



Department of Foreign Affairs  
and International Trade

Ministère des Affaires étrangères  
et du Commerce international

Canada



Department of Foreign Affairs  
and International Trade

# Departmental Performance Report

2002 - 2003

For the period ending  
March 31, 2003

Approved

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Pierre S. Pettigrew  
Minister for International Trade

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Bill Graham  
Minister of Foreign Affairs

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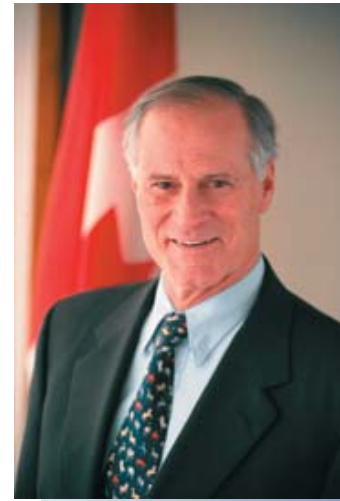


## Section 1

# Message from the Ministers



The Honourable Pierre S. Pettigrew  
Minister for International Trade



The Honourable Bill Graham  
Minister of Foreign Affairs

Over the past 12 months, some highly challenging developments at home and abroad have brought the spirit and resilience of Canadians to the fore. During a year marked by international conflict, regional tensions, economic uncertainty and the emergence of new concerns such as severe acute respiratory syndrome (SARS), Canadians have resolutely and successfully continued to pursue the country's national and international agenda. This is no small achievement.

As the agency that leads Canada's relations with the world, the Department of Foreign Affairs and International Trade and its extensive network of domestic and international partners have contributed to the progress made in advancing Canada's interests during this difficult period. That contribution is the subject of this report.

## The Canada We Want

The past year saw the Department following through on various commitments made in the September 2002

Speech from the Throne. In order to continue Canada's "long history of contributing solutions to global problems," the government pledged to remain vigilant in protecting the safety and security of Canadians; to collaborate with the United States on mutual security issues; to work through organizations like the United Nations to ensure that the rule of international law is enforced; to promote pluralism, freedom and democracy; to increase development assistance, particularly in Africa; and to engage Canadians on the country's role in the global community.

## Listening to the Views of Canadians

Consulting Canadians on specific issues of foreign policy is a regular activity of the Department. However, the consultation noted in the Throne Speech was something much more comprehensive. In January 2003, we launched a Dialogue on Foreign Policy to engage Canadians on the full spectrum of this country's international priorities in the face of new global realities. The results will help ensure that

the views of Canadians are fully reflected in foreign policy making over the months and years to come. Meanwhile, the Department expanded its interaction with public interest groups, the private sector and the academic community on trade, investment and development matters.

## Strengthening Canada-U.S. Relations

Although much has been made of recent disagreements over Iraq and softwood lumber, it is important to emphasize that Canada's relationship with the United States remains a strong one built on ties of family, friendship, and a track record of collaboration on issues of continental, hemispheric and global importance. We recently announced plans to realize another Throne Speech commitment by increasing Canadian representation in the United States. By the fall of 2004, seven new consulates will be opened in Houston, Raleigh-Durham, Denver, San Diego, Philadelphia, Phoenix and Anchorage. In addition, existing consulates in Miami and San Francisco will be upgraded to consulates general, and 20 honorary consuls will be appointed in important U.S. cities where there are no Government of Canada offices. This will strengthen Canada's capacity to advocate its interests in the U.S. and to develop innovative strategic partnerships in key American centres. Another important development over the past year was our negotiation of the Canada-U.S. Enhanced Security Cooperation Agreement, which has established a binational group to develop contingency planning in response to potential crises in North America, including terrorist threats and natural disasters.

## Increasing Prosperity Through Trade and Investment

Despite a global downturn that adversely affected most of our major trading partners, the past year has been one of remarkable economic success for Canada. Already the world's fifth largest trading nation, Canada had the fastest growing economy among G7 countries in 2002. Economic activity rose for the 11th year in a row, by 3.4%, and our economy is expected to outperform that of all other G7 countries again this year. Also worth noting is the fact that Canada's business environment was ranked first worldwide in the 2003 ranking by the Economist Intelligence Unit, up from fourth place the year before. This ranking is based on various factors, including political environment, infrastructure, market opportunities, business taxes, and policies related to private enterprise, competition and foreign investment. The Economist Intelligence Unit, part of the organization that publishes *The Economist* magazine,

provides independent intelligence on worldwide market trends and business strategies.

Last year Canadians continued to benefit from the North American Free Trade Agreement (NAFTA). Integration of the North American market, which NAFTA has accelerated, has helped our economy absorb and deflect external shocks. Meanwhile, efforts to improve security and efficiency at the Canada-U.S. border continued with further implementation of the Smart Border Declaration, including the opening of FAST lanes for pre-approved commercial traffic at Windsor-Detroit, Sarnia-Port Huron and Fort Erie-Buffalo.

Progress was made on all fronts at the World Trade Organization negotiations, although more time is needed to build consensus in a few key areas. In talks on trade in services, Canada set a historic precedent by making its position public; this example was followed by others, including the U.S. and European Union. In other trade initiatives, we continued to negotiate a Free Trade Area of the Americas and to pursue trade talks with the Central America Four (El Salvador, Guatemala, Honduras and Nicaragua) and with Singapore. As part of an initiative that emerged from our G8 Africa Action Plan, we also provided least-developed countries with duty-free and quota-free access to Canadian markets to help foster economic growth in these countries.

In all these initiatives, the Department is concentrating on a trade policy that better integrates economic and social policies aimed at promoting sustainable growth and social cohesion.

## Working to Enhance Global Security

As G8 chair in 2002, Canada played a leadership role in securing a G8 commitment to raise up to \$20 billion to combat weapons and materials of mass destruction, with an initial focus on Russia. Canada will contribute up to \$1 billion over 10 years to the Global Partnership Against Weapons and Materials of Mass Destruction. To address the lack of comprehensive rules on the non-proliferation of missiles, Canada advocated a non-legally binding code as a first step. In 2002, this resulted in the adoption by more than 90 countries of the so-called Hague Code of Conduct, which aims to prevent the proliferation of ballistic missiles capable of delivering weapons of mass destruction. Canada also continued to play a leading role in the international campaign against landmines, and supported more than 100 projects that contributed to human security.

### **Advancing Canada's Interests Through Multilateral Organizations**

While it has become clear that international organizations need to work more effectively, Canada continues to believe strongly in their potential. The 2002 G8 summit, hosted by Canada, established the G8 Africa Action Plan aimed at spurring economic development. As a principal architect of the G8 Africa Action Plan, committing \$6 billion for Africa over five years, Canada announced initiatives to pursue priorities such as enhancement of peace and security, and more effective responses to the spread of communicable diseases, including HIV/AIDS. On counter-terrorism, Canada worked closely with multilateral organizations such as the United Nations, the Organization of American States, the G8 and the International Civil Aviation Organization, among others, to develop and implement plans for countering transborder crime and terrorist threats. As G8 chair in 2002, for example, Canada promoted the UN Security Council Counter-Terrorism Committee as the focal point for coordination of international action. Canada subsequently developed and provided the Committee with an inventory of its assistance programs that has been used as a model for other states.

At the United Nations, Canada was uniquely active among non-members of the Security Council in its efforts to bridge differences among Council members on the question of Iraq. While these efforts were unsuccessful, their value in support of the UN was widely recognized. Last year, Canada remained at the forefront of efforts to establish the International Criminal Court, which elected Canadian Philippe Kirsh as president at its inaugural meeting.

### **Advancing Human Rights, Democracy and Good Governance**

Canada is highly respected for its long-standing advocacy of democracy, human rights, diversity and good governance. Through a range of diplomatic and programming initiatives, this department promoted and protected these objectives worldwide. Last year, Canada played a leading role at the UN Commission on Human Rights (CHR), leading on more resolutions

than any other single Western Group nation. Beyond the CHR, Canada worked toward the effective implementation of the major human rights treaties. Over the past year, Canada was not only a strong and consistent voice calling for states to respect the obligations they have undertaken, but also a source of practical assistance to states and multilateral mechanisms working toward the implementation of treaty commitments.

### **Providing the Best Information and Advice to Canadians**

Last year, the Department expanded and revamped the international gateway on the Government of Canada Web site, as well as its own site. We established an on-line system for registration of Canadians abroad and improved contingency planning to protect Canadians in emergencies abroad. Close to 800 employees working in consular services continue to assist about 2.5 million Canadians each year in over 180 countries. The Department's Operations Centre provides consular services to Canadians around the world 24 hours a day, seven days a week. We also launched the Virtual Trade Commissioner, an on-line service that provides Canadian exporters with tailored information on international business opportunities.

### **Looking Ahead**

In order to operate more effectively in a volatile international environment, the Government of Canada is better integrating its foreign and domestic policies to ensure that our diplomacy, defence capability, trade policy and development assistance efforts work together in advancing Canada's interests. The Department is playing a leadership role in that process.

Our success over the past year is a result of the hard work of our employees. In conjunction with the Minister for International Cooperation and the three Secretaries of State (Asia-Pacific; Central and Eastern Europe and the Middle East; and Latin America, Africa and La Francophonie), we take this opportunity to recognize their dedication to serving Canadians.



## Section 2



# What's New

Readers of previous Departmental Performance Reports of the Department of Foreign Affairs and International Trade will notice some fundamental differences in the method of reporting, beginning this year.

### **A More Disciplined Approach to Reporting on Performance**

In preparing this report, the Department paid close attention to the six principles for public performance reporting set by Treasury Board of Canada Secretariat. The information presented is coherent and balanced. It highlights outcomes, links resources to those outcomes, compares performance with earlier commitments, explains context and provides credible means of evaluating performance.

### **A Greater Focus on Results**

In the 2002-2003 Report on Plans and Priorities, the Department made a commitment to implement a strategic framework for results-based planning and priority setting. This has been done. The Strategic Planning and Priorities Framework, established in November 2002 (see the About Us section for more detail), sets the direction for the Department's

planning, priority setting and reporting. As a result, this Departmental Performance Report outlines the achievements of the past year in a way that more clearly demonstrates the overall logic and strategic thinking that guide the Department in carrying out its mandate. It also provides substantially more information on performance monitoring and lessons learned than in previous years, while highlighting the benefits that the work of the Department provides to Canadians.

### **A More User-Friendly Document**

The Department is making an effort to improve the clarity and readability of its planning and performance reports. In this report, bureaucratic language has been avoided and the use of acronyms has been kept to a minimum. Initiatives and terms that may be unfamiliar to some readers have been briefly explained. Finally, the report features more headings and graphics, not only to make it easier for readers to find exactly what they are looking for, but also to present information in the most succinct and direct manner possible.

The report begins by briefly describing the purpose of the Department's new Strategic Planning and Priorities Framework. It then explains some fundamentals of the Department such as governance and accountability,



resource allocation and methods used throughout its operations to monitor performance. This is followed by a review of what took place in 2002-2003, including a brief description of the environmental factors that affected the Department's operations, its principal accomplishments, and the way in which they measured up against the strategic outcomes and key results identified in the framework as well as the commitments made in the Department's 2002-2003 Report on Plans and Priorities. In short, this report presents the "logic model" for the entire Department and an assessment of its overall performance last year.

The rest of the document is divided into sections that correspond to the eight strategic outcomes articulated in the Department's 1996 Planning, Reporting and Accountability Structure. These outcomes, which include international business development and international security and cooperation, fit into the new Strategic Planning and Priorities Framework horizontally. Each outcome links in a logical sequence to key results and, ultimately, to the strategic objectives of the Department. Eight business lines produce the strategic outcomes.

The eight sections contain the following subsections, which represent the essential elements of a logic model:

- ⦿ Our Long-Term Aim: The Strategic Outcome, which explains how the business line corresponds to the framework and, hence, to the Department as a whole;
- ⦿ Our Resources in 2002-2003, which indicates the resources allocated to the business line;
- ⦿ How We Pursue Our Long-Term Outcome, which explains the operations of the business line;
- ⦿ Our Working Environment in 2002-2003, which describes the context of the business line's operations, including challenges and risks; and
- ⦿ Our Accomplishments and Performance in 2002-2003, which spells out actual achievements, showing how they support key results and strategic objectives of the framework. This subsection also supplies some performance evaluation and information about lessons learned.

At the end of the report, readers will find financial information as well as a brief discussion of management issues and government-wide initiatives pertinent to the Department.

In this document, the Department reports in accordance with the authorities set out in its 1996 Planning, Reporting and Accountability Structure as approved by Treasury Board. At the same time, it focuses on results, in keeping with government-wide requirements for results-based management, thereby providing increased accountability and transparency.



## Section 3



# About Us

The Department of Foreign Affairs and International Trade provides leadership to advance Canada's interests abroad. It enhances the prosperity and security of Canadians; promotes Canadian culture and diversity internationally; and directs Canada's political, economic and cultural relations with other nations. In carrying out its mandate, the Department strategically manages the Government of Canada's worldwide network of missions abroad. The missions are central to the Department's operations.

Internationally, the Department is recognized as a leader in the use of information and telecommunications technology among national organizations of countries that make up the Organization for Economic Cooperation and Development (OECD).

The over 9,600 employees of the Department are committed to delivering results for Canadians on the foreign policy and trade fronts as well as ensuring continued excellence in consular services. Members of the foreign service – over 1,900 in number – are rotational, which means that they relocate regularly between headquarters and Canada's missions abroad. Over 3,000 non-rotational staff work at headquarters in Ottawa as well as at passport offices and trade

centres across Canada. In addition, approximately 4,600 locally engaged employees work exclusively in other countries, providing local knowledge, language skills and expertise to the Department and its partners co-located at missions abroad.

The Department provides a range of services to the foreign diplomatic community living in Canada, which consists of approximately 7,500 accredited diplomats and their dependants, representing 123 countries. There are also 49 states that have non-resident diplomatic relations with Canada.

## 3.1 Our Funding Base

The Department's budget is allocated through Main and Supplementary Estimates approved by Parliament. In 2002-2003, the Department's Main Estimates budget of \$1.648 billion was allocated as follows:

- 56% to provide Canada's representation at missions abroad and essential supporting services;
- 26% to cover grants and contributions related to Canada's membership in international organizations

such as the United Nations, the World Trade Organization and the World Health Organization, as well as to support UN peacekeeping missions and departmental programs such as peacebuilding, human security, and academic and cultural relations; and

- ⊗ 18% to finance headquarters operations (both program expenditures and the services necessary to support them).

Personnel costs, included in the percentages above, accounted for about 35% of the total budget.

Later in 2002-2003, the Department received an additional \$211 million (for a total of \$1.859 billion) through Supplementary Estimates and other authorities, such as collective bargaining. This additional \$211 million covered:

- ⊗ increased salary costs arising from new collective agreements;
- ⊗ expenditures related to advocating Canada's interests in the softwood lumber dispute with the United States and hosting the 2002 G8 summit in Canada;
- ⊗ a grant provided to the Centre for International Governance Innovation, a world-class research centre in Waterloo, Ontario, that will examine issues related to the stability and security of the international economic system;
- ⊗ enhanced anti-terrorism and public security initiatives;
- ⊗ enhanced property maintenance measures addressing health and safety issues related to capital "rust-out" abroad, particularly at staff quarters;
- ⊗ additional support for the International Civil Aviation Organization headquarters in Montreal;
- ⊗ funding for Canada 2004-France initiatives, a series of activities to be held in France related to the 400th anniversary of the first French settlement in North America; and
- ⊗ the carrying forward to 2002-2003 of operating funds lapsed at the end of the previous fiscal year.

In keeping with the 1996 Planning, Reporting and Accountability Structure, the Department is made up of eight business lines, defined by function. The Strategic Planning and Priorities Framework provides a matrix for the business lines, which all contribute in a horizontal fashion to the Department's strategic objectives and key results.

## 3.2 How We Are Organized

### Governance and Accountability for Results

Two Cabinet ministers are responsible for the Department: Bill Graham, the Minister of Foreign Affairs; and Pierre Pettigrew, the Minister for International Trade. Given the broad scope of the Department's mandate, four other members of government have specific responsibilities related to foreign affairs and international trade:

- ⊗ Susan Whelan, the Minister for International Cooperation, who is responsible for the Canadian International Development Agency; and
- ⊗ three Secretaries of State – David Kilgour (Asia-Pacific), Gar Knutson (Central and Eastern Europe and Middle East) and Denis Paradis (Latin America and Africa) (La Francophonie) – who represent Canada and promote the country's foreign policy and trade priorities within their designated regions or organization.

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

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

The Minister for International Trade has additional responsibility for:

- ⊗ Export Development Canada, a financial institution that provides trade-related financial services to Canadian exporters and investors;
- ⊗ the North American Free Trade Agreement (NAFTA) Secretariat (Canadian Section), which helps administer the dispute settlement provisions of NAFTA;
- ⊗ the Canadian Commercial Corporation, an export sales agency that works to expand Canada's international trade; and

## 3.2 How We Are Organized

- © the Northern Pipeline Agency, which oversees planning and construction of the Canadian portion of the Alaska Highway Gas Pipeline Project.

The Passport Office is a special operating agency within the Department, reporting to the Deputy Minister of Foreign Affairs.

Accountability for key results identified in the Strategic Planning and Priorities Framework rests with the Deputy Minister of Foreign Affairs and the Deputy Minister for International Trade. The latter also shares

responsibility for Investment Partnerships Canada (IPC) with his counterpart at Industry Canada. IPC plays the lead role in implementing the federal investment strategy, which aims to attract greater foreign direct investment to Canada.

Below the levels of Deputy Minister and Associate Deputy Minister, the Department has a Legal Adviser and nine Assistant Deputy Ministers (ADMs). As shown in the table below, five functional ADMs are accountable for the eight business lines.

### Business Line Structure 2002-2003

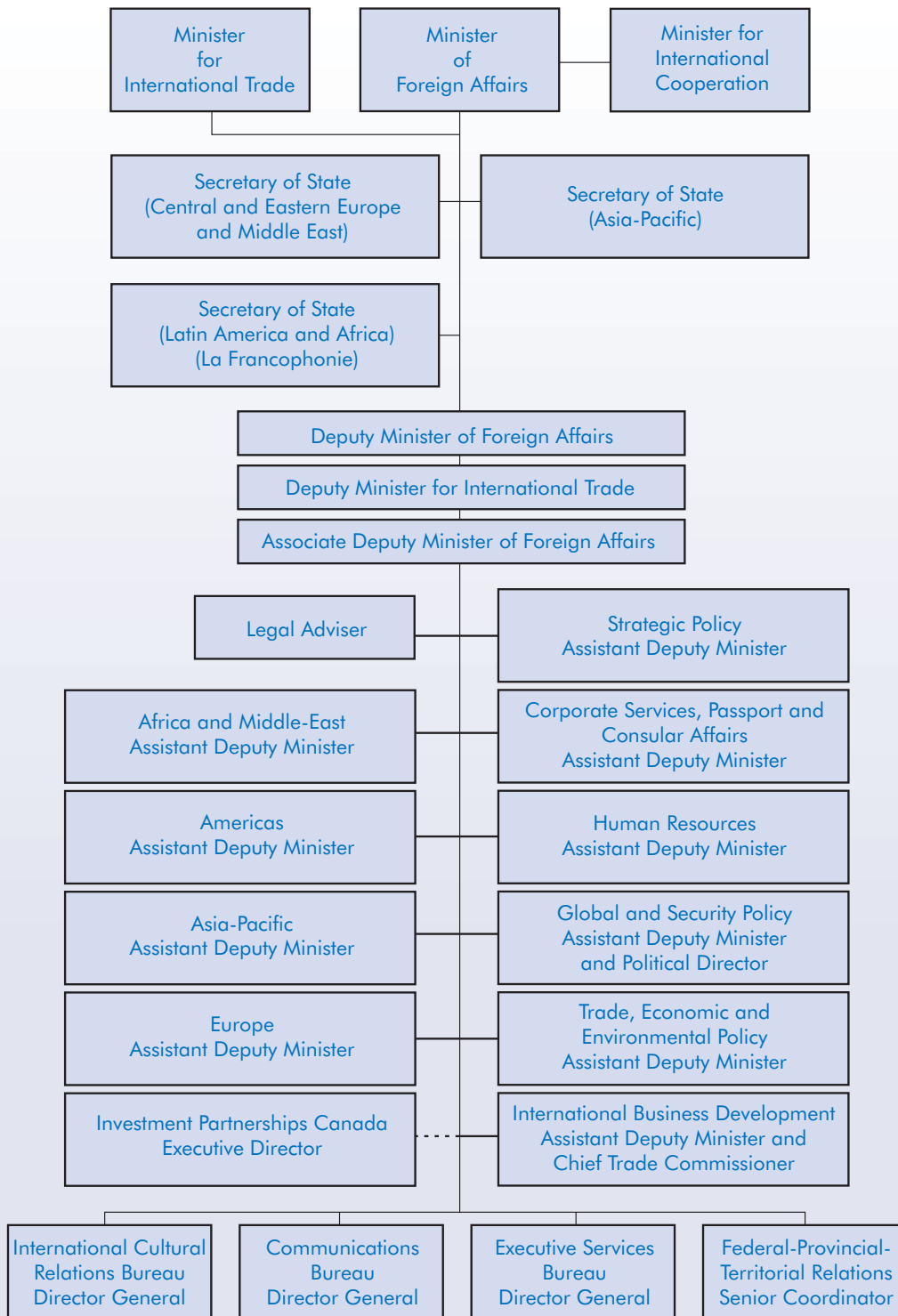
Deputy Minister (DM) / Assistant Deputy Minister (ADM)	Business Line Responsibility	Actual Spending (\$ millions) 2002-2003
ADM, Strategic Policy	A separate component of Public Diplomacy	104.2
ADM, Corporate Services, Passport and Consular Affairs	Assistance to Canadians Abroad	58.9
	Passport Services	(3.3)
	Services to Partner Departments	246.6
	Corporate Services	300.1
ADM, Human Resources	A separate component of Corporate Services	*
Deputy Minister of Foreign Affairs / Associate Deputy Minister	Public Diplomacy (International Cultural Relations Bureau, Communications Bureau, Executive Services Bureau, Federal-Provincial-Territorial Relations)	**
ADM, Global and Security Policy	International Security and Cooperation	597.0
ADM, Trade, Economic and Environmental Policy	Trade, Economic and Environmental Policy	193.5
ADM, International Business	International Business Development	256.4
Executive Director, Investment Partnerships Canada	Investment Attraction, a shared responsibility with Industry Canada	***
<b>TOTAL</b>		<b>1,753.3</b>

\* Spending for HR is included with ADM, Corporate Services.

\*\* Spending for bureaus reporting to Deputy Ministers is included under ADM, Strategic Policy.

\*\*\* The Department's contribution to the operation of Investment Partnerships Canada is included in the figure for ADM, International Business.

## Departmental Organization



### Geographic Branches

The four other ADMs are in charge of policies and operations for specific geographic regions: Africa and the Middle East, the Americas, Asia-Pacific and Europe. The latest information on Canada's relations with these regions is available at <http://www.dfait-maeci.gc.ca/world/menu-en.asp>. By following links to the various regional sites, Internet users can access details on the Department's priorities and activities in those areas, as well as country statistics and profiles, and advice on travel and trade.

The geographic branches manage and coordinate Canada's relations with their designated part of the world, providing resources and guidance to the missions abroad, which are indispensable in pursuing Canada's international interests. These branches also provide policy advice to the Ministers, based on country and regional analysis, and manage certain core departmental programs, all business line activities and the initiatives of other federal departments and agencies co-located at missions abroad. They handle export promotion and country-specific market access issues. Most of them promote tourism, in conjunction with the Canadian Tourism Commission, and support international fairs and trade missions, investment development, and science and technology cooperation.

The geographic branches are the Department's main contact with Canadian businesses. They also work closely with non-governmental organizations and the foreign diplomatic community in Ottawa.

## 3.3 How We Operate

### Implementing Results-Based Management

In November 2002, the Department established a Strategic Planning and Priorities Framework in order to apply principles of results-based management to its planning and priority setting. By linking its planning and operations to this framework, the Department is able to demonstrate more clearly how all its activities contribute to achieving departmental objectives. The framework also takes into account government-wide priorities related to Canada's national and international agenda.

The framework illustrates the Department's more strategic approach to managing its operations. It identifies four strategic objectives, each with a series of corresponding key results against which the

Department's accomplishments can be measured. The strategic objectives take into account the Department's extensive range of client groups and partners.

The way the objectives are ordered in the framework – and in this report – is significant because it reflects the logic of the Department's planning and operations. First, Canada's international interests are understood and identified. Second, resources are strategically aligned to pursue those interests. Third, Canadians are assisted in more fully participating in the world. Fourth, Canada's interests are advanced. In addition, the Department must ensure it has the most enabling culture possible, fully supporting its employees, engaging with its partners and working in a highly creative and innovative manner.

### Forging an Innovative Organization

In 2003, a report by Accenture, a leading management and technology consulting company, ranked Canada first in the world in e-government leadership for the third year in a row. The Department of Foreign Affairs and International Trade takes very seriously its leadership role not only in expanding the global components of the main Government of Canada Web site but also in broadening and improving its own use of new technologies throughout its operations.

It is seeking new and innovative ways of doing business. For instance, the Canadian Trade Commissioner Service has adopted what it calls the New Approach@Work, a series of steps to enhance client services, communications, leadership and training. The Department is also collaborating with other departments to provide more strategic management of the common services that it provides at missions abroad. Meanwhile, an initiative known as e3, which refers to the guiding principles of equilibrium (finding the balance between work and personal life), effectiveness and excellence, is now in place across the Department.

More services are also being made available on the Internet. The Passport Office is working on a system to enable clients to apply for renewals of travel documents on-line, and the Department is expanding its Virtual Trade Commissioner service for exporters to provide integrated services across the federal government.

### Foreign Service Officers

As part of its implementation of modern management, the Department is updating the classification system of the Foreign Service occupational group in conjunction with Citizenship and Immigration Canada. Levels of

seniority for this group will be doubled in number to more accurately reflect the range of responsibility and skill sets required for different positions, with corresponding rates of remuneration. This process is expected to improve the Department's ability to attract and retain these highly qualified employees, who are in demand across government as well as in the private sector.

This change will affect three of the four streams of Foreign Service officers, namely those in the Foreign Service occupational group: the Department's political/economic officers and trade commissioners as well as rotational immigration officers, who are employees of Citizenship and Immigration Canada. Management/consular officers, who make up the fourth officer stream of the Foreign Service, are part of the Program and Administration Services occupational group, which has its own distinct classification system.

Each kind of Foreign Service officer has a unique role. Political/economic officers are key players in shaping Canada's policies on a wide range of issues, such as international human rights, the environment, disarmament, the Middle East peace process and trade disputes. In general, these officers spend a considerable amount of time working with their international counterparts.

Trade commissioners are instrumental in promoting Canadian economic interests in the global marketplace. The Canadian Trade Commissioner Service's priority client is the Canadian business community, and its main objective is to help the country's entrepreneurs succeed in foreign markets. Trade commissioners posted abroad follow economic developments and trends in their designated countries to identify opportunities and develop business networks for Canadian exporters.

The Department's management/consular officers manage the operations of four business lines at missions abroad: Assistance to Canadians Abroad, Passport Services, Corporate Services and Services to Partner Departments. Consular officers provide help and advice to Canadians abroad in dealing with issues such as incarceration, death, child abduction and evacuation in the event of a political emergency or natural disaster. They also coordinate the services provided to all Government of Canada departments and agencies operating abroad, including contracting, procurement and human resources management. At headquarters, these officers exercise budgetary and human resources authority.

## Key Partners

As domestic and foreign policies become more and more interconnected, broadly based cooperation is essential to the success of the Department's initiatives. As a result, the Department is intensifying its working relationship with domestic and international partners, including:

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

## 3.4 How We Measure Our Performance

The purpose of performance measurement is twofold: to monitor progress made in achieving identified results; and to gather information for use in evaluating or auditing policies, programs and initiatives. Historically, methods of performance measurement in the Department, as in most of government, have focused on outputs and activities. Now the Department is undergoing a fundamental reorientation to concentrate more directly on results (i.e. what benefits are generated for Canadians). In 2002-2003, the Department started to increase its collection of information to be used in performance measurement through its business planning process.

While managers across the Department currently use those performance measures that best suit their particular operations, the Department will be adopting a more consistent and systematic approach over the coming years to bring individual means of measuring performance directly in line with the priorities and key results identified in its Strategic Planning and Priorities Framework. It will also make use of strategies for evaluating performance identified in results-based management and accountability frameworks (RMAFs) and risk-based audit frameworks (RBAFs) developed for various departmental policies, programs and initiatives. Last year, the Department's Office of the Inspector General used additional funding to enhance

## 3.4 How We Measure Our Performance

its ability to assist managers across the Department in preparing RMAFs and RBAFs. These tools set out strategies for monitoring and evaluating performance with a focus on results or risk management.

While performance information has been significantly enhanced in this report, the Department is committed to strengthening its ability to provide more in the future. It is currently in the process of aligning its methods of collecting performance information with the framework and developing more precise performance indicators for those strategic outcomes and key results that are more complicated to measure. This complex task, which will take some time to complete, is being undertaken as part of the Department's implementation of modern management, updated human resources management, and results-oriented audit and evaluation activities.







## Section 4



# Our Record of Achievement in Relation to Key Commitments

## 4.1 Our Working Environment

### A World Focused on Security

The global agenda over the last year has been dominated by security issues related to the ongoing conflict in Iraq as well as threats posed by terrorism, regional tensions and weapons of mass destruction.

### The Fundamental Importance of Canada's Relations with the United States

Given the extraordinary importance of Canada's relations with the United States, the Department places highest priority on this element of Canadian foreign and trade policies. While much has been made in the media over the last year about Canada's different approach with respect to Iraq and other issues, it is important to recognize that the two countries have always agreed far more than they have disagreed. This tradition of trust and cooperation guided Canada's relations with the U.S. over the last year.

### The Effect of Regional Developments Worldwide on Canada's Interests

In advancing Canada's interests internationally, the Department must take into account the following developments in certain regions of the world:

- ⊗ The economies of Asia-Pacific are becoming increasingly integrated and open to international trade and investment. Consequently, the region's middle class is expanding significantly. While this new reality is creating more opportunities for Canadian economic cooperation with Asia-Pacific, there are serious concerns about the rising incidence of terrorism and the proliferation of weapons of mass destruction across the region.
- ⊗ Despite some recent economic progress in Africa, most of the world's 48 least-developed countries are located there. Sub-Saharan Africa continues to be severely affected by the spread of diseases such as HIV/AIDS. Good governance and the reduction of corruption are widely recognized as necessary

preconditions for economic growth in Africa. For Canada, it is important to be part of global efforts to stimulate African economic development by ensuring that development assistance is more effective and business opportunities are expanded with the continent.

- ⊙ Continuing instability and conflict in the Middle East have an impact on the security and prosperity of Canadians by increasing the risks of terrorism at home and abroad and impeding Canada's economic interaction with the region.
- ⊙ Most countries in Latin America and the Caribbean are struggling with significant debt loads and a low ratio of exports to gross domestic product. Ongoing negotiations to establish a Free Trade Area of the Americas – in which Canada is an active participant – are aimed at spreading the benefits of trade liberalization and economic growth in an equitable manner throughout the region. There is a growing awareness in Latin America and the Caribbean that real economic growth depends on good governance and social development.
- ⊙ The European Union (EU) is currently expanding its membership (to 25 countries in 2004) and moving toward greater political as well as economic integration. The EU has been – and continues to be – a key partner for Canada in economic, cultural and political terms.

## Canada's Dynamic Economic Performance in a Tough Year

Developments in the international economy have not been positive over the last year. Economic growth in most countries has been weaker than it has been in a decade or more. International investment flows have decreased, and exchange rates have fluctuated dramatically. Meanwhile, governments have had to significantly increase spending on security measures and emergency preparedness to address the ongoing threat of terrorism and political uncertainty in the international community.

Despite these developments, Canada's economic performance has been stellar. Last year, this country led the G7 in economic growth. It also ranked first in employment growth among G7 and Organization for Economic Cooperation and Development (OECD) countries.

## The Need for Multilateral Action

The scope and complexity of global issues is such that no country can effect change on its own. International

problems require international solutions based on cooperation among the broadest possible range of countries affected. Though the past year has marked a period of uncertainty for the multilateral system, Canada believes in the collective strength, synergy and productivity that can be generated by nations working together in groups like the United Nations and the G8. The challenge now is to ensure that multinational organizations have the fundamentals to enable them to produce results. Where adjustments need to be made, Canada will participate actively in proposing and advancing them in collaboration with its international partners.

## The Need for Greater Integration of Domestic and Foreign Policies

The emergence of severe acute respiratory syndrome (SARS) in Canada last March clearly illustrated the very real impact that international developments can have on Canada's domestic agenda. The first Canadian cases were identified in people who had travelled to Hong Kong and returned to this country. That single plane trip dramatically affected events in Canada for several months. Another issue that had both domestic and international implications for Canada in 2003 was the single incidence of bovine spongiform encephalopathy (BSE), commonly known as mad cow disease. These two issues alone have raised awareness among Canadians of the need for all levels of government to more closely integrate domestic and foreign policies and programs in order to find the most effective solutions. The Department is intensifying consultations with the provinces, territories and municipalities to ensure their interests are well represented in Canada's global policies and initiatives and to engage them more actively in fostering this country's interests abroad.

## An Increased Demand for Our Services

More and more Canadians are turning to the Department as the source of reliable, up-to-date information on international issues as well as on foreign travel, markets and business opportunities. To ensure it is well positioned to meet this demand, the Department is striving to apply its resources as strategically as possible and better define client needs.

## Speech from the Throne Commitments

In 2002-2003, the Department worked on commitments made in the September 2002 Speech from the Throne. These included the government's intention to seek the views of Canadians about the country's international role; increase Canadian representation and advocacy

## 4.2 Our Strategic Objectives and Key Results

in the U.S.; enhance national security; and promote pluralism, freedom and democracy internationally. In addition, the Department has been contributing to stated government-wide priorities, such as increasing prosperity and employment and further advancing the innovation agenda.

### Risks and Challenges

In 2002-2003, the Department faced significant risks and challenges in carrying out its mandate. First, the Iraq crisis, and specifically the inability of members of the UN Security Council to bridge their differences in the months leading up to the U.S.-led invasion, challenged the Council and, by extension, the UN organization as a whole. Second, given the importance of Canada's trading relationship with the U.S., there was a potential risk to the prosperity of the Canadian economy if security issues and trade irritants impeded the flow of goods, services or people across the border. Third, the World Trade Organization (WTO) talks faced resistance from some countries with respect to reform of global trade in agriculture and trade remedies and certain new issues, including investment. Fourth, the international community continued to grapple with threats posed by terrorism, the Arab-Israeli conflict and tensions in Asia, Africa and South America. Finally, at the end of the reporting period, the emergence of SARS in Canada highlighted the need for greater cooperation among levels of government in dealing with issues of this kind.

## 4.2 Our Strategic Objectives and Key Results

The order in which the strategic outcomes and key results are presented below reflects the inherent logic of the Strategic Planning and Priorities Framework. First, the international interests of Canadians are identified. Second, the Department's resources are allocated to pursue those interests in a sustainable manner. Third, the Department focuses on helping Canadians participate more fully in global affairs and markets. Finally, the Department advances Canada's international interests.

The key results are in bold italics under each strategic objective.

### Strategic Objective: Understanding Canada's Interests

#### Effective Engagement of Canadians

- ⊙ In keeping with a commitment made in the Speech from the Throne and as part of the Department's ongoing engagement of Canadians on foreign policy, the Minister of Foreign Affairs launched A Dialogue on Foreign Policy in January 2003, inviting views on Canada's role in the world. By the end of March, the Dialogue Web site (<http://www.foreign-policy-dialogue.ca>) had logged some 62,500 visitors. Related activities generated participation across Canada, including town hall meetings arranged by the Department and discussion groups on its Web site. Results of the Dialogue, released in June 2003, will contribute to foreign policy making in the years to come.
- ⊙ The Department explored specific foreign policy issues with Canadians by holding numerous roundtables and workshops. Topics included Canada's relations with Europe, the U.S. and the Muslim world, as well as security in Asia.
- ⊙ To ensure that trade policy reflects the interests and priorities of Canadians, the Department expanded its ongoing discussions with public interest groups, the private sector and the academic community on trade, investment and development.

#### Quality Policy Advice and Intelligence to Government

- ⊙ Last year, the Department undertook more frequent reviews of intelligence-gathering priorities and intelligence exchanges. Working with other members of the intelligence community, the Department established a committee to coordinate interdepartmental priorities. Additional staff were assigned to missions in strategic locations to provide enhanced diplomatic reporting on topics relating to terrorism, regional stability and threats to good governance. Enhancements at headquarters enabled the Department to respond to the intelligence needs of clients more effectively and inform missions of security threats more quickly. In several instances, missions were closed temporarily in response to intelligence reports in order to ensure the safety and security of Canadian personnel and assets.

#### Quality Information and Advice to Citizens and Stakeholders

- ⊙ Implementation of an updated Web-based information and reporting system known as

ATIPflow has improved the Department's capacity to provide prompt responses to access to information and other requests from Canadians. In an evaluation by the Information Commissioner of Canada, the Department received a grade of B (92.1%) for Access to Information compliance, a marked improvement over the D grade (82.3%) the year before. Particularly noteworthy is that this improvement was made despite a 20% increase in requests.

- ⊙ The Department redesigned and improved its Web site again last year to ensure the latest and most pertinent information is readily available to Canadians. In 2002-2003, the redesigned site attracted some 12.9 million visits, up from 9.4 million the previous year. Major issues addressed on the home page included the G8 summit in Alberta, the softwood lumber dispute with the U.S., SARS and the Dialogue on Foreign Policy. A feature on the Iraq crisis received over 15,000 visitors in the last two weeks of March 2003 alone. Other improvements included a revamped Canada-U.S. site and new sites about Canada's presence in Africa and the Middle East. Between November 2002 and March 2003, the Middle East site ([http://www.dfait.gc.ca/middle\\_east/menu-en.asp](http://www.dfait.gc.ca/middle_east/menu-en.asp)) received more than 75,000 visits, while the Africa site (<http://www.dfait.gc.ca/africa/menu-en.asp>) logged over 27,500 visits, 68% from outside Canada. Investment Partnerships Canada (IPC) has also redesigned its Web site (<http://www.investincanada.gc.ca>).

### **Better Market Intelligence and Greater Market Opportunities**

- ⊙ To improve the ability of Canadian businesses to compete in world markets, the Department launched the Virtual Trade Commissioner (<http://www.infoexport.gc.ca>). This on-line service puts tailored information on international business opportunities at the fingertips of Canadian exporters. A direct mail campaign on the Canadian Trade Commissioner Service (TCS) reached over 12,000 potential and current clients, raising awareness of TCS services. As a result, more than 400 TCS partner clients and 4,000 Canadian business clients registered for a Virtual Trade Commissioner Web page. Over 1,000 of these businesses were first-time clients of the TCS.
- ⊙ International business leads are highly useful to Canadian firms. Last year, missions abroad provided the Department's International Business Opportunities Centre (IBOC) with 6,400 leads that IBOC, in turn, shared with 18,000 Canadian companies. This represents a 23% increase over

the previous year. The IBOC provides a matching service, connecting foreign buyers with Canadian firms.

### **Greater Integration of Foreign and Domestic Policies**

- ⊙ Greater integration of foreign and domestic policies depends on closer partnerships with other federal departments and agencies. Last year, the Department consulted on international economic issues with partner departments, including Industry Canada and the Department of Finance Canada, participated with the Library of Parliament in forums on globalization and governance, and took part in the government-wide Policy Research Initiative (<http://policyresearch.gc.ca>). The mandate of this initiative is to collect and integrate research on emerging horizontal issues that are highly relevant to the federal government's medium-term policy agenda and to ensure effective transfer of that research to policy makers.

### **Strategic Objective: Enabling Canada's Network Abroad**

#### **Alignment of the Department's Representation Abroad with Canadian Government Priorities**

- ⊙ While the Department's network of missions abroad includes 164 embassies, high commissions and consulates in 114 countries, its resources are concentrated in priority locations identified in the Strategic Planning and Priorities Framework – G8 countries, China, India, Brazil and Mexico and the cities where key multilateral organizations are based.
- ⊙ Realignment of representation abroad last year included:
  - the opening of a Canadian embassy in Iceland to strengthen diplomatic relations with that country;
  - an announcement that a Canadian consulate general would be established in Chandigarh, India, to expand immigration and visa services; and
  - a successful effort to seek approval to open new satellite offices in the U.S. over the next three years, in keeping with a Speech from the Throne commitment.

