

Privy Council Office

2004-2005 Estimates

Report on Plans and Priorities

The Right Honourable Paul Martin
Prime Minister of Canada

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I Prime Minister's Message and Management Representation Statement

A. Prime Minister's Message

In the February 2004 Speech from the Throne, the Government proposed an ambitious agenda to set our country on a path where Canadians together will achieve their goals and aspirations for the 21st century.

Canadians want a country with strong social foundations, where all people are treated with dignity, where they are given a hand where needed, where no one is left behind. We want a strong economy, with well-paying and meaningful jobs; an economy that is ready to reap the benefits of technological innovation; and based on a solid fiscal foundation.

Canadians want a country that has an influential role in the world: one where we speak with our own voice, pursuing our interests effectively while bringing our distinctive Canadian values to address the many issues affecting global affairs.

Canadians also want a government they can believe in and one they can trust. The government has an urgent duty to re-engage citizens in Canada's political life. We must make Parliament work better. And we must have a government that has greater transparency, demonstrates the highest ethical standards, and achieves strong financial accountability.

I am pleased to present the *2004-2005 Report on Plans and Priorities for the Privy Council Office (PCO)*. PCO plays a critical role in helping to shape and implement the Government agenda. This Report on Plans and Priorities identifies how PCO will help the Government achieve the goals for the country in the coming years.

B. Management Representation

I submit, for tabling in Parliament, the 2004-2005 Report on Plans and Priorities (RPP) for the Privy Council Office.

This document has been prepared based on the reporting principles and disclosure requirements contained in the *Guide to the Preparation of the 2004-2005 Report on Plans and Priorities*. To the best of my knowledge, the information in this document:

- Accurately portrays the organization's plans and priorities.
- Is consistent with the directions provided in the Minister of Finance's Budget and by Treasury Board Secretariat regarding planned spending information.
- Is comprehensive and accurate; and
- Is based on sound underlying departmental information and management systems.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Alex Himelfarb
Clerk of the Privy Council and Secretary to the Cabinet
August 2004

II Raison d'être

A. Our Mission

Our mission is to serve Canada and Canadians by providing the best non-partisan advice and support to the Prime Minister, Ministers within the Prime Minister's portfolio, and Cabinet.

B. Our Values

- We recognize the special need of the Prime Minister and Ministers within the Prime Minister's portfolio for timely advice and support.
- We dedicate ourselves to our work and to the effective functioning of government.
- We believe that integrity, judgment and discretion are essential to achieving our mission.
- We believe that people are the strength of the Privy Council Office (PCO).

C. Our Role

The key roles played by the PCO Program are to:

- Provide professional, non-partisan advice to the Prime Minister, other PCO Ministers and Cabinet, on questions of national and international importance.
- Manage the cabinet decision-making system—Challenge and coordinate departmental policy proposals, conduct policy analysis, and provide secretariat services to Cabinet committees.
- Articulate and support the Government agenda, and collaborate with other federal departments, other governments and external stakeholders to help implement this Agenda.
- Help foster a strong Public Service for the 21st century, one that is values-based, high performing and accountable.

- Research medium-term policy issues of importance to Canada—This is a responsibility of all of PCO policy analysis functions, and a particular focus of the Policy Research Initiative (PRI).
- Conduct commissions of inquiry, on matters associated with good governance of Canada.

Each of these roles is further described below.

1. Provide professional, non-partisan advice to the Prime Minister, other PCO Ministers and Cabinet, on questions of national and international importance

PCO advises the Prime Minister and supports the operation of Cabinet on questions of national and international importance, government-wide priorities and a broad range of issues relating to the management of the federation. As such, PCO develops policy analysis to the complex emerging issues that prevail today and for the strategic challenges and choices ahead for Canada.

This advice relates to the overall conduct of government business, including the strategic handling of major issues and subjects that are of particular interest to the Prime Minister, government-wide planning, the machinery of government, the management of federal-provincial-territorial relations and issues and the Government's legislative program. Advice is provided in such key policy areas as health, the economy, security, social development, environment, international relations, cities and communities, science, the Canadian federation, official languages policy and Aboriginal policy.

In summary, key activities include:

- **Provide advice on the Government organization and machinery of government**, for example, the roles and responsibilities of Ministers, the structure and functioning of the government and Cabinet decision-making system, and relations of the Government with Parliament and the Crown.
- **Conduct policy analysis** on contemplated policies and priorities.
- **Provide advice and support regarding federal-provincial-territorial relations**, including the evolution of federalism within Canada, fiscal arrangements, constitutional and legal issues, aboriginal affairs, and official languages.
- **Carry out issues management**, helping Ministers to coordinate a response to issues that arise.

2. Manage the Cabinet decision-making system

The value created by PCO is derived from its role in supporting the Prime Minister, who is ultimately responsible for structuring and managing the Cabinet decision-making

process, and who leads the process of setting the general directions of government policy. In its support of Cabinet, PCO facilitates the effectiveness of decision-making, supports the process through which the values and priorities of Canadians are translated into decisions and their subsequent communication, and aims to produce the highest quality analysis of policy proposals. To help in policy development, PCO serves as a professional source of non-partisan advice and helps to integrate perspectives and views across government. In order for PCO to respond to the demands placed on it by the Prime Minister and Cabinet, it demonstrates flexibility in the management of its own organization.

As part of this role, PCO provides an important challenge function to departmental policy proposals. Ministers identify and propose priorities and initiatives on the basis of their portfolio and other responsibilities, supported through the expertise and activities of specialized line organizations. PCO works closely with the Department of Finance and the Treasury Board Secretariat to ensure that policy proposals are presented within the context of the government's overall agenda and other priorities and that the full resource implications are set out. PCO helps provide coordination among the full range of government organizations that are essential to the successful design and implementation of government policy. This coordination also helps ensure that new proposals complement existing policies and that they are consistent with the Government's overall objectives.

