



Department of Foreign Affairs and International Trade

2002-2003
Estimates

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are tabled in the spring and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

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Section I:

Message from the Ministers



Pierre Pettigrew
Minister for International
Trade



Bill Graham
Minister of Foreign
Affairs

The events of September 11, 2001 have had a profound impact on us all, one that is still being felt around the world. The first reactions of Canadians were grief and outrage over this terrible human tragedy, but we have emerged with a strengthened resolve to redouble our efforts in the global fight against terrorism and tyranny.

These terrible events have starkly re-emphasized the importance of the values that Canada has always represented and worked to advance in the global community: freedom, stability, peace, inclusiveness, human rights and a rules-based system of international relations. These values are an affirmation of who we are and the kind of society we have built in this country. They have not been shaken by the world events of recent months. On the contrary, although these events have caused us to adjust some of our plans and priorities, our principles remain steady and strong. We remain guided by three fundamental objectives: to generate greater prosperity and employment by promoting and expanding trade and investment worldwide, to promote global peace as a means of protecting our own security, and to project Canadian values and culture internationally.

The Department of Foreign Affairs and International Trade takes great pride in serving the interests of Canadians by taking the lead in Canada's political, economic and cultural relations with the rest of the world. In this work, it collaborates extensively with other federal departments, provincial and municipal governments, citizens' groups as well as the business and academic communities across the country.

In this time of uncertainty, it is Canada's responsibility and intention to continue taking an active role on the world stage. To be truly influential and effective, we must adopt a multi-dimensional approach, integrating diplomatic, humanitarian, economic, military and law



enforcement efforts in order to increase stability in the world and restimulate the global economy.

Accordingly, the Department has set the following priorities for 2002-2003:

- to continue to participate actively in the international coalition to fight terrorism and promote global security;
- to build on Canada's successes in international trade by:
 - implementing the Smart Border Declaration with the United States to ensure that the border we share with our most important trading partner is open for business but closed to terror;
 - participating actively in the new round of World Trade Organization (WTO) negotiations and pursuing a Free Trade Area of the Americas;
 - continuing to provide Canada's exporters with effective services to help them expand their markets abroad;
 - promoting Canada's image around the globe as an attractive investment destination; and
- to offer Canadian leadership, as Chair of the G8, in working with this key group of countries (the seven leading industrialized countries as well as Russia) to achieve further progress on international security and stability through economic development, human rights and development assistance.

This year, we will focus our efforts as Chair of the G8 Summit on combatting terrorism, strengthening economic growth worldwide and building a new partnership for African development. These objectives are mutually reinforcing, given our belief that terrorism is less likely to take root in communities and countries that are prosperous, stable and open. When the G8 meets later this year in Kananaskis, Alberta, we look forward to leading a results-oriented discussion.

Until 2003, Canada also chairs the Summit of the Americas process. Over the next year, we will continue to play a leadership role in implementing the declaration and action plan from the 2001 Summit of the Americas in Quebec City, which brought together 34 countries from North, Central and South America and the Caribbean. The declaration and action plan include commitments to strengthen democracy, promote good governance and protect human rights and fundamental freedoms in this hemisphere.

Throughout 2002-2003, we intend to work with our global partners on reconstruction and humanitarian relief in Afghanistan as well as on other pressing international issues, including the tensions between India and Pakistan, the Middle East conflict and the economic crisis in Argentina. At the same time, we will seek to enhance our cooperation and dialogue with the



European Union and other continental allies, manage our access to European markets and find constructive solutions to trade irritants. In the Asia-Pacific region, which already accounts for three of our top six trading partners, we will continue to advance Canada's interests by building on this solid foundation.

We will also focus our attention on further strengthening the multilateral rules-based system as the foundation for Canadian security by supporting the UN in its global efforts; reinvigorating the international non-proliferation, arms control and disarmament agenda; working to ensure the effectiveness of the North Atlantic Treaty Organization and the Organization for Security and Co-operation in Europe in contributing to Euro-Atlantic security; and supporting efforts to build confidence and unity at the regional level in Asia, the Middle East and other key regions.

Here in North America, the Department will continue to respond to the events of September 11, which highlighted the growing reality of economic and security interdependence in North America, as well as the challenges and opportunities this represents. The Department will play a lead role in managing the bilateral relationship with the United States, which is critical to both the economic prosperity and the security of Canada. At the same time, the Department will seek to deepen our relationship with Mexico and support the emergence of a North American community.

Making our trading relationship with the United States work for the benefit of Canadians is a major priority for the Department. As such, the Department will continue its efforts towards resolving the American trade action against Canadian softwood lumber. We are also participating in the new round of trade liberalization talks that were launched by the 142 countries of the WTO in Qatar last November. That meeting's final declaration, known as the Doha Development Agenda, provides tangible evidence of the key role played by developing countries of the WTO in setting these negotiations in motion. The decision to enhance our rules-based trading system by launching a major new round of negotiations based on a strong social agenda is further demonstration of the new kind of global partnership that has emerged.

In the area of agricultural trade, the WTO negotiations have set the ambitious goals of reducing, and eventually phasing-out, all agricultural export subsidies as well as decreasing domestic support that distorts trade and substantially improving market access for producers worldwide. For Canada, for our farmers and for our farming communities, this represents a key objective of the Doha Round. Another key subject of negotiations will be anti-dumping, in order to ensure that all WTO countries follow the same rules in the same way. This will reduce disputes and unnecessary trade actions, while preserving anti-dumping measures as a legitimate recourse against unfair trade practices.

Trade policy initiatives will go hand-in-hand with strong trade and investment promotion efforts in 2002-2003. Efforts will include a possible Team Canada mission led by the Prime Minister and other coordinated business visits involving ministerial participation. In addition, the Trade Commissioner Service will continue to adapt to the increasingly competitive world environment and the new needs of the business community by



implementing its ambitious "New Approach" agenda. The effectiveness of two key horizontal partnership organizations — Team Canada Inc and Investment Partnerships Canada — will also be strengthened to better serve our clients. An important part of this coordination effort is the further development of various "Canada Brand" initiatives abroad.

In presenting this Report on Plans and Priorities, we would like to take this opportunity, along with the Minister for International Cooperation and the three Secretaries of State (Asia-Pacific; Central and Eastern Europe and the Middle East; and Latin America, Africa and La Francophonie), to acknowledge the exceptional contribution made by the Department's employees, particularly in dealing with the challenges imposed by the extraordinary world events of 2001. Their rapid response in helping Canada and Canadians to secure progress during this difficult time in history is a testament to their commitment to serving Canada and the Canadian public here and abroad.

Pierre Pettigrew
Minister for International Trade

Bill Graham
Minister of Foreign Affairs



Management Representation Statement

We submit, for tabling in Parliament, the 2002-2003 Report on Plans and Priorities (RPP) for the Department of Foreign Affairs and International Trade.

To the best of our knowledge the information in this document:

- accurately portrays the organization's plans and priorities;
- is consistent with the reporting principles contained in the Treasury Board Guide to the preparation of the 2002-2003 Report on Plans and Priorities;
- is comprehensive and accurate; and
- is based on sound underlying departmental information and management systems.

We are satisfied as to the quality assurance processes and procedures used for the RPP production.

The Planning, Reporting and Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Leonard J. Edwards
Deputy Minister for International Trade

Gaëtan Lavertu
Deputy Minister of Foreign Affairs





Section II:

Raison d'être

The Department of Foreign Affairs and International Trade manages Canada's political, economic and cultural relations with other nations on a bilateral basis as well as through the international organizations to which Canada belongs. These include, but are not limited to, the World Trade Organization, the United Nations, the G8, the Commonwealth, La Francophonie, the Organization of American States and the Organization for Economic Cooperation and Development.

The Department provides:

- an effective foreign policy that pursues Canadian interests, projects Canadian values and culture worldwide and protects Canada's security;
- assistance for the country's citizens who are travelling, working or doing business abroad by providing trade, investment, passport and other services; and
- support for the international objectives and activities of other federal departments and agencies as well as the provincial and territorial governments.





Section III:

Summary: The Department's Outlook for Changing Times

In an increasingly complex and unpredictable international environment, the Department can be profoundly affected by events beyond its control. The attacks of September 11 and the ensuing campaign against terrorism have been forceful reminders of how important it is that the Department be able to respond quickly and effectively to international crises and challenges.

Recent world events have not only required adjustments in Canada's international agenda, they have also had an impact on the federal government's activities at home. This clearly demonstrates that foreign and domestic policies can no longer be regarded as distinct or separate aspects of the government's operations. The two are now interconnected and interdependent in a way that this country has never seen before, a reflection of the highly integrated, globalized environment in which Canadians live and work.

The Department will concentrate on those elements of its mandate for which it has sole responsibility - foreign policy and relations with other countries, trade policy and promotion, consular services, international law and treaty negotiations, and federal-provincial relations on global issues. In so doing, it will put greater emphasis on its network of missions and satellite offices in 97 countries around the world. It will also share expertise and work more intensively with other federal departments and agencies, the provinces and territories, municipalities and the private sector.

At the same time, the Department will refocus its internal operations by modernizing its management, expanding electronic delivery of its services and applying greater discipline in setting priorities.

The Department's new outlook is reflected in the specific priorities it has set for 2002-2003 in support of the following four objectives:

- to generate greater prosperity and employment by promoting and expanding trade and investment worldwide;
- to promote global peace as a means of protecting the security of Canada and Canadians;
- to project Canada and Canadian values internationally; and
- to provide quality services to Canadians.



Expanding Trade and Investment Worldwide

The Department will build on Canada's impressive track record in international trade by actively pursuing further trade liberalization agreements, with a particular focus on the new round of negotiations under way with members of the World Trade Organization (WTO). At the same time, Canada will work to establish a Free Trade Area of the Americas to further develop its economic relationship with Latin America, as well as conclude free trade agreement negotiations with Central America, Singapore and the European Free Trade Association. Ongoing trade disputes with the United States and European Union will also receive particular attention.

Recognizing the extraordinary importance of Canada-United States trade — the world's largest trading relationship — the Department will continue to work closely with its American partners to increase the security of the shared border while ensuring that it is fully open for business. The Smart Border Declaration, announced by the two countries in December 2001, outlines an extensive action plan that will be implemented over the next year.

Working with Team Canada Inc, the Department will improve services related to international business development to help export-ready companies compete worldwide. Team Canada Inc is a partnership of federal, provincial and territorial governments that helps Canadian companies to succeed in world markets.

Promoting Global Peace While Protecting Canadian Security

The Department will fully support the Government of Canada's involvement in the international campaign against terrorism. For instance, it will strengthen security measures to better protect the safety and security of employees, assets and information worldwide. It will manage the country's evolving security and defence relations with key partners, particularly the United States. Furthermore, it will take advantage of Canada's role as chair of the G8 in 2002 to promote agreement among the group's leaders on enhanced measures to combat terrorism.

Throughout this year, Canada also remains chair of the Summit of the Americas process, a position that enables the country to demonstrate leadership on various issues affecting this hemisphere. The most recent Summit of the Americas, held in Quebec City in 2001, brought together 34 countries from North, Central and South America and the Caribbean. Canada will now work to implement the action plan that was developed at that Summit.

Other international initiatives conducted by the Department in partnership with other countries will focus on issues such as reconstruction and humanitarian relief in Afghanistan, the ongoing tensions between India and Pakistan, the Middle East conflict and the economic crisis in Argentina. The Department will also seek to enhance Canada's cooperation and dialogue with the European Union and other continental allies.



Projecting Canada and Canadian Values

In response to the terrorist attacks of September 11, the Department is increasing the integration of Canadian foreign policy with federal policies on trade, investment, defence and international aid. This more comprehensive approach is needed to meet new challenges in the international community.

Over the next year, the Department will strengthen its ability to project Canada and Canadian values worldwide by establishing a new policy coordination division to advise senior managers on the foreign policy implications of major international issues and developments. This new division will also formulate policy strategies with other federal departments and contribute to government-wide policy initiatives. At the same time, the Department will intensify its policy research and analysis and expand consultations with Canadians across the country on key foreign policy issues.

The Department will redesign its internal and external communications functions to create a better flow of information throughout its operations as well as increase the recognition and understanding of its policies among Canadians and non-Canadians alike. The upcoming G8 Summit in Alberta will provide a high-level international forum to showcase Canadian expertise and advance Canadian objectives related to restimulating the world economy, promoting human rights and providing development assistance to Africa.

Providing Quality Services to Canadians

In order to ensure its ability to provide the best services possible to Canadians and others, the Department is instituting modern management practices in three key areas. First, in human resources, it will make efforts to increase recruitment and retention of foreign service officers and provide improved training and skills development to all employees. Second, the Department will upgrade various management functions and practices. For instance, it will establish an integrated system for managing property budgets and resource planning. Third, to put more focus on results, the Department will establish a strategic framework for results-based planning and accountability. These measures will improve the Department's ability to demonstrate the value of its activities to Canadian taxpayers.

Over the next year, the Department will further improve its services for Canadians and expand electronic access to them. Particular enhancements will be made to consular services as well as programs to help Canadian firms compete in global markets. The Passport Office will upgrade its technology and security systems as well as begin production of digitized passport documents that are more resistant to forgery and falsification.

At this uncertain time in international affairs, the work of this Department has never been more important. All these measures, taken together, will make it more productive, responsive and accessible. They will also enable the Department to be more influential in projecting Canada internationally and promoting this country's values and interests.



Total Planned Spending (Net of Revenue) for 2002-2003 by Strategic Outcome

The following table identifies the Department's planned spending for each strategic outcome. More details on each strategic outcome can be found in the following sections of this report.

Business Line: Strategic Outcome	Total Planned Spending Net of Revenue (\$ millions)
<p>International Business Development: Greater prosperity and job creation in Canada, achieved by helping the private sector take full advantage of international business opportunities and by facilitating foreign investment inflow and technology transfers.</p>	253.5
<p>Trade, Economic and Environmental Policy: Greater job creation and prosperity in Canada and advancement of Canadian environmental interests and priorities, achieved through effective management of the country's trading, economic and environmental relationships as well as by liberalization of trade and capital flows around the world based on clear and equitable rules that reflect Canadian interests.</p>	107.0
<p>International Security and Cooperation: Progress in establishing a peaceful, inclusive rules-based international system reflecting Canadian values, in which Canada and Canadians are secure.</p>	611.0
<p>Assistance to Canadians Abroad: Effective assistance, guidance and advice provided to Canadians working, living or travelling abroad, or to others on their behalf.</p>	9.8
<p>Public Diplomacy: Increased recognition of, and respect for, Canada's role as an active participant in world affairs and as an economic partner, as well as promotion of Canadian identity and values abroad and development of an international environment that is favourable to Canada's political and economic interests.</p>	101.3
<p>Corporate Services: Efficient delivery of essential services in a cost-effective manner to enable the Department to carry out its mandate and meet its objectives in Canada and abroad.</p>	276.5
<p>Services to Other Government Departments: Enable other federal government departments to effectively deliver their programs abroad through cost-effective support services that satisfy requirements within legal, policy and resource constraints.</p>	260.4
<p>Passport Services: Provision of internationally respected travel documents, including passports, to Canadians and eligible residents for the purpose of facilitating their international travel.</p>	(6.6)



Plans and Priorities by Strategic Outcome

International Business Development

Strategic Outcome

Greater prosperity and job creation in Canada, achieved by helping the private sector take full advantage of international business opportunities and by facilitating foreign investment inflow and technology transfers.