#### **Effective Management of Missions Abroad with Partner Departments and Agencies**

## 4.2 Our Strategic Objectives and Key Results

- ⊙ Last year, a total of 202 positions were added at missions abroad (88 of them by other departments). This growth in staff reflects two new realities: the increased impact that international events are having on the delivery of Canadian government programs; and the need to increase program capacity abroad in the post-September 11 environment. To better manage growth in staff at missions abroad, the Department has:
  - applied a Framework for Planning and Managing Growth in Personnel at Missions Abroad;
  - established two interdepartmental committees to deal with long-term planning on issues related to Canada's representation abroad;
  - conducted an internal review of representation abroad;
  - created an office for planning and coordinating common services; and
  - developed a sophisticated electronic means of reporting on Canadian representation abroad, which links financial and non-financial information to support better decision making.
- ⊙ Partner departments, supportive of these efforts, have responded favourably to consultations held by the Department on the growth of staff at missions.

### **Essential Services and Infrastructure Delivered in a Valued and Sustainable Manner**

- ⊙ Managing a large and complex workforce across the globe poses special challenges for the Department, which relocates some 800 employees and their families each year. Given the volatility of the international environment, the Department must be able to move resources quickly in response to shifting priorities and work more creatively with other departments and agencies whose fields of interest are becoming more global every day. This kind of flexibility requires highly strategic human resources management. The Department is introducing new human resources policies that better reflect its evolving mandate. It is also more directly focusing on client needs and building a more diverse and bilingual workforce. In the past two years, representation of visible minorities in its workforce has increased from 5.9% to 7.3%, and the number of persons with disabilities has risen from 3.4% to 4.3%. Unchanged are the number of women (48.6%) and Aboriginal people (2.2%).
- ⊙ The Department owns or leases extensive property abroad, including 228 chancery and ancillary office

spaces, 105 official residences and some 1,600 staff quarters. Crown-owned land and buildings outside Canada, which have a replacement cost of approximately \$2 billion, represent a significant and productive investment for Canadians. To ensure the most effective management of these properties, the Department continued to implement its Property Management Improvement Plan, with a focus on property budgets and resources and ensuring ISO certification. The Department is also developing a new long-term capital plan.

- ⊙ The Department's real property projects fully support priorities identified in the Strategic Planning and Priorities Framework. The Department has also addressed property-related health and safety issues, added much-needed office space, responded to market opportunities to reduce rent and replace leases and addressed deteriorating property assets at many missions.
- ⊙ The Department's Web site offers a critical means of providing Canadians and non-Canadians alike with immediate access to important information. Now included are 180 sub-sites, 80 mission sites and over 3 million pages of information in English, French and 14 other languages. Visits to these sites have increased 70% to 12.9 million per year. It should also be noted that the Department completed conversion of its Web site to the government-wide standards for Common Look and Feel by the target date of December 2002.

### **Effective International Components on the Government of Canada Web Site**

- ⊙ In keeping with the Government On-Line program, the Department continued to play a key role last year in the federal strategy to provide single-window Internet access. It led enhancement of the gateway for non-Canadian clients (<http://www.CanadaInternational.gc.ca>) on the main Government of Canada Web site. That gateway, which offers content in six languages, has been increasingly used over the past two years. It now receives an average of more than 100,000 visitors per month, or about 21% of all visits to the main site.

### **Strategic Objective: Enabling Canadians to Participate in the World**

#### **Provision of Internationally Respected Travel Documents**

- ⊙ In 2002-2003, the Passport Office issued 2,179,186

passports in Canada, a 12.6% increase over the previous year. According to the Passport Office's 2002 survey, the number of satisfied clients dropped slightly from the previous year, from 96% to 90%. Concerns were expressed about the cost of service and the length of wait times. In response, action is being taken to shorten wait times.

- ⊗ To improve passport security, the Passport Office introduced new printing technology in July 2002. The resultant tamper-resistant passport incorporates a digitally produced applicant photo. The new production process has been successfully introduced in 19 of the 29 regional offices. Also last year, as part of the Government On-Line program, the Passport Office continued work on a system that will enable Canadians to apply for travel documents on-line.

### **Effective Assistance, Guidance, Advice and Services to Canadians Abroad**

- ⊗ In 2002-2003, the Department handled an estimated 1,332,393 requests for consular assistance. It opened over 179,000 cases, 14% more than the previous year. Some 141,042 of these cases were successfully closed.
- ⊗ More than 17,751 Canadians took advantage last year of the new on-line Registration of Canadians Abroad system. In a crisis this system, which now contains over 177,000 active registrants, allows the Department to more easily track and assist Canadians abroad. Also last year, the Department redesigned and expanded its Web site that provides travel information and advice related to the safety and security of Canadians abroad. In 2002, the consular site attracted over 1.7 million visitors, a 30% increase over the previous year. More than 10,000 e-mails on consular matters were received via the Web site, up from 5,700 the year before.
- ⊗ The post-September 11 environment has placed greater emphasis on security measures worldwide. With increased funding for public security and anti-terrorism efforts, the Department added consular personnel to improve emergency preparedness in response to heightened threats faced by Canadians abroad.
- ⊗ The Department took comprehensive action to ensure the safety of Canadians in the Middle East prior to and throughout the Iraq conflict. It also responded quickly and effectively to terrorist activities in Southeast Asia such as the Bali bombings and threats made against the Canadian embassy in Manila. It upgraded security measures at Canadian missions across the region and maintained careful

monitoring of events to ensure its ability to provide the most effective advice and guidance to Canadians in Southeast Asia.

### **Effective Delivery of International Business Development Services to Canadians**

- ⊗ The Canadian Trade Commissioner Service helps Canadian firms succeed in global markets. According to its third client survey (<http://www.infoexport.gc.ca/docs/clientsurvey2002-e.htm>), 79% of clients were satisfied with its services. Respondents identified significant improvements over the previous two years in the professionalism of staff, their ability to take the initiative and use creativity in solving problems as well as the timeliness of service and the range of market knowledge provided.
- ⊗ The Department's Program for Export Market Development (PEMD) introduces small and medium-sized companies to exporting and new markets. Last year, it provided \$15.6 million in repayable assistance to 622 companies. During the same period, sales reported by companies using PEMD assistance amounted to \$152 million. For the third consecutive year, clients reported high levels of satisfaction with PEMD. The 2002 client survey shows an overall satisfaction rate of 92%. Once again, clients noted the usefulness of the PEMD Web site, the program's positive impact on export sales as well as its assistance in identifying distributors and agents and in establishing contacts. PEMD-Investment has enabled IPC to produce 33 community profiles which allow investors to compare Canadian locations against U.S. locations using standard criteria. This is a valuable source of competitive intelligence that is used to attract potential investors.

### **Expanded Base of Canadian Businesses Active in the World**

- ⊗ The Minister for International Trade led Canada trade missions to India, Mexico, South Africa, Nigeria and Senegal. A total of 335 Canadian enterprises participated in the missions and signed 101 agreements valued at \$326.6 million.
- ⊗ In cooperation with public sector partners and trade associations, the Department undertook outreach activities across Canada to assist businesses led by women, youth and Aboriginal entrepreneurs. It also revised the Directory of Aboriginal Exporters, created the Aboriginal Planet Business Centre and published supplements in *CanadExport* (the Department's trade news journal) on non-traditional

## 4.2 Our Strategic Objectives and Key Results

entrepreneurs. As a result, these business people have an increased awareness of the benefits of international business and how the Department can help them become export ready.

### Strategic Objective: Advancing Canada's Interests Abroad

#### More Effective Influence in the U.S.

- ⊗ As noted above, the Department is expanding its presence in the U.S.
- ⊗ In recognition of the paramount importance of Canada's trade with the U.S., the Department continued to play a key role in implementing the Smart Border Declaration. The NEXUS program for pre-approved travellers was expanded and FAST lanes for pre-approved commercial traffic were opened in December 2002 at Windsor-Detroit, Sarnia-Port Huron and Fort Erie-Buffalo. These innovations have enhanced the security of our shared border, while facilitating the legitimate flow of people and commerce.
- ⊗ To strengthen North American security, the Department negotiated the new Canada-U.S. Enhanced Security Cooperation Agreement. This agreement established a binational group to develop contingency planning in response to potential crises in North America, including terrorist threats and natural disasters.

#### Increased International Awareness of Canada and Its Values

- ⊗ In 2003, the Economist Intelligence Unit ranked Canada's business environment first in the world (up from fourth in 2002). The ranking is based on various factors, including political environment, infrastructure, market opportunities, business taxes and policies related to private enterprise, competition and foreign investment. The Economist Intelligence Unit, part of the organization that publishes *The Economist* magazine, provides independent intelligence on worldwide market trends and business strategies.
- ⊗ In promoting an awareness of Canada internationally through the arts, the Department awarded 424 grants totalling \$4.6 million to Canadian artists and cultural groups to enable them to tour internationally, and to Canadian arts festivals to help them attract foreign visitors. About 70% of these grants supported Canadian cultural activities in G8 countries, with 13% of the total going to events in the U.S.

- ⊗ The Department supported 60 youth programs that enabled young Canadians to broaden their international experience by travelling and working in other countries. It also facilitated over 36,500 exchanges between Canadian and international youth in 2002-2003, up 8% from the previous year. It supported Canadian studies by about 7,000 foreign scholars as well as courses about Canada taken by 150,000 students in Asia, Europe and the Americas. These foreign scholars published articles on Canada and its policies in newspapers and specialized magazines.

#### Strengthened Multilateral Rules-Based Institutions and Policy Coherence

- ⊗ Canada chaired the G8 in 2002 and hosted its summit in Kananaskis, Alberta. Three important outcomes were the launch of the G8 Africa Action Plan (aimed at spurring economic development on that continent), the establishment of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction and an agreement to provide greater international security in transportation. A study published by the University of Toronto (<http://www.g8.utoronto.ca/evaluations/2003compliance/index.html>) ranked Canada number one among G8 countries for delivering results on priority commitments made at the 2002 summit.
- ⊗ The Department remained at the forefront of efforts to promote ratification and implementation of the Rome Statute of the International Criminal Court (ICC), which entered into force on July 1, 2002. In the past year, 34 countries ratified this statute, bringing the current total to over 90. In March 2003, Canadian Philippe Kirsch was elected president of the ICC at its inaugural meeting.
- ⊗ The Department played a key role in developing Canada's response to the crisis in Iraq. Furthermore, Canada was uniquely active among non-members of the UN Security Council in its sustained efforts to bridge differences among Council members on the question of Iraq. While these efforts were unsuccessful, their value in support of the UN was widely recognized.

#### Effective Advocacy of Canada's Global and Human Security Interests

- ⊗ Under Canadian leadership, the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction committed to raising up to \$20 billion to combat weapons of mass destruction, initially in Russia. Canada's contribution



will be up to \$1 billion over 10 years. This initiative, endorsed unanimously by the UN, was opened for subscription by all states.

- ⑥ To address the lack of a comprehensive international instrument on missile non-proliferation, Canada advocated a non-legally binding code as a first step. This resulted in adoption of the so-called Hague Code of Conduct by more than 90 countries in November 2002. Its aim is to curb and prevent the proliferation of ballistic missiles capable of delivering weapons of mass destruction. The Code has over 100 subscribers (<http://www.dfait-maeci.gc.ca/arms/missile3-en.asp>).
- ⑥ Canada continued to play a leading role in the international campaign against landmines. As of July 2003, 134 countries had ratified the Ottawa Convention to ban them. In 2002-2003, Canada provided more than \$24 million for over 100 mine action projects in many of the world's most heavily mined countries and helped countries in all regions to meet Convention obligations.

### **Enhanced Support Abroad for Human Rights, Democracy and Good Governance**

- ⑥ At the G8 summit in 2002, Canada was a principal architect of the Africa Action Plan. Canada committed \$6 billion in aid for Africa in new and existing resources over five years, including the \$500 million Canada Fund for Africa. Canada also announced initiatives to pursue priorities set out in the plan, including expansion of trade, investment and market access, enhancement of peace and security and efforts to deal more effectively with communicable diseases (including HIV/AIDS).
- ⑥ In preparation for the UN Commission on Human Rights, the Department held consultations with 102 Canadian non-governmental organizations (NGOs) and civil society groups. Six consensus resolutions were sponsored by the Canadian delegation, more than any other single Western Group country. The resolutions related to freedom of expression, impunity and elimination of violence against women. Canada was also instrumental in ensuring the renewal of the mandate of the UN Special Rapporteur on Violence Against Women. According to Human Rights Watch, a leading NGO in this field, Canada was "among the few to hold a firm and principled line on many key human rights issues" at the Commission's session in 2003.

### **New Markets Opened and Visibility for Canadian Products and Services Increased**

- ⑥ The trade agenda in 2002-2003 was dominated by ongoing negotiations. First, the Department led government efforts to expand global markets for Canadian services and goods in the WTO talks. Progress was made on all fronts (see Trade, Economic and Environmental Policy, Section 5.2), but it became clear that more time was needed to build consensus in many areas, and the agriculture and development deadlines were missed.
- ⑥ Second, the Department led Canada's participation in negotiations to establish a Free Trade Area of the Americas as well as in trade talks with the Central America Four (El Salvador, Guatemala, Honduras and Nicaragua) and Singapore. The Canada-Costa Rica Free Trade Agreement and its side agreements on labour and the environment were brought into force, and the Department prepared for possible negotiations with countries of the Caribbean Community (CARICOM), the Dominican Republic and the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela).
- ⑥ Canada implemented a new market access initiative for least-developed countries to provide duty-free and quota-free access to Canadian markets, as part of the G8 Africa Action Plan. This initiative, which applies to all imports except supply-managed agricultural products, should help foster economic growth in least-developed countries, particularly in Africa.
- ⑥ Team Canada Inc increased its initiatives to brand Canada as creative, innovative and competitive. Additional funding enabled the Canadian pavilions at over 30 international trade shows to give greater prominence to Canadian companies and enhanced their representation in priority markets. For instance, the Canada Pavilion at COMDEX, the world's largest information and communications technology conference, held in Las Vegas last year, helped generate business leads, investments in Canadian companies and strategic alliances with companies in the U.S., Mexico and Europe. Other successful Brand Canada initiatives targeted trade fairs in Hannover, Germany, the Farnborough Air Show in the U.K. and Foodex in Japan. Team Canada Inc is a partnership of federal departments that helps Canadian businesses exploit global market opportunities.
- ⑥ Continued efforts to brand Canada as an international centre of high-quality education resulted in an intake of 151,620 foreign students in

the first nine months of 2002-2003, a 12% increase over the previous year. Asia remained the main source of these foreign students, but the United States, Europe, Latin America and the Middle East grew in importance.

### **Effective Management of Trade and Other Disputes**

- ⊙ The importance of Canada's trade with the U.S. – and the need to resolve bilateral trade irritants and disputes – cannot be overstated. Working closely with the Forest Products Association of Canada and the Federation of Canadian Municipalities, the Department undertook an extensive advocacy campaign to defend Canada's interests in the softwood lumber dispute. The campaign kept attention focused on the issue at the U.S. Department of Commerce and counterbalanced the powerful U.S. lumber lobby.

## **4.3 Performance Monitoring**

As the preceding list of highlighted accomplishments demonstrates, the Department began last year to collect more information with which to measure its performance. The bullets below indicate the particular methods used to assess its progress in 2002-2003 in meeting the strategic objectives identified in the Strategic Planning and Priorities Framework. Over the next few years, the Department will be identifying key indicators. This additional information will provide an even clearer evaluation of performance in future.

### **The Department monitors how well it is understanding Canada's interests by:**

- ⊙ consulting with Canadians on issues related to foreign policy and trade;
- ⊙ tracking and assessing threats and risks to Canada and Canadians as well as to Canadian government employees and assets worldwide;
- ⊙ providing annual updates to Cabinet on security and intelligence matters and reviewing security with partner departments;
- ⊙ tracking compliance with the Access to Information Act;
- ⊙ monitoring feedback from clients, as well as from the business community, media and public to ensure overall satisfaction with the quality of the policy advice and information provided;
- ⊙ analyzing feedback from missions and geographic regions about Canadian interests abroad; and

- ⊙ reviewing the state of Canada's political and economic relationships with particular countries and regions.

### **The Department monitors how well it is enabling Canada's network abroad by:**

- ⊙ collecting operational information and statistical data related to the delivery of its related services in Canada and abroad;
- ⊙ establishing service standards and assessing services and infrastructure against them; and
- ⊙ consulting with clients and partners on their level of satisfaction with its services.

### **The Department monitors how well it is enabling Canadians to participate in the world by:**

- ⊙ collecting operational information and statistical data on the delivery of its related services in Canada and abroad;
- ⊙ surveying clients on their level of satisfaction with consular, trade and passport services;
- ⊙ monitoring statistics on the number and diversity of Canadian exporters and their level of activity in global markets; and
- ⊙ tracking independent international surveys and rankings of Canada's business environment.

### **The Department monitors its advancement of Canada's interests abroad by:**

- ⊙ surveying Canadians about its performance in promoting peace, security and human rights as well as trade and investment;
- ⊙ analyzing information generated through its results-based management and accountability framework for the United States;
- ⊙ monitoring public, political and corporate awareness and media coverage of Canada and the Department at home and abroad;
- ⊙ tracking the degree of international interest in Canada, the number and diversity of Canadian studies programs and the number of foreign students at Canadian universities;
- ⊙ monitoring progress made in achieving established milestones in strengthening rules-based institutions and advancing human security and rights, democracy and good governance policies, programs and initiatives;

- ⊗ monitoring progress made in achieving established milestones in trade negotiations and dispute settlements as well as in signing new trade agreements;
- ⊗ monitoring statistics on international trade and investment flows; and
- ⊗ tracking independent international surveys and rankings of Canada's economic performance, business environment and international activities.

**The Department monitors its internal operations by:**

- ⊗ interviewing clients and partners to solicit feedback on services provided;
- ⊗ surveying clients, employees and Canadians as a

whole on the performance of the Department; and

- ⊗ analyzing internal audits and evaluations to ensure the continued relevance, effectiveness and efficiency of policy, programs and initiatives.

## 4.4 Commitments Kept and Lessons Learned

In preparing this Departmental Performance Report, the Department compared its actual accomplishments with the key commitments made in the 2002-2003 Report on Plans and Priorities using the methods presented above. Over the last year, the Department was able to meet the vast majority of those commitments. More information can be found in the following pages.

Department's Main Commitments and Outcomes	
Commitments Made for 2002-2003 by Strategic Objective	Status
<b>Canada's Interests Understood</b>	
expand consultations with Canadians on key foreign policy issues	✓
establish a new policy coordination division	✓
intensify policy research and analysis	●
increase integration of Canadian foreign policy on trade, investment, defence and international aid	●
<b>Canada's Network Abroad Enabled</b>	
strengthen security measures to better protect the safety and security of employees, assets and information worldwide	✓
work more intensively with network of partners	✓
expand electronic access to departmental services	✓
<b>Canadians Able to Participate in the World</b>	
enhance consular services	✓
upgrade Passport Office technology and security	✓
begin production of digitized passport documents	✓
continue to provide effective services to help Canadian exporters participate more fully in global markets	✓
<b>Advancement of Canada's Interests Abroad</b>	
implement more elements of the Smart Border Declaration with the U.S.	✓
pay particular attention to ongoing trade disputes with the U.S. and EU	✓
pursue advancement of WTO negotiations	✓
pursue a Free Trade Area of the Americas	✓
continue free trade negotiations with the Central America Four, Singapore and the European Free Trade Association	✓
promote Canada's image abroad as an attractive investment destination	✓
support Canada's involvement in the international campaign against terrorism	✓
manage the country's evolving security and defence relations with key partners, particularly the U.S.	✓
✓ = Commitment Met	(continued)
● = Progress Still to Be Made	

## 4.4 Commitments Kept and Lessons Learned

Commitments Made for 2002-2003 by Strategic Objective	Status
promote agreement among G8 leaders on measures to combat terrorism and stimulate economic development in Africa	✓
strengthen the multilateral rules-based system	●
reinvigorate the international non-proliferation, arms control and disarmament agenda	✓
focus on ways to resolve the Middle East conflict in partnership with other countries	✓
implement more elements contained in the action plan developed at the Summit of the Americas in Quebec City in 2001	✓
deepen Canada's relationship with Mexico	✓
support the emergence of a North American community	●
advance Canada's trade interests in Asia-Pacific	✓
focus on reconstruction and humanitarian relief in Afghanistan	✓
enhance Canada's cooperation with the EU and other Continental allies	●
<b>Internal Operations</b>	
establish a strategic framework for results-based planning and priority setting	✓
modernize management, information systems and human resources	●
establish an integrated system for managing property budgets and resource planning	✓
redesign communications functions to create a better flow of information inside and outside the Department	●

✓ = Commitment Met  
● = Progress Still to Be Made

The Department is applying lessons learned over the last year to current activities, while recognizing that there are areas where it can and must be more effective and efficient, if Canada is to maintain a position of influence in global affairs. For instance, the Department is striving to more fully align its activities abroad with those of its partners, while contributing actively to federal efforts to better integrate Canada's domestic and international agendas.

### 4.5 Looking Ahead

Over the course of the next year, the Department will be updating and revising its Planning, Reporting and Accountability Structure (PRAS). The PRAS specifies accountability across the Department. Once complete,

this initiative will change the way the Department presents information in documents such as the Report on Plans and Priorities and the Departmental Performance Report. It will allow information to be organized according to the strategic objectives identified in the Strategic Planning and Priorities Framework instead of the strategic outcomes in the PRAS. This will provide greater transparency by more clearly showing the overall coherence of the Department's operations.



## Section 5



# Performance and Accountability Information by Strategic Outcome

## 5.1 International Business Development

### 5.1.1 Our Long-Term Aim: The Strategic Outcome

Create 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.

#### 5.1.2 Our Resources in 2002-2003 (\$ millions)

Planned spending at beginning of fiscal year	256.0
Total spending authorities at end of fiscal year	259.5
Actual spending	256.4

### 5.1.3 How We Pursue Our Long-Term Outcome

The International Business Development business line contributes to the creation of employment and prosperity in Canada by assisting the business community in taking full advantage of international

opportunities in the globalized economy. In addition to supporting the expansion of Canadian exports of goods and services, the Department's role is to facilitate investment into Canada and encourage technology development through alliances with non-Canadian partners.

This is accomplished by leading the government's overall trade development function through Team Canada Inc (TCI), the partnership of 22 federal departments and agencies responsible for international business development. TCI provides integrated and coordinated support programs, services and tools to Canadian firms to assist them in expanding their business in international markets. TCI's Web site, ExportSource (<http://www.exportsource.gc.ca>), is Canada's most comprehensive on-line source for government export information. The Department also collaborates closely with Industry Canada in targeted initiatives to further attract foreign investment into Canada through Investment Partnerships Canada (IPC). The Department is working closely with IPC

and TCI partners to strengthen Canada's image as a competitive and preferred location for foreign investors.

The Department operates the Canadian Trade Commissioner Service (TCS), the cornerstone of Canada's international business strategy in the global marketplace. The TCS is a 100-year-old network of more than 1,050 trade professionals (250 Canada-based officers and 550 locally engaged commercial officers and commercial assistants located in Canada's missions abroad, plus 250 officers at headquarters in Ottawa). The Department's trade commissioners have expertise in a range of subjects, including foreign market access, business prospects and contacts as well as exporting, licensing, joint ventures and technology transfers. The Web site of the Canadian Trade Commissioner Service, InfoExport (<http://www.infoexport.gc.ca>), provides free access to hundreds of sectoral market studies and country-specific reports to help Canadian companies identify foreign business opportunities and learn more about their target markets. This site also helps companies that are ready to export to get in touch with the employees of the Department's 140 trade offices around the world and request the personalized core services that are offered.

The Economist Intelligence Unit ranked Canada first (up from fourth) in terms of the general environment for doing business. The model used "seeks to measure the quality or attractiveness of the business environment and its key components in 60 countries"

and "reflects the main criteria used by companies in formulating their global business strategies and investment-location decisions." The top five countries were Canada, the Netherlands, Finland, the United Kingdom and the United States.

#### 5.1.4 Our Working Environment in 2002-2003: Challenges and Risks

For Canada, 2002 marked the 11th consecutive year of economic growth, the longest and most stable expansion of the post-war era. However, the past year was a difficult one globally, with most of Canada's major trading partners recording sub-par performances. Canada's strong domestic economic performance and weaknesses in our foreign markets had an overall downward impact on our international trade balance; but relative to other countries, our trade and even our international investment performance stood up well (see table).

Given the tough economic environment, the services of trade commissioners are even more vital in helping Canadian companies, particularly small and medium-sized enterprises (SMEs), gain access to new markets. Assisting SMEs continues to be a Government of Canada priority; this is in line with Canadian public attitudes, as respondents to the EKOS survey on "Canadian Attitudes Toward International Trade" confirmed.

#### Canadian Economic Indicators, 2001 and 2002

Indicator	2001	2002
Real gross domestic product (GDP) growth	1.9%	3.3%
Employment growth	167,100	335,000
Unemployment rate	7.2%	7.7%
Exports of goods and services & growth rate	\$480.4 billion (-1.7%)	\$472.6 billion (-1.6%)
Exports of services	\$58.9 billion	\$58.3 billion
Exports of goods and services as % of GDP	43.4%	40.9%
Imports of goods and services & growth rate	\$417.9 billion (-2.2%)	\$423.1 billion (-1.2%)
Overall trade surplus with the world	\$62.5 billion	\$49.5 billion
Current account balance	\$26.9 billion	\$23.4 billion
Stock of foreign direct investment in Canada	\$333.6 billion	\$349.4 billion
Stock of Canadian direct investment abroad	\$389.7 billion	\$431.8 billion

*Source:* The Fourth Annual Report on Canada's State of Trade: Trade Update 2003 reports on Canada's performance in international trade and investment. This report is available on the Department's Web site at <http://www.dfait-maeci.gc.ca/eet/trade/state-of-trade-en.asp>.

# 5.1 International Business Development

## Survey Results, Attitudes to International Trade

Those saying "high priority"	2001	2002
Provide SMEs with services and advice to help them export	81%	84%
Provide businesses with services and advice to help them export	75%	76%

### 5.1.5 Our Accomplishments and Performance in 2002-2003

#### 5.1.5.1 Enhance client services by developing best practices, called the **New Approach@Work**, to improve communications, leadership, training and the service standards of the Trade Commissioner Service

##### *Client Satisfaction Survey*

The third client satisfaction survey results indicated 79% satisfaction with the TCS (<http://www.infoexport.gc.ca/docs/clientsurvey2002-e.htm>). Compared with the two previous surveys (1999 and 2000), there were significant improvements in the scores for staff professionalism, timeliness, market knowledge and being creative and proactive in solving problems. For example, 74% of respondents indicated that the TCS helped them make better decisions, and 79% said that the TCS saved them money. The survey underlined the need to continue efforts to make service delivery more consistent and personalized. To conduct the telephone survey, a consultant selected 1,500 TCS clients from a sample of 15,000 individual service transactions worldwide; these 1,500 Canadians were interviewed about their specific service experiences at 107 posts abroad.

##### *InfoExport*

With close to 80% of Canadian businesses actively using the Internet, the Web has become a significant service delivery mechanism. The TCS Web site (<http://www.infoexport.gc.ca>) served 10% more clients each month compared with the previous year, logging a record 111,000 visits in October 2002 alone. Content is regularly updated to reflect changing foreign market environments, enabling Canadian firms to benefit from accurate and timely market intelligence.

**"It's excellent!... The document is clear, accurate, well-detailed.... The contacts are here, the market opportunities, suppliers, market share. Everything is here for me to make a go/no go decision."**

**The Market Research Center's 2003 client focus group testing indicated that users are clearly pleased with the content, level of detail and overall presentation of the information produced by the Centre. Overall, the Centre's products clearly met or exceeded client expectations.**

##### *Virtual Trade Commissioner*

To provide the Canadian business community with specific, tailored information on international business opportunities, the Department launched the Virtual Trade Commissioner (VTC) in November 2002. A Web portal funded by Government On-Line, the VTC (<http://www.infoexport.gc.ca>) pushes personalized market and sectoral information out to Canadian exporters. The VTC offers clients direct access to the services of all trade commissioners abroad, resulting in better-informed exporters.

Direct-mail initiatives reached over 12,000 potential and current clients, raising their awareness of the TCS and improving their understanding of its services. As a result, more than 400 TCS partner clients and 4,000 Canadian business clients registered for a VTC Web page. Over 1,000 of these business clients were companies new to the TCS. Partner clients and Canadian companies continue to register for the VTC as they learn more about what the service can do for them.

##### *Focus on People*

A key component of the TCS's New Approach@Work has been a greater focus on its people. During 2002-2003, the TCS defined core competencies for locally engaged and Canada-based trade staff. This involved testing in several posts abroad, followed by the introduction of improved recruitment and selection tools. With these tools, managers can seek out and engage the best and the brightest staff as an investment that will result in improved service quality for Canadians.

Also with a view to improving services, the Trade Commissioner Service held employee focus groups to develop a vision and values statement to be rolled out in 2003. Other deliverables included first-ever feedback interviews with returning Canadian employees, a new



on-line orientation kit for new employees, approval of a three-year learning strategy following extensive consultations, model job profiles and organizational diagrams for overseas operations, and pioneering work on retention and incentives.

In direct response to client and employee feedback, trade program managers from 108 missions abroad participated in a three-day colloquium on leadership and management, marking the first such event in over three decades. Upon returning to their posts, participants notified the Chief Trade Commissioner, in writing, of improvements they were making in the management of trade teams as a result of what they had learned at the colloquium.

Feedback following the colloquium led to development of a Quality Tool Kit, which helps managers implement a quality management framework focused on continuous improvement. The Quality Tool Kit has been tested and has proven to assist in strengthening areas of weakness within the organization. Implementation of the framework increases the quality of performance and improves leadership capabilities by promoting shared goals and clarifying roles and expectations.

A new mandatory 3.5-day training program, based on the colloquium, was developed and delivered to trade program managers going on posting or being cross-posted in the summer of 2003. The training session introduced the Quality Tool Kit to help new managers take stock of their organizations and assist them in business planning.

Expected key results of these people-focused initiatives include:

- ⊗ measurable progress in implementing leadership and human resource action plans;
- ⊗ an increased focus on core business and agreed priorities; and
- ⊗ modernized management, business and administrative processes.

#### *Training*

Employee feedback and the last client satisfaction survey had identified a need for staff to have a firm

grasp of the specific industries in which their Canadian clients do business. In response, numerous training activities were initiated.

- ⊗ 422 Canadian trade officers from Canada and missions abroad participated in 22 learning sessions targeted on 10 major industry sectors.

**"Due to the complexities associated with promoting trade with China, [this] pilot training program would provide an invaluable service to any government official working in this area. I would recommend it highly. This concept holds significant potential as a template for further collaboration between levels of government in addressing common objectives in areas of parallel interest."**

*Vaughan Mitchell, Executive Council, Federal-Provincial Relations, Province of Manitoba*

- ⊗ An innovative China export training program for Canadian provincial governments was created to enhance the capacity of the provinces to provide companies with higher-quality advice. Teams of officials from three provinces have completed the four-day course, which has helped foster closer federal-provincial cooperation, reduced workload pressures on the China program, and enhanced our export

development capacity.

- ⊗ Locally engaged officers attended two-week training courses in Canada; in addition, staff from across the United States and Europe attended two-day training workshops in their region. The core concepts were reinforced by a new Virtual Campus course offered via the departmental intranet.
- ⊗ Courses were also developed to provide tools and tips for managing science and technology activities at posts and to promote foreign direct investment in Canada. The Department offered the latter course with Industry Canada, through Investment Partnerships Canada.

Past evaluations of similar training sessions have shown them to be worthwhile, resulting in TCS staff who are able to save time and more effectively deliver services to Canadian business clients; at the same time, Canadian businesses find that TCS employees are more knowledgeable about their market sectors. Evaluations of these latest courses are planned for six to 12 months after each session to verify the return on investment, to confirm that the effectiveness and efficiency of participating staff has increased, and to identify remaining gaps and areas for improvement.

## 5.1 International Business Development

### 5.1.5.2 Enlarge and diversify the number of exporters served by the Department by enhancing collaboration across departmental boundaries in the design and delivery of Team Canada Inc's client services

#### *Team Canada Inc*

TCI has adopted a single-window approach to serve its client base of predominantly small and medium-sized enterprises across Canada. Within this single-window access point, TCI operates a multi-channel program that directs clients to the most appropriate information or contact to satisfy their export enquiries. More than 13,000 calls were handled through the toll-free Export Information Service and more than 290,000 visits were made to <http://www.exportsource.ca>.

In a client satisfaction survey of users of TCI's toll-free phone service, 85% were satisfied or very satisfied with the quality of the service. In addition:

- 78% said they were more aware of information sources or other government services related to exporting;
- 92% had a greater awareness of the export information available following their use of the [exportsource.ca](http://www.exportsource.ca) Web portal; and
- 6% indicated dissatisfaction with the site.

The Department's term as chair of the Team Canada Inc Management Board and Executive Committee was renewed for a second year. A more precise, pragmatic vision statement developed by the Executive Committee sharpened TCI's focus. The strong leadership and direction of the Management Board and Executive Committee encouraged a more strategic, results-oriented approach to serving clients. In a recent survey, members of the TCI Management Board rated the effectiveness of meetings as highly satisfactory.

#### *Brand Canada*

In addition to contributions from its federal members, which generated \$1.7 million in operating funds, TCI succeeded in obtaining \$9 million from Treasury Board over three years, 2001-2004, for the Brand Canada program to improve Canada's image at international trade shows. Brand Canada moved into high gear, projecting Canada as "creative, innovative and competitive." Funding enabled Canadian pavilions at over 30 international trade shows to give greater prominence to Canadian companies and also enhanced representation in key markets for TCI's priority sectors. While it is too early to demonstrate concrete results, it

is expected that this initiative will lead to more export business for the participating firms.

#### *Publications*

The on-line version of TCI's popular *Step-by-Step Guide to Exporting* received 24,000 visits. Since its launch in 1998, more than 92,000 copies of the print version of this guide have been distributed. *The Roadmap to Exporting* received 13,000 on-line visits, while 28,000 print and 19,200 CD-ROM copies have been distributed since 2000. There is continuing demand for these products, and an updated version of the *Step-by-Step Guide* will be released shortly. Both publications prepare Canadian businesses to become better exporters.

#### *Enhanced Representation in the United States*

The Department received Cabinet approval to

**The ExportUSA initiative – spearheaded by the Department in partnership with International Trade Centres across Canada, the provinces and TCI members – helps Canadians to expand their business by exporting to the United States. A budget of \$250,000 helped about 2,500 SMEs participate in 22 missions and more than 70 seminars in Canada. Early results show that clients are generally satisfied with the program, and some have started exporting to the U.S. Since the export process is usually lengthy and difficult to evaluate immediately, a survey is planned for the fall of 2003.**

enhance Canada's representation in the all-important U.S. market by opening seven new offices over the next three years. These offices will fill critical gaps and, in the case of Miami and San Francisco, upgrade missions to full consulates general with additional resources. It is expected that this will improve Canada's effectiveness in pursuing business development, advocacy, and science and technology collaboration.

#### *Assistance for Non-Traditional Exporters*

In cooperation with public sector partners and trade associations representing SMEs, initiatives were undertaken to assist more non-traditional exporters. Numerous outreach activities took place across Canada involving women, youth and Aboriginal entrepreneurs. A Women's International Business Development Committee was established, and the Department co-chaired a revitalized Aboriginal International Business

Committee. The Department also published a revised edition of the *Directory of Aboriginal Exporters*, created the Aboriginal Planet Business Centre, and published supplements in *CanadExport* (the Department's trade news journal) on Aboriginal, women and young entrepreneurs. As a result, target groups have increased awareness of the value and benefits of international business and know where to seek assistance in becoming export-ready.

**"My objectives were met by noon of the first day. I wanted to tie in with a Native American company which could assist my subsidiaries in fast-tracking the process of meeting Federal Aviation Administration requirements to further my work in the United States."**

*Leo Jacobs, Chairman, Aborican Aviation Group Inc., Alberta, participant in a Native American Business Alliance New Exporters to Border States mission*

#### *New Markets*

Canada pursued new avenues for trade and cooperation with Saudi Arabia and Tunisia by hosting the Canada-Saudi Arabia Joint Economic Commission and the Canada-Tunisia Bilateral Commission. Agreements were signed with Saudi Arabia on the training of Saudi police officers and air traffic controllers in Canada, and with Tunisia in the area of sports and the environment.

#### **5.1.5.3 Realign resources associated with international business development in order to maximize the effectiveness of programs and services**

##### *Program for Export Market Development*

Work has started on an in-depth, strategic review of the industry component of the Program for Export Market Development (PEMD), a program that shares with Canadian firms and trade associations the costs and risks of implementing their export development plans in international markets. The purpose of the review, which involves extensive analytical research and consultations with the Canadian business community, is to ensure the program continues to meet the evolving needs of Canadian SMEs and that it is the best use of the funds available. The study should be completed by the end of 2003-2004.

A total of 622 companies received assistance under PEMD. Authorized repayable assistance amounted to \$15.6 million, while sales reported by companies using PEMD assistance amounted to \$152 million. Contributions repaid by companies during this period totalled \$3.1 million. For the third consecutive year, clients reported high levels of satisfaction with PEMD. The 2002 survey shows an overall rate of satisfaction of 92%. Users continue to be particularly pleased with the PEMD Web site (<http://www.dfait-maeci.gc.ca/pemd/menu-en.asp>) as well as with the program's impact on export sales and its assistance in identifying distributors and agents and in establishing contacts.

Following the strategic review of the associations component of PEMD, which also involved the development of an on-line processing system, the number of associations receiving support more than doubled to 51, for total authorized funding of \$2.8 million. These associations, which represent hundreds of Canadian companies in a wide variety of industrial sectors, undertake trade promotion and market access initiatives on behalf of their members, raising the profile abroad of a large number of SMEs who normally could not participate on their own. The companies also benefit from greater access to market information and intelligence.

##### *Client Service Fund*

The Client Service Fund was introduced to assist Canadian businesses in expanding or diversifying in global markets. Trade program managers are accountable for utilization of the fund (\$8.7 million annually) and the associated results achieved. Performance evaluations were conducted for each of the 115 missions that received funds in fiscal year 2002-2003. The fund's first year was considered successful. An analysis of the 114 plans, 2,045 reports and corporate financial data shows:

- ⊗ 98% of missions completed work plans, 97% of missions submitted reports and 99.3% of the funds were utilized worldwide;
- ⊗ of Canadian businesses involved in these initiatives, 55% reported enhanced awareness and appreciation regarding access to TCS services, and the range and quality of these services; 58% reported improved awareness and knowledge of the foreign business environment in existing or new markets; 56% expanded their networks of key contacts in foreign markets; and 58% reported increased awareness and knowledge of the business environment and opportunities in Canada; and
- ⊗ of partners and co-deliverers involved in these initiatives, 49% enhanced their capacity to provide guidance and support to Canadian businesses.

## 5.1 International Business Development

### 5.1.5.4 Further modernize management practices through integrated, cross-departmental initiatives with a greater focus on results

#### *Team Canada 2003*

Team Canada 2003 to the Netherlands, the United Kingdom and Italy was postponed because of the unavailability of some premiers and territorial leaders and the reluctance of some companies to participate due to the uncertain international climate.

#### *Ministerial Trade Missions and Outreach*

The Minister for International Trade led Canada trade missions to New Delhi and Mumbai, India, in April; to Mexico City and Monterrey, Mexico, in June; and to Johannesburg, South Africa, Lagos, Nigeria, and Dakar, Senegal, in November. A total of 335 Canadian enterprises participated in the three missions and signed 101 agreements valued at \$326.6 million.



Photo by Ian Jackson

The Department supported Minister Pettigrew on day-long outreach seminars with visiting trade commissioners from abroad to six Canadian cities (Edmonton, Regina, Waterloo, Ottawa, Gatineau and Quebec City). The Minister and the visiting trade

commissioners met with hundreds of Canadian business representatives to promote increased use of departmental services abroad. Many of the seminars were attended by SMEs that had been unfamiliar with these services. It is expected that participating Canadian companies will be better positioned to use these resources to penetrate new markets or expand their presence in existing markets.

#### *International Business Opportunities Centre*

The International Business Opportunities Centre (IBOC) received 6,400 business leads from over 100 posts abroad. This led to a 23% increase over the previous year in the number of leads disseminated to more than 18,000 Canadian SMEs either by phone or through IBOC's on-line service, e-Leads (<http://iboc.gc.ca>). A survey of a sample of companies receiving business leads from IBOC indicated that several companies concluded sales, including, for example, a \$97,000 sale of green and yellow peas to the Philippines, an \$88,000 sale of wave pool equipment to Chile, and a \$32,000 sale of automotive brakes to Mexico.

#### *Canada Investment Fund for Africa*

The Department has taken a lead role in developing and implementing the Canada Investment Fund for Africa (CIFA) as part of the government's response to the G8 Africa Action Plan. CIFA, to which the government will contribute \$100 million in financing from the Canada Fund for Africa, is designed to generate significant direct and indirect benefits for Canada and Africa through new market opportunities for Canadian firms and investors and enhanced strategic linkages between Canadian and African organizations. Through this fund, Canadians are helping Africans attract investors and build momentum for increased trade. The selection process for the fund is being run by the Canadian Commercial Corporation. A fund manager is expected to be selected by the fall of 2003, with the fund operational by spring 2004.