Key activities include:

- **Challenge departmental proposals** in advance of Cabinet Committee discussions to ensure that the analyses are complete, the appropriate consultations have been carried out, and they advance the Government's overall priorities.
- **Provide secretariat support to Cabinet Committees**, including preparing agendas, recording formal decisions of Cabinet, preparing minutes and acting as the official custodian of Cabinet Papers, and ensuring follow-up.
- **Support Cabinet discussions** of the Government agenda, policies and regulatory proposals by providing analysis and advice to Ministers and ensuring that proposals are well vetted before they are considered.

3. Articulate and support the Government agenda

PCO plays an important and unique role by bringing a “whole-of-government” approach to policy development and issues management, and collaborates with other federal departments, provincial and territorial governments, the private and voluntary sectors, and other domestic and international stakeholders to help implement the Government agenda. PCO helps the Government to move quickly from policy development to decision-making to implementation, while maintaining a high quality and coherence to

the overall Agenda. A key concern is to provide an opportunity for stakeholders representing the diverse needs of Canadians to provide input into the policy development process. Key activities include:

- **Government-wide planning**—Assisting the Government in defining its objectives and priorities, overseeing the development of policies, and providing strategic policy advice and analysis on the economic and financial aspects of major policy files. Particular attention is paid to the Speech from the Throne and the Budget.
- **Collaborate with external stakeholders on policy development/ implementation**—So that stakeholders can be effectively integrated into the policy development and implementation processes.
- **Coordinate government-wide communications.**

4. Help foster a strong Public Service for the 21st century

The Clerk, as Head of the Public Service, is responsible for the quality of expert, professional and non-partisan advice and service provided by the Public Service to the Prime Minister and the Cabinet, and has a key role to support the Prime Minister in building a strong and competent Public Service. PCO works closely with other central agencies to foster Public Service modernization to continuously improve human resource management policies and services, and has specific responsibilities for the effective recruitment and management of senior personnel. The Clerk delivers key messages to the Public Service and produces the *Annual Report to the Prime Minister on the Public Service of Canada*. Key activities include:

- **Support the Governor-in-Council appointment process**, including advice on governance regimes and the establishment and administration of policies and services that promote high quality appointments.
- **Compensation and classification**, including establishing policies that facilitate recruitment and retention of senior personnel.
- **Leadership development**, including identifying future Public Service leadership needs and ensuring the development of senior public servants.
- **Advance the Government's Public Service management agenda**, by providing advice and working with other central agencies on human resources management issues such as human resources modernization, diversity, official languages, labour relations, and recognition programs.

5. Research medium-term policy issues of importance to Canada

The federal government requires the development and maintenance of a strong policy knowledge base and policy development capacity in order to respond to the increasingly complex longer-term policy issues facing Canada and Canadians.

The Policy Research Initiative (PRI) was created in 1996 in order to help the government effectively carry out this role. PRI's role is focused on the horizontal management of medium-term policy research issues facing Canada. This includes deepening, collecting and integrating research on emerging horizontal issues that are highly relevant to the government's medium-term policy agenda, and to ensuring that this knowledge is effectively transferred to policy-makers throughout the government.

Key activities associated with this policy research include:

- Assess the broad trends and pressures facing Canada, identify key medium-term policy issues for in-depth research, and conduct the required policy research projects. The main projects currently underway are: Population Aging and Life-Course Flexibility; New Approaches for Addressing Poverty and Exclusion; Social Capital as a Public Policy Tool; North American Linkages; and, Sustainable Development. These research projects are carried out in close collaboration with departments.
- Transfer the results of the knowledge that is created to policy-makers throughout government. The PRI delivers a variety of regional and national, multi-disciplinary, policy research conferences and seminars, and issues a number of publications such as *Horizons* as well as post-conference reports.

6. Conduct commissions of inquiry

The Governor-in-Council may, under the *Inquiries Act*, establish commissions of inquiry concerning any matters associated with good governance of Canada. During 2004-05, three commissions are active: Indian Specific Claims Commission; the Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar (Arar Inquiry); and, the Commission of Inquiry into the Sponsorship Program and Advertising Activities (Sponsorship Inquiry).

D. Benefits to Canadians

In summary, the key benefits for Canadians derived from the work of PCO include:

- A clearly articulated agenda of the Government.
- A coordinated response to emerging issues, provided in a timely manner.
- Effective and efficient operation of Government.

- High quality and consistent policy advice.
- High professional and ethical standards of federal Public Service.
- Increased knowledge and information on emerging horizontal policy issues, and the effective transfer of this knowledge to policy-makers.
- Recommendations on subjects of concern to Canadians are provided to the Government by independent commissions of inquiry.

More information on the Privy Council Office can be found at the PCO Web site:

www.pco-bcp.gc.ca

III Planning Overview

The Privy Council Office is exclusively funded through operating expenditures.

A. Challenges and Risks

PCO's planning environment is influenced in large part by the issues facing Canada and the Government. In addition, as an institution, PCO faces a number of challenges and risks in supporting the effective and efficient operation of government and the implementation of a coherent Government agenda. PCO has undertaken some preliminary work to identify and assess potential risks in terms of the likelihood each will occur, the potential impacts and potential mitigation measures. This work will continue in 2004-2005. A summary of our challenges and risks follows.

1. Increasing complexity of issues

The government's policy agenda is complex, and, as outlined later in this document, includes such issues as health care, national security, economic growth and innovation, international affairs, and the Canadian federation. In order for PCO to contribute to the development of appropriate policy responses, we must promote increased integration within the federal government community, and enhance the networks involving the federal government, other levels of government and other stakeholders.

2. Constantly changing environment

A constantly changing environment, which includes the emergence of new issues (e.g., SARS, West Nile virus) as well as the continuation of many longer-term issues (e.g., terrorism, health care, climate change), places considerable pressure on PCO to stay abreast of all of these issues and to coordinate rapid government-wide responses. In addition, PCO must be able to quickly adapt its own organization structure in response to periodic announcements by the Prime Minister regarding changes to Cabinet and overall government structure.

The emergence of issues requires prompt access to the appropriate policy expertise within the federal system and an ability to quickly mobilize this expertise to provide highly responsive advice to decision-makers. This requires a strong capability within PCO to identify emerging issues and threats, and necessitates strong networks with all of the key stakeholders.

