

The Parliament of the
Commonwealth of Australia

**124th Inter-Parliamentary Union Assembly
to Panama and
Bilateral visit to Brazil**

Report of the Australian Parliamentary Delegation

4 – 23 April 2011

November 2011

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Membership of the Delegation

Leader Mr Harry Jenkins, MP
Speaker of the House of Representatives
Member for Scullin, Victoria
Australian Labor Party

Deputy Leader Senator the Hon. Judith Troeth
Victoria
Liberal Party of Australia

Members The Hon Dick Adams, MP
Member for Lyons, Tasmania
Australian Labor Party

* The Hon Anthony Byrne, MP
Member for Holt, Victoria
Australian Labor Party

Mr Patrick Secker
Member for Barker, South Australia
Liberal Party of Australia

** Senator the Hon Ursula Stephens
New South Wales
Australian Labor Party

Officials Ms Debra Biggs
Adviser to the Speaker

Mr Eric van der Wal,
Foreign Affairs Adviser (IPU only)

Ms Claressa Surtees
House of Representatives (ASGP only)

Ms Jeanette Radcliffe
Delegation Secretary

Mrs Michele Jenkins, Ms Dee Alty and Mr Robert Stephens also accompanied the delegation.

* Mr Byrne attended the Assembly on 15 and 16 April 2011 as Australia's representative on the Advisory Group of the IPU Committee on UN Affairs.

** Personal circumstances required Senator Stephens to return to Australia during the delegation's bilateral visit to Brazil.

Preface

From 4 to 23 April 2011, an Australian parliamentary delegation attended the 124th Inter-Parliamentary Union Assembly in Panama City, Panama. Prior to the Assembly, the delegation undertook a bilateral visit to Brazil. The delegation was led by the Speaker, Mr Harry Jenkins MP, and included Senator the Hon Judith Troeth (Deputy Leader), The Hon Dick Adams MP, Mr Patrick Secker MP and Senator the Hon Ursula Stephens. For the 124th Inter-Parliamentary Union Assembly, the delegation was joined by The Hon Anthony Byrne MP.

The Delegation was accompanied by Ms Debra Biggs, Adviser to the Speaker, Mr Eric van der Wal, Adviser, Department of Foreign Affairs and Trade (IPU only) and Ms Jeanette Radcliffe, Secretary to the Delegation, Department of the Senate. Ms Claressa Surtees, Clerk Assistant Table, of the House of Representatives, represented Australia at the meetings of the Association of Secretaries General of Parliaments which was held in conjunction with the Assembly.

This report outlines the work undertaken by the delegation at the 124th Inter-Parliamentary Union Assembly and the delegation's observations. Both the assembly and the bilateral visits allowed the delegation to engage on issues of significance to Australia and to engage more broadly with parliamentary counterparts from other countries.

The delegation expresses its appreciation to the Parliament of Panama for its effective organisation of the 124th Inter-Parliamentary Union Assembly.

During its visit to Brazil, the delegation had the honour of meeting with the President of the Federal Senate, Senator Jose Sarney, and the President of the Chamber of Deputies, Mr Marco Maia. The delegation expresses its gratitude to both gentlemen for the time they devoted to the visit.

The delegation is also extremely grateful to the President of Panama, Mr Ricardo Martinelli Berrocal for the time he devoted to the delegation's visit to Panama.

The delegation also wishes to express its appreciation for the informative programs that were arranged and the assistance and support provided by Australian embassies and consulates in Brazil and Panama. Particular thanks are due to Ambassador Brett Hackett and staff of the Australian Embassy in Brazil for their assistance during the bilateral visit to Brazil and to Ambassador Katrina Cooper and staff of the Australian Embassy in Mexico for assistance and support while the delegation was in Panama.

The delegation is also grateful for the comprehensive and informative briefing provided by officers of the Department of Foreign Affairs and Trade, AusAID, The Department of Sustainability, Environment, Water, Population and Communities, the Department of Agriculture, Fisheries and Forestry and staff of the Parliamentary Library in preparation for its participation at the IPU Assembly and for its bilateral

visits to Brazil and Panama. The delegation thanks these agencies for providing this useful advice.

The delegation would like to place on record its particular appreciation of the excellent advice and support provided by Mr van der Wal as Foreign Affairs Adviser to the delegation during the 124th IPU Assembly in Panama and at previous assemblies.

The delegation also thanks Ms Fiona Way, International and Community Relations Office, for her invaluable administrative support and assistance, the staff at HRG Travel and Mr Tony Styles, Finance Section, Department of the Senate. Their assistance with advice and arrangements were highly appreciated.

Highlights of the work of the Australian Delegation at the IPU Assembly

The Speaker participated in the General Debate on the political, economic and social situation in the world around the theme of *Parliamentary accountability: Living up to people's expectations*.

The Speaker was also invited, together with Senator Rosario Green of Mexico, to co-chair a working luncheon on nuclear disarmament.

The Speaker and Mr Secker participated in the Working Group on the Scale of Contributions.

Mr Secker also participated in the debate in the First Standing Committee (Peace and International Security) on *Providing a sound legislative framework aimed at preventing electoral violence, improving election monitoring and ensuring the smooth transition of power*.

Mr Adams participated in the debate in the Second Standing Committee (Sustainable Development, Finance and Trade) on *The role of parliaments in ensuring sustainable development through the management of natural resources, agricultural production and demographic change*. Mr Adams was elected Chair of the drafting committee to finalise the resolution on this item for adoption by the IPU Assembly. Mr Adams was also nominated by the Asia-Pacific geopolitical group, and subsequently elected, as a substitute Vice-President for the Bureau of the Second Standing Committee.

Senator Troeth participated in the debate in the Third Standing Committee (Democracy and Human Rights) on *Transparency and accountability in the funding of political parties and electoral campaigns*.

Senator Troeth also participated in the Meeting of Women Parliamentarians.

Mr Byrne participated as Australia's representative on the in Advisory Group of the IPU Committee on UN Affairs.

The delegation participated in a vote on the inclusion of the following emergency item on the agenda of the Assembly: *Strengthening democratic reform in emerging*

democracies, including in North Africa and the Middle East. The Speaker was appointed rapporteur to the drafting committee to finalise the resolution on the emergency item for adoption by the IPU Assembly and presented the drafting committee's report and resolution to the Assembly.

Members of the delegation attended all meetings of the 12+ geopolitical group and the Asia Pacific geopolitical group.

The delegation held bilateral discussions with a number of other delegations: the Speaker, Senator Troeth and Mr Secker met with Ms Chinami Nishimura and other members of the Japanese delegation; Senator Troeth and Mr Secker met with Sheikh Humam Hamoudi from the Iraqi Delegation; Mr Adams and Mr Secker met with Ms Jinai Kim and Mr Hee-Chull Kim of the delegation from the Republic of Korea; Mr Jenkins also met with Ms Maria Terezinha Viegas, the Leader of the Delegation from Timor Leste and Mr Jenkins and Mr Byrne met with Ms Meira Kumar, Leader of the Indian delegation.

Members of the delegation also attended a number of official ceremonies and social functions hosted by the Panamanian and Swiss Parliaments.

Chapter 1

124th Inter-Parliamentary Union Assembly

Introduction

1.1 The Inter-Parliamentary Union (IPU) is the international organisation of parliaments, providing a focal point for world-wide parliamentary dialogue. It currently comprises 157 member parliaments and nine associate members.

1.2 The IPU works for peace and co-operation among peoples and for the firm establishment of representative democracy.

1.3 IPU Assemblies are held twice a year and bring together parliamentarians to study international problems and make recommendations for action. The assemblies include debates on significant international issues, the regular meeting of the IPU Governing Council, and meetings of specialist committees, working groups and geopolitical groups.

1.4 The 124th IPU Assembly was held in Panama City, Panama from 15 to 20 April 2011. Delegations from the following 119 parliaments attended the 124th Assembly:

Afghanistan, Algeria, Andorra, Angola, Argentina, Australia, Austria, Bahrain, Bangladesh, Belarus, Belgium, Brazil, Bulgaria, Burkina Faso,

Burundi, Cambodia, Cameroon, Canada, Chile, China, Colombia, Congo, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Democratic

Republic of the Congo, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, Ethiopia, Finland, France, Gabon, Gambia, Georgia,

Germany, Ghana, Guatemala, Guinea Bissau, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Israel, Italy, Japan, Jordan,

Kazakhstan, Kenya, Kuwait, Latvia, Lesotho, Liechtenstein, Luxembourg, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico,

Micronesia (Federated States of), Monaco, Mongolia, Morocco, Mozambique, Namibia, Netherlands, New Zealand, Norway, Oman,

Pakistan, Palestine, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Romania, Russian

Federation, San Marino, Sao Tome and Principe, Saudi Arabia, Senegal, Serbia, Sierra Leone, Slovenia, South Africa, Spain, Sri Lanka, Sudan,

Suriname, Sweden, Switzerland, Syrian Arab Republic, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Turkey, Uganda, Ukraine, United

Kingdom, United Republic of Tanzania, Uruguay, Venezuela, Viet Nam, Zambia and Zimbabwe.

1.5 This report provides details of the meetings and activities in which the Australian parliamentary delegation to the IPU participated. The complete documents from the Assembly and related meetings are available from the IPU's website at: www.ipu.org.

General debate

1.6 The theme of the general debate at the 124th IPU Assembly was *Parliamentary accountability: Living up to people's expectations*. A total of 104 speakers from 90 delegations took part in the debate.

Keynote address – Ms Michelle Bachelet, Executive Director of UN Women

1.7 Ms Bachelet expressed her pleasure at taking part in the Assembly and having the opportunity to present UN Women to the IPU membership. Ms Bachelet said that respect for women's rights and the achievement of gender equality were core tenets of progress, not only for women, but for society as a whole.

1.8 At the time of the 124th Assembly, UN Women was developing its three-year strategic plan and had identified five thematic priorities for its operational activities:

- enhancing women's economic empowerment;
- expanding women's voice;
- leadership and political participation;
- ending violence against women;
- strengthening implementation of the women's peace and security agenda; and
- making gender-equality priorities central to national, local and sectoral planning and budgeting.

1.9 Ms Bachelet observed that Parliaments are natural and important partners in the achievement of gender equality and the goals set by UN women. She said that parliamentarians have an important role to play in the promotion of gender equality as legislators, overseers of government action, representatives of the people and opinion leaders.

1.10 She noted that women's participation in the economy had been slow, however the introduction of quotas and similar initiatives in a number of European countries had brought positive results. Ms Bachelet noted that in all countries where women had access to senior positions, infant mortality had dropped, education had improved and HIV contamination had been reduced.

1.11 Ms Bachelet welcomed the IPU's global survey on gender-sensitive parliaments which proposes tools to help better define strategies and bring about real behavioural change. She called on parliaments to develop and adopt gender priorities and plans at the beginning of each legislature. She reminded participants that every

law had a gender dimension or affected women in some way. She stressed that the enactment of laws was not enough on its own, it is equally important to ensure that laws promoting women provide for effective implementation measures.

1.12 After her address Ms Bachelet responded to a range of questions from delegates including: the contributions of the IPU and parliaments to the Commission on Status of Women; an inclusive process in political decision-making; the promotion of young women's participation in politics and to rural outreach.

1.13 The Speaker of the House of Representatives, Mr Harry Jenkins noted that Ms Bachelet had challenged delegates to consider important issues. He said that the challenge in a multicultural and multilateral forum such as the IPU was to consider those issues from different national and cultural perspectives. He said that while Ms Bachelet had set out key markers such as the increased proportion of women representatives in parliament, the issues went beyond that. He noted that in Australia, there is now a woman Prime Minister, but she is treated differently. He wished to ensure that the role was given equal treatment regardless of the gender of the occupant.

Keynote address – Mr Juan Carlos Varela, Vice-President of Panama and Minister of Foreign Affairs

1.14 Mr Varela expressed his pride at presenting Panama's views to the Assembly. He described Panama as a land open to the world, where paths crossed and minds met. He said that in the two decades since it had emerged from a dictatorship, Panama had continually strengthened its democracy. Panama's new Electoral Code allowed for free, fair and transparent elections.

1.15 At the international level, Panama supports all initiatives aimed at reinforcing democracy and condemns populist demagoguery and the use of religious dogma to erode fundamental freedoms. He said that Panama supported the powerful movements for democracy that had emerged in a number of Arab countries, which it believed would herald the birth of the democracy that was indispensable for the well-being of the people. He also told the Assembly that Panama has no army, but is home to strategic installations that are key for international transport and he expressed Panama's respect for international law, which he says guaranteed regional stability.

1.16 He concluded by seeking the support of the world's parliaments for Panama's celebrations in 2012 Panama commemorating the 500th anniversary of Vasco Nuñez de Balboa's discovery of the Pacific Ocean.

General debate

1.17 The general debate took place on 16 and 17 April and in the morning of 19 April. A total of 104 speakers from 90 delegations, including The Speaker, took part in the debate.

1.18 The Speaker said that the debate provided an opportunity to discuss parliamentary accountability in its myriad forms. He said the ballot box is the ultimate form of that accountability. The recent Australian general election had shown that people could make a resolute decision on the future of their country. The results had left the two major parties tied on 72 seats with the balance of power held by six non-aligned members. As the government cannot guarantee a majority on each individual piece of legislation, it has to earn the votes of those six members, resulting in a greater level of accountability. To secure the support of non-aligned members, the government had entered into an agreement on political reform that would expand the involvement of parliamentary committees in the scrutiny of draft legislation, and through them the community.

1.19 He said that it was important that parliament conducted its affairs in a relevant manner; it was pointless for Australia to be stuck in the 19th century; it needed a 21st century parliament to be properly accountable. This has been seen globally with people deciding that the ways of the past were no longer appropriate. The events in North Africa had demonstrated the importance of social networks and new technology.

1.20 He concluded by commending the IPU on its great record in promoting democracy and good governance. He called for the establishment of an independent democratic panel which could identify and promote best practice among parliaments across the world.



The Speaker, Mr Harry Jenkins, addressing the 124th Inter-Parliamentary Union Assembly

Emergency item

1.21 Five requests for the inclusion of an emergency item were initially received. The delegations of Indonesia, Islamic Republic of Iran and New Zealand subsequently presented a joint proposal. As a result there were three proposals to be considered by the Assembly:

- Call for urgent global action to assist earthquake and tsunami-hit Japan and to prevent the impact of the disaster on the region as a whole (submitted by Pakistan);
- Parliamentary action to strengthen the right to self-determination of peoples within the framework of international law (submitted by Venezuela); and
- Strengthening democratic reform in emerging democracies, including in North Africa and the Middle East (submitted by Indonesia, Islamic Republic of Iran and New Zealand).

1.22 At the request of the Japanese delegation and in a spirit of cooperation, Pakistan withdrew its proposal on the understanding that the President of the Assembly would make a declaration on behalf of the Assembly on the disaster in Japan. At the beginning of the closing session of the Assembly, the President read out a declaration expressing solidarity with the people of Japan in the face of the earthquake and tsunami that had caused enormous loss of life and devastation. The resolution called on the international community to provide generous human, material and financial support. The full text of the declaration is at Appendix A. In responding to this declaration, Mr T Morimoto (Japan) expressed deep appreciation for the declaration and said that it was a source of encouragement and hope to all those working tirelessly to reconstruct the country. He said that as in the past, Japan would share its experience with other countries and international organisations, and would continue to contribute to common efforts to reduce the effects of natural disasters whenever and wherever they struck.

1.23 Venezuela also withdrew its proposal, noting that some of the ideas expressed in the proposal were included in the joint proposal put forward by Indonesia, Islamic Republic of Iran and New Zealand.

1.24 The Assembly therefore adopted the joint proposal for inclusion in the Assembly Agenda and subsequently referred it to a drafting committee composed of representatives of Australia, Belgium, India, Indonesia, Iran (Islamic Republic of), Mexico, Netherlands, New Zealand, Oman, Republic of Korea, Saudi Arabia, Togo and Venezuela. The drafting committee appointed Ms N. Ali Assegaf (Indonesia) as president and the Speaker as rapporteur.

1.25 In presenting the report of the drafting committee to the Assembly, the Speaker complimented Ms Ali Asagaf's skill in chairing the committee. He said that following a rich exchange of views, the discussion had resulted in a clear and succinct draft resolution. He invited the Assembly to adopt the resolution, thereby affirming the importance of organizing free and regular elections as soon as possible; ensuring

the emancipation of women, and their participation in democratic processes in particular; respecting human rights, and in particular abstaining from all violence; and respecting the rights of peoples to self-determination. He stressed the view of the drafting committee that the IPU could play a decisive role coming to the aid of democracies in difficulty.

1.26 The resolution was unanimously adopted by the Assembly on 20 April 2011. The text of the final resolution is at Appendix B.

