



The Public-Private Consultations (PPC) for FTA Negotiations in Canada and Indonesia

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Canada

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1

Introduction



Introduction

Objectives

- Providing a comprehensive description of PPC mechanism in Canada and summarizing the best practices;
- Formulating recommendations to establish a strong PPC mechanism in Indonesia;
- Identifying the best practices on how to prepare trade negotiating position papers; and
- Outlining different approaches of consultations by the government and the private sector, and to balance conflicting inputs.

Methodologies

- Conducting meetings and/or interviews to gather intelligence from primary sources;
- Using desk research to collect information; and
- Discussing the issues and reports with the CBoC colleagues.



Introduction

The Importance of PPC for Indonesia

At present negotiating 22 FTAs

Limited PPC

Current and future FTAs?

On-going Negotiations

1. Indonesia-Australia-CEPA
2. Indonesia-EU-CEPA
3. Indonesia-EFTA-CEPA
4. Indonesia-Chile-CEPA
5. Indonesia-Iran-PTA
6. RCEP

On Review

1. Indonesia-Japan-EPA
2. Indonesia-Pakistan-PTA
3. ASEAN-Hong Kong-FTA

Upcoming Negotiations

1. Indonesia-Turkey-CEPA
2. Indonesia-Peru-PTA
3. Indonesia-Mozambique-PTA
4. Indonesia-Nigeria-PTA
5. Indonesia-Kenya-PTA
6. Indonesia-Egypt-PTA
7. Indonesia-SACU-PTA
8. Indonesia-Sri Lanka-PTA
9. Indonesia-Bangladesh-PTA
10. Indonesia-Taiwan-ECA
11. Indonesia-EAEU-TIGA
12. Indonesia-GCC-PTA
13. ASEAN-Canada-FTA

Benefits?

FTAs are conducted to **benefit** the parties. PPC plays an important role to connect government and private sector, so that business views are well conveyed during the negotiation process.



2

FTA Negotiation Consultation Mechanisms in Indonesia and Canada



PPC: Definition and Objectives

Definition

Based on research and meetings conducted in Canada, PPC in the context of FTA negotiations is:

a two-way consultation between the government and private sector on FTA negotiations and implementation that is conducted in a transparent and continuous way through a variety of instruments.



PPC: Definition and Objectives

Objectives

- Build trust and strong relationships between government and private sector, as well as gain support from each other;
- Establish a mutual understanding between the government and private sector;
- Disseminate related information accurately and timely from one another;
- Obtain necessary and justified views from the private sector; and
- Formulate solid positions for FTA negotiations to benefit the whole country.

Benefit
for
the
country



Indonesia

Current Implementation of FTA Consultations



**Government
of
Indonesia**

Meetings,
discussions, events
(seminar, workshop)

**Indonesian
Private
Sector**

- KADIN Indonesia, APINDO, and certain business leaders
- Gathering members' views, preparing position papers



Indonesia

KADIN Indonesia & APINDO's Contributions in FTA Negotiations

Indonesia – Australia CEPA

- Assisting consultations between various business associations (calls, emails, and meetings);
- Attending meetings with the Indonesian negotiation team;
- Formulating recommendations from Indonesian private sector;
- Reviewing a report named “Two Neighbour, Partners in Prosperity”
- Attending meetings with related business institutions in Indonesia and Australia.

Indonesia – EU CEPA

- Conducted consultations with around 65 associations and companies (calls, emails, meetings);
- Attending meetings with the Indonesian negotiation team;
- Formulating recommendations from the Indonesian private sector;
- Prepared a joint report with related Eurocham

Indonesia – EFTA CEPA

- Conducted consultations with selected industries (calls, emails, meetings);
- Attending meetings with the Indonesian negotiation team

RCEP

- Attending meetings with the Indonesian negotiation team



Indonesia

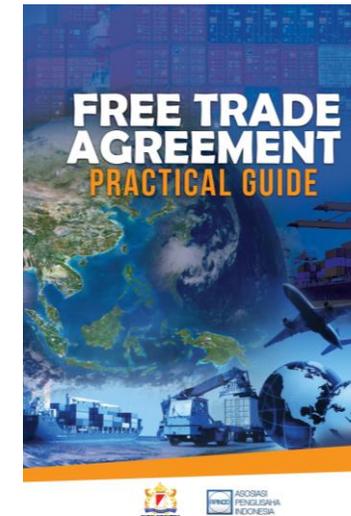
KADIN Indonesia & APINDO's Contributions to FTA Negotiations

FTA Practical Guide

- A practical guide on 32 aspects that are generally included in FTA negotiations (such as general principles, market access, tariffs, non-tariff measures, trade facilitation, rules of origin, trade in services, investment, movement of natural person, and many others);
- Contains trade framework on the WTO, NAFTA, and TPP.

