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**NOTE**

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From : General Secretariat of the Council  
To : Coreper  
Subject : EU-Canada Summit - 26 September 2014, Ottawa  
- Orientation debate

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Delegations will find in Annex a note issued under the responsibility of the Cabinet of the President of the European Council, in close cooperation with the Commission services and the European External Action Service.

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**Preparation of the EU–Canada Summit****Context and challenges**

The EU-Canada Summit is now scheduled to take place in Ottawa, Canada, on 26 September 2014. It has been more than four years since the last EU-Canada summit, which took place in Brussels on 5 May 2010. Since the last summit, our work with Canada has been strongly focused on the completion of negotiations for two major agreements that offer the opportunity to strengthen EU-Canada relations significantly:

1. The **Comprehensive Economic and Trade Agreement (CETA)** which will enable an ambitious liberalisation of our trade and investment relations. Once implemented, the agreement is expected **to increase bilateral trade** in goods and services by 23% or €25.7 billion, fostering growth and employment on both sides of the Atlantic. Overall, this agreement could lead to GDP gains for the EU of up to **€11.6 billion per year**.
2. The **Strategic Partnership Agreement (SPA)**, which promises further to strengthen sectoral, foreign and security policy cooperation with Canada.

In contrast to its more multilateralist emphasis of earlier times, Canadian foreign policy has more recently given a stronger emphasis to economic and commercial interests. Further reflecting the shifting positions on multilateral cooperation, as well as the imperatives of domestic energy concerns, particularly the development of oil sands, EU-Canada cooperation on climate change, environmental and energy issues has slowed.

On the other hand, the EU and Canada have strengthened their bilateral **foreign policy cooperation**, particularly with regard to the Sahel region, Syria, Iran, and most recently Ukraine. Cooperation is also promising on electoral observation, human rights, development and humanitarian assistance. As a leading player on Caribbean security and development, Canada is a natural partner for the EU to implement our new security strategy for the region. Canada has supported and participated in **CSDP** missions in the Balkans and in Africa. More recently, however, a difficult experience in Afghanistan and overall budgetary constraints have made Ottawa less inclined to contemplate military deployments abroad. While Canada contributed financially to EUTM Mali, it has not accepted recent invitations to participate in CSDP missions.

The EU has sought to engage Canada in a deeper dialogue on the **Arctic**, including on how to meet the myriad challenges faced by the region, while addressing the needs of Arctic indigenous people. However, Canada's resistance to the EU's aspirations to permanent observer status in the **Arctic Council** is an unwelcome irritant even if practical cooperation is proceeding.

With these key developments in mind, it is clear that we are on the cusp of a significant shift in EU-Canada relations. The SPA and CETA will take our relationship to a more developed level, institutionalising links that have existed for a number of years through regular ministerial engagements, dedicated cooperation mechanisms and increased economic exchanges. The agreements will generate greater opportunities to strengthen further our bilateral relations.

### **Summit themes and agenda**

Against this background, the summit represents an opportunity to mark an important new milestone in EU-Canada relations, with the establishment of a stronger foundation for our strategic partnership. The summit is the occasion to celebrate the successful conclusion of negotiations for the **Strategic Partnership Agreement** and the **Comprehensive Economic and Trade Agreement**, as well as to set out our shared vision of a strengthened EU-Canada strategic partnership.

The Summit should also declare Canada's unequivocal support for the EU to take up fully its **permanent observer status in the Arctic Council**. Indeed, the Foreign Affairs Council on 12 May 2014 urged Canada to allow for the full implementation of the Kiruna decision of May 2013 before the summit. It would indeed be incongruous to celebrate our strategic partnership and a major trade and economic agreement while the EU is still not able to make fully its valuable contribution to the Arctic. Canada has linked the EU's permanent observer status to the EU's ban on seal products, including through the case brought against the EU at the WTO. The EU has, however, consistently demonstrated its willingness to work with Canada in accordance with the regulation to minimize the impact of seal ban on traditional seal hunting communities. As a strategic partner, Canada should support the EU to assume fully its observer status in the Arctic Council. Most recently, Canada has indicated a willingness to discuss this issue ahead of the summit. Further developments will be reported.

By resolving the EU's status in the Arctic Council, **Arctic cooperation** could be ramped up in areas such as fisheries and maritime affairs, climate change mitigation and adaptation, energy, the environment, minerals and rare earths, as well as on its geostrategic aspects, on economic cooperation (see recently created Arctic Economic Council) and on addressing the needs of Inuit and other indigenous people. Under Horizon 2020 and in the context of the Galway initiative and the Transatlantic Ocean Research Alliance, significant budgets are available for cooperation in Arctic and Maritime Research with Canada (and the US). More cooperation is possible with Canada on these and other **science, research and innovation** areas.

