



Foreign Affairs and
International Trade Canada

Affaires étrangères et
Commerce international Canada

Canada



Department of Foreign Affairs and International Trade

Report on Plans and Priorities 2006-2007



The Honourable David Emerson
Minister for International Trade

The Honourable Peter G. Mackay
Minister of Foreign Affairs



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PART I

Department of Foreign Affairs and International Trade



1.1 What's New

In February 2006, with the election of a new government, the two components of the Department of Foreign Affairs and International Trade were reintegrated. The purpose was to ensure a coherent approach to foreign affairs and international commerce and to better coordinate the provision of services to Canadians at home and abroad.

In the newly reintegrated department, the Ministers of Foreign Affairs and International Trade are supported by their respective divisions.

The department's two components carry out distinct but complementary roles. The foreign affairs element develops and implements strategies to advance the Government of Canada's global agenda, while promoting Canadian values, culture and expertise worldwide. The trade component positions Canada as a world business leader by helping Canadian companies expand and succeed internationally, promoting Canada as a dynamic place to do business, and negotiating and administering trade agreements. See Part II, section 2.1.3 for detailed information on the governance and accountability structures of the reintegrated department.

1.1.1 How the Department Reports to Canadians

Consistent with the department's reintegration, this *Report on Plans and Priorities* includes both its components—foreign affairs and international trade—under one cover. The information contained in this report is presented in a logical and user-friendly manner.

First, the two ministers outline the department's overall direction and priorities for the year ahead in the Ministers' message. This is followed by a joint Management Representation Statement from the two Deputy Ministers, in accordance with requirements of Treasury Board of Canada Secretariat. Thereafter, the report outlines the major elements of the department's governance, structure and mechanics, introducing the department to those readers who may not be familiar with how it works, while updating this information for those who are more conversant with its operations. This part of the document is particularly important this year, given the department's recent reintegration.

The report then offers more details on the specific plans and priorities of each of the two components, **presented in two separate sections (Part III for foreign affairs and Part IV for international trade)**. The purpose of this approach is to enable readers to pinpoint directly those specific issues and initiatives in which they are interested. Both Parts III and IV of this report contain the

following information, as it relates to the component under discussion:

- the department's mandate and the benefits it provides to Canadians, as well as its governance structure, funding and workforce;
- the department's operating environment, challenges and risks; policy and management priorities for 2006-2007; principal corresponding program activities; and performance indicators that will be used to measure progress in generating results for Canadians;
- more detailed discussion of the most important specific initiatives and performance indicators for the year ahead, organized according to the strategic outcomes and program activities identified in the Management, Resources and Results Structure-Program Activity Architecture (MRRS-PAA) (see Part II, section 2.1.3.9 for more details on the MRRS-PAA); and
- comprehensive organizational and financial information. Since the financial and other tables for the department's two components reflect different operational requirements, readers should not expect them to be identical. For instance, the tables related to foreign affairs include details about Passport Canada, a special operating agency (SOA), which is self-financing and maintains a revolving fund. There is no SOA related to the trade component.

At the end of the report (Part V), readers will find contact information, a glossary of frequently used acronyms and an index.

This *Report on Plans and Priorities* reflects the department's new structure, processes and corporate culture. In preparing it, the department has taken care to demonstrate its commitment to Treasury Board principles of effective reporting to Canadians (see http://www.tbs-sct.gc.ca/est-pre/20062007/p304_e.asp). As a result, the department is confident that this report delivers credible information on its plans and performance measurement systems in keeping with the MRRS-PAA, while demonstrating value for money and sound management and providing a foundation for dialogue between the government and Canadians.

1.2 Ministerial and Deputy Ministerial Overview

1.2.1 Ministers' Message



**The Honourable David Emerson
Minister for International Trade**



**The Honourable Peter G. MacKay
Minister of Foreign Affairs**

As the two ministers of the newly reintegrated Department of Foreign Affairs and International Trade, we present the *2006-2007 Report on Plans and Priorities* with particular pleasure and enthusiasm.

Reintegrating the department's two components (foreign affairs and international trade) formalizes a relationship that has always been highly collaborative. It also enables us to take full advantage of the synergies generated by carrying out our distinct but highly complementary roles. A department that operates as effectively as possible will enhance our ability to provide government-wide leadership in developing and coordinating Canada's international policies in political as well as economic spheres.

The Department of Foreign Affairs and International Trade delivers on Canada's international agenda by carrying out four key functions: leading and coordinating international policy making for the Government of Canada; promoting Canadian interests, values and expertise abroad; assisting Canadian business and the public by providing trade, investment, consular and passport services; and supplying the physical platform outside Canada that enables the global operations of the entire federal government and the provincial governments. The department's services are available at 299 locations worldwide.

In fact, the primary focus of this department has always been—and will continue to be—the services and benefits that Canadians need at the level of quality they expect. As productive members of the international community, Canadians care about events outside this country's borders and want the federal government to help effect positive change on the world stage. Canadians also recognize that international commerce is central to maintaining the country's economic prosperity and vitality. This department is an enabler in this way, too, by helping Canadian business to compete on an even playing field and succeed in ever more competitive markets around the world.

We have taken full account of these realities in identifying the following issues on which the department will focus over the planning period.

Foreign Affairs

As the government noted in the April 2006 Speech from the Throne, it is determined to show Canadian leadership on the world stage, advance our values around the world and continue Canada's proud heritage as a leader in fighting tyranny and injustice. To this end, Canada will continue to work with friends and allies around the world to promote democracy, human rights and freer trade.

As the government's lead organization for development and coordination of international policy, this department will be at the centre of these efforts.

The department will advance Canada's vital foreign policy and commercial interests with the United States and expand cooperation with North American partners, while reaffirming Canada's interests in the Caribbean and the wider hemisphere.

On security issues, it will work to achieve progress on counterterrorism and the threat of nuclear proliferation, collaborating with global partners in key multilateral organizations like the G8 (made up of the United States, France, the United Kingdom, Germany, Japan, Italy, Russia and Canada, as well as the European Union).

The department will continue to press forward the momentum for reforming the United Nations (UN) to make it more effective and accountable in addressing global issues and problems. It will build strong partnerships with new economic powers such as Brazil, Russia, India and China, and reinvigorate relations with established economies such as Japan and the European Union (EU) in order to expand economic opportunities for Canadians. And, it will provide continued support for African development, lasting peace in Sudan and the Middle East, and reconstruction and democratization in Afghanistan and Haiti.

International Trade

The important contribution of international commerce to Canada's prosperity cannot be overstated. In order to secure an ongoing level of prosperity that fully supports our future national economic and social requirements, the department will develop a global commerce strategy that takes full advantage of globalization. This multi-faceted strategy will set out the government's role in supporting Canadian business to achieve success in the international marketplace. It will recognize the competitive factors facing Canada around the globe and propose strategic policy instruments and tools to ensure that Canadian companies have the support they need to compete equitably. Enhancing and securing access to global markets, positioning Canada for commercial success—including its attractiveness as an investment location—and working closely with the business sector will be key contributors to assured prosperity.

Without secure access to foreign markets, no degree of marketing effort can succeed. Therefore, the department will strengthen Canadian access to global markets through negotiation and implementation of commercial agreements such as the free trade accords under negotiation with South Korea and other key markets in Asia and elsewhere. It will also pursue negotiations toward foreign investment protection and promotion agreements (FIPAs) with China, India and Peru and negotiations of bilateral air agreements, where necessary, to facilitate international commerce.

Positioning Canada for commercial success will be paramount to capitalize on the door-opening results of enhanced market access. The approach will be dynamic and aggressive, yet pragmatic. It will highlight our sectoral strengths, including in research and development capabilities, and aim to derive more and better results from the commercialization of Canadian technologies. With regard to foreign investment, the department will step up its efforts to more closely highlight the characteristics sought by current and prospective foreign investors. Our ability to portray Canada as an advantageous location and to partner for international investment, innovation and value-added production is central to generating jobs and prosperity.

To help Canadian business compete successfully in all international markets, the department will provide strengthened assistance through the Trade Commissioner Service. Working with clients, stakeholders and partners, it will connect increasing numbers of competitive companies across Canada with global market opportunities through our Regional Offices, our information and market intelligence systems and our officers in missions abroad, ensuring competitiveness for those involved in international commerce. The department will work to increase awareness among the department's trade-related stakeholders of both the opportunities and challenges involved in global commerce.

The department continued to work actively to resolve the long-standing softwood lumber dispute with the United States. Our general approach continued to be to seek a negotiated settlement while pursuing litigation before World Trade Organization and NAFTA panels and American courts. Negotiations in early 2006 led to an April 27, 2006 agreement in principle between Canada and the United States to resolve the dispute and provide Canadian industry with a stable and predictable environment in which to operate and invest. Further negotiations then took place to develop the legal text. Minister Emerson and American Trade Representative Susan Schwab initialed the softwood lumber agreement on July 1, 2006. On August 22, 2006, Prime Minister Harper confirmed that, since a clear majority of the lumber industry and the key lumber-producing provinces supported the agreement, the government would table legislation in Parliament in order to bring the agreement into force in autumn, 2006. Canadian officials will continue to consult regularly with provincial officials and with industry in implementing the agreement.

Department-Wide

Internally, the department will continue its evolution from an organization that is primarily policy-oriented to one with a greater involvement in program and project design. And, it will further enhance operational efficiency and employee skills development, which will improve the department's ability to realize its other objectives.

In carrying out this work, the department contributes to a number of government-wide objectives. First, it helps ensure that Canada's foreign policy reflects true Canadian values and advances Canada's national interests. Second, it seeks to strengthen rules-based trading arrangements and to expand free and fair market access at bilateral, regional and global levels. Third, it works with a range of partners inside and outside government to achieve increased economic opportunity and enhanced security for Canada and for Canadians at home and abroad.

In putting forward our comprehensive agenda for the planning period, we are keenly aware that the department's past accomplishments and future successes are made possible by the staunch sense of purpose demonstrated on a daily basis by its employees. We take this opportunity to recognize their considerable contribution in advancing Canadian foreign policy and economic interests in the challenging, complex and competitive international arena. The following pages of this report provide evidence of the benefits they bring to Canadians.

Readers are also invited to consult the department's website (<http://www.dfait-maeci.gc.ca/>) for additional information on international developments and the department's activities.

1.2.2 Deputy Ministers' Management Representation Statement



Marie-Lucie Morin
Deputy Minister for International Trade



V. Peter Harder
Deputy Minister of Foreign Affairs

We submit, for tabling in Parliament, the 2006-2007 *Report on Plans and Priorities* for the Department of Foreign Affairs and International Trade. This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Report on Plans and Priorities and Departmental Performance Report*, issued by Treasury Board of Canada Secretariat, as follows:

- It adheres to the specific reporting requirements outlined in the Treasury Board guidance.
- It is based on the department's approved accountability structure as reflected in its Management, Resources and Results Structure.
- It presents consistent, comprehensive, balanced and reliable information.
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it.
- And, it reports finances based on approved planned spending numbers from Treasury Board.

Marie-Lucie Morin
Deputy Minister for International Trade

V. Peter Harder
Deputy Minister of Foreign Affairs

PART II

Inside the Reintegrated Department



2.1 How the Department Works

2.1.1 Reason for Existence (Mandate)

The department's mandate as it pertains to foreign affairs is to:

- conduct all diplomatic and consular relations on behalf of Canada;
- undertake all official communications between the Government of Canada and the governments of other countries, as well as between the Government of Canada and international organizations;
- conduct and manage international negotiations as they relate to Canada;
- coordinate the direction given by the Government of Canada to the heads of Canada's diplomatic and consular missions;
- manage Canada's diplomatic and consular missions;
- have a role in relation to the Canadian International Development Agency (CIDA);
- administer the Foreign Service of Canada;
- foster the development of international law and its application in Canada's external relations; and
- carry out other duties and functions such as those noted in the Canadian Passport Order.

The department's mandate as it pertains to international commerce is the advancement of Canada's economic interests abroad through the:

- development of trade and economic policy; management of bilateral, regional and multilateral trade relations, oversight

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of trade law and management of import and export controls;

- delivery of Canada's international business development and outward investment services, including commercial intelligence to Canadian business about opportunities related to exports of goods, services and technology;
 - promotion of foreign direct investment to Canada through strategic and targeted attraction activities;
 - promotion of innovation and science and technology flows with foreign parties; and
- provision of financing for certain export transactions under the Canada Account, which are negotiated, executed and administered by EDC on behalf of the Government of Canada.

With respect to the department's management of Canada's missions abroad, it is important to recognize the spread and complexity of this responsibility. This country has a formal presence in 159 of the world's 192 independent states. Outside Canada, there are 299 locations at which the services of the federal government can be accessed. The number of points of service in each country or other entity depends on the breadth of its bilateral relationship with Canada. For instance, there are more points of service in the United States than in any other country, underscoring the significance of Canada's relations with that nation.

The department also serves the foreign diplomatic community accredited to Canada (173 foreign diplomatic missions, 126 of which are in Ottawa and 47 of which are in either New York City or Washington, D.C., 525 foreign consular posts and nearly 20 international organizations and other offices). At present, there are approximately 8,000 foreign representatives and accredited members of their families in Canada.

2.1.2 Benefits for Canadians

The department delivers a number of value-added services to Canadians pertaining to foreign affairs and international commerce.

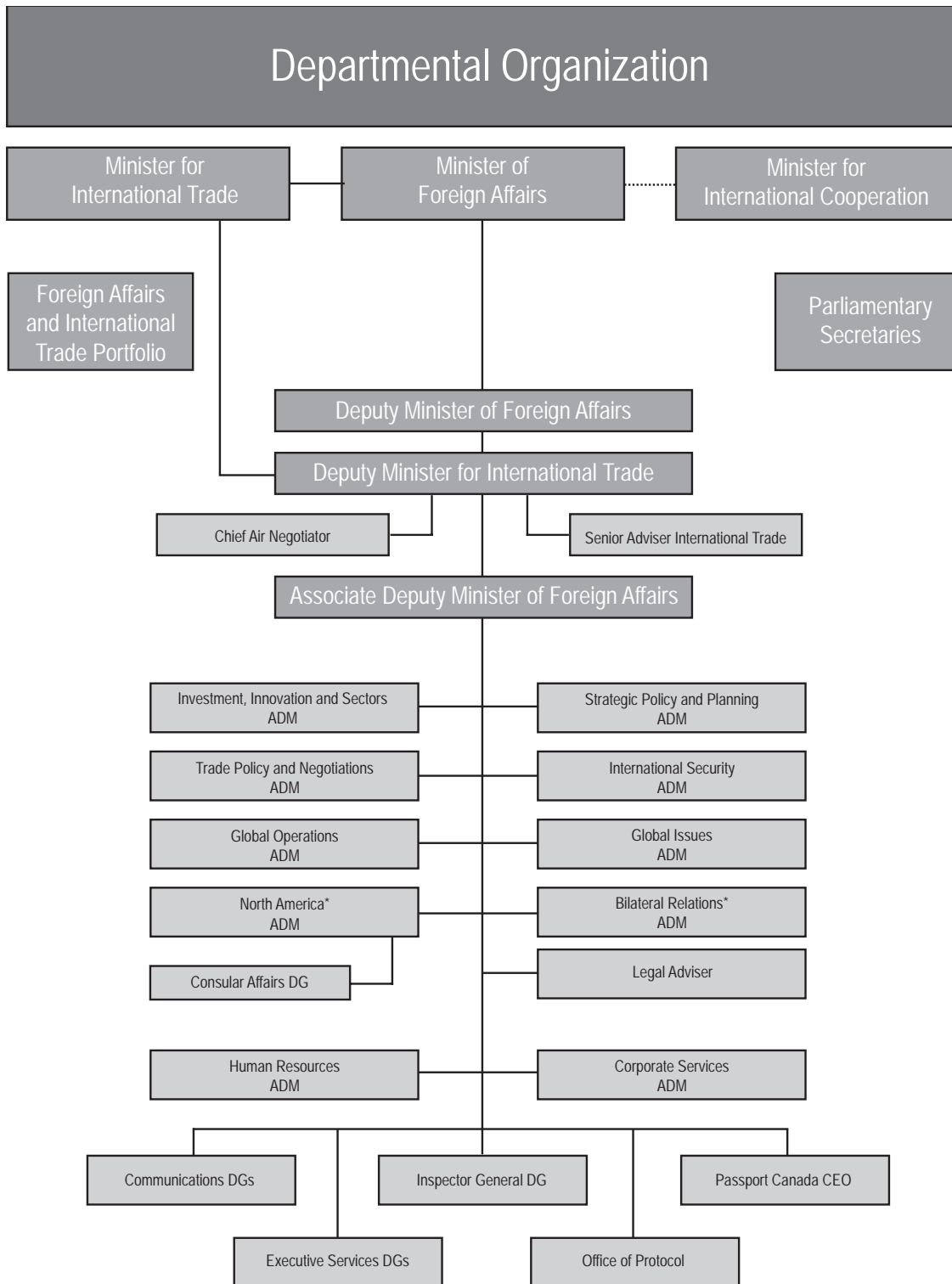
Foreign Affairs: First, the department leads and coordinates a government-wide approach to the pursuit of Canada's global agenda, while promoting Canadian values and culture internationally. Second, it analyzes national and international trends and developments for Canadians, providing timely and practical information on global issues and travel. Third, it manages Canada's network of missions worldwide, delivering cost-effective and efficient services and infrastructure to enable the international operations of the Government of Canada as well as other partners co-located at those missions (see Part II, section 2.1.3.4 and Part III, sections 3.2.1.4 and 3.2.2 for more information about Canada's missions). Finally, it provides passport and consular services to Canadians, enabling their participation in the international community.

International Trade: Much of the department's commerce-related work involves the provision of wide-ranging services to Canadian business. This includes opening and expanding markets through negotiated agreements and facilitating export and investment transactions. The benefits of this work are reaped by Canadian companies and, by extension, the entire Canadian economy.

The expansion of global commerce, including two-way trade and investment, generates employment and business opportunities for Canadians at home and abroad. A strengthened Canadian economy, built on open flows of trade, investment and technology, enables both federal and provincial governments to provide Canadians with the social and other programs that they desire. Furthermore, trade liberalization is a significant contributor to the Government of Canada's innovation agenda. Opening new markets for Canadian firms stimulates investment that can raise productivity by generating new ideas and technologies, while foreign investment in this country helps to transfer technology and know-how to Canadians.

These benefits that the department provides to Canadians are incorporated into its Management, Resources and Results Structure-Program Activity Architecture (MRRS-PAA) (see Part II, section 2.1.3.9 for more information on the MRRS-PAA).

2.1.3 Governance and Accountability



* These branches coordinate the work of the missions abroad.

II Inside The Reintegrated Department

2.1.3.1 Structure and Management Team

The Minister of Foreign Affairs, Peter MacKay, and the Minister for International Trade, David Emerson, are accountable to Parliament for the management and oversight of the department.

Mr. MacKay is supported by Josée Verner, Minister for International Cooperation, La Francophonie and Official Languages, who is responsible for the Canadian International Development Agency (CIDA). Mr. MacKay's Parliamentary Secretaries are Deepak Obhrai and Peter Van Loan. The Foreign Affairs Minister is the chair of the Cabinet Committee on Foreign Affairs and National Security and a member of the Cabinet Committee on Priorities and Planning. Mr. Emerson is assisted by his Parliamentary Secretary, Helena Guergis. He is the vice-chair of the Cabinet Committee on Economic Affairs.

The Deputy Ministers of Foreign Affairs and International Trade support the Ministers in determining the overall direction of the department. The Deputy Ministers and Associate Deputy Minister are responsible for the department's strategic outcomes and related program activities.

Within the foreign affairs component of the department, two bureaus (Communications and Executive Services) report directly to the Deputy Minister of Foreign Affairs, while the Office of the Inspector General and Passport Canada report to the Associate Deputy Minister.

Below the levels of Deputy Minister and Associate Deputy Minister, the department's foreign affairs component has a Legal Adviser and seven Assistant Deputy Ministers (ADM). These ADMs develop policies and initiatives to achieve the department's worldwide objectives. In so doing, they are accountable for the main departmental programs and the performance of their respective branches.

Within the international trade component, a Senior Adviser reports directly to that Deputy Minister. Also reporting to the Deputy Minister for International Trade are three ADMs responsible for each of the three branches (Global Operations; Investment, Innovation and Sectors; and Trade Policy and Negotiations). The Chief Air Negotiator reports jointly to the Deputy Ministers of International Trade and Transport and conducts negotiations that are vital to Canada's air carriers, airport communities, tourists, business travellers, investors and shippers.

Accountability below the ADM level throughout the department is governed by the Management, Resources and Results Structure-Program Activity Architecture. Accordingly, all of the department's branches contribute to achieving the strategic outcomes identified in the MRRS-PAA as follows:

- The two geographic branches (Bilateral Relations and North America), four functional branches (Strategic Policy and Planning, International Security, Global Issues and Protocol) and the Office of the Legal Adviser support the strategic outcome of Advancing Canada's Interests Internationally.
- The following branches support the strategic outcome of Serving Government Abroad: Bilateral Relations, North America, Corporate Services and Human Resources.
- The Consular Affairs Bureau and Passport Canada support the strategic outcome of Serving Canadians Abroad.
- The branches, Global Operations, Investment, Innovation and Sectors, and Trade Policy and Negotiations, support the strategic outcome of advancing Canada's international commercial interests at home and abroad.

In keeping with the reintegration of the department, the following central functions report jointly to both Deputy Ministers: Corporate Services, Human Resources, the Strategic Policy and Planning Branch, and the Protocol Office. Corporate

Services and Human Resources provide essential infrastructure to the whole department. The core functions of the two branches, including finance, information technology, property management, administration and human resources services, support all departmental strategic outcomes. As a global player, the department requires a highly robust and secure information technology infrastructure and related support in order to provide the services and results Canadians expect. The department also continues to lead enhancement of the international gateway (http://canadainternational.gc.ca/ci/main_menu-e.aspx) on the main Government of Canada website.

The work of the Strategic Policy and Planning Branch ensures that the international economic dimension is appropriately reflected in Canada's foreign policy. The branch undertakes research on and analysis of cross-cutting international issues, including broad economic questions with implications for Canada's foreign policy. Through the work of the department's Policy Committee, the branch sets annual policy priorities to guide corporate planning and alignment of resource allocation. The branch also identifies gaps in Canada's international policies and carries out policy planning and development to address them. And, it explores the implications of new global trends and issues with other foreign ministries to identify ways in which Canada can collaborate with other countries on emerging policy issues, including those of economic importance.

The two geographic branches—North America, which concentrates on the United States and Mexico, and Bilateral Relations, which covers the rest of the world—manage and coordinate Canada's relations with their designated part of the world, providing resources and guidance to Canada's missions on all aspects of foreign policy, international trade and consular services. They provide policy advice to Ministers and, at missions abroad, manage all of the department's program activities as well as the initiatives of other federal departments and agencies co-located there.

The Legal Adviser is the principal source of legal services and advice to the Government of Canada on international issues.

The Office of the Inspector General is central to the department's commitment to provide Canadian taxpayers with services and benefits of real value by:

- undertaking audits, evaluations, special investigations and inspections of missions in order to provide objective information with which to assess the department's management and control frameworks;
- helping managers develop Results-based Management and Accountability Frameworks (RMAFs) and Risk-Based Audit Frameworks (RBAFs) for a number of program areas, including grants and contributions;
- conducting performance assessments of programs to ascertain whether they are meeting stated objectives and producing expected results;
- promoting awareness of the Values and Ethics Code for the Public Service, while ensuring a workplace environment in which staff is comfortable reporting any alleged wrongdoing); and
- implementing the following Treasury Board measures governing the federal Public Service: the Policy on the Prevention and Resolution of Harassment in the Workplace; guidelines on conflict of interest, political activities and post-employment; and the Policy on Internal Disclosure of Information concerning Wrongdoing in the Workplace.

All audits of programs at Headquarters and missions abroad are conducted using risk-based assessment methods.

Within the department are two special operating agencies: Passport Canada and the Physical Resources Bureau. Passport Canada operates much like a private-sector enterprise, financing its operations entirely from the fees charged for passports and other travel documents. It also maintains a revolving fund that allows it to carry over surpluses and deficits. The Physical Resources Bureau is responsible for the cost-effective acquisition, management, development and disposal of real property and materiel required to support program delivery abroad. The department manages over 2,000 properties abroad (chanceries, official residences and staff quarters), valued at approximately \$2 billion.

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2.1.3.2 Formal Decision-Making Committees

The following committees and groups guide corporate decision making for the department as a whole (i.e. for both the foreign affairs and international trade components):

- The senior forum for decision making and priority setting is **Executive Committee**, chaired by the Deputy Ministers. It covers all major policy, program and management issues facing the department. Meeting regularly, its membership is limited to the Deputy Ministers, Associate Deputy Minister, their Executive Assistants, all ADMs, the Legal Adviser and the Directors General (DGs) of Communications and Executive Services.
- The **Governing Board**, also chaired by the Deputy Ministers, is made up of Executive Committee members as well as Heads of Missions (HOMs) in numbers equal to the total number of other members. HOMs from a representative cross-section of posts serve a two-year term. This advisory group, which meets twice a year on average, is also expected to play a major role in setting longer-term direction for the department.
- The **Forward Planning Meeting**, which takes place every Monday morning, brings together all members of Executive Committee, all DGs and the Departmental Assistants in the Ministers' offices. Its purpose is to share information on issues and events related to the week ahead.
- The **Management Committee**, chaired by the Associate Deputy Minister, meets on a weekly basis. In addition to the chair, this committee is made up of the ADMs of Corporate Services and Human Resources, along with designated DGs. Its decisions on virtually all financial and program management issues facing the department are referred to Executive Committee for final approval.
- The **Policy Committee**, chaired by the ADM, Strategic Policy and Planning, is responsible for reviewing all medium- and longer-term policy initiatives before final consideration by Executive Committee. It meets biweekly and its membership consists of all ADMs. The committee liaises between Cabinet committees and the Executive and Management Committees. The Policy Committee agenda is shaped by those issues currently before relevant Cabinet committees as well as by the department's business plans and strategic priorities. The Policy Committee also reviews all major policy initiatives and helps craft priorities that guide corporate planning and the alignment of resources. Its recommendations are referred to Executive and Management Committees for final decision.
- The **Human Resources Advisory Committee**, which meets monthly, advises on human resources strategies, policies and programs, labour-management relations and the department's position on central agency initiatives and directives on cross-cutting issues such as classification conversion, employment equity and official languages. Chaired by the ADM, Human Resources, the committee is made up of DGs and Heads of Missions selected on the basis of achieving balanced representation among the department's geographic, operational and corporate sectors as well as between rotational and non-rotational positions.
- The **Audit and Evaluation Committee**, which meets twice a year, reviews the annual audit and evaluation plan of the Office of the Inspector General as well as the specific audits and evaluations it conducts. The Associate Deputy Minister chairs this group, which also includes all ADMs, the Inspector General, the DGs of audit and evaluation from the Canadian International Development Agency and Citizenship and Immigration Canada as well as representatives from the Office of the Auditor General and Treasury Board Secretariat.
- Common services supplied by the department to federal partners at missions abroad are overseen by three committees. First, the **ADM Committee for Common Services Abroad**, chaired by the ADM of Corporate Services, is made up of ADMs from all federal departments and agencies that carry out programs outside Canada. It is responsible for decisions related to the governance and strategic direction of common service delivery. Second, the

interdepartmental **DG Committee for Common Services Abroad** decides on general principles and application of the Interdepartmental Memorandum of Understanding (MOU) on Operations and Support at Missions Abroad (see Part III, section 3.2.2.1), which governs delivery of these services. Third, the director-level **Interdepartmental Working Group for Common Services Abroad** decides on day-to-day operational issues and serves as the first level of dispute resolution under the MOU.

- The **Committee on Representation Abroad (CORA)**, chaired by the Director of Common Services Abroad, Planning and Coordination Division, provides a forum at which bureaus across the department can discuss proposed position changes at missions abroad. It meets monthly to review proposals from the department as well as its partners and co-locators at missions abroad, making recommendations to the responsible geographic and functional ADMs. It also reviews requested changes to the category assigned to missions, studying all financial and operational implications before making recommendations to either Executive Committee or Management Committee.

These committees make up the formal decision-making structure of the department. However, certain issues cannot always be addressed within the time frames of this structure. As a result, like any other organization, the department also makes use of informal networks of governance. Both formal and informal means of decision making are necessary to deal with the complexity and volatility of the international environment in which the department operates. By carrying out decision making in this manner, the department increases its organizational agility in addressing unforeseen and/or rapidly changing issues and events such as the December 2004 Indian Ocean tsunami.

The international trade component of the department has the **Strategic Directions Committee**, which provides the challenge function for policy and program initiatives prior to their consideration by Executive Committee. Chaired by the DG of Policy and Consultations, this committee is attended by all trade and other relevant DGs as well as representatives of Export Development Canada and the Canadian Commercial Corporation (see Part II, section 2.1.3.5 for more information on these two organizations).

2.1.3.3 The Foreign Service

The department's Foreign Service employees fall into three categories: political/economic officers, management/consular officers and trade commissioners, all of which are rotational, relocating regularly between Headquarters and Canada's missions abroad. Trade commissioners also serve at regional offices across Canada.

Political/economic officers focus on shaping Canada's policies on a wide range of issues, such as international human rights, the environment, disarmament and the Middle East Peace Process. These officers typically spend a considerable amount of time working with their international counterparts. Some of the department's foreign policy work is done by non-rotational specialist officers.

Management/consular officers provide help and advice to Canadians outside the country in dealing with issues such as incarceration, death, child abduction and evacuation in the event of a political emergency or natural disaster. They also coordinate the services provided by the department to all Government of Canada departments and agencies operating outside Canada, including contracting, procurement and human resources management. At Headquarters, management/consular officers exercise budgetary and human resources authority.

Trade commissioners make up the Trade Commissioner Service (TCS), a worldwide network of some 1,000 highly skilled professionals with preferred access to contacts in international business. This number includes 650 locally engaged staff at 149 missions around the world. They are instrumental in promoting Canadian economic interests in the global marketplace. The main client groups of TCS are the Canadian business community, for trade and outward investment, and the provinces and municipalities, for inward investment. Its primary objective is to create an internationally competitive private sector and assist companies in achieving success in foreign markets. The service's main activities

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include helping the country's entrepreneurs succeed in foreign markets by developing and accessing export markets; developing international business contacts; identifying trade barriers, foreign business leads and strategic alliances; promoting two-way investment and joint venture partnering; facilitating licensing, franchising and venture capital linkages as well as acquisition and dissemination of technology and related information; promoting R&D collaboration and commercialization; promoting corporate social responsibility; and advocating Canadian commercial interests. These officers also deal with trade policy issues that arise in their territory and complement the work of trade policy specialists, which is undertaken in missions such as Geneva and Brussels.

2.1.3.4 Canada's Missions Abroad

Canada has a formal presence in 159 of the world's 192 independent states. Outside Canada, there are 299 locations at which the services of the federal government can be accessed. The number of points of service in each country or other entity depends on the breadth of its bilateral relationship with Canada. For instance, there are more points of service in the United States than in any other country, underscoring the significance of Canada's relations with that nation.

Worldwide, federal government services are available at Canada's:

- 172 full-service embassies, high commissions and deputy high commissions; permanent missions to major international organizations such as the United Nations, the Organization of American States (OAS) and the European Union; consulates general; consulates headed and staffed with Canada-based and locally engaged staff; offices and representative offices;
- 98 consulates headed by honorary consuls; and
- 13 new consulates in the United States that do not provide consular services. These are headed by honorary consuls and are part of the government's Enhanced Representation Initiative (ERI) to increase the Government of Canada's presence in that country.

In addition, there are 16 other locations at which consular services only are provided, under agreements with the governments of Australia and Sweden.

The missions represent the Government of Canada and advance Canadian interests (federal, provincial, territorial and municipal) in designated countries, areas or multilateral organizations by performing one or more of the following functions:

- advocating Canadian policies and perspectives to foreign governments and international institutions;
- building and maintaining relationships inside and outside government to raise Canada's profile and providing the basis for successful advocacy of specific Canadian objectives;
- reporting and interpreting local views and information from a Canadian point of view (i.e. what they mean to Canada and Canadians);
- managing the overall international business development functions by engaging with senior corporate executives and government officials of the countries in which they are located. This level of access is instrumental in advocating Government of Canada positions on trade and commerce and provides valuable information and intelligence;
- providing Canadians abroad with consular and passport services; and
- supplying infrastructure and related services to support the international operations of other departments and

agencies as well as additional partners co-located at missions abroad.

The missions play a growing role in support of Canada's domestic programs and activities. In carrying out these functions, missions ensure the integration and coordination of all federal programs and activities outside Canada. Heads of Missions act on behalf of the entire Government of Canada, not just the Department of Foreign Affairs and International Trade. Program managers at missions report to their HOMs and to the relevant program authorities in their home departments or agencies.

Each mission has a Committee on Mission Management, usually chaired by the HOM. Its members are the mission's program managers. Meeting weekly, the committee coordinates the mission's policies and programs and oversees its management. While decisions are typically made by consensus, the HOM has the final authority. All federal employees at missions abroad, regardless of their home departments or agencies, act as members of a cohesive Government of Canada team.

The department provides goods, services and real property to other government departments and agencies co-located at missions abroad. The purpose is to:

- ensure a consistent federal approach to Canada's representation abroad;
- enable all federal partners with international operations to deliver their programs and services effectively outside the country; and
- maintain economies of scale.

As part of its transformation agenda, the department is working to re-categorize Canada's missions abroad in order to better align them with the country's international priorities as well as the department's resources, program activities and results, and ensure greater understanding inside and outside the department about the role of missions and expected results.

2.1.3.5 The Department's Portfolio

The following organizations outside of the department's direct governance structure make up what is known as its portfolio:

The **Canadian International Development Agency** supports sustainable development in developing countries in order to reduce poverty, and contributes to a more secure, equitable and prosperous world. It reports to Parliament through the Minister for International Cooperation. The authority of CIDA is articulated in the Department of Foreign Affairs and International Trade Act, the Annual Appropriation Acts and the International Development (Financial Institutions) Assistance Act. CIDA is currently listed under Schedule 1.1 of the Financial Administration Act. CIDA's website address is <http://www.acdi-cida.gc.ca/index-e.htm>.

The **International Development Research Centre (IDRC)** is a Crown corporation created by Parliament in 1970 to help developing countries use science and technology to find practical, long-term solutions to their social, economic and environmental problems. Support is directed toward developing an indigenous research capacity to sustain policies and technologies that developing countries need to build healthier, more equitable and more prosperous societies. IDRC's website address is http://www.idrc.ca/en/ev-1-201-1-DO_TOPIC.html.

Export Development Canada (<http://www.edc.ca/>) is also a parent Crown corporation under Schedule III of the Financial Administration Act. It is a financial institution that provides trade-related financial and insurance services to Canadian exporters and investors.

The **Canadian Commercial Corporation** (<http://www.ccc.ca/index.html>) is a parent Crown corporation under Schedule III

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of the Financial Administration Act. It is an export sales agency that works to expand Canada's international trade, in particular by participating in foreign government procurement and infrastructure projects.

The **North American Free Trade Agreement (NAFTA) Secretariat (Canadian Section)** (http://www.nafta-sec-alena.org/canada/index_e.aspx) is an agency of the Government of Canada under Schedule 1.1 of the Financial Administration Act. The secretariat helps to administer the dispute settlement provisions of the North American Free Trade Agreement.

Rights & Democracy (the International Centre for Human Rights and Democratic Development) is a non-partisan organization created by Parliament in 1988 to encourage and support the universal values of human rights and the promotion of democratic institutions and practices around the world. This organization receives most of its funding from Canada's Overseas Development Assistance Budget, through the department. Each year, Rights & Democracy submits a report on its activities to the Minister of Foreign Affairs, who tables it in Parliament. More information can be found at <http://www.ichrdd.ca/site/home/index.php?lang=en>.

The **International Joint Commission** is an independent bi-national (Canada and the United States) organization established by the Boundary Waters Treaty of 1909. Its purpose is to help prevent and resolve disputes over the use and quality of boundary waters and to give advice on related issues. The International Joint Commission website can be found at http://www.ijc.org/en/home/main_accueil.htm.

The **Roosevelt Campobello International Park Commission** administers the Roosevelt Campobello International Park on the Bay of Fundy as a memorial to former United States President Franklin Roosevelt. The commission was created by an international treaty in 1964, which specifies that the two countries share the costs of the park's development, operation and maintenance. The department approves the Canadian budget. More information can be found on the park's website at <http://www.fdr.net/englishii/>.

2.1.3.6 Key Partners

The department works closely with a wide range of domestic and foreign partners, including:

- other federal departments and agencies;
- provincial, territorial and municipal governments;
- the private and voluntary sectors in Canada;
- Canadian non-governmental organizations and citizens' groups;
- the Canadian academic community;
- foreign cultural and academic communities with an interest in Canada;
- Canadian and international media;
- representatives of foreign governments, companies and international institutions; and
- organizations involved in science, technology and innovation.

Its client groups include parliamentarians, federal departments and agencies with international operations, provincial governments and others co-located at missions abroad, and Canadians, particularly those with an interest in foreign policy, global business, international travel and study abroad.

2.1.3.7 The Transformation Agenda and the Rationale Behind It

Since January 2005, the department has been transforming its structure, processes and culture in order to bring sharper focus to its role in delivering Canada's international policies.

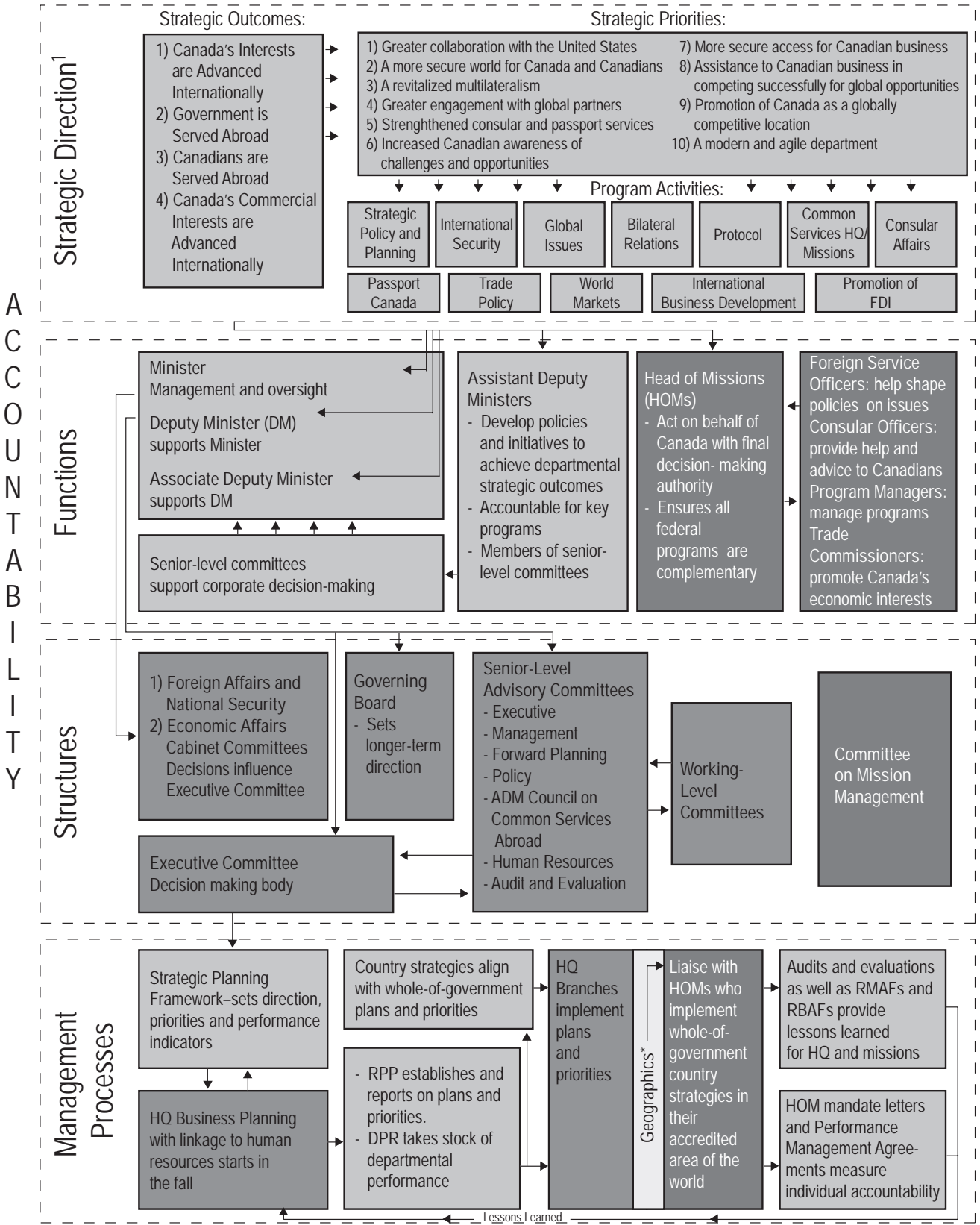
The transformation agenda was devised to address certain realities affecting the department's foreign affairs operating environment, including the growing importance of diplomacy carried out by world leaders; the increasing international engagement of other public- and private-sector players; and the evolution of the department from a policy-oriented organization to one also heavily involved in program and project design, management and delivery, especially with respect to security issues. As a result of these factors, the department has recognized the urgent need to redefine its role within the Government of Canada and modernize its organization and structure in order to best represent Canada and protect Canadian interests in a constantly changing world.

In January 2005, the trade component of the department began implementation of an agenda to modernize its structure, processes and culture in response to the globalization of international commerce and its increasing importance to the Canadian economy. The Global Operations Branch (initially called the World Markets Branch) provided a new focal point in the department to address the global commerce challenges of the 21st century. The branch has led the development of over-arching strategies in specific priority markets (e.g. Brazil, India, China, among others). These strategies integrate all commercial policies, programs and initiatives undertaken at missions abroad with the support of Headquarters, regional offices and key players at the federal, provincial and municipal levels.

2.1.3.8 The Policy and Governance/Accountability Structure at a Glance

The following graph shows at a glance the governance and accountability structure of the department as a whole and how it relates directly to its strategic outcomes and stated priorities for the planning period. More details on this relationship and the department's planning process in general are provided in the sections that follow. As indicated in the graph, there are four elements that make up governance and accountability: strategic direction, functions, structures and management processes.

DFAIT POLICY AND GOVERNANCE STRUCTURE



* Although the geographic branches liaise with the majority of Canada's missions abroad, the functional branches (International Security and Global Issues) are responsible for liaising with Canada's missions to multilateral organizations such as NATO and OECD.

¹ Some of the wording of the Strategic Priorities and Program Activities has been shortened in this diagram for presentation purposes.

