Report to the Joint Cooperation Committee 2009

Background

The European Union-Canada Joint Co-operation Committee (JCC) meets annually under the auspices of the 1976 Framework Agreement for Commercial and Economic Co-operation between Canada and the EU (Article IV) in order to review co-operation over the previous year.

Canada-EU relations continue to grow across a wide range of activities. The 2009 EU-Canada Summit underlined the scope and importance of this co-operation for both Canada and the EU. This report provides a summary of major activities and co-operation which took place during the year.

Summits and Ministerial Meetings

Since the Joint Cooperation Committee (JCC) meeting in Brussels on December 4, 2008, Canada-EU relations have continued to develop. Prime Minister Stephen Harper and European Commission President José Manuel Barroso attended the 2009 Canada-EU Summit, which took place in Prague on May 6 and was hosted by Czech Republic Prime Minister Mirek Topolánek representing the EU Presidency. At the Summit, Leaders discussed the financial crisis and the global economy, Canada-EU economic partnership, peace and security issues, energy, climate change and the environment, cooperation on science and research, health, and education. The Leaders' Summit Declaration opened up significant scope for future actions in Canada-EU relations.

Below the Summit level, there regular Canada-EU foreign ministers meeting took place, as well as a range of discussions on regional issues in troika format throughout the year. A Canada-EU Ministerial attended by Foreign Minister Carl Bildt of the Swedish EU Presidency, Canadian Minister of Foreign Affairs Lawrence Cannon, and EU officials, took place on October 1, 2009, in Ottawa. The meeting underlined the importance of EU-Canada collaboration, focussing on Afghanistan, Iran, the Middle East and Latin America. Efforts continued throughout the year to build further on the already good Canada-EU foreign policy co-operation in countries such as Afghanistan and Haiti.

Structured contacts between officials to co-ordinate the overall relationship also took place in Ottawa in 2009, at the annual JCC meeting on November 5, as well as the Canada-EU High Level Co-ordination Group on November 6, which brought together the Presidency, Commission and Council Secretariat on the EU side.

Peace and Security

Both Canada and the EU have made a significant commitment to Afghanistan. Both share a common objective to bring security and stability to the region and are firmly committed to helping the people of Afghanistan. Canada and the EU work together to support governance, capacity-building, elections, reconciliation, regional dialogue and human rights. For example, Canada participates in the EU Police Mission – Afghanistan by deploying Canadian civilian police and Rule of Law
advisors with the aim of building the capacity of the Ministry of Interior and training the Afghan National Police. Canada also contributed one long-term election observer to the EU's Election Observation mission for the 2009 Presidential and Provincial Council elections and was one of three non-EU member states to contribute to the mission's core team of long-term observers.

There is also an increasingly active Canada-EU relationship in the area of election observation. In 2009, Canadian observers participated in EU Election Observation Missions in Lebanon, Afghanistan and Mozambique.

Furthermore, there is a growing trend of Canada-EU collaboration on crisis management. Contact has continued between Canada’s Stabilization and Reconstruction Task Force (START) in the Department of Foreign Affairs and International Trade (DFAIT), and the Presidency, Council Secretariat and Commission. Agreement on a Work Programme has provided an institutional framework for Canada-EU cooperation on crisis management. In addition to the EU mission in Afghanistan, Canada also currently participates in the EU police missions in the Palestinian Territories and in Kosovo.

Within the context of G8 commitments for peace operations capacity building in Africa, Canada and the EU have established close cooperation between DFAIT’s Global Peace and Security Fund (GPSF) and the office of the EU High Representative for the Common Foreign and Security Policy responsible for building capacity for peace operations within the African Union and in African peacekeeping training centres of excellence.

**Canada-EU Trade & Investment Sub-Committee (TISC)**

Canada and the EU continued to work together in the Trade & Investment Sub-Committee forum to discuss bilateral initiatives on trade and investment, and specific trade irritants with a view toward resolution of issues.

Two TISC meetings were held by videoconference in 2009, the first on July 15-16 and the second on December 7. Each meeting provided for updates on the existing bilateral agreements and initiatives, as well as for discussion of new and continuing issues. Action items were identified from each meeting for follow-up within an agreed time frame. Both Canada and the EU demonstrated commitment to maintaining established timelines for the TISC process throughout the year.

At the November 2009 JCC meeting, the European Commission and Canada agreed that the TISC is informative and serves a constructive role. Both Canada and the EU have been pleased with effective follow up on TISC issues, which have resulted in the satisfactory resolution of a number of issues and progress on others.

**Wine and Spirits Agreement**

An Agreement on Trade in Wines and Spirit Drinks has been in place since 2004 to establish closer
bilateral links in the wine and spirits sector and to create more favourable conditions for the development of trade in wine and spirit drinks. On October 19, 2009, the Joint Committee under the Agreement met for the third time. A full range of issues was discussed at that meeting, including: parties’ respective systems for the protection of Geographical Indications (GIs), new GIs, oenological practices, labelling terms, EC wine reform, and the practices of Canadian liquor authorities.

Agriculture Issues

On the basis of an exchange of letters in 2008 between the Canadian Department of Agriculture and Agrifood and the European Commission's Agriculture and Rural Development Directorate General, an EC/Canada Agricultural Dialogue was established to meet annually to provide a forum to discuss agriculture policy issues and to exchange information on issues that could potentially affect agriculture trade. On October 19, 2009, the second meeting under this Dialogue took place. Issues discussed included recent agriculture policy developments on revised Canadian compositional standards for cheese and an EU Agricultural Product Quality Paper which included proposals for the introduction of “place of farm labelling”. The meeting also provided for an exchange of views on climate change and agriculture, recent market access issues related to genetically-modified organisms (GMOs), Greek Wheat inspection measures, clarification of EU Pork and Beef tariff rate quota administration, and an update on the status of the World Trade Organization Special Agricultural Safeguard.

Trade in Seal Products

Canada and the EU continued consultations on the EU 2009 Regulation on Trade in Seal Products.

Canada-EU Comprehensive Economic and Trade Agreement (CETA)

Negotiations toward a Canada-EU Comprehensive Economic and Trade Agreement (CETA) have been moving forward quickly. Canadian officials, including provincial and territorial representatives participating in areas wholly or partially under their jurisdiction, held a successful and productive first round of negotiations with EU officials in Ottawa from October 19-23, 2009. Discussion covered 21 separate negotiating areas, including goods and services, government procurement, regulatory cooperation and dispute settlement.

The negotiating agenda for the CETA is broad and ambitious. It was first defined in the Joint Report on the EU-Canada Scoping Exercise, which was released on March 9, 2009. The Joint Report outlines a broad range of issues, including market access for goods and services, mobility of business persons, investment provisions, and regulatory cooperation. The Joint Report also grants the flexibility to include areas of mutual interest, beyond areas that have traditionally been included in Canada's trade agreements, such as cooperation in science and technology.

Regulatory Co-operation
The present Government of Canada-European Commission Framework on Regulatory Cooperation and Transparency was agreed in 2004. It is a voluntary framework. Canada and the EU made good progress in enhancing bilateral regulatory cooperation since the last meeting of the JCC.

Under the Framework, a roadmap has been drawn up detailing current cooperation activities or “projects”. At present there are eleven projects under discussion. These are:

- Chemicals
- Electrical and electronic equipment and waste
- Equivalency of organic production methods and control
- Pharmaceuticals (including veterinary pharmaceuticals)
- Radiation emitting devices
- Chemical contaminants in food
- Food allergen labelling and incident prevention
- Automotive
- Forest products
- Tobacco
- Veterinary Natural Health Products (vNHP)

The Framework is overseen by the Regulatory Cooperation Committee which met via video-conference on March 11, 2009.

**Competition Policy**

The day-to-day co-operation between the European Commission Directorate General for Competition and Canada's Competition Bureau is very smooth. The two authorities have had a cooperative relationship in competition enforcement since the signing of the 1999 Agreement between the Government of Canada and the European Communities Regarding the Application of their Competition Laws.

Discussions between the Directorate General Competition and the Competition Bureau cover both case-related issues in all areas of competition law and more general policy issues. Frequent contacts are established on merger investigations, cartel investigations and other cases of mutual interest. In the case of cartels, both authorities coordinate the use of their investigative tools. Canada has also participated in a number of European oral hearings.

While details of individual cases are strictly confidential, five notifications (three by the EU and two by Canada) were made by one party informing the other of an investigation relevant to its interests, pursuant to the 1999 Agreement.

In October 2008, the EU's Council of Ministers gave the European Commission a mandate to negotiate an expansion of the 1999 Agreement to allow for greater exchange of information. Exploratory discussions have taken place since. The existing Agreement excludes the exchange of confidential information, which is usually collected through formal investigative processes.
A bilateral meeting between Neelie Kroes, European Commissioner for Competition, and Melanie Aitken, Commissioner of Competition, took place on March 30, 2009 in Toronto, Canada. The purpose of the meeting was to discuss enforcement matters, recent competition developments and the expanded cooperation agreement. In addition, senior officers from the Competition Bureau's Criminal Matters Branch and the Directorate General Competition EC Cartels Unit participate in quarterly bilateral meetings to discuss ongoing parallel investigations. One such meeting occurred on January 22-23, 2009, in Brussels, Belgium to discuss enforcement matters.

Finally, the Directorate General Competition and the Competition Bureau continued to maintain an ongoing dialogue on general competition issues of common concern and their respective positions within international fora, including the International Competition Network and the Organisation for Economic Co-Operation and Development.

**Veterinary Agreement**

Since 1998, the main vehicle for co-operation between the Canadian Food Inspection Agency (CFIA) and the European Commission's Directorate General for Health and Consumers (SANCO) has been the EU-Canada Veterinary Agreement. The Agreement facilitates the trade in live animals and animal products (including fish) with a view to achieving mutual recognition of the equivalence of our respective sanitary measures. Both parties have benefited from a close relationship, and the mutual commitment to make decisions based on science remains a key principle. The Agreement is administered by the Joint Management Committee (JMC) co-chaired by SANCO and the CFIA.

Progress on issues over the last year culminated in the 12th Joint Management Committee meeting on October 27-28, 2009, in Stockholm, Sweden. The Committee agreed to equivalence for Live Bivalve Molluscs and Dairy Products. Several outstanding technical issues were resolved such as outside drying of fish and controls for Swine Vesicular Disease in Italy. Commitments were made to advance on equivalence of Bovine Semen and Embryos, Caprine Semen and Embryos, Pork Meat and Horse Meat. There was much discussion and progress made on issues such as information sharing, certification procedures, and cooperation in the event of an emergency.

**Transport Issues**

Canada and the EU concluded negotiations on a comprehensive air transport agreement on November 30, 2008. On December 17, 2009, all 27 EU Member State Transport Ministers signed the agreement, which was later signed by Canada's Minister of Transport, allowing it to be applied on an administrative basis. The comprehensive air transport agreement now allows any number of air carriers from Canada and the EU member states to operate direct scheduled passenger and all-cargo air services to any cities between each partner's territory as frequently as desired. Air carriers will also be able to pick up traffic in each partner's territory and continue to a third country as part of a service to or from their home territory. The air transport agreement also provides a framework to benefit a broad range of stakeholders including airlines, airports, business and tourism sectors, communities, travellers and shippers.
A Treaty between Canada and the European Community for reciprocal acceptance of the certification processes pertaining to aeronautical products was signed at the Canada-EU Summit on May 6, 2009, in Prague. The Treaty will formalize Canada's relationship with the European Commission and will provide the ability to obtain a single European approval from the European Aviation Safety Agency. This single approval is automatically binding to all EU Member States and four non-Member States.

**Business-to-Business Contacts**

Active interchanges between the Canadian and EU business communities, and between business representatives and government representatives in both Canada and the EU, continued in 2009. In particular, private sector advocacy for comprehensive trade negotiations between Canada and the EU was clearly demonstrated in the lead-up to the official launch of negotiations and at the Business Roundtable held alongside the May 6, 2009 Canada-EU Summit in Prague. Business leaders, notably the Canada-EU Roundtable for Business, the Canadian Council of Chief Executives, the Canadian Chamber of Commerce, and BusinessEurope, continue to strongly endorse negotiations towards a Canada-EU Comprehensive Economic and Trade Agreement.

**Fisheries and Maritime issues**

In 2009, Canada welcomed initiatives from the EU to strengthen and modernize the governance of the Common Fisheries Policy and ensure sustainability of marine resources. It also noted the new initiatives undertaken under the umbrella of the new EU Integrated Maritime Policy. The EU and Canada agreed to strengthen the cooperation on integrated maritime policy and have regular dialogues to exchange best practices in this field. Another excellent example of successful collaboration is fisheries. Following some challenges several years previous, the relationship on illegal, unreported and unregulated fishing has been transformed positively. There have been good Canada-EU cooperation and collaboration within the Northwest Atlantic Fisheries Organization (NAFO). Canada and the EU have worked closely together resulting in less infringement and better compliance which is of benefit to fish stocks. Reform efforts are underway to provide for more modern fisheries management. Difficulty with some stocks remains, but the reopening of 3M cod (Flemish Cap) and 3LN red fish fisheries in the NAFO Regulatory Area show to NAFO Contracting Parties that their efforts can effectively ensure the long-term sustainability of all fish stocks and preserve the economic opportunities on which coastal communities depend.

Regarding Eastern Atlantic and Mediterranean bluefin tuna, in 2009 both Canada and the EU note that the responsible management of highly migratory fish stocks, in particular tuna, is a priority. Several tuna species support viable and sustainable fisheries in Canadian waters. In the view of Canada and the EU, Regional Fisheries Management Organizations are the appropriate venue through which these stocks should be managed.

**Energy Issues**
At the last two Canada-EU Summit meetings, held in Quebec City in October 2008 and in Prague in May 2009, Leaders agreed to continue cooperation in the context of the High Level Energy Dialogue, particularly in key areas such as increased energy efficiency, market transparency and the implementation of the latest scientific and technological developments. More specifically, commitments were made to facilitate the deployment of carbon capture and storage (CCS) technology, cooperate on the sustainable development of bioenergy, promote renewable energies, implement the International Partnership for Cooperation in Energy Efficiency and move forward on the process of reviewing the Euratom-Canada Nuclear Cooperation Agreement (NCA).

Initial progress on energy science and technology cooperation was made in 2009. Discussions took place between Natural Resources Canada's Office of Energy Research and Development and the European Commission’s Directorate General of Research. Discussions on potential collaborative activities in the areas of CCS, bioenergy, and distributed generation and smart electricity have been fruitful. Finally, the process to start the negotiation to review the Euratom-Canada cooperation agreement was launched.

**Nuclear Cooperation**

Both the European Commission and Canada agreed during talks in 2008 that nuclear cooperation was being hampered by the need to revise and consolidate the Canada Euratom Nuclear Cooperation Agreement (NCA) and the amendments to this Agreement that came into effect since it originally entered into force in 1959.

The EC accordingly requested and received a mandate from the European Council in September 2009 to officially engage in negotiations to amend and consolidate the Euratom NCA with Canada. A Memorandum requesting a similar negotiating mandate for Canadian officials was initiated.

Both sides agreed not to wait for the finalization of a mandate for Canadian officials in order to start exploratory discussions with regard to the issues that will be addressed during negotiations. Two rounds of preliminary discussions via videoconference took place.

Technology sharing, the disposal of tritium, the retransfer of Canadian obligated nuclear material, and the effect of the so-called "contamination" principle in determining which items in nuclear facilities will become Canadian obligated, are key issues for Canada. The EC's concerns primarily include the desire to incorporate Canada's existing bilateral NCAs with individual EU member states into an all-encompassing Euratom - Canadian NCA.

**Science and Technology**

An Agreement for Scientific and Technological Cooperation between Canada and the European Community has been in place since 1996. It provides for collaborative activity in areas of mutual interest on a self-funded basis. A joint meeting is held annually under the Agreement.
Canada and the EU enjoy strong and increasing scientific cooperation as is demonstrated by Canadian levels of participation in the main EU research funding program, the Research Framework Program (FP). Approximately 350 Canadians have so far been involved in this program, which is only at its mid point (running from 2007 through 2013).

Increased participation is due in part to the establishment of National Contact Points (NCPs) under the Framework Program. Canada currently has four thematic NCPs, which are working very well (Agriculture and Agri-food/biotechnology; Information and Communication Technology (ICT); Research Infrastructures; and Health). The roles of the NCP Coordinator and NCP for International Cooperation are filled jointly by the European Research Area-Canada (ERA-Can) office, an International Cooperation project between Canada and the European Commission, and the Mission of Canada to the EU.

Reflecting the focus of research and policy cooperation on health agreed to at the 2009 Canada-EU Summit, the role of NCP in Health was established at the 2009 joint meeting held under the Canada-EU Science and Technology Agreement. Efforts are also under way to increase the number of NCPs in priority thematics. In particular, it is hoped that NCPs can facilitate the desire of both Canada and the EU to increase private investment in research and to foster knowledge transfer from the public science base to industry.

The first phase of the ERA-Can initiative has concluded and both Canada and the EU agree that it played an important role in facilitating increased exchanges and research collaboration. Hence, a second phase of this project, ERA-Can II, was selected under a 2009 call for proposals. ERA-Can II will focus on promoting S&T collaboration between Canadians and Europeans via information and assistance to Canadians. A complimentary International Cooperation project, Access2Canada, was also selected. Its objective is to strengthen and increase EU-Canada S&T cooperation by supporting the access for EU researchers to Canadian research and innovation programmes. Both the ERA-Can II and Access2Canada projects include actions to address areas identified in the Canada-EU joint study to further develop collaboration such as "improving mutual knowledge of our respective research systems".

Although Canada currently does not have an overall dedicated source of funds to foster science, technology and innovation collaboration with the EU, there continues to be excellent collaboration. A good example of this has been the "twinning" of projects between Agriculture and Agri-Food Canada, and the Food, Agricultural and Biotechnology directorate at Directorate General Research. This twinning of projects has paved the way toward a more flexible approach to international scientific cooperation. Additionally, following the June 2009 Joint Science and Technology Cooperation Committee meeting in Ottawa, discussions are also underway between Natural Resources Canada and the Energy Directorate on exploring the feasibility of twinning projects.

Given the decentralized nature of the Canadian science, technology and innovation environment, Canadian provinces and territories are important players in Canadian science, technology and innovation. Hence, they were invited to attend the 2009 Joint Science and Technology Cooperation Committee meeting held in Ottawa.
The EU and Canada have long-standing relations in the Information and Communication Technology (ICT) field resulting in strong Canadian interest and participation in the ICT thematic priority of the EU’s Framework Programme.

Canada has become an associate member of Ideal-ist, a European initiative which addresses ICT companies and research organisations worldwide wishing to find project partners. Canadian involvement in this program is proving successful in fostering Canada-EU cooperation. Canadian participation is also strengthened by the focussed efforts of the Canadian Contact Point (NCP) from Communications Research Centre Canada for the ICT and research infrastructure thematic areas.

Environmental Issues

Canada and the EU have been holding high-level meetings on the environment since 1983. These meetings represent an opportunity for strategic discussions on topical environmental issues of a bilateral or multilateral nature, as well as for exchanging views on respective approaches and identifying possible areas for future cooperation.

This dialogue currently takes place roughly every twelve to eighteen months, rotating between Brussels, Belgium and Gatineau, Canada, and held at the level of the Deputy Minister (or alternate) of Environment Canada and the Director General (or alternate) for Environment at the European Commission.

The last high-level meeting took place on July 14, 2009 in Brussels. Discussions included: general environmental challenges and priorities; follow-up to the 2008 EU-Canada Summit; exchanges of views on a possible United Nations Rio + 20 Summit and on International Environmental Governance; co-operation in the area of eco-labelling; mercury; biodiversity; and, forests. A high-level exchange of views was held in anticipation of the beginning of negotiations on a Canada-EU Comprehensive Economic and Trade Agreement. Given the close cooperation Canada and the EU have had in this regard, it is fitting that the two have agreed to include environment and sustainable development as important elements in the broad and ambitious CETA negotiations launched in 2009.

Further to this, a video-conference took place to exchange positions before the meeting of the UN working group on mercury in October 2009. A teleconference took place to exchange views in preparation for the Access and Benefit Sharing working group meeting in November 2009. And, finally, the first round of negotiation of the Canada-EU CETA was held in October 2009. The European Commission and Canada also meet regularly in the context of international environmental meetings, both bilaterally and in wider formats such as EU-JUSCANZ (Japan, United States, Canada, Australia and New Zealand).

Arctic Issues
EU Canada cooperation on the Arctic continued to be guided by the 2008 EU Canada Summit statement of 17 October, which stated: "We also reiterate our shared interest and objectives for the Arctic and the North, which include, among others, protecting the environment and ensuring that Northerners can contribute to economic and social development in the region now and in future generations. We recognize and reiterate the importance of, and the global interest in, the international scientific community's research activities".

The EU is in the process of developing an Arctic policy, based on proposals made by the European Commission in 2008. Canada took careful note of this paper and during 2009 engaged constructively with the EU stressing the need for the concerns and interests of all Arctic peoples and states to be fully understood and taken into account when formulating policies that affect the region.

Canada participates actively as an observer in the Northern Dimension policy of the EU, Russia, Norway and Iceland and continued to contribute to the ND Environmental Partnership and ND Partnership in Health and Social Well-Being.

The European Union continued contributing to Arctic research - including to the International Polar Year - under the Fifth, Sixth and Seventh Framework programmes. Science and technology form an important foundation for Canada’s Northern Strategy priorities. Canada made the largest single contribution to International Polar Year 2007-2008.

The EU underlined its continuous support for the application of the European Commission to become a permanent observer at the Arctic Council. In this regard, Canada recalled the current Arctic Council discussions on the full impact of additional permanent observers.

**Police and Justice Cooperation**

Canada-EU police cooperation continues to be excellent and productive within the framework of the Europol-Canada Cooperation Agreement, which includes contact mechanisms such as staffed liaison personnel. Judicial cooperation also continues to be facilitated. The Canadian Mission to the EU maintains a Counsellor for International Criminal Operations as the Canadian contact person to Eurojust.

Justice and security issues play an important part in Canada-EU relations at both the EU and the Member State level. A key challenge of concluding formal agreements between Canada and the European Commission and other European bodies is information sharing, including questions of privacy and the protection of personal information. However, all parties wish to find ways to cooperate further within the bounds of their relevant legislation. For example, the Royal Canadian Mounted Police Interpol Ottawa personnel and Europol officials are currently reviewing Data Protection/Confidentiality with a view to establishing a Table of Equivalency for information exchanges.

As well, Canada's participation in the EU Police mission in Afghanistan adds another layer to Canada-EU police cooperation.
Security
The EU and Canada continue to maintain an ongoing dialogue on the issue of advance passenger information and passenger name record data, in order to address threats to security and data protection concerns.

Customs Co-operation
The European Commission’s Directorate-General for Taxation and Customs Union (Directorate General TAXUD) and the Canada Border Services Agency advised of their mutual interest in renewing discussions on co-operation in the area of supply chain security. The focus of discussions will be on enhancing cooperation on risk management and security matters, to complement the 1997 European Community-Canada Customs Cooperation Agreement.

Migration Issues - Joint Consultations on Migration and Asylum

Information Sharing

Four key migration areas were identified for future meetings: the formation of a standing working group on visa policy and mobility; a video conference/meeting to coordinate positions with the EU in the framework of the Global Forum on Migration and Development, human rights of migrants and resettlement of refugees from abroad; a preliminary discussion of labour mobility prior to the Comprehensive Economic and Trade Agreement negotiations; and an experts’ meeting on the impact of the economic crisis on migration to be held in early 2010.

The parties agreed to explore the possibilities for information sharing with Canada through the working group on visa policy and mobility. The topics for exploring the possibility of information sharing include: current legal and policy frameworks; description of respective immigration information databases; and, existing information sharing agreements with key international partners.

Visa Policy
Canada remains committed to the free and secure movement of people between Canada and the EU and to the goal of extending visa-free travel to all Member States. Canada acknowledges the importance of the European Commission visa reports. It continues to work cooperatively with the Commission and individual Member States and particularly with the Czech Republic following the re-introduction of the visa requirement for their nationals.

People-to-People Relations
Under the Agreement Establishing a Framework for Cooperation in Higher Education, Training and Youth, Canada and the EU cooperate to foster synergies between lifelong learning and the international marketplace. Cooperation in this area is complementary to that which exists between Canada and individual Member States, and represents a success story because over 500 institutions have partnerships, over 4,500 students have benefitted, and 1,200 teachers have had exchanges.