Total Planned Spending (Net of Revenue)

\$253.5 million

Context

Roles and Benefits

The Department contributes to the creation of employment and prosperity in Canada by assisting the traditional and non-traditional exporting business community in taking full advantage of international opportunities in the globalized economy. In addition to supporting the expansion of Canadian exports of goods and services, the Department's role is to facilitate investment into Canada and encourage technology development through alliances with non-Canadian partners. This is accomplished by leading the Government's overall trade development function through Team Canada Inc (TCI), the partnership of 23 federal departments and agencies responsible for international business development. Through Investment Partnerships Canada (IPC), the Department also collaborates closely with Industry Canada in targeted initiatives to further attract foreign investment into Canada.

TCI provides integrated and coordinated support programs and services to Canadian firms to assist them in expanding their business in international markets. TCI seeks to enhance Canadian companies' export-orientation and export-readiness by delivering the information, skills and tools they need to take their business global. TCI's Web site, ExportSource (<http://www.exportsource.gc.ca>), is Canada's most comprehensive on-line source for government export information.

The Department is working closely with IPC and TCI partners to strengthen Canada's image as a competitive and preferred location for foreign investors through a series of joint horizontal initiatives including "Brand Canada" strategies, the Deputy Ministers' Champion Program and Team Canada Investment Missions.

In support of international business development, the Department operates the Canadian Trade Commissioner Service (TCS), the cornerstone of Canada's international business strategy in



the global marketplace. The TCS is a 100-year-old network of more than 500 trade professionals located primarily in Canada's missions abroad. The Department's trade commissioners have expertise in a range of subjects, including foreign market access, business prospects and contacts as well as exporting, licensing, joint ventures and technology transfers. The Web site of the Canadian Trade Commissioner Service, InfoExport (<http://www.infoexport.gc.ca>), provides free access to hundreds of sectoral market studies and country-specific reports to help Canadian companies identify foreign business opportunities and learn more about their target markets. This site also helps companies that are ready to export to get in touch with the employees of the Department's 137 missions around the world and request the personalized core services that are offered.

Greater participation by Canadian business in world markets brings tremendous benefits to this country by creating more jobs. One out of every three jobs in Canada is now tied to trade.

Key Partners

In carrying out its international business development activities, the Department works in a sustained, collaborative way with many partners, including Team Canada Inc and Investment Partnerships Canada members, other federal departments and agencies, the provinces and territories, and Canadian entrepreneurs with an interest in international markets.

Major Challenges

Naturally, the Department's activities in international business development are affected by major changes in the global economic environment, such as those generated by the onset of a global recession or exacerbated by the events of September 11. These include:

- a worldwide decline in business activity due to political and economic uncertainty; and
- fewer resources available among key partners, as well as increased financial uncertainty for exporters and general pressures on the industry.

At the same time, the ongoing process of globalization and the increasing competition in world markets are posing challenges to the Department's efforts in international business development. Finally, the Department must also take into account the pace of technological change and the associated increase in demand for faster, more secure ways of doing business electronically.

Priorities and Plans

In addressing these challenges, the Department has identified the following priorities and plans for international business development in 2002-2003:



- to enhance client services by developing best practices, called the New Approach@Work, to improve communications, leadership, training and the service standards of the Trade Commissioner Service;
- to enlarge and diversify the number of exporters served by the Department by enhancing collaboration across departmental boundaries in the design and delivery of Team Canada Inc's client services;
- to realign resources associated with international business development in order to maximize the effectiveness of programs and services; and
- to further modernize management practices through integrated, cross-departmental initiatives with a greater focus on results.

The following subsections provide more information on these priorities and plans.

Improving Services for Canadian Businesses

- Over the next year, the Department will intensify its working relationships with the Canadian business community and provide more specific and tailored information on international business opportunities. For instance, it will add or expand Internet and Intranet (an internal system accessible to all departmental employees in Canada and at missions abroad) access to information on new and emerging markets as well as export profiles, market studies on priority markets, bulletins and marketing advice.
- The integrated marketing plan of the Canadian Trade Commissioner Service will be implemented over the next year to better inform export-ready companies of the services it provides.
- The Department will continue the program of Team Canada visits led by the Prime Minister to major international markets.
- The Department will expand the information it provides on its Web site about opportunities for collaboration with foreign businesses in science and technology. It will also produce an information package on the kinds of support available to Canadian firms involved in international research and development.
- The Department will broaden the scope of its advice on financing and other support available to export-ready businesses from Export Development Canada, the Canadian Commercial Corporation and other financial institutions by making more information accessible over the Internet and engaging in more outreach activities.



Expanding the Department's Client Base

- Working with key public sector partners, including members of Team Canada Inc and the provincial and territorial governments linked to the Regional Trade Networks, and in collaboration with targeted trade and industry associations, the Department will reach out to a larger and more diverse group of current and potential exporters. In particular, efforts will be directed at small and medium-sized enterprises and non-traditional exporters.

Realigning Resources to Maximize the Effectiveness of Programs and Services

- The Department will assess and tailor its financial support programs, such as the Client Service Fund, to better meet the needs of clients in exploring opportunities in foreign markets.
- With regard to collaborative research and development opportunities with others abroad, the Department will offer advice, facilitation of applications and sponsorship of events to interested groups.
- The Department continues to examine proposed financing programs for Canadians who invest in developing countries.

Pursuing Partnerships and Modernizing Management Practices

- The Department will identify and implement best practices and provide the Canadian Trade Commissioner Service with other innovative work tools, such as the Trade Financing Tool Kit, to improve its services to clients.
- In collaboration with its partners in Team Canada Inc, the Department will provide more new training and skills development for its staff, with a focus on delivering services to small and very small businesses.
- Through Investment Partnerships Canada, co-chaired by the Deputy Minister of International Trade and the Deputy Minister of Industry, the Department will pursue efforts to enhance international awareness of Canada as a prime location for investment.
- Consultations will be held with the business community as a whole, and the technology sector in particular, to gather feedback on the Department's services and the specific needs of export-ready companies.

Major Changes

While the political and economic climate worldwide is volatile, it is critical to recognize that the importance of expanding the profile and involvement of Canadian companies in international markets remains unchanged. The Department continues to focus its efforts on



helping Canadian companies, particularly small and medium-sized enterprises, become successful in the global marketplace.

Monitoring

Various monitoring activities related to international business development are planned for 2002-2003, including:

- The Department will review its Program for Export Market Development. This program assists smaller companies that are new to exporting or that are expanding their business into a new foreign market by helping them identify and pursue sales and capital project opportunities abroad. An accountability framework will be developed for this program in order to identify specific means of measuring success.
- A review of the management framework and operations of the International Business Opportunities Centre will also be undertaken. This initiative brings foreign entrepreneurs together with potential Canadian partners.
- Follow-up support will be provided to the new Client Service Fund.
- Surveys will continue to be a valuable tool to encourage client and employee feedback. The surveys provide useful information on areas of satisfaction with service delivery and opportunities for improvement. The surveys have been in existence since 1998 and were the catalyst for the New Approach@Work.



Trade, Economic and Environmental Policy

Strategic Outcome

Greater job creation and prosperity in Canada and advancement of Canadian environmental interests and priorities, achieved through effective management of the country's trading, economic and environmental relationships as well as by liberalization of trade and capital flows around the world based on clear and equitable rules that reflect Canadian interests.

Total Planned Spending (Net of Revenue)

\$107.0 million

Context

Roles and Benefits

The role of the Trade, Economic and Environmental Policy Branch is to stimulate economic growth and job creation in this country as well as advance Canada's international environmental objectives by:

- analysing, developing and managing Canada's trade, economic and environmental relationships with other countries;
- negotiating and implementing international agreements on these issues;
- promoting the liberalization of trade and capital flows around the world based on clear and equitable rules that reflect Canadian interests;
- controlling trade of certain products, such as sensitive military-related goods and technology and import-sensitive commodities, through the Export and Import Permits Act;
- dealing with trade disputes; and
- undertaking consultations and communications activities to engage Canadians on trade, economic and environmental issues and increase their awareness and understanding of them.

The benefits of these activities for Canadians are enormous, given that one in three jobs in this country depends on trade. In 2000, Canadian exports represented 45.3 percent of gross domestic product, up from 25 percent in 1991. Since the North American Free Trade Agreement was put in place in 1994, the Canadian economy has grown by an annual average



of 3.8 percent, the number one rate of growth among G8 countries. The G8 is made up of the world's leading industrialized nations as well as Russia.

According to the Organization for Economic Cooperation and Development (OECD), every dollar in outward investment generates \$2 in exports from the investing country. This finding clearly underscores the widely held view that trade and investment are mutually reinforcing. Canada's own experience also confirms it. The facts speak for themselves. While Canadian direct investment abroad is significant, valued at \$301.4 billion in 2000, the country's total exports the same year were valued at \$477.9 billion. The result is jobs and opportunities for Canadians. Canada's economic growth and prosperity are inextricably linked to access to the U.S. and other markets under NAFTA and other trade agreements, and to continued trade liberalization within the framework of the rules-based global trading system under the World Trade Organization (WTO).

Key Partners

In carrying out its trade, economic and environmental policy, the Department collaborates with numerous partners, including other countries, international institutions such as the WTO, the OECD, the Asia-Pacific Economic Cooperation (APEC) forum, international financial institutions including the World Bank, the United Nations and its specialized agencies, as well as a wide array of domestic stakeholders including businesses, other levels of government, academic institutions, non-governmental organizations and unions.

Major Challenges

Key factors that will shape the pursuit of Canada's trade, economic and environmental priorities over the coming year include the continuing global economic slowdown and the political and economic uncertainty worldwide since September 11. These factors will put a premium on efforts to promote further international cooperation on economic and trade issues, which can contribute to global stability. Within a Canadian context, a key imperative will be to address border issues effectively with the United States so as to strengthen efforts both to identify and address security concerns and to expedite the legitimate flow of people, goods and services across the border.

The new round of WTO negotiations, launched last November in Qatar, provide an opportunity to advance Canada's trade and economic interests.

Meanwhile, Canada must continue to maintain its active leadership in pursuing a range of regional and bilateral trade liberalization initiatives in this hemisphere as well as in Europe and Asia.



Priorities and Plans

In carrying out its trade, economic and environmental mandate, the Department has set the following priorities for 2002-2003:

- strengthening border cooperation and addressing bilateral issues with the United States;
- pursuing further trade liberalization and managing disputes;
- supporting Canada's role as host of the G8 Summit in June and broader economic policy; and
- advancing environmental policy issues internationally.

The following subsections provide more information on the plans related to the priorities.

Strengthening Border Cooperation and Addressing Bilateral Issues with the United States

- The Department will pursue, in partnership with other departments and agencies, initiatives with the United States on border cooperation to secure the smooth flow of goods, services and business persons. This will include development and implementation of the 30-point Smart Border Declaration. The Declaration, signed by Canada and the United States in December 2001, is aimed at strengthening the world's largest bilateral trade relationship, valued at about \$475 billion a year.
- The Department will also pursue amendments and regulatory changes to the Export and Import Permits Act to control more tightly the export of sensitive military-related technology and prevent the diversion of goods and technology that could be used to develop weapons of mass destruction.
- In terms of bilateral trade issues, top priorities include efforts to seek an accord to secure Canada's long-term access to the U.S. market for softwood lumber, the defence of Canadian steel interests in the context of global oversupply and possible U.S. trade restrictions, and further efforts to clarify investment provisions in the NAFTA.

Pursuing Further Trade Liberalization and Managing Disputes

- The Department will manage Canada's active participation in the new round of WTO negotiations. Specific issues of focus will be the ongoing negotiations in services and agriculture and the development of positions and negotiating mandates in new areas, including non-agriculture market access, rules on trade remedies and regional trade agreements, a review of dispute settlement provisions and issues related to trade and the environment.



- The Department will continue negotiations to establish a Free Trade Area of the Americas in accordance with the mandate provided by leaders at the Quebec City Summit of the Americas in 2001.
- The Department will pursue negotiations to reach free trade agreements with Singapore and the Central America Four (El Salvador, Guatemala, Honduras and Nicaragua) and an agreement with the European Free Trade Association countries of Iceland, Norway, Switzerland and Liechtenstein, with a view to promoting increased trade and investment among the partners. Canada will complete its assessment of the implications of a possible Canada-European Union Free Trade Agreement for Canadian interests, and on the basis thereof, consider appropriate next steps.
- The Department will implement the Free Trade Agreement with Costa Rica and prepare for negotiations with the Caribbean Community.
- The Department will manage ongoing and new dispute settlement cases involving Canada, including those under the WTO, such as challenges against Canadian dairy practices and a dispute on aircraft subsidies with Brazil; and those under the NAFTA, including Investor-State disputes under Chapter Eleven and trade remedy cases under Chapter Nineteen.

Supporting Canada's Role as Host of the G8 Summit in June and Broader Economic Policy

- The Department will support Canada's chairmanship of the G8 Summit as well as a range of preparatory ministerial meetings in Canada and other G8 countries. At the Kananaskis Summit in June, leaders are expected to focus on three areas: the global economic outlook and measures to stimulate growth, counter-terrorism, and an action plan to support economic growth and development in Africa.
- The Department will manage Canada's participation in the APEC forum and the OECD and Canada's relations with developing countries including the least-developed countries, particularly with respect to issues involving international debt, development and trade relations.

Advancing Environmental Policy Issues Internationally

- The Kyoto Protocol, a UN convention on climate change that was adopted in 1997, includes targets to reduce greenhouse gas emissions. While Canada has not yet ratified the Protocol, it has established the Clean Development Mechanism as well as the Joint Implementation Office to assist the Canadian private sector in taking advantage of international projects that would be associated with it. This year, the Department will analyse the international implications of ratification and engage the United States in discussions on climate change in order to promote complementary strategies on this issue.



- The Department will undertake preparations for the World Summit on Sustainable Development to be held in South Africa in August 2002. The Summit will review progress in implementing commitments made at the 1992 Rio Earth Summit and, more important, chart a course ahead on critical sustainable development issues of global significance.

