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Parliamentary Association



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**Report of the Canadian Parliamentary Delegation respecting
its participation in the Parliamentary Mission to the Republic
of Cyprus, the next country to hold the rotating Presidency of
the Council of the European Union and the United Kingdom**

Canada-Europe Parliamentary Association

**Nicosia, the Republic of Cyprus and London, United
Kingdom**

April 19 to 26, 2012

Report

INTRODUCTION

From April 19 to April 26, 2012, a delegation of five parliamentarians travelled to Nicosia, Republic of Cyprus to participate in meetings related to the country's upcoming term as the rotating Presidency of the Council of the European Union (EU) and to London, United Kingdom to attend meetings related to the Canada-EU Comprehensive Economic and Trade Agreement (CETA); the EU's implementation of the Fuel Quality Directive and its implications for Canada, as well as EU responses to the Sovereign Debt Crisis. Mr. David Tilson, Member of Parliament (M.P.) and President of the Canada-Europe Parliamentary Association (CEPA) was the head of the delegation, which included the Honourable Grant Mitchell, Senator and Mr. Scott Simms, M.P., Mr. Corneliu Chisu, M.P. and Mr. Glenn Thibeault, M.P. joined the delegation for meetings in London. The delegation was also accompanied by Mr. Philippe Méla, Secretary from the International and Inter-parliamentary Affairs Directorate of the Parliament of Canada and Ms. Karin Phillips, Advisor from the Library of Parliament.

In preparation for its meetings, members of the delegation were briefed prior to departure by officials from the Department of Foreign Affairs and International Trade (DFAIT) and met with the United Kingdom's High Commissioner to Canada, Dr. Andrew John Pocock. The delegation was hosted by Dr. Rita Severis, Honorary Consul of Canada in Nicosia, Republic of Cyprus. Meanwhile, Mr. Gordon Campbell, Canada's High Commissioner to the United Kingdom of Great Britain and Northern Ireland hosted the delegation in London. Ms. Pamela Strigo from Canada's High Commission to the United Kingdom of Great Britain and Northern Ireland accompanied the delegation during some of its meetings in London.

This report provides an overview of the delegation's participation in meetings in Nicosia, focussing on the Republic of Cyprus' term as rotating President of the Council of the European Union and meetings in London related to CETA, the Fuel Quality Directive and the European Sovereign Debt Crisis.

PARLIAMENTARY MISSION TO THE REPUBLIC OF CYPRUS, THE NEXT COUNTRY TO HOLD THE ROTATING PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION

From April 19 to April 20, 2012, the parliamentary delegation attended meetings in Nicosia, the Republic of Cyprus, to discuss the country's upcoming term as President of the Council of the European Union (EU), which is set to begin in July 2012. The purpose of this visit was for Canadian parliamentarians to learn about the Republic of Cyprus' priorities for its term as President of the Council of the EU, as they are being developed. The visit provided Canadian parliamentarians with the opportunity to advance Canadian positions on key EU-related issues and learn about policy debates and developments within the EU more generally, as well as promote bilateral relations. During the course of its mission, the delegation met with government officials, Cypriot parliamentarians,

United Nations (UN) officials, and Non-Governmental Organizations. Background information and the summary of these discussions are outlined below.

A. Background Information¹

Overview of the European Union

The European Union (EU) is an economic and political union made up of 27 Member States: Belgium, France, Germany, Italy, Luxembourg, Netherlands, Denmark, Ireland, United Kingdom, Greece, Portugal, Spain, Austria, Finland, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria, and Romania. In addition to its member states, the EU also consists of institutions that are responsible for the development, adoption, coordination, implementation, and judicial review of EU legislation, policies and programs in a broad range of areas. The EU's key decision-making bodies are outlined in the table below.

Table 1 – Description of EU's Main Decision-making Bodies

Institution	Description	Powers
European Parliament	The European Parliament is made up of 736 Members of the European Parliament (MEPs). They are directly elected every 5 years to represent interests of the people of Europe. They do not sit in national blocks, but in Europe wide political groups.	<ul style="list-style-type: none"> ▪ Parliament has the power to adopt, amend or reject legislation proposed by the European Commission; it shares this power with the Council of the European Union. ▪ Ratifies international treaties negotiated by the European Commission, including trade agreements. ▪ Exercises oversight over the European Commission; may dismiss the Commission. ▪ Parliament shares joint authority with the Council of the European Union for approving the EU's annual budget.

