

# International Trade Centres

*Helping you reach new export markets*

## Briefing Binder on the International Trade Centres September 2003

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**Produced by:  
Trade Integration Directorate**

**BRIEFING BINDER ON THE  
INTERNATIONAL TRADE CENTRES**

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**BRIEFING BINDER ON THE  
INTERNATIONAL TRADE CENTRES**

**SECTION 1 - INTRODUCTION**

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- The purpose of this briefing binder is to provide the REXDs with a concise, yet comprehensive product that traces the evolution of the International Trade Centres (ITCs) and the key initiatives that have shaped their role in international business development.
- This briefing responds to a REXD request following the November 12, 2002 Trade and Investment discussion to review the role of the ITCs given the strategic linkages among Trade, Investment and Innovation (see attached discussion notes).
- The hope is that this Briefing Book will assist in the process of developing some common insight of the historical context within which the ITCs evolved and to some extent, the multi-dimensional environment in which they operate.

## EXPECTATIONS

- timely to deal with this
  - consider evolving nature
  - consider changing needs of clients
  - re-visit/challenge our starting assumptions
  - consider roles of RDA's: MOU with DFAIT
  - common view on investment
  - common view on outcomes on Trade and Investment → but flexibility in regions
- “What’s our story” eg. For DM
    - where are we going?
    - what are we doing?
    - why are we doing it?
- At present only “anchor” is “limited resources”
- So far “RTN” is our story
  - Connections: Innovation < Trade  
                                < Investment
  - Governance & communications on Trade file HQ → Regions
    - clarify role of REXD in governance arrangements
  - Where should our Minister be positioned on Trade Agenda (vis-à-vis Minister Pettigrew)
    - what’s possible
    - what’s not
  - Plus we also support Minister Pettigrew in regions as Ministerial support → not on Trade and Investments
  - Common view on support to Minister & Deputies in regions
  - What do we tell Deputy
    - forward meetings with DM’s on Trade
    - forward meetings with provinces
      - substantive agenda?
      - “good news” RTN’s are working well
      - 1000 flowers blooming approach - ok?
  - What should future of RTN’s, ITC’s be to advance interests of IC

- “Evidence” indicators basis for making our decisions about Trade and Investment  
→ common views of REXDs
- Results measures → what are we doing
  - rather than just activities reports
  - issues around ITC part of bigger value chain
- Positioning re: Team Canada, Business Community
- Clarify expectations of: (governance)
  - Trade Champion
  - Investment Champion
  - Regional Trade & Investment champions
  - HQ Trade function

## **OPPORTUNITIES**

- DM is open to hearing a Trade & Investment view from Operations
- New relationship with John Klassen
  - what to say?
  - potential partnership?
- View on relationships with Industry Sector → next 6 months?
- Assess whether present budget is our anchor/constraint or can we think/move beyond it?
- Opportunity to feed VPH substance on which to build relationship with DFAIT
- How do we leverage DFAIT's support to strengthen our ITC's
- Shared data base with DFAIT on clients. How can this strengthen relationships with BDC, RDAs, provinces
- Strengthen relationship with IRAP in the regions
- Strong support of Deputies for RTN's and how do we leverage this?
  - can this be levered into investment & innovation?
- Role for IC as “broker” in the RTN relationship
- Key is to align resources with key areas where we can, through export counselling, add value
- What do we want to be really good at in longer term; rather than mediocre at a lot of things

### Core 50%

Export  
counselling

### Add-ons 50%

- RTN Management REMD: delivery  
- Investment

Resourced mandates?

So ability to do cone is getting diluted → what's our position?

### OUTPUTS

- Exec. Briefing Material  
Definitions:
  - Activities eg: our needs
  - Value assignment
- Connect REXD's → STC's
  - Need shared understanding of evolution of where we are and plot it
  - Assess what we do & its value
  - Opportunities for changing and how we do it
  - Where to move resources that could be saved?

### MESSAGE

1. Trade → REXD's want to develop more profound understanding of function:
  - Same as with SITT, etc...
  - review partnership
  - take stock
2. Investment → what is our mandate, explore our options → consider partnerships?
3. Opportunity is: want to instill collaboration between IC and DFAIT on trade & investment → at all levels starting at DM. Opportunity with new players.
4. Will lead to retreat of REXDs & STC's
  - shared story
  - assessment of activities
  - options - choices

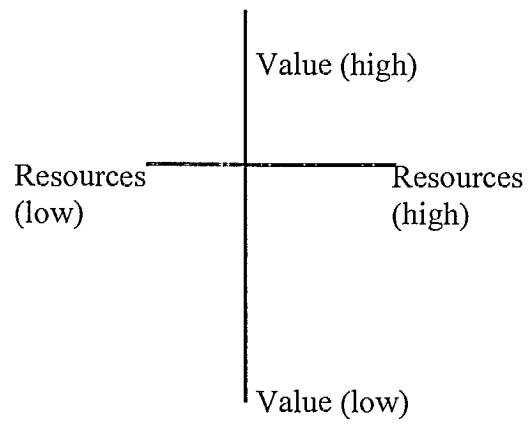
"Everything is on the table"

## PACKAGE OF BRIEFING MATERIAL - ELEMENTS

- History of RTNs
- MOU < IC - DFAIT  
    < OPS - Industry
- Trade Continuum
- Metrics / results measurements
- RTN survey - why are they different by region
- Inventory of best practices
- Resource investment map
  - FTEs
  - Program \$
- STC Vancouver Briefing material

	Ontario	Atlantic	Pacific	Quebec	Prairies
FTE's					
Salary \$					
G & C \$					

	FTE	Salary	G&C
DFAIT			
RDA			
PROVINCE			



X - DM  
X - REXD  
X - Officer



# BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

## SECTION 2 - ISSUES FACING THE ITCs

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### **Introduction**

With 10 International Trade Centres managing 12 offices (one office per province and satellites in Calgary and Regina), the network of ITCs delivers core services of Export Counselling and Market Entry Support to export-ready Canadian companies (mostly Small and Medium Sized Enterprises) who hope to enter export markets or to diversify their markets abroad. The ITCs are staffed with 104.5 FTEs and an O&M budget of approximately \$1.1M (\$11K per FTE). There are approximately 80 professional staff working in the ITCs overall, including 14 DFAIT Trade Commissioners (6 in Vancouver).

What follows are a number of key issues facing the ITCs in 2003 onward, grouped into three tiers: the fundamentals, the basic 'how-to-issues' and other issues requiring attention.

### **Tier 1 - The Fundamentals**

1. **Raison d'être - Focus:** As their name implies, the ITCs traditionally delivered core trade services of Export Counselling and Market Entry Support. With increasing pressures to address the multiplicity of interests within the International Business Development (IBD) framework (Investment and Innovation/Science and Technology), it is important that new responsibilities do not inadvertently detract from the ITC core services or if they do, the decision is intentional.

With trade accounting for over 45% of GDP, continued export success is essential for Canada's continued prosperity. The ITC strength - counselling clients as they enter the export arena or as they expand markets - is not easily replaced. Partly based on the strength of the ITC-DFAIT relationship, the ITCs' work with the client either directly or indirectly through the Regional Trade Network is an essential component of a successful Canadian trade strategy. Without any one lobby group requesting more or better service from the ITCs, client demand is challenging to assess. Just because there is no obvious crisis, however, does not necessarily mean all is well.

With changing environments and evolving client needs, the ITC role in the IBD file is evolving. Some of these new demands on the ITCs can strengthen the ITC contribution to the broader interlinked needs of the business community. 2003 will provide an important opportunity to find the right balance and provide the focus and clarity critical to continued success.

2. **Relationship with DFAIT:** The ITCs have undoubtedly a special relationship with DFAIT's Trade Commissioner Service based on a long, productive history. Almost a familial relationship, both sides understand the importance of the partnership and are committed to constant renewal.

Simply put, the ITCs represent the domestic side of the Trade Commissioner Service (with over 1000 FTEs and offices in 140 countries). At less than one-tenth the size, the ITCs are to ensure that the TCS has a constant supply of export-ready clients to assist abroad so that exports are

maintained or increased. Expectations about the number of clients is high and the manner in which the ITCs are to supply these clients is inconsistent and often unclear. In addition, the ITCs support the TCS through management of PEMD (Program for Export Market Development), they organize Outreach for visiting trade Commissioners and Commercial Heads of Mission along with other activities that are time consuming albeit important and productive.

3. **Regional Trade Networks (RTN) and Team Canada Inc (TCI)**: With the 1996 letter from the Clerk of the Privy Council, Industry Canada was mandated to provide leadership on the domestic side of the trade equation - 'borders-in', as DFAIT on 'borders-out'. ITCs were tasked with co-chairing the RTNs with their Provincial-Territorial partners to coordinate trade in the regions of Canada. .

The RTNs offer the ITCs both opportunities and challenges. The opportunity is that the ITC provides unique leadership in the coordination of the federal and provincial departments and agencies involved in trade. Given their position linking the domestic and international side of the equation, the ITCs are critical in ensuring a steady supply of new, well prepared exporters, without delivering all the services themselves. The challenge remains to ensure effective coordination with partners who may be more competitive than cooperative or have more financing. Partners' roles can change rapidly and significantly (ref provincial changes in BC, Ontario, N.S.), mandate changes leaving gaps in service to clients e.g. HRDC and WED. The gradual erosion of 1:1 client counselling is of serious concern.

ITCs need to retain and strengthen their identity while playing a strong leadership role within the RTN. They can also no longer resource RTNs on an ad-hoc basis if the need is to develop sustainable RTNs..

The success of the RTN may be the heart of any future TCI success. The next few years may well be a watershed for this partnership. The ITC role in the RTN is critical to ensure that success - again, however, expectations need to be clear and adequate resourcing is required.

4. **Industry Portfolio**: The key objective of the TCI partnership is to create efficiencies by reducing redundancy and overlaps in service. In this context, it is critical to clearly delineate partner roles, responsibilities and accountabilities. Without consultation, one RDA increased its involvement in areas of traditional ITC strength (ACOA) whereas another (WD) withdrew from key counselling activities at the earliest stages of export preparation, leaving gaps in required client services. It is timely to clarify and strengthen the ITC/RDA relationship, convincing them of the value of partnership - we are a team responding to client needs.

5. **ITC Resource Levels**: Although there is parity of resource (more or less) amongst the five Regions, 57% of total ITC FTEs can be found in 3 of the 12 offices (Toronto, Mtl, Vancouver), implying that the other offices have fewer than 10 FTEs each. The ITCs in general, therefore, are spread very thinly, given the multitude of roles they are expected to play. A key challenge is managing expectations of partners, clients and, critically, the ITCs themselves.

6. **Continuous Learning - Our People:** The rapidly changing environment and evolving client needs, impl the need for ITC staff to deliver increasingly sophisticated levels and types of service. The ITC role within the RTN is one that also requires new and different skills - communications and leadership with a strong economic base. Recognizing the need to develop and maintain new capacities to meet new challenges, the ITCs have embarked on a modest multi-faceted professional development program to respond to these changing needs. The partnership with DFAIT has been instrumental in providing and in some cases cost-sharing important opportunities for ITC staff. This approach needs continuing nurturing.

### **Tier 2 -Basic'How-to' Issues!**

7. **Investment:** Although part of the strategic discussion on Raison-d'être, 2003 will see ITCs consolidating their roles in the Investment File. The PEMD-I Review will provide an important base from which to determine further resource needs for the full range of investment services.

8. **Communications:** There is need to improve communications horizontally and vertically - with staff and REXDs, within Industry Canada, with partners and critically, with the client. Some of these issues are addressed through ITC marketing initiatives (below) and although the restructured Quarterly Report raises the profile of trade internally, much remains to be done.

9. **Performance Measurement:** 2003 is the year for ITC results based PM. Continued ITC success is fundamental to our ability to access additional resources. We are speaking with Treasury Board about the possibility of offering a Modern Comptrollership Course for the ITCs in the first quarter of 2003/04, a potential vehicle through which to advance the PM cause.

### **Tier 3 -'How-to Issues'**

10. **Marketing:** An ITC Working group on Marketing is developing a fresh approach on how to market the ITCs to the business client. Focus groups with the private sector (early January) will help clarify the messaging, consistent with the needs of the business client. Once messaging is clear, new marketing tools will be developed.

11. **Automation:** 2003 will see a request for financing for DFAIT's upgrade to the WIN exporter registry base. The ITCs and Industry Sector are users of WIN and need to upgrade as a package. The new WIN (eCRM) will be more flexible and provides more tools (e.g. improved performance measurement applications) for officers and the client. Preliminary estimates for funding start at \$250K (likely required in 2004). More definitive estimates are expected mid-2003. An ITC Working Group is involved in determining best approaches.

12. **Succession Planning:** Some ITCs are addressing the issue of succession planning rather creatively, using retirements as opportunities for restructuring. Ideas include: (1) reprofiling CO-02 positions to CO-01 level, allowing more staff development positions; (2) involving retiring staff in mentoring; (3) using the DM Internship Program as a hiring pool, etc.

**BRIEFING BINDER ON THE**  
**INTERNATIONAL TRADE CENTRES BRIEFING**  
**SECTION 3 - CHRONOLOGY OF KEY EVENTS**

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- The attached *Chronology of International Trade Centre Related Events* provides an annotated historical time line.
- Copies of referenced documents may be obtained from the Trade Integration Directorate.

## CHRONOLOGY OF INTERNATIONAL TRADE CENTRE RELATED EVENTS

### 1970's

The regional offices of the Department of Industry, Trade and Commerce included international operations which later became known as International Trade Centres. These regional services reported directly to the Trade Commissioner Service in Ottawa and were considered the 'domestic arm' of TCS. They had significant funded program delivery (e.g. *Enterprise Development Program, PEMD*) and had more of a sector orientation than geographic with close relations to HQ sector branches. The regional offices included rotational Trade Commissioner staff.

### 1981-1982

Consolidation of the Foreign Service into the new Department of External Affairs and International Trade. The regional "International Trade Centres" remained as part of the newly formed department of Regional Industrial Expansion as this was considered a better alignment with potential exporters, part of DRIE's Canadian business client base i.e. potential as well as existing exporters. ITCs were a small regional component vs former DREE regional office components and as a result were somewhat overshadowed.

### 1988

The early 80's reorganization created an era of duplication of trade development services between the Trade Branch of International Trade and DRIE sector and regional offices. The lack of this clarity of roles and responsibilities of the ITCs, culminated in External Affairs and DRIE signing an MOU in 1988.

Key Document: IC/DFAIT MOU re ITCs

- covers secondment of DFAIT staff to ITCs
- targets of up to 1/3 of ITC positions never met

See Section 4.e

### 1995

During the period 1985-1995, the absence of a government-wide strategy for international business development services to Canadian businesses, created friction between federal departments. The private-sector "Red Wilson" report established the need for client-focussed "single-window" services and in part led to Cabinet approval of: a "Team Canada"

*approach, Canada's International Business Strategy (CIBS), National Sector Teams, Regional Trade Networks, the International Business Opportunities Centre and the Deputy Ministerial Committee, co-chaired by International Trade and Industry.*

Key Document: MC *International Business Development*  
ITCs:

- Primary activity: Regional Planning & Coordination
- Target private sector client: Export-ready firms

June

See Section 4.a

### 1996

Regional Trade Networks are established with STCs as Co-Chairs along with a provincial counterpart. To ensure the RTNs activities are aligned, a standard template was implemented and led to the publication of consistent *Regional Trade Plans* by all RTNs.

Key Document: FIRST-EVER REGIONAL TRADE PLANS  
(1996-1999)

- Regional Targets
- Commitments include: Performance measurement, Client feedback mechanisms, service standards, innovative service delivery

See Section 4.g

## 1996 (Continued)

The Deputy Minister and ADM, Operations recognize the need for coordination support for the ITCs and established the Trade Integration Directorate.

Key Event: TRADE INTEGRATION DIRECTORATE FORMED  
- provided point of coordination for the ITC network

April

See Section 4.b

The Aide Memoire provided further articulation of the "Borders-In / Borders-Out" responsibilities between IC and DFAIT

Key Document: AIDE MEMOIRE: INTERNATIONAL BUSINESS DEVELOPMENT: IMPLEMENTING THE TEAM CANADA STRATEGY

May

See Section 4.a

In October 1996, TID coordinated the First Quarterly Senior Trade Commissioner (STC) meeting, co-chaired by DFAIT and IC.

In response to the OAG's report, IC and DFAIT issue a joint Management response committing to improved domestic services to exporters and improved reporting to Parliament.

Key Document: AUDITOR GENERAL'S REPORT ON CANADA'S EXPORT PROMOTION ACTIVITIES (primarily study of DFAIT)

ITCs:

- No information on costs/value of services
- No service definitions/standards

November

See Section 4.a

Given OAG observations, cost recovery is explored and in some cases, pilot projects implemented. Results did not support continuation.

## 1997

Significant efforts are made to coordinate domestic side of Trade Development leading to Team Canada Inc. "Core" departments (DFAIT, IC, AAFC) establish committees at DM, ADM, DG levels and within IC inter-sector committees as well.

Key Event: TEAM CANADA INC TRADE GOVERNANCE IN PLACE

- DFAIT/IC bi-lateral and "Core" TCI Senior Management Committees established
- Team Canada Inc Advisory Board (to MINT)
- Fed/Prov Cttees on Trade and Investment

See Section 4.a

IBD roles and responsibilities discussed at most senior levels leading to increased clarity between IC and DFAIT and establishing client-centred services.

Key Documents: IBD MANDATE LETTER FROM THE CLERK TO IC AND DFAIT and REPLY FROM DFAIT/IC TO CLERK

- defined borders-In/Borders-Out roles and responsibilities

See Section 4.a

IC Study to re-new IC/DFAIT MOU re ITCs; included review of ITC services (study completed in March; Sr. Management decision not to proceed preferring less formal means of DFAIT/IC cooperation on ITC support to MINT and Posts abroad.);

ITCs consider adopting TCS Services Pledge of Quality Services (only a few do)

**1997 (Continued)**

ITC Client survey includes 10 individual ITC studies as well as a national survey.

**Key Document: ITC CLIENT SURVEY**

- first ITC Client Survey.
- Key services attributes identified and priorities for improvement

March

See Section 4.b

DFAIT, on behalf of both departments, submits a status report to the Public Accounts Committee in response to the 1996 Auditor General's recommendations.

Presentation on the Action Plan are made to the Operations Management Committee and at the Senior Trade Commissioners (STC Quarterly mtg)

**Key Document: ACTION PLAN TO THE PUBLIC ACCOUNTS COMMITTEE**

- Performance Measurement Strategy a work in progress
- DFAIT launches "Performance Measurement Initiative" including fee for services study
- IC launches "Management Practices Improvement Project" which included clarifying ITC clients and services.

August

See Section 4.a

Report on Action Plan (concluded revenue target of \$1 million could not be attained);  
Quarterly STC meeting (included STC competency profiles development);

IC Operations Sector Performance framework drafted;  
STC Accountability Accord template distributed.

First ExportSource Performance Snapshot rating client satisfaction at 68%.

**Key event: EXPORTSOURCE LAUNCHED (APEC SME Forum)**

- Government's on-line gateway to export information
- Site includes 1<sup>st</sup> TCI Export Guides

September

See Section 4.c

**Key event: TEAM CANADA INC ANNOUNCED BY THREE "CORE" MINISTERS AT AMEC AGM**

**EXPORT INFORMATION SERVICE (1-888-811-1119) ANNOUNCED**

- another single access point to export information and export contacts
- operated by the Canada Business Services Centres across Canada

October

See Section 4.c

## 1998

ITC Revenue Generation focus groups (Management Consulting Centre report on consultations submitted in March; noted a number of inhibiting factors);  
ITC Performance framework study begun (presented to STCs in June, but lack of consensus on services definition curtailed further development).

Key event: JOINT MEETING OF CANADIAN STCS AND  
DFAIT'S U.S. STCs

- common issues: priority sectors, NEBS  
recruitment, exporter preparation

September

See Section 4.c

Federal\Provincial Trade Ministers ask officials  
to research areas of cooperation on: high-level  
trade missions, sharing of databases; and exporter  
preparation.

ADM Task Force created to analyse exporter  
preparation services: *Analysis of Exporter  
Development Services in Canada* provided by the  
Regional Trade Networks (the beginning of the  
*Export Services Continuum*) lead by Toronto  
STC and ADM, Manitoba.

Key event: FEDERAL/PROVINCIAL TRADE MINISTERS  
MEETING

- Ministers set in motion high-level cooperative  
analysis of exporter-development services in Canada

February

See Section 4.g

Three "core" department ADMs hold a "planning  
Retreat" on IBD integrated Business Plans  
focussed around 4 Key Result Areas: Market  
Access, Export Capability and Preparedness,  
International market Development, and  
Investment.

Key Document: FIRST-EVER IBD BUSINESS PLAN (1998-  
2001)

- integrated plan for 3 "core" IBD departments  
- includes 4 Key Results Area performance framework

July

See Section 4.a

Federal\Provincial DMs endorse  
recommendations of *Analysis of Exporter  
Development Services* study and the five broad  
service areas.

Key Document: TEAM CANADA INC EXPORT SERVICES  
"CONTINUUM"

- consensus on five broad service areas: General  
information, Skills Development, Export Counselling,  
Market Entry Support, Trade Financing

September

See Section 4.g

Three "Core" departments awarded *Head of the  
Public Service Award* for excellence in service  
innovation.

Key Event: TEAM CANADA INC FIRST YEAR  
ANNIVERSARY

- joint celebration of 3 "core" departments  
- TCI membership now totals 20 federal members  
- Trade Commissioner Service "PMI" launched  
- 1-888 Export Information Service launched



## 1998 (Continued)

1<sup>st</sup> draft Performance Framework approved for IC's *Trade* Strategic Objective

Key Document: IC TRADE ACHIEVEMENT FRAMEWORK APPROVED

- based on 4 KRA framework of IBD Business Plan

October

See Section 4.d

PEMD-I rolled out with DFAIT accountability and ITC/Investment Partnerships Canada administration (November);  
Quarterly STC meeting (includes discussion of IC Mission Statement and Core Services).

## 1999

Federal-Provincial Trade Ministers endorse core services for "Skills Development" and "Export Counselling" service areas.

Key Event: FEDERAL-PROVINCIAL TRADE MINISTERS MEETING

February

ITC Mission Statement and Core Services approved at STC meeting

Key Document: Revised ITC MISSION STATEMENT AND CORE SERVICES

February

See Section 4.b

MC on Marketing Trade services. We went twice to Cabinet Committees, first to CCEU and then to the Cab Cttee on Communications. A case for a \$10M marketing effort was supported, but remained unfunded.

Key Document: MC *Marketing Trade Services and Managing the Government of Canada's Trade Agenda*

- updated trade development strategy  
- sought mandate for resources (successfully)

March

See Section 4.a

Key Initiative: ITC QUARTERLY ACTIVITY REPORTING PILOT

WIN Online launched by DFAIT (includes improved Client Results Tracking module);

## 1999 (Continued)

Joint DFAIT/IC training to all Posts: DFAIT focus on PMI and IC focus on TCI domestic services.

Key initiative: COLLABORATION BETWEEN IC/DFAIT ON PMI AND TCI TRAINING TO POSTS ABROAD

September

Joint IC/DFAIT TCI Orientation training to all ITCs: DFAIT focus on "Assistance Abroad"; IC focus on "Assistance in Canada"

Consulting and Audit Canada study defined training needs, client service improvements, efficiency improvements. Strong support for STCs leadership in RTNs. The study also reported that the ITCs were not well known and suffered from a lack of clear services. However, it validated their positioning in TCI's "Export Counselling" and "Market Entry Support" services areas.

Key Document: CAC SURVEY OF ITC EMPLOYEE/CLIENT and RTN

November

See Section 4.g

Key Event: DMC RETREAT TO REVIEW FEDERAL IBD STRATEGY

Fall

OAG tabled their 1999 Follow-Up Report to the November 1996 report on Canada's Export Promotion Activities.

Pilot Activity Based Costing Study begun in B.C. ITC

Joint DFAIT/IC Deputy Minister Management Response to the OAG Follow-up report rejected the recommendation of charging for services, but pledged to continue efforts to cost services.

Key Document: OAG FOLLOW-UP REPORT TO 1996 REPORT

Fall

See Section 4.a

The Key Result Areas and gap statements for Industry Canada's *Trade* Strategic objective were refined and validated (October).

DM Internship (DMI) program launched (cost shared IC/DFAIT @\$40K each) and supported by IC's DM.

## 2000

ITC *Service Delivery Initiative (SDI)*, was launched to assist the ITCs in achieving a consistent offering of client services across Canada. It was motivated by two factors: first it was IC's companion response to DFAIT's PMI; secondly, the CAC study. The SDI led to phased work programs over three years.

Key Document: ITC SERVICE DELIVERY INITIATIVE (SDI) PLAN

See Section 4.b

First ITC network marketing initiative (common promotional items) completed (Spring)

## 2000 (Continued)

TCI Management Board endorse core services for "Market Entry Support" and "Export Financing" service areas.

Key Event: TCI MANAGEMENT BOARD ENDORSES TCI CORE SERVICES

February

This was later presented and supported by the Federal-Provincial Trade Ministers in February 2001.

The MC was significant in that it presented truly *integrated* Trade Development initiatives to Cabinet. The process was almost as valuable as the end result due to the strengthened partnerships it created. The MC to Cabinet followed a presentation by Minister Pettigrew in April 2000 in which Ministers approved the mandate to return in the Fall 2000 with a funding proposal for expanded trade development strategies.

Key Document: MC- *New Technologies, New Exporters, New Goals, Team Canada Inc, the Government of Canada's International Trade Development Program*

October

See Section 4.a

Joint DFAIT/IC Progress Report to Public Accounts Committee on response to recommendations of the OAG 1999 Follow-Up Report to their 1996 audit.

Key Document: STATUS REPORT TO THE PUBLIC ACCOUNTS COMMITTEE on the 1999 OAG Follow-up Report

- confirmed departmental rejection of OAG recommendations to charge fees
- pledged to continue work on costing of services

October

See Section 4.a

IC/DFAIT MOU clarified service expectations for the first time.

Key Document: Revised IC/DFAIT MOU ON THE OPERATIONS OF THE ITCs

[Current Operating Document]

December

See Section 4.e

## 2001

MC included *Brand Canada* trade program valued at \$9M as part of broader cultural industries assistance program announced by the Prime Minister. This was the only proposal from the year 2000 MC which was actually funded.

Key Document: MC - *International Trade Development Expanding the Network of Trade Commissioners and Branding Canadian Culture Abroad*

March

See Section 4.a

DM Internship (DMI) program continued. DFAIT proposal to double financial commitment by both parties was declined by Operations sector, Industry Canada due to resource constraints.

## **2001 (Continued)**

First STC "Retreat": collective priority setting exercise for next 3-5 years.

Key Event: FIRST STC RETREAT  
-sets common national priorities for ITC network

October

ITC Professional Development Strategy published, highlighted need for PD and priorities identified.

Activity Based Costing study on 5 ITCs completed delivering on a key commitment to the OAG. Decision was made to extend ABC to all ITCs.

Key Initiative: ACTIVITY BASED COSTING STUDY COMPLETED  
- results show majority of ITC staff being at senior levels skews costs  
- however, results provide a key management tool of how FTEs and costs are distributed

See Section 4.b

STCs begin establishing CO-01 positions to address development and retention needs. Temporary Duty Abroad initiative launched (cost shared IC/DFAIT).

MOU and co-location of PCH Cultural Trade Commissioners/Trade Officers to ITCs; initiatives in response to a new \$32M trade program for cultural industries, announced by PM in June 2001, and part of the Cultural Industries Assistance package (approx. \$750M).

Key Document: MOU IC/CANADIAN HERITAGE  
- secondment of PCH Cultural Trade Commissioners to ITCs

See Section 4.c

## **2002**

DM Internship program priority re-confirmed by IC's new Deputy Minister.

First National Professional Development Initiative meeting brings together all ITC staff

Deputy Minister Federal-Provincial-Territorial Trade and Investment presentation confirms support of RTNs

Key Document: DM FED-PROV-TERRITORIAL PRESENTATION ON RTNS  
- agreement to further strengthen RTNs

February

See Section 4.g

## 2002 Continued

The April DM Cttee on IBD meeting led to strong re-affirmation of support to RTNs

Key Document: DMC CO-CHAIR LETTER to DMC MEMBERS re RTNs

- Key letter confirming federal government's commitment to the Regional Trade Networks

September

See Section 4.g

National Financing Initiative Fund proposed to REXDs to provide funding for national ITC priorities e.g. TD program, Professional Development, Marketing, Automation, etc. A national fund was not endorsed however project funding has occurred on a one-off basis.

Activity Based Costing study completed in March for remaining ITCs (except PEI).

Key Document: PRESENTATION TO STCS ON ITC ACTIVITY BASED COSTING

- cost of operating ITCs documented
- economies of scale do not exist

June

See Section 4.b

ADM Operations fully endorses report as a key performance review document.

Key Document: TRADE PERFORMANCE REPORT PUBLISHED

September

See Section 4.b

First national survey of Regional Trade Networks completed Fall 2002 as a basis for developing DMC proposals to strengthen RTNs.

Key Document: PRESENTATION TO STCS ON RTN INFORMATION AND OPINIONS SURVEY RESULTS

October

See Section 4.g

## 2003

DFAIT/IC *North American International Trade Centres - Joint STC Workshop*

Key Event: MEETING OF CANADIAN STCS AND DFAIT'S MEXICO/US STCS

January

See Section 4.e

## 2003 Continued

First national meeting of RTN Co-Chairs to discuss sharing of best practices and developing appropriate common approaches.

Key Event: FIRST-EVER MEETING OF CO-CHAIRS OF RTNs

January

This presentation was led by John McBride but included fed/prov Co-Chair speakers highlighting RTN critical success factors. DMC members accepted recommendations to more proactively support the RTN including funding a national secretariat and including RTN support commitments in performance agreements of senior federal officers in the regions.

Key Event: DMC MEETING ON RTNS

March

See Section 4.g

# **BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING**

## **SECTION 4 - KEY DOCUMENTS**

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This section identifies key documents tracing the evolution of events that have impacted on the development of the ITCs. The documents are referenced in the timeline graphic presented in Section 3 and are also listed at the beginning of each tab within this section.

- a) Trade Governance**
- b) ITC Governance/Mandate**
- c) ITC/Team Canada Inc**
- d) ITC/IC HQ partnerships**
- e) ITC/DFAIT partnerships**
- f) ITC/Industry Portfolio partnerships**
- g) ITCs and the Regional Trade Networks**
- h) ITCs and Investment**
- i) ITCs and Clients**

## BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

### SECTION 4. a) - TRADE GOVERNANCE/MANDATE

Initiative	Key Driver(s)	Endorsed by	Outcome
MC on International Business Development (June 1995)	Response to "Red Wilson Report" (incl. observations re absence of coordinated international business development services)	Cabinet	The Team Canada approach including RTNs, National Sector Teams, DM Cttee on Trade
Aide Memoire on International Business Development: Implementing the Team Canada Strategy	The DM Cttee on IBD used the Aide Memoire to report on progress on the new IBD strategy launched in 1995	Cabinet	The document further defined the "Borders-In / Borders-Out" responsibilities of DFAIT and IC
OAG Report on Canada's Export Promotion Activities (November 1996)	Importance of Trade to Canada; last audit was '86; new int'l agreements such as NAFTA and the Uruguay Round of GATT	Cabinet	IC/DFAIT commit to use of improved domestic services to exporters; CIBS as a resource allocation mechanism and improved reporting to Parliament
Reply to the Clerk committing to a cooperative interdepartmental approach (April 1997)	OAG 1996 report and IC/DFAIT/AAFC commitment to implement an integrated service delivery approach	Deputy Ministers of International Trade, Industry and AAFC	IC/DFAIT commit to strategic planning (CIBS); an Integrated Trade Business Plan and Performance Report; and private sector Advisory Board to MINT
IBD Governance Committees	Need for management mechanisms of a "virtual" Trade Organization	Clerk, DM's, Fed-Prov Ministers	High level interdepartmental, Fed/prov and several IC internal Sr. Management Committees
First-ever IBD Business Plan 1998-2001 (1998)	Need for integrated IBD planning for 3 "core" federal departments	Deputy Ministers of International Trade, Industry and AAFC	3 year Business focused around 4 Key Result Areas: Market Access, Export Capability and Preparedness, International market Development, and Investment.
Joint (IC/DFAIT) Management Response to OAG Follow-up report to the 1996 Report (2000)	Need for joint declaration that much had been achieved since 1996 and that base comparisons were not applicable	Deputy Ministers of International Trade and Industry	IC/DFAIT rejected the OAG recommendation of charging for services, but pledged to continue efforts to cost services.
Memorandum to Cabinet: omnibus submission on Trade Development initiatives (2000)	Cabinet had previously agreed in April to entertain a funding proposal for expanded trade development initiatives	Ministers of International Trade, Industry and Agriculture, Natural Resources and Heritage.	CCEU approval was secured, but no sources of funds identified. Partnerships were strengthened amongst TCI members and Cabinet endorsement of broadened trade development strategies.

#### Key Reference Documents:

- Memorandum to Cabinet: *International Business Development* (June 1995)

- *Aide Memoire International Business Development: Implementing the Team Canada Strategy* (May 1996)

- Memorandum to Cabinet: *Response to the Standing Committee on Foreign Affairs and International Trade's Report on Canadian SMEs in the World Economy: Developing Effective Business-Government Partnership for International Success* (September 1996)



- *Joint DFAIT/IC Management response to the Auditor General's report on Canada's Export Promotion Activities* (October 1996)
- (Letter) *Reply from the Deputy Minister, DFAIT, to the Clerk indicating initiatives to develop an integrated business strategy (and governance) for both trade development and investment promotion* includes Clerk's original letter (April 1997)
- *OAG Status Report re Public Accounts Committee follow-up to the 1996 Report of the Auditor General* (August 1997)
- "Org Chart" graphics:
  - *Management of International Business Development* (November 1997)
  - *Key International Business Development and Team Canada Inc Committees* (October 1998)
- 1<sup>st</sup> ever *International Business Development Business Plan - 1998-2001*
- *Memorandum to Cabinet Marketing Trade Services and Managing Government of Canada Trade Agenda* (March 1999)
- *Joint IC/DFAIT interim Management responses to the 1999 OAG Follow-up Report on Canada's Export Promotion Activities* (September 1999)
- *Proposed joint DFAIT/IC Status Report to the Public Accounts Committee on the 1999 OAG Follow-up Report* (October 2000)
- *Memorandum to Cabinet New Technologies, New Exporters, New Goals, Team Canada Inc, the Government of Canada's International Trade Development Program* (October 2000)
- (presentation deck) *Industry Canada's Trade Priorities* - was to be presented to the Honourable Brian Tobin (March 2001) was never delivered.
- *MC Enhanced Representation in the United States: Advocacy and Business Development* (February 2003)

## BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

### SECTION 4. b) - ITC GOVERNANCE

Initiative	Key Driver	Endorsed by	Outcome
Trade Integration Directorate established (1996)	Response to OAG recommendation for better coordination; need for better operational coordination in IC; need to provide Mission support to ITCs	Deputy Minister	TID established and leads initiatives to strengthen ITC network and relationship with DFAIT
ITC Client Survey (1997)	Had not been formally done before; need for positioning of ITCs vis-a-vis target clients; needed to gauge profile of ITCs	ADM Operations; STCs	Early definition of service attributes and priorities for improvement
Transfer of operational trade activities (and related resources) from Policy sector to Operations sector (August 1998)	Provide single focal point for coordination of IC trade development activities.	ADM policy/ADM Operations	Established TID as IC's trade coordination point
ITC Mission Statement (1999)	need to define/clarify ITC core services for clients and DFAIT	ADM Operations	Approved ITC Core services
ITC Service Delivery Initiative - SDI (August 1999)	SDI addressed OAG observations/recommendations related to the ITCs	ADM Operations	Approved multi-year plan
Consultant study of TID A-base review (February 2000)	Need for rationalization of TID resources given dramatic increases in workload	ADM Operations	Approved resource enhancement was never integrated into TID's A-Base budget
ITC Activity Based Costing study (January 2001)	Commitment to OAG to determine cost of services	ADM Operations	ABC approach was applied to 5 additional ITCs following 1999 BC pilot
STC Planning Retreat (October 2001)	With multiple competing priority initiatives, there was a need to chart a long-term ITC vision	ADM Operations	A common set of priorities for 02-03 and beyond

#### Key Reference Documents:

- ITC Client Satisfaction Survey (March 1997)
- Memorandum from ADM Policy to ADM Operations *Transfer of responsibilities and resources* transferring operational trade activities and responsibilities and associated resources to Operations Sector (August 1998)
- *ITC Mission Statement and Core Services approved* (January 1999)
- *ITC Service Delivery Initiatives - Implementation Plan* (August 1999)

- *A-base review of the Trade Integration Directorate* - consultant report (February 2000)
- *Presentation to STCs on ITC Activity Based Costing* (January 2001)
- *STC Environmental Scan and Planning Session* (October 2001)
- *Trade Performance Report: Year in Review 2001-2002*
- *Trade Performance Report (Quarterly since 1999-2000)* sample is 1<sup>st</sup> Quarter 02-03
- *International Trade Centres: FTEs and Budgets 2002-2003* (December 2002)
- *Industry Canada International Trade Centres: List of Senior Trade Commissioners* (Mar 2003)

## BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

### SECTION 4. c) - ITC/TEAM CANADA INC

Initiative	Key Driver	Endorsed by	Outcome
TCI Announced by three Core Ministers at AMEC AGM + TCI ExportSource launch (October 1997)	"Red Wilson" report for "single window" services; 1995 IBD MC	Cabinet	Single access telephone, on-line and walk-in portals created nation-wide for export information and export contacts
Fed/Prov DM's endorse TCI five broad service areas (September 1998)	Fed/Prov Task Force Response to Ministers request to study areas of cooperation on exporter preparation services	Fed-Prov DM's	Cross-Canada RTN and National Sector Team consultations build common view of their range of services which facilitates sharing of best practices
1 <sup>st</sup> year TCI Anniversary (September 1998)	Need to demonstrate progress and visible implementation of coordinated domestic services	"Core" Federal Ministers	TCI grows to 20 members (from original 3) and TCS launches PMI for Posts
Fed/Prov DM's endorse TCI core services of first three broad service areas (February 1999)	Progress report to Sept 1998 request to further define the five broad service areas	Fed-Prov Ministers	Core services were endorsed
TCI member satisfaction survey (1999)	Proactive initiative to obtain TCI member feedback	TCI Steering Committee	Special focus day held in Jan 2000 led to work on TCI mandate and governance framework
Fed/Prov DM's endorse TCI core services of remaining two broad service areas (February 2001)	Progress report to Sept 1998 request to further define the five broad service areas	Fed-Prov Ministers	Core services were endorsed
TCI Purpose (Mission) Statement (March 2001) Governance Framework + and Performance Measurement Framework (April 2002)	- growing number of TCI members and partners - change-over of founding dept officials	Deputy Minister Cttee on IBD	TCI mandate clarified and governance framework approved by DMC; Orientation Guide for Federal members and partners; logistical improvements in TCI Board meetings; more open access to TCI Steering Cttee and ad hoc working groups.
IC/PCH MOU (2001)	- opportunity to facilitate movement of TCI partner personnel through the ITC	ADM Operations, IC; ADM Cultural Development, PCH	Approved MOU incorporating delivery of PCH "Trade Routes" into TCI programming

#### Key Reference Documents:

- News Release *ExportSource Launch* (September 1997)
- News Release *Team Canada Inc* launch (October 1997)

- *Export Services Continuum*

- *Analysis of Export Services in Canada by Federal/Provincial Task Force on Trade* (February 1999)

- *Team Canada Inc Report Card to Stakeholders*: presentation to DM Committee on IBD (June 1999)

- *Team Canada Inc Achievements Report 1999-2000*

- *Team Canada Inc Purpose Statement and Team Canada Inc Governance Statement* (March 2001)

- *MOU Canadian Heritage and Industry Canada* (October 2001)

- *Team Canada Inc Governance Framework* (April 2002)

- *Team Canada Inc Performance Measurement Framework* (April 2002)

- *DFAIT Trade Assignments Abroad Opportunities* (March 2003)

## BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

### SECTION 4. d) - ITC/HQ PARTNERSHIPS

Initiative	Key Driver	Endorsed by	Outcome
Joint RTN - National Sector Team Meeting in Saskatoon (February 1999)	Need to create stronger synergies between (regional) RTNs and Sector Teams (more HQ membership).	ADM Operations, ADM Industry Sector	Country-Sector Working Groups
IC Trade Strategic Objective Achievement Framework (1998)	Need for alignment of IC Trade-related efforts with "Core" dept IBD Business Plan	ADM operations, ADM Industry	Approved IC Trade Achievement Framework based on 4 Key Result Areas of IBD Business Plan
TTCS Bi-annual Performance Review	Criteria for TTCS funding. TID invited to sit on review committee	ADM Industry Sector	Approved TTCSs
Sector-Country Working Groups	Need for better coordination between ITCs and TTCSs	ADM Industry Sector	2000 Trade MC re-affirmed sector priorities

#### Key Reference Documents:

- *(Presentation) Strengthening the relationship between TTCSs and RTNs* (February 1999)
- *(Presentation) Enhancing the TTCS-RTN Relationship* (February 1999)
- *Industry Canada's Trade Strategic Objective Achievement Framework* (December 1999)

## BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

### SECTION 4. e) - ITC/DFAIT PARTNERSHIPS

Initiative	Key Driver	Endorsed by	Outcome
IC/DFAIT MOU (1988)	Duplication of trade development services Lack of clarity of roles and responsibilities of ITCs	Deputy Ministers of International Trade and Industry	Reduced friction, but not yet enough clarity on ITC services
Joint meeting of Canadian STCs and DFAIT U.S. STCs (September 1998)	U.S. STCs criticism of lack of effective Cdn ITC exporter development	ADM Operations, IC; ADM International Trade, DFAIT	Improved dialogue between US posts and ITCs on TCI services and challenges
Joint DFAIT/IC training of Posts and RTNs on DFAIT's PMI and domestic TCI services (June - September 1999)	Need for co-ordinated "Borders-In/Borders-Out" messaging to all TCI partners	IC/DFAIT DM's	Strengthened partnerships throughout TCI and exchange of views on improving services (and "Hand-off") for Canadian business clients
IC/DFAIT MOU (2000)	Need for better specification of ITC core/enhanced services (similar to PMI achievement for Posts)	ADM Operations, ADM TCS	Annex to MOU provided extensive detail on roles and responsibilities between Posts and ITCs

#### Key Reference Documents:

- *IC/DFAIT MOU on the Operation of the ITCs* (1988)
- *Joint DFAIT/IC TCI Orientation to DFAIT Post Heads of Mission* (June 1999)
- *Joint DFAIT/IC TCI Orientation to DFAIT Post personnel and Canadian ITCs*
- *IC/DFAIT MOU on the Operation of the ITCs* (December 2000)
- *DFAIT/IC North American International Trade Centres - Joint STC Workshop* (January 2003)

Memorandum of Understanding  
on the operations of International Trade Centres (ITCs)

Background

The 1988 Memorandum of Understanding (MOU) between Industry Canada (IC) and the Department of Foreign Affairs and International Trade (DFAIT) established a framework for the management of the International Trade Centres (ITCs) according to the terms of the letter of May 19, 1988 from the Clerk of the Privy Council to the Deputy Ministers of DFAIT and IC. The "Memorandum of Understanding" between the two departments, signed on October 30, 1989, provided clarification on the secondment of officers between the two departments. Documents entitled "International Trade Centres Terms of Reference" and "Roles and Responsibilities", provided further clarification on the functions of the ITCs, the reporting relationships and the objectives of the offices.

Over the past 11 years, the environment has changed a great deal. As partners in the delivery of trade services domestically and internationally, DFAIT and IC have been evolving to meet the needs of the exporter community. A key milestone has been the creation of Team Canada Inc (TCI) in 1997 and the introduction of performance measurement in International Business Development in response to recommendations in the Auditor General's report. TCI has strengthened the team spirit in our respective departments by building the multi-agency network which is taking the lead to develop integrated IBD services to the business community across Canada. TCI provides a framework for twenty-three government departments and agencies to make their contribution to international trade development in a coordinated fashion through the TCI Business Plan.

Within this framework, a new approach with a strong client focus, based on the Borders-in / Borders-out concept, was developed to enhance service to clients of the Trade Commissioner Service (TCS). The ITCs similarly focused client services on the Export Counseling and Market Entry and Support services as defined in the Exporter Service Continuum, the new responsibility to manage the Regional Trade Networks, and an expanded role in investment promotion. Both TCS and the ITCs concentrate efforts on the TCI priority sectors while providing basic services to all clients.

Recognizing our unique partnership in the delivery of trade services, it is timely to develop a clear understanding of the operations and management of the ITCs, which are crucial to the delivery of the federal government's trade agenda in the regions.



The following text sets out a revised agreement on the management and operation of Industry Canada's ITCs, operating within Industry Canada's Regional Offices. The term of this mutual agreement will be five years from the date of signing, with a review to be conducted after the fourth year of implementation.

## 2) International Trade Centres geographic areas of responsibility defined

There are ten ITCs in Canada. Two ITCs also operate satellite offices in Canada. These ITCs are located in Vancouver (responsible for B.C. and Yukon Territory), Edmonton (responsible for Alberta, NWT and Nunavut with a satellite office in Calgary), Saskatoon (responsible for Saskatchewan with a satellite office in Regina), Winnipeg (responsible for Manitoba), Toronto (responsible for Ontario), Montreal (responsible for Québec), Moncton, (responsible for New Brunswick), Charlottetown (responsible for Prince Edward Island), Halifax (responsible for Nova Scotia), and St. John's (responsible for Newfoundland). This agreement also covers any other ITC or satellite office that may be established by Industry Canada.

## 3) Role of the ITCs

ITCs are instrumental in the delivery of the regional component of Canada's international business development program. This pivotal role is recognized in their mission statement: "Industry Canada's International Trade Centres contribute to economic growth and employment in Canada by helping companies (primarily small- and medium-sized enterprises) expand and diversify exports and by supporting investment initiatives". Part of this role is their responsibility to manage the Regional Trade Networks. The ITCs also provide guidance on regional stakeholder interests on emerging trade policy and related issues. Encouraging more companies to enter, expand and diversify their export markets is at the heart of the ITC's mandate related to International Business Development.

## 4) ITC Services

ITC services to businesses focus on increasing export capability and export preparedness of the clients. The services include: 1) providing export counseling, 2) assisting businesses in securing access to export programs and services (market entry support), 3) helping to link businesses with useful services and programs provided by other Team Canada Inc partners. These services complement information available on-line through ExportSource, Strategis and InfoExport. The services not only help companies enter foreign markets but also prepare them to effectively utilize the services of Trade Commissioners outside Canada.

ITCs also play a leadership role in the Regional Trade Networks (RTNs) which coordinate the federal, provincial and private sector partners delivering exporter services in the regions. ITCs' Senior Trade Commissioners (STCs) co-chair the RTNs and provide strategic leadership in the regions for TCI. For the federal government, the ITCs lead the development of Regional Trade Plans which help guide and focus the international business development activities of industry and Team Canada Inc partners in the regions.

ITCs provide support to selected DFAIT international business development activities. As part of this role, they assist by making arrangements in Canada for incoming missions and provide support to outgoing missions, arrange export information workshops, and deliver DFAIT's trade programs, such as the Program for Export Market Development and the New Exporters to Border States, in the regions. A review of these services was conducted in 1999 and has resulted in the development of the attached matrix of services. Attached to this understanding as Annex A is the list of these core services. Other services not listed may be provided by ITCs, subject to the availability of resources, adequate advance notification, and matching priorities with ITC and RTN business plans.

#### 5) Management, reporting structure and funding of the ITCs

The Senior Trade Commissioner (STC) is the Manager of the ITC. The STC reports to and is accountable to the IC Regional Executive Director (REXD). IC funds the operations of the ITCs, including the salaries for staff.

The Trade Integration Directorate of IC in Ottawa provides support to ITCs on matters relating to the overall governance, policy issues affecting all ITCs and functional leadership on performance and reporting structures. DFAIT provides functional guidance on DFAIT's trade development strategies, priorities and related issues. Both Departments facilitate the work of the ITCs through orientation sessions; sharing of information on respective departmental strategies, priorities, and objectives; performance measurement systems and approaches; and best practices.

#### 6) Staffing Arrangements

DFAIT is a key partner of Industry Canada's ITCs in the delivery of services to clients. Historically, a number the positions in ITCs have been staffed through secondments by DFAIT Foreign Service Officers who ideally have had experience abroad. This arrangement has been beneficial for both departments. The DFAIT Foreign Service Officers bring a knowledge of the international markets which increases the understanding of IC staff at ITCs of client needs abroad. In turn, the experience gained from assisting Canadian businesses in becoming more export-prepared and the development of an in-depth knowledge of the Canada-based exporter services network are assets for Trade Commissioners when they are posted abroad. Posts abroad will continue to benefit from the expertise of IC Trade Officers through assignments abroad with DFAIT. These types of exchanges should be continued and expanded.

#### 6a) Secondments to the ITCs

All Trade Commissioner and Trade Officer positions in the ITCs are IC positions. Funding for the trade positions in the ITCs will continue to be assumed by IC. Unless otherwise agreed to, DFAIT will be responsible for the removal expenses related to DFAIT employees at the International Trade Centres.

DFAIT will actively promote the benefits of assignments to the ITCs and will work with IC to identify candidates to the REXDs and STCs in a timely fashion. Similarly, IC will identify upcoming openings in the ITCs in accordance with DFAIT's normal posting cycle. In the event of out-of-posting cycle vacancies at the ITCs, IC will provide first consideration to DFAIT Trade Commissioners that can be made available to fill any such position within a mutually agreed upon time frame normally not to exceed 3 months. Assignments to ITCs will be recognized in DFAIT performance evaluations.

Where collective agreements permit, DFAIT Trade Commissioners, on assignments in the ITCs, will receive acting pay and compensation against the IC position they occupy.

Recognizing the operational requirements of both departments to serve the interests of Canadian business, the two departments agree to the following goals:

- to staff up to 35 ITC positions with DFAIT officers for three to four year secondments. In exceptional circumstances, at the request of the DFAIT officer being seconded, secondments for less than three years will be considered.
- to give first consideration to DFAIT Trade Commissioners for staffing all Senior Trade Commissioner positions.

If no suitable DFAIT Trade Commissioner is available within a reasonable time period, after consultation with DFAIT, IC officers will fill the STC position through the normal staffing processes. When any positions become vacant, first consideration will be given to DFAIT Trade Commissioners.

6b) Secondments to DFAIT Posts

ITC trade officers will be offered the same opportunities for secondments to DFAIT and postings abroad as non-rotational officers eligible for a single assignment, consistent with operational requirements and the DFAIT assignment process. IC will identify candidates for single assignments as part of the normal posting cycle. Funding for these positions and other compensation related to postings abroad is the responsibility of DFAIT. DFAIT and IC agree to the goal of having at least one DFAIT or IC officer in each ITC with first hand experience in export marketing gained at a post abroad;

7) Enhanced Cooperation

In order to strengthen the ITCs capability to deliver on their mandate, and reinforce ITCs strong working relationships with DFAIT headquarters and missions, the two departments agree to:

- a. Provide ITC staff with access to training provided by the Canadian Foreign Service Institute and, where feasible, jointly identify and develop training tools. ITC national training programs or other training as defined by the STC or REXD, will continue to be funded by IC. Training uniquely required by DFAIT will be funded by DFAIT;
- b. Ensure mutual access to each others Intranets (e.g. Horizons and ITC Intranet), where technically feasible;
- c. Cooperate on the design, delivery and sharing of results of client surveys, focus groups and other performance measurement tools;
- d. Cooperate in sharing information through government information management tools and client data bases (e.g., WINexports, SourceCan, and successor systems).
- e. Encourage short-term assignments to the ITCs by FS Development trade officers and to TCS posts by ITC officers to provide valuable training to both groups and, on occasion, to meet critical staffing needs. Costs associated with such short-term assignments would be negotiated on a case-by-case basis.

8) Services provided to DFAIT staff on assignments at ITCs

DFAIT will ensure that, where consistent with security policies, and technically and financially feasible, its indeterminate employees seconded to the ITCs have the same communication tools available to its employees at Headquarters.

This Memorandum of Understanding expresses the willingness of both departments to meet the opportunities of the new international business development environment. Our success is linked to the quality of the personnel that each side contributes to these arrangements for enhanced trade services, and to our willingness to make these arrangements work. The constructive spirit that our officers have displayed in arriving at this agreement underscores our continuing cooperation and future success.

Annex A: International Trade Centres' (ITC) Support to the Department of Foreign Affairs and International Trade's (DFAIT) Business Development Activities.

ORIGINAL SIGNED DECEMBER 1, 2000

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Jean-Claude Bouchard  
Assistant Deputy Minister  
Operations Sector  
Industry Canada

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John Gero  
Assistant Deputy Minister and  
Chief Trade Commissioner  
Department of Foreign Affairs  
and International Trade

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(Date)

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(Date)



## BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

### SECTION 4. f) - ITC/INDUSTRY PORTFOLIO PARTNERSHIPS

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Initiative	Key Driver	Endorsed by	Outcome
ACOA Pan-Atlantic International Business Development Agreement			
Quebec ITC MOU with CED-Q on delivery of PEMD			
Western provinces and Northern Territories MOU's on Cooperation on International Business Development			

#### **Key Reference Documents:**

- ACOA Pan-Atlantic International Business Development Agreement with the four Atlantic Provinces
- Quebec ITC/CED-Q MOU on delivery of PEMD
- MOU Canada- British Columbia Cooperation on International Business Activity (1997)
- MOU Canada-Alberta Cooperation on International Business Development (2002-2005)
- MOU Canada-Saskatchewan Cooperation on International Business Development (2002-2005)
- MOU Canada- Manitoba Cooperation on International Business Development (2002-2005)
- MOU Canada- Northwest Territories Cooperation on International Business Development (2002-2005)
- MOU Canada- Nunavut Cooperation on International Business Development (2003)





## BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

### SECTION 4. g) - ITCs AND REGIONAL TRADE NETWORKS

Initiative	Key Driver	Endorsed by	Outcome
First-Ever Regional Trade Plans 1996-1998	Need for coherent, integrated federal-provincial	DMC and RTN Co-Chairs	Early shared agreement on key clients; sector and market priorities; technology sharing and client feedback mechanisms (performance measurement)
Fed-Prov Trade Ministers meeting (February 1998)	Need to rationalize profusion of fed-prov exporter development services	Fed-Prov Ministers	high-level cooperative analysis of exporter-development services in Canada
TCI Export Services Continuum (September 1998)	Need for consensus on defining broad services areas	Fed-Prov Ministers	consensus on five broad service areas: General information, Skills Development, Export Counselling, Market Entry Support, Trade Financing
RTN partner satisfaction survey (2000)	Proactive initiative to obtain RTN partner feedback	-	Confirmed valuable role of STCs as RTN Co-Chairs
Fed-Prov DM's Meeting (February 2002)	Need for re-affirmation of RTN partnership approach	DM's	Agreement to further strengthen RTN cooperative approach
RTN Information and Opinions Survey (December 2002)	Need to identify key ways and means to enhance RTNs' effectiveness	RTN Federal Co-Chairs	Common information base on the status of the RTNs
National RTN Co-Chair Workshop (January 2003)	Need to develop a shared "RTN Vision"	Fed-Prov RTN Co-Chairs	Strengthened common RTN understanding and list of priority areas for support from TCI

#### Key Reference Documents:

- *Regional Trade Plans 1996-1998* (produced for each Regional Trade network)
- *Analysis of Exporter Development Services provided in Canada by Regional Trade Networks* - Interim Report (August 1998)
- (presentation) *Fed-Prov-Territorial Trade and Investment DM's meeting* (February 2002)
- *DMC Co-Chair letter to DMC members regarding endorsement of RTNs* (September 2002)
- (presentation) *Regional Trade Networks Survey Highlights* (October 2002)

- *Report on the Regional Trade Networks: Information and Opinions Survey* (December 2002)
- Report on the 1<sup>st</sup> ever RTN National Co-Chairs workshop (January 2003)
- (presentation) *"Strengthening Regional Trade Networks" DM's meeting* (March 2003)

## BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

### SECTION 4. h) - ITCs AND INVESTMENT

Initiative	Key Driver	Endorsed by	Outcome
Roll-out of PEMD-I by DFAIT (November 1998)			
MOU with IPC on role of ITCs in Investment promotion (2002)	Lack of clear role for ITCs and consequent resource pressures	ADM, IPC; ADM Operations	Identification of four core roles of the ITCs
Definition of ITC roles in Investment (December 2002)	Need for further specification of 'core' and 'enhanced' services by ITCs	ADM, IPC; ADM Operations	Definition of core and enhanced Investment roles by region
Evaluation of PEMD-I	Program had been launched in 1998 and was due to be evaluated	DFAIT	Evaluation recommended program re-design, but noted ITCs had performed well in delivering the existing program.

#### Key Reference Documents:

- *(Draft) Annex A to the MOU with Investment Partnerships Canada on the Delivery of Investment Activities by the International Trade Centres (2002)*
- *Excerpts from STC Quarterly meetings relating to Investment (October 2000 - June 2002)*
- *Operations Sector Contribution to the Investment Agenda (October 2001)*
- *ITC Definition of roles in Investment (December 2002)*
- *Evaluation of PEMD-I, draft report (December 2002)*



# BRIEFING BINDER ON THE INTERNATIONAL TRADE CENTRES BRIEFING

## SECTION 4. i) - ITCs AND CLIENTS

Initiative	Key Driver	Endorsed by	Outcome
ITC client surveys: 10 individual + 1 national (March 1997)	Had not been undertaken before	ADM Operations	Identified key service attributes and priorities for improvement
Consulting and Audit Canada survey study completed of ITC employees; ITC clients and RTN partners (1999)	Update of 1997 study given definition of TCI services and evolution of RTNs	ADM Operations	Defined training need and client service improvements leading to <i>ITC Service Delivery Initiative</i> .
ITC network marketing initiative (2000)	ITC's profile was being diminished given priority focus on promoting the RTNs	ADM Operations	First national marketing program using common promotional items by the ITCs.
Focus group testing of ITC messaging to clients (2003)	Need for improved market profile and client understanding of ITC services vs other RTN partners	ADM Operations	Identified strengths and weaknesses of ITC marketing materials leading to more targeted client friendly tools.

### Key Reference Documents:

- ITC Client survey (*March 1997*)
- CAC Study on ITC Client and Employee Focus Groups (November 1999 - February 2000)
- IC Prairie Region client survey 2001-02, and 2002-03
- Patterson Langlois Consultants study: *Qualitative Assessment of Communications Elements for International Trade Centres* (January 2003)