The summit will also represent an occasion to address other important issues for the EU in our relations with Canada:

- **Visa non-reciprocity** – Unlike other EU Member States, Romania and Bulgaria still face a visa requirement for travel to Canada and there seems to be no immediate prospect of lifting these restrictions. Continued EU insistence on visa reciprocity will be necessary in an effort to achieve progress before the Commission has to report or take measures as part of the visa reciprocity mechanism.

- **Energy** has been an underperforming area of cooperation with Canada, due in part to Canada's opposition to the pending implementing measure under the EU's Fuel Quality Directive. This measure is about to be tabled by the European Commission, following very close consultations with the Canadian side and other stakeholders, and should address Canada's key concerns. Canada should, therefore, be encouraged to view these developments positively and constructively and to turn its mind to strengthening energy cooperation with the EU. The summit could inject new impetus in the dormant EU-Canada Energy Dialogue to pursue a meaningful dialogue against the backdrop of European energy security.
- **Environment and Climate Change:** Cooperation with Canada in these areas has been significantly reduced due to the positions taken by the Canadian government. Positions on climate change action remain far apart and the EU should urge Canada to prepare effectively for Paris next year. There is also a need for a regular exchange of views. Immediate and important challenges ahead are to engage Canada on biodiversity and on climate change, ahead of the Convention on Biological Diversity COP 12 in October 2014, and the UNFCCC COP 21 in December 2015.

The summit could in certain areas push cooperation with Canada to a new level. The SPA will build on existing but limited cooperation in areas such as **education, transport and consular issues**.

Other areas of cooperation to explore are:

- **Cooperation on peace and security:** While Canada's participation in **CSDP missions** (as well as in EU Election Observation Missions) seems to be coming under strain, mainly for budgetary reasons, there could be grounds to develop further cooperation by developing a comprehensive dialogue on crisis management. The CSDP symposium organised by the EEAS in Ottawa in May 2014 clearly showed the interest of the security and defence policy communities of both sides in expanding cooperation on CSDP. Canada is also interested in exchanging views on the security and development nexus in the light of similar integrated approaches to crisis management between the EU's comprehensive approach and Canada's "3Ds" (defence, diplomacy and development). Specific areas in which to strengthen cooperation are the Horn of Africa, Libya, the Sahel region, the Gulf of Guinea region – as well in the Caribbean. The *Joint Communication on an EU strategy on public security in Central America and the Caribbean* opens possibilities for closer EU-Canada collaboration. Counterterrorism and security is another area of cooperation to be strengthened, including on the issue of **foreign fighters**.

- **Cooperation on the Eastern Partnership:** the crisis over **Ukraine** has also reinforced Canada's long-standing interest to engage in policy areas related to the **Eastern Partnership** (due to the importance of the Canadian communities of Polish, Ukrainian and Belarus origins).
- **Cooperation on global issues:** While Canada has been a longstanding partner of the EU when it comes to **human rights** issues in multilateral fora, more cooperation is possible and should be explored. Similarly, **development cooperation** can be further strengthened including with regard to the post-2015 Millennium Development Goals agenda. On the multilateral economic front, the EU could benefit from coordinating with Canada on **G20 issues**, as well as on **WTO and plurilateral trade relations**.

**In sum, the summit should mark the beginning of a new chapter in EU-Canada relations, with the establishment of a stronger foundation for our strategic partnership in the SPA and CETA agreements; it should remove obstacles to EU engagement in the Arctic; it should seek to resolve current differences, particularly on visas; it should identify new areas for cooperation; and it should stake out the way ahead for EU-Canada relations in the next couple of years, setting goals for joint work over this period.**

As host, Canada will prepare the first proposals for the summit agenda and joint statement. The agenda should reflect EU interests as identified above. The draft joint statement should be focused and concise, while flexibility will be required to accommodate possible pressing issues – including last minute foreign policy items.

The summit agenda could broadly reflect the following issues:

1. EU-Canada strategic partnership
  - Finalisation of SPA and CETA
2. Arctic cooperation
3. Visa reciprocity
4. Energy
5. Cooperation on peace and security
  - Ukraine/Eastern Partnership
  - Africa
  - Caribbean
6. Global issues
  - Climate change
  - Human rights
  - Development cooperation
  - WTO and plurilateral trade relations
  - G20 issues

Preparations and next steps

COREPER is invited to discuss summit preparations and to provide input and guidance on what the EU's priorities should be in terms of agenda and outcomes. COTRA will be responsible for providing support to the summit preparations at the working level. Other committees, including the PSC on the foreign policy aspects, will be invited to discuss specific issues on the agenda, as necessary. COREPER will be kept informed of progress and a second COREPER discussion will be scheduled ahead of the summit to provide an opportunity for further guidance.

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