FTA Workshop

- The FTA workshop accommodated studies and discussions among the Indonesian private sector;
- The FTA workshop was organized for 2 days, facilitated by selected experts as the speakers;
- Indonesian negotiators were invited to participate and provide updates on FTA negotiations involving Indonesia.



August 2016



Indonesia

Weaknesses

1

Low awareness on FTAs

- Most Indonesian private sector (associations and companies) are not well aware or ill-informed of the FTA negotiations that Indonesia has completed or is currently conducting;
- Low awareness of FTAs leads to poor knowledge in FTA issues and passive involvement from the Indonesian private sector; and
- With a PPC mechanism, Indonesian private sector would be more involved and informed.

2

Low transparency

- With transparency, Indonesian private sector would obtain timely information on FTA negotiations and implementation.

3

Low quality of consultations

- The Indonesian private sector is not well consulted by the Government of Indonesia. As a result, views from Indonesian private sector are of a low quality that might not represent the whole industry. There are also capacity constraints on both government and the private sector on FTA negotiations.



Indonesia

Weaknesses

4

Low monitoring on FTA information and consultation process

- PPC also serves as a monitoring tool that keeps track of all related information on FTA negotiations (status, issues, and updates) and its processes.

5

Low continuous and follow up mechanisms

- With limited access to FTA negotiations, as well as no continuous and follow-up PPC mechanism, Indonesian private sector finds it difficult to follow up the views that have been conveyed to the Government of Indonesia.

6

Limited access to the Government of Indonesia

- The Indonesian private sector has limited access to the Government of Indonesia for direct consultations since there is no clear PPC mechanism in place.



Canada



Indonesia

Weaknesses

7

Low access to general public

- Although PPC is more into government and private sector consultation, broader topics in FTA have encouraged PPC to reach out to the general public too (non-business stakeholders).

8

Low trust and relationship

- PPC that is implemented in a clear and systematic way will absolutely increase trust between the Government and private sector in Indonesia.
- With the trust, good relationship will be strongly built and the PPC will also be solidly implemented.



Canada

History and Evolution

WTO and CUSFTA

- PPC has been implemented since the Uruguay Round and FTA negotiations with the US;
- The WTO and CUSFTA negotiations have also shaping Canada's trade policy and consultation process.



SAGIT

- Sectoral Advisory Group on International Trade, a formal mechanism among government institutions;
- Confidential, selected members (business, NGOs, labor union, academia);
- Provide advice.



3 Cs

- **Coordination:** between the 3 level of government
- **Consultation:** between the government and private sector
- **Communication:** general public



Inclusive

- FTAs have gone beyond the traditional issues and included many new issues (e-commerce, environment, labor, gender, government procurement, more);
- Non-business stakeholders.



Canada

PPC Instruments

1

Canada Gazette

- Official magazine (newspaper) of the Government of Canada which started its publication in 1841, contains formal public notices, official appointments, proposed regulations, and more information;
- However these days, not many people in the general public read the Canada Gazette;
- Through the GAC Consultation Portal, Government of Canada provides a list of links to consultation activities and related information;
- Some private sector associations are proactive and use Canada Gazette to obtain necessary information on FTAs and make online submissions of their views in the forms of reports and/or position papers.

2

Global Affairs Canada Website

- 2 status of PPC in Canada: (1) active and ongoing, and (2) closed/completed;
- GAC invites interested parties (both business stakeholders and other stakeholders) to submit their written submissions by email or by mailing those views to the provided address of GAC.



Canada

PPC Instruments

3

Other electronic means

- Website, e-mail, online consultation, survey/questionnaire, and social media;
- Although not considered as an official one, the Government of Canada finds it quite efficient and effective in gathering various views;
- In today's global world, electronic means are easy to use as they offer flexibility and faster and cost-effective communications on trade negotiations. Similar to Canada Gazette, the private sector often uses the electronic tools to submit their views.

4

Meetings and conference calls

- Tend to take place on an ad-hoc basis;
- The Government of Canada make themselves available to the Canadian private sector, and Canadian private sector finds these meetings and conference calls productive and efficient, particularly when they need to obtain information on an urgent basis for their business.



