

## **Annual report on the state of the EU-Canada relationship**

by the Joint Cooperation Committee to the Joint Ministerial Committee

1. The EU-Canada Strategic Partnership Agreement (SPA) mandates the Joint Cooperation Committee (JCC) to provide an annual report to the Joint Ministerial Committee (JMC) on the state of the relationship that the Parties shall make public. Based on this report, the JMC will make recommendations on the work of the JCC.
2. This first annual report takes stock of all the major events held, agreements signed and initiatives launched since the provisional entry into force of the SPA in April 2017. It gives an account of the breadth and the depth of EU-Canada cooperation and demonstrates the extent to which people on both sides of the Atlantic benefit from stronger bilateral relations: for example, researchers from the EU and Canada have more resources for their joint projects, military staff can exchange lessons learned from operations more easily and, thanks to CETA, 98% of tariff lines are now duty-free. The SPA is a powerful tool to ensure that cooperation leads to win-win results and benefits for all our citizens.
3. But the importance of this report goes beyond EU-Canada relations. It testifies to the commitment of the EU and Canada to a set of common values and priorities such as sustainable development, gender equality, progressive free and fair trade, and to jointly shape globalisation to ensure the benefits are more equitably distributed. It also shows the determination of the EU and Canada to work through their closer bilateral cooperation to preserve the rules-based international order and to strengthen the multilateral system.

### **Provisional application of the SPA: Consultation mechanisms**

4. The SPA provisionally entered into force on 1 April 2017<sup>1</sup>. A year later, 14 EU Member States have ratified the Strategic Partnership Agreement<sup>2</sup>. The SPA has launched a more formal and structured relationship between the EU and Canada, and established an institutional framework for cooperation. **The governing bodies of SPA– the Joint Cooperation Committee (JCC) and the Joint Ministerial Committee (JMC)** – held their first meetings in June and December 2017 respectively. The first JMC resolved to take concrete actions to I) strengthen the EU-Canada bilateral relationship II) enhance foreign policy coordination and III) address global challenges and opportunities.
5. As a framework agreement, the SPA gives a legal basis and allows for reinforced existing cooperation in strategic areas of shared interest and responsibility such as human rights

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<sup>1</sup> Council Decision on the signing, on behalf of the Union, and provisional application of the Strategic Partnership Agreement between the European Union and its Member States, of the one part, and Canada, of the other part 2016/2118 of 28 October 2016 (OJ of 3.12.2016, L 329/43)

<sup>2</sup> The national ratification processes are determined by domestic procedures and up to 43 Member States' Parliaments are involved.

and democracy, international peace and security, sustainable development, justice and home affairs. Since the start of its provisional application, EU-Canada cooperation was also expanded to three new policy areas: 1) development policy 2) employment and social issues 3) and youth and civil society dialogue.

### **Human Rights, Democracy and the Rule of Law**

6. With the SPA, the EU and Canada committed to advance shared values and ambitions and to advance the prosperity of their citizens in a safer, fairer and more inclusive world. The EU and Canada place a strong emphasis on human rights, democracy and the rule of law in their domestic and foreign policies. The SPA's provisions in these areas represent key commitments for the partnership.
7. The **annual EU-Canada Human Rights Consultations** as well as regular contacts ahead of sessions of the **Human Rights Council / UNGA Third Committee** confirmed the broad convergence of views on the main human rights issues on the agenda in international fora. The EU and Canada maintained their close cooperation on the human rights situation in DPRK, Syria, and Iran, the moratorium and abolition of the death penalty, rights of the child, freedom of religion or belief, rights of women, violence against women, LGBTI rights, and the protection of human rights defenders. Other issues of common interest discussed during the **Human Rights Consultations** included the rights of indigenous peoples and digital inclusion.
8. **Gender equality** is a particular priority for both the EU and Canada. The JMC confirmed its readiness to cooperate on advancing gender equality and the empowerment of women and girls. Both sides committed to sharing experiences and building on each other's successes in increasing women's participation and enhanced roles in peace operations. Within the G7 framework Canada is using its Presidency to advance gender equality and women's empowerment, with a view to deliver more inclusive and gender-responsive outcomes in 2018. An outreach meeting co-chaired by Canadian Foreign Minister Freeland and HRVP Mogherini was held on the margins of the G7 Foreign Ministers Meeting on April 21<sup>st</sup>, 2018 in Toronto. Both will also co-host the first Women Foreign Ministers Meeting on 21-22 September 2018 in Canada. An example of concrete cooperation is that, together with the UN Women and the International Labour Organization, the EU and Canada are promoting responsible business conduct in G7 countries through the WE EMP♀WER Partnership Instrument (PI) project.