Standing committees

1.27 The three standing committees of the IPU met during the 124th Assembly to consider draft resolutions to be put forward to the Assembly. Drafting committees were appointed for each standing committee to consider amendments to each draft resolution and to prepare the text of the final resolutions.

First Standing Committee on Peace and International Security (Agenda Item 4)

Providing a sound legislative framework aimed at preventing electoral violence, improving election monitoring and ensuring a smooth transition of power.

1.28 The committee held three sittings: two on 16 April 2011 and one on 18 April 2011, with Mr S.H. Chowdhury (Bangladesh), Vice-President, in the chair. In addition to the reports and the preliminary draft resolution prepared by the co-Rapporteurs Mr J.D Seelam (India) and Mr W Madzimore (Zimbabwe), the committee also considered amendments to the draft resolution submitted by the delegations of Canada, France, Germany, India, Indonesia, Italy, Japan, Morocco, Sweden, Venezuela and the Latin American Parliament.

1.29 At its first sitting, the committee received a presentation of the joint report and preliminary draft resolution by the two co-Rapporteurs. A presentation was also made by Mr T.A Diabacte, Deputy Director of the United Nations Electoral Assistance Division. A total of 48 speakers from 42 parliaments participated in the debate after which a drafting committee was appointed to finalise the resolution for consideration by the Assembly.

1.30 The resolution was adopted by consensus at the Assembly meeting on 20 April 2011. The text of the final resolution is at Appendix C.

1.31 The Bureau of the First Standing Committee met on 18 April 2011 to examine seven proposals submitted by IPU Member Parliaments for the subject to be debated by the committee at the 126th Assembly. As the Bureau was unable to reach a consensus, the choice of subject item was brought to the Committee's next plenary sitting for debate and vote. Following the vote, the following subject was proposed to the Assembly for inclusion in the agenda of the 126th Assembly:

Promoting and practising good governance as a means of advancing peace and security: Drawing lessons from recent events in the Middle East and North Africa.

1.32 This subject item was subsequently approved by the Assembly and Mr J.J. Mwimbu (Zambia) and Mr M. Gyöngyösi (Hungary) were appointed as co-Rapporteurs.

Second Standing Committee on Sustainable Development, Finance and Trade (Agenda Item 5)

The role of parliaments in ensuring sustainable development through the management of natural resources, agricultural production and demographic change.

1.33 The Second Standing Committee met on 17 and 19 April with its President, Mr P. Martin-Lalande (France), in the Chair. The committee considered a report and preliminary draft resolution prepared by the co-Rapporteurs, Mr A. Cherrar (Algeria) and Ms. K Ferrier (Netherlands). The committee also considered amendments to the draft resolution submitted by the delegations of Belgium, Canada, China, Cuba, France, Germany, India, Indonesia, Italy, Japan, Morocco, Romania, Sweden, Switzerland, Venezuela and the Latin American Parliament. Two additional sub-amendments were submitted by the delegation of Norway.

1.34 A total of 47 speakers, including Mr Dick Adams, took the floor during the plenary debate. Mr Adams said that research and development, increased training and communication and awareness-raising measures should be used to encourage increased production without expanding farmlands. He told the committee that Australian agriculture was developing methods of dealing with a drier, harsher climate. He also expressed the view that industrial farming should become a thing of the past and that science, technology and new approaches should be shared. Mr Adams proposed that the draft resolution should include a reference to the need to regulate the use of genetically modified organisms.

1.35 A drafting committee composed of representatives from Australia, Bangladesh, Cambodia, Chile, Gabon, Ghana, India, Namibia, Norway and Peru met on 18 April 2011. It appointed Mr Adams as its president and Mr T. Wickholm (Norway) as its rapporteur. The drafting committee examined 128 amendments to the preliminary draft resolution, adopting some in either in full or in part. A number of other amendments were accepted in spirit. The consolidated draft resolution was examined by the Second Standing Committee on 19 April 2011. The committee had to vote in four instances. The draft resolution was adopted unanimously by the Assembly on 20 April 2011. The text of the final resolution is at Appendix D.

1.36 The Bureau of the Second Standing Committee met on 19 April 2011 to examine proposals submitted by IPU Member Parliaments for the subject to be debated by the committee at the 126th Assembly. Following a vote of the Bureau and

of the Standing Committee, the following subject was proposed to the Assembly for inclusion in the agenda of the 126th Assembly:

Redistribution of power, not just wealth: Ownership of the international agendas.

1.37 This subject was subsequently approved by the Assembly and Lord Judd (United Kingdom) and Mr O. Benabdallah (Morocco) were appointed co-Rapporteurs.



Mr Dick Adams addressing the Second Standing Committee on Sustainable Development, Finance and Trade.

Third Standing Committee on Democracy and Human Rights (Agenda Item 6)

Transparency and accountability in the funding of political parties and election campaigns.

1.38 The Third Standing Committee held three sittings, on 16, 17 and 19 April 2011, with its President, Mr J.C. Mahía (Uruguay), in the Chair. The committee considered a report and preliminary draft resolution prepared by the co-Rapporteurs, Ms M. Kubayi (South Africa) and Mr P. Moriau (Belgium), along with amendments submitted by the delegations of Canada, France, India, Indonesia, Italy, Japan, Morocco, Romania, Sweden, Venezuela, and by the Meeting of Women Parliamentarians.

1.39 A total of 47 speakers, including Senator Judith Troeth, took part in the debate. Senator Troeth told the committee that key areas of concern for electoral reform in Australia included the *de facto* campaigning "arms race" created by the spiralling cost of electioneering, the regulation of new media and technologies and overlapping electoral systems. She expressed the view that the removal of private funding, advocated by some of her fellow parliamentarians, would thwart freedom of speech and association. She said that donations and in-kind gifts from third parties were also under increasing scrutiny, particularly as they could be utilised to circumvent expenditure rules.

1.40 She also noted the influence of compulsory voting on campaign funding, the scrutiny of expenditure by sitting members of parliament and senators and the role of the Australian Electoral Commission in promoting accountability and transparency. She identified the partisan manner in which governments amend electoral laws or neglected urgent electoral reform in order to gain political advantage as a cause for concern.

1.41 A drafting committee composed of representatives of Bahrain, Canada, Ecuador, Ghana, Indonesia, Malaysia, Monaco, Philippines, Switzerland, Togo and Uruguay met on 18 April 2011, chaired by Mr C. Cellario (Monaco) and with Ms M. Kubayi (South Africa) as rapporteur. The consolidated draft, which incorporated some of the draft amendments, was considered by the Standing Committee on 19 April 2011. The Committee adopted the amended resolution, but the delegations of Algeria and Sudan expressed reservations in relation to operative paragraph 9 and preambular paragraph 17 respectively. The Assembly adopted the draft resolution by consensus on 20 April 2011. The text of the final resolution is at Appendix E.

1.42 The Bureau of the Third Standing Committee met on 18 April 2011 to examine proposals submitted by IPU Member Parliaments for the subject to be debated by the committee at the 126th Assembly. The Third Standing Committee decided to propose the following subject to the Assembly for inclusion in the agenda of the 126th Assembly:

Access to health as a basic right: The role of parliaments in addressing key challenges to securing the health of women and children.

1.43 This item was subsequently approved by the Assembly and Ms P. Turyahikayo (Uganda), Ms S Atallahjan (Canada) and Mr C. Sardinha (India) were appointed as co-Rapporteurs.



Members of the Australian and Japanese Delegations to the 124th Inter-Parliamentary Union Assembly

Chapter 2

188th Session of the Governing Council

Introduction

2.1 The Governing Council is the plenary policy-making body of the IPU. The committees and working groups of the IPU report to the Governing Council.

2.2 The 188th session of the Governing Council was held on 16 April and 20 April 2011. There were 15 agenda items.

Membership of the IPU

2.3 At its sitting on 16 April 2011, the Governing Council approved requests for affiliation submitted by the parliaments of the Federated States of Micronesia and Trinidad and Tobago. It considered developments with regard to the parliaments of Egypt and Tunisia. In order to accompany the transition currently under way in both countries and in the hope that free and fair elections would be held as announced, the Governing Council decided to maintain the membership status of both parliaments

2.4 The Governing Council took note of the situation of several parliaments which were in arrears in the payment of their contribution to the IPU. The Governing Council expressed particular concern at the situation of the parliaments of Comoros and Liberia and decided that it would suspend the membership of both parliaments in October 2011 unless payment of a substantial portion of the outstanding contributions was received prior to the Governing Council's next session.

Financial situation of the IPU

2.5 The financial report and audited financial statements for 2010 were presented to and approved by the Governing Council. The IPU had ended the year with a small operating deficit of CHF 3,096. The Governing Council noted that, after making provisions for the continuing actuarial loss of the legacy staff Pension Fund, the Working Capital Fund had been reduced by CHF 401,096, compared with CHF 145,561 in 2009, and stood at CHF 4,535,594 at the year end.

2.6 The Governing Council noted the report of the Internal Auditor and in particular recommendations regarding progress toward updating IPU inventories, the need to respect maximum levels in areas of travel and hotel accommodation expenditure, the need for close attention to be paid to four voluntary-funded projects which showed very little or no activity, and the need for a professional actuarial study to be carried out to obtain a more accurate estimate of the liability incurred by the IPU legacy staff Pension Fund. The Governing Council noted the Secretary General's assurances regarding the implementation of these recommendations.

2.7 The report on the financial situation of the IPU at 31 March 2011 was also presented. The Governing Council noted that the overall financial position of the IPU had remained stable, the total amount of outstanding contributions from previous years had improved compared to the same period in the previous year and that the overall level of expenditure had reached 81 per cent of the year-to-date budget.

Cooperation with the United Nations

2.8 The Governing Council noted the various activities that have been undertaken in cooperation with the United Nations since October 2010 and approved a calendar of forthcoming initiatives and meetings.

2.9 In considering the growing relationship between the United Nations and the IPU, the Governing Council welcomed the adoption by the United Nations General Assembly, in December 2010, of the resolution on cooperation between the United Nations, national parliaments and the IPU. The Governing Council also noted that the next session of the UN General Assembly would include a stand-alone agenda item on interaction between the United Nations, parliaments and the IPU.

2.10 A briefing was given on preparations for the High-level Meeting on HIV/AIDS scheduled to take place in June 2011 in New York and the Governing Council noted that a parliamentary session would be convened to coincide with that meeting. The Governing Council also adopted a Parliamentary Message to be delivered on the occasion of the Fourth United Nations Conference on the Least Developed Countries to be held in Istanbul from 9 to 13 May 2011. The Council noted that the IPU and the Grand National Assembly of Turkey would convene a parliamentary meeting to review parliament's role in the implementation of the Brussels Program of Action for Least Developed Countries for the Decade 2001-2010.

IPU Strategy for 2012 -2017

2.11 The Governing Council took note of the draft IPU strategy for 2012 to 2017, prepared by the Executive Committee on the basis of proposals submitted by member parliaments, geopolitical groups and various IPU committees. Member countries were encouraged to debate the draft and submit comments or suggestions on it to the Secretariat.

2.12 The draft strategy identified three strategic directions: democracy and parliaments, the involvement of parliaments at the international level and the IPU as an instrument of parliamentary cooperation. The Governing Council noted that these strategic directions are interrelated, mutually reinforcing and underpinned by parliamentary cooperation.

2.13 The draft strategy will be submitted to the Governing Council for adoption at its 189th session in Bern in October 2011. The Council noted that, once adopted, the strategy would be implemented through selected activities in the annual programme of work and consolidated budget and would be financed through the core budget. The level of funding through Member's contributions would remain constant for the period

covered by the strategy and voluntary funding would need to be identified to implement additional activities not funded by the core budget.



The Australian Delegation during the 188th Session of the Governing Council

Strengthening democracy and parliamentary institutions

2.14 The Governing Council took note of a report on recent IPU activities to strengthen parliaments and democracy in four key areas: building the capacities of parliaments, promoting gender equality in political life, defending and promoting human rights, and developing standards for democratic parliaments.

2.15 During 2010, the IPU provided advice, guidance and technical assistance to twelve parliaments in Africa, Asia and in Arab countries. The IPU has recently concluded negotiations with the European Commission and UN Development Programme on the launch of a major program of assistance for the secretariat of the Palestinian Legislative Council.

2.16 The IPU promoted implementation of the Convention on the Elimination of All Forms of Discrimination against Women. It tracked progress made in the political representation of women, and had co-published, with the United Nations, a new edition of the Map of Women in Politics. The IPU also undertook a major study on gender-sensitive parliaments. The findings of this study were presented at the 124th Assembly. The IPU had also supported activities to address gender issues in the Democratic Republic of the Congo, Rwanda, Togo and Tunisia. IPU activities to promote parliamentary action to combat violence against women were conducted with West and Central African parliaments.

2.17 In the area of the protection of human rights the IPU had facilitated networking among parliamentary human rights bodies and had initiated a major project to combat child trafficking for labour purposes in cocoa plantations in West

and Central Africa. A regional parliamentary roadmap had been adopted in Benin in May 2010, and the IPU had assisted the parliaments of Benin, Burkina Faso, Gabon and Togo with its implementation.

2.18 Activities to promote parliamentary good practice and the inclusiveness have included the launch of the Global Parliamentary Report, which will be published in 2012 and will provide an overview of the world's parliaments, their members' perspectives and the challenges they faced. The IPU also concluded a two-year project to promote inclusiveness in parliaments of minorities and indigenous peoples. This project culminated in a conference held in Chiapas, Mexico, in November 2010. This conference had adopted a declaration to encourage further work by the IPU and parliaments to enhance the political participation of minorities, indigenous and other marginalised groups.

2.19 The IPU supported the work of the UN Peacebuilding Commission through the provision of assistance to the Parliaments of Sierra Leone, Guinea Bissau and the Parliament of the Maldives. Other democracy-related work included celebrations to mark the International Day of Democracy and work to bring the two major democracy movements, the International Conference of New or Restored Democracies and the Community of Democracies, closer together.

Parliamentary action in support of refugees

2.20 The Governing Council noted that 2011 marked the 60th anniversary of the adoption of the 1951 United Nations Convention relating to the Status of Refugees and the 50th anniversary of the 1961 Convention on the Reduction of Statelessness. The Council marked these important anniversaries by adopting a parliamentary statement reiterating support for refugee protection and for the work of UNHCR.

Committee reports

2.21 The Governing Council took note of reports from the following specialised committees:

- Meeting of Women Parliamentarians;
- Group of Facilitators for Cyprus;
- Committee to Promote Respect for International Humanitarian Law; and
- Gender Partnership Group

2.22 The Council also heard the report of the Committee on the Human Rights of Parliamentarians and adopted its resolutions on individual cases before the Committee. The Council noted the reservations and clarifications put by representatives of the delegations of Israel, Malaysia and Zimbabwe on cases in their respective countries.

2.23 The Council also heard a report of the Committee on Middle East Questions and a statement by the delegation of Israel, which voiced disagreement with some of

the views expressed by the Committee. The Council noted the statements made by six member parliaments, some of which referred to the need for geopolitical balance and adequate funding for the Committee.

Recent specialised conferences and meetings

The Governing Council took note of the results of the following specialised conferences and meetings:

- Eastern and Southern Africa Parliamentary Regional Workshop on Children and AIDS: The social protection response, the role of the parliaments;
- World e-parliament Conference 2010;
- International Parliamentary Conference on parliaments, minorities and indigenous peoples: Effective participation in politics;
- Annual Parliamentary Hearing at the United Nations;
- Parliamentary Meeting on the occasion of the United Nations Climate Change Conference;
- Regional Seminar for Twelve Plus parliaments on youth participation in democracy;
- Parliamentary Meeting on the occasion of the 55th session of the UN Commission on the Status of Women;
- Annual Session of the Parliamentary Conference on the WTO; and
- Regional seminar for West and Central African parliaments on combating violence against women.

Future meetings

2.24 The Governing Council approved a list of future meetings and other activities to be funded from the IPU's regular budget. The Council approved a proposal to use the funds accumulated from offsetting CO₂ emissions to cover part of the costs of the parliamentary conference on the occasion of the United Nations Climate Change Conference as well as a climate change-related meeting for Pacific Island parliaments that would be organised together with the parliaments of Australia and New Zealand. The Council welcomed the invitation by the parliament of Ecuador to host the 128th IPU Assembly in Quito in March 2013 and looked forward to a full report at its next session.

Advisory Group of the IPU Committee on United Nations Affairs

2.25 In order to better respond to the growing partnership between the IPU and the United Nations, a dedicated Committee on United Nations was established in the spring of 2007. This committee meets once a year in plenary session, during the October Assembly of the IPU and has a broad mandate which includes:

- evaluating progress in the cooperation between the IPU and the UN system, and proposing strategies for further action;
- convening hearings with senior UN officials;
- examining how parliaments organise their work vis-à-vis the UN;
- examining and making suggestions for more structured cooperation with the UN by regional parliamentary organisations and assemblies; and
- examining the overall working of the UN and its reform, in particular in terms of system-wide coherence, institutional effectiveness and the use of public funds.