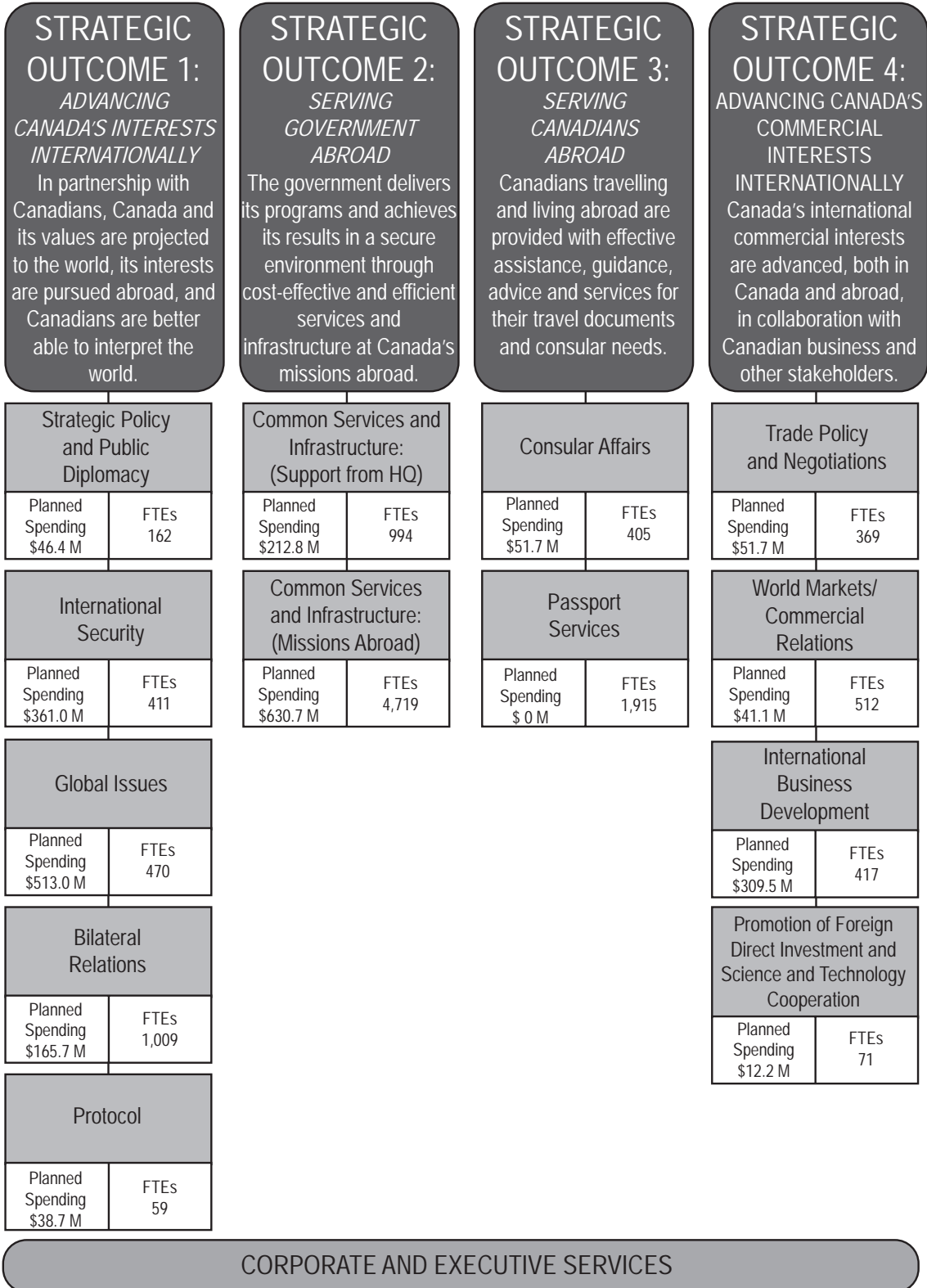
Applies to HQ and missions
 Applies to HQ
 Applies to missions

2.1.3.9 The Department's Management, Resources and Results Structure-Program Activity Architecture

Since the department's reintegration took place near the end of the 2005-2006 fiscal year, the department was unable to prepare a new, merged Management, Resources and Results Structure-Program Activity Architecture in time for use in putting together this report. Instead, this document reflects the combination of two separate PAAs, which were developed for the previously separate departments of Foreign Affairs Canada and International Trade Canada. The chart below brings together these two PAAs, listing the four strategic outcomes of the reintegrated department: three pertaining to foreign affairs and one to international trade.¹

¹ Full descriptions of the strategic outcomes and their associated program activities are presented in Part III (foreign affairs) and Part IV (international trade). Elsewhere in the document, the strategic outcomes are identified only by their main themes (e.g. Advancing Canada's Interests Internationally).

**Department of Foreign Affairs and International Trade 2006-2007
Management, Resources and Results Structure (MRRS)-Program Activity Architecture (PAA)**



Meanwhile, the department is working on a more complete, merged PAA. First, it has recently completed work on a single, interim PAA, which has been approved by Treasury Board of Canada. Second, it is continuing to develop a more fully integrated and comprehensive PAA.

The MRRS-PAA is made up of four critical elements:

- clearly defined strategic outcomes;
- a Program Activity Architecture, showing how the department's programs relate to and support the strategic outcomes;
- alignment of the department's resources with its results-based outcomes; and
- a governance structure that is specific about accountability for the use of resources in support of strategies, outcomes and priorities.

The MRRS-PAA is essentially a vertical structure, into which the department's Strategic Planning Framework fits horizontally. In other words, the priorities for the planning period, which are identified in the framework, cut across the department's nine program activities listed in the MRRS-PAA. The framework, first established in 2002, provides the direction needed to achieve the department's priorities for the planning period. It identifies outcomes for the one- to three-year period as well as accountabilities and performance indicators with which the department will measure its performance.

As a matrix, the MRRS-PAA and Strategic Planning Framework makes clear the department's system of corporate accountability. The MRRS-PAA sets out which ADMs are responsible for the department's program activities as well as which DGs. The same ADMs are also accountable for delivering on the planned outcomes specified in the framework.

To measure the performance of its senior staff (ADM's to Directors), the department is guided by performance management agreements. These agreements enable senior managers to:

- assess how they contribute to addressing the department's priorities and achieving planned outcomes; and
- make adjustments, where appropriate, to improve individual and organizational performance.

In addition, as part of its ongoing transformation agenda, the department will provide all employees with performance appraisals. Staff will evaluate their accomplishments against expectations on an annual basis with their immediate supervisors. The benefit of these tools will be to close any remaining accountability gap within the department.

2.1.4 The Department's Combined Voted Funding and Statutory Spending

The following *pro forma* table summarizes the combined vote funding and statutory spending of the two former departments before they were reintegrated. Readers will find exact figures for the foreign affairs and international trade in the financial tables at the end of Parts III and IV, respectively.

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Department of Foreign Affairs and International Trade 2006-2007 Summary of Voted and Statutory Items

Vote / Statutory Items	Current Main Estimates (\$ millions)
Vote 1: Operating expenditures	1,025.8
Vote 5: Capital expenditures	115.7
Vote 10: Grant and contribution expenditures	718.7
Vote 15: Operating expenditures	156.0
Vote 20: Grant and contribution expenditures	10.9
Statutory: Ministers' salaries and car allowances expenditures	0.2
Statutory: Payments under the Diplomatic Service (Special) Superannuation Act. This is an Act to provide superannuation benefits for senior appointees of the Department of Foreign Affairs and International Trade serving outside Canada.	0.3
Statutory: Contributions to employee benefit plans	99.1
Statutory: Payments to Export Development Canada for facilitating and developing trade between Canada and other countries under the terms of the Export Development Act (budgetary). (These amounts are for Canada Account coverage and are not available for any operational use by the department.)	18.3
Statutory: Payments to Export Development Canada for facilitating and developing trade between Canada and other countries under the terms of the Export Development Act (non-budgetary). (These amounts are for Canada Account coverage and are not available for any operational use by the department.)	209.0

2.1.5 Recently Approved Changes to the MRRS-PAA

Over the past few years, Treasury Board has approved changes to the department's MRRS-PAA related to its transformation agenda. As a result, the former Global and Security program activity was divided into two separate program activities: International Security and Global Issues. Establishment of the stand-alone International Security program activity recognizes the importance of effectively managing the complex and fast-moving international security agenda post-9/11. Creation of a separate Global Issues program activity brings together the department's expertise on economic, social, political and environmental issues for the purpose of strengthening policy capacity as well as giving greater focus to the department's involvement in issues that cut across the mandates and programs of other federal departments and agencies.

At the same time, the department's Protocol Program was established as a discrete program activity. Previously, it was included in the MRRS-PAA as support to all program activities.

An important change for the department's trade-related component has been the move from two strategic outcomes to one, as well as creating a supporting activity—Strategic Policy, Business Planning and Communications—to contribute to the department's four commerce-related program activities.

2.1.6 The Department's Overall Priorities for 2006-2007

The table below provides a snapshot of the department's overall priorities for the year ahead. Each is discussed in greater detail in the relevant sections of this report that follow (i.e. those related to foreign affairs in Part III and those related to international trade in Part IV).

STRATEGIC PRIORITIES STATUS	
In the Foreign Affairs Component of the Department	
1. Greater collaboration with the United States and increased cooperation with all hemispheric partners.	Ongoing
2. A more secure world for Canada and Canadians, safer from the threats of failed and fragile states, terrorism, transnational crime and weapons of mass destruction.	Ongoing
3. A revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes.	Ongoing
4. Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China.	New
5. Strengthened consular and passport services, able to respond rapidly and flexibly.	Ongoing
In the International Trade Component of the Department	
6. Increased Canadian awareness of the challenges and opportunities presented by global commerce.	Ongoing
7. More secure access for Canadian business to global markets through the negotiation and implementation of commercial agreements.	Ongoing
8. Assistance to Canadian business to compete successfully for global opportunities.	Ongoing
9. Promotion of Canada as a globally competitive location and partner for investment, innovation and value-added production.	Ongoing
In the Operational Arena	
10. A foreign ministry that is recognized as modern and agile.	Ongoing

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PART III

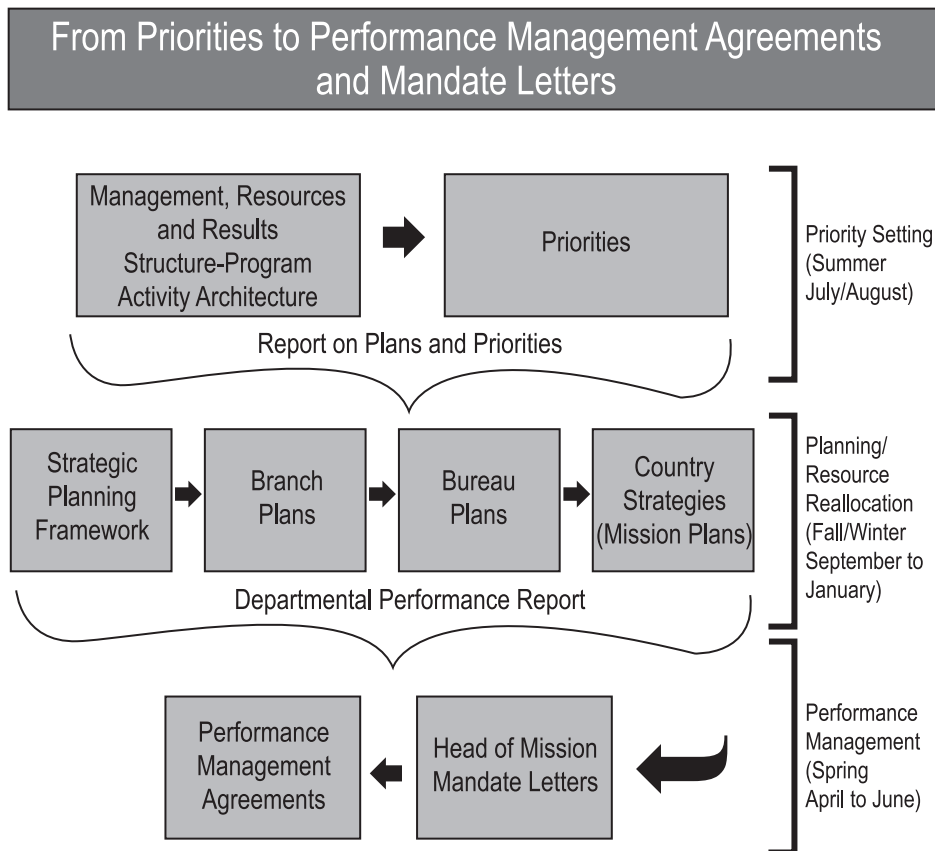
The Department's Foreign Affairs Component



3.1 Summary of Plans and Priorities for 2006-2009

This part of the report deals exclusively with the department's foreign affairs component.

3.1.1 Planning Cycle and Strategic Outcomes



III The Department's Foreign Affairs Component

From here to the end of this *Report on Plans and Priorities*, the information on the department's foreign affairs and trade components will be presented separately. This will make the document simpler and easier to use, allowing readers to zero in more easily on the information in which they are interested.

3.1.1.1 Strategic Outcomes

The department's three strategic outcomes related to foreign affairs (in bold below) are as follows:

- In **advancing Canada's interests internationally**, the department projects Canada and its values to the world and pursues Canada's interests abroad in partnership with other federal departments, other levels of government across the country and Canadians. It also pursues the country's global agenda from a government-wide perspective, analyzes national and international trends and developments, and interprets the world for Canadians. This strategic outcome recognizes the department as the government's centre of expertise in leading the formulation and coordination of Canada's international policies and the promotion of the international dimension of Canada's domestic interests, as well as advancing them on a bilateral and multilateral basis. Principal support for this strategic outcome comes from political/economic officers of the Foreign Service. Five program activities contribute to this strategic outcome: Strategic Policy and Planning, International Security, Global Issues, Bilateral Relations and Protocol.
- In **servicing government abroad**, the department manages Canada's missions abroad, delivering cost-effective and efficient services and infrastructure to enable the international operations of federal and provincial departments and agencies co-located there. Management/consular officers of the Foreign Service support the work of this strategic outcome by coordinating the services provided to partners co-located at missions abroad, including contracting, procurement and human resources management. Three program activities contribute to this strategic outcome: Bilateral Relations, Common Services and Infrastructure (support from Headquarters and missions abroad), and Human Resources.
- In **servicing Canadians abroad**, the department provides effective assistance, guidance, services and advice related to travel documents and consular needs. This ensures that Canadians receive the assistance they need when they are travelling, working or living abroad. Management/consular officers of the Foreign Service support the work of this strategic outcome by providing consular and passport services abroad. Two program activities contribute to this strategic outcome: Consular Affairs and Passport Canada.

The MRRS-PAA enables more effective, results-based management of its operations by clustering together the policy instruments and programs that fit logically under each strategic outcome, as follows:

- The five program activities under **Advancing Canada's Interests Internationally** make up the tool set needed to achieve this outcome, which is oriented to delivering this country's global agenda.
- Under **Servicing Government Abroad**, all elements needed to provide the federal platform abroad are combined in a government-based manner. In this way, the department serves government as a community.
- Consular Affairs and Passport Canada fit naturally under **Servicing Canadians Abroad**. Delivery of these transactional and operational activities enables Canadians to participate in the international community.

Strategic Outcome: *Advancing Canada's Interests Internationally:* in partnership with Canadians, Canada and its values are projected to the world, Canada's interests are pursued abroad and Canadians are better able to interpret the world.

Program Activities:

Strategic Policy and Public Diplomacy: leading the formulation of Canada's overall international policy and interdepartmental development of whole-of-government strategies, including public diplomacy.

International Security: advocating Canadian international security interests and human security program interests bilaterally and multilaterally, as well as managing the department's responsibilities with respect to security and intelligence.

Global Issues: advocating a stronger and more effective multilateral system, capable of addressing Canada's interests in global issues, particularly international economic relations and development, the environment and sustainable development, human rights and human security.

Bilateral Relations: conducting and promoting Canada's bilateral diplomatic relations in Canada and abroad (two components: North America and the world beyond North America).

Protocol: managing and facilitating the presence of foreign diplomats in Canada, as well as planning and leading official travel by the Governor General, the Prime Minister, Ministers of the Portfolio and all official diplomatic events.

Strategic Outcome: *Serving Government Abroad:* the government of Canada delivers its programs and achieves its results in a secure environment through cost-effective and efficient services and infrastructure at Canada's missions abroad.

Program Activities:

Common Services and Infrastructure (support from Headquarters and missions abroad): managing and delivering Headquarters- and mission-provided common services to government programs and partners operating abroad.

Strategic Outcome: *Serving Canadians Abroad:* Canadians travelling and living abroad are provided with effective assistance, guidance, advice and services for their travel documents and consular needs.

Program Activities:

Consular Affairs: managing and delivering consular services to Canadians.

Passport Services: managing and delivering passport services to Canadians (through use of the Passport Revolving Fund).

3.1.1.2 Alignment with Government of Canada Priorities

The department's priorities are in keeping with the April 2006 Speech from the Throne, which noted the government's intention to strengthen "our role in the world" by:

- building "stronger multilateral and bilateral relationships, starting with Canada's relationship with the United States, our best friend and largest trading partner;"
- working "cooperatively with our friends and allies, and constructively with the international community to advance common values and interests;"
- supporting "Canada's core values of freedom, democracy, the rule of law and human rights around the world;"
- supporting "a more robust diplomatic role for Canada, a stronger military and a more effective use of Canadian aid dollars;" and
- striving to "defend our national interests, combat global terrorism and help the Afghan people make a new start as a free, democratic and peaceful country."

III The Department's Foreign Affairs Component

The department's strategic outcomes and program activities align with Government of Canada outcomes identified in *Canada's Performance*, an annual report to Parliament on the federal government's performance, prepared by Treasury Board. The outcomes it lists under the policy area of Canada's Place in the World are as follows:

- a strong and mutually beneficial North American partnership;
- a prosperous Canada through global commerce;
- a safe and secure world through international cooperation; and
- global poverty reduction through sustainable development.

3.1.1.3 How Foreign Affairs Plans

It may be instructive to explain briefly the actual mechanics of the planning cycle.

Each year, the process usually begins in the summer when the department's formal decision-making committees collaborate to identify key priorities for the year ahead and planned outcomes for the full three-year planning period. The committees ensure that these priorities comply with—and complement—government-wide priorities, as outlined in the most recent Speech from the Throne and Annual Report to the Prime Minister on the Public Service of Canada from the Clerk of the Privy Council. In addition, the department ensures that its plans incorporate:

- feedback from parliamentary and Cabinet committees, the missions abroad and the Canadian public; and
- performance information outlined in the most recent *Departmental Performance Report* and the department's Management Accountability Framework (MAF) (http://www.tbs-sct.gc.ca/maf-crg/documents/booklet-livret/booklet-livret_e.asp) assessment in order to enable the application of lessons learned from the preceding year's experience. The MAF, established by Treasury Board Secretariat, sets out a comprehensive and coherent accountability regime that enables departments to strengthen their management capacities. Central agencies work with departments on MAF-based assessments in order to identify management strengths and weaknesses.

Also in the summer, the department's senior managers ensure that identified priorities for the coming year support long-term strategic outcomes and are aligned with resources, as outlined in the MRRS-PAA. The department's program activities flow in a direct and logical manner from its strategic outcomes, while its short- and medium-term outcomes flow from identified priorities. To enable accurate and reliable assessment of the department's performance over the planning period, specific performance indicators are identified and presented in a matrix arrangement, corresponding to each of the department's planned outcomes (see the related logic model in Part III, section 3.1.5).

In the late fall/early winter, the department initiates the business planning process, in accordance with priorities identified in its Strategic Planning Framework. This framework guides preparation of the department's branch and bureau plans as well as its country-specific strategies (formerly referred to as mission plans). The country strategies are developed from a government-wide perspective. Their purpose is to:

- recognize the whole-of-government role played by missions abroad and make Canada's activities in each country more coherent and cohesive;
- identify that Heads of Missions are accountable for delivery of government-wide priorities, in collaboration with partner departments; and
- ensure that Heads of Missions have clear guidance and resource allocations.

These strategies are reviewed by the department's federal partners co-located at missions abroad. Their feedback is incorporated in the country strategies.

When the department's plans are completed, they are reviewed by senior managers and, once approved, resourced appropriately. From April to June, the department uses the approved plans and strategies to guide preparation of mandate letters and performance management agreements for Heads of Missions and senior executives. Thereafter, managers throughout the department develop performance agreements for all their staff, guided by the Performance Management Program. This program is a key component of the department's strategy for monitoring performance. Essentially, its purpose is to link individual accountability to departmental and government-wide strategies and priorities and to clearly identify performance expectations and priorities related to planning and leadership. At the end of the performance cycle, employees are assessed on results achieved, measured against identified performance indicators.

The department also uses its approved plans and strategies as the basic material for its *Report on Plans and Priorities*. This report, which is a compilation and explanation of the department's annual business plans, is an official element in the Estimates process. Like its counterpart, the *Departmental Performance Report*, this document is tabled in Parliament and is made available to all Canadians and others with an interest in Canada's foreign policy.

3.1.2 Planning Context: Challenges and Risks

The complexity and volatility of the international community in which the department operates poses a number of challenges and risks—both strategic and operational—which must be identified and considered in its annual planning cycle.

3.1.2.1 Internal Challenges

The principal internal challenges include:

- the ongoing need to ensure seamless service delivery, while carrying out a reorganization related to its recent reintegration and finalizing implementation of its ongoing departmental transformation agenda;
- the necessity for further security enhancements at Headquarters and missions abroad to address ongoing risks of terrorist activities, cyber-crime espionage and vulnerabilities due to natural hazards;
- the need to realign the Foreign Service to increase representation abroad from the department, shifting more officers from Headquarters to missions;
- the fact that some 37 percent of the department's financial resources are made up of grants and contributions, approximately 80 percent of which is accounted for by assessed contributions to cover Canada's membership in international organizations—a critical factor not only to the operations of the department but also to many other federal partners;
- the department's aging workforce and the shortage of qualified employees in key occupational groups have prompted the department to adopt new strategies to address its future human resources needs; and
- the need for the department to strengthen its economic literacy and overall policy-making and project management capacity, especially on new and emerging issues that cut across the mandates and activities of a number of federal departments and agencies.

The department is involved in major horizontal files. It has the lead on, and responsibility for, the Enhanced Representation Initiative (http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/eri-ireu/description_e.asp). This initiative has increased Canada's representation in the United States through a partnership of seven federal departments and agencies. It provides a coordinated and integrated approach to managing and advancing Canada's advocacy, trade, business development, science and technology, and investment interests in the United States.

III The Department's Foreign Affairs Component

Other horizontal files on which the department is active include:

- the Climate Change Horizontal Framework (http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/cchf-cghc/description_e.asp), which provides policy and program direction and advice to the Government of Canada; and
- the Canadian Biotechnology Strategy (http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/cbs-scb/description_e.asp), the goal of which is to place Canada, by 2010, among the top three countries worldwide in development and to responsibly introduce biotechnology applications, while accelerating commercialization of Canadian biotechnology research for social, environmental and economic benefits at home and abroad.

3.1.2.2 External Challenges

Seven major external challenges currently affect Canadian foreign policy:

- the rapid pace of globalization, reflected in the diminished significance of national borders with respect to the production of goods and services and the movement of people and capital;
- the considerable influence of the United States in world affairs as well as the importance of Canada's economic relationship with that country;
- the growing significance of continental issues and the need for effective trilateral cooperation (Canada, the United States and Mexico) in addressing them;
- ongoing threats related to terrorism, such as the June 2006 arrest of 17 people in Toronto for terrorism-related offences, the July 2005 bombing of the transit system in London, England, recent attacks on Canadians in Afghanistan since January 2006, which resulted in the deaths of Foreign Service Officer Glyn Berry and military personnel as well as additional casualties; the transnational spread of diseases such as avian flu and HIV/AIDS; natural disasters such as Hurricane Katrina, which caused extensive damage along the United States Gulf Coast in August 2005 and the May 2006 earthquake in Indonesia; environmental degradation; and the number of failed or fragile states worldwide;
- international debate over the legitimacy and effectiveness of multilateral organizations, prompting the need for urgent reforms and more results-oriented multilateralism;
- the rise of some major new players in the international community, notably Brazil, Russia, India, China and Mexico, which underscores the need for the department to develop country strategies from a whole-of-government perspective;
- the growing number of federal departments and agencies that are becoming active internationally, which emphasizes the need for this department to:
 - lead and coordinate Canada's approach to international relations, acting as a central agency to build policy coherence and a whole-of-government approach;
 - heighten the focus on foreign policy by the government as a whole as well as by Parliament, the provinces, territories and the public; and
 - place continued emphasis on innovation and productivity in the global economy, which is highly competitive and knowledge based.

It is also noteworthy that Canadians are travelling abroad in greater numbers and taking a keener interest in foreign policy

issues, including international relief efforts, foreign aid (notably by the G8) and the treatment of Canadians abroad (particularly in reference to the Maher Arar inquiry and the death of photojournalist Zahra Kazemi in Iran). As a result, the department continues to face growing demands for its services from partners, clients and the Canadian public.

Throughout 2006, the department will be coordinating several major events in Canada, including the Francophonie conference—the Conférence ministérielle sur la prévention des conflits et la sécurité humaine (Saint-Boniface, Manitoba) in May, the NATO (North Atlantic Treaty Organization) Parliamentary Assembly (Quebec City) in November and the state visit by the King and Queen of Sweden in October. In addition, the department will coordinate Canada's participation at numerous international meetings of significance, including the World Economic Forum (Davos) in January, the G8 Summit (St. Petersburg) in July, the NATO Summit (Riga, Latvia) in November, the UN General Assembly (New York City) in September, the Association of Southeast Asian Nations (ASEAN) Summit (the Philippines) in December, the London Conference on Afghanistan (London, England) in January/February and the Asia-Pacific Economic Cooperation (APEC) Summit in Vietnam in November.

3.1.2.3 Risks

The department identifies and closely monitors risks associated with its mandate on an ongoing basis. This work is based on the Treasury Board framework (see http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/RiskManagement/rmf-cgr01-1_e.asp#An%20Integrated%20Risk), which helps departments identify, manage and communicate risk from an organization-wide perspective. Risk management is an integral element of the department's Strategic Planning Framework.

Currently, the department has in place a large number of risk mitigation strategies for certain programs and overall operations. However, more work needs to be done in this area, given that some elements of the department still use informal methods of risk assessment and management. As its policy and program capacity is strengthened, the department continues to make progress in improving its assessment, management and communication of risks.

At present, the main strategic risks for the department are as follows:

- Canada faces ongoing security risks at home and abroad as well as other threats related to international pandemics, the environment, international crime and terrorism.
- Canada's prosperity could be adversely affected if political and economic relations with key partners are unproductive, if global imbalances undermine the international financial architecture and global economy, or if the threat of terrorism impedes trade with the United States.
- Advancement of Canada's interests could be negatively affected by increasing unilateralism worldwide as well as by the ineffectiveness of multilateral institutions and tools in addressing global problems.
- The growth of regional powers worldwide could diminish Canada's influence in the international community and weaken the multilateral system in favour of new regional arrangements.

3.1.2.4 Other Environmental Factors

Major Publications of Relevance to Foreign Affairs

Over the past year, a number of publications have addressed the future direction of Canadian foreign policy, UN reform, the attainment of the Millennium Development Goals and human security, as follows:

- *Investing in the United Nations: For a Stronger Organization Worldwide*, a report by the UN Secretary-General on

III The Department's Foreign Affairs Component

reforming that institution (March 2006) (<http://www.un.org/reform/reform7march06.pdf>);

- *Canada's Inadequate Response to Terrorism: The Need for Policy Reform*, a Fraser Institute digital publication by Martin Collacott (February 2006) (<http://www.fraserinstitute.ca/admin/books/files/Terrorism%20Response4.pdf>);
- *Rebalanced & Revitalized*, the third volume of the series entitled A Canada Strong and Free by Preston Manning and Mike Harris for the Fraser Institute (June 2006) (<http://www.fraserinstitute.ca/admin/books/files/CSF3EN.pdf>);
- *In the Canadian Interest? Assessing Canada's International Policy Statement*, released by the Canadian Defence and Foreign Affairs Institute, edited by David J. Bercuson and Denis Stairs (October 2005) (<http://www.cdfai.org/PDF/InTheCanadianInterestE.pdf>);
- *Canada First! Taking the Lead in a Transforming Global Economy*, a report of the Canadian Council of Chief Executives (June 2005) (http://www.ceocouncil.ca/en/canada/Canada_First_June_28_2005.pdf);
- *American Interests and UN Reform*, recommendations on UN reform from the United States Institute of Peace (June 2005) (http://www.usip.org/un/report/usip_un_report.pdf) as well as an update from the same group, entitled *The Imperative for Action (An Update of the Report of the Task Force on American Interests and UN Reform)* (November 2005) (http://www.usip.org/un/un_update.pdf); and
- the first annual *Human Security Report*, produced by the Human Security Centre at the University of British Columbia (October 2005) (<http://www.humansecurityreport.info/>), with research funded by Canada, Britain, Norway, Sweden and Switzerland.

A further study of note, although unrelated to foreign policy, is Accenture's 7th annual global report on government service delivery (http://www.accenture.com/xdoc/ca/locations/canada/acn_2006_govt_report_FINAL_sm.pdf). The report includes interviews with senior government executives from 11 nations, including Canada, that have consistently ranked highly in the company's yearly survey on e-government. In fact, Canada is one of only two countries listed by the report as trendsetters in this field.

Parliamentary Committee Business

The House of Commons Standing Committee on Foreign Affairs and International Trade (SCFAIT) has issued reports on a broad range of issues over the past year, including the humanitarian crisis in Darfur, international aid and the participation of Israel in the UN. In addition, the committee reviewed Bill C-25 (An Act Governing the Operation of Remote Sensing Space Systems) and Bill S-36 (An Act to amend the Export and Import of Rough Diamonds Act) and reported back to the House of Commons.

The government responded to SCFAIT reports on issues that included Canada's relations with countries of the Muslim world and mining in developing countries/corporate social responsibility.

In November 2005, the Standing Committee on Public Accounts tabled in Parliament the SCFAIT report *Passport Office—Passport Services*, a review of an April 2005 Passport Canada audit that had been conducted by the Auditor General. Due to the dissolution of Parliament on November 29, 2005, the government has not tabled a response.

The Senate Standing Committee on Foreign Affairs continued its special study on Africa, focusing on development and security challenges, the response of the international community, Canada's policy related to Africa and Canadian activity on that continent. The Senate committee also examined Bills C-25 and S-36.

Public Opinion Research of Relevance to the Department

A recent 33-country poll, conducted for the BBC by GlobeScan and the University of Maryland's Program on International Policy Attitudes, rated the international influence of various nations and regions. The majority of respondents viewed Canada's global influence as mainly positive, including in the United States (70 percent), France (75 percent), China (70 percent), Nigeria (58 percent) and Brazil (54 percent). In fact, Canada ranked third (after Japan and Europe) as a force for good in the international community among 10 countries and regions. The poll of 39,435 people was conducted between October 2005 and January 2006. Since surveys in some countries were conducted only in urban areas, the aggregated results are unlikely to be representative of national populations. Therefore, a margin of error cannot be applied. More details about the poll's overall findings are available at http://www.globescan.com/news_archives/bbcpoll06-3.html.

North American relations were the subject of a recent EKOS survey (part of their Rethinking North American Integration project, which interviewed 2,005 Canadians and 1,505 Americans in October 2005, with margins of error of +/-2.2 percent and +/-2.5 percent respectively). While 52 percent of Americans described their country's relations with Canada as good, only 29 percent of Canadians expressed the same view. Compared to a similar survey conducted four months earlier, these results showed a small decline in favourable attitudes on both sides of the border. In June 2005, 55 percent of Americans and 34 percent of Canadians had rated bilateral relations as good.

In August 2006, the second quarter Anholt-GMI Nation Brands Index ranked 35 countries worldwide in terms of the global appeal of their nation brands (http://www.nationalbrandindex.com/nbi_q206-canada-press-release.shtml). Canada placed third overall, after the European Union and the United Kingdom. Canada's other standings in specific categories included first place in people, second in investment (good place to study, live or work for a substantial period), third in governance and eighth in exports (the country's contributions to innovation and science). The survey was conducted in 35 countries between May 18 and June 4, 2006, using feedback from 25,093 online respondents.

According to the International Policy Survey conducted by the University of Ottawa in October 2005 (a sample of 1,000 Canadians with a margin of error of +/-3.1 percent, 19 times out of 20):

- 91 percent of Canadians think Canada plays a very active role in world affairs;
- 87 percent describe Canada as a promoter of peace and human rights;
- 82 percent consider Canada to be a generous donor of aid to poorer countries;
- 82 percent view Canada as a mediator in conflicts involving other countries; and
- 83 percent said the Government of Canada should pursue an independent foreign policy, even if this leads to problems with the United States

The public's view of the department's performance has been monitored over the past four years in annual surveys. In 2005, two-thirds (66 percent) of Canadians gave the department's diplomats high marks for representing Canada internationally. Sixty-nine percent said that the department does well in promoting human rights around the world, 64 percent approved of the way it promotes world peace and security and 61 percent approved of the way it helps Canadian travellers abroad. The public was somewhat less buoyant (at 53 percent) about departmental efforts to address poverty in developing nations (the Department of Foreign Affairs and International Trade Communications Survey 2005, which had a margin of error of +/-2.2 percent, 19 times out of 20).

In September/October 2005, the department commissioned Environics Research Group to conduct 2,024 telephone interviews of adult Canadians. This survey had a margin of error of +/-2.2 percent, 19 times out of 20. Among its findings:

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- 89 percent of Canadians said Canada should build stronger diplomatic and trade ties with emerging countries such as Brazil, Russia, India and China;
- 87 percent of Canadians agree with reforming the UN so that it would be easier to send peacemaking forces to protect civilians in war-torn regions;
- 80 percent agree that Canada should have better security and intelligence relationships with moderate Muslim countries; and
- 80 percent agree that Canada should forgive the debt of the world's poorest countries such as those in sub-Saharan Africa.

3.1.3 Plans and Priorities

3.1.3.1 The Six Strategic Priorities of the Department Related to Foreign Affairs

Over the next three years, the department is committed to expanding its capacities related to policy and program delivery and project management, while taking the lead in ensuring foreign policy coherence across the federal government. At the same time, the department aims to make itself more relevant to the government and to Canadians by strengthening and making more effective Canadian diplomacy and repositioning the Foreign Service as a strategic agency that connects Canadians to the world.

In setting its priorities for the planning period, the department has laid a logical, achievable and specific course for Canadian foreign policy. First, it confirms that Canada's geopolitical base is in North America and underscores the primary importance of greater collaboration with the United States and increased cooperation with partners in the entire hemisphere. Second, it addresses the continued need to ensure the safety and security of Canada, and of Canadians at home and abroad, while contributing significantly to global peace and security efforts such as counterterrorism, and actively addressing the root causes of terrorism by working to increase freedom, democracy, the rule of law and human rights. Specifically, Canadian diplomacy will remain active in Afghanistan and work to engage the Muslim world. Third, it applies Canadian thinking to help reinvigorate the multilateral system to increase its effectiveness. Fourth, it recognizes the need for Canada to engage more fully with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China, whose influence and involvement in global affairs is increasing. Fifth, it continues to strengthen its vital passport and consular services to Canadians. Finally, the department will focus priority on its continuing transformation agenda in order to ensure that it has greater effectiveness and operational flexibility to help create a more influential role in global affairs. The six strategic priorities for the planning period are:

- **Greater collaboration with the United States and increased cooperation with all hemispheric partners:** The department will continue to work from the solid foundation of Canada's longstanding collaboration with the United States to advance issues important not only to this pivotal bilateral relationship, such as border security, but also international matters of shared interest. At the same time, the department will collaborate on key issues with all its partners in this hemisphere.
- **A more secure world for Canada and Canadians:** In the post-9/11 environment, security is a high-profile issue worldwide. This priority focuses on a government-wide approach to peace and security issues facing this country, and is addressed by the department's Counter-Terrorism Capacity Building Program. A new international convention against corruption and the strengthening of international crime-related instruments will help address the destabilizing consequences of crime, drugs and human smuggling. The department's Global Partnership Program, with funding of up to \$1 billion over 10 years since its inception in 2003, is helping to reduce the threat posed by weapons of mass destruction.

- **A revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes:** Reinvigoration of multilateral approaches to global problems remains a Canadian foreign policy priority. The focus is not only on the UN, where Canada is co-chairing a management reform process. It also encompasses advancement of a more results-oriented agenda for other institutions, including the G8, APEC and the Organization of American States (OAS).
- **Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China:** The department will focus on Canada's role in the G8, working with other members on issues and priorities identified by the group. It will endeavour to strengthen Canada's relations with emerging powers such as the BRIC countries (Brazil, Russia, India and China).
- **Strengthened consular and passport services, able to respond rapidly and flexibly:** This priority addresses vital means of ensuring the safety and security of Canadians at home and abroad. The importance of ensuring that consular services continue to be consistent, effective and universally accessible cannot be overemphasized. Likewise, it is imperative that the Canadian passport continues to be recognized worldwide as a secure, state-of-the-art travel document.
- **A foreign ministry that is recognized as modern and agile:** This priority concentrates on finalization of the department's transformation agenda (in Part II, section 2.1.3.7). It continues modernization of human resources and infrastructure management at Headquarters and missions abroad.

The following table identifies the outcomes planned for the next one to three years for each priority.

Strategic Priorities	Outcomes Planned for Next 1 to 3 Years
1. Greater collaboration with the United States and increased cooperation with all hemispheric partners	<ul style="list-style-type: none"> • Strengthened cooperation with the United States on border, transboundary and security issues • Strengthened bilateral relations with the United States and Mexico in a number of key areas • Greater dialogue and understanding among Canadians, Americans and Mexicans • Strengthened North American cooperation on security, prosperity and quality of life
2. A more secure world for Canada and Canadians	<ul style="list-style-type: none"> • Improved political and economic stability of failed and fragile states such as Afghanistan, Haiti, Sudan and states in the Middle East • Increased capacity of developing states to counter terrorism, corruption and transnational crime • More timely, coordinated, whole-of-government responses to international crises • Reduced opportunities for the proliferation of weapons and materials of mass destruction • Confidence in identity, entitlement and integrity of travel documents
3. A revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes	<ul style="list-style-type: none"> • International consensus achieved and progress made on key UN reforms • A whole-of-government global issues agenda developed and implemented internationally to advance Canadian objectives in areas such as migration, health, energy security, cities, the environment and sustainable development • A renewed human security agenda is advanced internationally • Canada's international contributions to democratic development are more focused and better coordinated • A strengthened international framework on criminal matters, with an increasing number of countries ratifying and implementing the Rome Statute of the International Criminal Court
4. Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China	<ul style="list-style-type: none"> • Enhanced relations with the following G8 partners: France, Germany, Italy, Japan, Russia and the United Kingdom, as well as with the European Union • Strengthened relationships with rising powers (Brazil, Russia, India and China)
5. Strengthened consular and passport services, able to respond rapidly and flexibly	<ul style="list-style-type: none"> • Increased capacity to deal with growing demands and emerging challenges placed on the Consular Program • Continued delivery of high-quality consular services • Deepened understanding on the part of the Canadian public and media of the nature and extent of consular services • Improved client satisfaction of Passport Services • Optimize and diversify funding
6. A foreign ministry that is recognized as modern and agile	<ul style="list-style-type: none"> • More effective leadership of, and coherence on, international policy issues and strategies • Better integration and management of the department's public diplomacy resources • Canadians better informed about, and more engaged in, international policy • Greater program, policy and project management capacity both at Headquarters and at missions abroad • Greater capacity to integrate economic considerations into international policy and activities at home and at missions abroad • Representation abroad better aligned to reflect shifting distribution of global power and dominance • Human resource management that is modernized and supports the department's transformation agenda • Better management of, and accountability for, financial and non-financial resources • More efficient and effective corporate services in support of the department and partners and a more secure platform at home and abroad

3.1.4 Planned Spending: Financial and Human Resource Utilization

3.1.4.1 Financial Resource Utilization

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	2,020.1	1,898.0	1,860.4

The budget of the department's foreign affairs component is allocated through Main and Supplementary Estimates approved by Parliament. Given the timing of this year's federal election, funding was provided in an exceptional manner—through Main Estimates as well as by means of a Governor General Special Warrant (the established instrument for obtaining funds when Parliament is dissolved for the purpose of a general election).

As indicated in the table above, the foreign affairs-related planned spending for 2006-2007 will be \$2,020.1 million, an increase of \$78.9 million over the amount allocated in the 2006-2007 Main Estimates of \$1,941.2 million. This increase is intended to cover:

- higher costs related to severance and maternity leave payments for Canada-based and locally engaged staff as well as increased salaries, as per collective agreements;
- increased funding for the Counter-Terrorism Capacity Building Program, Human Security Program and public diplomacy and cultural programs;
- increased funding for assessed peacekeeping contributions;
- budget transfers (re-profiling) for various initiatives from 2005-2006 to 2006-2007 as approved by Treasury Board; and
- increases in foreign inflation rates.

These higher costs will be offset by decreases resulting from:

- budget cuts associated with phase 2 of the \$1 billion government-wide expenditure review initiative, in keeping with the 2005 Budget; and
- operating surpluses generated by currency gains (rise in the value of the Canadian dollar vis-à-vis other currencies).

The department has three voted appropriations (related to operating expenditures, capital expenditures, and grants and contributions) and three statutory authorities. For 2006-2007, the budget will be allocated as follows: roughly 53 percent for operating expenditures, 6 percent for capital expenditures, and 37 percent for grants and contributions. Approximately 80 percent of the grants and contributions are made up of assessed contributions. Statutory expenditures account for the rest of the budget.

Human resources expenditures, excluding \$80 million related to employee benefits plans, account for approximately 36 percent of the budget. In general, human resources expenditures, aside from those related to Passport Canada, are funded

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through voted appropriations. However, employee benefit plans are statutory payments. All expenses related to Passport Canada are statutory payments approved by Parliament.

A detailed breakdown of the planned spending of the department's foreign affairs component can be found in Part III, section 3.3 Financial and Other Tables. The financial resources are distributed across the nine program activities as follows:

- \$46.4 M—Strategic Policy and Public Diplomacy
- \$361.0 M—International Security
- \$513.0 M—Global Issues
- \$165.7 M—Bilateral Relations
- \$38.7 M—Protocol
- \$212.8 M—Common Services and Infrastructure (support from Headquarters)
- \$630.7 M—Common Services and Infrastructure (missions abroad)
- \$51.7 M—Consular Affairs
- \$0.0 M—Passport Services

Planned spending for 2006-2007 includes scheduled funding reductions of \$19.78 million—\$13 million for specific initiatives of the department and \$6.78 million related to procurement reform (part of a process led by Public Works and Government Services Canada [PWGSC]). While these cuts are incorporated into its business plans, the department continues to work closely with Treasury Board, PWGSC and other affected departments on implementation of the procurement reforms and associated cuts, with particular emphasis on their expected impact on operations in the years ahead.

3.1.4.2 Human Resource Utilization

The department remains committed to building a bilingual, culturally diverse, gender-balanced and innovative workforce that more fully reflects Canadian society as a whole. The department is also working to address the gap in resources for

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
FTEs	10,144	10,298	10,596

FTEs refers to full-time equivalents, the human resources required to sustain an average level of employment over 12 months, based on a 37.5-hour work week. The figure above indicates the approximate number of FTEs the department used in the last fiscal year.

The department's workforce is made up of three separate groups. First, there are Canada-based rotational staff, mainly Human resources (FTEs) are distributed across the nine program activities as follows:

- 162—Strategic Policy and Public Diplomacy
- 411—International Security
- 470—Global Issues
- 1,009—Bilateral Relations
- 59—Protocol
- 994—Common Services and Infrastructure (support from Headquarters)
- 4,719—Common Services and Infrastructure (missions abroad)
- 405—Consular Affairs
- 1,915—Passport Services

The success of any organization depends entirely on its employees. This is especially true for the department, which requires a unique blend of highly skilled people. The department is continuing to modernize its human resources management. Several significant change initiatives are still under way—some in keeping with government-wide legislative change (e.g. implementation of the Public Service Modernization Act) and others related to the department's transformation agenda and management priorities, including implementation of the Performance Management Program, restructuring of the Foreign Service and development of a human resources plan for the management and consular affairs officers group.

3.1.5 Performance Monitoring

The department is continually working to improve transparency and accountability throughout its operations, with a focus on results-based management. In so doing, it is increasing its performance-related data collection and is starting to identify and apply more stringent and informative performance indicators.

Given the broad scope of the department's mandate and activities, it must employ both quantitative and qualitative indicators. The reason is simple: while work related to serving government and Canadians abroad lends itself to numerical and statistical analysis, efforts related to advancing Canada's interests internationally must be assessed to a large extent in a much more qualitative manner. For instance, while client surveys and service records are effective and insightful guides as to how well the department is providing passport services, they are not as useful in assessing the department's contribution to international threat reduction and counterterrorism.

Quantitative indicators: To evaluate work associated with serving government and Canadians abroad, the department has adopted, or is in the process of adopting, a systematic approach. The following are four key examples of this work:

- The department's Consular Management and Operations System (COSMOS) tracks each consular case and event in real time, enabling the collection of statistics and the identification of trends. During 2005-2006, the department improved its ability to measure its performance against consular service standards and promoted the use of identified performance indicators by missions in completing country-specific strategies. The department has made improvements in the methods used to count visitors to the department's consular website. It has also better identified target

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audiences for its publications on safe travel. Through focus groups and a national client survey, it has broadened overall understanding of its client base. The survey also provided information on public expectations with respect to consular services abroad.