3. Increased public expectations for public accountability of resources

Increased public expectations exist for accountability and efficient use of public resources, greater transparency, and ethical decision-making. To meet the public's expectation for government to be efficient, resource allocations need to be tightly linked to changing government policy priorities.

4. Maintaining the credibility of PCO as a non-partisan advisor

Given its close relationship with the Government, PCO must be careful to ensure that its policy advice remains objective, accurate, reliable, relevant, comprehensive (including options), informed by many perspectives, and not influenced by partisan interests.

5. Providing an opportunity for stakeholders to provide input into the Government agenda

In developing the Government agenda, it is important to reflect the diverse needs of stakeholders, the changing face of the country in terms of shifting demographic trends, increased diversity, aging and urbanization, and shifts in the values and priorities of Canadians. The Government agenda also needs to reflect the particular challenges faced by groups within Canadian society, such as Aboriginal people and official language minority communities. This requires maintaining open communications with stakeholders, sharing information, establishing networks and other consultative mechanisms, and providing stakeholders an opportunity to provide input into the development and implementation of the Government agenda. Specific examples of ongoing initiatives that relate to this challenge are democratic reform and electoral reform.

6. Maintaining continuity of policy expertise and analytical capability

Given the desire to obtain the latest thinking on the policy issues of the day and to attract well known and credible policy experts with specific subject matter expertise, there tends to be frequent movement of staff both in and out of the PCO organization. Although PCO has little difficulty in attracting staff with extensive policy expertise and experience in subject matter areas, this movement of staff presents a certain risk for PCO in retaining corporate memory and maintaining continuity in the policy development process. The organization needs to ensure it has a process in place for succession planning in order to maintain continuity of policy expertise. Also, strong capabilities are required in information, records and library management in order to ensure that the necessary corporate records and information resources are accessible throughout PCO.

7. Challenge of internal management of PCO

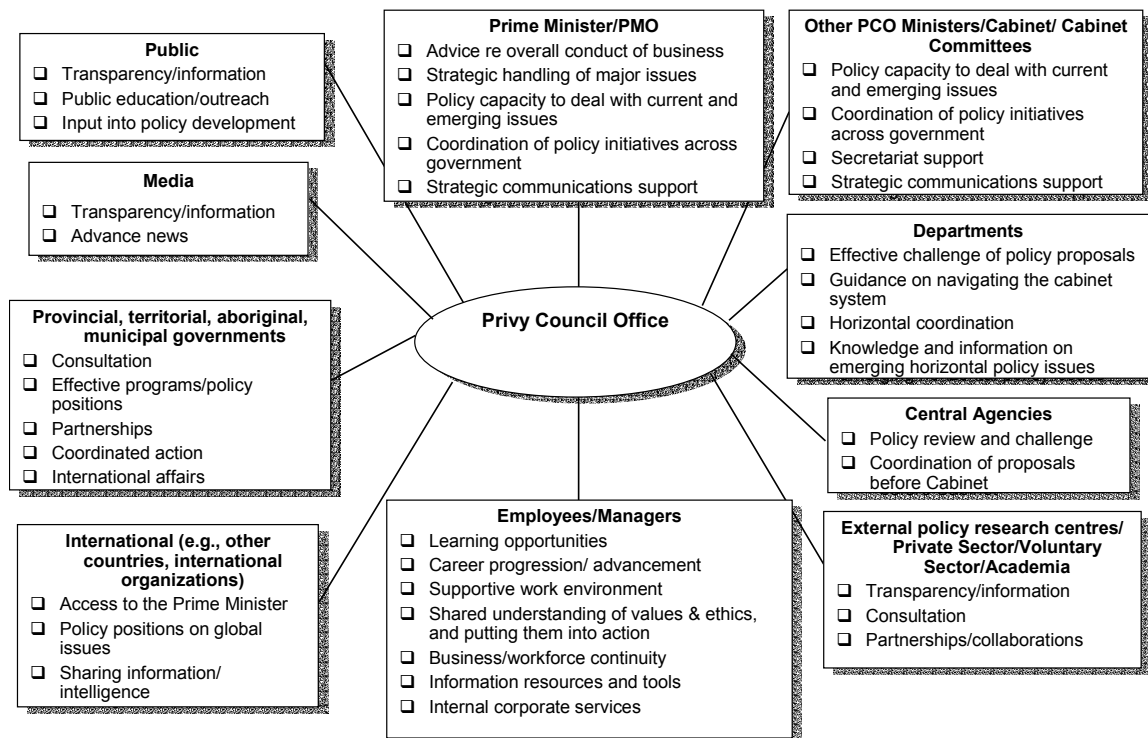
Maintaining work-life balance in a high pressure and fast-paced environment is an ongoing struggle for all PCO employees. A particular challenge for managers is to find the time to attend to their internal management responsibilities (e.g., managing their budgets, developing their staff, and finding time for their own learning and development) while focusing on their day-to-day line responsibilities. PCO must also abide by the commitments made by the Clerk in his *Eleventh Annual Report to the Prime Minister on the Public Service of Canada*, which calls for all government departments to give priority to such government-wide initiatives as modern comptrollership, learning, diversity,

official languages and human resources management. PCO's Corporate Services plays a major role in helping the organization implement these various management initiatives.

B. Stakeholders and Strategic Relationships

In order to contribute to the effective operation of the government, PCO must interface with a wide range of internal and external stakeholders. These stakeholders are listed in Figure 1, which also identifies their expectations vis-à-vis PCO.

Figure 1—Stakeholders and Their Expectations vis-à-vis PCO



IV Plans and Priorities by Strategic Outcome

For FY 2004-2005, the activities of PCO are organized into two strategic outcomes. The **first strategic outcome** constitutes the core of the Privy Council's mandate:

**Efficient operation and appropriate support of
the central decision-making mechanisms
of the Government**

Activities within the **second strategic outcome** are carried out at "arms-length" from PCO, and for fiscal year 2004-05, include the Policy Research Initiative (PRI), and three commissions—Indian Specific Claims Commission, Arar Inquiry, and the Sponsorship Inquiry.

