

TERMS AND CONDITIONS

INTERNATIONAL TRADE AND LABOUR PROGRAM CONTRIBUTIONS FOR CONSULTATION AND PARTNERSHIP-BUILDING AND CANADIAN-BASED COOPERATIVE ACTIVITIES

INTRODUCTION

The Government of Canada is committed to addressing the labour dimensions of international trade and economic integration. It does so by promoting good governance, the rule of law, respect for international labour standards, and a more equitable distribution of the benefits of globalization, as well as by participating in international efforts to improve respect for labour rights.

Internationally, Canada meets the above commitments by participating in the following key institutions and international agreements:

- the Commission for Labour Cooperation established under the North American Agreement on Labour Cooperation (NAALC);
- the Inter-American Conference of Ministers of Labour, a forum through which the Labour Ministers of the 34 democratic countries in this hemisphere promote cooperation on labour and employment issues in general and the labour and employment dimension of globalization in particular;
- the International Labour Organization, a United Nations Special Agency responsible for formulating international labour standards and for reviewing the social dimension of globalization; and
- labour cooperation agreements, signed in parallel with each free trade agreement signed by Canada since 1993 in order to commit Canada's trade partners to reflect international labour standards in their domestic labour legislation and to effectively enforce their labour laws.

Participating in these institutions and agreements may include supporting technical assistance or other cooperative projects as a means of addressing the labour dimension of globalization.

Domestically, Canada meets the above commitments through

- social dialogue: the negotiation, consultation or exchange of information among representatives of governments, employer and worker organizations, academia and non-governmental organizations, on international trade-related labour issues.

Social dialogue is critical to good policy-making and implementation, and fosters public support for Canada's international trade and labour agendas. At present, the primary body in Canada for social dialogue on international labour issues is the Advisory Committee on International Labour Affairs, a committee of leading business and labour representatives from across the country that counsels the Government of Canada on international trade-related labour developments.

A sound policy for addressing the labour dimension of globalization calls for continued support for, and further development of, Canada's participation in the Inter-American Conference of Ministers of Labour, the International Labour Organization, labour cooperation agreements, and social dialogue. Social dialogue and Canadian-based cooperative activities related to Canada's international labour commitments are the particular focus of this document.

OBJECTIVES AND RESULTS

The proposed International Trade and Labour Program, ITLP, will complement the Government of Canada's existing initiatives in the area of international labour affairs. The contributions stream will be used to: 1) facilitate dialogue and greater consensus building among Canadian employer and worker organizations and the government with respect to the labour dimensions of globalization, in order to increase input into and support for the government's international policy agenda, and 2) support Canadian-based cooperative activities, usually under the auspices of Canada's labour cooperation agreements. "Canadian-based" in this context means either that the cooperative activity is being hosted by Canada, or that a Canadian representative is being sent to a cooperative activity hosted by a partner country.

The contributions stream, as with ITLP as a whole, will be funded with existing monies. Contributions will support one or more of the following objectives and results:

*Social Dialogue**

- The more effective participation of the social partners in the trade and labour policy determination process and in the administration of Canada's labour cooperation agreements. Specifically, contributions will assist and provide organizational support to the worker and employer groups—principally, but not exclusively, the Employer Caucus and the Worker Caucus of the Advisory Committee on International Labour Affairs—to research and analyze trade and labour issues. Contributions will allow employers and workers to coalesce within their respective caucuses, and to engage more effectively in social dialogue on trade and labour issues of shared interest. This may be supported through increased research into, and joint review of, the relevant issues by the parties in question.
- The more effective participation of academics and non-governmental organizations in social dialogue on these issues.
- The more effective participation of the social partners and academics and non-governmental organizations in the promotion of measures to address the social dimension of globalization, such as any measures that may be

* "Social Dialogue" is standard ILO terminology referring to consultation and partnership among worker and employer organizations (the "social partners") and government.

identified by global or regional consensus through the International Labour Organization or other international institutions.

Contributions for social dialogue will ensure greater public input into international trade-related labour developments. The social partners will have a greater awareness of, and means of contributing to Canadian approaches to, key trade-related labour issues. In particular, they will be aware of, and able to contribute to policy on, labour cooperation agreements and the obligations they entail for Canada and Canada's trade partners. This informed contribution to labour cooperation agreement policy will, in turn, increase the credibility of the labour cooperation agreement model—Canada's chosen approach to trade and labour.

Canadian-Based Cooperative Activities

- The hosting of cooperative activities by Canada in Canada, or the representation of Canada by one or more representatives of the social partners in cooperative activities hosted by Canada's partner countries. Cooperative activities might also involve social dialogue, but could as easily focus on other key international labour issues, including discrimination in work or employment, child labour, occupational safety and health, the right to organize and/or collectively bargain, etc.

Contributions for Canadian-based cooperative activities will play an essential role in ensuring that Canada and its partner countries meet their obligations under labour cooperation agreements and/or their commitments arising from membership in the International Labour Organization and other international labour institutions.