2.26 To better organise its work, the committee set up an Advisory Group tasked with providing substantive input and preparing the committee work plan, as well as with conducting investigations and field missions and reporting thereon to the committee.

2.27 The members of the Advisory Group are appointed *ad personam* by the IPU President, after consultation with the IPU membership through the geopolitical groups, for a period of two years. The current membership of the Advisory Group is composed of members from Argentina, Australia, Brazil, Burkina Faso, Croatia, Ethiopia, Finland, Ireland, Nigeria, Mexico, Pakistan, South Africa and Spain. The Advisory Group is chaired by Ms R. Green (Mexico). Australia is represented on the Group by Mr Anthony Byrne. The Advisory Group met *in camera* during the 124th Assembly on 16 April 2011.

Chapter 3

260th Session of the Executive Committee

Introduction

3.1 The Executive Committee of the IPU oversees the administration of the IPU. It provides advice to the Governing Council on matters relating to affiliation and re-affiliation to the IPU, fixes the date and place of Council sessions, and establishes the provisional agenda for those sessions. The Executive Committee also proposes to the Governing Council the annual work program and budget of the IPU. It controls the administration of the IPU secretariat as well as its activities in the execution of the decisions taken by the IPU Assembly and the Governing Council.

3.2 The Executive Committee held its 260th Session from 12 to 14 April and on 19 April 2011.

Observers

3.3 The Executive Committee decided to undertake a review of observer status at the IPU and to examine the feasibility of introducing a fee for observers. Pending that review, it decided to postpone the decision on three requests for observer status submitted by Penal Reform International, the Parliamentary Assembly of the Community of Portuguese-speaking Countries and the Partnership for Maternal, Newborn and Child Health (PMNCH).

Financial matters

3.4 The report on the 2010 financial results and financial situation of the IPU at 31 February 2010 was presented to the Executive Committee, together with the management letter from the External Auditor and the management response. It was noted that recommendations made by the Auditor in his previous report were being implemented. The Executive Committee concurred with the Auditor's recommendation that the IPU needed to improve its implementation rate and that any project that suffered significant delays should be closely monitored and the funds returned to the donor if reasonable progress was not being made.

Pension funds

3.5 The Executive Committee reviewed the contract of the Secretary General and the staff legacy Pension Fund and endorsed a proposal from the Board of the Pension Fund to undertake an actuarial assessment to determine the current liability of the Fund and to make the necessary adjustments in the investment policy and the management of the portfolio to secure the viability of the Fund.

3.6 It was noted that the IPU, as a condition of membership in the UN Joint Staff Pension Fund, was required to apply the UN common system of salaries, allowances and benefits. The Committee undertook a detailed review of those entitlements.

Establishment of a finance committee

3.7 The Executive Committee decided to establish a finance committee in October 2011 to assist with budget, finance and auditing matters. A working group of the Executive Committee was tasked with developing the mandate and working modalities of that group.

Future IPU Budgets

3.8 The Executive Committee looked at initial estimates of income and expenditure for 2012. According to those estimates, the core budget for 2012 and beyond would be lower than in previous years. It was noted that the Executive Committee was working to achieve economies based on clear priorities, which it would establish on the basis of the IPU Strategy for 2012 to 2017.

Working Group on the scale of contributions

3.9 Since the early 1990s, the IPU has constructed its scale of contributions on the basis of the UN scale of assessments, which aims to ensure that member States' contributions reflect their relative capacity to pay. The IPU adjusts the UN scale because the membership of the two organisations is not the same and because the IPU has decided to apply a higher minimum contribution than that used by the UN.

3.10 The current scale was adopted in 2006, and is directly related to the approved UN scale of contributions for 2007 to 2009. The UN scale of assessments is updated every three years. The IPU governing bodies intended to update the scale of contributions in 2009 to reflect the new UN scale of assessments for 2010-2012. However, as the UN scale was not ready at the time of the 121st Assembly, this review was delayed. The 121st Assembly, noted that the working group on the scale of contributions would reconvene in 2011 to review the scale of contributions for the period 2011-2012. The Speaker and Mr Secker both participate in the working group.

3.11 The working group met twice in Panama and would continue to examine a variety of options. The Committee agreed to review the work of the group in October 2011, when it hoped to present a revised scale to the Governing Council.

Proposed amendment to Articles 5.2 and 5.3 of the IPU Statutes

The Executive Committee noted that Articles 5.2 and 5.3 of the Statutes did not specify that Associate Members defaulting in their financial contributions were subject to sanctions and suspension if they did not pay their contributions. The Committee asked the Secretary General to prepare an amendment to those articles for circulation to the membership and consideration by the Governing Council at its next session.

Chapter 4

16th Meeting of Women Parliamentarians

Introduction

4.1 The Meeting of Women parliamentarians aims to:

- promote an increase in the number of women parliamentarians as delegates to IPU meetings;
- promote greater participation of women parliamentarians in all senior posts of the IPU;
- allow women to learn more about the status of women in their own and other regions and about strategies or mechanisms developed by other countries to meet the concerns of women;
- establish contact with other women parliamentarians whether or not they participate in IPU meetings;
- pre-study items on the agenda of each of the IPU Assemblies from the perspective of women legislators in order to develop strategies to make their delegations receptive to their concerns and to promote their objectives in the plenary sittings of the Assembly and committees; and
- identify suitable subjects for study by the IPU Assembly.

4.2 The 16th Meeting of Women Parliamentarians took place on 15 April 2011 and brought together approximately 115 women from 74 parliaments. Australia was represented by Senator the Hon Judith Troeth. IPU associate members and international organisations also attended the meeting, including the Partnership for Maternal Newborn and Child Health, the Office of the United Nations High Commissioner for Refugees and UNICEF.

Activity reports

4.3 A brief report was provided on the work of the Coordinating Committee of Women Parliamentarians undertaken at the IPU Assemblies held in Bangkok and Geneva in 2010. The report highlighted the Committee's contribution to the preparation of the IPU Draft Strategic Plan with particular regard to a series of recommendations for gender mainstreaming.

4.4 A briefing was provided on the work of the Gender Partnership Group. Its activities include monitoring the level of women's participation in delegations to IPU Assemblies, examining the IPU budget from a gender perspective and monitoring the situation of parliaments with no women members.

4.5 Reports on recent IPU initiatives on gender issues were examined including the report of the expert mission dispatched by the IPU to Tunisia in March 2011. The mission's objective had been to support electoral reform with a view to the election of a gender-balanced constituent assembly in Tunisia. Reports were also provided on activities under the IPU campaign to combat violence against women, including the regional seminar for parliaments of West and Central Africa co-organised by the IPU and the National Assembly of Burkina Faso in March 2011.

Issues debated

4.6 As its contribution to the IPU Assembly, the Meeting of Women parliamentarians considered the subject items debated by the First and Third Standing Committees:

- providing a sound legislative framework aimed at preventing electoral violence, improving election monitoring and ensuring the smooth transition of power; and
- transparency and accountability in the funding of political parties and election campaigns.

4.7 The meeting received a presentation on the role of political parties in promoting women's participation in politics and on election-related violence against women. The meeting divided into two discussion groups to consider each of the subject items.

4.8 The groups' reports were consolidated into proposed amendments to the draft resolutions of each of the Standing Committees.

4.9 A dialogue session was held on gender-sensitive parliaments. The session was opened by the IPU President, Dr T.-B. Gurirab who launched the publication on the results of the IPU's global survey on gender-sensitive parliaments. Presentations were given by Dr Sonia Palmieri, an Australian researcher and the main author of the IPU Global Survey, and by Ms A. Boman, a Swedish expert on gender mainstreaming. Both presentations identified ways and means of helping parliaments become sensitive to the needs and interests of both men and women in terms of their structures, the way they function, their working methods and their action. This was followed by discussions examining a range of measures that could serve to make parliaments gender-sensitive.

4.10 The meeting also discussed cooperation with the United Nations, in particular the parliamentary event organised jointly by the IPU and UN Women on the occasion of the 55th Session of the United Nations Commission on the Status of Women, held in New York in February 2011.

Chapter 5

Meetings of the Association of Secretaries General of Parliaments

Introduction

5.1 Ms Claressa Surtees, Clerk Assistant Table, of the House of Representatives, attended the meetings of the Association of Secretaries General of Parliaments (ASGP) held in conjunction with the deliberations of the 124th IPU Assembly in Panama. The meetings of the ASGP were held from 16 to 20 April 2011. Ms Surtees participated in the proceedings of the ASGP as the substitute of Mr Bernard Wright, Clerk of the House, and played a full role in relation to meetings, discussions and deliberations.

Relations between the ASGP and the IPU

5.2 Mr Anders Johnsson, Secretary General of the IPU, together with Mr Martin Chungong, Director of the Division for the Promotion of Democracy, Mr Andy Richardson, Information Specialist of the IPU Secretariat, and Ms Rebecca Shoot, of the United Nations Development Programme (UNDP), attended a meeting and led debate on recent activities of the IPU.

5.3 Mr Johnsson referred to the draft IPU Strategy 2012–17 which was being discussed by geopolitical groups in meetings in Panama. It is proposed to submit the draft to the Governing Council for adoption at its 189th session to be held in Bern, Switzerland, during the 125th IPU Assembly in October 2011. He encouraged members to review the document and to submit comments or suggestions to the IPU Secretariat by 30 June 2011.

5.4 Mr Richardson led discussion on an invitation for parliaments to contribute to a global parliamentary report, sponsored jointly by the IPU and the UNDP. The report is being prepared from a survey of parliamentary perspectives on relations between parliament and the community, and from documented policies, research and studies on how parliament interacts with its citizens, together with basic data on parliaments and parliamentarians. He encouraged members to ensure their parliaments completed the surveys, with a view to having the study completed by May 2011. www.ipu.org/gpr

Global Centre for ICT in Parliament, UN Department of Economic and Social Affairs) DESA

5.5 Mr Gherardo Casini, Head of Office, Global Centre for ICT in Parliament, an observer to the ASGP meetings, made a presentation on technology options for capturing and reporting parliamentary proceedings. Mr Casini informed members that the Centre was preparing a handbook on this matter and anticipated it would be

available as a draft within three months. He encouraged members to use the handbook and welcomed feedback on it. www.ictparliament.org.

Consideration of parliamentary matters

General debates

5.6 The general meetings of the ASGP continued the format of selected general thematic debates. The chosen subjects were:

- The role of committees in parliamentary oversight of the Executive;
- Administrative autonomy of parliaments;
- Rules on the participation of Members of Parliament in proceedings in which they have a direct or indirect financial interest; and
- Events and tasks at the end of a Parliament and of parliamentary sessions (proposed and moderated by Australia).

Communications

5.7 There were also presentations and discussions on specific parliamentary topics:

- Parliamentary control over the Executive power;
- Exploits of the Senate of the Democratic Republic of Congo: towards the modernization and computerization of services;
- Address to Parliament by visiting head of government or state (initiated by Australia);
- Parliamentary training and outreach programs for a more mature democracy;
- Code of ethics for parliamentary officials;
- Relinquishing membership of the two Houses of the United Kingdom Parliament;
- The role of the parliamentary service in informing the legislative process;
- Disqualification of members on grounds of defection;
- Five year strategy of the House of Representatives of Afghanistan;
- Implications of the expulsion of a member from his or her political party; and
- The first Afghan youth training parliament.

Other presentations

5.8 There were also presentations and discussions on the following related matters:

- The parliamentary system of Panama; and

- The organisation of the next session of meetings in Bern, 16 to 19 October 2011.

Administrative matters

New members

5.9 A number of new members were admitted to the ASGP, including Mr David Elder, Deputy Clerk of the House of Representatives. Most were replacing existing members who had retired or moved to other employment. In addition, one new associate member from each of the Inter-Parliamentary Assembly of the Eurasian Economic Community and of the Parliamentary Assembly of the Mediterranean were admitted because the assemblies were joining the ASGP for the first time.

Honorary membership

5.10 Four former members of the Executive Committee were conferred with honorary membership of the ASGP, including Mr Ian Harris, a former Clerk of the House of Representatives.

Next meetings

5.11 A draft agenda for the next session, in the northern hemisphere Autumn 2011 in Bern, Switzerland, was circulated. When further developed it will be placed on the ASGP website. <http://www.asgp.info/en/home>.

5.12 At the conclusion of the session in Bern, a joint IPU-ASGP Conference on professional development for parliamentarians will be held on 20 October 2011.

Chapter 6

Bilateral meetings in Panama

Introduction

6.1 The Australian parliamentary delegation took advantage of the opportunity presented by the 124th IPU Assembly in Panama to further strengthen Australia's bilateral relationship with Panama through a short program of bilateral engagements.

6.2 Panama's bilateral relationship with Australia is solid and growing. While the trade between the two countries is modest (valued at \$16 million in 2009-10), there are significant opportunities for Australia, particularly in the area of mining and infrastructure development and a number of Australian companies have expressed interest in Panama.

Visit to the Miraflores Locks and Museum

6.3 The delegation was very pleased to have the opportunity to tour the Miraflores Locks and gain a closer understanding of the history of the Panama Canal and its significance to the Panamanian economy. The delegation was able to observe transiting vessels and gain a first-hand appreciation of the operation of the Canal, the history of its construction and its significance in world markets.

6.4 The Panama Canal is approximately 80 kilometres long and cuts through one of the narrowest and lowest regions of the Panamanian isthmus to join the Atlantic and Pacific Oceans. Vessels transiting the Canal pass through three sets of double locks: Gatun, Pedro Miguel and Miraflores, and through Gatun Lake, one of the largest man-made lakes in the world.

6.5 The Canal contributes 11.3 per cent of Panama's fiscal revenue and 3.4 per cent of its GDP. The Canal has a work force of approximately nine thousand employees and operates 24 hours a day, 365 days a year. Some 13 to 14 thousand vessels from all parts of the world use the Canal every year carrying five per cent of all seaborne world trade.

6.6 The average vessel takes approximately eight to ten hours to pass through the Canal and during the process is lifted to a height of 26 metres above sea level. The maximum dimensions of ships that can transit the Canal are limited by the width and length of the lock chambers, by the depth of the water in the Canal and by the height of the Bridge of the Americas, which crosses the Pacific approach to the Canal at Balboa, near Panama City. These "Panamax" dimensions have been in place since 1914. In 2009 the Canal management published a set of "New Panamax" dimensions that will take effect when the third lane of larger locks becomes operational from 2014.

6.7 The sustained increase in international trade and the subsequent greater demand for the transisthmian route have focussed attention on avenues for optimising the operation of the Canal. The US\$5.25 billion expansion program for the Canal, which began in September 2007, is a tremendous undertaking involving the construction of new locks on the Pacific and Atlantic sides. It will double the capacity of the Canal by allowing more and larger ships to transit.

6.8 The new locks complexes will have three chambers each with water-saving basins, a lateral filling and emptying system and rolling gates. Excavation of the Pacific Access Channel for the new locks has required the dry excavation of approximately 50 million cubic meters of material along 6.1 kilometres. In addition, both entrances to the Canal are being dredged as well as Culebra Cut and Gatun Lake. As part of the project, Gatun Lake's maximum operating level will be increased by 45 centimetres to improve Canal water supply and draft dependability.

Australia- Panama Business Roundtable

6.9 The delegation was very grateful to Australia's Ambassador to Mexico, Ms Katrina Cooper, for organising a business roundtable discussion with representatives from the Panamanian Government and the private sector to explore the Australian Panamanian relationship and opportunities for further Australian investment in Panama.

6.10 The participants at the roundtable included: Mr Alvaro Alemán, Vice-Minister for Foreign Affairs; and officers from the Ministry of Foreign Affairs and the Ministry for International Commercial Negotiations, Mr Alberto Ricardo Martinelli, Australia's Honorary Consul Delegate to Panama, Mr Leopoldo Benedetti, General Manager, Colon Free Zone, Mr Daryl Ellis, Minera Panama, Ms Anabel Franco, Lawyer, and Ms Carmen Arias and Mr Ernesto Lara, Arias LLM Legal Firm.

6.11 In opening the discussion Mr Aleman welcomed the Australian delegation and this opportunity to strengthen the relationship between Australia and Panama through a closer understanding of the opportunities for both countries as a result of Australian investment in Panama. He stressed Panama's advantageous geographical location, its role as a hub for both sea and air transport, the attractiveness of its financial system and the significant infrastructure developments currently underway as key reasons for Australian companies to view Panama as a good regional base in Latin America.

6.12 The Speaker, Mr Jenkins, also acknowledged the great potential for Australian companies in Panama and welcomed the opportunity to gain a closer understanding of the issues currently confronting the Government and the people of Panama. He expressed interest in understanding how the strong economic development in Panama is being directed to improve the quality of life for Panama's citizens. He said that the roundtable provided a valuable opportunity to gain an understanding of business conditions within Panama and to expand Australia's understanding of how the dynamic of the changing global economy will impact on the regional economy.

