

Canada - Europe
Parliamentary Association



Association parlementaire
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**Report of the Canadian Parliamentary Delegation
respecting its participation
in a Parliamentary Mission to Athens, Greece,
the next country to hold the rotating presidency
of the Council of the European Union
and Zagreb, Croatia,
the newest country to join the European Union**

Canada-Europe Parliamentary Association

**Athens, Greece and Zagreb, Croatia
14-20 November 2013**

Report

INTRODUCTION

From 13 to 16 November 2013, the Canada-Europe Parliamentary Association sent a delegation to Athens, Greece, the next country to hold the rotating Presidency of the Council of the European Union (EU). The delegation was led by Mr. David Tilson, Member of Parliament (M.P.), and included the Honourable Senator Percy Downe, the Honourable Senator Leo Housakos, Mr. Scott Simms, M.P. and Ms. Marjolaine Boutin-Sweet, M.P. The delegation was accompanied by Mr. Maxime Ricard, Association Secretary and Ms. Karin Phillips, Association Analyst. While in Greece, the delegation was hosted by His Excellency Robert Peck, Canada's Ambassador to Greece, who also accompanied the delegation to its meetings, along with Ms. Allison Stewart, Political Counsellor from Canada's Embassy to Greece.

From 16 to 20 November 2013, the delegation then travelled to Zagreb, Croatia, to learn about the country's accession process to the EU. While in Croatia, the delegation was joined by Mr. Patrick Brown, M.P. The delegation was hosted by Her Excellency Louise LaRocque, Ambassador of Canada to Croatia, who accompanied the delegation to its meetings in the country, along with Mr. Bill McCrimmon, Counsellor and Political Program Manager from Canada's Embassy to Croatia.

Prior to departure, the delegation received oral and written briefings provided by federal government officials from the Department of Foreign Affairs, Trade and Development, Department of Finance Canada, Citizenship and Immigration Canada, and Natural Resources Canada. The delegation was also briefed by His Excellency Eleftherios Anghelopoulos, Greece's Ambassador to Canada, and His Excellency Veselko Grubišić, Croatia's Ambassador to Canada.

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

The purpose of the delegation's visit to Athens Greece was for Canadian parliamentarians to learn about Greece's priorities for its term as President of the Council of the EU, which begins in January 2014 and is being carried out over a six-month period as part of an 18-month program that has been developed in conjunction with two other EU member states: Ireland and Lithuania.¹ 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. The delegation had the opportunity to meet with Greek government officials, parliamentarians, local think tanks, as well as business and labour groups. A summary of these meetings and background information on the rotating Presidency of the Council of the European Union is provided in sections below.

¹ Ireland and Lithuania's six-month terms as rotating President of the Council of the European Union preceded Greece's term.

A. Background Information On The Rotating Presidency of the Council of the European Union

Overview of the European Union

The EU is an economic and political union made up of 28 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, Romania and Croatia. 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 Table 1.

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

Institution	Description	Powers
European Parliament	The 766 Members of the European Parliament (MEPs) are directly elected every five years to represent interests of the people of Europe. They do not sit in national blocks, but in Europe-wide political groups.	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. Shares joint authority with the Council of the European Union for approving the EU's annual budget.
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 28 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.	Responsible for the approval of the EU's budget and the development of legislation in a broad range of policy areas. Shares its legislative and budgetary authority with the European Parliament.
European Council	The European Council is made up of 28 heads of state and governments of EU Member States and the President of the European Commission.	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 28 men and women appointed from and	Drafts proposals for new legislation, which it presents to the Council of the European Union and the European Parliament. Enforces EU treaties and laws.

Institution	Description	Powers
	by 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.	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, *How the European Union Works: Your Guide to EU Institutions*.

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

The Presidency of the Council of the European Union rotates every six months among EU Member States. The rotating Presidency of the Council of the European Union follows a trio formula whereby three EU Member States develop a common 18-month program that sets out the policy agenda for the European Union in a broad range of policy areas, except for foreign and security policy. These areas include: economic and financial affairs, social policy and health, transport, the environment, agriculture, fisheries, education, justice and home affairs. This program is carried out by each trio member for a six-month period. During the course of its Presidency of the Council of the European Union, the Member State is responsible for chairing the different working groups of the Council; finding consensus among the different Member States; and formulating proposals for compromises to be made between different Member States. In addition, the 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 Council of 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, will no longer be chaired by the rotating Presidency country. Instead, the *Treaty* established a new appointed position, the High Representative of the Union for Foreign and Security Policy, to chair the Council of Foreign Ministers and represent the EU in international affairs³ The High Representative is also the Vice President of the European Commission and participates in the work of the European Council.⁴ The current EU High Representative is Ms. Catherine Ashton. The overall aim of these changes was to ensure consistency and coherence in the EU's external activities.