### **International Peace and Security and effective Multilateralism**

#### **Strengthening the multilateral system**

9. The EU and Canada share an unwavering commitment to international peace and security and a firm belief that these policy objectives are best achieved through effective multilateralism, with the United Nations at its core. To translate this commitment, the EU and Canada engage in strong partnerships in key multilateral processes, such as Agenda

2030, the UN Global Compacts on Migration and Refugees, ocean governance, and UN peace operations. The EU participated in the UN Peacekeeping Defence Ministerial which Canada hosted in Vancouver on 14-15 November, welcoming in particular the focus that was put on: partnerships and smart pledges; women, peace and security (WPS); and protecting those at risk. The EU and Canada also endorse the UN Secretary General's vision for reforming the UN system to be fit for purpose in the 21<sup>st</sup> century. This includes the need for developing more effective approaches and instruments for preventing conflict and sustaining peace.

### **Cooperation in Promoting International Peace and Stability**

10. The JCM identified security and defence as one of the key priority areas for EU-Canada cooperation based on the similar, comprehensive approach that the EU and Canada take towards crisis management and peace operations. Canada has been a third-country contributor to EU Common Security and Defence Policy (CSDP) **civilian and military missions** since 2003. Canada currently participates in the EU civilian missions for the Palestinian Territories (**EUPOL COPPS**) and in Ukraine (**EUAM Ukraine**). The EU and Canada are also exploring possible joint engagement in other areas such as the Sahel.
11. The signature of the **Agreement between Canada and the European Union on security procedures for exchanging and protecting classified information** in December 2017 opens up new avenues for closer coordination in crisis management. Since 1 June, when the agreement entered into force, it is easier to exchange planning information and lessons learned in operations and missions, and Canadians can participate as observers in EU-led crisis management exercises. The last annual EU-Canada **Security and Defence dialogue** was held in April 2017 in Brussels. Discussions focused on the EU's work on security and defence, Canada's defence policy review, EU-NATO cooperation, WPS, cooperation in CSDP and regional issues, including Russia/Ukraine, Syria, Iraq and Libya. The annual **EU CSDP symposia** in Ottawa have proven to be a useful forum for discussion between the EU and the Canadian security and defence community. The fourth CSDP Symposium was held in November 2017.
12. The JMC recommended enhanced EU-Canada cooperation on countering **hybrid threats**. In January, a Canadian delegation visited the European Centre of Excellence for Countering Hybrid Threats in Helsinki to assess the possibility of a Canadian contribution, which remains under active consideration
13. The EU and Canada continued consultation on **sanctions issues**. In February 2018 extensive consultations were held to discuss policy approaches on sanctions, legal issues, and specific regimes: Russia/Ukraine, Venezuela, Iran and DPRK.

## Ukraine

14. Also, **Ukraine** remained high on the EU-Canada agenda in the past year. Both sides maintained their principled position with regard to the support for the independence, sovereignty and territorial integrity of Ukraine within its internationally recognised borders, condemning the illegal annexation of the Autonomous Republic of Crimea and the city of Sevastopol by the Russian Federation and calling for full implementation of the Minsk agreements. The EU and Canada are also supporting the activity of the OSCE Special Monitoring Mission in Ukraine in its vital role to facilitate the implementation of the Minsk agreements.
15. The robust engagement of the **G7 Support Group in Kyiv (G7 SGU)** enhances coordination between the G7 and the Government of Ukraine (GoU). Under Canada's G7 presidency, the G7 SGU is focussing on accelerating the implementation of reforms as outlined in the GoU Action Plan 2020. Some mutual areas of focus include the promotion of the privatisation reform, progress on the establishment of an anti-corruption court and law, and withdrawal of e-declaration obligations for NGOs, which are also among key areas of EU reform support.
16. In addition to Canada contributing directly to EUAM Ukraine, the EU mission and the bilateral Canadian Police Mission enjoy very good cooperation on the ground in support of the reform of the National Police of Ukraine. The European Endowment for Democracy (EED) manages a C\$ 5 million contribution to provide grants for Ukrainian civil society development. In several sectors, notably small and medium size business development, decentralisation and public administration reform, there has been good coordination leading to well calibrated complementary interventions.
17. The EU and Canada, together with the United States, continue to cooperate on support to Ukrainian energy security and energy reform initiatives. The G7 has been a forum to discuss this issue since 2014, including under Canada's 2018 G7 presidency.
18. Both the EU and Canada have imposed restrictive measures as a response to Russia's unacceptable actions in Crimea and Eastern Ukraine. Canada and the EU coordinate the size and scope of restrictive measures and we are in agreement that unity on sanctions amongst international partners (including the G7) has been effective and remains critical to sustain pressure on Russia to implement its obligations under the Minsk agreements.

## Russia

19. The EU and Canada have taken similar positions with regards to **Russia's responsibility for the conflict in eastern Ukraine** and the need for Russia to undertake all necessary measures to re-establish peace and stability, in particular by fully implementing the Minsk agreements. The EU and Canada agree that Russia needs to respect the principles of the rules-based international order. At the same time, the EU and Canada are ready to

cooperate with Russia on foreign policy issues and on other areas where doing so is in our interest. Both the EU and Canada are committed to reinforcing people to people contacts and supporting civil society and independent media in Russia. The EU and Canada coordinate their efforts on sanctions policy within the G7+ working group as well as security and defence cooperation in areas such as cyber security and responding to hybrid threats.

