

Evaluation of the Trade Consultation Mechanisms

Final Report

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Executive Summary

This report contains the findings from an evaluation of the trade consultation mechanisms for the Department of International Trade Canada (ITCan).

Background

ITCan has a long-standing framework of consultations and outreach to engage the business community; public interest and citizens-based organizations; academic and research institutions; and interested Canadians. There are two divisions within ITCan that carry out trade consultations: The Trade Policy Consultations and Liaison Division (EBC) and the Market Support Division (TMM).

Scope and Objectives

The evaluation looked at the following consultation mechanisms used by ITCan:

- Sectoral Advisory Groups on International Trade (SAGITs)
- Ad hoc Group of Experts on Investment Rules
- Academic Advisory Council (AAC) on Canadian Trade Policy
- Small and Medium-sized Enterprises Advisory Board
- Multi-stakeholder Sessions and Roundtables

The evaluation also considered consultation tools available to ITCan such as the Internet and the *Canada Gazette*.

As directed by the Terms of Reference, the review did not address three components of the consultation mechanisms: 1) the enhancement of consultation mechanisms with provinces, territories and municipalities; 2) the role and participation of Parliamentarians; and 3) the consultations and outreach that trade officials carry out with individuals outside of the scope of the existing consultation mechanisms.

On December 12, 2003 Prime Minister Paul Martin announced that International Trade Canada would become a department in its own right and that Investment Partnerships Branch (IPB) would be added. IPB is the focal point for the promotion and attraction of foreign direct investment to Canada. At the time of the evaluation, IPB did not have any formal consultation mechanisms. Therefore, the Branch will use the findings of this

evaluation to decide on a future course concerning investment consultations mechanisms.

There were three key objectives of the evaluation:

- To assess whether the current consultation mechanisms are relevant to both stakeholders and government officials;
- To examine the results and success of the consultations process in involving Canadians in the development of the trade agenda; and
- To examine the cost-effectiveness of the consultations process and tools.

Where possible, lessons learned and best practices were identified, and specific recommendations and options put forward for consideration.

Approach and Methodology

Consistent with standard evaluation methodology, a multiple lines of evidence approach was employed. This included a file and document review, key informant interviews, focus groups with federal government officials / stakeholders, as well as a brief review of consultation practices in other selected government departments and countries in order to assist in the redesign of existing consultation mechanisms.

Summary of Overall Findings

The evaluation findings are presented below on the issues of relevance, results / success and cost-effectiveness. The evaluation also answered a number of questions for each specific mechanism.

Relevance:

The evaluation study found that, in general, the consultation mechanisms were relevant.

- The existing consultation mechanisms are consistent with the Government of Canada's emphasis on citizen-centred approaches to consultations.
- The existing mechanisms require adjustments to meet the needs of stakeholders. In part this is because the complexity of trade policy requires substantial technical knowledge.

- Many interviewees consider participating in the consultations to be a public service, as long as their contribution is considered useful by government negotiators and officials.
- There are a number of areas that can be improved or made more efficient. These include:
 - ▶ Relying more on information that is publicly available on the Internet;
 - ▶ Tailoring consultations to specifically address one of the key objectives (i.e., to consult on specific issues and irritants, or on specific technical issues);
 - ▶ Better exploiting the contributions of civil society by ensuring non-governmental organizations have the technical knowledge required.
- There is a continuing need for consultation with the private sector and civil society.

Results / Success:

The evaluation determined that some of the contributions made in technical and sector specific areas have influenced the development of the trade agenda, however, there are a number of areas that require improvement.

- The lack of clear objectives and expectations results in differing views between government officials and participants on what should be achieved in consultations.
- Some of the existing mechanisms are not structured to meet the needs of the participants, resulting in consultations that do not produce quality contributions and do not meet the needs of stakeholders.
- A lack of feedback leaves participants unsure of their contributions.
- Negotiators and senior managers do not all believe in the value of consultation.

Cost-effectiveness:

Although the question of cost-effectiveness was difficult for respondents to gauge, the participants consider the mechanisms to be cost-effective if their contributions are considered useful by government negotiators and officials. However, without receiving feedback regarding their contributions, there is no way for participants to judge the value of their input. Face-to-face meetings continue to be the preferred method of

consulting with government officials and there was little support for electronic consultations as the main form of consultations.

Recommendations

Recommendation 1: ITCan should continue to support a structured trade consultation process.

Recommendation 2: A new consultation process and mechanisms should be re-designed around the following four trade consultation streams:

- Education and Outreach
- Consulting with Canadians on Broad Issues of Overarching Interest
- Consulting on Specific Issues and Irritants
- Consulting on Specific Technical Issues

Recommendation 3: The existing SAGIT structure should be replaced.

Recommendation 4: The existing multi-stakeholder approach should be re-designed.

Recommendation 5: Best practices and lessons learned should be factored into the re-design of the consultation process.

Recommendation 6: Visible, and explicit support for the consultation process should be demonstrated and communicated, from the highest levels of ITCan officials and negotiators.

Recommendation 7: Appropriate performance measurement and planning frameworks should be developed.

Framework for Re-design Options

A suggested framework for re-design of the existing mechanisms is included for consideration.

Glossary of Terms

AAC	Academic Advisory Council
AAFC	Agriculture and Agri-foods Canada
ACTPN	Advisory Committee for Trade and Policy Negotiations
ATCG	Agricultural Trade Consultative Group
CCPA	Canadian Centre for Policy Alternatives
DDA	Doha Development Agenda
DEFRA	Department of the Environment, Food and Rural Affairs (U.K)
DFAIT	Department of Foreign Affairs and International Trade
DFO	Department of Fisheries and Oceans
DG	Directorate General
DTI	Department of Trade and Industry (U.K)
FAQs	Frequently Asked Questions
FDI	Foreign Direct Investment
FTAA	Free Trade Area of the Americas
GAO	General Accounting Office
IAPL	Intergovernmental Affairs and Public Liaison
IISD	International Institute for Sustainable Development
IPB	Investment Partnerships Branch
ITAC	Industry Trade Advisory Committees
ITCan	International Trade Canada
NAFTA	North American Free Trade Agreement
NGO	Non-governmental Organization
SAGIT	Sectoral Advisory Groups on International Trade
SME	Small and Medium-sized Enterprises
TIRP	Trade and Investment Research Project
TPAC	Trade Policy Advisory Council
TPSC	Trade Policy Staff Committee
TRIMs	Trade Related Investment Measures
TRIPs	Trade Related Intellectual Property
USTR	United States Trade Representative
WTO	World Trade Organization

1.0 INTRODUCTION

This study is an evaluation of the trade consultation mechanisms utilized by International Trade Canada.

1.1 Background

We live in a fast-paced, technology-driven world economy characterized by widespread economic diversity, sweeping environmental and demographic challenges, increasing globalization of production and consumption, opportunity for the well-positioned, and risk for the marginalized. The Government of Canada has set out a far-reaching social and economic program to help Canadians meet these challenges domestically and internationally.

One component of this is trade and investment policy, because trade is vital to the prosperity of Canadians, and prosperity is key to realizing our economic and social aspirations. At \$396 billion last year, Canadian merchandise exports were equivalent to some 40 percent of our gross domestic product and rising; one job in four is supported by trade; trade stimulates productivity and competitiveness; and exporting and importing alike generate significant government revenues, both directly and indirectly¹.

Canadian business is broadly supportive of the Government's international business development and trade policies. Business priorities include trade liberalization, corporate tax rates that encourage investment, policies that retain and attract innovators, and greater emphasis on education and university-based research.

Academics, faith-based organizations, labour and citizen-based groups often criticize trade policy in the context of their reservations about globalization. Some groups see trade policy as undermining Canada's autonomy in health care, public education, culture or environmental protection. Others see it as a powerful instrument for world development, if the rules are reworked to address developing countries' needs.

Canadians in general understand the benefits of trade and trade agreements. Canadians strongly favour further trade liberalization and support the Government's trade policy. But they have heard the criticisms and want reassurance that our trade and economic policies do not put growth ahead of social well-being.

¹ From *Why Trade Matters, Trade and the Canadian Economy, Canada's Trade Policy Strategy: Sustaining Our Success* June 2003

Engagement through consultation means that Canadians know what is happening and can present their ideas about trade policy. The Government of Canada currently has in place a process of consulting with Canadians with greater and still-expanding transparency and engagement. Informed public debate over the domestic and international repercussions of negotiating choices is seen as the best way forward.

1.2 Trade Consultation Mechanisms and Tools

International Trade Canada (ITCan) employs a number of mechanisms to consult with stakeholders regarding trade, including SAGITs, Expert Groups, Academic Advisors, SME Committees, multi-stakeholder events, individual meetings and consultation tools such as the Internet and the Canada Gazette. Each of these mechanisms has involved Canadian interests in different ways, but with the same end goal of providing informed and diverse perspectives on Canada's trade agenda.

The trade consultation mechanisms covered within the scope of this evaluation are described in greater detail below.

1.2.1 Consultation Mechanisms

Sectoral Advisory Groups on International Trade (SAGITs)

There are currently 12 SAGITs. SAGITs are comprised of senior business executives with representation from industry associations, labour/environment, non-governmental organizations (NGOs) and academia. Members are appointed for a two-year renewable term by the Minister of International Trade to whom the SAGITs report. The Agriculture SAGIT reports to both the Minister of International Trade and the Minister of Agriculture and Agri-Food. At the request of the Minister, SAGIT Chairs may be renewed in their position for an additional term and/or stay on as members. Members serve in their individual capacities and not as representatives of specific entities or interest groups. Members may not send substitutes to meetings.

Expert Group

The Ad Hoc Group of Experts on Investment Rules, comprised of private sector experts, was originally brought together in 1999 to advise the Deputy Minister on issues related to the investor-state dispute settlement provisions of Chapter Eleven of NAFTA. The group was subsequently reactivated to assist in further developing Canada's position on investor-state dispute settlement provisions. The composition of the group is flexible,

depending on the nature of the issue under discussion, with members appointed based on their specific area of expertise.

Academic Advisory Council (AAC) on Canadian Trade Policy

The Academic Advisory Council (AAC) comprises individuals with a recognized expertise in trade matters, and hold senior affiliations within universities and research institutions across Canada. Members (including the Chair) are appointed for a two-year (renewable) term by the Deputy Minister of International Trade to whom the AAC reports. While the Deputy Minister hosts the regular meetings of the AAC, the Council is chaired by a scholar of high standing in the Canadian academic community. The Chair may, from time to time, designate another member of the group to assume these responsibilities on an interim basis, in his/her absence. Members may not send substitutes to meetings.