Finally, the rotating Presidency of the Council of the European Union is also no longer responsible for chairing the European Council, which is responsible for establishing the EU's overall general political direction and priorities. Under the *Treaty of Lisbon*, a new

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."

³ General Secretariat of the Council of the EU, "Treaty of Lisbon," Information Note.

⁴ The European Commission is the EU's administrative body responsible for policy development and implementation, as well as safeguarding the foundational treaties of the European Union. The European Commission, "About the European Commission."

position of President was created to chair the European Council.⁵ The President of the European Council is elected by the Members of the European Council for a renewable term of two and a half years. The current President of the European Council is Mr. Herman van Rompuy who was first elected in November 2009. In 2012, he was re-elected for a second term starting on 1 June 2012 and running until 30 November 2014.

B. Program and Summary of Discussions

Briefing Session with Ambassador Robert Peck and Political Councillor Allison Stuart, Embassy of Canada to Greece

The briefing session began with Ambassador Peck providing the delegation with an overview of Canada-Greece relations. He explained that the two countries had just celebrated 70 years of excellent diplomatic relations that are based upon a strong Greek diaspora in Canada. He indicated that Canadian investment in Greece has been increasing in the country despite Greece's ongoing economic challenges, and interest in Canadian culture among Greeks continues to remain strong. He explained that the main irritant in Canada-Greek relations is Canada's recognition of the Former Yugoslav Republic of Macedonia (FYROM)'s constitutional name, the Republic of Macedonia. From his perspective, opportunities for closer ties between the two countries lie in the area of public sector reform. He explained that through a partnership with the University of Ottawa, two professors are currently sharing their expertise in public service reform with Greek officials.

The Ambassador then turned to political and economic developments in Greece, explaining that the country is relying on the solidarity of the family unit to withstand the current economic crisis. He noted, however, that the reserves of the family unit are depleting with many young people wanting to leave the country. The economic crisis has also led to the polarization of Greek political parties and a fragile government coalition consisting of the New Democrat and Pan-Hellenic Socialist Movement and the rise of the Golden Dawn, a neo-fascist party. In terms of foreign policy, the Ambassador explained that Greece tends to follow the EU's consensus and is currently on good terms with Turkey. The country is also pursuing stronger ties with the Middle East, working with Cyprus and Israel to promote oil and gas development in the Mediterranean.

The delegation asked whether there were any particular issues that might be raised in meetings with Greek parliamentarians, such as possible conflicts surrounding the Vancouver-based mining company Eldorado Gold Corporation that has plans to invest approximately US\$1 billion over the next five years in developing four mining projects in Greece. One of its mining projects in Skouries, Greece was the target of local protests in 2013.⁶ The Ambassador explained that conflicts surrounding mining reflect an ideological

⁵ General Secretariat of the Council of the EU, "Treaty of Lisbon," Information Note.

⁶ Department of Foreign Affairs, International Trade and Development [DFATD], "Eldorado Gold in Greece," briefing note submitted to the Canada-Europe Parliamentary Association, September 2013.

debate on the left, rather than concerns about the Canadian company itself. He also noted that protection of Geographic Indicators for Greek agricultural products, such as feta cheese, was granted in the context of the Canada-Europe Comprehensive Trade Agreement (CETA) negotiations, removing concerns in this area. Ms. Stuart also suggested that the delegation might want to raise the Strategic Partnership Agreement⁷ in meetings with Greek Members of the European Parliament (MEPs), outlining Canada's support for flexible language in the dispute resolution clause of this agreement.

Meeting with the Hellenic Federation of Enterprises, including: Mr. Kefalas (representing the President), Mr. Mihalis Mitsopoulos, Senior Advisor, Infrastructure and Business Environment, and Mr. Patsiavos, Senior Advisor, International Relations Office

The delegation met with the Hellenic Federation of Enterprises (SEV), which represents the interests of its Greek member companies. Mr. Kefalas began the discussion by outlining the key challenges facing Greece's term as rotating President of the Council of the European Union, including: the rise of Euro-scepticism, political extremism, economic and social challenges, and the European Parliamentary elections scheduled to take place during its term in May 2014. He then outlined the EU-related priorities that SEV was going to promote as part of Greece's Presidency program, including deeper integration in European monetary and financial services; an EU-wide industrial compact focusing on increasing access to energy at competitive costs; and greater collaboration in the areas of research and development, intellectual property, and human capital development. The delegation asked Mr. Kefalas about his views on the tensions between Southern and Northern Europe, as well as the availability of funding for pure and applied research, and his views on Greece's political situation. Mr. Kefalas explained that one of the main challenges facing Greek enterprises is a lack of access to capital. Furthermore, companies in northern and southern Europe do not have access to capital on an equal basis because of the sovereign debt crisis. He noted that there is little collaboration between the state and industry in the area of research.