ELIGIBLE ACTIVITIES

Social Dialogue

Activities under the contributions stream of ITLP will enable the social partners to conduct research and analysis into, and to develop policy on, international labour affairs, particularly trade-related labour issues. Activities will enable the social partners to exchange information and policy directives, and develop greater consensus, on these issues. In particular, the worker and employer representatives on the Advisory Committee on International Labour Affairs would exchange information and policies, first among themselves in their respective caucuses, then caucus to caucus. This activity will challenge these key social partners to develop consensus positions on elements of trade and labour policy, on various international labour issues, and on the administration of labour cooperation agreements; each of these, in turn, will evolve in light of the consensual input.

Other activities to promote social dialogue that ITLP may support include the following (list is indicative only):

- research and analysis, conducted by social partners on international labour and trade-related labour issues;
- conferences and seminars, particularly those designed to help different social partners reach consensus on international trade and labour issues;
- secretariat support for the caucuses of the Advisory Committee on International Labour Affairs, and/or for social partners participating in similar consultative bodies;
- polls and other sociological surveys, conducted by, through, or on the social partners with respect to international or trade-related labour issues.

Canadian-Based Cooperative Activities

Canadian-based cooperative activities that ITLP's contributions stream may support include the following (list is indicative only):

- conferences and seminars or like events, site visits, and exchanges of information or best practices on labour topics identified under Canada's labour cooperation agreements or its membership in the International Labour Organization or other international labour institutions;
- exchanges of officials between Canada and partner countries for purposes identified under Canada's labour cooperation agreements or its membership in the International Labour Organization or other international labour institutions; and
- participation by Canadian social partners, particularly worker and employer representatives, in the above cooperative activities hosted by Canada in Canada or those hosted abroad at which a particular social partner will be part of the Canadian delegation.

ELIGIBLE RECIPIENTS

Eligible recipients for ITLP support will be identified from among the social partners (broadly, worker and employer groups, academia, and non-governmental organizations). More specifically, ITLP may identify as eligible the following (list is indicative only):

- Canadian academics (researchers, subject specialists);
- Canadian employer representatives, organizations, or caucuses;
- Canadian worker representatives, organizations, or caucuses;
- representatives of appropriate Canadian non-governmental organizations, including organizations devoted to worker or employer advocacy, development, poverty reduction, (trade-related) social policy, and others;
- Canadian conference organizers or other events professionals; and
- Canadian sociological survey researchers, including public opinion pollsters, program evaluations consultants, and others.

TYPES OF FINANCIAL ASSISTANCE

Financial assistance in support of eligible activities may be provided to eligible ITLP recipients in the form of contributions and may cover necessary expenses incurred during the planning, organizing, operation and evaluation of a given project or event.

STACKING PROVISIONS

The maximum level (stacking limit) of Total Canadian Government Assistance (federal, provincial and municipal assistance for the same eligible expenditures) for this program will not exceed 100% of eligible expenditures.

This stacking limit must be respected when assistance is provided. In the event that actual Total Government Assistance to a recipient exceeds the stacking limit, it will be necessary for the recipient to repay the Crown on a pro-rated basis (based on total assistance received) so that the stacking limit is not exceeded. The Program will require all potential recipients of grants or contributions in excess of \$100,000 to disclose all confirmed and potential sources of funding for a proposed project at the start of their projects.

APPLICATION REQUIREMENTS

Proposals to ITLP for contributions must demonstrate how the funding will help the recipients to participate in social dialogue on international labour or trade-related labour issues, and/or help the recipients to improve their understanding of trade and labour issues, and/or help the recipient to participate in Canadian-based cooperative activities. Proposals should include information on the nature of the activity proposed, its objectives and expected results, its timelines and, if possible, the reporting mechanisms. Proposals should also disclose the involvement of former public servants who are under the *Conflict of Interest and Post-employment Guidelines* and identify all sources of funding for the project, including other Canadian government funding.

The essential elements of the proposals to ITLP will include the following:

- a. The program to which the application is being submitted;
- b. Name of applicant;
- c. Legal name of applicant. This is either the proper name of an individual or individuals who will sign the Agreement and assume legal responsibility for the project or the legal name of the organization that is sponsoring the project;
- d. Mailing address;
- e. Telephone, fax numbers;
- f. Business number and GST/HST number;
- g. E-mail address;
- h. Name of contact person and phone number;
- i. Organization's established date;

- j. Organization's legal status;
- k. Objectives and description of project;
- l. Location of activity;
- m. Targeted groups (if any);
- n. Duration of activities;
- o. An estimate of the expenditures to be incurred in a monthly cash flow forecast.

ELIGIBLE EXPENDITURES

Contributions are normally paid on the basis of the achievement of performance objectives as set out in a contribution agreement or as a reimbursement of eligible costs incurred or expenditures made by a recipient. In order to be eligible, expenditures must be project-related and be incurred during the agreement period. No financial support shall be directed towards costs that would have been incurred if the proposed activity had not been undertaken.