Small and Medium-sized Enterprises (SME) Advisory Board on International Trade

The SME Advisory Board on International Trade is a group of 20 private sector individuals appointed by the Minister of International Trade to provide advice on issues affecting small and medium-sized enterprises (SMEs) with an interest in exporting. It operates separately from the Sectoral Advisory Groups. Members of the Advisory Board are generally appointed for a three-year term and must be an executive of a business employing between 5 and 499 employees.

Multi-stakeholder Sessions and Roundtables

Multi-stakeholder sessions provide an opportunity for the broader Canadian civil society to be consulted. ITCan coordinates roundtables and information sessions to address issues of interest to a broad spectrum of Canadians in which the Minister and the Deputy Minister often participate, as well as Parliamentarians engaged on the issues. Participants have included senior officials, other governmental representatives, NGOs, business associations, unions, etc. Examples of these multi-stakeholder sessions include events pertaining to the Cancun Ministerial Conference; the NAFTA Multi-stakeholder Roundtable; FTAA Negotiations.

1.2.2 Consultation Tools

The following section describes the consultation tools available to International Trade Canada.

The Internet

While consultation on trade policy has generally been designed and conducted on a face-to-face basis, new interest is emerging on how to conduct consultation / collaboration using on-line methods. E-consultation is thus being considered as part of the potential suite of business practices that will be part of the emerging on-line business model for the Government of Canada². Canadians are invited to submit their perspectives online through ITCan's website It's Your Turn location.

Canada Gazette

Government departments and agencies as well as the private sector are required by law to publish certain information in the *Canada Gazette*. It is published under the authority of the *Statutory Instruments Act* and of the *Statutory Instruments Regulations*.

The *Canada Gazette* contains all formal public notices and official appointments; proposed regulations; regulations; and public acts of Parliament from government departments and agencies. Miscellaneous public notices from private sector organizations, that are required by statute to publish the notices and disseminate the information to the public are also published in the *Canada Gazette*.

The *Canada Gazette* serves as a consultative tool between the Government of Canada and Canadians. Canadians have the opportunity to provide their comments on proposed regulations found in Part I of the *Canada Gazette*. For each proposed regulation listed in Part I, there is a contact name from the department proposing the regulation and a closing date for comments. Canadians and private sector organizations who are going to be affected by proposed regulations listed in Part I can also request background information on proposed regulations from the issuing department.

1.3 Organization of the Report

The report is organized in five sections:

- **Section 1.0 Introduction** includes a brief discussion on the Canadian trade context and describes the consultation mechanisms considered by this evaluation.

² Final Report. Electronic Dialogue Program 2001/2002.

- **Section 2.0 Study Approach** outlines the study scope and objectives, identifies the evaluation issues and questions as well as providing details on the evaluation approach and methodology.
- **Section 3.0 Findings** presents the findings on the evaluation issues of relevance, results and success and cost effectiveness, as well as other relevant findings.
- **Section 4.0 Other Consultation Models** briefly summarizes trade consultation mechanisms of other countries (Australia, the U.S., the U.K., and the European Union). This section also identifies key success factors and best practices.
- **Section 5.0 Overall Conclusions, Lessons Learned and Recommendations** incorporates the lessons learned from the research, provides overall conclusions and presents the recommendations.
- **Section 6.0 Framework for Re-design** presents a suggested framework for re-design of the consultation mechanisms.

2.0 STUDY APPROACH

2.1 Scope and Objectives

To ensure that a broad-based range of interests and sectoral concerns are incorporated into the formulation of Canada's trade agenda, the Department is reviewing its stakeholder consultation mechanisms.

As directed by the Terms of Reference, the review did not address three components of the consultation mechanisms: 1) the enhancement of consultation mechanisms with provinces, territories and municipalities; 2) the role and participation of Parliamentarians; and 3) the consultations and outreach that trade officials carry out with individuals outside of the scope of the existing consultation mechanisms.

At the time of the evaluation, the Investment Partnerships Branch (IPB) of ITCan (see below) did not have formal consultation mechanisms. The Branch will use the findings of this evaluation to decide on a future course concerning investment consultation mechanisms. The evaluation therefore does not address investment issues.

The Institutional Context

International Trade Canada (ITCan) has a long-standing framework of consultations and outreach to engage the business community; public interest and citizens-based organizations; academic and research institutions; and interested Canadians. There are two divisions within ITCan that carry out trade consultations: The Trade Policy Consultations and Liaison Division (EBC) and The Market Support Division (TMM).

The Trade Policy Consultations and Liaison Division develops the strategic approach to consultations on Canada's trade policy agenda, and is responsible for ensuring the implementation is consistent with the Government of Canada's Guidelines on Public Consultation. The Division's mandate is to:

- Support and provide guidance to ITCan trade policy divisions for their consultation and outreach initiatives;
- Provide Canadians with accurate, clear, up-to-date information on Canada's trade policy agenda; and
- Establish mechanisms for collecting and evaluating the opinions of Canadians on trade policy, including in connection with trade negotiations/agreements (e.g. WTO, NAFTA, FTAA, etc.) and related issues.

The Market Support Division provides the Secretariat support to the Minister of International Trade's SME Advisory Board on International Trade.

On December 12, 2003, Prime Minister Paul Martin announced that International Trade Canada would become a department in its own right and that Investment Partnerships Branch (IPB) would be added. It is the focal point for the promotion and attraction of foreign direct investment (FDI) to Canada. As such, IPB's main stakeholders are foreign investors who could potentially invest or reinvest in Canada.

2.2 Evaluation Issues and Questions

A key objective of the study was to assess whether the current consultation mechanisms are relevant to both stakeholders and the government. The study examined what has been the impact of the consultations process in involving Canadians in the development and implementation of Canada's trade agenda and priorities. Finally, the evaluation examined the cost-effectiveness of the consultation processes and tools. Where possible, lessons learned and best practices were identified, and specific recommendations and options put forward for consideration.

2.3 Approach and Methodology

This evaluation focused on the value and utility of the trade consultation process itself, and examined the internal workings and effectiveness of each of the consultation mechanisms. Consistent with standard evaluation methodology, a multiple lines of evidence approach was employed, which included a file and document review, key informant interviews, focus groups with federal government officials/stakeholders as well as a brief review of consultation practices in other selected government departments and countries in order to assist in the redesign of existing consultation mechanisms.

Document and File Review

The document review provided input into the development of the interview guides used during the evaluation.

Key Informant Interviews and Focus Groups

The evaluators interviewed over 100 stakeholders in the consultation process, with participants selected from the following stakeholder groups:

- International Trade Canada managers and staff (including negotiators);
- Managers and negotiators of other federal government departments;
- Members of SAGITs;
- Members of the Ad Hoc Group of Experts on Investment Rules;
- Members of the Academic Advisory Council on Canadian Trade Policy;
- Members of the SME Advisory Board on International Trade;
- Attendees of multi-stakeholder events;
- Non-governmental stakeholders (including various industry associations); and
- Representatives from other jurisdictions and countries.

Interviews were also conducted with officials involved in trade consultation mechanisms in the following countries: Australia, the European Union (Brussels), the U.K, and the United States.

3.0 EVALUATION FINDINGS

This section presents the key findings according to the questions identified in the evaluation matrix.

3.1 Evaluation Issue: Relevance

Evaluation Question: *Extent to which existing consultation mechanisms meet the needs of those involved (stakeholders, government officials), are congruent with the Government's emphasis on citizen-centred approaches to consultations, and ensure the involvement of Canadians in the development and implementation of Canada's trade agenda.*

The evaluation considered:

- To what extent is the trade consultation process congruent with the Government's emphasis on citizen-centred approaches to consultations?
- Do existing consultation mechanisms meet the needs of those involved (stakeholders, government officials)?
- Do the current mechanisms ensure the involvement of Canadians in the development and implementation of Canada's trade agenda so that it better reflects Canadian values, priorities, needs and interests?

Findings:

The evaluation study found that:

- 3.1. (a) The trade consultation process is consistent with the Government of Canada's emphasis on citizen-centred approaches to consultation;
- 3.1. (b) Existing mechanisms require adjustments to meet the needs of all stakeholders;
- 3.1. (c) There is a lack of clear objectives for many of the trade consultation mechanisms; and
- 3.1. (d) There is a continuing need for trade consultation mechanisms.

3.1. (a) Congruence with citizen-centred approach to consultations

The evaluation found that the existing trade consultation process was congruent with the Government of Canada's emphasis on citizen-centred approaches to consultations. This was evidenced by the wide variety of mechanisms used to consult with a range of Canadians on Canada's trade agenda.

The variety of consultation mechanisms currently in use include:

- The SME Advisory Board which provides the views of small and medium-sized enterprises (SMEs) to the Minister and ITCan officials. This group consists of SMEs from a number of different business sectors from across the country, and includes women business owners.
- The Academic Advisory Council which provides an opportunity for the academic community to exchange its views with the Deputy Minister and senior trade officials on Canadian and international trade issues.
- The Ad Hoc Group of Experts which was convened for the specific purpose of discussing investment rules and has allowed technical experts to share their expertise and to advise the government on issues relevant to Chapter 11 of NAFTA.
- The SAGITs provide the government the opportunity to draw on the expertise and experience of private sector individuals and associations in a diverse range of sectors representative of the Canadian economy, including agriculture and cultural industries.
- The multi-stakeholder events have taken place in a variety of venues and formats and have allowed a wide range of NGOs and individuals to express their views on Canadian trade policy.

3.1. (b) Existing mechanisms and the needs of those involved

The evaluation found that the existing mechanisms require adjustments to meet the needs of all stakeholders. As described above, the existing mechanisms allow a wide range of views to be heard. However, because of the complexity of trade policy, it can be difficult for some of the participants currently involved in the formal consultation process to make meaningful contributions. In some cases, the format of the consultation mechanism (large general meetings, for example) hampers meaningful exchange between the participants and government officials. In other cases, the consultations are not meeting the expectations of the stakeholders. This can result in

frustration on the part of participants and a feeling that the formal consultation process is inadequate.

The evaluation also revealed that some of the existing mechanisms have been in place for almost two decades and do not reflect the significant transformation that has taken place in the global environment. The wide spread use of, and access to, information technology, and in particular the Internet, has dramatically altered how trade policy information is made available to the general public. In some cases, consultations are being held to present information that could be made publicly available on the Internet.

The expansion of the trade agenda beyond negotiations on tariffs has fundamentally changed the nature of consultations. There is a recognized linkage between the domestic economy and international trade. These links are increasingly complex, requiring a consultation process to ensure that Canada's negotiating positions are in the best interests of the country. Effective consultation mechanisms allow negotiators to understand the impacts of Canada's trade agenda.

Several interviewees reported that the anti-globalization protests held at the WTO Ministerial in Seattle in 1999 were a turning point for many in the international trade community. Many countries and organizations realized the need to be more transparent, and as a result began making trade documents publicly available via the Internet. However, some of the existing consultation mechanisms have not adapted to this changed environment in terms of managing participants' expectations. Many participants indicated that they continue to believe that confidential information is being withheld by the government, even in cases where all information is in the public domain.

