



# Department of Foreign Affairs and International Trade

## Performance Report

For the period ending  
March 31, 2000

Canada

## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This *Departmental Performance Report*, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to the TBS Internet site or to:

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Department of Foreign Affairs  
and International Trade

# Performance Report 1999-2000

For the period ending  
March 31, 2000

Approved

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Minister for International Trade

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Minister of Foreign Affairs

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## Acronyms and Abbreviations

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ADM	Assistant Deputy Minister
AELM	APEC Economic Leaders Meeting
APEC	Asia-Pacific Economic Cooperation forum
APM	Anti-personnel mines
ASEAN	Association of Southeast Asian Nations
CCC	Canadian Commercial Corporation
CFE	Conventional Armed Forces in Europe Treaty
CICAD	Inter-American Drug Abuse Control Commission
CIDA	Canadian International Development Agency
COSMOS	Consular Management and Operations System
CRF	Consolidated Revenue Fund
CSBM	Confidence and security-building measures
CTE	Committee on Trade and Environment
DD&R	Disarmament, Demobilization and Reintegration
DFAIT	Department of Foreign Affairs and International Trade
EDC	Export Development Corporation
ESDP	European Security and Defence Policy
EFTA	European Free Trade Association
EIPA	Export and Import Permits Act
EU	European Union
FDI	Foreign direct investment
FIPA	Foreign Investment Protection Agreement
FTAA	Free Trade Area of the Americas
FTE	Full-time equivalent
GATS	General Agreement on Trade in Services
G-7/G-8	Group of Seven Leading Industrialized Nations [Canada, France, Germany, Italy, Japan, United Kingdom, United States] plus Russia
GDP	Gross domestic product
HIPCs	Heavily Indebted Poor Countries
ICC	International Criminal Court
IFF4	Fourth Session of the Intergovernmental Forum of Forests
IFIs	International Financial Institutions
IJC	International Joint Commission
ILO	International Labour Organization
IMF	International Monetary Fund
IMS	Integrated Management System
IBOC	International Business Opportunities Centre
IRIS	Automated passport production system
KEDO	Korean Peninsula Energy Development Organization
KFOR	NATO-led Kosovo peacekeeping force
KVM	Kosovo Verification Mission
MEA	Multilateral Environmental Agreement
MOU	Memorandum of Understanding
NAFTA	North American Free Trade Agreement

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NATO	North Atlantic Treaty Organization
NGO	Non-governmental organization
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
PJBD	Canada-United States Permanent Joint Board on Defence
POPs	Persistent organic pollutants
PRAS	Planning, Reporting and Accountability Structure
SMEs	Small and medium-sized enterprises
UCS	Universal Classification Standard
UN	United Nations
UNESCO	United Nations Economic, Social and Cultural Organization
UNMIK	United Nations Interim Administration Mission in Kosovo
WTO	World Trade Organization

## **Glossary of Terms**

*Convention:* an international agreement

*Instrument:* a formal or legal document in writing

*Protocol (optional or additional):* an agreement that is additional to a convention, and generally deals with a specific aspect of the convention that has not been covered in sufficient detail, or which has become outdated

*Ratify:* to approve and sanction, or to make valid

*Treaty:* a compact made between two or more independent nations with a view to public welfare



## SECTION I MINISTERS' MESSAGE

Canada has entered the 21st century in a position to build on its strengths as an open, culturally diverse society having extensive geographic, socio-economic, political, commercial and technological linkages with countries around the world. These strengths emerge from Canada's shared values based on respect for human rights, sustainable development, the rule of law and democratic governance. Drawing on our country's strengths, values and linkages during 1999–2000, the Department of Foreign Affairs and International Trade (DFAIT) enhanced the quality of life for Canadians through increased efforts to provide them with security and economic well-being. This Performance Report presents our achievements during the period.

In the past year, the Department worked to implement commitments stated in the October 1999 Speech from the Throne, with the aim of advancing Canada's place in the world and the domestic interests of Canadians. The Throne Speech reaffirmed the emphasis on human security in Canada's foreign policy. It also called for a wide range of initiatives: international agreements to protect the rights of children; a foreign policy for the North; reform of multilateral institutions, such as the United Nations and the World Trade Organization (WTO); developing the capacity of Canadians to support peace and security abroad; and providing educational experience abroad for young Canadians. One major priority is building a dynamic economy through increased trade and investment; doing this involves support for new multilateral trade negotiations and the effort to achieve a hemispheric trade agreement for the Americas, as well as an increased focus on trade in sectors with high export potential.

These initiatives, like all of the Department's activities, have a direct benefit for all Canadians. DFAIT's work promotes sustainable economic growth, protects national and human security, projects Canadian values and culture, strengthens national unity, provides consular services to Canadians abroad, increases the engagement of Canadians internationally, expands opportunities abroad for young Canadians, and encourages co-operation for environmental protection.

Human security was the focus during Canada's presidency of the UN Security Council last April and again in May, at the second ministerial meeting of the Human Security Network, where Canada played a lead role. Earlier, in February, the federal budget had provided \$10 million annually for the Department's human security activities. In July, Canada ratified the Rome Statute of the International Criminal Court — a milestone in our efforts to advance human security by ending impunity for crimes against humanity and war crimes. In January 2000, Canada played an important part in achieving consensus on a new Optional Protocol to the Convention on the Rights of the Child on Involvement of Children in Armed Conflicts, and in July we ratified the Protocol. In addition, the plight of war-affected children is the theme of two international conferences this year: one in April co-hosted by Canada and Ghana, with a West African focus, and another in Canada in September. In June, Canada announced a new foreign policy framework for the North, which seeks to foster prosperity and security for Canadians, preserve Canada's sovereignty, bring the circumpolar region into the rules-based international system, and promote sustainable development.



We have been actively working to better adapt multilateral institutions to face the challenges of the 21st century. Canada promoted initiatives to increase the United Nations' capacity to maintain peace and security (especially human security) while controlling costs. As a member of the Security Council, in the past year Canada continued efforts to make that body more effective, open and transparent. Canada took the lead in initiatives to provide better protection for civilians in armed conflicts, to better target sanctions regimes, to strengthen peacekeeping operations and to include more non-members in Council meetings. In the WTO, Canada continued working for a range of measures to make the organization more transparent, responsive and inclusive. The measures include improving internal communications, enhancing public outreach activities, improving access to documents and expanding dialogue with the public. In September 1999, Canada hosted the Summit of la Francophonie, which decided to pursue the renewal of the operating systems of Francophone institutions, strengthen Summit policy, and launch a Francophone initiative on cultural diversity — all steps advancing Canadian objectives.

Canada's prosperity is tied directly to our performance in trade. In 1999, this reached record levels for the eighth consecutive year: total exports grew by about 11% to \$410 billion, or 43 percent of our gross domestic product (GDP). Our economic performance depends on having an open, rules-based trading system while preserving our right to regulate in pursuit of national objectives. To open new markets for Canadian exporters, we have continued promoting broad WTO negotiations; Canada is currently engaged in WTO negotiations on agriculture and services. Within the Hemisphere, Canada remains involved in negotiations toward creating a Free Trade Area of the Americas by 2005; on this issue, we presented Canada's priorities and objectives to Parliament last March. Negotiations between Canada and the European Free Trade Association countries established broad agreement, but some issues remain unresolved. In June, Canada began to explore a possible free trade agreement with Singapore and launched free trade negotiations with Costa Rica. We continued to secure market access for Canadian exporters under existing trade agreements, while giving greater attention to dispute settlement actions on issues of interest to Canada.

We have increased our trade promotion support for sectors with high export potential, and at the same time we have continued to make single-source services available via Team Canada Inc, which is designed for small and medium-sized enterprises. Last year, 81% of businesspeople using our trade offices abroad reported that they were fully or somewhat satisfied. Next year, we will add 10 new Trade Commissioners in places where businesses have indicated that they are needed: the United States, Western Europe, China, the Middle East, West Africa and South America. Team Canada missions continue to be highly effective in promoting Canadian trade and investment interests abroad. Since 1994, missions have opened doors for over 1800 companies, helping them secure business deals worth more than \$24.4 billion. The Prime Minister has announced that he will lead a sixth Team Canada mission to China next November. Last May, we released the Africa Trade Strategy, which will help Canadian businesses expand their trade, increase their market access and strengthen their investment protection in sub-Saharan Africa.

Public diplomacy activities in 1999–2000 continued to broaden understanding of Canadian foreign policy initiatives, while also promoting improved awareness of Canada abroad and an environment that is favourable to our security, economic and cultural interests. Through various mechanisms, DFAIT sought to strengthen communications with the public and thus to foster wider awareness, greater public engagement, better responses to inquiries, outreach to Canadians, and more balanced reporting on Canada's foreign policy and trade initiatives. Some 4000 cultural events abroad attracted widespread media coverage and large audiences, demonstrating Canada's creativity and excellence. The Department provided market studies and training to exporters in Canadian cultural industries, and introduced 150 of these exporters to new markets. Canada, Mexico and the United States strengthened co-operation in higher education, training and research, and Canada and the European Union concluded a bilateral

framework agreement for co-operation in higher education. The Department gave assistance for exports of Canadian educational products and services, which amount to over \$2.3 billion annually. It also opened dedicated points of service in Europe, Latin America and the Middle East, promoting Canada as a place in which to study (it currently attracts 100,000 foreign students annually). In 1999, some 30,000 young people from Canada and other countries participated in the Department's reciprocal International Youth Exchange Programs - a 15% increase over the previous year.

We are proud of what we accomplished during 1999–2000 to advance Canada's place in the world. Now we have a strong foundation for promoting Canada's interests in the more interdependent and dynamic world of the 21st century.

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Pierre S. Pettigrew  
*Minister for International Trade*

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Lloyd Axworthy  
*Minister of Foreign Affairs*



## SECTION II DEPARTMENTAL OVERVIEW

### **Mandate, Roles and Objectives**

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The Department of Foreign Affairs and International Trade represents Canada to the world, and the world to Canada. Building on its rich legacy of successful diplomacy and mediation, the Department provides the vehicle for Canada's action on the international stage. More than ever before, these activities involve the participation of Canadians.

#### **Mandate**

On behalf of the Government of Canada, the Department conducts all diplomatic and consular relations with foreign governments, and represents Canada in international organizations. It participates in relevant international negotiations, furthering and protecting Canada's domestic interests and fostering the development of international law. It co-ordinates Canada's economic relations, promoting the expansion of international trade. In addition, it administers the foreign service, including the interdepartmental co-ordination of diplomatic relations and the operation of missions abroad. The Department's mandate is set out in the *Department of Foreign Affairs and International Trade Act*, RSC 1985. Other key legislation affecting the Department is listed in Section VI.

#### **Roles**

The Department has four basic roles that flow from its mandate:

- to develop and co-ordinate the government's international policy;
- to advocate Canadian interests and values overseas;
- to provide assistance to Canadians, including trade, investment, passport and consular services; and
- to support other government departments (OGDs) and agencies abroad.

#### **Departmental Objectives**

In 1995, in response to a report from the Special Joint Committee reviewing Canadian foreign policy, the Government released a foreign policy statement entitled *Canada in the World*. In preparing its mission and strategic priorities, the Department has drawn primarily from *Canada in the World*. Its three priorities are as follows:

- to promote prosperity and employment;
- to protect our security within a stable global framework; and
- to project Canadian values and culture.

In addition, as a fourth priority, the Department aims to provide high-quality services to Canadians.

## **Societal Context**

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The main factors shaping the environment in which the Department operated during the past year were growing international commitments; public expectations; human resource issues; and the impacts of information technology.

### International Commitments

The Department managed Canada's participation in high-level international meetings, which continued to increase in scope and frequency during the past year. These included the hosting of such major events as:

- the North American Free Trade Agreement (NAFTA) Commission Meeting in April 1999;
- the Conference of Spouses of Heads of State and Government of the Americas in September 1999;
- the Summit of la Francophonie in September 1999;
- the Free Trade Area of the Americas (FTAA) Ministerial Meeting in November 1999;
- the Americas Business Forum (ABF) in November 1999;
- the Canada-European Union Summit in December 1999;
- the Second Ministerial Meeting of the Human Security Network in May 2000; and
- the Organization of American States (OAS) General Assembly in June 2000.

Efforts were also required to manage Canada's role in several other high-level meetings, including:

- the G-8 Summit in June 1999;
- the WTO Ministerial Conference in December 1999;
- the North Atlantic Treaty Organization (NATO) Foreign Ministers Meeting in December 1999;
- the G-8 Ministerial Conference on Conflict Prevention in December 1999;
- the Nuclear Non-Proliferation Treaty Review Conference in May 2000; and
- the Asia-Pacific Economic Cooperation (APEC) forum Trade Ministerial Meeting in June 2000.

### Public Expectations

The Department continued to respond to the growing demands by Canadians for more active engagement by Canada in foreign policy issues, as well as for more services to support their activities abroad. Demands for consular services remained high with an increasing number of Canadians travelling abroad. A majority of Canadians — 77% according to recent polls — feel that trade is an increasingly important contributor to the domestic economy. This optimism contrasts with continuing concerns about globalization and the need to ensure that governments retain the right to regulate in the national interest in such areas as social and environmental policy.

### Human Resource Issues

Human resource issues have continued to require considerable attention. This past year, these have involved government-wide initiatives such as implementation of the Universal Classification Standard (UCS) as well as actions on a range of issues specific to the Department.

### Information Technology Impacts

The conduct of international relations is being fundamentally altered by changes in information technologies, such as the continuing evolution of the Internet and satellite communications. More rapid and voluminous transmission of information and increased demands for the engagement of individuals and non-governmental interest groups continued to require greater capacity to manage a more complex and inclusive foreign policy. This has reinforced the need to maintain stable, secure and efficient departmental information management systems while affording outreach and program interaction with a broadening client base.

## **Departmental Organization**

The Department has two Ministers (one for Foreign Affairs and one for International Trade) and three Secretaries of State (one for the Asia-Pacific region, one for Latin America and Africa, and one for la Francophonie and Western Economic Diversification ). The responsibilities of the two Ministers extend beyond the Department: the Minister of Foreign Affairs is also responsible for the International Development Research Centre, the International Joint Commission and the International Centre for Human Rights and Democratic Development. The Minister for International Trade is responsible for the Export Development Corporation, the Canadian Commercial Corporation, the Northern Pipeline Agency and the NAFTA Secretariat. In addition, the Department has a third Minister, the Minister for International Co-operation.

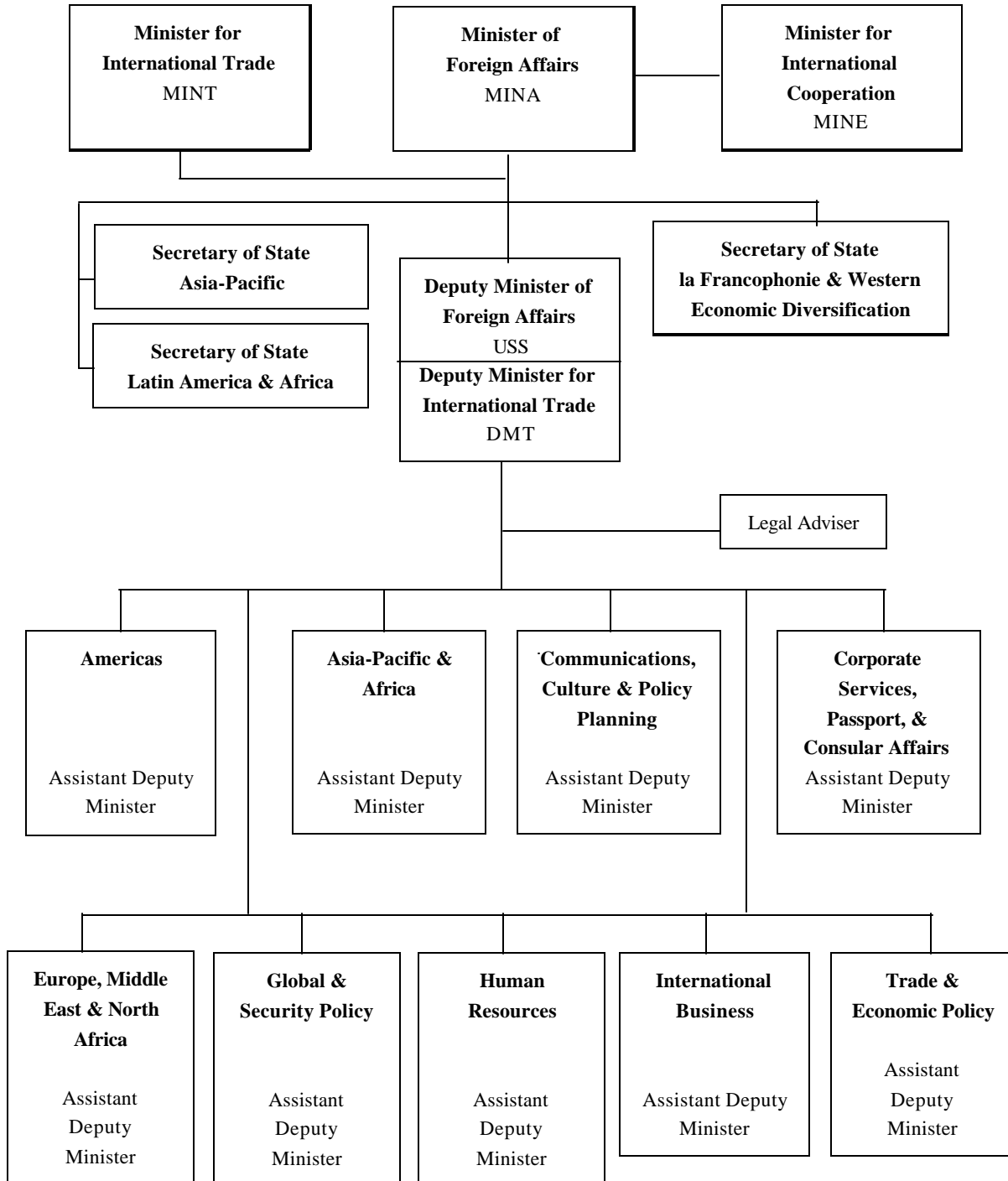
The Department has its headquarters in Ottawa and serves Canadians across the country through 28 passport offices and a network of regional trade commissioners. Below the level of Deputy Minister, the Department has a legal adviser and nine Assistant Deputy Ministers (ADMs). Outside Canada, the Department operates through a network of 131 missions and 29 satellite offices in 197 countries. Overseas representation is aided by approximately 100 honorary consuls.

The Department is organized along eight business lines, which are defined by function. These business lines are the basis for the Department's plans, estimates and performance reports to Parliament. They are also the basis for managerial accountability within the Department. In the departmental matrix organization, six functional ADMs are accountable for the eight business lines, and three geographic ADMs implement policies at missions abroad.

<b>Business Line Accountability of Functional Assistant Deputy Ministers</b>	
<b><u>Assistant Deputy Ministers</u></b>	<b><u>Business Lines</u></b>
• <b>Global and Security Policy</b>	• International Security and Cooperation
• <b>International Business</b>	• International Business Development
• <b>Trade and Economic Policy</b>	• Trade and Economic Policy
• <b>Communications, Culture and Policy Planning</b>	• Public Diplomacy
• <b>Human Resources</b>	• Corporate Services (Human Resources component)
• <b>Corporate Services, Passport, and Consular Affairs</b>	• Corporate Services
	• Assistance to Canadians Abroad
	• Passport Services
	• Services to Other Government Departments

The following table provides an overview of the Department's structure.

## Departmental Organization (1999-2000)



## Links with Stakeholders

The Department is at the centre of Canada's international activity. It interacts with every government department and agency, other governments, business, non-governmental organizations (NGOs), universities, and other elements of civil society. These relationships are illustrated in the table below, which links the Department's business line objectives and strategic priorities with its public and private stakeholders.