¹ European Union, "Panorama of the European Union," http://ec.europa.eu/publications/booklets/eu_glance/79/en.pdf.

Institution	Description	Powers
The Council of the European Union	The Council of the European Union is one of the main decision-making bodies in the EU. It is made up of 27 national government ministers representing each of the EU Member States in a broad range of policy areas, including: foreign and security policy, economic and financial affairs, social policy and health, transport, the environment, agriculture, fisheries, education, justice and home affairs.	<ul style="list-style-type: none"> ▪ Responsible for the approval of the EU's budget and the development of legislation in a broad range of policy areas. ▪ It shares its legislative and budgetary authority with the European Parliament.
European Council	The European Council is made up of 27 heads of state and governments of EU Member States and the President of the European Commission.	<ul style="list-style-type: none"> ▪ It gives the EU its political direction and sets out its main priorities.
European Commission	The European Commission is the executive organ, which represents and upholds the interests of the EU as a whole. The Commission consists of 27 men and women appointed from each respective Member State. They are assisted by 24,000 civil servants. The President of the Commission is chosen by EU Member States and is endorsed by the European Parliament.	<ul style="list-style-type: none"> ▪ Drafts proposals for new legislation, which it presents to the Council of the European Union and the European Parliament. ▪ Enforces EU treaties and laws. ▪ Manages the day-to-day implementation of EU policies and spending of EU funds.

Source: Information provided in the table was adapted by the author from European Union, Panorama of the European Union, http://ec.europa.eu/publications/booklets/eu_glance/79/en.pdf.

Roles and Responsibilities of Rotating Presidency of the Council of the European Union

The Council of the European Union is chaired by a rotating EU Presidency country. The rotating EU Presidency follows a troika formula whereby three EU Member States develop a common 18 month programme that sets out the policy agenda for the European Union in all areas, except for foreign and security policy. During the course of its EU Presidency, the Member State is responsible for chairing the different Council meetings and working groups of the Council; finding consensus between the different Member States; and formulating proposals for compromises to be made between different Member States. In addition, the EU Presidency country also plays an important role in negotiating with other EU institutions with legislative authority, such as the European Parliament.

As result of the entry into force of the *Treaty of Lisbon*² in December 2009, the European Union's Foreign Affairs Council, which is made up of the Foreign Ministers of the EU Member States and is responsible for developing the EU's Common Foreign and Security Policy, is no longer chaired by the rotating EU Presidency Country. Furthermore, the rotating EU Presidency country is also no longer responsible for chairing the European Council, the meeting of EU heads of state and government which is responsible for establishing the EU's general political direction and priorities.³ Under the Treaty of Lisbon, a new position of President was created to chair the European Council.

Since 2002, the Canada-Europe Parliamentary Association has regularly sent delegations to the countries holding the rotating Presidency of the Council of the EU. From 2005 onwards, these visits have taken place in the months leading up to a country's rotating EU Presidency, when the program and priorities are still under development.

B. Program and Summary of Discussions

Meeting with His Excellency Mr. Andreas Kakouris, Director Cyprus Problem Division, Ministry of Foreign Affairs of the Republic of Cyprus

His Excellency Mr. Andreas Kakouris provided the delegation with an overview of the division of Cyprus and its implications for the Republic of Cyprus' term as President of

² On 19 October, 2007, the 27 EU Member State governments concluded the *Treaty of Lisbon*, a treaty that amends the two foundational treaties of the European Union, *The Treaty Establishing the European Community* and the *Treaty on the European Union*. The *Lisbon Treaty* introduces a number of institutional reforms aimed at streamlining the EU decision-making process, enhancing democratic accountability, strengthening EU institutions and giving the EU a stronger presence in international affairs. It came into force in December 2009, after it had been ratified by all 27 EU Member States. European Union, "Lisbon Treaty at a Glance," http://europa.eu/lisbon_treaty/glance/index_en.htm

