



APEC FTAAP WORK PROGRAM: MULTISTAKEHOLDER ENGAGEMENT FOR TRADE AGREEMENT DEVELOPMENT

Outcomes Report

March 2024

DISCLAIMER

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BACKGROUND

At the 2022 APEC Ministerial Meeting, APEC economies underscored their commitment to advance economic integration in the region through work on the Free Trade Area of the Asia-Pacific (FTAAP) agenda, which contributes to high standard and comprehensive regional undertakings. Stakeholders in an economy including the private sector, underrepresented communities, civil society, and other non-governmental organizations (NGOs), among others have unique interests, perspectives, and needs regarding cross-border trade and participation in the global economy. Without strong mechanisms to engage a broad diversity of stakeholders, these interests may be underemphasized in trade agreements. Multistakeholder engagement – the process of undertaking domestic consultations to extensively listen to a wide range of perspectives – is critical to ensure that efforts to design, negotiate, implement, and monitor trade agreements allow for trade benefits to impact all. However, economies require proper resources and tools to conduct impactful multistakeholder engagement.

In 2022, under APEC's FTAAP agenda, the United States launched a work program on strengthening multistakeholder engagement approaches for the development of trade agreements. As part of this work, the United States conducted an economy-level survey for a more in-depth understanding of the topic. Through this survey, APEC Committee on Trade and Investment (CTI) members and other trade stakeholders shared individual experiences and lessons-learned from administering and participating in these approaches. The following includes a sample of key questions:

- What multistakeholder engagement approaches has the economy applied? Did the participants find them to be effective?
- At what stages of the trade agreement development process are stakeholders invited to engage?
- How do stakeholders learn about the opportunity to participate?
- What are the strengths of the economy's multistakeholder engagement approaches, and what could be improved?
- What topics could be useful for future capacity building initiatives?

Building on the findings of the survey, the United States implemented the APEC FTAAP Work Program: Workshop on Multistakeholder Engagement Approaches for Trade Agreement Development on the margins of the First APEC Senior Officials Meeting under the U.S. APEC Host Year of 2023. This workshop aimed to explore how APEC economies can apply multistakeholder engagement approaches to better integrate stakeholder perspectives in the design, negotiation, implementation, and monitoring of trade agreements.

This report serves to disseminate the outcomes of the survey and workshop, highlighting the perspectives shared by APEC economy trade officials and non-government trade stakeholders.