<b>Business Lines and Objectives</b>	<b>Strategic Priorities</b>	<b>Stakeholders</b>
<b>International Business Development</b>		
Aid in the creation of jobs and prosperity in Canada by encouraging Canadian firms to take full advantage of international business opportunities and by facilitating inward investment and technology flows	<ul style="list-style-type: none"> <li>• promote prosperity and employment</li> <li>• provide quality services to Canadians</li> <li>• project Canadian values and culture</li> </ul>	<ul style="list-style-type: none"> <li>• Canadian exporters and export-ready firms</li> <li>• investors and investment-seeking firms</li> <li>• workers in the export sector</li> <li>• provincial governments and municipalities</li> </ul>
<b>Trade and Economic Policy</b>		
Aid in the creation of jobs and prosperity in Canada by effectively managing Canada's trading relationships with the United States, and liberalizing trade and capital flows around the world, based on clear and equitable rules	<ul style="list-style-type: none"> <li>• promote prosperity and employment</li> <li>• protect our security within a stable global framework</li> </ul>	<ul style="list-style-type: none"> <li>• Canadian exporters, export-ready firms, and workers in the export sector</li> <li>• Canadian importers and consumers</li> <li>• Canadian firms and workers in vulnerable and sensitive sectors</li> <li>• investors and investment-seeking firms</li> <li>• provincial governments</li> </ul>
<b>International Security and Cooperation</b>		
Promote a peaceful, law-based international system that reflects Canadian values and in which Canada is secure from threats from abroad	<ul style="list-style-type: none"> <li>• protect our security within a stable global framework</li> <li>• project Canadian values and culture</li> </ul>	<ul style="list-style-type: none"> <li>• the Prime Minister, other ministers and their departments</li> <li>• provincial governments</li> <li>• Canada as a society, and individual Canadians and groups according to issue</li> </ul>
<b>Assistance to Canadians Abroad</b>		
Meet the need for official assistance of Canadians travelling or living abroad	<ul style="list-style-type: none"> <li>• provide quality services to Canadians</li> </ul>	<ul style="list-style-type: none"> <li>• Canadians travelling or living abroad and their relatives in Canada</li> <li>• the travel industry</li> </ul>



Business Lines and Objectives	Strategic Priorities	Stakeholders
<b>Public Diplomacy</b>		
Create interest and confidence in Canada abroad, and an international public environment favourable to Canada's political and economic interests and Canadian values	<ul style="list-style-type: none"> <li>• project Canadian values and culture</li> <li>• promote prosperity and employment</li> </ul>	<ul style="list-style-type: none"> <li>• Canadian academic and cultural community</li> <li>• Canadian cultural industries</li> <li>• foreign academic and cultural communities interested in Canada</li> <li>• Canadian and foreign media</li> <li>• clients of other business lines</li> </ul>
<b>Corporate Services</b>		
Enable the Department to achieve its mission and objectives through the delivery of cost-effective support services	<ul style="list-style-type: none"> <li>• provide quality services to Canadians</li> <li>• project Canadian values and culture</li> <li>• protect our security within a stable global framework</li> <li>• promote prosperity and employment</li> </ul>	<ul style="list-style-type: none"> <li>• departmental management and staff responsible for delivering other business lines</li> </ul>
<b>Services to Other Government Departments (OGDs)</b>		
Enable OGDs to deliver their programs abroad through the delivery of cost-effective support services	<ul style="list-style-type: none"> <li>• promote prosperity and employment</li> <li>• provide quality services to Canadians</li> <li>• project Canadian values and culture</li> <li>• protect our security within a stable global framework</li> </ul>	<ul style="list-style-type: none"> <li>• other government departments</li> </ul>
<b>Passport Services</b>		
Provide internationally respected travel documents to Canadian citizens and other eligible residents of Canada	<ul style="list-style-type: none"> <li>• provide quality services to Canadians</li> </ul>	<ul style="list-style-type: none"> <li>• Canadians travelling or living abroad</li> </ul>



## SECTION III PLANS, RESULTS AND RESOURCES

### Summary of Plans and Results

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In the following table, the priorities for each business line (left column) are based on the business line objectives established in the Department's Planning, Reporting and Accountability Structure (PRAS). The expected results (right column) are based on the key results identified in the PRAS. The PRAS has been approved by Treasury Board, and is the basis for accountability for the results achieved with the resources and authorities provided.

Priorities - to provide Canadians with:	Expected results - to be demonstrated by:
<p><b>International Business Development</b> Employment and prosperity increased by encouraging Canadian firms to take full advantage of international business opportunities and by facilitating inward investment and technology flows.</p>	<ul style="list-style-type: none"><li>• growing participation of Canadian business, particularly SMEs, in the international economy;</li><li>• a broadened export base and a diversification of export markets;</li><li>• attraction and retention of job-creating international investment in key sectors; and</li><li>• private-sector strategic alliances in investment and technology.</li></ul>
<p><b>Trade and Economic Policy</b> Employment and prosperity increased by effective management of Canada's trading relationships and liberalization of trade and capital flows around the world, based on clear and equitable rules that reflect Canadian interests.</p>	<ul style="list-style-type: none"><li>• continued implementation of the WTO agreements as well as its continuing built-in agenda;</li><li>• bilateral and multilateral agreements that promote balanced trade and investment liberalization;</li><li>• solutions that reduce the possibility of disputes with trading partners;</li><li>• international assistance allocated to reflect foreign policy and development priorities; and</li><li>• stimulation of export performance and investment through improved access to markets.</li></ul>

<b>Priorities - to provide Canadians with:</b>	<b>Expected results - to be demonstrated by:</b>
<p><b>International Security and Cooperation</b> A peaceful, law-based international system reflecting Canadian values, in which Canada is secure from threats from abroad.</p>	<ul style="list-style-type: none"> <li>• speaking with one voice for Canada in the world;</li> <li>• contributing to global and regional security;</li> <li>• contributing to greater control of conventional and nuclear weapons;</li> <li>• contributing to democracy, human rights and good governance;</li> <li>• contributing to conflict prevention, peacekeeping and peacebuilding;</li> <li>• contributing to measures to combat terrorism, transnational crime and drug trafficking;</li> <li>• contributing to sustainable development and environmental protection;</li> <li>• fostering a strong multilateral system, development of international law and an effective United Nations; and</li> <li>• sustaining constructive relationships with specific countries and regions.</li> </ul>
<p><b>Assistance to Canadians Abroad</b> Appropriate official assistance when travelling or living abroad.</p>	<ul style="list-style-type: none"> <li>• requests for assistance, guidance and advice from or on behalf of Canadians travelling or living abroad, met appropriately and cost-effectively throughout the world.</li> </ul>
<p><b>Public Diplomacy</b> Increased interest and confidence in Canada abroad, and an international public environment favourable to Canada's political and economic interests as well as Canadian values.</p>	<ul style="list-style-type: none"> <li>• greater public understanding in Canada and abroad of Canadian policies and positions;</li> <li>• international public awareness of Canada's characteristics and accomplishments through cultural, scholarly or comparable events; and</li> <li>• increased exports of cultural and educational products and services, including the choice of Canada as a destination for foreign tourists and students.</li> </ul>
<p><b>Corporate Services</b> A DFAIT that is able to achieve its mission and objectives through the delivery of cost-effective support services.</p>	<ul style="list-style-type: none"> <li>• effective and efficient delivery of services to the satisfaction of clients within resource, legal and policy constraints.</li> </ul>
<p><b>Services to Other Government Departments</b> Other government departments enabled to deliver their programs abroad through the delivery of cost-effective support services.</p>	<ul style="list-style-type: none"> <li>• effective and efficient delivery of services to the satisfaction of clients within resource, legal and policy constraints.</li> </ul>
<p><b>Passport Services</b> The ability to travel freely through the provision of internationally respected travel documents.</p>	<ul style="list-style-type: none"> <li>• internationally respected travel documents and client services that meet or exceed published service standards.</li> </ul>

## Business Line Plans

### International Business Development

<b>Summary of Spending in 1999-00 (\$ millions)</b>	
Planned spending at beginning of fiscal year	226.8
Total spending authorities at end of fiscal year	285.6
Actual spending	273.9
<b>Personnel - Full Time Equivalent (FTE)</b>	
Canada-based FTEs utilized	492
Locally engaged FTEs utilized	554

#### Business Line Description

Create jobs and prosperity in Canada by encouraging Canadian firms to take full advantage of international business opportunities and by facilitating investment and technology flows.

#### Context

Canada's outstanding economic performance in 1999, primarily driven by increased exports of goods and services, has highlighted the growing importance of this business line in providing Canadian companies with the services they need to compete and succeed in the rapidly evolving global marketplace. The growth of Canada's business beyond borders and the flow of investment and technologies into Canada in the past year has brought benefits to Canadians across the land. The unemployment rate averaged 7.6% in 1999, the lowest in the 1990s, and job growth hit 3%, the highest rate since 1988.

#### Performance Expectations and Accomplishments

##### *Growing participation of Canadian business, particularly SMEs, in the international economy*

- The Department continued with Team Canada Trade missions led by the Prime Minister. Since 1994, these missions have helped more than 1800 Canadian businesses and organizations secure more than 882 deals in international markets, directly contributing to some \$24.4 billion in new business. The Department has diversified participation in these missions and continues to place an emphasis on SMEs and on businesses run by women, young entrepreneurs and Aboriginal people. On the last few Team Canada missions, 70% to 80% of participants were SMEs. The proportion of women participating in the 1999 mission to Japan was 19%, while young entrepreneurs accounted for over 11% and Aboriginal business people 2%, the highest participation ever recorded for these groups.
- Four positions were redeployed from Canada to Berlin, Dallas, Los Angeles and Taipei to raise international awareness of the unique opportunities for investment and growth in Canada. Ten additional positions are being created in the summer of 2000 in the United States, Peru, France, Spain, Libya (2), Nigeria, Kenya, India and China to better meet the needs of Canadian businesses abroad.

- Export Development Corporation (EDC) supported \$40.1 billion in business in 1999, surpassing the previous year's results by 15%. The number of customers benefiting from EDC services grew by 16% to 5182, of which 88% were SMEs. In 1999-2000, the total business volume of the Canadian Commercial Corporation (CCC) recovered from the slide to \$748 million posted last year with a robust increase of 49% to \$1.113 billion. The total number of companies served by the CCC declined slightly to 1810 from 1883 customers in 1998. SMEs accounted for over 80% of the CCC's clients.
- Canadian companies have seen a significant, though gradually declining, number and value of contracts financed by international financial institutions (IFIs), in line with those from other donor countries, as IFI-financed procurement is becoming more locally based. Our efforts are increasingly turning to helping Canadian companies find local partners in borrowing countries, in order to obtain more indirect contracts.
- In 1999-2000, all trade offices abroad introduced the "New Approach" to serving Canadian business abroad (previously known as "Expand Your Horizons"), and are now delivering six personalized core services: Market Prospect, Key Contact Search, Visit Information, Local Company Information, Face-to-Face Briefing, and Troubleshooting. Extensive training was provided to all staff abroad and in Canada, with on-line guidelines to support a consistent delivery of services. The six core services

**New Brunswick "dot-com" speeds up on the U.S. Information Highway**

Crescent Studio.com ([www.crescentstudio.com](http://www.crescentstudio.com)) is now exporting its professional Internet services to the e-services division of Hewlett-Packard in a \$1.5 million deal that includes strategic planning, Web site building, and business process engineering. This two-year-old company beat the competition by offering top-quality products and services, setting the right prices, and with networking and marketing savvy. "Read *CanadaExport* success stories," says Trevor Sawler, President, who employs 45 people in Fredericton. And don't forget the Consulates and the Embassy! "We've had great success with

**For a B.C. Computer Graphics Company, it's Sales — at First Sight**

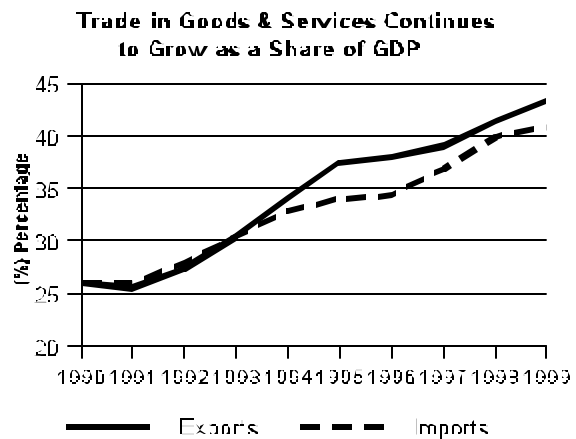
Five years of research paid off for Xing Xing Computer Graphics Inc. ([www.xing-xing.com](http://www.xing-xing.com)), with its first export sales at a recent trade show in France. The Vancouver company's CD-ROM product *Lotus Spring* was exhibited at Milia '99 in France and attracted interest from throughout the world. "The response was overwhelming," recalls Lifeng Wang, President. "We sold the French rights at the show and received contract leads from another six companies from Europe, Asia and North America." Wang attributes part of his success to the help he received from the federal and provincial government, as well as the information he received from Canadian trade commissioners.

were well-publicized to partners and clients across Canada. Additional non-core services are now offered in markets abroad by prequalified third parties who generally charge a fee. The Business Mission Agreement was introduced to assist our partner-clients in organizing and managing more effective and results-oriented business visits abroad. Complete information on the range of services and programs provided to Canadian business clients is available on the Trade Commissioner Service's Web site at [www.infoexport.gc.ca](http://www.infoexport.gc.ca)

- The first Client Survey conducted in the spring of 1999 enabled the Department to identify strengths and weaknesses in overall service delivery and at designated posts abroad, and to implement an appropriate action plan. A second follow-up Client Survey scheduled in May-June 2000 was designed to target client satisfaction with the six core services, one year after their introduction, and a report will be published at the end of the summer of 2000. These two client surveys, together with the employee survey, will provide the foundation on which to build the next phase of improvement of services to Canadian business clients.
- Ongoing consultations to ensure a more co-ordinated approach to the planning and delivery of international business development programs and resources were carried out throughout the year among Team Canada Inc members, provincial governments and business associations who are active partners in the Regional Trade Networks and Trade Team Canada Sectors Teams. Team Canada Inc has published its second annual business plan for the Government of Canada's international business development activities for the period 1999-2002. The Team Canada Inc partnership has grown to 23 federal departments and agencies with the addition of three new members — the Business Development Bank of Canada, Fisheries and Oceans Canada, and Public Works and Government Services Canada. The complete Business Plan and detailed information on programs and services offered by Team Canada Inc partners are available at [www.exportsource.gc.ca](http://www.exportsource.gc.ca).

***A broadened export base and a diversification of export markets***

- In 1999, the value of Canada's exports of goods and services increased 11.3% to reach \$409.8 billion, equivalent to 43.2 % of Canada's GDP. Merchandise exports rose to \$360.6 billion, up 11.9% from \$322.3 billion in 1998; in volume terms, exports of goods grew by 10.5%. Exports of services reached \$49.2 billion, which represented an increase of 7.1% over the 1998 figure of \$45.9 billion. The immediate payback to Canadians was the creation of 427,000 net new jobs in 1999, the highest total since 1979. *Trade Update 2000: First Annual Report on Canada's State of Trade*, the inaugural report on Canada's performance in international trade, is available at [www.dfait-maeci.gc.ca/eet/state\\_of\\_trade/state\\_of\\_trade-e.asp](http://www.dfait-maeci.gc.ca/eet/state_of_trade/state_of_trade-e.asp).

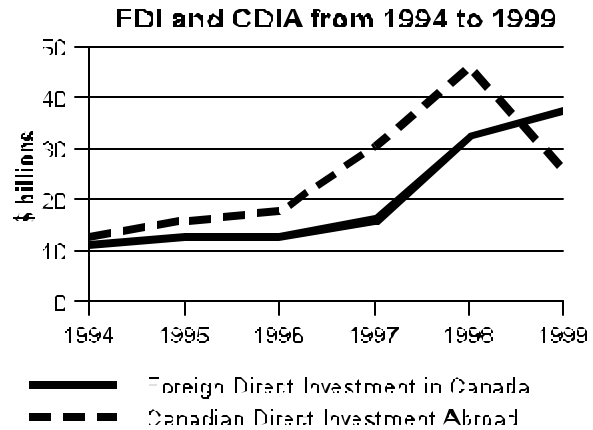


- The Canadian Exporter Registry, a joint initiative of Statistics Canada and Team Canada Inc, released in March its first set of data on Canadian exporters of goods. The report, covering the period from 1993 to 1997, indicates that the number of exporters of merchandise reached 30 738 in 1997, an increase of 29% from 1993, and the value of exports grew by 58% to \$279 billion during this five-year period. While a small number of Canada's largest corporations generate 82% of the value of all exports, more than 70% of our exporters are small companies with less than \$1 million in annual export sales. The Profile of Canadian exporters is available from the Daily News on Statistics Canada's Web site at [www.statcan.ca/Daily/English/000322/d000322d.htm](http://www.statcan.ca/Daily/English/000322/d000322d.htm). Analysis of the 1993-1997 data continues. The report for 1998 and 1999 will be available in the fall of 2000.

- A *Directory of Aboriginal Exporters* was released in December 1999. A copy of the Directory can be obtained through the Department's Inquiries Service for the General Public at 944-4000, under general inquiries about the Department, publications or library services (Option 5).

***Attraction and retention of job-creating foreign direct investment***

- Canada's relative share of global foreign direct investment (FDI) inflow increased in 1999 as FDI into Canada grew by 47% from 1998 and global FDI inflows increased by 25%. FDI in to Canada reached a record of \$36.1 billion in 1999, bringing the stock of FDI in Canadian wealth creating enterprises to \$240 billion. The United States accounted for nearly all of the 1999 growth in FDI into Canada, while countries of the European Union accounted for 7.8%. The main factor driving direct investment in 1999 was mergers and acquisitions activity, principally in the finance and insurance, machinery and transportation equipment sectors.
- The Program for Export Market Development – Investment (PEMD–I), which was introduced successfully last year to help Canadian communities attract and retain foreign investment, has supported over 180 projects across Canada.
- Investment Partnerships Canada, in co-operation with the Department, launched a concerted branding program in the United States to develop a more positive brand image for Canada and to act as a pilot for future branding initiatives.



***Private-sector strategic alliances in investment and technology***

- The International Business Opportunities Centre (IBOC) has contacted over 21 500 Canadian companies since 1995 and matched more than 1500 Canadian exporters with foreign buyers for deals worth several tens of millions in export sales.
- Under state-to-state bilateral agreements managed by the Department to further the long-term advancement of knowledge and the creation of wealth in Canada, 156 additional scientific and technological research projects were initiated to assist Canadian public, private and academic research and development performers in their collaboration with foreign counterparts.

**Exporter Success Stories:** Success stories of new and experienced exporters are available on line at [www.infoexport.gc.ca/canadexport/menu-e.asp](http://www.infoexport.gc.ca/canadexport/menu-e.asp).

## Trade and Economic Policy

<b>Summary of Spending in 1999–00 (\$ millions)</b>	
Planned spending at beginning of fiscal year	120.6
Total spending authorities at end of fiscal year	214.0
Actual spending	204.9
<b>Personnel - Full Time Equivalents (FTE)</b>	
Canada-based FTEs utilized	462
Locally engaged FTEs utilized	70

### Business Line Description

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.

### Context

Canada is a trading nation, with one in three jobs linked directly to trade and exports valued at 43% of our GDP. Trade and investment liberalization increases economic growth, creates jobs, promotes Canadian technology and expands consumer choice. Canada is integrated into the global economy: our industrial structure, jobs and wages, technology and capital stock all depend on secure access to the international marketplace.

The Department played a key role in developing and promoting Canada's objectives and interests in multilateral forums, and in regional and bilateral interactions. While participating in the negotiations of multilateral trade rules, Canada continues to regulate in the public interest in such areas as culture, health care, education, social programs, the environment, labour standards, and programs for Aboriginal peoples, minorities and the management of natural resources.

### Performance Expectations and Accomplishments

*Continued implementation of the WTO agreement and its continuing built-in agenda.*

#### **Increased confidence in and respect for the rules-based multilateral trading system.**

- The Government continued to pursue increased confidence in and respect for predictable and enforceable multilateral trade rules, improved access to global markets, and freer world trade while protecting fundamental Canadian interests and values.
- In 1999 Canada's multilateral trade policy focussed on preparation for and participation in the December 1999 WTO Ministerial Meeting at Seattle. While Seattle did not achieve what Canada hoped for — new broad-based negotiations to further open markets and strengthen the rules-based trading system — WTO Members were able to launch negotiations on agriculture and services in February 2000. Canada worked with other WTO Members to make progress in other areas of ongoing work, such as built-in reviews, accession negotiations and implementation issues.



- With the co-operation of other developed WTO Members, Canada helped lead efforts in early 2000 to build support among developing countries for a new round of negotiations by working to address concerns about market access, implementation of Uruguay Round commitments, trade-related technical assistance, and internal transparency at the WTO.
- As part of the WTO's ongoing work program, Canada participated in the review and implementation of many elements of the WTO agreements, including the Agreement on Rules of Origin, the Customs Valuation Agreement and work on trade facilitation in the Council for Trade in Goods. Canada also continued to work with other Members on the Agreement on Government Procurement, the Agreement on Technical Barriers to Trade, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), the Dispute Settlement Understanding, and the appraisal of the Trade Policy Review Mechanism. Canada worked with other countries to expand product coverage of the Information Technology Agreement (ITA), and submitted a proposal to examine the use of import licensing in this sector. In addition, Canada participated in all the trade policy reviews of other WTO Members.
- Canada and other signatories to the WTO Pharmaceuticals Agreement implemented duty-free tariff treatment for a third group of 639 additional products and inputs, to facilitate more cost-effective production and distribution of these products.