³ See http://europa.eu/about-eu/institutions-bodies/index_en.htm

the Council of the European Union. Mr. Kakouris explained the origins of the conflict in 1974 that led to the forced division of the island on ethnic lines into the Republic of Cyprus and the Turkish Republic of Northern Cyprus. He further outlined how the conflict continues to play out, including the ongoing presence of 43,000 Turkish troops stationed in the Turkish Republic of Northern Cyprus and anti-personnel mines in the buffer zone between the two sides of the island. According to Mr. Kakouris, efforts to promote unification between both sides were being undermined by Turkey who does not recognize the Republic of Cyprus as a sovereign state. In addition, Mr. Kakouris articulated that the defacing of Greek orthodox churches and increasing settlement of Turkish people in the Turkish Republic of Northern Cyprus were altering the both demographic and cultural makeup of the region and creating distrust between the two sides. The delegation also learned that these tensions had increased in recent months due to the discovery of oil and gas off the coast of the Republic of Cyprus, which was causing tension with Turkey who wanted to ensure that these resources would be developed in a manner that benefitted both sides of the island.

Mr. Kakouris articulated that the Republic of Cyprus felt that part of the resolution of these tensions lay in Turkey joining the European Union, which would promote the Europeanization of Turkey through the adoption of EU principles. He also felt that tensions with Turkey over the division of Cyprus did not undermine the Republic of Cyprus' position within the EU, or its term as President of the Council of the EU, as the Republic of Cyprus was considered the EU's lighthouse in the Middle East, able to conduct effective diplomacy in the region due to its good relations with its neighbours.

Meeting with Mr. Andreas Mavroyiannis, Deputy Minister for European Union Affairs, Secretariat of Cyprus Presidency of the Council of the European Union

Mr. Mavroyiannis began the meeting by providing the delegation with an overview of changes brought to the rotating Presidency of the Council of the European Union as a result of the Treaty of Lisbon. Mr. Mavroyiannis explained that the role of the Presidency country was to build consensus between different institutions within the European Union, including the European Council and the European Parliament, and ensure that there was an equal distribution of power between institutions. He then outlined the key priorities of the Cypriot presidency, including: establishing the EU's next financial framework or budget, which includes advancing 70 legislative proposals; reforming the Common Agriculture Policy; advancing the Europe 2020 Growth Strategy; enhancing economic governance within the EU; and developing a common immigration and asylum policy.

Members of the delegation raised the progress of negotiations towards the Canada-Europe Comprehensive Trade Agreement and stressed the importance of ensuring ratification of the agreement once signed. In addition, they inquired into the Republic of Cyprus' views regarding the EU's Fuel Quality Directive, which focuses on Greenhouse

Gas (GHGs) emissions in the transportation sector and requires that suppliers reduce the GHGs associated with their entire fuel production chain, or life cycle by 6% by 2020.⁴ Canadian parliamentarians expressed their concern that the proposed base values established for the implementation of the Directive were discriminatory towards Canadian oil sands, as they had been assigned higher baseline values from which their reductions in emissions would be measured to reflect their higher GHG emissions over the life cycle than traditional crude oil. However, delegates noted that many other sources of convention crude oil imported into the EU had similar emission profiles to the oil sands, but were assigned lower base values from which their reductions in emissions would be measured under the current proposal for the implementation of the Directive. Mr. Mavroyiannis articulated that he would look into the Fuel Quality Directive more closely and assured the delegation that the Republic of Cyprus would take into consideration Canada's concerns.

Meeting with His Excellency Mr. Petros Eftychiou, Permanent Secretary, Ministry of Foreign Affairs of the Republic of Cyprus

His Excellency Mr. Petros Eftychiou provided the delegation with his views on the Arab Spring and the conflict in Syria. He explained that the situations in Egypt, Syria and Tunisia were all very different and it was important to keep differences between Arab countries in mind. He explained that the conflict in Syria was long in the making, as the regime had acted against its people in the past with impunity. He articulated that there was a significant risk of civil war in Syria, as the Alawite minority was associated with the current regime, but it was unclear how the Sunni majority would react if the current regime fell and whether other minorities would continue to work with the Alawite minority. Mr. Petros Eftychiou suggested that the regime in Syria, if desperate, could provoke a conflict between Hezbollah and Israel to distract from its problems. Canadian parliamentarians asked how the EU was likely to respond to the situation in Syria. Mr. Eftychiou said that the EU should let the League of Arab States take the lead diplomatically in order not to alienate other Arab states in the region. He also said that the EU was looking to Turkey to serve as a counterbalance in the region and an honest broker between Syria and Israel.