#### *Crown Corporations*

The Department is taking an active stance with respect to the review and approval of the corporate plans of both Export Development Canada and the Canadian Commercial Corporation, which report to the Minister for International Trade. A corporate plan that sets out each Crown corporation's five-year strategic approach is updated annually. The Department's heightened engagement in the process has led to a closer integration of the strategic directions of the Department and the two Crown corporations. The objective is to ensure optimum access to financing, insurance and contracting services for Canadian

businesses engaged in export trade. Specific programs are being developed to increase capacity for developing countries and priority markets.

#### *International Financial Institutions*

To raise awareness of business and financing opportunities offered by a broad range of international financial institutions (IFIs), including the multilateral development banks and United Nations agencies, the Department:

- ⊙ participated in 28 events across Canada, reaching over 1,000 exporters;
- ⊙ added new content to IFInet (<http://www.infoexport.gc.ca/ifinet>), which saw its number of page views go up 40% from the previous year and which now has over 2,000 subscribers to its free listserv;
- ⊙ published 12 success stories and one supplement in *CanadExport*;
- ⊙ prepared one-page, Web-based fact sheets on sources of project financing in 32 markets;
- ⊙ included a section on sources of financing in 14 sectoral market studies; and
- ⊙ developed new training modules, offered training sessions and individual briefing sessions to trade officers, and provided advice to partners on multilateral development bank and UN procurement as well as international trade financing.

**"I find this very informative and would like to share the information with my clients in Taiwan."**

**"Appreciate receiving this newsletter, which has generated considerable interest among staff here who would like to receive it on a regular basis....[We] will endeavour to distribute it to interested parties in Hong Kong."**

**"This is most informative for us and very presentable. As we are focusing some efforts on promoting Swiss R&D in Canada and on technologies such as nanotech and biotech, it may also be of interest to some of our local contacts."**

*Feedback from S&T Newline recipients*

The Department will survey clients nine months after participation in an event to assess the impact of this activity on client behaviour. Expected results include an increase in the number of Canadian businesses bidding on IFI contracts, a more proactive approach by TCS officers to providing information, and greater client awareness of how to obtain information about IFI opportunities.

#### *Science and Technology*

*S&T Newline* direct e-mail distribution has risen to approximately 560 recipients, and the newsletter is also available on-line. A special edition on "Canadian R&D in the European Press" was used as part of the launch of the European Union's Sixth Framework Program (FP6). The Canadian embassy in Tokyo translates *S&T Newline* into Japanese to distribute to 450 recipients, including Japanese science news services. The recipients in Japan include both national and regional government officials, university professors and administrative officials, industry associations and R&D-oriented companies. The publication generates both general and specific dialogues with Japanese contacts, and the subscription list is growing. The purpose of the newsletter is to sensitize the Department's broader clientele to Canadian science and technology capabilities to increase the number of opportunities for research and investment partnerships.

Canada used the FP6 launch to enhance its profile as a world leader in R&D, share its extensive experience with a network-based research model – a model the European Union (EU) is adopting under FP6 – and highlight the Canada-EU S&T Web site (<http://www.infoexport.gc.ca/science/eu>). A 50-person Canadian scientific delegation to the FP6 and the European Research 2002 Conference, in Brussels, included an exhibitors' booth and a highly successful Canada session. The resulting higher awareness and visibility for Canada within the European Commission has led to an EU proposal to set up a Canada-EU S&T office in Canada, toward which the EU would contribute \$400,000.

The Going Global Science and Technology Fund, which facilitates Canada's international science and technology collaboration by helping Canadian researchers establish new R&D initiatives with foreign partners, assisted 16 groups of non-governmental researchers, disbursing a total of \$289,046 for 16 projects. These groups included a mix of university and industry participants. An evaluation of the impact and results of these projects is under way, and the findings will be included in the fund's annual report.

### 5.2 Trade, Economic and Environmental Policy

#### 5.2.1 Our Long-Term Aim: The Strategic Outcome

Create 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.

#### 5.2.2 Our Resources in 2002-2003 (\$ millions)

Planned spending at beginning of fiscal year	122.3
Total spending authorities at end of fiscal year	194.4
Actual spending	193.5

#### 5.2.3 How We Pursue Our Long-Term Outcome

The business line operates at two primary levels in support of government priorities. First, it projects Canada's interests in economic growth and employment, as well as sustainable development and sound environmental management, across a range of trade, economic and environmental negotiations, institutions and relationships. Second, it interprets the international context for Canadians, identifying and exploiting opportunities for advancing the government agenda at the multilateral, plurilateral, regional, bilateral and domestic levels.

The Department continued to play an important role in border management, a government priority. It took steps to strengthen Canada's export control regime under the Export and Import Permits Act and promoted cooperation on other issues relating to North American economic integration, including the North American Free Trade Agreement (NAFTA) and bilateral regulatory and investment policy matters.

The broader trade agenda in 2002-2003 was dominated by ongoing negotiations. The Department led government efforts to expand global markets for Canadian services and goods through the World Trade Organization's Doha Development Agenda (DDA), launched at Doha, Qatar, in November 2001. Departmental negotiators sought in particular to make farm trade fairer and to strengthen rules to bring greater stability and discipline to international trade flows. Departmental efforts also supported broad foreign policy interests, such as promoting global sustainable development and improving mutual supportiveness between trade and environmental policy.

In 2002-2003, the DDA made progress on all fronts: agricultural trade reform, services, non-agricultural market access, certain trade rules (including subsidies and countervailing and anti-dumping measures), dispute settlement, a multilateral system of notification and registry for wines and spirits, and certain aspects of the relationship between trade and the environment. Discussions intensified on investment, competition, transparency in government procurement, and trade facilitation (known as the "Singapore issues"), as well as on intellectual property, electronic commerce and culture, and cross-cutting development issues. However, it became clear that more time would be needed to build consensus in many areas, and the agriculture and development deadlines were missed. As these areas are closely interlinked and central to the DDA, the Department worked to bridge differences over them as well as over other challenging issues.

The Department also led negotiating teams pursuing Canada's economic and foreign policy goals through bilateral and regional initiatives: the Free Trade Area of the Americas negotiations; free trade negotiations with the "Central America Four" (El Salvador, Guatemala, Honduras and Nicaragua) and with Singapore; and further work (including, in some cases, limited negotiations) under NAFTA and existing free trade agreements with Israel and Chile (which all marked their fifth anniversaries in 2002). The Canada-Costa Rica Free Trade Agreement and its labour and environmental cooperation side agreements were brought into force, and domestic consultations and preparatory work began regarding possible negotiations with the Caribbean Community (CARICOM), the Dominican Republic and the Andean Community. While discussions with Singapore and countries in the Americas were initiated by those partners, Canada also proactively pursued its trade and economic interests with other major partners, such as the European Union, through bilateral and World Trade Organization (WTO) channels.

Canada chaired the G8 in 2002 and hosted the successful G8 summit in Kananaskis, Alberta, in June of that year. The G8 process brings together the leaders of the world's principal economies, the EU Commission and presidency, and the president of Russia, affording a unique opportunity for informal dialogue on economic and political trends and challenges.

While trade is only one component of an integrated and comprehensive approach to sustainable growth and poverty reduction, it is an essential component, so Canada gives extensive tariff preferences to developing

countries, particularly least-developed countries. In addition to market access, Canada's approach to trade and development includes the delivery of needs-based, coordinated programs of trade-related technical assistance and capacity building. These programs aim to help developing countries negotiate effectively, to integrate trade into plans for national development, and to build institutional and supply-side capacity to take advantage of emerging trade opportunities and reduce poverty. Development issues featured prominently at the Kananaskis summit and at the World Summit on Sustainable Development (WSSD), as well as in other trade and economic forums and negotiations.

The International Conference on Financing for Development, held in Monterrey, Mexico, in March 2002, was an important platform for the WSSD. The WSSD itself, held in Johannesburg, South Africa, in September 2002, was a bold and ambitious effort in international priority setting across the breadth of the development agenda, integrating the three pillars of sustainable development – economic, social and environmental policy.

In December 1997, 160 countries negotiated the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which sets legally binding greenhouse gas emission reduction targets for industrialized countries. This landmark agreement calls for industrialized countries to achieve these targets through both domestic and international actions. The international mechanisms include international emissions trading, the clean development mechanism and joint implementation. The Protocol has been signed by 84 countries and regional economic integration organizations and, as of March 31, 2003, 110 are bound by its provisions.

The breadth and importance of Canada's international trade, economic and environmental agenda continued to demand a concerted strategy of consultation and outreach with stakeholders and the broader public in order to elicit educated contributions to policy development. The Department's efforts were concentrated on Canada's trade agenda writ large and on initiatives such as the improvements in market access for least-developed countries.

#### **5.2.4 Our Working Environment in 2002-2003: Challenges and Risks**

In 2002-2003, the Department continued to advance Canadian economic and trade policy interests around the globe. Our relationship with the United States – the destination for 81.6% (\$382.5 billion) of our goods and services exports and the source of 69.9% (\$295.2

billion) of our goods and services imports in 2002 – remained paramount. This relationship continued to show dynamism despite difficult economic circumstances, but two particular areas required significant attention from the Department: managing disputes and managing the border.

Disputes management required vigilant monitoring of protectionist pressures and initiatives, extensive advocacy across the United States (up to the most senior levels of government) and, on occasion, formal representations and state-to-state dispute settlement proceedings under the WTO and NAFTA. NAFTA activities also included defending the government against private investor litigation. The Department focused particularly on the high-profile dispute over the American application of anti-dumping and countervailing duties on Canadian softwood lumber exports (valued at \$8.7 billion). Other irritants affected trade in wheat, dairy, sugar and sugar-containing products. Efforts to manage the impact of continuing distortions in world steel markets on Canada-U.S. steel trade (worth \$7.5 billion) continued, including in the Organization for Economic Cooperation and Development (OECD); some 40% of the primary Canadian steel market is supplied by imports. Aspects of American trade law continued to vex bilateral relations, notably the so-called Byrd Amendment, which provides for the distribution of anti-dumping and countervailing duties to import-competing industries.

Environmental and sustainable development issues, many of which are transboundary or global in nature, form a significant and growing part of Canada's foreign policy agenda. The Department plays a key role in ensuring that the positions Canada advances internationally on these issues are consistent with our broader foreign and trade policy objectives.

#### **5.2.5 Our Accomplishments and Performance in 2002-2003**

Under this business line, the two primary levels of operation in support of government priorities – projecting Canadian interests across a range of negotiations, institutions and relationships; and interpreting the international context for Canadians – are considered intrinsic in all intended results and are therefore embedded in the accomplishments presented below.

This section highlights the achievements and challenges faced in 2002-2003. Accomplishments are presented in such a way as to demonstrate the logic and synergy between the work done toward global projection of

## 5.2 Trade, Economic and Environmental Policy

Canada's interests across a range of trade, economic and environmental negotiations and the identification, interpretation and exploitation of opportunities for advancing the government agenda at many levels.

### 5.2.5.1 Canada-U.S. Relations

In response to the U.S. imposition of duties on Canadian softwood lumber imports in May 2002, the Department launched a two-track strategy of legal challenges and discussions with the United States to develop a long-term, policy-based solution to the dispute. Canada won its WTO challenge of the U.S. preliminary determination of subsidy and launched WTO and NAFTA challenges in response to the final determination. Departmental efforts to arrive at a long-term solution made progress over the year, but the two sides still remain too far apart to arrive at a negotiated settlement.

The Department promoted Canadian agricultural interests through representations at the U.S. political and administrative levels. The Department also used other forums, including the WTO, the OECD and the UN's Food and Agriculture Organization, to raise Canadian concerns regarding the U.S. Farm Act and its subsidies, proposed mandatory country of origin labelling requirements and other issues. Following strong Canadian representations, a proposed amendment to the 2002 U.S. Trade Promotion Authority Bill was dropped; it would have given the Administration broad discretion to restrict imports of a range of sugar and sugar-containing products from Canada, including cocoa preparations and preparations of cereals, flour, starch or milk.

As a result of the WTO Dairy Appellate Body decision on December 20, 2002, Canada faced retaliation (measures to cut off trade) from both the United States and New Zealand. Neither did retaliate as the Department immediately initiated trilateral consultations with them. These ended in May 2003 with a mutually agreed solution that removed the threat of retaliation and provided an adjustment period for industry to comply with the WTO rulings.

The Department coordinated the defence of Canadian policies and programs in the U.S. countervail investigations that were launched in October 2002 against Canadian durum and hard red spring wheat.

In March 2003, the U.S. Department of Commerce applied a provisional duty of 3.94% on imports, reflecting its preliminary finding that just two of the measures targeted by the U.S. petitioners were countervailable subsidies.

Canada was an active party to a successful WTO challenge of the U.S. Byrd Amendment. An arbitrator has ruled that the U.S. has until December 27, 2003, to remove the measure. While the amendment's economic impact on Canadian interests has been relatively minor to date, the Department considered it potentially damaging to future economic interests.

The Department supported the ongoing implementation of the 30-point Smart Border Declaration, including the expansion of the NEXUS program for pre-approved travellers, the introduction of the FAST program for pre-approved commercial carriers, and the implementation of regulations for the Preclearance Agreement. Progress in this area has enhanced the security of our shared border while facilitating the legitimate flow of people and commerce.

**The Department led advocacy campaigns to promote the Smart Border Process, leading to a better understanding by key U.S. decision makers of Canada's efforts to ensure border security and muting criticism of Canadian policies by members of the Administration and Congress.**

In collaboration with Environment Canada and Natural Resources Canada, the Department established a Canada-U.S. working group to intensify cooperation on climate change; this has made substantial progress in the ability to inventory present and potential areas for cooperation.

### 5.2.5.2 Other Key Relationships and Negotiations

Throughout the year, Canada conducted negotiations with the EU over trade in wines and spirits. The agreement, signed in April 2003, brings closure to long-standing bilateral grievances in these sectors. The agreement will facilitate Canadian wine exports to Europe and allow Canada to maintain its current domestic distribution and marketing structures. It will also provide a mechanism to address any future wines and spirits trade irritants constructively.

At the December 2002 Canada-EU summit, leaders agreed to launch work toward a bilateral trade and investment enhancement agreement. Canada has agreed to pursue bilateral regulatory cooperation that would eventually become an integral element of the agreement. The Department has begun to develop



proposals for the design of this new agreement, which is intended to complement WTO rules governing Canada-EU trade. These proposals will be tabled at the 2003 summit next December.

WTO litigation between Canada and Brazil on regional aircraft financing ended in December 2002. The WTO awarded Brazil the right to impose retaliation on imports from Canada up to a value of US\$250 million, a fraction of the US\$3.6 billion requested; the award was based on the position of the Department, including its economic analysis. Like Canada, Brazil has elected not to exercise its right to retaliate. The steady improvement in negotiations over the past two years and the clear progress toward a permanent resolution are a result of Canadian strategy in the dispute over the last few years.

A formal Canada-India trade policy dialogue was established during the February 2003 visit to India of the Deputy Minister for International Trade. Good progress was made in building closer government and private sector links and in forging higher education partnerships between research and development institutions. Additionally, a memorandum of understanding (MOU) on film and television co-production has been negotiated that has enormous potential value, given the size and importance of the Indian film industry.

The Department led progress toward the conclusion of bilateral free trade agreements and – with Human Resources Development Canada and Environment Canada – accompanying labour and environmental cooperation agreements through several rounds of negotiations with Singapore and the Central America Four; continued with discussions in preparation for eventual negotiations with CARICOM; and, in response to their requests, initiated similar exploratory talks with the Dominican Republic and the Andean Community.

The Department negotiated amendments to the investment provisions of the Canada-Chile Free Trade Agreement to incorporate clarifications similar to those already agreed to under NAFTA; these will improve transparency and clarify the extent of obligations on both parties.

### 5.2.5.3 NAFTA

The Department contributed significantly to NAFTA work in the areas of investment (including investment disputes) and rules of origin. Building on work done in 2001, the Department and its U.S. and Mexican counterparts delivered on their ministers' instructions

to analyze and clarify aspects of Chapter 11 (investment). This will help investors and stakeholders better understand the scope of Chapter 11 dispute settlement and avoid misapprehensions concerning the operation of its rules.

With the Department of Justice, the Department defended the government in litigation under Chapter 11. Canada largely prevailed in arbitration launched by the firm Pope & Talbot, which was awarded under US\$700,000 (a small fraction of its US\$500 million claim) in damages and costs arising out of a single administrative incident. Canada also succeeded, through a jurisdictional challenge, in limiting the grounds on which United Parcel Service could proceed with its claim under Chapter 11.

On January 1, 2003, Canada and the United States liberalized certain NAFTA rules of origin, making it easier for exporters of seven affected products to benefit from duty-free treatment. This will increase the competitiveness of billions of dollars' worth of Canadian exports, in particular petroleum. Mexico will implement these changes later in 2003.

**The Canada-Costa Rica Free Trade Agreement and associated environmental and labour cooperation agreements entered into force on November 1, 2002. This agreement demonstrates that it is possible to take into account differences in size and level of development when negotiating with potential partners. Besides tariff cuts, the provisions on trade facilitation will reduce formalities and costs for Canadian business at the border. The side agreements will promote higher levels of environmental protection and better enforcement of labour rights in Costa Rica through cooperative mechanisms and capacity building.**

For more information on NAFTA, please visit the Department's Web site at <http://www.tradenegotiations.gc.ca/nafta-en.asp>.

### 5.2.5.4 Free Trade Area of the Americas (FTAA)

The Department managed Canada's participation in the dozens of negotiating sessions aimed at creating a Free Trade Area of the Americas. Advance work by the Department and leadership by the Minister for

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International Trade led to success on two Canadian priorities at the November 2002 FTAA Ministerial in Quito, Ecuador: public release of the second version of the draft negotiating text, and formal recognition by ministers (for the first time) of the broader context of the negotiations, specifically in relation to labour and the environment.

The Department was instrumental in organizing a first-ever regional seminar with civil society participants in Mexico in July 2002, in which civil society representatives met with the U.S., Mexican and Canadian chief negotiators. The Department also published Canada's initial offer in the negotiations, with regard to cross-border services and investment, in February 2003.

Months of work on the initial environmental assessment of the FTAA negotiations culminated in the assessment's release in April 2003.

For more information on the FTAA, please visit the Department's Web site at <http://www.tradenegotiations.gc.ca/ftaa1-en.asp>.

### 5.2.5.5 Asia-Pacific Economic Cooperation (APEC)

Canada's APEC senior official and APEC team, both in the Department, supported the Prime Minister and the ministers of Foreign Affairs and International Trade at various meetings where they successfully advanced Canada's three key APEC priorities. First, the Department worked with the Canadian International Development Agency (CIDA) to support the Doha Development Agenda through capacity building (including through funding, donor coordination and a dedicated Web site to match donors and projects). Second, leaders committed to specific targets for facilitating trade in areas such as customs procedures, business mobility and standards (a departmental priority in support of Canadian companies exporting to the region). And third, in the wake of the hostage taking in Moscow and bombings in Indonesia and the Philippines, leaders recommitted APEC to the battle against terrorism at their meeting in October 2002.

For more information on Canada and APEC, please visit the Department's Web site at <http://www.dfait-maeci.gc.ca/canada-apec/menu-en.asp>.

### 5.2.5.6 The G8

The Department provided policy and logistical support to the Prime Minister as host of the G8 summit in Kananaskis. The Department elaborated an approach that produced a tightly focused agenda leading to

three important outcomes at the summit: the launch of the G8 Africa Action Plan, the launch of the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, and agreement on cooperative G8 actions to provide greater international security in transportation.

Additional information is available on the Department's Web site at <http://www.g8.gc.ca>.

A specific Canadian contribution to the Africa Action Plan announced at Kananaskis was a new market access initiative for least-developed countries (LDCs). The initiative provides duty-free and quota-free access for all imports –except supply-managed agricultural products (dairy, poultry and eggs)– from 48 LDCs, of which 34 are in Africa. Implemented on January 1, 2003, this is the most far-reaching LDC preference scheme of any developed country, giving LDCs preferential treatment in areas of key interest to them: apparel, textiles and agriculture. Canada's rules of origin will take greater account of the productive capacity of LDCs and encourage their trade with developing countries as well as Canada. The Department played a central role in designing this scheme, working closely with CIDA, the Department of Finance and Industry Canada.

### 5.2.5.7 Organization for Economic Cooperation and Development (OECD)

The OECD provides a forum for the 30 most developed countries in the world to engage in regular policy dialogue and benefit from highly prized work in trade, economics and comparative statistics. As coordinator of Canadian participation in the OECD, the Department played a key role in monitoring members' policies and sharing best practices across the government. The Department provided substantive input on trade regulation to the OECD regulatory review of Canada in October 2002, which concluded that Canada "has a mature, effective and innovative system of regulatory governance closely linked to the government's public policy goals." The Department also participated in OECD consultations with civil society and supported its outreach program to help developing countries and economies in transition to

redesign and improve their policies.

The OECD's extensive policy support for the international trade agenda is a priority promoted by the Department. At the May 2002 Ministerial Council meeting, ministers reaffirmed their pledge to eliminate trade protectionism in support of the Doha Development Agenda. Fostering global development is another important objective of the OECD, and the Department made a major contribution to the joint OECD-WTO capacity-building database initiated in 2002. The database is a key tool for tracking technical assistance and capacity-building commitments made under the Agenda.

The Department continues to play a strong role in continuing OECD work on possible multilateral disciplines on steel subsidies and on global overcapacity in the industry. An agreement to reduce or eliminate trade-distorting subsidies in the major steel-producing countries could address fundamental problems in the world steel industry.

#### 5.2.5.8 World Trade Organization (WTO)

The Department manages Canada's participation

In December 2002, Canada passed legislation to implement the Kimberley Process Certification Scheme. The Kimberley Process was initiated by South Africa in 2000 to develop an international certification scheme for rough diamonds. Its aim is to prevent so-called conflict diamonds from entering legitimate markets. Conflict diamonds originate in areas controlled by rebel groups and are used to fund military actions targeting governments. Following implementation of the scheme, the Department led a successful international effort to obtain a World Trade Organization waiver (granted in May 2003) that allows Canada and other countries participating in the scheme to effectively block trade in conflict diamonds, in a manner consistent with their international trade obligations. This success story reflects the Department's efforts to carry out a trade agenda that provides a means of achieving social as well as economic objectives, including the promotion of human security.

in the Doha Development Agenda. In addition to attending dozens of meetings of the oversight Trade Negotiations Committee and other negotiating bodies, this included supporting the Minister for International Trade in pursuing Canadian objectives at informal ministerial meetings in Sydney and Tokyo, and co-hosting (with Costa Rica) a meeting of some two dozen senior officials in Geneva. To buttress these efforts and to shape final outcomes in Canada's interest, the Department, with its partners in government, has developed and submitted discussion papers or negotiating proposals covering all areas of the negotiations, including the environment and development, as well as all four "Singapore issues." Canada set a historic precedent in the services negotiations by making its offer public; other members, including the European Union and the United States, later followed Canada's lead.

For information on Canada's participation in the WTO negotiations, visit <http://www.tradenegotiations.gc.ca/wto-en.asp>.

Another initiative piloted by the Department, with the help of governmental and non-governmental partners, was Canada's initial environmental assessment of WTO trade negotiations, released in November 2002 (<http://www.dfait-maeci.gc.ca/tna-nac/consult1-en.asp#wto>). The assessment will help negotiators better integrate environmental considerations into the trade negotiation process. To encourage other countries to conduct their own assessments, Canada shared the results of its initial assessment, as well as its expertise and experience. Other countries have since indicated that the knowledge gained through this exchange has assisted them in carrying out their own environmental assessments.

The Department contributed to international discussions on how best to help developing countries benefit from the world trade system. Important tools for achieving this end are trade-related technical assistance to help the governments of developing countries negotiate and implement commitments, and capacity building to position their economies to reap gains. The Department helped fulfill Canadian commitments in this area in two ways: by granting \$500,000 to the WTO's Global Trust Fund and by mapping out assistance provided across the government and contributing this information to the joint OECD-WTO technical assistance database. It also co-led, with Japan, a major APEC capacity-building initiative.

The WTO continued to serve as a powerful tool for transparency and the enforcement of trade

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obligations. The Department led the government's participation in a WTO Secretariat review of Canada's trade policy regime in March 2003, which resulted in WTO members acknowledging that Canada has one of the most transparent and liberal trade regimes in the world.

### 5.2.5.9 World Summit on Sustainable Development (WSSD)

The Department co-led Canada's preparations for participation in the WSSD. The Ambassador for the Environment led the WSSD public consultation process. As leader of the negotiating team, the Department successfully pressed for meaningful, implementation-oriented summit outcomes to advance the UN Millennium Development Goals and the decisions taken at Doha and Monterrey. The WSSD resulted in commitments by individual countries and the international community to a number of new targets and goals.

A senior departmental official sat on the international board that prepared the WSSD's agenda and outcomes, giving Canada an important role in brokering positions among developed countries and ensuring the effectiveness of Canadian preparations and outreach to Canadian civil society. Following the summit, the Department has continued to play a leading part in the process of developing a targeted and workable plan to promote implementation of key WSSD outcomes.

For more information, please visit the Department's Web site at <http://www.dfait-maeci.gc.ca/department/focus/wssd-en.asp>.

### 5.2.5.10 Kyoto Protocol to the UN Framework Convention on Climate Change

The Department led the process for Canada to ratify the Kyoto Protocol and provided leadership and extensive advice on international law and policy issues during the debate on ratification. Canada ratified the Protocol in December 2002.

The Department has given policy and analytical support, including on scientific, technological and methodological issues, to the ongoing international negotiations. This support has aimed particularly at assisting developing countries in the areas of mitigation, capacity building, adaptation, and technology transfer and has helped raise international awareness of the importance of both adaptation and mitigation for all countries, as agreed by ministers in the 2002 Delhi Declaration.

Canada's Clean Development Mechanism and Joint

Implementation (CDM & JI) Office, based in the Department, increased its assistance to Canadian firms pursuing international opportunities to earn greenhouse gas emission reduction credits through international projects, concluding 56 contracts and contribution agreements. The Office also concluded MOUs on climate change cooperation with Chile, Costa Rica, Nicaragua and Tunisia and began discussions with seven other countries. These agreements strengthen bilateral ties and foster private and public sector cooperation on environmental projects. The Office organized workshops and roundtables in 11 countries, sponsored workshops and roundtables in seven other countries, and hosted a national CDM workshop and five regional workshops in Canada, all with a view to increasing Canadian private sector involvement in CDM & JI project activities that will bring certified emission reduction credits back to Canada.

For more information, please visit Canada's CDM & JI Office Web site at <http://www.dfait-maeci.gc.ca/cdm-ji/menu-en.asp>.

### 5.2.5.11 Boundary Waters

The Department was instrumental in the passage of Bill C-6, An Act to Amend the International Boundary Waters Treaty Act, which became law on December 9, 2002. This legislation effectively bans the export of bulk water from the transboundary water basins, including the Great Lakes.

### 5.2.5.12 Support for Canadian Industries

The Department's smooth and predictable issuance of quota allocations and import and export permits, combined with its ability to accommodate market vagaries, ensured low transaction costs for business and support for broader public policy goals such as orderly marketing. The main industries assisted were softwood lumber (over 203,000 export permits issued covering \$8.7 billion in shipments to the United States, for monitoring purposes); the supply-managed industries of dairy, poultry and eggs (more than 18,000 permits covering imports of over \$713 million, to ensure orderly marketing in support of supply management); textiles and clothing (more than 610,000 import permits covering over \$8 billion in imports, to ensure orderly monitoring and implementation of the WTO Agreement on Textiles and Clothing, and nearly 11,000 import permits for over \$108 million in imports at preferential tariff rates negotiated under NAFTA and other bilateral free trade agreements, as well as over 82,000 export permits covering \$1.2 billion in shipments to the U.S., to facilitate exports at preferential tariff rates negotiated under NAFTA); sugar, sugar-containing products and peanut butter

(nearly 7,400 permits covering close to \$150 million in exports, assuring orderly access to American tariff rate quotas for these products); and steel (over 201,000 import permits covering more than \$6.4 billion in imports, meeting the need to monitor such imports in view of the current situation in the global steel industry). (Note: the softwood numbers are for 2002, whereas the others are for fiscal year 2002-2003).

### 5.2.5.13 Security

As part of government anti-terrorism initiatives, the Department proposed amendments to the Export and Import Permits Act in 2002 aimed at providing more explicit authority to control the export and transfer of technology (as defined in the Export Control List) by intangible means. The proposed amendments would also explicitly authorize the Minister of Foreign Affairs to address security concerns when considering applications for permits to export or transfer goods or technology.

The Department strengthened export controls through more effective administration and outreach and worked more closely with the U.S. in addressing mutual export control interests, in particular under their International Traffic in Arms Regulations (ITARs). Agreement was reached with the U.S. to expand the Canadian exemptions provisions of the ITARs to include the Canadian Commercial Corporation as an eligible recipient. As well, the U.S. and Canada agreed to move forward on certain proposed regulatory changes to the Controlled Goods Program.

For more information on both economic and security-related export and import controls, please visit the Web site of the Export and Import Controls Bureau at <http://www.dfait-maeci.gc.ca/eicb/eicbintro-en.asp>.

### 5.2.5.14 Engagement with Canadians

The Department has expanded its engagement with public interest groups and the business and academic communities. Major activities included organizing four roundtable discussions on trade and development with dialogue partners, initiatives before and after the FTAA Ministerial in Quito to broaden stakeholder participation and engagement, and thousands of targeted invitations to comment on specific trade policy initiatives. The Department also regularly engages with stakeholders on a range of detailed policy and administrative issues, such as the administration of Canada's agricultural import tariff rate quotas.

Drawing on the ongoing contributions of Canadians, the Department played a key role in developing government responses to two reports by the House of

Commons Standing Committee on Foreign Affairs and International Trade: *Building an Effective New Round of WTO Negotiations: Key Issues for Canada and Strengthening Canada's Economic Links with the Americas*.

In the fall of 2002, the Department launched its redesigned Trade Negotiations and Agreements Web site (<http://www.tradenegotiations.gc.ca>); the new interface makes it easier for Canadians to find a wide range of up-to-date information, including Canadian positions in trade negotiations and reports on different consultation initiatives. The average number of user sessions per month is close to 66,000, a 24% increase over last year.

In addition, a new internal automated system facilitates the organization and management of consultation projects and ensures proper follow-up and reporting back to stakeholders, whose feedback has been very positive.

The Department released three flagship publications in 2002 to inform Canadians about various aspects of Canadian trade policy and trade issues in general. On April 16, 2002, Minister Pettigrew released the Department's annual report on Canada's market access priorities, *Opening Doors to the World: Canada's International Market Access Priorities – 2002*, which set out the initiatives the government would pursue and detailed the barriers to be overcome in key markets. The document (<http://www.dfait-maeci.gc.ca/tna-nac/cimap-en.asp>) attracted over 9,000 individual user sessions. The other publications – the *Annual Report on Canada's State of Trade 2002* and *Trade Policy Research 2002* – followed in May 2002. Downloads of these titles increased substantially in 2002 as the series became more widely known; roughly one million successful hits were recorded on the Trade and Economic Analysis Web site (<http://www.dfait-maeci.gc.ca/eet/menu-en.asp>).

### 5.3 International Security and Cooperation

#### 5.3.1 Our Long-Term Aim: The Strategic Outcome

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

#### 5.3.2 Our Resources in 2002-2003 (\$ millions)

Planned spending at beginning of fiscal year	610.1
Total spending authorities at end of fiscal year	648.1
Actual spending	597.0

#### 5.3.3 How We Pursue Our Long-Term Outcome

The International Security and Cooperation business line plans and directs Canada's international political and diplomatic cooperation, both bilaterally and multilaterally, with the goal of ensuring Canadian security and the promotion of Canadian interests and values.

With the greater focus on security and defence issues in the post-9/11 world, the priorities identified under this business line are central to the interests of the Canadian public and at the heart of the government's agenda. In addition to contributing directly to each of the three pillars of Canadian foreign policy, the Department is delivering on the government's September 2002 Speech from the Throne commitments: enhancing Canada-U.S. relations, strengthening multilateral institutions, promoting international threat reduction, contributing to the campaign against terrorism and improving assistance to Africa.

Post-9/11, the United States is challenging key allies to join it to face fundamental security issues directly and assertively. Managing the security and defence aspects of the Canada-U.S. relationship has become even more integral to day-to-day work. On issues ranging from homeland defence to the broader international campaign against terrorism and the proliferation of weapons of mass destruction, the Canada-U.S. security relationship remains strong.

On the multilateral front, Canada continued to play an active role with its G8 partners – who are collectively responsible for close to 68% of the world's GDP – and in key organizations such as the

United Nations and its agencies, the North Atlantic Treaty Organization (NATO), the Organization for Security and Cooperation in Europe (OSCE), the Commonwealth, La Francophonie, the Association of Southeast Asian Nations (ASEAN) Regional Forum, and the Organization of American States (OAS). Assessed contributions in support of key international organizations comprised approximately half of the business line spending in 2002-2003. The past year, however, has marked a period of uncertainty for the multilateral system.

The Iraq crisis, and specifically the inability of members of the UN Security Council to bridge their differences in the months leading up to the U.S.-led invasion, clearly challenged the Council, and by extension the UN organization as a whole.

There were complex bilateral challenges to manage on the question of Iraq, particularly with the United States. However, the relationship's vitality and resiliency has asserted itself, as Canada seeks new areas where security cooperation can be enhanced.

#### 5.3.4 Our Working Environment in 2002-2003

Today's security environment is not a temporary phenomenon. Although changes have been dramatic and fast, the new international security situation is long term. In this context, the Department succeeded this year in moving the goalposts forward on its key security priorities, and in doing so it is better placed to protect the security of Canadians at home and abroad.

#### 5.3.5 Our Accomplishments and Performance in 2002-2003

Significant accomplishments directly related to the Department's leadership included new global funding to combat weapons of mass destruction and control the export of missiles; better joint planning by Canada and the United States to counter continental security challenges, including terrorism; a new partnership and action plan to improve development and security in Africa; a global diamond certification scheme to cut funding that supports conflict; and the establishment of the International Criminal Court (ICC) to combat impunity and judge those responsible for the gravest of crimes.

Demonstrating that multilateral approaches and partnerships can be an effective tool for security, Canada, as chair of the G8 in 2002, ensured concrete outcomes on two of these key issues, non-proliferation and the campaign against terrorism, through

implementation of the Global Partnership Against Weapons and Materials of Mass Destruction, and the G8 Africa Action Plan in support of the African-led New Partnership for Africa's Development. Canada has continued to work closely with its G8 partners and others to ensure the success of these two initiatives.

With much of the world's attention centred on the crisis in Iraq, Canada's commitment to multilateralism, and specifically the UN, remained strong. Canada focused on finding solutions to short-term roadblocks, while working to maintain and strengthen the multilateral machinery on which we depend over the longer term. This is an area where Canada has demonstrated unique credentials to lead; our ongoing commitment to real reform of institutions is essential to meet the new security challenges of the 21st century.

Although Canadian efforts to play a helpful role in bridging the gap within the UN Security Council were not successful, our commitment was widely recognized and appreciated by member states. Canada has since teamed up with the UN, the United States and many other nations in multilateral efforts to address humanitarian and reconstruction needs in Iraq. Total funding of more than \$300 million was earmarked for this purpose. Canada also announced its intention to reopen an embassy in Iraq once the situation permits, signalling our clear commitment to work with the UN and the international community as a whole and to play a meaningful role in ensuring long-term peace, stability and prosperity for the people of Iraq.

Taking stock of Canada's achievements in international security and cooperation necessitates measuring the incremental steps of many actors and organizations toward creating a world where conflict is resolved peacefully, arms are not used and people live free from fear. The Department leveraged Canada's active membership in, and financial support of, the international system to achieve progress on a more peaceful, inclusive, rules-based system, and some key results are evidence of positive movement. Canada ranked number one for implementation of commitments made at the 2002 G8 summit. The continued momentum to eliminate landmines has almost completely halted this global trade, and declining victim rates in all regions of the world demonstrate enhanced human security. The entry into force of the Rome Statute of the International Criminal Court is the culminating achievement of Canada's efforts to strengthen the international legal system. Canada has been engaged in the movement to create a strong and effective ICC since negotiations actively began in 1994.

The Canadian public recognizes the value of these efforts. An Environics survey carried out in October 2002 found that over three quarters of Canadians (76%) thought that the Department was doing a good job of promoting world peace and security, and nearly three quarters (72%) believed that the Department did well at promoting human rights internationally. The Department's leadership, flexibility and creativity will continue to be vital to the management of the challenging international security agenda.

What follows presents the business line's accomplishments in relation to commitments set out in the 2002-2003 Report on Plans and Priorities.

### **5.3.5.1 Canada improved international security and strengthened the international rules-based system in critical areas through engagement with key countries and international organizations.**

*5.3.5.1.1 The Department prepared specific proposals and policy statements, including on weapons of mass destruction and counter-terrorism, that were adopted at the G8 summit and followed up by G8 partners.*

- ⊙ Under Canadian leadership, the G8 committed to raise up to \$20 billion to combat weapons and materials of mass destruction, initially in Russia. Canada's contribution to the Global Partnership Against Weapons and Materials of Mass Destruction is up to \$1 billion over 10 years. (For more information, see <http://www.globalpartnership.gc.ca>). As part of a parallel effort, Canada led G8 efforts to develop principles and initiated practical measures to keep chemical, biological, radiological and nuclear weapons and related materials out of the hands of terrorists and states that support them. The partnership and principles were adopted by G8 leaders at Kananaskis. Both were subsequently endorsed unanimously by the United Nations under General Assembly Resolution 57/68, which also invited all states to adopt the principles.
- ⊙ Canada was instrumental in facilitating the agreement of Finland, the Netherlands, Norway, Poland, Sweden and Switzerland to join the Global Partnership before the June 2003 Evian summit. Their early accession into the Partnership should translate into concrete projects aimed at reducing stockpiles that constitute a global threat and environmental hazard.
- ⊙ As chair of the G8 experts' groups on Organized Crime (Lyon Group) and Counter-Terrorism (Roma

## 5.3 International Security and Cooperation



On May 30, 2003, in St. Petersburg, Russia, the Prime Minister announced \$149 million in contributions, as part of Canada's overall commitment of up to \$1 billion, to the G8 Global Partnership Against Weapons and Materials of Mass Destruction (<http://pm.gc.ca>). Canada's identified project areas are the destruction of chemical weapons, dismantlement of nuclear submarines, disposition of fissile materials, and employment of former weapons scientists. These projects will strengthen the security of Canadians and the international community by helping to prevent terrorist groups from acquiring or developing weapons of mass destruction.

Group), Canada helped to develop the G8 Counter-Terrorism Plan of Action (<http://www.dfait-maeci.gc.ca/g8fmm-g8rmae/counter-terrorism-en.asp>).

- © A study published by the University of Toronto ranked Canada number one among G8 countries for delivering results on priority commitments made at the 2002 Kananaskis summit (<http://www.g8.utoronto.ca/evaluations/2003compliance/index.html>).

### 5.3.5.1.2 Practical initiatives were developed with the United States to enhance bilateral defence cooperation.

- © Canada worked closely with the U.S. in the campaign against terrorism, including through the contribution of significant resources (e.g. military forces and enhanced intelligence cooperation), legislative changes and new programs such as the Canada-U.S. Enhanced Security Cooperation Agreement. This agreement establishes a binational planning group to develop coordinated Canada-U.S. contingency planning to respond to crisis scenarios, including potential terrorist threats and natural disasters, within North America. The group coordinates maritime surveillance and intelligence sharing, shared threat assessments, and planning

and exercises that will help to deter or respond to threats and crises. It is designed to ensure seamlessness and coherence in Canada-U.S. bilateral security cooperation. As part of Canada's commitment to preserving and enhancing the essential role played by the North American Aerospace Defence Command (NORAD) in the bilateral defence relationship, discussions have been initiated with the United States to investigate whether NORAD's mission should be extended to the missile defence of North America.

© The Department participated in the Canada-U.S. Top Officials 2 (TOPOFF-2) binational counter-terrorism response and recovery exercise. This initiative simulated mass-casualty biological and radiological terrorist attacks and their aftermath in Chicago and Seattle to strengthen the joint capacity of Canada and the United States to respond effectively to a major terrorist attack. A full report of the evaluation will be available on the

department's Web site.