The evaluation found that the existing mechanisms have allowed for the participation of both industry associations and other members of civil society (NGOs, etc). However, the contributions these stakeholders could make to the development of trade policy have not been fully exploited.

This can be attributed to the fact that some mechanisms require more sophisticated knowledge and understanding of trade policy. In some cases, there is a need for specific, technical input that is beyond the expertise of the participants.

3.1. (c) Distinguishing between the various objectives of trade consultations

The evaluation indicates that there are four primary objectives of trade consultations.

These are:

- 1) To provide public trade education and outreach;
- 2) To consult on trade issues of broad overarching interest to Canadians;
- 3) To consult on specific issues and irritants; and
- 4) To consult on specific technical issues.

This point is central to the evaluation findings and analysis. For trade consultations to be relevant, they should primarily address one of the four objectives. The evaluation found that most of the existing mechanisms did not clearly identify a specific objective. This has led to a lack of clarity as well as confusion and has brought into question the relevance of the consultation process.

3.1. (d) Continuing need for trade consultation mechanisms

The evaluation determined that there is a continuing need for useful trade consultation mechanisms. The need is driven in part by the government's policy on citizen-centred approaches to policy making as described in *Results for Canadians*³, as well as the Treasury Board's *Draft Consultation and Citizen Engagement Policy*. It is also driven by Canada's commitments as a member of the WTO and the WTO guidelines for relations with non-governmental organizations⁴, under which members agree "to improve transparency and develop communication with NGOs."⁵

Importantly, the need is driven by a desire on the part of the Canadian private sector and civil society to contribute their views on the trade agenda so that it reflects Canadian values and priorities. These contributions are seen as part of the democratic process.

³ http://www.tbs-sct.gc.ca/res_can/rc_1-PR_e.asp?printable=True

⁴ http://www.wto.org/english/forums_e/ngo_e/guide_e.htm

⁵ http://www.wto.org/english/forums_e/ngo_e/guide_e.htm

The evaluation found a strong sense of civic duty among the participants when it came to consulting on trade issues. This was conveyed by a number of participants who were happy to contribute their time and views, in some cases at their own expense, on the condition that the consultation was considered useful to government negotiators and senior managers.

Summary

The evaluation found that the existing consultation mechanisms are consistent with the Government of Canada's emphasis on citizen-centred approaches to consultations. There are a variety of mechanisms that reach a wide and diverse range of Canadians in both the private sector and in civil society.

However, the existing mechanisms require adjustments to meet the needs of stakeholders. In part this is because the complexity of trade policy requires a high level of technical knowledge. In some of the mechanisms, the format (i.e., large meeting, insufficient time, information exchange only) hampers a meaningful exchange between participants and government officials. However, many Canadians consider participating in the consultations to be a public service, as long as their contribution is considered useful.

The evaluation found a number of areas where consultations for the development of the trade agenda can be improved or made more efficient. This includes:

- Relying more on information that is publicly available on the Internet;
- Tailoring consultations to specifically address one of the key objectives (i.e., to consult on specific issues and irritants, or on specific technical issues);
- Better exploiting the contributions of civil society by ensuring that non-governmental organizations have the technical knowledge requirements.

Nonetheless, the evaluation determined that there is a continuing need for trade consultations with the private sector and civil society.

3.2 Evaluation Issue: Results and Success

Evaluation Question: *The extent to which the trade consultation mechanisms have achieved their stated objectives to involve Canadian stakeholders in an inclusive, transparent and meaningful exchange in the development and implementation of Canada's trade agenda and priorities.*

- How have the existing mechanisms contributed to the involvement of Canadians in the development and implementation of Canada's trade agenda and priorities?
- Do they ensure that the views, priorities, needs and interests of Canadians at large, industry, non-governmental and public interest groups are adequately taken into account in the development of Canada's trade agenda (inclusive and transparent)?
- Does the current consultation program respond effectively to the stakeholders' needs (flexibility)? Does it allow for meaningful, mutual engagement?
- Has sufficient information been provided for stakeholders to provide advice? To what extent has follow-up (reporting back) taken place after consultations?
- To what extent has it contributed to forging policy partnerships and coherence across government?

Results and Success Overall Findings:

3.2. (a) Effectiveness of mechanisms is variable

The evaluation determined that a number of factors influence the effectiveness of the existing consultation mechanisms, such as:

- The clarity of objectives and outcomes
- The appropriateness of the planning horizon
- The consistency of meetings
- The effectiveness of the chairperson in controlling the meeting
- The effectiveness of the meeting format

- The adequacy of interaction and appropriateness of officials at the consultations
- Adequacy of follow-up

The evaluation determined that the objectives and expected outcomes of the consultations have not always been clearly defined in advance. Participants come to the consultations with expectations that are not always consistent with those of government officials. In these cases, the consultations prove unsatisfactory for both participants and government officials. Consultations planned well enough in advance of a trade event, and for which the purpose and expectations of the consultations are clear, lead to more meaningful contributions.

The evaluation also found that the skills of the chair in controlling the meeting contributed significantly to the effectiveness of the consultation, as did the selection of the members. The study indicated that the role of the chair was key to effective consultations because of the need to keep the discussion focused, relevant and within the mandate of the consultation mechanism. As well, participants with limited capacity or insufficient international trade experience were unable to fully contribute to the consultations, and in some cases hindered the overall discussion.

Skills of a good chair:

- Be prepared
- Ensure participants are prepared
- Know objectives of the meeting
- Keep discussion on track
- Act as a facilitator: get views from all participants
- Keep on time
- Make sure minutes taken and circulated for comment

Meeting format and follow-up to the consultation also influenced effectiveness.

Large, general meetings were not as effective at obtaining comprehensive, specific input from participants. Smaller, focused meetings tend to be more effective in allowing participants to make their views known and for government officials to get specific, technical information. It was found that without feedback, participants were unsure if their views were being heard and having an impact. This weakens commitment to the process.

For the most part, participants stated that the most appropriate government officials to attend consultations were those who had most knowledge of the issues under discussion. These officials were also considered appropriate facilitators for bringing diverse opinions to the table for examination.

If the mandate of the mechanism was to provide advice to the minister, participants in some cases expressed the opinion that the minister should be there. Others stated that they would like access to the minister on occasion, but those involved primarily in trade issues were satisfied with the attendance of knowledgeable government representatives.

The evaluation also indicated that the existing mechanisms need improvement so that stakeholders can better make their views known. In some cases, the existing mechanisms are not suited to the needs of negotiators. This has resulted in negotiators bypassing the existing formal mechanisms in favour of other informal, and less transparent methods.

3.2 (b) Technical contributions have influenced the trade agenda while validity of civil society views recognized

According to the evaluation, some technical and sector specific consultations have influenced the development of the trade agenda.

The evaluation also found that a few NGOs have invested adequately in developing trade policy expertise. The credibility of these groups is evident, and many negotiators cited them as examples of valuable civil society perspectives. There have been ongoing efforts to engage civil society, for example, teleconferences were held prior to the Cancun meetings. Then, daily briefings with a variety of stakeholders were held. Finally, web casts were also produced.

How meaningful are these measures is unclear. Interviews with civil society representatives indicated that there is a general feeling that the trade agenda development process is not inclusive and transparent. Furthermore, they do not feel that they are meaningfully engaged in the consultations.

Summary

The evaluation determined that some technical and sector specific consultations have influenced the development of the trade agenda. The evaluation also found that a lack of clear objectives and expectations results in differing perceptions between government officials and participants for the purpose of the consultations. Some of the existing mechanisms are not suited to the participants involved, resulting in consultations that do not produce quality contributions and do not meet the needs of the stakeholders. The evaluation determined that the lack of feedback to participants leaves them unsure of the value of their contributions.

3.2. (c) Inter-departmental partnerships and collaboration in policy formation

The evaluation explored whether the trade consultation mechanisms have contributed to partnerships and/or coordination between Canadian government departments involved in policy development.

The findings were not conclusive in this area. Most of the managers/negotiators felt that the climate for collaboration had improved over the past few years. One example of this includes inter-departmental committees, such as the technical market access committee, which meet regularly to discuss trade policy issues and other matters pertaining to trade. Collegial relationships exist also with negotiators in other departments.

At the same time, others indicated a high level of dissatisfaction with collaboration on trade issues. They cited situations where they felt their input had been ignored on crucial items, requiring them to seek resolution at higher levels. The sense was that if there was agreement on an issue, the consultation functions smoothly. If opinions differ, there is no mechanism to negotiate or reconcile differing views.

Another issue for some departments is the limited human resources available to engage in trade policy discussions. In some cases, they have to carefully select issues for discussion in order to ensure sufficient staff are available. For departments with limited resources, targeted discussions with smaller groups focused on specific issues are most effective.

Issues of intra-departmental collaboration also surfaced during the evaluation.

3.2.1 Key Findings for Specific Consultation Mechanisms

For each of the trade consultation mechanisms, specific questions were asked about structure and functioning of the mechanism, including:

- Is the structure appropriate?
- Are the members selected the most appropriate? Is the duration of their appointment suitable? Is the size of the group appropriate?
- Is the information provided prior to and after the meetings useful? Timely? Relevant?
- Are the discussions appropriately focused? Does the confidential nature of the exchange have an impact on the information provided?

- Do the appropriate government officials attend the meeting? Should their role be changed? If yes, in what ways?

The following discussion addresses each of these questions.

3.2.1.1 SAGITs

Mandate: SAGIT members provide confidential advice to the Minister of International Trade on matters pertaining to the Government of Canada's trade policy agenda. Central to the SAGIT process is the open exchange of ideas and information among SAGIT members, ITCan, the Minister's office and other government departments. SAGIT members are asked to play an active role in providing perspectives, advice and intelligence to the Government of Canada on trade policy matters.

Findings:

- 3.2.1.1 (a) The purpose and expected results of the SAGITs are no longer clear;
- 3.2.1.1 (b) The SAGIT structure, and the appropriateness of the chairperson and the membership, can impact effectiveness; and
- 3.2.1.1 (c) The SAGITs are not the most effective mechanism to make members' views known.

Discussion of Findings

The SAGITs as they are currently structured differ widely in terms of meeting schedules, agenda items, and engagement of participants.

3.2.1.1 (a) The purpose and expected results of the SAGITs

The evaluation found that the objective of the SAGITs was clear when they were established. They were mechanisms designed for a two way exchange of information with an emphasis on the Free Trade Negotiations. Industry was to provide government officials with advice and input related to the Canada - U.S. free trade negotiations and government officials were to supposed to inform industry on government positions and the progress of the negotiations. The information exchanged was confidential and could be considered sensitive.