Meeting with Members of the Standing Committee on National Defence and Foreign Affairs, Chaired by Vice-President Mr. Dimitrios Saltouros

The delegation had a wide ranging discussion with members of the Standing Committee on National Defence and Foreign Affairs.⁸ Greek parliamentarians expressed their admiration for Canada's social and political model, which withstood the financial crisis, as well as the country's ability to build a multi-cultural society. In turn, the delegation outlined the importance of bilateral ties between Greece and Canada. They explained that this relationship is supported by a proud Greek community in Canada, along with diplomatic dialogue, and a growing investment relationship that would be strengthened by the implementation of CETA. The discussion then focused on an exchange of views on some

⁷ The Strategic Partnership Agreement is a political framework agreement outlining future cooperation between Canada and the European Union in a wide range of areas, including: international peace and security, terrorism and the fight against drugs, promotion of human rights, sustainable development and the non-proliferation of nuclear weapons. DFATD, "Canada-EU Relations" briefing note submitted to the Canada-Europe Parliamentary Association, October 2013.

⁸ Greece has a unicameral 300 seat Parliament, whose members are elected for a four year term.

of the key challenges facing Greece and the EU, including: responses to the economic crisis, managing youth unemployment, migration and the conflict in Syria.

Meeting with the Standing Committee on European Affairs, Chaired by Mr. Ioannis Tragakis

The meeting began with Mr. Ioannis Tragakis discussing the excellent state of Canada-Greek relations, which was reflected in the recent commemoration of the 70th anniversary of the establishment of diplomatic relations between the two countries. He articulated that Canada and Greece continue to work closely together in NATO. He explained that Greece also maintains good relations with its neighbours. Furthermore, he suggested that now marked a good time for increased investment in the country, as the economy is in the process of stabilizing. He outlined the priorities of Greece's term as President of the Council of Europe, including the development of the EU's maritime policy. He explained that Greece is moving towards defining its exclusive economic zones in the Mediterranean to promote the exploration of oil and gas in the region. He explained that the main challenge facing the Presidency is the European Parliamentary elections. Other members of the Committee also presented their views, explaining that more structural changes need to be made to the Greek economy for stability to be restored, as well as the development of policies focused on climate change. Members of the Canadian delegation responded by highlighting the warm relations between Greece and Canada. They also explained that they recognized the potential of Greece's economy, including the importance of investing in the country, which would be facilitated by the implementation of CETA. Members of the delegation also inquired about how Greece intends to maintain the balance between promoting foreign investment and maintaining local environmental standards, as well as how Greece had developed its priorities for its Presidency. Mr. Tragakis explained that the priorities were developed with the other trio countries, including Lithuania and Ireland, but each country has its own regional emphasis, as reflected on the Greek focus on maritime policy and Lithuania's focus on the EU's Eastern Partnership.

Working Lunch with Members of the Canada-Greece Parliamentary Friendship Group: Charoula Kafantari, Christos Aidonis, Filippos Sachinidis, Grigorios Psarianos, and Konstantinos Kleitsiotis.

The working lunch began with some welcome remarks from members of the Canada-Greece Parliamentary Friendship Group. The Canadian delegation thanked the members of the friendship group for their warm hospitality, including arranging a tour of the new Acropolis Museum in Athens. The parliamentarians then began an informal discussion on a wide range of topics, exchanging views on climate change, pension reform in Greece and Canada, and fiscal federalism in Canada. The lunch ended with a tour of the Acropolis Museum, the Acropolis and surrounding archaeological sites.

Meeting with the Standing Committee on Production and Trade, Chaired by Mr. Georgios Vlachos

The delegation met with members of the Standing Committee on Production and Trade to hear the views of Greek parliamentarians on CETA. Mr. Vlachos opened the meeting by providing the delegation with an overview of the main activities of the Committee, which include scrutinizing bills from the Department of Rural Development, as well as examining energy and climate change policies. He indicated that the Greek government supports

enhanced trade relations with Canada through CETA, and the modernization of political relations through negotiations towards the Strategic Partnership Agreement. Members of the Committee expressed concern that feta cheese would not receive sufficient protection under CETA, which could negatively affect Greek farmers and the development of rural regions. Other members were worried that the Canadian Eldorado Gold's mining operations would negatively affect the environment, as well as tourism in rural regions. The Canadian delegation responded to their concerns, explaining that there appear to be misperceptions surrounding protections for geographic indicators for Greek feta cheese within the context of CETA negotiations. They further noted that it is important to wait to see the text of the final agreement before making judgements. With respect to Eldorado Gold's mining operations in Greece, members of the delegation explained that the company operations are in line with both domestic and international standards and are supported by court rulings on the matter.