SURVEY FINDINGS

RESPONDENT PROFILES

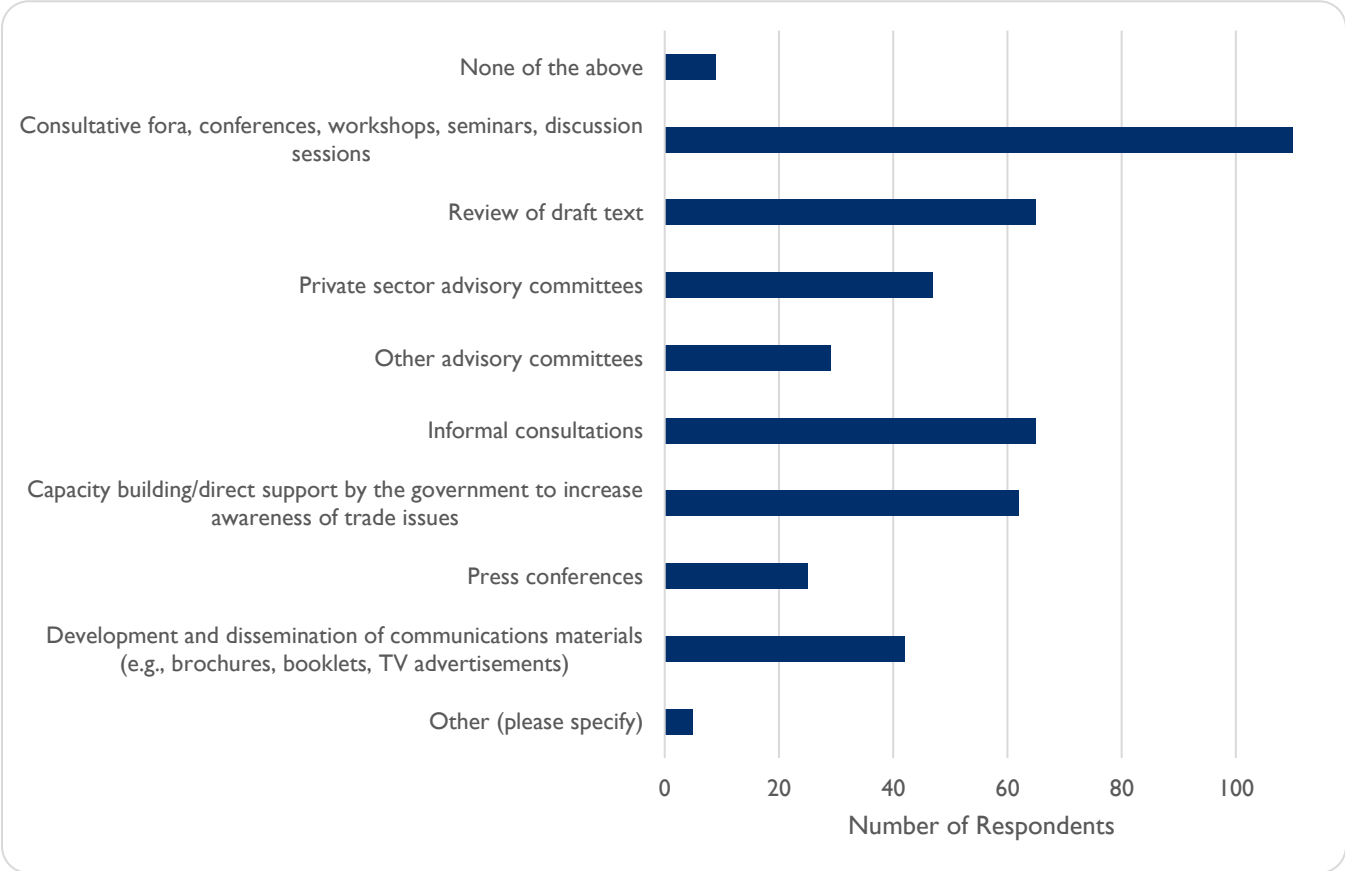
This survey featured 139 respondents representing government officials and other trade stakeholders in 11 of 21 APEC member economies. Government officials comprise 70 percent of the respondents, while 30 percent of respondents represent other trade stakeholder groups. Within the 30 percent of

non-government respondents, the private sector comprise 18 percentage points, while academia and non-governmental organizations (NGOs) comprise 6 percentage points and 2 percentage points, respectively. Four percent of respondents identified as an “other” stakeholder group, mainly representing public-private partnerships.

Considering the diversity of respondent profiles, the survey questions were constructed to understand both what governments have been offering stakeholders and where stakeholders have been able to engage, as described further in the following sections.

EXPERIENCE WITH MULTISTAKEHOLDER ENGAGEMENT APPROACHES

FIGURE I: EXPERIENCE WITH VARIOUS APPROACHES TO MULTISTAKEHOLDER ENGAGEMENT, ALL RESPONDENTS



Query: Has your economy undertaken any of the following multistakeholder engagement approaches related to the development, implementation, and monitoring of trade agreements and/or invited you to participate in these processes? Select one or multiple.

Examining the survey data at the aggregate level, the majority of respondents have administered or participated in consultative fora, conferences, workshops, seminars and/or discussion sessions regarding one or some of their economy’s trade agreements. Some respondents noted that such consultative formats promote transparency, enable dialogue on economic cooperation challenges and opportunities, and have led to outcomes that acknowledge the nuanced technical details shared by stakeholders. Thereafter, informal consultations and review of draft text were reported as relatively common