However, over time, the requirement for many of the SAGITs has diminished or disappeared. Some SAGITs seldom meet. Meetings for other SAGITs have become briefing sessions by government officials rather than consultations.

The expected results of the SAGIT process are also not clear. Information presented at the meetings is often already publicly available, leaving participants with the impression that agreements or negotiating positions are already established and that the SAGIT is simply a pro-forma activity rather than a meaningful consultation.

3.2.1.1 (b) SAGIT Structure

Role of the Chairperson

The evaluation found that the role of the chairperson is extremely important. However, not all SAGIT chairs are effective at running meetings. Respondents were also unclear as to whom is responsible for calling meetings — the chair or the the department.

Selection of SAGIT Members

The method of selecting SAGIT members is also not clear. Negotiators noted that they require sector specific perspectives rather than general views and theories. Political appointees without suitable backgrounds can limit the discussion, thereby lessening the effectiveness of the SAGIT meeting. Several respondents pointed out the need for SAGIT members to have some international trade experience and/or to have an outward-oriented viewpoint to fully participate in the meetings. It was also noted that the most effective members are those at a working level in their organization.

Other membership issues raised by key informants include:

- The composition of the SAGITs reflects those to whom government negotiators are already talking to separately;
- On some SAGITs, members are now retired and are not still in the industry; and
- Some members are consultants, and are considered by officials to be in a conflict of interest.

Involvement of NGOs

The evaluators noted the absence of NGO members on most of the SAGITs. A widely held view by NGOs is that current trade negotiations have a business bias, and lack concern for future impacts on the Canadian quality of life, particularly the environment.

Multinational Members

The appropriateness of multinational members on the SAGITs was also raised. It was noted that members from multinational companies may not represent Canada's interests when providing input on Canada's negotiating position. This presents a dilemma when selecting members for SAGITs in Canada, given the dominance of multinational companies in the economy. Negotiators noted, however, that it is useful to obtain insight into the multinationals' views on trade.

Duration of appointment and group size

Most SAGIT members were unaware of the duration of their appointments, but it appears that few new members are brought in. The terms of reference of the SAGITs provides the flexibility to not reappoint members, but in reality, few members are dropped. There was general agreement that the size of the SAGITs was appropriate and that a larger grouping would not work.

Members acting in personal capacity

It was generally acknowledged that SAGIT members represent themselves as individuals. However, the respondents believed that most members provide the views of their industry /company. Negotiators find the discussions less useful when the participants do not have sufficient broader sectoral experience to bring to the table as opposed to knowledge only of their own company. The industry associations are supposed to represent the views of their members, and in some cases representatives may feel inhibited in providing a view that is contradictory to the association members' views. In this respect, the structure of the SAGITs has not been effective.

Information provided prior to and after meetings

In most cases, information has not been provided in a timely manner prior to the meetings. However, participants said that they did not have the time to read large amounts of technical material prior to the meeting. In terms of reporting, the SAGITs previously used subcommittees to undertake specific tasks between meetings. This

has changed, with the bulk of reports prepared by government officials. There is virtually no feedback received after the meetings, causing participants to question the value of the consultation.

Focus of discussions

In general, most respondents thought the discussions were too general and insufficiently focused on trade issues. In a few SAGITs, some members used the meetings as an opportunity to posture, rather than engage in meaningful dialogue. From the negotiators' perspective, for consultations to be effective, they need to be focused. Often the negotiators found that there were not enough meaningful contributions.

It was noted by some officials that, in the past, trade promotion was discussed as well as trade policy. When the SAGITs began to focus exclusively on trade policy, participation declined.

Horizontality of negotiation issues

The evaluation found that the industry-specific structure of the current SAGIT mechanism has limitations, especially in areas where trade agreements have horizontal implications. For example, industry members of the Information, Technology and Communications SAGIT wanted to explore the links between Goods and Services negotiations in the FTAA.

Confidentiality and the nature of information provided

Confidentiality did not affect the information SAGIT members provided. It was recognized that confidentiality agreements permit the government to provide SAGIT members with information that was not in the public domain. It was also understood that SAGIT members could not discuss the contents of the meetings outside the SAGIT.

Officials present

There was considerable agreement that appropriate government officials attended the meetings. Some noted that the Minister and senior level officials did not always attend. The majority of SAGIT members felt it was more important that the most knowledgeable officials responsible for the file be in attendance.

Lack of planning horizon

The evaluation found that meetings are not held on a regular basis. This has had several consequences: 1) SAGIT members question the need for many groups and their role; 2) It undermines trust between members and government officials; 3) It reduces any cohesion of the SAGIT; and 4) Members are unsure about the efficacy of the consultation mechanism and their contribution.

3.2.1.1 (c) Effectiveness of SAGITs to make members' views known

Most SAGIT members said that the SAGIT currently was the only structured mechanism available to them that involved them in discussions on trade policy. While recognizing the flaws of the mechanism, most felt it was important to maintain some form of consultation mechanism.

3.2.1.2 Ad Hoc Group of Experts on Investment Rules

Mandate: The experts selected for this group participate as individuals. The meetings are informal, academic-type conferences. The information exchanges are considered confidential.

Findings:

- 3.2.1.2 (a) The purpose of the Expert Group is fairly clear;
- 3.2.1.2 (b) The structure and membership of the Group is generally appropriate; and
- 3.2.1.2 (c) Meeting planning and feedback could be improved.

3.2.1.2 (a) Purpose and results of the Expert Group

The purpose of the Expert Group is fairly clear to members since it focuses on investment rules and is intended to provide expert opinion and dialogue on this issue.

3.2.1.2 (b) Structure and membership

The group is highly technical, comprised of private sector, industry association, academic and NGO members. No issues concerning the role of the chair or the selection of members were raised.

The focus of the group discussions was considered appropriate, as was the level of information provided prior to the meetings. Because the group is appropriate in size and comprises qualified members, there is the opportunity for strongly held opposing views to be heard. Members felt that the group was effective because all members have technical expertise on the topic. Appropriate government officials attended, with the Deputy Minister and the Assistant Deputy Minister attending during the summary of the session. One of the success factors noted by group members was the role played by an ITCan official, who provided an ongoing point of contact and continuity between meetings.

3.2.1.2 (c) Meeting planning and feedback

The overarching issue concerning the Experts Group was lack of continuity. The Group held four meetings, developing a level of knowledge about the perspectives held by others as well as an environment of familiarity and trust. Although the Group was just beginning to gel, it was not reconvened, even though investment rules continue to be a major component of ongoing negotiations on a variety of agreements. This was particularly frustrating for those who had developed expertise in this area. It was noted that civil society groups felt that they were instrumental in putting the investment issue on the negotiating table and are closely following how the government deals with this issue.

In terms of feedback, members were thanked for their participation, but were not certain of the value of their contribution. When asked what type of feedback would be satisfactory, records of meetings were suggested. These records should be more analytical at a higher level of analysis than minutes, and should therefore provide a record of conclusions and discussions.

3.2.1.3 Academic Advisory Council (AAC)

Mandate: The AAC is not designed for confidential dialogue. It was established to:

- i) deepen awareness and capacity on trade policy issues of importance to Canadians;
- and ii) foster research and related initiatives that contribute to a more informed and balanced debate among Canadians interested and engaged in Canada's international trade policies. The Council members are encouraged, as spokespersons and opinion leaders, to comment on the government's trade policies, and to promote a better understanding of policy development, particularly among youth and students.

Findings:

- 3.2.1.3 (a) The purpose of the meetings is clear; and
- 3.2.1.3 (b) The meetings provide value to only one side

3.2.1.3 (a) Purpose and results

AAC members were relatively unconcerned about the clarity and purpose of the consultations. In their view, their role is to discuss trade policy, current research, and recent findings. They were pleased to do so, but were not clear about the value of their input.

3.2.1.3 (b) Value of the meetings

The value of the AAC to the members is that they gain knowledge from the discussions, thereby enhancing their teaching effectiveness. From the Department's perspective, while the discussions were interesting, they added little of value to trade policy development.

3.2.1.4 SME Advisory Board

Mandate: The mandate of the SME Advisory Board is to provide advice to the Minister on a range of issues pertaining to the efficiency of trade promotion programs and services provided by ITCan in support of the international business development activities of small- and medium-sized enterprises.

Findings:

- 3.2.1.4 (a) The purpose of the SME Advisory Board is clear;
- 3.2.1.4 (b) The structure and the membership are satisfactory, and the role of the chairperson is key; and
- 3.2.1.4 (c) The SME Advisory Board is considered effective and having access to the Minister makes participation worthwhile for members.

3.2.1.4 (a) Purpose of the SME Advisory Board

Members are generally clear that the objective of the SME Advisory Board is to communicate to the Minister the issues of small and medium-sized exporters. When the SME Task Force ended a couple of years ago, members decided that the

advantage of having continued access to the Minister of International Trade made it worthwhile to continue as a group. Government officials noted that the Advisory Board gives the Minister an opportunity to hear from the public what is happening in international markets and how ITCan can support them in penetrating these markets.

Members indicated they would like to see some action on their recommendations. Government officials acknowledged difficulties in managing expectations of this group which would like to see immediate results.

3.2.1.4 (b) Structure and membership

Role of the Chairperson

Members are satisfied with the structure of the Board. Members indicated that they feel more involved in meetings because they have a chance to drive the agenda, and are given more opportunity to discuss issues among themselves before meeting with the Minister. Both members and government officials indicated that the role of the chairperson is key to keeping the discussion within the agenda and the mandate of the Advisory Board.

Frequency and length of meetings

Respondents noted that it helps that the frequency of meetings is consistent: members know they will meet every spring and fall. Meetings are informal and topics discussed wide-ranging. Members also have had the opportunity to get to know each other. Some members also suggested that the two day meetings could be lengthened.

Individual representation

It was reported that in some cases, Board members focus too much on personal experience rather than representing their industry sector or province.

Appropriate membership

Members are generally satisfied with the membership on the Board, noting that the regional representation allows for an “across the country” check at the beginning of meetings. From the government officials’ perspective, it is essential to follow department guidelines when appointing new members. In their view, those members who are really involved in international trade make the best contributions and are the most useful to the Minister.

Duration of appointment and group size

Appointment duration was unknown. The size of the group is considered suitable.

Information provided prior to and after meetings

Information provided prior to the meeting is considered useful and timely. A synopsis of the meeting is considered useful. It was also noted that members have received feedback from the department on some recommendations.

Discussions appropriately focused

It was noted that discussions are becoming more focused on trade issues. This has evolved from the broad discussions held as the SME Task Force. It was suggested that more time should be devoted to dialogue rather than government presentations. The discussion would benefit if each member consulted with their provincial colleagues prior to the meetings concerning the pressing trade promotion issues. In addition, because the Board is not sector related, there is a tendency for the same issues to reappear.