## Syria

20. The conflict in Syria has resulted in complex humanitarian, security and political issues. The situation is dire; people are suffering and communities have been devastated. The EU and Canada support the efforts of the UN Special Envoy to pursue intra-Syrian negotiations in Geneva, focused on a genuine and inclusive political transition in line with the UN Security Council resolution (UNSCR) 2254. The EU hosted the Second Brussels Conference "Supporting the Future of Syria and the Region" in April 2018 and pledged 2,46 billion euros for 2018. Canada participated in this conference and pledged C\$370 million in humanitarian and development assistance for 2018. The EU and Canada continue to be active members of the International Syria Support Group Task Forces to press for immediate, unimpeded and sustained needs based humanitarian action and the cessation of hostilities in Syria. The EU and Canada continue to support accountability efforts, including through the International Impartial and Independent Mechanism (IIIM) – to which Canada has provided C\$1.4 million and the EU has provided 1.5 million euros in addition to EU MS contributions – and action against any confirmed use of chemical weapons. In line with that, the EU and Canada both support the work of the UN Commission of Inquiry on Syria and the Organisation for the Prohibition of Chemical Weapons (OPCW) Fact Finding Mission in Syria. The EU, its Member States and Canada jointly fund a number of humanitarian, stabilization and development partners and initiatives operating inside Syria, facilitating greater coordination and effectiveness.

## JCPOA

21. The EU and Canada continue to support the full implementation of the **Joint Comprehensive Plan of Action (JCPOA)** by all remaining participants. We regret the U.S. decision to withdraw from the JCPOA and we support its ongoing implementation, as it subjects Iran's nuclear program to a rigorous and unprecedented international verification regime by the International Atomic Energy Agency (IAEA). As a multilateral non-proliferation agreement, it has helped to ensure that Iran's nuclear program is exclusively peaceful in nature. As Chair of the Joint Commission overseeing the implementation of the JCPOA, the EU High Representative plays a key role as coordinator of the agreement. Since the beginning of 2014, Canada has provided C\$11.5 million in voluntary contribution to support the IAEA's verification efforts in Iran, making Canada a leading contributor to this area of the Agency's work.

## **DPRK**

22. The EU and Canada have the same ambitious goals with regard to the denuclearisation of the Korean peninsula, improving the implementation of UN sanctions against DPRK, diminishing tensions in the region and improving the human rights situation. We actively cooperate in the G7 framework, as well as in the G7+ DPRK Sanctions Contact Group to coordinate efforts to counter North Korea's illicit networks. Canada, along with other G7 partners, supports EU demarches to third countries to underline the need for full implementation of UNSC resolutions on DPRK and joined some of these demarches last year.

## **Venezuela**

23. The EU and Canada share the same concerns about the crisis in **Venezuela** and are aligned in our respective responses. Venezuela was regularly discussed in the framework of the bilateral political dialogues and other bilateral meetings over the past year, including at the level of Minister Freeland and High Representative Mogherini. The statement of the Canada-EU Joint Ministerial Committee in December 2017, as well as subsequent statements by the EU and Canada respectively conveyed strong messages on areas of key priority, including the release of all political prisoners, free and fair elections, and access for humanitarian actors. In the G7 Leaders' Statement on Venezuela of 23 May 2018, the EU and Canada, together with France, Germany, Italy, Japan, the United Kingdom, and the United States of America, denounced the Venezuelan Presidential elections and its result for lack of an inclusive, fair and democratic process. All political and diplomatic efforts by the EU and Canada, including the use of restrictive measures by the EU and targeted sanctions by Canada, aim to incentivize the Venezuelan authorities to take steps towards restoring constitutional democracy and addressing the current multidimensional crisis through a meaningful and result-oriented negotiation conducted in good faith and including all relevant Venezuelan political actors.

## **Myanmar/Burma**

24. The EU and Canada are working together to improve the humanitarian and human rights situation in **Myanmar/Burma**, in particular in Rakhine State. The EU and Canada share deep concerns about the continuing departure, often in violent circumstances, of the Rohingya for Bangladesh, the impunity of those who have committed serious human rights abuses and violations against the Rohingya and the lack of access by aid organisations, media and independent observers, including the UN Human Rights Council Fact Finding Mission to northern Rakhine especially. The EU and Canada call for the full implementation of the recommendations of the Advisory Commission on Rakhine State led by Kofi Annan and for creating conditions conducive for the safe, voluntary, dignified and sustainable return of Rohingya refugees from Bangladesh to their places of origin. The Canadian Special Envoy for Myanmar, the Honourable Bob Rae paid a visit to Brussels on 21 February 2018 to debrief on his visit to Myanmar/Burma and Bangladesh

and on Canada's position on the Rohingya crisis. Canada has co-sponsored the EU-tabled resolution on Myanmar/Burma in the UN Human Rights Council and contributes to the Joint Peace Fund set up by the EU in support of Myanmar/Burma's peace process.