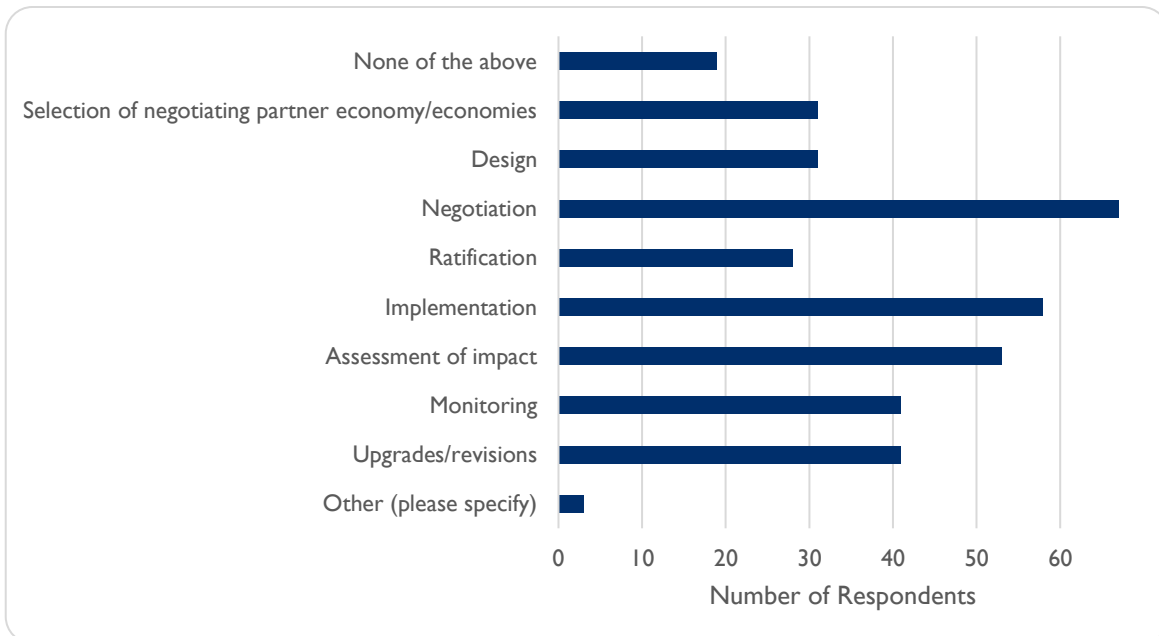
approaches to multistakeholder engagement, followed by capacity building and direct support from the government to increase awareness of trade issues.

Looking specifically at non-governmental stakeholder responses, the findings are generally similar, but also include private sector advisory committees amongst the most prevalent engagement approaches, which may be explained by the high response rate from private sector stakeholders amongst the non-governmental stakeholder respondents to this survey. Also, a smaller share of stakeholder respondents indicated that they participated in the review of draft text relative to the comprehensive results.

The most common approaches largely align with the approaches that respondents found most effective. When asked to rate the approaches as “very effective”, “somewhat effective”, or “not effective”, the majority of respondents categorized the following approaches as “very effective”: consultative fora, conferences, workshops, seminars and/or discussion sessions; review of draft text; capacity building and direct support from the government to increase awareness of trade issues; and private sector advisory committees. Within the non-governmental stakeholder responses, while approaches were seen as effective overall, there was a higher instance of “somewhat effective” than “very effective” ratings for all listed approaches. This difference in perceived effectiveness between government and non-government respondents demonstrates possible areas for improvement that could strengthen the impact of multistakeholder engagement approaches.

ENGAGEMENT WITHIN THE TRADE AGREEMENT DEVELOPMENT PROCESS

FIGURE 2: COMMON TIMING OF ENGAGEMENT WITHIN THE TRADE AGREEMENT DEVELOPMENT PROCESS, ALL RESPONDENTS



Query: At what point(s) in the trade agreement development process were you invited to engage as a stakeholder/did you invite stakeholders to engage? Select one or multiple.