**Improvements to the WTO should lead to enhanced transparency and greater awareness on the part of the public and non-governmental organizations of the WTO and the dispute settlement process.**

- In the lead-up to the Seattle Ministerial, the Government conducted extensive consultations with Canadians on issues related to trade policy. In addition to hosting meetings and discussion groups on a wide spectrum of issues, as well as two major multistakeholder consultations, DFAIT held cross-Canada sectoral consultations on trade and environment, investment, government procurement, and competition policy. The Government consulted the private sector and non-government organizations (NGOs) through established mechanisms like the 13 Sectoral Advisory Groups on International Trade (SAGITs) and the Team Canada Inc Advisory Board. At the Seattle Ministerial, non-government advisors were invited to join the official Canadian delegation and delegation officials briefed other registered Canadian NGOs daily. These consultations continue to assist in the development of Canadian positions for the negotiations in agriculture and services.
- The Department established the Trade Negotiations and Agreements Web site in 1999 to provide Canadians with information on Canada's trade policy. The Web site ([www.dfait-maeci.gc.ca/tna-nac](http://www.dfait-maeci.gc.ca/tna-nac)) features a series of policy discussion papers and a "Consultations with Canadians" section seeking opinions on Canada's trade policy.
- The Department led interdepartmental policy research to support future negotiations, including trade reconciliation activity with Statistics Canada and improvement in the quality of trade statistics, which are critical in supporting trade negotiations. Several research and policy papers on WTO issues were published, enhancing public awareness of the economic and policy implications of these issues. In addition, the Department continued to analyse and disseminate updates on Canada's trade and investment performance for public and private consumption.
- Canada continued to advocate that the WTO become more transparent, responsive and inclusive. In the Seattle preparatory process, Canada tabled a proposal for improving the transparency of WTO

operations in several areas. In March 2000, Canada submitted a paper promoting improved communication among Members and between the WTO and the public.

***Accession to the WTO of major trading nations on meaningful commercial terms.***

- Canada participated in bilateral negotiations and multilateral meetings of the Working Parties of nearly 30 applicants for accession to the WTO. Bilateral market access agreements with China, Taiwan and Jordan were successfully negotiated as part of their accession to the WTO. Canada continues to support the accession of Russia to the WTO. These agreements will provide improved access to these markets for Canadian goods and services once these countries become members of the WTO.
- Under the auspices of the Chinese WTO Accession negotiations, Canada successfully renegotiated an agriculture Record of Understanding, which resulted in the Chinese providing to Canada favourable conditions for the import of seed potatoes and pork meat, which was a first for any Western nation. China also inspected and approved a number of Canadian meat-packing plants, allowing them to export directly to that country for the first time. Also as part of the WTO accession negotiations with China, Canada successfully pushed for assurances regarding the mutually satisfactory buyout of Canadian CCF (China-China-Foreign) investments in the telecommunications services sector.

***Bilateral and Multilateral Agreements that Promote Trade and Investment Liberalization***

**Consensus reached on Canada's negotiating positions for the launch of multilateral negotiations on agriculture and services**

- In preparation for the WTO Ministerial Conference in Seattle in December 1999, the Government launched an expanded and unprecedented consultation process on Canada's trade policy agenda. Through a *Canada Gazette* notice released in February 1999, the Government received comments from the public on both FTAA and expected WTO negotiations. The Government complemented these efforts with regular dialogue with provinces, the private sector and interested Canadians.
- Canada's multilateral trade objectives were outlined in the Government's November 1999 Response to the House of Commons Standing Committee on Foreign Affairs and International Trade's Report entitled *Canada and the Future of the World Trade Organization*.
- Canada is participating in the WTO negotiations in agriculture and services, which began in February 2000. Canada's Ambassador to the WTO was selected to chair the Council for Trade in Services and the services negotiations. Chairmanship normally is for one year.

### **Foundation for negotiations in the FTAA established; Canadian trade and investment opportunities advanced with Latin American countries**

- Canada completed its tenure as chair of the FTAA negotiations as host of a successful Trade Ministerial Meeting in Toronto in November 1999. During its chairmanship, Canada was successful in establishing the institutional foundations for the negotiations and in achieving substantive results in the negotiations. At the Ministerial Meeting in Toronto, Ministers agreed on a substantive package of business facilitation measures, to work together in the WTO on the elimination of agricultural export subsidies, to continue the Civil Society Committee with a renewed mandate, and to direct negotiators to develop the draft text of the FTAA Agreement for review by Ministers at their next meeting. For the second 18-month period of negotiations, Canada was selected to chair the Negotiating Group on Government Procurement, and to serve as vice-chair of both the Negotiating Group on Competition Policy and the Joint Government-Private Sector Committee of Experts on Electronic Commerce.

### **Negotiations with the European Free Trade Association continue; Canadian trade opportunities advanced**

- Negotiations between Canada and the EFTA countries (Norway, Switzerland, Iceland and Liechtenstein) were launched in October 1998 and are ongoing. The agreement will focus mainly on the elimination of industrial tariffs, and will provide some improved access for agriculture and agri-food products. The agreement will also promote trade facilitation and include important provisions for co-operation on competition policy. It will not include new commitments in the areas of services, investment or intellectual property. This will be Canada's first free trade agreement with Europe. Two-way merchandise trade between Canada and EFTA reached over \$5 billion in 1999.

### **APEC**

- The Department continued to have lead responsibility for co-ordinating Canada's participation in the APEC process. Canada played an active part in APEC's ongoing work in a wide range of areas in 1999-2000, including sectoral meetings of Finance, Trade, SMEs and Human Resources Development. These activities were capped by the annual Ministerial Meeting and the Prime Minister's participation in the APEC Economic Leaders Meeting (AELM) in Auckland, New Zealand. APEC focussed throughout 1999-2000 on the importance of supporting growth through strong, transparent and open markets. APEC Leaders reaffirmed the fundamental importance to regional prosperity of a vibrant multilateral trading system through the WTO, and committed themselves to working closely with business to boost trade and investment in the APEC region. Finance Ministers were called on to continue their work to strengthen regional financial market standards and supervision.

**Develop a rules-based trade-policy framework for global electronic commerce**

- Canada played a leading role in exploratory discussions and analysis that were part of the WTO Work Program on Electronic Commerce. In September 1999, Canada submitted a proposal in Geneva supporting the continuation of this program, and encouraging the political commitment for WTO countries to refrain from applying customs duties to electronically delivered products. Canada also proposed the creation of a horizontal non-negotiating group to continue the discussions and analysis of the program.

**Develop a consensus on Canada's negotiating position on trade and environmental issues in bilateral and multilateral forums**

- DFAIT submitted a position paper on trade and environment to the WTO and published a Retrospective Analysis of the 1994 Canadian Environmental Review of the Uruguay Round of Multilateral Trade Negotiations prior to the Seattle WTO Ministerial Meeting. In the WTO Committee on Trade and Environment (CTE), Canada continued to advocate the use of a principles and criteria approach to guide WTO bodies and the negotiators of multilateral environmental agreements (MEAs) regarding MEA trade measures. We also continued to be active in the CTE and the Organization for Economic Co-operation and Development (OECD) Joint Working Party on Trade and Environment on the issues of environmental labelling and certification, environmental assessment of trade agreements, environmentally damaging subsidies and tariffs, and environmental goods and services. As spokesman for the "Miami Group" of agricultural exporters in the biosafety protocol negotiations, Canada worked to ensure that the final text, concluded in January 2000, both protected biological diversity and was consistent with WTO rules.

**Reform international financial architecture through efforts in G-7/G-8, APEC and the IFIs aimed at promoting sustained stability and growth**

- The Department led and co-ordinated interdepartmental support for the participation of the Prime Minister and other Ministers in the G-8 Summit process. The G-8 Köln Summit was preceded by G-8 Environment, G-8 Foreign and G-7 Finance Ministers Meetings. The Department represented Canada in the frequent meetings and regular interactions among Sherpas, Foreign Affairs Sous-Sherpas and Political Directors. DFAIT developed and implemented strategies in this process aimed at strengthening global economic co-operation — putting a "human face" on globalization — and sharing benefits through development. These efforts culminated in a number of decisions by leaders, including efforts to strengthen the international financial architecture and an enhanced debt-relief initiative for Heavily Indebted Poor Countries (HIPCs), designed to free up new resources for poverty-reduction activities. Other results included support for the launch of new WTO negotiations and a more intensive process of research and discussion in the OECD on food safety and biotechnology. During Summit discussions, G-8 Leaders endorsed the *Köln Charter on Aims and Ambitions for Lifelong Learning* both as a common statement of domestic policy priorities and as a guide to international policy co-ordination on employment and social policies.

- The Department played a leading role in attempting to address developing country issues through the chairmanship of the Seattle Ministerial Working Group that focussed on these issues. Following the Seattle Ministerial, the Department continued efforts bilaterally and at the WTO to work toward agreement on a package of measures aimed at enhancing the integration of developing countries into the global trading system and increasing coherence among international trade and development policies and programs.

### **Strengthen international economic policy-making and governance**

- Canada continued to promote greater coherence in global economic policy-making through institutional reform and enhanced co-operation among the WTO, the Bretton Woods institutions, the OECD, the United Nations and regional institutions. The Department supported a vigorous schedule of ministerial-level contacts to address the complicated issues involved and to build an international consensus on practical measures to improve coherence. It provided foreign policy support for the efforts of the Minister of Finance in addressing international financial architecture issues. Promoting international agreement on these coherence issues was a major Canadian objective in various multilateral forums.
- The Department led and co-ordinated Canada's involvement in the OECD, a vital forum for economic and social policy dialogue and peer review. The Department developed positions for the ongoing process of institutional reform and renewal at the OECD. Among the particular priorities for the Department that were endorsed by the 1999 OECD Ministerial were follow-up to the *OECD Jobs Strategy*; ongoing work on sustainable development; and a new project on the impact of information and communications technologies on economic growth in OECD countries. The Department co-ordinated positions in support of an expanded OECD program of work in the area of food safety and biotechnology. In the area of corporate social responsibility, the Department led the Canadian negotiating effort in revising the *OECD Guidelines for Multinational Enterprises*, and promoted analysis and discussion of issues related to voluntary corporate codes of conduct at the OECD.

### ***Solutions that reduce the possibility of disputes with trading partners***

#### **Minimize disputes with the United States through effective management of the Canada-U.S. trade relationship, and improve the administration of the NAFTA**

- Canada continued to pursue options to better manage Canada's trade relations with the United States and reduce the possibility of disputes. The Department intervened directly in a number of anti-dumping, countervailing and safeguard investigations regarding imports from Canada by assisting Canadian exporters that were involved in U.S. investigations and reviews of various products. The Department successfully defended Canadian programs in the U.S. investigation of live cattle from Canada, which threatened hundreds of millions of dollars worth of Canadian exports. In agricultural trade, the negotiation and implementation of a Record of Understanding regarding agriculture and agri-food products significantly reduced tensions over bilateral trade in grains. In addition, Canada formed a bilateral Consultative Committee on Agriculture with the United States to enhance dialogue on trade issues and to address agricultural trade policy concerns before they escalate. The Department also defended the Canadian domestic telecommunications regime against allegations of violations of the General Agreement on Trade in Services (GATS) commitments, and actively assisted Canadian service providers in overcoming U.S. trade barriers in the telecommunications services sector. The Department strengthened its economic and trade analysis of the Canada-U.S. relationship, and remained engaged in regular review and assessment of this relationship.

- The fifth anniversary of the NAFTA was commemorated at an April meeting of the Ministers. Implementation of the NAFTA is on track, elimination of most tariffs between Canada and the United States was completed on schedule with virtually all Canada-Mexico and U.S.-Mexico tariffs to be eliminated by 2003. Canada is also working with Mexico to accelerate tariff elimination. There is progress on eliminating non-tariff barriers and on increasing the list of professions recognized under temporary entry provisions of the Agreement.  
On March 1, 2000, Canada, the United States and Mexico implemented technical rectifications to the NAFTA rules of origin, which updated the rules and modified their format to facilitate future technical rectifications.

**A phased and non-disruptive adjustment of domestic industries to increase international competition through the administration of export and import controls, in addition to ensuring that Canadian interests are protected by limiting the increase of certain weapons, sensitive information technology and environmentally hazardous products**

- The Definition Phase of a new Export-Import Control System was completed. The project is scheduled for completion by March 31, 2001. In October 1999, an agreement-in-principle was reached between Canada and the U.S. on the elements required to resolve problems resulting from changes to the U.S. International Traffic in Arms Regulations. This agreement is intended to facilitate licence-free access to U.S.-controlled goods and technologies by Canadian defence and aerospace firms. The steel import monitoring program was renewed until August 2002 to reflect concerns of international overcapacity.
- With more than \$10 billion in 1999-2000 exports, and export fee revenues of \$102.5 million collected for that fiscal year, the soft lumber agreement is one of the most important commercial activities managed by the federal government.
- On August 26, 1999, the United States and Canada settled the B.C. stumpage dispute, thereby eliminating commercial uncertainty arising from the U.S. challenge of the B.C. government's June 1998 stumpage rate reductions.
- Canada initiated dispute settlement procedures to challenge the June 9, 1999, reclassification of notched and rougher headed lumber. With respect to the July 1, 1998, reclassification of drilled studs by U.S. Customs, Canada's position was endorsed by the World Customs Organization in May and again in October 1999, but U.S. failure to implement this decision necessitated the initiation of arbitration in December 1999.
- Consultations were initiated with Canadian stakeholders in October 1999 to determine how best to proceed following the expiry of the Softwood Lumber Agreement on March 31, 2001. In addition to meetings with a wide range of stakeholders, a public notice resulted in approximately 40 submissions from industry regarding their preferred options.
- Textile and clothing bilateral restraint memorandums were extended with Taiwan and Vietnam. As a result of strong growth of textile and clothing exports to NAFTA markets, a number of changes were made to the administration system to further assist exporters.
- The number of import and export permits issued by the Import and Exports Control Bureau has risen sharply from 1.10 million in fiscal year (FY) 1996-1997 to 1.24 million in FY 1999-2000.

*International assistance allocated to reflect foreign policy and development priorities*

**Allocate international assistance to reflect an understanding of the needs of developing countries, and remain consistent with Canadian foreign and trade policy objectives**

- The Department worked closely throughout the year with the Canadian International Development Agency (CIDA) and the Department of Finance to ensure the integration of Canada's international development efforts with other foreign policy objectives. It contributed directly to a growing consensus that economic growth, in part through increased integration into the global trading system, is necessary for sustainable poverty reduction. In this light, it co-operated with CIDA to ensure increasing support for trade-related capacity building in developing countries. The Department helped to formulate positions for OECD discussions on development policy issues, and contributed to Canadian positions in continuing negotiations on untying aid to least-developed countries. It co-ordinated foreign policy input into the consideration of country-specific programs at the World Bank and International Monetary Fund (IMF) and provided support for discussions on the expansion of the HIPC debt relief program. Through the Canadian Executive Directors, DFAIT provided foreign policy support for the new World Bank/IMF Poverty Reduction Strategy Paper process, which seeks to ensure the preparation of coherent national development plans and co-ordinated international assistance. The Department was also a major advocate of further development of a six-agency mechanism to co-ordinate trade-related technical assistance.

*Stimulation of export and investment performance through improved access to markets*

**Opportunities for Canadian exporters and investors in key markets and sectors expanded through the strengthening of a stable rules-based trading relationship**

**Improve market access for Canadian exporters and investors by identifying key barriers and actions to address them**

- The Department actively defended Canadian export interests in ensuring that additional duties or quotas were not applied to exports of wheat gluten, live cattle and swine, or lamb meat to the United States.
- Canada continued to make use of the WTO dispute settlement system in an effort to resolve some existing trade disputes with other countries. The Department worked with all major Canadian stakeholders in defending against WTO challenges of Canada's pharmaceutical patents and the Auto Pact, and in challenging European Union restrictions on the use of asbestos. DFAIT also worked with all major stakeholders in successfully challenging Brazil's PROEX program at both the panel and appellate body levels, and subsequently, in taking Brazil before a WTO compliance panel. The Department also took the lead in defending Industry Canada's Technology Partnerships Canada program, as well as EDC's Canada Account, at both the panel and appellate body levels, as well as in front of a compliance panel.
- Canada pressured Australia to implement the WTO ruling on salmon and to provide meaningful access for Canadian exports of uncooked salmon. Faced with the decision by the EU not to implement the WTO ruling on beef, Canada sought and obtained from the WTO the authorization to impose a 100% duty on certain imports from the EU. Canada participated in a WTO panel on Chile's liquor tax regime, which found that Chilean taxes on alcoholic beverages discriminated against imported products. Canada then monitored Chile's implementation of the necessary changes. In an effort to improve market access for goods derived through biotechnology and eventually lead to a multilateral understanding, Canada pursued regulatory co-operation with the United States and the EU, and

explored co-operation with Japan. The Department supported several initiatives to improve the access of Canadian food products to Mexico, Chile, the EU and Japan.

- Canada's key market access issues were outlined in DFAIT's annual publication *Canada's International Market Access Priorities*. This document provides key stakeholders and the general public with a clear idea as to how Canada addresses key market access concerns. As well, to facilitate export trade and access to foreign markets, the Department freely provides information regarding customs duties, relevant taxes and product-labelling requirements applied by other countries to imported goods.

**Increase Canadian direct investment abroad to complement expanded exports**

- Canada engaged in negotiations on bilateral Foreign Investment Protection Agreements (FIPAs) with Russia, China, Jordan and Guatemala. Canada's FIPA with Costa Rica entered into force in 1999-2000. The development of FIPAs bolsters Canada's trade and investment links with these countries, and provides additional security for Canadian investors.



## International Security and Cooperation

<b>Summary of Spending in 1999–00 (\$ millions)</b>	
Planned spending at beginning of fiscal year	435.6
Total spending authorities at end of fiscal year	473.2
Actual spending	448.7
<b>Personnel - Full Time Equivalents (FTE)</b>	
Canada-based FTEs utilized	638
Locally engaged FTEs utilized	88

### Business Line Description

A peaceful, law-based international system reflecting Canadian values, in which Canada is secure from threats from abroad.

### Context

The global security environment remains volatile and unpredictable. Simmering regional instabilities which emerge as crises (“complex emergencies”), occur with great rapidity, having a profound, short-term effect on work programs, then establishing themselves as long-term burdens on the landscape, with many lessons to be learned. Some of the factors that dominate Canada’s agenda include:

- The security of Canada and its people requires collaboration with the United States and other countries, the development and reinventing of multilateral and regional organizations, and the promotion of the international rule of law.
- Human security emerges as an accepted foreign policy perspective, calling for conflict prevention, crisis resolution, peacebuilding, and co-operation to deal with issues such as the illegal movement of people and drugs, sustainable development, including climate change and transboundary pollutants, as well as conventional arms problems including anti-personnel mines (APM). The growing importance of networked communications poses new threats to the safety and security of citizens from high-tech crime and terrorism.
- Canada’s position as a non-permanent Member of the UN Security Council provides occasions to address the changing international agenda and the wave of new peace support demands, in the face of high expectations yet constrained by resource and capacity cutbacks at the UN and by heavy demands on our capacity to contribute military and police programs to such operations.
- Partnership with the U.S. continues at the centre of our security policy, both in a bilateral sense and multilaterally, which includes dealing with the implications of some elements of the U.S. global agenda (e.g. for disarmament or at the UN).
- The European security structure continues to undergo stresses reflecting the new post-Cold War environment, including relations with Russia, and the enlargement and reform of NATO and the European Union. Conflict continues in the former Yugoslavia, especially in Kosovo (succeeded by a major peace support operation). The transition toward market economies and democratic societies continues in Russia, Ukraine and neighbouring countries.
- Developments in this hemisphere occupy an increasingly important place in Canadian foreign policy and relations, including the hosting in Canada of a series of major events, leading to the Summit of the Americas, to be held in Quebec in 2001.

- Humanitarian disasters and political instability persist in parts of Africa and elsewhere. The risks of the spread of weapons of mass destruction, including reverberations of the detonation of nuclear weapons by India and Pakistan, draw continuing concern.
- The shape of post-economic crisis Asia emerges more clearly, with flashpoints (East Timor) and unrest, as well as signs of opening (China, North Korea). The linkage of security and economic issues and actors becomes more evident.

