growth in relation to higher mark-ups which are a sign of lower levels of competition which, in turn, are associated with lower productivity, especially in transition countries. What kind of policy can be drawn from this? The focus should be on reducing barriers rather than on policing firms. In addition, pursuing anti-competitive behaviour at all levels, firms and governments alike and ensuring that competition authorities should be transparent, independent and rules-based.

### **Trade and Product Mix:**

Usually, countries that are successful in export markets tend to grow faster but future growth is linked to the composition of exports. Equally important is the connectedness of the product or export to other products (ie: a “more connected” product implies a greater ease of producing these products in the future).

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<sup>3</sup> <http://www.pisa.oecd.org/>

In conclusion, the crisis response can be a domestic and a Global/European challenge. Domestic with the necessity to protect the core financial system, improve the governance and the structure of the financial sectors and maintain the financing of small and medium sized enterprises. Global/European in the sense that it will be necessary to provide liquidity to, and safeguard the stability of, parent banks and address supervisory and regulatory failures.

***Presentation by Mr. Peter REINIGER, Business Group Director for the CEEB and Western Balkans EBRD's activities in the Western Balkans***

**How is the region affected by the crisis?**

Mr. Reiniger explained that until 2008, the region had seen several years of rapid growth, allied to strong progress in transition and increased foreign direct investment but that the global financial crisis is contributing to a significant slowdown. He went on to indicate that growth in 2009 is likely to remain positive, but that the region would probably experience a sharp drop in the pace of growth and foreign direct investments.

**What is the EBRD's approach to the region?**

Mr. Reiniger described the region as being comprised of the following countries: Albania, Bosnia-Herzegovina, Croatia, FYR Macedonia, Montenegro, Serbia – including Kosovo under UNSCR 1244. The region has two key factors pulling it:

- EU accession with Croatia being the next country that should join the EU; and
- regional integration

The Bank is working in this context to:

- accelerate transition and facilitate accession to the EU and;
- provide financial instruments to facilitate integration through regional infrastructure projects and supporting banks and enterprises expanding regionally

The Bank will focus on key priority projects such as important road networks, airports and ports; and regional energy market and electricity transmission. The Bank will also provide support to local companies expanding regionally in, but not limited to, agribusiness, building materials, manufacturing and the technology sector.

The Bank is also planning the creation of new regional facilities such as:

- €120M Regional Energy Efficiency Initiative
- Local Enterprise Facility
- Microlending and SME facilities
- new Western Balkans Infrastructure Initiative

**Business plan for 2009 and effect of the crisis**



Mr. Reiniger explained that the crisis did not have its full impact on the region in 2008, but the Bank is expecting major impacts in 2009 with the following consequences:

- Limited foreign direct investments
- Limited credit growth with less liquidity available for real economy
- Reduced GDP growth

The Bank will try to offset the consequences of the worldwide financial crisis by taking the following measures:

- Step up its presence and intensify investment efforts in private sector with local companies
- Provide liquidity to local banks to on-lend to local SMEs, including for energy efficiency
- Capitalize on the Bank's regional facilities to deliver more to local private sector
- Consolidate financial instruments at the regional level, together with the European Community and other international financial institutions

Mr. Reiniger concluded his remarks by saying that even though 2008 was a good year for the Bank, with growing business in the region, but that 2009 may be very challenging due to the financial crisis. However, the Bank is very well prepared to face the situation and has good instruments at its disposal to deliver more.

***Presentation by Mr. Fredrik KORFKER, Chief Evaluator – Latest developments in EBRD evaluation work***

Mr. Fredrik Korfker, EBRD Chief Evaluator, briefed members on the EBRD's evaluation activities meant to measure the results of projects and to draw lessons from previous experiences to bring future future improvements to the bank's operations.

Evaluations were based not only on mandate-related indicators, such as transition impact, additionality and environmental soundness, but also on the principles of accountability, transparency and independence of the evaluation unit from other parts of the Bank. Evaluation reports produced to date had covered about 73% of all completed projects (or 806 projects) and indicated a very high level of effectiveness of EBRD operations. About 79% of projects scrutinized between 1996 and 2008 had a positive, which is to say excellent to satisfactory, transition impact. In total, 58% of projects over this period had a successful or higher overall performance rating. As a result, the Bank is doing well and has implemented projects which meet largely the Bank's mandate. All evaluation reports are available on the Bank's website, either in summary form or *in extenso*. In addition, the evaluation unit also produced sectoral studies and overviews of technical cooperation activities. Challenges identified for the coming years include the need to cope with ever larger numbers of smaller projects, the implementation of a new framework for peer reviews related to the evaluation systems at multilateral development banks, the preparation of good practice standards and the follow-up to evaluation recommendations.

#### ***D. Meeting of the PACE Committee for Economic Affairs and Development***

Following the meetings with EBRD officials, the committee held a regular meeting that began with a discussion of possible elements to include in the report on “the EBRD’s activities in certain Central and Eastern European countries” on the basis of the information presented by the rapporteur, Mr. Martins (Portugal). The Committee also discussed two other documents, a draft reports from Mr. Bota (Portugal) on the “European Code of Conduct on lobbying including guidelines for politicians, lobbyists and corporations” and a memorandum on “The consequences of the financial crisis” prepared by the Secretariat of the Committee for a possible debate under urgent procedure.

#### ***E. Non-EBRD Committee Activities: Meeting at the Financial Services Authorities***

Finally, the Committee held a half day of meetings at the Financial Services Authorities where discussions were focussed on the current financial crisis.

#### Program

14.30 Welcome and presentation 1: An Overview of the International Response to the Current Crisis – Mr. John-Paul Dryden, International Strategy and Policy Co-ordination

#### Topics:

- Cause of the financial crisis
- Capital adequacy of the banking system
- Accounting standards
- Lack of liquidity
- Regulatory structures

15.15 Presentation 2: Risks to the Financial Sector – Mr. Lyndon Nelson, Head of the Risk Department

#### Topics:

- Leverage
- Funding gap
- Credit cycle
- Duration of the crisis
- Possible interventions

16.15 Presentation 3: The Turner Review of UK and International Banking Regulation – Mr. David Strachan, Director, Financial Stability

#### Topics:

- Turner review on banking regulations
- International reform
- The capital market
- Regulatory issues
- International architecture

## II

### First part of the 2009 Ordinary Session of the Parliamentary Assembly of the Council of Europe

Strasbourg, France, 26-30 January 2009

The Hon. Yoine Goldstein, Senator, travelled to Strasbourg to participate in the winter session of the Parliamentary Assembly of the Council of Europe (PACE), in which Canada enjoys observer status along with Israel and Mexico. He was accompanied by association secretary Philippe Méla and was joined in Strasbourg by Mr. François LaRochelle and Mrs. Sirine Hijal, Deputy Permanent Observers of Canada to the Council of Europe.

#### A. Overview

The winter session featured a full order of business<sup>4</sup> 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
- Access to rights for people with disabilities and their full and active participation in society
- The implementation by Armenia of Assembly Resolutions 1609 (2008) and 1620 (2008)
- The regulation of audiovisual media services
- Co-operation with the International Criminal Court (ICC) and its universality
- Investigation of crimes allegedly committed by high officials during the Kuchma rule in Ukraine – the Gongadze case as an emblematic example
- Nomination of candidates and election of judges to the European Court of Human Rights
- The implementation of Resolution 1633 (2008) on the consequences of the war between Georgia and Russia
- The humanitarian consequences of the war between Georgia and Russia
- Palliative care: a model for innovative health and social policies
- Current affairs debate: The situation in Gaza

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<sup>4</sup> The Order of Business is available at: <http://assembly.coe.int/default.asp>

- The challenge on procedural grounds of still unratified credentials of the parliamentary delegation of Albania
- Debate under urgent procedure: The consequences of the global financial crisis
- Private military and security firms and the erosion of the state monopoly on the use of force
- Attitude to memorials exposed to different historical interpretations in Council of Europe member states
- Electronic Democracy
- Femicides
- Environmentally induced migration and displacement: a 21st century challenge.

The Assembly heard also the following two guest speakers:

- Mr. Philippe KIRSCH, President of the International Criminal Court
- Mr. Miguel Ángel MORATINOS, Minister for Foreign Affairs and Cooperation of Spain, Chairperson of the Committee of Ministers

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

### **1. Overview**

Senator Goldstein actively participated in a number of meetings of committees – in particular, the Political Affairs Committee and the Economics Affairs and Development Committee – and with his political group – the Liberal, Democratic and Reformers Group (ALDE). He was briefed by Mr. François LaRochelle and Mrs. Sirine Hijal, Deputy Permanent Observers of Canada to the Council of Europe, on recent developments at the Council of Europe and on Canada's involvement.

Senator Goldstein, Mr. François LaRochelle, Mrs Sirine Hijal were invited to the residence of Mr. Terry Davis, the Secretary General of the Council of Europe along with several senior advisors to the Secretary General for an evening discussion, including, but not limited to, the role of Observers at PACE. Mr. Davis indicated that Canada has always been a great contributor and a greatly appreciated participating in PACE. Senator Goldstein pointed out that since the implementation of the new rules of procedure in January 2008, where Observer Countries shall provide an annual list of twelve Parliamentarians for the whole calendar year (with a maximum participants of six), Canada has been under represented due to the fact that the members of the delegation may only be chosen from amongst the 12 parliamentarians and not amongst the whole membership of the Canada-Europe Parliamentary Association, as it used to.

## 2. Canadian Interventions in Assembly Debates

- ***Debate on Access to rights for people with disabilities and their full and active participation in society***

Senator Goldstein was too far down on the Speaker's list and did not have the opportunity to deliver his speech however the text of the speech was submitted to the Table Office to be part of the Official Record of the Sitting<sup>5</sup>:

“Let me first congratulate the rapporteur, Mr. Bernard Marquet, and his colleagues on having produced an excellent report.

Previous speakers have said, with some justification, that to suggest total integration of persons with handicaps into the mainstream of socio-economics and education is simply not realistic. I agree. However, although special training is required in many instances, especially with respect to people who are afflicted with autism, the goal, the thrust and the intent must continue to be as much integration as possible.

It was the renowned philosopher Amartya Sen who pointed out that individuals with physical or mental disabilities are not only among the most deprived human beings in the world, they are also, very frequently, the most neglected. Disabled people strive to participate and to be valued as equal citizens in education, employment and in all facets of human existence. Their independence and participation is not merely a desirable goal, it is also a human right.

We have all heard the rhetoric about the indivisibility and interdependence of civil and political rights, on the one hand, and economic, social and cultural rights on the other. In the context of disability, the interconnectedness of these two sets of rights is real and tangible. Eliminating barriers through compensation or through civil rights and non-discrimination law is not enough. Our societies need to restructure institutions with clear objectives, benchmarks and timelines to ensure that social and economic goals are pursued hand-in-hand so that people with disabilities are treated fairly and are trained to make the best of their abilities.

Improving accessibility to various physical and cultural environments, housing and transportation, social and health services, educational and work opportunities, sports and recreational facilities is one step. Ensuring that individuals with disabilities are able to exercise their rights in the most autonomous fashion is critical: when faced with personal decisions in healthcare, finance and property, the disabled should never have to forgo their legal rights. In fact, as we examine these issues in the current draft resolution I would like to highlight the considerable work done by the province of British Columbia in my home country, to incorporate innovative “supported decision-making” mechanisms into law, in order to curb the many abuses of guardianship.

Canada and Europe, not surprisingly, have strikingly similar challenges, Alarminglly, Canadians with disabilities are more than twice as likely to live in poverty than other Canadians. Additionally, almost 60% of working age adults with disabilities are currently unemployed or out of the labour market. Thus far, despite the progress made with the

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<sup>5</sup> The verbatim record of all speeches during the Session are available at: <http://assembly.coe.int/default.asp>

prohibition of discrimination on the grounds of disability in a constitutionally entrenched Charter of Rights and Freedoms and numerous foundational principles prescribed by Canada's highest court, abstract legal principles have not by themselves guaranteed inclusiveness or respect of disability equality rights in public or private institutions nor in the labour market.

It is therefore incumbent on governments at all levels to create a partnership with all political, social and economic players to situate the issue of the rights of persons with disabilities within the broader context of economic development and law reform, where incentives can be favoured over coercive measures to support the integration of persons with disabilities in adapted positions in businesses, in government, or any other place where they might be actively involved.

The Quebec government has recently created a targeted initiative to reduce the gap in the employment rate between people of working age with disabilities and those without limitations to employment by half over the next 10 years. This is an example of the kind of encouraging action needed to address the glaring inequalities experienced by persons with disabilities and to reduce their excruciating vulnerability to poverty.

Needless to say, as employers, all levels of our governments must also set an example by hiring people with disabilities and implementing corrective measures in their areas of jurisdiction if we truly expect society as a whole to gain from the contributions of this segment of our population.

Let me praise once again the draft Council of Europe Disability Action Plan for delineating a practical and comprehensive framework identifying the main barriers to the integration of persons with disabilities in many sectors of human activity.

I am confident that these obstacle-reduction objectives and the suggested corrective measures will not only increase the accountability of various public and private stakeholders, but in combination with the UN Convention on the Rights of Persons with Disabilities, this document represents a significant instrument of change, which has the potential to significantly improve the living conditions of persons with disabilities everywhere."

- ***Debate on the Co-operation with the International Criminal Court (ICC) and its universality***

Mr. Kirsch, the President of the International Criminal Court, who happens to be a Canadian Citizen, delivered a speech to the plenary session of PACE.

Senator Goldstein was again not given the opportunity to deliver the following speech, which was submitted to the Table Office to be included as the Official Record of the Session:

"Let me begin by congratulating the rapporteur, Herta Däubler-Gmelin, and all those who worked on this excellent report.

I express my sincere gratitude to Judge Philippe Kirsch for his outstanding dedication to strengthening the ICC and thank him for his statement and his outstanding work as President of the Court. I am particularly proud of the fact that President Kirsch is Canadian.

Canada is one of the 108 states which has ratified the Rome Statute and I am pleased that my country has done so. However, the turn of this debate is disturbing. I heard calls yesterday in committee and today on the floor for investigation of Israel for alleged war crimes during the course of the conflict in Gaza. I would understand these calls if there were any proof that Israel had committed war crimes. However, there is none. The only “proof” that has been submitted is the *ipse dixit* of some members of the Council and that is hardly proof of anything. On the other hand, however, it is as clear as the day is long that Hamas committed crimes against humanity. It shot more than 6 200 rockets into Israeli civilian centres during the past few years – 3 500 of them in the last year alone – with the wish, expectation and clearly declared hope that these rockets would kill or maim civilians. We have all seen television clips of Hamas officials, unmistakably identified, specifically saying that that is their goal. Yet I did not hear, yesterday or today, any call for an investigation into Hamas activities. If anything, the debate tomorrow will centre around Israel’s so-called crimes and pass lightly over Hamas.

The same thing happened two years ago. Hezbollah was lobbing hundreds of katusha rockets into Northern Israel and Galilee. When Israel invaded southern Lebanon to silence the rockets, the cry was not to silence the rockets but rather to determine whether Israel had committed war crimes. That Hezbollah had fired every single one of those rockets with the express intention of killing and wounding civilians in Israel did not elicit any calls for an investigation of Hezbollah crimes against humanity.

It is small wonder, therefore, that Israel chooses not to ratify the Rome Statute. Israel knows that it cannot get equal treatment in international fora. The United Nations General Assembly has a consistent majority willing to condemn Israel at the drop of a hat and the egregiously misnamed Human Rights Council, led by those paragons of human rights Libya, Iran and China, has an automatic Arab-African majority that will condemn Israel with knee-jerk regularity. Admittedly, neither of these bodies can initiate investigations before the International Criminal Court; only the Security Council can do that with respect to states which have not signed the Rome Statute. But Israel has learned not to rely on international bodies and regrettably the silences of this body in the face of Hezbollah and Hamas barrages for years has not instilled any confidence in Israel that it would receive fair and equitable treatment in references to the International Court. This is not meant to attack the objectivity of the International Criminal Court. It is meant, however, to call on the Council of Europe and other similar international bodies, to be even-handed and not to scapegoat Israel without regard to the provocations to which it is subject on virtually a daily basis.

The principle of universality, coupled with that of complementarity, is at the very heart of the creation and jurisdiction of the International Criminal Court. And since it was Israel’s Supreme Court that established and asserted the principle of universality in respect of the prosecution of Adolph Eichmann, what is happening now is particularly unfortunate and disappointing.

The United States knows that its lack of popularity in Asia and Africa especially, would yield prosecutions of its soldiers, justified or not. So it is easy to understand why the United States, like Israel and other powers who have not signed would not be motivated to ratify the Rome Statute. The Rome Statute process suffers from other failings: there



is no concept of jury trial, there is no possibility of pardon, or of remission of sentence, to mention only a few problems.

There would be nothing more perfect than having all states sign and ratify the Rome Statute. That can only happen if biases, prejudices and unequal judgments disappear from the human rights process.”

- ***Current affairs debate: The situation in Gaza***

As the sitting was extended on Wednesday evening, Senator Goldstein was able to deliver the following speech in the Current affairs debate on the situation in Gaza:

“The pictures of death, injury and destruction in the Middle East can do nothing but elicit sympathy and a feeling of helplessness among the people who see them. Any death or human suffering diminishes us all. Unfortunately, there are many victims, both Israeli and Palestinian.

One of the victims – perhaps the first victim – is truth. It is not true that Israel merely attacked Gaza. It is true that Hamas has rained 6 200 rockets on defenceless Israeli citizens, with the specific and declared intent of injuring, maiming and killing them, since 2002. Indeed, 3,200 rockets were aimed at Israel in the past year alone.

It is not true that Palestinians in Gaza are the innocent victims of Israeli attacks. It is true that, standing in the war-torn Gaza Strip on Monday, the European Union’s foreign aid chief and former Foreign Minister of Belgium, Mr. Louis Michel, condemned Hamas for acting like a terrorist movement. He accused Hamas of having “enormous responsibility” for the destruction. Mr. Michel said: “Hamas has an enormous responsibility for what happened here in Gaza”. Hamas used civilians as human shields. Hamas sent rocket fire from near, behind and beside mosques, schools, hospitals and United Nations installations. The rocket fire was not defensive, it was not meant to deter anything; it was meant to kill, it was meant to maim. That is the truth.

This body, this shrine of human rights, was devastatingly silent for six years while Hamas systematically tried to kill Israelis. I suggest to you, colleagues, that that silence may deprive this body of any moral right to be critical of Israel.

That silence underscores another truth that this body, among many others, holds a double standard: one for Israel and one for others. Having said that, ascribing blame, as many speakers have said, does not serve a useful purpose. Helping to find solutions is more useful. To create an atmosphere for that purpose, we need to define the terms that we use to ensure that they evoke the same meaning for all parties. The term “occupation” or “occupied territories” means different things to different people. Gaza is not occupied. Israel left Gaza in 2005, and there is not a single Israeli on the soil of Gaza today. When Hamas uses the term “occupation”, it cannot refer to Gaza, because Gaza is unoccupied. Rather, it means all the territory that constitutes the state of Israel. When Hamas speaks of ending the occupation, it really speaks of destroying Israel, a philosophy shared, as we know, by Hamas’s Iranian mentors and supporters.

Having said all that, the reality is that the Council of Europe has a role to play and should play it now. The role it should play is that which has been set out in the Security Council resolution, which would stop the flow of arms to Hamas, stop Hamas from

indiscriminately attacking, allow humanitarian aid to reach Gaza, and force an ongoing ceasefire.”

### III

#### **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.<sup>6</sup>

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>7</sup>.

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

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<sup>6</sup> Council of Europe website: [http://www.coe.int/T/E/Com/About\\_COE/](http://www.coe.int/T/E/Com/About_COE/). For a detailed discussion of the Council's history and role, see The Council of Europe, 800 million Europeans, available on that website.

<sup>7</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>

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<sup>8</sup>. 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).<sup>9</sup>

Respectfully submitted,

The Honourable Yoine Goldstein, Senator  
Canada-Europe Parliamentary Association

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<sup>8</sup> "The Assembly in brief," <http://assembly.coe.int/Communication/Brochure/Bro01-e.pdf>.

<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>	Meeting of the Committee on Economic Affairs and Development of the Parliamentary Assembly of the Council of Europe and the First Part of the 2009 Ordinary Session of the Parliamentary Assembly of the Council of Europe
<b>DESTINATION</b>	London, United Kingdom and Strasbourg, France
<b>DATES</b>	January 22 to 30, 2009
<b>DELEGATION</b>	
SENATE	Hon. Yoine Goldstein, Senator
HOUSE OF COMMONS	
STAFF	Mr. Philippe Méla, Association Secretary
<b>TRANSPORTATION</b>	<b>\$ 12,448.33</b>
<b>ACCOMMODATION</b>	<b>\$ 5,925.56</b>
<b>HOSPITALITY</b>	<b>0.00</b>
<b>PER DIEMS</b>	<b>\$ 2,170.02</b>
<b>OFFICIAL GIFTS</b>	<b>\$ 40.00</b>
<b>MISCELLANEOUS / REGISTRATION FEES</b>	<b>\$ 0.00</b>
<b>TOTAL</b>	<b>\$ 20,583.91</b>