Canada

PPC Instruments

5

Open and two-way consultations

- Open consultations (such as seminars and public town-hall meetings) are initiated and organized by the Government of Canada and Canadian private sector, respectively;
- The Government of Canada would initiate such open consultations to provide opportunities for all interested Canadians to convey their views;
- Canadian private sector also invited government officials as speakers in their related events to disseminate FTA information and provide further explanations.



Canada

Status of PPC

Open PPC

- Currently active PPC on on-going FTA negotiations;
- Meetings and conference calls, open consultations, and those PPC implemented out via electronic means;
- Depending on the issues and urgencies, PPC might be carried out monthly. Certain FTAs that are considered to be of high importance (TPP and NAFTA renegotiations) are conducted on a more frequent basis.

Closed PPC

- PPC that have exceeded certain period of time, depending on the FTAs (the usual period is 1 - 3 months);
- Important for future development.

Participants

- Business stakeholders
- Non-business stakeholders
- Individuals
- Experts/academics
- Civil society organizations and NGOs
- Labour unions
- Indigenous peoples
- Students and youth
- Any other interested Canadian stakeholders



Canada

Main Challenges in PPC Implementation and How to Tackle Them

Main Challenges

Government of Canada

Canadian Private Sector

Contradicting views

- Listening to all views is a must;
- Carefully filter those views to sum up the points for the well-being of the Canadian economy as a whole.

- Two different approaches:
 - A majority would gather different views and present a report;
 - Some would only present a consolidated view of members.

Limited knowledge of on-going FTA negotiations

- Make all related information available on their websites and open to any queries;
- Organize events (open consultations), seminars, one-on-one meetings, conference calls, and other activities.

- Provide members with regular updates, briefs, and memos.
- Organize events (seminars, roundtables) and invite government officials as speakers to communicate with and educate their members.



Canada

PPC Key Strengths

1

Flexibility

- The government and private sector have maintained good relationships and built trusts among themselves, and they feel that the absence of law on PPC does not have major negative impact on PPC. In fact, it offers more flexibility in conducting necessary PPC based on the needs and priorities of each FTA.

2

Accurate and timely dissemination of information

- The government and private sector would reach out to each other prior to, during, and after FTA negotiations to ensure accurate and timely information to be received.

3

Transparency

- The implementation of PPC upholds transparency as most of the information and position papers are made publicly available;
- The Government of Canada ensures that the private sector and other stakeholders have access to all related information on FTAs timely basis.



Canada

PPC Key Strengths

4

Access to all parties

- Both the Government and private sector make themselves available for consultations, and they would also reach out to each other through various PPC means whenever they feel the needs to have a PPC.

5

Communication process

- Supported by the flexibility, transparency, and smooth access to the Government of Canada, PPC in Canada has established smooth communication channels between the Government and the private sector, as well as between the Canadian business associations and companies internally (between business associations and their members).

6

Inclusivity

- Even though FTA focuses more on business, the Government of Canada also listens to non-business stakeholders for broader information. The Canadian private sector also welcomes the involvement of other stakeholders in the PPC process.



Canada



3

Canadian Private Sector: Position Papers on FTA Negotiations



Position Papers

Collecting Opinions from Members

Disseminating background information

- Summarize the information into a brief or memo and disseminated via email to its members;
- Conduct dissemination of information on a regular basis;
- Organize events to specifically increase their members' knowledge in FTA;
- For technical issues, request assistance from members with certain expertise (particularly legal).

Brainstorming session

- Some Canadian business associations would also conduct meetings with different committees within their own associations for brainstorming and sharing of information with different committees to improve the knowledge of their associations as a whole.

Meetings and calls

- Direct consultations with their members through conference calls and meetings. They would also consult through electronic means, in particular e-mails;
- Although there is no formal procedure, Canadian business associations reach out to their members frequently (daily, weekly, monthly, ad-hoc).

Online survey

- conduct online surveys and disseminate questionnaires to their members to understand their positions better and to obtain feedbacks on certain negotiating issues.



Position Paper

Choosing Stances from the Opinions Received

1 Consolidating all views

- Carefully consolidate all views (both supporting and opposing), summarize the highlights of supporting views, and present the opposing views as well;
- Do not go into sector-specific issues as too much details from minority views;
- Provide all views to the Government for consideration in identifying key interests of Canadian businesses for FTA negotiations.

2 Majority views

- Some Canadian business institutions would prefer to only present majority views of their members to voice their business interests (credibility);
- Members with opposing views are encouraged to convey their views to the Government of Canada through other PPC instruments.