Meeting with Ms. Lisa Buttenheim, Special Representative of the Secretary-General/Chief of Mission of the *United Nations Force in Cyprus*

Ms. Lisa Buttenheim provided the delegation with an overview of UN efforts to resolve the division of Cyprus. She explained that she was the Special Representative for the 5th UN Secretary-General engaged in the region and was working with the leaders of

⁴Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *20 20 by 2020 – Europe's climate change opportunity*, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0030:FIN:EN:HTML> and http://ec.europa.eu/clima/policies/transport/fuel/index_en.htm.

both the Greek and Turkish Cypriot communities to promote reconciliation through the establishment of a bi-communal, bi-zonal federal state. Ms. Buttenheim articulated that some of the problems associated with finding a solution to the Cyprus problem included Turkey's influence in the Northern Republic of Cyprus. Ms. Buttenheim explained that the Northern Republic of Cyprus was funded by the Turkish government and therefore it remained a question as to whether the Turkish Cypriots had a free voice in their affairs. This was also seen as a rising concern due to the increasing number of settlers in the region arriving from mainland Turkey who are culturally different from Turkish Cypriots, whose numbers had declined over the years. The Canadian delegation raised questions regarding the future of the United Nations Force in Cyprus. Ms. Buttenheim indicated that it was a small mission with a \$26 million budget and that it was likely to remain in the region for the foreseeable future.

Meeting with Dr. Constantinos Christofides, Rector, Dr. Christopher Pissarides, Professor of Economics, and Professor Stavros A. Zenios, Department of Public and Business Administration, University of Cyprus

Dr. Constantinos Christofides began the discussion with an overview of the University of Cyprus. He also expressed his gratitude towards Canada for stationing troops in the country as part of the United Nations Force in Cyprus. Dr. Christopher Pissarides then expressed his views on addressing the Sovereign Debt Crisis in Greece. He explained that Greece was ungovernable due to corruption, which had resulted in growing cynicism and distrust amongst the general public. He articulated that there was a need to maintain pressure on Greece to meet its obligations, otherwise, it would be forced to exit the Eurozone⁵. The delegation then asked Dr. Pissarides about his views regarding economic governance within the EU. He explained that there was an increased need for the coordination of economic policy among EU Member States within the Eurozone, including monitoring and reporting on fiscal and monetary policies being pursued by Eurozone countries to ensure they meet the criteria outlined in the EU's Stability and Growth Pact.⁶ The delegation also asked about the possible impacts of the recent discovery of oil and gas off the coast of the Republic of Cyprus. Delegates further suggested that the Republic of Cyprus could look at Canadian federal/provincial resource sharing agreements as a possible example of how to resolve disputes between the Turkish and Greek Cypriot communities over offshore resource sharing.

⁵ The "Eurozone" refers to EU Member States who have adopted the Euro as their currency, including: Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Greece, Slovenia, Cyprus, Malta, Slovakia, and Estonia.

⁶ The European Union's Stability and Growth Pact is a rule-based framework for the coordination of national fiscal policies in the EU's economic and monetary union (EMU). It was established to safeguard sound public finances, a requirement for the EMU to function properly. It constrains both government budgets and government debt of member countries by imposing a 3% deficit-to-GDP ratio and a 60% debt-to-GDP ratio on all member countries.

Briefing Session with Dr. Rita C. Severis, Honorary Consul and Mr. Costas Severis at the Honorary Consulate of Canada in Nicosia

Dr. Rita Severis and Mr. Costas Severis provided the delegation with their views on the prospects of finding a solution to the Cyprus problem. They explained that property rights were one of the key challenges in the peace process. The delegation learned that after the division of Cyprus, Turkish Cypriots from the south were settled in properties owned by Greek Cypriots, who had fled as result of the invasion of the Turkish army in 1974. It remained unresolved as to how the Greek Cypriots should be compensated for their loss of property. Though the Turkish Republic of Northern Cyprus had established a commission to pay reparations to Greek Cypriots, the compensation was seen by some as insufficient. They further explained that the current generation of Greek Cypriots were being raised to be hostile towards Turkish Cypriots. Meanwhile, they were also of the view that within the EU there was a certain amount of fatigue in dealing with the Cyprus problem and a desire to maintain good relations with Turkey. For these reasons, they expressed doubt at the possible resolution to the problem in the foreseeable future.