*5.3.5.1.3 Canada strongly articulated and advocated initiatives that reflect Canadian interests in regard to international security and cooperation at the United Nations and engaged in systematic dialogue with key bilateral partners with a view to building and reinforcing a peaceful multilateral system. It also helped to strengthen regional organizations and supported their contribution to the larger global rules-based system.*

© Although not a member of the UN Security Council, Canada was uniquely active among non-member states in its sustained effort to bridge differences among Council members on the question of Iraq. While Canada was not successful in its efforts to secure Council unity before the outbreak of hostilities, the value of Canadian efforts in support of the United Nations was widely recognized by that organization and many member states. A *Globe and Mail* column noted that "Those countries caught in the Security Council deadlock welcomed Canada's ideas because they had the virtue of being new, incorporated the essential elements of a potential compromise, and reflected the preferences of world opinion" (March 14, 2003, p. A21).

© In part due to Canadian diplomatic efforts, NATO emerged from the Iraq crisis better prepared to



manage crises and more motivated to pursue reforms that would make it more flexible and able to respond in difficult situations. Canada led efforts that ultimately helped to persuade reluctant allies to offer defensive assets to Turkey, which was concerned that it might be attacked by Iraq if a war began. Canada also played a key role in ensuring that NATO provided enhanced support to the International Security Assistance Force in Kabul, Afghanistan.

- ⊙ As G8 chair, Canada promoted the UN Security Council Counter-Terrorism Committee as the focal point for coordination of international action, including counter-terrorism capacity-building assistance, and has supported the Committee accordingly. Three meetings were held between the Canadian G8 chair and the Committee. Canada developed and provided the Committee with an inventory of its assistance programs that has subsequently been used as a model for other states.
- ⊙ Canada worked with the UN, G8, OAS, APEC and other groups to promote global norms and standards to deal with international crime issues, including in areas such as document fraud, cybercrime and corruption. Canada chaired the G8 process dealing with the trade in heroin emanating from Afghanistan.
- ⊙ Canada worked successfully with like-minded countries to enhance regional security through the expansion of Security Council sanctions to the lucrative Liberian timber industry (effective July 2003). This action further isolated the regime in Liberia, the single greatest security threat in West Africa.
- ⊙ In 2003, NATO allies invited seven nations to join the alliance, thus extending the Euro-Atlantic zone of democracy, stability and prosperity. Canada has been a longtime and active supporter of NATO enlargement and was the first ally to ratify the enlargement accession protocols (<http://www.nato.int/docu/pr/2002/p02-127e.htm>).
- ⊙ Canada continued its high-level political dialogue with the European Union through the Prime Minister's twice-yearly summits with the EU presidency, which involved the respective ministers of foreign affairs and international trade. This past year, under the revolving EU presidencies of Spain, Denmark and Greece, further progress was made in key areas of Canada-EU cooperation, including sustained cooperation in the fight against terrorism, support for the implementation of the "Roadmap" for the Middle East peace process, and cooperation to help rebuild Iraq and meet the needs of the Iraqi people.

- ⊙ Although events in the Middle East led to the suspension of most peace-related activities, Canada persisted in its commitment to a just and lasting solution to the Arab-Israeli conflict by endorsing the peace initiative known as the Roadmap and by intensifying diplomatic pressure on all parties to create an environment conducive to the resumption of negotiations. Extensive work was also undertaken to generate greater regional understanding and support for a prospective international presence in the Middle East, which could be called upon to verify compliance with agreements such as the Roadmap.

*5.3.5.1.4 Canada successfully led the effort to create a new international institution to bring to justice those responsible for genocide, crimes against humanity and war crimes. It promoted ratification and implementation of the Rome Statute of the International Criminal Court and continued its leadership efforts to establish a strong and effective Court.*

- ⊙ The Rome Statute of the International Criminal Court entered into force on July 1, 2002. Canadian Ambassador Philippe Kirsch was elected a judge of the International Criminal Court and is serving as its president. Thirty-four countries ratified the Rome Statute over the period in review, bringing the current total to over 90. The Department's Human Security Program (<http://www.humansecurity.gc.ca>) contributed \$272,800 to nine court-related projects, which helped to leverage additional contributions from other donors.

*5.3.5.1.5 The Department developed international standards and practices in relation to the campaign against terrorism, and engaged in bilateral assistance with countries that share Canadian values in support of these initiatives.*

- ⊙ To implement a comprehensive global anti-terrorism framework, the Department led government-wide consideration of, and Canada's contribution to, the development of common, coherent and consistent international efforts to combat terrorism built upon agreed standards, norms, values and institutions.
- ⊙ Canada negotiated, signed and was the first to ratify the Inter-American Convention Against Terrorism, significantly enhancing efforts to promote common norms and standards and strengthening cooperation within the hemisphere to combat terrorism.
- ⊙ To implement mandatory UN sanctions, the Department drafted and coordinated, with the interdepartmental community, seven amendments to the United Nations Suppression of Terrorism

## 5.3 International Security and Cooperation

Regulations, adding 40 entities to the Schedule of the Regulations. These listings allowed for a coordinated approach with many of Canada's G8 partners to ensure that all the partners effectively froze the funds of listed entities at the same time.

- ⊙ Canada ratified the UN International Convention for the Suppression of the Financing of Terrorism, more effectively preventing terrorist financing from entering or passing through this country. The Department contributed to the listing of more than 350 terrorist entities, including 19 under the Criminal Code, thereby inhibiting these entities from raising funds and conducting other activities in Canada.
- ⊙ Canada was one of the first countries to provide experts to a deployable lab and event response team set up by NATO as part of a comprehensive package of anti-terrorism measures. Aimed at defending against potential nuclear, biological and chemical attack, these measures also include disease surveillance and a defence inventory.
- ⊙ Canada established formal bilateral counter-terrorism dialogues with the Russian Federation and the European Union, adding to existing dialogues with the United States and India and reinforcing channels for effective exchange of counter-terrorism information and expertise.
- ⊙ Canada-Japan cooperation in the pursuit of shared international security goals was further enhanced through bilateral dialogue and consultation, including in the field of counter-terrorism, at an important point in Japan's evolving engagement in international security affairs. This cooperation is paying practical dividends. In March 2003, Japanese Maritime Self-Defence Force ships began working closely with Canadian naval vessels deployed in the Indian Ocean as part of the global coalition against terrorism.
- ⊙ Through strategic use of its Human Security Program, the Department helped over 50 developing countries to effectively combat terrorism. The areas targeted included customs and immigration, transportation security, illegal arms trafficking, law enforcement cooperation, border security, extradition law, money laundering and terrorist financing. Capacity building provided through this program focused on projects to develop domestic counter-terrorism legislation to implement UN Security Resolution 1373, improve both the preventive and responsive capabilities of states to protect nuclear facilities, and enhance the capabilities of international organizations to deploy counter-terrorism experts.

- ⊙ Efforts to identify areas of cooperation with Southeast Asian nations, in order to increase their capacity to deal with terrorist threats, have been undertaken in forums such as APEC.

*5.3.5.1.6 To ensure the security of Canada and Canadians, the Department improved the organization and provision of its intelligence information.*

- ⊙ More frequent reviews of intelligence-gathering priorities and intelligence exchanges are being undertaken. Provision of intelligence is more client-driven to meet the needs of decision makers.
- ⊙ In cooperation with other members of the intelligence community, the Department contributed to the creation of the Intelligence Requirements Committee, which coordinates interdepartmental intelligence-gathering priorities. Eleven new officers were assigned to strategic locations to provide enhanced diplomatic reporting on topics relating to terrorism, regional stability and threats to good governance. Enhancements at headquarters enabled the Department to respond to the intelligence needs of clients more effectively and inform missions abroad of security threats more quickly. In several instances, missions were closed temporarily in response to intelligence threat assessments.
- ⊙ Security enhancements were undertaken to better protect missions and personnel abroad, and the Department advanced its review of security policy and disseminated a number of policy guidelines to better inform personnel of their security-related obligations and responsibilities.

### **5.3.5.2 Canada reduced the opportunities for the proliferation of landmines, weapons of mass destruction and small arms.**

*5.3.5.2.1 Canada continued its leadership in advancing the international effort to alleviate the devastating humanitarian impact of anti-personnel mines (APMs). Canada provided technical and financial assistance on the most efficient means of destroying stockpiles of landmines, which has led to a reduction in landmine proliferation worldwide.*

- ⊙ As of July 2003, 134 countries had ratified the Ottawa Convention, formally committing to end the use, production, stockpiling and transfer of APMs and to provide assistance to victims of landmines. In 2002-2003, Canada provided more than \$24 million for over 100 mine action projects in many of the world's most heavily mined countries and helped countries in every region of the world to meet their

Convention obligations. During this period, 10 additional nations formally joined the Convention, including severely mine-affected countries such as Afghanistan and Angola.

- ⑥ Canada provided funding to support the Landmine Monitor report (<http://www.icbl.org/lm>), a civil society initiative to systematically monitor and document nations' compliance with the Ottawa Convention and the humanitarian response to the global landmine crisis. In 2002, *Landmine Monitor* reported that, in recent years, there has been a major reduction in the use of APMs, a dramatic drop in production (from over 50 country producers to 14) and an almost complete halt in the global trade of APMs. Most important, declining victim rates were recorded in 2002.
- ⑥ The effectiveness of Canadian resources devoted to alleviating the humanitarian problem caused by APMs was further confirmed in 2002 by an independent evaluation of the Canadian Landmine Fund (<http://www.dfait-maeci.gc.ca/departement/auditreports/evaluation/evalLandmines02-en.asp>).

- ⑥ Canada has provided technical assistance to stockpile destruction programs in every region of the world. Canada's support helped Chad, Mozambique, Nicaragua and Yemen to become stockpile-free in the last year. Globally, more than 34 million stockpiled mines have been destroyed in 61 countries.

*5.3.5.2.2 Canada ensured that there were fewer opportunities for the proliferation of weapons of mass destruction and their means of delivery.*

- ⑥ Canada has increased the resources within the Department devoted to space security and issues related to the non-weaponization of space. Enhanced collaboration with domestic and foreign non-governmental organizations (NGOs) as well as sponsorship of seminars in Europe and North America helped to increase the global profile of the issue. Collaboration with like-minded states, bilaterally and in multilateral forums, helped to keep shared concerns on the international agenda. As part of Canada's ongoing effort to catalyze work in the Conference

on Disarmament (CD), Canada, in partnership with the Simons Foundation, sponsored a seminar for CD delegations on space security, organized by Project Ploughshares.

- ⑥ Canada chaired the Missile Technology Control Regime (MTCR), an export control regime with 33 state members, from September 2001 to September 2002. Canada promoted international action against missile proliferation through enhanced technical cooperation on export controls, expanded outreach to influence non-MTCR states, and greater attention to the issue of proliferation to non-state actors with links to terrorism.
- ⑥ Minister Graham's November 2002 visit to Moscow, immediately preceded by the annual Canada-Russia Strategic Stability Talks, included meetings with Russia's Foreign Minister, Atomic Energy Minister, Munitions Agency head and others. These discussions focused on international security issues, chemical weapons destruction and the Global Partnership program. During this visit, an agreement on chemical weapons destruction and



*Foreign Affairs Minister Bill Graham meets with Ugandan landmine survivor Margaret Arach at an international mine action symposium hosted at the Lester B. Pearson Building in Ottawa, November 2002.*

Canada spearheaded a commitment in the G8 Africa Action Plan to advance mine action in Africa, the most mine-affected continent in the world. Canada has made significant progress in helping African nations implement their Ottawa Convention obligations, meet the needs of mine-affected communities and mobilize global resources for mine action. Africa's commitment to the global ban on landmines is growing steadily, with the mine-affected countries of Angola, Cameroon, the Democratic Republic of Congo and the Gambia formally joining the Ottawa Convention in 2002-2003. Of the 53 countries in Africa, 46 have now ratified or acceded to the Convention and another three have signed it.

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a memorandum of understanding on cooperation in the peaceful use of nuclear energy were signed. Canada and G7 partners also succeeded in having Russia adopt nuclear safety principles. At Kananaskis, leaders agreed to establish the G8 Nuclear Safety and Security Group by the time of the Évian G8 summit.

- ⊙ The international community faced major challenges in reinforcing international non-proliferation regimes and in encouraging states to uphold their obligations under existing international non-proliferation and arms control agreements. For example, in the face of the decision of the Democratic People's Republic of Korea to withdraw from the Nuclear Non-Proliferation

Due to the troubling lack of a comprehensive, legally binding international instrument setting norms on missile non-proliferation and disarmament, Canada since 1998 has advocated the creation of a non-legally binding multilateral code as a first step. Working through many forums in partnership with like-minded states, Canada saw its efforts pay off in November 2002 with the adoption of the Hague Code of Conduct covering principles, confidence-building measures and other commitments on ballistic missiles. The Code now has over 100 subscribers (<http://www.dfait-maeci.gc.ca/arms/missile3-en.asp>).

Treaty (NPT), Canada delivered a consistent message bilaterally and multilaterally, calling on that government to uphold its international obligations to end its nuclear weapons program and to engage in multilateral negotiations to resolve outstanding issues. Similarly, in light of international concerns about the nature of Iran's nuclear activities, Canada took every opportunity bilaterally and in multilateral forums to urge that country to demonstrate fully, transparently and unconditionally its commitment to nuclear non-proliferation.

- ⊙ Canada's own strong commitment to the nuclear non-proliferation regime was demonstrated through the International Atomic Energy Agency's continued implementation of verification measures associated with an additional protocol to Canada's safeguards agreement pursuant to the NPT. This commitment was further supplemented by the Department's active engagement in the implementation of Canada's 23

bilateral nuclear cooperation agreements covering 37 other countries.

*5.3.5.2.3 Canada promoted the international implementation of the Action Plan of the UN Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, which has led to the destruction of these arms internationally.*

- ⊙ Working in support of the UN's Small Arms Program of Action, Canada continued its sponsorship of regional implementation seminars, notably in Manila and Bucharest. Canada also contributed to small-arms-related destruction programs. Serving as lead nation and donor, Canada contributed \$100,000 to help leverage other donors to contribute to a €6.4 million (approximately C\$10 million) project that began in December 2002 with the aim of destroying thousands of tonnes of surplus ammunition in Albania.

**5.3.5.3 Canada's progressive human rights agenda and humanitarian interests were advanced through the development of international proposals, policies, initiatives and projects that reflect Canada's values and support efforts to ensure the human security of peoples around the world.**

*5.3.5.3.1 The Department prepared specific proposals and policy statements, related to Africa, that were adopted at the G8 summit and followed up by G8 partners.*

- ⊙ Canada was a principal architect of the G8 Africa Action Plan (AAP), the G8's response to the African-led New Partnership for Africa's Development (NEPAD). The AAP has not only helped to define a new partnership with African countries, but through specific policy and resource commitments, it will also help African nations improve their own prospects for sustainable growth and development. Canada has published its implementation record, *Delivering on Commitments, One Year Later* (<http://www.g8.gc.ca/att-en.asp>). At the Évian summit Canada played a key role, with the French chair, in encouraging G8 nations to maintain and deliver on their AAP commitments.
- ⊙ Canada committed \$6 billion in aid for Africa in new and existing resources over five years, including the \$500 million Canada Fund for Africa. Canada also announced national initiatives on AAP priorities: trade, investment and market access; peace and security; communicable diseases (including HIV/AIDS); debt; good governance; and enhancing

the effectiveness of existing regional African institutions.

- ⊗ As part of Canada's overall contribution, and based on an initiative conceived and developed by the Department, the Prime Minister announced the \$15 million Canada/West Africa Peace and Security Initiative. The Department led multi-departmental delegations to the region to identify, with West African partners, their key priorities. These were established in three sectors: enhancing West African capacity to undertake peace support operations, addressing the question of small arms and light weapons, and improving capacity to undertake community-based policing.
- ⊗ NEPAD identified progress on governance as critical to development, and the G8 agreed with this assessment. Canada successfully used its influence as a leader of the AAP to encourage rapid establishment of an African peer review mechanism (expected to be operational by fall 2003) and to ensure it includes political as well as economic and corporate elements.

*5.3.5.3.2 The Department promoted Canadian values through a progressive human rights agenda and engaged other countries in dialogue and cooperation to advance good governance, democratic development, respect for the rule of law and an inclusive, rules-based system.*

- ⊗ The Department continued to reflect Canadian values in the leadership role it plays at the UN Commission on Human Rights. Prior to the Commission meeting, the Department held consultations with 102 Canadian NGOs and civil society groups. The Canadian delegation sponsored six consensus resolutions, more than any other single Western Group country. These included resolutions related to freedom of expression, impunity and eliminating violence against women. Canada was instrumental in ensuring the renewal of the mandate of the UN Special Rapporteur on Violence Against Women and was identified by a leading human rights NGO as "among the few to hold a firm and principled line on many key human rights issues" (Human Rights Watch news release, April 25, 2003).
- ⊗ In October 2002, Canada acceded to the Optional Protocol to the UN Convention to End All Forms of Discrimination Against Women (CEDAW) and accordingly adopted two new procedures to enhance oversight of compliance with CEDAW ([http://www.swc-cfc.gc.ca/pubs/0662320506/200210\\_0662320506\\_e.html](http://www.swc-cfc.gc.ca/pubs/0662320506/200210_0662320506_e.html)).

- ⊗ As chair of the Summit of the Americas, Canada supported a hemispheric conference on corporate social responsibility and hosted the second Inter-American Forum on Political Parties. The Department supported the reinforcement of human rights objectives in Canada's proposals for the Free Trade Area of the Americas negotiations and also promoted the adoption of the OECD Guidelines for Multinational Enterprises by Canadian businesses operating abroad.
- ⊗ To assist in improving human rights and good governance, the Department promoted a progressive human rights agenda with a number of countries individually and through regional organizations. During the year, Canada signed an agreement with Mexico to further cooperation on federalism, strongly supported the OAS Mission for Strengthening Democracy in Haiti along with \$2.75 million in funding, sponsored a conference for human rights defenders in Guatemala, promoted a project to reintegrate children who had been illegally trafficked out of Honduras, and contributed \$250,000 to the Commonwealth observer group that oversaw the first-ever successful democratic transition in Nigeria. Progress was made on several individual human rights cases in a transparent and constructive manner through the Canada-China Joint Committee on Human Rights.

**Canadian efforts over the last three years to produce an international treaty that embodies Canadian values and many of Canada's own tobacco control policies reached a successful conclusion on March 1, 2003, in the final text of the Framework Convention on Tobacco Control. With Health Canada, the Department coordinated a multi-stakeholder consultation process that provided the basis for the Canadian position for this first international treaty on a major public health issue. "If ratified, the tough treaty could have a profound impact in large parts of Asia and Africa"**

*(The Globe and Mail, May 26, 2003, p. A12).*

- ⊗ Canada's Special Envoy for the Democratic Republic of the Congo and the Great Lakes region worked with like-minded countries to improve international coordination in the complex peace process. Canada's proactive diplomacy resulted in the key players speaking with one voice and

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contributed to a successful conclusion of the Inter-Congolese Dialogue – which called for a transitional government and creation of institutions involving all participants in the civil war – and ultimately to an improved possibility for a peaceful end to that long-running war.

- ⊕ Through the work of Special Envoy Senator Mobina Jaffer, and through our financial and political support of the IGAD-sponsored peace talks, Canada actively supported the Sudan peace process. Playing a unique coordinating role, we promoted consultation with a spectrum of parties within the country in order to gain widespread consensus and support for the eventual settlement.
- ⊕ Canada contributed to increased security and rule of law in Sierra Leone by helping bring to trial those who bore the greatest responsibility for war crimes and crimes against humanity in the country's now-ended civil war. Canada is contributing personnel (RCMP investigators and a judge) and \$2.25 million over three years to the Special Court for Sierra Leone.

*5.3.5.3.3 Canada supported youth internships and advanced its Human Security Agenda at the UN Special Session on Children in May and the G8 summit in June in order to achieve greater inclusiveness and a better reflection of Canadian values in the international system. It also developed fellowships for advanced studies in human security issues, promoted a distinctly Canadian academic-based human security network and enhanced its public communications on this subject.*

- ⊕ Supporting the Speech from the Throne, which characterized youth as “catalysts for change and leaders in their fields,” \$6.7 million was disbursed in 2002-2003 to implement 448 overseas work placements of young Canadian graduates. Following their placement, 80% of participants were successful in securing employment. Of these, 90% found employment in the field of international relations (<http://www.dfait-maeci.gc.ca/ypi-jpi>).
- ⊕ The Department, through the Human Security Program, funded the participation of children in the preparatory process for the UN Special Session on Children, as well as in the session itself. Three hundred youth delegates from 132 countries participated, including two representatives who addressed the plenary on opening day, a first for the General Assembly (<http://www.unicef.org/specialsession>).
- ⊕ Through support to the Canadian Consortium on Human Security (<http://www.humansecurity.info>), a number of initiatives were undertaken: the

awarding of fellowships, the compilation of a roster of scholars working on human-security-related issues and in human-security-related institutions in Canada, the co-organization of the annual peacebuilding and human security consultations, and the holding of specialized seminars and policy dialogues. *Human Security Bulletin*, published quarterly by the Consortium, reached governmental and non-governmental policy makers, researchers, academics and individuals interested in these issues.

- ⊕ The Department supported the participation of over 1,200 young Canadians at model UN general assemblies and Commonwealth simulations both in Canada and abroad, enabling them to develop a broader comprehension of the multilateral institutions to which Canada belongs. The Department continued providing financial support to l'Agence universitaire de la Francophonie at a level of \$3 million.
- ⊕ Recognizing the growing accessibility of the Internet, the Department regularly updated its United Nations, Commonwealth and Francophonie sites with information and statements of policy so that Canadians might better understand Canada's role in these institutions.

*5.3.5.3.4 Canada committed to make contributions to 80 human security projects worldwide, including the International Commission on Intervention and State Sovereignty (ICISS). Canada structured a comprehensive policy debate around the Commission's "Responsibility to Protect" report.*

- ⊕ The Department exceeded its commitment by funding 124 human security projects, totalling over \$10 million, in 2002-2003, demonstrating the continuing demand for Human Security Program funding. A number of assessments of the program were published, one of which noted that some of Canada's most innovative human security initiatives (such as the support programs for the International Criminal Court and Responsibility to Protect) owe their existence to the program ([http://www.humansecuritybulletin.info/editorial\\_1.htm](http://www.humansecuritybulletin.info/editorial_1.htm)). An external mid-term evaluation of the Human Security Program concluded that “Canada gets good value for the money” and that the program's funding should be renewed.
- ⊕ \$1.3 million in Human Security Program funding was disbursed to two key priorities: the ongoing campaign against terrorism and renewed international efforts to resolve the Israeli-Palestinian conflict.
- ⊕ In Sri Lanka, this department, in cooperation with

Working with federal partners, the Department leads Canada's participation in the Kimberley Process Certification Scheme for rough diamonds. The unregulated and illegal exploitation and illicit trade in rough diamonds has been used by rebel groups to buy arms and prolong conflicts in Angola, Sierra Leone and the Democratic Republic of Congo. Led by South Africa since May 2000, the scheme is intended to prevent so-called conflict diamonds from entering legitimate markets. The Export and Import of Rough Diamonds Act, which was passed by Parliament in December 2002, ensures that Canada's import and export of diamonds are conflict-free. Canada's participation in this ground-breaking initiative advances the Department's human security agenda while protecting the integrity of the legitimate diamond industry.

CIDA and with the agreement of Norway (as facilitator), Sri Lanka and the Liberation Tigers of Tamil Eelam, engaged the Forum of Federations (<http://www.forumfed.org>) to provide technical advice on federalism to negotiators on both sides. These efforts helped facilitate the peace talks aimed at ending the two-decade-long conflict in Sri Lanka.

- ⊗ Despite the complexities posed by humanitarian aspects of the Iraq intervention, Canada's ICISS follow-up campaign resulted in wide discussion and increased awareness of the Responsibility to Protect report. For example, *The Financial Times* published an opinion piece by ICISS co-chair Gareth Evans, who noted Canada's contribution, used the ICISS report's principles to argue that the Iraq war should not be portrayed as a humanitarian intervention, and suggested that doing so could affect the possibility of future interventions (<http://www.intl-crisis-group.org/projects/showreport.cfm?reportid=974>). The Department worked with a wide range of NGOs and other donors, such as the John D. and Catherine T. MacArthur Foundation, to support follow-up activities.

*5.3.5.3.5 Congruent with key priorities relating to international threat reduction and the campaign against terrorism, attention was focused on the human security agenda in Afghanistan.*

- ⊗ Working with a number of other departments and agencies, including CIDA, the Solicitor General (RCMP and Correctional Services),

Justice and National Defence, the Department helped coordinate Canadian peacebuilding efforts in Afghanistan. Through the Human Security Program, this department coordinated three key initiatives: (1) with the Department of Justice, an assessment mission of legal sector capacity building, which resulted in a \$1 million multi-year CIDA program; (2) working groups on legal and constitutional affairs to assist the judicial and constitutional commissions in the development of their plans of action; and (3) a cross-Canada series of roundtables to involve Afghan-Canadian women in Afghanistan's peace and reconstruction process.

- ⊗ As chair of the G8 Working Group on Security in Afghanistan, Canada played a leading role in promoting Afghanistan's candidacy as a partner country to the OSCE. Afghanistan was formally welcomed as a partner in April 2003 and will benefit from exposure to the OSCE's practical experience in regional cooperation.

*5.3.5.3.6 The Department developed Canada's policies related to humanitarian issues and coordinated Canada's disaster assistance around the world in a manner consistent with Canadian values.*

- ⊗ The Department initiated a dialogue among government departments and NGOs on the role of the military in humanitarian crises. The Department and CIDA developed Canadian positions on "good humanitarian donorship" in the lead-up to an international conference in Stockholm on the issue.
- ⊗ In July 2002, Canada showed leadership by becoming the first country to adhere to the amendment to Article 1 of the 1980 Convention on Certain Conventional Weapons, which extends its application to non-international armed conflicts.
- ⊗ The Department promoted the legal and physical protection of war-affected civilians through a workshop on the subject in South Africa, a community policing pilot project with two RCMP officers in refugee camps in Guinea, and support for an investigation into alleged improprieties by aid agencies and peacekeepers. The Department and CIDA co-sponsored a workshop on sexual abuse and exploitation for Canadian humanitarian organizations.
- ⊗ Canada deployed approximately 1,200 troops in Bosnia-Herzegovina, contributed \$45 million in humanitarian and reconstruction assistance, and played an active role in reconstruction efforts through the EU-led Balkan Stability Pact. The Department worked with CIDA to develop a

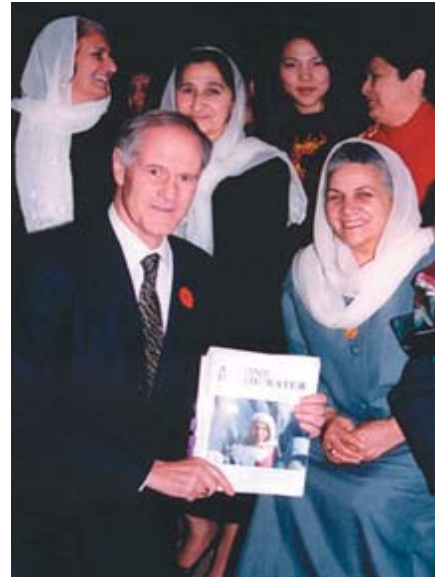
## 5.3 International Security and Cooperation

strategy for future assistance to central and eastern Europe, central Asia and the South Caucasus.

- ⊗ During the suspension of formal multilateral activities, Canada played a leadership role on the Palestinian refugee issue by offering policy development and analytical support for strategic research, introducing compensation mechanisms and programs, undertaking high-priority, value-added projects (such as the relocation of several thousand refugees) with international support, and promoting Palestinian-Israeli dialogue on core issues.
- ⊗ The Department coordinated \$14.3 million in relief to victims of natural disasters to ensure effective and timely reaction by Canada to tropical storms in Central America, floods in Sri Lanka and earthquakes in Mexico, Turkey and Algeria.

*5.3.5.3.7 The Department followed up on commitments made at the Summit of the Americas in Quebec City and in United Nations forums to work toward an inclusive international system on Aboriginal issues.*

- ⊗ To implement Indigenous aspects of commitments made at the 2001 Quebec City summit, the Department worked with Canadian and hemispheric partners to share best practices for protecting Indigenous rights with Brazil, Mexico and Chile, while continuing bilateral activities with 30 other countries (<http://www.dfait-maeci.gc.ca/aboriginalplanet>). Canada also championed Indigenous issues in the OAS and the United Nations and has been active in the Permanent Forum on Indigenous Issues. For example, through the Human Security Program, Canada supported the UN Institute for Training and Research program for Indigenous peoples' representatives, to enable leaders to be more effective in local and national negotiations.
- ⊗ Planned audits involving Aboriginal and circumpolar affairs programs were postponed for operational reasons.
- ⊗ Full programming of \$100 million in development assistance (as committed in the December 2001 budget) allowed Canada to provide the Afghan government with significant direct budgetary support and assistance to implement security sector reform initiatives.



Over 150 Afghan-Canadian women participated in a series of cross-Canada roundtable discussions supported by the Human Security Program. The women presented their report, *A Stone in the Water*, highlighting the critical need for security for all Afghans, to Minister Graham. The roundtables resulted in concrete recommendations calling for greater involvement of Afghan women in the peace and reconstruction process. "Canadians have a long-term commitment to the women, men, boys and girls of Afghanistan," said Minister Graham. "By listening to the needs of Afghans we become better equipped to fulfill that commitment."



## 5.4 Assistance to Canadians Abroad

### 5.4.1 Our Long-Term Aim: The Strategic Outcome

Satisfaction of the needs of individual Canadians travelling or living abroad for official assistance.

#### 5.4.2 Our Resources in 2002-2003 (\$ millions)

Planned spending at beginning of fiscal year	60.9
Total spending authorities at end of fiscal year	59.5
Actual spending	58.9

### 5.4.3 How We Pursue Our Long-Term Outcome

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

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

The consular Web site (<http://www.voyage.gc.ca>) is now the main vehicle by which consular information is disseminated to the Canadian public and the travel industry.

In providing consular services, the Department collaborates with other federal departments and agencies – including the Department of Justice, Citizenship and Immigration Canada, Correctional Service of Canada, the RCMP, Human Resources Development Canada and Health Canada – as well as with the provinces and territories. In addition, the Department works closely with international agencies and NGOs such as the Red Cross and Red Crescent,

and International Social Services Canada, a non-profit agency with links to social service agencies worldwide. Cooperative arrangements with like-minded countries enable us to coordinate and streamline activities – particularly when rapid intervention is required in a crisis, an accident or a disaster.

### 5.4.4 Our Working Environment in 2002-2003: Challenges and Risks

Dominating the context in which the Department provided consular services to the Canadian travelling public in 2002-2003 were crises such as the fight against terrorism, the Bali bombings, the war in Iraq and increased tensions between India and Pakistan, as well as events such as kidnappings in Colombia, the Moscow theatre hostage taking and anthrax scares. Unexpected events such as new U.S. border regulations and the severe acute respiratory syndrome (SARS) crisis posed particular challenges, most notably to efforts to ensure that current, accurate information on travel destinations, screening procedures and entry requirements was available at all times to Canadians planning to travel abroad.

### 5.4.5 Our Accomplishments and Performance in 2002-2003

#### 5.4.5.1 Quality Information and Advice to Citizens and Stakeholders

- Canadians now have access to a newly designed Travel Information Program portion of the consular Web site, which offers a wider range of user-friendly, up-to-date information and advice specific to the safety and security of Canadians abroad. In 2002, the consular Web site attracted over 1.7 million visitors, a 30% increase from 2001. As well, more than 10,000 e-mails on consular matters were received via the Web site – up from 5,700 the previous year. All messages receive a detailed reply, usually within 24 hours. Messages dealing with complex issues receive a reply within 48 hours.
- Of the clients providing e-mail feedback to the Consular Bureau in 2002-2003, 80% wrote to compliment the Department on its services and products and 20% wrote to complain. All of the complaints were followed up.
- A new edition of the Consular Bureau’s flagship publication, *Bon Voyage, But...* ([http://www.voyage.gc.ca/main/pubs/bon\\_voyage\\_but-en.asp](http://www.voyage.gc.ca/main/pubs/bon_voyage_but-en.asp)), was launched, along with a complete update of *U.S.A. Bound: Advice for Canadian Travellers* ([http://www.voyage.gc.ca/main/pubs/usa\\_bound-en.asp](http://www.voyage.gc.ca/main/pubs/usa_bound-en.asp)), which among other features provides useful

## 5.4 Assistance to Canadians Abroad

resources for further information about the new regulations for crossing the U.S. border.

- ⊗ The Department also developed an enhanced package of information on drugs and travel, including a new publication, *Drugs and Travel: Why They Don't Mix* ([http://www.voyage.gc.ca/main/pubs/drugs\\_travel-en.asp](http://www.voyage.gc.ca/main/pubs/drugs_travel-en.asp)), and a poster ([http://www.voyage.gc.ca/main/pubs/drug\\_poster-en.asp](http://www.voyage.gc.ca/main/pubs/drug_poster-en.asp)).

I just wanted to say this is an excellent and most informative website. I have used it many times in my travels. The daily e-mail I get from you is helpful also. Just wanted to let you know that I appreciate all the services and information offered. Well done.

### Client Feedback

en.asp). The package is being sent to universities, colleges and high schools across Canada in an effort to discourage young people from using or possessing illegal drugs when they travel outside Canada.

- ⊗ A new publication, *Dual Citizenship: What Travellers Should Know*, was introduced in April 2002. This booklet provides those Canadians who also hold the citizenship of another country with information on the risks and potential problems associated with dual citizenship.
- ⊗ Development of another new publication, on family travel, was delayed because funds were allotted to other priorities. The Department now plans to publish this booklet on-line in 2003-2004.
- ⊗ In 2002-2003, clients requested a total of 1.9 million of the Department's consular publications.
- ⊗ A 55% increase in sponsorship revenues from 2001 to 2002 and partnerships with the public and private sectors contributed to the ability to maintain the high quality of travel publications at a lower cost to the public.

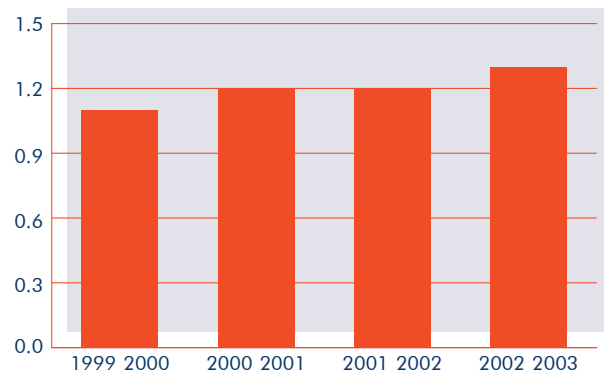
### 5.4.5.2 Effective Assistance, Guidance, Advice and Services to Canadians Travelling, Working and Living Abroad

- ⊗ More than 17,700 Canadians took advantage of the new on-line feature of the Registration of Canadians Abroad (ROCA) system. This feature was developed the previous year using funding from the Program Integrity II initiative. In a crisis, the ROCA system, which now contains over 177,000

active registrants, allows the Department to more easily track and assist Canadians abroad. Large numbers of Canadians in hot spots in the Middle East and Asia are registered in the system. As well, a relatively high number of registrations in western Europe (36,807) and even the United States (4,796) reflects a certain level of anxiety in parts of the world previously considered safe.

- ⊗ Canadians increasingly benefited from the Department's 24/7 "after hours" consular service. The Operations Centre received approximately 200,000 telephone calls during 2002-2003, resulting in the opening of 3,400 new cases. Some 20% of these calls were via Canada's missions abroad. As well, staff dealt with some 1,800 e-mails that arrived in the SOS mailbox.
- ⊗ The overall consular workload increased steadily. The services and information requested by Canadians living or travelling abroad are diverse, resulting in the Department dealing with an estimated 1,332,393 requests from abroad in 2002-2003. These led to the opening of over 179,000 actual cases in 2002-2003, a 14% increase from the previous year. 141,042 cases were successfully closed in 2002-2003.
- ⊗ Funding approved in the 2001 federal budget for the Department's public security and anti-terrorism initiatives enabled the Department to place more consular personnel abroad and at headquarters during fiscal year 2002-2003 to improve emergency preparedness in response to the increased threats to Canadians abroad.

Consular Workload Still Growing  
(number of requests for service in millions)



- ⊗ Global tensions led to the need for expanded contingency planning. Consular contingency plans are now maintained for 180 of the 192 countries in the world. These plans allow for a quick and coordinated response in the event of emergencies that may affect the safety and security of Canadians.

**The Department's consular response to the bombing in Kuta, Bali, in October 2002 illustrated both the government's capacity to respond effectively to emergency situations affecting Canadians abroad and the value of Canada's cooperative arrangements with other countries – in this case Australia. The Australian mission in Bali, in cooperation with Operations Centre staff in Ottawa, provided an initial emergency response until Canadian consular officials could arrive from Jakarta. Case management officers in Ottawa, along with consular officers on the ground in Bali and in evacuation locations, took over the management of specific cases involving Canadian victims of the tragedy. One Canadian victim suffered severe burns. Canadian staff in Jakarta, Singapore and Ottawa worked together to arrange her evacuation from Bali to the Singapore General Hospital's burn unit on October 14, 2002, where she underwent numerous skin grafts. Canadian officials assisted her return to Canada and obtained confirmation from the Quebec government that medical coverage would be extended to her in Canada.**

- ⊗ Significant progress was made during 2002-2003 in encouraging more countries to enter into treaty arrangements with Canada for the transfer of prisoners, in particular under the European Convention on the Transfer of Sentenced Persons. These arrangements enable Canadians in foreign prisons to apply to serve out their sentences in Canadian institutions, where they have the benefit of a familiar culture and the support of loved ones in reaching their rehabilitation goals. The groundwork was laid for the Philippines and Barbados to conclude treaty arrangements with Canada in May 2003, and for Argentina to sign in July 2003. Canada currently has treaty arrangements for the transfer of offenders with 63 countries.

- ⊗ A 7.5% increase in passport services delivered, combined with the introduction of new and tighter controls for the issuance of passports in early 2002, has challenged the Department's ability to maintain passport service standards at missions abroad. Since January 2002, the percentage of missions meeting the standards for mail-in and walk-in applications has been on the decline. For example, in January 2002, 97% of missions abroad met the service standard (10 days) for mail-in applications. By January 2003, the figure had dropped to 87%. Many missions abroad, including those having difficulty meeting the standards, were able to create additional staff positions due to the public security and anti-terrorism funding intended to address passport security and other issues affecting the safety and security of Canadians abroad. The Department is monitoring this performance closely and anticipates an upward trend once the new consular staff are fully trained and operational.
- ⊗ The Department acted quickly to address a procedural error in the approval process to increase fees charged for specialized consular services (i.e. notarial services), which were implemented on April 1, 1998. The error was discovered in December 2002 during an unrelated research activity. Corrective action was taken immediately, which enabled the fee increase to come into force on January 23, 2003. Legislation has been introduced in the House of Commons to seek retroactive authority for the fee increase applied between April 1, 1998, and January 22, 2003.

#### **5.4.5.3 Effective Management and Use of Information and Technology**

- ⊗ The redesign of the consular communications and case management system, now an Internet-based application, significantly improved consular service capacity this year. It allows for more efficient and effective service delivery as well as quicker implementation of future system upgrades. Privacy issues, which were delaying the expansion of these communications facilities to missions headed by honorary consuls, have also been addressed by this redesign. The new system is in the process of being deployed to all consular sites, and appropriate training is being delivered. Once deployment is completed, all consular officers, including honorary consuls, will have access to case management and communications facilities, even when working away from their mission. Funding from the Program Integrity II initiative, intended to address critical corporate information technology infrastructure "rust out" (\$1.01 million to date), has enabled this project to proceed.

## 5.4 Assistance to Canadians Abroad

- ⑥ The ability to manage the consular aspects of major events and world crises was strengthened by two initiatives: the relocation of the Operations Centre to more modern facilities and the development of a new crisis management program (CRIMAN) for recording and managing calls for assistance that the Operations Centre receives during a world crisis. This tool was successfully implemented during the U.S.-led invasion of Iraq, at which time 10,450 calls were managed over a five-week period. In the lead-up to the war, more than 100 officers received training on consular crisis management and CRIMAN.
- ⑥ Implementation of a centralized system (iCHILD) to improve the management of consular cases specific to children's issues has been slow but is still proceeding. The requirements for detailed privacy and administrative agreements with the provinces and territories were more onerous than originally anticipated; however, full implementation is expected later in 2003. Once completed, this system will link all the major players involved in the management of consular cases specific to children's issues, including headquarters, missions abroad, the RCMP and provincial and territorial authorities. The iCHILD project has been in development over the past two fiscal years. The main costs were for development of the software, which occurred in 2001-2002 within the \$195,000 in Government On-Line funding allocated for the project. Limited funding of approximately \$20,000 was allocated in fiscal year 2002-2003 to complete the development phase. Costs associated with the implementation phase are minimal and are being absorbed within the Consular Bureau budget.