**Subjects that need investigation or further study
are handled independently from the
Government**

Ultimately, PCO's achievement of these two strategic outcomes will contribute to the achievement of the overall outcomes of the Government of Canada, as outlined in *Canada's Performance Report*. These include "sound management of federal resources," and "an informed and engaged Canadian Public." (Further information on the Canada performance report can be found at: http://www.tbs-sct.gc.ca/report/govrev/03/cp-rc_e.asp.)

In 2004-05, PCO will focus on several priorities within each strategic outcome, as shown in Table 1. These are described in the following pages.

Table 1—Priorities by Strategic Outcome, and Associated Resources

Strategic Outcomes	Associated Resources (\$,000)	Priorities	Type of Priority (new or ongoing)
Efficient operation and appropriate support of the central decision-making mechanisms of the Government	\$171,838	a) Focus on key policy areas	Ongoing
		b) Effective management of government	Ongoing
		c) Foster horizontal collaboration	Ongoing
		d) Strengthen policy capacity	Ongoing
		e) Strengthen internal management practices	Ongoing
Subjects that need investigation or further study are handled independently from the Government	\$9,981	a) Lead horizontal research projects in support of medium-term policy agenda	Ongoing
		b) Provide infrastructure to support horizontal research collaboration	Ongoing
		c) Strengthen federal government’s policy research capacity	Ongoing
		d) Conduct arm’s-length commissions of inquiry on matters associated with the good government of Canada	Ongoing

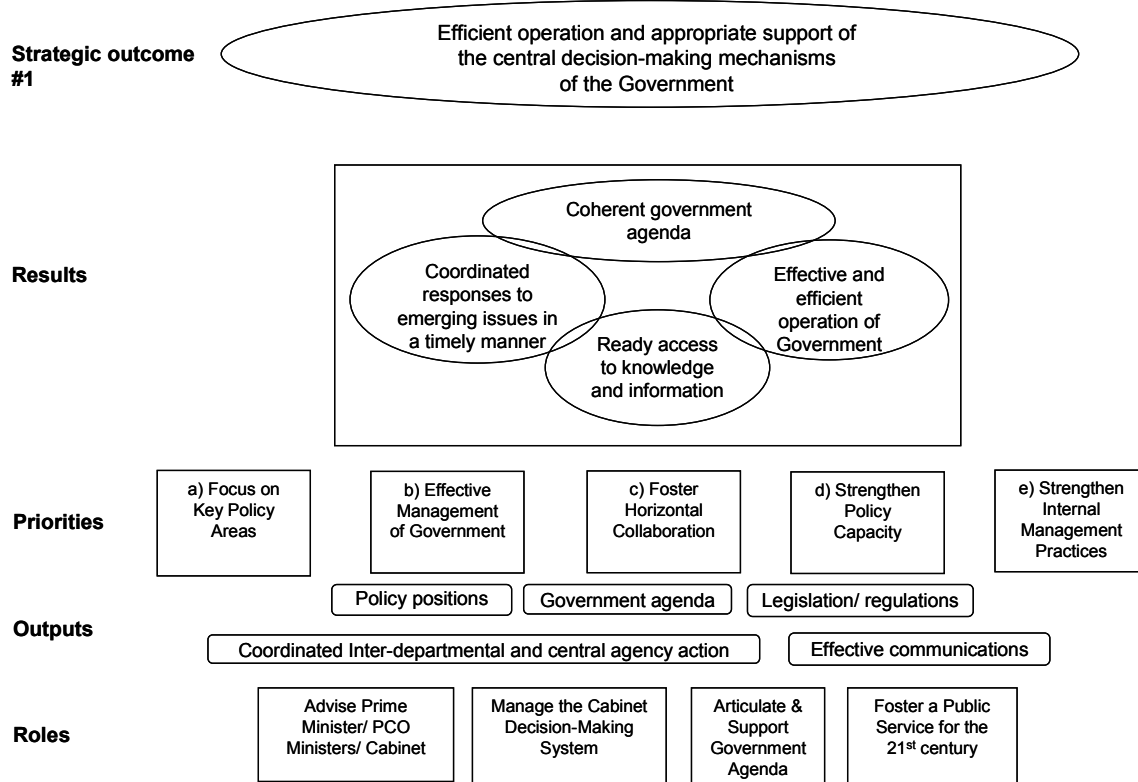
A. Strategic Outcome 1—Central Decision-Making Mechanisms

The added value of PCO is demonstrated by: its contribution to the efficient and effective management of the Cabinet decision-making process; its provision of high quality and consistent policy advice; and, coordinating government responses to emerging issues in a timely manner. Achieving these results contributes to the implementation of a coherent government policy agenda.

Internally, PCO must keep a workforce that is knowledgeable and motivated, and provide its people access to state of the art policy tools and information. It must also ensure sound stewardship of its resources as part of its accountability to the public.

The logic model for strategic outcome #1 is shown in Figure 2.

Figure 2—Logic Model for Strategic Outcome #1



The following pages outline our key priorities, followed by a summary of how we will measure our performance.