Meeting with Mr. Greg Reichberg, Director of the PRIO Cyprus Centre and Other Members of PRIO, including Ms. Ayla Gurel and Ms. Olga Demetriou

The meeting began with Ms. Olga Demetriou explaining her efforts to ensure that the United Nations (UN) Resolution 1325, which relates to the inclusion of women in the prevention, management and resolution of conflict, is incorporated into the Cyprus peace process. The discussion then focussed on the broader role of the PRIO Cyprus Centre in the Cyprus peace process, including its efforts to provide both Turkish and Greek Cypriot communities with objective information on the peace process, including the UN sponsored Kofi Annan Plan developed in 2004. The researchers explained the main reasons behind the failure of the Kofi Annan Plan in 2004. Though the plan was embraced in the Turkish Republic of Northern Cyprus, the delegation learned that a change in government on the Greek side and a lack of preparation resulted in a negative vote by Greek Cypriots. Despite the failure of the Annan Plan, the researchers noted that some progress had been made in property restitution, including the establishment of the Immoveable Property Commission in the Turkish Republic of Northern Cyprus, which was providing compensation to Greek Cypriots for their loss of property, a remedy that had been approved by the European Court of Justice.

The delegation then raised questions regarding Turkey's role in the lack of a resolution to the Cyprus problem, but the researchers indicated that Turkey was not necessarily the main problem, but rather it was a lack of leadership in both the Turkish and Greek Cypriot communities that led to the failure of the Kofi Annan Plan. The delegation also asked whether the discovery of oil and gas off of Cyprus' southern shore would provide enough economic incentive for cooperation between the two sides. The researchers

were of the view that Turkey's political manoeuvring, including dissuading international investment in the development of Cypriot offshore oil and gas, would undermine current negotiation efforts.

PARLIAMENTARY MISSION TO LONDON, UNITED KINGDOM

From 23 to 26 April, 2012, the delegation then travelled to London, United Kingdom to attend meetings where they would gain an understanding of British perspectives on key issues related to the European Union (EU) and Canada-EU relations, including: the Canada-European Union's Comprehensive Economic Trade Agreement (CETA); the European Union's Fuel Quality Directive; and the European Sovereign Debt Crisis. During the course of the visit, members of the delegation met with British parliamentarians, including members of the House of Commons European Scrutiny Committee⁷, government officials and think tanks. A summary of these discussions is provided below.

A. Program and Summary of Discussions

Briefing Session with the Canadian High Commission Team

Canadian officials from the Canadian High Commission in London provided the delegation with an overview of British perspectives related to the Canada-Europe Comprehensive Economic and Trade Agreement (CETA); the Strategic Partnership Agreement (SPA); and the EU's Fuel Quality Directive. Officials explained to the delegation that though the United Kingdom supported CETA, it was not high on its agenda, as it continued to deal with the economic crisis. However, it did view trade as a way out of the economic crisis and was focusing on expanding trade with the United States, Canada and emerging economies. They noted that the UK had several concerns with the agreement, namely: barriers to labour mobility between provinces and territories; its desire for Canada to extend its patent protection for pharmaceuticals; the need to improve market access in Canada for British financial services; and the need to eliminate Canadian tariffs on agriculture and vehicles.

With regards to the Strategic Partnership Agreement being negotiated between Canada and the EU, which establishes a legally binding framework for political cooperation between Canada and the EU, the delegation learned that though the text of the agreement was close to completion, the two sides had not come to a political agreement, as Canada would like an agreement that reflected the reality of Canada as an industrialized nation, whereas the EU did not want to have an agreement that differed vastly from those it had signed with developing countries.

⁷ The House of Commons European Scrutiny Committee is responsible for reviewing EU legislation in the UK Parliament.

The briefing session then turned to the latest developments with respect to the EU's Fuel Quality Directive. Officials explained how Canada continues to lobby the European Commission on this issue, presenting scientific evidence related to the GHG emissions of the oil sands, the costs implications of the directive, and its administrative burden. Officials explained that the UK was supportive of Canada on this issue, including adopting a scientific approach to the implementation of the Directive, and had offered alternate proposals to those suggested by the European Commission. Officials indicated that there had been a recent breakthrough, as the European Commission had agreed to undertake an environmental impact assessment on the implementation measures of the Fuel Quality Directive, which would delay its consideration by the Council of Environment Ministers and provide the Canadian government with an opportunity to make further headway on this issue.