Major Changes

The events of September 11 have drawn renewed attention to the need for increased security measures along the Canada-United States border. Given the significance of Canada-United States trade, every effort has been and will continue to be made to ensure that the border between the two countries is both open and secure.

Canada's role as chair of the G8 this year provides an unprecedented opportunity to display leadership on major trade, economic and environmental issues as well as promote Canadian objectives in these areas.

The new round of WTO negotiations offers the promise of further trade liberalization, economic growth and prosperity worldwide.

Monitoring

Specific monitoring projects will be carried out in the area of Trade, Economic and Environmental Policy in 2002-2003 include:

- an audit of various grants and contributions made by the Department under international environmental agreements;
- an audit of the Permanent Delegation of Canada to the OECD;
- an audit of the internal management policies and practices of the Clean Development Mechanism as well as the contribution program of the Joint Implementation Office (both are programs related to the Kyoto Protocol); and
- an audit by the Commissioner for Environment and Sustainable Development of the Department's performance in the areas of sustainable development and environmental management. The position of Commissioner for Environment and Sustainable Development for the Government of Canada was established to prepare sustainable development strategies based on input from clients, stakeholders and partners.



International Security and Cooperation

Strategic Outcome

Progress in establishing a peaceful, inclusive rules-based international system reflecting Canadian values, in which Canada and Canadians are secure.

Total Planned Spending (Net of Revenue)

\$611.0 million

Context

Roles and Benefits

The Department plans and directs Canada's cooperation with other countries, both bilaterally and in multilateral organizations, to ensure the maintenance of Canadian security, the protection of Canadian assets abroad, the promotion of Canadian values and interests in the United Nations and other important multilateral organizations and the advancement of particular Canadian initiatives such as the human security agenda, fundamental human rights, and the global landmines issue.

The Department undertakes numerous activities for these purposes. It participates actively in a range of multilateral organizations, such as the United Nations and its agencies, NATO, the Organization for Security and Cooperation in Europe, the Commonwealth, La Francophonie and the Organization of American States. Through these institutions, in bilateral contacts, and with partner departments and institutions such as the Department of National Defence, the Royal Canadian Mounted Police and others, it supports a wide range of international activities and initiatives, from peacekeeping to election monitoring. The Department cooperates with states in every corner of the world on global issues such as conflict prevention, non-proliferation, arms control and disarmament, democratic development, the promotion and protection of human rights and the international campaign against terrorism.

The Department's activities in international security and cooperation bring numerous benefits to Canadians by helping to:

- ensure a robust international counter-terrorism regime that prevents, contains and responds to terrorism;
- promote global security by supporting the rules-based multilateral system and by enhancing key partnerships, especially the G8;
- advance democracy, human rights, the rule of law and good governance worldwide;



- prevent conflicts and contribute to non-proliferation, arms control and disarmament, international peacekeeping and peacebuilding;
- promote sustainable development and environmental protection; and
- strengthen multilateral organizations such as the UN.

Key Partners

In meeting its objectives with respect to international security and cooperation, the Department works with other federal departments, the provinces and territories, Canadian non-governmental organizations and the private sector.

The Department also collaborates with countries in all parts of the world and within the framework of multilateral organizations to which Canada belongs, particularly the UN. Canada's relationship with the United States remains central to Canadian security policy.

Major Challenges

The events of September 11 fundamentally changed the security environment in which Canada acts abroad. In addition to the specific anti-terrorism initiatives pursued since that time, other long-term priorities continue to be addressed, including non-proliferation, arms control and disarmament, human security, human rights, democratic development, respect for the rule of law, and, during 2002, Canada's role as chair of this year's G8 Summit.

The key to meeting all of the challenges confronting Canada is ensuring that adequate resources are specifically targeted at areas of need.

Specific challenges to be tackled include:

- the security of Canadian employees and assets abroad – while additional measures have been implemented, the Department must continue to be concerned as threats evolve;
- the need to sustain policy capacity within the Department to address the complexities of a dynamic and demanding global environment; and
- the implementation of Government On-Line, which is a recognized priority of the Department, in order to enable us to bring foreign and international trade policy to Canadians and to engage Canadians in the foreign policy and international trade process.

Priorities and Plans

The Department has identified the following priorities and plans for international security and cooperation in 2002-2003:

- to support Canada's role as chair of the G8 Summit in June;



- to support Canada's involvement in the international campaign against terrorism by promoting a set of international standards and practices to prevent, contain and respond to it;
- to ensure the safety and security of departmental employees, assets and information worldwide;
- to manage security and defence relations with key partners, particularly the United States;
- to advance the establishment of a global rules-based framework for non-proliferation, arms control and disarmament, with emphasis on new areas such as missile proliferation and long-standing priorities such as the nuclear disarmament and non-weaponization of outer space;
- to promote universal implementation of the Ottawa Convention, the initiative led by Canada to ban the use of anti-personnel mines and to promote mine action to clear mines and assist victims;
- to promote universal adherence to the Rome Statute of the International Criminal Court and contribute to the establishment of the Court as a key tool to combat impunity;
- to advance Canada's Human Security Agenda, with special attention directed at peacebuilding in Afghanistan;
- to advance human rights, international humanitarian law, good governance, democratic development and respect for the rule of law;
- to promote a robust, rules-based international system that reflects Canadian values and foreign policy objectives; and
- to collect, evaluate and use foreign intelligence to support the Department's policy decisions.

The following subsections provide more information on these priorities and plans.

Supporting Canada's Role as Host of the G8 Summit

- The Department will prepare specific proposals and policy statements, including counter-terrorism, for adoption at the Summit and for follow-up action by G8 partners.

Supporting Canada's Involvement in the International Campaign Against Terrorism

- The Department will direct Canada's role in developing international standards and practices to combat terrorism, with the ultimate goal of implementing a comprehensive global anti-terrorism framework.
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- The Department will enhance the global anti-terrorism campaign by engaging in bilateral assistance to cooperating countries as well as bilateral exchange of intelligence information when prudent.

Ensuring the Safety and Security of Employees, Assets and Information

- Security measures have been and will continue to be tightened at headquarters and missions abroad. These measures include enhanced screening and training of security personnel as well as the updating of security policies and risk assessments to ensure they reflect current conditions.

Managing Security and Defence Relations with Key Partners

- The events of September 11 demonstrated how important it is to have a range of relationships to provide for Canada's security and defence. Defence relations between Canada and the United States remain key to the security of North America through the effective functioning of NORAD, as well as the examination in the post September 11 environment, of other practical areas where bilateral defence cooperation might be usefully enhanced. The role of NATO in providing for transatlantic security and collective defence is of fundamental importance and the continued growth of the Alliance, through a carefully managed enlargement program and through examination of the role it could play in the counter-terrorism field represents an important contribution to our security.

Promoting a Framework for Non-Proliferation, Arms Control and Disarmament

- Canada will continue to work to ensure the non-proliferation of weapons of mass destruction and their means of delivery. Within the Conference on Disarmament, Canada will seek to find ways of catalyzing work on key disarmament issues. Within the G8 and the Nuclear Safety Working Group, Canada will continue to negotiate a set of nuclear safety principles with Russia for implementation in that country.
- To address the worldwide proliferation of small arms and light weapons, the Department will work with key domestic partners to promote international implementation of an action plan that was adopted at last year's UN Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects.

Promoting Implementation of the Ottawa Convention

- Working with Norway, Austria, the Netherlands, the United Kingdom and other partners, Canada will continue to coordinate the international campaign against anti-personnel mines. The Department will provide ongoing funding to non-governmental organizations such as Mines Action Canada and the International Campaign to Ban Landmines to support their work in education and advocacy.



- In collaboration with the Department of National Defence, the Department will provide technical advice on the most efficient means of destroying stockpiles of landmines worldwide.

Promoting the Establishment and Effective Implementation of the International Criminal Court

- Through sponsorship of conferences and technical assistance seminars under the Human Security Program, Canada will continue its campaign to promote ratification and implementation of the Rome Statute of the International Court.
- As chair of the International Criminal Court's Preparatory Commission, Canada will continue its leadership role in efforts to establish the Court in the Hague, working closely with the host government, the Netherlands, with like-minded states and with non-governmental organizations.

Advancing Canada's Human Security Agenda

- Canada will advance its Human Security Agenda internationally at the UN Special Session on Children in May and the G8 Summit in June.
- Working with the academic community across the country through the newly established departmentally funded Canadian Consortium on Human Security, the Department will develop fellowships for advanced studies in human security issues and develop a distinctly Canadian academic-based network to partner with government in human security issues. At the same time, it will enhance its public communications on this subject.
- Over the next year, the Department will fund more than 80 human security projects, including the International Commission on Intervention and State Sovereignty. The Commission's report will promote and structure a comprehensive intellectual and political debate on the issues of humanitarian intervention and state sovereignty. Canada will engage through the United Nations and bilaterally in following up on the report entitled *Responsibility to Protect* to encourage the international community to adopt a new approach.
- Special efforts will also be made to focus attention on the human security agenda in Afghanistan by developing domestic and international capacity for peace support operations and peacebuilding efforts.



Advancing Human Rights, Good Governance, Democratic Development and Respect for the Rule of Law

- The Department will promote a progressive human rights agenda and will work to ensure that human rights standards and respect for the rule of law are integrated fully into Canada's foreign policy and international trade priorities and programs. It will also engage other countries in dialogue, debate and practical cooperation on issues of fundamental human rights and freedoms to encourage universal respect for international human rights and standards.
- The Department will develop Canada's policies related to humanitarian issues and the coordination of international emergency response by Canada to ensure timely and effective Canadian contributions to disaster assistance around the world.
- Working with domestic and international partners, the Department will seek bilateral and multilateral cooperation on Aboriginal issues, following up on commitments made at last year's Summit of the Americas in Quebec City and in United Nations forums.

Promoting a Strong Rules-Based International System

- Canada will strongly articulate and advocate its priorities in international security and cooperation at the annual meetings of the UN General Assembly and in all United Nations bodies. We will also work to strengthen regional organizations and their contribution to a global rules-based system.
- Canada will engage in systematic dialogue with key bilateral partners with a view to building and reinforcing the multilateral system; we will also endeavor to reach out to new partners to close the North-South gap and to establish a broader, common approach to the global security agenda.
- The Department will prepare information packages on the importance of the United Nations, the Commonwealth and La Francophonie for teachers, the media and the general public.
- Maintenance of clear and up-to-date on-line information pertaining to international security and cooperation will continue to be a priority (<http://www.dfait-maeci.gc.ca>).
- The Department will support, financially and in other ways, organizations such as the UN Association of Canada, the Royal Commonwealth Society of Canada and l'Agence universitaire de La Francophonie for their continued work in support of a multilateral rules-based system.

Collecting, Evaluating and Using Foreign Intelligence in Policy Making

- The Department will undertake more frequent reviews of its intelligence-gathering priorities. Also, the provision of intelligence will become more client-driven; to this end,



feedback will be collected and incorporated so that the information generated suits decision makers' needs.

Major Changes

In focusing its efforts on the campaign against terrorism, the Department will not lose sight of existing long-term priorities, such as Africa. The challenge is to maintain a comprehensive and balanced global agenda. The impact of the events of September 11 is readily seen in the priorities of the Department. Plans associated with these priorities are not necessarily new. However, in many cases their urgency has increased and the resources associated with their implementation have been increased as well.

The international security environment was fundamentally altered as a result of the attacks of September 11. Terrorism has replaced traditional security threats and the instruments and approaches used by governments have gone through reassessment and adjustment to ensure that they meet the test of bringing security to Canadians. The Department's approach to preventing conflict, to developing partnerships and coalitions for a common route to meeting threats and building security, to building our multilateral institutions and to strengthening key bilateral relationships have all proven essential and effective in dealing with the challenge of terrorism.

Monitoring

Regular assessment of programs and activities associated with international security and cooperation has always been important to the Department. The monitoring initiatives which are planned for 2002-2003 are:

- an audit of a number of the non-governmental organizations that receive financial assistance from the Department as part of the international campaign against anti-personnel mines;
- an audit of the Aboriginal and Circumpolar Affairs Division, which is responsible for the international aspects of indigenous and circumpolar issues;
- a program management audit of the Northern Dimension Program within the Aboriginal and Circumpolar Affairs Division; and
- audits of various missions abroad.



Assistance to Canadians Abroad

Strategic Outcome

Effective assistance, guidance and advice provided to Canadians working, living or travelling abroad, or to others on their behalf.

Total Planned Spending (Net of Revenue)

\$9.8 million

Context

Roles and Benefits

The Department provides consular, citizenship and passport services 24 hours a day, seven days a week, to Canadians abroad. Assistance is provided to those travelling or living abroad in the event of an injury or death, child abduction or custody dispute, kidnapping, or emergency evacuation as a result of a disaster or crisis. Aid is also provided to those arrested or detained in foreign countries. Services continue to be provided until the results of cases or issues are final. This assistance is offered at over 270 points of service around the world, including embassies and consulates.

Canadians benefit when they are abroad from the availability of a wide range of fast, efficient and professional services from a recognized and trusted source. These services also help Canadians deal with the differences that exist between our legal, social and business systems and those of foreign countries.

Key Partners

In providing consular services, the Department collaborates with other federal departments, including the Department of Justice Canada, Citizenship and Immigration Canada, and Human Resources Development Canada, as well as with the provinces and territories. In addition, the Department works closely with international agencies and non-governmental organizations such as the national and international Red Cross and Red Crescent and the International Social Service, an international agency that works on child abduction cases and other issues.

Major Challenges

Over the past year, the Department experienced a 15-percent increase in demand worldwide for consular services. A total of 2.5 million Canadians received this assistance in the last fiscal year, up from just over two million the previous year.



There are several reasons for this sharp rise in demand. First, the terrorist attacks of September 11 have greatly increased public awareness and anxiety about the risks, real and perceived, involved in international travel. This heightened awareness has led to an increase in the number of Canadians who seek assistance and information during or in preparation for travel. Second, a growing number of older Canadians, as well as Canadians with disabilities or medical conditions, are travelling internationally. Third, Canadians are going more frequently to destinations where local health care, transportation, security and other infrastructure does not meet Canadian standards.

The current degree of political instability and military unrest in the international community is posing challenges to the Department when setting priorities and plans related to assisting Canadians abroad. It is also difficult for the Department to balance its staffing levels with the rapidly growing demand for these services.

Given this rapidly changing environment, the Department must be able to provide Canadians with timely and accurate information about any global "hot spots" as they appear. This requires the frequent updating of travel advisories.

Priorities and Plans

The following priorities have been set for 2002-2003:

- to deliver high-quality consular assistance and protection as well as passport and citizenship services;
- to initiate and manage public communications and outreach activities to help Canadians better prepare for travel abroad; and
- to strengthen the Department's capacity to provide consular services by making improvements in technology as well as management, staff training and policy.