Meeting with the Foundation for Economic and Industrial Research, including: Professor Nikos Vettas, Director General of the Foundation and Mr. Nikos Zonzilos, Research Associate

The delegation also met with researchers from the Foundation for Economic and Industrial Research, a policy research organization that focuses on the Greek economy. Professor Nikos Vettas, Director General of the Foundation, briefed the delegation on the Greek sovereign debt crisis. He explained that Greece is emerging from the crisis, with trade deficits and public debt levels being restored to sustainable levels. However, challenges remain as Greece does not rank high on the global competitiveness index because of a lack of international openness in its economy, high labour costs, a large public sector and difficulties faced by Greek enterprises in having access to capital. He explained that reform efforts need to be undertaken at both the EU and Greek state level to restore the country to growth, including improving the decision-making architecture within the EU, improving labour mobility, and deepening fiscal integration within the EU. Greece in turn needs to implement structural reforms to achieve growth, rather than focusing only on austerity measures as emphasised by the European Commission, the European Central Bank and the International Monetary Fund (IMF). He further explained that current economic debates within the EU focus on the need for stimulus spending for small and medium-sized enterprises. When asked about the impact of the crisis on the average Greek citizen, Professor Vettas explained that household spending has been significantly reduced and taxes have increased. Any popular resentment of austerity measures have been directed towards the agreement signed between the Greek government and EU institutions, rather than against the country's EU membership as a whole.

Meeting with Greek Members of the European Parliament, including: Ms. Marietta Giannakou, Mr. Nikolaos Salavrakos, Mr. Georgios Toussas, Mr. Nikos Chrysogelos, and Mr. Theodoros Skylakakis

The delegation's meeting with Greek Members of the European Parliament (MEPs) began with a discussion of Canada-Greece relations, including areas where the two countries could expand their cooperation, such as: youth mobility, trade and investment through CETA, protecting minorities and managing migration, and tourism. Members of the Canadian delegation brought up the Strategic Partnership Agreement, which is under consideration by the European Parliament's Foreign Affairs Committee. They indicated that Canada supports flexible language in the dispute resolution clause of the agreement.

The MEPs assured the delegation that they are aware of Canada's position and they are confident that a mutually agreeable solution to the issue would be found.

Meeting with Members of Greece's Delegation to the Parliamentary Assembly of the Council of Europe, including: Mr. Konstantinos Tzavaras, Ms. Foteini Pipili, Mr. Dimitrios Papadimoulis, Mr. Epameinondas Marias, Mr. Spyridon Taliadouros, Mr. Petros Tatsopoulos, and Ms. Maria Giannakaki

After outlining their respective experiences at the Parliamentary Assembly of the Council of Europe (PACE), delegates and their Greek counterparts engaged in a discussion on the immigration and refugee challenges facing South Eastern Europe, including the spontaneous mass arrival of migrants by boat from North Africa and the Middle East on the shores of EU's border states, a topic of frequent debate at PACE. Greek parliamentarians suggested that the EU's current migration policy is not working and there is a need for greater solidarity among EU member states on this issue.

Meeting with the European Commission's Representation in Greece: Mrs. Monika Ekstrom, Head of Political Reporting and Policy Analysis and Mr. Carlos Martin Ruiz de Gordejuela, Head of Press and Media

Officials from the European Commission's Representation in Greece provided the delegation with their perspective on Greece's term as rotating President of the Council of the European Union. They explained that the Presidency would be different because of the European Parliament's elections, which will compress the Presidency's legislative agenda into three months. They also outlined the main priorities of the Greek Presidency, which are to include promoting economic growth within the EU; deeper integration of the Eurozone; the development of the EU's maritime policy; and border management. From their perspective, one of the main challenges facing the Greek Presidency is the on-going negotiations between Greece and EU institutions and the IMF for the development of a new economic adjustment programme, which would outline the additional reforms that the Greek government needs to make in order to receive additional funding to address the sovereign debt crisis in the country. They explained that the results of these negotiations could affect the political situation in the country, which is already fragile. They also expressed concern about the upcoming European Parliamentary elections, which could see the rise of coalitions of anti-EU parties across EU member states. Members of the delegation asked about how the EU is currently perceived in Greece. The officials explained that politicians have often blamed the EU for the implementation of unpopular austerity measures, which has undermined popular support for the EU in Greece.

Working Lunch with Ambassador Alexandra Papadopoulou, Director General for European Union Affairs and First Counsellor Argyro Papoulia, North American Directorate, Hellenic Republic's Ministry of Foreign Affairs

Ambassador Papadopoulou gave the delegation an overview of the Greek government's priorities for its term as rotating President of the Council of the EU. She explained that the Greek Presidency priorities reflected those of the EU. The first priority is expected to be the deepening of the European Monetary Union, and in particular, moving towards an EU banking union that would involve a common supervisory mechanism for all major banks within the EU. The second priority would be economic growth, employment and social cohesion, which would place emphasis on economic growth policies that were linked to

social policies. The third priority would focus on border security and managing migration, including economic migrants and refugees from North Africa and the conflict in Syria. Finally, Ambassador Papadopoulou explained that the fourth priority is focused on consolidating the EU's maritime policy since there is a lack of coordination across the European Commission in the implementation of this policy. The delegation inquired about the Greek government's views on further EU enlargement, noting that it was not one of the Presidency priorities. Her Excellency explained that Greece remains pro-EU enlargement and would support further negotiations with EU candidate countries during the course of their Presidency.