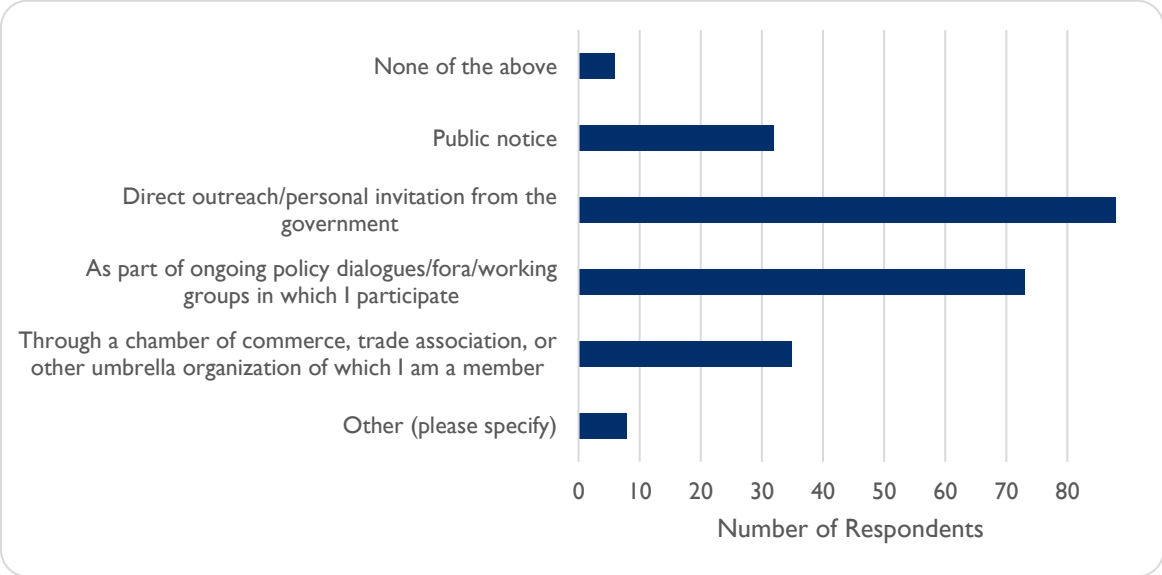
Respondents reported a large uptick in engagement opportunities during the negotiation of a trade agreement. However, when asked to gauge if this was an appropriate time to engage stakeholders, some

respondents noted that waiting until negotiation can pose challenges to effective engagement. These respondents described how it can be difficult to fit stakeholders’ perspectives into text that has already been drafted, and that earlier engagement can promote stakeholder buy-in for the eventual agreement. Some respondents also noted the importance of sustained, coordinated engagement and record-keeping throughout the development process, attributed to the extensive timeline between proposing a possible trade agreement and monitoring and upgrading a final, implemented agreement. During this timeframe, both governments and stakeholder groups may experience personnel turnover. As a result, governments risk the loss of previously-shared stakeholder perspectives if stakeholder inputs can only be received at discrete points in the process.

While approximately 41 percent of the total respondents identified agreement implementation as an opportunity for stakeholder engagement, only approximately 19 percent of non-government stakeholders reported that they were invited to engage at the time of agreement implementation, indicating a gap between the views of trade officials and non-government stakeholders. This gap demonstrates a possible opportunity to align government and stakeholder experiences by strengthening outreach and communication mechanisms, as further detailed in the section below. Some respondents also noted that, by maintaining engagement with stakeholders during and after agreement implementation, governments can facilitate greater understanding of the agreement’s details amongst stakeholders. This understanding can support stakeholders to effectively report impacts of the agreement, thereby strengthening the government’s ability to monitor and upgrade the agreement, and to successfully reach the target objectives of the agreements.

COMMUNICATING ENGAGEMENT OPPORTUNITIES

FIGURE 3: PREVALENT MECHANISMS TO COMMUNICATE ENGAGEMENT OPPORTUNITIES, ALL RESPONDENTS



Query: How did you learn about the opportunity to participate/invite stakeholder participation? Select one or multiple.