The following subsections provide more information on these priorities and plans.

Delivering High-Quality Services

The Department will continue to attempt to offer the highest quality in service, including:

- managing the consular aspect of major incidents or world crises;
- providing emergency after-hours consular, passport and citizenship services to Canadians abroad;
- cooperating with other federal departments and agencies, as well as the provinces and other partners; and



- working closely with the International Social Service to ensure their good work continues.

In order to be proactive, the Department also will continue to review and update the 167 country-specific emergency or crisis contingency plans, as well as the Registration of Canadians Abroad system, which currently has over 150 000 registrants.

Better Preparing Canadians to Travel Abroad

Given the ongoing uncertainties in the international climate, Canadians are becoming increasingly interested in the Department's travel publications and information. Two initiatives are planned for 2002-2003:

- The number of Publications for Safe Travel will be increased from 12 to 14. The two new documents will be on the subject of dual nationality and family travel.
- The booklet entitled *Bon Voyage, But...* will be expanded and enhanced. The most widely distributed travel publication of the Department, this booklet is included with newly issued passports. It offers travellers practical advice about how to ensure their safety and security in other countries. Bolstering of corporate sponsorship is also planned to lower publications costs.

Improvements to Technology, Management, Training and Policy

As part of the Government On-Line program, the Department is striving to make more travel information and consular services available over the Internet. For instance, the Department's Web site has been and will continue to be greatly expanded. Canadians living or working abroad who wish to register with the local Canadian embassy, high commission or consulate may now do so electronically. In addition, enhancement or development of the following systems is under way:

- the information management system that handles the details of consular cases between headquarters and missions abroad;
- the database that handles consular cases dealing with missing or abducted children, so that key partners such as the provinces can have electronic access to some information;
- software that will enable missions abroad to issue travel documents with the same level of service that is provided in Canada by the Passport Office; and
- software that will enable Canadians to repay loans they receive from the Distressed Canadians Fund, which supplies financial aid to Canadians abroad in an emergency.

With the enhancement or development of tools available to staff, training will be essential. Other types of training to meet the needs of staff concerning new initiatives, policies and procedures will also take place in 2002-2003.



Major Changes

There has been an increase in the demand for consular services abroad, and providing this assistance continues to be a priority for the Department. The major changes from 2001-2002 are the improvements that are planned in terms of technology, such as software that will transmit or produce information efficiently and effectively, as well as an increase in the information and advice available to those travelling abroad.

Monitoring

The Department handles complex cases that often involve many individuals, partners, locations and information sources around the world. It is important that a system be in place to house database, communication and results identification tools. The system to accomplish this is called COSMOS. Several generations have been developed to date, and new generations will ensue.

Client surveys are also used in order to track satisfaction with the services rendered.

To ensure the greatest degree of timeliness and accuracy, the Department undertakes a review every three months of the content of the Travel Reports and Bulletins it produces on some 230 countries.



Public Diplomacy

Strategic Outcome

Increased recognition of, and respect for, Canada's role as an active participant in world affairs and as an economic partner, as well as promotion of Canadian identity and values abroad, and development of an international environment that is favourable to Canada's political and economic interests.

Total Planned Spending (Net of Revenue)

\$101.3 million

Context

Roles and Benefits

In carrying out public diplomacy, the Department:

- conducts policy planning in support of its mandate and priorities;
- provides Canadians with information about its policies, objectives and activities;
- projects Canada's identity and values abroad;
- promotes Canadian cultural and academic products and services internationally;
- manages the Department's federal-provincial relations related to foreign policy and trade;
- provides support to our ministers and secretaries of state in their relations with Parliament, their ministerial colleagues and the Canadian public;
- encourages Canadians to participate more fully in the development of foreign policy; and
- operates the secretariat that oversees Canada's participation in the G8, with specific responsibility for the G8 foreign ministers' process.

The Department actively promotes Canada internationally as a modern, technologically sophisticated and culturally diverse nation that is dealing effectively with the challenges of globalization. It projects Canadian values such as tolerance, diversity and respect for human rights, and emphasizes that our federal system is inclusive and responsive to regional interests.



The Department also strives to increase worldwide recognition of Canadian excellence and expertise in a number of key areas such as high technology, education, arts and culture, and the role of civil society in public affairs.

The Department's efforts in public diplomacy benefit Canadians by informing them about the country's foreign policy in a well-articulated and consistent manner. These efforts also encourage the public's participation in foreign policy making and demonstrate the government's transparency and accountability. The Department assists Canadian artists, performers, students and faculty in showcasing their talents abroad and pursuing international opportunities and interests.

In addition, the Department's public diplomacy activities foster a positive and well-informed understanding of Canada and its foreign policy objectives among international decision makers and opinion leaders.

Key Partners

In carrying out public diplomacy, the Department works closely with other federal departments, the provinces, a wide range of citizens, the cultural and academic communities in Canada and abroad, foreign governments and the major international organizations to which Canada belongs. One innovative example of the Department's collaborative ventures with the provinces is the recent announcement during the Team Canada visit to Germany of the opening of Ontario and Alberta co-locations (the deployment of provincial government trade officers) within the Canadian Consulate General in Munich.

Major Challenges

In response to the terrorist attacks of September 11, the Department is further strengthening the integration of Canadian foreign policy with the government's policies on trade, investment, domestic strategy, defence and foreign aid. This more coherent approach is required to address the complex international issues facing Canada at this time.

The Department recognizes the importance of seeking the input and advice of Canadians from all regions and walks of life in formulating foreign policy. Recent valuable contributions to the development of foreign policy include round tables on such themes as: Afghanistan after the Taliban, New Directions in U.S. Foreign Policy, the New Face of Terrorism, and Economic and Social Issues in Africa.

Over the next year, the Department's public diplomacy efforts will address many critical issues in Canada-United States relations, including the American agenda with respect to homeland security, missile defence, border management, environmental questions, and trade in softwood lumber, steel and agricultural products. Given the significance of Canada-United States trade, it will be imperative to balance concerns about border security, consistent with the preservation of Canadian sovereignty, with the need to maintain an efficient and unimpeded flow of goods, services and people between the two countries. It will also be important to



ensure that there is continuing awareness of Canada as a close friend, ally and partner with its own identity, history, values and culture. To ensure the success of all these activities, the Department will rely on enhanced policy development, federal-provincial consultations, public advice and communications, and diplomacy.

There is growing awareness of the ever-increasing demand for Canada's cultural and academic products and services abroad, despite intense competition from other developed countries. Although Government support remains modest in relation to competitors, the number of Canadian artists who have presented their works to key international audiences has risen as a direct result of the Department's promotional activities. Canada remains outspent in this area by Europe and Japan by a factor of five or more, both on a *per capita* basis and as a percentage of public expenditure. The Canadian Studies Program offers opportunities for expansion in a number of major countries, but the imminent retirement of many of the pioneer generation and a shortage of resources to encourage renewal threatens the growing success of the program. The Department will continue to take advantage of opportunities to project Canada abroad and maximize the potential of the cultural and academic programs in support of our trade and foreign policy.

The events of September 11, 2001, have sharply reinforced the need for public diplomacy activities with enhanced communications and horizontal policy coordination within DFAIT and with other departments whose responsibilities relate to Canada's role in counter-terrorism and the public safety agenda. The war on terrorism calls for renewed efforts to project an image of Canada as a reliable ally, especially with respect to the United States. Cultural and academic relations programs and marketing can assist in this regard.

The upcoming G8 Summit, to be hosted by Canada, will require considerable public diplomacy support from the Department. The Summit presents an outstanding opportunity to raise Canada's international profile and demonstrate the country's leadership on various key issues that will be discussed, including the ongoing campaign against terrorism and the need for economic development in Africa.

Priorities and Plans

In order to meet these challenges, the Department has set the following strategic priorities in the area of public diplomacy for 2002-2003:

- to strengthen the effectiveness of the Department's communications activities as well as its capability to deliver them in collaboration with other federal partners;
- to strengthen partnerships within the Department and across the government for the purpose of promoting Canadian identity, values and culture abroad;
- to increase the focus and coherence of foreign policy making throughout the Department, taking into account major international developments and overall government priorities;



- to further tap the expertise and contributions of Canadians for policy development, through activities such as the current National Forum on Africa (Toronto, Montreal, Saint John, Vancouver) and the ongoing work of the Department's Centre for Foreign Policy Development; and
- to further engage the provinces and territories in Canadian public diplomacy, recognizing their growing interest in international affairs.

The following subsections provide more detail on these priorities and plans:

Strengthening Capability and Expertise in Communications

- Over the next year, the Department will continue to provide strategic communications advice and support to departmental ministers and senior officials. It will also produce information material on trade issues, including the new round of World Trade Organization negotiations. This information will be specially targeted at local and ethnic media that do not traditionally cover these subjects.
- The Department will continue to increase public awareness of, and support for, Canada's trade agreements by drawing attention to the local benefits of trade. In an effort to reach out to the business community, it will continue to produce extensive information about the trade-related services provided by the Department and the government as a whole through the biweekly publication *CanadExport*.
- In support of its efforts to deal with various key issues in Canada-United States relations this year, the Department will continue to work closely with other government departments to ensure productive relationships with both community media and American media based in Canada.
- Improvements will be made to the Department's ability to respond to requests for information from the Canadian public, as well as from members of Cabinet and Parliament. These improvements will be effected through the implementation of technological advances such as a modern correspondence management system, a Web-based information and reporting system related to access to information and privacy issues, an electronic Question Period system and a Parliamentary Web site.
- In addition to making improvements to departmental publications such as *Canada World View*, a publication on current foreign policy issues, and *CanadExport*, its trade newsletter, the Department will expand its outreach activities. For instance, it will organize more speaking tours at home for Canadian ambassadors, as well as organize visits to Canada for foreign journalists and opinion leaders.
- The Department will enhance its overall presence on the Internet. The Department will also improve its image by producing a corporate brochure and applying a new corporate look to all its publications.



Promoting Canadian Identity, Values and Culture Abroad

- Through its Arts and Cultural Industries Promotion Program, the Department will award over 400 grants during the next year to Canadian artists and cultural groups to tour internationally and, in so doing, project a positive image of Canada abroad. The Program will also open new markets and expand existing markets for Canadian cultural products and services. The Department will continue to deliver the Program in partnership with other federal government departments and agencies, such as Canadian Heritage and the Canada Council for the Arts, and with the provinces. This partnering effort encompasses issues related to achievement of objectives, selection of artists and magnitude of support. The Department of Foreign Affairs and International Trade remains, however, the only federal department that continues to promote Canadian arts and cultural industries internationally with Canadian foreign policy interests in mind. Our funding decisions are based on a number of factors in addition to artistic excellence, such as departmental geographic priorities, the participation of local missions and market accessibility. The Program also funds the arts and cultural activities of missions in key markets abroad, particularly activities of those missions that operate cultural facilities.
- The Department will also continue to stimulate greater awareness of, and sustained interest in, Canada abroad through its Canadian studies, scholarship and awards, youth exchange, and education marketing programs. It will continue to work in partnership with other federal departments, provincial governments, non-governmental organizations, academic institutions and partners abroad to promote academic mobility, educational cooperation, cultural programs and other contacts that project Canada's identity and values abroad and that provide Canadians with the international outlook, experience and skills required to prosper in a globalized, knowledge-based world.

Increasing the Focus and Coherence of Foreign Policy Making

- Following the events of September 11, the Department continues to produce considerable communications material on Canada's involvement in the international campaign against terrorism. This material reflects the Department's ongoing efforts to integrate communications more fully with policy making.
- This year, the Department will establish a new policy coordination division to advise senior managers on the foreign policy implications of international economic developments and other issues such as foreign aid and the security of the Canada-United States border. This new division will also undertake strategies with other federal departments and contribute to government-wide policy initiatives.
- In another effort to strengthen horizontal policy coordination, the Department will supply more support to its Policy Board, which provides senior managers with a forum in which to discuss foreign policy and trade-related issues. The Policy Board will continue to be used as a venue for developing policies and strategies in pursuit of



longer-term Canadian interests in areas ranging from managing Canada-US relations, to preparing for our G8 year, to area-specific discussions on the European Union, Africa, and the Americas, to trade issues such as market access.

- In support of Canada's role as host of the upcoming G8 Summit, the Department will develop policy papers and briefings for the Prime Minister and other ministers on various pertinent issues, including the campaign against non-proliferation, arms control and disarmament, conflict prevention (with a focus on Africa) and regional crises.

Tapping the Expertise and Contributions of Canadians

- The Department is actively engaged in consultations with Canadians. The Department will continue to improve and increase public consultations. The Centre for Foreign Policy Development, in particular, will continue to undertake a wide range of public activities to engage Canadians in every region in policy development discussions, and will continue to provide funding for policy development projects. Issues slated for attention include Canada-Africa relations, the future of Europe, security in South Asia, democracy and global divisions, terrorism, global governance and aspects of Canada-U.S. relations.

Collaborating with the Provinces on Public Diplomacy

- Working with other federal partners, the Department will continue to consult closely with the provinces and territories on a wide range of files. In particular, it will continue to work closely with the Council of Ministers of Education, Canada, to ensure effective Canadian participation in international activities in the field of education. It will also provide support for public diplomacy activities of the provinces and territories and establish a framework, based on current practices, to guide interaction between the two levels of government on international affairs, ensuring a single, coherent foreign policy for Canada.
- The Department is actively supporting those provinces with an interest in establishing or expanding their international presence. In addition to the recent announcement regarding the opening of Ontario and Alberta co-locations within the Canadian Consulate General in Munich, the Department is currently negotiating a co-location agreement with the Government of Quebec.

Major Changes

The international political uncertainties that have resulted from the events of September 11 have re-emphasized the importance of public diplomacy activities based on horizontal policy coordination within this Department as well as with other federal departments and agencies involved in national security.



In recent months, there has been a sharp rise in demand for the Department's public diplomacy services from provincial and territorial governments. For instance, there have been requests for more briefings on security issues and the changing political environment worldwide. In this environment, it is more essential than ever that Canada's identity and values be effectively projected abroad.

Monitoring

A number of audits and evaluations are planned for 2002-2003 to assess the overall governance, probity and performance of departmental policies, programs and initiatives. They will also guide the Department in adopting modern management practices and provide timely and reliable performance information that the Department will use to report on results. A number of these activities relate to programs and initiatives having to do with public diplomacy.

The Department also tracks the use of its services. Public opinion information is collected to track levels of public awareness concerning foreign policy and trade issues.



Corporate Services

Strategic Outcome

Efficient delivery of essential services in a cost-effective manner to enable the Department to carry out its mandate and meet its objectives in Canada and abroad.