6.13 The discussion centred on the logistic and strategic significance of Panama as a platform for access to the region as well as the many opportunities for foreign investment, particularly in the mining sector. Ambassador Cooper and members of the delegation noted the significant infrastructure development underway in Panama and stressed Australia's strengths in infrastructure construction, pointing to the involvement of Balderstone Hornibrook in the A\$180 million Centennial Bridge project over the Panama Canal, and the involvement of other Australian companies in the Canal expansion project.

6.14 Similarly, the demand for geologists, engineers and environmental specialists in Panama's mining industry was discussed as an area of potential for Australian expertise. The importance of mining companies recognising their responsibilities as good corporate citizens was also noted and the Speaker expressed confidence that Australian companies operating overseas have demonstrated a culturally sensitive, mature and responsible attitude with regard to environmental, social and governance issues.

6.15 Opportunities to draw on Australia's educational expertise were also discussed, including both scholarships to support study in Australia and the opportunity to set up short courses and programs in Panama. It was agreed that programs such as the Australia Awards are valuable in supporting a two-way exchange of students between Panama and Australia. Through this program of awards Australia currently invests \$200 million each year worldwide and is able to showcase its cutting-edge capabilities in the education sector.

6.16 Equally valuable are short-course programs to address particular areas of demand in Panama, such as the training of English teachers. Call centre activity is becoming increasingly significant within Panama, however there is a shortage of English speaking personnel. While this represents an area of potential opportunity for Australians, obstacles such as the current requirement for English teachers to be Panamanian will need to be addressed.

6.17 Finally, the important role of cultural exchange and diplomacy in underpinning and strengthening commercial relationships was recognised. Ambassador Cooper stressed that exhibitions like the forthcoming exhibition showcasing contemporary indigenous Australian art from the Balgo Hills provided an opportunity to demonstrate the richness and diversity of Australia's culture and broadening the perceptions of Australia overseas.

Reception in Honour of the Delegation

6.18 Ambassador Cooper also hosted a reception in honour of the Australian delegation and took this opportunity to announce the appointment of Australia's first Honorary Consul to Panama, Mr Alberto Ricardo Martinelli, and present him with his credentials. Mr Martinelli is the son of the Panamanian President Ricardo Martinelli.

6.19 In welcoming her guests, Ambassador Cooper emphasised the similarities between Australia and Panama. She said that both countries had strong economies as

evidenced by their growth during the global financial crisis. She also noted that both offered strategic regional locations for businesses, Australia as a gateway to Asia and Panama as a gateway to Central and South America.

6.20 She said that while Australia does not have an embassy in Panama, it was seeking to strengthen its commercial ties with Panama through the appointment of an Honorary Consul. She stressed that there are good investment opportunities for Australian companies across a range of sectors in Panama including mining, infrastructure, agribusiness, technology and education. She also highlighted future opportunities for student exchanges and scholarships.

6.21 The Speaker thanked Ambassador Cooper for capitalising on the opportunity provided by the IPU Assembly to celebrate the growing relationship between Australia and Panama. He also thanked President Martinelli for the honour of his company and congratulated him and the Panamanian Government for having achieved such significant economic expansion, the signs of which were evident as the delegation travelled around Panama City.

6.22 The Speaker said that the appointment of Mr Martinelli as Honorary Consul marked a significant turning point in Australia's relationship with Panama. He noted the significant opportunities for Australian businesses to participate in Panama's economic expansion. At the same time he also stressed the importance of personal relationships, like those Mr Martinelli and his family enjoyed with Australia as a result of his opportunity to study and travel there, in contributing to the commercial ties between the two countries. He said that relationships of this kind contribute to an understanding and appreciation of each country's culture and expressed confidence that this experience, together with his impressive credentials, would make Mr Martinelli a very effective Honorary Consul for Australia.

6.23 Mr Martinelli expressed his gratitude for this opportunity to help to further the relationship between the two countries and indicated his interest in helping to facilitate Australian businesses to make contacts within Panama. He reflected positively on his experience studying and travelling in Australia and concurred with the Speaker's view that this first-hand knowledge of Australia and Australians would be of great assistance in his new role.

6.24 President Martinelli also thanked Ambassador Cooper for providing this opportunity during the IPU Assembly to reflect on the growing relationship between Australia and Panama. He spoke of the importance of the interchange made possible by the IPU, which he said was beneficial for all participating parliaments, and particularly for Panama as host.

6.25 Having visited Australia with his family on a number of occasions, President Martinelli said that he was keenly aware of the many similarities between the two countries, which he said were too numerous to list. Key among these was the way both countries had weathered the world economic crisis. He stressed that Panama had much to offer Australian business through its position as a hub within Latin America

and the Caribbean. He highlighted Panama's role as a significant transport hub within the region, for both maritime and air transport and emphasised the benefits for Australian companies of drawing on Panama's infrastructure and connectivity to expand their operations throughout the region.



The Speaker, Mr Harry Jenkins, Panamanian President Ricardo Martinelli and Mrs Marta Linares Martinelli, with Australia's first Honorary Consul to Panama, Mr Alberto Ricardo Martinelli.

Chapter 7

Bilateral visit to Brazil

Introduction

7.1 The Australian parliamentary delegation that attended the 124th IPU Assembly also undertook an official visit to Brazil from 4 April to 13 April 2011. This was the first visit to Brazil by an Australian parliamentary delegation since 2007. The program, included visits to major cities and regional areas, allowing the delegation to experience the diversity of Brazil as well as the opportunity to meet with a wide range of agencies and companies.

7.2 Australia and Brazil enjoy a strong and growing bilateral relationship. Australia opened its first diplomatic mission in Latin America in Brazil's former capital, Rio de Janeiro, in 1945. Brazil established a diplomatic presence in Canberra the following year. Since then Australia has actively sought to strengthen its ties with Brazil through expanded dialogue in international forums, increased high-level and Ministerial visits and by entering into new commitments for a political and trade policy dialogue.

7.3 Brazil is also an increasingly important bilateral trade partner for Australia. It is Australia's largest trading partner in Latin America and around 50 Australian companies have a presence there. Australian and Brazilian foreign and trade policy interests also coincide in several important areas and the two countries cooperate multilaterally on issues of mutual interest including climate change, agricultural trade reform in the World Trade Organization through the Cairns Group, and as members of the 'five interested parties' coalition.¹ Australia and Brazil also share a close working relationship within the group of twenty major and emerging economies (G20) and share a commitment to reform of international financial institutions, such as the World Bank and IMF, to give developing countries a greater voice in these organisations.

7.4 Brazil is known for its large and well-developed agricultural, mining, manufacturing and service sectors. The Brazilian economy is currently ranked as the world's eighth largest economy by the International Monetary Fund and is expected to become the fifth by 2025. Brazil's Gross Domestic Product has grown by an average of 3.6 percent per year for the past five years. While the Brazilian economy contracted slightly in 2009 (-0.2 per cent), it grew by 7.8 per cent in 2010 on the back of continued high commodity prices and strong internal demand. Brazil's growth prospects in the short term are strong and it is expected to surpass the economies of France and the UK.

1 With the United States, European Community and India.

A key focus of the delegation's visit was to gain a greater understanding of the opportunities and challenges facing Australian companies seeking to invest and collaborate with Brazil. The delegation's program focussed closely on those sectors where Australia has considerable experience and expertise, such as resources, clean energy, infrastructure, education and financial services and also in the organisation of major sporting events.

São Paulo

7.5 The delegation commenced its visit to Brazil in São Paulo with briefings from the Instituto Fernando Henrique Cardoso, Austrade and Pacific Hydro and meetings with the Federation of Industries for São Paulo State (FIESP) and the Union of Sugar Producers (UNICA).

7.6 São Paulo is one of the largest and most diversified economic centres in the world. It is an international leader in industry, commerce and in global trade. São Paulo's economy ranks alongside that of Hungary and New Zealand, currently 47th in the world.

7.7 The state of São Paulo is the largest industrial, commercial and services centre of Brazil as well as its most important agricultural producer. São Paulo is also the largest producer of energy in Brazil. There are four petroleum refineries in São Paulo and approximately 90 per cent of the energy produced in the Brazil is generated from its hydroelectric plants. São Paulo also has the largest concentration of sugar cane ethanol production in Brazil, accounting for around 60 per cent of the country's sugar and ethanol production.

7.8 The population of metropolitan São Paulo is approximately 12 million people, while the Greater São Paulo region is home to nearly 20 million people. São Paulo is also home to 30,000 of the richest people of Brazil.

Meeting with Instituto Fernando Henrique Cardoso

7.9 The delegation was appreciative of the very useful overview of Brazilian politics, economic and foreign policy provided by the Executive Director of the Brazilian "think tank" Instituto Fernando Henrique Cardoso (iFHC), Mr Sergio Fausto. Mr Fausto is a foreign affairs specialist and coordinator of studies and debates at iFHC. He is a member of the Group of International Affairs of the University of São Paulo and has undertaken analysis of Brazil's political, economic and institutional performance over the period 1995 to 2010.

7.10 iFHC was inaugurated in 2004, and is named after former Brazilian President Fernando Henrique Cardoso (also known by the initials FHC) who was President of Brazil for two consecutive terms (1995 – 2002). FHC is a sociologist and is widely regarded as one of the most influential figures in the analysis of large-scale social change, international development, dependency and democracy. iFHC administers an annual seminar program, publishes papers and undertakes research, through a collaborative program, with other similar institutions. iFHC also disseminates ideas on

democracy and development and focuses on spreading knowledge about Brazil and the challenges it faces today

7.11 Mr Fausto outlined the macroeconomic and fiscal achievements of the administration of former President Luiz Inacio Lula da Silva (more commonly known as 'Lula'). These achievements had been accompanied by a series of social programmes, initiated under FHC and expanded by Lula, which had resulted in strong improvements in key social indicators. These included increased incomes for the very poor, improvements in education retention levels, an increase in the average standard of living and the rapid expansion of the Brazilian middle class, resulting in the rise of a strong consumer culture. This in turn has driven expansion in Brazil's GDP. Incoming President Dilma Rousseff has continued this commitment to addressing inflation, a floating exchange rate and fiscal restraint.

7.12 However, Mr Fausto said that Brazil has significant challenges ahead of it with regard to infrastructure investment and education, where the central and state governments were grappling with significant bottlenecks in the face of global demand for Brazil's commodity-based exports. In both areas Brazil has tended to lag behind other countries. More immediately, Brazil faces the key economic challenges of rising inflation and an overvalued currency. Annual inflation for 2010 was 5.79 per cent, spiking as a result of food prices and election-year government expenditure. Interest rates are currently 11.25 per cent, which Mr Fausto explained reflects Brazil's traditionally low rate of domestic savings. Interest rates have been a key tool in controlling expenditure and stopping the economy from overheating. In the last two years, the Brazilian Real has increased 36 per cent against the US dollar and 39 per cent against the Chinese Yuan.

7.13 The delegation noted that, like Australia, Brazil had successfully weathered the global financial crisis and was enjoying the positive impacts of the global commodities boom. The key question for Brazil now was how to capitalise on this boom without incurring negative impacts on its manufacturing sector and without jeopardising employment.

Austrade briefings

'Doing business in Brazil'

7.14 The delegation welcomed the opportunity to meet with Mr Greg Wallis, Consul-General, Austrade and Mr Mark Argar, General Manager, Pacific Hydro, to discuss the opportunities and challenges faced by Australian businesses seeking to invest and collaborate with Brazil.

7.15 In his presentation to the delegation Mr Wallis said that as Brazil's economy has strengthened and become more outward looking the range of commercial opportunities for Australian companies to capitalise on this growth has increased. While the briefing emphasised the stability of the Brazilian business environment and the strong demand for Australian expertise in many sectors, it also acknowledged the challenges facing Australian companies seeking to do business in Brazil. These

challenges include the complexity of the taxation system, a need for reform in the labour market and education sector, a lag in the development of key infrastructure and the highly bureaucratic nature of the business environment. However, the overall impression was of an open and positive environment, with significant rewards for companies with the determination to stay the distance.

7.16 Pacific Hydro is one such Australian company, which has established itself in Brazil's renewable energy market. It has operations in Australia, Brazil, Chile and the Pacific, with a principal focus on hydroelectric, wind and geothermal energy. Like a number of Australian companies, Pacific Hydro entered the Brazilian market through its acquisition of a wind energy firm in Natal, in Northeast Brazil, thereby securing Brazilian executives and a Brazilian workforce. Since then its operations have expanded with the opening of its Millennium Wind Energy project in November 2007 and a second wind farm, Vale dos Ventos, in March 2009. Together the farms save around 21 600 tonnes of greenhouse gas emissions each year. Pacific Hydro plans to invest up to A\$1.1 billion in new projects in Brazil by 2013.

7.17 Mr Argar agreed that gaining entry to the Brazilian market was challenging. He said that the cost of entry had proved to be approximately twice the company's original budget. He also stressed that a move such as this requires commitment and a preparedness to adapt to the particular requirements of the Brazilian business environment. However, he emphasised the benefits of a business environment that places no restrictions on foreign investment, respects intellectual property rights and has a positive view of Australia as a source of compatible business partners.

Education

7.18 Education is a key area of opportunity for cooperation between Australia and Brazil. Throughout its visit, the delegation heard repeatedly of the lag in Brazil's education sector and how demand for skilled workers is currently outstripping supply. The delegation was therefore very appreciative of the informative briefing it received from Mrs Patricia Shiroma, International Relations Supervisor, Pontificia Universidade Catolica (PUC) and Ms Patricia Monteiro, Education Manager, Austrade.

7.19 Brazil is Australia's fifth largest education market worldwide, after China, India, Korea and Thailand. While Brazilians comprise the largest number of students studying English in Australia, Brazil is ranked only 22nd for the number of students participating in the Australian higher education sector. With the significant growth of Brazil's middle class, the delegation noted that there is now greater capacity for growth in the educational links between the two countries. However, much work is needed if Australia wishes to capitalise on this. The number of Brazilian enrolments in Australian universities had fallen by 8.5 per cent from 17,559 to 16, 072 over the last two years.

7.20 The delegation heard that individual states are actively promoting the education opportunities within their states to Latin America, with some focus on Brazil, and that there are an increasing number of student exchange agreements in

place between Australian and Brazilian tertiary institutions. Yet, the delegation noted that Latin American students are more likely to study in North America because of its geographic proximity and easier visa application process. In contrast, student visa entry to Australia is comparatively difficult and expensive. At the same time Australia is not yet recognised throughout Latin America as a quality study destination and there is a perception that Australia is remote and distant. This perception is compounded by the language barrier and the lack of direct flights between the two countries.

7.21 The delegation noted that the international education sector has the potential to contribute significantly to Australia's economy, both directly and through its capacity to build people to people links that promote Australia internationally and in turn play an important role in enhancing future trade and investment opportunities.

UNICA (Brazilian Sugar Cane Industry Union)

7.22 As noted earlier, São Paulo is an important centre for ethanol production within Brazil. As the world's largest ethanol producer, Brazil has viewed Australia as a natural partner in the development of the global ethanol market. The delegation was therefore pleased to contribute to the ongoing bilateral discussions on bio-fuels through its meeting with Ms Nayana Rizzo, Institutional Relations and Ms Luana Maia Oliveira, Institutional Relations Analyst of the Brazilian Sugarcane Industry Association (UNICA).

7.23 UNICA is the largest organisation in Brazil representing sugar, ethanol and bioelectricity producers. UNICA members are responsible for more than fifty percent of all ethanol produced in Brazil and 60 percent of overall sugar production. UNICA was created in 1997 following a consolidation process involving the regional organisations in Sao Paula prompted by the Brazilian government's deregulation of the sugar and ethanol sectors. Brazil's ethanol program had its origins in 1975 during the global oil crisis, when the Brazilian government launched its national Alcohol Program which diversified the output of the sugar industry and stimulated significant investment through the expansion of the area under cultivation to sugarcane and the introduction of ethanol distilleries. As a result Brazil has been able to increase its energy security and cut its dependence on foreign oil.

7.24 There are no longer any light vehicles in Brazil running on pure gasoline. Since 1976, the Brazilian government has made it mandatory to blend anhydrous ethanol with gasoline. Since July 2007, the mandatory blend has been 25 per cent anhydrous ethanol and 75 per cent gasoline (or E25 blend). The lower limit was reduced to 18 percent in early 2011 due to recurring ethanol supply shortages and price fluctuations between harvest seasons. The Brazilian car manufacturing industry has developed flexible-fuel vehicles. The success of these vehicles, together with mandatory blending has resulted in ethanol fuel consumption achieving a 50 per cent market share

7.25 UNICA emphasised to the delegation that the success of the ethanol industry was largely commercially driven. The Brazilian government had created the environment to stimulate the industry. As a result, Brazil was now in a strong position to examine a wide variety of energy production opportunities, with limited government involvement. Research and development within the sugar industry into products such as biodiesel and jet fuel are largely undertaken by private institutions funded by industry. Through UNICA the industry has been influential in efforts by the Brazilian government to globalise trade in ethanol.