### **Counterterrorism**

25. The EU and Canada remain close, like-minded partners in the global fight against terrorism. Both the EU and Canada contribute to fight against terrorism in the framework of the Global Coalition against Daesh. The last annual **EU-Canada Dialogue on Counterterrorism** was held on 6 July 2017 in Ottawa to exchange views on counterterrorism and on preventing and countering violent extremism (CVE). As part of the external dimension of the European Programme for Critical Infrastructure Protection, the EU and Canada exchange information and good practices.
26. At the multilateral level, the EU and Canada work to enhance the role of the **UN** through the establishment of the Office for Counterterrorism and the revised mandate of the Counter-Terrorism Committee Executive Directorate CTED. The EU and Canada also work together in the **Global Counter Terrorism Forum (GCTF)**. They agreed to link up the GCTF working group for Capacity-building in West Africa co-chaired by Canada with the GCTF working group for Capacity-building in East Africa co-chaired by the EU. Both sides agree on the importance of CVE.
27. Under the Canadian **G7 Presidency**, the EU and Canada committed to implementing the Taormina Leaders' statement on the fight against terrorism and violent extremism and the Ischia joint communiqué, building on the Ise-Shima Action Plan, including via the work of the Roma-Lyon Group on Transnational Crime and Terrorism. At the G7 Security Ministers' Meeting on 23-24 April, agreement was reached to pursue a collective approach to increase stability and security in cyberspace, and work together to improve systemic risk management and measures to address the challenges along the cyber security continuum, including cybercrime. One new topic introduced was gender mainstreaming into CT/PCVE work.

### **Economic and Sustainable Development**

28. More trade means more growth, and more growth means more jobs. This is the credo of both the EU and Canada and the rationale behind CETA. But CETA goes beyond trade in the narrow sense. As a modern and progressive agreement, it stands for the commitment to the rules-based multilateral trading system and to sustainable development. It is also an important tool to advance high labour and environmental standards, and to shape global trade rules at a time when these are under threat. In CETA we have created a Civil Society Forum that will bring together Canadian and European civil society representatives to monitor the implementation of the Chapters on Trade and Sustainable Development, Environment and Labour.

29. **CETA entered into provisional application on 21 September 2017**, and is already generating new commercial opportunities for companies in the EU and Canada. The Agreement addresses or eliminates barriers in virtually all sectors and aspects of Canada-EU bilateral trade – while also fostering sustainable and inclusive economic growth, more effectively promoting labour rights and stronger environmental protections as well as emphasizing consultation with all segments of society. With provisional application, 98% of all Canada-EU tariff lines are now duty-free. Duties on an additional one percent of tariff lines will be phased out over periods of 3, 5 or 7 years. Some of the provisions on investment protection and the entire dispute settlement mechanism will apply once all Member States have ratified the Agreement<sup>3</sup>. As per May 10, 2018, ten Member States have ratified CETA at the national level<sup>4</sup>.
30. Since the provisional entry into force of CETA, the EU and Canada have been actively reaching out to businesses and entrepreneurs to promote the opportunities offered by the Agreement. Intensive work is ongoing to establish CETA's governance structure including the setting up of the multiple committees and dialogues foreseen under the Agreement. Follow-up is also taking place to enable a correct implementation of CETA commitments.
31. The first **CETA Joint Committee** is planned for September 2018. It will be co-chaired by the European Commissioner for Trade and by Canada's Minister for International Trade.
32. In addition, the EU and Canada are taking work forward in two key areas:
- The **review of the trade and labour, environment and sustainable development chapters** of CETA in line with the commitments undertaken in the Joint Interpretative Instrument. The overarching debate that the Commission undertook on the implementation of sustainable development provisions in EU FTAs as well as Canadian priorities will feed into this review;
  - The EU and Canada are also working on the **operational details of the Investment Chapter**, in line with the commitments made during the CETA ratification process<sup>5</sup>.

## **Science, Technology and Innovation**

33. The provisional entry into force of the SPA and CETA is also spurring cooperation and dialogue on **research and innovation**. Both partners are working together to coordinate Canadian and European research and innovation efforts for mutual benefit, and the Joint Ministerial Committee of 4 December 2017 reaffirmed the mutual commitment to continue an evidence-based approach to policies for tackling global challenges. The 14<sup>th</sup>

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<sup>3</sup> Council Decision (EU) on the provisional application of CETA 2017/38 of 28 October 2016 (OJ of 14.1.2017, L 11/1080)

<sup>4</sup> The national ratification processes are determined by domestic procedures and up to 43 Member States' Parliaments are involved.

<sup>5</sup> See Statement by the Commission and the Council on investment protection and the Investment court system (OJ L11/20 of 14.1.2017)

meeting of the **EU-Canada Joint Committee on Scientific and Technological Cooperation Committee (JSTCC)** took place in Ottawa on 20 March 2018. The Committee acknowledged the importance of the recent research and innovation (R&I) policy developments in Canada and the European Union. Both parties are working together to reinforce the links between industry and research and foster the innovation process to stimulate job creation, economic growth and social welfare. The **EU Framework Programme for Research and Innovation, Horizon 2020** is, in this context, an important vehicle for EU-Canada cooperation notably because of the strengthened opportunities for cooperation with Canadian partners in the 2018-2020 work programme.