Confidentiality and the nature of information provided

Confidentiality has not been an issue for this group.

Appropriate government officials in attendance

Members are satisfied that the appropriate level of government officials attend the meetings and are pleased that the Minister accepted the request to have a political advisor attend the meetings as well.

3.2.1.4 (c) Effectiveness of SME Advisory Board to make views known

In general, members consider the Advisory Board to be effective and worthwhile, because it gives them access to the Minister. Government officials consider it useful for the Minister to hear the broad views of the group in order to share these with Cabinet colleagues.

3.2.1.5 Multi-stakeholder Consultations

Mandate: Sessions have been held to provide information on key issues and to seek a broad range of views in an open forum.

Findings:

A large cross section of multi-stakeholder participants (including non-participants) was interviewed. The following presented below were consistent across the group:

- 3.2.1.5 (a) The purpose of the multi-stakeholder consultations was questioned;
- 3.2.1.5 (b) The structure and membership of the multi-stakeholder events are unsatisfactory; and
- 3.2.1.5 (c) The multi-stakeholder events are considered ineffective for consultation purposes.

3.2.1.5 (a) Purpose of the multi-stakeholder consultations

The evaluation indicated that some stakeholders (from the NGO community or business associations) believe that the meetings are held so that the government can say it consulted. However, some of the multi-stakeholders believe the purpose of the meetings is to gather opinion and gauge political support for the government's positions, as well as to obtain input on negotiating positions. Respondents reported that the consultations tend to be a one way flow of information from the government to the multi-stakeholders.

Some participants have high expectations for the consultations, and want to have access to the maximum amount of publicly available information. They also want to engage government and industry in discussions of technical issues. Many NGOs consider the consultations an opportunity to make personal contact with policy and decision-makers, as well as industry. Some NGOs also wish to get a better understanding of the constraints under which policy makers operate.

3.2.1.5 (b) Structure and membership

It was generally agreed that the structure of the multi-stakeholder consultations was not satisfactory for either the participants or government officials. A number of formats have been tried: having a general discussion with the entire group, break-out sessions, and topic specific events. None have been very successful.

Respondents provided a number of common views on the issue of structure and membership:

- According to many NGO respondents, meetings are not held far enough in advance of key trade events to allow NGOs and the private sector to influence the government position.
- Some participants found the teleconferences prior to Cancun to be useful. Others believed that the number of people on the line and lack of a chance for follow-up questions gave the impression the process was not taken seriously. The Cancun daily briefings with the Minister provided useful information on the overall progress.
- There was general agreement that the large group WTO meetings are too unfocused. However, the annual breakfast meeting held by the Canadian mission in Geneva is an example of a successful general meeting. A number of NGOs, including business associations, suggested that there is a need for smaller, more focused meetings that are held on a regular basis.
- The evaluation indicated that the large group meetings result in a wide diversity of participants with varying capability to contribute meaningfully.
- Some participants go to the events to be disruptive and vent.
- Government officials recognize that some of the larger NGOs are becoming more sophisticated and less disruptive.
- It was noted by some NGOs that on occasion, the multi-stakeholder consultations are set up with two streams: one for NGOs and one for business and academics. This separation gives the NGOs the impression the government is dividing the consultations on ideological grounds. However, some business associations have indicated to the government that they do not want to be part of consultations with the NGOs. This presents a dilemma for government officials who have seen the value of having both groups in the same room in order to understand the differences and range of opinions.

Information provided prior to and after meetings

It was generally agreed that insufficient information is provided in advance of meetings, including agenda, and list of participants. NGOs reported that this means they are unprepared to make meaningful contributions. No feedback has been given by the department on the members' input, and as a result there is no way of knowing if the input has had any impact.

NGO respondents, including business associations, indicated a need for background information explaining the rationale behind the government's trade policy (e.g., when

the government announces a bilateral free trade agreement). If this information is not provided, it leaves the impression that the government position has already been set. It was acknowledged, however, that there are instances where the government has placed documents articulating the government position on the ITCan website.

Discussions appropriately focused

Some multi-stakeholder participants do not have a full understanding of international trade policy issues. This was noted by both government officials, and some NGOs. As a consequence, the quality of discussion is diminished, especially at the large, general events.

This lack of capacity among some multi-stakeholder participants, especially smaller NGOs, to interpret the trade material made available and to engage in a knowledgeable discussion, impacts on the effectiveness of the consultations. NGOs noted that only those with the resources and ability to understand the complex trade agreements / issues are able to consult appropriately with the government.

Confidentiality and the nature of information provided

Confidentiality has not been an issue, since the multi-stakeholder consultations have been public meetings. It was recognized by the NGOs, that there might be confidentiality issues on the part of government in cases where they cannot reveal a negotiating position.

Appropriate officials in attendance

It was generally agreed that appropriate level government officials were attending the meetings.

3.2.1.5 (c) Effectiveness of multi-stakeholder consultations to make views known

NGO's responded that the large multi-stakeholder events were not considered to be the most effective forum for making their views known. They believe that it is more effective to meet with government officials and key decision makers on a one-to-one basis or in small group, focused meetings. These arrangements do not have to be as formal. Again, NGOs believe that the effectiveness of the consultations may be compromised if the government is not really consulting, but rather is simply providing information.

Barriers that limit effectiveness of the multi-stakeholder consultations

Barriers to effective multi-stakeholder consultations include:

- meetings held too close to trade events;
- objectives not clearly identified ahead of time;
- limited NGO and multi-stakeholder capacity to contribute to discussions on international trade policy;
- insufficient provision of advance agendas, list of participants, and information on the issues; and
- large meetings that are too unfocused.

3.2.1.6 Consultation Tools

Respondents were asked to comment on the use of the Canada Gazette and the ITCan website as consultation tools. Generally, most respondents were aware of the Canada Gazette, but did not use it as a primary source for information. Many respondents mentioned they that use the Canada Gazette as a reference.

The ITCan website was also well-known, with most respondents using the site for research purposes. The site has improved, and is now considered informative. While most people were comfortable communicating electronically, they were not interested in using electronic means as the main form of consulting with the department.

On the other hand, they were not averse to the use of e-mail as a means of communication and updating.

3.3 Evaluation Issue: Cost-effectiveness (efficiency)

Evaluation Question: *The extent to which the existing consultations processes and tools represent a cost-effective approach to achieving the desired results and whether alternatives exist that would make the consultations more effective and efficient.*

- To what extent do the existing consultation processes and tools represent a cost-effective approach to achieving the desired results?
- Are there other ways of conducting the consultations that would be more effective and efficient?

Findings:

- 3.3. (a) Consultation mechanisms are considered cost-effective, providing that the information provided to the government is useful;
- 3.3. (b) The preferred consultation mechanism is face-to-face; and
- 3.3. (c) No alternatives to the current mechanisms were suggested.

3.3 (a) Mechanism cost-effective if information useful

The evaluation found that stakeholders consider the existing mechanisms to be cost-effective providing that the information that has been provided was considered useful by government negotiating officials. Many participants in the consultations have not received any feedback on their input, so it was difficult for them to judge the value of their contribution.

3.3. (b) Preferred mechanism is face-to-face

Despite advances in technology, stakeholders prefer a process which includes face-to-face meetings. They believe that being in the same room as other participants and government officials is more effective.

The study determined that participants are open to receiving information and keeping contact by e-mail and teleconference. The teleconferences held before Cancun were largely well-received. However, these mechanisms are viewed as supplemental, not as replacements to, regular face-to-face meetings,.

3.3. (c) Alternatives

The evaluation findings indicated that electronic consultations were not a recommended alternative. This includes written submissions delivered via the ITCan website or online consultations. Despite participants' familiarity with these mechanisms, and the Canadian government's leadership in government on-line, there was little support for electronic consultations as an alternative to more traditional methods. There were no suggested alternative mechanisms.

Summary

The question of cost-effectiveness was difficult for respondents to gauge. Respondents consider the mechanisms to be cost-effective if their contributions are considered useful. Without receiving direct feedback regarding their contributions, there is no way to judge the value of their input.

Face-to-face meetings continue to be the preferred method of consulting with government officials. Teleconferences and e-mails provide alternatives as supplementary consultation mechanisms, but do not replace the more traditional methods. There was little support for electronic consultations as the main form of consultations. No other alternatives were suggested.

3.4 Other Relevant Findings

The consultations and outreach that trade officials carry out with individuals were not specifically examined in this evaluation. However, it is nonetheless important to the design of future mechanisms that these be discussed. The evaluation found that negotiators and other senior managers involved in trade issues generally developed their own informal consultation networks. These networks comprise business contacts with specific sectoral perspectives. These networks in most cases have developed over time and are based on interpersonal trust. Negotiators access the networks during all phases of trade positioning, but rely on them more heavily prior to the start of negotiations.

The evaluation indicated that, in many cases, the networks have supplanted the formal mechanisms such as the SAGITs and multi-stakeholder events. This situation contributes to the view that government negotiators have already developed negotiating positions prior to consulting with others. This finding is relevant in light of comparative findings from interviews with other governments (See Section 4.0). In the case of the

EU, consultation with CEOs of individual enterprises is conducted on an entirely informal basis.

Stakeholder Perspectives

The business sector recognizes that formal mechanisms are only one entry point to government officials, and pursue other avenues to express their views. This includes appearing before Parliamentary Committees, approaching Members of Parliament directly, and writing submissions.

4.0 TRADE CONSULTATION MODELS

The evaluation scope included the identification of consultation models employed by other agencies, departments or national governments.

All interview participants were asked to describe other consultation models with successful outcomes. The evaluation then reviewed two sector related consultation models used by Agriculture and Agri-foods Canada (AAFC): the Agriculture Industry Trade Consultations and the Seafood Value Chain Roundtable. In addition, the evaluation looked at an International Institute for Sustainable Development (IISD) and a Canadian Centre for Policy Alternatives (CCPA) consultation model.

The evaluation was also asked to review how other national governments conduct their consultations. Website and document research supplemented interviews held with representatives from the European Union (EU), the United Kingdom (UK) and the United States (US). Information from Australia's trade website was the primary source for information on that country's process.

The perspectives gathered on how other models were structured informed Section 4.3 on Best Practices and Key Success Factors and also contributed to the set of recommendations contained in Section 5.2.

4.1 Other Countries

The evaluation looked at how the governments of Australia, the U.K., the EU, and the U.S. consult with the private sector and civil society in their respective countries. A summary table follows.