1. Key Priorities

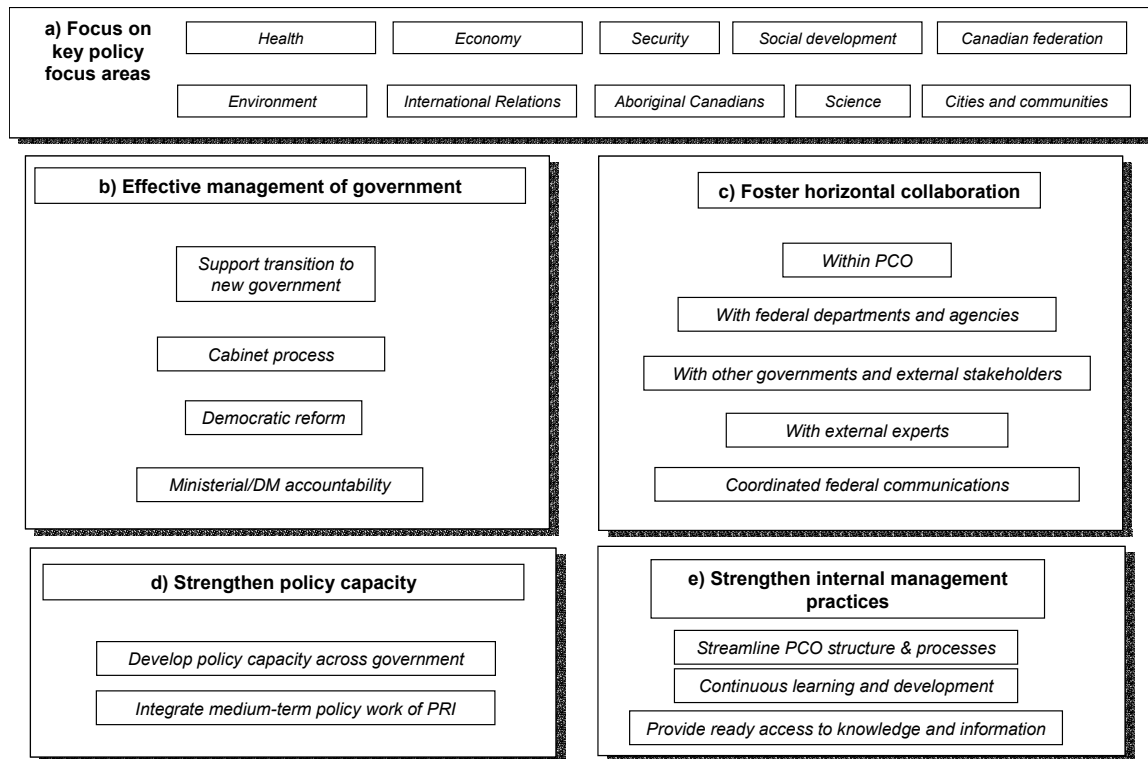
In 2004-05, the key priorities of PCO will be the following:

- a) **Focus on key policy areas**—Continue to conduct policy analysis and coordinate the development of government solutions to the major policy issues facing Canada. The specific initiatives of each priority area will, of course, depend on the Government agenda.
- b) **Effective management of government**—PCO will continue to be involved in initiatives related to the Cabinet process, democratic reform, Ministerial/Deputy Minister accountability and Public Service modernization.
- c) **Foster horizontal collaboration**—PCO must pursue innovative strategies to strengthen horizontal collaboration within PCO, with federal departments and agencies, with other governments and external stakeholders, as well as the coordination of federal communications.

- d) **Strengthen policy capacity**—PCO will continue to strengthen its overall policy development capacity, for example, by better integrating the medium-term policy work of the Policy Research Initiative and succession planning to ensure continuity of policy expertise.
- e) **Strengthen internal management practices**—Key focus areas will be streamlining PCO structure and processes as part of the organizing to support Cabinet, continuous learning and development, and providing PCO managers with ready access to knowledge and information.

Each priority is outlined in turn below, focusing on the key plans that will be implemented.

Figure 3—Summary of Key Priorities



a) Focus on key policy areas

PCO will continue to work with departments and agencies to ensure policy analysis and solutions are developed to address the complex issues that continue to face Canadians. Major policy focus areas include:

- **Health**—Working with provincial and territorial partners on the necessary reforms and long-term sustainability of the health system to ensure that every Canadian has timely access to quality care.

- **Economy**—Maintaining a sound macroeconomic environment, based on sound fiscal prudence; ensuring that Canada is a world leader in developing the path-breaking technologies of the 21st century; and helping Canadian exporters to build closer economic ties with the emerging major economies of the world.
- **Security**—Supporting the Prime Minister in his ultimate responsibility for the security and integrity of Canada and related intelligence matters. The major roles of PCO are to coordinate Canada’s intelligence community activities and to produce intelligence assessments for senior officials within the government. PCO plays a lead role in coordinating the building of Canada’s integrated security system. In April 2004, PCO wrote and published Canada’s first ever comprehensive statement of its National Security Policy.
- **Social Development**—Strengthening Canada's social foundations by, for example, improving conditions for Canada’s aboriginal people, ensuring that seniors can actively participate in their communities, supporting people with disabilities, helping families and caregivers, supporting the social economy, and supporting the work of the millions of Canadians who work in our important volunteer sector.
- **Canadian federation**—Addressing such ongoing policy questions as the state of the federation and relations with other governments in Canada, fiscal arrangements, official languages, and aboriginal affairs.
- **Environment**—Safeguarding Canada’s natural environment is one of the most important responsibilities of citizens and governments in the 21st century, leading to improved quality of life, healthier Canadians and competitiveness.
- **International relations**—Concerning Canada's evolving role and place in an ever-changing geo-political context. Activities include relations with foreign heads of government, representing Canada at summits, specific international policy initiatives, and trade and investment missions.
- **Aboriginal Canadians**—Achieving significant improvements in the social, economic, health and educational outcomes for Aboriginal Canadians is an urgent priority.
- **Science**—Identifying Canada’s priorities for future investments in science and technology; proposing strategies for commercializing Canadian technologies; mobilizing Canada’s R&D assets in support of international development; and, building more effective partnerships and collaborations between Canada’s major science and technology players, including government labs, universities and the private sector.

- **Cities and communities**—Helping Canada’s cities and communities to become more integrated into the policy development process. Activities include conducting ongoing research and policy development, creating a more stable funding environment, and reporting to Canadians on progress achieved in improving the health of our cities. Effective July 20, 2004, this Secretariat has been transferred to the Office of Infrastructure of Canada.

b) Effective management of government

PCO will continue to develop strategies for maintaining and enhancing the effectiveness of the Cabinet decision-making system. Key initiatives in 2004-05 include:

- **Supporting the transition to the new government**—Following the June 2004 federal election, a key role will be to provide effective support during the transition to the new government.
- **Cabinet Process**—Provide advice on appropriate Ministerial responsibilities and Cabinet Committee structure and ensure smooth and efficient functioning of Cabinet decision making processes.
- **Democratic reform**—In December 2003, the Government announced specific measures to implement democratic reform. An action plan was released in February 2004, and is the first step in a strategy aimed at improving political institutions and the parliamentary system. The three pillars of democratic reform are: ethics and integrity; restoration of the representative and deliberative role of Members of Parliament; and, accountability. What this means for individual Canadians is that the people they elect will be able to better reflect their views in the process of government. It also means increased responsibilities for individual Members of Parliament to ensure that these reforms result in real change, including a more transparent appointments system, and more independence, authority and resources for parliamentary committees.
- **Ministerial/Deputy Minister accountability**—Define the principles of ministerial responsibility and actions that are intended to guide ministers in undertaking their official duties; ministerial relations with Parliament; and, the roles and accountabilities of Deputy Ministers.

c) Foster horizontal collaboration

Effective approaches to collaboration with stakeholders are essential to establish needed partnerships with provinces, territories and other stakeholders, on issues that transcend jurisdictions and sectors, in order to integrate diverse perspectives and present a coherent government-wide approach. Horizontal collaboration will occur at several levels:

- **Within PCO**—The highly specialized nature of the work carried out within PCO tends to create silos that must be overcome. PCO can maximize its ability to respond quickly and efficiently to complex issues by pulling together policy

teams made up of members from across PCO. This will result in focused and strategic interventions and the rapid development of possible solutions.

- **With federal departments and agencies**—PCO will continue to help bring together departments in managing key cross-cutting issues, in order to help frame broad issues, provide a diversity of views and mobilize the varied expertise within the federal government. A prime example of PCO's coordination role was the preparation of *Securing an Open Society*, the government's National Security Policy, which was published in April 2004. This coordination is essential to the successful design and implementation of government policy, and also helps ensure that new proposals complement existing policies and are consistent with the Government's overall objectives. Increasingly, PCO must integrate disciplines and perspectives by coordinating policy resources across government using interdepartmental policy teams and central agency working groups.
- **With other governments and external stakeholders**—In addition to the provinces and territorial governments, municipalities and aboriginal communities, stakeholders include the private sector, academia, and external centres of expertise. To advance the Government agenda across jurisdictions, PCO must keep abreast of the issues and challenges faced by other levels of government and work with departments and other central agencies to address issues of mutual interest with provinces and territories. First Ministers' meetings will continue to be a major thrust. Two examples of specific programs are:
 - **Urban Aboriginal Strategy**—The Urban Aboriginal Strategy was introduced in 1998 to address, in partnership with stakeholders, the serious socio-economic needs of urban Aboriginal people. The strategy is designed to improve policy development and program coordination at the federal level and with other levels of government, in order to reduce the level of disparity that urban Aboriginal people currently face by better tailoring government programs to the local needs and priorities of Aboriginal people living in cities. Effective July 20, 2004, this initiative has been transferred to the Department of Indian Affairs and Northern Development.
 - **Implementation of the Action Plan for Official Languages**—In 2003 the Prime Minister issued the Action Plan for Official Languages. PCO's Intergovernmental Affairs Secretariat is responsible for implementing this plan, which will involve the preparation of an accountability and coordination framework.
- **With external experts**—To develop policies on the basis of the most up-to-date thinking and research, PCO will tap into various sources of external expertise, including academia, think-tank research organizations, community leaders and other orders of government. PCO will also increase integration of the medium-term policy research being done by PRI with PCO priorities planning process.

An example of an initiative involving external experts is the **Smart Regulation Advisory Committee**. In the Speech from the Throne in September 2002, the Government of Canada made a commitment to move forward with a smart regulation strategy. The External Advisory Committee on Smart Regulation was established in May 2003 to consider how the regulatory system can protect the health and safety of Canadians and the environment and, at the same time, promote an innovative economy. The Committee is providing an external perspective and expert advice on current regulatory issues as well as on a Canadian regulatory strategy for the 21st century. Its final report is scheduled to be released in September 2004.

- **Coordinated federal communications**—PCO will assist the government to listen to and engage Canadians in a coordinated and coherent way as policies and programs are developed and implemented, providing strategic communications advice on communicating the government's overall agenda (e.g., coordinating consultation activities and the delivery of diverse federal announcements in a unified manner).

d) Strengthen policy capacity

PCO will continue to pursue excellence in the provision of policy advice. There are two specific priorities:

- **Develop policy capacity across government**—PCO supports the development of policy capacity across government for dealing with current and emerging issues. For example, PCO's National Science Advisor will work with the academic and government policy community over the coming year to build a science and technology policy research capacity in emerging fields, such as nanotechnologies, fuel cell and hydrogen technologies, biotechnologies and information technologies.
- **Integrate the medium-term policy work** of the Policy Research Initiative—PCO contributes to the strengthening of the federal government's policy research capacity through its support of the Policy Research Initiative and its activities with the policy research community of the federal government. The Policy Research Initiative conducts research on medium-term policy issues. The outputs of this work will become better integrated with PCO's policy development role.

e) Strengthen internal management practices

A priority for all government departments, including PCO, is to strengthen internal management practices, so that government organizations have the required internal capabilities to deliver on their strategic objectives. A review of PCO management practices in 2003 provided a baseline assessment. Particular challenges are to maintain continuity of expertise and corporate memory, and to enable managers to focus on internal management given the high pressure policy work environment. The main initiatives are the following:

- **Streamlining PCO structure and processes**—The goal is to continue to provide effective and efficient support to Cabinet.
- **Continuous learning and development**—A critical requirement for PCO is to maintain a highly-skilled workforce with the ability to provide high quality advice to senior managers throughout the government. We will continue our Learning Passport program.
- **Provide ready access to knowledge and information**—PCO managers operate in a fast-paced environment, and they require quick and easy access to corporate information on policy subject matters as well as to external knowledge and information resources. PCO will continue to help managers in using the various information services and tools available to them; ensure that the external information resources provided are relevant to the policy agenda; and, continue to implement the government's electronic records and document management system (RDIMS).

2. How we will measure our performance

The subject of performance measurement is complex and challenging for a policy-type organization such as PCO. To a large extent, our outputs are not repetitive and quantifiable. Much of our work is facilitative and supportive in nature. For example, when the government announces a major policy, it is often the result of the efforts of multiple government organizations, including PCO. In addition, some of the traditional measures of performance used by line government departments, such as client satisfaction surveys, may not be appropriate.