### **Performance Expectations and Accomplishments**

#### ***Canada seen to speak with one voice in the world***

- The human security agenda, as enunciated in the 1999 Speech from the Throne, came into its own as a unique perspective on foreign policy and relations, whether in the UN Security Council, in the G-8, in regional organizations (e.g. the OAS) or in bilateral arrangements (e.g. Canada-Norway, Canada-Japan) and plurilateral groupings such as the Human Security Network, a cross-regional group of 13 states.
- The Summit of La Francophonie in Moncton allowed Canada to focus on human rights (including violations in some Summit countries), political themes and mobilization of La Francophonie in favour of cultural diversity.
- Mobilization of western hemispheric governmental and parliamentary efforts to promote political co-operation and social and economic development was undertaken, through such means as hosting the First Spouses Meeting in Ottawa in September 1999; and leading the preparations and hosting the OAS General Assembly in Windsor in June 2000 and the Summit of the Americas, to be held in Quebec City in April 2001.

#### ***Canadian contributions to ensuring global and regional security***

In the face of a highly volatile and unpredictable international environment, the events of this year demonstrated:

- that Canada makes a difference in securing peace; and
- that DFAIT can both respond to and manage crises effectively, and also can use them to improve the international capability for managing crises.

Significant results included:

- Progress was made on strengthening NATO in many areas, including its non-proliferation, arms control and disarmament policies; and development of the European Security and Defence Initiative. Further progress was made in the ongoing efforts to protect the role of NATO as the premier security organization for the transatlantic region through full engagement of all non-EU allies; in continued work toward the further enlargement of NATO; in support for the restoration of the NATO-Russia dialogue; in support for the NATO-Ukraine Charter; and in engagement in a broader dialogue with other Central/Eastern European countries through the Partnership for Peace Program.

- The Organization for Security and Co-operation in Europe (OSCE) was strengthened institutionally, through the adoption of the Charter on European Security and the enhanced Vienna document on confidence and security-building measures (CSBM), and the approval of an Operations Centre and Rapid Expert Assistance and Co-operation Teams (REACT); and on the ground, e.g. in promoting its democratic development role in Kosovo, the Baltics and elsewhere.
- A Canadian initiative helped to break the deadlock among permanent members and move the Security Council toward the successful implementation of the mandate to disarm Iraq of its weapons of mass destruction, through the adoption of Resolution 1284 in December 1999.
- Yugoslav outrages in Kosovo and the subsequent humanitarian tragedy dashed hopes for a peaceful resolution of the problems in that region. This and NATO's response were dramatic developments, consuming both great energy and resources. DFAIT played a lead role in successfully co-ordinating Canada's diplomatic, humanitarian and military response to the crisis. Within the G-8, Canada helped to negotiate UN Security Council Resolution 1244, which effectively brought the conflict to an end. Our seat on the Security Council was effectively used to engage the UN in the process of post-conflict peacebuilding. The deployment of Canadian Forces and civilian experts in the subsequent NATO-led Kosovo peacekeeping force (KFOR) and the UN Interim Administration Mission in Kosovo (UNMIK) is helping maintain peace and stability in Kosovo. Canada successfully defended, along with nine other Respondent NATO Members, against the Federal Republic of Yugoslavia's application to the International Court of Justice to recommend a cessation of the Alliance's air campaign.
- Events in Indonesia and East Timor came to an unexpected head in 1999. Again, DFAIT played a lead role in co-ordinating Canada's very significant diplomatic, humanitarian and peacekeeping effort. Canadian diplomacy at the time of the APEC Summit was key to focussing international political attention, and led to Indonesian co-operation with the various peace brokers.
- During the reporting period, Cabinet approval was obtained for a foreign policy for the North that enhances co-operation, helps to protect the environment, promotes trade and investment, and supports the security of the region's people. (The *Northern Dimension of Canada's Foreign Policy* was announced early in the next fiscal year.)
- Canada played a leading role in a UN working group on the establishment of a Permanent Forum for indigenous peoples within the UN system. As well, in partnership with the Assembly of First Nations, DFAIT sought hemispheric indigenous views on ways to revitalize the Inter-American Indian Institute, an agency of the inter-American system, as input to the next hemispheric summit in Quebec City. Canada established a leadership role and successfully lobbied for aboriginal participation in the negotiation of two international instruments: the UN Declaration on Indigenous Rights and the OAS Declaration on Indigenous Populations.
- Canada was a key force behind the decision by the UN to develop a Global Convention against Corruption and played a leading role in the development of a compliance-monitoring process for the Inter-American Convention against Corruption. In addition, Canada took a central role in the OECD's Working Group on Bribery in International Business Transactions; underwent a successful OECD evaluation of its implementing legislation; and evaluated the legislation of two other State Parties.

***Canadian contributions to achieving greater control of conventional and nuclear weapons***

- A comprehensive statement was made of Canadian nuclear non-proliferation and disarmament policy reflecting a broad public-policy debate (through the Government's response to the SCFAIT Report issued in April 1999).
- Entry into force of the Ottawa Anti-personnel Mines Convention: as of March 31, 2000, 94 countries had ratified the Convention. The speed at which the Convention became international law — one of the fastest-ever entry-into-force for a multilateral treaty — demonstrates the continuing, strong political commitment to a global ban on APM. Canada remains at the forefront of the international community's efforts against these weapons. Even countries that have yet to adhere to the Convention are publicly claiming that they respect most, if not all, of its obligations. Specific work plans have been developed and are being implemented on all major aspects of the Convention, including those regarding humanitarian demining and victim assistance, the destruction of stockpiles of landmines, and the eventual endorsement of the Ottawa Convention by all countries. Canada is involved in major mine clearance programs and victim assistance work in many countries. As for the destruction of stockpiles, Canada has granted technical assistance to countries like Honduras, Nicaragua and Albania (with NATO) and is currently developing a program to assist Ukraine in the destruction of its stockpile (one of the largest in the world).
- International consideration was given to a global convention on transfers of small arms; the adoption of the UN Experts Group Study on Small Arms; the creation of a UN and African action plan to deal with small arms trafficking in the region; and greater co-operation with the United States and in the NATO Euro-Atlantic Partnership to address these issues.
- Agreement was reached on a modernized Conventional Armed Forces in Europe (CFE) Treaty.
- Canada contributed to global disarmament and nuclear non-proliferation progress, including through preparations for a successful 2000 Review Conference of the Non-Proliferation Treaty. Canada also engaged in efforts to strengthen safeguards and dispose of surplus weapons-grade fissile material, and undertook regular consultations with its major partners on co-operation in the peaceful uses of nuclear energy.
- Canada contributed through the G-7 and bilaterally to efforts to improve nuclear safety in Eastern Europe, including the closure of the Chernobyl nuclear power plant in the Ukraine.
- Greater adherence to and equitable implementation of the Chemical Weapons Convention was achieved, as was the successful conclusion of negotiations on a compliance protocol to the Biological and Toxic Weapons Convention.

***Canadian contributions to democracy, human rights and good governance***

- The issue of human rights was further integrated into work of the Security Council, including in mandates of peacekeeping operations and the first briefing of Council by the High Commissioner for Human Rights.
- Canadian human rights priorities were secured in the Beijing five-year review conference, other world conference reviews, the OAS, and La Francophonie and Commonwealth Heads of Government Meetings. In addition, the Optional Protocol to the Convention on Elimination of Discrimination Against Women was adopted, along with the consensus adoption of a Canadian-led resolution renewing the position of Special Rapporteur on Violence Against Women.
- An Asian regional human rights symposium was developed through the Second Human Rights Plurilateral Meeting, which was co-hosted by Canada, China and Norway in Qindao, China in 1999.
- Consensus was achieved in the UN General Assembly, Commonwealth, La Francophonie the G-8 and the Red Cross on the importance of the protection of civilians in armed conflict, including war-affected children, internally displaced persons and humanitarian workers. The UN Security Council

approved Canada's resolution (1265) concerning the protection of civilians in armed conflict; and Canada brokered the negotiation of an Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict.

- In order to improve the international protection of children's rights, Canada played a lead role in the negotiation and adoption of International Labour Organization (ILO) Convention 182 on the Prohibition and Elimination of the Worst Forms of Child Labour; and the Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography under the Convention on the Rights of the Child.
- Agreement was reached in the UN Commission on Human Rights on a reform package for the human rights mechanisms drafted by Canada, and consensus agreement was reached on a Canadian initiative to reform the human rights treaty bodies.
- Canada ensured that human security and humanitarian concerns were taken into account in the context of the military conflict in Chechnya.
- Canada was the first country to develop and table comprehensive legislation (Bill C-19 – *Crimes Against Humanity Act*) to implement the *Statute of the International Criminal Court (ICC)*. Canada also chaired the ICC Preparatory Commission; built general support for instruments ensuring a credible and effective ICC; and continued ICC advocacy through awareness-raising efforts and through technical assistance to states involved in implementing the ICC Statute. Canada worked to ensure appropriate attention to U.S. concerns.
- Beginning with the Kosovo Verification Mission but continuing in the post-conflict reconstruction stages of both Kosovo and East Timor, Canada has begun to deploy civilian experts focussing on justice issues, including forensic teams in support of war crime investigations, and support for the establishment of an effective judicial triad — police, legal systems and penal systems.
- Canada secured funding to begin security sector reform as a key governance issue of post-conflict reconstruction, e.g. in the Balkans and in Francophone Africa.
- Using long-term observation as a means of tracking the full breadth of electoral campaigns, Canada promotes electoral processes and democratic transitions in many countries, through both governmental and informal organizations.
- In the February 2000 budget, an additional \$10 million per year was allocated to DFAIT to assist the Department in implementing Canada's human security agenda.
- The Department's Youth International Internship Program (YIIP) supports all elements of Canada's foreign policy; last year some \$2 million, or about 40% of its efforts, went to initiatives in these areas, including at NATO, through the OSCE in Kosovo and elsewhere, and in various UN agencies around the world. Results include increased integration of indigenous youth and visible minorities, increased understanding of globalization and its various impacts, and personal growth and enhanced career opportunities for the young participants.

“At a professional level, I applaud the YIIP for giving young Canadians an opportunity to expand our minds, to develop our understandings of the processes governing diplomacy and international relations. No book, regardless of how well it is written, can substitute for experience gained first-hand. Thus I extend my deepest gratitude to everyone who grasped the importance of such experience to the future lives and careers of young Canadians and made these opportunities available.”  
-YIIP Participant

***Canadian contributions to strengthening conflict prevention, peacekeeping and peacebuilding (see also regional security)***

- Canada implemented a regional confidence- and security-building regime under the Dayton Accords in Bosnia, Croatia and the former Yugoslavia.
- Canada developed professional, community-based police in Bosnia, Haiti, Guatemala, Kosovo and Croatia, leading to the eventual end of Canadian police participation in these peace operations.
- Canadian Forces continued to be engaged in both Bosnia and Kosovo to ensure security and contribute to peace-building efforts in the region.
- Dialogue and co-operation were enhanced with the EU regarding conflict prevention.
- A renewed and improved Civilian Police Arrangement was established, and enhanced consultations with international partners occurred on the deployment of civilian police and other justice professionals.

***Canadian contributions to countering terrorism, transnational crime and drug trafficking***

- Canada undertook the chairmanship of the Dublin Group against drug trafficking.
- A new Multilateral Evaluation Mechanism (MEM) was established, as a process for the mutual assessment of the drug control policies of the 34 countries of the Western Hemisphere. Final agreement within the Inter-American Drug Abuse Control Commission (CICAD) came at a meeting of the Working Group in Ottawa in August 1999. Funds for this initiative were allocated to DFAIT in the 1999-2000 and 2000-2001 budgets.
- OAS organizations involved in the prevention, treatment and rehabilitation of drug users were connected through the expansion of the Virtual Clearing House on Alcohol, Tobacco and Other Drugs, managed by the Canadian Centre on Substance Abuse, with funds from the Peacebuilding Fund.
- Support was given to an assistance program for Colombia, with the objective of reducing demand for illicit drugs.
- Canada played a lead role in negotiations of the UN Transnational Organized Crime Convention and its protocols on the illicit trafficking of firearms, migrant smuggling, and trafficking in persons, which are expected to be completed by the end of 2000. In particular, Canada:
  - (i) spearheaded the drive for an inter-sessional workshop to maintain momentum and brokered difficult negotiations;
  - (ii) prepared the text of the Migrant Smuggling Protocol and played a brokering role at the negotiations; and
  - (iii) played a leading role in the negotiation of the Protocol on Trafficking in Persons, especially Women and Children.
- Canada worked through the G-8 on the new challenges posed for the security and safety of cyberspace.
- Under a Canadian Chair, negotiations were completed on the UN Convention for the Suppression of the Financing of Terrorism, which was adopted by the UN General Assembly on December 9, 1999. Canada became the 13<sup>th</sup> signatory on February 10, 2000.
- Canada completed negotiations of Mutual Legal Assistance Treaties with South Africa, Hong Kong, Germany and Ireland. Negotiations with Singapore and Turks and Caicos are ongoing.

### ***Canadian contributions to promoting sustainable development and environmental protection***

- Progress was made on an International Convention on Forests to promote sustainable management and use of the world's forests. Agreement was reached on the creation of a UN Forum on Forests, and, within five years, the development of a mandate for a legal framework for sustainable forest management.
- Substantial progress was made in elaborating outstanding Kyoto Climate Change Protocol Issues. Progress was made on rules to implement international emissions trading, joint implementation, the clean development mechanism, compliance, and carbon sequestration sinks.
- Negotiations continued on a UN Convention on Persistent Organic Pollutants. Considerable progress was made in negotiating an international legally binding instrument for implementing international action on persistent organic pollutants (POPs). Canada announced \$20 million in capacity-building assistance over the next five years.
- Negotiations on the Cartagena Protocol on Biosafety were successfully concluded with a final text that addressed both biodiversity and trade concerns.
- Canada ratified the *1995 United Nations Agreement on Straddling and Highly Migratory Stocks* on August 3, 1999.
- Canada was accepted as a full participant in negotiations to establish a Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean.
- Efforts are under way to prepare the necessary implementing regulations to allow Canada to accede in 2000 to the UNEP/FAO Convention on the Implementation of a Prior Informed Consent Procedure for Trade in Certain Banned or Severely Restricted Chemicals (PIC Convention).

### ***Canadian contributions to building a strong multilateral system and an effective United Nations***

- Canada used its position in the Security Council to work with the UN in developing effective strategies to deal with difficult peace-support issues. Prime among these was the Secretary General's report on the Protection of Civilians, which was the result of a Canadian initiative during our presidency. Canadian efforts in the Security Council consistently supported efforts to ensure workable and capable peacekeeping mandates. We supported the UN Secretary-General's courageous examination of the UN's performance in Rwanda and Srebrenica and the application of lessons learned. The recent mandates seen in East Timor, Congo and Sierra Leone reflect our efforts.
- The need to improve the UN's capacity to respond quickly to emergencies has been pushed to the fore by Canada, resulting in a new level of international support for bolstering the UN's rapid-reaction capability. Canada found innovative ways to boost the UN's response capability, for example, by providing a planner to assist in the rapid deployment of police in East Timor.
- Canada has supported the development of important guidelines for an operational peace-support policy. Examples include our funding of development of UN guidelines for disarmament, demobilization and reintegration (DD&R) of ex-combatants and efforts to define the role of police in the protection of refugee camps.
- Canada has bolstered support for the UN's central peace and security role, pushing back the concept that regional coalitions should be expected to take the place of the UN in leading peace-support operations.
- Canadian efforts have developed a more effective and nuanced approach to sanctions that targets offenders and seeks to avoid undue impacts on the innocent.

*Canada will sustain constructive relationships with specific countries and regions*

THE UNITED STATES

- High-level bilateral co-operation continues with the United States on defence and security matters, particularly through the successful efforts to revitalize the Canada-U.S. Permanent Joint Board on Defence (PJBD) and enhanced Congressional awareness in selected policy areas of interest to Canada.
- Canada concluded an agreement with the United States to renew the NORAD agreement for a further five years beginning in 2001.
- U.S. support was strengthened for international law and security co-operation, the UN, peaceful conflict resolution, environmental issues, the Landmines Treaty and International Criminal Court.
- U.S. agreement was reached to restore blanket clearance for overflights of U.S. territory by Canadian military aircraft.
- Canada achieved agreement-in-principle regarding the operation of a commercial remote-sensing satellite system, which struck a balance between broad access to commercial, high-performance imagery and the need to protect our shared national security and foreign policy interests.
- Canada negotiated an agreement-in-principle — and work continues on the final elements of the agreement — to restore the Canadian exemption under the U.S. International Traffic in Arms Regulations. With the agreement in place and the exemption effectively restored, Canadian industries will have restored preferential access to the U.S. aerospace and defence markets, with the introduction of enhanced security controls.
- Bulk Water Removal: Amendments to the *International Boundary Waters Treaty Act* (Bill C-15), which are being considered by Parliament, will prohibit bulk water removal from the Great Lakes and other boundary waters. The International Joint Commission (IJC), in response to a joint Canada-U.S. reference, submitted a report in February on removal, diversion and consumption of water from the Great Lakes. The IJC's conclusions and recommendations point to a need to protect the waters of the Great Lakes, and reinforce Canada's approach of prohibiting bulk water removal. The report also provides a basis for a consistent approach to the issue on both sides of the border.
- Canada worked to protect Manitoba's waters from interbasin transfers, successfully opposing U.S. proposals to construct the Garrison Diversion and an outlet from Devils Lake (North Dakota).
- Canada and the U.S. reached a comprehensive, long-term agreement under the Pacific Salmon Treaty — a co-operative, conservation-based approach, and a more equal sharing of the salmon catches.
- A reduction was achieved in transboundary air pollution, which affects the health of Canadians. Canada-U.S. negotiations began on a ground-level ozone annex to the Canada-U.S. Air Quality Agreement.
- In October 1999, the Prime Minister and President Clinton agreed to establish the Canada-U.S. Partnership, with a view to developing a binational vision for border management. Since December 1999, bilateral negotiations have been under way on a new Pre-clearance Agreement for air travellers. Significant progress was made in encouraging Congress to develop measures to avoid the implementation of entry/exit controls on Canadians travelling to the United States.

EUROPE

- Joint statements on conflict prevention, northern co-operation, small arms, electronic commerce and the WTO are specific examples of the success achieved during 1999-2000 in broadening and deepening Canada's relations with the European Union. Canada also initiated substantive dialogue with the EU on the new European Security and Defence Policy (ESDP), as well as on an appropriate



consultative mechanism. Canada worked closely with the EU and others in support of the Stability Pact for Southeastern Europe.

- Canada's overall relationship with Russia grew stronger, including through strategic stability talks, and through the inaugural meeting of the Canada-Russia Working Group on the Arctic and the North.
- Canada strengthened its bilateral partnership with Norway in the area of fostering human security, as well as in Latin America; in Asian and African countries; at the UN; and in spearheading a network of countries from four continents.
- Major support was gathered for better governance in Russia and Eastern and Central European countries, particularly with regard to national minorities and social integration in general, and in the delivery of programs related to CIDA and the Department of Justice.

#### ASIA-PACIFIC

- In recognition of China's emerging role as an increasingly influential global and regional player, Canada has continued to develop and intensify consultations on security issues with Chinese leaders and officials at various levels. This has ranged from regular and detailed bilateral engagement of officials by our Embassy in Beijing, to multilateral consultations in various international forums, to specific projects such as the ongoing series of training seminars on multilateral diplomacy. The fourth Canada/China Joint Committee on Human Rights and the visit to China of a religious freedoms delegation led by Senator Lois Wilson provided opportunities to express forcefully Canadian views on the protection and enhancement of human rights in China. The signature of a Memorandum of Understanding (MOU) with China on Co-operation in Combatting Crime was instrumental in facilitating discussions with the Chinese authorities on the issue of irregular migration. The inaugural meeting of the Canada/China Joint Committee on Environmental Co-operation produced an outline of proposals for co-operation on a wide range of environmental issues, including climate change, energy, natural resources and cleaner production methods.
- A set of new initiatives with Japan was announced by the prime ministers of both countries during the Team Canada visit to Japan in 1999. These have increased awareness and created new government support in Japan for the directed use of non-governmental organization (NGO) expertise in peacebuilding activities in countries that are in conflict. A joint Peacebuilding for Development Symposium in Tokyo in September 1999, and three subsequent exchanges with Japanese NGOs, have created a new potential for sustained NGO co-operation, as well as a commitment to increase dialogue on peacekeeping operations, as well as training for military and civilian peacekeepers. In this regard, Canada has introduced pilot course modules on peacekeeping prepared by the Pearson Peacekeeping Centre, for use in Japanese defence academies and institutions. The Department also completed a formal consultation with Japan on political and security matters, including an exchange on ways in which Japan and Canada could co-operate more closely on human security matters. Further, the Department engaged in an exchange of views on other regional and multilateral security issues, including various exchanges that have increased the level of dialogue and joint research among academics on peace and security relations with Japan.
- In co-operation with Natural Resources Canada, Canada has undertaken an active advocacy program to demonstrate to the Japanese public, through expert interlocutors, Canadian policies and practices on sustainable forestry. Canada and Japan undertake frequent and regular consultations on environmental issues, including discussions on biosafety, joint membership on the Climate Change Umbrella Group, the Fourth Session of the Intergovernmental Forum of Forests (IFF4), the G-8 Futures Forum and the G-8 Environment Ministers Meetings.
- Canada's participation in and financial contribution to the Korean Peninsula Energy Development Organization (KEDO), in the amount of \$5 million to date (\$1 million in FY 1999-2000), contributes to stability and non proliferation on the Korean Peninsula.