Total Planned Spending (Net of Revenue)

\$276.5 million

Context

Roles and Benefits

The broad range of corporate services includes human resources, finance, information management, property and materiel, protocol and consular services as well as audit and evaluation. In addition to its internal clients, the Department provides services to other federal departments and the foreign diplomatic community in this country.

The day-to-day operations of the Department are completely dependent on the delivery of corporate services. Furthermore, the Department relies on these services in order to modernize management systems and improve its overall service and efficiency.

Key Partners

In delivering corporate services, the Department works closely with other federal departments and agencies, the provinces, the diplomatic community, international organizations to which Canada belongs, as well as employee unions and associations.

The Department oversees the arrangements for all foreign travel and hospitality functions of the Prime Minister, Governor General and departmental ministers, as well as visits to Canada and other events involving foreign heads of state and other dignitaries. In so doing, it collaborates with the Prime Minister's Office, Rideau Hall and the diplomatic community.

Major Challenges

Over the last year, the following social and economic factors have influenced the Department's delivery of corporate services:

- The Department needs to modernize its human resources management to reflect the increasingly complex international environment in which it operates.



- The terrorist attacks of September 11 have re-emphasized the need for greater measures to ensure the safety and security of employees, assets and information worldwide, as well as to improve the Department's ability to identify potential risks.
- Demand for corporate services at missions abroad has risen significantly due to staffing increases being made by other government departments and other co-located partners. These increases are expected to intensify, given the pressure on some other departments to expand their international presence in response to the events of September 11.
- Canadians continue to demand greater transparency and accountability in government spending and operations as well as more participation in public policy making.
- There has been a significant rise in the number of horizontal issues handled by the Department. These must be handled in close co-operation with the other departments and agencies that they affect. This process can be both time-consuming and labour-intensive.
- Demand for services is also rising among external clients, including the diplomatic community, which is continuing to expand in Canada.
- As the use of new information management and communications technologies increases throughout the Department, there is a corresponding change in the way technologies are being used. Disciplined planning is required to manage these ongoing changes.

Priorities and Plans

In its efforts to address these challenges, the Department has set the following priorities and plans for corporate services in 2002-2003:

- to continue to modernize human resources management;
- to further increase safety and security measures at headquarters and missions abroad;
- to strengthen the Department's ability to implement modern management practices and systems that focus more on results;
- to ensure that the Department's corporate information management and technology infrastructure provides optimal support for carrying out its priorities; and
- to manage effectively the growth in staff at missions abroad, as well as the increased demand for services from external clients such as the diplomatic community in Canada.

The following subsections provide more detail on these priorities and plans.



Modernizing Human Resources Management

- The Department will update the classification and structure of various staff functions to clarify evolving roles and responsibilities and address shortages of certain personnel. There will be continuing efforts to create conditions that will enable the Department to keep and develop its cadre of foreign service officers.
- Over the next year, the Department will implement its new learning policy, continue to adapt its learning programs to the department's agenda and expand its virtual campus.
- The Department will also develop a strategy on the health and welfare of employees abroad, which will include recommendations on assignment and health policies that recognize the impact of pollution in locations where environmental conditions do not meet Canadian standards.
- The Department is committed to making significant progress this year in meeting its employment equity and official languages targets.

Ensuring a Safe, Secure and Cost-Effective Work and Living Environment

- Working with Public Works and Government Services Canada, the Department is developing a strategic plan to upgrade its headquarters building in Ottawa. During the next fiscal year, a number of major projects will be undertaken for this purpose.
- At its missions abroad, the Department will continue to address:
 - the shortage of space at some missions;
 - the problem of deteriorating property assets (rust out);
 - the sale of strategic properties and reinvestment planning; and
 - the introduction of an integrated system for managing property budgets and resource planning.
- Numerous accommodation projects are under way at missions abroad (see Annex: Table 2). For instance, new chanceries (office space) will be completed this year in Dakar, Port-au-Prince, Beirut and Prague. The development agreement for a new embassy in Berlin will be signed and construction will start this year, and other projects will be designed or built in various locations, including Ankara, Dhaka, Nairobi, Rome and Seoul.



Implementing Modern Management with a Focus on Results

- Over the next year, the Department will develop a strategic plan and a resources management strategy based on sound program and financial analysis. These activities will help the Department to better meet its strategic objectives as well as fulfill its legislative mandate and allocate resources more effectively.
- The Department will continue to implement its Modern Management Action Plan (see Table 11), institute new financial and management practices and policies, and make greater use of management tools such as business intelligence and activity-based costing.
- The Department will put in place a multi-year Audit and Evaluation Plan based on credible risk assessments. This will provide an effective tool for use in strategic planning, identification of priorities and risk management.
- The Department will continue to train and support managers to develop Results-Based Management and Accountability Frameworks (RMAFs) and Risk-Based Audit Frameworks (RBAFs) for grants and contributions programs. Given the rising number of horizontal files, the Department will also help its managers to adopt interdepartmental RMAFs and RBAFs. At the same time, the Department's grants and contributions programs will be reviewed to ensure they are as effective as possible.

Ensuring Optimal Use of Information Management and Technology

- In 2001, the Department launched the InfoBank Project to implement new document management procedures and the automated systems and services to support them by the end of fiscal year 2003-2004. Because virtually all departmental employees are knowledge workers who handle large volumes of information, their productivity depends on their ability to manipulate, save and retrieve both paper and electronic documents. Furthermore, because many staff are rotational (regularly relocating between headquarters and missions abroad), the Department requires a better way of maintaining its corporate memory. By enabling staff to organize and use documents more effectively, the InfoBank Project will address both these issues.
- An Electronic Service Delivery Framework will be implemented this year to enable a more disciplined approach to managing the standards and practices associated with electronic service delivery across the Department. This framework will help guide the maintenance and/or replacement of equipment and software, as well as expansion of the Department's network capacity and mobile access to its electronic services.
- The Department will continue to lead the international component of the Government On-Line (GOL) program and the enhancement of related sections of the Government of Canada Web site (<http://www.canada.gc.ca>). It will continue to expand its own site (<http://www.dfait-maeci.gc.ca>). The Department will also make improvements to the Web sites of its missions abroad and expand public access to its electronic services.



This will benefit Canadians travelling, working or living in other countries by making information about federal programs and services as well as access to them more readily available. It will also give non-Canadians more opportunity to learn about this country and its people.

Improving Services to External Clients

- The Department intends to strengthen relations with the diplomatic community across Canada by delivering improved services and outreach activities. In addition, the Department intends to work with other government departments involved in diplomatic issues to develop policies and programs related to diplomatic status and reciprocity.

Major Changes

The events of September 11 necessitated some adjustments in departmental priorities by placing renewed emphasis on security at headquarters as well as missions abroad. As a result, additional security measures are being put in place throughout the Department's operations. The Department considers the safety and security of its staff to be of paramount importance.

Monitoring

A number of inspections, audits and evaluations are planned for 2002-2003 to assess the overall governance, probity and performance of departmental policies, programs and initiatives (as outlined in the Monitoring component of the various strategic outcome sections of this document). They will also guide the Department in adopting modern management practices and provide timely and reliable performance information that the Department will use to report on results.

Over the next year, the Department will continue to implement its Property Management Improvement Plan. This plan identifies four key indicators to be used in measuring performance:

- whether projects have been completed on time and on budget;
- what effort has been made to document and reduce the backlog of deferred property maintenance;
- whether an integrated system has been put in place for managing property budgets and resource planning; and
- whether the profile of housing inventory and sizes meets needs based on family size.

The Department tracks the availability and use of its information management and technology services worldwide in order to set priorities and plans, monitor operations, manage capacity and allocate resources.



Services to Other Government Departments

Strategic Outcome

Enable other federal government departments (OGDs) to effectively deliver their programs abroad through cost-effective support services that satisfy requirements within legal, policy and resource constraints.

Total Planned Spending (Net of Revenue)

\$260.4 million

Context

Roles and Benefits

The Department provides goods, services and real property to meet the requirements of federal departments and agencies abroad. The broad range of support includes office space, staff quarters, financial and personnel administration, materiel management, maintenance, telecommunications, and miscellaneous support services. Similar services are offered to Crown corporations and provincial and foreign governments (known as co-located entities) at those missions where excess capacity exists and where such co-location will not interfere with normal mission operations.

The incremental costs of such services are paid for by federal departments and agencies that require them to carry out their legislated mandates. Any services provided to co-located entities are fully cost recovered without exception.

Providing these services to OGD partners enables those who require services abroad to have one-stop local access not only to the many services provided by the Government of Canada but also to those of its mission partners. By providing accommodation and other such services to OGDs, the Department facilitates the cost-effective provision of a broad range of services to Canadians by the Government of Canada as a whole.

Key Partners

The Department provides support services to many partners at various missions around the world. Chief among the OGD partners are Citizenship and Immigration Canada, the Canadian International Development Agency, the Department of National Defence and the Royal Canadian Mounted Police. The primary non-federal government entities that are co-located at missions are the provincial governments of Alberta, Quebec and Ontario, the Government of Australia, and Export Development Canada.



Major Challenges

After many years of downsizing, the federal government has begun to increase the number of its employees working in other countries. Since 2000, almost 200 positions a year have been added at the Department's missions abroad. By the end of this fiscal year, the number of federal employees outside Canada will total about 6300. Approximately 52 percent of overseas program staff (i.e. non-administrative staff) are involved in the delivery of programs of OGDs, agencies or other co-located entities.

This annual increase in mission staff will continue for the foreseeable future. It will also intensify, given the pressure on certain federal departments such as Citizenship and Immigration Canada and the Department of National Defence to expand their international presence following the events of September 11.

This growth is putting increased demands on mission infrastructure in terms of available physical space, information technology and administrative and support capacity.

Priorities and Plans

To respond to the challenges it faces, the Department has set the following priorities related to services to other government departments:

- to ensure that the continuing growth in staff at missions abroad is well managed;
- to standardize services and costing methodology for both departmental program staff and OGDs at missions abroad;
- to ensure a balance between the needs and resources of the Department and of its mission partners when undertaking new initiatives at missions; and
- to review operations at missions and make changes accordingly to improve service and efficiency.

The following provides more information on some plans related to the priorities:

- Until this year, the Department's services to its partners at missions abroad have been covered by a number of individual agreements. By the end of 2002-2003, it is planned to replace these with one generic memorandum of understanding that establishes specific and uniform standards for the administrative and support services provided worldwide. By clearly identifying what will be provided, this will significantly benefit all concerned, ensuring greater efficiency as well as greater client satisfaction.
- A recently adopted framework for managing growth in personnel at missions abroad will be fully implemented to better manage the increasing pressure on departmental resources resulting from the constant expansion in the number of overseas personnel. The framework will facilitate an annual review of the Department's workforce abroad.



By providing more accurate and timely information, this annual review should enable the Department to make more effective staffing adjustments that support Canada's broad foreign policy objectives and reflect operational considerations and costs generated by mission partners.

Major Changes

While the plans and priorities related to this strategic outcome have not changed in substance over the last year, the Department is now shifting its focus, with a heightened sense of urgency, from development to implementation related to the above initiatives.

Monitoring

The Department is continuing to strengthen its capacity for effective performance monitoring with a focus on results. In the area of support to OGDs, it will introduce an annual review of representation abroad based on the principles of the above-noted framework as well as the business planning process and consultations with other federal departments, agencies and co-located entities.

Over the next year, the Department plans to develop a performance model to assist in determining relative priorities and assigning them to missions to facilitate departmental program delivery worldwide. This will ensure the most efficient use of resources.

All aspects of the Department's services to its partners at missions abroad are reviewed as required by audit and evaluation professionals from both this department and other federal departments. In 2002-2003, there will be general audits conducted at missions worldwide as well as a specific evaluation of technology-related services provided.



Passport Services

Strategic Outcome

Provision of internationally respected travel documents, including passports, to Canadians and eligible residents for the purpose of facilitating their international travel.

Total Planned Spending (Net of Revenue)

A \$6.6 million net cash surplus is anticipated.

Context

Roles and Benefits

Under the Canadian Passport Order, the Passport Office is charged with the issuance, revocation, denial, recovery and use of passports as well as the development of passport policy. As a special operating agency, the Passport Office's prime objective is the delivery of quality service to Canadians. The operations of the Passport Office are entirely funded from revenues generated by the fees charged for travel documents.

By providing internationally respected travel documents, the Passport Office facilitates the foreign travel of Canadians and others who are eligible to receive them.

Key Partners

The Passport Office works with a number of partners, including other federal departments and agencies, the provinces, the International Civil Aviation Organization and passport authorities from other countries such as the United Kingdom, the United States, New Zealand and Australia. By collaborating with passport authorities in other countries, the Passport Office shares best practices, which, in turn, improves its planning activities and management strategies.

Working with federal departments and agencies that are responsible for national security, the Passport Office exchanges information and reviews all security and integrity issues related to security documents.

Over the last year, the Passport Office has also established a new and highly positive working relationship with Canada Post Corporation.

Major Challenges

The security and integrity of its operations has always been the number one priority of the Passport Office. This has been reinforced by the events of September 11 as well as by reports



of fraudulent use of Canadian passports by criminal groups, which have prompted the Passport Office to accelerate its efforts to make its processes as secure as possible. This requires careful planning.

Priorities and Plans

The Passport Office has set the following priorities and plans for 2002-2003:

- to increase the security and integrity of passport operations;
- to further improve client service through the use of new technologies; and
- to modernize management.

The following subsections provide more information on these priorities and plans.

Increasing Security and Integrity

- The first orders of business for the Passport Office this year will be:
 - to enhance the security of the process that determines who is eligible for Canadian travel documents by tightening procedures for background checks and making them more thorough, reviewing the list of eligible passport guarantors and consulting with provincial registrars for the purpose of standardizing the methods used to issue personal identification documents; and
 - to produce digitized passport documents that are more resistant to forgery and falsification, using an automated production process now in place that is known as the IRIS system.
- The Passport Office will tighten the process of verifying the identity of applicants through the use of facial recognition technology as well as through the establishment of electronic links with law enforcement authorities across the country. Furthermore, as a pilot project, it will also establish electronic linkages with provincial and territorial databases on vital statistics.
- Working with other federal departments and agencies that are responsible for national security, the Passport Office is assessing the possibility of developing technical standards for a so-called smart card that would be used as proof of Canadian citizenship. Like a bank or credit card, this card would have electronic data imprinted on it.
- To achieve these extra measures, the Government has approved a passport fee increase, which is being used to invest immediately in more secure technology.