34. Cooperation is progressing also in key areas like marine and Arctic research, health, aeronautics, and agricultural research. Joint arrangements for **researchers' mobility** allow Canadian researchers to join teams of European Research Council grantees.
35. **Migration related research** is an emerging area for cooperation, while **transport** research concerning green shipping will be further explored between the respective officials involved. Both sides are developing the framework conditions needed to create a level playing field for researchers from Canada and the European Union to cooperate with each other.

## **Energy**

36. Since April 2017, significant progress was achieved under the **short term Action Plan on energy**, which was agreed shortly after the 2016 the EU-Canada **High Level Energy Dialogue (HLED)** meeting. A very productive two-day **workshop on energy labelling and disclosure policies and programs in buildings** was held in Ottawa on 5-6 June 2017 during which experts from the European Commission, EU Member States, Canadian federal, provincial and municipal authorities, as well as non-governmental organizations exchanged their experiences. Also within the framework of the Action Plan, EU and Canadian counterparts exchanged perspectives on public confidence in energy infrastructures in a meeting by videoconference on 16 November 2017. Close co-operation on energy is continuing during 2018 in the context of Canada's G7 Presidency, which seeks to advance the clean energy agenda, strengthen and diversify the energy mix and advance the oceans agenda (e.g. resilience of energy systems in coastal communities). Energy cooperation also occurs under the framework of the Clean Energy Ministerial (CEM) and Mission Innovation (MI), which aim to accelerate the progress of the clean energy transition. The European Commission co-hosted CEM9/MI-3 with Denmark, Sweden, Norway, Finland and the Nordic Council of Ministers on May 23-24 2018 and Canada will host CEM10/MI-4 in May 2019.

## **Climate Change**

37. The JMC's commitment of the EU and Canada to continue an **evidence-based approach to policies** forms the foundation **for tackling climate change**.
38. Canada hosted the **EU-Canada High-Level Dialogue on Climate Change** on 24 May 2018 in Brussels. Issues covered included: the road to COP24, G7 and domestic implementation of the Paris Agreement.. In September 2017, Canada, China and the EU co-hosted the first **Ministerial on Climate Action (MoCA)** in Montreal, Canada. Representatives from 34 governments of major economies and other key players met to advance discussions on the full implementation of the Paris Agreement and to demonstrate continued political commitment to global action. A strong message was sent to negotiators to advance their work on the completion of the Paris Work Programme and the 2018 Facilitative Dialogue (now the Talanoa Dialogue). To share lessons and best practices, many participants highlighted their countries' approaches and experiences in reducing emissions and adapting to climate change, and broadly emphasized their steadfast determination to implementing these efforts and their Nationally Determined Contributions. The second MOCA was co-hosted by the EU, Canada and China in Brussels on 21 June 2018.
39. To finance bilateral activities in support of the implementation of the Paris Agreement from March 2018 the EU launched a new Partnership Instrument project "**Strategic Partnerships for the Implementation of the Paris Agreement**" (SPIPA), with a total budget of 25 million EUR for the next 3 years for 15 major economies, including Canada. The project aims to encourage and assist major economies in making their best efforts towards the goals of the Paris Agreement and harness international economic and political relations to move more quickly together towards its full implementation. It aims to facilitate the exchange of climate policy options and good practices, advance bilateral trade and investment in pursuit of the goals of the Paris Agreement, and help improve public awareness, including in the business community, of challenges and opportunities associated with the implementation of the agreement. The project aims to organise expert seminars, visits and exchanges, finance cooperation among technical institutes, subnational governments and business clusters, and support public awareness work of like-minded civil society organisations from partner countries.

### **Environment and sustainable development**

40. Canada hosted the **EU-Canada High Level Dialogue on Environment** in Ottawa on 24 October 2017. In addition to the European Commission participation, the European Chemicals Agency was able to join the meeting by video link. Issues covered included: biodiversity; chemicals management; science, research and technology; resource efficiency and circular economy; upcoming G7; international issues and Canada-EU Arctic Cooperation. The positive discussions highlighted a convergence of views in many areas.

41. In multilateral fora the EU and Canada worked together to advance their common priorities and remain close allies on the implementation of the 2030 Agenda for Sustainable Development. **The United Nations Environment Assembly (UNEA)** meeting in December 2017 adopted a Canadian resolution proposal on **air pollution** co-sponsored by the EU. The EU and Canada are cooperating increasingly on the **sound management of chemicals and waste (SMCW)**, notably under the Basel, Rotterdam, Stockholm and Minamata Conventions and UNEA. In the **G7** setting, under the current Canadian Presidency, the EU and Canada are promoting actions to address issues such as **resource efficiency and plastic marine litter**.
42. In the context of the 2030 Agenda both Canada and the EU are signatories to the New Urban Agenda (NUA) of the United Nations adopted at Habitat 3 by over 170 countries at Quito in October 2016. The EU and Canada share a common vision of the urbanization challenges facing the world and have already engaged in concrete actions to take forward the NUA. These include cooperation at the level of urban authorities, acting together with key public and private sector stakeholders on each side, through city-to-city diplomacy, notably under the EU's International Urban Cooperation programme.

