

TERMS AND CONDITIONS

INTERNATIONAL TRADE AND LABOUR PROGRAM GRANTS FOR TECHNICAL ASSISTANCE AND FOREIGN-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. The labour cooperation agreements, and specifically their provisions for technical assistance (including foreign-based cooperative activities), and activities in support of other of Canada's international 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 grants stream at hand will enable the Labour Branch to provide funding in support of projects addressing the labour dimensions of globalization. Specifically, it will fund: 1) to support the capacity of partner governments to meet obligations under labour cooperation agreements (LCAs), 2) support for foreign-based cooperative activities, usually under the LCAs but also independently of the LCAs, and 3) support for Canada's other international commitments to address the social dimension of globalization, including any measures that may be identified by global or regional consensus through the International Labour Organization or other international institutions.

In the context of the second objective, above, "foreign-based" means the cooperative activity is hosted in a country other than Canada. Under the LCAs, or near-equivalent agreements such as Memoranda of Understanding, it may also mean that a representative from a partner country is attending a cooperative activity hosted by Canada.

This grants stream, as with ITLP as a whole, will be funded with existing monies.

This particular grants stream under ITLP will support technical assistance and foreign-based cooperative activities to facilitate labour cooperation with LCA partners and to improve the capacity of those partner countries to enforce their labour legislation. The assistance and activities should also promote partner countries' awareness of, and respect for, workers' rights, and increase workers' quality of life at work in those partner countries, particularly in the context of international or hemispheric integration.

In the longer term, this aspect of ITLP's work is intended to help enable partner countries to comply with their LCA obligations and meet LCA objectives. This will strengthen institutions of democratic governance and promote economic growth with equity. It would also help countries improve their compliance with the fundamental labour standards and principles set by the International Labour Organization, as these standards and principles—adopted by global consensus—form the basis of Canada's LCAs. It would also contribute to the

credibility of Canada's approach to trade and labour—the LCA model—which relies on cooperation for effectiveness.

ELIGIBLE ACTIVITIES

Activities under this grants stream of ITLP will support credible international and domestic organizations to develop or deliver activities, projects or programs to help improve the capacity of a receiving country or countries to meet their obligations under a given LCA, or other international labour obligations.

Activities to this end that ITLP may support include the following (list is indicative only):

- capacity-building regarding the modernization and professionalization of labour ministries, administrative systems and structures;
- training for inspectors, judges, mediators and other front-line organizations responsible for the application of labour legislation, in order to increase the institutional capacity of labour and labour law administrations;
- the promotion of fundamental principles and rights at work as agreed by global consensus through the International Labour Organization, and/or programs that advance these principles and rights, such as the ILO's International Programme for the Elimination of Child Labour (IPEC);
- publication and dissemination of information on labour legislation, occupational health and safety, labour relations, and labour markets in LCA partner countries;
- capacity-building with respect to the physical infrastructure of labour administrations, including information technology systems;
- workshops, meetings, conferences, consultations to facilitate dialogue on LCA and labour issues, encourage networking among stakeholders, increase public understanding of trade and labour issues;
- polls and other sociological surveys, conducted by ITLP or its recipients on LCA or other international (trade-related) labour issues in the LCA partner country or countries.

ELIGIBLE RECIPIENTS

Eligible recipients for ITLP support under this grants stream will be identified from among credible international and domestic organizations providing technical assistance on labour issues. More specifically, ITLP may identify as eligible the following (list is indicative only):

- the International Labour Organization (ILO), including its regional offices;
- the Pan-American Health Organization (PAHO);
- the Organization of American States (OAS);
- credible, private not-for-profit organizations, to be identified on a case-by-case basis.

TYPES OF FINANCIAL ASSISTANCE

Financial assistance in support of eligible activities may be provided to eligible ITLP recipients in the form of grants 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 grants must clearly demonstrate how the activities will contribute to the recipient country's or countries' relevant national program(s) for capacity-building, or otherwise enable them to meet their obligations under a given LCA. The national programs and prior needs assessments will be developed in collaboration with the receiving country and, when appropriate, other government departments and international organizations.

Applicants must agree to undertake a records management strategy to include maintaining a database of project information, namely: contacts (project participants and others), activities, activity outputs, and activity outcomes or expected outcomes, as such databases will provide crucial information to the to scheduled evaluations of ITLP.

Proposals should also disclose the involvement of former public servants who are under the *Conflict of Interest and Post-employment Guidelines*.

ELIGIBLE EXPENDITURES

Grants from ITLP may cover all necessary costs associated with approved activities, i.e. for specified purposes or to meet specified objectives. Prior to making any payment, including an instalment payment, verification of the continuing eligibility, entitlement and qualification of a recipient must be performed.

AGREEMENTS

Each approved proposal to ITLP will be the subject of a formal agreement specifying the responsibilities of each party, the objectives of the grant, the conditions under which payments will be made and the reporting mechanisms. 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

The maximum amount payable to a recipient of this grants stream will be \$900,000.

Program support will be negotiated and, where possible and appropriate, costs will be shared with partners. The maximum duration of agreements is 2 years. Renewals will be based on evolving national programs, continued eligibility, performance and results achieved.

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.

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 may be made in instalments, as appropriate, in accordance with Appendix B of the Treasury Board's *Policy on Transfer Payments*, subject to verification of continued eligibility of the recipient. Advance payments may be

made in accordance with Appendix B of the Treasury Board's *Policy on Transfer Payments*.

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 this program 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.

A copy of the audited financial statements of recipient organizations and/or a copy of reports related to the funded activities, projects or programs will be provided to HRSD (Labour Branch).

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

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