- Canada has recently expanded and broadened dialogue with North Korea with a view to enhancing security in the Peninsula. In December 1999, the Director of the Korea and Oceania Division visited Pyongyang in an unofficial capacity. A small delegation led by her North Korean counterpart visited Ottawa in March 2000.
- Canada's bilateral defence relations program with the Republic of Korea includes annual military staff talks on security issues, training exchanges and co-operation on peacekeeping issues. The Canadian Minister of National Defence will visit Korea in June 2000, commemorating the 50th anniversary of the start of the Korean War. Regionally, Canada participates with the Republic of Korea in security deliberations in the Association of Southeast Asian Nations (ASEAN) Regional Forum. Canada has an MOU on Environmental Co-operation with Korea. To strengthen relations with the Korean Environment Ministry, we will host a study tour in June 2000 for officials from the Ministry. The tour will highlight the Canadian approach to environmental management and sustainable development.
- For the first time, Canada hosted a meeting of the Bilateral Consultative Forum with Indonesia.
- Canada participated at ministerial level in the annual ASEAN Regional Forum meeting on Asia-Pacific security matters.
- Canada provided development and technical assistance to Southeast Asian countries facing social impacts from the economic crisis.
- Canada and South Asia participated in the Canada-South Asian Association for Regional Co-operation (SAARC) MOU.

#### WESTERN HEMISPHERE

- The Canada-Cuba Joint Declaration is largely implemented. Minister Axworthy expressed particular satisfaction with the negotiation in 1999 of a Canada-Cuba MOU on narcotics co-operation. Expansion into new areas of bilateral activity was suspended as part of the Spring 1999 DFAIT-conducted policy review ordered by the Prime Minister. Resulting from human rights setbacks in Cuba, the review mandated that all new initiatives — including federal government ministerial travel — will only be authorized if directed at areas of positive change in Cuba, such as civil society, good governance, economic policy reform and direct humanitarian assistance to the Cuban people. Over the year, the Department undertook to explain the new Canadian policy framework to OGDs (an interdepartmental meeting was held in May 1999), other countries (officials-level consultations were held with over 10 countries) and the Cuban government.
- Canada has maintained senior-level dialogue with the Mexican government on Chiapas, and has worked with Mexican and Canadian NGOs on projects throughout Mexico, including in Chiapas. The Mexican government reiterated its pledges — both to the Canadian government at very senior levels and to the international community — to resolve the problems in Chiapas peacefully. Mexican actions on the ground have shown every sign of conforming to these pledges. During FY1999-2000, despite several incipient confrontations, there was an overall reduction of tensions in Chiapas. The Mexican government took serious steps to improve economic and social development in Chiapas to address the long-term problems in the state. There was little movement forward on formal negotiations, though the Mexican government did send proposals to the EZLN, which has yet to reply to them.

## AFRICA

- To maintain Canada's position as a key African ally and partner in this area, visits by the Prime Minister, the Minister of Foreign Affairs, the Minister for International Co-operation and the Secretary of State (Africa and Latin America) promoted dialogue with African leaders on a variety of security and development issues.
- Canada played a leading role, particularly on the Security Council, in addressing security and development issues facing Africa, including the conflicts in Sudan, Congo, Angola, Sierra Leone, Ethiopia-Eritrea, and others.
- Canada's advancement of the human security agenda has been of particular value in assuring the consideration of African concerns in a variety of international conferences and organizations, as well as bilaterally.
- Dialogue with South Africa was promoted through establishment of a work plan for a broad range of political consultative mechanisms between Canada and South Africa.

## Assistance to Canadians Abroad

Summary of Spending in 1999-00 (\$ millions)	
Planned spending at beginning of fiscal year	45.3
Total spending authorities at end of fiscal year	48.7
Actual spending	46.0
Personnel - Full Time Equivalents (FTE)	
Canada-based FTEs utilized	104
Locally engaged FTEs utilized	192

### Business Line Description

Official assistance to Canadians travelling or living abroad.

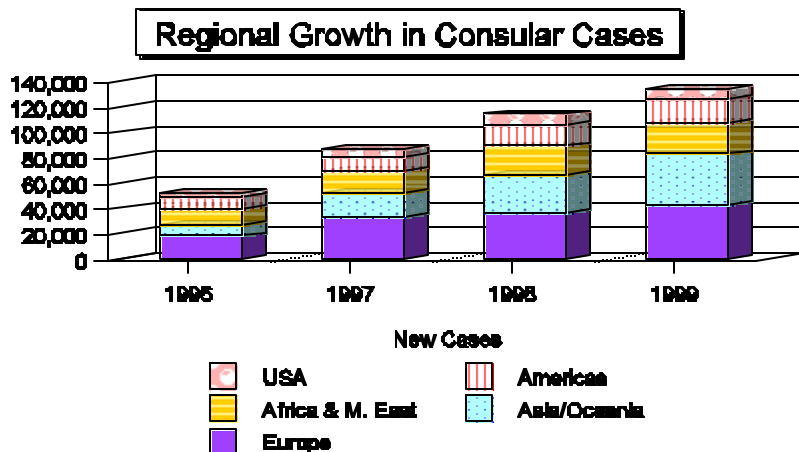
### Context

Every year the Department provides consular services to more than two million Canadians around the world. Service is provided seven days a week, 24 hours a day, to meet a broad range of needs such as the emergency evacuation of Canadians in danger from natural or human disasters or international political crises. Assistance is also provided during times of injury or bereavement, during child abduction and custody disputes, and for those kidnapped, arrested or detained in foreign prisons. Increasingly, Canadians are travelling to destinations where health-care facilities and modes of transportation are poor in comparison with those in Canada. Canadians travelling abroad also may not understand the difference between Canadian legal, social and business systems and their foreign counterparts. Canadian companies are increasingly active in countries with serious security problems (e.g. Colombia, Libya, Nigeria, Ecuador, Sudan, Algeria) or where the level of local services is well below the Canadian norm.

### Performance Expectations and Accomplishments

*Requests for assistance, guidance and advice from or on behalf of Canadians travelling or living abroad will be met appropriately and cost-effectively throughout the world.*

- In 1999, the number of new consular cases increased by 18%. Protection and assistance cases formed a substantial part of this increased workload. In 2000-2001, the Department will fund 35 new positions at missions and seven new positions at headquarters to respond to the increased workload.



- Canadian consular services are now available at over at 270 locations overseas. These include embassies, consulates, and co-operative arrangements with other governments.

## EMERGENCY SERVICES

*Upgrading and expanding the system will allow the Department to better track emergency cases (e.g. kidnapping, emergency evacuation, abduction) and facilitate system use by approximately 40 micro missions and 100 honorary consuls. Arrangements were made with Australia, the United States, the United Kingdom and New Zealand to share services and respond to consular emergencies had there been Year 2000-associated problems.*

- Services continue to be provided to Canadians anywhere in the world on a 24-hour, seven-day-a-week basis. Efforts are ongoing to upgrade facilities to ensure a consistently high level of service. In particular, the Consular Management and Operations System (COSMOS) was expanded to support the work of the departmental operations centre. A new system was created to allow expansion of key components of the consular computer system to 30 small missions. The system is currently in use by the offices of seven honorary consuls in Mexico. To share services and respond to consular emergencies, ongoing arrangements have been improved with Australia, the United States, the United Kingdom and New Zealand.
- Canadians abroad did not experience problems attributable to Y2K. Public interest in the issue was high — 285,000 copies of our Y2K travel brochure were distributed within a month of being published. The Internet version was viewed by tens of thousands of Canadians between June and December 1999.

## QUALITY OF SERVICE

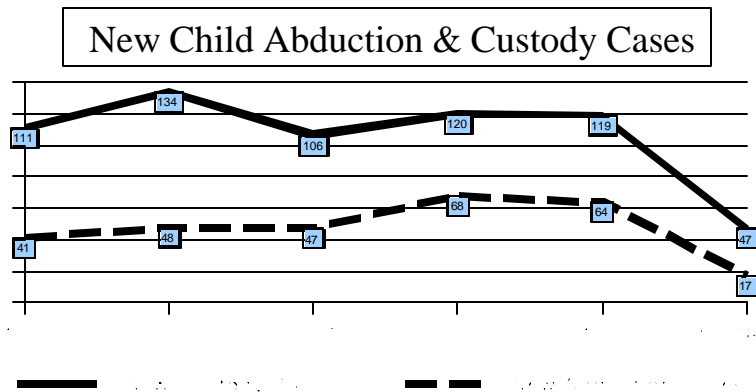
*The Canadian public will receive improved assistance when the Department is dealing with complex cases such as those involving child abduction and/or kidnapping, the death of Canadians abroad, or detention in foreign prisons.*

- A survey conducted in April 1999 provides evidence of the high level of satisfaction by Canadians with consular services provided by the Department and missions abroad. In the survey, Canadians gave the Department an approval rating of 90% for assistance in the following areas: communications, assistance and evacuations, issuing emergency travel documents, providing advice and guidance, searching for missing Canadians.
- A number of audits in recent months highlighted the quality of consular services and the effectiveness of the management practices. Since January 1997, 75% of all evaluations undertaken by the Department's internal auditors have concluded that the consular service is well-managed. None of these reports noted any specific problems. Similarly, 80% concluded that standards were being met or exceeded by mission staff. Again, none of the auditors made negative comments.
- In the Auditor General's annual report, the Operations Centre was highlighted as an example of the quality of service provided. The Centre operates 24 hours a day and provides Canadians anywhere in the world with emergency consular services.

### **Consular Success Story: Child Abduction**

A woman forced to leave her child with her husband in another country was successfully reunited with her child in Canada following two years of negotiations by Consular officials.

- The Department's work in dealing with abducted and missing children was recognized by its receipt of the prestigious international Webber Seavy Award. This award is given by the International Association of Chiefs of Police for Quality in Law Enforcement. More than 850 missing children have been returned to their families under the *Our Missing Children* program. The award was shared with the RCMP, Citizenship and Immigration Canada and the Canadian Customs and Revenue Agency.



### SAFE TRAVEL

*The provision of country-specific publications and travel information should result in a better-informed Canadian travelling population.*

- Providing information to Canadians on safety and security conditions in other countries and helping them to prepare for travelling or living abroad is a central aspect of consular services. The Consular Bureau now produces eight *SafeTravel* publications in addition to four others allowing the Department to proactively target its advice. The *Working Abroad* publication provides details on what Canadians should do if they are planning to work in a foreign country. Over 2.2 million copies of these publications have been distributed. The destinations covered by travel reports increased to 222 from 155 the previous year. Travel report information is available at [www.dfait-maeci.gc.ca/travelreport/menu\\_e.htm](http://www.dfait-maeci.gc.ca/travelreport/menu_e.htm).
- Consular material attracts one quarter of all persons using the departmental Web site ([www.dfait-maeci.gc.ca](http://www.dfait-maeci.gc.ca)). Consular material generated over two million hits in 1999 — twice that of 1998.

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### Consular Success Story: Head of the Public Service Award

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Gar Pardy, Director-General of the Consular Affairs Bureau, was presented with the Head of the Public Service Award in December 1999, which is given in recognition of outstanding achievement and leadership. The award recognizes Mr. Pardy's leadership in expanding consular services to a 24-hour-a-day, seven-day-a-week operation designed to meet Canadian needs worldwide.

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## Public Diplomacy

<b>Summary of Spending in 1999-00 (\$ millions)</b>	
Planned spending at beginning of fiscal year	86.5
Total spending authorities at end of fiscal year	95.1
Actual spending	90.1
<b>Personnel - Full Time Equivalents (FTE)</b>	
Canada-based FTEs utilized	215
Locally engaged FTEs utilized	206

### Business Line Description

Creation of interest and confidence in Canada abroad and an international public environment favourable to Canada's political and economic interests and Canadian values.

### Context

The approach of the new millennium brought increased challenges to the public diplomacy business line. Global mass communications and revolutionary advances in electronics technology are having profound effects on the nature and conduct of international relations. The management of state affairs is more complex than ever, given the increased availability of, access to, and speed and delivery of news and information. With 300 million people expected to be using the Internet by the year 2000, global transparency is destined to increase. Current means of information control and issue management may destabilize as a result of these changes. Canada is faced with an increasingly skeptical public that is demanding more transparency, greater input in the policy process and enhanced accountability from the Government. Initiatives concerning Canada's international activities must clearly demonstrate how these activities serve Canadians' interest. Canada's seat on the UN Security Council has helped to raise the awareness of the value of Canada's international activities on the domestic front.

Preparation for the G-7/G-8 Summit and the hosting of La Francophonie in September 1999 required the provision of strategic policy-planning support to Canadian Ministers and other officials. Communications and public advocacy were undertaken abroad on issues that could have an impact on Canada's interests or image abroad.

The public diplomacy business line ensures communications with the public through a variety of means, including correspondence, access to information and Internet services. It also provides background information on Canada and Canadian domestic and foreign policies in response to inquiries from abroad or from within Canada.

The business line also provides the Department's focal point for international aspects of federal-provincial relations, for liaison with parliamentarians, and for the promotion of Canadian identity. An improved understanding of the Department's role and mandate in the domestic milieu has been created, and stronger links are being forged with central agencies through heightened emphasis on Cabinet and Parliamentary Affairs.

## **Performance Expectations and Accomplishments**

### *Greater public understanding in Canada and abroad of Canadian policies and positions*

#### **Strategic communications assistance for the Minister for International Trade during upcoming trade liberalization talks, leading to a better informed Canadian public**

- Strategic communications advice to the Minister for International Trade included detailed trade messaging; questions and answers (Qs and As); op-eds and communications support for the trade agenda; messaging for such events as the Toronto FTAA Conference, La Francophonie Summit in Moncton, the Seattle WTO Ministerial Meeting, the G-8 and APEC sessions; and national outreach and Team Canada missions to Japan, South America and Australia.

#### **Comprehensive and balanced coverage of departmental activities and better understanding of departmental policies at the national and regional level**

- Outreach to regional, national and international media outlets — including journalism schools, community newspapers and diplomatic representatives in Canada — has increased media understanding about Canadian foreign and trade policy, thereby leading to a more balanced coverage.

#### **Quarterly publication of the foreign policy magazine *Canada World View/Canada: Regard sur le monde*, aimed at the general public, leading to a greater understanding of Canadian foreign policy, foreign policy issues and the services offered by the Department**

- Seven issues of *Canada World View/Canada: Regard sur le monde* were produced with a distribution of 50,000 copies and a Web version, leading to a greater understanding by Canadians of DFAIT and issues such as human security (over 240,000 copies were distributed), peacekeeping and the hemisphere. Issue #4 began a lively Readers' Corner for interaction with Canadians on foreign policy issues. See [www.dfait-maeci.gc.ca/canada-magazine/menu.htm](http://www.dfait-maeci.gc.ca/canada-magazine/menu.htm).

#### **Development and issuance of media kits, news releases and public information documents aimed at informing the Canadian public about the NAFTA**

- Activities to raise awareness of the NAFTA included communications plans; statements by the Minister; news releases on key NAFTA disputes; op-eds on NAFTA Chapter 11; Qs and As; public information materials; and the major updating of *NAFTA Works*, tri-country pamphlet. There was significant emphasis and outreach on the FTAA. *CanadExport* also published several articles on regional trade (i.e. the NAFTA, the FTAA) and on other trade priorities and initiatives. See [www.infoexport.gc.ca/canadexport/menu-e.asp](http://www.infoexport.gc.ca/canadexport/menu-e.asp).

#### **Enhanced Speakers Program and implementation of the Goodwill Ambassadors Program**

- There were over 120 outreach activities by Canadian Ambassadors and senior officials to schools, service clubs, universities and business groups in some 50 cities/towns across Canada. Contact increased with regional, national and international media outlets, and a series of sessions took place with community newspaper editors in Seattle, Boston, New York and Detroit. While the Goodwill Ambassadors Program got off to a slow start, it has established a firm foundation for 2000-01.



**Support Canada's membership on the UN Security Council by ensuring that Canada's key messages are received by important audiences**

- A comprehensive guide to the UN was produced and widely distributed, becoming one of the Department's most requested publications. The Web site dedicated to the Security Council has been kept up-to-date and has been widely used, particularly by academics and students. The Minister has personally participated in a large number of outreach activities, including the Model UN Assembly at McGill University and speaking engagements across the country. These have been complemented by similar outreach activities on the part of our Permanent Representative to the UN during his regular visits to Canada. See [www.dfait-maeci.gc.ca/ONU2000UN/menu.htm](http://www.dfait-maeci.gc.ca/ONU2000UN/menu.htm) .

**An increased awareness abroad of the strength of Canadian federalism**

- Our missions have been very active in making influential interlocutors and the general public in key countries more aware of the strengths that Canada brings to global concerns. Examples of these activities include a series of conferences on the advancement of women in politics, science and culture (London); retransmission of the opening ceremonies of La Francophonie in Moncton, which highlighted the Acadian community (Paris); support for a wide-ranging program in the Netherlands (Canadian Spring), which promoted Canadian values during the 55th Anniversary of liberation. Due to these specific projects and many more like them, there has been a marked increase in interest in the manner in which Canadians govern themselves and see their role in the world.

*International public awareness of Canada's characteristics and accomplishments through cultural, scholarly or comparable events*

**Foreign media coverage and live audiences for approximately 4000 Canadian cultural events abroad, demonstrating Canadian creativity and excellence**

- The Canadian Studies Program supports the work of some 7000 foreign scholars, who are members of 20 national or regional associations of Canadian studies in 30 countries. These "Canadianists" each year teach courses on Canada to some 150,000 students. See [www.dfait-maeci.gc.ca/english/culture/canstud.htm#canadian\\_studies](http://www.dfait-maeci.gc.ca/english/culture/canstud.htm#canadian_studies).

*Increased exports of cultural and educational products and services, including the choice of Canada as a destination for foreign tourists and students*

**Production of high-quality market information in five specific markets for Canadian firms; an increase in the number of active Canadian cultural industries exporters, with approximately 150 firms introduced to new markets**

- Education and training market studies have been carried out in priority countries in co-operation with the Canadian Education Centres Network as well as workshops on accessing IFI funding.
- Nine cultural product market studies were produced; trade promotion and outreach activities included over 1000 Canadian and 300 foreign companies; over 60 articles on Canadian cultural industries were published in foreign newspapers; and over 115,000 *Canada Export* supplements on Cultural Industries were distributed.

**Continued and strengthened co-operation in higher education, research and training among Canada, Mexico and the United States, and between Canada and the EU**

- Institutional linkages were established in higher education, research and training among Canada, Mexico and the United States, and between Canada and the EU. A framework agreement with the EU for co-operation in higher education has been concluded.

**Acceptance, by the provinces, of the value of the federal role in the internationalization of higher education by building academic networks and marketing educational goods and services**

- A new federal-provincial co-operative arrangement has been put in place to ensure that both levels of government benefit from the advice of the Education Marketing Advisory Board and ongoing formal consultations take place on foreign market studies and mobility issues. Similarly, co-ordination mechanisms have been put in place to host the Commonwealth Ministers of Education Meeting in Halifax in the late Fall of 2000.
- New co-operative federal-provincial administrative arrangements facilitate Canada's commitment to advancing our national interests in education at the next Summit of the Americas, within the G-8 Summit process as well as at the OECD, the United Nations Economic, Social and Cultural Organization (UNESCO) and other multilateral forums. The Council of Ministers of Education, Canada, has become a key partner of DFAIT in insuring greater co-ordination of international education-related matters.