Overhead Costs: Financial assistance may be provided to cover such administrative costs as wages and employment-related costs for staff, licenses, permits, fees for professional services, disbursements for research or technical studies, disability needs, bank interest, utilities, materials, supplies, travel, insurance, rental of premises, leasing or purchase of equipment, costs of audits, evaluations and assessments.

Capital Costs: Assistance may be provided for capital costs; however, exceptionally and on a cost-shared basis to a maximum of \$5,000.00 net of the budget of a project where, and to the extent that, such costs are essential to the achievement of objectives. A clause in the contribution agreement will be included to ensure that the government does not become liable for a loan, lease or other contractual obligation entered into by a recipient of a contribution to acquire an asset.

AGREEMENTS

Each approved proposal to ITLP will be the subject of a formal agreement specifying the responsibilities for each party, the items for which expenditures are anticipated, the conditions under which payments will be made and mutually agreed upon measures designed to assess the success of the activities in attaining their objectives. The agreement may include provisions for obtaining evidence that project funding resulted in leveraging of monetary or non-monetary resources from partners.

MAXIMUM AMOUNT PAYABLE

In all cases, a clause will be included in the agreements which would allow for a reduction in the amount of financial assistance specified should funding made available to Human Resources and Skills Development (HRSD, Labour Branch)

be reduced. Agreements will also include appropriate termination clauses indicating that either party may terminate agreements upon notice. Termination notices cannot exceed one year.

The maximum level of program financial support payable to a recipient for an approved activity is \$100,000 per fiscal year. The maximum duration of agreements is two years. Renewals will be based on continued eligibility, performance and results achieved.

AUTHORITY TO APPROVE, SIGN AND AMEND

Authority to approve, sign or amend agreements may be delegated by the Minister of Labour, as per HRSD's delegation instruments.

AUTHORITY TO APPROVE PAYMENTS

Authority to approve payment by certifying compliance with the terms of the agreement may be delegated by the Minister of Labour, as per HRSD's delegation instruments.

BASIS AND TIMING OF PAYMENT

Payments to ITLP recipients may be made, as appropriate, as follows:

- a lump sum payment in accordance with an expenditure claim on completion of a project of short duration;
- reimbursement based on monthly or quarterly expenditure claims and a final payment of any sums due following receipt and approval of a final claim; or
- monthly or quarterly advance payments equal to Canada's share of estimated expenditures based on cash flow forecasts and a final payment of any sums due following receipt of the final claim. Advance payments may be made in accordance with Appendix B of the Treasury Board's *Policy on Transfer Payments*.

Notwithstanding the approved duration of the funding, payment will be linked to financial and/or performance reviews as appropriate. Results of such reviews may lead to an early termination of the approved undertaking.

A final payment of a minimum of 10% of the estimated HRSD (Labour Branch) contribution may be withheld until after the completion of the project and HRSD (Labour Branch) approval of a final financial claim from the recipient.

DURATION

These terms and conditions will expire in March 2009. No new agreement will be approved after this date. Claims for payment for any agreements in progress at

this time will be accepted up to 6 months after ITLP ends, subject to the terms and conditions of the agreement and continued appropriation by Parliament. The agreement will include a clause stating that, if the agreement extends beyond March 2009, the department will reserve the right to terminate the agreement without cause.

Periodic reviews of ITLP, including a mid-term and a final evaluation, will be undertaken to make recommendations regarding its renewal in light of its effectiveness.

DUE DILIGENCE

In order to ensure that the Crown's position in any transaction under ITLP is protected, various procedures have been put into place.

All application, correspondence and transactions will be recorded in the Common System for Grants and Contributions. All files will be handled in accordance with the *Grants and Contributions Operations Guide*. In addition, the Quality Assurance Framework will be adhered to.

ACCOUNTABILITY FRAMEWORK AND EVALUATION

A Results-Based Management and Accountability Framework has been developed.

AUDIT FRAMEWORK

A Risk-Based Audit Framework has been developed. Each contribution agreement will specify that HRSD retains the right to audit the records of the organization and, if it is determined that the amount paid exceeds the amount payable, the difference will be considered as a debt to the Crown.

The agreement will include reporting and evaluation measures to provide relevant information for auditing purposes.

INTELLECTUAL PROPERTY

Where it is to the advantage of Canadians, and not detrimental to the goals of the executing agency or the beneficiary country, HRSD (Labour Branch) will negotiate the shared use of any intellectual property developed by the recipient or through a third party. The rights to use this material will include further use of data for research purposes, publishing the intellectual property on HRSD's (Labour Branch) web site or in printed documents and publications.

OTHER TERMS AND CONDITIONS

The HRSD Labour Branch will be responsible for the management and administration of ITLP from existing allocations within the Labour Branch.