### 5.4.6 Performance Monitoring

Preparations are under way for a second client satisfaction survey to follow up the survey conducted in 2001 under the Treasury Board Service Improvement Initiative. The 2001 survey found a high level of client satisfaction. Building on these results, the next survey will measure the level of satisfaction with consular services provided by missions. Results will be compared with previous data to determine whether the Department continues to meet clients' expectations. The results will be used to identify areas for improvement as well as to determine whether service standards have been met. These surveys will become part of a biannual monitoring process.

Standardized surveys have also been developed to get ongoing feedback from clients immediately after service delivery at missions. Indicators include speed, quality of information, courteousness, overall satisfaction and fulfillment of expectations.

Some consular cases, such as those involving children's issues or the repatriation of Canadians with medical or mental disabilities, benefit from the expertise that is available to the Department from International Social Services Canada (ISSC). The ISSC is a non-profit agency that offers links to social services agencies worldwide. The Department makes an annual \$80,000 contribution to the ISSC and also maintains a service contract for individual case referrals. A 2002 evaluation of the services that the ISSC provides to the Department concluded that the agency supplies professional, quality services at a lower cost than if these services were to be supplied internally. As well, a recent audit furnished assurance that the contribution agreement was in compliance with departmental policy, and that the activities and performance of the ISSC are being monitored effectively.

*These reports can be viewed at*  
<http://www.dfait-maeci.gc.ca/department/auditreports/evaluation/evalISSC02-en.asp> and <http://www.dfait-maeci.gc.ca/department/auditreports/2003/issc03-en.asp>.

## 5.5 Public Diplomacy

### 5.5.1 Our Long-Term Aim: The Strategic Outcome

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

#### 5.5.2 Our Resources in 2002-2003 (\$ millions)

Planned spending at beginning of fiscal year	101.3
Total spending authorities at end of fiscal year	107.6
Actual spending	104.2

### 5.5.3 How We Pursue Our Long-Term Outcome

The Public Diplomacy business line contributes directly to the third pillar of Canadian foreign policy – to project Canadian culture and values internationally – and the related key results the Department expects to achieve. These priorities and key results are contained in the Department's recently established Strategic Planning and Priorities Framework. The business line is responsible for:

- providing timely responses to queries from the Canadian public, NGOs, members of Parliament, other government departments and other individuals and organizations with an interest in Canadian foreign and international trade policies;
- engaging Canadians more fully in the development of foreign policy, as demonstrated by the Dialogue on Foreign Policy (see Section 1: Message from the Ministers);
- providing high-quality information about the Department's policies, objectives and activities and, in so doing, interpreting the world for Canadians;
- improving the Department's response to public demands for greater transparency and accountability and ensuring that the Department's obligation to protect personal information is respected and promoted;
- conducting policy planning in support of the objectives and priorities stated in the Department's Strategic Planning and Priorities Framework;
- coordinating federal-provincial relations in the areas of foreign policy and trade;

- enabling Canadian artists, performers, students and educators to participate more fully in the international community;
- opening new markets for Canadian cultural and educational products and services and increasing their international visibility;
- generating a more informed awareness of Canada and its values among foreign decision makers and opinion leaders; and
- providing support to the Department's ministers and secretaries of state in their relations with Cabinet, Parliament and the Canadian public.

By providing policy planning for the Department, the Public Diplomacy business line enables greater integration of domestic and foreign policies as well as fuller incorporation of government-wide priorities. By undertaking targeted communications activities at home and abroad, it increases Canada's international profile as a creative, innovative, technologically advanced and culturally diverse country. Finally, by fostering understanding of Canada and its foreign policy objectives among decision makers and opinion leaders in key countries, it expands Canada's potential to increase its influence in the world, open foreign markets to more Canadian goods and services, and attract foreign investment to Canada.

The Public Diplomacy business line was particularly active in 2002-2003. Canada hosted the G8 summit in Kananaskis, Alberta, in June 2002, which addressed, among other key issues, development and engagement with Africa. The Francophonie summit in Beirut, Lebanon, in October 2002 brought together heads of states with French as a common language to engage in a "Dialogue of Cultures." In January 2003, the Minister of Foreign Affairs, supported by the Department, followed through on a key government commitment in the 2002 Speech from the Throne by launching "A Dialogue on Foreign Policy" to engage Canadians in a discussion on the future of Canada's role in the world. As the year ended, the Department was pivotal in coordinating and disseminating Web-based communications on the conflict in Iraq and the SARS crisis.

Corporate policy planning capabilities were strengthened to address the complex and time-sensitive demands created by global threats to security. Policy analysis and advice was required on such topics as security, Canada's relations with the Muslim world, the role of religion in international relations, the promotion of democracy, the impacts of globalization, and the governance mechanisms of international institutions.

The Department undertook extensive domestic and international communications planning and delivery, including communication of the government's Africa Action Plan. Planning, preparing for and implementing the Dialogue on Foreign Policy was another top priority.

The Department also continued to work on strengthening citizen-government relations and projecting a positive image of Canada abroad through targeted initiatives. These efforts involved coordinating international activities in sectors traditionally considered the domain of the 13 provinces and territories, such as education, as well as other areas where jurisdiction is shared. Through federal-provincial cooperation facilitated by the Department, Canada exerted its influence at multilateral meetings, particularly in forums such as the Summit of the Americas and UNESCO. The Department's engagement with representatives of civil society across Canada – including youth, university students, artists, members of linguistic minorities and NGOs – was indispensable in a wide range of activities, including reforming the governance mechanisms of international institutions, promoting Canada's bilingual identity, projecting Canadian values and interests abroad, and furthering international business objectives.

### 5.5.4 Our Working Environment in 2002-2003: Challenges and Risks

The Department's lead role in the organization and delivery of the G8 leaders' summit and foreign ministers' meeting led to intense policy development and increased communications demands. Canada's chairing of the G8 process placed added pressure on departmental resources to coordinate and deliver events, as well as follow through on the projects and recommendations adopted by G8 leaders.

Interest in Canada generally, and in its academic and cultural products specifically, continued to grow, as did the demand for Canadian education and cultural goods and services. At the same time, Canadians themselves have acquired more confidence in the high quality of their products and are often eager to showcase them abroad. It became more difficult to respond to international demand, however, owing to increased pressure on the Department's financial and human resources. Despite the higher demand, resources dedicated to these activities have remained static for the past five years, which has begun to restrain the capacity to reach a wider international audience and limit the opportunities to present an image of Canada as a global player.

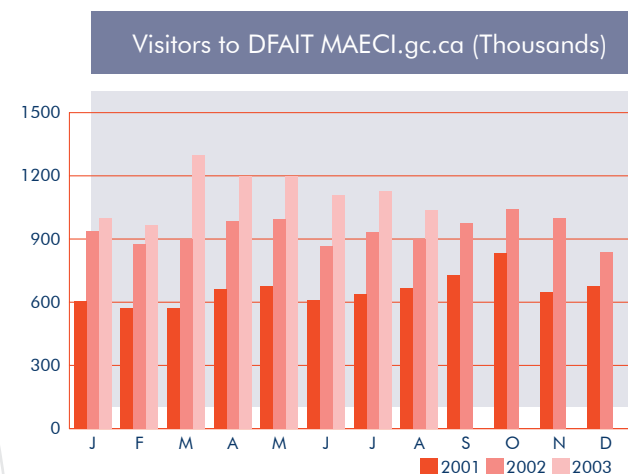
World events, growing public demand for government accountability and transparency, and the increasing profile and relevance of "parliamentary diplomacy" resulted in dramatically increased workloads in 2002-2003. The Department responded by introducing innovative information technology tools such as a new ministerial correspondence management system and a Web-based tool to service public access to information and personal information requests.

### 5.5.5 Our Accomplishments and Performance in 2002-2003

#### 5.5.5.1 Strengthening Capability and Expertise in Communications

The Department's Web pages, which attracted some 12.9 million visits during 2002-2003, up from 9.4 million the previous year, were redesigned to improve response to the public's need for information about current international issues. A marketing campaign brought the site to the attention of more users. In the first four months of the fiscal year, visits were up 40% to the general site and 30% to the newly designed home page. Major issues addressed on the home page included the G8 summit, the softwood lumber dispute, the SARS epidemic and the Dialogue on Foreign Policy.

- The new home page enhanced the Department's ability to communicate with the public. In a comprehensive on-line survey in which 1,700 people took part, more than two thirds of respondents gave the site a good to excellent rating, with 63% indicating they would likely visit the site again. The survey also shed light on which subjects were of greatest public interest. Respondents could select as



- many subjects as they wished. The results: countries and regions (41%), latest news (36%), and foreign policy and travel assistance (33% each).
- ⑥ The Department redesigned its main trade policy site to provide Canadians with more timely and transparent information about policy positions and trade developments. It also created the Trade in Your Neighbourhood program to promote the local benefits of international trade by featuring Canadian companies exporting abroad. The stories are printed by community newspapers as well as in the Department's own on-line publications, reaching thousands of Canadians every two weeks. A public opinion evaluation showed that over 50% of Canadians can identify a company in their community that benefits from international trade, and about 47% know about trade's role in Canada's prosperity.
  - ⑥ The Canada and the World cluster of the Government of Canada's Services for Non-Canadians gateway (<http://www.canada.international.gc.ca>) on the Internet increased its audience 250% in 2002-2003, with the number of Canadian and foreign visitors rising from 4,000 to about 10,000 monthly. This cluster is part of the Department's contribution to the Government On-Line initiative.
  - ⑥ Canada's interests in the softwood lumber dispute were promoted through an advocacy, education and awareness-building campaign among key U.S. public and political audiences. The Department, working with partners in a national coalition of lumber firms and associations, began the campaign in 2002-2003; however, the outbreak of the Iraq war caused a postponement, making it difficult to assess the impact on U.S. opinion leaders during the year.
  - ⑥ Despite reduced resources, the Department's Foreign Visitors Program, aimed mainly at foreign journalists and senior officials, continued to strengthen its partnerships with other government departments to promote Canada among key foreign opinion leaders. The program generated some 260 favourable articles on Canada in the international media, mainly in the G8 countries and Africa.
  - ⑥ The Department's Speakers Program, consisting of public outreach by ambassadors and senior departmental officials, reached over 21,000 people – youth, academics, members of ethnic and business communities, the elderly and members of NGOs – at 145 events in 176 cities. These events generated extensive media coverage on a wide variety of foreign policy issues.
  - ⑥ The Department's flagship publication, *Canada World View*, improved its content to better reflect government goals. The fall 2002 issue focused on international youth programs, and the winter 2002 edition highlighted Canadian culture. A special issue, distributed at the G8 summit and local-area schools in Alberta, not only provided detailed information about the summit, but also marked the first time African-Canadian artists have been profiled in a departmental publication. Readership rose and feedback was positive, but a readership survey planned for the year had to be delayed until 2003-2004.
  - ⑥ The Department promoted the benefits of international trade through the publication and targeted distribution of five new pamphlets and two occasional papers. Topics included the objectives of the latest WTO talks, the benefits of trade in development, the advantages of trade to Canadian communities, the importance to Canada of liberalizing trade in services, the increasingly important role of China in global trade, and Canada's overall trade policy strategy.
  - ⑥ In May 2002, the Minister for International Trade released the results of the Department's annual international trade survey, showing that the majority of Canadians believe that international trade continues to make a significant contribution to the growth of the Canadian economy.
  - ⑥ The Department instituted its new system to manage correspondence in September 2002, providing quick access to over 36,000 pieces of correspondence as well as the ability to track the types of information requested. As a result, the Department was able to provide timely, substantive replies to thousands of letters from Canadians concerning the government's position on issues such as Iraq. Responses also include referrals to appropriate Web sites so that correspondents can monitor developments and obtain up-to-date news, eliminating the need for lengthy replies and ongoing exchanges.
  - ⑥ The Department significantly improved its capacity to provide timely responses to access to information and personal information requests from the Canadian public. Response times resulted in a B grade (92.1%) on the Information Commissioner's report card, up from a D grade (82.3%) the year before, despite 20% more requests and a corresponding increase in the number of pages reviewed during the year. The Department achieved this success by implementing an updated Web-based information and reporting system (ATIPflow).

- ⊗ Since 2001, departmental issues have occupied some 50% of Cabinet time. To support the ministers and secretaries of state in their relations with Cabinet, as well as with Parliament and the public, the Department improved the briefing process. New standards were developed for Cabinet briefing notes to focus the content on strategic information, substantially reduce the length of the notes (maximum one page per item), eliminate the need for translation (talking points are provided in a bilingual format) and improve the quality and timeliness of the notes, resulting in significant savings in production and translation costs.
- ⊗ The Department introduced an electronic questions and answers management system in fall 2002, which resulted in quicker production and distribution of the several thousand “Question Period cards” as well as much improved quality of information. These cards brief ministers on issues that may come up during Question Period.

### 5.5.5.2 Promoting Canadian Identity, Values and Culture Abroad

- ⊗ The Department’s Arts and Cultural Industries Promotion programs at headquarters and missions abroad awarded 424 grants, totalling \$4.6 million (not including Canada-France 2004 financing). The grants enabled Canadian artists and cultural groups to tour internationally and helped arts festivals to bring in foreign buyers. Grants were awarded to applicants from all provinces and two of the three territories. About 70% of these grants contributed to activities in G8 countries in recognition of its strategic importance to Canadian foreign policy.
- ⊗ The Department’s strong role in promoting Canadian arts and cultural industries abroad was supported by a range of partners, including the Canada Council for the Arts, the Department of Canadian Heritage, Telefilm Canada, Industry Canada, the National Film Board, the Canadian Film and Television Production Association, the Canadian Association for the Advancement of Music and the Arts, and the Association for the Export of Canadian Books. Work with these partners also resulted in leveraging of resources: all 141 performing arts groups that received support through the Department were successful in leveraging funds from other sources.
- ⊗ Canada’s *Maclean’s* magazine reprinted comments from *Panorama*, Italy’s largest-circulation (650,000) weekly magazine, commending the Department’s work promoting Canadian literature in Italy. *Panorama* also described the Canadian government’s efforts to support the promotion of Canadian studies in Italy as “a model for the world” and went on to say: “in

practical terms, nothing beats Ottawa’s seed money, which has been astonishingly successful for a modest cost.” About \$50,000 a year has fostered a network of Canadian studies departments at seven Italian universities. There are now dozens of academics interested in the country, according to University of Milan professor Luigi Bruti Liberati, the co-author of a history of Canada that has sold 5,000 copies in Italy.

- ⊗ According to a survey of the heads of Canadian diplomatic missions, the Department’s cultural and academic programs abroad were successful in advancing Canada’s foreign policy and commercial interests. As an example, the African shows of the Canadian rap group Dubmatique, attended by more than 2,000 people, provided African audiences with a glimpse of the values espoused in Canada’s international policies. By building strong relations with cultural and academic partners locally, Canadian representatives overseas were able to gain greater access to and enlist the support of political and commercial opinion leaders and decision makers in the host countries.
- ⊗ Canada was the featured country at the Cervantino Festival in Guanajuato, Mexico, in October 2002. The program represented all Canadian regions, showcasing 16 Canadian performing artists and companies, two Aboriginal fine art exhibitions, a film festival and a literary conference featuring six Canadian writers and scholars. The festival projected Canada as a contemporary, vibrant, pluralistic, bilingual nation to the hundreds of thousands of Mexicans who saw and heard the Canadian performances, including television and radio audiences. More than 150 articles in the Mexican press followed, plus numerous TV and radio spots.
- ⊗ The Department also projected Canadian values abroad by promoting the study of Canada among foreign scholars and influential opinion makers. Some 7,000 foreign scholars continued their research on Canada and taught Canadian studies to 150,000 students in 30 countries in Asia, Europe and the Americas. These foreign scholars published articles on Canada and on specific Canadian policies in daily newspapers and specialized magazines. The United States remained the priority market, absorbing 23% of resources devoted to promoting Canadian studies abroad. Other G8 countries, Brazil, Mexico, India and China were also a focus. Through the Commonwealth Fellowship Program, Government of Canada Awards Program and Canada-U.S. Fulbright Program, the Department awarded 280 scholarships and fellowships to promising international students. These awards



enabled Canada to sustain its obligations under bilateral agreements with international partners, under which some 125 Canadian students received reciprocal international fellowships.

- ⑥ Activities to promote Canada's values abroad included management of 60 youth programs with growing numbers of participants. Grouped under the Working Holiday, Student Work Abroad, Young Workers' Exchange, and Co-op Education programs, these initiatives enable young Canadians to travel and work in other countries where reciprocal arrangements have been negotiated. Over 36,500 exchanges were facilitated between Canadian and international youth in 2002-2003 (18,033 Canadians from all provinces and territories went abroad, while 18,565 foreigners came to Canada), an increase of 8% from the previous year. The Department developed medium-term strategies designed to increase exchanges and student mobility opportunities between Canada and target countries of Europe and Asia-Pacific. Close collaboration was maintained with Human Resources Development Canada to implement two international academic mobility programs with Europe and North America. Surveys showed that the international outlook of both Canadian and foreign participants was significantly enhanced. For example, one student from Ontario described her exchange experience in France as "an eye-opener; I came back to Canada with a greater understanding of what it meant to be European, and even more so, what it meant to be Canadian from an international viewpoint."
- ⑥ Continued efforts to brand Canada as a source of high-quality and innovative educational goods and services resulted in some 151,620 foreign students coming to study in Canada during the first nine months of the year, up 12% from 2001-2002. While Asia continued to be the main source of foreign students to Canada, participation from the United States, Europe, Latin America and the Middle East increased. Partnerships and resource leveraging among government and private sector stakeholders were strengthened.
- ⑥ Eighty Canadian educational organizations joined delegations led by the Department to 17 international education marketing events, resulting in a rise in sales of goods and services, exposure to new export opportunities, and greater understanding and knowledge of foreign markets for Canadian exporters. Canadian educational institutions realized a 20% increase in the number of students from the Middle East and Persian Gulf regions as a result of direct promotion to prospective students there. The Department had organized Canadian education

fairs in Cairo, Tunis and Amman and participated in education fairs in the Gulf.

- ⑥ The Department also assisted the international efforts of the Canadian Bureau for International Education, resulting in a 10-year, \$500 million contract with Qatar (signed in April 2002) for Canadian educational services and training.

### 5.5.5.3 Collaborating with the Provinces on Public Diplomacy

- ⑥ The Department facilitated the participation of Canadian educational authorities and experts, including the Council of Ministers of Education, Canada (CMEC), in more than 50 international meetings at the ministerial and senior official levels. The Department and CMEC worked together to develop a program for a visit by a Mexican task force on education to Ottawa and five eastern provinces in September 2002. The visit resulted in new or strengthened channels of communication between the respective educational authorities. Senior education officials from Newfoundland later visited Mexico, and Mexico and Nova Scotia agreed to increase the number of Mexican students studying in that province.
- ⑥ The Department undertook extensive consultations within and outside government, leading to a specific public diplomacy strategy for China. Canadian representatives from educational institutions, arts and culture groups and institutions, and partner government organizations met to discuss the strengthening of Canada-China cultural partnerships, with a view to coordinating, planning, communications and branding.
- ⑥ The Department facilitated the participation of the provincial and territorial governments in the Dialogue on Foreign Policy and encouraged public participation (notably youth participation) in international affairs by funding numerous events. These ranged from simulations of the negotiations of international organizations to conferences, colloquiums, study trips, exploratory business missions, and tours of exhibits that promote Canadian values abroad.
- ⑥ The simulations of the workings of international organizations, targeted at secondary schools, colleges and universities, aim to improve understanding of the rationale for Canada's foreign policy positions. The success of the annual UN simulation exercise in reaching Canadian youth was confirmed by the students' request for a series of briefings at the Canadian permanent mission to the UN in New York.

- ⊙ The Department also continued to facilitate the development of international project networks in secondary schools and colleges. Such projects as Passport-Europe, Project Uruguay and Engineers without Borders help Canadian youth understand their own country better through comparative study internships in Europe, Latin America, the United States, Africa and Asia.
- ⊙ To ensure better integration of foreign and domestic policy, the Department established a dialogue with francophone communities outside Quebec, notably through brainstorming sessions with community representatives. The result was increased participation by the National Association of Acadians (SNA) in international activities related to the “400 years of French in America” celebrations, as well as by the SNA and the Federation of Francophone and Acadian Communities in the planning of artists’ tours for the Francophonie Days festivities being organized by the Department in eastern Europe, Africa and Latin America.
- ⊙ The Department completed a formal partnership agreement with Canadian Heritage that provides that department with \$1.5 million for projects related to Canada’s official languages. These projects benefit Canadians who speak only one of the official languages in an area of the country where that language is the minority language. The agreement has already resulted in the use of nearly \$700,000 for eight projects.

### 5.5.5.4 Tapping the Expertise and Contributions of Canadians

- ⊙ Further to the government’s Speech from the Throne commitment to engage Canadians in a discussion about the role that Canada will play in the world, the Department committed to engage Canadians across the country in a dialogue on foreign policy.
- ⊙ The Department launched “A Dialogue on Foreign Policy” on January 22, 2003, supported by a discussion document inviting views on Canada’s role in the world. To increase public participation in the Dialogue, the Department developed a promotion campaign based largely on information technologies. The public consultation Web site (<http://www.foreign-policy-dialogue.ca>) received some 62,500 visitors by the end of March 2003 as a result of electronic marketing (55%), government Web links (29%), banner advertising (9%) and opinion pieces or editorials in the press (7%).
- ⊙ Dialogue-related activities generated cross-Canada participation, producing a wide range of views and advice on key Canadian foreign policy issues. By the end of March 2003, Canadians had attended town hall meetings arranged by the Department in Atlantic Canada, Quebec and Manitoba. As well, some 20,000 Canadians responded to the invitation to view the discussion document and take part in electronic discussion groups through the interactive Web site established for this purpose. A range of experts’ meetings with organizations such as the Academic Council of the United Nations provided further advice to the government on Canada’s role in the world. Members of Parliament and their constituencies also responded to the invitation to participate in the Dialogue, and some 122 Canadian young people contributed via a National Forum for Youth. The results of the Dialogue were made available in June 2003.
- ⊙ The Department also supported numerous roundtables, workshops and commissioned articles, via the John Holmes Policy Development Project Fund, to provide Canadians with further opportunities to address the broad questions of foreign policy that Canada is facing. The Department facilitated citizen input on various topics including the future with Europe, security in Asia, Canada-U.S. relations, and Canada and the Muslim world.
- ⊙ A series of expert discussions on Canada and the Muslim world and on the relationship between religion and global divisions, held between May and September 2002, generated political, historical and cultural analysis, identified issues for policy attention and produced ideas and options for policy makers. The final report from these discussions was well received both in Canada and internationally; it was requested by Parliamentary committees and on numerous occasions by Canadian missions, representatives of foreign governments and think tanks abroad. The discussions engaged diverse elements of Canadian civil society, including Jewish youth and women’s groups, Arab-Canadian students, and church groups, providing a forum for the Department to hear views, explain Canadian approaches in the region and establish a more substantive dialogue with the groups concerned.
- ⊙ Discussions with Canadian and European scholars, economists, journalists, security experts and others generated advice on transatlantic perceptions, as well as on how European societies are changing and how Canada’s relationship with Europe is evolving. These discussions helped policy makers – including the Foreign Affairs Minister and Secretary of State (Central and Eastern Europe and the Middle East), who participated in the discussions – review and assess existing policies. This process also contributed

to the preparations for the biannual Canada-EU summits.

- ⑥ A conference on South Asian security (held in May 2002 in India), a seminar on democracy and global divisions (April-May 2002) and international studies on the causes of terrorism all yielded historical and current analysis of key policy issues and scenarios for the future. Canada-U.S. relations were a ubiquitous element of citizen engagement activities. The participation of experts from such institutions as the Council on Foreign Relations and various U.S. think tanks and universities further projected Canada's visibility and interests in the United States.

#### 5.5.5.5 Increasing the Focus and Coherence of Foreign Policy Making

- ⑥ The Web site of the Department's Canadian Centre for Foreign Policy Development (<http://www.cfp-pec.gc.ca>) was improved to include more reports on policy advice as well as video clips from expert roundtables and other forums. The result was enhanced transparency and easier access to information for policy makers and the public alike.
- ⑥ The Department developed specific Web sites on Africa and the Middle East, offering current information on Canadian policies and providing a coherent, timely message for both Canadians and audiences in the regions concerned. More than 75,000 users visited [http://www.dfait.gc.ca/middle\\_east/menu-en.asp](http://www.dfait.gc.ca/middle_east/menu-en.asp), while <http://www.dfait.gc.ca/africa/menu-en.asp> logged over 27,500 visitors from November 2002 to March 2003, 68% of whom were from outside Canada.
- ⑥ The establishment of a new policy coordination division in the Department, begun in 2000-2001, improved the capacity to provide quality policy advice and intelligence to government, enhanced work on strategies with other federal departments and contributed to government-wide policy initiatives. For example, advice recommending a more international dimension to the government's innovation strategy (<http://innovation.gc.ca>) resulted in a framework for better linking of foreign and domestic policy priorities. Senior management accepted the recommendation and passed it on to Industry Canada, where it was welcomed as a basis for ongoing interdepartmental cooperation.
- ⑥ The division's support for the Department's Trade Coordination Committee, chaired by the Deputy Minister for International Trade, included advice to senior management on how to ensure better resourcing of the bilateral committees and other mechanisms that the Department uses to manage Canada's many economic agreements with other countries. This advice resulted in a "best practices" framework to improve planning and staffing of the Department's approximately 30 joint economic commissions. The framework will ensure achievement of tangible results and offer a basis to rationalize the level and frequency of meetings, with due attention to ministerial and deputy ministerial time constraints.
- ⑥ Recommendations were provided to senior management on the foreign policy implications of international economic developments and on other issues such as foreign aid. Analytical papers on the benefits of trade liberalization and on the global middle classes fed into communications strategies and positions adopted by senior management for the WTO and Free Trade Area of the Americas negotiations.
- ⑥ Activities to improve policy coordination with other government departments included informal planning consultations with departments such as Finance and Industry on international economic issues, cooperation with the Library of Parliament in forums on globalization and governance, and collaboration with the government's Policy Research Initiative (<http://policyresearch.gc.ca>) on changing policy research needs.
- ⑥ The Department strengthened the preparatory process for its Policy Board, an internal forum for consensus building and policy development on important foreign and trade policy matters. A greater effort was made to identify key issues in advance of meetings and to provide more targeted background and briefing material to allow for a more rapid focus on the most important aspects of issues. The result was increased departmental coherence and coordination on policy questions such as Canada-U.S. relations, Canada's hemispheric agenda and market access for least-developed countries, thereby improving the quality of policy advice to the government on issues important to Canadians.
- ⑥ Finally, the Department provided the Prime Minister and Foreign Affairs Minister with policy advice during the lead-up to the G8 foreign ministers' meeting in Whistler and the leaders' summit in Kananaskis in June 2002, helping to shape the summit agenda. The summit resulted in concrete outcomes and follow-up mechanisms, which are reported elsewhere in this document.

## 5.6 Corporate Services

### 5.6.1 Our Long-Term Aim: The Strategic Outcome

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

5.6.2 Our Resources in 2002-2003 (\$ millions)	
Planned spending at beginning of fiscal year	330.3
Total spending authorities at end of fiscal year	328.5
Actual spending	300.1

### 5.6.3 How We Pursue Our Long-Term Outcome

Two business lines – Corporate Services and Human Resources – are accountable for providing the infrastructure necessary to the Department's operations. This infrastructure includes human resources management and training, corporate finance and strategic planning, information management and technology, property and materiel management, legal services, the Office of Protocol (the government's first point of contact with the foreign diplomatic community in Canada), security, and audit and evaluation. Without these essential services, the Department could not function.

These two business lines provide centralized services at the Department's Ottawa headquarters and, in collaboration with the four geographic branches, at Canada's missions abroad. They work closely with other federal government departments and agencies co-located at missions abroad, as well as with the Prime Minister's Office and Rideau Hall, central agencies of the federal government, employee unions and associations, the provinces and territories, the private sector and the diplomatic community in Canada.

### 5.6.4 Our Working Environment in 2002-2003: The Transition to Managing for Results

In 2002-2003, the Department increased application of results-based management systems throughout its operations. This represents a major shift in orientation for the Department, which historically has focused on activities (what we do), resource inputs (what we spend) and outputs (what we produce). Now its planning and priority setting is increasingly geared to producing *measurable* results for Canadians. As this document

demonstrates, the Department is also now reporting on its accomplishments with a greater emphasis on performance monitoring and results.

A critical element in this transition is the Department's Strategic Planning and Priorities Framework (<http://www.dfait-maeci.gc.ca/department/mandate/sppfen.pdf>), which was established in November 2002. It applies the principles set by Treasury Board of Canada Secretariat with respect to results-based management. It also identifies the strategic objectives and measurable results that the Department hopes to achieve over the next three years. As a rule, these will be reviewed on an annual basis, but, in the shorter term, they are also expected to be reassessed in response to the final report of the Dialogue on Foreign Policy ([http://www.foreign-policy-dialogue.ca/en/final\\_report/index.html](http://www.foreign-policy-dialogue.ca/en/final_report/index.html)).

The framework guides planning and priority setting across the Department, including the preparation of business plans and the realignment of resources to departmental priorities. Beginning with the 2003-2004 Report on Plans and Priorities, the Department is also using the framework to give greater structure and coherence to its planning and performance reports. According to an assessment done by the Department's Office of the Inspector General, managers appreciate the framework's clear and simple presentation of priorities and key results.

The application of the framework across the Department is expected to address concerns expressed by the Department's employees in the 1999 and 2002 Public Service Employee Surveys (<http://www.survev-sondage.gc.ca/2002/menu-e.html>) about the effect of constantly changing priorities and a lack of resources on the quality of their work.

### Challenges and Risks

In providing support services to carry out its own mandate and enable partner departments and agencies to deliver their programs abroad, the Department faces various challenges particular to working in foreign countries. These include the need to adapt to an intercultural and multilingual environment, deal with varying rates of foreign currency exchange and inflation, and provide services 24 hours a day, seven days a week across multiple time zones. The following are more specific challenges faced by the Department last year:

- The Department continued to respond to demands for greater transparency and accountability in government spending and operations.

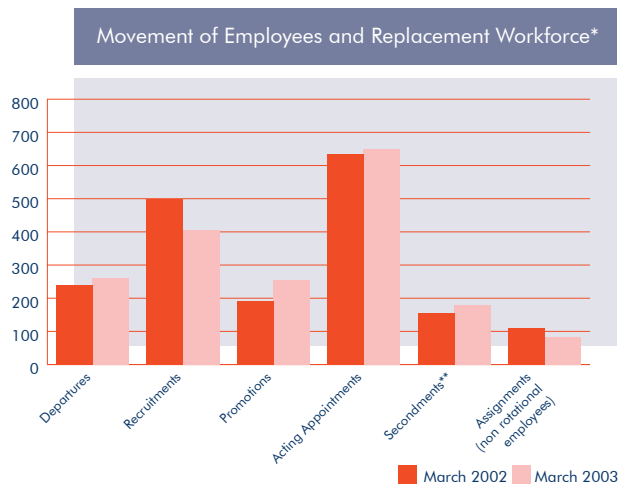
- ⊙ In recognition of societal and labour market conditions affecting the Foreign Service, such as the prevalence of dual-income families and the growing demand from outside the Department for the skill sets of its Foreign Service officers, the Department continued efforts to modernize human resources management and improve training in order to better retain these employees.
- ⊙ Increasing security, environmental and health risks made it more difficult to find employees and families willing to accept postings abroad. Some 60% of missions are now in places regarded as hardship locations.
- ⊙ Heightened security threats against Government of Canada facilities worldwide necessitated further efforts to ensure the safety and security of employees, assets and information.
- ⊙ In recent years, the federal government's increased presence internationally has led to a substantial growth in staff at missions abroad and a corresponding increase in the need for office space, staff quarters, communications capacity and other essential corporate services. At present, 39% of Canada's missions abroad are unable to effectively accommodate further growth.

## 5.6.5 Our Accomplishments and Performance in 2002-2003

### 5.6.5.1 Improved Ability to Attract and Retain Highly Skilled Staff

The Department's Strategic Planning and Priorities Framework represents a major step forward in managing for results. An equally important process for the Department is to ensure it is able to hire and retain highly skilled employees who reflect the diversity of Canadian society and place them where they can be most effective in achieving results.

The Department is facing increasing competition from inside and outside government with respect to attracting and retaining highly skilled employees. In 2002-2003, of the 341 employees who left the Department, only 80 took retirement, while the rest sought jobs elsewhere. As a result of these departures, the Department lost corporate knowledge and memory. It also had to bear the administrative cost of replacing these employees. Over the course of the fiscal year, the Department recruited 407 new employees and acquired the services of an additional 166 people through secondments from partner departments and agencies.



\* This chart concerns Canada-based employees only and does not include locally engaged staff at missions abroad.

\*\* This figure represents the number of employees who were seconded into the Department (180) minus the number who were seconded out (14) for a net total of 166 in March 2003.

To better attract and retain highly qualified employees, the Department is taking the following measures:

- ⊙ In January 2003, the Department began work with Citizenship and Immigration Canada and Treasury Board to expand the classification structure of the Foreign Service group to four levels. At present, there are only two levels of seniority (with corresponding salary scales) for Foreign Service officers. By increasing the number of levels, the Department will be able to more fully recognize different degrees of responsibility, skill sets and quality of performance. Consultations are under way with the Professional Association of Foreign Service Officers on this key initiative.
- ⊙ Competency profiles, which define the knowledge, skill set and personal suitability required for specific positions, were developed for the Foreign Service Group and the Management/Consular Group. (The Foreign Service Group includes political/economic officers, trade commissioners and rotational immigration officers. However, management/consular officers belong to the Program and Administration Services Group. For a description of the four types of Foreign Service officers, see About Us, Section 3) These competency profiles help managers find and select the most qualified people. They also assist employees in identifying gaps in their learning and development with a view to advancing their career development. Also last year, competency-based performance planning and development tools were developed

for locally engaged commercial officer and assistant positions. Pilot tests of these new tools, which were undertaken in various missions, resulted in some useful adjustments to increase their effectiveness.

- ⊙ Reclassification of all management and consular positions at missions abroad was completed to better reflect current work responsibilities and ensure salary levels are more in line with today's highly competitive labour market. The next step will be to determine whether reclassification is required for similar positions at headquarters. Reclassification of the Administrative Assistant Group, now under way, will ensure that pay and benefit scales fully reflect evolving job responsibilities.
- ⊙ The Department has been working with partner departments, employee groups and bargaining agents to develop proposals on issues related to dual-income households and conditions of service abroad. These will be discussed with Treasury Board before being submitted in whole or in part to the National Joint Council of the Public Service of Canada (<http://www.njc-cnm.gc.ca>) for consultation and inclusion in the 2004 Foreign Service Directives ([http://www.tbs-sct.gc.ca/pubs\\_pol/hrpubs/tbm\\_1112/fsd-dse\\_e.asp](http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/tbm_1112/fsd-dse_e.asp)). These directives stipulate allowances, benefits and conditions of employment that, in combination with salary, make the option of working outside Canada more attractive to highly skilled employees.
- ⊙ The Department evaluated the actual levels of service provided by Human Resources against its own published standards. As a result of this assessment, the Department is amending some standards to better reflect current realities and corresponding service levels that would be considered reasonable. These service standards are readily accessible to all employees.
- ⊙ The Department has simplified staffing methods by developing generic job descriptions for most occupational groups, including the Foreign Service. This will help ensure that positions with similar degrees of responsibility are classified identically and incumbents are paid equitably. It will also speed up the staffing process. The Department is also now looking at other ways to further streamline and speed up hiring practices.
- ⊙ The Department has taken several steps to meet objectives of Canada's official languages policy. First, it has expanded language training for employees. Second, the performance management agreements of departmental managers now contain specific commitments related to official languages requirements. At present, 73.5% of the

Department's Canada-based employees at missions abroad are bilingual, while 87% of the Department's non-rotational workers who serve the public in the National Capital Region meet the language requirements of their positions.

- ⊙ Recent statistics verify that improvements in human resources management have resulted in increased employee satisfaction as well as greater workforce diversity. First, the 2002 Public Service Employee Survey indicated that 68% of the Department's staff are satisfied with their careers, compared with 63% in the 1999 survey. Second, in the past two years, representation of visible minorities in the Department's workforce has increased from 5.9% to 7.3% and the number of persons with disabilities has risen from 3.4% to 4.3%. Unchanged are the percentages of women (48.6%) and Aboriginal peoples (2.2%).

According to the 1999 and 2002 Public Service Employee Surveys, a higher percentage of the Department's staff believes access to on-the-job training and support for career development have increased markedly. Throughout the Department, the following skills development initiatives were undertaken last year:

- ⊙ In 2002, the Department established a policy to develop a continuous learning culture that supports innovation and knowledge transfer. It also announced a \$1 million increase in the training budget. An action plan on learning was developed and implemented. By the end of the fiscal year, the Canadian Foreign Service Institute (CFSI), which manages the Department's training, had helped 16 divisions and one mission to complete learning plans.
- ⊙ The CFSI also offered 20 learning programs for managers and staff. In 2002-2003, it delivered 23% more training days than it had the year before, or 55% more than two years earlier. The Department continued to expand training available through its Virtual Campus, which offered 3,246 student days of on-line distance learning. Employees using the Virtual Campus were also able to access the assistance of an instructor by telephone for certain on-line courses.

### 5.6.5.2 Enhanced Safety and Security

- ⊙ The Department continued to tighten security measures at headquarters and missions abroad. For instance, additional security managers seconded from the Department of National Defence have been assigned to missions where the threat to the

safety of employees has been identified as high. The Department also completed a review of security policy and issued new guidelines to its employees and those of partners co-located at missions abroad.

### 5.6.5.3 Management of Property Resources Integrated

- ⊗ The Department continued to implement its Property Management Improvement Plan last year. Key elements include the integration of global property budgets and resources (a process that began in April 2003), ISO certification for quality property management (a process that is currently under way, with full accreditation expected by late 2003) and enhancements to property and materiel management information systems to support the other improvements.
- ⊗ Application of streamlined Treasury Board guidelines is expected to address issues related to staff housing at missions abroad.
- ⊗ In recent years, the heritage renovation of Canada House in London and the Tokyo housing project have received recognition and awards. This year, the recently completed Warsaw chancery reconstruction project won two architectural awards in Poland.
- ⊗ The Department's real property projects fully support priorities identified in the Strategic Planning and Priorities Framework. Of the 46 capital projects now under way at missions abroad (see Table 9 in Section 6), 19 address health and safety issues. An additional 12 provide much needed new office space and 15 respond to market opportunities to reduce rent and replace leases. Over half of the Department's planned property capital investment will be made in priority regions of the U.S., other G8 nations, cities where multilateral organizations are headquartered, as well as Mexico, Brazil, India and China. Planning has begun on new and expanded facilities in Denver, Miami, Raleigh-Durham and other U.S. cities, in keeping with a commitment made in the Speech from the Throne regarding enhanced representation in the United States.

#### *Surplus Properties Sold and Proceeds Reinvested*

- ⊗ The Department's long-term global property strategy calls for selling or leasing surplus, inadequate or underused real estate and reinvesting the proceeds in new properties. Proceeds from 28 property disposals in 2002-2003 amounted to almost \$25 million, which will be carried forward to 2003-2004 and applied to high-priority accommodation projects.

#### *Space Shortages Addressed*

- ⊗ Space shortages are being addressed in over half of the 64 missions that are overcrowded. In 2002, construction began on the new chancery (mission office) in Berlin, the Department's largest project of its kind in a G8 country. Construction of chanceries in Nairobi and Port-au-Prince as well as the purchase of office space in Dakar are nearing completion. The lease and renovation of a chancery addition in Damascus and relocation of the Prague chancery were completed in 2002-2003. The cost of the Damascus project rose as a result of additional renovations required to the main building. The Prague project, although under budget, was delivered later than anticipated due to delays acquiring local approvals. New lease projects are under way in Manila, Bucharest and Budapest in response to the growth in staff at missions there as well as health and security issues. At headquarters, the Department is working with Public Works and Government Services Canada on a long-term strategy to address space shortages.

#### *Deteriorating Property Assets Addressed*

- ⊗ In 2002-2003, Treasury Board provided an additional \$15 million to address deteriorating property assets. This funding has been used to carry out 128 projects at 58 missions. To provide a stronger base for long-term planning, the Department commissioned engineering reports on the condition of 150 buildings, focusing on residential properties. These reports document the backlog of maintenance projects and lay out a five-year plan, including cost projections, to upgrade them to full Canadian standards. The condition of all the Department's buildings will be assessed, and necessary maintenance projects identified and prioritized, by the end of March 2004.