**Assistance in exports of Canadian educational products and services valued in excess of \$2.3 billion annually, and encouragement to the approximately 100,000 international students coming to Canada annually, including the opening of dedicated points of service in Europe, Latin America and the Middle East**

- With the co-ordinated support of CIDA and DFAIT, dedicated points of service offered by the Canadian Education Centres Network to foreign students now number 15 in key markets. At 17 other missions around the world, including in several U.S. cities, in Europe, Latin America and the Middle East, Canadian officers actively promote Canada as a source of learning and training, and help Canadian education exporters to gain greater access to regional markets.
- Successful missions such as Learning and Technologies 2000, led by the Hon. David Kilgour, Secretary of State for Latin America and Africa, which visited South Africa, have generated trade and partnership opportunities.
- Educational exporters, including those proposing technology-mediated products, and most National Education Associations, actively participated in the September 1999 Team Canada mission to Japan.

**Increase in the number of young Canadians engaged in reciprocal youth programs**

- There was a 15% increase in the number of participants in the International Youth Exchange Programs in 1999, bringing the total to 30,000 — 14,000 Canadians and 16,000 foreign participants. Work is progressing to increase young Canadians' awareness of these programs.

### *Executive Services*

#### **Improved response time for requests pursuant to the *Access to Information Act***

- Response times improved from 53.8% to 64.1% within time frames despite the 49% increase in the volume of requests. Significant additional human and technological resources have been dedicated to address growing volumes. The Department continues to fund an outreach program that provides scholars and researchers with informal access to screened documents on international relations.

#### **Improved response to ministerial correspondence**

- Approval and significant funding provided for a new ministerial correspondence management system, which will improve co-ordination, accountability and timeliness of responses. The system is to be phased in over three years, with completion scheduled for 2002-2003.

### *Of Interest to Parliament*

- DFAIT provided better, more timely and more co-ordinated service and advice to Parliament on international questions and legislation, and with respect to the increasing activities of its House and Senate committees — particularly those dealing with foreign affairs and international trade — in support of the international travel, contacts and activities of Members of Parliament, Senators and their associations and friendship groups.

## Corporate Services

<b>Summary of Spending in 1999-00 (\$ millions)</b>	
Planned spending at beginning of fiscal year	291.4
Total spending authorities at end of fiscal year	322.1
Actual spending	306.8

<b>Personnel - Full Time Equivalents (FTE)</b>	
Canada-based FTEs utilized	1750
Locally engaged FTEs utilized	2103

### Business Line Description

Enable the Department to achieve its mission and objectives through the delivery of cost-effective support services.

### Context

Corporate Services includes a wide variety of support services, such as human resources, finance, training, information management, property and materiel management, security, protocol, and audit and evaluation.

Implementation of the human resources strategy has continued to be a high priority. Changes designed to improve the performance and management of the Department's human resources were prompted by factors such as the modernization of the public service institution; several years of downsizing; the end of the public service salary freeze; higher than normal rates of attrition; and the need for new training and a new mix of skills to advance the Department's mission. Service standards and employee consultation have featured prominently when implementing new strategies.

The rapidly increasing volume of communications traffic has demanded better use of information access and management technology. The SIGNET Renewal Project provided more reliable Y2K-compatible equipment and software throughout the Department and at our missions. Compliance with Y2K preparedness was supported by contingency plans in Canada and abroad, which addressed the risks posed by computer-generated problems. The MITNET 2000 project derived efficiencies from new contracts for our voice and data network. The introduction of the Integrated Management System (IMS) has prepared the Department for the implementation of accrual accounting in 2001.

Changing political situations around the world have called for adjustments to long-term capital plans, including arrangements to reopen the missions in Kinshasa and Lagos, and to relocate a major mission from Bonn to Berlin. Economic uncertainty in Asia complicated property investment and divestment decisions. We have upgraded our project management system to take account of changing technology, and to achieve closer tracking of expenditures. Capital projects are reviewed carefully to ensure compliance with sustainable development objectives. The Department launched a review of space guidelines for staff quarters to ensure value for money and simplify administration.

Recent externally driven initiatives, such as comptrollership modernization and the devolution of staffing activities, challenge the Department to improve its business planning as well as its auditing, measurement and reporting of performance. One challenge is to provide training in business planning, accrual accounting and information management systems to managers who make decisions on resource allocation.

To address the responsibility for physical security and personal safety, an ongoing program of security training and awareness remains essential to promote acceptance and understanding of security principles and intelligence issues. Confronted with an explosion of technological devices encouraging espionage and an increase in criminality and potential terrorism in areas where Canadian interests are involved, the Department must identify the array of threats against missions and personnel overseas as well as in Canada, and maintain a technological and human capability to counter threats and define acceptable risks. The bombing of the U.S. Embassy in Nairobi, which caused damage to our chancery, reinforced the message that personal safety remains DFAIT's number one security priority. The volume of sensitive information handled by the Department demands increased security measures to avoid compromising our information-sharing arrangements with other government agencies and foreign entities. New pressures arise from the expanded use of locally engaged employees at missions, new communications technologies and software, and the increased threats associated with a global economic downturn.

### **Performance Expectations and Accomplishments**

#### ***Effective and efficient delivery of services to the satisfaction of clients within resource, legal and policy constraints***

##### **Implementation of the UCS among all employee groups**

- The Department is on track to implement the UCS among all employee groups in line with the schedule of the Treasury Board Secretariat. Data for all DFAIT positions were entered in the Position Classification Information System by March 31, 2000. An assessment of work to date and relativity studies — both departmental and interdepartmental — is under way in accordance with Treasury Board guidelines. The Department aims to have 100% of its UCS data stable by October 31, 2000.

##### **Development of the new Foreign Service Development Program**

- Since 1998, all new foreign service officers, whether recruited nationally or through internal competitions, have entered this five-year probationary program. The primary goal of monitoring the performance of recruits and reorienting careers at an early stage is being realized. The Department is working closely with the Public Service Commission and Language Training Canada to improve official language training performance. DFAIT has established a pilot program for official language training in the Canadian Foreign Service Institute, the results of which will be available in late 2000.

**Development and implementation of an employment equity plan that complies with new legislation**

- The Department is working toward full compliance and has developed an Employment Equity Action Plan in response to the Canadian Human Rights Commission's Employment Equity Compliance Review Draft Interim Report (dated December 30, 1999). The Department has updated work force analysis data to meet new requirements; completed a draft accommodation and teleworking policy; entered data into the staffing module on recruitment for fiscal year 1999-2000; provided employment equity information to all employees; is providing awareness training to 400 senior and middle managers; and has reported its progress to the Canadian Human Rights Commission and the Treasury Board Secretariat.

**Implementation and administration of revised Foreign Service Directives**

- The negotiation of a revised package of Foreign Service Directives is ongoing under the auspices of the National Joint Council, with a view to completion at the end of Summer 2000. The Department has taken the lead in introducing additional flexibility to respond to changing family configurations and the career aspirations of the spouses of diplomats.

**Implementation of, and successful transition to, a renewed Y2K-compliant communications network (SIGNET) by January 1, 2000**

- In 1997 the Department embarked on a program to prepare all its internal systems for Year 2000 compliance, and in 1999 the Department was given the responsibility to co-ordinate Canada's response to the international aspects of the Y2K problem. As a result, all non-Y2K compliant systems within DFAIT were remedied or replaced before transition. Canada worked closely with other countries and international organizations, such as the UN and APEC, to encourage them to prepare for Y2K and to minimize the risk of disruptions. All Canadian missions abroad had contingency plans in place to deal with possible Year 2000 failures and to ensure the delivery of essential services to Canadians. The Department assessed the risks of Y2K failures in over 100 countries and international infrastructure and advised on those risks to Canadian travellers, Canadians living abroad, and Canadian firms doing business with other countries.

**Performance audits and preparation of advice pertaining to a range of programs and internal cost centres (e.g. property management; grants and contributions)**

- Between 1993-1994 and the end of FY 1998, the Department delivered 88 property projects with expenditures approximating \$250 million. Projects delivered abroad tend to be characterized by a wide variety of local building, health, safety, fire and environmental codes, along with cultural and language differences that usually make them far more complicated and difficult to manage than projects delivered domestically. DFAIT's Office of the Inspector General audited three capital projects, and the Office of the Auditor General audited an additional six. Both audits identified areas for improvement, particularly in the documentation of decisions made, but found the projects to be well-managed overall. The Physical Resources Bureau has taken a number of positive steps in the past few years to improve its project management practices. Visits to the Department of National Defence and Public Works and Government Services Canada revealed that the Bureau compares favourably with these departments in terms of its infrastructure (e.g. guides, templates, business processes).

- During 1999-2000, the Internal Audit Division of the Office of the Inspector General undertook audits of several grants and contributions programs, including the Peacebuilding Program, the African Great Lakes Action Plan, contributions made by the Ambassador for Mine Action and contributions in support of the International Drug Strategy. The audits were undertaken as part of an ongoing review of departmental grants and contributions (G&C). Programs were selected for audit based on a risk assessment of each active program in 1998-1999. The object of each of the audits was the management of the G&C program. While the programs were found to be well-managed overall, a number of common findings led to systemic improvements that will strengthen future program management. These include staff training; better definition of program objectives; follow-up of performance relative to the terms of reference; and a greater recognition of the value of periodic independent review of recipients.

**Completion of major capital projects to construct chanceries (Beijing, Geneva, Kingston) and staff quarters compounds (New Delhi, Tokyo) and the initiation of two chancery construction projects (Warsaw, Nairobi); relocation of missions to new rented quarters in Lisbon, Prague, Berlin and São Paulo**

- The sale of surplus and under-used property generated over \$7 million in revenues to support funding of the capital program, a substantial reduction from the much higher levels in the previous two fiscal years. This was a temporary lull, and revenues are expected to increase again over the next two years.
- The property program continued to make significant progress. However, some projects continued to face setbacks this year. Evaluation of options for construction of a new chancery and staff quarters in Seoul, as well as for renovation or replacement of MacDonald House, London remained to be completed. Due to the difficult political and economic climate, progress was slower than had been hoped in acquiring better-quality housing and an office annex in Moscow.

## Services to Other Government Departments (OGDs)

<b>Summary of Spending in 1999-00 (\$ millions)</b>	
Planned spending at beginning of fiscal year	211.1
Total spending authorities at end of fiscal year	220.9
Actual spending	208.9
<b>Personnel - Full Time Equivalents (FTE)</b>	
Canada-based FTEs utilized	37
Locally engaged FTEs utilized	1270

### **Business Line Description**

Enable OGDs to deliver their programs abroad through the delivery of cost-effective support services.

### **Context**

Requirements of OGDs are an increasingly large component of the Department's operations abroad, with OGDs co-located in 131 of our 160 missions and satellite offices. Annual changes in their program requirements add uncertainty and cost pressures to the Department's property and services program delivery. As the projected net expenditure for services to OGDs represents about one third of the Department's budget spent at missions, this business line serves to distinguish these services from those provided to the Department's own business lines. As local environments at many missions are much more difficult or involve much higher costs than those found in Canada, this line also includes support services not provided to employees in Canada, thus enabling OGDs to better accomplish their program objectives.

### **Performance Expectations and Accomplishments**

#### ***Effective and efficient delivery of services to the satisfaction of clients within resource, legal and policy constraints***

- During 1999-2000, a review was carried out by an independent consultant on the administration of the current myriad of MOUs between DFAIT and its various client departments with representation at missions abroad. This review identified certain issues raised by both DFAIT and its OGD clients, and presented various options on how they could best be addressed. As a result of this review, the Department has prepared an initial draft of a new common services agreement, which attempts to treat all departments overseas as equitably as possible. The key features of such a common services agreement are transparency, fairness in applying a costing formula, and an articulation of the various services that clients can expect to receive at specified standards of service. Further refinement of the services and associated service standards is being undertaken in 2000-2001.



- In 1998-1999, the Department introduced a cyclical mission-planning framework for its client departments to ensure efficient and integrated management of all program changes abroad. With the benefit of this experience, the 1999-2000 planning cycle became more formalized and accepted by other departments as a necessary regimen to enable DFAIT to balance the many and sometimes competing requirements resulting from the planned redeployment of both DFAIT and OGD personnel at missions abroad. To respond more quickly and to better identify to OGDs the costs and impact of their proposed staff redeployments, in 1999-2000 DFAIT established a small division within the corporate services organization dedicated to relations with OGDs regarding co-location issues at missions.

## Passport Services

<b>Summary of Spending in 1999-00 (\$ millions)</b>	
Planned spending at beginning of fiscal year	(1.6)
Total spending authorities at end of fiscal year	21.2
Actual spending	8.2
<b>Personnel - Full Time Equivalents (FTE)</b>	
Canada-based FTEs utilized	706
Locally engaged FTEs utilized	0

### Business Line Description

To provide internationally respected travel documents to Canadian citizens and other eligible residents of Canada.

### Context

The Passport Office business line provides Canadians with internationally respected travel documents and client services that meet or exceed published service standards. The Passport Office, a Special Operating Agency, is self-financing and recovers its costs from the revenues it obtains from fees collected for passport services. The Passport Office must routinely assess the integrity of these documents as well as the security of the eligibility and issuance process. Service quality and fiscal balance are maintained through a careful review of service delivery costs.

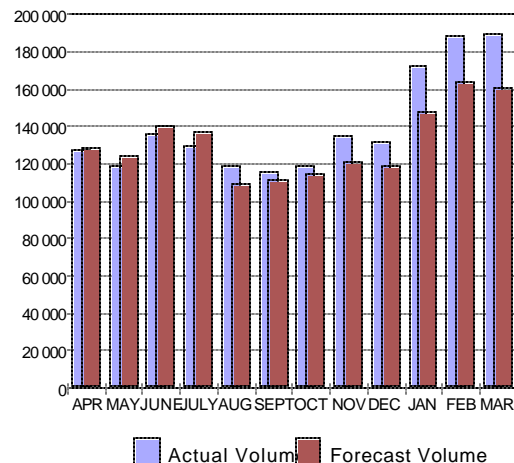
### Performance Expectations and Accomplishments

*Internationally respected travel documents and client services that meet or exceed published service standards*

#### Volume

- The Passport Office processes 13,000 transactions daily. This volume equates to 3.5 million client transactions annually (including 1.7 million telephone calls). In 1999-2000, the Passport Office issued, in Canada and abroad, over 1.76 million passports and other travel documents. This volume represents an 8% increase from the previous year. In Canada alone, the actual volume exceeded expectations by 6%. While the Y2K issue resulted in relative prudence with travel before the passage to the new millennium, a reduction in air fares and in winter holiday package prices after January 1, 2000 triggered a higher than expected seasonal peak.

**Passports in Canada for 1999-2000**  
Actual Vs Forecast Volume



### **Client Requirements**

- The Passport Office undertook a comprehensive client survey about their needs — or more specifically, about what clients think is important in terms of passport services. In essence, the study reveals that passport holders place highest value on making the passport difficult to use by impostors and ensuring its acceptance by other countries. Client service aspects (i.e. knowledge and ability of personnel) closely follow these two elements. Clients also want a much more convenient process at a fair price. Results of the study will support Passport Office efforts to restructure its current services and service levels, as well as its client feedback mechanisms, such as a formalized client satisfaction program.
- The Passport Office continued to pay close attention to client feedback. While five complaints were received through mail on a total of 3600 pieces of correspondence, 221 letters were sent by clients to acknowledge their satisfaction with the Passport Office service. In the previous year, 44 complaints and 223 letters of appreciation were received on a total of 4000 letters.

### **Productivity**

- The global productivity rate for 1999-2000 is 9.1%, a small decrease from last year's level of 10%. This decrease was anticipated because of the roll-out of IRIS, the Passport Office's new application and issuance system.

### **Service Turnaround**

- The Passport Office has continued to maintain its turnaround times associated with passport issuance. For applications submitted in person, the Passport Office met the five business day standard in 98% of the cases. For applications submitted by mail, the 10-day turnaround time was met in 97% of cases. The Passport Office consistently meets these performance standards, which surpass those of foreign passport-issuing agencies.

### **Call Centres**

- For 1999-2000, the Passport Office dealt with approximately 1.74 million phone calls, an increase of 28.3% from last year. This year, the new computer-telephone integration (CTI) system has allowed the Passport Office to more accurately determine the actual volume of calls registered. Access rates to call centres for 1999-2000 are 91.8%, a one-point increase from last year (90.9%). The variance in the access rate is related to the recent increase in the number of incoming lines to reduce the busy signal at the system level. However, there is always a portion associated with the voice network, which is currently not within the control of the Passport Office.

### **Progress on Major Projects**

- IRIS

The Passport Office has started to implement the IRIS project, which is designed to automate the application and issuance production system. The system has been rolled out in 22 of 28 offices, for a total of 15% issuances. Infrastructure problems and the very high peak of the passport applications period last winter resulted in delaying implementation in some offices and in the mail-in service centre. The completion of the roll out is scheduled for April 2001. In the longer-term, IRIS will benefit applicants by streamlining the application process at the time of passport renewal. It should be noted, that despite the anticipated transition phase adjustments in the first years, IRIS will provide enhanced security, better on-line access to databases, and compliance with international standards. The automated system will provide a platform for the launching of other improvement initiatives in the future.

- Alternative Service Delivery & Partnership

The Passport Office has a number of pilot projects underway, designed to explore alternative service delivery modes. Pilots with Canada Post are ongoing; cost efficiencies of this project will be evaluated prior to making decisions on implementation. The card joint-production centre with Citizenship and Immigration has reached a point where both parties will work to formalize an agreement. The Passport Office and Citizenship and Immigration agreed to end discussions about the provision of single-window telephone access for queries and co-location initiatives. The Passport Office has deferred preliminary discussions with provincial and territorial officials to establish a field presence in Nunavut, the Northwest Territories, the Yukon and Prince Edward Island. The Passport Office has initiated discussions with provincial registers on possible collaboration to leverage their mutual core competencies and expertise to ensure the integrity and security of citizen identification.

- Service Improvements

The Passport Office is continuing its pilot project designed to offer express issuance of passports, an initiative designed to improve the quality of service. The full implementation of the new service is scheduled for April 2001. Delays occurred in the roll out of the new application forms for both adults and children, which are now expected to be available in the fall of 2000.



## SECTION IV CONSOLIDATED REPORTING

### Transfer Payments (in excess of \$5M)

#### Assessed Contributions to International Organizations and Peacekeeping (1999-00 Main Estimates Funding: \$260 M)

Canada has membership in a wide number of international organizations. The purpose of membership is to further the Government's foreign policy goals and to provide it with a voice in the international community. To this end, DFAIT 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 GDP. DFAIT is just one of a number of government departments and agencies that participate in the activities of these organizations. As an example, membership in the UN and Canada's role in peacekeeping are examined below.

#### UN Peacekeeping (1999-00 Actual Spending \$55.6 M)

The results of armed conflicts are human suffering — often on a massive scale — threats to wider international peace and security, and the destruction of the economic and social life of entire populations. International co-operation is needed to deal with these and other global problems. UN peace support operations are an indispensable tool. In FY 1999-2000, Canada paid assessed contributions of \$55 million to fund 13 UN peacekeeping operations.

Peacekeeping cost forecasts are based on extremely unpredictable variables: in what region will a problem arise; when will the Security Council authorize a peacekeeping force; how large will it be; what will be its mandate; for how long, etc. They are, therefore, obviously difficult to cost accurately in advance. Member States' assessment notices are issued at various points throughout the year, depending on the date of the Security Council decision to establish or extend a particular operation, and on the date of the General Assembly's approval of the consequent appropriations. Accordingly, the size of Canada's assessed contribution to the UN peacekeeping account depends on the total cost of UN peacekeeping operations in a given year, and that can never be known accurately in advance. UN financial regulations stipulate that "...contributions ... shall be considered as due and payable in full within 30 days of the receipt of the communication of the Secretary-General."

Recent years witnessed a downward trend in peacekeeping costs. Member States' peacekeeping assessment levels plummeted from their peak in 1995, hitting a low of US\$811 million for the period July 1, 1998 to June 30, 1999. However, the current period is marked by a dramatic increase in peacekeeping costs. Despite the completion of four peacekeeping operations, the total budget level for all peacekeeping operations is expected to increase significantly. Also on the horizon is the possibility of a new peacekeeping operation in Ethiopia/Eritrea. Cost implications for this operation are unknown at this time.

Canada has fulfilled its UN Charter obligations by ensuring payment of its assessed contributions to UN peacekeeping in full, on time and without conditions. By supporting the United Nations with timely peacekeeping payments, Canada has advanced its human security agenda by translating human security principles into practice at home and abroad. As a Member State that honoured its contribution obligations, Canada helped to ease UN financial constraints, which have impaired co-operative efforts to protect and promote international peace and security. Canada was instrumental in opening doors that otherwise would have remained closed to efforts to secure lasting peace through peacemaking and peacebuilding.