Improving Client Service

- In 2002-2003, the Passport Office will undertake various activities to improve client service as follows:
 - an upgrade of the IRIS system;
 - the development of a pilot project to enable those applying for diplomatic and special passports to do so over the Internet, with a view to expanding this on-line service to all Canadians (http://www.dfait-maeci.gc.ca/passport/eforms_e.asp);
 - the introduction of a number of administrative measures to speed up over-the-counter service in major population centres;
 - the identification and implementation of best transactional practices to help standardize client service; and
 - the establishment of a faster and more convenient way of renewing passports for those who have IRIS passports.
- Last year, the Passport Office collaborated with Canada Post Corporation on a project that enabled Canadians in large cities like Montreal and Toronto to apply for passports at specified postal outlets. However, following the events of September 11, this project was discontinued. Once an evaluation is conducted, this project may be relaunched in the spring of 2002.

Modernizing Management

The Passport Office will continue to ensure the most cost-effective delivery of its services by:

- strengthening its management structure and business practices;
- streamlining management practices in order to reduce operational costs, improve decision making and increase productivity; and
- improving project management and introducing a risk management framework.

Major Changes

As a result of the events of September 11, the Passport Office has made some adjustments to its priorities and plans. Over the next three years, greater emphasis will be placed on tightening the security and integrity of passport operations, while modernizing management and improving client service.



In the two months after September 11, there was a very sharp increase in demand for regular passports. This increase, most evident at passport outlets close to the Canada-United States border, was primarily due to a rise in the number of applications from those who were planning travel to that country. While demand was up by as much as 50 percent in some areas during that period, it has since declined to previously forecast levels.

The Passport Office has recently introduced the following new requirements:

- all children must now have their own passports; and
- certain documents are no longer acceptable as proof of citizenship for people born in Quebec.

Introduction of these new requirements has caused the Passport Office to revise its turnaround times for both over-the-counter service (from 5 to 10 days) and mail-in service (from 10 to 20 days). Careful planning and monitoring will be necessary to minimize any service disruption or delay that will be caused by implementation of these new measures.

Monitoring

The Passport Office continuously monitors service transactions and client satisfaction to ensure that its established service standards are being met. This monitoring is carried out using a variety of methods, including client surveys. Results are used to reallocate resources and improve services as required.

Last year, the Passport Office launched the first phase of a program to increase client satisfaction. In a national survey, 96 percent of clients said they were satisfied or very satisfied with passport services received, a result consistent with previous surveys. However, participants also identified faster service as a priority. It is worth noting that, over the past year, waiting times have been reduced by 3 percent. While small, this figure is significant in light of the unexpected pressures experienced by the Passport Office as a result of September 11.

In the second phase of the program, the Passport Office will distribute about 30 000 questionnaires to clients, asking more detailed questions about the quality of service they have received. Results will be used to better align further service improvements with specific needs of clients as well as to establish a baseline index with which to measure client satisfaction on a continuous basis.



Section IV:

Departmental Organization

There are two ministers who are responsible for the Department: the Minister of Foreign Affairs and the Minister for International Trade. It is through them that the Department reports to Parliament.

Given the large size of the Department and the broad scope of its operations, there are four other Cabinet members with specific responsibilities related to foreign affairs and international trade as follows:

- the Minister for International Cooperation, who is responsible for the Canadian International Development Agency (CIDA);
- the Secretary of State (Asia-Pacific);
- the Secretary of State (Latin America and Africa) (Francophonie); and
- the Secretary of State (Central and Eastern Europe and Middle East).

The three secretaries of state represent and promote Canada's foreign policy and trade priorities within their designated regions or organization.

A number of other organizations outside the Department report to the Minister of Foreign Affairs, specifically:

- the International Development Research Centre, which helps communities in developing countries to address social, economic and environmental problems;
- the International Joint Commission, a joint Canada-U.S. body that manages and protects lake and river systems on the border between the two countries; and
- the International Centre for Human Rights and Democratic Development, an independent organization that promotes human and democratic rights.



The Minister for International Trade has additional responsibility for:

- the Canadian Commercial Corporation, an export sales agency that works to expand Canada's international trade;
- Export Development Canada, a financial institution that provides trade-related financial services to Canadian exporters and investors;
- the Northern Pipeline Agency, which oversees planning and construction of the Canadian portion of the Alaska Highway Gas Pipeline Project; and
- the North American Free Trade Agreement (NAFTA) Secretariat (Canadian Section), which helps administer the dispute settlement provisions of NAFTA.

The Department has its headquarters in Ottawa and serves Canadians across the country through 29 passport offices and a network of regional trade commissioners. Outside Canada, the Department operates some 137 diplomatic missions (embassies, high commissions, consulates) and 27 satellite offices in 97 countries, assisted by a further 108 honorary consuls. Canada's representatives are accredited to 192 countries around the world.

The missions and other offices abroad are an essential component of the Department. By providing a kind of one-stop shopping for federal services and functions in other countries, they demonstrate the Department's ability to manage issues horizontally and coordinate a broad range of activities. These include trade promotion, political and economic relations, immigration and tourism services as well as international assistance to Canadians travelling, working or doing business abroad.

At its headquarters, below the level of deputy minister, the Department has a Legal Adviser and 10 assistant deputy ministers (ADMs). Six of these ADMs are responsible for the Department's eight functional business lines (see table on next page); they develop policies and initiatives to achieve the specific objectives of those business lines worldwide. The business lines form the structure for managerial accountability in the Department and provide the organization for the Department's plans, estimates and performance reports to Parliament. These six ADMs are also accountable for nine missions to international organizations.



Assistant Deputy Minister (ADM)	Business Line Responsibility
ADM, International Business	<ul style="list-style-type: none"> International Business Development
ADM, Trade, Economic and Environmental Policy	<ul style="list-style-type: none"> Trade, Economic and Environmental Policy
ADM, Global and Security Policy	<ul style="list-style-type: none"> International Security and Cooperation
ADM, Communications, Culture and Policy Planning	<ul style="list-style-type: none"> Public Diplomacy
ADM, Human Resources	<ul style="list-style-type: none"> Corporate Services (Human Resources)
ADM, Corporate Services, Passport and Consular Affairs	<ul style="list-style-type: none"> Assistance to Canadians Abroad Corporate Services Services to Other Government Departments Passport Services

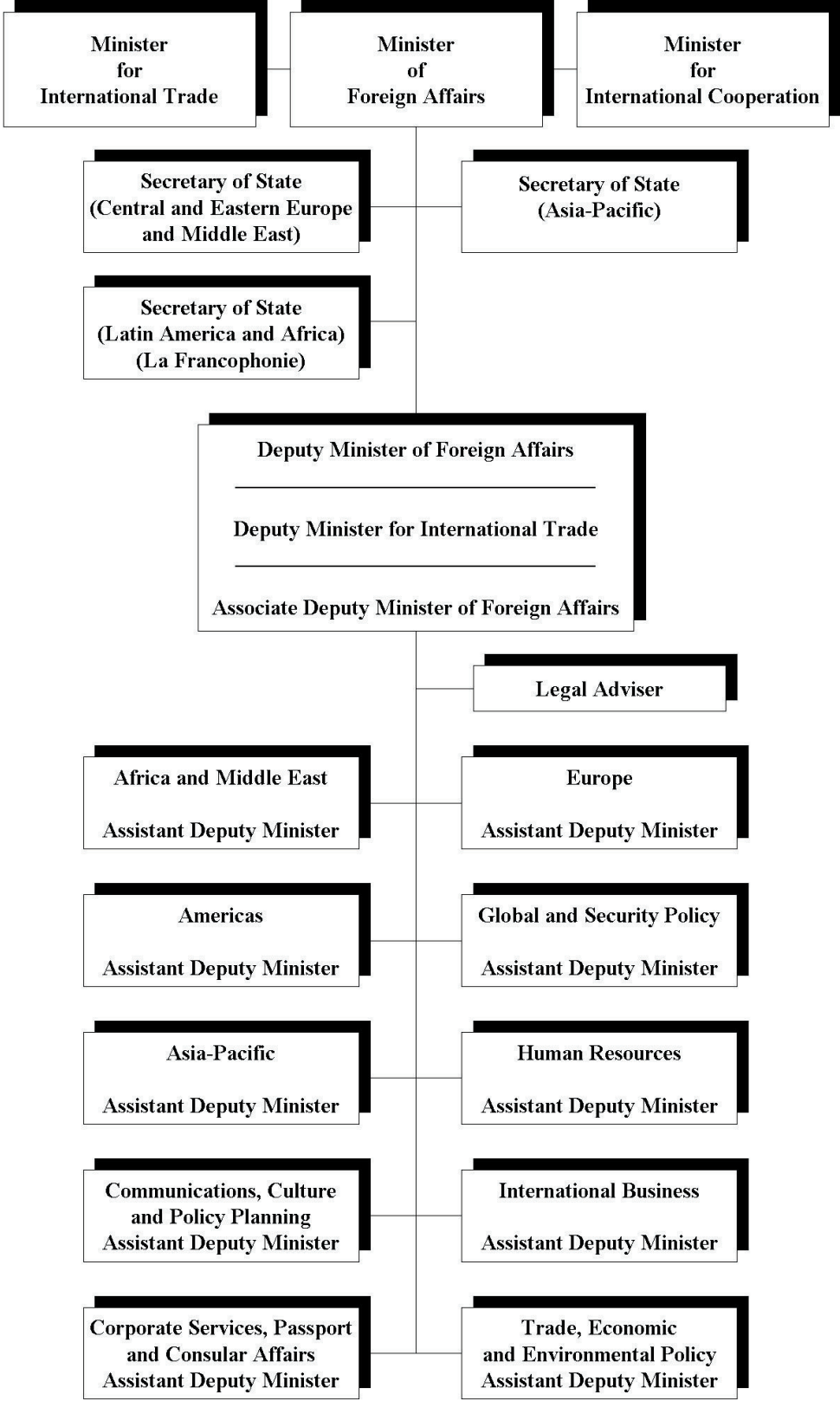
The Department's four other ADMs are in charge of policies and operations for specific geographic regions: Africa and the Middle East (32 missions, 6 satellites); the Americas (34 missions, 10 satellites); Asia-Pacific (27 missions, 6 satellites); and Europe (44 missions, 5 satellites). These four ADMs, as well as the Legal Adviser, ensure the horizontal coordination and appropriate delivery of all business line policies and initiatives in their region(s) or field of jurisdiction.

The Department's employees are divided into three distinct categories: rotational, non-rotational and locally engaged. Both the rotational and non-rotational are referred to as Canada-based and the numbers below refer to actual people, not positions.

- Over 1900 members of the foreign service are rotational, relocating regularly between Ottawa and missions abroad. This group is made up of senior executives, foreign service officers (trade commissioners and officers dealing with political/economic issues), management and consular staff, information technology specialists and administrative support personnel.
- Approximately 2100 non-rotational employees work both at headquarters (mostly in Corporate Services, Passport Services or Services to Other Government Departments) and at regional passport offices and trade centres across Canada.
- Approximately 4700 locally engaged staff work at Canadian missions abroad in administration or program areas, such as international business development, public affairs and cultural activities. One third directly support the work of other departments, particularly the immigration program. These employees provide local expertise, including language proficiency, and ensure smooth and efficient continuity of service in Canada's missions abroad.



Departmental Organization Chart (2002-2003)



List of Missions By Category

Europe	Africa and Middle East	Asia-Pacific	Latin America and Caribbean	United States	International Organizations
Embassies and High Commissions (Total 108)					
Almaty Ankara Athens Belgrade Berlin Berne Brussels Bucharest Budapest Copenhagen Dublin Helsinki Kyiv Lisbon London Madrid Moscow Oslo Paris Prague Reykjavik Riga Rome Sarajevo Stockholm The Hague Tirana Vatican Vienna Warsaw Zagreb	Abidjan Abu Dhabi Abuja Accra Addis Ababa Algiers Amman Bamako Beirut Cairo Capetown Dakar Damascus Dar-es-Salaam Harare Kinshasa Kuwait Lagos Libreville Lusaka Ouagadougou Nairobi Pretoria Rabat Riyadh Tehran Tel Aviv Tripoli Tunis Yaounde	Bandar Seri Begawan Bangkok Beijing Canberra Colombo Dhaka Hanoi Islamabad Jakarta Kuala Lumpur Manila New Delhi Phnom Penh Seoul Singapore Tokyo Wellington	Bogota Brasilia Bridgetown Buenos Aires Caracas Georgetown Guatemala Havana Kingston Lima Mexico Montevideo Panama Port-au-Prince Port of Spain Quito San Jose Santiago Santo Domingo	Washington, D.C.	Brussels EU Brussels NATO Geneva UN/WTO New York PERM Paris UNESCO Paris OECD Vienna OSCE Vienna PERM Washington OAS



Europe	Africa and Middle East	Asia-Pacific	Latin America and Caribbean	United States	International Organizations
Consulates and Consulates General (Total 29)					
Barcelona Dusseldorf Hamburg Milan Munich St-Petersburg	Dubai	Chongqing Fukuoka Guangzhou Ho Chi Minh Hong Kong Mumbai Nagoya Osaka Shanghai Sydney	Sao Paulo	Atlanta Boston Buffalo Chicago Dallas Detroit Los Angeles Miami Minneapolis New York Seattle	
Satellite Offices (Total 27)					
Bratislava Pristina Skopje Tallinn Vilnius	Johannesburg Khartoum Kigali Maputo Niamey Ramallah	Auckland Bangalore Chandigarh Karachi Kathmandu Taipei	Guadalajara La Paz Managua Monterrey Rio de Janeiro San Salvador Tegucigalpa	Princeton San Francisco San Jose	



Departmental Planned Spending (\$ millions)				
	Forecast Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005
International Business Development	242.9	259.1	260.4	256.4
Trade, Economic and Environmental Policy	113.6	121.5	119.4	119.4
International Security and Cooperation	533.2	570.2	558.2	554.0
Assistance to Canadians Abroad	53.3	57.1	57.1	57.1
Public Diplomacy	98.0	102.7	93.5	93.5
Corporate Services	296.9	306.1	282.2	274.1
Services to Other Government Departments	239.1	260.4	259.2	257.9
Passport Services	54.6	122.5	127.7	132.2
Equals: Budgetary Main Estimates (gross)	*1,631.6	*1,799.5	*1,757.5	*1,744.5
Less: Respendable revenue	80.6	151.8	155.7	160.2
Equals: Total Main Estimates	1,551.0	1,647.7	1,601.8	1,584.3
Plus: Adjustments	314.6	87.0	28.8	30.1
Equals: Net Planned Spending	1,865.6	1,734.7	1,630.6	1,614.4
Less: Non-respendable revenue	115.0	121.7	110.9	109.9
Plus: Cost of services received without charge	58.1	63.3	62.7	58.0
Equals: Net cost of the Department	1,808.7	*1,676.2	1,582.4	1,562.5

Personnel-Full Time Equivalents (FTEs)				
Canada-based FTEs	4,896	5,118	5,136	5,161
Locally engaged FTEs	4,680	4,690	4,690	4,690

Adjustments include items identified for DFAIT in the Federal Budget of December 2001 for which DFAIT will seek spending authority via Supplementary Estimates.