### 5.6.5.4 Better Use of Information Technology and Management Tools

In 2002-2003, Corporate Services continued to meet a growing demand for telecommunications, computing and information services at headquarters and missions abroad as follows:

- ⊗ Since January 2000, the volume of e-mail traffic has doubled to 60 million messages annually and the amount of voice mail has quadrupled to 15.5 million minutes a year. Last year, a new service of the Department provided 350 video conferences, linking headquarters and missions abroad. Four additional missions (Almaty, Auckland, Phnom Penh, Bandar Seri Begawan) were connected to

MITNET, the Department's voice and data network, and the bandwidth to the missions in Damascus and Washington was significantly increased.

- ⊗ In October 2002, the micro-mission upgrade project entitled From Sarajevo to Abuja: Connecting Canada to the World was awarded a silver medal in the Serving Canadians Better through e-Government – Enhancing Government Operations category at the 2002 Technology in Government Distinction Awards. Completion of this project has connected the 38 smallest missions to MITNET. Fully 82% of users at these missions have reported productivity improvements as a result of the upgrade.
- ⊗ Personal safety radios, intrusion detection and alarm systems, satellite telephones and other security technologies were provided and maintained in selected missions.
- ⊗ The Department's internal computer network, SIGNET, serves 8,800 users with approximately 10,000 networked computers. These computers and network servers are subject to a continuous program of cyclical replacement and upgrading. The Department also continued to provide secure computing, messaging and facsimile services to some 1,500 users as required during 2002-2003.
- ⊗ The Department's information and records management staff handled over 17 million paper documents last year.

At the 2003 Government of Canada Symposium: Achieving Excellence in Information Management, the Department won a Leading by Example Award for its role in improving information management across government and actively participating in many related interdepartmental forums. Last year, the Department undertook the following initiatives to further improve its management of information and information technology services:

- ⊗ The Department continued to implement InfoBank, a multi-year project launched in 2001, which will provide training, business rules and electronic document systems as well as identify best practices to improve the way the Department manages information. Pilots of the software required for InfoBank have now been successfully completed, and business pilots are currently testing the new information management rules and best practices in three units at headquarters and one mission. An operational pilot will determine the technical risks of operating InfoBank globally before a decision is made on broader implementation.
- ⊗ The Department continued the process of converting forms from paper to electronic formats.

It also launched the integrated Electronic Directory Service, which combines three directories into a single authoritative source of information. This has provided an essential tool for administering user authentication and authorization. In addition, authorized staff members can now access multiple computer applications by using a single log-in rather than multiple log-ins as previously required. These measures save time and reduce the risk of input errors.

- ⊗ Several mobility solutions allowed staff greater access to e-mail from remote locations, enabling them to improve service delivery to clients.
- ⊗ Use of the Department's Virtual Library has increased by 40% since 2000. The Virtual Library provides staff with desktop access to over 100 databases, 24 hours a day, seven days a week.

### 5.6.5.5 Improved Services for External Clients

In 2003, a report by Accenture, a leading management and technology consulting company, ranked Canada first worldwide in e-government leadership for the third year in a row. In describing the report, Accenture noted that Canada "was the first country to put its citizens and businesses at the core of its strategy... Now, Canada is pulling ahead again... Canada shows signs that it has ingrained leading-edge practices, specifically involving customers in service development and identifying and focusing on high-value services."

- ⊗ Last year, the Department continued to lead improvement and expansion of:
  - the international gateway on the main Government of Canada Web site, known as Canada International (<http://www.CanadaInternational.gc.ca>), and its three clusters (Going to Canada, Doing Business with Canada, and Canada and the World);
  - the Importing/Exporting cluster on the business gateway; and
  - the Travel at Home and Abroad cluster on the Canadians gateway.
- ⊗ It also undertook a risk assessment of the Government On-Line program in order to identify challenges ahead and formulate strategies to deal with them.
- ⊗ The Department's Web site now features 180 sub-sites, including 80 mission sites. At present, more than three million pages of information are available in English, French and 14 other languages. Visits to the Department's Web site have increased 70% since January 2000 to 12.9 million a year. The



Department ensured that its Internet presence was fully compliant with government-wide standards for Common Look and Feel by the target date of December 2002. As a result, all Canadians enjoyed improved access to departmental information.

- ⑥ The Department is strengthening relations with the growing diplomatic community across Canada by delivering improved services and outreach activities. During 2002-2003, the Office of Protocol communicated its service standards to all diplomatic missions in Canada and held meetings with representatives of international organizations in Canada to address issues related to service delivery. The Department also briefed foreign diplomats working in Canada outside the National Capital Region, mostly in the western provinces. It also briefed Canada Customs and Revenue Agency stakeholders on diplomatic immunity and privileges, including tax relief. Given the diplomatic community's positive response to these briefings, more will be offered in 2003-2004. The Department will invite Citizenship and Immigration Canada representatives to participate in order to address the visa and immigration issues commonly raised.
- ⑥ Last year, the Department organized events to regularly bring politicians and officials from all levels of government across Canada together with the diplomatic community. The purpose was to expose foreign diplomats to Canadian culture and ways of doing business, broaden their understanding of Canadian governments and provide opportunities to discuss bilateral and multilateral cooperation.

#### 5.6.5.6 Improved Performance Monitoring

The Department is improving its ability to measure its accomplishments against the priorities, strategic objectives and key results identified in the Strategic Planning and Priorities Framework.

With new funding that increased capacity, the Audit and Evaluation Unit enhanced its ability to help managers prepare:

- ⑥ results-based management and accountability frameworks (RMAFs), which are blueprints for planning, measuring, evaluating and reporting on results throughout the life cycle of policies, programs and initiatives; and
- ⑥ risk-based audit frameworks (RBAFs), which assess risks, identify audit requirements for program managers and recipients, and detail the desired scope, frequency and cost of planned audits for programs.

In 2002-2003, the Department carried out three financial assurance audits, 12 general management audits, 84 contribution recipient audits and 26 inspections and audits of missions (<http://www.dfait-maeci.gc.ca/departement/auditreports/auditreports-en.asp>). It also audited the technical infrastructure that allows departments to establish secure linkages for communications and information systems operated with other levels of government, the private sector and international partners.

The three financial assurance audits found weaknesses in financial policy and procedures. As a result, assurances of accuracy and completeness could not be given for those parts of the audited statements. The Department is addressing the problem by developing financial policies that highlight specific departmental requirements and associated roles and responsibilities.

As a result of the management and contribution recipient audits, it has been determined that the Department needs to improve governance of its grants and contributions programs. To this end, the Department is establishing a centre of expertise for grants and contributions and is enhancing its management training in this area. It is also working with Treasury Board to develop risk-based umbrella groupings as a means of applying the Treasury Board policy on transfer payments.

Inspections and audits of missions assessed their management as well as the economy, efficiency and effectiveness of their operations and decision making. Recommendations resulting from these audits are helping managers to improve human resources management, overall policies and procedures and resource allocation at missions, which, in turn, is generating better program results.

### 5.7 Services to Partner Departments

#### 5.7.1 Our Long-Term Aim: The Strategic Outcome

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

#### 5.7.2 Our Resources in 2002-2003 (\$ millions)

Planned spending at beginning of fiscal year	260.4
Total spending authorities at end of fiscal year	250.2
Actual spending	246.6

#### 5.7.3 How We Pursue Our Long-Term Outcome

To enable partner departments and agencies to carry out their program mandates at missions outside Canada, the Department provides common support services such as mission financial services, information management and technology services, office space and living quarters, materiel management and security services. The Department provides these services abroad to 14 partner departments, seven agencies, three provinces (Alberta, Ontario and Quebec) and the governments of Australia and the United Kingdom. Partner departments with large international programs include Citizenship and Immigration Canada, the Department of National Defence, the Canadian International Development Agency, the Solicitor General and the RCMP. Other departments such as Canadian Heritage, Agriculture and Agri-Food Canada, the Department of Justice, Natural Resources Canada, Environment Canada, Health Canada, Human Resources Development Canada, Public Works and Government Services Canada, and the Department of Finance deliver programs in specific countries or geographic regions. Federal agencies with representatives abroad include the Canadian Space Agency, Export Development Canada, the Canadian Tourism Commission, Telefilm Canada, the National Film Board, the Bank of Canada and the Canada Customs and Revenue Agency. As of October 2002, 1,602 Canada-based employees and 5,073 locally engaged employees worked in Canada's missions abroad. Of these 6,675 employees, 2,136 (32%) worked for partner departments and agencies, provinces or other organizations co-located in Canadian missions. However, in providing common services abroad, a corresponding proportion of the Department's

common services employees are hired on behalf of partner departments to meet their administrative and other common service requirements.

#### 5.7.4 Our Working Environment in 2002-2003: Challenges and Risks

The following factors influenced the Department's delivery of services to partner departments during the past year:

- ⊗ A total of 202 new positions were added abroad, with partner departments responsible for 88 of these positions. The increases in mission staffing represent growth by existing partners as well as establishment of positions abroad by several new partners (Canadian Heritage, Natural Resources Canada, Department of Justice). This growth reflects the heightened impact that international events have on the delivery of Canadian government programs, as well as the need to increase program capacity abroad in the post-9/11 world.
- ⊗ Until recently, costings for new positions abroad included limited, if any, provision for certain overhead costs and for the cost of administrative staff required to support these new positions. As the number of Canadian representatives abroad increases, so too does the stress on limited existing departmental common services staff and resources.
- ⊗ Administrative support services have been provided on the basis of memorandums of understanding between the Department and individual partner departments and agencies. These various MOUs create some differences in the services provided and in the methods used by the Department to charge for these services. Additionally, partner departments have indicated that the Department's methodology for determining the cost requirements for incremental personnel can be cumbersome and slow and that there is a need to create new procedures to standardize the process. The Department is taking steps to ensure that consistent, equitable, quality services (and levels of service) are offered to all partner departments, to ensure that charges for new positions are transparent, and to reduce the complexity of the process.

The Services to Partner Departments business line works with the Corporate Services business line in providing support services. For a full picture of performance achievements regarding common services provided to partners by the Department, this section should be read in conjunction with the Corporate Services section of this report.

## 5.7.5 Our Accomplishments and Performance in 2002-2003

As levels of Canadian representation abroad increase, and as more federal departments and agencies conduct program activity in missions abroad, the challenge grows to ensure that the activities of all the departments in all the missions remain integrated and synergistic. The Department's Strategic Planning and Priorities Framework acknowledges this imperative in identifying "the effective management of missions abroad with partner departments and agencies" as a key result and the development of strategic partnerships as a priority.

Responding to this departmental priority, the focus of the Services to Partner Departments business line during 2002-2003 has been on strengthening partnerships with other departments and agencies and working to ensure that Canada's missions abroad are managed as a Government of Canada, as opposed to a departmental, resource. The business line's principal achievements toward these goals are discussed below.

### 5.7.5.1 Improving Management of Changes in Mission Staffing Levels

During 2002-2003, the Department improved the management of changes in mission staffing levels through:

- application of the Framework for Planning and Managing Growth in Personnel at Missions Abroad by the Department's Committee on Representation Abroad (CORA);
- establishment of two interdepartmental committees to deal with long-term planning on issues concerning Canada's representation abroad;
- an internal review of representation abroad;
- creation of a Common Services Abroad Planning and Coordination Office; and
- development of a sophisticated reporting tool concerning Canadian representation abroad.

The Framework for Planning and Managing Growth in Personnel at Missions Abroad improved the management of changes in mission staffing levels by providing a rigorous and systematic approach for use in introducing not only the 88 partner-based positions, but indeed all of the 202 new mission positions created during 2002-2003. In employing this framework, CORA ensured that all new positions abroad were established only after it was confirmed that policy and program requirements were consistent with Canada's

broad foreign policy objectives, that operational considerations and costs were fully assessed and agreed to, and that all funding was provided by the sponsoring organization.

Intra- and interdepartmental consultations undertaken, as required by the framework, resulted in a more coherent approach in working with partners on issues related to the growth in representation abroad. In addition, there was increased engagement of senior management at this department and partner departments in issues related to representation abroad.

**"The consultation process was infinitely better than the year before, because it was shorter, and because the position creations and deletions were less hypothetical."**

*Citizenship and Immigration Canada, 2003*

While this revised consultation process was well received by partners, no formal interdepartmental process has existed to manage changes in levels of representation abroad in the longer term. Program growth abroad largely reflects departments' domestic agendas. There are, on occasion, policy discussions regarding the proposed partner deployments; however, most partner requests are accommodated unless there are space or information technology (IT) infrastructure constraints. Although interdepartmental discussions have taken place on a "by mission" and "by region" basis, no overall policy forum has existed to coordinate and plan Canada's representation abroad on a global basis. The Department has learned through this process that a more integrated approach to representation abroad is a necessary next step in managing the Government of Canada's international objectives.

To support this need for a longer-term perspective concerning Canada's representation abroad, partner departments agreed with a proposal to create two interdepartmental committees, and the Department worked with partner departments in establishing appropriate mandates. The role of the first of these committees, the Assistant Deputy Minister Council on Common Services Abroad, is to provide overall guidance with respect to strategic and longer-term representation abroad and the provision of common

## 5.7 Services to Partner Departments

services. Its agreed objectives are to:

- ⊗ support the development of more effective planning and coordination processes for the medium to long term;
- ⊗ consider program delivery alternatives;
- ⊗ provide advice and decisions on common services delivery issues (e.g. policy issues, frameworks, costings, capacity constraints);
- ⊗ provide senior-level oversight and advice to the property program; and
- ⊗ support the management of physical resources.

The second of the two new interdepartmental committees, consisting of departmental and partner department senior managers, addresses the international delivery of common services from a more operational perspective. Together, these two committees have guided the more integrated approach to representation abroad and the development of a generic interdepartmental MOU.

**“The Department of Foreign Affairs and International Trade was more likely to consult when there were new initiatives.”**

*Citizenship and Immigration Canada, 2003*

While revised consultation processes have proved effective in managing growth in representation abroad, there is a recognized utility in explicitly identifying the conditions that lead to the opening or closure of a mission, or to an upgrade or downgrade in its status. The Department intends to adopt a more integrated and consultative approach, involving partner departments, in managing such change.

The Department conducted an internal review of representation abroad to examine, among other strategic issues, the allocation of resources in missions, the changes in representation abroad stemming from shifting Government of Canada priorities, the challenges of accommodating increased representation abroad in terms of mission and IT infrastructure capacity, and the sustainability of smaller missions in the changing global environment. The findings of this review led senior managers to request that the Department engage senior managers from partner

departments in more substantial consultations. These interdepartmental consultations – on a generic MOU and better methods for imposing additional charges – are currently under way and are described below.

The management of changes in mission staffing levels was further improved during 2002-2003 through the following measures:

- ⊗ development of a sophisticated reporting tool known as the “Business Intelligence Representation Abroad Cube,” which links relevant financial and non-financial information to support better decision making; and
- ⊗ creation of a Common Services Abroad Planning and Coordination Office as the Department’s front line in the effort to improve the common services provided to partner departments. The new office signals the Department’s commitment to improving partnership and collaboration in the effective management of missions.

### 5.7.5.2 Standardizing Services, Levels of Service and Methods for Costing Positions

During 2002-2003, the Department worked to ensure that similar high-quality services and levels of service were offered to all partner departments and that the cost of these services was transparent and fair. Principal accomplishments toward this goal included:

- ⊗ work to develop a generic MOU detailing common services to be provided to the staff of partner departments and the establishment of performance standards for these services;
- ⊗ establishment of necessary additional administrative support positions abroad following the introduction of a Common Services Abroad Charge; and
- ⊗ design of a new costing template to ensure transparent and complete costings for positions abroad.

The Department is working with partner departments to develop a generic MOU that will ensure that standardized, superior services are provided to all departments and agencies represented abroad and to develop agreed standards for such services. An interdepartmental working group was formed in December 2002 and had completed about 50% of its work by the end of the fiscal year. The working group has addressed governance, operating principles, scope, and property and human resources-related provisions. A better understanding of all the elements needed in the generic MOU has resulted from the active engagement of all stakeholders. Implementation

of this MOU is scheduled for 2003-2004. Once agreed standards have been established for common support services, the Department will assess actual performance against these standards.

On April 1, 2002, the Department introduced a Common Services Abroad Charge to address the significant increases in personnel placed abroad without the associated incremental funding to provide administrative support for these positions. This charge has resulted in 22 new administrative support positions and has laid the groundwork for other charges that are under consideration to more adequately reflect costs related to representation abroad.

Some partner departments have complained that this charge was imposed unilaterally and without sufficient warning. The Department recognizes that a more consultative approach to developing and implementing such charges is necessary. Consequently, it has embarked on a consultation process with partner departments and Treasury Board to examine possible additional charges centred on the costs associated with physical resource infrastructure and the headquarters administrative services necessary to support partners abroad.

In 2002-2003, the foundation was laid for a new version of the costing template, which determines the charges

**“Significant problems exist in costings for new positions and savings from cut positions – no consistency, little transparency, few guidelines. However, this is recognized and work is being done to improve it.”**

*Citizenship and Immigration Canada, 2003*

applied to partner department positions abroad. This streamlined template will incorporate elements ranging from the provision of staff quarters to the assessment of the Common Services Abroad Charge. Although parts of the process have been improved and consultation with partners has increased, further work is needed. In response to partner feedback, the Department plans to implement this streamlined costing template in 2003-2004.

### 5.8 Passport Services

#### 5.8.1 Our Long-Term Aim: The Strategic Outcome

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

#### 5.8.2 Our Resources in 2002-2003 (\$ millions)

Planned spending at beginning of fiscal year	(6.5)
Total spending authorities at end of fiscal year	10.9
Actual spending	(3.3)

- This business line is funded through the use of the Passport Office Revolving Fund (a standing authorization by Parliament to make payments out of the Consolidated Revenue Fund) with revenues coming entirely from user application and other fees paid for travel documents.

The amounts shown in this section mean that:

- at the beginning of the fiscal year, revenues from application and other fees for travel documents were expected to exceed Passport Office expenses by \$6.5 million;
- at fiscal year-end, the Passport Office was authorized to spend \$10.9 million, more than its revenues; and
- actual revenues from application and other fees for travel documents exceeded expenses by \$3.3 million. This amount was added to the Passport Office Revolving Fund (for application against expenses incurred in future years).

#### 5.8.3 How We Pursue Our Long-Term Outcome

The Passport Office (<http://www.ppt.gc.ca>) is responsible for the issuance, revocation, refusal, recovery and use of Canadian passports. It provides guidance to the missions about issuing passports abroad and supervises all matters related to Canadian travel documents.

There are 29 passport-issuing offices across the country. Passport application forms are available at any passport office, Canada Post outlet, Canadian mission abroad (see the section entitled Assistance to Canadians Abroad) or the Passport Office Web site. Completed forms may be mailed in or submitted in person.

As a special operating agency of the Department, the Passport Office is self-financing, recovering its costs

from the fees charged for passports and other travel documents. The Passport Office operates under a revolving fund that allows it to carry over surpluses and deficits. Surplus revenues are carried over to offset future shortfalls. The accumulated net charge against the fund's authority is limited to a maximum of \$4 million.

The Passport Office routinely assesses the integrity of travel documents and the security of the eligibility and issuance process. It also regularly reviews its services in order to maintain exacting service standards and assure sound fiscal management.

In carrying out its work, the Passport Office collaborates with law enforcement and security agencies; other federal departments and agencies; provincial and territorial governments, particularly registrars of vital statistics; the International Civil Aviation Organization; and passport authorities from other countries.

#### 5.8.4 Our Working Environment in 2002-2003

Canadian travel documents have always garnered international respect. Nonetheless, in the post-September 11 environment, Canadians have a greater need than ever before for travel documents that are as secure as possible. To meet this need, the Passport Office must manage its operations in a highly strategic manner in order to implement new security-related technologies and measures, while maintaining quality of service and reasonable prices.

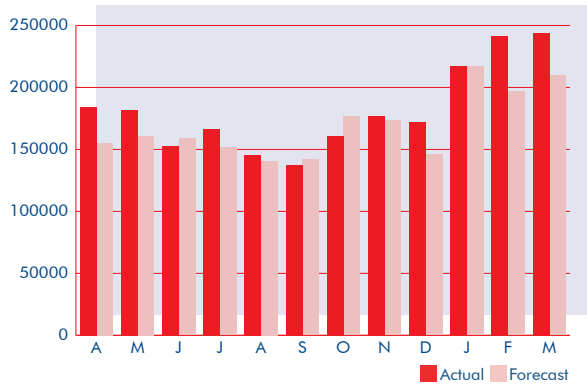
#### Challenges and Risks

Introduction of new technologies is taking longer than expected, putting pressure on resource allocation. Implementing a project management approach is helping the Passport Office plan and prioritize activities in order to meet expected deadlines. This, in turn, has helped make resource allocation more strategic and effective.

Because enhanced security and integrity measures have adversely affected speed of service, the Passport Office is reviewing processes to improve wait and turnaround times.

Increased demand has forced the reallocation of resources from ongoing projects to efforts to clear the

Passports Issued 2002 2003



backlog of mail-in applications. Given that demand tends to increase markedly during the winter, it will be important to implement changes before next winter in order to meet service commitments.

## 5.8.5 Our Accomplishments and Performance in 2002-2003

### 5.8.5.1 Internationally Respected Travel Documents

Each time foreign customs officers check a passport, they scrutinize its legitimacy and security features. Canadian processes are well known and respected by foreign customs officials.

As of March 31, 2003, there were approximately 9.2 million valid Canadian passports in circulation. Travel documents issued by the Passport Office facilitate the approximately 3.85 million trips abroad that Canadians make each year as well as the 13.5 million separate overnight visits to the United States (based on 2001 Statistics Canada information).

In 2002-2003, 2,179,186 passports were issued in Canada, a 12.6% increase over the previous year. Although demand for passports normally varies according to the state of the international economy, the season and the occurrence of conflict abroad, last year's volume exceeded forecasts by 7.5%. Two factors probably accounted for this. First, the decline in international travel by Canadians that occurred immediately following the terrorist attacks of September 11, 2001, was brief, lasting only about six months. Second, the post-9/11 environment placed new emphasis on the need to travel with a passport, even to the United States. A possible third factor may have been the Passport Office's new policy requiring applicants under 16 years of age to have their own passports.

### 5.8.5.2 Increased Security and Integrity

Ensuring the security and integrity of Canadian passports and travel documents has always been the top priority of the Passport Office. In the post-9/11 environment, even greater emphasis has been placed on this vital issue to make sure Canadian travel documents meet or exceed international standards related to format, issuance and integrity. The process being used to produce the new, more tamper-resistant passport, which incorporates a digitally produced photograph, has been successfully introduced in 19 of 29 passport-issuing offices. Full implementation will be completed by October 2003. Canadians will benefit from being able to travel with greater confidence, knowing that methods used to produce their passports are now even more secure.

In July 2003, the Passport Office is expected to begin a pilot project with the Government of British Columbia to verify the accuracy and legitimacy of supporting documentation provided by passport applicants, using electronic links with the original issuing authority. Scheduled to start in April 2003, this project was delayed on account of the complex process of developing memorandums of understanding between the two governments, as well as the unexpected incompatibility of the software used by the Passport Office and the B.C. Vital Statistics Agency. This initiative, once fully implemented, will further enhance the integrity of Canadian passports. Results of the pilot project will assist in full implementation across Canada.

The Passport Office's commitment to increase security and integrity through the use of biometrics (facial recognition technology) has been supported by a recommendation from the International Civil Aviation Organization on the use of such technology for machine-readable travel documents. In February 2003, the Passport Office began an evaluation of this issue and developed a business case (cost-benefit analysis and evaluation) to assist in assessing the project. Based on the results of this evaluation, the Passport Office will decide later in 2003 on an implementation method that will produce the most benefit.

### 5.8.5.3 Improved Client Service

Introduction of a new application and issuance system known as IRIS® in 1999 is enabling the Passport Office to develop the means of offering passport renewal (instead of full reapplication) to qualified applicants. This service is expected to begin in January 2004. Canadians will benefit from a simplified process and quicker turnaround time.

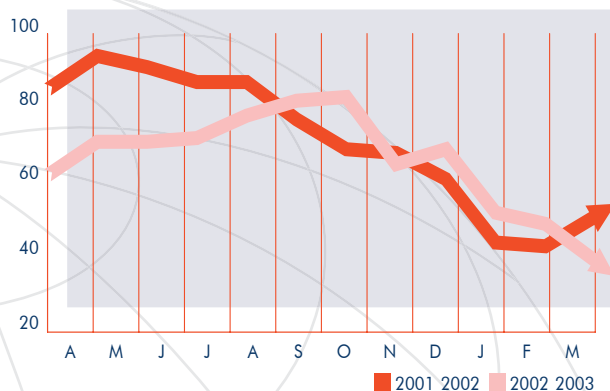
In June 2002, the Passport Office restarted a pilot

project with Canada Post that had been discontinued after September 11, 2001. Under this project, passport applications can be submitted at designated Canada Post outlets, thereby expanding access to the services of the Passport Office and reducing wait times. There are now eight designated outlets: two in Prince Edward Island and six in Ontario. Between June 2002 and the end of the fiscal year, 5,489 applications were submitted in this way. A business case will be used to evaluate the project and assess ways of expanding it, possibly in collaboration with other government partners.

As part of the Government On-Line initiative, the Passport Office has continued its efforts to establish the Passport On-Line (POL) infrastructure and has developed some applications in support of the technology, including the B.C. pilot project mentioned above. However, necessary adjustments to the IRIS® software have delayed the introduction of POL. Once launched, the service will benefit Canadians by offering them the convenience of completing the application form and paying the fee on-line.

Last year, the Passport Office began to examine ways to standardize the IRIS® issuing system and incorporate best practices for it. The goal was to reduce the amount of time it took to create each file,

% of Clients Waiting Less than 45 Minutes



which, in turn, was expected to reduce the average transaction time. However, continuous updates to IRIS® as well as increases in workload interfered with the project. Furthermore, the project did not produce the results expected by reducing transaction times enough to affect the wait or turnaround times. As a result, the Passport Office will try to speed up service by redesigning or re-engineering its processes for both over-the-counter and mail-in applications.

### 5.8.5.4 Improved Management

The Passport Office has created a unit to update its framework for managing and monitoring the progress of major projects. Projects will now be more fully defined at the outset, and a proof of concept approach will be used for major projects. This new approach will ensure that resources are in place and risks are minimized before any future technological changes are fully implemented in order to keep the impact on service delivery to a minimum.

Among its accomplishments in 2002-2003, the Project Management Office has:

- ⊗ updated and redistributed the Project Management Framework and prepared an information package on it for Passport Office staff;
- ⊗ produced a guide to assist staff in reviewing and preparing deliverables such as project charters (thorough explanations of projects, which assist decision making), project plans and risk management plans; and
- ⊗ provided project status reports and guidance to the Passport Office Executive Committee to ensure projects deliver an adequate return on investment and meet the needs of the Passport Office and of Canadians.

To further modernize its management, the Passport Office has begun to train managers on fact-based management techniques. It is also mapping and reviewing key processes.

To integrate the concepts of modern comptrollership into its activities and decision making, the Passport Office has created a staff position dedicated to this activity and has formed a cross-functional team to support efforts in this direction.

### 5.8.5.5 Performance Monitoring: Critical Indicators and Feedback from Our Clients

Almost 90% of travel documents are issued to clients who apply in person. Throughout the 1990s, more than 95% of these clients received their passports within five working days, the service standard identified by the Passport Office. In 2001-2002, however, the speed of service was slowed down by the introduction of new security measures. To reflect current realities, the target turnaround time for over-the-counter applications was increased to 10 working days. Last year, the Passport Office successfully met this new target: 96.8% of those who made over-the-counter applications received their passports within 10 working days.

Turnaround times for mail-in applications have also



been adversely affected by the new security measures. In 2002-2003, the Passport Office found it difficult to meet the specified 20-day turnaround time for mail-in service during the busy winter season. In order to deal with the backlog of mail-in applications, the Passport Office was required to approve considerable amounts of staff overtime and reallocate resources from other projects and commitments. This caused delays in advancing some of the projects discussed in this section, such as passport renewal. In an attempt to accelerate delivery of mail-in applications, the Passport Office also made extensive use of couriers last year.

The Passport Office is currently re-examining procedures for both over-the-counter and mail-in applications in an attempt to speed up service. The aim is to reduce processing time for mail-in applications by 50% by November 2003. Improvements to over-the-counter operations will be in place by late fall of 2004.

Each year, the Passport Office surveys clients about the services it offers. The results of the 2002 survey produced a score of 82 out of 100 (a score based on guidelines issued by Treasury Board of Canada Secretariat), the same mark attained in 2001. The number of very satisfied clients rose from 31% to 44%, while the number of satisfied clients dropped from 65% to 46%. Hence, the overall number of satisfied clients dropped from 96% to 90%. Respondents identified some concerns, particularly about the cost of services and the speed of over-the-counter service.

In 2002-2003, the Passport Office generated revenues of \$136.8 million, up 47% from the previous year as a result of increased demand (up 13%) and higher



passport fees, which took effect in December 2001. At the same time, costs rose 25% to \$138.8 million due to increases in payments made for salaries and benefits (up 24% from the previous year), freight, express and cartage (up 119%) and professional and special services (up 38%).

Taking into account higher than planned depreciation as a result of an accelerated write-off of technology costs, the net impact was a loss of \$2 million last year. Because of this depreciation and other accounting charges that did not affect cash balances, the Passport Office's accumulated surplus rose \$3.3 million in the year.

## Section 6

# Financial Information

The Department's total spending authorities stand at \$1.859 billion (that is, \$1.648 billion in Main Estimates and \$211 million in Supplementary Estimates voted by Parliament). The Department actually spent \$1.753 billion during 2002-2003 (over 94% of the Department's authorized spending). The difference is primarily attributable to reduced requirements for United Nations peacekeeping operations and for other assessed contributions for Canada's membership in international organizations, as well as unused spending authority for the Passport Office revolving fund.

### Summary of financial tables

The Department is required to produce the following financial tables for 2002-2003:

Table 1	Summary of voted appropriations
Table 2	Comparison of total planned spending to actual spending by business line
Table 3	Historical comparison of total planned spending to actual spending by business line
Table 4	Revenues by business line
Table 5	External user charges

Table 6	Transfer payments by business line
Table 7	Details of transfer payments programs
Table 8	Resource requirements by organization and business line
Table 9	Projects by business line
Table 10	Passport Office revolving fund financial statement
Table 11	Contingent liabilities

*The purpose of these financial tables is to show:*

- ⊗ expenditures planned at the start of the year, which match those shown in the 2002-2003 Report on Plans and Priorities;
- ⊗ total authorities figures, which include those in the Main and Supplementary Estimates and other authorities and correspond to those shown in the Public Accounts for 2002-2003; and
- ⊗ actual expenditures, which are consistent with those shown in the Public Accounts for 2002-2003.

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

Vote / Statutory (S)	Planned 2002-2003	Total Authorities 2002-2003	Actual 2002-2003
01 Operating expenditures	1,055.8	1,151.3	1,108.5
05 Capital expenditures	154.4	121.6	121.6
10 Grants and contributions	433.9	504.6	457.1
(S) Ministers' salaries and motor car allowances	0.1	0.1	0.1
(S) Payments under the Diplomatic Service (Special) Superannuation Act	0.3	0.1	0.1
(S) Contributions to employee benefit plans	96.8	52.9	52.9
(S) Passport Revolving Fund	(6.5)	10.9	(3.3)
(S) Refunds of amounts credited to revenue in previous years	0.0	4.2	4.2
(S) Collection agency fees	0.0	0.0	0.0
(S) Spending of proceeds from disposal of surplus Crown assets	0.0	3.3	2.5
(S) Loss on foreign exchange	0.0	9.6	9.6
<b>Total Department</b>	<b>1,734.7</b>	<b>1,858.8</b>	<b>1,753.3</b>

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

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

Business Line	FTEs *	Operating	Capital	Grants & Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
International Business Development	1,081	238.0	4.5	16.6	259.1	3.1	256.0
		243.8	5.1	13.7	262.6	3.1	259.5
		<b>1,024</b>	<b>238.5</b>	<b>5.1</b>	<b>13.7</b>	<b>257.2</b>	<b>0.9</b>
Trade, Economic and Environmental Policy	545	103.5	1.7	17.1	122.3	0.0	122.3
		113.5	1.8	79.0	194.4	0.0	194.4
		<b>524</b>	<b>112.7</b>	<b>1.8</b>	<b>79.0</b>	<b>193.5</b>	<b>0.0</b>
International Security and Cooperation	740	227.8	6.2	377.0	611.0	0.9	610.1
		257.2	5.6	386.5	649.3	1.2	648.1
		<b>682</b>	<b>253.5</b>	<b>5.6</b>	<b>339.1</b>	<b>598.2</b>	<b>1.3</b>
Assistance to Canadians Abroad	368	61.7	1.3	0.1	63.1	2.2	60.9
		60.0	1.7	0.1	61.7	2.2	59.5
		<b>356</b>	<b>59.5</b>	<b>1.7</b>	<b>0.1</b>	<b>61.2</b>	<b>2.4</b>
Public Diplomacy	448	78.8	1.1	22.8	102.7	1.4	101.3
		81.4	2.1	25.2	108.7	1.1	107.6
		<b>439</b>	<b>77.5</b>	<b>2.1</b>	<b>25.2</b>	<b>104.8</b>	<b>0.6</b>
Corporate Services	4,080	212.7	132.5	0.3	345.5	15.2	330.3
		245.9	98.4	0.1	344.4	15.9	328.5
		<b>4,021</b>	<b>216.2</b>	<b>98.4</b>	<b>0.1</b>	<b>314.7</b>	<b>14.6</b>

(continued)

Business Line	FTEs *	Operating	Capital	Grants & Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
Services to Partner Departments	1,421	253.3	7.1	0.0	260.4	0.0	260.4
		243.2	7.0	0.0	250.2	0.0	250.2
	<b>1,274</b>	<b>239.6</b>	<b>7.0</b>	<b>0.0</b>	<b>246.6</b>	<b>0.0</b>	<b>246.6</b>
Passport Services	1,125	122.5	0.0	0.0	122.5	129.0	(6.5)
		125.0	15.0	0.0	140.0	129.1	10.9
	<b>1,186</b>	<b>118.4</b>	<b>15.0</b>	<b>0.0</b>	<b>133.4</b>	<b>136.7</b>	<b>(3.3)</b>
Total	9,808	1,298.3	154.4	433.9	1,886.5	151.8	1,734.7
		1,370.0	136.6	504.7	2,011.2	152.5	1,858.7
	<b>9,505</b>	<b>1,315.9</b>	<b>136.5</b>	<b>457.2</b>	<b>1,909.6</b>	<b>156.3</b>	<b>1,753.3</b>

## Other Revenues and Expenditures

Non-Respendable revenues	121.7
	133.8
	<b>133.8</b>
Cost of services provided by other departments	63.3
	63.3
	<b>64.2</b>
Net Cost of the Program	1,676.3
	1,788.2
	<b>1,683.7</b>

Amounts in regular font 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.**

\* FTEs include Canada-based and locally engaged staff.

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

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

Business Line	Actual Spending 2000-2001	Actual Spending 2001-2002	Planned 2002-2003	Total Authorities 2002-2003	Actual 2002-2003
International Business Development	235.3	240.6	256.0	259.5	256.4
Trade, Economic and Environmental Policy	120.2	230.9	122.3	194.4	193.5
International Security and Cooperation	506.6	599.7	610.1	648.1	597.0
Assistance to Canadians Abroad	49.1	51.6	60.9	59.5	58.9
Public Diplomacy	104.6	99.6	101.3	107.6	104.2
Corporate Services	324.0	394.5	330.3	328.5	300.1
Services to Partner Departments	216.2	240.3	260.4	250.2	246.6
Passport Services	(1.1)	3.2	(6.5)	10.9	(3.3)
Total	1,554.9	1,860.4	1,734.9	1,858.7	1,753.3

**Table 4: Revenues by Business Line (\$ millions)**

Business Line	Actual Revenues 2000-2001	Actual Revenues 2001-2002	Planned 2002-2003	Total Authorities 2002-2003	Actual 2002-2003
<b>Respendable Revenues</b>					
International Business Development					
Canadian Business Centre	0.0	0.0	0.0	0.0	0.0
Trade fairs and trade/investment technology missions	2.1	1.6	3.1	3.1	0.9
Trade, Economic and Environmental Policy	0.0	0.0	0.0	0.0	0.0
International Security and Cooperation					
International Youth Exchange	0.4	0.8	0.9	0.9	0.9
Assistance to Canadians Abroad					
Specialized consular services	2.0	2.2	2.2	2.2	2.4
Public Diplomacy					
Canadian Education Centres	0.9	0.9	1.1	1.1	0.6
International Youth Exchange	0.0	0.0	0.3	0.3	0.3
Corporate Services					
Telecommunication services	0.9	1.6	2.1	2.1	1.1
Training services	4.3	4.5	5.0	5.0	4.6
Real property services abroad	3.8	5.8	8.1	8.8	8.9
Services to Partner Departments	0.0	0.0	0.0	0.0	0.0
Passport Services					
Passport fees	84.9	100.3	129.0	129.1	136.7
<b>Total Respendable Revenues</b>	<b>99.3</b>	<b>117.7</b>	<b>151.8</b>	<b>152.6</b>	<b>156.3</b>

**Non-Respendable Revenues**

International Business Development					
Contributions repaid under the Program for Export Market Development	3.6	5.6	2.5	2.6	2.6
Adjustment to previous years' expenditures	0.0	0.5	0.0	0.5	0.5
Trade, Economic and Environmental Policy					
Softwood lumber permit fees	93.2	1.8	0.0	0.0	0.0
Import and export permit fees	17.5	19.4	14.5	17.0	17.0
Adjustment to previous years' expenditures	0.0	0.0	0.0	0.2	0.2
International Security and Cooperation					
Adjustment to previous years' expenditures	4.9	0.7	0.0	0.6	0.6
Assistance to Canadians Abroad					
Consular fees on travel documents	48.1	48.7	51.0	47.6	47.6
Adjustment to previous years' expenditures	0.0	0.4	0.0	0.2	0.2
Public Diplomacy					

(continued)

Business Line	Actual Revenues 2000-2001	Actual Revenues 2001-2002	Planned 2002-2003	Total Authorities 2002-2003	Actual 2002-2003
Adjustment to previous years' expenditures	0.0	0.2	0.0	0.2	0.2
<b>Corporate Services</b>					
Employee rental shares and transportation	14.7	17.3	14.3	18.2	18.2
Sales of properties and other assets	27.4	20.8	30.0	27.2	27.2
Adjustment to previous years' expenditures	7.5	17.1	4.0	6.0	6.0
Services provided to the Passport Office	4.4	4.4	4.4	4.4	4.4
Gain on foreign exchange	0.7	14.3	0.0	7.6	7.6
Other	1.2	1.3	1.0	0.8	0.8
<b>Services to Partner Departments</b>					
Adjustment to previous years' expenditures	2.7	0.0	0.0	0.9	0.9
<b>Passport Services</b>					
Passport Services	0.0	0.0	0.0	0.0	0.0
<b>Total Non-Respendable Revenues</b>	<b>225.9</b>	<b>152.5</b>	<b>121.7</b>	<b>133.8</b>	<b>133.8</b>
<b>Total Revenues</b>	<b>325.2</b>	<b>270.2</b>	<b>273.5</b>	<b>286.3</b>	<b>290.0</b>

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

## Explanatory notes to Table 4

DFAIT has the authority to collect and respend revenues arising from the activities listed in the preceding table. Revenue was collected in 2002-2003 for the following:

### Respendable Revenues

*Trade fairs and trade/investment technology missions:* DFAIT provides logistical support to Canadians organizing trade and investment missions abroad. The costs of such services (local transportation, translation, room rentals, hospitality events, etc.) are recovered from participants by mission organizers.

*International Youth Exchange (IYE) program:* DFAIT uses revenue from user fees: to cover incremental costs incurred to support the program at missions abroad, other than costs of processing visas and work permits; to expand quotas within the IYE program by extending the program into countries with minimal current participation and by responding to demand for more exchanges in currently participating countries; and to increase the level of Canadian outbound participation by advertising the program to Canadian youth and more effectively promoting the program within Canada.

*Specialized consular services:* In 1998-1999, DFAIT received approval to respend revenues collected for specialized consular services at missions abroad.

These services include activities such as legal and notary services (e.g. administering oaths, receiving an affidavit, authenticating signature and seal of a foreign authority). 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 and do not undercut those charged by local professionals.

*Canadian Education Centres:* The cost of certain services (e.g. rent and utilities) provided to Canadian Education Centres, which promote Canadian education and training services, is recovered from the Canadian Education Centre Network.

*Telecommunications, training and real property services abroad:* DFAIT is designated a common service provider (a central supplier of particular services to support the requirements of other departments) to departments with operations abroad. DFAIT is funded for the provision of those services that are mandatory for departments to use when required to support Canada's diplomatic and consular missions abroad and has the authority to charge other departments and agencies for optional services. DFAIT consults its partner 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 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 portion of the fees for the 24-page passport, which accounts for over 97 percent of the travel documents issued, includes a \$60 respondable charge.