7.26 The delegation noted that there are important contrasts and potential lessons here with regard to Australia's own biofuels industry. In Australia, biofuels are the second-most widely available alternative fuel in Australia, but only account for 0.5 percent of the domestic transport fuel market. The Australian Government is supporting research into a range of alternative transport fuels from a range of sources, including non food crops and agricultural waste products.



The delegation's meeting with the Brazilian Sugar Cane Industry Union UNICA

Federation of Industries of São Paulo State

7.27 The delegation was fortunate to have the opportunity to meet with Mr Thomaz Zanotto, Deputy Director of DEREK and Mr Maurice Costin, Deputy General Director, from the Federation of Industries of the State of São Paulo (FIESP) to discuss the Brazilian economy and its influence on world affairs and gain an understanding of avenues for cooperation between Australian and Brazilian industry.

7.28 FIESP is the principal entity representing industry in the state of São Paulo. FIESP incorporates sectors responsible for 42 percent of national GDP, as well as 132 unions representing around 150,000 industry sectors. Mr Zanotto said that in addition, another 40 per cent of industries in other Brazilian states, have their head office in São Paulo. As a result, FIESP is keenly aware of the breadth of opportunities Brazil

represents for Australian companies seeking to expand their operation into Latin America. He noted Brazil's strong economic position, stressing its macroeconomic stability as a result of continuity of economic policy across successive governments, its gains in terms of global economic integration and its strong gains in the area of social inclusion.

7.29 However, Mr Zanotto acknowledged that Brazil is not perceived as an easy place to do business. He noted that the World Bank Organisation had recently given Brazil an "ease of doing business" rank of 126 out of 183 companies, a fall of six points from its ranking of 120 in the previous year. Brazil's ranking for ease of paying tax is currently 150, a fall of two points from the previous year, while its rank for ease of starting a business has increased five points to 120. In addition to these indicators, he pointed to a number of other areas where reform was needed, including labour laws, which he said should be renewed and modernised and the education system, which he said was failing to keep up with skill shortages. He said that despite growth in the job market, Brazil suffers from a deficiency in skilled labour. Mr Zanotto explained that the problem lies with the country's education system. On average, Brazilians receive only five years of schooling, due to very poor retention rates. However, companies require employees with a high school education or higher. Many of those who go on to tertiary education do not graduate with qualifications that meet the needs of Brazil's industries.

7.30 Mr Zanotto expressed concern that in Brazil the burden to address key issues such as this frequently fell to the private sector. By way of example, he described FIESP's significant investment in education within the State of São Paulo. FIESP currently supports 130,000 students across 400 schools, promoting professional and technical education with a view to meeting the needs of FIESP's members. He said that this model has been duplicated in other states and was essential to address severe skilled labour shortages as importing skilled labour was equally not without its difficulties.

Brasilia

7.31 An important focus of the delegation's visit to Brazil was the opportunity to further strengthen ties between the Australian and Brazilian parliaments. The delegation was honoured to visit the Brazilian Parliament and have the opportunity to meet with both Mr Marco Maia, President of the Chamber of Deputies and Mr Jose Sarney, President of the Federal Senate and to formally extend an invitation to each to visit Australia.

7.32 Like Canberra, Brasilia is a capital created *ex nihilo* in the centre of Brazil. An area of 6,000 square kilometres was excised from the State of Goiás to create the Distrito Federal in 1956. The city was designed by urban planner Lucio Costa and architect Oscar Niemeyer with the intention that every element, from the layout of the residential and administrative districts to the symmetry of the buildings themselves, should be in harmony with the city's overall design.

Contemporary Brazilian politics

7.33 The delegation commenced its visit to Brasilia with a very informative and candid briefing on contemporary Brazilian politics by Emeritus Professor, David Fleischer. Professor Fleischer explained the complexities of the Brazilian electoral system, stating that voters go to the polls every two years, alternating between municipal and general elections. Voting is compulsory for all literate citizens aged from 18 to 70 and balloting is overseen by a national election governance body, the National Election Court (TSE).

7.34 Under Brazil's Constitution, the President and Vice President are elected on the same ticket by popular vote for four year terms. The National Congress consists of the Federal Senate with 81 members and the Chamber of Deputies with 513 deputies. Each state elects three senators by simple majority to eight-year terms in alternation. Members of the Chamber of Deputies are elected by proportional representation, to serve four year terms, with a minimum of eight from small states and a maximum of 70 from the State of São Paulo. Professor Fleischer noted that as the election of state and federal deputies uses an open-list proportional representation system with no minimum required percentage, it can produce unexpected results. In some states, a candidate with 200,000 votes may not be elected while in other states a candidate with 500 votes might be elected. The delegation was interested to note that independent members are not permitted to stand and that all candidates must be a member of a party. However, party membership often reflects opportunism rather than loyalty.

7.35 Election finance comes from a variety of sources, including seven weeks of free television and radio time. This is distributed by the TSE proportionate to the number of votes received by each party at the previous election. Contributions from individuals and firms are capped by law, but a significant percentage of campaign finance comes from contributions not officially reported to the TSE.



The Emeritus Professor David Fleischer

Meeting with Mr Marco Maia, President of the Chamber of Deputies

7.36 In his meeting with the delegation, Mr Marco Maia emphasised the significance of cooperation and partnerships with other countries and the importance of developing more effective relationships with parliaments in other countries. Mr Maia observed that there was great benefit for the advancement of both Brazil and the world in aspiring to greater harmonisation in terms of business regulation and norms. He noted Brazil's strong economic growth and the significant benefits this has had for all strata's of Brazil's society. He said that in order to maintain this growth it was now even more important to foster cooperation and partnerships at all levels with other countries. Brazil needs both increased consumption and increased trade to maintain its balance of trade. Therefore, it is in Brazil's interests to foster cooperation and partnerships

7.37 The Speaker noted the many political similarities between Australia and Brazil. He stressed the increasing importance of Brazil to Australia as a partner and the significant developments in the bilateral relationship over the past several years. He noted that Australia and Brazil share common interests in a number of areas and have cooperated multilaterally on a number of issues of mutual interest, including global agriculture trade liberalisation.

7.38 The Speaker also spoke of the important role that parliaments can play in enhancing such bilateral relationships, both through strengthening inter-parliamentary links but also through their involvement in the formulation of partnerships and treaties. He emphasised that the formulation of such treaties is not just a matter for governments to understand. In this context, he spoke of the important work of the Australian Parliament's Joint Standing Committee on Treaties which empowers the Australian Parliament to make a significant contribution to the formulation of international treaties. The Treaties Committee reviews and reports on all treaty actions proposed by the Government before action which binds Australia to the terms of the treaty is taken.



The delegation and Mr Marco Maia, President of the Brazilian Chamber of Deputies

7.39 The delegation was able to continue its discussions with Mr Maia and other parliamentarians over a lunch hosted by Mr Maia.

Meeting with Mr Jose Sarney, President of the Federal Senate of Brazil

7.40 In greeting Mr Jose Sarney, the Speaker noted the incident earlier that day in Rio de Janeiro in which an armed man had entered a school and opened fire on students. The Speaker extended Australia's sincere and deepest condolences to the people of Brazil in the face of such a tragedy. He noted that Australia's society and democracy had developed in comparatively peaceful circumstances and that this only makes the people of Australia appreciate the significant achievements of countries such as Brazil who have overcome significant challenges. He said that Australia was in awe of Brazil's achievements over the last decade, in particular its strong and sustained economic growth.

7.41 Mr Sarney extended a warm welcome to the Speaker and the delegation and congratulated Australia on its strong economic performance in spite of the global financial crisis. He said that this demonstrates both the strength of Australia's economy and the capability of its leadership. He said that credit for Brazil's economy was due to both sides of parliament for 20 years of sound decision making and noted that having addressed key areas of economic reform, it was now time to turn to political and legislative reform. He stressed that it was important for Parliaments to have a strong relationship with society and that such a relationship required a high level of transparency with regard to the actions of parliament.

7.42 The Speaker said that the Australian parliament was also undergoing a level of reform and had recently implemented changes to enable the House of Representatives to be more actively engaged in legislative scrutiny through its committee system. He noted the importance of such scrutiny and debate and expressed the view that the Parliament should not just be a place to talk, but also a place to hear.

7.43 The Speaker also noted the significant developments in the bilateral relationship between Australia and Brazil over recent years, including through the establishment of an Enhanced Partnership Framework last year. He observed that the Framework would promote increased bilateral engagement across a number of key areas including education, science and technology and trade and investment as well as furthering multilateral and regional cooperation. He stressed that the Australian Parliament tends to leave multi-lateral engagement to the Government of the day. However, he stressed that the Australian Parliament is fully engaged through parliamentary organisations, such as the Inter-Parliamentary Union that mirror government structures and have great potential to strengthen the relationships and dialogues between countries, particularly those with which we have so much in common.



*The Speaker, Mr Harry Jenkins and
President of the Federal Senate of Brazil, Mr Jose Sarney*

Rio de Janeiro

7.44 One of the highlights of the visit to Brazil was the delegation's visit to Rio de Janeiro, the historical capital of Brazil and Brazil's main centre for cultural events, leisure and tourism. After São Paulo, Rio de Janeiro is Brazil's second most productive manufacturing and commercial centre. The majority of the state's working population are engaged in the service sector, including government, education, financial services, entertainment and tourism. The state's principal industries are off shore petroleum extraction and refining, metallurgy, ship building and the manufacture of textiles, foodstuffs and chemicals.

7.45 While the region's economy suffered following the relocation of the capital to Brasilia, it has entered a new era of development in recent years as a result of the opportunities presented by being the host city of a number of forthcoming major international events. Not surprisingly, the delegation's meetings in Rio de Janeiro were strongly focussed on developments in preparation for these events and the

opportunities for Australian companies to lend their expertise. The flow on effect of these events is not restricted to the tourism sector. Other economic sectors stand to benefit from the scale of development required to host the events and the delegation was keen to understand the extent of this legacy.

7.46 The visit to Rio de Janeiro also offered an opportunity to examine the likely economic impact of the current exploration of pre-salt oilfields off the coast to the south of Rio de Janeiro and to meet with the Brazilian nuclear energy regulator, CNEN to gain an understanding of the legislative framework related to nuclear installation security in Brazil.

Karooon Gas Australia Ltd

7.47 The delegation was grateful for the opportunity to meet with Karoon, an ASX listed energy exploration company with operations in Australia, Brazil and Peru. Karoon's Latin American headquarters are located in Rio de Janeiro and it commenced exploration in the Santos basin off the south-east coast of Brazil in 2008.

7.48 The Santos basin is the location of pre-salt oil fields that are currently being developed by the Brazilian petroleum company Petrobras. These pre-salt fields are considered to be the largest oil discovery in the Western hemisphere in 30 years but will be technically difficult to exploit. However, if successfully developed, Brazil would become one of the world's largest oil producers. Karoon is the only foreign company farming in the Petrobras offshore basin.

7.49 The delegation met with Mr Tim Hosking, Executive Director, and Mr Juliano Macedo, Director of Exploration. Mr Hosking was part of the team that was instrumental in the Karoon Group's acquisition of its South American exploration portfolio, first as a consultant and then as part of the business development team working to build relationships with governmental entities, including Petrobras.

7.50 The delegation was interested to learn about Karoon's experience of doing business in Brazil. Mr Hosking said that initially the company had thought that challenges presented by the Brazilian legal system and bureaucracy would prove too difficult for the company. However, positive reports from other Australian companies with a presence in Brazil, such as BHP, had encouraged the company to press ahead. Karoon has established a large local office which includes a number of former Petrobras employees with experience in the local market, a network of established contacts and a close understanding of Brazilian culture. By adopting a slow and patient approach, Karoon had been able to establish a strong presence in Brazil.

7.51 Mr Hosking also emphasised the need for foreign companies to demonstrate that they are good corporate citizens. He said that Karoon understands the importance of working together with local communities to ensure that the company's activities do not have a negative impact. The company has initiated a number of projects to assist with health, education and local businesses. Mr Hosking also explained the safety and environmental regulations administered by the Brazilian Fuels Regulatory Agency

(ANP)² and the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA).

National Nuclear Energy Commission (CNEN)

7.52 The delegation was fortunate to meet with Mr Ivan P Salati de Almeida, General Coordinator of International Affairs, Mr Isaac José Obadia, Research and Development Directorate and Mr Viviane Simões, International Relations Analyst from the National Nuclear Energy Commission (CNEN). In introducing the delegation, the Speaker stated that as a uranium producer, Australia should have a full understanding of nuclear power and the uses to which it is put. He also said that he would be concerned if Japan's recent experience stifled the debate on nuclear power.

7.53 CNEN is the Brazilian Government agency responsible for policy formulation, rulemaking, planning, oversight and regulation of all activities that deal with nuclear energy in Brazil. Its responsibilities also include research and development activities of interest to the nuclear field and the planning, supervision and control of Brazil's nuclear program. CNEN is under the direct control of the Ministry of Science and Technology. The agency has its headquarters in Rio de Janeiro and manages several institutes and facilities throughout Brazil. CNEN also manages the Nuclear Energy Research Institute.

7.54 CNEN's Directorate of Radiation Protection and Nuclear Safety (DRS) is responsible for licensing and supervision of all nuclear facilities. IBAMA has responsibility for carrying out licensing all facilities, but CNEN remains a co-authority on radiation aspects of nuclear licensing.

7.55 The CNEN is divided into three directorates:

- Directorate of Research and Development (DPD);
- Directorate of Radiation Protection and Nuclear Safety (DRS); and
- Directorate of Logistical Support (DAL).

7.56 The DPD is also responsible for all fuel cycle, reactor technology, radioisotopes and related research and development. DPD has five nuclear research centres including the Institute of Energy and Nuclear Research (IPEN), in São Paulo; the Centre for Development of Nuclear Technology which was created in 1952 in Belo Horizonte as Brazil's first nuclear research institute; and the Nuclear Engineering Institute in Rio de Janeiro.

7.57 The IPEN is the most important of the CNEN's research institutes. It is a civilian agency that is associated with São Paulo State's Secretariat for Science, Technology, and Economic Development and linked to the University of São Paulo. IPEN carries out research in nuclear materials analysis and processes, nuclear

reactors, applications of nuclear techniques and nuclear safety. It is involved in the production of radiopharmaceuticals and isotopes, mechanical and electrical equipment materials and lasers. IPEN radiopharmaceutical production accounts for nearly 98 per cent of the domestic market.

7.58 Brazil has known reserves of 278,000 tonnes of uranium which represents 5 percent of the world's reserves. Uranium has been mined in Brazil since 1982, but the only operating mine is INB's Lagoa Real/Caetite mine which has a 340 tU/yr capacity and known resources of 92,960 tU. This is expected to double on the basis of recent discoveries and there is considered to be high potential for further discovery of economic uranium deposits. All mined uranium is used domestically, after conversion and enrichment abroad.

7.59 Nuclear energy provides about three per cent of Brazil's electricity. Brazil's main source of power continues to be hydroelectricity, which accounts for 85 per cent of the domestic supply of electricity. However, the high dependence on hydroelectricity gives rise to some climatic vulnerability. This together with the rapid growth in the Brazilian economy has meant that Brazil continues to expand energy production from other sources.

7.60 About 40 percent of Brazil's electricity is produced by the national Eletrobras System. State-owned utilities produce 20 percent and the rest is produced by privately-owned companies. Private investment in nuclear power is currently not allowed.

7.61 Brazil has two nuclear reactors (ANGRA 1 and ANGRA 2) and a third under construction (ANGRA 3). Its first commercial nuclear power reactor began operating in 1982. Four more large reactors are planned to come on line by 2025. Brazil also has four research reactors, four industrial irradiators and a synchrotron.

7.62 The delegation was particularly interested in CNEN's roles in waste management and regulation and safety. CNEN is responsible for management and disposal of radioactive wastes. Legislation passed in 2001 provided for repository site selection, construction and operation for low and intermediate level wastes. A long-term solution for these is to be in place before ANGRA 3 is commissioned.

7.63 Brazil's constitution prohibits the use of nuclear energy for non-peaceful purposes. Brazil is a party to the Nuclear Non-Proliferation Treaty since 1998 as a non-nuclear weapons state. Brazil has not accepted the Additional Protocol in relation to its safeguards agreements with the IAEA due to its naval nuclear fuel program, where uranium enriched beyond power reactor levels may remain outside safeguards while it is being used in a vessel at sea by the navy.