Nonetheless, we believe it is important for our organization to demonstrate to Parliament and to Canadians the value that we bring to achieving our strategic outcomes and intended results, outlined in the logic model presented in Figure 2 above. During 2004-2005, PCO will embark on a project to develop and implement an organization-wide performance measurement framework. This framework will identify the appropriate performance indicators and the data required to support them. In order to generate useful performance information, it is likely that we will need to undertake special studies, including evaluation studies and post-event assessments on our handling of specific policy issues, in order to help assess our overall performance.

Consequently, this RPP document provides a preliminary set of performance indicators, which will be reviewed and finalized in the coming year. The preliminary indicators for each of the key intended results listed in Figure 2 are as follows:

- **Coherent Government agenda**—Indicators include feedback from internal clients and the extent of implementation of the policy agenda.
- **Coordinated responses to emerging issues in a timely manner**—Indicators related to awareness of emerging issues, and ability to provide a coordinated response.

- Effective and efficient operation of Government—Indicators related to the effective functioning of the decision-making process, such as responsiveness, clarity, and level of collaboration between decision-makers.
- Ready access to information resources and corporate memory—Extent to which PCO employees have ready access to the information resources and tools required to support their policy development work.

Further information on these preliminary performance indicators is provided in Table 2.

Table 2—Performance Indicators for Key Results for Strategic Outcome #1

Results	Performance Indicators	Measures/Comments
Coherent Government agenda	Public understanding/ awareness of agenda as per opinion research	Would require surveys of public. (Data are regularly collected on this indicator, PCO now has enhanced analytic capabilities with the recent transfer of this function from Communications Canada to PCO.)
	Extent of public involvement/engagement	Extent to which stakeholder groups provide input into policy development. Would require periodic evaluation studies.
	Scope/reach of implementation of policy agenda	Examples: Announcements of policies and regulations by the Prime Minister and Ministers concerning current status of priority files; introduction of legislation in Parliament; and other announcements concerning the introduction of new policies and programs.
Coordinated response to emerging issues in a timely manner	Early identification of issues	Extent to which issues were identified in advance of a crisis, and were known and acted upon at an early stage. Would require survey of managers and post-event evaluation study.
	Level of preparedness	For example, the ability to react to new issues. Survey of managers; post-event evaluation.
	Level of collaboration between stakeholders	Examples: extent of information sharing between stakeholders, the speed of decision-making, and the extent of concerted action.
Effective and efficient operation of Government	Responsiveness	Whether decisions are made on a timely basis; speed of decision-making.
	Clarity of responsibilities	For example, extent to which PCO managers believe that responsibilities for policy analysis are clearly and logically specified. Would require a survey of managers.
	Level of collaboration with stakeholders	Extent to which collaboration has supported or impeded implementation. Evaluation study.
Ready access to information resources and corporate memory	Availability of policy analysis tools	The necessary technical infrastructure and information resources to support the provision of timely policy advice. Survey of managers.
	Scope of information available	Ease of access to information through desktop tools and via information specialists, and requires the implementation of information management practices. Survey of managers.
	Reliability of information/tools	Whether desktop research and analytical tools exist, and are used, useful, and can be depended on. Survey of managers.

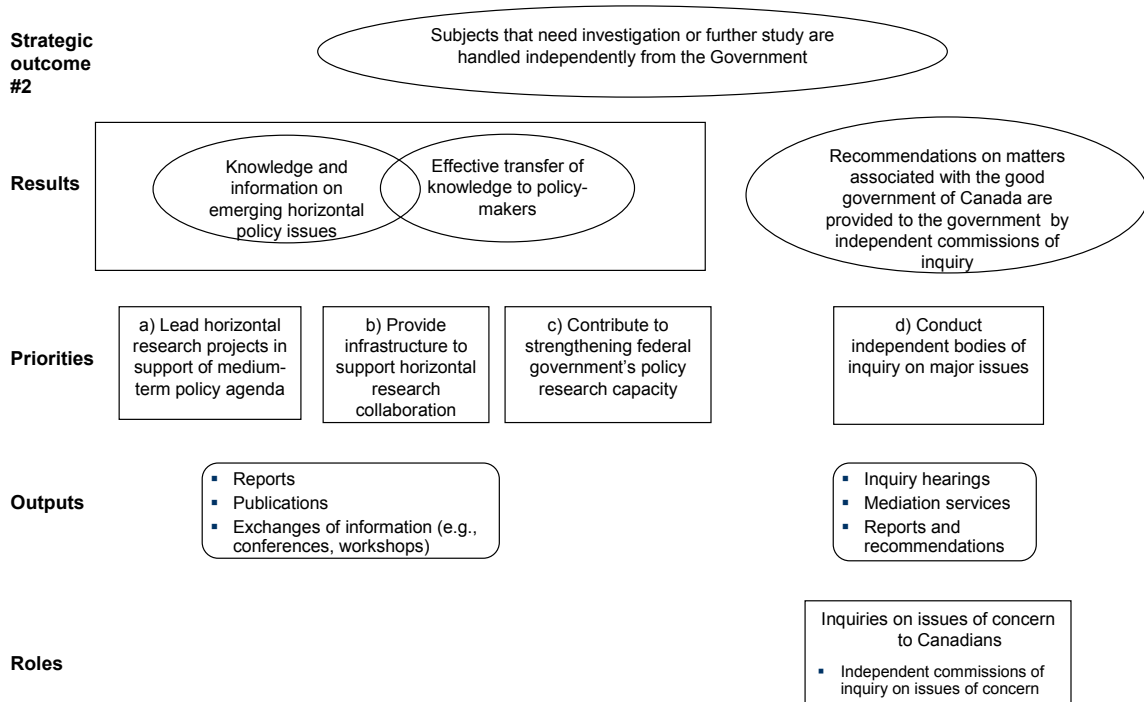
B. Strategic Outcome 2—Independent Research & Inquiries

The linkages between the activities carried out under this second strategic outcome, its outputs and overall priorities, and the intended results, are illustrated below. This strategic outcome pertains to the activities of the Policy Research Initiative (PRI) and the commissions of inquiry.