Officials then provided the delegation with an overview of the political and economic situation in the UK. The delegation learned that the main focus of the coalition government was addressing the economic situation through significant budget cuts. Meanwhile, it was reorienting its foreign policy to address changes in the Middle East resulting from the Arab Spring though Afghanistan remained a key priority. Scottish independence was also a current issue though officials were of the view that there was not significant support in the polls for a referendum on the issue. Officials also noted that they were providing a lot of public education and outreach in response to increasing economic development in the Arctic among the general public in Britain.

Meeting with Mr. Andrew Empson and Mr. David Pearson, Department for Business, Innovation and Skills, British Foreign and Commonwealth Office

The delegation met with British officials from the Department for Business, Innovation and Skills at the British Foreign and Commonwealth Office (FCO) to gain insight into British perspectives regarding the Canada-Europe Comprehensive Economic and Trade Agreement (CETA). According to Mr. Empson and Mr. Pearson, the British government was quite supportive of the CETA negotiations. They indicated that British interests lay in strengthening intellectual property rights in Canada with respect to patent rights of pharmaceutical companies operating in Canada; the reduction of Canadian subsidies to agriculture through its supply management policies; and improving market access for its financial services. Canadian delegates asked whether there were concerns about the agreement at the municipal or local level, as some Canadian municipalities were concerned about the sub-national procurement aspects covered by the trade agreement. They also asked whether there was any concern about ratification of the agreement in the UK. The officials noted that municipalities in the UK had not raised concerns about the agreement and ratification in the UK was not expected to pose any difficulties.

Meeting with Dr. Ian Collard, Head of the North America Department, America's Directorate, British Foreign and Commonwealth Office

The delegation met with Dr. Collard from the North America Department of the FCO to discuss bilateral relations between Canada and the UK. Dr. Collard explained that often the UK's relations with the United States overshadowed those with Canada. However, this was now changing due to the personal ties between Prime Minister Cameron and Prime Minister Harper. This strengthened relationship was reflected in the 2011 Joint Declaration, which outlined a common agenda for cooperation between the two countries and reflected a culmination of 18 months of work. While Dr. Collard stressed the closeness of the relationship between Canada and the UK, he did point out that there were a few issues of concern, including Canada's decision to withdraw from the Kyoto Protocol. Canadian delegates raised the issue of the EU's Fuel Quality Directive. Dr. Collard explained that the UK government was supportive of the EU's agenda to address climate change, including the objectives of the Fuel Quality Directive. However, it recognized the need to ensure that the Directive was science-based and not discriminatory towards any one particular source of fossil fuels. Canadian delegates also asked about the UK's government's position on the Arctic, including its support to the United States' position vis à vis the Northwest Passage. Dr. Collard explained that the UK saw itself as a middle power and was therefore supportive of resolving disputes in the Arctic through multilateral institutions.

Meeting with Mr. Olivier Evans, Europe Adviser, British Foreign and Commonwealth Office

The delegation met with Mr. Olivier Evans, the British FCO's Europe Advisor to gain an understanding of British perspectives on recent developments within the European Union. The delegation asked Mr. Evans about his perspective on the Republic of Cyprus' term as rotating President of the Council of the European Union. Mr. Evans explained that the Cypriot presidency would pose challenges for the EU in terms of its relationship with Turkey. He articulated that it was important for the EU to draw Turkey closer to Europe, as it plays a key role in the Middle East. The delegation also asked about the relevance of the rotating presidency in EU affairs, as it no longer plays a key role in the direction of the EU's foreign policy. Mr. Evans explained that the rotating presidency remains relevant because it in part addresses the democratic deficit within the EU and serves as a mechanism to draw the EU closer to the citizens in each of its Member States. The discussion then turned to the impact of the French Presidential elections on the dynamics within the EU. From Mr. Evans' perspective, though there were different points of view between the different Presidential candidates regarding how to address the economic crisis within the Euro zone, both parties would have to negotiate with Germany and build consensus. Consequently, there was unlikely to be

major policy shifts within the EU's approach to addressing the economic crisis as a result of the French Presidential elections.