The Delegation with representatives of the National Nuclear Energy Commission

Federation of Industries of the State of Rio de Janeiro (FIRJAN)

7.64 FIRJAN is the peak industry body for the state of Rio de Janeiro. FIRJAN represents the interests of almost ten thousand businesses internationally, nationally and within Rio de Janeiro state. FIRJAN's objective is to promote corporate competition and education and quality of life for employees and society, hence contributing to the sustainable development of the state of Rio de Janeiro. The delegation met with FIRJAN's Vice President, Mr Luiz Chor, Director, Mr Amaury Temporal and Ms Bruna Lessa Bastos.

7.65 Ms Bruna Lessa Bastos briefed the delegation on Rio de Janeiro's strong economic credentials. Rio de Janeiro state is the second largest state economy after São Paulo and comprises approximately 15 per cent of Brazil's GDP. Ms Bastos emphasised that Rio de Janeiro's GDP is equivalent to that of Chile and that this, combined with a large population and very low unemployment, has created an enviable consumer market. Rio de Janeiro's proximity to Brazil's three other major states also allows easy access to almost 75 percent of Brazil's GDP.

7.66 In addition to this, Rio de Janeiro lays claim to significant natural resources. The state's oilfields supply 85 per cent of Brazil's oil and gas. Oil production from the state is equivalent to that of several OPEC member countries. This situation will be further enhanced with exploration of the pre salt reserves off Rio de Janeiro's coast.

7.67 These positive signs for growth have prompted a number of multinational and domestic industries to establish research and technological centres in the state.

Preparations for major international events such as the UN Sustainable Development Conference Rio +20, the FIFA Confederations Cup, the World Cup and the Olympic and Paralympic games will also play a key role in securing large public and private investment in key infrastructure projects with flow on long term economic and social benefits. It is predicted that investments in the state over the period 2011 to 2013 will be in the order of US\$102 billion, meaning that Rio de Janeiro can be expected to have the highest concentration of investments in the world: more than US\$23 million per square kilometre.

7.68 FIRJAN contributes to economic development in the state by undertaking an annual assessment of new investment intentions within the state for the forthcoming three years. The aim is to consolidate all relevant information and present this in a single document. Mr Temporal described it as Brazil's biggest and most complete opportunity chart and a key means of attracting new foreign investment into Brazil. FIRJAN can assist foreign investors by building bridges with public and private entities within Brazil.

In the period 2011 to 2013, US\$77.3 billion in public and private investments have been announced. These investments include Petrobras' petrochemical refinery, the Ternium steel mill, the Açu Port Industrial Complex and Rio's Bus Rapid Transit Systems. US\$6.5 billion of the planned investments will be related to the Olympic Games.

Instituto 2014/2016

7.69 Instituto 2014/2016 is the local government agency responsible for the 2014 World Cup and the 2016 Olympic Games. Australia and Brazil signed a Memorandum of Understanding (MOU) on Cooperation on Major Events in December 2010. This MOU commits the two countries to explore opportunities in sports, including the exchange of information on commercial opportunities for Australian and Brazilian businesses. The discussions therefore focussed on Australia's interest and significant expertise in the staging of major sporting events.

7.70 The Institute's Executive Director, Mr Bernardo Carvalho, delivered a presentation on Rio D Janeiro's plans for both of these events, as well as touching on a series of other forthcoming major events that the city would also host. Preparations for the games include major transformations in the city's transportation networks through the construction of Bus Rapid Transit networks, a very light train network and extensive cycle ways to decrease the reliance on private car use.

7.71 A number of urban infrastructure projects have also been initiated to meet the demand for accommodation and service industry training facilities in preparation for the games. These projects are being undertaken with significant private investment and are being complemented by programs to address a range of sustainability and social development issues.

7.72 The FIFA World Cup 2014 and the Rio Olympics 2016 present huge opportunities for Australian companies as there is a need to remodel stadiums and

build new high standard venues. The infrastructure required is not only directed to sporting venues, but also towards improvement of public transport, airports, hotels and temporary accommodation. Opportunities lie also in areas of training of staff and managing the volunteers that will assist in both events. In summary, the opportunities cover a diverse area from supply of stadiums with grass to building major new structures, as well as offering logistic and transport solutions, urban planning, green energy, and waste management.

7.73 Mr Carvalho told the delegation that a particular focus for the Institute in the preparations for these major events has been on working with all levels of government to address Rio's reputation as a dangerous city and to address a range of social issues within Rio's low income communities.

7.74 The delegation notes that since 2008 police pacification units (UPPs) have occupied 13 favelas. Accompanied by the implementation of social policies, this community policing strategy is based on a partnership between the population and public security institutions. The goal is to expand the UPP program to include more than 210,000 residents. The pacification of favelas has enabled community associations to create opportunities to develop their communities. Tourism projects are being implemented and new business opportunities are emerging.

Atituda Social – visit to Favela Santa Marta

7.75 The delegation was privileged to visit Santa Marta, one of the first favelas to be pacified. Located in Botafogo in the Zona Sul of Rio de Janeiro, it is an example of a safe community that now has a variety of social projects and social infrastructure, such as a family health program, access to micro credit and professional training courses and a range of activities tailored to the needs of youth and the elderly.

7.76 The delegation's guides for this visit were Mr Robespierre Avila, the Director of the ONG Atituda Social and Ms Ana Sofia Augier. The visit provided a valuable opportunity to see firsthand the significant challenges and social issues facing the thousands of people living within favelas. While some of these communities have been pacified, the task now is to provide a new structure of security, healthcare and other services. Previously, all services to these communities were provided by drug lords.

7.77 Based on the premise that "kindness generates kindness", Atituda Social has established a base within the community from which it provides a range of support and practical assistance to the community. Key initiatives are those that support the victims of domestic violence and those that work with children. The delegation heard that one woman dies every two minutes in Brazil as a result of domestic violence. Organisations such as Atituda Social provide shelters, medical assistance, legal aid and psychological support. In the case of children, the goal is to provide a safe environment and a range of activities, including music, sport and literacy programs, to keep them within the community and to draw them away from the temptation of drugs and crime. The delegation was particularly inspired by Mr Aviala's work with a group

of roughly 40 children, who meet regularly to learn to play drums and other musical instruments. A small group of these children performed a very enthusiastic drum recital for the delegation.

7.78 The house which forms the organisation's base was abandoned during Santa Marta's more violent past and still bears the scars of cross fire between rival gangs, underscoring the enormity of the task at hand. Programs like those run by Atituda Social receive only limited government support, and are heavily dependent on donations of instruments and other resources. Despite this they are capable of achieving outstanding success. Mr Aviala said that a small number of children had made their way through the music programs to play in orchestras. More broadly, he said that there was a slight but noticeable change toward a less violent attitude within the community.



The Speaker and Senator Judith Troeth with young music students during the delegation's visit to Santa Marta

Dinner hosted by Dr Ronaldo Veirano, Australia's Honorary Consul for Rio de Janeiro.

7.79 The dinner hosted by Dr Veirano provided an opportunity for a candid and informative discussion of the relationship between Australia and Brazil. Dr Veirano observed that while the two countries speak a different language they share common interests in many fields of endeavour and in their overall outlook. They share a passion for sport, an outgoing and relaxed demeanour and an outdoor lifestyle. However, the two countries appear to have a limited understanding of each other. Traditionally, Australia has looked more toward Europe in establishing relationships

and as a consequence had tended to be slow to appreciate the potential of neighbours like Brazil.

7.80 The delegation agreed that while the formal, bilateral relationship between the two countries is warm and positive, the commercial relationships between them fall far short of their potential. The delegation agreed that initiatives such as student exchanges provided a very positive base from which to begin to broaden the understanding between the two countries and establish enduring bonds that can foster successful commercial relationships.

Amazonas State - Manaus

7.81 The delegation concluded its visit to Brazil with a visit to Manaus, the capital of Amazonas, Brazil's largest state by area. Manaus's location on the Rio Negro makes it an important centre for ecological tourism. It is also a significant centre for the manufacture of electrical and electronic goods.

7.82 The primary focus of the delegation's visit to Manaus was environmental and forest management and indigenous issues and included meetings with: the Amazonas Sustainable Foundation (FAS), the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), and Coordination of Indigenous Organisations of the Brazilian Amazon (COIAB). The delegation's visit also included a visit to Juma Lodge, which provided the opportunity to inspect recently reforested areas of the Amazon.

Amazonas Sustainable Foundation

7.83 The Amazonas Sustainable Foundation (FAS) is an independent organisation which seeks to promote sustainable development in protected areas in the State of Amazonas. FAS's activities are directed, among other things, at the reduction of deforestation, poverty eradication, support for social organisation, improvement of social indicators and income generation based on sustainable activities.

7.84 The delegation received a comprehensive briefing on the work of FAS from its Director-General, Professor Virgílio Viana, one of Brazil's leading experts on forestry, environment and sustainable development. FAS is a public/private, independent, not-for-profit non government organisation (NGO), which was founded in 2007 by the Amazonas State Government and the major Brazilian bank, Bradesco Bank. It receives 90 per cent of its financial support from the private sector and enjoys the support of a number of entities including Coca Cola, Marriott International and Samsung and The Amazon Fund, launched in 2008 by President Lula.

7.85 Professor Viana told the delegation that the time had come in Brazil's history to move beyond partisan thinking to address the common challenge of climate change. He said that because it has no political affiliations, FAS can play an important role in this by offering a bridge between political parties and also between business and environmentalists. He also stressed that recognition of the global environmental value of the Amazon must include encouragement and recognition of the stewardship of the

Amazon by its inhabitants. Professor Viana emphasised the dramatic impact that climate change is having on the poor throughout Latin America. For this reason, he said that the climate change agenda must address this through programs that generate jobs. He described how FAS is working to address these issues in areas of the state that are under high pressure for expansion and deforestation. The goal of FAS is to stop deforestation while at the same time improving the quality of life for the inhabitants of these areas. FAS's goal is to make the forest worth more standing than cut.

7.86 FAS is responsible for implementing the Bolsa Floresta Program which rewards traditional communities for their commitment to stop deforestation by distributing payments for ecosystem services to families, communities and family associations. It is the largest program of payment for environmental services in the world and has four key components:

- support for income generation through the sale of timber and environmental products;
- investments in education, health and transportation;
- the promotion of community empowerment through its support of grass root organisations; and
- cash rewards for those who commit to zero deforestation.

Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA)

7.87 IBAMA was created in 1989 in response to a number of environmental disasters involving major development projects in Brazil in the 1970s and 1980s. During this period uncontrolled hunting and fishing had pushed a number of species to the verge of extinction and deforestation of Brazil's rainforests proceeded at an alarming rate. IBAMA's objective was to integrate the work of a number of former environmental agencies and promote the rational use of natural resources to pursue development while maximising conservation and preservation of the environment.

7.88 The delegation met with Mr Mário Lúcio da Silva Reis, Superintendente Geral, IBAMA, who provided a comprehensive briefing on IBAMA's broad environmental remit. He described how, with the creation of the Brazilian Ministry of the Environment in 1992, IBAMA's role has evolved to include the implementation, regulation and control of the Brazilian Government's environmental policies. Mr da Silva Reis outlined Brazil's environmental licensing procedures and IBAMA's ongoing role in monitoring and inspecting licensees to ensure compliance with licence conditions.

7.89 The delegation noted the significant progress achieved by the Brazilian Government in preserving the Amazon rainforest. Mr da Silva Reis outlined the extensive enforcement measures implemented by IBAMA inspectors with the assistance of the environmental unit of the police force and a range of other enforcement agencies. The delegation was particularly interested in IBAMA's system for identifying and monitoring critical areas of deforestation and the extent of

reforestation of areas damaged by previous commercial activity. Mr da Silva Reis said the main focus of IBAMA's activities was to identify and prosecute those responsible and noted that there had been a downward trend in the number of detections in the State of Amazonas. He also explained that responsibility for forest management was shared between state governments, the Forest Stewardship Council, which is an independent certification and standard setting organisation, and IBAMA which has responsibility for national assets.

Co-ordination of indigenous organisations of the Brazilian Amazon (COIAB)

7.90 The delegation's meeting and lunch with representatives of COIAB was a richly rewarding experience. The delegation was hosted by COIAB's coordinator Mr Marcos Atarina and its Deputy Co-Coordinator, Ms Sonia Guajajara and representatives from a number of the indigenous organisations that make up COIAB.

7.91 COIAB was established at a meeting of indigenous leaders in 1989, a year after the introduction of the new Brazilian Constitution which formally recognises the right of indigenous populations to their social organisation, customs, languages, beliefs and traditions and their original rights to the lands they traditionally inhabited. The purpose of the organisation was to monitor progress toward the practical recognition of these rights.

7.92 COIAB is the largest indigenous organisation in Brazil, with 75 member organisations from nine states in the Brazilian Amazon including local associations, regional federations, women's organisations, teachers and indigenous students. COIAB, in turn, is a member of the Coordinator of Indigenous Organisations of the Amazon Basin (COICA). COICA was formed in 1984 and brings together nine organisations from the nine countries that share the Amazon basin.

7.93 The delegation heard that COIAB represents around 430, 000 people, or about 60 per cent of Brazil's indigenous population. These people are drawn from 160 different and distinct indigenous cultures, with distinct languages, who occupy approximately 110 million hectares of territory in the Amazon. Of these distinct peoples, 66 still live a free and autonomous life.

7.94 COIAB's primary objective is to represent indigenous people in their pursuit of basic rights, including the right to land, health care, education and economic development. In particular, COIAB is actively involved in lobbying the Brazilian Government on a range of key issues that have a direct impact on indigenous people, including the clearance of land for agriculture, fire mitigation and management and the construction of hydro electric projects.

7.95 The delegation was told that while the Brazilian Constitution recognises the right of indigenous people to prior consultation regarding projects that will have a potential impact on their land, this right is continually under threat from large scale development projects. COIAB's aim is to secure a legislative requirement for consultation and consent prior to the commencement of developments on indigenous lands. COIAB is also seeking greater control of resources on indigenous land. As a

result, the indigenous people of the Amazon are frequently characterised as seeking to thwart Brazil's economic development.

7.96 Ms Guajajara expressed COIAB's gratitude to the delegation for its show of support by including a meeting with indigenous representatives in its visit to Amazonas. In thanking COIAB for its hospitality, the Speaker began by acknowledging the traditional owners of the land, which he explained was now customary in Australia at gatherings such as this. He also emphasised the similarities between Australia and Brazil with regard to indigenous issues, noting that at times Indigenous Australian's had also needed to be warriors to protect their rights and advance their position in Australian society. He said indigenous people have a vital part to play in protecting biodiversity for the benefit of all mankind.

7.97 The Speaker also acknowledged the presence at the meeting of students from the Amazon Indigenous Training Centre (CAFI). CAFI offers a nine month training program that aims to empower a new generation of leaders for the conservation of indigenous land in the Amazon. The Speaker said that equipping young indigenous people to speak for themselves and engage effectively on behalf of their communities was a highly important initiative. He congratulated the students on being nominated for the program and wished them and the program coordinators well in their endeavours.



The Delegation with representatives from Co-ordination of Indigenous Organisations of the Brazilian Amazon (COIAB)

Juma Lodge

7.98 The delegation concluded its visit to Brazil with a short stay at Juma Lodge, three hours by boat from Manaus in a remote and relatively untouched region of the Amazon.



The delegation en route to Juma Lodge

7.99 Juma Lodge is active in the conservation of the Amazon rainforest through financial support to restore the forest along the rivers bordering Juma Lake on which it is located. The partnership between Juma Lodge and a local group, Eco Amazonas, is an example of a successful business-NGO partnership. The project includes an agreement between the Lodge and local residents whereby they receive training in the cultivation of seedlings of native trees which the Lodge in turn purchases for use in forest regeneration projects. Currently 40 families participate in the project and 3,500 hectares of forest have been restored.

7.100 The lodge is also conducting a census of all Mura Indians in the area and is working to ensure the preservation of Mura culture through an agreement to purchase Mura handicrafts and by involving Mura Indians in the forest restoration project. The Lodge is also working with Mura elders to recover the Mura language which is at risk of extinction.

7.101 The delegation welcomed this opportunity to learn more about the ecosystem of the Amazon and the history and culture of the Mura Indians. The visit also provided a valuable opportunity to gain a first-hand appreciation of the potential of this type of private/NGO partnership to address the environmental and social issues that had been the focus of the delegation's meetings in Manaus.

HARRY JENKINS MP
Speaker of the House of Representatives and Leader of the Delegation

APPENDIX A

Declaration by the President of the Assembly on the natural disasters in Japan

*Endorsed by the 124th IPU Assembly
(Panama, 20 April 2011)*

On 11 March a tsunami slammed into the north-eastern coast of Japan, following in the wake of one of the most powerful earthquakes ever recorded, unleashing widespread destruction and leaving some 28,000 people either dead or missing.

At this IPU Assembly in Panama, the Parliament of Pakistan submitted a resolution expressing solidarity with Japan. Taking my cue from that resolution, and on behalf of all the parliamentarians assembled here, I wish to express our deepest condolences to the people of Japan as they continue to grapple with the consequences of that terrible disaster. Our foremost concern is the appalling loss of human life.