### **Fisheries, maritime affairs and the Ocean Partnership**

43. The EU and Canada enjoy long-standing cooperation on ocean affairs. On 16-17 January 2018, the regular **High Level Dialogue on fisheries and maritime affairs** was held in Ottawa. Both sides agreed on the important role of Regional Fisheries Management Organizations (RFMOs) and stressed that compliance with RFMO rules needs to be further enhanced and scientific work better aligned with management priorities. The EU and Canada confirmed their interest in strengthening cooperation by entering into an **ocean partnership**, and are working together on a draft scoping text with a view to improving global governance and policy coherence related to the world's oceans. As regards the Arctic, Canada welcomed the EU's active and valuable involvement in achieving the agreement to prevent unregulated high seas fishing in the Central Arctic Ocean, agreed by delegations<sup>6</sup> on 30 November 2017. The EU and Canada exchanged views on the next steps to be taken towards its signature.

### **Arctic**

44. The Arctic continues to be a growing area of cooperation for the EU and Canada. An integrated European Union policy for the Arctic was published in April 2016. The Canadian Government is in the process of co-developing a new Arctic Policy Framework with territories, provinces and Indigenous partners that includes domestic and international policy objectives. Canada continues to support Arctic Council ministers

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<sup>6</sup> Canada, the People's Republic of China, the Kingdom of Denmark in respect of the Faroe Islands and Greenland, the European Union, Iceland, Japan, the Republic of Korea, the Kingdom of Norway, the Russian Federation and the United States of America.

taking a final decision to fully accredit the EU as an observer to the Arctic Council. The EU and Canada continue to explore the possibility of greater cooperation under the Interreg Northern Periphery and Arctic Programme and maintain cooperation under the Joint Statement on access to the European Union of seal products from indigenous communities of Canada.

45. Representatives from Canada participated in the high-level Arctic event “A Sustainable Arctic – Innovative Approaches” and the annual Arctic Indigenous Peoples Dialogue organised by the EU and Finland in Oulu (Finland) on 15 and 16 June 2017 to highlight the EU's involvement in the Arctic region.
46. As partners under the Transatlantic Ocean Research Alliance, the EU and Canada together with the US took forward **international scientific cooperation and collaboration in the Arctic**. The alliance triggered the decision to invest in a package of EU-funded Arctic research activities in the Work Programme 2016-17 of Horizon 2020. Under this package, three large research projects were launched in 2016: INTAROS (15.5 million euros), with the objective to extend, improve, and unify Arctic observation systems, APPLICATE (8 million euros) and BLUE-ACTION (7.5 million euros) to explore the predictability of Arctic climate and its impact on climate and weather at lower latitudes. Under the same package, a new Horizon 2020 project on permafrost, Nunataryuk, started in November 2017. This 11.5 million Euro project will address in particular the problem of permafrost thawing in coastal regions. Canadian researchers are participating in all four Horizon 2020 projects. For 2018-2020, the EU intends to align its Arctic research funding priorities to the outcomes of the Second Arctic Science Ministerial, which it will host with Germany and Finland in Berlin, 25-26 October 2018. Thirty governments, including the EU, Canada and the US are invited to participate, as well as all six Permanent Participants of the Arctic Council and several international Arctic science organizations.
47. The Transatlantic Ocean Research Alliance established trilateral implementation working groups, which the EU, US, and Canada co-chair. The trilateral working group on the Arctic organised a workshop in March 2017 in Brussels, Belgium. The goal of the workshop was to advance scientific partnerships in the Arctic between the EU, US and Canada.
48. An EU-funded Partnership Instrument project **on black carbon in the Arctic** was launched in 2018 and will run for three years with a budget of 1.5 million euros. Black carbon is a short-lived climate pollutant with climate effects that are particularly significant in the Arctic due to its heating effects of the air and the blackening of snow and ice. This project aims to develop a collective response to reduce black carbon emissions and their accumulation in the Arctic, and to reinforce international cooperation to protect the Arctic environment. Specifically, it will initiate a process of setting targets for major sources, in particular on gas flaring, domestic heating and possibly maritime shipping. The project is being implemented by the Arctic Council's AMAP secretariat and thus highlights the contribution the EU can bring to the work of the Arctic Council. This

project grew out of an exchange of ideas between Canada and the EU and illustrates the like-mindedness between the EU and Canada on climate and environmental policies. Canadian and EU officials meet with the AMAP secretariat to pursue the collaboration under this project.

## **Macroeconomic Dialogue**

49. The **Macroeconomic Dialogue** facilitates the coordination of macroeconomic policies between the EU and Canada, and provides a formal structure to the already-strong bilateral cooperation as well as that in multilateral fora (G7, G20, IMF). The most recent Dialogue was held in Brussels in November 2017 and allowed for a comprehensive exchange of views on the macroeconomic outlook and policy priorities in our respective regions, as well as identifying areas of potential mutual interest in addressing global challenges and avenues for cooperation under Canada's G7 Presidency in 2018. In light of the persistent uncertainties and risks facing our economies – and the global economy more generally – it was agreed that this exchange would be maintained on its usual annual cycle in 2018, with this adding to more regular contact held at technical and ministerial levels throughout the year.