- Passport Canada measures performance in real time, using an internal control panel display.
- Passport Canada conducts client surveys each year to solicit feedback on performance. They use all the information gathered to compare actual performance with the service standards they have set, making adjustments accordingly.
- In providing services to partners co-located at missions abroad, the department has established a generic Memorandum of Understanding and related service delivery standards. These agreements have proven highly effective in resolving outstanding issues related to common services provided by the department to its partners.

To assess its human resources management and identify related issues, the department uses results of employee surveys, both Public Service-wide and departmental; internal audits and evaluations; the annual report of the Canadian Foreign Service Institute; the yearly Organizational Health Report; and ongoing human resources profiles of branches. The Performance Management Agreement is also a useful tool for evaluating the skills and competencies of the department's executive cadre.

Quantitative and qualitative indicators: To measure the department's progress in advancing Canada's interests internationally, the department uses performance indicators that include:

- agreements that Canada has reached with other nations on a bilateral or multilateral basis;
- ratifications related to initiatives (such as the Ottawa Convention to ban landmines) that were led by Canada;
- the degree to which Canadian proposals and interests are included in international agreements and declarations and/or endorsed or implemented by the country, countries and/or organization(s) in question;
- visits by heads of state and government in Canada and abroad;
- contributions (monetary or non-monetary) to international programs, activities and actions that Canada supports;
- Canadian leadership of international processes or initiatives;
- coordination of whole-of-government positions and approaches to assure coherence and effectiveness of Canadian positions internationally;
- feedback from opinion leaders and decision makers in Canada and elsewhere as well as from stakeholders and Canadians in general;
- attendance at events and involvement in activities sponsored by the department to advance Canada's interests as well as feedback from participants;
- domestic and foreign media coverage of Canada and its international role as well as coverage of the department and its activities;

- public opinion research conducted for the department;
- information about the department and its activities derived from other outside sources, including reports like the *Landmine Monitor* and public opinion research such as the Anholt-GMI Nation Brands Index; and
- use of departmental websites and publications by target audiences.

Readers should understand that this list of performance measures is by no means fixed or exhaustive. The department is refining its means of performance monitoring on an ongoing basis in order to ensure that it remains credible and effective. More detailed performance indicators for specific program activities are included in Part III, section 3.2. It should also be pointed out that the department's performance indicators tend to be specific to each priority and planned outcome rather than applicable across all activities, given the broad and diverse scope of the department's functions.

Each year, the department undertakes a series of targeted audits and evaluations throughout its operations to provide senior management with performance information (see Part III, section 3.3, table 3.15 for more details).

This report identifies specific performance indicators related to each of the department's policy and management ties. These indicators will be used to assess the department's performance in relation to the plans identified in this report, which will be discussed in full in the 2006-2007 *Departmental Performance Report*.

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PERFORMANCE INDICATORS

Strategic Priority 1: Greater collaboration with the United States and increased cooperation with all hemispheric partners

Key Priority Indicators: Milestones achieved marking negotiation progress; increased cooperation on range of government activity to advance Canadian interests and promote better understanding of Canada's relations with the United States and Mexico; more agreements and fewer disputes; increasing number of staff posted to missions and collaborative networks.

Strategic Priority 2: A more secure world for Canada and Canadians

Key Priority Indicators: Increased international recognition of Canadian security assistance; tangible elimination of weapons and materials of mass destruction; increased capacity to plan and deliver whole-of-government responses to international crises; increased knowledge and capacity of developing states to take necessary measures to counter terrorism, corruption and transnational crime.

Strategic Priority 3: A revitalized multilateralism

Key Priority Indicators: Pace of UN reforms; level of international acceptance of Canadian global issues and human security agenda; level of success in creating a whole-of-government platform to advance global issues and the human security agenda.

Strategic Priority 4: Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China

Key Priority Indicators: Milestones achieved marking negotiation progress.

Strategic Priority 5: Strengthened consular and passport services

Key Priority Indicators: Client satisfaction ratings; the extent to which citizenship applications are reviewed and forwarded to the Registrar of Citizenship within the 10-day Service Standard; the extent to which contact with detainees meets service standards; the extent to which service standards are met for passport services; results of focus-group testing and a national survey designed to better understand consular clients; results of employee surveys on the new strategy for consular services.

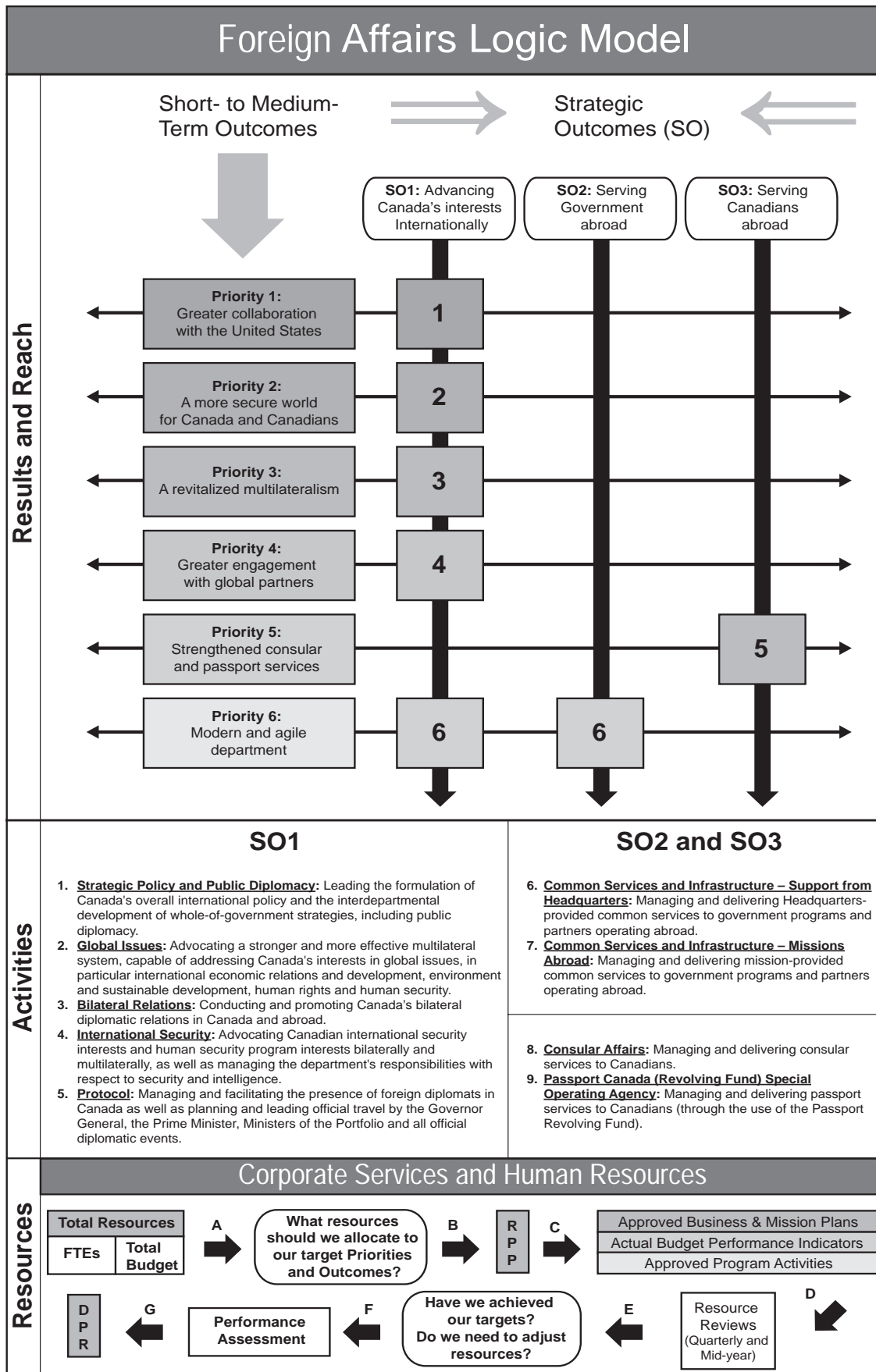
Strategic Priority 6: A modern foreign ministry

Key Priority Indicators: Treasury Board Secretariat's Management Accountability Framework assessment; recognition of departmental leadership on administrative and management issues; progress in program and policy renewal; level of integration of corporate systems into decision-making processes; increase in number of political, economic relations and public affairs officers abroad; agreement of federal partners on special operating agency concept.

All the performance indicators noted above are referenced in the pages that follow. In addition, this report identifies numerous Internet sites at which readers can find verification of information provided as well as more details about virtually all aspects of the department and its activities.

The following graph shows the logic model for the department at a glance, identifying:

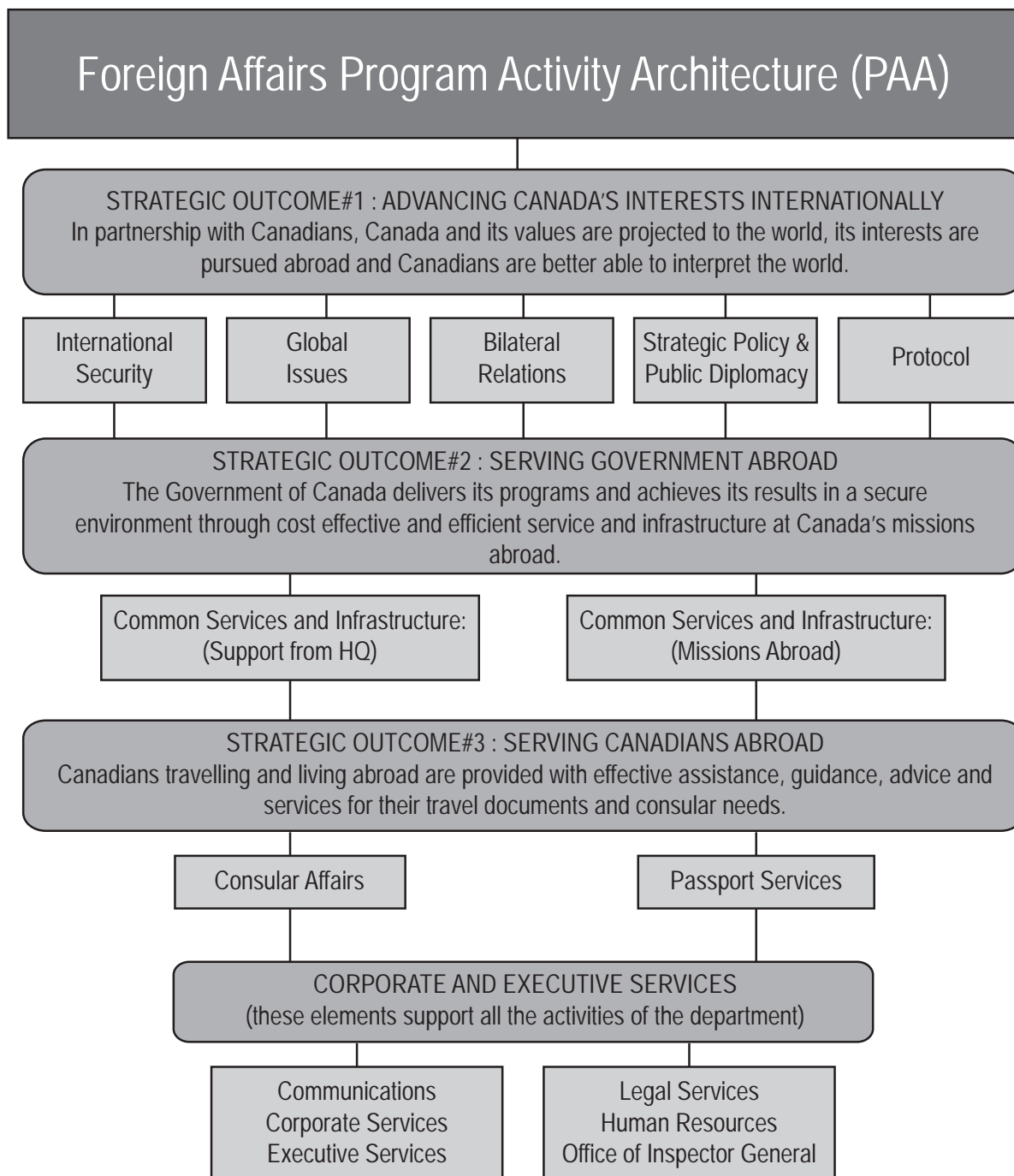
- the strategic outcomes (short-, medium- and longer-term);
- the way in which program activities support them; and
- the way in which human and financial resources are correspondingly allocated.



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3.2 Foreign Affairs Program Activities by Strategic Outcome

This section explains how each program activity (or program or service) supports the department's plans, priorities and expected results identified in Part III, section 3.1. The following graph shows the department's foreign affairs-related Program Activity Architecture.



3.2.1 Strategic Outcome: Advancing Canada's Interests Internationally

3.2.1.1 Program Activity: Strategic Policy and Public Diplomacy

3.2.1.1.1 Description of Program Activity and Related Planning Context

Program Activity: leading the formulation of Canada's overall international policy and the interdepartmental development of whole-of-government strategies, including public diplomacy.

In carrying out this activity, the department:

- provides strategic policy analysis on a wide range of emerging and global issues;
- develops and implements a corporate research agenda focused on issues of growing interest to government, including evolving geopolitics (emergence of Brazil, Russia, India and China), state failure and changing global demographics;
- develops and coordinates international policy throughout its operations, as well as in collaboration with missions abroad, other government departments and other foreign ministries;
- ensures its policies reflect whole-of-government priorities and objectives, taking fully into account the international security agenda and emerging global issues that have the potential to affect Canada;
- provides strategic direction for Canada's international public diplomacy and advocacy activities and develops and implements the department's Public Diplomacy Strategy, which is designed to showcase Canadian achievements and advance Canadian interests abroad, while engaging Canadians at home in advancing the country's foreign policy and international objectives; and
- builds and strengthens its relationships with partners through means such as initiatives to enhance cooperation with the provinces and territories on international issues of interest to them and through policy planning dialogues with other foreign ministries on global issues. In the April 2006 Speech from the Throne, the government indicated that it will "facilitate provincial participation in the development of Canadian positions that affect areas of provincial responsibility." It also noted that it "recognizes the special cultural responsibilities of the Government of Quebec," inviting it to play a greater role within the Canadian delegation at UNESCO (the United Nations Educational, Scientific and Cultural Organization). In May 2006, the Prime Minister and the Premier of Quebec signed an agreement establishing a range of new and unprecedented mechanisms, which will guarantee a more important and cooperative role for Quebec within UNESCO, an organization that often addresses linguistic and cultural issues (see details of the agreement at <http://www.pm.gc.ca/eng/media.asp?id=1153>).

This activity contributes to the department's objectives of advancing and defending Canadian interests internationally by bringing coherence to the department's strategic policy development and priority setting, developing and coordinating its public diplomacy activities to help promote an international environment predisposed to Canadian values and interests and increasing the understanding of Canadians about global issues and foreign policy.

The activity listed above also delivers real benefits to Canadians by:

- contributing to the government's ability to deliver a coherent international policy, reflecting a whole-of-government, whole-of-Canada approach that is responsive to evolving global realities and that takes into account any emerging global issues with the potential to affect Canada;

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- advancing Canada's interests through the use of targeted, coordinated advocacy strategies;
- building a positive, modern image of Canada, which enhances the country's influence internationally and supports dialogue on crucial global issues;
- contributing to global peace and security as well as strengthening Canada's relationships with rising powers through ongoing cooperation and dialogue;
- expressing Canada's global citizenship by addressing important issues related to sustainable development, education, cultural diversity, youth and values through dialogue, research and cooperation; and
- engaging Canadians in foreign policy and enabling them to contribute to projecting Canada abroad.

Planning Context: The following factors affect the strategic planning and public diplomacy functions of the department:

- the growing interdependence of domestic and international interests and the corresponding need to address this issue in developing and promoting foreign policy;
- the increasing number of federal departments and agencies that are becoming active internationally, which emphasizes the need for this department to lead and coordinate overall Canadian approaches to international relations, acting as a central agency to build policy coherence;
- the necessity for clearly targeted and highly focused messaging in order to garner attention in an international environment dominated by 24-hour electronic communications; and
- the need to build international influence through dialogue, profile raising and the expansion of networks of opinion leaders and decision makers in key countries.

The department manages significant grant and contribution programs related to its strategic policy and public diplomacy programs, including grants in aid of academic and cultural relations. Most of these programs help increase international awareness of Canadian distinctiveness and culture, while helping to articulate Canadian attitudes and positions in foreign media, business, cultural and academic circles. These programs also help young Canadians to travel and work abroad, which not only enriches their own experiences but also benefits the host countries. In 2006-2007, the department will spend just over \$22 million on these grant and contribution programs.

3.2.1.1.2 Plans and Priorities for the Strategic Policy and Public Diplomacy Program Activity

The priorities are:

- greater collaboration with the United States and increased cooperation with hemispheric partners, leading to greater security and prosperity;
- a revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes;
- greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China; and
- a foreign ministry that is recognized as modern and agile.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by taking the following actions:

Greater collaboration with the United States and increased cooperation with all hemispheric partners, leading to greater security and prosperity

- The department will continue to support the growing role of the Foundation for Educational Exchange between Canada and the United States in promoting relations between the two countries. This foundation, supported by the department and the United States Department of State, engages Canadian and American scholars in exchanges consistent with the highest standards of academic excellence.
- Support for Canadian studies in the United States and Mexico will continue to be a major means of promoting knowledge of Canada throughout North America among academics, students and key audiences through research, student mobility, curriculum development and hosting of conferences. The department will also work closely with the Network for North American Studies in Canada (NNASC), a new initiative of the Foundation for Educational Exchange.
- The department will promote further academic exchanges with Mexico.
- It will promote programs of youth mobility, dialogue, connectivity and partnership, as well as develop other linkages among existing networks targeted to international policy priorities and emerging issues in order to foster ideas exchange and dialogue.
- It will support bilateral and trilateral cultural and educational programming to foster dialogue and understanding among North American Free Trade Agreement (NAFTA) partners, including issues related to human capital.
- It will advance Canadian interests through the use of targeted, whole-of-government advocacy strategies on issues of bilateral and trilateral importance.

Together, these initiatives will help encourage greater dialogue and understanding among Canadians, Americans and Mexicans.

A revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes

- The department will leverage the impact of government and non-governmental actors to create synergies and share information to promote collaboration and coordination in international democracy assistance. This will result in a more focused and better coordinated Canadian contribution to democratic development internationally.
- It will develop Canadian positions on cultural diversity that Canada hopes UNESCO will adopt. These will serve as an example to other countries in terms of the importance of cultural diversity.
- In 2007-2008, the international polar research community will celebrate the 125th anniversary of the first International Polar Year (IPY) and the 50th anniversary of the International Geophysical Year (IGY). These two initiatives have brought significant new insights into global processes and laid the foundation for decades of invaluable polar research. An intense global campaign of coordinated polar observations and analysis will be bipolar in focus, multidisciplinary in scope and international in terms of participation. Canadian IPY activities will address both the Arctic and Antarctica, involve scientists from a range of disciplines and maintain a focus on compelling scientific questions.

A greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China

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- The department will increase the number of exchanges and discussions with rising powers, particularly Brazil, Russia, India and China, on a variety of sociopolitical and economic topics, leading to strengthened relationships.

A foreign ministry that is recognized as modern and agile

- In collaboration with federal partners, the department will provide an annual international policy update to Parliament. It will be used by the department and its federal partners to help assess their related performance. This update will also be used as a tool for debate, serving to inform Canada's international priorities in the future.
- It will transfer additional positions from Headquarters in Ottawa to missions abroad in order to achieve the target of having 50 percent of the Foreign Service working outside Canada by 2010.
- It will use the country strategy process to task Heads of Missions with coordination of overall government policy at missions abroad.
- It will expand use of the federal/provincial/territorial (FPT) consultative mechanism.
- It will work with FPT partners to increase international awareness of Canada and its values through enhanced cooperation with other federal states.
- It will encourage the provinces and territories to send representatives as members of Canadian delegations to international meetings in which they have a direct interest.
- It will assist the international activities of municipalities, while helping to identify and act on new areas of cooperation.
- In preparing material for meetings of the Cabinet Committee on Foreign Affairs and National Security as well as interdepartmental committees chaired by the Deputy Minister, the department will provide more effective government-wide leadership and coordination with respect to international policy.

The following initiatives will enable Canadians to be better informed about, and more engaged in, international policy:

- The department will further develop an interactive website (<http://www.dfait-maeci.gc.ca/cip-pic/menu-en.asp>) to support broad public participation in the development and communication of Canada's international policies. This site explains Canada's foreign policy, provides an opportunity for discussion and serves as the principal resource for information on current and past Canadian foreign policy.
- It will use its Foreign Policy Dialogue Program to promote informed public dialogue on Canada's international policy through support for conferences and roundtables in Canada. This program will also build capacity for policy analysis and independent advice on foreign policy.
- It will use its Citizen Diplomacy Program to enhance awareness and understanding of international issues, create and support international networks, and raise Canada's international profile through targeted assistance for the international activities of Canadians and Canadian organizations.
- It will use its Model Multilateral Assemblies Program to enhance youth experience in, and knowledge of, multilateral institutions. It will support their participation in model multilateral simulations, such as that of the UN. It will also host such events in Canada.
- It will increase awareness of departmental programming in the cultural community across Canada through the Canadian cultural outreach strategy, while more actively engaging with Canadian arts and cultural groups. The department will also explore ways to help artists and artistic groups gain greater access to international markets.

The following initiatives will enable better integration and management of public diplomacy resources:

- The department will pursue a comprehensive public diplomacy strategy that builds long-term relationships, raises Canada's profile, delivers targeted advocacy campaigns abroad, advances Canada's interests and better engages Canadians. This will more directly link mission activities to Canada's foreign policy priorities and allow more rigorous evaluation of these activities against measurable benchmarks identified in the strategy.
- It will work with other federal departments, the provinces, territories and other stakeholders to develop an international education strategy.
- It will promote increased people-to-people links and facilitate academic and youth mobility through framework agreements.
- The department will provide a clear indication to the provinces and territories on its approach to more effective collaboration across regions and sectors through the launch of new domestic outreach programs to support public diplomacy and engagement of Canadians in discussion of foreign policy.
- It will disseminate research and engage the policy research community in Canada and abroad.
- It will use advocacy as a foreign policy tool to advance Canada's interests.

As part of the overall transformation agenda, the Strategic Policy and Public Diplomacy program activity will:

- target training at the Canadian Foreign Service Institute, while attracting and retaining more Headquarters and locally engaged staff with policy and project management experience; and
- increase capacity in economic policy so that socioeconomic issues are addressed in foreign policy development.

3.2.1.1.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	46.4	41.7	41.6

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	162	162	162

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The department continues to link its human resources and business planning throughout its operations. It has developed a plan, which addresses human resources requirements and responds to concerns expressed in employee surveys. It focuses on four key areas: innovative leadership, an aligned organization, a skilled workforce and an enabling workplace. In addition, the department has produced a new planning template for human resources to be used in the forthcoming business planning cycle. It connects anticipated human resources needs and identified issues and risks for each program activity with the department's overall strategic direction. To avoid repetition, the points contained in this paragraph will not be repeated under each of the department's program activities.

3.2.1.1.4 Performance Monitoring

Strategic Priority 1: Greater collaboration with the United States and increased cooperation with all hemispheric partners

Key Priority Indicators: Milestones achieved marking negotiation progress; increased cooperation on a range of government activity to advance Canadian interests and promote better understanding of Canada's relations with the United States and Mexico; more agreements and fewer disputes; increasing number of staff posted to missions and collaborative networks

1- to 3-year planned outcomes

- Greater dialogue and understanding among Canadians, Americans and Mexicans

As demonstrated by

- Number of conferences, seminars, workshops and lectures targeted to bilateral, trilateral and international policy priorities and emerging issues, for the purpose of fostering ideas and dialogue
- Number and range of allies in Canada, the United States and Mexico
- Number of new Fulbright awards (grants for Canadian and American scholars to encourage and broaden research on subjects pertaining to the relationship between the two countries)
- Number of advocacy strategies developed and implemented
- Number of visits to departmental websites related to North America
- Implementation and results of wide-ranging activities captured in the weekly Canada-United States Advocacy Report Card (a widely distributed weekly publication providing information on the activities of Canadian missions in the United States as well as policy updates on key bilateral issues)
- Increased opportunities for dialogue and exchange, including with parliamentary groups, provinces, academics, researchers etc.
- Number and reach of programs and activities that promote the study of Canada in United States and Mexico and academic, student and youth mobility exchanges

Strategic Priority 3: A revitalized multilateralism

Key Priority Indicators: Level of success in creating a whole-of-government platform to advance global issues and the human security agenda

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|--|
| <ul style="list-style-type: none"> • Canada's contributions to democratic development internationally are more focused and better coordinated | <ul style="list-style-type: none"> • Establishment of a coordinating mechanism for arm's-length and democracy organizations |
|--|--|

Strategic Priority 4: Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China

Key Priority Indicators: Milestones achieved marking negotiations

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|--|
| <ul style="list-style-type: none"> • Strengthened relationship with rising powers (e.g. Brazil, Russia, India, China) | <ul style="list-style-type: none"> • Number of exchanges between Brazil, Russia, India, China |
|--|--|

Strategic Priority 6: A modern foreign ministry

Key Priority Indicators: Treasury Board Secretariat's Management Accountability Framework assessment; recognition of departmental leadership on administrative and management issues; progress in program and policy renewal; level of integration of corporate systems into decision-making processes; increase in number of political, economic relations and public affairs officers abroad

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|--|
| <ul style="list-style-type: none"> • More effective leadership of, and coherence on, international policy issues and strategies | <ul style="list-style-type: none"> • Whole-of-government country strategy planning process in place throughout the department and missions abroad • Extent to which Heads of Missions are able to coordinate their activities through HOM mandate letters and performance management agreements, using country strategies; level of satisfaction of stakeholders with country strategy process |
| <ul style="list-style-type: none"> • Better integration and management of the department's public diplomacy resources | <ul style="list-style-type: none"> • Development and implementation of comprehensive public diplomacy strategy |
| <ul style="list-style-type: none"> • Canadians better informed about, and more engaged in, international policy | <ul style="list-style-type: none"> • Number of new domestic outreach programs; extent to which Canadians provide input into discussion of Canadian foreign policy through tools such as the Internet |
| <ul style="list-style-type: none"> • Greater program, policy and project management capacity, both at Headquarters and at missions abroad | <ul style="list-style-type: none"> • Level of satisfaction of stakeholders and clients with policy and project management advice |

3.2.1.2 Program Activity: International Security

3.2.1.2.1 Description of Program Activity and Related Planning Context

Program Activity: advocating Canadian international security interests and human security program interests bilaterally and multilaterally, as well as managing the department's responsibilities with respect to security and intelligence.

In carrying out this activity, the department:

- leads and coordinates government-wide efforts on critical security issues such as continental defence and security; counterterrorism; counter-narcotics; non-proliferation, arms control and disarmament; stabilization and reconstruction efforts in failed and fragile states; responses to natural disasters; ongoing efforts to ban anti-personnel mines; defence and security relations with countries outside North America; and transnational organized crime;
- promotes Canadian interests in multilateral, regional and bilateral defence and security relations; and
- develops and implements strategies and policies on peacebuilding, peace support, intelligence cooperation, humanitarian affairs, conflict prevention and the security of personnel and assets at Canada's missions abroad.

The government has made available to the department new current year resources for further security enhancements abroad and global peace and security initiatives, including the Stabilization and Reconstruction Task Force. START will provide timely and coordinated whole-of-government responses to international crises (natural and human-made).

In pursuing Canada's international security agenda, the department makes use of the full range of Canada's diplomatic tools and assets, notably its network of missions, which include the country's representation at NATO in Brussels, the UN in Vienna and the Organization for Security and Cooperation in Europe (OSCE) in Vienna.

The department also collaborates on security issues with a wide range of federal partners, including the Department of National Defence, Public Safety and Emergency Preparedness Canada, the Canadian Security Intelligence Service (CSIS) and the Royal Canadian Mounted Police (RCMP) as well as with other levels of government across the country and members of civil society. In addition, the department works on security matters with like-minded nations and multilateral and other international organizations.

Planning Context: There are a number of significant security issues facing the international community, including:

- an increase in the number of failed and fragile states such as Sudan, Haiti and Afghanistan;
- threats posed by proliferation of weapons of mass destruction (nuclear, biological, chemical), including those from non-state actors; and
- ongoing incidents of terrorism, such as the recent attacks on Canadians in Afghanistan since January 2006.

These threats have sharply increased the potential impact of distant conflicts on Canada and Canadians.

Additional factors affecting Canada's efforts in international peace and security include the considerable influence of the United States in world affairs and its preoccupation with security in the post-9/11 environment; the role of rising powers such as Brazil, Russia, India and China; the growing intensity and impact of natural disasters; and the ongoing debate about the effectiveness of multilateral organizations like the UN in dealing with global security.

The department manages nearly \$175 million in grant and contribution programs related to security. These include:

- assessed contributions (fees to cover Canada's membership in international organizations such as the International Atomic

Energy Agency, the Comprehensive Nuclear Test Ban Treaty Organization and the Organization for Security and Cooperation in Europe); and

- discretionary grant and contribution programs to advance Canada's interests internationally, including the Global Partnership Program, which helps Canada honour its commitments to the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

3.2.1.2.2 Plans and Priorities for the International Security Program Activity

The priorities are:

- greater collaboration with the United States and increased cooperation with all hemispheric partners, leading to greater security and prosperity;
- a more secure world, safer from the threats of failed and fragile states, terrorism, transnational crime, drugs, corruption and weapons of mass destruction;
- a revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes;
- greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China; and
- a foreign ministry that is recognized as modern and agile.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by taking the following actions:

Greater collaboration with the United States and increased cooperation with all hemispheric partners, leading to greater security and prosperity

- In May 2006, Canada and the United States renewed the NORAD (North American Aerospace Defense Command) Agreement. Canada's ongoing participation in NORAD will continue to protect Canadian interests and sovereignty.
- It will review the recommendations of the Bi-national Planning Group regarding continental defence and security cooperation. The Bi-national Planning Group, whose mandate expires in May 2006, was created to bring together Canadian and American officials to work on contingency plans for defending against, and responding to, possible threats in Canada and the United States, including natural disasters and potential terrorist attacks (<http://www.canadianally.com/ca>).
- It will continue to increase awareness among United States authorities of actions taken by Canada in the fight against drugs, to counter the perception that Canada is "soft" on drugs.
- The department will work with stakeholders in the provinces and territories, business groups and non-governmental organizations to advance the Government of Canada's Official Comment on the Western Hemisphere Travel Initiative (WHTI), http://www.dfait-maeci.gc.ca/can-am/main/right_nav/whti_comment-en.asp.
- It will pursue greater Canada-United States collaboration on efforts to address crime and terrorism through international institutions.
- It will pursue initiatives on bilateral and trilateral cooperation in areas of peace and security, including work with other departments on border and trans-border issues such as terrorism, natural disasters and pandemic preparedness.

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- It will enhance dialogue with Mexico on security issues.

The initiatives under this strategic priority will help strengthen cooperation with the United States on border, transboundary and security issues.

A more secure world, safer from the threats of failed and fragile states, terrorism, transnational crime and weapons of mass destruction

A number of activities undertaken under this priority will help to improve the political and economic stability of failed and fragile states, as follows:

- The department will leverage Canadian influence in the G8, NATO, the UN and regional organizations to strengthen their emergency response and peace support capabilities. The Prime Minister will most probably take part in NATO's November 2006 Summit in Riga, Latvia, where discussions will focus on the political and military transformation of NATO. Canada supports NATO's new agenda and its mission in Afghanistan. In April 2006, Foreign Minister MacKay attended the NATO Foreign Ministers' meeting in Bulgaria, at which a wide range of security issues were discussed and preparations for the upcoming NATO Summit were reviewed. During discussions on the importance of building stability in Iraq, Minister MacKay announced that Canada will provide \$1.5 million over two years to the NATO trust fund for training Iraqi security forces. On May 17, 2006, following a House of Commons debate, members of Parliament approved extension of Canada's military mission to Afghanistan.
- The department will continue to work with the United States and other nations supporting the Global Partnership Program's efforts to reduce the threat posed by weapons of mass destruction.
- It will play a key role, through Canada's peace support operations, in providing stability to troubled regions of the world. Canada will continue to play a significant role in Afghanistan, where it is making important diplomatic, defence and development contributions to stabilization and reconstruction efforts through the Canadian Embassy in Kabul and the Provincial Reconstruction Team in Kandahar.
- The government will ask parliamentarians to conduct a comprehensive review of the Anti-Terrorism Act. It takes aim at terrorist organizations and assists the Government of Canada to meet the extraordinary challenges that terrorism poses. It contains numerous safeguards, which include an important requirement that Parliament comprehensively review its provisions and operation after three years. The original legislation, introduced jointly by the Ministers of Justice, the Solicitor General and the Minister of Foreign Affairs, was passed in December 2001. This review, begun in 2004, was interrupted by the dissolution of Parliament in November 2005.
- The department will support ongoing RCMP deployments and peace support operations in Haiti, with a focus on police and other security-sector reform.
- It will work toward a coordinated Canadian response to the political and humanitarian crisis in Darfur, including capacity building for regional organizations to conduct peace support operations and implementation of the peace agreement through the UN Peacekeeping Office. In May 2006, talks led by the African Union resulted in achievement of the Darfur Peace Agreement. Canada worked closely with the African Union, the European Union, the United Kingdom and the United States in brokering the agreement during the final days of negotiations. Also in May, Prime Minister Harper announced that Canada is immediately increasing financial support for Sudan by \$40 million—\$20 million for urgent humanitarian needs and \$20 million to enhance the ability of the African Union Mission in Sudan to assist in initial implementation of the peace agreement and lay the groundwork for a successful transition to a UN mission.
- It will promote stability in Kosovo and in Bosnia and Herzegovina.

- It will support the design and implementation of the G8 peacekeeping capacity-building program to ensure that there are enough peacekeepers to intervene in these types of humanitarian situations.
- It will help increase the capacity of developing states to prevent and respond to terrorist activity, in a manner consistent with international counterterrorism and human rights norms, through the Counter-Terrorism Capacity Building Program. This program, which is led by the department, involves over 15 federal departments and agencies. It will increase the capacity of developing states to counter terrorism, corruption and transnational crime.
- The department will work closely with the United States in its Proliferation Security Initiative (PSI) to improve information sharing and military and police capacities to interdict weapons of mass destruction. PSI participants share a common objective: to prevent the proliferation of weapons of mass destruction, their delivery systems and related materials in order to enhance international security.
- The department will complete and implement the G8 Secure and Facilitated Travel (SAFTI) agenda to further improve the security of international travel and transportation, including measures to protect rail, mass transit and civil aviation systems.
- It will prepare for Canadian ratification of the UN Convention Against Corruption by June 2006 (see http://www.unodc.org/unodc/en/crime_convention_corruption.html), as well as the International Convention for the Suppression of Acts of Nuclear Terrorism and the amendment to the Convention on the Physical Protection of Nuclear Material.
- It will continue to lead the interdepartmental process for the listing of terrorist entities under Canadian regulations in accordance with international obligations, including UN Security Council resolutions (UN Suppression of Terrorism Regulations and UN Afghanistan Regulations). Currently, 503 groups are listed under the Canadian regulations.
- It will work with Russia, in that country's current role as chair of the G8, specifically in the G8 Roma/Lyon group on crime and terrorism issues.
- It will work to develop and implement existing international norms and standards in the fight against international crime, illicit drug and human trafficking, and terrorism as well as in relation to human rights and humanitarian law.

A number of initiatives within the International Security program activity are aimed at reducing opportunities for the proliferation of weapons and materials of mass destruction, as follows:

- The department will work to review and update Canada's non-proliferation, arms control and disarmament policies.
- It will work towards strengthening norms, treaties and obligations in non-proliferation, arms control and disarmament (NACD).
- It will place priority on the effective operation of agencies and negotiating forums dealing with NACD issues, such as the International Atomic Energy Agency, the Nuclear Suppliers Group, the Organization for the Prohibition of Chemical Weapons and the UN's Conference on Disarmament.
- It will contribute substantively to the UN Group of Government Experts on Verification, by chairing the group and maintaining Canadian leadership in this important field.
- It will develop ways to integrate mine action into Canada's broader efforts toward sustainable development.
- It will continue to support efforts for a diplomatic solution to the Iran nuclear issue and encourage Iran to comply fully with its multilateral non-proliferation obligations.

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- It will work to advance multilateral disarmament objectives, particularly a Fissile Material Cut-Off Treaty and prevention of an arms race in outer space, at the 2006 UN Conference on Disarmament in Geneva.
- Through the department's Global Partnership Program, Canada will build on its portfolio of cooperation projects in Russia and other states of the former Soviet Union to reduce the risk posed by weapons of mass destruction. Canada will undertake projects in all four priority areas identified by leaders at the 2002 G8 Summit in Kananaskis: destruction of chemical weapons; dismantlement of decommissioned nuclear-powered submarines; disposition of fissile materials; and re-employment of former weapons scientists. Some specific initiatives of this program in 2006-2007 include the following:
 - Eight nuclear reactors will be defueled, three submarines dismantled and three submarines transported to the shipyard at Severodvinsk.
 - Canada will fill a critical niche at the chemical weapons destruction facility at Shchuch'ye in central Russia, where more than 1.9 million artillery shells filled with 5,400 tonnes of deadly nerve agents will be destroyed. Canada's contribution will reach nearly \$100 million: \$33 million for construction of an 18-km railway; \$55 million for the second main destruction building; and \$10 million for construction of several priority industrial infrastructure projects. Canada will also evaluate its support for another chemical weapons destruction facility to enable Russia to meet chemical weapons stockpile destruction deadlines.
 - Canada will implement projects, bilaterally and through the International Atomic Energy Agency, to improve the security of nuclear and radioactive material in Russia and countries of the former Soviet Union.
 - Canada will ensure the non-proliferation of weapons expertise through the International Science and Technology Center in Moscow (ISTC), which funds research and programs that redirect former weapons scientists in Russia and other countries of the former Soviet Union toward peaceful and sustainable research. Up to \$18 million is available to support activities such as research partnerships and collaboration with Canadian researchers, seminars and training to engage former weapons scientists and to undertake research in areas of interest to Canada.
 - Canada will provide assistance and training under the Global Partnership Program to countries seeking to develop and implement improved biosafety and biosecurity standards to ensure the full accounting and safe storage of dangerous biological materials.

In addition, the department announced in April 2006 that Canada is contributing an additional \$8 million to help complete the concrete shelter covering the damaged reactor at the Chernobyl nuclear power plant in Ukraine. The shelter is expected to reduce radiation levels in the region.

A revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes

- The department will work toward adopting guidelines on the use of force under the principle of the *Responsibility to Protect* (R2P) report (see <http://www.iciss.ca/report2-en.asp>). The success of this effort is linked to achieving international consensus and progress on key UN reforms. The theme of the R2P report is that sovereign states have a responsibility to protect their own citizens from avoidable catastrophe but, when they are unwilling or unable to do so, responsibility must be borne by the broader community of states.
- The department will also continue to work in regional and multilateral organizations, such as the G8 and the Organization of American States, as they move towards greater cooperation in the protection of citizens.

A greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China

- The department will develop consultations with Brazil, Russia, India and China on security issues, including counterterrorism and international crime. These discussions will further strengthen Canada's relationships with these rising powers.

A foreign ministry that is recognized as modern and agile

- The department will develop initiatives to strengthen its project management capacity.
- It will work with federal partners to implement and improve whole-of-government delivery of the Counter-Terrorism Capacity Building Program (CTCBP).
- The department will continue to strengthen the security of its employees and missions abroad through methods such as increasing the size of its fleet of armoured vehicles, hiring additional mission security guards, increasing the level of security training for its personnel and providing enhanced secure communications.
- The department will also pursue on a priority basis its next-generation secure communications system, while establishing new property standards that address the changing security environment.
- The department will complete staffing of a Program Services Division within the International Security Branch in order to enhance overall project management practices, support more extensive application of modern comptrollership initiatives and strengthen corporate planning and financial stewardship.

3.2.1.2.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	361.0	315.8	344.5

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	411	411	411

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3.2.1.2.4 Performance Monitoring

Strategic Priority 1: Greater collaboration with the United States and increased cooperation with all hemispheric partners

Key Priority Indicators: Milestones achieved marking negotiation progress

1- to 3-year planned outcomes

As demonstrated by

- | | |
|---|--|
| <ul style="list-style-type: none"> Strengthened cooperation with the United States on border, transboundary and security issues | <ul style="list-style-type: none"> Renewal of the NORAD agreement Agreement by OGDs for DFAIT to host the Bilateral Consultative Group on counterterrorism (made up of senior policy representatives of federal departments and agencies involved in counterterrorism) |
| <ul style="list-style-type: none"> Strengthened North American cooperation on security, prosperity and quality of life issues on key areas of interest to Canada | <ul style="list-style-type: none"> Ongoing strengthening of Canada-Mexico, Canada-United States and trilateral relationships on common security interests |

Strategic Priority 2: A more secure world for Canada and Canadians

Key Priority Indicators: Increased international recognition of Canadian security assistance; tangible elimination of weapons and materials of mass destruction; increased capacity to plan and deliver whole-of-government responses to international crises; increased knowledge and capacity of developing states to take necessary measures to counter terrorism, corruption and transnational crime

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|---|
| <ul style="list-style-type: none"> Improved political and economic stability of failed and fragile states such as Afghanistan, Haiti, Sudan and states in the Middle East | <ul style="list-style-type: none"> Support within G8, NATO, the UN and regional organizations for Canadian positions related to response and peace support capabilities |
| <ul style="list-style-type: none"> Increased capacity of developing states to counter terrorism, corruption and transnational crime | <ul style="list-style-type: none"> Increased expertise in developing states on the latest counterterrorism, anti-corruption and transnational crime measures |
| <ul style="list-style-type: none"> More timely, coordinated, whole-of-government responses to international crises | <ul style="list-style-type: none"> Extent to which new government resources are deployed rapidly to respond to international crises and enhanced security measures |
| <ul style="list-style-type: none"> Reduced opportunities for the proliferation of weapons and materials of mass destruction | <ul style="list-style-type: none"> Amount of such material destroyed Increasing numbers of former weapons scientists employed in other activities Extent to which decisions of the International Atomic Energy |

Strategic Priority 3: A revitalized multilateralism

Key Priority Indicators: Pace of UN reforms

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|---|
| <ul style="list-style-type: none"> • International consensus achieved and progress made on key UN reforms | <ul style="list-style-type: none"> • Degree to which recommendations of the <i>Responsibility to Protect</i> are implemented |
|--|---|

Strategic Priority 4: Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China

Key Priority Indicators: Milestones achieved marking negotiation progress

1- to 3-year planned outcomes

As demonstrated by

- | | |
|---|---|
| <ul style="list-style-type: none"> • Strengthened relationships with rising powers (Brazil, Russia, India and China) | <ul style="list-style-type: none"> • Number of exchanges between Canada and Brazil, Russia, India and China • Number of agreements reached on a variety of socioeconomic and cultural issues • Results of bilateral consultations with Brazil, Russia, India and China on international security |
|---|---|

Strategic Priority 6: A modern foreign ministry

Key Priority Indicators: Treasury Board Secretariat's Management Accountability Framework assessment; recognition of departmental leadership on administrative and management issues; progress in program and policy renewal; level of integration of corporate systems into decision-making processes

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|---|
| <ul style="list-style-type: none"> • Greater program, policy and project management capacity, both at Headquarters and at missions abroad | <ul style="list-style-type: none"> • Level of satisfaction of stakeholders and clients with policy and project management advice |
|--|---|

3.2.1.3 Program Activity: Global Issues

3.2.1.3.1 Description of Program Activity and Related Planning Context

Program Activity: advocating a stronger and more effective multilateral system, capable of addressing Canada's interests in global issues, particularly international economic relations and development, the environment and sustainable development, human rights and human security.