**Grants in Aid of Academic Relations** (1999-00 Main Estimates Funding: \$13.6M)

The purpose of grants in aid of academic relations is to advance international understanding of human security, to expand international trade in a global knowledge-based economy, and to project Canada and Canadian values abroad. This is done at modest global cost and at a fraction of the per-capita expenditure by other G-7 countries. The Joyal Report (1995) noted that Japan and the U.K. spent four times as much, and France eight times as much, on similar programs.

**Program for Export Market Development (PEMD)** (1999-00 Main Estimates Funding: \$9.5M)

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 risks involved in entering a foreign market. Eligible costs and activities include market visits, trade fairs, 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. Activity costs are shared on a pre-approved, 50/50 basis.

It also shares the cost of preparing bids on major capital projects outside Canada. National trade associations which are assisted in representing their member companies and trade associations through the generic export promotion of their sector's products or services, have reported improved market access, increased exposure to export opportunities, actual on-site sales at major shows and the development of market information for their membership. Client satisfaction with the program (based on 1998-1999 and previous years' surveys) exceeds 80%.

**Grants in Aid of Cultural Relations** (1999-00 Main Estimates Funding: \$5.5M)

As part of its International Cultural Relations Program, the Department provides grants to Canadian groups and individuals for the promotion of Canadian culture abroad. Grants are awarded on the basis of relevance to the three pillars of Canadian foreign policy, as laid out in the Government statement on foreign policy *Canada in the World*, and particularly to the third pillar, the promotion of Canadian culture and values abroad. The evaluation of projects is based on artistic quality, taking into account cost-effectiveness of the project and the ability of the applicant to undertake an international project. Feedback from posts abroad — including media coverage in the countries hosting Canadian artists, as well as the reports received from grant recipients upon completion of their tour — suggest that the Arts Promotion Program is successfully meeting its objective of profiling Canada in the international arena.

**Youth International Internship Program** (1999-00 Supplementary Estimates Funding:\$5.95M)

The YIIP provides eligible unemployed or underemployed Canadian youth (aged 18 to 30) with a first paid career-related international work experience to prepare and position them for future employment. The program is designed to bridge the gap between formal education and an internationally focussed career, as well as to increase and improve the employability skills and knowledge required to succeed in work with an international focus. In addition, the YIIP strengthens partnerships between the Department, Canada-based organizations active internationally, and overseas institutions in order to advance the three main objectives of Canada's foreign policy: the promotion of prosperity and employment, the promotion of peace, and the promotion of Canadian culture and values abroad.

## **Procurement and Contracting**

Past audits indicated a need to improve overall management and accountability for materiel management and professional services contracts. In addressing these concerns, the Department established a Materiel Management Committee. This Committee has now implemented most of the recommendations made. This has resulted in an improved accountability framework for the materiel management activity. A centre of expertise for professional services contracts has also been established to provide direction and advice to departmental contracting authorities. Contract Review Boards have been established at HQ and in the Missions to ensure that contracting is carried out in a fair and equitable manner.

Initiatives underway are the establishment of an electronic contracting module within the Department's Integrated Management System, the development of policies and training material.

## **Sustainable Development Strategies**

*Agenda 2000*, the Department's first sustainable development strategy, was tabled in the House of Commons in 1997. It commits the Department to integrating economic growth, social development, and environmental protection into its operations and foreign policy activities. Its four goals include: contributing to economic growth and prosperity; building peace and security, projecting those Canadian values and culture that support societal well-being; and "greening" the Department's operations.

The objectives, targets and actions that support those goals can be seen on the Department's Sustainable Development Web site at [www.dfait-maeci.gc.ca/sustain](http://www.dfait-maeci.gc.ca/sustain) . Progress reports on meeting those commitments can also be viewed on the site.

Specific targets identified for action in this fiscal year include:

- Implementing the Sustainable Cities Action Plan in collaboration with Environment Canada and co-ordinating the government's position to the Sustainable Cities Initiative created under the auspices of the National Round Table on the Environment and the Economy.
- Improving the organizational practices of the OAS to make them compliant with sustainable development objectives. DFAIT assumed the role of Canadian National Focal Point for the Inter-American Strategy for Public Participation, and co-ordinated consultations on practices and procedures.
- Pressing the European Bank for Reconstruction and Development to prepare an annual environmental assessment of the impact of its funding decisions in Eastern Europe.
- Working with CIDA on developing, overseeing and evaluating peacebuilding initiatives for funding.
- Co-ordinating Canadian participation in the UN Special Session to be devoted to the five-year review of the World Summit for Social Development.
- Implementing the Department's Environmental Management System by the end of 2000. Work on this initiative is continuing under the leadership of the Environmental Management Committee. Targets and a work plan will be complete by the end of 2000.
- Developing awareness and training programs for Departmental personnel. Guidance material was developed specific to the responsibilities of Heads of Mission, directors, entry level officers and those involved with environmental assessment. Two Intranet training packages were developed: Introduction to Sustainable Development, and Environmental Assessment.

For further information on sustainable development initiatives, refer to the International Security and Co-operation section of this report, or visit the Web site noted above.





## SECTION V FINANCIAL INFORMATION

### Summary of Financial Tables

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**Table 1: Summary of Voted Appropriations (\$ millions)**

Vote / Statutory (\$)	1999-00 Planned Spending	1999-00 Total Authorities	1999-00 Actual Spending
1 Operating expenditures	871.1	959.2	908.3
5 Capital expenditures	132.3	129.8	120.9
10 Grants and contributions	330.8	424.4	408.7
11 To write off debts and obligations	0.0	45.0	41.0
(S) Ministers' salary and motor car allowances	0.1	0.1	0.1
(S) Payments under the Diplomatic Service (Special) Superannuation Act	0.2	0.2	0.2
(S) Contributions to employee benefit plans	82.9	95.6	95.6
(S) Passport Revolving Fund	(1.6)	21.2	8.2
(S) Refunds of amounts credited to revenue in previous years	0.0	2.5	2.5
(S) Collection agency fees	0.0	0.0	0.0
(S) Spending of proceeds from disposal of surplus Crown	0.0	2.8	2.0
<b>Total Department</b>	<b>1,415.7</b>	<b>1680.8</b>	<b>1587.5</b>

Due to rounding figures may not add to totals shown.

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**Table 2: Comparison of Total Planned Spending to Actual Spending by Business Line (\$ millions)**

<b>Business Lines</b>	<b>FTE's</b>	<b>Operating</b>	<b>Capital</b>	<b>Grants &amp; Contri- butions</b>	<b>Total Gross Spending</b>	<b>Less: Responsible Revenue</b>	<b>Total Net Spending</b>
International Business	1,046	213.5	4.4	17.0	234.9	8.1	226.8
Development	<i>1,046</i>	<i>272.4</i>	<i>4.5</i>	<i>16.8</i>	<i>293.7</i>	<i>8.1</i>	<i>285.6</i>
	<b>1,046</b>	<b>256.9</b>	<b>4.2</b>	<b>15.6</b>	<b>276.7</b>	<b>2.8</b>	<b>273.9</b>
Trade and Economic	504	92.0	2.3	26.3	120.6	0.0	120.6
Policy	<i>504</i>	<i>101.7</i>	<i>3.1</i>	<i>109.2</i>	<i>214.0</i>	<i>0.0</i>	<i>214.0</i>
	<b>532</b>	<b>94.9</b>	<b>2.8</b>	<b>107.2</b>	<b>204.9</b>	<b>0.0</b>	<b>204.9</b>
International Security	685	162.0	5.2	268.4	435.6	0.0	435.6
and Cooperation	<i>743</i>	<i>187.4</i>	<i>10.3</i>	<i>275.5</i>	<i>473.2</i>	<i>0.0</i>	<i>473.2</i>
	<b>726</b>	<b>175.4</b>	<b>10.2</b>	<b>263.1</b>	<b>448.7</b>	<b>0.0</b>	<b>448.7</b>
Assistance to	285	46.2	1.3	0.0	47.5	2.2	45.3
Canadians Abroad	<i>285</i>	<i>49.5</i>	<i>1.3</i>	<i>0.0</i>	<i>50.8</i>	<i>2.2</i>	<i>48.6</i>
	<b>296</b>	<b>46.9</b>	<b>1.2</b>	<b>0.0</b>	<b>48.1</b>	<b>2.1</b>	<b>46.0</b>
Public Diplomacy	355	67.4	1.1	19.1	87.6	1.1	86.5
	<i>355</i>	<i>72.0</i>	<i>1.3</i>	<i>22.9</i>	<i>96.2</i>	<i>1.1</i>	<i>95.1</i>
	<b>421</b>	<b>66.9</b>	<b>1.2</b>	<b>22.8</b>	<b>90.9</b>	<b>0.8</b>	<b>90.1</b>
Corporate Services	3,605	191.9	111.6	0.3	303.8	12.3	291.5
	<i>3,605</i>	<i>231.2</i>	<i>103.0</i>	<i>0.2</i>	<i>334.4</i>	<i>12.3</i>	<i>322.1</i>
	<b>3,853</b>	<b>220.6</b>	<b>95.4</b>	<b>0.2</b>	<b>316.2</b>	<b>9.4</b>	<b>306.8</b>
Services to Other	1,251	204.8	6.4	0.0	211.2	0.0	211.2
Government	<i>1,253</i>	<i>214.6</i>	<i>6.3</i>	<i>0.0</i>	<i>220.9</i>	<i>0.0</i>	<i>220.9</i>
Departments	<b>1,307</b>	<b>203.0</b>	<b>5.8</b>	<b>0.0</b>	<b>208.8</b>	<b>0.0</b>	<b>208.8</b>
Passport Services	551	52.6	0.0	0.0	52.6	54.3	(1.7)
	<i>551</i>	<i>76.2</i>	<i>5.5</i>	<i>0.0</i>	<i>81.7</i>	<i>60.5</i>	<i>21.2</i>
	<b>706</b>	<b>67.6</b>	<b>5.5</b>	<b>0.0</b>	<b>73.1</b>	<b>64.9</b>	<b>8.2</b>
<b>Total</b>	8,282	1,030.4	132.3	331.0	1,493.6	77.9	1,415.7
	<i>8,342</i>	<i>1,205.1</i>	<i>135.3</i>	<i>424.6</i>	<i>1,765.0</i>	<i>84.2</i>	<i>1,680.8</i>
	<b>8,887</b>	<b>1,132.2</b>	<b>126.4</b>	<b>408.9</b>	<b>1,667.5</b>	<b>80.0</b>	<b>1,587.5</b>
<b>Other Revenues and Expenditures</b>							
Non-responsible Revenues							191.0
							<i>212.7</i>
							<b>212.7</b>
Cost of services provided by other government departments							41.6
							<i>41.6</i>
							<b>45.0</b>
<b>Net Cost of the Program</b>							1,266.3
							<i>1,509.7</i>
							<b>1,419.8</b>

Amounts in regular fonts denote planned spending and revenue at the beginning of the fiscal year.

Amounts in italics denote total authorities for spending and revenue at the end of the fiscal year.

**Amounts in bold denote actual spending and actual revenue.**

Due to rounding figures may not add to totals shown.

FTEs include Canada-based and Locally Engaged staff.

**Table 3: Historical Comparison of Spending by Business Line (\$ millions)**

<b>Business Lines</b>	<b>Actual Spending 1997-98</b>	<b>Actual Spending 1998-99</b>	<b>Planned Spending 1999-00</b>	<b>Total Authorities 1999-00</b>	<b>Actual Spending 1999-00</b>
International Business Development	218.4	223.4	226.8	285.6	273.9
Trade and Economic Policy	193.9	181.6	120.6	214.0	204.9
International Security and Cooperation	420.7	407.6	435.6	473.2	448.7
Assistance to Canadians Abroad	41.6	45.6	45.3	48.7	46.0
Public Diplomacy	95.5	85.1	86.5	95.1	90.1
Corporate Services	260.1	311.9	291.4	322.1	306.8
Services to Other Government	187.5	190.9	211.1	220.9	208.9
Passport Services	1.0	7.5	(1.6)	21.2	8.2
<b>Total</b>	<b>1,418.7</b>	<b>1,453.6</b>	<b>1,415.7</b>	<b>1680.8</b>	<b>1,587.5</b>

Due to rounding figures may not add to totals shown.

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**Table 4: Resource Requirements by Organization and Business Line (\$ millions)**

Organization	Business Lines								Totals
	International Business Development	Trade and Economic Policy	International Security and Cooperation	Assistance to Canadians Abroad	Public Diplomacy	Corporate Services	Services to Other Gov't Departments	Passport Services	
Executive Offices	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	6.9 <i>7.5</i> <b>7.3</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	6.9 <i>7.5</i> <b>7.3</b>
Legal Adviser	0.0 <i>0.0</i> <b>0.0</b>	1.6 <i>1.6</i> <b>1.6</b>	9.7 <i>11.6</i> <b>10.1</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	11.3 <i>13.2</i> <b>11.7</b>
Global and Security Policy	0.0 <i>0.0</i> <b>0.0</b>	5.4 <i>5.4</i> <b>5.2</b>	308.1 <i>321.2</i> <b>305.5</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	2.6 <i>2.6</i> <b>2.5</b>	0.0 <i>0.0</i> <b>0.0</b>	316.1 <i>329.2</i> <b>313.2</b>
Trade and Economic Policy	0.0 <i>0.0</i> <b>0.0</b>	49.7 <i>140.6</i> <b>139.2</b>	0.2 <i>0.2</i> <b>0.2</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.4 <i>0.4</i> <b>0.4</b>	0.0 <i>0.0</i> <b>0.0</b>	50.3 <i>141.2</i> <b>139.8</b>
International Business	41.7 <i>89.1</i> <b>83.5</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	41.7 <i>89.1</i> <b>83.5</b>
Communications, Culture and Policy Planning	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	22.0 <i>25.0</i> <b>25.0</b>	0.0 <i>0.0</i> <b>0.0</b>	39.1 <i>40.4</i> <b>40.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	61.1 <i>65.4</i> <b>65.0</b>
Corporate Services, Passport, and Consular Affairs	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	12.9 <i>20.4</i> <b>20.4</b>	5.2 <i>5.4</i> <b>5.4</b>	0.0 <i>0.0</i> <b>0.0</b>	259.0 <i>288.6</i> <b>273.6</b>	1.3 <i>1.6</i> <b>1.0</b>	(1.6) <i>21.2</i> <b>8.2</b>	276.8 <i>337.2</i> <b>308.6</b>
Human Resources	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	25.5 <i>26.0</i> <b>25.9</b>	0.0 <i>0.0</i> <b>0.0</b>	0.0 <i>0.0</i> <b>0.0</b>	25.5 <i>26.0</i> <b>25.9</b>
Americas	64.5 <i>66.0</i> <b>65.6</b>	23.8 <i>23.2</i> <b>20.7</b>	24.8 <i>27.6</i> <b>25.3</b>	14.5 <i>15.6</i> <b>14.5</b>	14.4 <i>17.0</i> <b>15.2</b>	0.0 <i>0.0</i> <b>0.0</b>	49.9 <i>52.8</i> <b>50.0</b>	0.0 <i>0.0</i> <b>0.0</b>	191.9 <i>202.3</i> <b>191.4</b>
Europe, Middle East and North Africa	62.2 <i>65.8</i> <b>62.6</b>	23.1 <i>23.2</i> <b>20.6</b>	35.4 <i>39.7</i> <b>36.4</b>	17.6 <i>19.3</i> <b>18.0</b>	21.5 <i>24.0</i> <b>22.2</b>	0.0 <i>0.0</i> <b>0.0</b>	72.5 <i>80.9</i> <b>77.3</b>	0.0 <i>0.0</i> <b>0.0</b>	232.3 <i>252.9</i> <b>237.0</b>
Asia-Pacific and Africa	58.4 <i>64.7</i> <b>62.1</b>	17.0 <i>20.0</i> <b>17.6</b>	22.5 <i>27.5</i> <b>25.9</b>	8.0 <i>8.4</i> <b>8.1</b>	11.5 <i>13.7</i> <b>12.7</b>	0.0 <i>0.0</i> <b>0.0</b>	84.4 <i>82.6</i> <b>77.7</b>	0.0 <i>0.0</i> <b>0.0</b>	201.8 <i>216.8</i> <b>204.1</b>
<b>Total</b>	226.8 <i>285.6</i> <b>273.9</b>	120.6 <i>214.0</i> <b>204.9</b>	435.6 <i>473.2</i> <b>448.7</b>	45.3 <i>48.7</i> <b>46.0</b>	86.5 <i>95.1</i> <b>90.1</b>	291.4 <i>322.1</i> <b>306.8</b>	211.1 <i>220.9</i> <b>208.9</b>	(1.6) <i>21.2</i> <b>8.2</b>	1,415.7 <i>1,680.8</i> <b>1,587.5</b>

Amounts in regular fonts denote planned spending and revenue at the beginning of the fiscal year.

Amounts in italics denote total authorities for spending and revenue at the end of the fiscal year.

Amounts in bold denote actual spending and actual revenue.

Due to rounding figures may not add to totals shown.

**Table 5: Respendable Revenues by Business Line (\$ millions)\***

<b>Business Lines</b>	<b>Actual Revenues 1997-98</b>	<b>Actual Revenues 1998-99</b>	<b>Planned Revenues 1999-00</b>	<b>Total Authorities 1999-00</b>	<b>Actual Revenues 1999-00</b>
<i>International Business Development</i>					
Canadian Business Centre	0.0	0.0	0.1	0.1	0.0
Trade fairs and trade/investment technology missions	3.0	2.8	8.0	8.0	2.8
<i>Trade and Economic Policy</i>	0.0	0.0	0.0	0.0	0.0
<i>International Security and Cooperation</i>					
Canadian Education Centres	1.8	0.0	0.0	0.0	0.0
<i>Assistance to Canadians Abroad</i>					
Specialized consular services	0.0	1.9	2.2	2.2	2.1
<i>Public Diplomacy</i>					
Canadian Education Centres	0.0	0.7	1.1	1.1	0.8
<i>Corporate Services</i>					
Telecommunication Services	1.5	1.5	2.1	2.1	1.0
Training services	4.2	4.1	5.0	5.0	4.8
Real property services abroad	4.0	3.7	5.2	5.2	3.5
<i>Services to Other Government Departments</i>	0.0	0.0	0.0	0.0	0.0
<i>Passport Services</i>					
Passport Fees	54.0	58.9	54.3	60.5	64.9
<b>Total Respendable Revenues</b>	<b>68.5</b>	<b>73.7</b>	<b>77.9</b>	<b>84.2</b>	<b>80.0</b>

Due to rounding figures may not add to totals shown.

\*Formerly "Revenues Credited to the Vote".

#### EXPLANATORY NOTES TO TABLE 5

The Department has the authority to collect and respend revenues arising from the activities listed in the preceding table. Revenue was collected in 1999-2000 for the following:

- *Trade fairs and trade/investment technology missions*: DFAIT provides logistical support to Canadians organizing trade and investment missions abroad. The costs of such services are recovered from mission organizers. Sufficient authority exists to accommodate large trade missions such as Team Canada.
- *Canadian Education Centres (CEC)*: The cost of certain services provided to CEC, which promote Canadian education and training services, is recovered from the Canadian Education Centre Network.
- *Specialized Consular Services*: In 1998-99, DFAIT received approval to respend revenues collected for specialized consular services at missions abroad. These services include activities such as legal and notary services. Clients in emergency situations abroad, or to whom overriding humanitarian or compassionate considerations apply, are exempt from these fees. Fees reflect the cost of providing the services.
- *Telecommunications, Training and Real Property Services Abroad*: DFAIT is designated as a common service provider to departments with overseas operations. DFAIT is funded for the provision of those services which are mandatory for departments to use when required to support Canada's diplomatic and consular missions abroad, but has the authority to charge departments and agencies for optional services. DFAIT consults its client departments and agencies on the rates to be charged and the services provided. Rates charged to other government departments are to recover incremental costs only and rates charged to Crown corporations and non-federal organizations do not exceed the rate required to recover the full cost of the service being provided, in accordance with the Government's cost recovery policy.
- *Passport Fees*: The Passport Office operates as a revolving fund, which is a non-lapsing authorization by Parliament to make payments out of the Consolidated Revenue Fund. It is financed through the recovery of fees for travel documents. A fee of \$35 applies to the 24-page passport, which accounts for over 97% of the number of travel documents issued.