Opinions must be evidence-based



4

Conclusion & Recommendations



Conclusion

Although PPC in Canada is not (yet) formalized by laws/regulations, both government and private sector have shown their interests and commitments to always reach out to each other on certain issues for FTA negotiations and implementation. The Government of Canada and Canadian private sector have established various PPC instruments, so the private sector can freely convey its views. In addition, the Government of Canada also invites non-business stakeholders in the consultation process of FTA negotiations.

From the Canadian private sector's perspective, the PPC mechanism has been an effective advocacy tool, and the inclusive approach taken by the Government of Canada is seen as an opportunity to increase transparency and address the legitimate concerns from non-business stakeholders.

On the other hand, Indonesia also has a PPC although limited to certain extent (meetings, discussions, events), and the practices of PPC in Canada, especially the PPC instruments, can serve as a guidance to boost and improve Indonesia's current PPC.



Recommendations

For PPC

1

Establish a single-window and user-friendly web portal for PPC in Indonesia

- The portal should operate in a similar way as Canada Gazette and/or GAC website, run and managed by the Government of Indonesia (in this case, the Ministry of Trade as the lead negotiator for Indonesia). The Government of Indonesia should publish related FTA information that is not confidential, structured in a concise way and in simple terms to ensure complete understanding of the Indonesian private sector.
- The portal should be transparent, consistent, reliable, and accessible by all Indonesians (not only the private sector, but also other interested stakeholders who wish to share their views).
- The portal should provide the Indonesian private sector with opportunities to give comments on all information, as well as to submit their views in the form of submissions or position papers.



Recommendations

For PPC

2

Establish a committee to monitor the PPC

- The committee should be led by the Government of Indonesia, and its members should include Indonesian private sector and other key stakeholders.
- The main job of the committee is to monitor the PPC implementation. It should ensure that all information is provided and updated accordingly, and that the Indonesian private sector and other stakeholders have full access and opportunities to submit their views.
- The committee is also responsible for the follow-ups of PPC, ensuring that the Indonesian private sector and other stakeholders are consulted well and all their views are heard by the Government of Indonesia.



Recommendations

For PPC

3

Produce a template form for inputs/contributions in the consultation process

- The Government of Indonesia should produce a template form for the Indonesian private sector as a guide in submitting their views. The form should be made available for download on its website.
- The main objective of producing a template form is to guide the Indonesian private sector and others in conveying important issues (with highlights and necessary details), so that the Government of Indonesia can obtain timely inputs from the private sector and others for FTA negotiations.



Recommendations

For PPC

4

Produce briefing notes prior to PPC

- The Government of Indonesia should produce briefing notes and make them available online for the Indonesian private sector and others prior to conducting PPC on certain negotiating issues.
- For internal consultations, business associations should also produce briefing notes and disseminate them to the members prior to conducting internal consultations on FTA negotiations.



Recommendations

For PPC

5

Organize regular capacity building activities

- As PPC for FTA negotiations has never been established before in Indonesia, it is a must for Indonesia to organize regular capacity building activities for both Government and private sector stakeholders. Facilitators with great experience and knowledge in PPC should be invited to contribute to the capacity building efforts.
- The main objectives of these activities are:
 - To develop technical assistance capacity in PPC implementation;
 - To support both the government and private sector in dealing with the issues in the implementation of PPC;
 - To provide updated information on PPC implementation (if any).



Canada



Recommendations

For PPC

6

Conduct regular meetings

- Regular meetings are proven to be effective in building mutual trust and understanding. That way, both the Government and the private sector can understand each other better and strengthen their relationships.
- The meetings should be conducted regularly. The committee should be in charge of the scheduling such meetings.



Recommendations

For Position Papers (Business Association)

1

More proactive

- Both association and its members have to actively reach out to one another.

2

Two-way dissemination of information

- Association has to be aware of new information, in which members play an important role to also inform the association;
- Information has to be disseminated on a regular basis (every 1 or 2 weeks).

3

Brainstorming with different committees

- To improve the knowledge of their associations as a whole.



Recommendations

For Position Paper (Business Association)

4

Engaging members with certain expertise or partnering with external experts

- Position papers have to be supported with solid justifications. For technical matters, members with certain expertise must be engaged well. Partnering with external experts would also help.

5

Consolidating all views

- With many industry sectors and various business interests, the Indonesian private sector must provide all views to the Government for their consideration in FTA negotiations and negotiations.



Thank you for your attention

Comments/suggestions are welcome



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