In carrying out this activity, the department:

- promotes a reinvigorated, results-oriented multilateralism at home and abroad, focused on advancing human security, supporting more effective sustainable development strategies, strengthening international development, as well as helping to modernize and mobilize multilateral institutions to ensure they are more effective in addressing global issues;
- leads and coordinates Canada's involvement in multilateral organizations from a whole-of-government perspective;
- promotes Canada's international objectives through its membership in multilateral organizations;
- provides strategic analysis and advice to the government on key international issues; and
- implements the Northern Dimension of Canada's Foreign Policy (http://www.dfait-maeci.gc.ca/circumpolar/sec06_ndfp_rpt-en.asp) and the international components of Canada's Aboriginal policies.

In carrying out its activities related to global issues, the department works closely with Canada's UN missions in New York City and Geneva as well as its missions to UNESCO and the Organization for Economic Cooperation and Development (OECD), both in Paris.

Planning Context: Canada's prosperity and security are more directly affected by international trends and events than ever before. Serious issues confront the international community, including the impacts of migration, the transnational spread of infectious diseases, longer-term energy security and the need for reform of multilateral organizations to keep pace with the shifting global environment and the growing number of players on global issues at home and abroad.

In this context, progress in achieving key Canadian objectives can seem ponderously slow. Hence, Canada remains focused on medium- to longer-term objectives and solutions, while remaining agile enough to manage immediate and short-term issues.

It is essential for the department to collaborate extensively with a full range of partners, including other federal departments and agencies, other levels of government across the country, the private sector, non-governmental organizations, the academic community and think tanks. Internationally, the department collaborates, *inter-alia*, on global issues with UN organizations, the G8, the Commonwealth, La Francophonie, the OECD and the Asia-Pacific Economic Cooperation forum and the Secretariats of the key Multilateral Environment Agreements (MEAs).

3.2.1.3.2 Plans and Priorities for the Global Issues Program Activity

The priorities are:

- A more secure world for Canada and Canadians, safer from the threats of failed and fragile states, terrorism, transnational crime and weapons of mass destruction;

- a revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes; and
- a foreign ministry that is recognized as modern and agile.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by taking the following actions:

A more secure world for Canada and Canadians, safer from the threats of failed and fragile states, terrorism, transnational crime and weapons of mass destruction

- The department will promote timely and effective international humanitarian action that enhances the rights and well-being of crisis-affected populations, by ensuring Canada's engagement in, and support for, efforts to strengthen the UN's humanitarian architecture in the field and at Headquarters.
- The department will develop and advance policies aimed at promoting and protecting human rights and humanitarian law through measures such as support for the newly established UN Human Rights Council. In March 2006, Canada welcomed the decision by the UN General Assembly to establish the Human Rights Council to replace the Commission on Human Rights. In May 2006, Canada was elected as one of 47 members of this new council. Canada's term will be for three years, while a number of other members will only serve one- or two-year terms.
- The department will promote agreement on ambitious counterterrorism, non-proliferation and health security commitments and standards at APEC, G8 summits and ministerial meetings and encourage implementation of past commitments in these areas.
- It will consolidate the evolution of APEC as a forum at which Canada can promote its security interests.

A revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes

- The department will work to codify and implement the key elements of the Responsibility to Protect concept, having secured its international endorsement at the September 2005 UN Summit. These elements include monitoring, reporting, training and capacity-building requirements related to the protection of civilians. These measures will further strengthen international consensus and progress on Canada's Responsibility to Protect agenda.
- It will contribute to planning related to the succession of the UN Secretary-General and promote the adoption of a more transparent and consultative selection mechanism.
- It will work with like-minded countries to advance management reform of the UN and eliminate overlap and duplication in the system.
- It will contribute to streamlining of La Francophonie and implementation of its 10-year strategic plan.
- It will lead development of strategies to advance Canadian interests at UN specialized agencies.
- It will build support for Canada's election to the Security Council in 2011-2012.
- It will work towards a UN Comprehensive Convention on International Terrorism.
- It will start developing strategies to advance Canadian interests at the next Francophonie Summit in Bucharest (2006)

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and initiate consultations with the provinces on the Francophonie Summit in Quebec City (2008).

- It will ensure a successful re-launch of the Paris Pact initiative to advance international cooperation to disrupt drug routes from Afghanistan. The Paris Pact is a partnership of countries affected by opium from Afghanistan.
- It will continue work in the Organization of American States, the Organization for Security and Cooperation in Europe, the Asia-Pacific Economic Cooperation forum and the Association of Southeast Asian Nations Regional Forum to further security cooperation.

A number of initiatives related to this program activity are aimed at developing and implementing a whole-of-government agenda on global issues that advances Canadian objectives in areas such as migration, health, energy security, cities and the environment. Following are some of the key initiatives for the planning period:

- The department will explore approaches to address the urban dimensions of conflict.
- It will explore approaches to address the linkages between health issues and all elements of the human security agenda.
- It will continue to work with signatories to develop and implement instruments on crime, human smuggling and firearms and foster international cooperation on issues such as capacity building.
- It will ensure a successful launch and first conference of parties to the new UN Convention Against Corruption.
- It will promote a whole-of-government approach to women, peace and security through measures such as development of a national action plan on implementation of Security Council Resolution 1325. This resolution, passed unanimously in 2000, is the first ever passed by the UN Security Council to specifically address the impact of war on women and women's contributions to conflict resolution and sustainable peace.
- It will promote greater global attention to the importance of disaster risk reduction, both bilaterally and multilaterally, including the international financial institutions.
- It will develop mechanisms to hold accountable those whose economic transactions violate international humanitarian rights or law.
- It will promote constructive state engagement to improve migrants' human rights and mitigate the negative impacts of migration on developing countries. Areas that Canada will focus on include migrant smuggling and trafficking, implications of healthcare worker migration, remittance and capacity building.
- It will strengthen its capacity to understand evolving energy markets to help support the Prime Minister's G8 summitry, better track the geopolitics of energy and contribute to better policy making with regard to climate change. The federal government is working towards a "Made-in-Canada" approach to clean up the air and reduce greenhouse gas emissions.
- It will work to promote a whole-of-government approach to the global dimensions of HIV/AIDS, in cooperation with Canadian and international civil societies, and work to ensure that the XVI International AIDS Conference in Toronto, the world's largest meeting on this issue, is a success.
- It will promote a whole-of-government approach to global pandemics and work to strengthen Canada's international and domestic pandemic preparedness plans.

- It will promote agreement on sustainable development and democratic development commitments and standards at APEC and G8 summits and ministerial meetings as well as at meetings of international financial institutions, on issues within the mandates of these organizations.
- It will coordinate Canadian sustainable development, economic prosperity and democratic development capacity-building initiatives in the G8 and APEC, in particular to promote implementation of their security commitments by all members.
- It will work with Fisheries and Oceans Canada to combat overfishing more effectively through changes to the international governance regime for high-seas fisheries.
- It will investigate the potential for a legally binding instrument on forests among like-minded countries disillusioned by the lack of progress within the UN Forum on Forests (<http://www.un.org/esa/forests/about.html>).
- It will seek additional global funding to improve access to safe drinking water and sanitation, as well as improved multilateral coordination, by fostering the role of regional development banks on this issue. Canada will also promote transboundary water-basin management cooperation programs in a number of disputed water systems.
- It will support efforts of the Organization for Security and Cooperation in Europe to provide assistance in legal and electoral reform, good governance and democratic development.
- It will develop practical ways to reduce human security threats related to small arms and light weapons proliferation. Part of these efforts will focus on the UN Small Arms and Light Weapons Review Conference, which will provide an avenue for the renewed human security agenda that Canada will advance internationally.
- It will promote ratification and implementation of the Rome Statute of the International Criminal Court by more countries. The statute will strengthen the international framework on criminal matters.

A foreign ministry that is recognized as modern and agile

The Global Issues program activity plays a part in the transformation agenda of the department. The following initiatives will help the department provide more effective leadership and coherence on international policy issues and strategy, better inform and engage Canadians in international policy, and provide greater program, policy and economic analysis capacity at both Headquarters and abroad.

- The department will integrate interdepartmentally agreed Canadian policy positions into analysis and advice provided to the G8 Sherpa and the APEC Senior Official.
- It will hold departmental and interdepartmental consultations to determine Canadian policies and priorities within the multilateral economic organizations (APEC, G8 and OECD), and maintain regular, ongoing contact with other federal departments.
- It will hold regular consultations, including annual events on peacebuilding, human rights and humanitarian affairs, continued dialogue with Aboriginal organizations and continued dialogue on circumpolar issues.
- It will continue support for, and close collaboration with, Canadian non-governmental organizations and academics as well as key international partners.
- It will work to integrate a gender analysis more systematically into global issues policies, programs and activities.
- It will work with Canada's network of economic and finance counsellors at missions abroad to ensure the provision of high-quality, relevant economic reporting through regular contact and interaction at the annual Economic and Finance Counsellors Meeting. Held each year in March, this meeting is organized by the department, with federal partners such

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as the Department of Finance Canada, and attended by members of this department's staff from both Headquarters and missions abroad.

- It will work to improve and entrench interdepartmental coordination so that monies from the International Assistance Envelope of the federal budget are allocated to policy priorities in a coherent, transparent manner.
- It will work to increase the economic literacy of department's staff through a series of outreach discussions on international economic issues.

3.2.1.3.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	513.0	542.3	529.9

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalent	470	470	470

Strategic Priority 2: A more secure world for Canada and Canadians

Key Priority Indicators: Increased international recognition of Canadian security assistance; tangible elimination of weapons and materials of mass destruction; increased capacity to plan and deliver whole-of-government responses to international crises; increased knowledge and capacity of developing states to take necessary measures to counter terrorism, corruption and transnational crime

1- to 3-year planned outcomes

- Increased capacity of developing states to counter terrorism, corruption and transnational crime

As demonstrated by

- Increased expertise in developing states on latest counterterrorism, anti-corruption and transnational crime measures

Strategic Priority 3: A revitalized multilateralism

Key Priority Indicators: Pace of UN reforms; level of international acceptance of Canadian global issues and human security agenda; level of success in creating a whole-of-government platform to advance global issues and human security agenda

1- to 3-year planned outcomes

As demonstrated by

- | | |
|---|--|
| <ul style="list-style-type: none"> • International consensus achieved and progress made on key UN reforms | <ul style="list-style-type: none"> • Creation of a peacebuilding commission at the UN • Creation of a human rights council at the UN • The degree to which recommendations of the <i>Responsibility to Protect</i> report are implemented • Adoption by the UN of modern management methods • Elimination of organizational overlap and duplication at the UN |
| <ul style="list-style-type: none"> • A whole-of-government global issues agenda developed and implemented internationally to advance Canadian objectives on issues such as migration, health, energy security, cities, the environment and sustainable development | <ul style="list-style-type: none"> • Level of progress on individual agenda items: health, energy, security, cities, the environment and sustainable development |
| <ul style="list-style-type: none"> • A renewed human security agenda for Canada is advanced internationally | <ul style="list-style-type: none"> • Agreement on Canada's human security agenda • Forums and countries in which Canada's human security agenda is promoted and supported • Acceptance of new non-traditional elements of human security such as health and urban dimensions of conflict and corporate involvement in war economies |
| <ul style="list-style-type: none"> • A strengthened international framework on criminal matters, with an increasing number of countries ratifying and implementing the Rome Statute of the International Criminal Court | <ul style="list-style-type: none"> • Increasing number of countries ratifying and implementing the Rome Statute on the International Criminal Court |

Strategic Priority 6: A modern foreign ministry

Key Priority Indicators: Treasury Board Secretariat's Management Accountability Framework assessment, recognition of departmental leadership on administrative and management issues; progress in program and policy renewal; level of integration of corporate systems into decision-making processes

1- to 3-year planned outcomes	As demonstrated by
<ul style="list-style-type: none"> • More effective leadership of, and coherence on, international policy issues and strategies 	<ul style="list-style-type: none"> • Whole-of-government country strategy process in place throughout the department and missions abroad • Extent to which Heads of Missions are able to coordinate their activities through HOM mandate letters and performance management agreements, using country strategies; level of satisfaction of stakeholders with country strategy process
<ul style="list-style-type: none"> • Canadians better informed about, and more engaged in, international policy 	<ul style="list-style-type: none"> • Number of new domestic outreach programs; extent to which Canadians provide input into discussion of Canadian foreign policy through tools such as the internet
<ul style="list-style-type: none"> • Greater program, policy and project management capacity, both at Headquarters and at missions abroad 	<ul style="list-style-type: none"> • Level of satisfaction of stakeholders and clients with policy and project management advice
<ul style="list-style-type: none"> • Greater capacity to integrate economic considerations into international policy and activities at home and abroad 	<ul style="list-style-type: none"> • Level of satisfaction of stakeholders and clients, including other government departments, with economic policy analysis • Recruitment and retention of officers with an economic background • Level of integration of economic trends into overall departmental policy design, such as country strategies
<ul style="list-style-type: none"> • Representation abroad is better aligned to reflect shifting distribution of global power and dominance 	<ul style="list-style-type: none"> • Extent to which resources (human and financial) are aligned to mission re-categorization initiative

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3.2.1.4 Program Activity: Bilateral Relations

3.2.1.4.1 Program Sub-Activity: North America Bilateral Relations

3.2.1.4.1.1 Description of Program Sub-Activity and Related Planning Context

Program Activity: conducting and promoting Canada's bilateral diplomatic relations in Canada and abroad.² This activity has two components—North America and Bilateral Relations (the rest of the world).

In carrying out the North American component of this activity, the department:

- manages a network of 23 missions and 13 honorary consuls in the United States and 3 missions and 7 honorary consuls in Mexico, using a whole-of-government approach;
- fosters a strategic approach to Canada's engagement with the United States and Mexico by preparing and delivering a whole-of-government and whole-of-relationship advocacy program in the United States and Mexico;
- provides overall policy direction for the management of Canada's bilateral relationships in North America;
- develops a North American dimension to Canada's agenda with the United States and Mexico;
- continues to be a centre of expertise within the Government of Canada on relations with the United States and Mexico;
- provides a focal point within the Department of Foreign Affairs and International Trade on how the United States and Mexico should factor into Canada's position on multilateral and other broader foreign policy issues; and
- maintains an extensive presence for Canada's missions in North America on its website, providing country statistics and profiles, advice on travel and detailed information on mission priorities and activities.

The department's Enhanced Representation Initiative is a partnership of seven departments and agencies that works to augment advocacy and business development activities in the United States. Under the initiative, launched in 2003, Canada has added new missions, upgraded existing missions, established a network of honorary consuls and provided additional program resources in the United States. Through this initiative the department fosters a strategic, whole-of-government approach to Canada's engagement with the United States

Canada's missions in the United States and Mexico are responsible for program delivery on a national and regional basis. They promote Canadian policy and implement advocacy strategies developed by the department in collaboration with relevant federal partners as well as the provinces and territories. Those partners include Privy Council Office, Public Safety and Emergency Preparedness Canada, Canada Border Services Agency, Fisheries and Oceans Canada, Citizenship and Immigration Canada, Transport Canada and Environment Canada.

Another key element in the government's effort to make Canadian advocacy in the United States more strategic is the Washington Secretariat, located at the Canadian Embassy in Washington, D.C. The secretariat has two units, one supporting the activities of Parliament and the other enhancing provincial representation through measures such as co-location at the embassy. Alberta has been represented at the secretariat since 2005.

²The other components of this program activity—Bilateral Relations (rest of the world)—is discussed in the next subsection (Part III, section 3.2.1.4.2). Details about the combined financial and human resources used by the two components of this program activity are presented in Part III, section 3.2.1.4.2.3.

Through its weekly Advocacy Report Card, the department shares information with partner departments and agencies on upcoming events in the United States and reports on recent initiatives. In addition, the department distributes a quarterly booklet entitled *Key Messages*, which provides communications lines on major bilateral priorities, to federal partners and a wide range of Canadian stakeholders, including provincial and territorial governments and the private sector.

Planning Context: The importance of Canada's relations with the United States cannot be overstated. Canadian foreign policy recognizes the considerable influence of the United States in world affairs as well as Canada's economic interdependence with that country.

The scope and complexity of the Canada-United States relationship means that most federal departments, as well as all provinces and territories and many municipalities, have direct dealings with the United States. Meanwhile, the Mexico-Canada relationship is also gaining in importance, as is the push toward enhanced trilateral cooperation within North America. These factors demand close cooperation and coordination between the department and its full range of partners.

Post-9/11 security considerations, counterterrorism and the war in Iraq continue to dominate the United States agenda. As a result, it has become increasingly difficult to focus attention on, or advance, Canadian interests and issues in the United States.

Mexico is a strategic bilateral and regional partner in Canadian foreign policy. Under the North American Free Trade Agreement, Mexico has become Canada's fifth most important export market and third most important source of imports (2005 figures). The Mexican government has identified Canada as a strategic partner, particularly in terms of modernization of governance and as a model for reforms. Moreover, Mexico has become a more dynamic and engaged multilateralist middle power with which Canada can cooperate.

Canada, the United States and Mexico are now moving forward with a Security and Prosperity Partnership (SPP), a trilateral effort to increase the security, prosperity and quality of life of North Americans (see http://www.dfait-maeci.gc.ca/can-am/main/front_page/security_prosperity-en.asp?lang_update=1). The SPP provides a flexible framework for bilateral and trilateral cooperation in North America.

3.2.1.4.1.2 Plans and Priorities for North America Bilateral Relations Program Sub-Activity

The priority is greater collaboration with the United States and increased cooperation with all hemispheric partners, leading to greater security and prosperity.

The strategic priority for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by taking the following actions:

Greater collaboration with the United States and increased cooperation with all hemispheric partners, leading to greater security and prosperity

The department will:

- strengthen cooperation with the United States on border, transboundary and security issues;
- strengthen bilateral relations with the United States and Mexico, in cooperation with provincial and territorial governments, in a number of key areas; and
- promote greater dialogue and understanding among Canadians, Americans and Mexicans.

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- At the trilateral summit in March 2006, the Prime Minister, President Bush and President Fox reviewed implementation of the SPP and issued a joint statement outlining significant outcomes, including:
 - establishment of a North American Competitiveness Council, made up of business and government representatives, to help identify and target initiatives most relevant to creating a more competitive continental market;
 - a commitment to greater trilateral cooperation in response to natural or human-made disasters in North America;
 - a reaffirmed commitment to establishing a trilateral framework for regulatory cooperation to help reduce redundant testing and certification requirements currently faced by companies; and
 - an initiative to promote innovation, research and development on issues such as clean energy technologies, thereby contributing to energy security and sustainable development.

Strengthened cooperation with the United States on border, transboundary and security issues

The department will:

- participate in the development of Canadian policy on Canada-United States defence relations and North American defence cooperation (e.g. NORAD renewal);
- work with partner departments to develop and implement the goals of the Canada-United States Joint Statement on Common Security, Common Prosperity and a New Partnership in North America; and
- conduct stakeholder consultations on border management issues.

The March 2006 trilateral summit also resulted in a commitment to implement, over the next two years, several measures to increase law enforcement cooperation and reduce border slowdowns affecting legitimate trade flows.

In April 2006, Foreign Minister MacKay met with United States Secretary of State Condoleezza Rice in Washington, D.C. Discussions covered a wide range of bilateral issues, including the Western Hemisphere Travel Initiative, as well as other hemispheric and global matters such as the parliamentary elections in Haiti and the ongoing conflict in Darfur.

Strengthened bilateral relations with the United States and Mexico in a number of key areas

The department will:

- develop and coordinate Canada's bilateral policy approach on a range of border, trans-boundary and security issues related to the Canada-United States relationship;
- develop and implement the Canada-Mexico Partnership (<http://www.dfait-maeci.gc.ca/mexico-city/extra/60/parteneriat-en.asp>), in collaboration with other federal departments, by establishing working groups on competitiveness, human capital, sustainable cities, housing, agribusiness and energy;
- contribute to development and implementation of good governance initiatives in Mexico and explore areas of cooperation with other Canadian government departments;
- analyze American and Mexican policy and political developments and work with partner departments to ensure that all dimensions of the Canada-United States and Canada-Mexico relationship are reflected in Canadian foreign policy; and

- monitor socioeconomic trends in Mexico and assess their impact on Canada.

Greater dialogue and understanding among Canadians, Americans and Mexicans

The department will:

- strengthen dialogue with American and Mexican counterparts on cooperation in areas of common cause (e.g. Afghanistan, Haiti and democratic development);
- strengthen engagement with Canadian parliamentarians, provinces, territories, municipalities, industry, academics and other stakeholders to enhance their support for, and involvement in, advocacy efforts; and
- maximize the impact of advocacy efforts in the United States by developing and implementing timely, coherent and coordinated strategies and messaging on a range of issues, in cooperation with other government departments and agencies and with Canada's network of missions in the United States

Increased trilateral collaboration on key political and economic issues of concern to Canadians

The department will:

- prepare the Canadian position for trilateral meetings attended by leaders, ministers and senior officials;
- work with Canadian stakeholders and American and Mexican actors to elaborate on ideas related to North American issues and challenges;
- develop strategies, in consultation with partner departments, on issues such as energy, pipelines, water and air quality and the environment;
- analyze American and Mexican policy and political developments and work with partner departments to ensure that all dimensions of the Canada-United States and Canada-Mexico relationship are reflected in Canadian foreign policy;
- develop and implement options on cross-border energy, environmental and security issues, in collaboration with partner departments;
- provide program leadership to the Enhanced Representation Initiative through effective and coordinated management of its program and budget; and
- consult with provinces, non-governmental organizations and other key stakeholders on issues such as air and water quality and invasive species.

3.2.1.4.1.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

This information can be found consolidated with the Bilateral Relations Program Sub-Activity information in 3.2.1.4.2.3

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3.2.1.4.1.4 Performance Monitoring

Strategic Priority 1: Greater collaboration with the United States and increased cooperation with all hemispheric partners

Key Priority Indicators: Milestones achieved marking negotiation progress; increased cooperation on range of government activity to advance Canadian interests and promote better understanding of Canada's relations with the United States and Mexico; more agreements and fewer disputes; increasing number of staff posted to missions and collaborative networks

1- to 3-year planned outcomes	As demonstrated by
<ul style="list-style-type: none"> Strengthened cooperation with the United States on border, trans-boundary and security issues 	<ul style="list-style-type: none"> Progress in resolving disputes and success in negotiating arrangements, agreements and other management mechanisms
<ul style="list-style-type: none"> Strengthened bilateral relations with the United States and Mexico in a number of key areas 	<ul style="list-style-type: none"> Increased cooperation in key areas of the Canada-Mexico Partnership (CMP), including governance, security and multilateral dialogue Success in advancing Canada's interests across the range of bilateral and trilateral issues
<ul style="list-style-type: none"> Greater dialogue and understanding among Canadians, Americans and Mexicans 	<ul style="list-style-type: none"> Number of new Fulbright awards Number of new linkages created Increased opportunities for dialogue and exchange, including with parliamentary groups, provinces, academics, researchers etc. Activities included in the Canada-United States Advocacy Number of visits to departmental websites related to North America Number and reach of programs and activities that promote the study of Canada in the United States and Mexico and academic, student and youth mobility exchanges
<ul style="list-style-type: none"> Increased North American cooperation on common security threats 	<ul style="list-style-type: none"> Ongoing strengthening of Canada-Mexico, Canada-United States and trilateral relationships on common security interests

3.2.1.4.2 Program Activity: Bilateral Relations with the Rest of the World

3.2.1.4.2.1 Description of Program Activity and Related Planning Context

Program Activity: conducting and promoting Canada's bilateral diplomatic relations in Canada and abroad.

In carrying out the Bilateral Relations (rest of the world) component of this activity, the department:

- manages a network of 244 missions worldwide, excluding North America (77 in Europe, 63 in Asia-Pacific, 60 in Africa and the Middle East, and 44 in Latin America and the Caribbean), using a whole-of-government approach;
- fosters a strategic approach to Canada's engagement with the world beyond North America by developing coordinated, whole-of-government country strategies;
- helps advance Canada's key international objectives pertaining to foreign and trade policies, public diplomacy, defence,

immigration and development assistance outside North America;

- continues to be a centre of expertise within the Government of Canada on relations with countries outside North America;
- provides growing support for the international dimension of various domestic programs and activities, ranging from food inspection to public health;
- conducts frequent outreach activities in Canada and countries outside North America; and
- maintains an extensive presence for Canadian missions outside this continent on its website, providing country statistics and profiles, advice on travel and detailed information on mission priorities and activities.

The country-specific strategies noted in the second bullet above are reviewed by the department's federal partners co-located at missions abroad. Their feedback is incorporated and, through the interdepartmental Committee on Representation Abroad, corresponding resources are identified for reallocation to ensure the successful implementation of the strategies. (A more detailed description of this process is also in Part III, section 3.1.1.3.)

The department is reasserting the role of ambassadors and other Heads of Missions as the authoritative voice of Canada in their designated countries and in multilateral forums. Heads of Missions will implement the new whole-of-government country and regional strategies, and will play a greater part in delivering Canada's foreign policy messages at home and abroad, with the help of the department's strengthened Public Diplomacy Program.

The department continues to enhance security at missions abroad to address the ongoing risks of terrorist activities, cyber-crime and espionage. It also addresses other key issues affecting the international community, including the transnational spread of disease, natural disasters such as the earthquakes that struck Pakistan and Indonesia in late 2005 and mid-2006 respectively, environmental degradation and the increasing number of failed and fragile states worldwide.

Canada needs to further develop its relationships with rising powers such as Brazil, Russia, India and China, commensurate with their global influence, on a bilateral basis as well as in regional and multilateral forums (particularly important in the case of Russia, which is chairing the G8 in 2006). This process must be guided by whole-of-government strategies that reflect the full range of Canadian interests.

Planning Context: Canadian foreign policy must continue to address rapidly changing international developments, which include the following:

- Canada's relationships with Europe's five G8 members remain vital to our security and prosperity, while the EU's rising importance as an international actor has important implications for the conduct of Canadian foreign policy.
- While Russia's global reach offers enormous potential for expanded Canadian engagement with that country, it also poses significant foreign policy challenges in its relationship with the transatlantic community.
- Elsewhere in Europe, there is an undemocratic regime in Belarus, frozen conflicts in Caucasus and remaining areas of instability in the Balkans. However, there are also democratic advances in Ukraine and elsewhere as well as new opportunities for greater Canadian engagement with new European Union members and candidates, including Turkey.
- There has been encouraging, if uneven, progress in implementation of the African-led New Partnership for Africa's Development (NEPAD), which was adopted at the 37th session of the Assembly of Heads of State and Government of the Organization of African Unity in 2001. NEPAD aims to promote accelerated growth and sustainable development, eradicate widespread and severe poverty, and halt the marginalization of Africa in the globalization process.
- In the Asia-Pacific region, Canada's evolving relationships with India and China are also vital to Canadian prosperity.

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Canada is implementing a whole-of-government framework to ensure that Canadians capitalize on China and India's growth, while engaging the two countries on global issues. Canada also continues to build strong partnerships with Japan, the G8 partner in the region.

- Meanwhile, there are significant ongoing security concerns in Afghanistan, the Democratic People's Republic of Korea and elsewhere in the region, including threats posed by terrorism, internal conflicts and proliferation of weapons of mass destruction and ballistic missiles. This region also includes most of the countries still in the process of recovering from the December 2004 tsunami in the Indian Ocean. Achieving Canada's global objectives requires engaging Asia-Pacific countries effectively on issues such as migration, health, sustainable development, governance and security.
- Political and economic developments in Latin America and the Caribbean have generated a degree of polarization, both within and between some countries. As advances in democracy and global prosperity over the past several years have not yet resulted in improved conditions for the region's poor, unfulfilled expectations have reopened the way for populist leaders whose rhetoric and policies threaten continued hemispheric cooperation to improve prosperity. Continuing governance problems and political instability in affected countries, including violent conflict in limited areas, also contribute to security threats for North America as well as for their own populations. These developments challenge Canada to maximize the effectiveness of the multilateral hemispheric institutions through which this country seeks to address regional issues, as well as to work both bilaterally and with like-minded partners to alleviate the causes and consequences of these developments (as Canada has sought to do in Haiti).
- International security continues to be affected to a significant degree by events in the Middle East and North Africa, including the Israeli-Palestinian dispute, instability in Iraq and Iran's nuclear activities. While optimism has been generated by the 2005 Iraqi election and advancement of Israel's withdrawal from Gaza and parts of the West Bank, the international community continues to express reservations about Iran's nuclear intentions as well as the election of Hamas in Palestinian parliamentary elections in January 2006. Hamas has formed the new government of the Palestinian Authority but has not addressed the concerns raised by Canada and others concerning non-violence, the recognition of Israel and acceptance of previous agreements and obligations, including the Roadmap for Peace. As a result, Canada will have no contact with the members of the Hamas cabinet and is suspending assistance to the Palestinian Authority. Working with partners, the UN and other organizations, Canada will continue to support the humanitarian needs of the Palestinian people.
- Global energy priorities require a substantial Canadian engagement in the Persian Gulf region. The countries of the Gulf account for more than 50 percent of the world's proven reserves of conventional oil. The Straits of Hormuz remain a potential choke point for seaborne trade in oil, and a disruption of this trade could constrain global economic growth.

3.2.1.4.2.2 Plans and Priorities for the Rest of the World Bilateral Relations Program Sub-Activity

The priorities are:

- greater collaboration with the United States and increased cooperation with all hemispheric partners, leading to greater security and prosperity;
- a more secure world for Canada and Canadians, safer from the threats of failed and fragile states, terrorism, transnational crime and weapons of mass destruction;
- a revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes;
- greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China; and
- a foreign ministry that is recognized as modern and agile.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The

department will advance the achievement of these outcomes by taking the following actions:

Greater collaboration with the United States and increased cooperation with all hemispheric partners, leading to greater security and prosperity

- The department will consider the American dimension of Canadian objectives and initiatives in Asia-Pacific, including those aligned with United States policy and those for which Canadian policy needs to be projected as clearly distinct.
- Collaboration with American counterparts at missions abroad will be enhanced to demonstrate that Canada is interested in being supportive of American priorities where it can, thereby helping to strengthen Canada-United States bilateral relations.
- The department will continue to work with the United States on questions of common concern (peace and security, democratic development and good governance) in sub-Saharan Africa and will work to deepen Canada's cooperation with the United States in Haiti.
- It will seek American support for improved political and operational effectiveness of Asia-Pacific regional institutions, such as APEC, the Association of Southeast Asian Nations and the ASEAN Regional Forum.
- The department will seek to strengthen Canada's position as a visible and effective partner of the United States in Russia, Ukraine and zones of instability in Eastern Europe, the Caucasus and Central Asia, and the Broader Middle East and North Africa. It will also strengthen Canada's role in transatlantic relations through dialogue with European Union and NATO allies. And, it will seek support for the improved political and operational effectiveness of NATO.
- It will continue to support and encourage the United States in its indispensable role in promoting the Middle East peace process. It will work with the United States in pursuit of common objectives (strengthening human rights, democratic development and good governance in the region).
- It will seek to balance American priorities with traditional Canadian foreign policy and the interests of like-minded countries in dealing with the security and reconstruction needs of Iraq and the challenge posed by Iran.
- The department will respond to North American partners' expressions of their security- and prosperity-related concerns and priorities in Latin America and the Caribbean by identifying shared common interests and objectives, finding ways to pursue them in concert or independently as appropriate and by maintaining close communications on these issues.

A more secure world for Canada and Canadians, safer from the threats of failed and fragile states, terrorism, transnational crime and weapons of mass destruction

Improved political and economic stability of failed and fragile states (Afghanistan, Haiti, Sudan, states in the Middle East)

- Bilateral and regional relationships in Asia-Pacific will be used to understand events and shape outcomes in troubled areas and failed and fragile states (both those in Asia, such as Afghanistan, Sri Lanka and North Korea, and beyond, such as Iran, Iraq, the West Bank/Gaza, Sudan and Haiti) and in countries of strategic interest (China, India and Japan). The department will use the new Canada-China Strategic Partnership to initiate a dialogue on common regional security concerns and will work more closely with Japan in Afghanistan and on other issues of concern such as human security.
- The department will seek to address failed and fragile states in Asia, using new tools such as the Counter-Terrorism Capacity Building Fund (with particular focus on Southeast and South Asia).
- The paramount example of how Canada is addressing security in Latin America and the Caribbean is this country's engagement with, and large financial commitment to, Haiti. Government of Canada activities in Haiti are diverse, involving various federal departments and agencies. Canada will continue to provide police training, election planning assistance, disaster relief and other humanitarian assistance. On May 1, 2006, the department and the Canadian International Development Agency announced \$48 million in additional financial assistance to promote good governance and democracy

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in Haiti, following a meeting with Haiti's then President-elect René Préval (Mr. Préval was sworn in as President May 14, 2006). This additional aid made it possible for several projects to proceed, including the Local Development Program (\$20 million) and the project to strengthen Haiti's parliament (\$5 million). Canada will also be providing \$5 million to several organizations promoting democracy and human rights. Finally, \$18 million will be spent on debt relief. In June 2006, this department announced a further \$15 million in new funding to help strengthen democratic institutions in Haiti.

- The department will guide Canadian reconstruction efforts in Iraq, including support for elections and constitution building. In the Middle East, the department will seek to increase Canada's diplomatic contributions to resolve regional disputes and improve the political and economic stability of failed and fragile states such as Iraq.
- Sub-Saharan Africa has the largest number of failed and fragile states. Serious crises remain in Sudan, northern Uganda, Côte d'Ivoire and Somalia. In addition, the Ethiopia-Eritrea border dispute is ongoing. The department will focus on responding to peace and security challenges. The department will also focus on continued Canadian leadership in central Africa, including a supporting role in consolidating stability, as co-chair of the Groupe des amis of the Summit of the International Conference on the Great Lakes Region, and continued support and capacity building for African regional organizations (e.g. the African Union and the Economic Community of West African States [ECOWAS]).
- In Europe, the department's focus will be on promoting the Responsibility to Protect recommendations as well as post-conflict nation building in fragile states and promotion of stability in Kosovo and in Bosnia and Herzegovina, including participation in the Peace Implementation Council and Stability Pact structure. This council is made up of 55 countries and agencies, including Canada, that support the Dayton Peace Agreement (see <http://www.dfait-maeci.gc.ca/canada-europa/bosnia-herzegovina/aboutbh-en.asp>). The Stability Pact is an international framework agreement to develop a strategy for stability and growth in Southeastern Europe.

Increased capacity of developing states to counter terrorism, corruption and transnational crime

- In Europe, Canada will cooperate with relevant countries to counter terrorism, corruption, weapons proliferation and transnational crime (trafficking in drugs and people). Working with federal partners, the department will provide support to enhance international security through effective use of the G8 Global Partnership Program, the Human Security Fund and the Counter-Terrorism Capacity-Building Fund.
- The department will help increase the capacity of developing Asia-Pacific states to counter terrorism, corruption and transnational crime, focusing in particular on South and Southeast Asia. It will also combat proliferation of weapons of mass destruction and their means of delivery.
- Canadian engagement in the Colombian peace process will provide the opportunity to fund initiatives that will reinforce Canadian values and interests and will provide leverage to effect change. It will reflect Canada's leading role in the Organization of American States and will likely precipitate similar engagement by other key OAS member states. Counterterrorism assistance is also being provided to two countries in Central America, where Canada is engaged in defence partnership activities, assistance with border dispute resolution and regional peacekeeping schools.
- In the Middle East and North Africa, the department will support counter-proliferation efforts in Iran, and will work with international partners on such issues as counterterrorism. Technical assistance will be provided to countries willing to combat terrorism through the Counter-Terrorism Capacity-Building Fund.

More timely, coordinated, whole-of-government responses to international crises

- START will be used to build links and ensure more timely, coordinated, whole-of-government responses to international crises as well as humanitarian and other disasters.
- In Europe, the department will use key relationships to shape outcomes in crisis areas. It will also identify opportunities to work with Europe in addressing failed and fragile states, terrorism, crime and weapons of mass destruction through the

Canada-EU Framework Agreement for Canadian Participation in EU Crisis Management Operations. It will build support for multilateral efforts to find negotiated settlements to conflicts, working through the Organization for Security and Cooperation in Europe and the UN. Working with partner countries, including the new member states of the EU, democratic institution building and economic and political reform will be promoted in Europe (notably in Ukraine and the west Balkans).

A revitalized multilateralism, responding to the new challenges of globalization and putting outcomes ahead of processes

Renewed Multilateralism

- The Permanent Mission of Canada to the UN spends an estimated 70 to 80 percent of its time on issues related to sub-Saharan Africa. The department will pursue continued Canadian leadership in the G8 Africa process. It will also seek further development of the G8 and NEPAD (New Partnership for Africa's Development) dialogue in the African Partnership Forum, and will seek support for Canadian objectives and initiatives in the UN (e.g. R2P, International Criminal Court, Human Security Program) as well as within the Commonwealth and La Francophonie.
- APEC's role in meeting emerging regional challenges in Asia-Pacific (with a particular emphasis on health security, counterterrorism and trade facilitation) will be supported. To promote effective multilateralism and new diplomacy in Asia, the department will encourage delivery on commitments (R2P, Human Rights Council, Peacebuilding Commission) made at the September 2005 UN World Summit. The department will also leverage Canada's membership in regional networks and international organizations to advance Canadian foreign policy objectives and seek opportunities for Canadian leadership in Asia-Pacific. These organizations include APEC, the APEC Regional Forum, the ASEAN dialogue process and—to the extent that they are relevant in Asia-Pacific—the G8, the Commonwealth, La Francophonie and the Human Security Network. The department will also monitor the evolution of the East Asia Summit, which was established in December 2005 by ASEAN nations and other regional countries.
- The department will work with bilateral partners to advance Canadian interests within multilateral organizations such as the World Health Organization, the UN Food and Agriculture Organization, the International Atomic Energy Agency, the International Criminal Court, the International Court of Justice and the Organization for the Prohibition of Chemical Weapons. The department will work with partners to promote Canadian objectives on global issues, including climate change and sustainable development, overfishing and oceans governance, global health issues (pandemics) and the Arctic environment. It will work to establish global regimes or approaches that reflect Canada's interests and ensure more focused and better-coordinated Canadian contributions to democratic development.
- In Europe, the department will work closely with Russia in the context of its G8 chairmanship, support UN reform strategies and encourage development of a new international architecture for Bosnia and Herzegovina. In addition, the department will support OSCE efforts to provide assistance in legal and electoral reform, good governance and democratic development in the region, including election monitoring efforts through OSCE's Office for Democratic Institutions and Human Rights. The department will also support strengthening of the Arctic Council. Working with federal partners and parliamentarians, the department will project Canada's interests at the Council of Europe, as well as in La Francophonie (Romania is the 2006 Summit host), APEC and the Human Security Network. Finally, the department will engage with Europeans on climate change and other priority global issues such as pandemics, overfishing and northern issues including the environment, Aboriginal interests and sovereignty.
- Canada's efforts to promote the adoption of responsibility in multilateral forums is well grounded in Latin America and the Caribbean, where Canada is pressing forward the international agenda for action to address democratic development, multidimensional security, human rights, economic well-being and sustainable development. This is most evident through the Summit of the Americas process and the Organization of American States, but also occurs through less well-known regional institutions and bilateral relationships. Strengthening of the Organization of American States is being pursued through promotion of management reforms and an increased Canadian presence in the organization's management. The department will also pursue Canada's multilateral agenda through key relationships in the hemisphere, with the United States and Mexico

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in the context of the inter-American institutions, as well as bilaterally on hemispheric and global issues. Similarly, the department will pursue its objectives with Brazil, an established hemispheric and emerging global power, and with Chile, a key regional partner with which Canada needs to develop a more robust, collaborative relationship, particularly for regional and global initiatives. The department intends to promote more effective engagement at lower-level inter-American institutions, such as the Inter-American Drug Abuse Control Commission (CICAD) and the Pan American Health Organization (PAHO) to address both established commitments such as the Millennium Development Goals and current issues such as climate change and avian flu.

- The department will keep the annual Middle East resolutions at the UN General Assembly under review, engage in the negotiating process to improve the language and explain Canadian voting decisions more actively. The department will support the G8's Broader Middle East and North Africa process, particularly in private-sector development, improved governance and basic education. With Denmark, Canada will continue to support the work of a consortium of research institutes on a possible regional security framework. The department will continue to support NATO's Mediterranean Dialogue. Started in 1994, the Dialogue contributes to regional security and stability.

More focused and better-coordinated Canadian contributions to democratic development internationally

- African development needs are the greatest in the world. Despite encouraging progress, human rights, human security and governance problems remain among the most serious of these needs. The groundbreaking African Peer Review Mechanism (APRM) is now operational. Under the APRM, a panel of eminent African persons oversees assessments in democracy and political governance, economic governance and management, corporate governance and socioeconomic development. Canada will continue to provide support and encouragement to the APRM.
- The department's support for Canada's investment in Africa will double by 2008-2009, directed at key Millennium Development Goal sectors, including HIV/AIDS. The department will continue to monitor and address human rights and governance problems by providing more focused and better-coordinated Canadian contributions to democratic development. A significant proportion of the Human Security Fund is spent in sub-Saharan Africa.
- In Europe, the department's objective is to promote a renewed human security agenda, good governance, human rights protection and respect for diversity in partnership with partner departments, non-governmental organizations and other Canadian stakeholders, with emphasis on fragile states. The department will also seek opportunities to work with the countries of the region to promote democracy and good governance globally. The department will promote local development initiatives in key sectors. It will also work with CIDA to maximize returns from programming in Ukraine and elsewhere in the region (notably the Balkans, Georgia and Tajikistan), as well as from CIDA's Russia strategy.
- The department will seek to help China and Indonesia meet their international commitments on human rights. It will also consolidate Asia-Pacific support for Canadian human rights initiatives within and beyond the region (e.g. in Iran and the Middle East). The department will seek opportunities to work with partners in Asia-Pacific and beyond on human rights, democracy and good governance (e.g. with European partners on Myanmar). In light of CIDA's readjustment of priorities and programming related to official development assistance, the department will consider how to reposition Canada by judiciously leveraging public diplomacy, the Canada Fund and other resources to achieve identified objectives bilaterally and regionally.
- Canada will actively pursue hemispheric priorities through the Summit of the Americas process and the Organization of American States in the areas of multidimensional security, democracy and good governance, human rights, social and economic well-being and sustainable development. This is an area where CIDA is also heavily engaged, with four countries in the region (Bolivia, Guyana, Honduras and Nicaragua) classed as primary development partners. CIDA also is committed to regional programs with the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States.
- In the Middle East and North Africa, the department will work with CIDA on a regional strategy, focusing on five sectors directly related to achieving the Millennium Development Goals: good governance; health (with a focus on HIV/AIDS); basic education; private-sector development; and environmental sustainability. Gender equality will be a cross-cutting theme.

Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China

Strengthened relationships with rising powers (Brazil, Russia, India and China)

- The department will work with partner departments and the provinces to forge stronger relations with Brazil, Russia, India and China. These emerging global powers, with whom Canada has an interest in cooperating, offer opportunities to advance Canada's global agenda.

Enhanced relations with G8 partners (France, Germany, Italy, Japan, Russia, the United Kingdom) and the European Union

- The department will strengthen Canada's cooperation with key partners in Europe in order to advance our foreign policy goals. It will also seek to position Canada as an effective transatlantic partner, valuable to both Europe and the United States. The department will build a relationship with Russia commensurate with its global influence in the G8, UN and global economy, based on a high-level strategy that reflects the full range of Canadian interests. It will also enhance relations with Japan as a major economic force and the only G8 country outside Europe and North America.

Stronger partnerships with key regional actors

- Canada will deepen relations with Ukraine as it continues its democratic transition and develop relations with Turkey as a NATO ally and regional power. The department will take a coordinated approach to advocacy in the region, notably on sensitive issues such as Canada's visa policy, which requires engagement with EU institutions and individual member states. Working with NATO and EU partners, including the United States, the department will seek to support reforms in the region, favouring human rights, democratic development and good governance.
- In Asia-Pacific, the department will expand the renewed comprehensive re-engagement with ASEAN. It will also develop more robust collaboration with key regional actors such as Korea and Indonesia on regional and global issues such as human rights, pluralism, migration, relations with Muslim communities, economic and financial issues as well as public sector and fiscal reform.
- In sub-Saharan Africa, South Africa and Nigeria are key regional powers, both in their own right and as leaders on the continent. Achieving peace and security in the Great Lakes Region, including the Democratic Republic of the Congo, is key to central Africa's stability. Canada's annual aid expenditure in Africa, which amounts to about \$1.5 billion, can provide the basis for closer and more effective bilateral relations across a range of international policy issues. Important regional organizations, such as the African Union and ECOWAS, will be key interlocutors on peace and security, governance and economic integration.
- In the Middle East and North Africa, the department will seek to enhance mature relationships with moderate Arab countries (e.g. Egypt, United Arab Emirates, Morocco and Algeria) and develop new bilateral strategies for key regional players, including Jordan, to make Canada's activities more coherent and better known in the region.
- The department is working to advance Canada's international priorities in Latin America and the Caribbean. The importance of collaborative relationships with key countries in the region was demonstrated in preparations for the Fourth Summit of the Americas and will be made clear again as the department prepares engagement frameworks for Brazil, Venezuela and Haiti as well as a regional strategy for CARICOM and the Caribbean in general. Brazil is a regional superpower and key member of the UN and regional forums. Chile is Canada's principal like-minded partner in the region and represents a valuable, stable and moderate country in an increasingly divisive hemispheric environment.

A foreign ministry that is recognized as modern and agile

More effective leadership of, and coherence on, international policy issues and strategy

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- The new process of developing whole-of-government country strategies as part of the annual planning cycle will bring about a more coherent, whole-of-government approach that uses all of Canada's investments (material or otherwise) to advance Canadian interests.
- The department will build on the whole-of-government process originally created for Canada's enhanced engagement in the Middle East Peace Process to help create a new framework for international policy-making. This activity will engage multiple departments and levels of government on other issues and initiatives and help to ensure coherence on related international policy issues and strategy.
- The department's Muslim Communities Working Group, established in summer 2005, is now fully operational. Its mandate is to serve as a focal point within the department for issues concerning relations with the Muslim world, build the department's related policy capacity and take the lead in providing timely, strategic advice and creating a policy framework for the department's approach to this subject.

Better integration and management of the department's public diplomacy resources

- The department will seek to project Canadian values, interests and priorities to influential audiences by deploying cultural, academic, journalistic, scientific and public-sector expertise to raise Canada's profile as a valuable and effective partner on global issues. The department will ensure that public diplomacy tools serve whole-of-government priorities and programs at missions abroad. Academic and youth mobility and greater people-to-people links will be promoted and facilitated through framework agreements.
- The department will use public diplomacy to project Canadian values and priorities to influential audiences and "mainstream" public diplomacy. This activity will help to ensure better integration and management of the department's public diplomacy resources. The department will target audiences both abroad and among diaspora communities in Canada.
- The department will work to ensure that Canada speaks with a single, unified voice in Asia-Pacific, where there is strong provincial interest and representation.
- In the Middle East and North Africa, the Public Diplomacy program will be used to promote Canadian culture, innovation, education and business opportunities in the region. The department will also enhance outreach to diaspora communities in Canada to ensure that they are better informed about Canada's international policies.
- Public diplomacy activities will focus on promoting and advancing Canadian values and interests at major events taking place in a particular region.

3.2.1.4.2.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	165.7	148.9	126.8

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	1,009	1,009	1,009

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3.2.1.4.2.4 Performance Monitoring

Strategic Priority 1: A strengthened North American partnership

Key Priority Indicators: Milestones achieved marking negotiation progress; more agreements and fewer disputes

1- to 3-year planned outcomes

As demonstrated by

- | | |
|---|--|
| <ul style="list-style-type: none"> • Strengthened North American cooperation on security, prosperity and quality of life issues on key areas of interest to Canada | <ul style="list-style-type: none"> • Extent to which we have expanded Canada-United States cooperation in third countries and multilateral forums (e.g. Haiti, Afghanistan, APEC) |
|---|--|

Strategic Priority 2: A more secure world for Canada and Canadians

Key Priority Indicators: Increased international recognition of Canadian security assistance; tangible elimination of weapons and materials of mass destruction; increased capacity to plan and deliver whole-of-government responses to international crises; increased knowledge and capacity of developing states to take necessary measures to counter terrorism, corruption and transnational crime

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|--|
| <ul style="list-style-type: none"> • Improved political and economic stability of failed and fragile states such as Afghanistan, Haiti, Sudan and states in the Middle East | <ul style="list-style-type: none"> • Support within G8, NATO, the UN and regional organizations for Canadian positions related to response and peace support capabilities • Extent to which Canada collaborates with key bilateral partners, (such as other G8 members, Brazil, Russia, India and China) on issues related to crisis countries |
|--|--|

- | | |
|--|---|
| <ul style="list-style-type: none"> • Increased capacity of developing states to counter terrorism, corruption and transnational crime | <ul style="list-style-type: none"> • Increased expertise in developing states on latest counterterrorism, anti-corruption and transnational crime measures |
|--|---|

- | | |
|---|---|
| <ul style="list-style-type: none"> • More timely, coordinated, whole-of-government responses to international crises | <ul style="list-style-type: none"> • Extent to which new government resources are deployed rapidly to respond to international crises and enhanced security measures |
|---|---|

Strategic Priority 4: Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China

Key Priority Indicators: Milestones achieved marking negotiation progress; progress in securing new networks

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|--|
| <ul style="list-style-type: none"> Enhanced relations with the following G8 partners: France, Germany, Italy, Japan, Russia and the United Kingdom, as well as the European Union | <ul style="list-style-type: none"> Number of country/regional strategies developed and implemented Level of satisfaction of Government of Canada partners Nature of relations with G8 partners and the EU |
|--|--|

- | | |
|---|---|
| <ul style="list-style-type: none"> Strengthened relationships with rising powers (Brazil, Russia, India and China) | <ul style="list-style-type: none"> Number of exchanges between Canada and Brazil, Russia, India and China Number of agreements reached on a variety of socioeconomic and cultural issues Results of bilateral consultations with Brazil, Russia, India and China on international security |
|---|---|

Strategic Priority 6: A modern foreign ministry

Key Priority Indicators: Treasury Board Secretariat's Management Accountability Framework assessment; recognition of departmental leadership on administrative and management issues; progress in program and policy renewal; level of integration of corporate systems into decision-making processes; increase in number of political, economic relations and public affairs officers abroad

1- to 3-year planned outcomes

As demonstrated by

- | | |
|---|---|
| <ul style="list-style-type: none"> More effective leadership of, and coherence on, international policy issues and strategies | <ul style="list-style-type: none"> Whole-of-government country strategy planning process in place throughout the department and missions abroad Extent to which Heads of Missions are able to coordinate their activities through HOM mandate letters and performance management agreements, using country strategies Whole-of-government positions on issues arising at multilateral institutions |
| <ul style="list-style-type: none"> Better integration and management of the department's public diplomacy resources | <ul style="list-style-type: none"> Development and implementation of comprehensive public diplomacy strategy Integration of public diplomacy into country strategies Level of departmental review/cooperation of public diplomacy resources |
| <ul style="list-style-type: none"> Canadians better informed about, and more engaged in, international policy | <ul style="list-style-type: none"> Number of new domestic outreach programs Extent to which Canadians provide input into discussion of Canadian foreign policy through tools such as the Internet |
| <ul style="list-style-type: none"> Representation abroad better aligned to reflect shifting distribution of global power and dominance | <ul style="list-style-type: none"> Extent to which resources are re-allocated according to the country strategy process Extent to which resources (human and financial) are aligned to mission re-categorization initiative |

3.2.1.5 Program Activity: Protocol

3.2.1.5.1 Description of Program Activity and Related Planning Context

Program Activity: managing and facilitating the presence of foreign diplomats in Canada as well as planning and leading official travel by the Governor General, the Prime Minister, Ministers of the Portfolio and all official diplomatic events.

In carrying out this activity, the department:

- regulates the accreditation of foreign diplomatic and consular representatives to Canada, and coordinates interaction between the Government of Canada and foreign representatives in this country;
- manages all questions of privileges and immunities with respect to foreign representatives in Canada, as set out in the Foreign Missions and International Organizations Act, the State Immunity Act and the Vienna Conventions on Diplomatic and Consular Relations;
- liaises with partner organizations on security issues related to foreign representatives in Canada; and
- monitors the compliance of accredited foreign diplomats resident in Canada with the regulations and policies that govern them, thereby helping to protect Canadians (<http://www.dfait-maeci.gc.ca/protocol/QsAs-newpolicy-ed-approved-en.asp>). The Vienna Convention on Diplomatic Relations gives diplomats immunity from arrest and detention and from the criminal jurisdiction of a state. Where criminal charges are laid, it is Canadian policy to request waiver of immunity so the person can be prosecuted here. If a state refuses to waive immunity, Canada expects that state to take appropriate action against the diplomat.

The department focuses the attention of the foreign diplomatic community in this country on opportunities for expanded political cooperation and economic ties between Canada and other nations as well as between Canada and its partners in multilateral organizations. In any given year, there are between 7,500 and 8,000 foreign diplomats, spouses and dependants accredited to, and resident in, Canada, representing 125 independent states. Each month, an estimated 200 foreign representatives arrive in Canada to begin assignments in diplomatic, consular and/or other bilateral or multilateral affairs while, at the same time, another 200 end their postings in this country. A regularly updated list of foreign representatives currently in Canada as well as their office addresses is available at http://w01.international.gc.ca/Protocol/pdf/DrsBook_2006_01_eng.pdf.

It should be noted that there are also 48 states that have non-resident diplomatic relations with Canada. Their diplomatic personnel are located in Washington, D.C., or New York City. An additional six independent states (Bahrain, Central African Republic, Chad, Comoros, Swaziland and Turkmenistan) maintain diplomatic relations with Canada, but choose not to have personnel accredited to Canada at this time.

Planning Context: At a time when the number of foreign representatives in this country is larger than ever, the department continues to deal with resource pressures in providing high-quality services to its large and high-profile clientele.

Canadians are increasingly aware of security issues and the need for monitoring any alleged misbehaviour by foreign representatives. Currently, the department is in the midst of modernizing its processes, with particular emphasis on the security of the accreditation process for foreign representatives. In addition, there is a need to maintain and further strengthen relationships with, and train officers from, policing organizations, the Canada Border Services Agency, the Canadian Air Transport Security Authority, Citizenship and Immigration Canada, Canada Revenue Agency and other groups to ensure that Canada meets its obligations under the Vienna Conventions with regard to the privileges and

immunities of accredited diplomats in this country.

3.2.1.5.2 Plans and Priorities for the Protocol Program Activity

The priorities are:

- greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China; and
- a foreign ministry that is recognized as modern and agile.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by taking the following actions:

Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China

The department will:

- maintain and/or improve its capacity to deliver effective programs in the areas of accreditation, privileges and immunities for foreign representatives in Canada, which is a legislated service under the Vienna Conventions; and
- review outreach to foreign representatives in Canada and maintain and/or improve its capacity to deliver an effective outreach program to this key audience.

A foreign ministry that is recognized as modern and agile

The department will:

- maintain and/or improve its capacity to ensure the security of foreign missions and representatives in Canada;
- continue to deliver consistent, high-quality service to visiting delegations, coordinate events abroad as well as coordinate airport courtesies across Canada; and
- continue to deliver consistent, high-quality official hospitality events to visiting delegations in Canada and abroad.

3.2.1.5.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	38.7	38	38

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Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	59	59	59

3.2.1.5.4 Performance Monitoring

Strategic Priority 4: Greater engagement with like-minded partners in the G8 as well as emerging economies such as Brazil, Russia, India and China	
Key Priority Indicators: Progress in securing new networks	
1- to 3-year planned outcomes	As demonstrated by
<ul style="list-style-type: none"> Enhanced relations with the following G8 partners: France, Germany, Italy, Japan, Russia and the United Kingdom, as well as the European Union 	<ul style="list-style-type: none"> Nature of relations with G8 partners and the EU in Canada Number of outreach events organized and the level of satisfaction among these Heads of Missions accredited to Canada, possibly through client feedback forms
<ul style="list-style-type: none"> Strengthened relationships with rising powers (Brazil, Russia, India and China) 	<ul style="list-style-type: none"> Number of exchanges between Canada and Brazil, Russia, India and China in Canada Number of outreach events organized and the level of satisfaction among these Heads of Missions accredited to Canada, possibly through client feedback forms
Strategic Priority 6: A modern foreign ministry	
Key Priority Indicators: Recognition of departmental leadership on administrative and management issues	
1- to 3-year planned outcomes	As demonstrated by
<ul style="list-style-type: none"> More efficient and effective corporate services in support of the department, as well as partners, and a more secure platform at home and abroad 	<ul style="list-style-type: none"> Demonstrated compliance with standards of treatment, according to established criteria Level of satisfaction with coordinated events and other arrangements expressed by visiting dignitaries and delegations or by Government of Canada dignitaries and delegations travelling abroad Level of satisfaction expressed by Heads of Missions regarding security of foreign missions and representatives in Canada Level of satisfaction expressed in letters of appreciation, client feedback forms, etc

3.2.2 Strategic Outcome: Serving Government Abroad

3.2.2.1 Program Activity: Common Services and Infrastructure (Support from Headquarters and Missions Abroad)³

3.2.2.1.1 Description of Program Activity and Related Planning Context

Program Activity: managing and delivering Headquarters- and mission-provided common services to government programs and partners operating abroad.

In carrying out this activity, the department:

- directs and oversees the financial and corporate information systems as well as the planning and coordination of common services abroad;
- provides functional direction, support and oversight to the financial operations of missions abroad, including international banking;
- provides strategic direction and planning for Canada's representation abroad, including policy coordination for its provision of services and infrastructure to partner departments and co-locators at missions abroad;
- manages and delivers select human resource services in support of government programs delivered abroad;
- manages and delivers information technology and telecommunications in a cost-effective and sustainable manner (delivering 109 million e-mails and 14.5 million voice messages per year);
- manages and delivers real property services and assets abroad through a physical resources special operating agency (111 official residences and 223 missions chanceries); and
- manages and delivers security services.

The physical resources and related services the department supplies abroad include chancery and official residence accommodation, Crown-owned staff quarters, asset and materiel management, property maintenance, and advice and policy development pertaining to property and materiel.

Canada's missions abroad also provide support to Australia and Sweden according to specific service agreements.

The department undertakes a whole-of-government, collaborative approach to common service delivery in order to:

- ensure that proper means are in place to enable it and its partners to deliver Government of Canada programs abroad; and
- foster open and effective consultations with partners on common service policies and Canadian representation abroad, based on established frameworks such as the new generic Memorandum of Understanding and service standards governing these services.

Canada's representation abroad now consists of employees of the department and of 23 other federal departments and agencies and three provinces (Alberta, Ontario and Quebec), all pursuing policies and delivering programs to further Canadian interests. Federal partners with the most extensive engagement outside the country and Citizenship and Immigration Canada,

³ As shown in the department's PAA, common services and infrastructure are delivered as two distinct program activities, one from Headquarters and the other from missions abroad. Given the complementary nature of these two functions, they are discussed together in this report.

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the Canadian International Development Agency, the Department of National Defence and the Royal Canadian Mounted Police. Other partners at missions abroad include Export Development Canada.

Planning Context: The department faces many challenges in managing its assets abroad. It continues to meet growing demands from Canadians for electronic service delivery and integrated client-centred services with expanded connections to external contacts in other departments, levels of government and outside organizations, while taking care to address the implications related to information sharing and security.

Other issues facing the department's delivery of common services abroad include:

- the significant growth in representation abroad and, as a result, the increasing number of chanceries that are unable to accommodate further growth (so-called threshold missions);
- enhanced post-9/11 physical security requirements; and
- the increase in the number of mission relocations made necessary by security requirements, "rust out" of aging inventory, health and safety issues, program growth overtaking mission capacity, and local economic or political factors such as the relocation of capital cities or central business districts and the deterioration of neighbourhoods in which missions are located.

3.2.2.1.2 Plans and Priorities for Common Services and Infrastructure Program Activity

The priority is a foreign ministry that is recognized as modern and agile.

The strategic priority for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of this outcome by taking the following actions:

A foreign ministry that is recognized as modern and agile

The department will:

- ensure better management of, and accountability for, financial and non-financial resources;
- deliver more efficient and effective corporate services in support of the department, as well as its partners, while continuing to provide a secure platform at Headquarters and missions abroad;
- promote a well-articulated framework for common service delivery abroad, which includes:
 - the generic Memorandum of Understanding on common services, which sets out the department's principles on how departments are to use the common service platform abroad, thereby addressing common service constraints and fostering a more open and transparent consultative process for representation abroad;
 - assistance to partners to help them clarify their special needs through annexes to the MOU;
 - costing reform to ensure transparency and fairness;
 - continued work toward enhanced and more accurate reporting on common services abroad, which fits into a broader government agenda to promote accountability and modern management, encourages increased transparency and provides a better basis on which to decide on allocation of resources abroad; and

- establishment of a new senior-level task force, reporting to the Deputy Minister of Foreign Affairs, to consider a more effective and efficient way of delivering common services abroad.

The department will also continue to provide the following services related to common services and infrastructure:

- security enhancements at Headquarters and missions abroad;
- human resources policy and operational support to the department and its federal partners for management of staff (both Canada-based and locally engaged) at Headquarters and missions abroad, including delivery of updated compensation packages and handbooks to assist mission management with the human resource management of locally engaged staff; introduction of a simplified workforce structure, composed of the right mix of rotational and non-rotational positions and locally engaged staff; recruitment and deployment of qualified people to fill approximately 800 rotational assignments a year at Headquarters and abroad; and provision of more than 800 courses (40,000 student days) in classroom and online formats to support objectives of the department and its federal partners; and
- information management and information technology (IM/IT) services, ensuring secure connectivity between Headquarters and missions, improving the department's capacity to manage service alignment and cost control, developing an IM/IT environment that is able to respond quickly and effectively to changing needs, and enabling partner departments to focus on delivering programs abroad.

3.2.2.1.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	843.5	764.2	732.9

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	5,713	5,713	5,709

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3.2.2.1.4 Performance Monitoring

Strategic Priority 6: A modern foreign ministry

Key Priority Indicators: Treasury Board Secretariat's Management Accountability Framework assessment; recognition of departmental leadership on administrative and management issues; progress in program and policy renewal; level of integration of corporate systems into decision-making processes; increase in number of political, economic relations and public affairs officers abroad; agreement on special operating agency concept

1- to 3-year planned outcomes	As demonstrated by
<ul style="list-style-type: none"> • More effective leadership of, and coherence on, international policy issues and strategies 	<ul style="list-style-type: none"> • Whole-of-government country strategy planning process in place throughout the department and missions abroad • Extent to which Heads of Missions are able to coordinate their activities through HOM mandate letters and performance management agreements, using country strategies • Whole-of-government positions on issues arising at multilateral institutions
<ul style="list-style-type: none"> • Representation abroad better aligned to reflect shifting distribution of global power and dominance 	<ul style="list-style-type: none"> • Extent to which resources are re-allocated according to the country strategy process • Extent to which resources (human and financial) are aligned to mission re-categorization initiative
<ul style="list-style-type: none"> • Human resources management modernized and supportive of the department's transformation agenda 	<ul style="list-style-type: none"> • Development of human resources (HR) policy • Extent to which comprehensive HR reform is carried out
<ul style="list-style-type: none"> • Better management of, and accountability for, financial and non-financial resources 	<ul style="list-style-type: none"> • Implementation of comptrollership agenda • Improvements in management and administrative processes
<ul style="list-style-type: none"> • More efficient and effective corporate services in support of the department as well as partners, and a more secure platform at home and abroad 	<ul style="list-style-type: none"> • Extent to which corporate services are re-engineered to better deliver platform abroad • Development of alternative service delivery mechanisms within corporate services

Common Services-Specific	
1- to 3-year planned outcomes	As demonstrated by
<ul style="list-style-type: none"> Common services and infrastructure (support from Headquarters): common services to government programs and partners operating abroad managed and delivered satisfactorily 	<ul style="list-style-type: none"> Number and type of complaints and compliments received from partner departments
<ul style="list-style-type: none"> Common services policy and coordination: agreements on interdepartmental services abroad successfully negotiated, coordinated and administered 	<ul style="list-style-type: none"> Number of agreements on interdepartmental services abroad successfully negotiated, coordinated and administered
<ul style="list-style-type: none"> Human resources (locally engaged staff, Foreign Service directives, management services centre): human resources services in support of government programs abroad managed and delivered effectively 	<ul style="list-style-type: none"> Number and nature of published implementation strategies and timelines for the regulations Number and type of new policies communicated for implementation, along with implementation tools
<ul style="list-style-type: none"> Establishment of a physical resources special operating agency: real property services and assets abroad managed and delivered effectively through the agency 	<ul style="list-style-type: none"> Level of client satisfaction with management and delivery of real property services and assets abroad Percentage of projects completed within cost and schedule parameters
<ul style="list-style-type: none"> Security (corporate, personnel and technical): security services managed and delivered effectively 	<ul style="list-style-type: none"> Level of client satisfaction with management and delivery of services

3.2.3 Strategic Outcome: Serving Canadians Abroad

Two activities contribute to this strategic outcome: Consular Affairs and Passport Canada.

3.2.3.1 Consular Affairs

3.2.3.1.1 Description of Program Activity and Related Planning Context

Program Activity: managing and delivering consular services to Canadians.

In carrying out this program activity, the department:

- prepares Canadians for international travel by informing them about safe travel habits and providing them with credible and timely information and advice to enable them to make responsible decisions about travel to foreign countries (see http://www.voyage.gc.ca/consular_home-en.asp);
- assists Canadians outside Canada in handling trouble or emergencies, in cooperation with partners and missions abroad;

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- manages an Operations Centre 24 hours a day, seven days a week, monitoring world events and functioning as a federal call centre during major international incidents and crises;
- as part of its consular cost-recovery initiative, strives to maintain consular service standards established in 1996 (see http://www.voyage.gc.ca/main/about/service_standards-en.asp), making them public and using them to assess and report on performance; and
- provides technological and program services support for delivery of the Consular Program at Headquarters and missions abroad.

Of the department's 299 points of service abroad, the Consular Program offers services at 265 locations outside Canada—at 152 missions (embassies, high commissions, permanent missions, consulates general, consulates, offices and representative offices); 97 consulates headed by honorary consuls; and 16 locations where service is provided by the Australian and Swedish governments, according to consular sharing agreements between Canada and these countries.

At missions abroad, consular staff manage individual consular cases, provide emergency responses during major incidents and crises, and deliver other services such as provision of passports, citizenship services, legal and notarial assistance and help in voting in Canadian elections, in consultation with Headquarters.

The department also manages the Honorary Consul Program abroad. Honorary consuls provide a first line of emergency consular assistance and carry out certain routine consular services. They often play an important role in the development of commercial and economic relations, and may also engage in public affairs, representational work and other activities related to Canadian interests abroad. Experience has proven that they provide exceptional service to Canadians at a reasonable cost.

While most Canadians do not encounter problems abroad, consular assistance can be vitally important for those who do. Such assistance can take many forms. However, all consular interventions serve two basic—and vitally important—purposes: protection and assistance. Serious consular cases, which tend to attract media and public attention, have the potential to generate bilateral and/or multilateral foreign policy issues.

Consular services are supported by a number of fees paid by the travelling public. These include a portion (\$25) of the charge for passports and other travel documents as well as specialized fees for notarial, legal and other services (see http://www.voyage.gc.ca/main/about/consular_fees-en.asp). All fees collected are used to maintain and improve Canadian consular services around the world. Last year, revenue generated by these fees was as follows: \$58 million for passports and other travel documents and \$2.9 million for notarial, legal and other services.

Planning Context: Canadians are more and more engaged in the international community. Approximately 2.5 million Canadians reside outside Canada, and each year Canadians make more than 40 million trips abroad. In 2005, the department received over 1.2 million requests for services from Canadians abroad. In addition, the consular website attracted 4 million visitors.

Several factors continue to have an impact on the department's Consular Program, including:

- heightened public awareness and anxiety about the risks—real and perceived—involved in international travel post-9/11;
- the increased need to have updated consular contingency plans in place to allow for a quick and coordinated response to situations that affect the safety and security of Canadians abroad, given the rise in terrorist attacks worldwide and the growing impact of extreme weather events and other natural disasters;

- changing practices of some countries pertaining to consular protection and the mobility and rights of foreign travellers;
- the need for ongoing technological innovation and greater cost-effectiveness in the delivery of consular services; and
- the changing profile of Canadian travellers, more frequent travel by Canadians to remote and dangerous destinations worldwide, and the pursuit of business and other opportunities in “hot spots” or higher-risk areas of the world.

3.2.3.1.2 Plans and Priorities for the Consular Affairs Program Activity

Strengthened consular and passport services, able to respond rapidly and flexibly, is a key priority of the department and a main focus of the Consular Affairs program activity.

The strategic priority for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of this outcome by taking the following actions:

- Consular services will be strengthened financially by:
 - creating a more sustainable and stable financial resource base for the Consular Program;
 - seeking appropriate financial authorities to fund consular expenses related to major international crises and natural disasters when they occur; and
 - establishing a formal intradepartmental consultation process to assess consular resource priorities at missions abroad, reallocate resources as appropriate and provide temporary support to missions experiencing difficulties such as staff shortages, seasonal demands and pressures related to international events such as Olympic/Commonwealth Games and veterans’ events with a consular dimension.
- The department will continue to ensure more consistent service provision and more efficient responses to emerging challenges by:
 - ensuring that consular staff, stakeholders and partners are engaged in the transition to the new consular framework and strategy;
 - improving crisis management capacity by pursuing the creation of a multidisciplinary Rapid Deployment Team, in collaboration with other stakeholders;
 - further developing working relationships and cooperative agreements with other countries and private firms in emergency planning, crisis management and response;
 - improving the Honorary Consul Program as an effective means of delivering Government of Canada services in locations where Canadian representation is limited; and
 - providing ongoing support to, and recognition of, employees through various measures, including development of human resources and training plans to ensure a highly professional, well-motivated staff with a common sense of purpose and the right mix of skills.
- The department will better respond to the travel information needs of Canadian travellers and the Canadian travel industry by developing a new communications strategy based on the results of a public opinion survey conducted in 2005-2006. This will increase the profile of consular services and lead to further improvements in consular outreach activities as well as in the structure and content of the consular website.
- The department will proceed with critical work and continuing investment in the Consular Management and Operations

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System (COSMOS), a cluster of software applications for managing consular work and the key consular work tool. Specific deliverables include enhanced access controls, activity tracking and audit functions; new software applications to make it easier for Canadians to register with Canadian missions while abroad and to enable the department to log and track calls globally during crises; and improvement of overall system performance mainly at missions.

3.2.3.1.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	51.7	46.7	46.7

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	405	405	405

3.2.3.1.4 Performance Monitoring

Strategic Priority 5: Strengthened consular services

Key Priority Indicators: Client satisfaction ratings; the extent to which citizenship applications are reviewed and forwarded to the Registrar of Citizenship within the 10-day Service Standard; extent to which contact with detainees meets the Service Standards; passport services; results of focus-group testing and a national survey designed to better understand consular clients; and results of employee surveys on the new strategy for consular services

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|---|
| <ul style="list-style-type: none"> Increased capacity to deal with growing demands and emerging challenges placed on the Consular Program | <ul style="list-style-type: none"> Success in establishing a sustainable and stable funding base Enhancement of training program and percentage of staff receiving training Level of staff satisfaction with training and with the new consular framework and strategy |
| <ul style="list-style-type: none"> Continued delivery of high-quality consular services | <ul style="list-style-type: none"> Consular framework developed, adopted and implemented Level of client satisfaction (timeliness and quality of services) Degree to which service standards are met |

- Deepened understanding on the part of the Canadian public and media of the nature and extent of consular services
- Number, nature, timeliness and quality of consular communications (publications, news releases, press conferences, public announcements) for the Canadian public and the media; level of client satisfaction with consular communications

3.2.3.2 Passport Services

3.2.3.2.1 Description of Program Activity and Related Planning Context

Program Activity: managing and delivering passport services to Canadians (through use of the Passport Revolving Fund).

Passport Canada is responsible for the issuance, revocation, refusal, recovery and use of Canadian passports. It provides guidance to the department's missions about issuing passports abroad and supervises all matters related to Canadian travel documents. Passport Canada provides travel documents featuring the best in anti-fraud protection, while maintaining a high level of client service.

Funding for the operations of Passport Canada, a special operating agency of the department, is generated by fees charged for its services. In this regard, it is much like a private-sector enterprise.

Passport Canada offers over-the-counter services at its 33 issuing offices across the country and at designated outlets of Canada Post, Human Resources and Skills Development Canada and Service Canada, which serve as receiving agents (for locations see http://www.pptc.gc.ca/passport_office/ppt_offices_e.asp). Service by mail is also provided. Online applications forms are available at http://www.pptc.gc.ca/online_forms/on-line_form_e.asp. Outside the country, Passport Canada services are available through Government of Canada missions.

Passport Canada works closely with:

- other federal departments and agencies;
- provincial and territorial governments, particularly registrars of vital statistics;
- law enforcement and security agencies, as well as others who have an interest in secure identity documents in Canada and abroad;
- Canada Post, Human Resources and Skills Development Canada and Service Canada;
- the International Civil Aviation Organization (ICAO);
- other federal departments and agencies; and
- Canada's Five Nations partners: the United Kingdom, the United States, New Zealand and Australia. Since 1994, Canada has been a member of the Five Nations Conference, which brings the passport agencies of these countries together to discuss common concerns and issues.

Collaboration with foreign passport authorities enables Passport Canada to share best practices, which in turn improves its planning and management strategies.

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Planning Context: There has been a significant shift in the policy framework in which Passport Canada operates. While continuing to meet its service delivery standards, the focus has now been expanded to include security, in keeping with the government's National Security Policy.

To address increased risks of terrorism and identity theft, Passport Canada continues to work on implementing new-generation passport security measures, systems and controls. It is also working to comply with ICAO standards for passports, which were adopted in May 2003. These include requirements for computer chip-enabled passports (known as e-passports) that enable the use of biometric technologies in confirming a traveller's identity.

There continues to be a significant increase in the demand for passports and other travel documents by Canadians. In fact, demand is expected to almost double between 2003-2004 and 2008-2009, adding pressure to Passport Canada's ability to respond to both security and service challenges. New partners, such as Service Canada outlets, will improve access to services, but longer-term solutions are also needed. Extended hours and a new risk-based approach to managing applications from previous passport holders should help to relieve some of the pressure during peak periods.

To meet heightened security requirements and greatly increased demand for service, Passport Canada has grown by almost 150 percent over the past five years. Growth is expected to continue, although not necessarily at the same rate. Expansion of this magnitude has exerted financial pressures on the agency and increased the need for more employee orientation and training, office space and equipment.

3.2.3.2.2 Plans and Priorities for Passport Canada

The priorities are:

- A more secure world for Canada and Canadians, safer from the threats of failed and fragile states, terrorism, transnational crime and weapons of mass destruction; and
- strengthened passport services, able to respond rapidly and flexibly.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. Passport Canada will advance the achievement of these outcomes by taking the following actions, listed below by strategic priority.

A more secure world for Canada and Canadians, safer from the threats of failed and fragile states, terrorism, transnational crime and weapons of mass destruction

Passport Canada will ensure that the Canadian passport continues to be internationally respected as a reliable and secure travel document by strengthening its operations as follows:

- finalizing implementation of the Mission Print Passport Solution project to ensure that all passports are printed in Canada, using a high standard of security in production and features;
- finalizing the global introduction of the new white Temporary Passport to ensure that those Canadians abroad who must travel urgently may do so and that all regular passport blanks are repatriated to Canada;
- developing the federal approach to data sharing on vital events with the provinces and territories;
- implementing facial recognition to reduce the potential for multiple identities and other types of passport fraud;
- creating electronic linkages for the sharing of information with the Correctional Service of Canada and the Canadian

Police Information Centre so that Passport Canada can better enforce the sections of the Passport Order relating to criminality; and

- creating regional security units across Canada to better address security cases.

Strengthened passport services, able to respond rapidly and flexibly

Passport Canada will provide simplified access for passport services by:

- expanding the network of receiving agents and simplifying the mail-in service;
- continuing implementation of the Passport On-Line initiative;
- developing a formal, national process to improve how Passport Canada manages fluctuating demand in passport offices and at print and call centres; and
- developing an integrated service strategy and model to analyze service from the client perspective, and establish service principles upon which to base service improvements.

3.2.3.2.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	0	0	0

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	1,915	2,069	2,372

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3.2.3.2.4 Performance Monitoring

Strategic Priority 2: A more secure world for Canada and Canadians

Key Priority Indicators: Enhanced security control procedures

1- to 3-year planned outcomes

As demonstrated by

- | | |
|--|--|
| <ul style="list-style-type: none">• Confidence in identity, entitlement and document integrity of travel documents | <ul style="list-style-type: none">• International recognition of Canada's efforts to create more secure and reliable travel documents• Number of fraud cases opened• Percentage of temporary passports in circulation versus the total number of passports issued• Number of lost and stolen passports reported• Number of data-sharing opportunities identified |
|--|--|

Strategic Priority 5: Strengthened passport services

Key Priority Indicators: Client satisfaction ratings

1- to 3-year planned outcomes

As demonstrated by

- | | |
|---|--|
| <ul style="list-style-type: none">• Improved client satisfaction• Optimize and diversify funding | <ul style="list-style-type: none">• Percentage of volume by service channels• Percentage of applications delivered on time (turnaround time)• Wait times measured against service delivery standards• Percentage of funding from sources other than fee revenue |
|---|--|

3.2.4 Supporting Activity: Corporate Services and Human Resources

3.2.4.1 Description of Supporting Activity and Related Planning Context

Supporting Activity (Corporate Services): providing finance and planning, information management and technology, accommodation and security services at Headquarters as well as executive, audit and communications services that enable the department to conduct its program activities.

Supporting Activity (Human Resources): providing human resources services that enable the department to conduct its program activities.

Corporate Services and Human Resources provide essential enabling infrastructure to the department. The two branches are responsible for:

- supporting all three strategic outcomes of the department—as well as its transformation agenda—at Headquarters and missions abroad;
- enabling the department and its federal partners to carry out their international operations; and
- helping drive the government's innovation agenda throughout the department.

In essence, Corporate Services and Human Resources ensure that the right people are in the right places throughout the department and that employees are fully supported with the appropriate training, equipment, accommodation, systems and administration.

Planning Context: The following factors affect this work:

- the need to transform the department into a more results-based and innovative organization, as well as public demand for greater transparency and accountability in government operations;
- the department's preparation to implement all relevant aspects of the recently introduced federal accountability legislation, once passed;
- the department's shift from a policy-oriented organization to a more substantial program management role as well as the need to place more departmental employees in the field;
- the increased requirement for staff with complex skills sets, the need to strengthen the department's policy development capacity and foreign language abilities and significant expected shortages of skilled staff in certain occupational groups as a result of anticipated retirements in the coming years;
- societal conditions such as an aging workforce and increased emphasis on family issues like spousal support and work-life balance, which are putting renewed emphasis on recruiting and the need to improve working conditions;
- ongoing implementation of the Public Service Modernization Act, which is allowing more flexibility in human resources management and fostering more collaborative labour-management relations, as well as the new Treasury Board audit policy;
- the need to improve the department's performance in meeting the statutory requirements of the Access to Information Act;
- increased demand for services from a broader range of clients and stakeholders as well as the growth in the number of employees from partner departments at missions abroad, which is straining infrastructure capacity at some locations;
- the increased incidence of terrorism and other security threats worldwide and the deterioration of global environmental conditions; and
- the need to adhere to established security requirements with regard to information management and technology, as well as the requirement to maintain the technological compatibility to meet client service expectations.

3.2.4.2 Plans and Priorities for Corporate Services and Human Resources Supporting Activity

The priority is a foreign ministry that is recognized as modern and agile.

The strategic priority for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of this outcome by taking the following actions:

A foreign ministry that is recognized as modern and agile

The department will:

- ensure that representation abroad is better aligned to reflect the shifting distribution of global power by delivering

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international services in a whole-of-government fashion, supporting modernization of the department through use of new technologies and developing the flexibility to realign resources to specific goals;

- ensure that human resource management is modernized and supportive of its transformation agenda by undertaking innovative measures and introducing new tools to attract experienced workers from other departments to renew its pool of employees (including HOMs), and developing a range of proposals to improve support for employees and dependants at missions abroad;
- provide better management of, and accountability for, financial and non-financial resources (e.g. the MRRS-PAA), oversee effective delivery of the government's international priorities in a cost-effective manner and create a mechanism with which ministers can make resource allocation decisions; and
- provide other critical services that apply horizontally across all program activities, such as adoption of an action plan to bring the department into full compliance with the Access to Information Act, implementation of the new Treasury Board audit policy emphasizing assurance work and response to an increased demand for evaluation services resulting from increased program spending, in accordance with Treasury Board requirements that accompany approval of this spending, such as development and implementation of an information technology and management strategic plan and implementation of the Treasury Board security policy on management of information technology.

3.2.4.3 Planned Spending: Financial and Human Resources Utilization (see Part III, section 3.3 Financial and Other Tables for more information)

Financial resources of Corporate Services and Human Resources are applied against all program activities.

3.2.4.4 Performance Monitoring

Strategic Priority 6: A modern foreign ministry

Key Priority Indicators: Treasury Board Secretariat's Management Accountability Framework Assessment; recognition of departmental leadership on administrative and management issues; progress in program and policy renewal; level of integration of corporate systems into decision-making processes; increase in number of political, economic relations and public affairs officers abroad; agreement on special operating agency concept

1- to 3-year planned outcomes

- More effective leadership of, and coherence on, international policy issues and strategies

As demonstrated by

- Whole-of-government country strategy planning process in place throughout the department and missions abroad
- Extent to which Heads of Missions are able to coordinate their activities through HOM mandate letters and performance management agreements, using country strategies
- Whole-of-government positions on issues arising at multilateral institutions

<ul style="list-style-type: none"> • Greater program, policy and project management capacity, both at Headquarters and at missions abroad 	<ul style="list-style-type: none"> • Level of satisfaction of stakeholders and clients with policy and project management advice
<ul style="list-style-type: none"> • Representation abroad better aligned to reflect shifting distribution of global power and dominance 	<ul style="list-style-type: none"> • Extent to which resources are re-allocated according to the country strategy process • Extent to which resources (human, financial) are aligned to mission re-categorization initiative
<ul style="list-style-type: none"> • Human resource management modernized and supportive of the department's transformation agenda 	<ul style="list-style-type: none"> • Development of human resources policy; extent to which comprehensive HR reform is carried out
<ul style="list-style-type: none"> • Better management of, and accountability for, financial and non-financial resources 	<ul style="list-style-type: none"> • Implementation of comptrollership agenda/plan • Improvements in management and administrative processes
<ul style="list-style-type: none"> • Greater efficiency and effectiveness of corporate services in support of Headquarters and the platform abroad 	<ul style="list-style-type: none"> • Extent to which corporate services re-engineered to better deliver platform abroad • Development of alternative service delivery mechanisms within corporate services
<p>Provision of other critical services that apply horizontally across all program activities:</p> <ul style="list-style-type: none"> • elimination of the department's outstanding backlog of access and privacy requests by April 2006 • assistance for program managers in designing program policies and initiatives • periodic assessment of policy or program efficiencies and effectiveness 	<ul style="list-style-type: none"> • Improvement in Access to Information and Privacy assessment • Level of satisfaction of program managers with program design assistance • Number of program assessments

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Table 3.1: Departmental Planned Spending and Personnel and Full Time Equivalents (FTEs) (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
International Security	0.0	358.7	233.4	142.4
Global Issues	738.7	505.7	542.0	529.8
Bilateral Relations	127.3	134.0	120.3	98.8
Strategic Policy and Public Diplomacy	41.2	47.5	44.2	44.2
Protocol	0.0	38.6	38.0	38.0
Common Services and Infrastructure (Support from HQ)	193.4	205.7	164.5	164.5
Common Services and Infrastructure (Missions Abroad)	688.4	650.7	612.9	609.5
Consular Affairs	51.8	52.8	49.6	49.6
Passport	181.4	198.1	198.1	198.1
Transfer Payments not specifically allocated	10.1	0.0	0.0	0.0
Budgetary Main Estimates (gross)	2,032.3	2,191.7	2,003.0	1,874.9
Non-Budgetary Main Estimates (gross)	0.0	0.0	0.0	0.0
Less: Respendable Revenue	233.7	250.5	250.6	250.6
Total Main Estimates	1,798.6	1,941.1	1,752.4	1,624.3
<i>Adjustments</i>				
Operating budget carry-forward from 2004-2005	50.7	0.0	0.0	0.0
Funding to promote peace and stability in failed and fragile states such as Afghanistan, Haiti and Sudan (Global Peace and Security Fund)	14.4	0.0	0.0	0.0
Funding to support the destruction of chemical weapons at the Shchuch'ye chemical weapons destruction facility in Russia	26.0	0.0	0.0	0.0
Public security initiatives (National Security Policy)	1.6	0.0	0.0	0.0
Funding to support activities related to the protection of civilians, peace support operations, conflict prevention and public safety (Human Security Program)	8.6	0.0	0.0	0.0
Funding to enhance security at Canada's missions abroad	7.3	0.0	0.0	0.0
Funding to support grants to increase Canada's profile abroad and to inform Canadians about Canada's place in the world (Public Diplomacy Program)	1.7	0.0	0.0	0.0
Funding for the acquisition and implementation of digital facial recognition technology (Passport Security Strategy)	3.3	0.6	0.0	0.0
Funding to improve security measures related to passport services and to enhance management capacity within Passport Canada	2.7	0.0	0.0	0.0
Initiatives to support the implementation of a common electronic infrastructure and multi-channel service delivery strategy (Government On-Line)	1.8	0.0	0.0	0.0

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Table 3.1: Departmental Planned Spending and Personnel and Full Time Equivalents (FTEs) (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Funding for a pilot project to produce security-enhanced passports (e-Passport initiative)	2.2	0.6	0.0	0.0
Additional funding for increased staff and forensic activities related to tsunami disaster relief	1.4	0.0	0.0	0.0
Funding to modernize human resources management in the federal Public Service (Public Service Modernization Act)	0.9	0.0	0.0	0.0
Funding to support activities to address foreign overfishing in the northwest Atlantic Ocean	0.2	0.0	0.0	0.0
Funding in support of activities associated with the Commission of Inquiry into the actions of Canadian officials in relation to Maher Arar	1.1	0.0	0.0	0.0
Funding for administration of the 2004-2005 conditional grant to the Forum of Federations	0.1	0.0	0.0	0.0
LES maternity leave and severance	4.5	0.0	0.0	0.0
CBS maternity leave and severance	4.9	0.0	0.0	0.0
Collective bargaining agreement	20.9	0.0	0.0	0.0
Proposed carry forward for Global Partnership Program (GPP)	(36.8)	0.0	0.0	0.0
Proposed capital carry forward	(4.7)	0.0	0.0	0.0
Threat Reduction Cooperation Program	0.0	0.0	0.0	33.0
Global Peace and Security Program	0.0	0.0	82.0	82.0
UN Convention Against Corruption	0.0	0.1	0.1	0.1
Global Peace Support Operation Program	0.0	0.0	8.0	8.0
Foreign Affairs Overseas operations	0.0	7.0	10.0	10.0
Global Partnership including Plutonium Disposition \$13M 08/09 - 12/13	0.0	0.0	0.0	67.0
Foreign intelligence collection	0.0	0.6	1.0	1.5
Human Security Budget 2000 (Global Peace and Security Fund)	0.0	0.0	10.0	10.0
Commitment to double international assistance - IAE Increase - Development Pool - Canada Fund for Local Initiatives	0.0	18.0	18.0	18.0
Shastri Institute Foundation	0.0	1.3	0.0	0.0
Moscow Chancery	0.0	5.0	29.7	5.3
Long-term accommodation	0.0	17.7	5.6	0.6
Proceeds of sales of real property	0.0	18.0	0.0	0.0
GPP - Redirection of Former Weapons Scientists	0.0	0.0	0.0	7.0
GPP - Nuclear and Radiological Security	0.0	0.0	0.0	5.4
GPP	0.0	(7.0)	(7.0)	0.0
GPP - Chemical Weapons Destruction	0.0	15.0	0.0	0.0
GPP - Dismantlement of Nuclear Submarines	0.0	4.6	0.0	0.0
Relief of Hurricane Katrina in New Orleans	0.0	4.8	0.0	0.0
Capital carry forward	0.0	4.7	0.0	0.0
Reduced cost of the new Ministry - smaller Cabinet	0.0	(0.2)	(0.2)	(0.2)

Table 3.1: Departmental Planned Spending and Personnel and Full Time Equivalents (FTEs) (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Reduced cost of the new Ministry - regional responsibilities	0.0	0.3	0.3	0.3
International Peacekeeping and Peace Operations	0.0	(11.9)	(11.9)	(11.9)
Interim strategy on Existing Climate Change	0.0	3.4	0.0	0.0
CoP 11	0.0	3.1	0.0	0.0
Expenditure Review Committee	(4.0)	0.0	0.0	0.0
Expenditure Review Committee - Procurement Savings	(2.3)	(6.8)	0.0	0.0
2005 Federal Budget	113.0	0.0	0.0	0.0
Total <i>Adjustments</i>	219.7	78.9	145.6	236.1
Total Planned Spending	2,018.3	2,020.1	1,898.0	1,860.4
Total Planned Spending	2,018.3	2,020.1	1,898.0	1,860.4
Less: Non-Respendable Revenue	102.7	100.9	108.0	122.9
Plus: Cost of Services Received Without Charge	61.6	69.0	68.1	68.6
Net Cost of Department	1,977.2	1,988.2	1,858.1	1,806.1
Personnel - Full Time Equivalents (FTEs)	9,886	10,144	10,298	10,596

Notes: Due to rounding, figures may not add to totals shown.

Planned spending for 2006-2007 has been adjusted from Main Estimate figures to reflect updated allocation of corporate services. Planned spending figures for 2007-2008 and 2008-2009 have not been adjusted due to the merging of the two departments.

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Table 3.2: Resources by Program Activity (\$ millions)

2006-2007											
Program Activity	Budgetary							Non-Budgetary	Total Main Estimates	Adjustments (Planned Spending not in Main Estimates)	Total Planned Spending
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross	Respendable Revenue	Net				
International Security	105.1	6.0	3.0	244.6	358.7	0.0	358.7	0.0	358.7	2.3	361.0
Global Issues	66.8	2.9	7.5	428.5	505.7	0.0	505.7	0.0	505.7	7.3	513.0
Bilateral Relations	126.5	7.5	0.0	0.0	134.0	0.0	134.0	0.0	134.0	31.7	165.7
Strategic Policy and Public Diplomacy	22.3	0.7	21.3	3.1	47.4	(2.6)	44.8	0.0	44.8	1.6	46.4
Protocol	27.6	0.4	10.6	0.0	38.6	0.0	38.6	0.0	38.6	0.1	38.7
Common Services and Infrastructure (Support from HQ)	145.8	59.6	0.3	0.0	205.7	(17.8)	187.9	0.0	187.9	24.9	212.8
Common Services and Infrastructure (Missions Abroad)	615.0	35.7	0.0	0.0	650.7	(29.1)	621.6	0.0	621.6	9.1	630.7
Consular Affairs	49.8	2.9	0.0	0.0	52.7	(3.0)	49.7	0.0	49.7	2.0	51.7
Passport Services	198.1	0.0	0.0	0.0	198.1	(198.1)	0.0	0.0	0.0	0.0	0.0
Total	1,357.0	115.7	42.7	676.2	2,191.7	(250.6)	1,941.1	0.0	1,941.1	79.0	2,020.1

Note: Due to rounding, figures may not add to totals shown.

Table 3.3: Voted and Statutory Items(\$ millions)

Vote or Statutory Item	2006-2007 Main Estimates	2005-2006 Main Estimates
1 Operating expenditures	1,025.8	990.9
5 Capital expenditures	115.7	105.0
10 Grants and contributions	718.7	642.9
(S) Minister of Foreign Affairs salary and motor car allowance	0.1	0.1
(S) Payment under the Diplomatic Service (Special) Superannuation Act	0.3	0.3
(S) Contributions to employee benefit plans	80.5	59.5
Total Department	1,941.1	1,798.7

Note: Due to rounding, figures may not add to totals shown.

Table 3.4: Services Received Without Charge (\$ millions)

2006-2007	Total
Accommodation provided by Public Works and Government Services Canada (PWGSC)	21.4
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (TBS) (excluding revolving funds)	45.6
Workers' compensation coverage provided by Human Resources and Skills Development Canada (HRSDC)	0.2
Salary and associated expenditures of legal services provided by the Department of Justice Canada (JUS)	1.8
Other	0.0
Total 2006-2007 Services Received Without Charge	69.0

Note: Due to rounding, figures may not add to totals shown.

Table 3.5: Summary of Capital Spending by Program Activity (\$ millions)

Program Activity	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
International Security	0.0	6.0	5.8	5.7
Global Issues	4.2	2.9	2.1	1.8
Bilateral Relations	7.6	7.5	6.8	6.8
Strategic Policy and Public Diplomacy	0.7	0.7	0.6	0.6
Protocol	0.0	0.4	0.4	0.4
Common Services and Infrastructure (Support from HQ)	51.8	82.6	61.6	37.2
Common Services and Infrastructure (Missions Abroad)	38.0	35.7	34.1	34.0
Consular Affairs	2.7	4.1	2.7	2.7
Passport Canada	0.0	0.0	0.0	0.0
Total	105.0	139.9	114.1	89.2

Note: Due to rounding, figures may not add to totals shown.

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Table 3.6: Source of Respendable and Non-Respendable Revenue (\$ millions)

Respendable Revenue	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Strategic Policy and Public Diplomacy				
International Youth Exchange	1.5	1.5	1.5	1.5
Canadian Education Centres	1.1	1.1	1.1	1.1
	2.6	2.6	2.6	2.6
Common Services and Infrastructure (Support from HQ)				
Real property services abroad	9.3	9.3	9.3	9.3
Telecommunications services	1.4	1.2	1.2	1.2
Training services	1.0	1.0	1.0	1.0
Shared services from International Trade	6.1	6.4	0.0	0.0
	17.8	17.9	11.5	11.5
Common Services and Infrastructure (Support from Missions)				
Training services	4.0	4.0	4.0	4.0
Telecommunications services	0.7	0.9	0.9	0.9
Shared services from International Trade	24.4	24.4	0.0	0.0
	29.1	29.3	4.9	4.9
Consular Affairs				
Specialized consular services	2.8	2.9	3.1	3.1
	2.8	2.9	3.1	3.1
Passport Canada				
Passport fees	181.4	198.1	198.1	198.1
	181.4	198.1	198.1	198.1
Total Respendable Revenue	233.7	250.8	220.2	220.2

Table 3.6: Sources of Respendable and Non-Respendable Revenue (\$ millions)

Non-Respendable Revenue	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Common Services and Infrastructure (Support from HQ)				
Adjustment to previous year's expenditures	0.6	0.6	0.6	0.6
Other	0.2	0.2	0.2	0.2
	0.8	0.8	0.8	0.8
Common Services and Infrastructure (Missions Abroad)				
Sales of properties and other assets	16.1	13.8	14.7	10.0
Employee rent shares	12.2	12.2	12.2	12.2
Services provided to the Passport Office	4.4	4.4	4.4	4.4
Adjustment to previous year's expenditures	2.4	2.4	2.4	2.4
Other	0.8	0.8	0.8	0.8
	35.9	33.6	34.5	29.8
Consular Affairs				
Consular fees	66.0	66.5	72.7	92.3
	66.0	66.5	72.7	92.3
Total Non-Respendable Revenue	102.7	100.9	108.0	122.9
Total Respendable and Non-Respendable Revenue	351.4	350.7	376.0	451.9

Note: Due to rounding, figures may not add to totals shown.

Table 3.7: Passport Canada Revolving Fund

Table 3.7A: Statement of Operations (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Total Respendable Revenue	195.9	198.1	198.1	198.1
Operating Expenses:				
Salaries and employee benefits	113.0	104.4	104.4	104.4

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Table 3.7A: Statement of Operations (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Employees termination benefits	0.4	0.4	0.4	0.4
Passport material usage	13.5	14.3	15.7	20.3
Passport operations at missions abroad	4.4	4.4	4.4	4.4
Accommodation	10.4	10.6	10.7	10.8
Professional and special services	9.8	10.9	10.7	10.8
Amortization	13.0	13.6	10.8	11.2
Freight, express and cartage	17.1	18.4	22.1	27.8
Telecommunications	3.3	3.4	3.6	3.7
Printing, stationery and supplies	3.8	4.7	4.0	4.3
Other	10.3	13.0	11.3	0.0
Total Expenses	199.0	198.1	198.1	198.1
Surplus (Deficit)	(3.1)	0.0	0.0	0.0

Note: Due to rounding, figures may not add to totals shown.

Table 3.7B: Statement of Cash Flows (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Surplus (Deficit)	(3.1)	0.0	0.0	0.0
Add non-cash items				
Amortization	13.0	13.6	10.8	11.2
Passport material usage	13.5	14.3	15.7	20.3
Interest on drawdown				
Total non-cash items	26.5	27.9	26.5	31.5

Table 3.7B: Statement of Cash Flows (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Add cash inflows				
Treasury Board Funding for OAG report	3.3	2.1	0.0	0.0
Transfer from Treasury Board vote 5	1.3	0.0	0.0	0.0
Treasury Board Funding for Passport Security Strategy	5.5	2.9	0.0	0.0
Total cash inflows	10.1	5.0	0.0	0.0
Change in working capital	(16.4)	(17.8)	(24.8)	(14.7)
Investing activities				
Acquisition of depreciable assets	(10.5)	(15.1)	(1.7)	(16.8)
Cash Surplus (Requirement)	6.6	0.0	0.0	0.0

Note: Due to rounding, figures may not add to totals shown.

Table 3.7C: Projected Use of Authority (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Authority*	4.0	4.0	4.0	4.0
Drawdown:				
Balance as of April 1	7.4	14.0	14.0	14.0
Projected surplus (drawdown)	6.6	0.0	0.0	0.0
	14.0	14.0	14.0	14.0
Projected balance at March 31	18.0	18.0	18.0	18.0

* Four million dollars is the maximum amount that may be drawn down at any time from the Consolidated Revenue Fund.

Note: Due to rounding figures, may not add to totals shown.

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Table 3.8: Resource Requirements by Branch (\$ millions)

Branch	Program Activity								Total Planned Spending
	International Security	Global Issues	Bilateral Relations	Strategic Policy and Public Diplomacy	Protocol	Common Services and Infrastructure (Support from HQ)	Common Services and Infrastructure (Missions Abroad)	Consular Affairs	
Minister's and Deputy Minister's Office	0.3	0.2	0.6	0.1	0.4	0.6	1.4	0.8	4.3
Bureaus Reporting Directly to the Deputy Minister	1.2	0.8	3.1	0.5	32.6	2.3	11.3	1.0	52.7
International Security	320.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	320.0
Global Issues	0.0	478.2	0.0	0.0	0.0	0.0	17.2	0.0	495.4
Bilateral Relations	0.7	15.2	99.6	0.0	0.0	0.0	452.4	28.8	596.7
North America	0.0	0.0	26.9	0.0	0.0	0.0	106.2	11.8	144.9
Strategic Policy and Public Diplomacy	0.0	0.0	0.0	40.1	0.0	0.0	0.0	0.0	40.1
Legal Adviser	9.0	4.0	0.6	0.0	0.0	0.0	0.0	0.6	14.2
Corporate Services	22.2	9.7	23.3	4.0	4.2	171.1	30.2	5.1	269.8
Human Resources	7.7	4.9	11.6	1.7	1.5	38.8	12.0	3.6	81.8
Passport Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	361.0	513.0	165.7	46.4	38.7	212.8	630.7	51.7	2,020.0

Note: Due to rounding, figures may not add to totals shown.

Table 3.9: User Fees

Name of User Fee:

Property-Related Lettings and Sublettings

Fee Type:

(O) Other - Cost Recovery (Lease of Public Property)

Fee-Setting Authority:

Department of Foreign Affairs and International Trade Act, FAA, TB Cost Recovery and Charging Policy, 1997 TB decision on Net Voting, TB Real Property Revenue Policy.

Reason for Fee Introduction or Amendment:

This fee is modified as per each agreement to reflect market value.

Effective Date of Planned Change to Take Effect:

As per terms of each agreement.

Planned Consultation & Review Process:

The fees are negotiated as part of a specific agreement with each licensee/sublessee and in relation to each property for a specific time period. At the expiry of each agreement, the terms and fees are renegotiated to reflect market value.

Table 3.10: Major Regulatory Initiatives

Regulations:

Put into force the Law on Space Remote Sensing Systems and related regulations.

Expected Results:

Promulgating regulations and bringing the Remote Sensing Space Systems Act into force will fulfill commitments Canada made under an agreement with the United States to regulate commercial remote sensing satellite systems (Canada Treaty Series 2000/14, Washington, D.C., June 2000). The Act will establish a licensing regime to operate such systems in Canada.

Table 3.11: Details on Project Spending

The following projects have exceeded or are expected to exceed their delegated project approval level over the next three years:

2006-2007

1. Dhaka, Bangladesh - Construction of diplomatic complex
2. Moscow, Russia - Fit-up of new chancery and residential accommodation
3. Rome, Italy - Chancery acquisition and fit-up
4. Seoul, Korea - Construction of chancery and 7 staff quarters

2007-2008

1. Moscow, Russia - Fit-up of new chancery and residential accommodation
2. Seoul, Korea - Construction of chancery and 7 staff quarters

2008-2009

1. Moscow, Russia - Fit-up of new chancery and residential accommodation
2. Seoul, Korea - Construction of chancery and 7 staff quarters

For further information, see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

Table 3.12: Details on Transfer Payments Programs

Over the next three years, Department of Foreign Affairs and International Trade will manage the following transfer payment programs in excess of \$5 million:

2006-2007

Program Activity: International Security

1. Global Peace and Security Fund (GPSF), and its component programmes: the Global Peace and Security Programme (GPSP), the Global Peace Operations Programme (GPOP) and the renewed Human Security Programme (HSP)
2. Initiatives related to the destruction, disposition and securing of weapons of mass destruction
3. International Atomic Energy Agency (IAEA)
4. North Atlantic Treaty Organization (NATO) – Civil Administration
5. Organization for Security and Cooperation in Europe (OSCE)

Program Activity: Strategic Policy and Public Diplomacy

1. Grants in Aid of Academic Relations
2. Grants in Aid of Cultural Relations

Table 3.12: Details on Transfer Payments Programs

Program Activity: Global Issues

1. International Organisation of the Francophonie
2. Commonwealth Secretariat
3. Food and Agriculture Organization (FAO)
4. International Labour Organization (ILO)
5. Organization for Economic Cooperation and Development (OECD)
6. UN Educational, Scientific and Cultural Organization (UNESCO)
7. United Nations Organization (UNO)
8. UN Peacekeeping Operations
9. World Health Organization (WHO)
10. World Trade Organization (WTO)
11. Young Professionals International (YPI)
12. Organization of American States (OAS)
13. International Criminal Court (ICC)
14. Projects and Development Activities Resulting from Francophone Summits
15. Contribution to Canada's Clean Development Mechanism and Joint Implementation

Program Activity: Protocol

1. Payments in lieu of taxes on diplomatic, consular and international organizations' property in Canada

2007-2008**Program Activity: International Security**

1. Initiatives related to the destruction, disposition and securing of weapons of mass destruction
2. International Atomic Energy Agency (IAEA)
3. North Atlantic Treaty Organization (NATO) – Civil Administration
4. Organization for Security and Cooperation in Europe (OSCE)

Program Activity: Strategic Policy and Public Diplomacy

1. Grants in Aid of Academic Relations
2. Grants in Aid of Cultural Relations

Program Activity: Global Issues

1. International Organization of the Francophonie
2. Commonwealth Secretariat
3. Food and Agriculture Organization (FAO)
4. International Labour Organization (ILO)
5. Organization for Economic Cooperation and Development (OECD)
6. UN Educational, Scientific and Cultural Organization (UNESCO)
7. United Nations Organization (UNO)
8. UN Peacekeeping Operations
9. World Health Organization (WHO)
10. World Trade Organization (WTO)
11. Young Professionals International (YPI)
12. Organization of American States (OAS)
13. International Criminal Court (ICC)
14. Projects and Development Activities Resulting from Francophone Summits

Table 3.12: Details on Transfer Payments Programs

Program Activity: Protocol

1. Payments in lieu of taxes on diplomatic, consular and international organizations' property in Canada

2008-2009

Program Activity: International Security

1. Initiatives related to the destruction, disposition and securing of weapons of mass destruction
2. International Atomic Energy Agency (IAEA)
3. North Atlantic Treaty Organization (NATO) – Civil Administration
4. Organization for Security and Cooperation in Europe (OSCE)

Program Activity: Strategic Policy and Public Diplomacy

1. Grants in Aid of Academic Relations
2. Grants in Aid of Cultural Relations

Program Activity: Global Issues

1. International Organization of the Francophonie
2. Commonwealth Secretariat
3. Food and Agriculture Organization (FAO)
4. International Labour Organization (ILO)
5. Organization for Economic Cooperation and Development (OECD)
6. UN Educational, Scientific and Cultural Organization (UNESCO)
7. United Nations Organization (UNO)
8. UN Peacekeeping Operations
9. World Health Organization (WHO)
10. World Trade Organization (WTO)
11. Young Professionals International (YPI)
12. Organization of American States (OAS)
13. International Criminal Court (ICC)
14. Projects and Development Activities Resulting from Francophone Summits

Program Activity: Protocol

1. Payments in lieu of taxes on diplomatic, consular and international organizations' property in Canada

For further information on the above-mentioned transfer payment programs see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

Table 3.13A: Horizontal Initiatives

Name of Horizontal Initiative: U.S. Enhanced Representation Initiative (ERI)**Lead Department:** Department of Foreign Affairs and International Trade**Start Date:** September 17, 2003**End Date:** March 31, 2008**Total Federal Funding Allocation:** \$118.2 million

Description of the Initiative: The ERI is a partnership of eight federal departments and agencies. The ERI provides a coordinated and integrated approach and direction to managing and advancing Canada's advocacy, trade, business development, science and technology, and investment interests in the United States. This is done through the collaboration of ERI partners and consultation with other federal government departments, provinces and territories, and other stakeholders. When fully implemented, the ERI partnership will oversee a network of 43 U.S. points of contact through consulates general, consulates, trade offices and honorary consuls.

Shared Outcome(s): Outcomes reflect total Canadian government efforts respecting advocacy and business development with the United States set in the international economic environment. Specific outcomes are defined by the ERI's Results-based Management and Accountability Framework (RMAF):

Short-term Outcomes:

- Increased domestic engagement and coordination
- Raised awareness of:
 - Canada-United States interdependence in North American security
 - Canada-United States interdependence in North American economy
 - Canada-United States social differences
- Increased number of export-ready firms
- Raised awareness in the United States of:
 - Investment opportunities in Canada
 - Canadian technological capabilities
- Increased Canada-United States sharing of technologies
- Raised awareness of U.S. market opportunities for Canadian firms
- ERI Partnership development
- Increased capacity for advocacy and business development in the United States

Governance structure(s): The ERI Partnership is managed through a formal governance structure including a Deputy Ministers Steering Committee, an Assistant Deputy Ministers Policy Committee, a Directors General Operations Committee and three director-level Standing Committees: Advocacy and Business Development, Communications and Human Resources. Day-to-day operations are managed by the ERI Secretariat, which is responsible to the ERI Partnership, through the governance structure, for planning, implementing and evaluating the ERI's annual action plan. The ERI Secretariat is accountable administratively to its host department, the Department of Foreign Affairs and International Trade, which provides financial, human resources and physical resource services to the Secretariat.

For further information on the above-mentioned transfer payment programs see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

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Table 3.13: Horizontal Initiative

Name of Horizontal Initiative: U.S. Enhanced Representation Initiative (ERI)				
Federal Partners Involved in Each Program	Names of Programs	Total Allocation (\$ millions)	Planned Spending 2006-2007 (\$ millions)	Expected Results for 2006-2007
1. Atlantic Canada Opportunities Agency (ACOA)	a. Representation	78,070.0	20,269.0	Complete staffing
2. Agriculture and Agri-Food Canada (AAFC)	b. Advocacy and Business Development	24,837.0	7,450.0	"whole of government approach"
3. Canada Economic Development for Quebec regions (CED-Q)				
4. Department of Foreign Affairs and International Trade (DFAIT)	c. Corporate / Governance	8,248.0	2,047.0	Formative evaluation - complete and implement recommendations
5. Industry Canada (IC)				
6. National Research Council (NRC)				
7. Western Economic Diversification (WD)	d. Reserve / Unallocated*	7,045.0	11,687.0	
Total		118,200.0	41,453.0	

Contact Information:

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Note: To be allocated to programs by March 31, 2006.

Table 3.14: Sustainable Development Strategy Department

1. How does your department plan to incorporate Sustainable Development (SD) principles and values into your mission, vision, policy and day-to-day operations?

Departmental Input

Agenda 2006: A Sustainable Development Strategy for the Department of Foreign Affairs and International Trade defines the department's commitments to integrate SD principles and values into the mission, vision, policy and day-to-day operations for the 2004-2006 period in Goal 1 - Ensure greater integration of sustainable development in departmental policies, programs and operations.

Agenda 2006 including the specific commitments related to Goal 1 can be found at: <http://www.dfait-maeci.gc.ca/sustain/sd-dd/menu-en.asp>.

2. What goals, objectives and targets from your most recent SDS will you be focusing on this coming year? How will you measure your success?

The targets in Agenda 2006 specific to Foreign Affairs in the remaining months of 2006 are listed below and are measured or reported on through an annual report. The targets for 2007 through 2009 will be captured in an updated sustainable development strategy that will be tabled in Parliament in December 2006.

- Name an SD champion at the Assistant Deputy Minister or Deputy Minister level (delayed from 2005).
- Reconstitute negotiations for a transboundary environmental impact assessment agreement with the United States and Mexico.
- Advance Canada's interests in sustainable human settlements and good governance through re-engagement in the United Nations Human Settlements Programme, Membership on the UN-Habitat Governing Council by 2005 and hosting the World Urban Forum in Vancouver in June 2006.
- Develop approaches to implementation of the 2000 Ozone Annex to meet the agreement's 2007 target date.
- Reconstitute negotiations for a transboundary environmental impact assessment agreement with the United States and Mexico.
- Implement the strategic priorities for gender equality and women's rights (2004-2006):
 - increased representation of women in policy and decision making positions in UN and other multilateral and international forums;
 - increased number of UN, international and multilateral fora implementing gender main-streaming initiatives, including appointment of gender focal points/advisors; and
 - successful negotiation (and increased co-sponsorship) of Canada-led resolutions at UN and other multilateral and regional forums.

3. Identify any sustainable development tools, such as Strategic Environmental Assessment or Environmental Management Systems that will be applied over the next year.

The department has a variety of sustainable development tools in place that will continue to be applicable over the next year. Some of the tools include Strategic Environmental Assessment of Policies Plans and Programs, Environmental Assessment of Projects, Environmental Assessment of Grants and Contributions as well as an Environmental Management System.

Note: More information on these tools is available at the department's Sustainable Development website: <http://www.dfait-maeci.gc.ca/sustain/menu-en.asp>.

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Table 3.15: Sustainable Development Strategies

Foreign Affairs Audit Plans for 2005-2007 - Modified for input into the 2006-2007 Report on Plans and Priorities

General Headquarters Audit				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Audit of the Integrated Management of Property Resources (IMPR)	To assess the extent to which the objectives for the IMPR redistribution fund have been met.	X		3rd - 4th Quarter
Audit of Foreign Service Expenditures - Foreign Service Directives	Phase one - Preliminary survey and risk assessment.	X		3rd - 4th Quarter
Assurance Engagement	Phase two - Execution of plan.		X	TBD
Locally Engaged Staff Services Bureau Assurance Engagement	To assess the efficiency and effectiveness of the management control framework.		X	TBD
Privacy Impact Assessment (PIA) Assurance Engagement	To determine if Foreign Affairs has implemented the PIA policy with due regard to effectiveness and is conducting PIAs in compliance with the policy.		X	TBD
Financial Audits				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Follow-up of Assurance Audits Assurance Engagement	To determine the extent to which recommendations resulting from six financial audits performed over the past several years have been implemented. The six audits were: Cashier's Office; Accountable Advances; Accounts Receivable; Specified Purpose Accounts; Capital Assets; and Prepaid Expenses.	X		3rd Quarter
Audit of Accounts Payable and Accrued Liabilities Assurance Engagement	To determine the extent to which Accounts Payable and Accrued Liabilities are being accounted for in accordance with generally accepted accounting principles (GAAP) and that internal controls are in place and working effectively.	X		4th Quarter

Table 3.15: Internal Audits and Evaluations

Financial Audits				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Audit of Recoverable / Payables Assurance Engagement	To determine the extent to which the handling of other government department (OGD) transactions at missions are accurate and consistent, as well as how these amounts are recovered/paid through HQ from/to our partner departments.		X	1st Quarter
Audit of Foreign Affairs Financial Functions at Missions Abroad and HQ Assurance Engagement	To determine the extent to which the department has sufficient financial expertise at missions and HQ. The audit will include an examination of the position qualifications, recruiting methods and training program.		X	2nd Quarter
Audit of Foreign Operations and International Banking Assurance Engagement	To determine the extent to which the Foreign Operations and International Banking Division: <ul style="list-style-type: none"> • exercises controls on the disbursement of funds to missions; • assesses financial risk at missions and prepares risk mitigation strategies; • provides proactive advisory services; and • identifies financial management training requirements. 		X	3rd - 4th Quarter
Information Management Audit				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Audit of Network "Content" Security Assurance Engagement	The broad objective of this audit is to provide assurance of the integrity of the information on internal computer networks. More specifically, the audit will: <ul style="list-style-type: none"> • assess the existence and effectiveness of security controls; • ensure compliance with government requirements; • ensure that no protected information is exposed or compromised; and • identify and promote best security practices. 	X		3rd - 4th Quarter

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Table 3.15: Internal Audits and Evaluations

Information Management Audit				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Management of IT Security (MITS)	This audit addresses a component of the audit of IT security required under the TBS initiatives promoted through the MITS.			
Assurance Engagement	This internal audit would be conducted to meet TBS and Office of the Auditor General requirements and would involve coordination of criteria and methodologies with both agencies.		X	3rd Quarter
Post-Implementation Audit of InfoBank	To review user requirements and system functionality and to evaluate the success of the project for departmental management.			
Assurance Engagement			X	1st Quarter
Grants and Contributions Program Audits				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Academic Relations			X	1st Quarter
Canada Fund		X		3rd Quarter
Canadian Foundation for the Americas		X		3rd - 4th Quarter
Canadian Interests Abroad		X		3rd - 4th Quarter
Counter-Terrorism		X		TBD
			X	TBD
Global Partnership Program	To provide assurance on the proper management and administration of departmental grants and contributions.	X		3rd Quarter
	Assurance engagements		X	2nd Quarter
Grants in Lieu of Taxes		X		3rd - 4th Quarter
Inter-American Drug Abuse Control Commission		X		3rd - 4th Quarter
International Drug Strategy		X		3rd - 4th Quarter
UN Environment Programme (UNEP)		X		3rd - 4th Quarter

Table 3.15: Internal Audits and Evaluations

Grants and Contributions Recipient Audits				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Asia Pacific Foundation of Canada		X		3rd - 4th Quarter
Canada Fund			X	-
Canada Landmine Fund	To determine the extent of recipient's compliance with the terms and conditions of the agreement and ensure that financial reports appropriately account for the use of funds while demonstrating that funds were used for the intended purpose and that value has been received.	X		1st - 4th Quarter
	Assurance engagements		X	1st - 4th Quarter
Clean Development Mechanism and Joint Implementation Office		X		1st - 4th Quarter
Counter-Terrorism			X	1st - 4th Quarter
Global Partnership Program			X	TBD
Human Security Program		X		1st - 4th Quarter
			X	1st - 4th Quarter
International Environmental Program		X		1st - 4th Quarter
			X	1st - 4th Quarter
John Holmes Fund		X		3rd Quarter
			X	1st - 4th Quarter
Maison des étudiants canadiens		X		3rd - 4th Quarter
			X	-
Northern Dimensions		X		1st - 4th Quarter
			X	1st - 4th Quarter

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Table 3.15: Internal Audits and Evaluations

Mission Inspections				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Young Professionals International		X		1st - 4th Quarter
			X	1st - 4th Quarter
Mission Inspections	To provide management with an assessment of mission operations and management controls. These engagements provide advice to missions, examine compliance with policies and regulations, and examine methods to enhance performance.			
Consulting Engagements	Over the course of several mission inspections, work will be conducted that targets, on a risk basis, particular horizontal processes, subjects, issues and questions. The results of the inspections will be accumulated and analyzed to enable the development of statements of assurance on the selected horizontal topics.			
	Accra, London, Madrid, Barcelona, Athens	X		1st -2nd Quarter
	Bandar Seri Begawan, Bangkok, Jakarta, Abu Dhabi, Dubai	X		3rd Quarter
	Riga, Tallinn, Vilnius	X		4th Quarter
	Bucharest, Tel Aviv, Ramallah, Tunisia, Tripoli	X		4th Quarter
	Seoul, Taipei, Colombo	X		4th Quarter
Inspection Tours	Kuwait, Riyadh, Kuala Lumpur		X	1st Quarter
	Washington, Wash-OAS, Philadelphia		X	1st Quarter
	Moscow, St. Petersburg, Almaty		X	2nd Quarter
	Brasilia, São Paulo, Rio de Janeiro, Belo Horizonte, Buffalo		X	3rd Quarter
	Dakar, Yaoundé, Geneva		X	3rd Quarter
	Minneapolis, Seattle		X	4th Quarter
	Helsinki, Warsaw, Prague, Bratislava		X	4th Quarter
	Havana, Port of Spain, Bogotá		X	4th Quarter

Table 3.15: Internal Audits and Evaluations

Passport Audits					
Project	Description / Objective	2005-2006	2006-2007	Time Frame	
Entitlement Policy and Procedures Control Framework	To determine the adequacy of the entitlement policies and procedures and the effectiveness of the related control framework.	X		TBD	
Assurance Engagement					
Management of IT Security (MITS)	This audit addresses a component of the audit of IT security required under the TBS initiatives promoted through the MITS.		X	3rd Quarter	
Assurance Engagement	This internal audit would be conducted to meet TBS and Office of the Auditor General requirements and would involve coordination of criteria and methodologies with both agencies.				
Passport Services at Missions and HQ Framework	To assess the level of compliance with policies and procedures at missions abroad and review the efficiency of the management control framework.	X		3rd - 4th Quarter	
Assurance Engagement	The audit will be conducted at both Passport Canada and Consular Affairs, Foreign Affairs.				
Internal Evaluations					
Foreign Affairs Evaluations Planned for 2006-2007					
Name of Evaluation	Description	2005-2006	2006-2007	Start Date	End Date
Canada Post Memorandum of Understanding (MOU)	This evaluation will review the relevance and effectiveness of the MOU between Passport Canada and Canada Post for the delivery of passports and other services.		X	September 2006	December 2006

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Table 3.15: Internal Audits and Evaluations

Internal Evaluations Foreign Affairs Evaluations Planned for 2006-2007					
Name of Evaluation	Description	2005-2006	2006-2007	Start Date	End Date
Canadian Foreign Service Institute (CFSI)	This analysis provides an in-depth review of the CFSI after 15 years of operation: its relevance, cost-effectiveness and results achieved. Recommendations will aim to guide management in revitalizing the mandate of the Institute to meet the challenges of a new international environment.	X		August 2005	May 2006
Communications Policy	This evaluation will review the department's implementation of the Communications Policy of the Government of Canada.		X	September 2006	March 2007
Counter-Terrorism	Programming and Results Reporting Capacity Check to assess the capacity of the Counter-Terrorism Funding Program to plan, coordinate, manage, achieve and demonstrate results consistent with departmental strategies and priorities.		X	May 2006	July 2006
	Evaluation of the Counter-Terrorism Program to review overall planning, programming and RMAF implementation.		X	January 2007	June 2007
Country Studies	Development and validation of a methodology for country studies. In support of the "whole of government" approach, the country studies will be comprehensive reviews of our involvement with the selected countries from both a Headquarters and a field perspective. They will aim to show how our various programs contribute to reaching our goals.		X	May 2006	January 2007
	The Evaluation Division will pilot test the methodology and tools developed by completing a country study in a country where the planning has been in place.		X	January 2007	July 2007

Table 3.15: Internal Audits and Evaluations

Internal Evaluations Foreign Affairs Evaluations Planned for 2006-2007					
Name of Evaluation	Description	2005-2006	2006-2007	Start Date	End Date
Enhanced Representation Initiative (ERI)-USA	This evaluation will look at the design and quality of the implementation of the initiative. It will also assess the effectiveness of the ERI as a horizontal initiative (governance and coordination).	X		July 2005	May 2006
Foreign Affairs Human Resources Needs	This study will consider what skills and experience are required to meet the department's needs for the future.		X	September 2006	March 2007
Global Partnership Program	Evaluation of the Global Partnership Program as a whole with a focus on planning, programming and RMAF implementation.	X		December 2005	April 2006
	Update of the RMAF/RBAF for the Global Partnership Program.		X	April 2006	May 2006
	Evaluation of the Former Weapons Scientists Programs to assess the International Science and Technology Centre's efficiency, effectiveness and achievement of results.		X	April 2006	July 2006
Global Partnership Program	Evaluation of the Chemical Weapons Destruction Program / Main Destruction Building-2 (MDB2) and the work with the United Kingdom Ministry of Defence.		X	August 2006	December 2006
	Evaluation of the Nuclear Security and the International Atomic Energy Agency (IAEA) component of the Global Partnership Program.		X	June 2006	October 2006

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Table 3.15: Internal Audits and Evaluations

Internal Evaluations Foreign Affairs Evaluations Planned for 2006-2007					
Name of Evaluation	Description	2005-2006	2006-2007	Start Date	End Date
Hub and Spoke	This review will assess the effectiveness of the existing delivery models in different regions and identify the factors that facilitate and impede the success of the Hub and Spoke approach (i.e. relations between main and satellite offices).		X	September 2006	March 2007
Knowledge Management	As a follow-up to the IM/IT (Information Management, Information Technology) Needs Analysis Study, this study will examine how the department acquires, organizes, stores and disseminates knowledge in order to provide recommendations on how to improve knowledge management.		X	April 2006	December 2006
Landmines	The summative evaluation of the Canadian Landmine Fund will be led by CIDA and will cover the contributions by Foreign Affairs, CIDA and DND. An evaluation assessment will be conducted in FY 2005-2006, followed by the summative evaluation in 2006-2007.		X	May 2005	April 2007

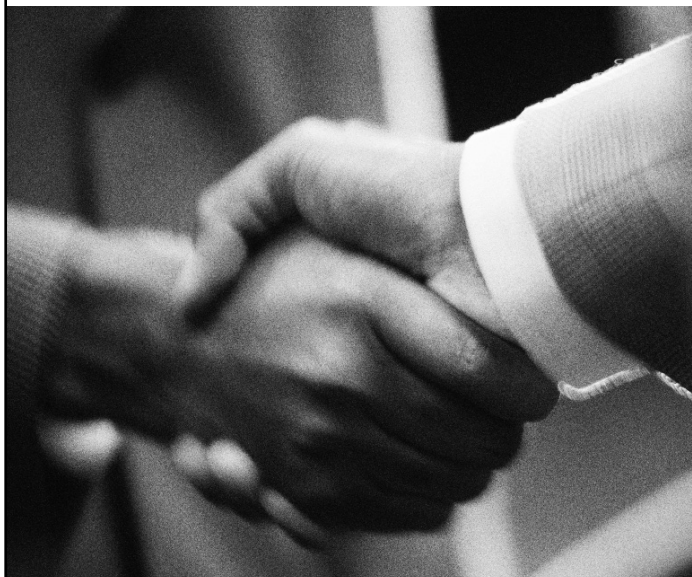
Table 3.15: Internal Audits and Evaluations

Internal Evaluations Foreign Affairs Evaluations Planned for 2006-2007					
Name of Evaluation	Description	2005-2006	2006-2007	Start Date	End Date
Passport Canada (PPTC) Ombudsman	This evaluation will consider alternative options for delivering the ombudsman function and other values and ethics oriented services within PPTC, with a focus on organizational capacity renewal and sustainability.		X	April 2006	November 2006
Passport Canada (PPTC) Security Bureau	This evaluation will review the relevance, effectiveness and results achieved by the Security Bureau and consider alternatives to continue to provide an effective travel documents service to Canadians while maintaining adequate security.		X	June 2006	December 2006
Policy Development	Advise and Assist: the review is about assessing the departmental policymaking process and how effectively the policies are translated into appropriate programming.		X	September 2006	March 2007
Public Diplomacy	Public Diplomacy is a new business line that comprises a variety of programs aimed at strengthening departmental advocacy activities. The evaluation will assess progress made toward a more coherent approach and will identify gaps between delivery capacity and the objectives of the Public Diplomacy program.		X	May 2006	March 2007
Public Security and Anti-Terrorism	Evaluation of the Public Security and Anti-Terrorism Program with a focus on the following components: Personal Safety and Security at Missions; Representation Abroad; and International Counter-Terrorism Unit.	X		May 2005	June 2006
Young Professionals International	Summative evaluation of the Young Professionals International Program.	X		September 2005	April 2006

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PART IV

The Department's International Trade Component



4.1 Summary of Plans and Priorities for 2006-2009

4.1.1 Planning Cycle and Strategic Outcomes

This part of the report deals exclusively with the department's international trade component.

4.1.1.1 Strategic Outcome

The department collaborates extensively with partners inside and outside government to foster coherence of Canada's commercial policies and programs in order to enhance the prosperity of Canadians. Strategic outcome and program activities in relation to international trade are identified in the table below.

Strategic Outcome: Canada's international commercial interests are advanced, both in Canada and abroad, in collaboration with Canadian business and other stakeholders.

Program Activities:

Trade Policy and Negotiations, which analyzes, negotiates, advocates and represents Canada's international economic and commercial interests in Canada and abroad, in consultation with stakeholders.

World Markets/Commercial Relations, which integrates Canada's economic, trade, investment, and science and technology interests at regional and bilateral levels, and manages bilateral commercial interests.

International Business Development, which manages and delivers international business services to Canadians.

Promotion of Foreign Direct Investment and S&T Cooperation, which attracts and retains foreign direct investment (FDI) in Canada, expands Canadian investment abroad and fosters international science and technology collaboration.

The department's Corporate Services and Human Resources functions also support this strategic outcome.

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4.1.1.2 Alignment with Government of Canada Priorities

The department's priorities are in keeping with the April 2006 Speech from the Throne, which noted:

- the importance of building “stronger multilateral and bilateral relationships, starting with Canada's relationship with the United States, our best friend and largest trading partner;” and
- the government's intention to “work with our friends and allies around the world to promote democracy, human rights and freer trade.”

The department's strategic outcome and program activities align with Government of Canada outcomes identified in *Canada's Performance*, an annual report to Parliament on the federal government's performance, prepared by Treasury Board. Of particular relevance is that document's outcome, A Prosperous Canada through Global Commerce.

4.1.1.3 How International Trade Plans

At the corporate level, the business planning process is initiated at a fall retreat held by Executive Committee, at which members agree on a clear set of priorities and strategic objectives. These are articulated in a broadcast message and set of instructions to all members of the department's management at Headquarters and missions abroad. The country strategies prepared by the department's foreign affairs component provide the overall context in which the trade component's commercial programs operate abroad.

Program managers at Headquarters and abroad are provided with a business planning framework featuring specific performance measurement indicators on which to base their business plans. The plans identify resource use, the economic context within their respective territories, related activities and expected results. These plans form the basis of a dialogue with partner departments on policy and program priorities and resource requirements.

Over the past three years, Internet-based templates have been used for business plans, which has brought a degree of efficiency previously unknown and provided a better means of comparing plans across various markets. The department ensures coherence and completeness of all business plans, as well as a correlation with overall departmental priorities and key results.

The department is increasing its collaboration with other departments to develop credible performance indicators, primarily through use of the department's electronic client relationship management system known as TRIO and through a linkage of TRIO with the Virtual Trade Commissioner (VTC) web platform. TRIO provides integrated solutions to trade officers in order to improve the processing, delivery and tracking of interactions with clients. The system generates performance indicators such as average turnaround time on service requests, volume of services delivered and number of business leads generated.

The department uses its approved plans and strategies as the basic material for its *Report on Plans and Priorities*. This report, which is a compilation and explanation of the department's annual business plans, is an official element in the Estimates process. Like its counterpart, the *Departmental Performance Report*, this document is tabled in Parliament and is made available to all Canadians and others with an interest in Canada's trade policy.

4.1.2 Planning Context: Challenges and Risks

The complexity and volatility of the international environment in which the department operates poses a number of challenges and risks—both strategic and operational—that must be identified and considered in its annual planning cycle.

4.1.2.1 Challenges

The challenges facing the department include:

- a global environment dominated by security and economic concerns;
- the difficulty in making sufficient progress in the Doha Round of trade negotiations and a consequent resurgence of protectionism;
- the continuing importance to Canada's prosperity of integration within the North American economic space and access to American markets;
- concern over declining market share in the United States;
- the accelerating emergence of new economic powers, new competition and new markets;
- a continuing shift in business models toward global value chains;
- the increasing dependency on technological alliances to achieve innovation and productivity growth;
- the continuing fierce global competition for foreign direct investment;
- threats to market access due to the multiplicity of free trade agreements between our competitors and key markets;
- the department's aging workforce and the shortage of qualified employees in key occupational groups, which has prompted the department to adopt new strategies to address its future human resources needs; and
- the finite, and in some cases, reduced, financial and human resources with which to carry out departmental activities (e.g. the department's contribution to the Treasury Board-funded Government On-Line (GOL) initiative, which ended on March 31, 2006). To sustain the department's various GOL initiatives—the Virtual Trade Commissioner, TRIO, InfoExport and the Doing Business with Canada websites—alternative funding will have to be found within its own budget.

4.1.2.2 Risks

The department identifies and closely monitors risks associated with its mandate on an ongoing basis. This work is based on the Treasury Board framework (http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/RiskManagement/rmf-cgr01-1_e.asp#An%20Integrated%20Risk), which helps departments identify, manage and communicate risk from an organization-wide perspective.

Currently, the department has a large number of risk mitigation strategies in place for certain programs and overall operations. However, more work needs to be done in this area, given that some elements of the department still use informal methods of risk assessment and management. As its policy and program capacity is strengthened, the department continues to make progress in improving its assessment, management and communication of risks.

At present, the main strategic risks for the department are as follows:

- The federal government faces increased pressure to protect certain industries from the impact of international trade and to assist others in the event of an economic slowdown, while remaining committed to greater liberalization of trade and investment rules.

IV The Department's International Trade Component

- The federal government has faced ongoing pressure to resolve the outstanding dispute with the United States over softwood lumber without undermining Canada's broader trade interests with that country. This dispute was resolved by a bilateral agreement, which was finalized in August 2006.
- Canada needs to address American security concerns that might create border delays or closures, which in turn could have severely adverse effects on commerce between the two countries.

4.1.2.3 Other Environmental Factors

Major Publications of Relevance to International Trade

Over the past year, a number of publications have addressed the future direction of Canadian economic policy, as follows:

- *The Evolving Role of Governments in a 21st Century Economy*, a report by the Public Policy Forum on its interviews and roundtables with over 100 Canadian business and civil society leaders, government officials and representatives of non-profit organizations (January 2006) (http://www.ppforum.ca/ow/report_evolving_role_of_government.pdf);
- *Should Canada pursue more Free Trade Agreements?*, comments to the House of Commons Subcommittee on International Trade, Trade Disputes and Investment by Danielle Goldfarb of the C.D. Howe Institute (April 2005) (http://www.cdhowe.org/pdf/verbatim_3.pdf); and
- *From Bronze to Gold: A Blueprint for Canadian Leadership in a Transforming World - Ideas and Recommendations of the Canadian Council of Chief Executives* (February 2006) (http://www.ceocouncil.ca/publications/pdf/adb96bc91c7726f2452e047292499900/From_Bronze_to_Gold_February_21_2006.pdf).