### Non-Respondable Revenues

*Contributions repaid under the PEMD:* This program provides contributions to small companies and national industry associations. Most contributions are repayable if the recipient company has incremental sales or contractual success. Repayments are credited to the Consolidated Revenue Fund (CRF).

*Softwood lumber permit fees:* A standard fee of \$9 per permit for each permit delivered at the customs brokers' installations and a fee of \$14 for each permit issued at the Export and Import Controls Bureau is charged to softwood lumber exporters.

*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. The standard cost

recovery fee is \$9 per permit, and the revenue collected is credited to the CRF.

*Consular fees on travel documents:* In addition to the fees collected for responding by the Passport Office, a consular fee of \$25 is collected on behalf of DFAIT and credited to the CRF. This fee offsets the costs of services provided by the Consular Program.

*Employee rent shares and transportation:* Under the Foreign Service Directives, employees pay an accommodation rate based on accommodation costs in Ottawa. In addition, under certain circumstances, primarily at hardship posts, employees are permitted to rent official vehicles for personal use. These 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 DFAIT 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 5: External User Charges**

#### Name of Fee Activity: Passport Office Revolving Fund

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. Travel documents issued include regular (24-page) passports, frequent traveller (48-page) passports, emergency passports, certificates of identity, UN refugee travel documents, diplomatic passports, and special passports (for government officials, other than diplomats, travelling on business). Of the \$85 fee for the 24-page regular passport, \$60 is applied by the Passport Office toward the cost of issuing travel documents. The remaining \$25 is a consular services fee (described later in this table). The regular passport accounts for over 97% of the travel documents issued.

*Fee Type:* Right and Privilege

*Fee-Setting Authority:* Passport Services Fees Regulations (enacted pursuant to the Financial Administration Act); Regulations Respecting the Issuance of Diplomatic and Special Passports

*2002-2003 Actual Revenue (\$000):* 136,763

*Estimated Full Cost to Provide Good or Service (\$000):* 138,900 (total accrual expenses for 2002-2003)

*Consultation and Analysis:* In defining services and methods of offering services, and in setting fees, the Passport Office consults with clients, members of the travel industry, provincial authorities (especially provincial Registrars of Vital Statistics), passport authorities of other countries and the International Civil Aviation Organization. The Passport Office

conducts client focus groups and client surveys.

*Service Standard:* Processing times for travel documents are published on-line at [http://www.ppt.gc.ca/passports/get\\_process\\_times\\_e.asp](http://www.ppt.gc.ca/passports/get_process_times_e.asp). Standard turnaround times are: 10 days for over-the-counter applications; 20 days for mail-in applications; 1 day for urgent service; and 2-9 days for express service.

*Performance Results:* During 2002-2003, 96.8% of regular passports issued were delivered within the stated service standard; 94.5% of urgent requests and 99.23% of express requests were delivered within the stated service standards. (Those not delivered within the standard did not meet the entitlement criteria in time to be delivered on an urgent or express basis.) 64% of all walk-in clients were served within 45 minutes.

### **Name of Fee Activity: Consular Service Charges on Passport Purchases**

In addition to the fees collected for responding by the Passport Office, a consular fee of \$25 is collected on behalf of the Department and is credited to the Consolidated Revenue Fund. This fee offsets the costs of services provided by the consular program. Consular cases range from passport and citizenship services to information requests and cases involving international abduction of children, medical emergencies and evacuations, arrest or detention, and death of Canadians abroad.

*Fee Type:* Right and Privilege

*Fee-Setting Authority:* Consular Services Fees Regulations (<http://laws.justice.gc.ca/en/E-22/SOR-95-538/index.html>) pursuant to the Department of Foreign Affairs and International Trade Act

*2002-2003 Actual Revenue (\$000):* 47,553

*Estimated Full Cost to Provide Good or Service (\$000):* 56,740

*Consultation and Analysis:* A fee of \$25 is included in the cost of Canadian passports and other travel documents. This fee is used to offset the cost of delivering consular services in Canada and abroad.

*Service Standard:* Services are provided following the consular program's service standards (which may be found at [http://www.voyage.gc.ca/main/about/service\\_standards-en.asp](http://www.voyage.gc.ca/main/about/service_standards-en.asp)). In the event of a service complaint, clients are encouraged to contact the mission abroad or the Consular Bureau in Canada.

Consular services are provided to Canadians abroad 24 hours a day, seven days a week, through a network of over 270 "points of service" around the world, including embassies, high commissions, consulates and honorary consuls. Emergency situations are dealt with immediately. During regular business hours, services are offered at offices abroad. Outside regular business hours, calls are forwarded to the Emergency Operations Centre in Ottawa and callers are able to speak to a consular officer. In 2002, close to 200,000 calls were received.

*Performance Results:* In 2002-2003, consular officers abroad dealt with over 1.3 million requests for consular service, a 10% increase from the previous year. Of the clients providing e-mail feedback to the Consular Bureau in 2002-2003, 80% wrote to compliment the Department on its services and products, and 20% wrote to complain. All of the complaints were followed up.

### **Name of Fee Activity: Import/Export Permit Fees**

The issuance of import and export permits is fundamental to the control of the export and import of goods identified under the Export and Import Permits Act. Export permits cost \$9 each if issued by a broker and \$14 each where issued directly by the Department. Import permit fees vary depending on the value of the goods shipped. The revenue collected for import and export permits is credited to the Consolidated Revenue Fund.

*Fee Type:* Regulatory Service

*Fee-Setting Authority:* Export and Import Permits Act (<http://www.dfait-maeci.gc.ca/eicb>)

*2002-2003 Actual Revenue (\$000):* 17,014

*Estimated Full Cost to Provide Good or Service (\$000):* 20,754

*Consultation and Analysis:* Consultations with clients regarding delivery of import and export permit services are undertaken on a regular basis. Information regarding proposed changes in fees is published in the *Canada Gazette* and on the departmental Web site (at <http://www.dfait-maeci.gc.ca/eicb/notices/announce-en.asp>). During 2000, an activity-based costing study was completed by the consulting firm of Samson and Associates. This study deemed that the cost of import and export permits is reasonable.

*Service Standard:* Complete service standards are



available at <http://www.dfait-maeci.gc.ca/eicb/ServiceGoals-en.asp>.

*Performance Results:* A total of 1,058,757 import and export permits were issued during 2002-2003. This amount consists of 849,877 import permits and 208,880 export permits or certificates. Detailed permit information is published yearly in the Export and Import Permits Act Annual Report (to Parliament).

### **Name of Fee Activity: Space and Common Services for Co-location at Missions**

Provision of space and common services at missions abroad to Crown corporations, provinces and other national governments.

*Fee Type:* Other – Cost Recovery

*Fee-Setting Authority:* Department of Foreign Affairs and International Trade Act; FAA, TB Cost Recovery and Charging Policy; 1997 TB decision on Net Voting; Memorandums of Understanding between the Department and co-locators

*2002-2003 Actual Revenue (\$000):* 7,244

*Estimated Full Cost to Provide Good or Service (\$000):* 7,244

*Consultation and Analysis:* Costs to be borne for the operation of the co-locator's program at the mission consist of start-up costs; ongoing operating costs, including general mission administration and common services expenses; and the costs of reducing the co-locator's presence or closing the co-locator's office. The co-locator provides sufficient funding to cover expenses incurred on its behalf for start-up and program-related costs. For the general mission operating expenses, cost recovery is based on a share of the mission's overhead and common service budget and on the proportion of the co-locator's staff to the mission's total staff. As part of the annual consultations regarding personnel establishment changes at missions abroad, co-locators are requested to submit the proposed changes to their overseas representation for the following year. The annual consultations, in addition to regular contacts, offer an opportunity to receive feedback from co-locators on the services provided at both missions and Department headquarters.

*Service Standard:* Service standards at missions apply to co-located staff.

*Performance Results:* In 2002-2003, the Department provided space and common services to co-locators in 33 missions. These missions housed 159 Canada-based

and locally engaged staff working on behalf of nine co-locators (Crown corporations, provinces and other national governments). Through regular contacts with co-locators, the Department receives feedback on the delivery of common services. Any issues raised are either resolved or forwarded to the appropriate Department authority for action.

### **Name of Fee Activity: Specialized Consular Service Fees**

In 1998-1999, the Department received approval to respend revenues collected for specialized consular services at missions abroad. These services include activities such as legal and notary services (e.g. administering oaths, receiving an affidavit, authenticating a signature or the seal of a foreign authority). 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 and do not undercut those charged by local professionals.

*Fee Type:* Right and Privilege

*Fee-Setting Authority:* Consular Fees (Specialized Services) Regulations ([http://www.voyage.gc.ca/main/about/consular\\_fees-en.asp#regulations](http://www.voyage.gc.ca/main/about/consular_fees-en.asp#regulations)) pursuant to paragraph 19(1)(a) of the Financial Administration Act

*2002-2003 Actual Revenue (\$000):* 2,372

*Estimated Full Cost to Provide Good or Service (\$000):* 2,948

*Consultation and Analysis:* On April 1, 1998, consular fees associated with certain specialized services, such as legal and notary services and the transfer of public and private funds, were increased. Information on the fee increase was published in the January 3, 1998, edition of the *Canada Gazette* and on the departmental Web site. Interested persons and organizations were encouraged to provide their comments on the fee increase.

Fees were increased to better reflect the cost of providing these services and to be comparable to fees charged in the private sector, in the belief that Canadians would be encouraged to use local professionals for these services. However, such services are not locally available at all locations around the world. In addition, some Canadians have more confidence that Canadian missions will provide a quality service. For Canadians conducting business or private matters abroad, the provision of the full range of consular services

(including specialized services) by Canada's missions is essential and cannot be eliminated.

*Service Standard:* Consular services are based on written service standards. These detail the services to be provided, along with qualitative and quantitative standards to be used by employees. The service standards are available on-line at [http://www.voyage.gc.ca/main/about/service\\_standards-en.asp#schedule](http://www.voyage.gc.ca/main/about/service_standards-en.asp#schedule) and are also available at all missions abroad, where they are either in public view or can be provided by employees.

*Performance Results:* Specialized consular services are increasingly being used abroad. In 2002-2003, missions abroad dealt with 75,784 legal/notary cases (includes service delivery and related information or enquiries), a 12% increase from the previous year.

### **Name of Fee Activity: International Youth Program (IYP)**

The IYP enables Canadian youth aged 18 to 35 years to travel and work abroad for up to 12 months. This program, which operates on a reciprocal basis, facilitated exchanges in over 20 countries last year. A fee of \$150 per person is paid by participants from Australia and New Zealand living and working in Canada (these countries levy fees against Canadian youth participating in the exchange program).

Revenue from these fees is used by the Department to offset the incremental costs (other than costs of processing visas and work permits) incurred to support the program in Sydney, Australia, and Wellington, New Zealand; to expand quotas within the program by extending the program into countries with minimal current participation and by responding to demand for more exchanges in currently participating countries; and to increase the level of Canadian outbound participation by advertising the program to Canadian youth and promoting the program within Canada.

*Fee Type:* Other – Program Participation Fee

*Fee-Setting Authority:* TB Charging Policy Authorization No. 828483 pursuant to section 19(1)(b) of the Financial Administration Act

*2002-2003 Actual Revenue (\$000):* 1,263

*Estimated Full Cost to Provide Good or Service (\$000):* 1,263

*Consultation and Analysis:* The fee level (\$150) is based on the underlying costs incurred to operate and manage the program. This fee is comparable

to international norms. It is similar to fees that are charged to participants in similar programs offered by Australia and New Zealand and is paid only by individuals accepted into the program. The pricing strategy is also designed to ensure that the related revenues do not exceed the costs of managing and delivering the program in Canada and abroad. Each year, the Department checks with Australia and New Zealand to ensure that the participation fee is still in line with fees these two countries charge to Canadian participants.

*Service Standard:* Foreign youth who pay the \$150 participation fee and who are eligible to participate in the IYP can expect to have their applications reviewed and processed and to receive their "Letter of Introduction" or rejection notice from Citizenship and Immigration Canada (CIC) within approximately 10 working days. Refunds are issued to non-eligible applicants.

*Performance Results:* During 2002-2003, more than 18,000 foreign youths participated in the IYP in Canada. During the same period, a similar number of Canadian youth worked abroad under the program. Of the foreign participants in Canada who came from Australia and New Zealand, 8,420 were required to pay the \$150 participation fee. IYP acceptance letters and CIC Letters of Introduction were issued within the target of 10 working days for 99% of the applications from these two countries.

The level of foreign satisfaction with, and interest in, the IYP is growing, as demonstrated by the wish of participating countries to increase participation quotas and the desire of new countries to establish participation. The Department is actively working to establish IYP agreements with Denmark, Hungary, Italy, Poland, Portugal and Spain.

### **Name of Fee Activity: Property-Related Lettings and Sublettings**

From time to time, due to program or other changes, Crown-owned or Crown-leased space may become temporarily surplus to mission needs. The surplus space is provided to other parties through short-term lettings and sublettings in exchange for a fee (rent).

*Fee Type:* Other – Lease of Public Property

*Fee-Setting Authority:* Department of Foreign Affairs and International Trade Act; FAA; TB Cost Recovery and Charging Policy; 1997 TB decision on Net Voting; leases and subleases signed with third parties

2002-2003 Actual Revenue (\$000): 930

Estimated Full Cost to Provide Good or Service (\$000): 930

If surplus property is being retained for the short to medium term, the intent is to defray ongoing and life-cycle costs of retaining the property (e.g. repair and upkeep, taxes, etc.) by letting the surplus space. In cases of Crown-leased properties, the contractual lease cost is passed on to third parties through sublettings.

*Consultation and Analysis:* The mission itself or a local real estate firm completes a market survey in order to determine what is a fair rent. The rent is then established by the Department in consultation with the mission. Each letting or subletting agreement is negotiated with assistance from Department of Justice legal counsel. All transactions are in accordance with local and international laws and regulations governing property and diplomatic rights.

*Service Standard:* Each site-specific document will specify the legal and contractual terms to occupy the space. No provision of common services by the Department is involved, and the space is fully demised from the main chancery space.

*Performance Results:* In 2002-2003, the Department administered one subletting and eight letting agreements with third parties. All agreements are negotiated and/or renewed in a timely manner and administered on a day-to-day basis with the assistance of the missions. To the extent possible, annual costs to operate and maintain temporarily surplus property are recovered through the rental charges.

### **Name of Fee Activity: Trade Fairs and Missions**

The Department organizes Canadian business participation in trade shows and trade missions to assist them in penetrating foreign markets in specific priority sectors identified by Canadian missions around the world. Support for trade fair participation includes turnkey booths, and trade mission support includes transportation, translation, room rentals, hospitality events, etc. Many of these costs are recovered from participants in the form of participation fees.

*Fee Type:* Other – Cost Recovery

*Fee-Setting Authority:* FAA; TB Cost Recovery and Charging Policy

2002-2003 Actual Revenue (\$000): 851

Estimated Full Cost to Provide Good or Service (\$000): 851

*Consultation and Analysis:* Trade fair and mission administrative support services are arranged by the mission concerned, using competitive procurement processes as appropriate. User fees are set at a per capita amount that, based on projected attendance levels, covers the cost of providing these contracted administrative support services.

The Department recruits companies and establishes an itinerary based on the number of participants and their needs. Trade fairs enable participants to assess competition from other suppliers and gather market intelligence that will assist them in penetrating the market. Trade missions enable Canadian companies to gain exposure to promote their goods or services to foreign buyers and investors and to develop important business contacts.

*Service Standard:* Trade fairs and missions are well planned, focused and properly followed up. The promised logistical support services are provided on time and meet the highest standards of service, efficiency and professionalism. The delivery of these services contributes to meeting clients' needs in accordance with the international business development strategy and objectives of the Canadian Trade Commissioner Service ([http://www.dfait-maeci.gc.ca/trade/intl\\_bus\\_dev-en.asp](http://www.dfait-maeci.gc.ca/trade/intl_bus_dev-en.asp)).

*Performance Results:* Performance results were obtained through two mechanisms: missions' reports on initiatives under the Client Service Fund (CSF) program and a survey of Canadian exhibitors on site at major trade shows. Canadian company participants indicated that they were satisfied with the services received in exchange for their participation fees. Many of the participants reported the trade fairs were well promoted, raised Canada's profile in the foreign markets concerned and demonstrated to foreign buyers that Canadian companies are bona fide, quality companies with whom to do business.

In 2002-2003, more than 300 trade fairs and missions were organized under the CSF program. The performance results indicated that, of the Canadian business clients who participated, 76% improved their awareness and knowledge of the foreign business environment in existing or new markets; 76% expanded their networks of key contacts in foreign markets; and 74% enhanced their awareness and appreciation regarding access to the range and quality of the services provided by the Canadian Trade Commissioner Service.

The Trade Commissioner Service provided Canadian business clients participating in trade fairs and missions with various types of market information and intelligence: sector and industry reports (provided to 23%); intelligence on upcoming projects (20%); local market studies (18%); contact and activity reports (16%); and economic, financial and investment reports (6%).

A survey of over 900 Canadian exhibitors at trade shows revealed that their participation had increased executives' awareness of business opportunities in these markets. They indicated that they had made significant contacts, had followed up on leads, or were actively pursuing many of the opportunities generated through the trade fairs and missions. Furthermore, a number of Canadian firms reported they had expanded or diversified their products and services in foreign markets. The types of new business generated included Canadian technologies and processes adopted by foreign firms; the establishment or expansion of manufacturing and service facilities; and distribution and partnership agreements.

### **Name of Fee Activity: Canadian Education Centres**

Until March 31, 2005, and on the basis of licensing agreements for each site, the Department provides office space and administrative support services to Canadian Education Centres established in select missions abroad by the Canadian Education Centre Network (CECN). These centres promote Canadian education and training services to foreign students.

*Fee Type:* Other – Cost Recovery

*Fee-Setting Authority:* FAA, TB Cost Recovery and Charging Policy

*2002-2003 Actual Revenue (\$000):* 554

*Estimated Full Cost to Provide Good or Service (\$000):* 554

*Consultation and Analysis:* The Department's full cost to provide the CECN with co-location services in select missions is calculated in the same manner as is used for other co-locators (see the entry under "Space and Common Services for Co-location at Missions" earlier in this table for details in this regard).

CECN satisfaction with the services the Department offers is monitored through regular dialogue between CECN and the Education Marketing Unit of the Department's International Academic Relations Division.

*Service Standard:* Standards at missions for provision of administrative services, including property maintenance services, apply to all clients, be they departmental staff, partner department staff or co-locators such as the CECN.

*Performance Results:* During 2002-2003, space was provided for the establishment of Canadian Education Centres in missions located in Canberra, Mexico City, Oslo, Seoul, Singapore and Taipei.

### **Name of Fee Activity: Canadian Foreign Service Institute (CFSI) Training**

The CFSI provides limited training services ([http://www.dfait-maeci.gc.ca/cfsi-icse/CFSI\\_Services-en.asp](http://www.dfait-maeci.gc.ca/cfsi-icse/CFSI_Services-en.asp)), primarily foreign language and intercultural effectiveness training, to select clients outside the Department on a cost-recovery basis. These clients are primarily foreign diplomats and non-governmental organizations working for CIDA.

*Fee Type:* Other – Cost Recovery

*Fee-Setting Authority:* FAA; TB Cost Recovery and Charging Policy

*2002-2003 Actual Revenue (\$000):* 88

*Estimated Full Cost to Provide Good or Service (\$000):* 88

*Consultation and Analysis:* An analysis of training needs is carried out on a case-by-case basis following consultation with clients. Course fees are assessed based on full cost recovery.

*Service Standard:* All training is evaluated on an ongoing basis. Participants in foreign-language courses receive placement tests before training and proficiency tests upon completion to ensure that targeted levels have been obtained.

*Performance Results:* A total of 26 courses in Foreign Language and Intercultural Effectiveness training were delivered to 24 different clients. On a scale of 1 (negative) to 5 (positive), the average client rating is 4.35 for Foreign Language training and 4.14 for Intercultural Effectiveness training.

### **Name of Fee Activity: Other External User Charges**

"Other External User Charges" include:

- fees associated with Access to Information (ATI) requests; and
- sundry fees consisting mostly of administrative

charges levied by the Passport Office for dishonoured payments.

Information concerning departmental ATI services can be viewed at <http://www.dfait-maeci.gc.ca/departement/privacy/menu-en.asp>.

*Fee Type:* Right and Privilege

*Fee-Setting Authority:* Access to Information Regulations (pursuant to the Access to Information Act); FAA

*2002-2003 Actual Revenue (\$000):* 17.5 (comprising \$9,700 in ATI request fees and \$7,800 in sundry fees)

*Estimated Full Cost to Provide Good or Service (\$000):* 270 (comprising \$262,000 to deliver departmental ATI services and approximately \$7,800 to address dishonoured payments for travel documents)

*Consultation and Analysis:* With respect to requests for release of public information under the Access to Information Act, usually the only fees involved are the \$5 prescribed request fee and charges for photocopying (at 20 cents a page).

With respect to sundry fees, a \$15 administrative fee plus any applicable interest is applied by the Passport Office to each dishonoured payment.

*Service Standard:* For ATI requests, any Canadian citizen, Permanent Resident of Canada (whether currently residing in Canada or not) or individuals and corporations present in Canada can request access to any record under the control of the Department. Once a request is made, the Act requires the Department to respond within 30 days of its receipt. This time limit may be extended for a reasonable period if it can be demonstrated that processing the request within 30 days would unreasonably interfere with departmental operations.

*Performance Results:* In 2002-2003, the Department received 529 direct ATI requests plus 540 consultations from other government departments. The Department prepares a report to Parliament at the end of each fiscal year, outlining how it operates, the volume of requests received, and how it has responded to those requests. In addition, the Office of the Information Commissioner of Canada reports on the performance of the Department in its annual report. That report may be viewed at [http://www.infocom.gc.ca/reports/section\\_display-e.asp?intSectionId=380](http://www.infocom.gc.ca/reports/section_display-e.asp?intSectionId=380).

**Table 6: Transfer Payments by Business Line (\$ millions)  
Grants**

Business Line	Actual Spending 2000 - 2001	Actual Spending 2001-2002	Planned 2002-2003	Total Authorities 2002-2003	Actual 2002-2003
International Business Development	0.0	0.2	2.0	0.4	0.4
Trade, Economic and Environmental Policy	0.0	0.0	0.0	59.5	59.4
International Security and Cooperation	10.8	16.5	11.5	16.1	16.0
Assistance to Canadians Abroad	0.0	0.0	0.0	0.0	0.0
Public Diplomacy	32.5	21.7	21.3	23.7	23.7
Corporate Services	0.2	0.2	0.3	0.1	0.1
Services to Partner 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>43.5</b>	<b>38.6</b>	<b>35.1</b>	<b>99.8</b>	<b>99.7</b>

## Contributions

International Business Development	13.0	10.4	14.5	13.2	13.2
Trade, Economic and Environmental Policy	14.0	112.6	17.1	19.5	19.5
International Security and Cooperation	304.9	333.5	365.5	370.5	323.1
Assistance to Canadians Abroad	0.1	0.1	0.1	0.1	0.1
Public Diplomacy	1.7	2.3	1.5	1.5	1.5
Corporate Services	0.0	0.0	0.0	0.0	0.0
Services to Partner 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>333.7</b>	<b>458.9</b>	<b>398.7</b>	<b>404.8</b>	<b>357.5</b>
<b>Total Transfer Payments</b>	<b>377.2</b>	<b>497.5</b>	<b>433.8</b>	<b>504.7</b>	<b>457.2</b>

Due to rounding, figures may not add to totals shown

**Table 7: Details of Transfer Payments Programs  
Grants**

## International Security and Cooperation

*Business Line Objective:* A peaceful, rules-based international system reflecting Canadian values, in which Canada is secure from threats from abroad.

### Grants in Lieu of Taxes on Diplomatic, Consular and International Organizations' Property in Canada (\$10.1 million)

*Planned Results:* This grant exists to fulfill Canada's international obligations to foreign diplomatic and consular missions pursuant to the Vienna Convention on Consular Relations as well as obligations pursuant

to headquarters agreements in force between Canada and international organizations.

*Actual Results:* Grants of \$10.1 million in lieu of taxes on eligible diplomatic properties were paid in 2002-2003 within the required time frame. Canada receives reciprocal treatment from foreign states for its diplomatic properties abroad.

## Public Diplomacy

*Business Line Objective:* Creation of interest and confidence in Canada abroad and an international

public environment favourable to Canada's political and economic interests and Canadian values.

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

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

*Actual Results:* During 2002-2003, the Department's international scholarship programs brought 280 young people from other countries to Canada for post-graduate courses. These students were just a few of the many international youth who have chosen to study at Canadian educational institutions. More than 150,000 visas were issued during the first nine months of the year to foreign students in Canada. The economic impact of foreign students in Canada last year alone has been estimated at more than \$4 billion. Abroad, some 7,000 foreign scholars are doing research on Canada and teaching about this country to approximately 150,000 students in some 30 countries of Asia, Europe and the Americas. These numbers reflect the success of the Department's ongoing promotion of Canada and Canadian colleges and universities abroad.

### **Grants in Aid of Cultural Relations (\$10.2 million)**

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

*Actual Results:* The Department supported over 400 individual Canadian artists and artistic companies in 2002-2003 to promote a highly visible and positive profile of Canada internationally. Grant recipients were selected in collaboration with federal, provincial and municipal bodies that provide cultural funding. Some examples of the successful combination of arts and foreign policy were Canada's participation as the featured country at the Cervantino Festival in Mexico and the success of the Canadian Opera Company's *Oedipus Rex* at the Edinburgh Festival in Scotland.

## **Trade, Economic and Environmental Policy**

*Business Line Objective:* Create 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.

### **Support to the Canadian Lumber Trade Alliance (\$14.85 million)**

*Planned Results:* A grant payment of \$14.85 million was made to the Canadian Lumber Trade Alliance to assist that organization in continuing to operate effectively under the burden of the current softwood lumber dispute.

*Actual Results:* The Canadian Lumber Trade Alliance played an active role in seeking a resolution to this dispute and defending the interests of the Canadian softwood lumber industry.

*Planned Results:* In response to the U.S. decision to impose duties totalling 27 percent on Canadian softwood lumber imports in May 2002, the Government of Canada made available \$20 million to intensify advocacy in the U.S. for Canada's trade interests. The bulk of the funding was a \$17 million grant to the Forests Products Association of Canada in order to directly assist Canadian industry's advocacy and advertising efforts on softwood lumber. Given the status of the softwood lumber talks, it was decided that most of those funds (\$14 million) would be spent in fiscal year 2002-2003.

*Actual Results:* The campaign was designed to make optimal use of all the channels of influence to reach carefully targeted decision makers. It was based on fostering partnerships in Canada and in the United States and was composed of four mutually reinforcing elements: (1) government relations efforts targeted at 40 key decision makers; (2) grassroots advocacy focused in 12 states of strategic importance; (3) advertising in national media and in selected regions, with a recall rate averaging 70% over the year; and (4) media outreach with the help of former governor James Blanchard and former senator William Brock. The campaign not only ensured that softwood lumber discussions stayed at a high-priority level at the Department of Commerce over the year, but also created a solid counterweight to the powerful U.S. lumber lobby group.

## Contributions

### Assessed Contributions (\$275.1 million)

*Actual Results:* In order to maintain Canada's continued membership and participation in various international organizations, the Department of Foreign Affairs and International Trade is responsible for ensuring that the required payments are made. For 2002-2003, the amount paid in regard to assessed contributions was \$275.1 million.

### International Security and Cooperation

*Business Line Objective:* A peaceful, rules-based international system reflecting Canadian values, in which Canada is secure from threats from abroad.

### Peacebuilding and Human Security Program (\$8.67 million)

*Planned Results:* This program was created to advance Canada's foreign policy objectives for human security, which were determined through a broad interdepartmental consultative process. They include the following priority areas: protection of civilians, peace support operations, conflict prevention, accountability and public safety.

*Actual Results:* This past year, the program was successful in funding practical, action-oriented projects in support of Canada's human security agenda. It supported more than 120 such initiatives worldwide and served as a valuable advocacy and policy development tool, furthering Canada's human security agenda in several bilateral, regional and multilateral forums. Among the significant milestones were the entry into force of the International Criminal Court on July 1, 2002, to combat impunity and judge those charged with the gravest of offences, an achievement that was the result of several years of intense programming; the success of the Kimberley Certification Process, which will ensure that the diamond trade no longer finances rebel conflicts; and work in support of Responsibility to Protect and its guidelines, which will assist in the consideration of future humanitarian interventions. As well, an external evaluation of the program was carried out. Its detailed and largely positive recommendations will help managers to better measure and communicate results, and allow the Department to refine the program's focus in order to accommodate and respond to emerging foreign policy demands related to the human security agenda. For more information, please visit <http://www.humansecurity.gc.ca>.

### Youth International Internship Program (\$6.6 million)

*Planned Results:* This program provides funding for the first paid career-related international work experience for the youth of Canada on placements abroad, under projects selected on the basis of the Department's mandate and reflecting Canadian youth employment priorities. In addition, it provides safety and security assessments of international placements of Canadian interns proposed by the Department and other government departments.

*Actual Results:* In 2002-2003, the program provided international placements for 448 youth of Canada under 42 projects reflecting the Department's mandate: promoting trade and investment (40%), promoting global peace (40%) and projecting Canada's culture and values (20%); and its employment priorities: members of employment equity target groups (60%) and youth at risk (10%). As well, it performed safety and security assessments of more than 1,300 placements proposed by the Department and by Human Resources Development Canada, Industry Canada, Heritage Canada and Environment Canada.

### Projects and Development Activities Resulting from La Francophonie Summits (\$7.5 million)

*Planned Results:* The fund supports the biennial action plan, ratified by the heads of state and government on the occasion of La Francophonie summits, in the areas of democratic development, consolidation of the rule of law, peace and human security, francophone multilateral cooperation, new information technologies and cultural diversity. The amount contributed by Canada is the subject of interdepartmental coordination and is usually re-evaluated at each summit.

*Actual Results:* The amount contributed to the intergovernmental agency of La Francophonie was divided among 40 projects. These projects were grouped under several themes that emerged from the Beirut summit, including peace, democracy and justice; development and solidarity; education and training; and increasing La Francophonie's participation in the information society.

### Canadian Landmine Fund (\$5 million)

*Planned Results:* The Canadian Landmine Fund supports or has launched projects that have the following objectives: increase the universalization of the Ottawa Convention through a coordinated international campaign and targeted mine action programs; ensure effective implementation and verification of the Ottawa Convention provisions; maximize international coordination and effectiveness of mine



action in the field; increase awareness of and support for Canadian leadership on mine action; contribute to the destruction of stockpiles of anti-personnel mines by offering technical expertise and financial support; and increase the financial capacity of mine action programming on a long-term basis.

*Actual Results:* In 2002-2003, Canada's political and diplomatic efforts to universalize the Ottawa Convention contributed to an increase in the number of states party to the Convention. The number of states party rose from 122 in March 2002 to 132 in March 2003. The Department funded more than 50 mine action projects in every region of the world, including some of the most heavily mined countries. Canadian initiatives contributed to declining victim rates, a dramatic drop in the number of country producers, and the almost complete halt in trade of the weapon. In the area of awareness and support for Canadian leadership on mine action, the Department funded 10 youth ambassadors through the Youth Mine Action Ambassadors Program. The youth ambassadors conducted a variety of outreach and education activities across Canada throughout the year. Canada published an annual report on the Canadian Landmine Fund, and maintains a mine action information Web site (<http://www.mines.gc.ca>). Canada has been a leader in providing financial and technological assistance for the destruction of stockpiled mines. In an effort to ensure compliance with the Convention's requirement that stockpiled mines be destroyed within certain deadlines, Canada funded numerous stockpile destruction projects.

## International Business Development

*Business Line Objective:* Create 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.

### Program for Export Market Development (\$9.2 million)

*Planned Results:* The Program for Export Market Development (PEMD) helps Canadian companies enter new markets by sharing the costs of activities that companies normally could not or would not undertake alone, thereby reducing the risks involved in entering a foreign market. Eligible costs and activities include market visits, trade fairs, visits of incoming buyers, product testing for market certification, legal fees for international marketing agreements, the transportation costs of offshore company trainees, product demonstration costs, the costs of promotional materials and other costs necessary to execute a market

development plan. The program also shares the cost of preparing bids on major capital projects outside Canada.

*Actual Results:* In 2002-2003, 647 Canadian enterprises received a total of \$7 million in financial assistance under the program. These enterprises reported estimated sales of \$152 million as a direct result of the assistance provided by PEMD. As well, 50 trade associations, representing hundreds of Canadian companies, received a total of \$2.2 million to help them undertake trade promotion initiatives on behalf of their members in a wide variety of industrial sectors.

#### Legend for Business Line Acronyms in Table 8

IBD	International Business Development
TEEP	Trade, Economic and Environmental Policy
ISC	International Security and Cooperation
ACA	Assistance to Canadians Abroad
PD	Public Diplomacy
CS	Corporate Services
SPD	Services to Partner Departments
PS	Passport Services

**Table 8: Resource Requirements by Organization and Business Line (\$ millions)**

Organization	Business Line								Totals
	IBD	TEEP	ISC	ACA	PD	CS	SPD	PS	
Executive Offices	0.0	0.0	0.0	0.0	0.0	9.9	0.0	0.0	9.9
	0.0	0.0	0.0	0.0	0.0	10.5	0.0	0.0	10.5
	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.2</b>	<b>0.0</b>	<b>0.0</b>	<b>9.2</b>
Legal Adviser	0.0	2.5	5.7	0.8	0.0	0.0	0.0	0.0	9.0
	0.0	3.0	7.8	0.8	0.0	0.0	0.0	0.0	11.6
	<b>0.0</b>	<b>2.6</b>	<b>7.6</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.2</b>
Global and Security Policy	0.0	0.0	450.8	0.0	0.0	0.0	0.0	0.0	450.8
	0.0	0.0	464.8	0.0	0.0	0.0	0.0	0.0	464.8
	<b>0.0</b>	<b>0.0</b>	<b>416.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>416.4</b>
Trade, Economic and Environmental Policy	0.0	57.1	4.2	0.0	0.0	0.0	0.0	0.0	61.2
	0.0	129.6	9.3	0.0	0.0	0.0	0.0	0.0	138.9
	<b>0.0</b>	<b>129.7</b>	<b>9.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>139.0</b>
International Business Development	51.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	51.9
	55.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	55.0
	<b>54.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>54.0</b>
Communications, Culture and Policy Planning	0.0	0.0	1.0	0.0	51.0	0.0	0.0	0.0	52.0
	0.0	0.0	1.9	0.0	58.5	0.0	0.0	0.0	60.4
	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>	<b>0.0</b>	<b>55.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>57.7</b>
Corporate Services, Passport and Consular Affairs	0.0	0.1	22.4	8.2	0.0	277.3	0.0	(6.6)	301.3
	0.0	0.1	37.0	8.0	0.0	264.2	0.0	10.9	320.1
	<b>0.0</b>	<b>0.1</b>	<b>35.7</b>	<b>8.0</b>	<b>0.0</b>	<b>238.3</b>	<b>0.0</b>	<b>(3.3)</b>	<b>278.7</b>
Human Resources	0.0	0.0	0.4	0.1	0.0	43.1	0.0	0.0	43.6
	0.0	0.0	0.4	0.1	0.0	53.9	0.0	0.0	54.4
	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.1</b>	<b>0.0</b>	<b>52.7</b>	<b>0.0</b>	<b>0.0</b>	<b>53.2</b>
Americas	61.5	19.4	39.5	15.4	13.6	0.0	79.8	0.0	229.2
	61.2	18.9	38.7	14.9	14.2	0.0	73.3	0.0	221.3
	<b>59.9</b>	<b>18.5</b>	<b>38.0</b>	<b>14.5</b>	<b>13.7</b>	<b>0.0</b>	<b>71.1</b>	<b>0.0</b>	<b>215.7</b>
Europe	59.0	19.5	36.8	15.7	14.2	0.0	72.2	0.0	217.4
	60.7	18.8	38.5	14.8	14.0	0.0	72.5	0.0	219.2
	<b>60.7</b>	<b>18.8</b>	<b>38.5</b>	<b>14.8</b>	<b>14.0</b>	<b>0.0</b>	<b>72.5</b>	<b>0.0</b>	<b>219.3</b>

(continued)

Organization	Business Line								Totals
	IBD	TEEP	ISC	ACA	PD	CS	SPD	PS	
Asia-Pacific	55.7	16.4	32.8	13.3	14.4	0.0	69.6	0.0	202.2
	<i>53.9</i>	<i>16.4</i>	<i>32.8</i>	<i>13.4</i>	<i>13.2</i>	<i>0.0</i>	<i>66.4</i>	<i>0.0</i>	<i>196.1</i>
	<b>52.9</b>	<b>16.1</b>	<b>32.3</b>	<b>13.1</b>	<b>12.8</b>	<b>0.0</b>	<b>64.8</b>	<b>0.0</b>	<b>192.0</b>
Africa and Middle East	27.9	7.3	16.5	7.3	8.0	0.0	38.9	0.0	106.0
	<i>28.8</i>	<i>7.5</i>	<i>17.0</i>	<i>7.5</i>	<i>7.7</i>	<i>0.0</i>	<i>38.0</i>	<i>0.0</i>	<i>106.5</i>
	<b>28.9</b>	<b>7.6</b>	<b>17.0</b>	<b>7.6</b>	<b>7.7</b>	<b>0.0</b>	<b>38.2</b>	<b>0.0</b>	<b>107.0</b>
Total	256.0	122.3	610.1	60.8	101.3	330.3	260.4	(6.6)	1,734.7
	<i>259.5</i>	<i>194.4</i>	<i>648.1</i>	<i>59.5</i>	<i>107.6</i>	<i>328.5</i>	<i>250.2</i>	<i>10.9</i>	<i>1,858.7</i>
	<b>256.4</b>	<b>193.5</b>	<b>597.0</b>	<b>58.9</b>	<b>104.2</b>	<b>300.1</b>	<b>246.6</b>	<b>(3.3)</b>	<b>1,753.3</b>

Amounts in regular font 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 9: Projects by Business Line (\$ millions)**

Project	Current Estimated Total	Actual Spending 2000-2001	Actual Spending 2001-2002	Planned Spending 2002-2003	Total Authorities 2002-2003	Actual Spending 2002-2003
<b>Corporate Services</b>						
Ankara, Turkey Chancery construction <sup>1</sup>	17.3	0.0	0.1	2.0	17.3	0.5
Berlin, Germany Chancery construction <sup>2</sup>	101.2	2.6	24.6	19.6	101.2	14.9
Cairo, Egypt Chancery construction <sup>3</sup>	15.1	5.1	3.5	0.1	15.1	0.0
Dhaka, Bangladesh Compound construction <sup>1</sup>	26.0	0.0	0.1	6.1	26.0	1.0
Manila, Philippines Chancery lease <sup>2</sup>	12.3	0.0	0.0	0.0	12.3	0.4
Moscow, Russia 10 staff quarters purchase <sup>2</sup>	15.1	0.0	0.0	0.0	15.1	3.1
Nairobi, Kenya Chancery construction <sup>2</sup>	25.3	1.0	10.8	12.3	25.3	8.7
Port-au-Prince, Haiti Chancery construction <sup>2</sup>	20.1	0.4	4.9	7.2	20.1	0.8
Rome, Italy Chancery purchase / renovation <sup>1</sup>	37.6	0.0	26.4	5.2	37.6	0.8
Seoul, Korea Chancery / 7 staff quarters construction <sup>1</sup>	51.7	0.2	0.1	2.4	51.7	0.9
Subtotal - Corporate Services	321.7	9.3	70.5	54.9	321.7	39.1

(continued)

Project	Current Estimated Total	Actual Spending 2000-2001	Actual Spending 2001-2002	Planned Spending 2002-2003	Total Authorities 2002-2003	Actual Spending 2002-2003
<b>International Business</b>						
Virtual Trade Commissioner, Part II <sup>1</sup>	16.8	0.0	0.0	0.2	16.8	0.2
<b>Passport Services</b>						
Facial Recognition <sup>1</sup>	2.1	n/a	0.2	1.0	2.1	0.8
Verification and Electronic Linkage of Provincial Data <sup>1</sup>	1.7	n/a	-	0.7	1.7	0.6
Passport On-Line <sup>1</sup>	1.6	n/a	0.2	0.2	1.6	0.7
Subtotal - Passport Services	5.4	n/a	0.4	1.9	5.4	2.1
<b>Total</b>	<b>343.9</b>	<b>9.3</b>	<b>70.9</b>	<b>57.0</b>	<b>343.9</b>	<b>41.4</b>

## Explanatory notes to Table 9

This table represents major capital, lease and information technology projects in support of key departmental and governmental objectives and priorities. Projects include those requiring Treasury Board approval because their cost exceeds departmental delegated authorities. Project phases are shown as defined by the Treasury Board approval process:

<sup>1</sup> project definition phase (preliminary project approval);

<sup>2</sup> project implementation phase (effective project approval, lease project approval); and

<sup>3</sup> project closeout (completed).