We also express our solidarity with the people of Japan as they confront the full impact of this tragedy. Japan has always demonstrated generosity in providing human, material and financial assistance whenever countries have experienced disasters on such a scale. The world community owes Japan a similar response in the wake of its own calamity, and we will press our parliaments to be attentive to its needs.

We also wish to express our admiration for the resilience and calm of the people of Japan as they work with patience and determination to attenuate the effects of this disaster. Those grappling with the damage to the nuclear plant have worked selflessly, in many cases demonstrating genuine heroism. While the work goes on, we call for all public commentary on the situation to prefer objective analysis to groundless rumours.

Just as the destruction was swift and lethal, so the recovery will be painstaking and time consuming. I know the Japanese people will face the challenge with courage. The IPU expresses its utmost support to Japan as the country embarks upon the road to recovery.

APPENDIX B

Emergency Item – Strengthening democratic reform in emerging democracies, including North Africa and the Middle East

*Resolution adopted unanimously by the 124th IPU Assembly
(Panama, 20 April 2011)*

The 124th Assembly of the Inter-Parliamentary Union,

Noting that the popular uprisings seeking to consolidate democracy that have spread across the Middle East and North Africa are the most prominent social and political development to have taken place in the months leading up to the 124th Assembly,

Affirming the rights of those peoples and countries to determine their own political future, and *recalling* that democracies should reflect a diversity of histories and cultures,

Also affirming that democracies should all be built on recognized norms, standards and principles, including those relating to human rights, equality, including gender equality, transparency and accountability, and respect for plurality of opinion,

Expressing concern for the humanitarian impact of the political changes in the region on vulnerable groups, particularly women and children, and *noting* that 2011 marks the 100th anniversary of International Women's Day,

1. *Affirms* the importance of holding free and fair elections as soon as practicable;
2. *Also affirms* the particular importance of empowering women, including by ensuring their full participation in the democratic process;
3. *Urges* all parties to refrain from violence and ensure in particular that human rights are respected;
4. *Calls on* all governments to respect the right to peaceful self-determination of peoples;
5. *Underscores* the pivotal role the IPU can play in assisting fledgling democracies.

APPENDIX C

Resolution of the First Standing Committee on Peace and International Security

Providing a sound legislative framework aimed at preventing electoral violence, improving election monitoring and ensuring a smooth transition of power.

Resolution adopted by consensus by the 124th IPU Assembly
(Panama, 20 April 2011)*

The 124th Assembly of the Inter-Parliamentary Union,

Recalling the 1948 Universal Declaration of Human Rights, the 1976 International Covenant on Civil and Political Rights, and the 1981 African Charter on Human and Peoples' Rights, which, inter alia, provide that every citizen, regardless of gender, religion or race, has a right to take part in the conduct of public affairs directly or through freely chosen representatives, and that the will of the people should be expressed through free and fair elections based on universal and equal suffrage and secret ballots, in the full exercise of sovereignty of the people, so as to constitute the basis for legitimate and credible authority of government,

Recognizing that free and fair elections as a prerequisite for the peaceful transfer of power are the cornerstone of democratic practice,

Aware that the smooth transfer of power requires respect for the rule of law, transparent political and electoral institutions, a strong civil society and free and impartial media,

Considering that different countries are at different stages of democratic consolidation, but that all countries need to continue to strive to establish laws that provide optimal conditions for the holding of free and fair elections,

Underscoring that an effective electoral framework should entrench a series of basic elements, including periodic free and fair elections, secret ballots, a competitive and inclusive electoral process, equal and balanced access to the media and to State resources for all political parties, broad-based voting rights, a reliable voter registration process, and an independent and impartial election management body entrusted with organizing free and fair elections,

Expressing deep concern over the increase in electoral violence experienced in several countries in recent years for a variety of reasons: socio-economic disparities; gender inequality; ideological differences; weak governing institutions; inadequate or

inappropriate power-sharing mechanisms; electoral systems that create real or perceived inequalities or marginalization; abuses perpetrated by military and/or security forces; unsound statutory and regulatory frameworks; lack of transparency; insufficient civic and voter education; poor transitional mechanisms; absence of sound electoral laws; lack of trust and confidence in election management bodies, of adequate measures to enfranchise eligible voters and of a level playing field; lack of fair, transparent, expeditious, effective and accessible dispute resolution systems; widespread corruption; uncontrolled proliferation of firearms; polarization of community, ethnic or religious identities; international interference in internal electoral processes,

Noting the importance of credible and effective election management bodies that have the confidence of election stakeholders and the wider public, and that operate according to the principles of independence of action, impartiality, integrity, transparency, financial probity, accountability, professionalism, equal access, sustainability and cost-effectiveness,

Underscoring the crucial role played by national and international election observers and monitors in encouraging participation and in providing independent election assessments and a measure of transparency and accountability to the process, with due regard for the principle of sovereignty, national integrity and relevant national legislation,

Also underscoring the importance of ensuring that electoral management bodies and elections observers include women and have clear gender-equality objectives,

Concerned that women voters and candidates are disproportionately affected by electoral violence and are often vulnerable targets, or are deterred from participating in the political process by a climate of intimidation,

Stressing the need to define gender-based electoral violence, carry out research and develop indicators in order to assess the scope of the problem and monitor the situation,

Underscoring that gender-based electoral violence occurs prior to, during and after elections and includes physical violence and verbal abuse, and that the media's portrayal of women candidates can often be disrespectful and disparaging,

Noting that holding elections in conditions of instability and political fragility, particularly in post-conflict and post-crisis contexts, has often failed to produce credible and legitimate outcomes,

Underscoring that, during the peace-building process, only the national political will, expressed at free and fair elections, can lend full legitimacy to permanent national institutions,

Welcoming the IPU Declaration on Criteria for Free and Fair Elections and the Universal Declaration on Democracy, which underscore the need to ensure

transparency of the electoral process and thus promote good governance and the rule of law,

Acknowledging the 2005 Declaration and Code of Conduct for International Election Observation endorsed by a host of organizations, including the United Nations and the International Institute for Democracy and Electoral Assistance (IDEA), in addition to the IPU,

Underscoring the role and responsibility of parliaments and parliamentarians in shaping a sound and comprehensive legislative framework aimed at preventing electoral violence and ensuring a smooth transition of power once elections are over,

1. *Calls upon* parliaments, where necessary, to undertake constitutional and legislative reform, building on international obligations and commitments and taking into account local realities, so as to provide a sound legal framework for free and fair elections that includes the adoption of electoral systems that provide for representative and inclusive outcomes, and for the smooth transfer of power;
2. *Urges* parliaments to conduct such electoral reform through a comprehensive, inclusive and open debate that fosters the broadest possible involvement of all stakeholders, authorities, political parties, media and civil society organizations in the electoral process;
3. *Encourages* national election management bodies to make greater efforts to ensure sustainability and cost-effectiveness, as well as the use of appropriate cutting-edge technologies, in particular information and communication technology, so as to make the electoral process people-friendly, efficient and safe from malpractice, while ensuring transparency and public confidence;
4. *Also encourages* electoral management bodies and election observers to pay specific attention to women's participation in the electoral process, as voters and as candidates, and invites electoral management bodies to develop gender guidelines and tools for their members;
5. *Urges* parliaments to enact legislation giving strong regulatory, investigative and prosecutorial powers to independent and impartial election management bodies so that they can safeguard the integrity and transparency of the electoral process by preventing instances of electoral fraud, intimidation and other improprieties and reporting them to the competent authorities;
6. *Encourages* parliaments, election management bodies, election monitors, civil society groups and international agencies, while respecting the sovereignty of each country, to work together between elections to plan for future elections, evaluate the outcomes and experiences of past elections, identify weaknesses in a given country's electoral apparatus and election legislation, and to take steps to redress such weaknesses, train election officials, update and strengthen voter registries, and educate voters;

7. *Calls upon* parliaments to enact legislation to ensure that political parties and candidates conduct their election campaigns according to prescribed norms, and that the election machinery functions in a non-partisan and professional manner to encourage a level playing field as well as a violence-free electoral and political environment, including through the application of harsh sanctions against perpetrators of such violence;
8. *Also calls upon* parliaments to consider formulating a legislative framework for the funding of political parties and electoral campaigns, and for the conduct of the campaigns themselves, in order to ensure that conditions of safety, order and transparency prevail and that the maximum number of citizens participate in the vote;
9. *Urges* all governments to redouble their efforts to ensure active and wider citizen participation in elections through an inclusive voter registration process that effectively accommodates both women and men, the disabled, national minorities, indigenous peoples, citizens living abroad, internally displaced persons, the homeless and other vulnerable groups;
10. *Encourages* parliaments to consider good practices and modalities in order to ensure the participation of citizens living abroad in the political process of their home countries;
11. *Urges* parliaments and governments to put in place legislation and independent, fair, transparent, expeditious and accessible electoral dispute settlement mechanisms that have the confidence of election stakeholders and the wider public;
12. *Invites* parliaments to organize study, awareness and discussion days on political rights and violence-free politics, in particular during election periods;
13. *Also urges* parliaments to develop legislation that, as appropriate, can regulate and guide the implementation of election results and the peaceful transition to a new government;
14. *Further urges* all the parties concerned in situations where countries are emerging from a crisis, or from violent community, ethnic or religious tensions, to conclude an inclusive political accord to allow the peaceful conduct of free and fair elections in the framework of institutions that are respectful of minority interests;
15. *Calls up on* parliaments and governments to ensure access by election observers and monitors, both national and international, taking into account local needs and the provisions of the law, to observe national elections, in keeping with international obligations, commitments and principles;
16. *Also urges* parliaments to draw up regulations establishing equal access to the mass media - both public and private - during election campaigns;

17. *Encourages* the deployment of election observation and monitoring missions from national, regional and international organizations well in advance of elections and for as long as possible after election results are announced;
18. *Also encourages* enhanced cooperation among election monitoring and observation missions from different national, regional and international organizations, taking into account local legislation;
19. *Invites* the United Nations and other relevant international organizations and partners to incorporate into their peace-building strategies, from the outset, human and financial assistance measures aimed at strengthening or establishing a set of democratic institutions, in particular a parliament elected through free and fair elections;
20. Urges parliaments in countries with a history of electoral violence to enact specific legislation restricting the use of firearms and live ammunition, and guaranteeing that military and security institutions and agents remain neutral and are not subject to manipulation for electoral purposes;
21. *Invites* parliaments and governments to enact strict and stringent laws prohibiting any attempt to destabilize the electoral process and providing for the prosecution of the perpetrators of acts of violence;
22. *Appeals* to civil society organizations, media groups, experts, academic institutions, human rights agencies and international organizations to sensitize citizens to their constitutional rights and obligations regarding elections, including through comprehensive civic and voter education programmes;
23. *Urges* parliaments and governments to promote among citizens, in particular youth, a culture of respect for the rule of law and a sense of political tolerance for diverse and opposing views;
24. Calls upon parliaments to enact appropriate legislation to guarantee the fundamental rights of citizens in the political process, including the right of individuals to cast secret ballots, the right to open information and freedom of expression, and the right to peaceful public demonstration;
25. *Urges* parliaments to amend election laws so as to incorporate genuine mechanisms for free and fair elections that conform to international democratic obligations and principles;
26. *Calls upon* parliaments to ensure that, until political violence against women is eliminated and women are empowered both economically and politically, women's representation accounts for at least 30 per cent of parliamentary seats;
27. Urges parliaments and governments to ensure that electoral laws are stable and predictable by codifying them or enacting them in statute law and by entrenching the basic principles of electoral democracy and the right to vote

and to run for office in the national constitution so as to prevent manipulation of election rules;

28. *Further urges* governments to ensure that constituencies are drawn up in a way that is predictable, transparent and not subject to change close to elections, so as to avoid manipulation of electoral systems;
29. Appeals to the United Nations, other relevant international organizations and development partners to provide the support and sustainable, cost-effective technical assistance needed to build the capacity of national election management bodies, including improved working conditions for their staff, thereby encouraging appropriate electoral reforms, and to promote better voter and civic education, particularly in emerging democracies;
30. *Calls for* greater cooperation between the United Nations and the IPU on the prevention of electoral violence, the smooth and peaceful transition of political power, and the implementation throughout the electoral cycle of relevant recommendations made by election observation missions, wherever they are deployed.

* *The following delegations expressed a reservation on the following words of preambular paragraph 6, "international interference in internal electoral processes": Australia, Austria, Belgium, Canada, Cambodia, Denmark, Finland, France, Germany, Ghana, Iceland, Jordan, Monaco, Netherlands, Norway, Spain, Sweden and Switzerland.*

The following delegations expressed a reservation on the following words of preambular paragraph 8, "with due regard for the principle of sovereignty, national integrity and relevant national legislation": Belgium, Canada and Sweden.

APPENDIX D

Resolution of the Second Standing Committee on Sustainable Development, Finance and Trade

The role of parliaments in ensuring sustainable development through the management of natural resources, agricultural production and demographic change

*Resolution adopted unanimously by the 124th IPU Assembly
(Panama, 20 April 2011)*

The 124th Assembly of the Inter-Parliamentary Union,

Noting that:

- a. Following a steady drop in poverty levels between 1990 and 2007, hunger rose sharply in 2009 according to the United Nations, and that 925 million persons will go hungry in 2011 according to the latest estimates of the Food and Agriculture Organization of the United Nations;
- b. The food crisis of 2007-2008 revealed the international community's vulnerability with regard to food security;
- c. Arable land is being expanded to the detriment of forested areas and fragile ecosystems;
- d. Desertification is being caused in many places by long droughts and poor land use;
- e. The United Nations has indicated that the world has lost 13 million hectares of forest every year for the past 10 years, thereby rendering the environment more vulnerable, without counting the 60,000 km² lost each year to desertification;
- f. Deforestation accounts for 14 per cent of greenhouse gas emissions and consequent climatic change;
- g. Many regions in the world, notably the Middle East and North Africa, find themselves in a difficult situation regarding water supply, with the Sahel countries suffering from constant water shortages;
- h. This situation heightens the risk of conflict over access to and the use of water resources;

- i. Many countries, in particular developing countries, are hard hit by collapsing exports, capital flight and rising unemployment;
- j. Over the past decades, agriculture has too often been neglected in both national and international policies, thereby contributing to conflict and instability,

Also noting that:

- a. Governments are obliged by the growing needs of a burgeoning urban population and intensive agriculture - both thirsty for water - to build new dams on rivers and streams and to increase the number of high-speed pumps extracting water from the water table, but are unable to take the measures required to ensure a more sustainable use of water;
- b. Seventy per cent of the fresh water used worldwide is for agricultural production, while competing claims on water for other purposes are increasing;
- c. The quality of fresh water is being lowered due to the intensive use of fertilizers, pesticides and herbicides in agriculture, industrial effluents from the growing number of industrial units and untreated domestic sewage from a burgeoning population;
- d. For some years now, certain regions have been experiencing an unusual overabundance of water, while others find themselves suffering increasingly from water shortages,

Further noting that:

- a. Population figures have undergone significant change marked by:
 - o lower birth rates and an ageing population in countries of the North;
 - o a high birth rate in Africa, the level of which depends on the country;
 - o exponential urbanization compounded by higher levels of migration to coastal areas; and
 - o more significant migratory flows - forced or voluntary - as a result of armed conflicts or for economic reasons;
- b. According to certain projections, in the next 50 years, the population of almost all developed countries will be smaller and older as a result of lower fertility rates and longer life expectancy;
- c. All countries and regions of the North need immigration to prevent their population from declining, but that the level of immigration, based on past experience, varies greatly owing to the immigration policies adopted by each country;

- d. Africa is experiencing an unprecedented baby boom and its population will be almost 2 billion by 2050;
- e. There are about 200 million migrants in the world today, representing 3 per cent of the global population;
- f. Expatriation of highly educated human resources impoverishes developing countries and causes them to lag further behind in terms of science and technology,

Aware that:

- a. There is a direct link between the use of land, soil, water, biodiversity, other natural resources and food production, on the one hand, and between food production and poverty on the other;
- b. Poverty is more pronounced in rural areas in developing countries, where many farmers are finding it difficult to sustain agricultural production and make a living;
- c. Overcoming hunger requires an increase in both small-scale and large-scale agriculture and effective policies that focus on both categories and are based on sustainable production and environmental protection;
- d. The private sector on the national and international levels has a key role to play in sustainable agriculture and food security, food production, processing and marketing, and in the development and application of new technologies, including eco-efficient and responsible investments;
- e. The allotment of more and more arable and forested land for the production of biofuels compounds the growing imbalance between the supply of and demand for foodstuffs;
- f. The growing demand at the global level for biofuels, compounded by the heightened need for land, may put pressure on marginal lands that are used for subsistence farming by the poor in rural areas;
- g. Sustainable development in rural areas should focus on the construction of social networks, such as cooperatives and knowledge centres, where people can acquire knowledge and qualifications, combine them and hand them down to the next generation,