Private Sector Consultations

The U.S.'s system recently underwent an overhaul to reflect the contemporary economy and to address some issues raised in a GAO Review. It is still the most formal and structured system for consulting with the private sector of the countries reviewed. This is largely due to the legislative requirements under the Trade Act. What is striking is that the U.S. private sector is more than willing to fully participate in the consultations in a meaningful way. In turn, U.S. negotiators benefit from receiving this front-line advice in a timely fashion. The legislative requirements also add transparency and accountability. Buy-in from government officials is less of a problem since it is legislated. However, this system does require substantial human and financial resources to manage.

Informal consultations with the private sector seem to be preferred in the U.K. and the EU, and to some extent Australia. This approach allows for flexibility and is the most cost-effective. Australia's blend of both systems also allows for flexibility, but also allows the Minister to receive advice from a core group of business experts in a structured manner.

Civil Society

The EU appears to be the most advanced in consulting with civil society. Establishing a Contact Group from civil society as a steering committee brings credibility to the consultations since meetings are collaboratively agreed to. Buy-in and senior official commitment to the process is especially important to the success of the process. The EC General Principles and Minimum Standards for Consultations provide effective guidelines to holding the consultations and increases transparency and accountability. Both sides are engaged and there has been a demonstrated softening of protests in the street since the Civil Society Dialogue began. The U.K. has also taken a similar approach by establishing a core group from civil society with whom to consult. Interestingly, Australia, the EU, and the U.K. have been able to successfully combine business entities and non-business entities in consultations. While the U.S. does not have a structured formal consultation mechanism, there are many opportunities for public input to trade policy. This could be one reason for the orderly WTO briefings held in Washington, D.C.

Public Trade Education and Outreach

Each of the countries provides education and outreach, which can impact on the quality of consultations. Commonly used approaches include briefings, seminars and speeches by officials. Each country also makes available research and analyses, publications, press releases, and fact sheets, usually online. The U.S. has recently used web casting and teleconferences for large trade events. The EU's External Trade website also acts as a public education tool by including a Beginner's Guide to Trade, a Glossary and FAQs.

Table 1: Summary Table of Other Countries' Consultation Mechanisms

	Private Sector	Civil Society	Public Education / Outreach
Australia	<ul style="list-style-type: none"> • Trade Policy Advisory Council • WTO Advisory Group • Agricultural Trade Consultative Group • Informal, ad hoc mechanisms 	<ul style="list-style-type: none"> • WTO Advisory Group (inc. NGOs) • Informal, ad hoc mechanisms 	<ul style="list-style-type: none"> • Briefings, seminars, speeches • Research and analyses • Publications
United States	<ul style="list-style-type: none"> • 3-tier Trade Policy Advisory System: • President's ACTN • 4 Policy Advisory Committees • 16 ITACs (13 sectoral, 3 issue-specific) 	<ul style="list-style-type: none"> • No structured, formal committees • Federal Registry Notice • USTR solicits written comments • Informal, ad hoc meetings 	<ul style="list-style-type: none"> • Speeches, briefings • Publications • Press releases • e-mail service (Trade Facts) • Web casts, teleconferences
U.K.	<ul style="list-style-type: none"> • Informal, ad hoc mechanisms • Officials assigned to key trade organizations • SITPRO focuses on trade facilitation 	<ul style="list-style-type: none"> • Trade Policy Consultative Forum • Meetings every 6 weeks • Trade Minister attends • Core group from civil society 	<ul style="list-style-type: none"> • Speeches, briefings • Press releases
EU	<ul style="list-style-type: none"> • Informal, ad hoc mechanisms • Forms industry specific groups, then disbands 	<ul style="list-style-type: none"> • Civil Society Dialogue • Contact Group of 13 NGOs • Regular meetings and ad hoc • Senior official support • Softened protests on street 	<ul style="list-style-type: none"> • Info made available to public asap • Website used extensively for one-way flow of info • External Trade site an education tool: Beginners' Guide, Glossary, FAQs

4.2 Key Success Factors / Best Practices

The following key success factors and best practices reflect background research undertaken during the evaluation as well as perspectives provided by stakeholders and other government representatives during the interview phase of the study.

The following points are not exhaustive. They are presented here as a template for the potential redesign of existing trade mechanisms.

1. Senior official commitment is essential. It is essential that senior officials demonstrate leadership by genuinely participating in consultations with both civil society and the private sector. It is also crucial that senior officials encourage and support their lower level colleagues to fully participate in, and implement, consultations.
2. The objective of the consultation should be clarified, preferably in collaboration with the participants.⁶ Once the objective of the exercise has been defined, the appropriate target group can be defined as well as the appropriate tools to reach them.⁷ Once these have been identified, the level of interaction required with government officials can also be determined.
3. A terms of reference and/ or meeting guidelines should be developed in order to clarify the roles of the participants and outcomes expected of the consultation.
4. A planning horizon should be specified, preferably in collaboration with the participants. This includes developing a communications strategy to link the consultations to the decision making processes. Civil society and the private sector should be involved at an early enough stage so that they can provide meaningful input.
5. Transparency and accountability should be objectives of the process. Participants should be provided with sufficient background documents and information that they can be fully informed. This also includes providing agendas and lists of participants. Feedback should be provided in the form of a meeting synopsis or minutes as well as a summary action plan.

⁶ See: "Stage 1: Preparation. Appendix A: Consultation and Citizen Engagement Guidelines and Checklist". Treasury Board Secretariat, Consultation and Citizen Engagement Policy. Draft, September 24, 2001. p. 20.

⁷ See: "Matching tools to objectives", OECD Public Management Policy Brief, Engaging Citizens in Policy-making: Information, Consultation and Public Participation, PUMA Policy Brief No. 10, July 2001, OECD., p. 4.

6. A core group from civil society should be established. Members must represent a constituency and be willing to work with the department towards mutually satisfactory consultations.
7. Other government departments should be involved as warranted. Increasingly international trade issues involve a cross-section of interests. Other government departments should be involved in the consultations where appropriate.
8. Consultations with civil society and the private sector should be viewed as an evolving challenge. Past experience suggests patience and flexibility will be rewarded.
9. Efforts should be placed on building trust. Cynicism on the part of civil society and government officials on the value of consultations will take time to overcome and will only be overcome if both sides commit to building trust.

5.0 OVERALL CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

5.1 Overall Conclusions and Lessons Learned

The following section presents lessons learned and overall conclusions from the research conducted for the evaluation.

- There is a valid reason to consult with a wide range of stakeholders;
- The process/mechanisms need to be planned and formalized to increase their effectiveness and meet the needs of stakeholders;
- The current approach to engaging NGOs, civil society groups and business associations should be reconsidered;
- Professional development would be useful, for example:
 - ▶ For negotiators: group facilitation skills
 - ▶ For chairpersons: effective meeting skills
- Education and outreach on Canada's trade agenda is part of the process and would improve effectiveness of trade consultation;
- SAGIT and multi-stakeholder mechanisms need to be substantially redesigned;
- Distinction needs to be made between four consultation objectives:
 - ▶ To provide education and outreach
 - ▶ To consult with Canadians on issues of broad interest
 - ▶ To consult on specific issues and irritants
 - ▶ To consult for specific technical issues
- Buy-in by negotiators and senior managers is necessary to achieve success.

Wide range of stakeholders

The challenge of any consultation process is to bring disparate views to the table and provide a context and structure which allows for a meaningful process. The absence of such a process can result in polarization of views, misunderstanding and distrust.

There is no perfect system to bring disparate views into agreement, but it is valid to consult a wide range of stakeholders so that informed views can be heard and considered.

Planned and formalized mechanisms

One lesson learned was that, with the exception of the SME Advisory Committee, none of the other mechanisms was established within a planning framework. This has resulted in an ad hoc approach to meeting management. If meaningful participation from appropriate individuals is desired, the consultation process requires planning to ensure that interest, momentum, and trust can be maintained over extended time periods. This includes providing feedback to participants.

Approach to engaging NGOs, civil society groups and associations

Engaging the business community in trade consultations is not a difficult process. Their interests and needs fall into the traditional trade policy and trade promotion practices. Consultation with NGOs, civil society groups and associations falls outside of the standard trade agenda development approach. In order to meet the government's commitment to broad based and inclusive consultation, appropriate methods to engage these groups should be sought.

The onus is on these stakeholder groups as well to increase their technical trade knowledge and skills, and to be willing to modify their positions to meet new circumstances. Negotiators find that the most useful associations are those that bring the discussion back to their members, conduct polling if appropriate, and adequately reflect their members' views. Participation of associations is not useful if their position is considered a "theology" - the message is always the same no matter what the setting.

Professional Development

The role of the chair/facilitator is immensely important. The individual must be skilled in facilitation and meeting management, as well as being thoroughly conversant with the issues at hand. To ensure maximum effectiveness, professional development opportunities for both negotiators (conflict resolution and facilitation skills) and chairs (effective meeting management skills) are needed. The new environment requires negotiators to change how they do their business. They need the information provided by broad based consultations, need the public support, and need to have Canadians behind Canada's trade positions.

Education and outreach

One of the interview participants provided research findings from polls conducted: Canadians feel that international trade is a good thing for Canada - but that will have a negative impact on the stability of their job. Part of the continuum of trade consultations is the need to educate Canadians about trade in all its aspects. One of the objectives of the consultation process has been defined as education and outreach to meet this need.

SAGIT and Multi-stakeholder mechanisms

The findings indicate that the SAGITs and the multi-stakeholder mechanisms need to be redesigned to meet the needs of participants and of negotiators. At the outset the SAGITs were part of the inner circle, getting access to confidential information. Over time, the form of negotiations has changed. The issues and the information available make the process increasingly more transparent. New mechanisms should involve business and NGOs/civil society groups more appropriately. Multi-stakeholder sessions that are not focused are ineffective. The contributions of civil society could be better exploited by redesigning the existing mechanisms.

Distinction between four primary objectives of trade consultation

The existing consultation mechanisms are not appropriately designed to meet the objectives of the consultation. This leaves both participants and government officials dissatisfied. The evaluation indicated there are four primary objectives of consultations. Any redesign of the existing system should be based on these objectives. A brief description of each objective follows:

- 1) Providing education and outreach on trade matters intended to:
 - Provide information on a one-way basis from ITCan on the status of negotiations, background documents, etc., as well as outreach in the form of briefings and presentations;
- 2) Consulting on broad trade issues of overarching interest to Canadians with the aim of:
 - Establishing a two-way exchange of information between ITCan and civil society (NGOs, business associations, consumer groups, etc.) leading to the development of a trade agenda reflecting Canadian values and priorities;

- 3) Consulting on specific issues and irritants leading to:
 - Greater understanding of the trade barriers and irritants encountered by the private sector as they trade internationally; and
- 4) Consulting on specific technical issues with the aim of:
 - Allowing negotiators to obtain technical, specific information from specialists as they negotiate trade agreements.