## **Transport**

50. In the margins of the G7 meeting at Cagliari in June 2017, Transport Commissioner Violeta Bulc met her Canadian counterpart, Minister Marc Garneau. Their discussions covered a range of matters of common interest, including: cooperation at the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO); protection of the environment, including in the Arctic; underwater noise effects on marine species; and new technologies in transport.

## **Employment, social affairs and decent work**

51. The first meeting of the EU-Canada **bilateral dialogue on employment, social affairs and decent work** was held in Brussels on 12-13 December 2017. The participants discussed the impact of a **changing world of work** on areas such as working conditions, skills needs and social protection. The EU presented to the Canadian counterparts the European Pillar of Social Rights, which aims to build a fair and more social Europe which is fit for the future. Moreover, the **participation of women in the labour market** and the various gender gaps were examined. Both in Canada and the EU, women tend to earn less, be overrepresented in part-time employment and concentrated in certain sectors. Various strategies exist on both sides of the Atlantic to close the gender gap. The EU reported on the Work-Life-Balance Package, the most recent proposal to ensure an EU-wide level playing field for women's labour market participation. Finally, a discussion was held on how to promote **youth employment**, considering that young people face a number of vulnerabilities and disadvantages.

## **E-commerce**

52. Following the provisional entry into force of CETA, an **e-Commerce dialogue** between Canada and the EU was held on 15 March 2018. Issues on the agenda included Trust Services, e-Commerce – Liability of Intermediate Services, e-Privacy, and Personal Data.

### **Responsible sourcing and mining**

53. **Raw materials** play an important role in the economies and sustainable industrial value chains of the EU and Canada. Canada is a major mining country and an investor in mining projects in the EU. The EU is a major supplier of mining equipment to the Canadian market and some EU companies invest in Canada. Canada and the EU share the same values as regards to economic, environmental and social sustainability, transparency and responsible mining, including the importance of these issues for the developing countries from which many raw materials are sourced. Canada and the EU invest in technologies and innovation for the mining sector and encourage good business conduct. At the EU-Canada Joint Ministerial Committee held on 4 December 2017, both sides committed to promoting the values of sustainable and responsible mining and sourcing globally.

54. Article 25.4 of CETA establishes a bilateral dialogue on raw materials to maintain effective cooperation. The first raw materials dialogue will take place in Brussels on November 15-16, 2018.

55. The **EU-Canada Mineral Co-operation project** launched by the EU identified areas of common interest for stakeholders from both sides covering the full mining life cycle, including regulatory frameworks and sustainability issues. In the first week of March 2018, the EU was for the first time represented at the **PDAC (Prospectors and Developers Association of Canada) International Convention, Trade Show & Investors Exchange** and had the opportunity to promote the geological potential, technological solutions and its health, safety and environment standards. A **seminar on the benefits of CETA to the extractive industries** and all related services and technologies was organised for stakeholders from both sides.

### **Forest Products**

56. The first bilateral dialogue on **forest products**, as established in Article 25.3 of CETA, took place on 23 May 2018. The parties discussed their respective roadmaps and actions to reach the goals of the Paris Agreement and exchanged information on the circular economy, the bioeconomy, actions to combat illegal logging and its related trade, and plant health issues. Measures taken in legislation that might impact forest products trade were also brought to the fore. The EU informed Canada of several forest-related research and innovation initiatives. Parties agreed to continue intersessional discussions and exchange of information.

### **Development Policy**

57. The first EU-Canada **Development Policy Dialogue** under the SPA took place in Brussels on 17 November 2017. It covered several areas including the 2030 Agenda for Sustainable Development, financing for development, gender, environment/climate, migration, and education. There was a large degree of convergence between the two sides. Exchanges will continue at working level in the different identified areas. Canada also hosted a high level panel on innovative approaches and partnerships to amplify women and girls' voices during the EU Development Days on 5 June 2018.

### **Consumer protection**

58. The EU and Canada have been working since mid-2017 to agree on enhanced arrangements for the **reciprocal exchange of information on dangerous non-food goods**. A specific provision in the Chapter on Regulatory Cooperation of the CETA agreement provides for the possibility for the EU and Canada to establish information exchange on dangerous non-food products based on an arrangement that sets out measures which specify the type of information to be exchanged, the exchange modalities as well as the application of confidentiality and personal data protection rules. The arrangements shall be endorsed within one year from the date of entry into force of the CETA agreement, unless the EU and Canada decide to extend the date.