Major Horizontal Files Involving the Department

In addition to the many trade policy files that regularly involve a range of other government departments, the department is involved in the following specific horizontal files:

- It has the lead on, and responsibility for, the Enhanced Representation Initiative (http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/eri-ireu/description_e.asp). A partnership of seven federal departments and agencies, the ERI provides a coordinated and integrated approach to managing and advancing Canada's advocacy, business development (trade and investment), and science and technology interests in the United States. This is done in collaboration with ERI partners and in consultation with other federal departments, the provinces, territories and other stakeholders. ERI oversees 22 consulates general, consulates and trade offices. Thirteen honorary consuls have been appointed to date to represent Canada in places where there is currently no official Canadian representation.
- In April 2006, the International Business Development Agreement (IBDA) between the federal government (specifically, this department as well as Industry Canada and the Atlantic Canada Opportunities Agency) and the four Atlantic provinces was renewed for five years at a cost of \$10 million. First established in 1994, the agreement helps established exporters in Atlantic Canada expand their activities into new and more diversified markets and assists the region's new exporters in getting started. More details are available at <http://www.pm.gc.ca/eng/media.asp?category=1&id=1138>. Since 1994, 32 percent of companies that participated in an IBDA-sponsored trade activity for the first time have since begun exporting internationally, 42 percent of companies reported an increase in the volume of their exports and 29 percent started exporting to new markets as a result of IBDA activity. A total of 179 projects have been approved and more than 1,500 companies have participated in them.
- The Canadian Biotechnology Strategy (http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/cbs-scb/description_e.asp) is the federal strategy to position Canada as a responsible world leader in biotechnology. The department is involved in its delivery and elaboration for the purpose of improving market access for Canadian biotechnology products, managing related trade agreements and supporting Canadian biotech business and research organizations.

4.1.3 Plans and Priorities

4.1.3.1 The Five Strategic Priorities of the International Trade Component of the Department

The department is currently developing a global commerce strategy for engagement in priority markets, which encompasses trade policy, export development, investment flows, science and technology linkages and commercialization of Canadian technologies. This strategy will reflect the following priorities that apply to all the department's operations, with varying emphasis on each priority depending on specific market conditions abroad and the functional nature of work at Headquarters and regional offices:

- **Increasing Canadian awareness of the challenges and opportunities presented by global commerce:** It is apparent that a significant number of Canadian companies have yet to engage in international commerce, an activity that could greatly enhance their productivity and competitiveness. The department therefore will place increased emphasis on raising awareness among Canadians of the challenges and opportunities in the global marketplace through targeted engagement with various stakeholders such as industry sector associations, municipalities, provinces, regional development agencies and ethno-cultural groups. In this way, it will encourage greater Canadian participation in global commerce, to the long-term benefit of the Canadian economy. Looking abroad, the department will place particular emphasis on investment, innovation and value-added production in order to highlight Canadian capabilities beyond the traditional sectors for which Canada is better known. It will follow up in a more targeted manner on leads identified during trade missions to generate new business activity or help bring about collaborative research projects in areas of strategic interest to Canada.

Through the website of the Canadian Trade Commissioner Service, the department will continue to offer free access to sectoral market studies and country-specific reports to help Canadian companies identify foreign business opportunities and learn more about target markets.

- **Strengthening secure access for Canadian business to global markets through the negotiation and implementation of commercial agreements:** The United States, in every respect, continues to be Canada's most important economic partner. Canada will continue to give the highest priority to the enhancement of this bilateral relationship. In addition, Canada will continue to work trilaterally with the United States and Mexico, particularly with respect to the North American Free Trade Agreement and the Security and Prosperity Partnership, to enhance the global competitiveness of North America through the improved flow of goods, services and capital within the continental market.

Although the Doha Development Agenda negotiations have been suspended without a resumption date, the department will continue to build on the valuable ongoing work of the WTO and will also work with other WTO members and the Director-General of the WTO to pursue multilateral trade negotiations, particularly the resumption of the Doha Development round, with the goal of reaching an ambitious outcome that meets Canadian objectives. These objectives include levelling the playing field for the agri-food sector, increasing market access for goods and services providers, strengthening trade rules, facilitating trade by cutting the red tape at the border and helping developing countries better integrate into the global trading system. In determining the parameters of future negotiations, the department will continue considering the wide-ranging commercial interests of Canadian carriers, gateways and communities.

However, in order to maintain momentum in securing enhanced access to global markets, the department will step up efforts to conclude free trade agreement negotiations with South Korea and will actively pursue negotiations with other key markets. It will also pursue negotiations toward foreign investment protection and promotion agreements (FIPAs) with China, India and Peru and negotiations of bilateral air agreements to expand international passenger and cargo

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rights for Canadian carriers.

Finally, the department will effectively manage the domestic regulatory and legislative framework for which it is responsible (i.e. the Export and Import Permits Act [EIPA]). The EIPA is a trade instrument that controls the import and export of goods in support of Canada's economic, security and foreign policy interests. Specific initiatives in 2006-07 include the proposed addition of controls for exports to Belarus due to severely flawed elections and abuse of human rights, as well as the addition of controls related to the negotiated softwood lumber settlement.

Assisting Canadian business in competing successfully for global opportunities: While the department recognizes the prime importance of protecting and advancing Canada's economic and business interests with the United States in order to advance Canada's global economic agenda, it also is aware that Canadian firms will have to engage and compete more energetically in other strategic markets in Asia and Latin America, among others. A key step is to determine how these dynamic markets can offer opportunity and growth potential to Canadian business. Once the analysis is complete, the department will determine how potential business partners in these rising economic powers can serve as strategic links to global value chains, a fairly recent phenomenon, which has radically changed the way in which international firms do business. The department will also take stock of lessons learned by competitor nations to understand which aspects of commercial relationships can result in stronger and more enduring business-to-business ties.

The department is currently in the process of reassessing its business development priorities and strategies, as well as its technology and investment policies, programs and expenditures to identify where it should realign its efforts to maximize private-sector participation in key markets. To meet the needs of Canadian business, the department will continue to realign its international business programs, reallocating some resources to outward investment in support of new business models, and more assertively supporting global academic, public- and private-sector activities in science and technology. It will develop a more coherent policy to promote innovation and will continue its efforts to brand Canada internationally as a centre of innovation.

The department will also identify ways under trade and investment policy—market access rules and investment-promotion agreements, for example—to advance Canadian interests in emerging markets. In such markets, for example China and India, the International Science and Technology Partnerships Program (ISTPP) will prove to be a valuable tool. The department will continue to upgrade and expand its various Internet-based platforms to guarantee seamless, cost-efficient and timely service delivery. In particular, it will ensure closer integration with the Internet platforms of partners, including Agriculture and Agri-Food Canada, Export Development Canada, Canadian Heritage, Industry Canada and the Canadian Commercial Corporation in order to provide integrated services across government to support international business development.

In order to facilitate and enhance competitiveness, it is essential that the Canadian business community has access to diversified and frequent international routes and route connections, also reaching domestic points, as well as to international air cargo facilities. As indicated above, the department, in collaboration with Transport Canada, will strive to improve the diversity and capacity of international transportation options to satisfy the requirements of the business community and those of the travelling public. This will require keeping in sight the varying interests of the different segments of the Canadian air transport industry, particularly those of airports offering their services to Canadian and foreign carriers, Canadian carriers offering, at varying degrees, connecting domestic and international flights, or those particularly connecting with foreign carriers at Canadian gateways, under commercial partnerships.

The ultimate goal of all these efforts is to ensure a greater degree of international connectivity for the business community, resulting in Canadian companies that are armed with all the necessary information and tools to help them

develop a readiness and capacity to enable them to engage and succeed in global commerce.

- **Promoting Canada as a globally competitive location and partner for investment, innovation and value-added production:** Foreign direct investment plays a major role in Canada's economic growth. It brings capital to the Canadian economy, introduces leading-edge technologies, assists human capital formation, stimulates domestic competition, transfers new management expertise and provides preferential access to international markets.

In collaboration with other federal departments and other levels of government, the department works to enhance understanding of Canada's investment interests, advocates policy changes to improve the domestic investment climate, enhances the relevance of messages in the main Government of Canada website designed for foreign business people (<http://www.investincanada.gc.ca>), and undertakes initiatives to attract and expand targeted foreign direct investment to Canada. In this way, the department fosters two-way investments that help link Canadian industry to global value chains and international markets.

Through its missions abroad, the department will place particular emphasis on investment, innovation and value-added production in order to showcase Canadian capabilities beyond the traditional sectors for which Canada is better known. It will follow up in a more targeted manner on leads identified during trade missions to generate new business activity or help bring about collaborative research projects in areas of strategic interest to Canada.

The department has a mandate to support all aspects of international commerce, including international S&T. It plays a strategic leadership role by fully integrating S&T into its international business development services and by managing effective international partnerships to support Canada's innovation capacity. The department's activities in this regard include promoting more effective technology acquisition, global partnering and commercialization of Canadian knowledge and technology.

The department will enhance its coordination of international S&T by working with federal and provincial partners to establish international collaborations. It will support the Canadian S&T community by providing an appropriate network through which companies can access the world's best facilities, equipment, talent, knowledge and cost-sharing mechanisms. Such access will improve the quality and speed of Canadian research activities and the potential for timely commercialization. These investment and S&T initiatives complement the department's strategy on emerging markets.

Through the Enhanced Representation Initiative, the department will build strong and effective science and technology partnerships with key Canadian S&T-based organizations and their American counterparts to promote innovation and commercialization.

- **A department that is recognized as modern and agile:** In 2006-2007, the department will finalize its modern comptrollership action plan. Once the plan is completed, the department will have the required capacity to implement the key elements of the Management Accountability Framework set by Treasury Board Secretariat.

In human resources management, the department is striving to align departmental priorities and expected results with individual performance agreements with managers. The department has made progress in the employment equity representation of women and visible minorities and maintained the level of Aboriginal representation. In 2006-2007, the department will need to do more work in the executive ranks, where the designated groups are currently under-represented.

The department will continue to reinforce training in official languages for employees at missions abroad. The department is committed to building a continuous learning organization. A recently implemented Performance

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4.1.4 Planned Spending: Financial and Human Resource

4.1.4.1 Financial Resource Utilization

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	414.5	546.0	518.5

The department's budget is allocated through Main and Supplementary Estimates approved by Parliament. Given the timing of this year's federal election, funding was provided in an exceptional manner—through Main Estimates as well as by means of a Governor General Special Warrant (the established instrument for obtaining funds when Parliament is dissolved for the purposes of a general election).

As indicated in the table above, planned spending for International Trade for 2006-2007 will be \$414.5 million, a decrease from the amount allocated in the 2005-2006 Main Estimates. This decrease is due to:

- budget cuts associated with phase 2 of the \$1 billion government-wide expenditure review initiative, in keeping with the 2005 Budget; and
- the budgetary and non-budgetary allocations to Export Development Canada.

The decrease in costs will be offset by increases resulting from:

- higher costs related to severance and maternity leave payments for Canada-based and locally engaged staff as well as increased salaries, as per collective agreements (\$3.6 million); and
- increased funding for softwood lumber litigation (\$14 million).

The department has two voted appropriations (related to operating expenditures and grants and contributions) and four statutory authorities. For 2006-2007, the department's budget will be allocated as follows: roughly 38 percent for operating expenditures and 3 percent for grants and contributions.

Human resources expenditures, excluding \$19 million related to employee benefits plans, account for approximately 48 percent of the department's budget. In general, human resources expenditures are funded through voted appropriations. However, employee benefit plans are statutory payments.

A detailed breakdown of the department's planned spending can be found in Part III, section 3.1.4. The financial resources are distributed across the four program activities as follows:

- \$51.7 million—Trade Policy and Negotiations;
- \$41.1 million—World Markets/Commercial Relations;
- \$309.5 million—International Business Development (includes budgetary and non-budgetary amounts for Export Development Canada); and

- \$12.2 million—Promotion of Foreign Direct Investment and S&T Cooperation.

The planned spending figures for the program activities total \$414.5 million and include the Expenditure Management Committee cut of \$700,000. It should be noted that the government's Expenditure Management Review cuts of five percent in 2005-2006 were applied to all operational budgets, which affected travel and general operations. No specific initiatives or programs were targeted.

The department will contribute more than \$10 million in grants and contributions this year, mainly through international business development, promotion of foreign direct investment and S&T cooperation program activities. Key grants and contribution programs include the Program for Export Market Development—Trade Associations, the International Science and Technology Partnerships Program, Going Global and the Community Investment Support Program.

4.1.4.2 Human Resource Utilization

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	1,369	1,369	1,369

The department remains committed to building a bilingual, culturally diverse and innovative workforce that fully reflects Canadian society as a whole. At the same time, the department is working to create more productive and innovative relations with employee unions and associations. The department is also working to address the gap in resources in a number of its key occupational groups.

FTEs refers to full-time equivalents, the human resources required to sustain an average level of employment over 12 months, based on a 37.5-hour work week. The above table indicates the approximate number of FTEs the department used last year. The human resources (FTEs) are distributed as follows across the four program activities:

- 369—Trade Policy and Negotiations;
- 512—World Markets/Commercial Relations;
- 417—International Business Development; and
- 71—Promotion of Foreign Direct Investment and S&T Cooperation.

The success of any organization depends entirely on its employees. This is especially true for this department, which requires a unique blend of highly skilled people. The department is continuing to modernize its human resources management. Several significant change initiatives are still under way—some in keeping with government-wide legislative change (e.g. implementation of the Public Service Modernization Act) and others related to the department's transformation agenda and management priorities, including implementation of the Performance Management Program and restructuring of the Foreign Service.

4.1.5 Performance Monitoring

In 2005-2006, the department increased the collection of significant data, and identified and applied more stringent and informative performance indicators. During 2006-2007, the department will develop an integrated performance information system related to resources, internal processes, service delivery and economic data. It expects to implement the system

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in 2007-2008. In addition, the department monitors and measures performance with the following set of performance indicators (see the table below) for strategic outcomes, priorities and key results taken from the department's business planning framework. This framework provides the basis for strengthening results-based management and for setting objectives related to the Performance Management Program and performance management agreements for the executive cadre. The backbone for this framework will be provided by the data collection and transaction-focused architecture of the VTC-TRIO service pipeline. The TRIO system will also be the source for much of the quantitative data.

The department will continue to undertake a series of targeted audits and evaluations throughout its operations to provide senior management with performance information (see Part IV, section 4.3, table 4.10 for more details).

Specific performance indicators in the following table relate to each of the department's policy and management priorities. These indicators will be used to assess the department's performance in relation to the plans identified in this report, which will be discussed in full in the *2006-2007 Departmental Performance Report*.

1. Increasing Canadian awareness of the challenges and opportunities presented by global commerce	
Planned outcomes:	As demonstrated by:
<ul style="list-style-type: none"> • Specific strategies are developed by Canadian business clients to respond to the challenges and opportunities of global commerce 	<ul style="list-style-type: none"> • Number of specific business client strategies developed to meet the challenges and opportunities of global commerce
<ul style="list-style-type: none"> • Domestic buy-in to advance Canadian commerce interests is enhanced 	<ul style="list-style-type: none"> • Level of consensus among domestic stakeholders in support of Canada's global commerce strategy
<ul style="list-style-type: none"> • Utilization of government programs and services to help Canadians succeed in the global economy is increased 	<ul style="list-style-type: none"> • Number of client services delivered • Number of communications/outreach events across Canada • Degree of participation in communications/outreach events
2. Strengthening secure access for Canadian business to global markets through the negotiation and implementation of commercial agreements	
Planned outcomes:	As demonstrated by:
<ul style="list-style-type: none"> • Canadian trade and investment interests are advanced through appropriate rules-based initiative 	<ul style="list-style-type: none"> • Level of progress in advancing negotiations on agreements and cooperative arrangements (e.g. bilateral, regional and multilateral trade and investment negotiations, issue-specific accords and cooperation agreements) • Improvements vis-à-vis the scope of rights and obligations achieved through negotiations • Extent to which Canadian partnerships are enhanced through collaborative and cooperation initiatives for specific issues and sectors • Effective domestic implementation of negotiated agreements

<ul style="list-style-type: none"> Market access for Canadian goods, services, technologies and investment is maintained and improved 	<ul style="list-style-type: none"> Level of progress in maintaining and improving Canada's market access interests within a rules-based system
<ul style="list-style-type: none"> Trade and investment disputes are managed effectively 	<ul style="list-style-type: none"> Level of progress in effectively managing trade and investment disputes, including through consultations and the use of formal dispute settlement procedures, as well as targeted advocacy efforts
<ul style="list-style-type: none"> Domestic regulatory and legislative framework under the responsibility of the Minister for International Trade is managed effectively 	<ul style="list-style-type: none"> Effective implementation of negotiated market access and retaining agreed-upon levels of domestic market openness Delivery of effective export controls to promote a safer and secure economy and improve market access

3. Assisting Canadian business in competing successfully for global opportunities

Planned outcomes:	As demonstrated by:
<ul style="list-style-type: none"> Canadian business is positioned effectively to grow through global commerce 	<ul style="list-style-type: none"> Increase in the value and market share of exports and Canadian direct investment abroad Level and growth of sales of foreign affiliates of Canadian firms in relation to Canadian exports Number of new exporters active in foreign markets Number of exporters expanding their activities to new foreign markets
<ul style="list-style-type: none"> Business opportunities and intelligence are generated to match Canadian capabilities with specific foreign business needs 	<ul style="list-style-type: none"> Value, volume and quality of business leads identified and disseminated to business clients
<ul style="list-style-type: none"> Delivery of client services (e.g. timely and high-quality market information, key contacts, business advice and referrals to support sound, informed international business decisions) is optimized 	<ul style="list-style-type: none"> Percentage of, and degree to which, clients are satisfied with timeliness and quality of services, products and events Increase in volume, consistency and quality of client services delivered

4. Promoting Canada as a globally competitive location and partner for investment, innovation and value-added production

Planned outcomes:	As demonstrated by:

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- | | |
|---|--|
| <ul style="list-style-type: none"> • New and expanded investments in Canada are made by international businesses | <ul style="list-style-type: none"> • Increase in number and value of foreign investments in Canada to which the department contributed |
| <ul style="list-style-type: none"> • Foreign investors and innovators have increased knowledge of, and interest in, Canadian capabilities and advantages | <ul style="list-style-type: none"> • Number and quality of investment prospects identified and disseminated to provinces/territories • Number of events and other proactive initiatives in which Canadian capabilities were highlighted • Improved perceptions of Canadian capabilities and advantages by foreign investors and “influencers” • Improved international competitiveness as evidenced by ranking in international benchmarking studies |
| <ul style="list-style-type: none"> • S&T partnering opportunities and intelligence are generated to match Canadian and foreign S&T needs and capabilities | <ul style="list-style-type: none"> • Number, nature and scope of S&T partnering opportunities identified and realized between Canada and S&T priority partner countries |
| <ul style="list-style-type: none"> • Enhanced international R&D collaborations and commercializations are made, involving Canadian researchers and business partners | <ul style="list-style-type: none"> • Number and scope of S&T partnerships achieved through established mechanisms and initiatives |

5. A department that is recognized as modern and agile

Planned outcomes:

- Capacity to deliver services to clients through initiatives focusing on service quality, efficiency and other dimensions of modern management is improved
- Programs and services that respond effectively to the needs of the Canadian business community are enhanced

As demonstrated by:

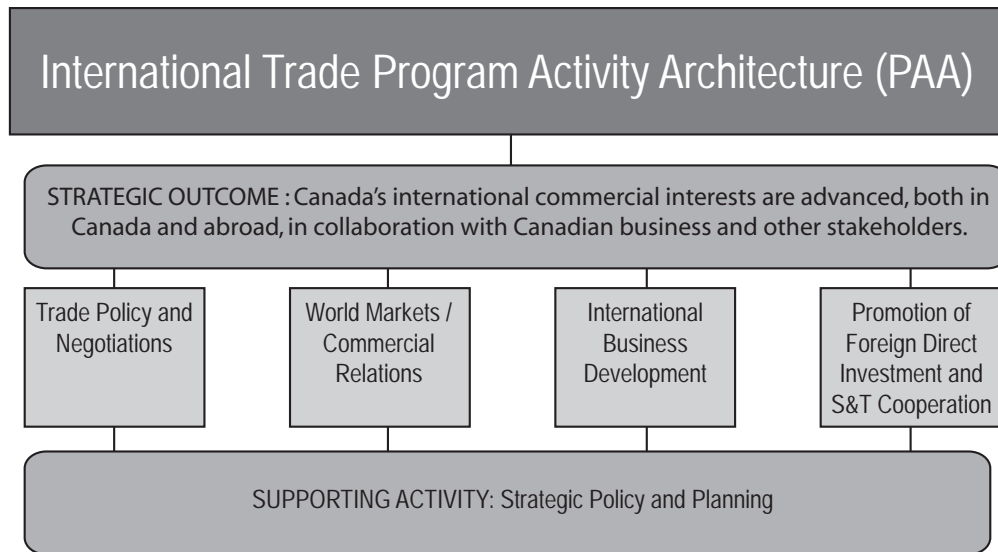
- Client satisfaction ratings reflecting the quality, timeliness, relevance and utility of services provided
- Perceptions of employees on the quality, utility and relevance of training programs
- Level of adherence to service standard for response time
- Level of use of innovative tools to manage client service requests and volume of self-service by clients

4.2 International Trade Program Activities by Strategic Outcome

This section provides detailed information about the department's commerce-related strategic outcome, the four program activities and one supporting activity identified in its Program Activity Architecture.

4.2.1 Strategic Outcome: Canada's international commercial interests are advanced, both in Canada and abroad, in collaboration with Canadian business and other stakeholders

The following four program activities and one supporting activity contribute to this strategic outcome.



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4.2.1.1 Program Activity: Trade Policy and Negotiations

4.2.1.1.1 Description of the Program Activity and Related Planning Context

Program Activity: analyzing, negotiating, advocating and representing Canada's international trade and economic interests in Canada and abroad, in consultation with stakeholders.

In carrying out this activity, the department:

- negotiates trade agreements with other countries and monitors their implementation, manages disputes and consults stakeholders on the substance of these agreements;
- prepares economic analyses in support of policy development; and
- evaluates Canada's performance in international trade (see <http://www.international.gc.ca/eet/menu-en.asp>). This evaluation is provided in two departmental publications, *State of Trade* and *Trade Policy Research*. *State of Trade* reviews and analyzes key developments concerning Canada's international trade and investment as well as other aspects of global commerce that had an impact on Canada over the preceding year. Canada's performance is checked against that of traditional partners and competitors such as the United States, the EU and Japan as well as emerging global powers such as Brazil, Russia, Brazil, and China. *Trade Policy Research*, an annual compendium of policy-related analysis and research, covers work done inside and outside the federal government on issues directly related to the department's policy objectives. The views expressed are those of the authors. Volumes in this series have been adopted in international trade and business courses in several Canadian and American universities.

The program activity effects change both directly and indirectly through:

- policy development, supported by analysis and research;
- consultation and engagement with domestic and international partners;
- advocacy and negotiation;
- dispute management and resolution; and
- implementation and enforcement of legal obligations under the Export and Import Permits Act.

The direct clients of this program activity are exporters, importers, producers and investors in goods and services industries who benefit from new access opportunities, better and cheaper supplies, and fairer and more predictable operating environments. Its indirect clients are all Canadians who benefit from a greater variety of goods and services and a stronger economy nurtured by an open, rules-based trade and investment regime. Such a regime fosters innovation and employment opportunities through market opening, good regulatory practices and other tools that take into account overriding social, environmental and economic priorities.

Planning Context:

The following factors affect the trade policy and negotiations functions of the department:

- As a relatively small, developed economy, Canada relies more than most on international commerce for the exchange of investment, technology, people and ideas. The effective management of Canada's commercial relationship

with the United States is a key priority, given that it accounts for over three-quarters of Canada's goods and services exports. An important challenge will be to finalize the details of the new agreement between Canada and the United States on trade in softwood lumber.

- There is the possibility that Canada's economy could be adversely affected by new documentation requirements under the United States government's Western Hemisphere Travel Initiative (http://www.dfait-maeci.gc.ca/can-am/main/right_nav/whti_comment_period-en.asp), particularly if appropriate measures, technology and infrastructure are not in place by the deadline.
- At the same time, Canada is pursuing multilateral agreements, as well as a range of bilateral and regional trade initiatives, including negotiations of free trade agreements with South Korea, Central America, the European Free Trade Association and Singapore; broader trade initiatives with Japan and the European Union; and a hemispheric agreement, the Free Trade Area of the Americas (FTAA)—although this 34-country negotiation has been stalled for over two years.
- The emergence of new economic superpowers—chief among them Brazil, Russia, India and China—and the trend toward further subdivision of production networks (i.e. regional or global supply chains)—have increased the complexity of the international trading environment. The former has brought development issues into the mainstream of trade policy. The latter has resulted in a trade policy agenda that increasingly focuses on sensitive and complex areas of domestic policy (i.e. labour mobility, subsidies and support programs, domestic regulation, agricultural marketing boards that are unique to Canada, investment restrictions, intellectual property rights and sub-national trade barriers) as opposed to eliminating barriers to trade at the border.
- Following multilateral liberalization under the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization as well as continental liberalization through the Canada-United States FTA and NAFTA, most opportunities to reduce trade barriers and ease trade restrictions have been explored. The result has been increasing difficulty in forging an international consensus for further liberalization in multilateral or regional forums, as reflected in the recent difficulties in advancing the WTO Doha Development Agenda and the FTAA negotiations. This, in turn, has contributed to an increase in bilateral FTA negotiations on the part of virtually all major trading nations. While these can complement the WTO, the initiatives of other countries—particularly the United States—also present significant competitive challenges for Canadian firms and foreign firms operating in Canada, which are at risk of becoming less competitive in key third-country markets and experiencing relative erosion of their preferred access to the American market.
- At the same time, domestic sensitivities have contributed to the fact that Canada is the only significant trading nation that has not concluded an FTA in more than five years, despite many ongoing initiatives. Faced with these complexities, it is important to forge a more strategic approach to trade policy.
- The intent is to use the mechanisms most suited to the particular needs of the business community and to the stage of development and economic potential of the partner country.
- The challenge is to manage a full and diversified approach to trade policy. It is one that is very demanding in terms of resources, but necessary if Canada is to maintain its status as a premier trading nation.

4.2.1.1.2 Plans and Priorities for the Trade Policy and Negotiations Program Activity

The department will contribute mainly to the following key priority under this program activity:

- strengthening secure access for Canadian business to global markets through the negotiation and implementation of commercial agreements.

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The strategic priority for this program activity is supported by multiple one- to three-year outcomes. The department will advance the achievement of these outcomes by undertaking the following specific actions, listed below.

Strengthening secure access for Canadian business to global markets through the negotiation and implementation of commercial agreements

- The department will finalize the new agreement between Canada and the United States on trade in softwood lumber. In April 2006, Canada reached this historic agreement, ending the longstanding dispute over trade in softwood lumber and providing a fair and durable resolution that reflects Canada's objectives and interests (<http://www.dfait-maeci.gc.ca/eicb/softwood/basic-terms-en.asp>). It will ensure stable and predictable access to the American market, repayment to Canadian producers of at least \$4 billion in duties collected by the United States and flexibility for the provinces involved in recognition of varying operating conditions across Canada. This agreement will help build a stronger bilateral trade relationship, while setting a positive tone that will allow Canada and the United States to collaborate in making North America more globally competitive. The two countries are currently working to finalize the agreement.
- The department will continue to advance and defend Canadian interests pursuant to Canada's rights and obligations under international trade agreements.
- With respect to the American government's Western Hemisphere Travel Initiative, Canada is committed to working with the United States to identify and assess the best options for alternative identification documents to be used for crossing the border between the two countries. The emphasis will be on a system that is low in cost, convenient and based on common standards.
- The department will provide advice on matters related to Canada-United States and Canada-Mexico trade relations, such as compliance with international obligations and operation of Canada's export permits regime. This will include providing advice and analysis on trade risks and implications of American security measures.
- It will continue using NAFTA and other instruments such as the Security and Prosperity Partnership to ensure the continued prosperity of Canadians. For example, as agreed to by the NAFTA Commission at its March 2006 meeting, work will continue to identify sectors and the specific work that could be undertaken within these sectors to remove existing trade impediments.
- The department will build on the ongoing work of the WTO (including working with others to resume the Doha Development Agenda negotiations) as well as pursuing, on a more aggressive basis, bilateral free trade negotiations to improve market access and rules for Canadian investors and exporters.
- The department will make progress on the accession of Russia and other key emerging economies into the WTO on terms that establish multilateral rules and open markets for Canadian exporters and investors.
- Pursuant to the 2005 Canada-Japan Economic Framework, the department will complete a joint study with the Government of Japan to identify steps to further enhance commercial relations.
- The department will explore opportunities for entering into new free trade agreement negotiations with partners in the hemisphere and elsewhere.
- The department will make progress on ongoing free trade agreement negotiations with South Korea, the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland), the Central America Four (El Salvador, Guatemala, Honduras, Nicaragua) and Singapore.

- The department will ensure that development and implementation of international rules governing intellectual property, information and communications technologies as well as cultural industries reflect Canadian priorities and benefit Canadians.
- It will advance Canada's interests through effective advocacy in dispute settlement proceedings related to the EU moratorium on approval of Canadian biotech products and the EU ban on Canadian beef.
- The department will pursue negotiations of Foreign Investment Promotion and Protection Agreements with priority countries (in particular China, India and Peru) in support of Canadian investment abroad.
- The department will conclude bilateral air negotiations to expand the number of passenger and cargo routes and increase the frequency of flights.
- It will ensure that the UNESCO convention on cultural diversity does not conflict with Canadian obligations under trade agreements.
- It will coordinate Canadian initiatives to resolve trade barriers with the EU.
- It will manage export controls on strategic goods so that Canada's security obligations are met without unduly restricting Canadian business.
- The department will introduce controls on softwood lumber exports in accordance with the newly agreed softwood lumber agreement.

4.2.1.1.3 Planned Spending: Financial and Human Resources Utilization (see Part IV, section 4.3, table 4.1)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	51.7	60.7	45.7

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	369	369	369

4.2.1.1.4 Performance Monitoring

Strengthening secure access for Canadian business to global markets through the negotiation and implementation of commercial agreements

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Planned outcomes:	As demonstrated by:
<ul style="list-style-type: none"> Canadian trade and investment interests are advanced through appropriate rules-based initiatives 	<ul style="list-style-type: none"> Level of progress in advancing negotiations on agreements and cooperative arrangements (e.g. bilateral, regional and multilateral trade and investment negotiations, issue-specific accords and cooperation agreements) Improvements vis-à-vis the scope of rights and obligations achieved through negotiations Extent to which Canadian partnerships are enhanced through collaborative and cooperation initiatives for specific issues and sectors Effective domestic implementation of negotiated agreements
<ul style="list-style-type: none"> Market access for Canadian goods, services, technologies and investment is maintained and improved 	<ul style="list-style-type: none"> Level of progress in maintaining and improving Canada's market access interests within a rules-based system
<ul style="list-style-type: none"> Trade and investment disputes are managed effectively 	<ul style="list-style-type: none"> Level of progress in effectively managing trade and investment disputes, including through consultations and the use of formal dispute settlement procedures, as well as targeted advocacy efforts
<ul style="list-style-type: none"> Domestic regulatory and legislative framework under the responsibility of the Minister for International Trade is managed effectively 	<ul style="list-style-type: none"> Effective implementation of negotiated market access and retaining agreed-upon levels of domestic market openness Delivery of effective export controls to promote a safer and secure economy and improve market access

4.2.1.2 Program Activity: World Markets/Commercial Relations

4.2.1.2.1 Description of the Program Activity and Related Planning Context

Program Activity: integrating Canada's economic, trade, investment and science and technology interests at the regional and bilateral levels and managing commercial relations.

In carrying out this activity, the department delivers core services, including strategic opportunities identification, at missions abroad. This requires ongoing collaboration with partners inside and outside government. Strategies encompassing all aspects of international commerce are being developed for a core group of priority markets, including the United States, Mexico, China, India, Brazil, Russia, Japan, South Korea, the Association of Southeast Asian Nations (ASEAN), the Gulf Cooperation Council and the EU. This program activity and the changing nature of global business—increasing regional focus, regional and global supply chains and emphasis on two-way trade and investment—reflect a new outlook for the department's operations abroad.

Planning Context: The following factors affect the world markets functions of the department:

- Global commerce underpins wealth creation and prosperity in the Canadian economy, from production to trade in goods and services, through investment, to innovation and other drivers of global economic development. Global

commerce is about trade in value-added goods and services, and about meeting growing demands for knowledge, investment, technology and increasingly customized products. It reaches deep inside borders to such an extent that neither business nor governments can any longer distinguish between “domestic” and “international.”

- International commerce in the 21st century is about the codification of knowledge and the disaggregation of manufacturing, distribution and other productive activities among the various links of supply or value chains. Commerce strategies are intended to help Canadian companies react to these changes by providing increased market intelligence on supply chain projects and a clearer focus on priority sectors in key markets.

Past successes do not guarantee Canada's future success in the global economy. There is no room for complacency in an ever tougher, more competitive world with more active players and sophisticated and changing business models. The challenges to Canada's competitiveness are steadily increasing. Canada must either get ahead of the curve, with an economy that can quickly adapt to the global challenges and a business sector that “thinks globally” and pursues opportunities worldwide, or it risks a deterioration in its economic prospects, performance and prosperity.

4.2.1.2.2 Plans and Priorities for the World Markets/Commercial Relations Program Activity

The department will contribute to the following key priorities under this program activity:

- increasing Canadian awareness of the challenges and opportunities presented by global commerce;
- assisting Canadian business in competing successfully for global opportunities; and
- reinforcing the department's organizational effectiveness through continuous improvement in policies, programs and partnerships and in the skills, knowledge and dedication of its employees.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by undertaking the following specific actions, listed below by strategic priority.

Increasing Canadian awareness of the challenges and opportunities presented by global commerce

- The department will continue to communicate business opportunities in the North American, Asian and European markets to Canadian companies, especially new exporters.
- The department will increase awareness of the commercial opportunities in the Caribbean and Latin America by using Miami as a gateway.
- It will promote the benefits of the FTA with Chile and trade with the Andean Community and Mercosur, South America's largest trade grouping.
- The department will implement regional action plans in Latin America and promote sectoral team solutions for Latin American markets.
- It will partner with the Canada-Arab Business Council to attract Canadian companies to markets in the Middle East and North Africa.
- The department will enhance Canadian awareness of growing trade and investment opportunities in the emerging markets of Kazakhstan, Russia and Ukraine in key priority sectors.

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- It will disseminate timely market intelligence to Canadian companies to enable them to compete effectively for high-value-added contracts in strategic sectors (e.g. as partners in the global supply chain for the Airbus A350).
- Once free trade negotiations with South Korea are concluded, the department will mount a major awareness program to quickly capitalize on new opportunities in this important market.
- The department will promote the benefits of FIPAs to Canadian companies that may be considering expansion of their operations to foreign markets, particularly to take advantage of participation in global supply chains.
- In the May 2006 federal budget, the government committed \$591 million over the next eight years for investments in the Pacific Gateway Initiative. Canada's international trade moves through gateways, which include major land border crossings and ports where transportation networks converge to connect centres of economic activity. Given the growth in Asia-Pacific markets such as China and India, this investment will improve the flow of goods and help open up new market opportunities for Canadian business.
- Budget 2006 also included funding for infrastructure improvements at the Windsor-Detroit gateway, which is critically important to Canada-United States trade, as well as at other border crossings, including Windsor, Sarnia and Fort Erie in Ontario and St. Stephen in New Brunswick.

Assisting Canadian business in competing successfully for global opportunities

- It will develop multi-year, whole-of-government commerce strategies for certain priority markets (the United States, Mexico, China, India, Brazil, Russia, Japan, South Korea, ASEAN, the Gulf Cooperation Council and the EU).
- It will plan, promote and implement trade and commercial missions to priority markets in support of the commerce strategies noted above.
- The department will implement the United States Commerce Strategy to coordinate the showcasing of Canadian capabilities, identify opportunities and facilitate business-to-business partnering with focused intelligence and analysis in key high technology sectors.
- It will cooperate with Mexican counterparts on Canada-Mexico Partnership commitments on competitiveness to promote opportunities for Canadian-Mexican business partnership and enhance the competitiveness of industry in both countries.
- It will enhance the commercialization of Canadian technology in niche sectors through targeted partnering initiatives in the United States and the identification of investment and venture capital for fledgling Canadian technology companies, while identifying domestic impediments to such investments.

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- It will expand commercial relations with Japan by finalizing a Memorandum of Understanding to open defence procurement to Canadian exporters and by capitalizing on the successful conclusion of the Canada-Japan joint study initiative.
- The department will enhance commercial relations with China through expanded trade representation and better market intelligence to serve the Canadian business community. It will also pursue an "Approved Destination Status" to facilitate visits to Canada by Chinese tour groups.
- It will address the needs of high-growth, high-potential firms along the global supply chain continuum.
- The department will intensify strategic showcasing to foreign buyers of Canadian services, technology and equipment through increased Canadian visibility at premier global sectoral shows in Canada and abroad by leveraging private, provincial and federal resources.

- The department will strengthen private-sector engagement in India through a CEO summit and infrastructure forum.
- It will work with partners in other departments to increase private-sector awareness of, and access to, market opportunities in sub-Saharan Africa that are currently being seized by competitors.
- The department will identify tools such as a double taxation agreement with Libya to help Canadian companies do business in the Middle East and North Africa.

4.2.1.2.3 Planned Spending: Financial and Human Resources Utilization (see Part IV, section 4.3, table 4.1)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	41.2	50.7	50.7

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	512	512	512

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4.2.1.2.4 Performance Monitoring

Increasing Canadian awareness of the challenges and opportunities presented by global commerce

Planned outcomes:

- Specific strategies are developed by Canadian business clients to respond to the challenges and opportunities of global commerce

As demonstrated by:

- Number of specific business client strategies developed to meet the challenges and opportunities of global commerce

- Domestic buy-in to advance Canadian commerce interests is enhanced

- Level of consensus among domestic stakeholders in support of Canada's global commerce strategy

- Utilization of government programs and services to help Canadians succeed in the global economy is increased

- Number of client services delivered
- Number of communications/outreach events across Canada
- Degree of participation in communications/outreach events

Assisting Canadian business in competing successfully for global opportunities

Planned outcomes:

- Canadian business is positioned effectively to grow through global commerce

As demonstrated by:

- Increase in the value and market share of exports and Canadian direct investment abroad
- Level and growth of sales of foreign affiliates of Canadian firms in relation to Canadian exports
- Number of new exporters active in foreign markets
- Number of exporters expanding their activities to new foreign markets

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Planned outcomes:

- Capacity to deliver services to clients through initiatives focusing on service quality, efficiency and other dimensions of modern management is improved
- Programs and services that respond effectively to the needs of the Canadian business community are enhanced

As demonstrated by:

- Client satisfaction ratings reflecting the quality, relevance and utility of services provided
- Perceptions of employees on the quality, utility and relevance of training programs
- Level of adherence to service standard for response time
- Level of use of innovative tools to manage client service requests and volume of self-service by clients

4.2.1.3 Program Activity: International Business Development

4.2.1.3.1 Description of the Program Activity and Related Planning Context

Program Activity: managing and delivering international business development services to Canadians.

In carrying out this activity, the department helps position Canadian firms to take full advantage of global business opportunities, thereby contributing directly to prosperity and job creation through the following programs and services:

- The Canadian Trade Commissioner Service, through its 12 regional offices across Canada and 142 locations abroad, provides front-line support to over 16,000 companies each year.
- The Virtual Trade Commissioner, a highly acclaimed and evolving Internet tool, provides market reports, country information, email notification of leads and access to the services of trade commissioners and partners. It is increasingly tied to TRIO, the TCS's electronic client relationship management tool.
- The International Business Opportunities Centre provides sourcing and matching services by disseminating business leads, identified by trade commissioners abroad, to Canadian companies.
- The Program for Export Market Development (PEMD) for Trade Associations assists national trade associations in representing their member companies in international promotion of their products and services.
- The department hosts the support unit for Team Canada Inc.
- It supports the Small and Medium-sized Enterprises (SMEs) Advisory Board on International Trade, the only official advisory body on international business development issues of concern to SMEs. The board is made up of 18 private-sector individuals appointed by the Minister, representing various industry sectors and provinces. It normally meets with the Minister twice a year.
- The department offers guidance on utilization of the Canada Account trade finance facility, which is administered on behalf of the government by Export Development Canada.
- And, it provides policy advice to the Minister on Export Development Canada and the Canadian Commercial Corporation.

The department also helps Canadian companies access procurement and investment opportunities financed by international financial institutions such as the World Bank and the Asian Development Bank and by bilateral and multilateral development and relief agencies. In addition, the Market Research Centre provides market information to Canadian business clients across a range of sectors and markets. Roughly 100 market reports and another 100 country sector profiles are produced each year.

Planning Context: The following factors affect the international business development functions of the department:

- Canada's business community looks to the department to be the champion of its interests at home and internationally, but they still need assistance in building contact networks and addressing regulatory and other business barriers. Small to medium-sized businesses have fewer options than larger firms for acquiring strategic information or managing risk and place their emphasis on a somewhat different set of services (e.g. business intelligence).
- To meet these needs, it is important to provide Canadian businesses with a suite of knowledge-based services to support decision making on global market opportunities. Business needs knowledge and risk management tools to expand successfully in global markets. Knowledge includes leads on new and emerging opportunities and key contacts in the local marketplace and an understanding of the context, whether commercial, regulatory, social or political. These are key factors even in a familiar market such as the United States. Risk management ranges from well-established contextual risks (e.g. exchange rate movements) to commercial risks (e.g. cargo insurance and provision for non-payment or default) to broader risks such as governmental regulatory action (e.g. tariff changes, expropriations and discriminatory standards).

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- This suite of knowledge and risk management services is completed by advocacy initiatives on behalf of Canadian companies with foreign governments and businesses in support of their international strategies.
- These collective services to business are regularly assessed in Canada, as they are in most competitor countries, with a view to delivering better results in expanding Canadians' global business success. In a country as trade dependent as Canada, ensuring a level playing field with competitors calls for continued and expanded support for business, while ensuring maximum value-added service delivery and demonstrating efficient and effective allocation of resources.

4.2.1.3.2 Plans and Priorities for the International Business Development Program Activity

The department will contribute to the following key priorities under this program activity:

- increasing Canadian awareness of the challenges and opportunities presented by global commerce;
- assisting Canadian business in competing successfully for regional and global opportunities; and
- reinforcing the department's organizational effectiveness through continuous improvement in policies, programs and partnerships and in the skills, knowledge and dedication of its employees.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by undertaking the following specific actions, listed below by strategic priority.

Increasing Canadian awareness of the challenges and opportunities presented by global commerce

- The department will develop and deliver (primarily through Internet platforms mandated by the Government On-Line program such as InfoExport, the Virtual Trade Commissioner and the Doing Business with Canada websites) industry sector overviews in close collaboration with domestic partners and trade commissioners at missions. It will also develop sector strategies, reflecting a comprehensive approach to regional and global markets that advance Canada's commercial interests, collect market information and intelligence and develop key contacts through traditional means as well as through use of Internet-based electronic matchmaking tools.

Assisting Canadian business in competing successfully for global opportunities

- The department will provide support to trade offices abroad—including information, administrative, personnel and budget support—to enable effective delivery of programs to Canadian clients.
- It will gather market knowledge of Canadian sectoral capabilities and enlarge the business contact base through outcalls and outreach activities in Canada and through VTC-TRIO platform.
- It will lead development and implementation of a whole-of-government international business development approach in regional and global markets through innovative, single-service window mechanisms, in collaboration with other departments and agencies such as the eCRM (e-client relationship management system) partnership.
- In April 2006, the federal government and the Atlantic provinces renewed their International Business Development Agreement (see Part IV, section 4.1.2.3 for more information).