Meeting with Andrew Rossindell, Member of Parliament, Canada All-Party Parliamentary Group

The delegation met with Andrew Rossindell, Member of Parliament (M.P.) and head of the Canada All-Party Parliamentary Group of the Parliament of the United Kingdom. Mr. Rossindell began the meeting by inquiring about how parliamentary associations were organized and funded in the Canadian Parliament. He then shared his views of the role of the UK within the European Union. He supported the European Union as a common market for trade, but objected to the increasing political integration between Member States and the loss of sovereignty that that entailed, including curtailing the UK's ability to conclude its own trade agreements. Canadian delegates raised the prospect of Scottish independence. Mr. Rossindell noted that though devolution was popular, insufficient discussion had focused on England, including the fact that it subsidizes both Scotland and Wales. Therefore, any discussion regarding Scottish independence would have to provide some clarity on the actual process of how devolution would work in practice. The delegation then inquired into Mr. Rossindell's views on reform of the House of Lords. He was of the view that Lords should not be elected and the hereditary system should be reinstated.

Meeting with Members of the House of Commons Energy and Climate Change Select Committee, including Robert Smith, Member of Parliament, Alan White, Member of Parliament, and Phillip Lee, Member of Parliament

The delegation met with Members of the House of Commons Energy and Climate Change Select Committee to gain insight into their views regarding the EU's climate change and energy policies, including the Fuel Quality Directive. Members of the delegation presented their differing views on the oil sands and their development, as well as the need for the EU to reconsider their approach towards the Fuel Quality Directive to ensure that it was based upon scientific evidence that reflects the life cycle GHG emissions of the oil sands, as well as other sources of fossil fuels. Members of the Energy and Climate Change Select Committee inquired as to whether the oil sands were heavily subsidized and whether the Canadian government was also investing in renewable sources of energy such solar and wind power. They also explained that energy resources were seen in the UK as finite and therefore there was a need to shift towards renewable energies, despite the UK's own recent discover of shale gas. They also inquired as to whether the Canadian government was examining consumer-based approaches to measuring Canada's GHG emissions. They explained that they had recently completed a study that examined consumer-based approaches to measuring GHG emissions, which found overall country emissions would be higher if they took into

account the emissions produced in the manufacturing of goods abroad that were being consumed domestically.

Meeting with Members of the House of Commons European Scrutiny Committee, including Chairman of the Committee William Cash, Member of Parliament and Kelvin Hopkins, Member of Parliament

The meeting began with the British Members of Parliament expressing their concerns regarding the European Union. They articulated that they were deeply concerned about the Eurozone and saw the possibility of it dissolving. They also questioned the legality of the recently signed treaty between EU Member States, the *Treaty on Stability, Coordination and Governance in the Economic Monetary Union*, which aims to address the current crisis in the Eurozone. They were of the view that the problems of the European Union began when it extended beyond its initial purpose as a common market into a political union. From their perspective, a looser form of union was necessary with greater democratic oversight. They then went on to explain the role that the European Scrutiny Committee played in examining EU legislation. Canadian delegates asked the British parliamentarians how the coalition government had developed its EU policy, as the Liberal Democratic Party supports deeper EU integration, while the Conservative Party is seen as less supportive of EU integration. Mr. Cash articulated that the Coalition Government's EU positions represented a compromise between the two sides. The Canadian delegation then raised the EU's Fuel Quality Directive and wondered whether the European Scrutiny Committee had examined its implementation. Mr. Cash indicated that he was not familiar with the Directive, but would like further information on the issue and would consider bringing it before his committee for consideration. The delegation indicated that they would follow up and ensure that he was briefed on the issue. On 29 May, 2012, the delegation followed up by sending Mr. Cash a letter providing information on the EU's Fuel Quality Directive including the Government of Canada's position on its implementation measures. The letter further requested that Mr. Cash raise the issue with his committee.