*Totals may not add due to rounding.





Section V:

Annexes

Financial Information

Table 1: Capital Spending by Business Line (\$ millions)				
	Forecast Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005
International Business Development	4.5	4.5	4.5	4.5
Trade, Economic and Environmental Policy	1.7	1.7	1.7	1.7
International Security and Cooperation	12.5	6.2	6.2	6.2
Assistance to Canadians Abroad	1.3	1.3	1.3	1.3
Public Diplomacy	1.1	1.1	1.1	1.1
Corporate Services	149.3	132.5	76.4	60.4
Services to Other Government Departments	6.7	7.1	6.4	6.3
Passport Services	0.0	0.0	0.0	0.0
Total	177.1	154.4	97.6	81.5



Table 2: Details on Major Capital Project Spending (\$ millions)

	Status	Forecast					Future Year Spending Requirements
		Current Estimated Total Cost	Spending to March 31, 2002	Planned Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005	
Corporate Services							
Ankara, Turkey Chancery Construction	PPA	17.3	0.3	2	8.5	6.5	0
Berlin, Germany Chancery Construction	EPA	92.6	47	19.6	21.3	4.7	0
Cairo, Egypt Chancery Construction	EPA	16.5	16.4	0.1	0.0	0.0	0.0
Dhaka, Bangladesh Construction of Diplomatic Complex	PPA	26.0	7.9	6.1	6.5	5.5	0.0
Nairobi, Kenya Chancery Construction	EPA	25.4	10.4	12.3	2.7	0.0	0.0
Port-au-Prince, Haiti Chancery Construction	EPA	20.1	6.2	7.2	6.7	0.0	0.0
Rome, Italy Chancery Purchase	PPA	37.6	28.3	5.2	4.1	0.0	0.0
Seoul, Korea Construction of Chancery and 7 Staff Quarters	EPA	51.7	17.0	2.4	4.7	10.8	16.8
Total Capital Spending		287.2	133.5	54.9	54.5	27.5	16.8

PPA denotes preliminary project approval by the Treasury Board and indicates that the project is still in the planning stage.

EPA denotes effective project approval by the Treasury Board and indicates that the project is being implemented.

Totals may not add due to rounding.



Table 3: Summary of Transfer Payments by Business Line (\$ millions)

	Forecast Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005
GRANTS				
International Business Development	2.0	2.0	2.0	2.0
Trade, Economic and Environmental Policy	0.0	0.0	0.0	0.0
International Security and Cooperation	16.5	11.5	11.4	11.4
Assistance to Canadians Abroad	0.0	0.0	0.0	0.0
Public Diplomacy	22.0	21.3	17.4	17.4
Corporate Services	0.3	0.3	0.3	0.3
Services to Other Government Departments	0.0	0.0	0.0	0.0
Passport Services	0.0	0.0	0.0	0.0
Total Grants	40.8	35.1	31.0	31.0
CONTRIBUTIONS				
International Business Development	11.5	14.5	14.7	14.7
Trade, Economic and Environmental Policy	111.7	17.1	17.1	17.1
International Security and Cooperation	336.6	365.5	353.9	354.0
Assistance to Canadians Abroad	0.1	0.1	0.1	0.1
Public Diplomacy	2.3	1.5	0.0	0.0
Corporate Services	0.0	0.0	0.0	0.0
Services to Other Government Departments	0.0	0.0	0.0	0.0
Passport Services	0.0	0.0	0.0	0.0
Total contributions	462.1	398.7	385.7	385.9
Total Transfer Payments	502.9	433.8	416.8	416.9

Totals may not add due to rounding.



Table 4: Details of Transfer Payments Programs

Grants

International Security and Cooperation

Business Line Objective: Work toward a peaceful, law-based international system reflecting Canadian values, in which Canada is secure from threats.

Grants in lieu of taxes on diplomatic, consular and international organizations' property in Canada (\$6.4 million)

Planned Results: This grant exists to fulfil Canada's international obligations to foreign diplomatic and consular missions pursuant to the Vienna Convention on Consular Relations as well as obligations pursuant to headquarters agreements in force between Canada and international organizations.

Milestone: As stated above, the purpose of this grant is to pay the tax charges that would normally have been billed to property owned by foreign countries that is recognized as for official use (ambassador residences, chancery, embassy). Regular monitoring of the number of properties that are eligible takes place. The Department also monitors that the payments for the pre-approved properties are made in the required time frame.

Public Diplomacy

Business Line Objective: Creation of interest and confidence in Canada's role in the world and fostering of an international public environment favourable to Canada's political and economic interests and Canadian values.

Grants in Aid of Academic Relations (\$13.5 million)

Planned Results: The purpose of grants in aid of academic relations is to foster an informed, well-disposed and sustained interest in Canada among foreign professionals and leaders; provide effective Canadian policy responses in education to a changing international environment; and expand markets for Canadian educational services abroad.

Grants in Aid of Cultural Relations (\$7.8 million)

Planned Results: The purpose of grants in aid of cultural relations is to ensure the presence of Canadian professional artists in high-quality cultural presentations abroad; engage foreign agents and impresarios in Canadian arts festivals and showcases; achieve an adequate representation of Canada in arts promotional activities abroad; and expand markets for Canadian cultural products and services.

Milestones: (applicable to both grants in aid of academic relations and grants in aid of cultural relations) In fiscal year 2002-2003, the Department will implement a Results-Based Management and Accountability Framework that specifically covers the above-mentioned



grants. This framework will provide the necessary performance measurement, monitoring, audit and evaluation of the agreed short-term, intermediate and long-term outcomes.

Contributions

International Security and Cooperation

Business Line Objective: Work toward a peaceful, law-based international system reflecting Canadian values, in which Canada is secure from threats.

Assessed Contributions to International Organizations (\$188 million)

Planned Results: Canada has membership in a wide range of international organizations. The purpose of membership is to further the Government's foreign policy goals and provide it with a voice in the international community. To this end, the Department makes contributions to international organizations, often in the form of dues or membership fees. These are assessed based on a number of factors, the most common being a percentage of gross national product. The Department is just one of a number of government departments and agencies that participate in the activities of these organizations.

Assessed Contribution to UN Peacekeeping (\$121 million)

Planned Results: Under the Canadian Interests Abroad Program, it is a primary objective of political and international security affairs to contribute to international peace, stability and the rule of law. One of the principal means of achieving this objective is through UN peacekeeping operations that are authorized by the UN Security Council.

Peacebuilding and Human Security Program (\$6.5 million)

Planned Results: This program was created to advance Canada's foreign policy objectives for human security, which were determined through a broad interdepartmental consultative process. They include the following priority areas: protection of civilians, peace support operations, conflict prevention, accountability and public safety. In its first fiscal year of operation, the program has been very successful in funding practical, action-oriented projects in support of Canada's human security agenda.

International Business Development

Business Line Objective: To contribute to the creation of employment and prosperity in Canada by assisting the Canadian business community in taking full advantage of international business opportunities and by facilitating investment and technology flows.

Program for Export Market Development (\$9.5 million)

Planned Results: The Program for Export Market Development (PEMD) helps Canadian companies enter new markets by sharing the costs of activities that companies normally could not or would not undertake alone, thereby reducing the risks involved in entering a foreign market. Eligible costs and activities include market visits, trade fairs, visits of incoming buyers,



product testing for market certification, legal fees for international marketing agreements, transportation costs of offshore company trainees, product demonstration costs, promotional materials and other costs necessary to execute a market development plan. The program also shares the cost of preparing bids on major capital projects outside Canada.

Milestone: PEMD activity costs are shared on a pre-approved, 50-50 basis, supported by documented proof of actual expenses. The contribution is repayable, based on the sales volume achieved in the target market by the company, further to receiving the assistance.

Trade, Economic and Environmental Policy

Business Line Objective: Contribute to economic growth by creating jobs and prosperity in Canada by effectively managing Canada's trading relationships and liberalizing trade and capital flows around the world, based on clear and equitable rules that reflect Canadian interests.

World Trade Organization (\$5.3 million) and Organization for Economic Cooperation and Development (\$8.8 million)

Planned Results: Contribution spending by this business line is non-discretionary, representing assessed contributions arising from Canada's membership in two international financial organizations that aim to contribute to economic growth.



Table 5: Sources of Respendable and Non-Respendable Revenue (\$ millions)

Respendable Revenue				
	Forecast Revenue 2001-2002	Planned Revenue 2002-2003	Planned Revenue 2003-2004	Planned Revenue 2004-2005
International Business Development				
Trade fairs and trade/investment technology missions	3.1	3.1	3.1	3.1
International Security and Cooperation				
International Youth Exchange	0.8	0.9	0.9	0.9
Assistance to Canadians Abroad				
Specialized consular services	2.2	2.2	2.2	2.2
Public Diplomacy				
Canadian Education Centres	1.1	1.1	1.1	1.1
International Youth Exchange	0.0	0.3	0.3	0.3
	1.1	1.4	1.4	1.4
Corporate Services				
Training services	4.0	5.0	5.0	5.0
Real property services abroad	7.5	8.1	8.1	8.1
Telecommunications services	0.9	2.1	2.1	2.1
	12.4	15.2	15.2	15.2
Passport Services				
Passport fees	94.6	129.0	133.0	137.5
Total Respendable Revenue	114.2	151.8	155.7	160.2



Non-Respendable Revenue				
	Forecast Revenue 2001-2002	Planned Revenue 2002-2003	Planned Revenue 2003-2004	Planned Revenue 2004-2005
International Business Development				
Contributions repaid under the Program for Export Market Development	3.8	2.5	2.5	2.5
Trade, Economic and Environmental Policy				
Softwood lumber permit fees	0.4	0.0	0.0	0.0
Import and export permit fees	16.8	14.5	14.5	14.5
	17.2	14.5	14.5	14.5
Assistance to Canadians Abroad				
Consular fees	45.5	51.0	52.7	54.2
Corporate Services				
Sales of properties and other assets	25.0	30.0	17.5	15.0
Employee rent shares	14.4	14.3	14.3	14.3
Services provided to the Passport Office	4.4	4.4	4.4	4.4
Adjustment to previous years' expenditures	4.0	4.0	4.0	4.0
Other	0.7	1.0	1.0	1.0
	48.5	53.7	41.2	38.7
Total Non-Respendable Revenue	115	121.7	110.9	109.9

Total Respendable and Non-Respendable Revenue	229.2	273.5	266.6	270.1
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Totals may not add due to rounding.



Table 6: Net Cost of the Department for 2002-2003 (\$ millions)

Net Planned Spending	1,734.7
Plus: Services Received Without Charge	
Accommodation provided by Public Works and Government Services Canada	22.7
Contributions covering employer's share of employees' insurance premiums and costs paid by Treasury Board Secretariat (excluding revolving funds)	37.9
Worker's compensation coverage provided by Human Resources Development Canada	0.4
Salary and associated expenditures of legal services provided by Justice Canada	2.3
Total	63.3
Total Cost of the Department	1,798.0
Less: Non - responsible Revenue	121.7
Net Cost of the Department for 2002-2003	*1,676.2

*Totals may not add due to rounding.



Table 7: Passport Office Revolving Fund Statement of Operations (\$ millions)

	Forecast 2001-2002	Planned 2002-2003	Planned 2003-2004	Planned 2004-2005
Respendable Revenue	94.6	129.0	133.0	137.5
Expenses Operating:				
Salaries and employee benefits	50.1	63.7	66.1	68.3
Employees termination benefit	0.7	0.8	0.8	0.9
Passport material and application forms	7.8	9.8	10.1	10.5
Passport operations at missions abroad	4.5	4.4	4.4	4.4
Accommodation	5.6	7.0	7.4	7.6
Professional and special services	4.5	4.9	4.7	4.7
Amortization	10.2	14.9	15.8	13.7
Freight, express and cartage	3.3	6.1	6.4	6.7
Telecommunications	1.7	2.2	2.2	2.2
Printing, stationery and supplies	3.2	2.6	2.6	2.6
Other	4.8	6.3	6.3	6.3
	96.4	122.7	126.8	127.9
Surplus (Deficit)	(1.8)	6.3	6.2	9.6

Totals may not add due to rounding.



Table 8: Passport Office Revolving Fund Statement of Cash Flows (\$ millions)				
	Forecast 2001-2002	Planned 2002-2003	Planned 2003-2004	Planned 2004-2005
Revenues	94.6	129.0	133.0	137.5
Expenses	96.4	122.7	126.8	127.9
Surplus (deficit)	(1.8)	6.3	6.2	9.6
Add non cash items				
Amortization	10.8	15.0	15.8	13.8
Passport material usage	6.3	9.0	9.2	9.6
Interest on loan	0.4	0.4	0.2	0.0
Total non cash items	17.5	24.4	25.2	23.4
Add cash inflows				
Special Security Measures	7.1	0.0	0.0	0.0
Loan Repayment	0.0	0.0	(4.5)	(4.5)
Total cash flows	7.1	0.0	(4.5)	(4.5)
Change in working capital	(14.9)	(9.5)	(9.7)	(10)
Acquisition of depreciable assets	(21.9)	(14.6)	(11.9)	(13.3)
Cash surplus (requirement)	(14.0)	6.6	5.3	5.2

Table 9: Projected Use of Passport Office Revolving Fund Authority (\$ millions)				
	Forecast 2001-2002	Planned 2002-2003	Planned 2003-2004	Planned 2004-2005
Authority	4.0	4.0	4.0	4.0
Unused Authority (drawdown):				
Balance as of April 1	10.1	(3.9)	2.7	8.0
Projected surplus (deficit)	(14.0)	6.6	5.3	5.2
	(3.9)	2.7	8.0	13.2
Projected balance at March 31	0.1	6.7	12	17.2

Totals may not add due to rounding.



Table 10: Sustainable Development Strategies

As required by the Auditor General Act, the Department tabled *Agenda 2003: A Sustainable Development Strategy for the Department of Foreign Affairs and International Trade* in February 2001. It provides a framework for the sustainable development (SD) intentions of the Department in the 2001-2003 period. Below are the six goals in the Strategy. Some of the commitments are specific to the 2002-2003 period, and others have been extracted from this year's business planning process.