\* "Total authorities" represents the current approved Treasury Board authority for the entire project, from initiation to completion.

## Corporate Services Projects

These major property projects will provide safer, more secure and cost-effective office and residential accommodation that addresses a number of serious problems facing staff abroad:

⊗ program growth and overcrowding – Ankara, Berlin, Nairobi;

⊗ deterioration of existing owned assets, affecting health and safety – Cairo, Rome; or

⊗ deterioration of existing leased accommodation – Ankara, Dhaka, Manila, Nairobi, Port-au-Prince, Seoul.

These new facilities also support broader Canadian government strategic priorities through more effective and efficient delivery of government services abroad. For example, almost 50% of this major capital investment is directed to G8 countries (Germany, Italy, Russia), and the project in Kenya will also support the Africa Action Plan, which was a priority of the Speech from the Throne.

In several cases, actual spending was somewhat lower than planned spending (as listed in the *Report on Plans and Priorities*) as a result of unexpected challenges. However, this almost entirely affected only schedules and cash flow for the year, but not total costs or authorities. These cases are summarized below.

*Ankara* and *Dhaka* have both experienced somewhat longer than expected periods of planning and design, partly caused by changing program needs. This has not affected total costs, but has delayed construction until the next fiscal year.

*Berlin* spending was less than forecast because of the timing of large progress payments and some minor currency gains, but construction remains on schedule for the 2004 opening. A revised Treasury Board submission was approved in May 2003 for \$101.2 million.

*Nairobi* was affected by delays caused by unforeseen site conditions, which required further study and minor redesign. The new chancery was successfully completed in June 2003 and, despite these problems, was delivered under budget.

In addition, *Port-au-Prince* spending was somewhat higher despite material delays at the port; total costs are within budget.

The fit-up of a new chancery in *Rome* is now planned for completion in August 2004. It has taken longer than anticipated to identify a satisfactory technical solution to the foundation issues that were identified at the time of the property's purchase. This process has been complicated by the need for consultation with the previous owner.

*Seoul* spending has been delayed by local zoning and planning disputes that were only resolved late in the year.

Two new projects were approved during the year:

The *Manila* chancery will be moved to a more modern and safer building in 2003. This chancery, along with Australia's, was shut for a month in late 2002 as a result of a credible terrorist threat. The move has been fast-tracked because of the urgent security situation.

*Moscow* housing has long been a serious problem due to poor quality, government controls and high market costs for Western-style accommodation. Ten staff quarters have been approved for purchase, in addition to the five purchased two years ago. The first of these units were acquired in March 2003, but further progress depends on Russian government approvals to purchase, which have not yet been received.

The Department has ensured that property resources are managed effectively, working within current levels of appropriations and revenues. Management

techniques included a constant process of internal reallocation against emerging and changing priorities, managed project delays (reducing short-term demand on resources), deferrals, cash flow management and a strong revenue flow from property disposals.

### **International Business Project**

The Virtual Trade Commissioner Part II, currently being developed, will replace dated existing electronic systems with an improved electronic system to be used by Canadian trade commissioners abroad in managing service requests from Canadian clients and relationships with local business contacts.

### **Passport Services Projects**

The Passport Office has begun an evaluation of the use of biometrics (*Facial Recognition* technology) for machine-readable travel documents in an effort to increase security and the integrity of Canadian travel documents.

The *Verification and Electronic Linkage of Provincial Data* project currently being undertaken by the Passport Office will use electronic links with provincial authorities to confirm the accuracy and legitimacy of provincially issued documents submitted in support of passport applications.

The Passport Office has continued its efforts to establish the *Passport On-Line* infrastructure and has developed some applications in support of the technology. Once launched, *Passport On-Line* will benefit Canadians by offering them the convenience of completing the application form and paying the fee on-line.

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

	Actual 2000-2001	Actual 2001-2002	Planned 2002-2003	Total Authorities 2002-2003	Actual 2002-2003
Revenues	71.3	93.3	129.1	129.1	136.8
Expenses	82.5	111.1	122.7	122.7	138.8
Profit (or Loss)	(11.2)	(17.8)	6.3	6.3	(2.0)
Add items not requiring use of funds:					
Amortization	7.9	18.7	15.0	15.0	20.9
Provision for employee termination benefits	1.1	1.3	0.0	0.0	0.8
Passport material usage	0.0	0.0	9.0	9.0	0.0
Deferred leasehold inducements	0.0	0.3	0.0	0.0	(0.1)
Interest on loan	0.0	0.4	0.5	0.5	0.4
Total non-cash items	9.0	20.7	24.5	24.5	22.0
Add cash inflows:					
TB Public Safety and Security Initiatives	0.0	7.1	0.0	0.0	0.0
TB Government On-Line	0.0	1.6	0.0	0.0	0.0
Total cash inflows	0.0	8.7	0.0	0.0	0.0
Changes in working capital	12.8	(10.0)	(9.6)	(9.6)	(7.3)
Net capital acquisitions and other changes	(23.2)	(4.8)	(14.6)	(14.6)	(9.4)
Cash surplus (requirement)	(12.6)	(3.2)	6.6	6.6	3.3
Loan from Department of Foreign Affairs and International Trade	7.9	0.0	0.0	0.0	0.0
Return of a previous write-off of the Revolving Fund accumulated surplus	5.8	0.0	0.0	0.0	0.0
Authority: Cumulative Surplus (Drawdown)	14.1	10.9	17.5	17.5	14.2

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

	Amount of Contingent Liability		
	March 31, 2001	March 31, 2002	Current as of March 31, 2003
Loans			
Parliamentary-approved loan guarantees to the governments of Romania and Bulgaria	35.0	35.0	35.0
Pending and threatened litigation (likely or not determinable status only)	646.2	345.5	313.1
Total	681.2	380.5	348.1

### Explanatory notes to Table 11

As of March 31, 2003, contingent liabilities estimated at \$348.1 million were outstanding against the Department of Foreign Affairs and International Trade:

⊗ \$35 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 governments of Romania and Bulgaria.

⊗ \$313.1 million relate to four 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 Department's policy 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 7



# Reporting on Management Issues and Other Government-Wide Initiatives

## 7.1 Investment

### Lead Departments

The Department of Foreign Affairs and International Trade and Industry Canada jointly fund Investment Partnerships Canada (IPC) to be the focal point for investment promotion within the federal government. These two departments plus two others, Agriculture and Agri-Food Canada and Natural Resources Canada, share the mandate for promoting investment through IPC.

### Context

The ability of foreign direct investment (FDI) to introduce advanced technologies, management and marketing expertise, as well as to improve access to global markets and supply chains, has led to intense competition for FDI from countries around the world. Today, there are more than 160 national and over 250 subnational investment promotion agencies working aggressively to attract the kind of FDI that can accelerate economic transformation.

Given the size and wealth of its market, North America is a magnet for transnational investors.

Canada competes directly with the United States for such investments. Proximity, lower costs and NAFTA, which provides Canada with preferred access to the U.S. market, situate Canada as a competitive alternative for North America-bound investment from Europe and Asia.

In the past year, the stock of foreign direct investment in Canada from Europe passed \$102 billion, an increase of 75% in three years. Canada has fared well in attracting FDI. Since 1998, cumulative net FDI inflows have increased by \$245 billion to raise Canada's stock of FDI to \$349 billion. Nonetheless, this performance masks the reality that Canada has been losing ground in the intense competition for FDI, especially in the knowledge-intensive manufacturing sectors.

Between 1990 and 2000, Canada's share of North America-bound FDI from Europe and Asia dropped from 6% to 3.2%, and its share of U.S. direct investment abroad decreased from 16% to 10%. The decline has been most pronounced in manufacturing industries. Our challenge over the next five years is



to redress this situation by increasing Canada's share of both NAFTA-bound and U.S. direct investment in target industries.

## Description

Federal investment strategy consists of four interrelated functions: policy advocacy to improve the investment climate; marketing and building Canada's image as the preferred location for investment; investment attraction and facilitation, including identifying potential investors and converting investor interest into direct investment in Canada; and development of the partnership among federal departments as well as with provincial, territorial and municipal agencies.

## Policy Advocacy to Improve Canada's Investment Climate

As part of the policy advocacy agenda, activities were pursued to identify issues of concern to investors and to address impediments to investment. Corporate visits by mission personnel, and in Canada by ministers and deputy ministers; analysis of international investment ranking reports, such as those by the Economist Intelligence Unit and World Economic Forum; surveys of industry associations; and research studies all helped identify specific impediments to investment in Canada.

Since 1998, the policy advocacy agenda has highlighted the need to address border congestion, health and environmental regulatory procedures, and corporate income and capital taxes. In partnership with other federal departments and with the provinces and territories, IPC's advocacy efforts have helped focus attention on the need for policy changes to improve the climate for investment in Canada.

Each year, IPC combines the corporate intelligence gathered by missions with the economic intelligence from a wide range of reports and studies to produce a Policy Advocacy Report for the IPC Board of Advisers.

## Marketing Canada

The Department, in close cooperation with *Area Development* magazine and the provinces, produced the third edition of *Location Canada*, an investment promotion supplement that focused on 10 key industry sectors in Canada's economy, for the U.S. market. The supplement was distributed to over 65,000 business subscribers and is available on-line (<http://www.locationCanada.com>). IPC has implemented a strategic marketing program that targets geographic

areas and sectors by supporting Canada's missions abroad. The program's design is based on the results of extensive international research with investors. Specifically, IPC has redesigned its Web site (<http://www.investincanada.gc.ca>), developed a series of sector-based success stories and implemented a peer-to-peer business leaders' program.

Through the Program for Export Market Development – Investment, IPC works with International Trade Centres across Canada to support communities in developing their investment promotion strategies. IPC has produced and maintains 33 community profiles on its Web site, which allow investors to compare Canadian locations against U.S. locations using standard criteria. In addition, IPC continues to train government employees on how to use the KPMG 2002 business costs study, which compares the costs of doing business in 40 Canadian cities with other cities internationally.

The Department, in collaboration with missions in the United States and Investment Partnerships Canada, developed investment e-newsletters to spread the message that Canada is an innovative, competitive and desirable place for business and investment.

These two initiatives have been a valuable source of competitive intelligence that is used by the missions and many non-federal partners to make the case to potential investors.

## Increased Attraction and Retention of Multinational Investment

IPC and partners carried out investment promotion campaigns in all target markets and many secondary markets. Key events (the World Economic Forum, Paris Air Show and major international trade fairs) were used to bring potential investors in contact with ministers and specialists. Missions of incoming investors were met by partners from all levels of government.

Japan's stock of foreign direct investment in Canada stood at \$8.6 billion in 2002, an 8.7% increase over the 2001 figure. While retaining and increasing Japanese investment in the Canadian automotive sector remains a top priority, IPC has made targeted information available in Japanese in the emerging priority sectors of pharmaceuticals, software, and research and design, with a view to attracting new investment from Japanese companies into these innovation-oriented areas. IPC carried out an assessment of Canada's sectoral targets to examine our relative attractiveness

## 7.2 Government On-Line and Service Improvement

to FDI. This provided an opportunity not only to identify the strengths and weaknesses of the Canadian investment climate, but also to determine which issues are important to attracting FDI from a sectoral perspective.

IPC initiated research on reinvestment and retention programs run by Industry Canada, other departments, provinces, territories and municipalities. The objective is to assess the scope for greater collaboration as well as increase knowledge of current trends.

Analytical work carried out within IPC is shared. Data that missions need for their work with investors is placed on an internal Web site for easy access. As well, the development of a better tool to retrieve and analyze strategic business intelligence at the firm level has allowed more effective targeting of potential investors.

### Partnerships

A series of bilateral planning meetings between IPC and the provinces, territories and regional development agencies resulted in a closer working relationship and greater coordination of investment promotion efforts. IPC is developing a knowledge management program designed to enhance the flow of information and coordination. The information sharing led partners across jurisdictions to make better decisions, provide better services to their respective clients and achieve more tangible results.

Partners from across the federal government as well as missions abroad participated in roundtables to plan campaigns for target markets. Agreed strategies provided clear guidance for the use of resources, including ministers' time.

## 7.2 Government On-Line and Service Improvement

In April 2003, Accenture's annual global e-Government study cited Canada for the third year in a row as the clear leader, ahead of 21 other countries. The report asserted that Canada was the only country having made the first steps toward service transformation. It also praised Canada for its shift toward a broader, multi-channel service vision that will pave the way for long-term governance of a more integrated service delivery agenda. The government made Government On-Line (GOL) a priority in the 1999 Throne Speech, stating that "our goal is to be known around the world as the government most connected to its citizens, with

Canadians able to access government information and services on-line at the time and place of their choosing." In 2002, GOL was extended to a comprehensive six-year program (2000-2005) to develop and implement electronic service delivery using a client-centred model. The results to date demonstrate that Canada is a modern, technologically advanced and culturally diverse country, well equipped to benefit from the opportunities of greater global interdependence.

The Department has been active in GOL and Service Improvement from a number of perspectives: in terms of our programs and services for Canadians travelling and doing business abroad, our mandate for foreign policy and international trade, our role as Canada's voice abroad, and our role as the common services and telecommunications infrastructure provider for the government outside Canada. The Department has also exercised strong leadership of the international component of GOL and Service Improvement, establishing an effective international Web presence for the Government of Canada.

### International Service Delivery Vision

In line with the government's broader Service Improvement Agenda, the Department and its partners are moving toward a vision of client-centred service delivery that would encompass delivery of government services internationally to Canadians, Canadian businesses and international clients. We are in the early stages of engagement with our partners on this service vision. Its benefits include projection of Canada to the world with a coordinated voice, better and more accessible service for the government's international clients and partners, and a fuller range of services for Canadians abroad.

### The Department's GOL and Service Improvement Plan

The Department delivers its programs and services in a 24/7 global environment. In terms of electronic service delivery, the Department has identified three service layers through which Canadian citizens and businesses can access departmental programs and services, and non-Canadians can access relevant government programs and services:

- knowledge access: rich information resources on the Department's Internet sites and on the international gateway (Canada International) and its clusters on the Canada Site;
- transaction processing: convenient interactive on-line service delivery; and

- © collaborative relationships: managing relations with valued clients on-line.

## Knowledge Access

Services are provided to our clients via the international gateway and its clusters and via the Department's Internet sites.

### Canada International

The Department continued to play a key role in the government's single-window Internet access strategy, championing the interdepartmental effort to develop and operate the gateway for non-Canadian clients (<http://www.CanadaInternational.gc.ca>) and moving ahead with the enhancement of its clusters: Going to Canada, Doing Business with Canada, and Canada and the World. Canada International receives about 21% of the visitors to the Canada Site main page, with an average of over 100,000 visitors per month. The number of site visits has progressively increased from 2002 to 2003. Canada International now has content in Spanish, Portuguese, German and Chinese.

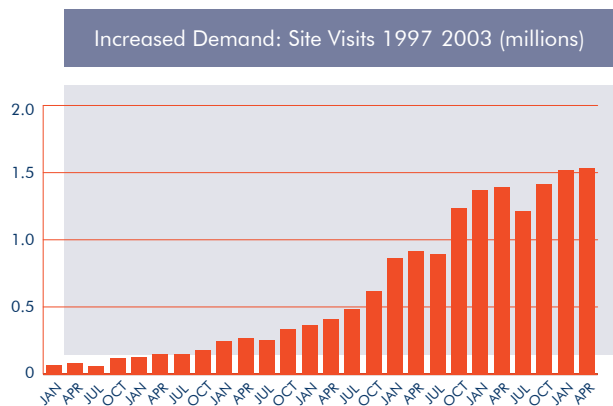
### Canada International Clusters

Two of the three clusters on Canada International are led by the Department: Doing Business with Canada and Canada and the World. The Doing Business with Canada cluster offers foreign businesses a one-stop information service. Real back-end data integration, a business transformation strategy, and interactive tools ensure a practical resource for clients and government personnel alike. Key accomplishments over the past year were client consultations with foreign representatives in Ottawa, set-up of a consultation process to identify and prioritize business transformation opportunities, and creation of a new section, "Why do business with Canada?" including content preparation and marketing activities to highlight the cluster. The Canada and the World cluster, which resides on the Canadians gateway as well as the Non-Canadians gateway, brings together content from 18 different federal departments and agencies and provides information about Canada's foreign policies and international activities. This cluster has recently been included in research about the Canada Site, Canada International, and the Canadians gateway, and market testing has just been completed. A report on this market testing will guide ongoing decisions related to the cluster's direction, audiences and communication messages.

The Department also leads clusters on both the Canadians gateway (Travel at Home and Abroad cluster) and the Canadian Business gateway (Exporting/Importing cluster).

## Departmental Web Sites

The Department's Internet presence has been growing steadily since 1996. This now includes some 80 mission Web sites for Canadians and local audiences, in English and French and 14 other languages. The Department's main Internet site (<http://www.dfait-maeci.gc.ca>) and 180 subsidiary sites play an important role in disseminating information to the public in times of crisis (e.g. SARS, mad cow



disease, September 11). The main site contains 80,000 pages of information. Visits to the site peaked at 1.5 million in April 2003. In the past year, the Department achieved compliance with the government's Common Look and Feel guidelines. The Department made progress in streamlining access to its mission Web sites in many regions, including the United States, Latin America and Europe. The Department has revamped its Can-Am network of 14 sites in the United States, resulting in a 13% increase in the number of visits. The Can-Am network has become a critical tool in Canada's advocacy and communications campaigns in the United States. It generates on average 20% of all traffic to departmental sites. A key development in 2002-2003 was the establishment of a new family of Web sites, tools and multimedia products, including 13 CanadaEuropa public sites. Together with the earlier CanadaEuropa-Mundi site, these represent over 20% of the Department's total Web traffic; an average of 250,000 visitors per month use these sites to research Canada-European relations on-line.

## Transaction Processing

The Department is committed to using the Internet to improve its services for Canadians at home and abroad. In 2002-2003, the Department continued work on its GOL pathfinder projects, including Passport On-Line and the Virtual Trade Commissioner e-Client Relationship Management System.

## 7.3 Sustainable Development Strategy

### Passport On-Line

Passport On-Line will enable clients to apply for a renewal of their travel document on-line, while maintaining the security and integrity of the current passport system. To meet public demand, the Passport On-Line office prepared a number of on-line forms that can be filled out on-line or printed and completed by hand.

### Virtual Trade Commissioner e-Client Relationship Management System

The Department's trade e-services (<http://www.infoexport.gc.ca>) include the Virtual Trade Commissioner (VTC), an electronic service delivery channel and interactive Web pages that serve three important client groups: Canadian companies, partner clients and foreign companies. The Department is expanding the VTC to include an e-client relationship management system (eCRM). The eCRM will provide integrated services across the government to:

- support the international business development efforts of Canadian firms;
- facilitate collaboration among Team Canada Inc partners; and
- achieve productivity gains of 20% for the VTC via improved business processes, eCRM and portal technology and the replacement of legacy systems.

Four other Team Canada Inc partners (Agriculture and Agri-Food Canada, Export Development Canada, Industry Canada and the Canadian Commercial Corporation) have committed resources to eCRM. The eCRM project will start in summer 2003.

### Collaborative Relationships

The Department is committed to using the Internet to manage its relations with valued clients through forums such as A Dialogue on Foreign Policy.

### A Dialogue on Foreign Policy

From January 22 to May 1, 2003, the Department undertook A Dialogue on Foreign Policy to seek advice from Canadians on directions, priorities and choices in foreign policy. Along with town hall meetings, expert roundtables, work by a parliamentary committee and consultations with provincial and territorial governments, a Web site enabled citizens to read and comment on a discussion paper (and answer 12 questions) and participate in on-line discussion groups (<http://www.foreign-policy-dialogue.ca>). Over the course of the Dialogue, the site received 62,500 visits, 3,500 replies to the discussion paper questions, 2,000 discussion group messages, and 23,000 PDF

downloads of the discussion paper. The Web site was an important vehicle for the collection of Canadian views on the future direction of Canadian foreign policy. The Department was examining "what was done right?" and "what can be improved upon?" and is preparing a detailed report on the Dialogue. This report is expected to be an important resource in the development of policies and processes for future on-line consultations.

## 7.3 Sustainable Development Strategy

The Department continues to implement the commitments articulated in *Agenda 2003: A Sustainable Development Strategy for the Department of Foreign Affairs and International Trade*, which was tabled in Parliament in February 2001. The following goals – specific to the 2002-2003 period within the three-year time frame of the strategy – have been fully or partially met. More detail on progress can be found at <http://www.dfait-maeci.gc.ca/sustain/menu-e>.

### To improve the trade-environment interface:

- The initial environmental assessment of the World Trade Organization negotiations was released in November 2002 for public comment. Initial environmental assessments of the Free Trade Area of the Americas, Singapore, and Central America Four (Nicaragua, Honduras, El Salvador and Guatemala) negotiations are in the final stages of preparation and are expected to be released later in 2003.
- The Secretariat of the International Forestry Partnerships Program completed monitoring, reporting, mailing and translation activities with various missions in the United States, Japan and Europe. These activities facilitated the communication of objective, science-based information on Canada's sustainable forest management policies and practices to key decision makers in our major markets for forest products. There were also political and non-political initiatives, such as a speaking tour in the U.S. and four fact-finding tours in Canadian provinces with participants from the Netherlands, Japan, the United Kingdom and Germany. These delegations were able to see first-hand Canadian forest management initiatives and achievements.

### To promote sustainable development in international activities:

- Canada ratified the Kyoto Protocol on December

17, 2002. Despite U.S. withdrawal, the Protocol is more likely to enter into force now that the EU and Japan, as well as some Central and Eastern European countries, have ratified. Russia has indicated its intent to ratify the Protocol in 2003.

- ⊗ The Department confers with Environment Canada, the lead department, to ensure that implementation of the Canada-U.S. Great Lakes Binational Toxics Strategy is moving forward. The Department's role is a minor one.
- ⊗ The Department is working to obtain a prompt and positive response to a detailed proposal for a new and expanded phase of the International Model Forest Network. The Department was able to make a three-year contribution of \$2.1 million to the International Development Research Centre for the expansion and continued operation of the Canada-based Secretariat as a result of federal money allocated to World Summit on Sustainable Development (WSSD) programs.
- ⊗ Negotiations with France to permit the safe and sustainable extraction of oil and gas from reserves straddling Canadian and French areas of jurisdiction near St. Pierre and Miquelon are progressing well, but have not yet been completed.

#### **To clarify the place of human security and human rights in sustainable development:**

- ⊗ Phase 2 reviews to evaluate the implementation of the OECD Bribery Convention included promotion and enforcement of states parties' laws against foreign bribery in Finland, the United States, Iceland, Germany and Bulgaria. An OECD Working Group on Bribery visited Canada in February 2003 as part of Canada's Phase 2 review. Results of this review will be presented at a meeting in June 2003.
- ⊗ Negotiations on the UN Convention Against Corruption began in January 2002 and were concluded in October 2003.
- ⊗ There has been no action on the identification of regional child protection focal points in the Economic Commission of West African States, the Organization for Security and Cooperation in Europe and the Organization of American States.

#### **To implement the sustainable development aspects of the Northern Dimension of Canada's Foreign Policy:**

- ⊗ The Department is working with northerners to explore business opportunities in new economic areas that contribute to sustainable communities. The Consulate General in Seattle organized "Canada

Days" in Alaska from March 1 to 8, 2003, to focus on the relationship between the Canadian and U.S. North in education, culture, indigenous peoples, business and trade.

- ⊗ The Department is working with stakeholders on a viable approach to address difficulties in market access for marine mammal products.
- ⊗ The Department is working to find other sources of financial support for the University of the Arctic's international mobility program. In 2002, Human Resources Development Canada funded a pre-development project to help the Canadian member institutions of this university come up with a model for their potential participation. A report on the pre-development project has yet to be released.
- ⊗ The Department continues to participate in preparations for a meeting of the Arctic and North Working Group (part of the Canada-Russia Intergovernmental Economic Commission) and financially supports three programs led by the Department of Indian Affairs and Northern Development: a workshop dealing with constitutional issues in the Russian Federation surrounding Aboriginal issues, land use and legal reform; a reindeer population control project; and the sharing of Canadian sustainable housing expertise.

#### **To prepare for the World Summit on Sustainable Development in Johannesburg in 2002:**

- ⊗ Canada endorsed the chapter of the Johannesburg Plan of Implementation on strengthening institutional frameworks for sustainable development, which calls for full implementation of the decision on strengthening international environmental governance.
- ⊗ Canada supported the inclusion of capacity-building efforts of developing countries to implement multilateral environmental agreements (MEAs) including, for example, climate change, desertification and biodiversity. The Johannesburg Plan of Implementation also promises capacity building in a wide variety of sectors that should be managed more sustainably and that are not yet directly covered by MEAs, including forests, tourism, mining, metals and minerals.
- ⊗ The Department, in cooperation with the WSSD Secretariat and key departments, undertook an extensive series of debriefings shortly after Johannesburg to build understanding and support among interested Canadians for WSSD outcomes, and to seek views on appropriate follow-up action.

Information was posted on the Secretariat's Web site and a further round of public consultations on follow-up was undertaken in spring 2003.

### To make sustainable development an operating premise for the Department:

- The Sustainable Development Task Force continued to work with senior management to monitor progress, identify opportunities and promote capacity building and dialogue on policy integration of sustainable development.
- Environmental management programs were implemented for 11 priority areas: energy, solid waste, land use, contaminated sites, procurement, emergency response, fuel storage tanks, ozone-depleting substances, water, hazardous materials and vehicle fleets.

## 7.4 Modern Management

The Department developed a modern management action plan in the fall of 2001 to outline initiatives that will be implemented over the next three years. These initiatives are grouped into three areas: departmental strategic results, integrated management regime, and effective management of human resources. The action plan has evolved to integrate initiatives that contribute to modern management goals, such as the Trade Commissioner Service's New Approach@Work and e<sup>3</sup>, which stands for equilibrium, effectiveness and excellence.

### Departmental Strategic Results

An important step in advancing modern management was taken when the Department instituted its Strategic Planning and Priorities Framework (SPPF), which clearly articulates strategic objectives and key results. The framework has been used to prepare the business plans for 2003-2004 and to navigate through the reallocation process. It aims to improve efficiency and effectiveness by aligning the plans with departmental priorities. There will be ongoing follow-up to review implementation of the business plans, and the SPPF will be validated on an annual basis.

An analytical tool to improve the management of growth in the staff at missions abroad has been installed on the departmental intranet. This tool gives authorized users access to information that will support decision making regarding the scope and nature of Canadian representation abroad. Further work will need to be done to realize results in this area.

### Integrated Management Regime

PeopleSoft, a leave management software that replaces labour-intensive and less reliable paper records, has been made available to staff and managers at headquarters and all missions abroad.

Two initiatives are under way to provide better information to allocate and reallocate funds, resulting in a better use of resources and services. Under the Integrated Management of Property Resources initiative, all mission and headquarters "property budget" resources will be managed on a global basis, ensuring they are allocated according to established priorities. The second initiative is the development of the Department's new long-term capital plan.

As a common services provider enabling other departments and agencies to effectively deliver their services abroad, the Department is reviewing roles and responsibilities and service standards, and developing a generic memorandum of understanding with partners. An agreement should be reached in the coming months.

The internal audit division has increased its capacity to conduct assurance audits. It has completed three financial assurance audits, one IT assurance audit and risk-based audit frameworks (RBAFs). Risk analysis was done prior to all IT audits. The methodology has been updated, leading to higher productivity within the division.

The evaluation division has completed nine evaluations, eight results-based management and accountability frameworks (RMAFs), and eight studies to provide managers with better information for decision making. A multi-year risk-based evaluation plan and an annual work plan have been completed. To support the results-based management (RBM) concept, a guide on RBM has been introduced.

The Trade Commissioner Service generated improved systems, tools and processes under its New Approach@Work, including the Web site InfoExport, client and employee surveys, the business mission agreement (a tool that clarifies the roles and responsibilities of the mission, and sets out the steps and schedules that need to be followed to achieve success), and a focus on best practices, to provide better information and a more efficient and effective delivery of core services.

The e<sup>3</sup> (equilibrium, effectiveness, excellence) initiative went Department-wide. Products such as e-booklets, standards and templates were developed to decrease

the time used to deliver services and increase quality and results. The Seoul embassy is piloting and fully integrating the e<sup>3</sup> concept.

## Effective Management of Human Resources

In May 2002, the Department published a learning policy and allocated \$1 million for new learning initiatives. A learning action plan was designed to create a more knowledgeable workforce. The action plan incorporates an annual departmental learning scorecard.

The new Foreign Service (FS) structure has been developed (a four-level structure as opposed to the current two levels) and in January 2003, Treasury Board Secretariat, in collaboration with the Department, began work on the new standards. The new structure will reflect the operational and responsibility realities of officers, bring the FS group more in line with other professional groups, and facilitate recruitment and retention of qualified and skilled people. Furthermore, the Department announced plans to proceed with a new pool management regime for the Commerce and Economist employee groups.

During the year, the Department began work on a new performance management framework to cover all employees. The framework is intended to reflect sound HR values and good comptrollership practices.

A “values and ethics champion” has been named to lead a process to foster corporate-wide ethical behaviour and decision making built around shared values. The Management Committee approved the values and ethics action plan.

Other HR activities during the year included a comprehensive review of the Department’s Executive establishment, work on restructuring the Administrative Assistant group, a study to look beyond the Department’s many HR reforms to ensure it will have the workforce it needs in the future, establishment of the Consultative and Collaborative Committee on Employment Equity, and evaluation of HR service standards. In 2001, the Department also undertook to simplify HR staffing processes and is now moving toward “e-HR functionality” (replacement of paper-based documents and work processes with automated transfer and storage of information). All these activities should contribute to improving HR management.

In summary, most of the initiatives are producing outputs that achieve targeted outcomes, with different bureaus progressing at different rhythms. The

foundation for modern comptrollership and sound management has been set. As the Department’s plans proceed, employee at all levels will participate and see the benefits.

## 7.5 Procurement

*Role played by procurement in delivering programs:*

- ⊗ The Headquarters Administrative Services Division is responsible for management of a procurement and contracting program for the acquisition and delivery of all goods (office furniture and furnishings, consumables, central receiving, moving services and disposal) on behalf of headquarters.
- ⊗ This division is a member of the Materiel Management Committee and represents the Department at the Environmental Management Committee, Crown Assets Disposal Committee and Space Management Committee. It is mandated to review overall procurement contracting and supply management policies, practices and standards within the Department. As well, it participates as a subcommittee member of the Professional Development and Certification Program currently being championed by Treasury Board and other government departments.
- ⊗ The Physical Resources Bureau is responsible for procurement of household furnishings, fixtures and equipment as part of the fitting up of living quarters for Canadian government representatives abroad and their families, enabling them to live and function abroad for extended periods. Similarly, it procures office furnishings, fixtures and equipment as part of the fitting up of office space for Canadian representatives abroad, enabling them to effectively deliver federal government programs.

### Overview of the procurement management processes and strategy within the Department:

- ⊗ The Assistant Deputy Minister for Corporate Services, Passport and Consular Affairs has departmental responsibility for materiel management and has delegated this responsibility to the Information Management and Technology Bureau (SXD) for informatics equipment and peripheries globally; the Security and Intelligence Bureau (ISD) for security equipment and supplies globally; the Headquarters Administrative Services Division for office furnishings, equipment and supplies for headquarters; and the Physical Resources Bureau (SRD) for office and staff quarter furnishings

and equipment, fine art and supplies for missions abroad. Each is responsible for developing materiel management policies and for effective life-cycle management of materiel assets from procurement through to disposal. The Materiel Management Committee, made up of representatives from ISD, SXD, SRD and the Corporate Finance, Planning and Systems Bureau, looks at issues and strategies and provides broad direction on this function.

### Progress and new initiatives enabling effective and efficient procurement practices:

- ⊗ The Headquarters Administrative Services Division recently implemented Phase 2 of an automated inventory management system for the corporate central stores operation of the Department. As part of the financial and materiel management system, this implementation assists in tracking low asset value within a complete materiel management cycle, which includes expediting procurement services, providing an accurate inventory count and ultimately reducing procurement costs.
- ⊗ The move of the Physical Resources Bureau warehouse facilities in 1998-1999 has resulted in improved control over warehousing and shipping arrangements. Upgrades to the Foreign Affairs Consolidated Transport System (FACTS) have allowed on-line inventory management of warehouse holdings, including tracking incoming and outgoing shipments, managing furniture stockpiles, keeping shipping data, calling up mission shipping instructions and enabling vendor and client reports. Delegation of direct purchasing authority for up to \$25,000 has resulted in a reduction in the number of standing offer agreements required, streamlined procurement and reduced average delivery times. The use of digital imaging has improved client participation in the selection process and increased client satisfaction with the items procured. The implementation of the Certification and Development Program has promoted continuous learning, improved skills and heightened awareness of methods and tools available to purchasers.

## 7.6 Contracting

*Role played by contracting in delivering programs:*

- ⊗ The Centre of Expertise on Contracting for Services, the corporate contracting group, has a Department-wide mandate to improve contracting processes and services and to ensure government contracting rules, regulations and policies as well as obligations under the various trade agreements are

adhered to.

### Overview of the contracting management processes and strategy within the Department:

- ⊗ Contract review boards at headquarters and missions abroad are responsible for scrutinizing all awarded contracts, standing offers and supply arrangements for services, including amendments.
- ⊗ Training is provided on a continuous basis to delegated officials with contracting authority by the Centre of Expertise on Contracting for Services in consultation with the internal training organization.
- ⊗ In addition to the Centre of Expertise on Contracting for Services, procurement groups within the Department are responsible for the acquisition of various commodities such as architectural and engineering and construction, information management and information technology, office furnishings and supplies, and security commodities.

### Progress and new initiatives enabling effective and efficient contracting practices:

- ⊗ The Department continues to make progress in improving the integrity of its practices and management accountability.
- ⊗ The Centre of Expertise on Contracting for Services is staffed with a senior procurement officer (PG-06) and two senior departmental contracting advisers (PG-04) to provide guidance and advice to personnel involved in contracting. The Centre's experts develop policies and procedures and ensure that system initiatives under way within the Department are capable of providing corporate contracting information.
- ⊗ The Centre has developed courses, in consultation with the departmental training division, to address topics such as Contracting for Services, How to Prepare Solicitation Documents, and How to Prepare Statements of Work. In addition, it has created an on-line contracting tutorial to increase knowledge of sound contracting procedures.
- ⊗ The Centre's sophisticated yet user-friendly intranet site provides guides, policies, templates and reference documents to facilitate the day-to-day work of departmental officials with contracting authority.
- ⊗ The Department is also developing a contract management system to enhance both the monitoring capabilities and the accountability of managers regarding contracting activities.



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- ⑥ Training and advisory group activities have increased management's awareness and understanding of government contracting rules and regulations and of obligations under the various trade agreements, resulting in better contract procedures and documentation. In addition to the regular training already provided in the Department, the Centre of Expertise on Contracting for Services will launch a comprehensive training package at headquarters and at missions in the fall of 2003.
  - ⑥ Over the last few years, the value of competitively awarded contracts has increased. Several standing offers and supply arrangements have also been established for various commodities, resulting in quick turnaround time and best value to the Crown.



## Section 8



# Contact Information

## 8.1 How to Reach Us

The Department of Foreign Affairs and International Trade makes a wealth of information resources and reference tools available to Canadians through its information and media services.

### Information Services

The Department's Enquiries Centre responds to general questions about the Department, exporting procedures and foreign markets, as well as Canada's foreign policy and involvement in international organizations. Clients with more detailed or specialized enquiries are referred to experts within the Department.

The Centre also coordinates storage and distribution of the Department's hard-copy publications.

Telephone: 1 800 267-8376 (toll-free in Canada)  
(613) 944-4000 (within the National  
Capital Region and outside Canada)

TTY: (613) 944-9136

Fax: (613) 996-9709

E-mail: [enqserv@dfait-maeci.gc.ca](mailto:enqserv@dfait-maeci.gc.ca)

Regular mail: Enquiries Services (SXGI)  
Department of Foreign Affairs and  
International Trade

125 Sussex Drive  
Ottawa, ON K1A 0G2

The Department's Web site (<http://www.dfait-maeci.gc.ca>) is an excellent source of the latest information addressing the needs of both domestic and international clients. A large number of documents published by the Department can be accessed on-line. A catalogue is available at <http://www.dfait-maeci.gc.ca/english/news/public.htm>.

The Department's library contains a unique collection of materials in subject areas relevant to the Department's mandate. Selected library services are available to members of the public conducting research in these areas. The library is open to the public Monday to Friday from 8:30 a.m. to 4:30 p.m. For further information, telephone (613) 992-6150 or e-mail [infotech@dfait-maeci.gc.ca](mailto:infotech@dfait-maeci.gc.ca).

## Media Services

The Media Relations Office provides information to the media on Canada's foreign and trade policy, relations with other countries, involvement in international organizations and the Department's operations. For information, telephone (613) 995-1874 or fax (613) 995-1405.

## 8.2 How to Contact Organizations Related to the Department

Canadian Commercial Corporation  
1100-50 O'Connor Street  
Ottawa, ON K1A 0S6  
(613) 996-0034 or 1 800 748-8191  
<http://www.ccc.ca>

North American Free Trade Agreement (NAFTA)  
Canadian Section  
90 Sparks Street, Suite 705  
Ottawa, ON K1P 5B4  
(613) 992-9388  
<http://www.nafta-sec-alena.org>

Canadian International Development Agency  
200 Promenade du Portage  
Hull, QC K1A 0G4  
(819) 997-5006 or 1 800 230-6349  
<http://www.acdi-cida.gc.ca>

Northern Pipeline Agency  
125 Sussex Drive  
Ottawa, ON K1A 0G2  
(613) 993-5000  
<http://canada.gc.ca/depts/agencies/npainde.html>

Export Development Canada  
151 O'Connor Street  
Ottawa, ON K1A 1K3  
(613) 598-2500  
<http://www.edc.ca>

Passport Office  
Corporate Secretariat  
Ottawa, ON K1A 0G3  
(819) 994-3500 or 1 800 567-6868  
<http://www.ppt.gc.ca>

International Development Research Centre  
250 Albert Street, 18th Floor  
P.O. Box 8500  
Ottawa, ON K1G 3H9  
(613) 236-6163  
<http://www.idrc.ca>

Rights & Democracy: International Centre for Human  
Rights and Democratic Development  
1001 de Maisonneuve Blvd. East, Suite 1100  
Montreal, QC H2L 4P9  
(514) 283-6073  
<http://www.ichrdd.ca>

International Joint Commission  
234 Laurier Avenue West, 22nd Floor  
Ottawa, ON K1P 6K6  
(613) 995-2984  
<http://www.ijc.org>

## Section 9



# Other Information

## 9.1 Acronyms and Abbreviations

AAP	Africa Action Plan (G8)
ADM	Assistant Deputy Minister
APEC	Asia-Pacific Economic Cooperation forum
APM	anti-personnel mine
ASEAN	Association of Southeast Asian Nations
CD	Conference on Disarmament
CDM & JI	Clean Development Mechanism and Joint Implementation (Office)
CEDAW	Convention to End All Forms of Discrimination Against Women (UN)
CIDA	Canadian International Development Agency
CIFA	Canada Investment Fund for Africa
CMEC	Council of Ministers of Education, Canada
CORA	Committee on Representation Abroad
DDA	Doha Development Agenda
DFAIT	Department of Foreign Affairs and International Trade
e3	equilibrium, effectiveness, excellence (a departmental initiative)
eCRM	e-client relationship management
EU	European Union
FDI	foreign direct investment
FS	Foreign Service
FTAA	Free Trade Area of the Americas
FTE	full time equivalent
G7	seven leading industrialized nations (Canada, France, Germany, Italy, Japan, United Kingdom, U.S.)
G8	G7 plus Russia

GDP	gross domestic product
GOL	Government On-Line
HR	human resources
IBOC	International Business Opportunities Centre
ICC	International Criminal Court
ICISS	International Commission on Intervention and State Sovereignty
IFI	international financial institution
IGAD	Intergovernmental Authority on Development
IPC	Investment Partnerships Canada
ISSC	International Social Services Canada
IT	information technology
ITARS	International Traffic in Arms Regulations
LDCs	least-developed countries
MOU	memorandum of understanding
MTCR	Missile Technology Control Regime
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
NORAD	North American Aerospace Defence Command
NPT	Nuclear Non-Proliferation Treaty
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
OSCE	Organization for Security and Cooperation in Europe
PEMD	Program for Export Market Development
R&D	research and development
RBAF	risk-based audit framework
RCMP	Royal Canadian Mounted Police
RMAF	results-based management and accountability framework
ROCA	Registration of Canadians Abroad
S&T	science and technology
SMEs	small and medium-sized enterprises
SPPF	Strategic Planning and Priorities Framework
TBS	Treasury Board Secretariat
TCI	Team Canada Inc
TCS	Trade Commissioner Service
UN	United Nations
VTC	Virtual Trade Commissioner
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization

