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**Report of the Canadian Parliamentary Delegation
respecting its participation at the Committee on Economic
Affairs and Development and the First Part of the 2010
Ordinary Session of the Parliamentary Assembly of the
Council of Europe**

Canada-Europe Parliamentary Association

**London, United Kingdom and Strasbourg, France
January 21 to 29, 2010**

Report

I

Meeting of the Committee on Economic Affairs and Development London, United Kingdom, January 21 – 22, 2010

A. Introduction and Overview

Mr. Bev Shipley, MP, Mr. Scott Simms, MP, and Mme. Francine Lalonde, M.P., 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) at the European Bank for Reconstruction and Development (EBRD). They were accompanied by association secretary Philippe Méla, and 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 activities of the European Bank for Reconstruction and Development which will be debated during the June PACE session in Strasbourg.

During their visit to London the delegation was briefed by a Canadian official 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 in a seminar on "The world economic crisis: coping with the aftermath," which was chaired by the Rt. Hon. John Prescott MP, Leader of the UK delegation to the Parliamentary Assembly of the Council of Europe. In addition, Mr. Bev Shipley, M.P., met with officials of the Department for Environment, Food and Rural Affairs, as well as the shadow Secretary of State for Agriculture and Rural Affairs.

B. 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 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."¹ 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:

¹ Department of Finance, *Canada at the European Bank for Reconstruction and Development, 2008: Report on Operations Under the European Bank for Reconstruction and Development Agreement Act*, p. 9:
<http://www.fin.gc.ca/admin/bank-banque/ebrd08-eng.asp>.

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.

C. Briefing by Ms. Andrea King

The members of the delegation received an informative and thorough briefing from Ms. Andrea King, advisor to the Director for Canada and Morocco. She emphasized that the Bank invests in most activities that a commercial bank would invest in, and that it is a profit-making institution. It does not, however, invest in activities that are incompatible with its mandate, such as armaments manufacturing or tobacco products. The Bank's largest investment is in the financial services sector. It is expected, however, that agribusiness will be a leading sector as a target of Bank investment, given the emphasis on agriculture in emerging democracies served by the Bank. The Bank collaborates to a significant degree with Canada's agricultural sector as well the mining and natural resources sector.

Ms. King spoke on the Bank's recent work in the new climate of investing as a result of the global economic crisis. The Bank has adopted a so-called "additionality" principle to guide some of its investment decisions. Under this principle, the Bank seeks to invest in projects that commercial banks are reluctant to invest in given the precarious state of some banks. This state of affairs opens up many more investment options for the Bank. The Bank continues its tendency to look for higher risk projects with higher returns by well-managed and well-established companies.

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

The committee meeting 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:

09:45-10.30 **Strategic development issues - Thomas Mirow**, President of EBRD,

10:30-11.15 **Transition Report 2009: Transition in Crisis?, Erik Berglof**, Chief Economist

11.15-11.30 **Eastern partnership countries - Olivier Descamps**, Managing Director, Eastern Partnership Countries

11.30-12.00 **EBRD and Energy Efficiency and climate change - Josue Tanaka**, Corporate Director for Energy Efficiency and Climate Change

12.00-12.30 **Latest developments in EBRD evaluation work - Fredrik Korfker**, Chief evaluator

The meeting was opened under the joint chairmanship of Mr. Màrton Braun, Chairman of the Committee on Economic Affairs and Development, and Ms. Brigita Schmognerova, Vice-President of the EBRD. Both stressed the importance of having an annual exchanges of views between the Bank and parliamentary representatives.

1. Address by Thomas Mirow, President of the EBRD, on Strategic Development Issues

Mr. Mirow began by surveying the deteriorating financial and economic situation in the EBRD region over the past 18 months. He noted that the region succumbed to massive external shocks following the collapse of Lehman Brothers in September 2008. The region experienced a severe drop in output, a serious drying up of credit and a sudden halt in external capital inflow, as well as a general loss of investor confidence. In responding to the crisis, the EBRD had two overriding concerns: maintaining the flow of finance to the region and preventing a potentially disastrous withdrawal of Western-owned parent banks. He reported that, together with the work of other international financial institutions such as the International Monetary Fund, the World Bank and European Union institutions, the EBRD has achieved considerable success in responding to the crisis. Mr. Mirow summarized the Bank`s important achievements:

- record new investments of 8 billion euros, an increase of more than 50% over the €5.2 billion business volume in 2009;
- a rise in the number of transactions, totalling 310, of which 83 transactions worth €500 million were in the so-called “early transition countries;”
- a strong increase in the Bank`s activities in other regions and countries, including:

- a 36% increase in investments in the Western Balkan countries, increasing to over €700 million;
 - a 77% increase in the number of projects in Russia, valued at €2.5 billion;
 - expanded investments in the Baltic states and Central and Eastern Europe to €1.6 billion compared with €324 million in 2008;
 - a special focus on Ukraine where the Bank invested €1 billion; and
 - €150 million invested in Turkey.
- Investments under the Sustainable Energy Initiative Phase 2 at around €1.3 billion, compared with €1 billion in 2008.

Mr. Mirow also highlighted some of the strategic investments such as: support for local subsidiaries of Western-based parent banks to help them maintain their activities in the transition regions and make funds available to viable enterprises; a strategic focus on energy and climate change mitigation; and, support for critical infrastructure. Mr. Mirow emphasized the critical role that economic and institutional integration played in the global response to the economic and financial crisis. In an era of increasingly international economies, international institutional frameworks are essential. Existing international institutions such as the G-20 and the European Union continue to be important fixtures for economic integration. These should continue to be strengthened.

Mr. Mirow outlined some of the challenges that lie ahead for the Bank. The first priority for the Bank is to facilitate economic repair and recovery, a process that the Bank is addressing by maintaining its lending volume at high levels in 2010 and 2011. He noted that as credit markets remain tight, maintaining liquidity and refinancing debt will continue to pose challenges. A greater burden on credit markets will be placed by government requirements to finance new debt in the face of reduced revenues and to re-finance existing debt. These added pressures will leave little room for expenditures to stimulate economic activity.

2. Presentation on the EBRD “Transition Report 2009: Transition in Crisis?” by Erik Berglof, Chief Economist

Mr. Eric Berglof, the EBRD’s chief economist, spoke on the effect of the global economic and financial crisis in the EBRD region particularly as it impacted the so-called “transition region” of newly-emerging democracies and market economies in the caucuses and the former East-bloc. He noted that the global crisis reached the transition region later than in other parts of Europe, but it triggered sharp declines in the 4th quarter of 2008. Countries in the region experienced a 25% depreciation in the value of their currencies, a 20% decline in housing prices, and sharp declines in industrial production. The crisis deepened in 2009, with an expected average output decline of 6.3%, double digit declines for the Baltic countries, Ukraine and Armenia, an increase in the number of non-performing loans, and a continuing credit crunch. Slow recovery of around 1-2% is expected for 2010.

Despite the shocks from the crisis, the economic and political systems of the transition region remained resilient. There were no uncontrolled currency collapses, and no system-wide bank runs, while payment systems remained intact.

3. Presentation by Mr. Olivier Descamps, Managing Director Eastern Partnership Countries

Mr. Descamps provided a summary of economic conditions and prospects in the Eastern Partnership Countries, which includes Turkey, Eastern Europe, the Caucasus and Central Asia.

4. Presentation by Mr. Fredrik Korfker, Chief Evaluator – Latest Developments in EBRD Evaluation Work

Mr. Fredrik Korfker, EBRD Chief Evaluator, briefed committee members on the EBRD's evaluation activities that are designed measure the results of projects and to draw lessons from previous experiences with a view to bringing improvements to the bank's operations. The Evaluation Department is fully independent from management and its work is guided by three important principles: accountability, transparency and independence from operational activities of the Bank. Projects are evaluated on the basis of a number of criteria including: transition impact, which considers competitiveness, market expansion, private sector participation, and the extent to which institutions, laws, regulations and policies promote market functioning; environmental performance; "additionality;" project and company financial performance; and, EBRD investment performance. There are a number of special studies on particular themes and sectors including: a study on the Trade Facilitation Programme; an evaluation of the Direct Lending Facility in Early Transition Countries; an evaluation of the Transport Sector Strategy; an evaluation of the Bank's Environmental Policy; and an evaluation of agribusiness operations.

From 1996 through 2009, the Evaluation Department of the EBRD has evaluated 848 projects (71% of completed projects), producing 656 reports. About 79% of the projects evaluated were rated as having an excellent to satisfactory (or a positive) transition impact rating. In total, 58% of projects in this period had a "successful" or higher overall performance rating. These evaluations tend to confirm that the Bank is succeeding in implement projects that meet the Bank's mandate.

5. Presentation by Mr. Josue Tanaka, Corporate Director for Energy Efficiency and Climate Change on "The EBRD and Energy Efficiency and Climate Change"

Mr. Tanaka observed that the EBRD has become increasingly relevant in the area of energy efficiency and climate change due to its unique capabilities and focus. The EBRD has a demonstrated capacity to develop highly innovative financing instruments which can be harnessed for energy efficiency projects. The EBRD's extensive experience in mobilising the private sector further places it in a unique position to promote projects that address energy efficiency and climate change.

In 2009, the EBRD's Board of Governors approved energy efficiency and climate change (or, "E2C2") as a key medium-term strategic area for the Bank. Similarly, Phase 2 of the Sustainable Energy Initiative (SEI) was approved by the Board of Governors.

As a result, E2C2 is now considered as the Bank's fifth sector. The results of the SEI since its inception in 2006 were reviewed by Mr. Tanaka:

- SEI investments totalled €4 billion through 237 projects;
- Total project value reached €19 billion including non-SEI projects;
- 67% of SEI projects are in the private sector; and
- Once the investments are fully implemented, an annual emission reduction of 25 million tons of CO₂ is expected.

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

Following the meeting with EBRD officials, the committee held a regular meeting. This included an exchange of views on possible elements of its report on the activities of the EBRD in 2009, including:

- The effect of the crisis on the EBRD;
- The effect of the EBRD on the crisis;
- Who caused the crisis?;
- How to emerge from the crisis;
- Does the world financial architecture need to be improved or is whole-scale reform needed?;
- What should be the appropriate pace of reform?;
- Should the pace of reform be the same for all countries?;
- Uncertainty in the approaches to the crisis by financial institutions;
- Forecasting conditions for 2010; and
- The pace of recovery and the imponderables and uncertainties in the recovery process.

The Committee also discussed a number of other documents, including:

- The Impact of the European Union Eastern Partnership on economic growth in Eastern Europe;
- Draft Protocol to the Convention on Mutual Administrative Assistance in Tax Matters;
- Rethinking creative rights for the Internet age;
- Euro-Mediterranean region: call for a Council of Europe strategy; and
- Fostering the socio-economic potential of the Baltic Sea Region.

F. Non-EBRD Committee Activities

1. Seminar on "The world economic crisis: coping with the aftermath"

The Committee held a seminar on the current global economic crisis at the UK House of Commons, Portcullis House, hosted by the Rt. Hon. John Prescott, MP, Leader of the

UK delegation to the PACE. The seminar included presentations by Dr. Jon Danielsson, London School of Economics (LSE), Professor Ray Barrell, National Institute of Economic and Social Research (NSIER), and the Rt. Hon. Liam Byrne, Chief Secretary to HM Treasury.

Dr. Jon Danielsson, LSE

Dr. Danielsson's thesis is that the failure of the financial system that led up to the economic crisis was not a lack of regulation, but a lack of appropriate regulation. Banks created complex financial instruments that regulators failed to understand. He noted that while banking is highly regulated, other parts of the financial system, namely hedge funds, were not. He suggested that governments should not rush into wholesale regulation of the financial system, because it is unclear what needs to be regulated. Regulation, in any event, tends to be reactive, responding to crises that have occurred. It is difficult to foresee where the next crisis will come from and how to design a regulatory framework that might avert that crisis. He emphasized that the financial system needs risk-taking and that in attempting to regulate financial markets care must be taken not to remove incentives to risk-taking. He maintained that contractions in the financial markets are part of the normal cycle. Financial failures are sometimes necessary to achieve growth.

Professor Ray Barrell, NSIER

Professor Barrell attributed the economic crisis to lax regulation of the financial system and innovations in financial products that led banks to make risky mortgage loans while holding too little liquidity and not enough capital. As a result, the banking system needed to be recapitalized with taxpayer money to keep the crisis from worsening. Professor Barrell reviewed the prospects for economic recovery in European countries. He expects that Germany will fare better than other European countries, while France will fare better than the UK, but not as well as Germany. Short-term deficit projections are worse than expected, as are government revenue projections. He expects that taxes will need to rise to meet the shortfall in government revenue. He noted that higher taxing countries are faring better than countries with low tax rates.

Rt. Hon. Liam Byrne, Chief Secretary to HM Treasury

Mr. Byrne presented the UK's response to the economic crisis, which has consisted of three strategic actions: stop bank collapses; protect jobs; and, improve the investment climate. To these ends, the UK has committed to spending £5 billion to stop job losses and to create jobs. It has introduced measures to improve business and homeowner cash flow. The government will deal with its revenue shortfall by a combination of tax increases and spending reductions. Approximately one-third of revenues are expected to come from tax increases and two-thirds from reduced spending. It expects GDP growth to recover slowly from -4.7% in 2009 to a forecast growth rate of 1.4% in 2010, 3.5% in 2011 and 3.5% in 2012.

2. Meeting with the UK Department for Environment, Food and Rural Affairs and the Shadow Secretary for Agriculture and Rural Affairs

Mr. Bev Shipley, Chair of the delegation, took advantage of an opportunity to meet and be briefed by officials with the United Kingdom Department for Environment, Food and

Rural Affairs (DEFRA), as well as the shadow Secretary of State for Agriculture and Rural Affairs, James Paice. DEFRA officials provided Mr. Shipley with an overview of the UK government's position and its priorities in respect of agriculture, while Mr. Paice provided the Conservative's Party's views and positions with respect to food security, matters related to genetically-modified (GM) food, and agriculture and climate change.

The following is a synopsis of those meetings prepared by officials with the High Commission of Canada, who accompanied Mr. Shipley to the meetings:

Meeting with DEFRA: DEFRA pulled together a team of experts on the various topics which provided an excellent overview of the UK policies. DEFRA participants included Peter Grimley/Head International Relations, Food and Farming Group; Ian Picard/Sr. Policy Advisor; Stuart Wainwright/Head GM Policy; Katherine Quinteros/Agricultural trade Policy Advisor; and Paul Bradley/Team Leader, International Food Strategy. LDN/Gera accompanied Mr. Shipley to these meetings.

Regarding food strategy, the UK officials underscored that the whole of government approach and consultations with stakeholders were key elements in developing the "Food 2030" [strategy]. The strategy focuses on consumers, effective resilient farming, and best use of the supply chains. Key challenges addressed by the food strategy include food security, climate change, and diet related health issues. From the discussions, it was clear that the UK wants to show global leadership on food security, and offered to facilitate a policy dialogue with senior officials, if we wished to carry out such a discussion. For details on food strategy, please see the attached slide presentation.

GM issue: Although the GM policy framework is provided by the EU, the UK officials see significant problems in the implementation of the policy, notably shortages of feed for animals, as the non-GM products tend to be very expensive. High prices of meat from animals fed on non-GM feed were cited as a contributor to food prices in general. DEFRA sees some benefits of GM products in the medical field and has embarked on a public dialogue on GM. DEFRA believes that the UK public opinion on GM is softening to some extent, as people are seeing the cost impacts of GM products as well as a fair role for GM products in the global food security.

CEPA negotiations: The UK official stressed those additional chapters on: 1) Sustainable development, and 2) human rights were important to the EU. DEFRA was also interested in understanding the role of the provinces in these negotiations. Mr. Shipley informed them of our consultations process and stressed the point that the federal government does not work in isolation.

Climate change and food: While agriculture is not in the frontline in terms of the UK's mitigation policies, it is now being considered as a mitigation vehicle. The UK believes that agriculture should be clearly accounted for in the national greenhouse gases inventories. Bearing in mind the tensions between increased farming for food security and consequent increase in greenhouse gases, the UK government has adopted an approach of partnership with industry. In this regard, whereas the current policy is dominated by voluntary initiatives, potential economic and regulatory approaches are also being considered.

Meeting with the Conservative Shadow Secretary Of State for Agriculture and Rural affairs, James Paice - provided an opportunity to get the [UK] Conservative Party's perspective on key issues concerning agriculture. Mr. Paice would like to see Doha round concluded. On Common Agriculture Policy (CAP), Paice is a strong believer in reduction and removal, where possible, of agricultural subsidies and import controls. In this regard, he pointed out that the UK has taken significant steps and he would like to see other countries also decouple support. Paice was critical of the US for preaching but not practicing free trade. MP Shipley provided a brief overview of CEPA and the importance of such bilateral agreements for Canada.

For reasons of low profitability and current government's neglect of farming, Mr. Paice does not see the UK becoming self-sufficient in food in the near future. In his view, there is a heavy burden of regulation on farming, and he would like to review all those factors that have impacted on competitiveness and profitability.

Regarding climate change Mr. Paice feels that [the] agriculture sector can do more to demonstrate its credibility – NOx reduction, soil use, and R & D were mentioned as the areas of action.

On the GM issue, Jim Paice felt that industry did not make efforts to convince [the] public in the early days when lobby groups and media succeeded in influencing the public opinion and policy on the GM products. Noting that Europe was much more concerned about the GMs as compared to North America, the shadow Secretary of State stressed that governments have to be cautious on this difficult issue.

II

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

Strasbourg, France, 25-29 January 2010

Mr. Bev Shipley, M.P., Mr. Scott Simms, M.P., and Mme. Francine Lalonde, M.P., travelled to Strasbourg to participate in the first part-session of the Parliamentary Assembly of the Council of Europe (PACE), in which Canada enjoys observer status, along with Israel and Mexico. They were accompanied by association secretary, Philippe Méla, and advisor Sebastian Spano, and were joined in Strasbourg by Mr. Louis de Lorimier, Canada's ambassador to Belgium and Permanent Observer to the Council of Europe and his deputy, Mrs. Sirine Hijal.

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;
- The situation in the middle east;
- The functioning of democratic institutions in Bosnia and Herzegovina;

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

- Action against trafficking in human beings: promoting the Council of Europe Convention;
- Discrimination on the basis of sexual orientation and gender identity;
- Judicial corruption;
- Freedom of religion and other human rights for non-Muslim minorities in Turkey and for the Muslim minority in Thrace (Eastern Greece);
- Respect for media freedom;
- Thresholds and other features of electoral systems which have an impact on representativity of national parliaments in Council of Europe member states;
- Increasing women's representation in politics through the electoral system;
- Current affairs debate: What can Europe do for Haiti?;
- Detention of asylum seekers and irregular migrants in Europe;
- Solving property issues of refugees and displaced persons;
- The functioning of democratic institutions in Albania;
- Fifteen years since the international conference on population and development programme of action; and
- Biodiversity and climate change.

The Assembly also heard from the following guest speakers:

- Ms. Micheline Calmy-Rey, Head of the Federal Department of Foreign Affairs of Switzerland, Chairperson of the Committee of Ministers;
- Mr. Thorbjørn Jagland, Secretary General of the Council of Europe;
- Mr. Daniel Ayalon, Deputy Minister of Foreign Affairs of Israel;
- Mr. Mohammad Shtayyeh, Minister of Public Works and Housing of the Palestinian National Authority;
- Mr. George A. Papandreou, Prime Minister of Greece; and
- Mr. Franco Frattini, Minister for Foreign Affairs of Italy.

B. Canadian Activities during the Session

1. Overview

The members of the delegation actively participated in a number of committee meetings – in particular, the Political Affairs Committee, the Economic Affairs and Development Committee, the Committee on Equal Opportunities for Women and Men, and the Committee on Legal Affairs and Human Rights. The Canadian delegates also attended meetings of the various political groups in the PACE.

The delegation was briefed by Canada's Permanent Observer to the Council of Europe, His Excellency, Mr. Louis de Lorimier, on recent developments at the Council of Europe

and Canada's participation. A meeting was also held with the Mexican observer delegation where the members discussed collaboration on issues of common interest at PACE.

Representatives from the Council of Europe's Treaty Office organized a presentation for the benefit of the delegation on the treaty process at the Council of Europe, including Canada's participation. The officials explained the various steps in the development and coming into force of a treaty from identifying a need for a treaty, to the process of elaboration and ultimately to signing, ratification and implementation. The presentation was extremely helpful and informative and enabled the delegates to gain an in-depth understanding of the roles played by the Committee of Ministers and the Parliamentary Assembly of the Council of Europe in the development of treaties. The presenters also outlined Canada's contributions to the development of a number of specific treaties.

2. Canadian Intervention in Assembly Debates

- **Debate on Action against trafficking in human beings: promoting the Council of Europe Convention**

Mr. Bev Shipley, M.P. had prepared a speech on this topic, but due to the lengthy list of speakers, he did not have an opportunity to deliver his speech. The speech, however, was submitted to the Table Office to be part of the Official Record of the Sitting:³

"I welcome the opportunity to speak to you today in this Chamber.

Canada has been a leader in the advancement of human rights domestically and globally. It is particularly committed to combating the rise of human trafficking.

Canada has ratified in 2002, and is fully compliant with, the UN Convention against Transnational Organised Crime and its protocol to prevent, suppress and punish trafficking in persons, especially women and children. The protocol guides our approach to prevent trafficking, protect victims, prosecute offenders and promote partnerships to combat trafficking in persons. Canada's work in this regard is coordinated by a departmental working group on trafficking in persons.

The Government of Canada, moreover, recognises the serious criminal nature of human trafficking. In November 2005, it strengthened its criminal code with the enactment of three new indictable offences that expressly prohibit trafficking in persons.

Our domestic efforts extend to providing victims of human trafficking with legal immigration status through the issuance of a temporary residence permit. The permit is valid for 180 days with renewals permitted. This status enables victims of human trafficking to start the process of recovery from their ordeal. More importantly, as temporary residents, they are entitled to health care and to work legally in Canada. A long-term temporary residence permit may also be granted for up to three years.

In addition to implementing international conventions and protocols, Canada has been actively working with the international community on prevention and awareness-raising programmes as well as victim protection efforts in West Africa, Southeast Asia, Eastern Europe, Haiti, Central America and the Caribbean.

³ The verbatim record of Mr. Shipley's speech is available at:
<http://assembly.coe.int/Main.asp?link=/Documents/Records/2010/E/1001261500ADD2E.htm>.

While Canada has not signed the Council of Europe Convention on Action against Trafficking in Human Beings, which came into effect on 1 February 2008, Canada's policies and legislation are broadly consistent with the convention. Some consultations, however, are still required with Canada's provinces and territories on a number of treaty implementation issues related mainly to victim compensation."

- **Debate on Increasing women's representation in politics through the electoral system**

Mr. Scott Simms, M.P., delivered a speech on increasing women's representation in politics:⁴

"Thank you, Mr President. First, on behalf of Canada, I should like to say hello and greetings to all. As an observer, I thank you very much for giving me this opportunity.

As Canada has been a signatory to the Convention on the Elimination of all forms of Discrimination against Women since 1979, it is an honour to speak on this issue in respect of more representation of women in parliaments all over the world. Rather than talk about what I would describe – I do not mean this in a derogatory way – as an over-prescriptive way of dealing with this situation, I would rather talk about the idea of allowing more incentives for young women to get involved in politics, especially those who have never been involved before.

Let me explain what I mean. In Canada, we have a first-past-the-post system. We do not have proportional representation. We do not draw up lists to choose people to sit in parliament. Parliament is directly elected by the people, who vote only for one person in an area. There is no appetite right now in Canada to change that system. Therefore, we have to provide the incentives in our country to get more women involved.

Right now, on average, we have about 22% women in our parliament. That is way below what it should be. The United Nations would claim that the critical mass is 30%. Once you receive 30% representation by women in parliament, you are on to better things. That is a good step. Personally, I do not agree. If we are to talk about critical mass, we need to talk about 50% – end of sentence. If we keep talking about the 30% threshold, we will never get to the point where we achieve true equality. We must aim for 50%. So let me return to the Canadian system.

Right now, we have a few incentives in Canada. There is no appetite to change the system. I would therefore ask all members of this body to look at ways of encouraging women to get involved in politics. My colleague from Estonia mentioned finances earlier, and that is a very good point. In Canada, several years ago, back in 1991, we had what is called the Lortie Commission, which found out from all the evidence that this had more to do with the social fabric than the system of politics itself. So even if we do have a first-past-the-post system, we should strive to get those people involved.

Several provinces now have incentives to encourage young women to get involved by providing them with money. The only way that we can be proactive in getting women involved in politics is at party level. So the party should strive to provide funding and

⁴ The verbatim record of Mr. Simms's speech is available at:
<http://assembly.coe.int/Main.asp?link=/Documents/Records/2010/E/1001271500E.htm>.

training. There are groups in Canada that provide non-partisan, as well as non-profit, incentives for women through funding and training to allow them to get involved, because it is about developing the confidence of women who have not been involved in the political system but who have great ideas. These are the incentives that we need to help to build this system.”

I thank you for this opportunity, and I hope that we will all build towards providing a greater system to allow women to express ideas. Thank you very much.”