Mindful that agriculture, food security, population growth and climate change are closely linked,

Considering that management of the world's natural resources (soil, land, forests, wildlife, marine and freshwater products, water, energy and air) has to become more sustainable, focusing on renewal (sustainable use) and conservation instead of

depletion and spending, while pursuing the goals of sustainable economic and social development,

Aware that the multiple challenges facing the world in terms of climate change, ecosystem degradation, food insecurity, and the financial and economic crises require an integrated response ensuring that short-term emergencies are addressed while for long-term strategies for sustainable development, i.e. strategies that meet the needs of the present generation without compromising the ability of future generations to meet theirs,

Underscoring the importance of achieving sustainable fisheries in order to prevent overfishing of the world's oceans, thereby safeguarding fragile ecosystems,

Also underscoring that an integrated and sustainable approach has to be adopted for the management of natural resources, agricultural production and demographic change,

Acknowledging that in order to implement an integrated approach, research, education and the proper application of research results are vital, and that traditional and indigenous knowledge needs to be linked with modern technologies and the latest scientific knowledge about sustainable agricultural production, in particular food production and the sustainable use of natural resources, including poverty reduction in rural areas,

Underscoring that the growth of the world population (approx. 9 billion by 2050) will require higher food production, and that increasing water and energy shortages hamper food production, which inter alia drives migration flows,

Also underscoring that growth in the agriculture sector, particularly in food production, remains fundamental for poverty alleviation, economic growth and environmental sustainability,

Highlighting that it is equally crucial to improve agricultural productivity (including water usage, integrated land and water management, and sustainable agricultural intensification - more with less) without expanding areas under cultivation, and to halt environmental degradation (including biodiversity loss and curbing and reversing land degradation and desertification),

Also highlighting that, in order to avoid large-scale migration and the high risks it poses for stability, peace and security in many regions of the world, it is crucial to provide farmers and other people living in rural areas with the conditions, opportunities and resources they need to increase their food production or incomes, send their children to school, and enjoy rising living standards and fulfilling lives,

Considering the need to devise innovative sources of financing with a view to achieving the Millennium Development Goals (MDGs), supplement official development assistance, guarantee stable flows of funds in the face of long-term needs

and facilitate the concerted management of development aid between countries of the North and countries of the South,

Acknowledging that it is critical for countries to share experiences and innovative technologies and cooperate in training and developing human and technical capacities,

Convinced that development policies should focus on providing water-access and transfer systems in and to areas that suffer from water shortage,

Aware that many technologies and much of the knowledge needed are already available, but that their wider dissemination and uptake are key challenges that must be addressed,

Considering that developing countries, with their growing populations and rising living standards, should be at the centre of agricultural and rural revival and that for many of them, halting and reversing land degradation and desertification is a high priority,

Cognizant of the fact that many developing countries need to urgently boost agricultural productivity in a sustainable manner,

Aware that intensifying agriculture for food security must include a vigorous response to major environmental changes such as climate change, desertification, land degradation and drought,

Considering that Africa and Asia, above all, should benefit from a sustainable green revolution, that is, an agricultural productivity revolution that is economically viable, socially equitable and environmentally sustainable,

Also considering that a green revolution, particularly in Africa, should be tailored to the needs of diverse local agro-ecological conditions and cropping systems,

Underscoring the major role of the agricultural sector in feeding a world population of 9 billion in the coming decades,

Also underscoring that the rise in commodity prices affects first and foremost the poorest importers of agricultural products and that the extreme volatility of commodity prices threatens food security,

Further underscoring that a radically different outlook is needed and that agriculture should no longer be seen as a cause of environmental degradation but as part of the solution to improve environmental sustainability,

Aware that agriculture is at the heart of poverty eradication, sustainable development and, increasingly, climate change,

Also aware that achieving gender equality in agriculture and rural labour markets would generate significant gains for agricultural and rural development, food security and society as a whole,

Underscoring that measures to provide an enabling environment for investment in sustainable agriculture and rural development and for tackling the structural causes of food insecurity are needed by both small-scale and large-scale farmers,

Also underscoring that inclusive and secure access to finance, in particular for millions of small-scale farmers, has to be promoted, with due regard for gender equality and the important role of women in agriculture,

Convinced that it is critical to put in place appropriate land tenure systems for private and communal land, so as to promote sustainable agriculture and improve access to land, in particular for small-scale farmers,

Also convinced that the active engagement of all actors, including local government, civil society and private sector partners, should be mobilized in the planning and implementation of policies and practices,

Underscoring the important role efficient food distribution systems and well-functioning markets, at the national, regional and international levels, can play in ensuring global food security and promoting sustainable development,

Also underscoring that it is important to generate opportunities for higher incomes by adding value to the production and supply chain,

Acknowledging that the private sector must play a central role in expanding agriculture through production, building agricultural value chains and assessing the potential of new technologies,

Considering that, in order to promote sustainability, cisgenetic modifications are preferable to transgenetic ones,

Acknowledging that investment in revitalizing developing country agriculture and promoting sustainable rural development will need to be supported by new and additional resources from all quarters, including private, public, domestic and international sources,

Aware that while the increase in large-scale land acquisitions in developing nations by foreign investors might bring opportunities to local people, including guaranteed outlets, employment, investment in infrastructure, and higher agricultural productivity, local people might also lose access to land, water, and other resources, particularly if they are not included in the land allocation decision-making process and their land rights are not protected,

Underscoring that an enabling environment is needed to support investments and domestic, regional and international partnerships, North-South and South-South partnerships, and public-private partnerships among relevant stakeholders,

Convinced that it is crucial that women be given the same access as men to land, technology, financial services, education and markets,

Also convinced that parliamentarians and their constituencies worldwide, together with governments, private stakeholders, and national and international agencies, have a role to play in heightening awareness of the close relationship between climate change, food security and agriculture,

Considering that land for agriculture and other natural resources should be exploited in a sustainable manner,

Also considering that the green revolution can only succeed if it goes hand in hand with a comprehensive and coherent set of political decisions, including financial incentives for small-scale farmers, communication and education policies and land management reform,

Noting the MDGs, the related Action Plan and the commitments contained therein concerning the fight against poverty and hunger,

Aware of the importance of fisheries for food security, including as a source of income,

Knowing that forests are very important for many people's livelihoods and employment, including sustainable forestry management,

1. *Invites* the IPU, parliamentarians and parliaments to act as agents of change in identifying an integrated and sustainable approach to the management of natural resources, agricultural production and demographic change;
2. *Encourages* parliamentarians and parliaments to engage all actors, including local and regional governments, civil society and private sector partners, in the planning and implementation of policies;
3. *Calls upon* parliamentarians to acknowledge the crucial role of women in sustainable agricultural development by adopting legislation and supporting policies and measures aimed inter alia at eliminating discrimination against women and at increasing women's access to agricultural resources, education and training, family planning and maternity health services, labour markets, technologies, micro credits, finance and other facilities, since women's empowerment is key to poverty eradication and sustainable development;
4. *Urges* parliamentarians to ensure that discussions about land use and land acquisition remain on the national and international political agendas;
5. *Encourages* parliamentarians to help draw up or propose plans for regional development and land use that are predicated on the imperative need to save agricultural land;
6. *Calls upon* national parliaments and parliamentarians to encourage their governments to take all necessary measures to restore degraded land;

7. *Invites* parliamentarians to support policies and measures at the national, regional and international levels in order to improve water efficiency in agriculture and promote integrated land and water management and the development of innovative water efficiency technologies;
8. *Calls upon* parliaments and parliamentarians to develop and harmonize legislation for strict and adequate standards on the manufacture and use of fertilizers, pesticides and biotechnology products;
9. *Urges* parliaments and parliamentarians to initiate or strengthen legislative mechanisms for sustainable forest management and prohibit any form of exploitation that does not conform to terms of reference that impose reforestation and the reconstitution of forested areas;
10. *Calls upon* parliamentarians to include, as part of their action, measures aimed at halting biodiversity loss and promoting plant and animal genetic diversity;
11. *Invites* parliamentarians to give broad backing to the premise that a transition to sustainable agriculture should be part of the sustainable development solution;
12. *Calls upon* parliamentarians, in particular those in developing countries, to support and encourage rural development policies;
13. *Encourages* parliamentarians in developed countries to call for transparent decision-making processes, including the setting of clear targets for stepped up official development assistance for agriculture;
14. *Calls upon* parliamentarians to support sustainable growth strategies incorporating policies on agricultural development, food production, rural development and the sustainable use of natural resources;
15. *Urges* parliamentarians and governments to create the requisite conditions and provide opportunities and resources for the most vulnerable farmers to have access to land, increase their food production, participate in knowledge-sharing, have access to education and enjoy rising living standards;
16. *Also urges* parliamentarians to support initiatives aimed at enhancing the way global agricultural commodity markets function, in particular by making these markets more transparent, regulating the corresponding derivatives markets, strengthening the coordination of national and regional agricultural policies and establishing new international mechanisms to support developing country importers;
17. *Encourages* governments and parliaments to advocate environmental awareness and educate the public about food waste-reduction measures and coordinated action against environmental degradation;

18. *Calls upon* parliamentarians, in close cooperation with national, regional and international scientific institutions and agricultural organizations, to organize conferences, seminars and workshops to discuss, develop and support action to improve the sustainable development of agriculture, in particular food production, the sustainable use of natural resources and demographic development;
19. *Invites* the IPU to consider annual reports on global developments in these fields at IPU Assemblies.

APPENDIX E

Resolution of the Third Standing Committee on Democracy and Human Rights

Transparency and accountability in the funding of political parties and election campaigns

Resolution adopted by consensus by the 124th IPU Assembly
(Panama, 20 April 2011)*

The 124th Assembly of the Inter-Parliamentary Union,

Considering that representative and participatory democracies function largely within the political party system as essential expressions of the political will of the people,

Recognizing that political parties require appropriate funding to fulfil their core functions, both during and between elections,

Mindful that it is to the benefit of the public, and to democracy as a whole, that political parties are adequately funded within an agreed framework of accountability and mechanisms for transparency,

Acknowledging that, in modern democracies, significant resources are required to conduct competitive election campaigns enabling political parties to communicate their policy proposals as broadly as possible,

Also recognizing that political party funding may be both public and private, direct and indirect (free broadcasting time on television and radio, tax remissions, use of public buildings and public election billboards, etc.), and that, in order to mitigate the risks associated with political party funding, measures have been put in place in many countries to regulate spending on elections and ensure transparency and accountability in the funding of political parties generally,

Noting that in systems where there is limited public funding of political parties, the importance of private funding increases, and vice versa,

Also noting that the concerns surrounding the private funding of political parties, which are often viewed as a question of political equality, relate to three main points: inadequate resources that result in political parties and candidates pursuing relationships with donors who expect certain gains should those parties come into power; some political parties being better resourced than others; and cases where campaign finances come from compromised sources that expect a legislative or other benefit,

Recognizing that the aspects of private funding that need to be addressed concern the admissibility of anonymous donations, cash donations, donations by foreign natural and legal entities, foreign international organizations, non-governmental organizations (NGOs), State-owned enterprises and enterprises responding to calls to tender,

Noting that while codes of conduct for members of parliament and the executive have addressed accountability issues as they apply to elected representatives individually, there has been growing concern over the funding of political parties and the associated accountability of political parties, as a whole, to the people,

Further noting that consideration should be given to clear guidelines to regulate party and campaign finance (reasonable limitations on campaign finance, campaign finance reporting requirements, political finance reporting requirements, measures to prevent the misuse of State resources, the establishment of an independent regulatory body to monitor the funding of political parties and electoral campaigns, and appropriate sanctions for violations), in order to ensure that political parties remain accountable to citizens,

Recalling that Article 7.3 of the United Nations Convention against Corruption, which entered into force on 14 December 2005, provides that "Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of the Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties",

Convinced that corruption represents a serious threat to the rule of law, democracy, human rights, equity and social justice,

Considering that political parties and election campaigns in all countries should aim to prevent and fight corruption,

Recognizing that the State should provide reasonable and impartial support to political parties, in accordance with a set of agreed criteria promoting equal access to resources under the principle of political pluralism and acting as a counterweight to corruption by eliminating the need for undue reliance on private donors,

Noting that public funding does not necessarily reduce the need for private funding, but should be used to mitigate the negative effects of excessive reliance on the latter and to support smaller political parties that may not have access to private sources of financing for their political campaigns, but whose contributions to political debate are essential to a healthy democracy,

Also noting that, even though women's presence in national parliaments has increased, lack of economic resources in the electoral process is a bigger challenge for women than for men,

Underscoring that temporary special measures, as outlined in Article 4 of the Convention on the Elimination of All Forms of Discrimination against Women, aimed

at promoting gender equality should not be considered discriminatory and that the allocation of funds based on party support for women candidates could be seen as an incentive for achieving gender equity in parliaments and for increasing women's political participation,

Reiterating that gender equality and the empowerment of women are crucial components of any democratic system and that access to public and private funding can help promote gender equality in politics,

Noting that political parties are key for the achievement of balanced participation by women and men in political life,

Recognizing that many countries have adopted measures such as bans or limits on private political contributions, spending limits for election campaigns, increased public funding of political parties and controls over political expenditure,

Noting that some States have enacted legislation ranging from requiring political parties to put in place financial controls, public disclosure of funding sources and an array of criminal, administrative and financial sanctions to ensure compliance with the law,

Recognizing that public confidence in the democratic process could be undermined by political funding mechanisms that are not accountable and transparent, and that this should not only be a cause for concern for governments and parliaments, but also for international organizations working to enhance world democracy, and for political parties,

Noting that the reasons for regulating political party funding include the need to promote the democratic principles of transparency and accountability, prevent corruption, enhance competition among a broad range of political parties, accommodate a wide spectrum of political viewpoints, platforms and policies, and strengthen political parties and empower citizens to make informed decisions,

Recognizing that while mandatory disclosure of political party funding contributes to greater transparency and gives the public an opportunity to understand what factors might inform the actions of a political party, it might also discourage donors from funding political parties,

Mindful that disclosure laws, regulations and guidelines on campaign and political party funding seek to limit the negative impact of anonymous, foreign or corporate sources of funds to political parties and to ensure that all parties have an equal opportunity to compete, and that, although these measures may prove difficult to enforce in some countries, they are nevertheless important for ensuring that citizens are able to hold their political parties and elected representatives to account,

1. *Invites* States to consider putting in place measures aimed at ensuring the independence of political parties so as to shield them from undue influence,

- and at avoiding corruption and excessive spending on election campaigns, including by capping spending during election campaigns;
2. *Recommends* that the call to reduce election spending must take into account gender equality, low levels of income, literacy, access to information and technology, and the vast distances between urban and rural areas in some countries;
 3. *Considers* that political party funding should aim to give people a voice in the political and democratic process by encouraging a diversity of opinions and political perspectives, promoting a level playing field between large, well-funded political parties and those less endowed with financial means and generally encouraging meaningful participation in the political process by all actors - men and women - irrespective of their financial means and access to resources;
 4. *Is convinced* that raising public awareness of political party funding enhances the functioning of democratic institutions and limits corruption;
 5. *Recognizes* that the existence of different democratic and constitutional systems and political parties makes it difficult to set up universal accountability mechanisms for political party funding; *encourages* parliaments, through the IPU, nevertheless to continue to ensure accountability and transparency in keeping with the realities prevailing in different countries while drawing upon the basic principles enshrined in international instruments such as the United Nations Convention against Corruption, the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights;
 6. *Recommends* that parliaments, as institutions tasked with overseeing government action, civil society organizations and the media serve as watchdogs, educate citizens about the funding of political parties and continuously monitor the exercise of power in order to build a culture of transparency and responsibility in political life;
 7. *Encourages* political parties to be part of the solution and become agents of change in a transparent and accountable manner;
 8. *Recommends* the use of self-regulatory mechanisms, including internal codes of conduct and integrity for political parties;
 9. *Invites* parliaments to consider putting in place measures to limit, prohibit or regulate funding inter alia by NGOs, corporate bodies and foreign sources, so as to ensure that they do not exert an undue influence on political outcomes;
 10. *Recommends* that parliaments, governments and political parties ensure that legislation and mechanisms are put in place that require political parties and candidates to establish internal and financial controls with a view to greater financial accountability;

11. *Encourages* parliaments to adopt, in their legislative frameworks, anti-corruption regulations regarding the funding of political parties and election campaigns, in cases where specific laws, procedures or systems that provide for the regulation of such funding do not already exist;
12. *Calls upon* the IPU to develop a technical assistance and training programme on financial accounting systems and codes of conduct for political parties.

* *The delegation of Sudan expressed a reservation on preambular paragraph 17.*

The delegation of Algeria expressed a reservation on operative paragraph 9.