Working Lunch with Mr. Jeffery Sundquist, Managing Director, Alberta-United Kingdom Office, High Commission of Canada

Mr. Sundquist provided the delegation with an overview of his efforts to advance the Government of Alberta's and the Government of Canada's position on the European Union's Fuel Quality Directive. He indicated that through his contacts with policy makers within the EU, he was trying to convey a balanced message, which included emphasising efforts currently being undertaken to address GHG emissions from Canadian oil sands, as well as the need for comprehensive science evaluating their GHG emissions rates. Mr. Sundquist articulated that the European Commission's recent decision to conduct an environmental impact assessment on the implementation measures of the Fuel Quality Directive was a step in the right direction and it would

afford Canada an opportunity to present its case further. Mr. Sundquist articulated that the Fuel Quality Directive would continue to be on the European Union's agenda in the future and it was important for the High Commission of Canada to continue its work in this area.

Meeting with Mr. Stephen Tindale and Mr. John Springford, Centre for European Reform

Mr. Tindale and Mr. Springford began the meeting by providing the delegation with an overview of the origins of the Centre for European Reform. They explained that it was set up over 14 years ago with ties to the Labour Party, but since then, they had built links with all parties. They indicated that their general orientation was pro-European integration, but they examined EU policies with a critical eye. They then outlined Britain's key concerns with the EU, in particular the extent to which the country wanted to remain within the organization. The delegation learned that holding a referendum on Britain's membership within the EU was a rising issue, but it has remained on the backburner to prevent divisions within the Coalition Government. While the economic case for EU membership remained strong in Britain, this was also beginning to weaken due to the current problems within the Eurozone. The delegation inquired into Mr. Tindale and Mr. Springford's views regarding current efforts by EU Member States to address the economic crisis. They indicated that there had been problems in the construction of the Euro zone itself, including the expectation that countries with different levels of economic development would converge, as well as a lack of economic oversight within the monetary union. They noted that countries such as Germany needed to accept responsibility for the part they played in creating the system, rather than criticize other countries for their poor management of their economies.

Meeting with Mr. Mats Persson, Mr. Raoul Ruparel and Mr. Chris Howarth, Open Europe

Mr. Mats Persson presented an overview of Open Europe, which is a pro-Europe think tank that supports a flexible free market within the EU, but does not necessarily support greater political integration within the EU. Mr. Persson indicated that they did not expect a breakup of the Euro zone, but rather there may be some revision in membership and efforts toward greater fiscal integration. The delegation raised the possible impact of the French Presidential elections on discussions related to the economic crisis within the EU. Mr. Persson indicated that the French lacked leverage in negotiations with Germany and therefore, the current austerity approach supported by the Germans outlined in the *Treaty on Stability, Coordination and Governance in the Economic Monetary Union* was likely to continue. The delegation inquired into the impact of the UK's veto of the *Treaty on Stability, Coordination and Governance in the Economic Monetary Union* and its implications for UK-EU relations. Mr. Persson indicated that while the veto itself was not problematic, the way it was handled in the lead up was

problematic and it reflected a lack of a coordinated EU strategy across the government. They noted that they were now working with the Coalition Government to develop its EU policy. The delegation then inquired into the British perspective on the EU's climate change policy. Mr. Persson explained that British environmental policies were often ahead of the EU. They also noted that there was a need to re-evaluate the EU's cap and trade system, as it was currently not working effectively and was inflexible. The delegation then outlined efforts to address climate change in Canada, including the use of carbon capture storage technology and the development of a cap and trade system in the province of Alberta.

Respectfully submitted,

Mr. David Tilson, M.P
Canada-Europe Parliamentary Association

Travel Costs

ASSOCIATION	Canada-Europe Parliamentary Association
ACTIVITY	Parliamentary Mission to the Republic of Cyprus, the next country to hold the rotating Presidency of the Council of the European Union and the United Kingdom
DESTINATION	Nicosia, the Republic of Cyprus and London, United Kingdom
DATES	April 19 to 26, 2012
DELEGATION	
SENATE	The Honourable Grant Mitchell, Senator
HOUSE OF COMMONS	Mr. Corneliu Chisu, M.P. Mr. Scott Simms, M.P. Mr. Glenn Thibeault, M.P. Mr. David Tilson, M.P.
STAFF	Mr. Philippe Méla, Association Secretary Ms. Karin Phillips, Advisor
TRANSPORTATION	\$ 29,237.51
ACCOMMODATION	\$ 15,055.63
HOSPITALITY	\$ 1,029.03
PER DIEMS	\$ 4,770.72
OFFICIAL GIFTS	\$ 0.00
MISCELLANEOUS / REGISTRATION FEES	\$ 0.00
TOTAL	\$ 50,029.89