- **Current affairs debate: What can Europe do for Haiti?**

Mr. Bev Shipley, M.P. delivered a speech on Canada’s contribution to the humanitarian crisis in Haiti:⁵

“Thank you, Madam President, for giving me the opportunity, as an observer to this forum and as a representative of the Canadian delegation, to speak about the humanitarian crisis in Haiti. I commend the Assembly for devoting time to addressing this important issue.

Canadians regard the Haiti earthquake as a disaster of catastrophic proportions. It has taken an enormous toll in human lives, and has caused widespread devastation, affecting Haitian infrastructure, power and telecommunications. Canada has been, and remains, one of the strongest supporters of the relief effort in Haiti. It responded to the crisis within hours of the earthquake striking, sending civilian and military relief personnel, providing relief supplies and making cash contributions. Thus far, Canada has contributed more than CA\$135 million.

I want to emphasise that our financial relief is channelled through trusted and experienced humanitarian and relief organisations, which can act quickly and effectively, given their experience on the ground in relief efforts. These non-governmental organisations are highly valued in Canada. Their commitment, experience and compassion, and their familiarity with local conditions, greatly enhance the capability of governments in coming to Haiti’s assistance. With Canadian Government funding, these organisations have been, and are, providing medical care, food, shelter, water, sanitation services and protection. I must also acknowledge the very generous contributions of individual Canadians, who have opened their hearts and their wallets to the various humanitarian agencies so that they can further their work in Haiti.

Canada is committed to working closely with the international community and the Government of Haiti to respond to the needs of Haitians. Canada has taken the lead by hosting the ministerial preparatory conference in Montreal on 25 July. Participants included the Prime Minister of Canada, the Haitian Prime Minister, representatives of the United Nations and other multilateral organisations, ministers of top donor countries and key regional players. The Government of Canada and its international partners reaffirmed their commitment to Haiti in its longer-term reconstruction and development needs. These will be guided by a number of key principles. There must be respect for Haitian sovereignty, aligning development and rebuilding efforts with the priorities of the Government of Haiti. There must also be effective and efficient co-ordination of efforts

⁵ The verbatim record of Mr. Shipley’s speech is available at:
<http://assembly.coe.int/Main.asp?link=/Documents/Records/2010/E/1001281000E.htm>.

through proper authorities under the leadership of the Haitian Government, with a key co-ordination role for the United Nations and the involvement of international and regional organisations, financial institutions and local and international civil society groups. There must be sustainability and long-term commitment, initially for a 10-year period, involving working to build Haiti's capacity with a focus on climate resilience, disaster risk reduction, emergency preparedness and environmental sustainability. There must be accountability and transparency in the use and allocation of resources as well, by which I mean accountability on the part of the Haitian Government and the international community, including accountability in the allocation and management of resources. These key principles must also include strengthening Haiti's institutions of democratic governance, sustained social and economic development, and respect for the rule of law.

I want to emphasise that Canada's response to the relief effort in Haiti is consistent with its long-standing relationship with the people of Haiti. Official diplomatic relations between our two countries were established in 1954. A Haitian community of about 100 000 people live in Canada. Haiti has also been a major beneficiary of Canadian development assistance for many years. So, Madam President, through this difficult time, the government will remain strong [in] its commitment to the people of Haiti."

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.

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^[7].

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 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.

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 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).^[9]

Respectfully submitted,

Mr. Bev Shipley, M.P.
Canada-Europe Parliamentary Association

Travel Costs

ASSOCIATION	Canada-Europe Parliamentary Association
ACTIVITY	Committee on Economic Affairs and Development and the First Part of the 2010 Ordinary Session of the Parliamentary Assembly of the Council of Europe
DESTINATION	London, United Kingdom and Strasbourg, France
DATES	January 21 to 29, 2010
DELEGATION	
SENATE	
HOUSE OF COMMONS	Mr. Bev Shipley Mr. Scott Simms Mrs. Francine Lalonde
STAFF	Mr. Philippe Méla, Association Secretary Mr. Sebastian Spano, Analyst
TRANSPORTATION	\$ 24,197.31
ACCOMMODATION	\$ 11,174.96
HOSPITALITY	\$ 829.14
PER DIEMS	\$ 4,069.35
OFFICIAL GIFTS	\$ 0.00
MISCELLANEOUS / REGISTRATION FEES	\$ 236.40
TOTAL	\$ 40,507.16