Role of negotiators and senior managers

A critical element of achieving successful results is buy-in. The evaluation found that there are pockets of resistance to this “new way of doing business”. This resistance is considered to impede the work of others in addressing the broad scope of negotiations in the current context. The continuum between the domestic and international spheres is evident. Support for and messages concerning the importance of consultation must come from the highest level within ITCan to create pressure for a culture of change.

5.2 Recommendations

The following recommendations are based on the evaluation findings and are presented for the consideration of the Department of International Trade Canada.

Recommendation 1: ITCan should continue to support a structured trade consultation process.

The examination of relevance issues determined that the trade consultation process is congruent with the Government’s emphasis on citizen-centred approaches to consultation. It also ensures the involvement of Canadians in the development and implementation of Canada’s trade agenda. However, to meet the needs of those involved, the existing mechanisms should be re-designed.

Recommendation 2: A new consultation process and mechanisms should be re-designed around the following four trade consultation streams which correspond to the primary objectives identified from the evaluation:

- Education and Outreach
- Consulting with Canadians on Issues of Broad Overarching Interest

- Consulting on Specific Issues and Irritants
- Consulting for Specific Technical Issues

The examination of the evaluation issues pointed to the need for clear understanding of the purpose of consultations; to identify the target group to be consulted; to match the tools and methods of consulting to the target group and objective; and to clearly identify the appropriate ITCan representation. A framework for re-designing the consultation process according to the four consultation streams is discussed in greater detail in Section 6.0 which follows.

Recommendation 3: The existing SAGIT structure should be replaced.

The sectoral SAGITs should be replaced by mechanisms that focus on current international trade issues and that can respond to the specific, ongoing needs of negotiators and stakeholders. As described in the framework, these mechanism would fall under Consultation Stream 4: Consulting for Specific Technical Issues, and would have clearly defined objectives and mandates.

Recommendation 4: The existing multi-stakeholder approach should be re-designed.

The consultation process re-design should ensure that a broad-based range of interests and sectoral concerns are incorporated into the formulation of Canada's trade agenda. This can be achieved by developing a consultation process based on Consultation Stream 2: Consulting with Canadians on Issues of Broad Overarching Interest. The scope of the multi-stakeholder consultations should be based on the London School of Economics' definition of civil society (i.e., registered charities, development NGOs, community groups, women's organizations, faith-based organizations, professional organizations, trades unions, self-help groups, social movements, business associations, coalitions and advocacy groups)⁸. Private sector companies can be invited to participate where circumstances warrant. As described in the framework for re-design, the primary objective of these consultations is to foster a working relationship between and among, Canadian civil society and ITCan.

⁸ www.lse.ac.uk/collections/CCS/what_is_civil_society.htm

Recommendation 5: Best practices and lessons learned should be factored into the redesign of the consultation process.

These best practices and lessons learned reflect the evaluation research, are international in scope and can be utilized to improve Canada's trade consultation process. Examples include: securing senior official commitment, developing meeting guidelines, clarifying objectives, improving transparency and accountability, and building trust between the Department and the stakeholders.

Recommendation 6: Visible, and explicit support for the consultation process should be demonstrated and communicated, from the highest levels of ITCan officials and negotiators.

Without senior official commitment to the consultation process, it is unlikely that meaningful consultations will take place. This buy-in to the consultation process can be achieved through a number of means, such as developing a departmental policy on consultations; by engaging senior officials in the re-design of the mechanisms; by providing training on the benefits and effectiveness of consultations; and by building internal capacity.

Recommendation 7: Appropriate performance measurement and planning frameworks should be developed.

The process of engaging Canadians in trade consultations should be considered as a long term effort, with an appropriate planning framework. A planning framework with a series of milestones will signal to stakeholders the types of consultations that would be fruitful during the course of negotiations. A long term planning horizon will allow consultations to take place far enough in advance that participants will be able to make a meaningful contribution prior to decisions being made.

A performance measurement framework will assist in gauging the effectiveness of the consultations by developing a series of indicators to measure a number of issues, such as: how useful are the consultations; how well has the target market been engaged; and how efficient are the consultations (are the right people being consulted in the right place at the right time).

6.0 FRAMEWORK FOR RE-DESIGN OPTIONS

It is proposed that the following framework be considered as a guide to re-designing options for ITCan's trade consultation.

For each consultation stream, the first step is to identify the objective and the target group⁹ to be reached. The second step is to develop tools and methods to consult that match the objective and target group. The third step is to identify the appropriate level of ITCan or Government of Canada official representation. An illustration of how this framework could be applied is provided below.

Table 2 summarizes which of the existing mechanisms should be maintained or replaced and the suggested alternative where required. Table 3 summarizes the framework.

Consultation Stream 1: Education and Outreach

Objective: To provide information on the status of trade negotiations and agreements as well as the basic information on trade issues required to understand the problems, alternatives or solutions. The aim is to provide transparency and to develop a better informed public.

Target Group: The general public and interested parties.

Tools / Methods: All information and documentation that would be considered a one-way flow of information from ITCan to the public. This includes e-mail updates or newsletters, press releases, Canada Gazette notices, background documents, etc. As much as possible, this information should be posted to the ITCan website in a user-friendly, easily accessible format. Outreach methods include speeches, briefings and presentations by ITCan officials, including teleconferences and webcasts.

It is suggested that when ITCan officials are performing outreach or education through briefings, etc, that the objective be determined ahead of time, preferably in collaboration with the participants. In addition, it is also recommended that a planning horizon be developed such that information is made available far enough in advance of key events/decisions that the public can make full use of them.

⁹ The use of the term "target group" is consistent with OECD terminology and refers to the stakeholders and participants to be reached by each consultation.

ITCan representation: Level of ITCan officials to be matched to the importance of the briefing or presentation, as well as the knowledge and expertise required.

Consultation Stream 2: Consulting with Canadians on Trade Issues of Broad Overarching Interest

Objective: To foster a working relationship between and among Canadian civil society and ITCan. In addition, the goal is to obtain input on trade policy analysis, alternatives and decisions leading to development of a trade policy agenda that reflects Canadian values and priorities.

Target Group: NGOs, including development and environment groups, business associations, consumer and labour groups, etc.

Tools / methods: Develop a consultation model based on the EC civil society dialogue and the U.K. Trade Policy Consultation Forum. This can be called the Canadian Civil Society Dialogue on Trade. The first step would be to identify a core group of NGOs, including business associations to act as a Steering Committee. A designated ITCan official would work with this Steering Committee to develop a consultation plan of regular meetings to discuss topics that are mutually agreed on. Annual General Meetings with the Minister can be included. Academics can be invited to attend meetings as warranted. The scope of the multi-stakeholder consultations should be based on the London School of Economics' definition of civil society (i.e., registered charities, development NGOs, community groups, women's organizations, faith-based organizations, professional organizations, trades unions, self-help groups, social movements, business associations, coalitions and advocacy groups)¹⁰. Private sector companies can be invited to participate as appropriate. It is expected that these groups would all attend the multi-stakeholder sessions at the same time, in the same room.

To ensure success, it is suggested that the key success factors be integrated into the dialogue process, including developing meeting guidelines, making background information and agendas available in advance of the meetings and providing a synopsis of the meeting and action points. Other government departments should also be invited to the meetings where warranted.

ITCan representation: Senior officials who are decision makers as well as those with specific knowledge and expertise.

¹⁰ www.lse.ac.uk/collections/CCS/what_is_civil_society.htm

Consultation Stream 3: Consulting on Specific Issues and Irritants

Objective: To obtain input from the private sector on trade issues and irritants, such as barriers to trade, encountered as they trade internationally.

Target group: Private sector, including small and medium-sized enterprises who trade internationally.

Tools / methods: It is suggested that ITCan maintain the SME Advisory Board. The Board meets the objectives of the consulting stream and allows the Minister to gain insights from Canadian businesses on the front line of international trade. It is also suggested that ITCan integrate the key success factors into this Board and develop a membership that is reflective of the target group. It is recognized that engaging the SME community presents challenges as often SMEs have little time to commit to interests outside of their businesses. It is suggested that the main criteria for SME Advisory Board membership continue to be based on regional representation and include that the member must be actively engaged in international commerce. It is also suggested that members be drawn from a range of sectors representative of Canada's international trade interests, including key sectors such as technology, agriculture and agri-food, etc. It is not recommended that membership be tied to particular sectors.

This group will be able to draw senior officials' and the Minister's attention to obstacles SMEs face in doing business internationally, such as issues that unduly delay goods and people at the border.

It is also suggested that ITCan establish a High Level Trade Advisory Group, similar to the Trade Policy Advisory Council in Australia. This high level group would consist of senior individuals from the private sector who would meet with the Minister and senior trade officials. It would draw on a variety of sectors to allow the Minister and senior officials to gain insights from a cross section of the Canadian economy. This group is meant to consider international trade issues from a strategic, high level perspective. While there may be overlap with some issues raised in the SME Advisory Board, the SME Board is clearly focused on SME issues. It is envisioned that the High Level Advisory Group would act as a sounding board for Canadian officials and the Minister on negotiating positions as well as providing insights into trends in international trade. Academics and NGOs can also be members of this group, but the emphasis is on the private sector with active international trade interests. This group would meet annually or semi-annually as needed and members would be kept informed regularly of events in the trading system.

In addition, it is recommended that ITCan develop a “Black Book” of trade issues and irritants raised by the private sector in order to inform negotiators for future trade negotiations.

ITCan representation: Minister of International Trade and senior officials and negotiators.

Consultation Stream 4: Consulting for Specific Technical Issues

Objective: To obtain technical, issue specific information from specialists to assist Canadian negotiators prepare offers and counter-offers in trade negotiations.

Target group: Specialists with expertise in specific international trade issues, including individuals in the private sector, some NGOs and academics.

Tools / methods: It is proposed that ITCan consider the following options: Option 1: Disband the SAGITs and establish a series of Technical Trade Advisory Groups based on WTO negotiating groups; Option 2: Maintain the sectoral advisory group approach, but re-evaluate the current SAGIT composition to better reflect the Canadian economy; Option 3: Disband the SAGITs and develop an ad hoc method of consulting with the private sector as needed, similar to that of the EC and the U.K.

Option 1: Technical Trade Advisory Groups

It is suggested that ITCan disband the current SAGIT mechanism because in most cases the SAGITs do not satisfy the objective of the consulting stream, which is to provide negotiators with specific information on trade issues when they are negotiating agreements. When initiated almost 20 years ago during the Canada-U.S. free trade negotiations, the sectoral approach made sense and fit the objectives of the time. However, current negotiations are not taking place on a sectoral basis and there is a need for negotiators to access a more horizontal and cross sectoral base of knowledge. In instances where a sector is sensitive or of major importance to the Canadian economy, it is recognized that a sectoral approach is warranted.