1. Make sustainable development an operating premise for the Department:
 - Ensure that the SD Task Force continues to work with senior management to monitor progress, identify opportunities and promote capacity building and dialogue on policy integration of SD. The Task Force will oversee the development of a policy paper on the integration of SD at DFAIT for Policy Board consideration and action by December 2002 (once outcomes of the World Summit on Sustainable Development are known).
 - Implement environmental management programs for 11 priority areas by March 2003, including energy, solid waste, land use, contaminated sites, procurement, emergency response, fuel storage tanks, ozone-depleting substances, water, hazardous materials and vehicle fleets.
2. Improve the trade-environment interface:
 - In keeping with Canada's Framework for Conducting Environmental Assessments of Trade Negotiations, ensure that environmental assessments are initiated and applied to upcoming multilateral trade negotiations at the World Trade Organization and the Free Trade Area of the Americas and to bilateral trade negotiations such as those with Singapore and the Central America Four (Nicaragua, Honduras, El Salvador and Guatemala).
 - Implement the International Forestry Partnerships Program in cooperation with selected missions in Europe, the United States and Japan to facilitate the communication of objective, science-based information on Canada's sustainable forest management policies and practices to decision makers in our major markets for forest products.
3. Promote sustainable development in the Department's international activities:
 - Ensure Canadian and international progress on climate change issues in conjunction with other key departments and agencies that would allow for ratification of the Kyoto Protocol by 2003.
 - Implement the Canada-U.S. Great Lakes Binational Toxics Strategy by 2003 to virtually eliminate the release of certain persistent toxins.
 - Work with the International Development Research Centre, CIDA and Natural Resources Canada and with other interested countries to expand the International Model Forest Network and put it on a more secure financial basis by mid-2002.



- Conclude negotiations with France by 2003 to permit the safe and sustainable extraction of oil and gas from reserves straddling Canadian and French areas of jurisdiction near St. Pierre and Miquelon.
4. Clarify the place of human security and human rights in sustainable development:
 - Complete the Phase Two review of implementation of the Organization for Economic Cooperation and Development Bribery Convention.
 - Seek to complete negotiation of the UN Convention Against Corruption.
 - Aim for the identification of regional child protection focal points in the Economic Commission of West African States, the Organization for Security and Cooperation in Europe and the Organization of American States.
 5. Implement the sustainable development aspects of the Northern Dimension of Canada's Foreign Policy:
 - Work with northerners to explore business opportunities in new economic areas that contribute to sustainable communities.
 - Work to find other sources of financial support for the University of the Arctic's international mobility program.
 - Improve communication and coordination regarding projects in Russia within DFAIT and with other government departments.
 6. Prepare for the World Summit on Sustainable Development in 2002:
 - Ensure the endorsement of concrete decisions to strengthen international environmental governance.
 - Ensure the endorsement of increased capacity-building efforts by encouraging the implementation of multilateral environmental agreements by developing countries.
 - Communicate the outcomes of the process and of the Summit to Canadians by late fall 2002 to build public understanding and support for the implementation of Summit decisions.

To review all of the commitments included in *Agenda 2003*, visit:
<http://www.dfait-maeci.gc.ca/foreignp/agenda2003/HTML/toc-e.asp>.

Progress reports on meeting the commitments are available at:
<http://www.dfait-maeci.gc.ca/sustain/SustainDev/ProgressIndex2003-e.asp>.



Table 11: Modern Management

In an effort to modernize the comptrollership function, a Capacity Check tool was developed to evaluate the current capacity of each department and agency. The evaluation examines the following elements: strategic leadership, motivated people, integrated performance information, integrated risk management, rigorous stewardship, clear accountability, and shared values and ethics. In addition, the Treasury Board Secretariat (TBS) created various groups and committees to exchange information and monitor progress. In the summer of 2001, TBS expanded this initiative from the 15 pilot departments to the rest of the government.

Based on the results of its Capacity Check (May 2001), the Department completed a Departmental Assessment. Taking into consideration the recommendations from both exercises, a Modern Management Strategic Action Plan has been developed and will evolve to capture the important change initiatives that are going on throughout the Department.

In the coming three years, the Department intends to modernize its management through initiatives grouped under three key result areas:

- **Departmental strategic results** will be realized through establishment of a results-based strategic planning process and a review of the scope and the nature of Canadian representation abroad.
- **Integrated management regime** will look at streamlining and modernizing management and administrative processes, rationalizing the Department's role as common-services provider, integrating management property infrastructure and implementing assurance services with internal audit.
- **Effective management of human resources** will be improved through enhanced recruitment and retention, restructuring of the FS (foreign service) group, broadening of the foreign service community, the development of a learning organization, the resourcing and streamlining of processes, workforce diversity and representativeness, and the establishment of a framework for values and ethics.

Initiatives under these three key areas should assist in creating a Department that is focussed on the achievement of results, that is flexible, that is guided by a clear set of values, and that is considered an employer of choice.



Table 12: Government On-Line

Context

Canadians are world leaders in the use of the Internet. They expect to receive up-to-date information and fast service on-line from many sources, including the federal government. Under the federal Government On-Line (GOL) program, each department and agency is undertaking ongoing initiatives to provide government services to Canadians via the Internet. This was identified as a priority in the 1999 Speech from the Throne which stated the government's intention to "be known around the world as the government most connected to its citizens, with Canadians able to access all government information and services on-line at the time and place of their choosing."

The GOL initiative has been extended to encompass a comprehensive five-year program (2000-2005). Its purpose is to develop and implement electronic service delivery using a client-centred model. The Department of Foreign Affairs and International Trade plays a key role in this effort by:

- placing on-line selected programs and services for Canadians travelling and doing business abroad, such as Passport Application On-Line and Consular Services On-Line;
- improving access of foreign citizens to Government of Canada information and programs where it serves Canada's interests to do so (on issues such as the facilitation of trade, investment, tourism, studying in Canada and promotion of Canada's values and positions on international issues); and
- providing the common service and telecommunications infrastructure for the government outside Canada, including the network of Canadian embassies and missions abroad.

The need for increased on-line function and service in the Department is supported by data showing a large number of people accessing the Department's Internet site (<http://www.dfait-maeci.gc.ca>). Currently, it attracts an average of one million visitors per month.

GOL is making it easier for citizens and businesses to find what they need through one-stop access points or portals. The main portal is the Government of Canada Web site (<http://www.canada.gc.ca>) at which services and information are organized not just by government department but also by theme, such as environment, or by client group, such as services for seniors.

In support of the government's single-window Internet access strategy, this Department is championing the interdepartmental effort to develop the gateway for non-Canadian clients (<http://CanadaInternational.gc.ca>) and its information clusters: Going to Canada; Doing Business with Canada; and Canada and the World. The Canada International gateway has been widely accessed during its first year, attracting about 21 percent of the visitors to the Canada site. This Department will continue to lead the development of clusters on both the Canadians Gateway (Travel at Home and Abroad) and the Canadian Business Gateway (Exporting/Importing). A second version of the Canada International gateway will be launched in time for use in 2002-2003, with content in Spanish, Portuguese, German and Chinese. Future language offerings may include Japanese, Arabic and Hindi.



Selected Departmental GOL Initiatives:

Strategic Outcome	Title	Description
Trade, Economic and Environmental Policy	Contribution to the Canada site (http://www.canada.gc.ca)	<p>The Department will continue to lead clusters on the Non-Canadians and Business Gateway, including:</p> <ul style="list-style-type: none"> • Canada and the World; • Doing Business with Canada; and • Exporting/Importing.
Assistance to Canadians Abroad	Federal-Provincial-Territorial Management of Child Abduction Cases	This initiative will coordinate the flow of information and activities between the Department and partners regarding cases of child abduction.
	Consular Services On-line	This initiative provides on-line assistance and e-mail responses 24 hours a day, seven days a week. It also allows for public input and provides crisis updates using listserv technology and electronic bulletin boards.
	Contribution to the Canada site (http://www.canada.gc.ca)	<p>The Department will continue to lead clusters on the Canadians Gateway including:</p> <ul style="list-style-type: none"> • Travel at Home and Abroad
Corporate Services	Access to Information and Privacy (ATIP) On-line	The Access to Information and Privacy (ATIP) Act establishes an enforceable right of access for Canadians to records under the control of government institutions. The electronic processing of ATIP requests will enable the Department to provide more timely responses to ATIP clientele.
Support to Other Government Departments and Public Diplomacy	Contribution to the Canada Site (http://www.canada.gc.ca)	<p>The Department is focussing on the second version of the Non-Canadians Gateway (http://www.CanadaInternational.gc.ca). The Non-Canadians Gateway will provide a single source of information to international clients.</p> <p>The Non-Canadians Gateway clusters are:</p> <ul style="list-style-type: none"> • Doing Business with Canada (led by this Department); • Going to Canada (led by Citizenship and Immigration Canada); and • Canada and the World (led by this Department).
Passport Services	Passport Application On-line	This initiative will enable clients to apply for a travel document on-line while ensuring that the security and integrity needs of the passport system are met. It will be linked to provincial registrars and other key government departments.







Section VI:

How to Reach Us: Information and Media Services

The Department of Foreign Affairs and International Trade provides two principal methods of access to its wealth of information resources and reference tools: the InfoCentre and the departmental Library.

The **InfoCentre** is a referral service and information resource centre where Canadians can obtain information on international markets and Canadian foreign policy. Publications prepared by the Department's officers in Ottawa and abroad are made available to clients through the following channels: the Enquiries Centre, FaxLink and the departmental Web site (<http://www.dfait-maeci.gc.ca>).

The departmental **Library** holds a unique collection of materials in both electronic and non-electronic format in areas of research relevant to the mandate of the Department. Selected services are available to Canadian and foreign clients conducting serious research in the subject areas of foreign affairs and international trade, where the fulfilment of their research needs is not mandated to public, academic or special libraries.

Enquiries Centre

The Enquiries Centre operates a toll-free (1 800 267-8376 in Canada) enquiries telephone line and acts as the Department's first line of contact with the public. Accordingly, the Centre responds to general enquiries about the Department's mandate, organizational structure and diplomatic representation abroad, trade-related enquiries concerning exporting procedures and foreign markets, and questions about Canada's foreign policy and involvement in international organizations. Where specialized knowledge is required, clients are referred to the Department's geographic or sectoral experts. The Centre also coordinates the storage and distribution of the Department's hard-copy publications.

FaxLink

The InfoCentre maintains two interactive fax-on-demand systems that provide access to departmental publications for both Canadian and foreign clients. **FaxLink Domestic** stores a wide variety of trade and foreign policy-related documents and is accessible within Canada only. The system can be reached by calling (613) 944-4500 from the handset attached to a fax machine (users must call the system from a fax phone). **FaxLink International** is a separate fax-on-demand system designed to respond to foreign investors, business people and those requiring general information on Canada. This system is accessible worldwide by calling (613) 944-6500 from the handset attached to a fax machine.



Media Relations Office

Working with Canadian and foreign media, the Media Relations Office of the Department promotes greater public awareness and knowledge of Canadian foreign policy and trade policy issues and initiatives. The Media Relations Office provides information to media on all aspects of Canada's foreign and trade policy and departmental operations. The Media Relations Office can be reached by calling (613) 995-1874 or faxing (613) 995-1405.

Main Publications

The Department is responsible for the publication of a large number of documents. It is possible to access them through <http://www.dfait-maeci.gc.ca/english/news/public.htm>.

Web Access

The Department of Foreign Affairs and International Trade has over 180 Web sites dealing with specific client needs both domestically and internationally. The departmental site and the sites of the special operating agencies, corporations and commissions that report through the ministers to Parliament are as follows:

Department of Foreign Affairs and International Trade: <http://www.dfait-maeci.gc.ca>

Canadian Commercial Corporation: <http://www.ccc.ca>

Canadian International Development Agency: <http://www.acdi-cida.gc.ca>

Export Development Corporation: <http://www.edc-see.ca>

International Centre for Human Rights and Democratic Development: <http://www.ichrdd.ca>

International Development and Research Centre: <http://www.idrc.ca>

International Joint Commission: <http://www.ijc.org>

Northern Pipeline Agency: http://canada.gc.ca/depts/agencies/npaind_e.html

NAFTA (North American Free Trade Agreement) Secretariat: <http://www.nafta-sec-alena.org>

Passport Office: http://www.dfait-maeci.gc.ca/passport/menu_e.asp

For one-stop access to Government of Canada programs and services, visit:

<http://www.canada.gc.ca>

or call:

1 800-O-Canada (1 800 622-6232)

TTY/TDD 1 800 465-7735



Office Locations of the Department and of Related Organizations

Department of Foreign Affairs and International Trade

125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 944-4000

Regulatory Affairs for Department of Foreign Affairs and International Trade

Coordinator of Regulatory Affairs
125 Sussex Drive, Tower A-3, Room 368
Ottawa, Ontario
K1A 0G2
(613) 944-1831

Canadian Commercial Corporation

50 O'Connor Street
Ottawa, Ontario
K1A 0S6
(613) 996-0034

Canadian International Development Agency

200 Promenade du Portage
Hull, Quebec
K1A 0G4
(819) 997-5006

Export Development Corporation

151 O'Connor Street
Ottawa, Ontario
K1A 1K3
(613) 598-2500

International Development Research Centre

250 Albert Street, P.O. Box 8500
Ottawa, Ontario
K1G 3H9
(613) 236-6163

International Centre for Human Rights and Democratic Development

63 rue de Bresoles, suite 100
Montreal, Quebec
H2Y 1V7
(514) 283-6073

International Joint Commission

100 Metcalfe Street, 18th Floor
Ottawa, Ontario
K1P 5M1
(613) 995-2984

North American Free Trade Agreement (NAFTA) Canadian Section

90 Sparks Street, Suite 705
Ottawa, Ontario
K1P 5B4
(613) 992-9388

Northern Pipeline Agency

125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 993-5000

Passport Office

Corporate Secretariat
Ottawa, Ontario
K1A 0G3
(819) 954-3976



Acronyms and Abbreviations

ADM	Assistant Deputy Minister
APEC	Asia-Pacific Economic Cooperation Forum
ATIP	Access to Information and Privacy
CIDA	Canadian International Development Agency
COSMOS	Consular Management and Operations System
DFAIT	Department of Foreign Affairs and International Trade
EU	European Union
FTE	Full Time Equivalent
G8	Seven leading industrialized nations [Canada, France, Germany, Italy, Japan, United Kingdom, United States] plus Russia
GOL	Government On-Line
IRIS[®]	Automated Passport Production System
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NORAD	North American Aerospace Defence Agreement
OAS	Organization of American States
OECD	Organization for Economic Co-operation and Development
OGDs	Other Government Departments
OSCE	Organization for Security and Co-operation in Europe
PEMD	Program for Export Market Development
PIC	Partnership and Investment Canada
RCMP	Royal Canadian Mounted Police
RBAF	Risk Based Audit Framework
RMAF	Results-Based Management and Accountability Framework
RPP	Report on Plans and Priorities
SD	Sustainable Development
TBS	Treasury Board Secretariat
TCI	Team Canada Inc
TCS	Trade Commissioner Service
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
WTO	World Trade Organization

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