### **People to people contacts**

59. **People-to-people** contacts are one of the most direct ways for citizens to benefit from closer EU-Canada cooperation. Through numerous initiatives, the EU and Canada promote contacts in the field of education, research and innovation, youth and culture. Canadian higher education institutions are making extensive use of cooperation opportunities for **academic cooperation**. **For example, under Erasmus+**, since its start in 2014, there have been close to 1500 short-term student and staff exchanges between the EU and the Canada and from 2018 the EU has introduced student traineeships in the private sector. Cooperation is also remarkably high under Erasmus Mundus Joint Master Degrees. Since 2014 more than 300 Canadian students have received full scholarships for joint master degrees in Europe and 200 scholarships were awarded to scholars. Academic cooperation with Canada is also strong in the field of European studies. There are 27 Jean Monnet projects under Erasmus+ including Centres of Excellence, Jean Monnet Chairs as well as teaching modules, and the European Community Studies Association–Canada (ECSA-C) plays an important role in terms of building capacity for Canada's European Studies Community.

60. Through **Marie Skłodowska-Curie Actions (MSCA)** the EU supports the mobility of researchers under Horizon 2020, Europe's main funding programme for research and innovation. Canada is the fourth industrialised country outside Europe in terms of number of participants in MSCA, after the US, China, and Australia. Since 2014, 134 Canadian researchers and staff members have been supported by MSCA, their main destinations being UK, France, the Netherlands, Germany, and Denmark. In the same period, 120 Europeans have been hosted by Canadian host organisations, predominantly universities.

61. The EU and Canada seek to foster transatlantic **youth exchanges** through non-governmental organisations and think-tanks in order to deepen transatlantic ties and find solutions to common challenges. A Partnership Instrument project worth €900,000 is foreseen for exchanges in the area of youth, security and peace and digital world. A call for proposals was launched in April 2018 targeting youth organisations associations and networks.
62. Another example of youth cooperation is the Erasmus+ funded project "**Youth Participation Parkour**" to improve youth participation in civil society processes. In 2017 Canada has also shown interest in the new youth initiative, the "**European Solidarity Corps**".
63. Canada also has bilateral youth mobility arrangements with 21 EU Member States that facilitate work and travel opportunities for youth aged 18-35. These arrangements build people to people contacts and allow Canadian and European youth to immerse in different cultures and gain intercultural skills, while building global competencies including cross-cultural adaptability, strategic thinking, leadership skills, and foreign language proficiency.

### **Justice, Freedom and Security**

64. The Justice, Freedom and Security area saw a number of important developments. All EU citizens are now able to travel without a visa to Canada for a period of up to six months. With the July 2017 opinion of the European Court of Justice (ECJ) concerning the envisaged EU – Canada agreement for the transfer and use of passenger name record (PNR) data, there is now more clarity on the parameters that this agreement between the EU and Canada needs to fulfil. In addition, fruitful exchanges on migration have taken place.

### **Visa reciprocity**

67. On 1 December 2017, Canada lifted the visa requirement for short stays for all Romanian and Bulgarian citizens. As these were the two remaining EU Member States with visa requirements, the EU and Canada have now achieved full visa reciprocity. The EU and Canada committed to continued engagement on visa issues because maintaining the sustainable lifting of visas is in the interest of all parties.

### **Renegotiation of the EU-Canada PNR Agreement**

68. The EU and Canada both now have formal mandates to renegotiate elements of the draft PNR agreement in light of the European Court of Justice's opinion of 26 July 2017 in which the Court stated that the draft PNR **Agreement between Canada and the EU**, signed on 25 June 2014, cannot be concluded in its current form because several of its

provisions are incompatible with the fundamental rights recognised by the EU. Negotiations were relaunched on 20 June 2018.

### **Asylum and migration**

69. On 13 June 2018, the EU and Canada held the annual **Joint Consultations on Migration and Asylum (JCM)**. The JCM is currently the main forum at senior level between the EU and Canada on migration and asylum issues. The meeting discussions focused on asylum policy, visa policy, regular migration pathways, international migration governance and readmission. At the UN level, the EU and its Member States, as appropriate, and Canada have been pro-actively engaging in the UN processes on the **Global Compacts on Refugees and Migration**, shaping their content and placing migration and refugee response firmly on the UN agenda, towards their adoption before the end of 2018.
70. Following up on a commitment made at the EU-Canada Summit on 30 October 2016 to establish an **informal platform to allow expert exchanges on migration**, on 16 November 2017 a first expert meeting in this framework was organised– a roundtable exchange on social entrepreneurship role in integration. Given the mutual interest in further exchanges on migration, both sides agreed to discuss labour migration at the second migration platform event which was held on 14 June 2018.

### **Consular protection**

71. The EU and Canada have a strong tradition of cooperation in the field of **consular protection**, e.g. through common demarches vis-à-vis third countries related to detention, pre-trial conditions and prison conditions. The EU and Canada also jointly address issues such as forced marriages or child abductions and cooperate well on the ground in difficult crisis situations. To explore practical cooperation a **workshop on consular crisis management** was organised on 20-21 September 2017 in Brussels for EU and Canadian experts to share best practices on their respective consular crisis management structures and activities including preparedness and response and on the Joint EU consular crisis preparedness framework.
72. Multilaterally, the EU and Canada are working to advance the role of the **Global Consular Forum**.