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- The department will enhance the knowledge and skills of Trade Commissioner Service employees and partners so that

they can better meet the evolving needs of clients in foreign markets.

- It will complete phase 2 of the Global Learning Initiative to provide mission commercial staff and partner clients with the skills, knowledge and motivation necessary to be strategic and proactive in the delivery of value-added services to Canadian clients.
- It will continue to reinforce the TCS core values in line with the commitment to values and ethics in government.
- It will continue to build information products based on linkages to other departments, making use of the increasing integration of their content into the VTC platform.
- The department will improve organizational effectiveness. For example, it will continue to implement the National Quality Institute Progressive Excellence Program (PEP), with the goal of achieving PEP Level III.

4.2.1.3.3 Planned Spending: Financial and Human Resources Utilization (see, Part IV, section 4.3, table 4.1)

Financial Resources (\$ millions)			
Year	2006-2007	2007-2008	2008-2009
Total Planned Spending	309.5	418.8	405.8

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	417	417	417

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4.2.1.3.4 Performance Monitoring

Increasing Canadian awareness of the challenges and opportunities presented by global commerce	
Planned outcomes:	As demonstrated by:
<ul style="list-style-type: none"> Utilization of government programs and services to help Canadians succeed in the global economy is increased 	<ul style="list-style-type: none"> Number of client services delivered Number of communications/outreach events across Canada Degree of participation in communications/outreach events
Assisting Canadian business in competing successfully for global opportunities	
<ul style="list-style-type: none"> Business opportunities and intelligence are generated by matching Canadian capabilities with specific foreign business needs 	<ul style="list-style-type: none"> Value, volume and quality of business leads identified and disseminated to business clients
<ul style="list-style-type: none"> Delivery of client services (e.g. timely and high-quality market information, key contacts, business advice and referrals to support sound, informed international business decisions) is optimized 	<ul style="list-style-type: none"> Percentage of, and degree to which, clients are satisfied with timeliness and quality of services, products and events Increase in volume, consistency and quality of client services delivered
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<ul style="list-style-type: none"> Programs and services that respond effectively to the needs of the Canadian business community are enhanced Capacity to deliver services to clients through initiatives focusing on service quality, efficiency and other dimensions of modern management is improved 	<ul style="list-style-type: none"> Level of adherence to service standard for response time Level of use of innovative tools to manage client service requests and volume of self-service by clients Client satisfaction ratings reflecting the quality, timeliness, relevance and utility of services provided Perceptions of employees on the quality, utility and relevance of training programs

4.2.1.4 Program Activity: Promotion of Foreign Direct Investment and S&T Cooperation

4.2.1.4.1 Description of the Program Activity and Related Planning Context

Program Activity: Attracting and retaining foreign direct investment in Canada, expanding investment abroad and fostering international science and technology collaboration.

In carrying out this activity, the department attracts foreign direct investment in Canada, develops outward investment policy and promotes international science and technology cooperation. This activity contributes to Canada's economic competitiveness and prosperity.

FDI is a key factor in economic growth and productivity performance. Studies have shown that FDI provides much more than financial capital. It stimulates innovation, assists human capital formation, contributes to productivity-enhancing investment in machinery and equipment, strengthens international trade integration, helps create a more competitive business environment, generates positive productivity spillovers for local firms and enhances enterprise development. FDI is important to sustaining and improving Canada's standard of living.

To attract major investors in priority sectors of Canada's economy, the department works closely with economic departments at all levels of government to:

- develop Canada's strategies and approaches in attracting inward investment;
- exercise federal leadership in coordinating the efforts of investment promotion partners in all levels of government and increasing their capacity to attract investment;
- assess Canada's investment performance in the global context and outline the major policy challenges that must be addressed to improve Canada's competitiveness as an investment location;
- develop and implement the national investment marketing strategy, including products, tools and participation at signature events to deliver key investment messages and showcase Canada as the business location of choice to the international business community; and
- identify foreign firms with a high propensity to invest, engage partners in preparing compelling value propositions and provide key account management services, including calls on prospective investors and support to incoming missions.

In order to foster international science and technology cooperation, the department maintains a network of dedicated S&T counsellors and trade commissioners based in key markets of opportunity for science, innovation and technology collaboration.

- promote an integrated, market-results approach to international commercialization of Canada's research and technology across government in collaboration with the private sector and academia;
- foster international collaboration in and commercialization of R&D;
- identify world-leading research to be incorporated into the development of innovative processes, goods and services in Canada; and
- position Canada as a valued international innovation partner.

Planning Context: The following factors affect the investment and S&T cooperation functions of the department:

FDI has increased dramatically around the world over the past 20 years, and the competition for global investments is intensifying. Emerging markets are becoming increasingly successful in attracting traditional forms of investments based on low-cost production. Canada, like other industrialized nations, is positioning itself in the higher-value sectors in which it has a clear competitive advantage (e.g. knowledge-based industries, energy and natural resources) as well as in service industries, which require close proximity to clients.

- However, given the keen global competition for investment, Canada's ability to attract strategic, knowledge-intensive FDI increasingly depends on its ability to create a more competitive investment climate than its key competitors, the United States and the European Union. The department's challenge is to advance a domestic policy agenda aimed at streamlining Canada's regulatory regime, offering a competitive tax environment, securing access to the American market, removing or easing sector-specific foreign investment restrictions and ensuring an adequate supply of skilled workers.
- Science and technology are directly linked to Canada's prosperity in the 21st-century economy, and knowledge has become a commodity. There are many players in Canada involved in innovation and S&T and most of them are active

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on the international front. It is the combined efforts of governments (federal, provincial and municipal), industry, universities and colleges, and other research institutions that drive R&D in Canada and connect it to the country's national growth and wealth creation agenda. The international dimension is critical: Canadian innovators must be able to quickly translate new knowledge into commercial success and access the global marketplace to grow and expand.

- In addition to the United States, the EU, and Japan, countries such as Brazil, India and China are becoming important players in innovation. All are competitors but could also be good partners. One of the challenges is to ensure a balanced approach between the established S&T markets, which are currently delivering results, and the emerging economies, where longer-term benefits are expected.

4.2.1.4.2 Plans and Priorities for the Promotion of Foreign Direct Investment and S&T Cooperation Program Activity

The department will contribute to the following key priorities under this program activity:

- strengthening secure access for Canadian business to global markets through the negotiation and implementation of commercial agreements;
- assisting Canadian business in competing successfully for global opportunities;
- promoting Canada as a globally competitive location and partner for investment, innovation and value-added production; and
- reinforcing the department's organizational effectiveness through continuous improvement in policies, programs and partnerships and in the skills, knowledge and dedication of its employees.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by undertaking the following specific actions, listed below by strategic priority.

Strengthening secure access for Canadian business to global markets through the negotiation and implementation of commercial agreements

- The department will develop and manage key international S&T commercialization relationships through collaborative frameworks and agreements that actively seek bilateral complementarities (Brazil, India and China).

Assisting Canadian business in competing successfully for global opportunities

- The department will facilitate the expansion of Canadian affiliates of foreign firms.
- By attracting FDI, it will improve Canadian firms' access to regional or global distribution chains.
- It will develop new approaches to facilitate two-way investment.
- The department will develop effective science and technology networks in key areas by connecting SMEs, science-based departments and agencies, universities and research institutions with counterparts abroad.
- It will implement and manage the International Science and Technology Partnerships Program (ISTPP) to maximize cooperative efforts with key technology partners.

- It will facilitate improved commercialization outcomes in foreign markets.

Promoting Canada as a globally competitive location and partner for investment, innovation and value-added production

- The department will develop and implement a proactive investment strategy that addresses national objectives by identifying and targeting investment opportunities in priority sectors and major markets.
- It will provide greater direction to missions abroad regarding which companies to target as well as how to track prospecting activities and measure results achieved.
- It will continue to strengthen investment partnerships with other federal departments and the provincial and territorial governments to deliver a strategic, streamlined and effective approach to attracting foreign direct investment to Canada.
- It will continue to enhance the ability of Canadian communities to attract FDI and help them become more effective in dealing with foreign investors.
- It will collaborate with provincial/territorial partners to identify federal/provincial policies that impede FDI in Canada and will develop action plans to address these impediments strategically.
- It will take a leadership role amongst partners in promoting Canada as a globally competitive location and partner for investment, innovation and value-added production, with increased emphasis on communicating Canada's competitive advantages in priority sectors.
- It will build strong and effective science and technology partnerships with key Canadian S&T stakeholders.
- It will organize signature S&T events and activities and coordinate Canada's participation in key S&T world conferences.
- It will promote foreign technology-based investments in Canada and facilitate access to foreign sources of venture capital.
- It will gather and provide S&T insights to contribute to the development of Canada's domestic innovation policy.

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- The department will provide investment promotion training and capacity building throughout its operations and amongst investment partners to improve Canada's ability to attract FDI.
- It will develop and enhance international S&T-related tools and training opportunities for its S&T counsellors and trade commissioners.

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4.2.1.4.3 Planned Spending: Financial and Human Resources Utilization (see Part IV, section 4.3, table 4.1)

Financial Resources (\$ millions)			
Year			2008-2009
Total Planned Spending	12.2	14.1	14.1

Human Resources (FTEs)			
Year	2006-2007	2007-2008	2008-2009
Full Time Equivalents	71	71	71

4.2.1.4.4 Performance Monitoring

Assisting Canadian business in competing successfully for global opportunities	
Planned outcomes:	As demonstrated by:
<ul style="list-style-type: none"> Canadian business is positioned effectively to grow through global commerce 	<ul style="list-style-type: none"> Increase in the value and market share of exports and Canadian direct investment abroad Level and growth of sales of foreign affiliates of Canadian firms in relation to Canadian exports Number of new exporters active in foreign markets Number of exporters expanding their activities to new foreign markets
<ul style="list-style-type: none"> Business opportunities and intelligence are generated to match Canadian capabilities with specific foreign business needs 	<ul style="list-style-type: none"> Value, volume and quality of business leads identified and disseminated to business clients
<ul style="list-style-type: none"> Delivery of client services (e.g. timely and high-quality market information, key contacts, business advice and referrals to support sound, informed international business decisions) is optimized 	<ul style="list-style-type: none"> Percentage of, and degree to which, clients are satisfied with timeliness and quality of services, products and events Increase in volume, consistency and quality of client services delivered
Promoting Canada as a globally competitive location and partner for investment, innovation and value-added	
Planned outcomes:	As demonstrated by:
<ul style="list-style-type: none"> New and expanded investments in Canada are made by international businesses 	<ul style="list-style-type: none"> Increase in the number and value of foreign investments in Canada to which the department contributed

<ul style="list-style-type: none"> Foreign investors and innovators have increased knowledge of, and interest in, Canadian capabilities and advantages 	<ul style="list-style-type: none"> Number and quality of investment prospects identified and disseminated to the provinces and territories Number of events and other proactive initiatives in which Canadian capabilities are showcased Improved perceptions of Canadian capabilities and advantages by foreign investors and influencers Improved international competitiveness, as evidenced by ranking in international benchmarking studies
<ul style="list-style-type: none"> S&T partnering opportunities and intelligence are generated to match Canadian and foreign S&T needs and capabilities 	<ul style="list-style-type: none"> Number, nature and scope of S&T partnering opportunities identified and realized between Canada and S&T priority partner countries
<ul style="list-style-type: none"> Enhanced international R&D collaborations and commercializations involving Canadian researchers and business partners 	<ul style="list-style-type: none"> Number and scope of S&T partnerships achieved through established mechanisms and initiatives

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Planned outcomes:	As demonstrated by:
<ul style="list-style-type: none"> Capacity to deliver services to clients through initiatives focusing on service quality, efficiency and other dimensions of modern management is improved 	<ul style="list-style-type: none"> Client satisfaction ratings reflecting the quality, timeliness, relevance and utility of services provided Perceptions of employees on the quality, utility and relevance of training programs
<ul style="list-style-type: none"> Programs and services that respond effectively to the needs of the Canadian business community are enhanced 	<ul style="list-style-type: none"> Level of adherence to service standard for response time Level of use of innovative tools to manage client service requests and volume of self-service by clients

4.2.1.5 Supporting Activity: Strategic Policy and Planning

4.2.1.5.1 Description of the Supporting Activity and Related Planning Context

Supporting Activity: integrating aspects of the department's mandate regarding trade, commerce and investment in order to provide expert advice to the Minister and Deputy Minister on policy development in relation to overall Government of Canada priorities, while incorporating the functions of liaison and consultation with partners inside and outside government.

One of the core functions of the Strategic Policy and Planning supporting activity is to ensure a comprehensive integration of the various program activities across the department.

The Bureau of the Chief Economist, which is contained within this activity, provides the department with the necessary economic research capacity and analytical support for our various program activities. It is also the focal point for all statistical support on trade, commerce and investment.

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4.2.1.5.2 Plans and Priorities for the Strategic Policy and Planning Supporting Activity

The department will contribute to the following key priorities under this supporting activity:

- increasing Canadian awareness of the challenges and opportunities presented by global commerce; and
- reinforcing the department's organizational effectiveness through continuous improvement in policies, programs and partnerships and in the skills, knowledge and dedication of its employees.

Each of the strategic priorities for this program activity is supported by one or more one- to three-year outcomes. The department will advance the achievement of these outcomes by undertaking the following specific actions, listed below by strategic priority.

Increasing Canadian awareness of the challenges and opportunities presented by global commerce

- The department will develop outreach and consultation programs with the provinces and territories as well as with civil society.
- It will consult key domestic stakeholders, including national and sub-national levels of government, the service industry and civil society, using a range of consultative mechanisms, including meetings of C-Trade (the official body that allows for provincial input during negotiation of international trade agreements) and the joint working group with the Federation of Canadian Municipalities, other ad hoc meetings and online surveys.

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- The department will lead interdepartmental policy coordination on key international commerce issues.
- It will sustain public and stakeholder networks as well as federal/provincial/territorial and municipal collaboration and exchange business information and intelligence to strengthen the department's strategic capacity in policy and business development.

4.2.1.5.3 Planned Spending: Financial and Human Resources Utilization

This information is integrated within the Program Activities of the International Trade Component of the department.

4.2.1.5.4 Performance Monitoring

Increasing Canadian awareness of the challenges and opportunities presented by global commerce

Planned outcomes:

- Domestic buy-in to advance Canadian commerce interests is enhanced

As demonstrated by:

- Level of consensus among domestic stakeholders in support of Canada's global commerce strategy

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Planned outcomes:

- Capacity to deliver services to clients through initiatives focusing on service quality, efficiency and other dimensions of modern management is improved

As demonstrated by:

- Client satisfaction ratings reflecting the quality, timeliness, relevance and utility of services provided
- Perceptions of employees on the quality, utility and relevance of training programs

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4.3 Financial and Other Tables

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Table 4.1: Planned Spending, Personnel and Full Time Equivalents (FTEs) for International Trade

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Trade Policy and Negotiations	45.8	51.7	60.7	45.7
World Markets / Commercial Relations	0.0	41.2	50.7	50.7
International Business Development*	82.1	103.6	75.9	75.9
Promotion of Foreign Direct Investment and S&T Cooperation	11.3	10.6	12.5	12.5
Bilateral Relations	54.2	0.0	0.0	0.0
Budgetary Main Estimates (gross)	193.4	207.0	199.8	184.8
International Business Development*	653.0	209.0	346.0	333.0
Non-Budgetary Main Estimates (gross)	653.0	209.0	346.0	333.0
Less: Respendable Revenue	3.1	3.1	3.1	3.1
Total Main Estimates**	843.3	412.9	542.7	514.7
<i>Adjustments</i>				
Financial assistance to softwood lumber industry associations to help offset legal costs incurred in the softwood lumber trade dispute with the U.S.	18.3	0.0	0.0	0.0
Funding for litigation costs related to the softwood lumber trade dispute with the U.S.	12.9	0.0	0.0	0.0
Funding to be provided to eligible recipients for research and development costs related to new business technologies (International Science and Technology Partnerships Program)	0.2	2.3	3.3	3.8
Initiatives to support the implementation of a common electronic infrastructure and multi-channel service delivery strategy (Government On-Line)	1.0	0.0	0.0	0.0
Severance and maternity forecast	0.4	0.0	0.0	0.0
Collective bargaining agreements	3.3	0.0	0.0	0.0
Expenditure Review Committee - procurement savings	(0.2)	(0.7)	0.0	0.0
Expenditure Review Committee	(1.4)	0.0	0.0	0.0
2005 Federal Budget	4.0	0.0	0.0	0.0
<i>Total Adjustments</i>	<i>38.5</i>	<i>1.6</i>	<i>3.3</i>	<i>3.8</i>
Total Planned Spending***	881.8	414.5	546.0	518.5

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Table 4.1: Planned Spending, Personnel and Full Time Equivalents (FTEs) for International Trade (\$ millions)

	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Total Planned Spending	881.8	414.5	546.0	518.5
Less: Non-Respendable Revenue	18.2	16.8	16.7	16.7
Plus: Cost of Services Received Without Charge	14.0	15.1	15.3	15.1
Net Cost to Department	877.6	412.8	544.6	516.9
Personnel - Full Time Equivalents (FTEs)	1,316	1,369	1,369	1,369

***Note:** International Business Development includes budgetary and non-budgetary statutory payments to Export Development Canada (EDC) in the amount of 2005-2006 \$18.9M, 2006-2007 \$18.3M, 2007-2008 \$17.5M and 2008-2009 \$17.5M budgetary. And 2005-2006 \$653M, 2006-2007 \$209M, 2007-2008 \$346M, and 2008-2009 \$333M. These amounts are for Canada account coverage and not available for any operational use by the department.

****Note:** The allocation of the corporate services to the program activities will differ from the Main Estimates since the method of allocation has been revised. For the Main Estimates, the budgetary and non-budgetary portion of EDC was included in the calculation of the percentages by program activity. The methodology has been changed to exclude EDC since DFAIT does not provide services to EDC.

*****Note:** Due to rounding, figures may not add to totals shown.

Table 4.2: Resources by Program Activity

Program Activity	2006-2007										
	Budgetary							Non-Budgetary	Total Main Estimates	Adjustments (Planned Spending not in Main)	Total Planned Spending
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross	Respendable Revenue	Net	Loans, Investments and Advances			
Trade Policy and Negotiations	51.1	0.6	0.0	0.0	51.7	0.0	51.7	0.0	51.7	0.0	51.7
World Markets / Commercial Relations	41.1	0.0	0.0	0.0	41.1	0.0	41.1	0.0	41.1	0.0	41.1
International Business Development	96.5	0.8	2.0	4.3	103.6	3.1	100.5	209.0	309.5	0.0	309.5
Promotion of Foreign Direct Investment and S&T Cooperation	6.0	0.0	0.0	4.5	10.5	0.0	10.5	0.0	10.5	1.6	12.2
Total	194.7	1.4	2.0	8.8	206.9	3.1	203.8	209.0	412.8	1.6	414.5

Note: Due to rounding, figures may not add to totals shown.

Note: The \$309.5M includes EDC amounts of \$18.3M budgetary and \$209.0M non-budgetary.

Table 4.3: Voted and Statutory Items Listed in the Main Estimates (\$ millions)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006-2007 Main Estimates	2005-2006 Main Estimates
15	Operating expenditures	156.0	141.4
20	Grants and contributions	10.9	10.9
(S)	Minister of International Trade salary and motor car allowance	0.1	0.1
(S)	Contributions to employee benefit plans	18.6	18.9
(S)	Payments to Export Development Canada for the purpose of facilitating and developing trade between Canada and other countries under the terms of the Export Development Act (Budgetary)	18.3	18.9
(S)	Payments to Export Development Canada for the purpose of facilitating and developing trade between Canada and other countries under the terms of the Export Development Act (Non-Budgetary)	209.0	653.0
Total Department		412.9	843.2

Note: Due to rounding, figures may not add to totals shown.

Table 4.4: Services Received Without Charge (\$ millions)

	2006-2007	Total
Accommodation provided by Public Works and Government Services Canada (PWGSC)		7.1
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (TBS) (excluding revolving funds)		7.3
Workers' compensation coverage provided by Human Resources and Skills Development Canada (HRSDC)		0.1
Salary and associated expenditures of legal services provided by the Department of Justice Canada (JUS)		0.6
Other		
Total 2006-2007 Services Received Without Charge		15.1

Note: Due to rounding, figures may not add to totals shown.

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Table 4.5: Summary of Capital Spending by Program Activity (\$ millions)

Program Activity	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Trade Policy and Negotiations	0.5	0.6	0.6	0.6
World Markets / Commercial Relations	0.0	0.0	0.0	0.0
International Business Development	0.8	0.8	0.8	0.8
Promotion of Foreign Direct Investment and S&T Cooperation	0.0	0.0	0.0	0.0
Total	1.3	1.4	1.4	1.4

Due to rounding, figures may not add to totals shown.

Explanatory notes:

Planned spending is spending that a department may commit to in the future but has not necessarily committed to now, and for which it has some form of approval (Cabinet, TB submission). Typically, these amounts are found in the "adjustments" row in the Estimates and out-year columns of the RPP Planned Spending table.

Forecast spending is spending that the department is committed to, or intends to pursue. Typically, the inclusion of Supplementary Estimates amounts in the forecast column in the RPP for the current fiscal year falls into this category.

Clearly the two overlap, since forecast spending constitutes part of planned spending. The difference between the two is the degree of certainty.

Table 4.6: Source of Respendable and Non-Respendable Revenue (\$ millions)

Respendable Revenue	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
International Business Development				
Trade fairs and trade / investment technology missions	3.1	3.1	3.1	3.1
Total Respendable Revenue	3.1	3.1	3.1	3.1

Table 4.6: Source of Respendable and Non-Respendable Revenue (\$ millions)

Non-Respendable Revenue	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Trade Policy and Negotiations				
Import and export permit fees	8.0	8.0	8.0	8.0
International Business Development				
Contributions repaid under the Program for Export Market Development	3.4	2.0	1.9	1.9
Strategic Policy, Communications and Corporate Planning				
Employee rent shares	5.8	5.8	5.8	5.8
Adjustment to previous years' expenditures	1.0	1.0	1.0	1.0
	6.8	6.8	6.8	6.8
Total Non-Respendable Revenue	18.2	16.8	16.7	16.7
Total Respendable and Non-Respendable Revenue	21.3	19.9	19.8	19.8

Note: Due to rounding, figures may not add to totals shown.

Table 4.7: Resource Requirement by Branch (\$ millions)

Branch	Program Activity				Total Planned Spending
	Trade Policy and Negotiations	World Markets / Commercial Relations	International Business Development	Promotion of Foreign Direct Investment and S&T Technology	
Minister's and Deputy Minister's Offices	1.0	0.8	1.8	0.2	3.8
Trade Policy and Negotiations	48.6	0.0	0.0	0.0	48.6
World Markets	0.0	37.9	0.0	0.0	37.9

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Table 4.7: Resource Requirement by Branch (\$ millions)

Branch	Program Activity				Total Planned Spending
	Trade Policy and Negotiations	World Markets / Commercial Relations	International Business Development	Promotion of Foreign Direct Investment and S&T Technology	
Business Development and Chief Trade Commissioner	0.0	0.0	46.4	0.0	46.4
Investment, Science and Technology	0.0	0.0	0.0	11.5	11.5
Communications, Strategic Policy and Business Planning	2.1	2.5	34.0	0.5	39.1
Export Development Canada	0.0	0.0	227.3	0.0	0.0
Total	51.7	41.2	309.5	12.2	414.5

Table 4.8: Horizontal Initiative

Name of Horizontal Initiative: Team Canada Inc (TCI)

Name of Lead Departments: DFAIT, Agriculture and Agri-Food Canada, Canadian Heritage, Industry Canada and Natural Resources Canada (executive members) plus other federal departments and agencies.

Start Date: 1997

End Date: Ongoing

Total Federal Funding Allocation: The initiative had an annual budget of \$1.3 million. Federal partner members of TCI contribute \$50,000 each per year, with the aforementioned executive members contributing \$150,000 each. Other partners contribute a range of products and services that address the various needs of Canadian exporters.

Description of the Initiative: Team Canada Inc is a network of federal departments and agencies working with the provinces and territories and other partners to help Canadian businesses succeed in world markets. TCI's purpose is to provide the Canadian business community with single-window access to fully integrated Government of Canada services with a view to enhancing exporter capability and preparedness in international market development. Government of Canada priorities that are addressed by TCI include:

- Raising the stature of Canada in the world;
- Assisting Canada's progress as a knowledge economy in a global context;
- Cooperating with other levels of government;
- Improving the competitiveness and productivity of Canadian business; and
- Supporting the growth of Aboriginal businesses.

Table 4.8: Horizontal Initiatives

Name of Horizontal Initiative: Team Canada Inc (TCI)

Shared Outcome(s): According to the Common Performance Measurement Framework developed by TCI, common or shared outcomes (immediate and intermediate) are as follows:

Immediate Outcomes:

- Client satisfaction maintained or improved
- Increased engagement of target groups with TCI services
- Improved access to export support products and services across all regions of Canada

Intermediate Outcomes:

- Increased knowledge by client firms of the mechanics of exporting
- Increased client awareness of business opportunities abroad
- Increased involvement of service delivery partners

Expenditures totalling \$1.3 million in 2006-2007 will support the above shared outcomes. Due to the nature of the outcomes (i.e. diverse activities by multiple partners collectively contribute to a given outcome), it is impossible to allocate specific funding amounts to each.

The annual report of Team Canada Inc for the year ending March 31, 2005, can be ordered by calling 1 888 811-1119.

Governance Structure(s): A Management Board (currently chaired by International Trade) is responsible for planning, directing, managing and implementing this horizontal program. Day-to-day operations of TCI are managed by the TCI Directorate (consisting of five full-time staff), which is accountable to the host department (currently DFAIT) management structure. The TCI Directorate is responsible for directing and managing TCI Directorate human and financial resources, and implementing TCI's annual action plan.

The Management Board consists of a Director General level official (or equivalent) from each TCI federal member organization. There is also an Executive Committee, which consists of the five DG-level Management Board representatives from the five core members of TCI (i.e. Agriculture and Agri-Food Canada, Canadian Heritage, DFAIT, Industry Canada, and Natural Resources Canada). Each TCI partner provides specific products and services depending upon its mandate, which could focus on a particular function (e.g. export insurance), industry sector (e.g. natural resources) or geographic area (e.g. Alberta).

Federal Partners Involved	Name of Program	Total Allocation	Planned Spending 2006-2007	Expected Results for 2006-2007
All 16 of TCI's members contribute to all programs, and contributions are pooled.	Online Export Portal	\$450,000	\$450,000	See outcomes listed above; all of these activities contribute to the achievement of these outcomes.
	1-888 Export Information Service	\$350,000	\$350,000	

IV The Department's International Trade Component

Table 4. 8: Horizontal Initiatives

Federal Partners Involved	Name of Program	Total Allocation	Planned Spending 2006-2007	Expected Results for 2006-2007
	Information products	\$230,000	\$230,000	
	Regional trade networks	\$270,000	\$270,000	
Total		\$1,300,000	\$1,300,000	

Note: Due to rounding, figures may not add to totals shown.

Contact Information:

Michael Calvert, Director,

Team Canada Inc

Tel.: (613) 952-7396

Email: calvert.michael@exportsource.ca

Table 4.9: Sustainable Development Strategy

1. How does your department / agency plan to incorporate SD principles and values into your mission, vision, policy and day-to-day operations?

- Development of ongoing training and opportunities for workshops and dialogue on SD issues at all working levels within International Trade builds a foundation for incorporating SD principles and values into day-to-day operations.
- Participation in the Interdepartmental Network on Sustainable Development Strategies (INSDS) by departmental officials up to and including the Assistant Deputy Minister that informs International Trade Canada of broader government-wide SD initiatives and objectives, to which we can align.
- Establishment of an International Trade Canada SDS Steering Committee as the primary mechanism for internalizing SD commitments on trade and commerce and overseeing the more thorough integration of measurable outcomes of trade and related targets in the departmental business planning and reporting cycle. SDS considerations are also built into departmental RPP and DPR processes.

Agenda 2006 can be found at <http://www.dfait-maeci.gc.ca/sustain/sd-dd/menu-en.asp>.

Table 4.9: Sustainable Development Strategy

**2. What goals, objectives and targets from your most recent SDS will you be focusing on this coming year?
How will you measure your success?**

International Trade specific goals, objectives and targets from Agenda 2006 that will be the focus of the remaining months of 2006 are listed below.

Goal 1: Ensure greater integration of sustainable development in departmental policies, programs and operations.

Objective 2: *Greater policy integration and increased support for SD across DFAIT.*

Target: Name an SD champion at the Assistant Deputy Minister or Deputy Minister level, and an SD advocate for each bureau.

Objective 3: *Improved internal communications on SD.*

Target: Develop communication products promoting Canadian sector SD capabilities to foreign buyers.

Goal 2: Ensure better integration of sustainable development considerations in our multilateral, regional and bilateral relations.

Objective 2: *Improved integration of environmental considerations in trade promotion and financing.*

Target: Support the development and marketing of innovative pollution-reducing technologies.

Goal 4: Implement the two departments' priority commitments related to the World Summit on Sustainable Development: Johannesburg 2002.

Objective 4: *In accordance with the Doha Declaration, capacity building and structural reform within the World Trade Organization (WTO) for developing countries to reap the long-term benefits that ambitious trade liberalization can generate.*

Target: Continue efforts to find appropriate solutions as a priority to outstanding implementation-related issues regarding the mandates Ministers gave in paragraph 12 of the WTO Doha Ministerial Declaration and the Doha Decision on Implementation-Related Issues and Concerns. This specifically includes issues where ministers provide a specific negotiating mandate (as cited in paragraph 12 (a) of the Doha Ministerial Declaration).

In addition, these efforts will also include all outstanding implementation issues under paragraph 12(b) of the Declaration, including on issues related to the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits and those related to the relationship between the TRIPS Agreement and the Convention on Biological Diversity.

Success in meeting SDS commitments is measured in the following ways. Annual progress in achieving the targets in Agenda 2006 is summarized in the 2004-2005 and 2005-2006 Departmental Performance Reports. For more substantive annual reporting, see Progress Reports 2004-2005 and 2005-2006 on the departmental website at <http://www.dfaite-maeci.gc.ca/sustain/SustainDev/overview-en.asp>. These reports are submitted to the Commissioner for the Environment and Sustainable Development (CESD). Analysis of the progress in relation to the outcomes is currently underway.

IV The Department's International Trade Component

Table 4.9: Sustainable Development Strategies (SDS) for International Trade

Finally, in preparation for the next SDS, International Trade has established an SDS Steering Committee to discuss ways in which divisions can monitor and measure SDS commitment outcomes.

3. Identify any Sustainable Development tools, such as Strategic Environmental Assessments or Environmental Management Systems, that will be applied over the next year.

International Trade anticipates applying the following SD tools over the next year:

Voluntary Approaches: Promotion of Corporate Social Responsibility (CSR) voluntary codes of conduct to Canadian stakeholders.

Information and Awareness: National Contact Point for the implementation of the OECD Guidelines on Corporate Social Responsibility for Multinational Enterprises involving promotional activities with stakeholders and the public.

Command and Control: Strategic Environmental Assessments of policy, plan and program proposals in line with the Cabinet Directive, including trade and investment agreements and Memoranda to Cabinet.

Table 4.10: Internal Audits and Evaluations

International Trade Audit Plans for 2005-2007 - Modified for input into the 2006-2007 Report on Plans and Priorities

Financial Audits ¹				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Audit of Accounts Payable and Accrued Liabilities	To determine the extent to which Accounts Payable and Accrued Liabilities are being accounted for in accordance with generally accepted accounting principles (GAAP) and that internal controls are in place and working effectively.	X		4th Quarter
Assurance Engagement				
Audit of Financial Functions at Missions Abroad and HQ	To determine the extent to which the department has sufficient financial expertise at missions and HQ. The audit will include an examination of the position qualifications, recruiting methods and training program.		X	2nd Quarter
Assurance Engagement				

Table 4.10: Internal Audits and Evaluations

Financial Audits ¹				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Audit of Accounts Payable and Accrued Liabilities Assurance Engagement	To determine the extent to which Accounts Payable and Accrued Liabilities are being accounted for in accordance with generally accepted accounting principles (GAAP) and that internal controls are in place and working effectively.	X		4th Quarter
Audit of Financial Functions at Missions Abroad and HQ Assurance Engagement	To determine the extent to which the department has sufficient financial expertise at missions and HQ. The audit will include an examination of the position qualifications, recruiting methods and training program.		X	2nd Quarter
Audit of Foreign Operations and International Banking Assurance Engagement	To determine the extent to which the Foreign Operations and International Banking Division: <ul style="list-style-type: none"> • exercises controls on the disbursement of funds to missions; • assesses financial risk at missions and prepares risk mitigation strategies; • provides proactive advisory services; and • identifies financial management training requirements. 		X	3rd – 4th Quarter
Audit of Recoverable / Payables Assurance Engagement	To determine the extent to which the handling of other government department (OGD) transactions at missions is accurate and consistent, as well as how these amounts are recovered/paid through HQ from/to our partner departments.		X	1st Quarter
Follow-up of Assurance Audits Assurance Engagement	To determine the extent to which recommendations resulting from six financial audits performed over the past several years have been implemented. The six audits were: <ul style="list-style-type: none"> • Cashier's Office; • Accountable Advances; • Accounts Receivable; • Specified Purpose Accounts; • Capital Assets; and • Prepaid Expenses. 	X		3rd Quarter

¹ Once International Trade's financial management accountabilities have been defined, their inclusion in the scope of the above audits will be determined. Results and recommendations will be communicated to the department.

IV The Department's International Trade Component

Table 4.10: Internal Audits and Evaluations

Information Management Audit				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Audit of Network "Content" Security Assurance Engagement	<p>The broad objective of this audit is to provide assurance of the integrity of the information on the internal computer networks. More specifically, the audit will:</p> <ul style="list-style-type: none"> • assess the existence and effectiveness of security controls; • ensure compliance with government requirements; • ensure that no protected information is exposed or compromised; and • identify and promote best security practices. 		X	3rd – 4th Quarter
Grants and Contributions Program Audits				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Technical Assistance to Developing Countries in Trade Negotiations	<p>To provide assurance on the proper management and administration of departmental grants and contributions.</p> <p>Assurance engagement.</p>	X		3rd – 4th Quarter
Assistance to Softwood Lumber Industry Association			X	TBD
Recipient Audits				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Community Investment Services Program		X		1st – 4th Quarter
			X	1st – 4th Quarter
Forest Products Association of Canada		X		3rd Quarter
Going Global - Science and Technology	<p>To determine the extent of recipient's compliance with the terms and conditions of the agreement and ensure that financial reports appropriately account for the use of funds while demonstrating that funds were used for the intended purpose and that value has been received.</p> <p>Assurance engagements.</p>	X		1st – 4th Quarter
			X	1st – 4th Quarter

Table 4.10: Internal Audits and Evaluations

Mission Inspections				
Project	Description / Objective	2005-2006	2006-2007	Time Frame
Mission Inspections Consulting Engagements	To provide management with an assessment of mission operations and management controls. These engagements provide advice to missions, examine compliance with policies and regulations, and examine methods to enhance performance.			Preparation fieldwork reporting
	Over the course of several mission inspections, work will be conducted that targets, on a risk basis, particular horizontal processes, subjects, issues and questions. The results of the inspections will be accumulated and analyzed to enable the development of statements of assurance on the selected horizontal topics.			
Inspection Tours	Accra, Athens, Barcelona, London, Madrid	X		1st – 2nd Quarter
	Bandar Seri Begawan, Bangkok, Jakarta, Abu Dhabi, Dubai	X		3rd Quarter
	Riga, Tallinn, Vilnius	X		4th Quarter
	Bucharest, Tel Aviv, Ramallah, Tunisia, Tripoli	X		4th Quarter
	Seoul, Taipei, Colombo	X		4th Quarter
	Kuwait, Riyadh, Kuala Lumpur		X	1st Quarter
	Washington, Wash-OAS, Philadelphia		X	1st Quarter
	Moscow, St. Petersburg, Almaty		X	2nd Quarter
	Brasilia, São Paulo, Rio de Janeiro, Belo Horizonte, Buffalo		X	3rd Quarter
	Dakar, Yaoundé, Geneva Belo Horizonte, Buffalo		X	3rd Quarter
	Dakar, Yaoundé, Geneva		X	4th Quarter
	Helsinki, Warsaw, Prague, Bratislava		X	4th Quarter
	Havana, Port of Spain, Bogotá		X	4th Quarter

IV The Department's International Trade Component

Table 4.10: Internal Audits and Evaluations

International Trade Evaluations Planned for 2006-2007					
Name of Evaluation	Description	2005-2006	2006-2007	Start Date	End Date
Canadian Foreign Service Institute (CFSI)	<p>This analysis provides an in-depth review of the CFSI after 15 years of operation: its relevance, cost-effectiveness and results achieved.</p> <p>Recommendations will aim to guide management in revitalizing the mandate of the Institute to meet the challenges of a new international environment.</p>	X		August 2005	May 2006
Country Studies	<p>Development and validation of a methodology for country studies. In support of the "whole of government" approach, the country studies will be comprehensive reviews of our involvement with the selected countries from both a Headquarters and a field perspective. They will aim to show how our various programs contribute to reaching our goals.</p>		X	May 2006	January 2007
	<p>The Evaluation Division will pilot test the methodology and tools developed by completing a country study in a country where the planning process has been in place.</p>		X	January 2007	July 2007
Dispute Management	<p>The evaluation will examine the relevance and effectiveness of the Canada-U.S. Agreement, as well as lessons learned. Theme selected: wheat.</p>		X	May 2006	October 2006
Enhanced Representation Initiative (ERI)-USA	<p>This evaluation will look at the design and quality of the implementation and assess the effectiveness of the ERI as a horizontal initiative.</p>	X		July 2005	May 2006

Table 4.10: Internal Audits and Evaluations

International Trade Evaluations Planned for 2006-2007					
Name of Evaluation	Description	2005-2006	2006-2007	Start Date	End Date
Hub and Spoke	This review will assess the effectiveness of the existing delivery models in different regions and identify the factors that facilitate and impede the success of the Hub and Spoke approach (i.e. relations between main and satellite offices).		X	September 2006	March 2007
IBD Germany	Evaluation of the International Business Development (IBD) trade program in Germany to assess the relevance of the delivery mechanisms and alignment of resources with International Trade and partners' priorities.	X		March 2006	September 2006
Knowledge Management	As a follow-up to the IM/IT (Information Management, Information Technology) Needs Analysis Study, this study will examine how the department acquires, organizes, stores and disseminates knowledge in order to provide recommendations on how to improve knowledge management.		X	April 2006	December 2006
Trade and Development	This policy review will examine the relevance of the policy.	X		January 2006	May 2007
Trade Regional Offices	Evaluation of the relevance of the trade regional offices and the value added that the network brings to business development activities at large.		X	September 2006	February 2007

IV The Department's International Trade Component

PART V

Reference Information



5.1 Contact Information

The department offers a wealth of information, resources and reference tools. To learn more about Canadian foreign policy and international relations or about the department itself, use any of the following contacts:

Telephone: 1-800-267-8376 toll free in Canada
or 1-613-944-4000 in the
National Capital Region and
outside Canada

TTY: 1-613-944-9136

Fax: 1-613-996-9709

Email: enqserv@international.gc.ca

Mail: Enquiries Services (SXC)
Department of Foreign Affairs and
International Trade
125 Sussex Drive, Ottawa, ON
K1A 0G2

Web: <http://www.international.gc.ca>

Media Services: 1-613-995-1874 or
fax 1-613-995-1405

How to Contact Organizations Related to the Department**Canadian Commercial Corporation**

Mail: 1100 50 O'Connor Street, Ottawa,
ON K1A 0S6

Telephone: 1 800-748-8191 toll free in Canada
or 1-613-996-0034 in the National
Capital Region and outside Canada

Fax: 1-613-995 2121

Web: <http://www.ccc.ca>

North American Free Trade Agreement

Mail: (NAFTA)—Canadian Section, 90
Sparks Street, Suite 705, Ottawa,
ON K1P 5B4

Telephone: 1-613-992-9388

Fax: 1-613-992-9392

Web: <http://www.nafta-sec-alena.org>

Canadian International Development Agency

Mail: 200 Promenade du Portage,
Gatineau, QC K1A 0G4

Telephone: 1-800-230-6349 toll free in Canada
or 1-819-997-5006 in the National
Capital Region and outside Canada

Fax: 1-819-953-6088

Web: <http://www.acdi-cida.gc.ca>

Passport Canada

Mail: DFAIT, Gatineau, QC K1A 0G3

Telephone: 1-800-567-6868 toll free in Canada
or 1-819-994-3500 in the National
Capital Region and outside Canada

TTY: 1-819-994-3560 or 1-866-255-7655

Web: <http://www.ppt.gc.ca>

Export Development Canada

Mail: 151 O'Connor Street, Ottawa, ON
K1A 1K3

Telephone: 1-613-598 2500

Fax: 1-613-237 2690

TTY: 1-866-574-0451

Web: <http://www.edc.ca>

Rights & Democracy: International Centre for Human Rights and Democratic Development

Mail: 1001 de Maisonneuve Boulevard
East, Suite 1100, Montreal, QC
H2L 4P9

Telephone: 1-514-283-6073

Fax: 1-514-283-3792

Web: <http://www.ichrdd.ca>

International Development Research Centre

Mail: 250 Albert Street, 18th Floor, P.O.
Box 8500, Ottawa, ON K1G 3H9

Telephone: 1-613-236-6163

Fax: 1-613-238-7230

Web: <http://www.idrc.ca>

International Joint Commission

Mail: Canadian Sector
234 Laurier Avenue West,
22nd Floor, Ottawa, ON K1P 6K6

Telephone: 1-613-995-0088

Fax: 1-613-993-5583

Web: <http://www.ijc.org>

5.2 Acronyms and Abbreviations

ADM	Assistant Deputy Minister	NATO	Free Trade Agreement
APEC	Asia-Pacific Economic Cooperation Forum	NEPAD	North Atlantic Treaty Organization New Partnership for Africa's Development
ARF	APEC Regional Forum	NORAD	North American Aerospace Defence Command
ASEAN	Association of Southeast Asian Nations	OAS	Organization of American States
BRIC	Brazil Russia India China	OECD	Organization for Economic Cooperation and Development
BSE	Bovine spongiform encephalopathy	OGD	Other government department
CARICOM	Caribbean Community	OSCE	Organization for Security and Cooperation in Europe
CIDA	Canadian International Development Agency	PAA	Program Activity Architecture
CTCBF	Counter-Terrorism Capacity-Building Fund	PCO	Privy Council Office
DFAIT	Department of Foreign Affairs and International Trade	R2P	Responsibility to Protect
DG	Director General	R&D	Research and development
ERI	Enhanced Representation Initiative	RBAF	Risk-Based Audit Framework
EU	European Union	RCMP	Royal Canadian Mounted Police
FIPA	Foreign Investment Protection and Promotion Agreement	RMAF	Results-based Management Accountability Framework
FTA	Free Trade Agreement	S&T	Science and technology
FTE	Full Time Equivalent	SMEs	Small and medium-sized enterprises
G8	Group of seven leading industrialized nations (Canada, France, Germany, Italy, Japan, United Kingdom, United States) plus Russia	TBS	Treasury Board Secretariat
GATS	General Agreement on Trade in Services	TCI	Team Canada Inc
GATT	General Agreement on Tariffs and Trade	TCS	Trade Commissioner Service
HIV/AIDS	Human immunodeficiency virus / acquired immunodeficiency syndrome	UN	United Nations
HOM	Head of Mission	UNESCO	United Nations Education, Scientific and Cultural Organization
HR	Human resources	WTO	World Trade Organization
ICAO	International Civil Aviation Organization		
IM/IT	Information management / information technology		
LES	Locally engaged staff		
MAF	Management Accountability Framework		
MOU	Memorandum of understanding		
MRRS	Management, Resources and Results Structure		
NAFTA	North American		

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