**Table 6: Non-Respendable Revenues by Business Line (\$ millions)\***

<b>Business Lines</b>	<b>Actual Revenues 1997-98</b>	<b>Actual Revenues 1998-99</b>	<b>Planned Revenues 1999-00</b>	<b>Total Authorities 1999-00</b>	<b>Actual Revenues 1999-00</b>
<i>International Business Development</i>					
Contributions repaid under the Program for Export Market Development	3.0	3.0	2.3	3.4	3.4
<i>Trade and Economic Policy</i>					
Import and export permit fees	12.5	12.5	13.4	16.4	16.4
Softwood lumber permit fees	99.8	81.9	83.3	102.5	102.5
<i>International Security and Cooperation</i>					
Adjustment to Previous Years' Expenditures	3.1	2.0	0.0	9.1	9.1
<i>Assistance to Canadians Abroad</i>					
Consular fees on travel documents	38.8	40.6	41.2	44.0	44.0
<i>Public Diplomacy</i>					
	0.0	0.0	0.0	0.0	0.0
<i>Corporate Services</i>					
Employee rental shares and transportation	14.3	15.3	14.4	14.3	14.3
Sales of Properties and other assets	56.1	25.3	27.0	8.9	8.9
Adjustment to Previous Years' Expenditures	8.0	8.9	3.2	7.1	7.1
Services provided to the Passport Office	4.4	4.4	4.4	4.4	4.4
Other	1.5	1.4	1.0	1.3	1.3
<i>Services to Other Government Departments</i>					
Adjustment to Previous Years' Expenditures	0.1	0.8	0.8	1.2	1.2
<i>Passport Services</i>					
	0.0	0.0	0.0	0.0	0.0
<b>Total Non-respendable Revenues</b>	<b>241.6</b>	<b>196.1</b>	<b>191.0</b>	<b>212.7</b>	<b>212.7</b>

Due to rounding figures may not add to totals shown.

\*Formerly "Revenues Credited to the Consolidated Revenue Fund".

EXPLANATORY NOTES TO TABLE 6

- *Contributions repaid under the PEMD:* This program provides contributions to small companies and national industry associations. Most of these contributions are repayable if the recipient company has incremental sales or contractual success. Repayments are credited to the Consolidated Revenue Fund (CRF).
- *Import and export permit fees:* The issuance of import and export permits is fundamental to the control of the export and import of identified goods under the Export and Import Permits Act (EIPA). The standard cost recovery fee is \$9 per permit and the revenue collected is credited to the CRF.
- *Softwood lumber permit fees:* A standard fee of \$9 per permit is charged to softwood lumber exporters up to established limits. Beyond the limit, a fee for the privilege of continuing to export is levied at US \$50 per 100 board feet and US \$100 per 1000 board feet. This provides companies flexibility to make their own decisions to continue to export, rather than face a fixed volume restriction under provisions of the EIPA.
- *Consular fee on travel documents:* In addition to Passport Office fees, a \$25 consular fee is collected on behalf of DFAIT to cover the cost of services provided by the Consular Program, and credited to the CRF.
- *Employee rental shares and transportation:* Under the Foreign Service Directives, employees pay a rental share based on accommodation costs in Ottawa. As well, under certain circumstances, such as at hardship posts, employees may rent official vehicles abroad for personal use. Payments are credited to the CRF.
- *Sales of properties and other assets:* As a Special Operating Agency, the Physical Resources Bureau of DFAIT has the authority to sell surplus Crown-owned property. The revenue generated from these sales is credited to the CRF and returned to the Department through Supplementary Estimates for reinvestment.
- *Services provided to the Passport Office:* Since the Passport Office sets its fees on the basis of the full cost of its operations, DFAIT's overhead cost attributed to passport operations at missions abroad must be accounted for. The value of this overhead (financial and personnel services, information management, physical resources) has been established at \$4.4 million and this amount is deposited to the CRF.

**Table 7: Transfer Payments by Business Line (\$ millions)**

<b>Business Lines</b>	<b>Actual Spending 1997-98</b>	<b>Actual Spending 1998-99</b>	<b>Planned Spending 1999-00</b>	<b>Total Authorities 1999-00</b>	<b>Actual Spending 1999-00</b>
<b>GRANTS</b>					
International Business Development	0.9	0.8	2.1	0.8	0.8
Trade and Economic Policy	0.0	0.0	0.0	0.0	0.0
International Security and Cooperation	6.9	6.3	5.9	7.1	5.9
Assistance to Canadians Abroad	0.0	0.0	0.0	0.0	0.0
Public Diplomacy	22.9	18.1	19.1	22.4	22.3
Corporate Services	0.3	0.2	0.3	0.2	0.2
Services to Other Government Departments	0.0	0.0	0.0	0.0	0.0
Passport Services	0.0	0.0	0.0	0.0	0.0
<b>Total Grants</b>	<b>31.0</b>	<b>25.4</b>	<b>27.4</b>	<b>30.4</b>	<b>29.2</b>
<b>CONTRIBUTIONS</b>					
International Business Development	15.9	12.4	14.9	16.0	14.8
Trade and Economic Policy	111.2	86.4	26.3	109.2	107.2
International Security and Cooperation	249.1	238.2	262.4	268.4	257.2
Assistance to Canadians Abroad	0.0	0.0	0.0	0.0	0.0
Public Diplomacy	7.0	0.0	0.0	0.5	0.5
Corporate Services	0.0	0.0	0.0	0.0	0.0
Services to Other Government Departments	0.0	0.0	0.0	0.0	0.0
Passport Services	0.0	0.0	0.0	0.0	0.0
<b>Total Contributions</b>	<b>383.2</b>	<b>336.9</b>	<b>303.6</b>	<b>394.1</b>	<b>379.7</b>
<b>Total Transfer Payments</b>	<b>414.2</b>	<b>362.4</b>	<b>331.0</b>	<b>424.5</b>	<b>408.9</b>

Due to rounding figures may not add to totals shown

**Table 8: Capital Spending by Business Line (\$ millions)**

<b>Business Lines</b>	<b>Actual Spending 1997-98</b>	<b>Actual Spending 1998-99</b>	<b>Planned Spending 1999-00</b>	<b>Total Authorities 1999-00</b>	<b>Actual Spending 1999-00</b>
International Business Development	4.1	4.4	4.4	4.5	4.2
Trade and Economic Policy	1.4	1.5	2.3	3.1	2.8
International Security and Cooperation	5.3	4.6	5.2	10.3	10.2
Assistance to Canadians Abroad	1.1	1.2	1.3	1.3	1.2
Public Diplomacy	1.0	1.4	1.1	1.3	1.2
Corporate Services	90.7	134.0	111.6	103.0	95.4
Services to Other Government Departments	6.5	8.1	6.4	6.3	5.8
Passport Services	3.5	3.8	0.0	5.5	5.5
<b>Total Capital Spending</b>	<b>113.6</b>	<b>159.1</b>	<b>132.3</b>	<b>135.3</b>	<b>126.4</b>

Due to rounding figures may not add to totals shown

**Department of Foreign Affairs and International Trade**  
Section V Financial Information

**Table 9: Capital Projects Exceeding One Million Dollars, by Business Line (\$ millions)**

<b>Business Lines</b>	<b>Current Estimated Total Cost</b>	<b>Actual 1997-98</b>	<b>Actual 1998-99</b>	<b>Planned Spending 1999-2000</b>	<b>Total Authorities 1999-2000</b>	<b>Actual 1999-2000</b>
<b>Corporate Services</b>						
Beijing, China Compound Purchase	38.4	9.6	9.0	12.7	12.7	8.3
Berlin, Germany Chancery Construction	92.6	1.7	20.6	21.6	21.6	2.2
Berlin, Germany Official Residence Construction	7.3	3.0	0.1	3.0	3.8	3.8
Cairo, Egypt Chancery Construction	19.6	0.6	3.5	10.3	10.3	2.6
Caracas, Venezuela Chancery Purchase	20.6	1.7	9.8	3.8	3.8	1.4
Dallas, United States Official Residence Purchase	2.2	0.0	0.0	0.0	2.1	2.1
Dhaka, Bangladesh Land Purchase	26.0	-	-	0.0	7.5	7.5
Geneva, Switzerland Chancery Construction	21.2	0.3	3.9	4.6	4.6	4.4
Kingston, Jamaica Chancery Construction	13.3	2.9	6.2	4.7	4.7	2.8
Lagos, Nigeria Compound Renovation	3.9	0.0	0.0	0.0	0.7	0.7
Moscow, Russia Ph. I - 4 Staff Quarters Purchase	4.3	0.0	0.1	1.3	1.3	0.0
Nairobi, Kenya Chancery Construction	22.0	0.0	0.2	5.3	5.3	0.9
New Delhi, India Ph. II - 8 Staff Quarters	4.9	0.0	0.1	4.0	4.0	2.7
Pretoria, South Africa Chancery Purchase	2.3	0.0	0.0	0.0	2.3	2.3
Tokyo, Japan 19 Staff Quarters Construction	17.0	0.1	0.3	11.2	11.2	4.7
Warsaw, Poland Chancery Addition/Renovation	21.8	0.0	0.2	6.7	6.7	1.2
<b>Passport Services</b>						
Technology Enhancement Plan	32.9	3.6	9.1	5.7	15.0	5.7
Passport Card	4.6	-	0.1	0.2	0.4	0.1
<b>Total Capital Projects</b>	<b>354.9</b>	<b>23.5</b>	<b>63.2</b>	<b>95.1</b>	<b>118.0</b>	<b>53.4</b>



**Table 10: Passport Revolving Fund Financial Statement (\$ millions)**

	Actual 1997-98	Actual 1998-99	Planned 1999-00	Total Authorities 1999-00	Actual 1999-00
<b>Revenues</b>	54.3	58.5	54.3	54.3	64.5
<b>Expenses</b>	48.6	55.6	56.5	56.5	67.5
Profit or (Loss)	<b>5.7</b>	<b>2.9</b>	<b>(2.2)</b>	<b>(2.2)</b>	<b>(2.9)</b>
Add items not requiring use of funds:					
Amortization	1.1	1.8	5.2	5.2	3.5
Provision for employee termination benefits	1.9	0.5	0.6	0.6	1.0
Changes in working capital	3.3	(1.5)	(0.2)	(0.2)	2.3
Net capital acquisitions and other changes	(13.0)	(11.2)	(1.8)	(1.8)	(12.1)
Cash surplus (requirement)	(1.0)	(7.5)	1.6	1.6	(8.2)
Deletion of surplus	0.0	0.0	0.0	0.0	0.0
Authority: cumulative surplus (drawdown)	<b>28.7</b>	<b>21.2</b>	<b>22.8</b>	<b>22.8</b>	<b>13.0</b>

**Table 11: Contingent Liabilities (\$ millions)**

	Amount of Contingent Liability		
	March 31 1998	March 31 1999	Current as of March 31, 2000
<b>Loans</b>			
Parliamentary approved Loan Guarantees to the Government of Romania	24.0	24.0	24.0
<b>Pending and Threatened Litigation</b>	10.9	153.5	854.7
<b>Total</b>	<b>34.9</b>	<b>177.5</b>	<b>878.7</b>

## EXPLANATORY NOTES TO TABLE 11

As at 31 March 2000, contingent liabilities estimated at \$878.7 million were outstanding against the Department of Foreign Affairs and International Trade:

- \$24 million relate to Parliamentary approved loan guarantees made by Canadian financial institutions in accordance with terms and conditions approved by the Minister of Finance to the government of Romania.
- \$854.7 million relate to thirteen individual cases of pending or threatened litigation. Most of these claims are for contractual damage claims and / or employment-related actions.

While these cases are in various stages of litigation, it is not the policy of the Department to comment on their expected outcomes. They must, however, be recognized as potential liabilities against the Crown and are therefore presented for information purposes.



## SECTION VI SUPPLEMENTARY INFORMATION

### Canada's Diplomatic Missions Abroad by Region

<b>Africa</b>	<b>Middle East, North Africa and Gulf States</b>	<b>North Asia and Pacific Rim</b>	<b>South and Southeast Asia</b>
Abidjan	Abu Dhabi	Beijing	Bandar Seri Begawan
Abuja	Algiers	Canberra	Bangkok
Accra	Amman	Chongqing	Colombo
Addis Ababa	Beirut	Fukuoka	Dhaka
Bamako	Cairo	Guangzhou	Hanoi
Conakry	Damascus	Hong Kong	Ho Chi Minh
Dakar	Kuwait	Nagoya	Islamabad
Dar-es-Salaam	Rabat	Osaka	Jakarta
Harare	Riyadh	Pusan	Kuala Lumpur
Kinshasa	Tehran	Seoul	Manila
Lagos	Tel Aviv	Shanghai	Mumbai
Libreville	Tunis	Sydney	New Delhi
Lusaka		Tokyo	Phnom Penh
Nairobi		Wellington	Singapore
Ouagadougou			
Pretoria			
Yaounde			
<b>Latin America and Caribbean</b>	<b>Western Europe</b>	<b>Central, Eastern and Southern Europe</b>	<b>United States</b>
Bogotá	Brussels	Almaty	Atlanta
Brasília	Copenhagen	Ankara	Boston
Bridgetown	Dublin	Athens	Buffalo
Buenos Aires	EU (Brussels)	Belgrade	Chicago
Caracas	Helsinki	Berlin	Dallas
Guatemala	Lisbon	Berne	Detroit
Georgetown	London	Bonn	Los Angeles
Havana	Madrid	Bucharest	Miami
Kingston	NATO (Brussels)	Budapest	Minneapolis
Lima	OECD (Paris)	Düsseldorf	New York
México	Oslo	Hamburg	Seattle
Montevideo	Paris	Kyiv	UN (New York)
Panamá	Riga	Milan	Washington
Port-au-Prince	Stockholm	Moscow	OAS (Washington)
Port of Spain	The Hague	Munich	
Quito	UNESCO (Paris)	Prague	
San José		Rome	
Santiago		Sarajevo	
São Paulo		St. Petersburg	
		Vatican	
		UN/WTO (Geneva)	
		UN (Vienna)	
		Vienna	
		Warsaw	
		Zagreb	

The Department has its headquarters in Ottawa but operates throughout Canada through local and regional passport offices and its network of trade commissioners in regional offices. Outside Canada, the Department operates through a network of 131 missions and 26 satellite offices. Overseas representation also exists through a number of honorary consuls.

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## **Statutes and Regulations Currently in Force**

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### **The Minister of Foreign Affairs has sole responsibility to Parliament for the following Acts:**

- *Chemical Weapons Convention Implementation Act*, SC 1995, c.25
- *Department of Foreign Affairs and International Trade Act*, RSC 1985, c. E-22
- *Export and Import Permits Act*, RSC 1985, c. E-19
- *Food and Agriculture Organization of the United Nations Act*, RSC 1985, c. F-26
- *Foreign Missions and International Organizations Act*, SC 1991, c. 41
- *International Boundary Commission Act*, RSC 1985, c. I-16
- *International Boundary Waters Treaty Act*, RSC 1985, c. I-17
- *International Development (Financial Institutions) Assistance Act*, SC 1980-81-82-83, c. 73
- *International Development (Financial Institutions) Assistance Act*, RSC 1985, c. 1-18
- *Privileges and Immunities (NATO) Act*, RSC 1985, c. P-24
- *Prohibition of International Air Services Act*, RSC 1985, c. P-25
- *Special Economic Measures Act*, SC 1992, c. 17
- Treaties of Peace with: Austria, Germany, SC 1919 (second session), c. 30; Bulgaria, SC 1920, c. 4; Hungary, SC 1922, c. 49, SC 1948, c. 71 and SC 1950, c. 50, s. 10; Italy, Romania, Finland, SC 1948, c. 71 and SC 1950, c. 50, s. 10; Japan, SC 1952, c. 50; Turkey, SC 1922, c. 49
- *United Nations Act*, RSC 1985, c. U-2

### **The following acts under the responsibility of the Minister of Foreign Affairs are administered outside the Department:**

- *Asia-Pacific Foundation of Canada Act*, RSC 1985, c. A-13
- *Fort-Falls Bridge Authority Act*, SC 1970-71-72, c. 51
- *International Centre for Human Rights and Democratic Development Act*, RSC 1985, c. I-17.3, (RSC 1985 [fourth supplement] c. 54)
- *International Development Research Centre Act*, RSC 1985, c. I-19
- *Rainy Lake Watershed Emergency Control Act*, SC 1939, c. 33
- *Roosevelt Campobello International Park Commission Act*, SC 1964-65, c. 19
- *Skagit River Valley Treaty Implementation Act*, SC 1984, c. 11

### **Certain provisions of the following acts involve the Minister of Foreign Affairs:**

- *Canada Transportation Act*, SC 1996, c. 10. s. 76
- *Canadian Environmental Assessment Act*, SC 1992, c. 37, s. 40, s. 47, s. 58
- *Canadian Security Intelligence Service Act*, RSC 1985, c. C-23, s. 13, s. 16, s. 17, s. 19
- *Citizenship Act*, RSC 1985, c. C-29, s. 3,
- *Coasting Trade Act*, SC 1992, c. 31, s. 3, s. 11
- *Criminal Code*, RSC 1985, c. C-46, s. 7, s. 57, s. 477.4
- *Cultural Property Export and Import Act*, RSC 1985, c. C-51, s. 4, s. 17, s. 39
- *Customs Tariff*, SC 1997, c. 36, s.51, s. 53
- *Excise Tax Act*, RSC 1985, c. E-15, s. 68.3
- *Federal Real Property Act*, SC 1991, c.50

- *Foreign Enlistment Act*, RSC 1985, c. F-28, s. 7
- *Foreign Extraterritorial Measures Act*, RSC 1985, c. F-29, s. 2.1, s. 5
- *The Geneva Conventions Act*, RSC 1985, c. G-3, s. 6, s. 9
- *Immigration Act*, RSC 1985, c. I-2, s. 116
- *Motor Vehicle Transport Act*, 1987, RSC 1985 (third supplement) c. 29, s. 17
- *Mutual Legal Assistance in Criminal Matters Act*, RSC 1985 (fourth supplement) c. 30 s. 6
- *Oceans Act*, SC 1996, c. 31, s. 23, s. 25, s. 42, s. 44
- *Revolving Funds Act*, RSC 1985, c. R-8, s. 4
- *Canada Shipping Act*, RSC 1985, c. S-9, s. 632.4
- *State Immunity Act*, RSC 1985, c. S-18, s. 9, s. 14, s. 15

**The following acts under the responsibility of the Minister for International Trade are administered outside the Department:**

- *Canadian Commercial Corporation Act*, RSC 1985, c. C-14
- *Export Development Act*, RSC 1985, c. E-20
- *Northern Pipeline Act*, RSC 1985, c. N-26

**Certain provisions of the following acts also involve the Minister for International Trade:**

- *Canada-Chile Free Trade Agreement Implementation Act*, SC 1997, c. 14, s. 1 to 8 and Parts I and III
- *Canada-Israel Free Trade Agreement Implementation Act*, SC 1996, c. 33, s. 1 to 7 and Parts I and III
- *Canada-United States Free Trade Agreement Implementation Act*, SC 1988, c. 65, s. 1 to 7 and Parts I and V
- *North American Free Trade Agreement Implementation Act*, SC 1993, c. 44, s. 1 to 9 and Parts I and III
- *Special Import Measures Act*, RSC 1985, c. S-15, Parts I.1, and II
- *World Trade Organization Agreement Implementation Act*, SC 1994, c. 47, s. 1 to 7 and Parts I and III

**In addition to regulations under the previously mentioned acts, the following have provisions that involve the Minister of Foreign Affairs:**

- The Canadian Passport Order, SI/81-86
- Customs diplomatic privileges regulations
- Government contracts regulations.

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**Further Information Sources**

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**Parliamentary Liaison Officers**

General Inquiries:  
(613) 944-0389

**Media Relations Office**

General Inquiries:  
(613) 944-5153

**Enquiries Centre for Department of Foreign Affairs and International Trade**

125 Sussex Drive  
Ottawa, Ontario  
K1A 0G2  
General Inquiries: (613) 944-4000  
Toll Free: 1-800-267-8376

**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

**Web site Addresses**

[www.dfait-maeci.gc.ca](http://www.dfait-maeci.gc.ca)  
[www.infoexport.gc.ca](http://www.infoexport.gc.ca)

**Export Development Corporation**

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

**Canadian Commercial Corporation**

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

**International Joint Commission**

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

**International Development Research Centre**

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

**Northern Pipeline Agency**

125 Sussex Drive  
Ottawa, Ontario  
K1A 0G2  
(613) 993-7466

**Canadian Secretariat (NAFTA)**

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

**International Centre for Human Rights and Democratic Development**

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