According to the feedback from all respondents, stakeholders are often made aware of engagement opportunities through direct outreach or personal invitation from the government; or through membership in ongoing policy dialogues, fora, or working groups. Non-government stakeholders also

indicated chambers of commerce, trade associations, or other umbrella organizations as other common mechanisms to learn about engagement opportunities. The prevalence of this response amongst non-government stakeholders, however, may be attributed to the high response rate from the private sector – including large corporations; micro, small, and medium-sized enterprises (MSMEs); and business and enterprise associations – relative to other stakeholder groups. When discussing possible improvements to their economy’s multistakeholder engagement approach, one non-government stakeholder respondent indicated that representatives of MSMEs may not be reached through the existing communication mechanisms, and thus may not be able to join stakeholder-related seminars and voice their opinions.

WORKSHOP OUTCOMES

The United States held the APEC Free Trade Area of the Asia-Pacific (FTAAP) Work Program: Workshop on Multistakeholder Engagement Approaches for Trade Agreement Development on 22 February 2023. This workshop welcomed 34 participants from 14 APEC economies, the Pacific Economic Cooperation Council (PECC), international organizations, policy fora, and the private sector. Through the workshop presentations and discussions, participants considered how multistakeholder engagement can help economies pursue trade objectives, how to identify and reach trade stakeholders, and how to mitigate potential obstacles or concerns. The agenda for this workshop is included as **Attachment A**.

KEYNOTE PRESENTATION

Following an overview of the APEC project and a summary of the related survey findings, Rajan Sudesh Ratna from the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) provided the keynote presentation. The presentation featured audience engagement and regional examples to discuss why multistakeholder engagement and evidenced-based policymaking are important for trade agreement development, highlighting how stakeholders are best-placed to report on the effectiveness of trade policies, which enables governments to pursue worthwhile policies under resource constraints. The presentation also focused on how multistakeholder engagement can help APEC reach its forward-looking policy goals, including commitments under the Aotearoa Plan of Action’s Economic Driver on Trade and Investment to strengthen multistakeholder cooperation to promote responsible business conduct. Finally, the speaker presented the key roles of stakeholders at each stage of the trade agreement development process; and suggested considerations for APEC economies to undertake stakeholder consultations, apply the findings in trade negotiations, and gather stakeholder experiences to assess the impact of an implemented agreement.

ECONOMY EXPERIENCES AND CASE STUDIES

In the following session, representatives from select APEC economies presented their multistakeholder engagement approaches and experiences, highlighting practices applied at different stages of trade agreement development, mechanisms to identify and reach stakeholders, what approaches have been effective, and how they have endeavored to address challenges.

First, a speaker from Global Affairs Canada presented frameworks and strategies that aim to provide greater openness and accountability, strengthen democracy, and drive innovation and economic opportunities to all within Canada. As an example, the speaker detailed Canada’s approach to inclusive

trade, which includes extensive and meaningful engagement with diverse stakeholders; extensive collection and analysis of gender disaggregated data; and the Gender-based Analysis Plus (GBA+) analytical process, which helps identify potential new gender responsive and inclusive trade provisions. Considering stakeholder groupings, the speaker discussed how Global Affairs Canada leverages sector-specific targeted outreach to address inclusive trade objectives. Key stakeholder groups under this approach include the Indigenous Working Group, Gender and Trade Advisory Groups, and the Environmental Assessment Advisory Group. These groups feature diverse membership tailored to the issue area, and can include business associations, academia, think tanks, organizations of underrepresented communities, civil society members, policy and legal experts, and local government officials. The groups meet regularly to provide views on trade policy issues of interest; trade negotiations and implementation; and ongoing discussions in related international organizations. In addition to these groups, the speaker discussed how Global Affairs Canada also seeks effective and meaningful engagement through the “Consulting with Canadians” website, gazette notices, targeted emails, social media, public consultation, and the Civil Society Forum under the Canada-European Union Comprehensive and Economic Trade Agreement (CETA).

Based on these experiences, some useful strategies for engagement include initiating the consultation process far-in-advance of meetings or deadlines; seeking viewpoints from a diverse range of stakeholder groups; tailoring the engagement approach to suit the scope and objective, as well as the context of the specific stakeholder groups; providing tailored questions to stakeholders when soliciting inputs; and producing outcomes summaries that report on the views shared in consultations. Commenting on Global Affairs Canada’s lessons-learned from multistakeholder engagement, the speaker discussed how multistakeholder buy-in helps make trade more sustainable, inclusive, and innovative; and how engaging with stakeholders requires intention, flexibility, and transparency.

The second speaker presented approaches used by the Philippines Department of Trade and Industry (DTI) and other government bodies to reach and engage with stakeholders. To achieve the targeted outcomes of engagements, the speaker detailed crucial considerations that can help governments identify stakeholders and develop effective consultations, for example: which stakeholders find the issue relevant, what level of representation is needed in the consultation, what modes of consultation are worthwhile for the engagement, and how frequently should the consultations take place. Thereafter, the speaker detailed the One Country, One Voice (OCOV) [sic] mechanism, which enables stakeholder participation in trade policy formulation. Including with a wide range of stakeholders such as local and economy-level government agencies, businesses and industry associations, civil society, academia, and consumer organizations, the objectives of OCOV are to facilitate transparency and accountability; build mutual trust; and enable rational, sound, and balanced trade policies in pursuit of domestic development. The speaker also presented a number of other advocacy sessions, business briefings, and engagements leveraged by DTI in coordination with stakeholders, including: Doing Business in Free Trade Areas (DBFTA) information sessions; the Philippine Chamber of Commerce and Industry (PCCI), which is the representative voice of the Philippines business community; the Philippine Exporters Confederation (PHILEXPORT) umbrella organization of exporters; the Philippine Institute for Development Studies (PIDS), which is the government’s primary think tank partner on socioeconomic policy issues; educational talks at universities on the work of DTI; and standalone briefings and consultations with civil society and interest groups.

Commenting on challenges and lessons-learned, the speaker discussed the importance of communication to manage stakeholder expectations and promote transparency, and how social media platforms are useful tools to reach a wide range of stakeholders. In addition, the speaker discussed how producing regular outputs from stakeholder consultations – such as position papers and documents on the status of sectors, key priorities, and stakeholder recommendations – can help build trust amongst trade stakeholders. Finally, the speaker discussed how APEC economies should endeavor to secure active engagement from all relevant stakeholders during all phases of negotiation and policy deliberations, ensure coherence of the details of trade agreements, and sustain trade capacity building efforts in the long run.

The final speaker in this session presented a case study on stakeholder roundtables conducted for the United States International Trade Commission (USITC) investigation on the *Distributional Effects of Trade and Trade Policy on U.S. Workers*. The speaker shared approaches used to identify entities that represent or support underserved trade stakeholders such as: generalized announcements; email messages to specific individuals and groups; and consultation with government agencies, parent organizations, and other groups with expertise on underrepresented communities. As a result of these efforts, the USITC held seven roundtables covering five key themes, which were offered in virtual and/or in-person format, and included between thirteen and twenty-five participants. By offering flexible engagement formats, maintaining manageable discussion group sizes, and offering multiple opportunities to join discussions on critical focus areas, USITC successfully gathered key stakeholder inputs for the investigations. As a component of the roundtables, participants suggested how governments could further support the positive impact of trade on their communities and minimize negative effects – for example, by including affected communities in policy- and decision-making processes, and by collecting thorough data to better understand the impacts of policy interventions.

INTERACTIVE SESSION

The workshop concluded with group discussions providing further knowledge-sharing on multistakeholder engagement approaches and suggesting next steps to advance work in this space. During these discussions, participants drew connections between their experiences and the information provided during the workshop, commenting on the importance of engaging with historically marginalized communities, of engaging the private sector to align policy with evolving technical issues, and of promoting transparency through intentional information-sharing. Participants also expanded on the unique needs of MSME stakeholders, and considered how economies can invest into research and communication strategies to bring MSMEs perspectives into trade discussions. Participants also discussed the nuance of multistakeholder engagement vis a vis stakeholder engagement, and suggested the use of unified platforms to accumulate perspectives from a wide-range of stakeholder groups into one place.

In alignment with the recommendations arising from the survey and presentations, key takeaways from the small group discussions included recommendations to engage stakeholders early and throughout the trade agreement development process, and to maintain open dialogue and strong record-keeping of stakeholder perspectives. Commenting on possible useful resources, participants proposed further sharing of best practices and lessons-learned on how to identify and conduct outreach to specific demographic groups, how to design engagement approaches that suit different stages of the trade agreement development process, how to communicate trade agreement details and safety nets to affected stakeholders, and how to assist job support and re-skilling amongst affected trade stakeholders.

ATTACHMENT A: WORKSHOP AGENDA

APEC Free Trade Area of the Asia Pacific (FTAAP) Work Program: Workshop on Multistakeholder Engagement Approaches for Trade Agreement Development

22 February 2023

Pasadena Room, Renaissance Hotel | Palm Springs, California, United States

| TIME (PST) | DESCRIPTION |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.00 – 1.30 pm | Arrivals and Registration |
| 1.30 – 1.40 pm | Welcome and Opening Remarks <i>Brief introduction to the FTAAP multistakeholder engagement workstream, objective of the workshop, and relevance to APEC.</i> Scott Pietan , Assistant U.S. Trade Representative for Japan, Korea, and APEC, Office of the U.S. Trade Representative, The United States |
| Session 1 1.40 – 1.55 pm | Insights from the FTAAP Multistakeholder Engagement Survey <i>In August 2022, US-SEGA circulated a survey to better understand the landscape of multistakeholder engagement for trade agreements in APEC. 139 respondents from 11 member economies, as well as the private sector and civil society communities within these economies, shared their perspectives and reported on strengths and areas for improvement.</i> Kanika Sahai , APEC Activity Deputy, US-Support for Economic Growth in Asia (US-SEGA) |
| Session 2 1.55 – 2.25 pm | Setting the Context on Multistakeholder Engagement in Trade Agreement Development <i>What is multistakeholder engagement as it relates to the design, negotiation, implementation, and monitoring of trade agreements? Why is multistakeholder engagement important, and how can it help economies pursue APEC's trade objectives?</i> Rajan Sudesh Ratna , Deputy Head and Senior Economic Affairs Officer, South and Southwest Asia Office, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) <i>Questions and Answers</i> |

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|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Session 3 2.25 – 3.25 pm</p> | <p>Panel: Stakeholder Group Identification & Inclusion</p> <p><i>Panelists will discuss which stakeholder groups can and should be included in the trade agreement development process, how they can be reached, and the possible outcomes of this engagement, including how to manage the expectations of different stakeholder groups. Where possible, panelists will discuss the potential concerns or barriers to effective stakeholder participation, and address how economies can offset these concerns and/or mitigate the barriers.</i></p> <p>Moderator: Jeffrey Kucik, Associate Professor, School of Government and Public Policy and the James E Rogers College of Law, University of Arizona</p> <p>Chloë Hanes, Senior Trade Policy Officer, Global Affairs Canada, Canada</p> <p>Marie Sherylyn D. Aquia, Assistant Director, Bureau of International Trade Relations, Department of Trade and Industry, The Philippines</p> <p>Tamar Khachaturian, Economist, U.S. International Trade Commission, The United States</p> <p><i>Questions and Answers</i></p> |
| <p>3.25 – 3.45 pm</p> | <p>Coffee Break</p> |
| <p>Session 4 3.45 – 4.45 pm</p> | <p>Interactive Session: APEC Support to Advance Multistakeholder Engagement for Trade Agreement Development</p> <p><i>Participants will engage in small group discussions to react to the information presented in the workshop, share additional insights from their experiences, and consider areas of interest for future work on multistakeholder engagement for trade agreements.</i></p> |
| <p>4.45 – 4.55 pm</p> | <p>Closing Remarks and Next Steps</p> <p><i>Review of discussion and promotion of forthcoming outcomes report and gauge interest in future exploration of practical applications, best practices, and lessons learned from the region on multistakeholder engagement for trade agreements.</i></p> <p>Scott Pietan, Assistant U.S. Trade Representative for Japan, Korea, and APEC, Office of the U.S. Trade Representative, The United States</p> |

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