Meeting with the Hellenic Foundation for European and Foreign Policy (ELIAMEP): Dr. Thanos Dokos, Director General, Professor Theodore Couloumbis, Member of Honorary Committee / Professor Emeritus, University of Athens, and Dr. Dimitris Katsikas, Head of Crisis Observatory

The meeting with the Hellenic Foundation for European and Foreign Policy focused on Turkish foreign policy and the country's prospects for EU membership. Dr. Thanos Dokos explained that Turkish foreign policy is currently focused on its position as an honest broker in the Middle East, drawing on Islam, its Ottoman past and economic diplomacy. However, Dr. Dokos explained that Turkey is not always able to play this role successfully because of internal tensions surrounding the revival of Islam in the country and the army's support for a secular state. In terms of prospects for membership, Dr. Dokos explained that Turkey and the EU continue to open new chapters in membership negotiations. However, challenges remain including the Turkish government's on-going conflict with Turkish Kurds, which has become even more complicated as a result of the conflict in Syria, as Kurds also live on the other side of Turkey's borders in Syria.

Meeting with the Hellenic Republic's Deputy Minister of EU Affairs, Mr. Dimitris Kourkoulas

Mr. Dimitris Kourkoulas gave a briefing on the current state of play of the Greek Sovereign Debt Crisis. He explained that Greece had not been prepared to deal with the global financial crisis. Its own debt crisis arose after years of high growth that was driven by internal demand and easy access to credit. As a result, the public was not initially ready to accept austerity measures, which resulted in the country having to enter into negotiations with EU institutions and the IMF to avoid defaulting on its loans. Mr. Kourkoulas explained that economic adjustment has happened quickly in the country and that Greece is now in a position of budgetary surplus, not including debt servicing costs. Furthermore, economic growth is expected to return in 2014. He also explained that the crisis had forced the EU to take steps to address the structural problems in the Eurozone, which had not been taken earlier because of the lack of political support for deeper integration among EU member states. The delegation inquired about current support for deeper integration, including the establishment of a banking union, as well as the level of Greek support for CETA. Mr. Kourkoulas explained that EU member states, including Germany, support the banking union, though debates surrounding the pursuit of austerity measures are on-going. He also noted that CETA would create opportunities for increased investment in Greece, which could serve as a gateway to the Black Sea for Canadian investors.

Meeting with the General Confederation of Greek Workers (GSEE), including Mrs. Zoe Lanara, International Relations Secretary and Kosta Lampropoulos, Scientific Associate of the Institute of Labour

Mrs. Lanara explained to the delegation the impact of Greece's sovereign debt crisis on workers in the country. The delegation learned that austerity measures introduced have resulted in the lowering of wages and the dismantling of collective bargaining powers by Ministerial decree. This "double disempowerment" of labour in turn has caused a breakdown in dialogue between unions and the state. She also explained that there is a need for a fairer taxation system, which would address wide spread tax evasion in Greece, as well as a new economic growth paradigm not based upon austerity measures alone. In response to questions from the delegation, Mrs. Lanara explained that the Greek government should instead develop an economic restructuring program that would focus on promoting investment, including creating a stable climate for business investors. Ambassador Peck in turn inquired about what the GSEE is doing to promote dialogue between workers and the state.

PARLIAMENTARY MISSION TO ZAGREB, CROATIA, THE EU'S NEWEST MEMBER STATE

On 1 July 2013, Croatia joined the EU becoming its 28th Member State. The delegation undertook a mission to Croatia to gain insight into the country's experience as an EU accession state, including its efforts to undertake political and economic reforms to meet the EU's accession criteria and how it is currently adapting to being a new member state. In addition, the mission focused on the role that the EU continues to play in stabilizing the Balkan region after the disintegration of the Socialist Federal Republic of Yugoslavia in 1991. Meetings in Zagreb provided members of the delegation with the opportunity to discuss wider developments within the EU and key issues in Canada–EU relations, as well as Canada–Croatian relations. During the course of the mission, Canadian delegates met with Croatian government officials, parliamentarians, think tanks, labour and industry organizations, and other relevant stakeholders. A summary of these meetings and the program is provided in the sections below.