It is proposed that a series of thematic Technical Trade Advisory Groups be established based on WTO and other negotiating groups. This could include: Agriculture, TRIPs, Services, Environment, Textiles and Apparel, Market Access and High Technology. These groups should each have a small Steering Committee of members who would be part of other meetings, and with whom ITCan officials would keep in regular contact regarding events in the trading system.

As negotiations dictated, ITCan and a Steering Committee would pull together a meeting of key stakeholders in an area to discuss the technical trade issues. This format will provide ITCan officials with flexibility and will allow a critical mass of participants to develop their capacity to contribute since they will be in regular contact with the department. The key success factors should also apply to these groups. It is also suggested that academics and NGOs be included where their expertise could be helpful.

Option 2: Sectoral Advisory Groups

Under this option, the sectoral approach would be maintained, but the existing SAGIT composition would be re-evaluated to better reflect the Canadian economy and negotiating objectives. If this sectoral advisory group approach is maintained, it is recommended that weaknesses identified in the evaluation be addressed by integrating the key success factors into any re-configured groups. It is also recommended that membership on the sectoral advisory groups reflect the target group identified and the objective for the consulting stream.

Option 3: Ad hoc Consultations

Under this option, ITCan would disband the SAGITs and implement an informal, ad hoc method of consulting on technical trade issues. This model is similar to that followed by the European Commission and the U.K. ITCan officials would develop their own networks of contacts in the private sector, academic and NGO communities and would consult with them as required. As specific negotiating issues arise, ITCan officials could convene a group of stakeholders for consultations. This group would not be maintained or kept informed of ongoing events.

There are drawbacks to this process. It is not transparent and ITCan officials risk only consulting with a small group of “like minded” individuals. Without a formal process in place, there is no way of knowing who is being consulted by whom within the department.

The advantage to such an approach includes the flexibility to consult with stakeholders only as needed, thereby saving human and financial resources.

ITCan representation: Senior officials who are decision makers and negotiators.

Summary:

Distinguishing between the four consultation streams clarifies the purpose behind ITCan consultations on trade policy. These four streams are: 1) Education and Outreach; 2) Consulting with Canadians on Trade Issues of Broad Overarching Interest; 3) Consulting on Specific Issues and Irritants; 4) Consulting for Specific Technical Issues.

Going through the exercise of identifying the objective and target group for each consulting stream and then matching the tools and methods to them aligns the mechanisms to the consulting stream.

An example of implementing this exercise indicates ITCan needs to revamp its existing mechanisms. Table 2 summarizes the options detailed above.

Table 2: Summary Table of Re-design Options

Current Trade Consultation Mechanism	Suggested Option
SAGITs	Replace with Technical Trade Advisory Groups
Academic Advisory Council	Academics to be accessed as technical experts on Technical Trade Advisory Groups or invited to civil society meetings
Ad hoc Expert Group on Investment Rules	Maintain as TRIMs group under Technical Trade Advisory Groups
Multi-stakeholder Consultations	Replace with Canadian Civil Society Dialogue on Trade

Table 3: Summary of the Framework for Re-design Options

	1. Education and Outreach	2. Consulting with Canadians on Trade Issues of Broad Overarching Interest	3. Consulting on Specific Issues and Irritants	4. Consulting for Specific Technical Issues
Objective:	<ul style="list-style-type: none"> • Provide info on status of trade negotiations & agreements • Basic info on trade issues • Provide transparency • Develop better informed public 	<ul style="list-style-type: none"> • Foster a working relationship between & among Cdn civil society and ITCan • Goal to obtain input on trade policy analysis, alternatives, decisions • Leads to trade policy agenda reflecting Cdn values / priorities 	<ul style="list-style-type: none"> • Obtain input from private sector on trade issues and irritants, such as trade barriers encountered 	<ul style="list-style-type: none"> • Obtain technical, issue specific information from specialists to assist Cdn negotiators prepare offers / counter-offers
Target Group:	<ul style="list-style-type: none"> • General public, interested parties 	<ul style="list-style-type: none"> • NGOs, including development & environment groups, business associations, consumer, labour groups • Academics as advisors 	<ul style="list-style-type: none"> • Private sector, including small & medium-sized enterprises who trade internationally 	<ul style="list-style-type: none"> • Specialists with expertise in specific inter'l trade issues, including individuals in private sector, NGOs, academics

	1. Education and Outreach	2. Consulting with Canadians on Trade Issues of Broad Overarching Interest	3. Consulting on Specific Issues and Irritants	4. Consulting for Specific Technical Issues
Tools / Methods:	<ul style="list-style-type: none"> All info & documentation is one-way flow of info from ITCan to public Includes e-mail updates, newsletters, background docs, etc. Post as much as possible to ITCan website in timely, user-friendly manner Outreach includes speeches, briefings, presentations, teleconferences, etc. Determine objective ahead of time with participants Develop a planning horizon 	<ul style="list-style-type: none"> Establish Cdn Civil Society Dialogue on Trade Identify a core group of NGOs, incl business associations as Steering Committee Designate ITCan official to work with the Steering Group Develop consultation plan, including Annual General Meetings with Minister Integrate key success factors, incl meeting guidelines, background info, agendas, synopsis of meeting Invite other relevant gov't depts 	<ul style="list-style-type: none"> Maintain SME Advisory Board Retain regional representation Only members engaged in international commerce High Level Trade Advisory Group: Senior individuals from private sector to meet with senior officials / Minister Can include NGOs / Academics Meet annually / semi-annually Strategic, high level view of Canada's trade interests Sounding board for negotiating positions 	<ul style="list-style-type: none"> Disband SAGITs, and establish Technical Trade Advisory Groups: Thematic, based on WTO / trade negotiations groups Suggest: TRIPs, TRIMs (keep Ad hoc Experts Group), Services, Environment, Agriculture, Textiles Small group of core members who meet regularly Could pull together other key stakeholders as needed
ITCan Rep:	<ul style="list-style-type: none"> Level of ITCan officials to be matched to importance of briefing 	<ul style="list-style-type: none"> Senior officials who are decision-makers as well as those with knowledge, expertise 	<ul style="list-style-type: none"> Minister of International Trade / senior officials and negotiators 	<ul style="list-style-type: none"> Senior officials who are decision-makers as well as those with knowledge, expertise

Annex A

Inspector General's Evaluation of the Trade Consultation Mechanisms

Management Response

Preamble

In securing Canada's future prosperity in a rapidly changing global economy, International Trade Canada is committed to working with the business community, citizens, academics, labour and non-government organizations to ensure international commerce reflects the economic interests and values of Canadians. The Department has long history of consulting Canadians on international commerce issues and welcomes the Inspector General's evaluation and recommendations. All of the Inspector General's recommendations are being implemented.

The Department has revised its consultation mechanisms to meet the needs of today's negotiators to regularly access a more cross-sectoral base of knowledge and to make informed decisions. The consultation plan would involve all levels of the department including:

1. Strategic Consultations - Ministerial

- On-going strategic external advice on the overall direction of the Government's trade agenda through regular discussions with stakeholders (e.g., expert advisory groups, roundtables).

2. Tactical Consultations - Senior Officials

- A *Trade and Commerce Network* provides departmental officials with a network of key business and non-government organizations (NGOs) representatives to discuss issues and identify policy options. In addition, ongoing roundtables with business schools, economists and think tanks will be used to enhance the Department's policy capacity.

3. Technical - Officials

- Departmental consultations on on-going negotiations, at the level of senior officials with horizontal expert advisory groups of key business organizations and non-governmental organizations for technical issues. Currently, a *Market Access Advisory Group* provides focussed discussion on WTO issues for trade negotiators. In addition, the *Environmental Assessment Advisory Group* is being developed to provide advice on the environmental assessment of trade agreements.

4. General

- Consultations with stakeholders are also developed to inform and consult on specific sectoral issues. Additional consultation tools include: the *Canada Gazette* to seek comments from Canadians on new trade initiatives, reports of the Standing Committee on International Trade, bilateral discussions, letters, e-mails and conference calls. As well, the Department would continue with 'real-time debriefs' by allowing stakeholder as advisers at in the delegations to major international meetings (e.g., World Trade Organization Ministerial) and consult them as negotiations progress.

Canadians wishing to learn more about international trade and investment negotiations or consultations with Canadians can do so at <http://www.international.gc.ca/tna-nac/>.

Recommendation 1: *ITCan should continue to support a structured trade consultation process.*

Response: ITCan developed a comprehensive approach to all trade consultations that links the domestic and the international agenda in line with the Government's priorities. The new structured process will ensure that stakeholders, clients and interested citizens continue to actively contribute to Canada's international trade and commerce positions and priorities.

Recommendation 2: *A new consultation process and mechanisms should be redesigned around the following four trade consultation streams:*

- *education and outreach*
- *consulting with Canadians on broad issues of overarching interest*
- *consulting on specific issues and irritants*
- *consulting on specific technical issues*

Response: A new outreach and consultations process will clearly distinguish between outreach (information-sharing) and consultations (two-way exchange). New consultations mechanisms will require the consistent development of clear consultation objectives to be provided to stakeholders prior to consultations. While some mechanisms will address broad overarching issues (e.g., Trade and Commerce Network, Academic Roundtables), others will focus on technical or specific issues and irritants (e.g., expert advisory groups).

Recommendation 3: *The existing SAGIT structure should be replaced; and*

Recommendation 4: *The existing multi-stakeholder approach should be redesigned.*

Response: The Sectoral Advisory Committees on International Trade (SAGITs) have been replaced and based on the feedback from stakeholders and the Inspector General's evaluation, new and redesigned mechanisms were established by the Department (e.g., Trade and Commerce Network, experts groups, roundtables).

Recommendation 5: *Best practices and lessons learned should be factored into the redesign of the consultation process.*

Response: To assist officials in conducting effective consultations, departmental guidelines and best practices that incorporate lessons learned were developed and put on the Departmental Intranet site.

Recommendation 6: *Visible and explicit support for the consultation process should be demonstrated and communicated, from the highest levels of ITCan officials and negotiators.*

Response: Consultations are conducted by the Minister and all levels of the Department. The Minister is involved in on-going strategic advice through informal and regular discussions senior business leaders, non-government organizations and key think-tank representatives. The Deputy Minister and Senior Officials will work with the Trade and Commerce Network that provides departmental officials a network of key business and NGO representatives to discuss key issues and identify policy options.

Recommendation 7: *Appropriate performance measurement and planning frameworks should be developed.*

Response: The redesign and implementation of new trade consultation mechanisms will include an ongoing evaluation process to assess performance and allow flexibility to adjust mechanisms and tools based on feedback from officials and stakeholders. Greater emphasis will be placed on providing planning frameworks (time lines) on negotiations, programs and services to stakeholders to increase transparency on the development of government positions and programs.