A. Program and Summary of Discussions

Briefing Session with Ambassador LaRocque and Political Program Manager, Bill McCrimmon, Canada's Embassy to Croatia

Ambassador LaRocque began the briefing with an overview of the political and economic situation in Croatia. She explained that the political agenda over the past ten years had focused the implementation of institutional changes necessary for EU membership. Further reforms are still necessary in some areas, particularly with respect to addressing corruption and improving the judicial system. Over the next few years, Croatia will also be working towards becoming part of the Schengen Agreement, which will allow for visa-free travel for its citizens within the EU, as well as meeting the criteria for the adoption of the Euro. She explained that current political debates are focused on social policy issues, including debates surrounding same sex marriage and health education in schools. She also told the delegation that there are on-going tensions between Croatians and Serbs in the lead- up to the commemoration of the Battle of Vukovar that had resulted in Serb

occupation of Eastern Slavonia region of Croatia during the conflicts surrounding the dissolution of Yugoslavia in 1991.

Turning to the economy, the Ambassador explained that Croatia is in its fifth year of recession. There is hope that the availability of EU budgetary funds will help stimulate the economy, but there are some questions surrounding the government's ability to make use of the funds. Croatia also faces challenges attracting international investment because of regulatory barriers. She explained that Canadian companies investing in Croatia have had positive experiences, as Croatian workers are well educated and responded well to incentives and the working environment offered by Canadian companies. She also explained that Canada is a popular destination for Croatian youth to both work and study. Members of the delegation inquired about Croatia's position on issues in Canada-EU relations, including CETA, the Strategic Partnership Agreement, and the proposed measures for the implementation of the Fuel Quality Directive⁹. The Ambassador explained that as a new EU member state, Croatia is not currently focusing on these issues, but that the delegation's meetings would present an opportunity to share Canada's perspective on these subjects.

Meeting with the Croatian Employers Association (HUP), including Mr. Ivica Mudrinić, President, Mr. Davor Majetić, Director, Mr. Bernard Jakelić, Deputy Director and Ms. Horvatić, Director of EU Policies and International Affairs

The delegation met with the Croatian Employers Association (HUP), which is a voluntary not-for-profit organization that represents the interests of employers and entrepreneurs in Croatia. Mr. Mudrinić began the meeting by outlining the main challenges facing businesses in Croatia, including the taxation system and inflexibility in the labour market. He further explained that there is a lack of coordination of government policies, as well as a large and inefficient public service both at the national and local levels. He said that EU membership will likely result in improvements in the business environment in the country by promoting political stability and providing funds for infrastructure projects such as oil and gas pipelines and improving shipping ports. He explained that HUP's role is to help Croatian businesses make the most of opportunities offered by EU membership. The delegation asked about the specific restrictions businesses face in investing in Croatia, noting that CETA would present an opportunity for Canadian businesses to increase their investment in Croatia. Mr. Mudrinić suggested that businesses are overly regulated, facing long wait lists and zoning issues when trying to receive building permits at the local level. Delegates also inquired about continuous training available to workers, given the high

⁹ The EU's Fuel Quality Directive aims to reduce the greenhouse gas (GHG) emissions resulting from the combustion of road transport fuel. It requires that suppliers reduce the GHGs associated with their entire fuel production chain, or life cycle by 6% by 2020. Since the adoption of the Directive in 2009, the European Commission has developed a proposal for its implementation, which establishes different intensity values for different fossil fuel sources to reflect their overall GHG emissions over the life cycle, which can differ due to different amounts of energy required in their extraction and refining processes. DIRECTIVE 2009/30/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 April 2009 amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and reduce greenhouse gas emissions and amending Council Directive 1999/32/EC as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC, *Official Journal L140*, 05/06/2009 P.0088-0113, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:140:0088:01:EN:HTML> and The Pembina Institute, *Backgrounder – Reducing greenhouse gas emissions through transportation fuel policy: The European Union's proposed fuel-quality directive and implications for Canadian oilsands producers*, February 2012, <http://www.pembina.org/pub/2325>.

unemployment rates in the country, and about investments in and the regulation of the radio and television industry.

Meeting with Hrvoje Marušić, Assistant Minister for European Affairs, Ministry of Foreign Affairs, Republic of Croatia

Mr. Marušić provided the delegation with an overview of Croatia's EU policies. He explained that Croatia is a firm believer in the European project, supporting deeper integration and more efficient EU institutions. In particular, Croatia supports the steps currently being taken towards an EU Banking Union, as well as EU enlargement to include other Western Balkan countries. He also explained that Croatia is planning on joining the Schengen Agreement in the next two years, which would allow for visa-free travel in the Schengen area. Finally, he noted some of the benefits that EU membership would provide in terms of helping economic growth, including funds to address youth and structural unemployment, as well as facilitate improvements in the energy sector. The delegation inquired about some of the challenges that Croatia faced in its EU accession process, as well as steps the country has taken to protect minority rights. Mr. Marušić made reference to the fact that Croatia had faced additional political hurdles within the EU during its accession process, in addition to the legal and technical criteria for membership. He also explained that minority rights are protected through legislation. He said that the Croatian government is currently working on housing issues related to the resettlement of refugees from the conflicts resulting from the dissolution of Yugoslavia in the 1990s.

Meeting with Dubravka Plejić Marković, Assistant Minister, Bilateral Relations, Ministry of Foreign Affairs, Republic of Croatia

Ms. Plejić Marković began the discussion by highlighting the importance of the EU to Croatia, including how its membership to the EU will help broaden and deepen its relations with Canada. She explained that it is expected that the benefits of CETA would be felt once the economic crisis has been overcome. Further, she was also aware of some of the challenges in the Strategic Partnership Agreement negotiations and felt that the EU and Canada would be able to find a common solution. She also stressed the importance of ongoing cooperation between Canada and Croatia in the North Atlantic Treaty Organization (NATO), explaining that NATO enlargement into the Western Balkans remains crucial to the stability of the region. She also highlighted other areas of cooperation between Canada and Croatia, including the signing of a youth mobility agreement and the work of the Canada-Croatian Business Network. The discussion then focused on ways that economic cooperation between the two countries could be expanded further by drawing on Canada's Croatian community.

Working Lunch with Professor Nikica Gabrić, Nacionalni Forum

Professor Nikica Gabrić provided an overview of the Nacionalni Forum, explaining that it was created to present a new vision for the country, one that goes beyond traditional divisions between left and right on the political spectrum. The discussion then focused on some of the key challenges facing the country, including high unemployment and the aging of the population. The delegation then exchanged views with the professor on how education and health systems in both Canada and Croatia are adapting to respond to these common challenges.

Meeting with Krešimir Sever, President, Autonomous Trade Unions

Mr. Sever provided the delegation with an overview of the development and key trends in the Croatian economy since the fall of communism and the dissolution of Yugoslavia in 1991. He explained that after the fall of communism, many communists became owners of now privatized state companies but lacked the business expertise to operate in a market economy. Furthermore, successive Croatian governments had not developed an economic policy that focused on the industrial sector, instead relying on tourism for economic growth. As a result, the industrial base in Croatia has steadily eroded over the years. Mr. Sever explained that the current business environment also remains challenging, because the country's tax and labour laws change rapidly, making it difficult for investors. He also expressed concern that the Croatian government would not be able to make use of EU funds to drive economic growth, as it has had challenges accessing EU funds in the past due to a lack of expertise among public servants in this area.

Trade Reception with Members of the Canada-Croatia Business Network

The delegation attended a trade reception with members of the Canada-Croatian Business Network hosted by Ambassador LaRocque. As head of the delegation, Mr. Tilson welcomed members of the Canada-Croatian Business Network to the reception and highlighted how CETA could serve to create business opportunities on both sides of the Atlantic. Members of the delegation then engaged in one on one discussions with members of the Canada-Croatia Business Network.

Meeting with Members of the Sabor's European Affairs Committee, including Daniel Mondekar, President

The meeting began with Mr. Mondekar outlining the role of the European Affairs Committee in overseeing the Croatian government's EU agenda and the scrutiny of EU legislation in the Croatian Parliament. Members of the delegation explained the importance of meeting with the European Affairs Committee, including the opportunity to discuss key issues in Canada-EU relations, such as: CETA, the Strategic Partnership Agreement, the European Commission's proposed measures for the implementation of the Fuel Quality Directive, as well as wider economic developments in Europe. Mr. Mondekar explained that the European Affairs Committee had followed the Canada-EU trade negotiations, but current discussions are focussing on the opening of trade negotiations with the United States. The discussion then focused on prospects for EU enlargement into the Western Balkans, including Turkey, Bosnia and Herzegovina, and Macedonia. Mr. Mondekar explained that Croatia was very interested in seeing all of its neighbours within the EU regardless of their history, as it would promote stability in the region. However, he noted that many of these countries faced challenges in gaining membership because of the changing criteria of EU membership, as well as their own internal challenges.

Meeting with Members of the Sabor's Delegation to the Parliamentary Assembly of the Council of Europe

Members of the Sabor's Delegation to the Parliamentary Assembly of the Council of Europe (PACE) began the meeting by explaining the importance of Croatia's membership to the Council of Europe, which marks its first step towards European integration. They explained that they are a small, but active delegation in PACE focusing on human rights,

and in particular, minority rights and migration issues. The discussion then focused on minority rights in Croatia and tensions between Serbs and Croats in the country. Canadian delegates learned that there are eight guaranteed representatives of national minorities in the Sabor. Meanwhile, the government also has a goal of ensuring that 3.5% of members of the civil service are also members of national minorities. Croatian parliamentarians further explained minorities in Croatia are well integrated into the political system and are also members of national political parties. The discussion then turned to how political parties in both Canada and Croatia promote women's political representation in Parliament, often a subject of debate at PACE.

Meeting with the Sabor's Foreign Affairs Committee, including: Milorad Pupova, Chair

The delegation's meeting with the Sabor's Foreign Affairs Committee focused on Croatia's relations with neighbouring countries. Mr. Pupova explained that one of the main priorities of Croatia's foreign policy is to promote regional cooperation. He explained that regional cooperation serves the country's national interests because it protects Croats living in other countries, secures the country's borders and promotes business investment. He noted that Croatia continues to deal with its past through dialogue and plays a leadership role within the EU to promote enlargement in the area. The delegation inquired about how the country's policies have changed since joining the EU. Mr. Pupova explained that EU membership is still seen as positive and now it is a question of working within the EU to develop common approaches to challenges such as migration, regional and social differences. The delegation also asked about the continuing presence of anti-personnel landmines in the country. Mr. Pupova thanked the delegation for raising the issue, as Canada had played a pivotal role in promoting de-mining in the country.

Working Lunch with Members of the Sabor's Canadian Friendship Group, including: Irgor Dragovan

The lunch began with Mr. Dragovan welcoming the Canadian delegation to Croatia and reflecting on the commonalities between the two countries. As head of the delegation, Mr. Tilson thanked Mr. Dragovan for his warm hospitality and congratulated Croatia on becoming the EU's 28th Member State. Members of the Canadian delegation and the Sabor's Canadian Friendship Group also then shared their reflections on Canada-Croatian relations.

Meeting with Branko Baričević, Head of the European Commission's Representation Office in Croatia

Mr. Baričević gave the delegation an overview of Croatia's accession process to the EU, explaining that it had been both politically and technically complicated because Croatia's accession negotiations had been linked with Turkey's negotiations for membership. In addition, the criteria for EU membership is continually expanding to include new benchmarks. As a result, the Sabor had to pass approximately 300 to 400 bills per year. Mr. Baričević explained that Croatians continue to view the country's membership to the EU as positive, as 66% of the population voted in favour of membership. However, he noted that the country is still facing difficulties, including high unemployment rates particularly among youth. Furthermore, the country is not meeting the EU's deficit criteria and as a result, the European Commission is implementing its budget monitoring process in

Croatia. He indicated that the resolution to these challenges lies in economic growth, which is expected to return to the country in 2015-16. Members of the delegation raised some of their concerns about current challenges in Canada-EU relations, including finding a resolution to the wording of the dispute settlement clause in the Strategic Partnership Agreement negotiations. Members of the delegation stressed the importance of finding a solution in this area that would not jeopardize the trade gains made on both sides through CETA.

Site Visit to the Croatian Mine Action Centre, Sisak, Croatia

The Canadian delegation visited the Croatian Mine Action Centre (CROMAC) an organization responsible for the removal of anti-personnel mines in Croatia located in Sisak. The delegation participated in a tour of the area currently undergoing de-mining operations and participated in a seminar that outlined the different de-mining projects in the region. The delegation learned that CROMAC is responsible for project management and quality assurance of de-mining operations in the East Slavonia, which was the focus of the conflicts in country during the 1990s. As a result of their efforts, there has been a substantial reduction in the number of incidents related to anti-personnel mines over the past ten years. The presentation also outlined an EU funded project that supports the cooperation between CROMAC and the Hungarian police in de-mining the border between Hungary and Croatia.

Respectfully submitted,

Mr. David Tilson, M.P.
Head of Delegation and President
Canada-Europe Parliamentary Association

Travel Costs

ASSOCIATION	Canada-Europe Parliamentary Association
ACTIVITY	Parliamentary Mission to Athens, Greece, the next country to hold the rotating presidency of the Council of the European Union and Zagreb, Croatia, the newest country to join the European Union
DESTINATION	Athens, Greece and Zagreb, Croatia
DATES	14-20 November 2013
DELEGATION	
SENATE	Hon. Percy Downe, Senator Hon. Leo Housakos, Senator
HOUSE OF COMMONS	Mr. David Tilson, M.P. Mr. Scott Simms, M.P. Mr. Patrick Brown, M.P. Ms. Marjolaine Boutin-Sweet, M.P.
STAFF	Mr. Maxime Ricard, Association Secretary Ms. Karin Phillips, Association Analyst
TRANSPORTATION	\$ 43,414.41
ACCOMMODATION	\$ 16,239.03
HOSPITALITY	\$ 5,479.39
PER DIEMS	\$ 5,214.39
OFFICIAL GIFTS	\$ 1,814.45
MISCELLANEOUS / REGISTRATION FEES	\$ 723.76
TOTAL	\$ 72,885.43