Key results strived for by the PRI are increased knowledge and information on emerging horizontal policy issues, and the effective transfer of knowledge to policy-makers within federal departments.

The key result of the independent commissions of inquiry is to provide the Government recommendations on matters associated with the good government of Canada.

Figure 4—Logic Model for Strategic Outcome #2



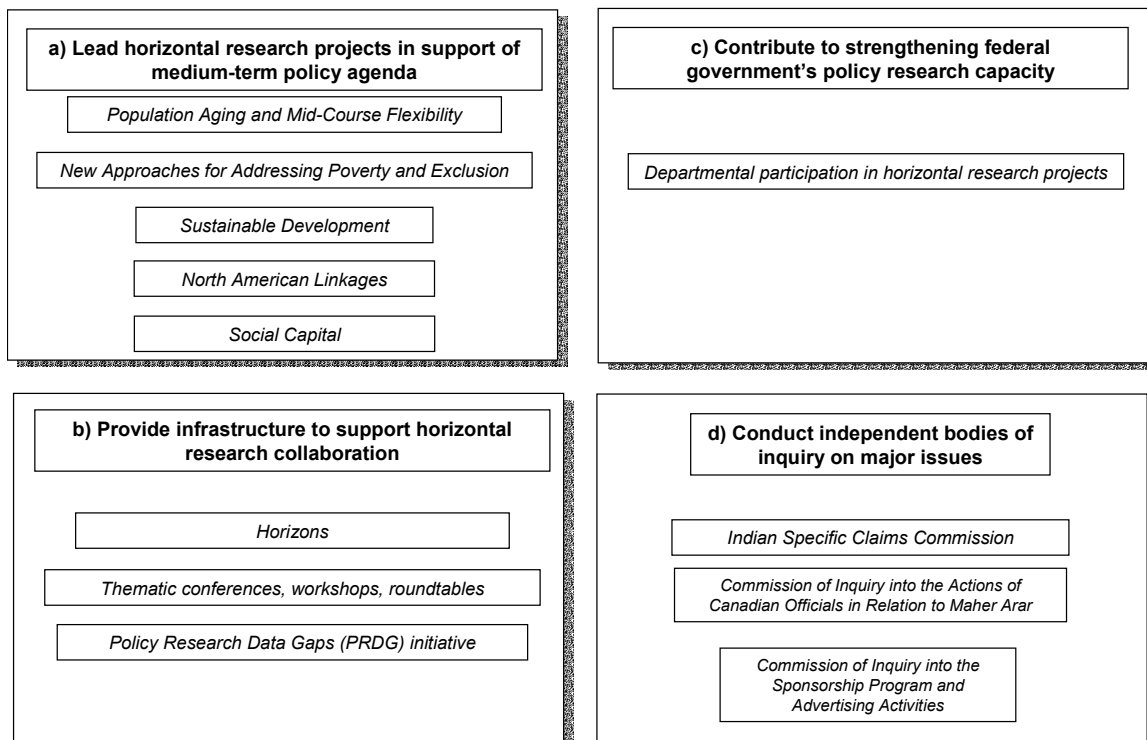
1. Key Priorities

In 2004-05, key priorities will be:

- Lead horizontal research projects in support of the medium-term policy agenda— PRI will continue to lead research projects in the economic, social and environmental spheres.
- Provide infrastructure to support horizontal research collaboration—Examples include the *Horizons* publication (a liaison vehicle for the federal government policy research community), thematic conferences, workshops and roundtables sponsored by PRI.
- Contribute to strengthening the federal government’s policy research capacity— by providing a peer-reviewed process and training ground for policy researchers across departments through their participation in horizontal research projects.
- Conduct independent bodies of inquiry on matters associated with the good government of Canada.

These priorities are summarized in the chart below and described in further detail in the following pages.

Figure 5—Priorities Under Strategic Outcome #2



a) **Lead horizontal research projects in support of the medium-term policy agenda**

The Policy Research Initiative has identified five main areas of work as the top medium-term policy issues facing Canada: *Population Aging and Life-course Flexibility*, *Social Capital as a Public Policy Tool*, *New Approaches to Address Poverty and Social Exclusion*, *North American Linkages* and, *Sustainable Development*.

- **Population Aging and Lifecourse Flexibility**—Aging populations pose a central policy challenge in all developed countries. While perhaps not pointing to the crisis forecast at one time, the figures associated with the wide-scale retirement of the baby-boom generation are still very large. Fiscal pressures related to aging populations will be increasing at the same time as are demands for more meaningful choice in how work, learning, care giving, and leisure are distributed over adult life. The Population Aging and Lifecourse Flexibility project examines how policy might simultaneously address the problem of labour force reduction associated with the coming growth in retirement numbers, and, at the same time, allow people more choice in how they allocate work and other activities over the course of their lives. The PRI interdepartmental exercise, begun in January 2003, is breaking new ground by using a powerful combination of macroeconomic and micro-simulation models to study the macroeconomic, labour market, fiscal and social effects of a variety of scenarios on how people could allocate time to work and other activities over the course of life.
- **New Approaches for Addressing Poverty and Exclusion**—In the 1990's, due to the worsening economic situation, and cuts to social spending, Canada's efforts to address poverty and exclusion fell behind. Since the recovery of the mid-90s, many indicators related to poverty have improved, but earnings and income among poorer families have declined. In recent years, there has been a great deal of change in the way developed countries perceive issues of poverty and exclusion. New data have allowed a better understanding of the dynamics of poverty, its persistence over the course of life, and the identification of groups at risk. The PRI is collaborating with other federal departments in a systematic exploration of new policy approaches to address poverty including the use of legislation, the implementation of asset-based approaches, the role of the social economy and housing policies.
- **Sustainable Development**— Freshwater management is the focus of the current phase of the Sustainable Development project. This is an increasingly important issue in Canada and around the world, as shown by the Walkerton tragedy, the prominence of the Oak Ridge Moraine debate in Ontario, and the inclusion of water issues as a major component of the Johannesburg Implementation Plan for the World Summit on Sustainable Development. The PRI's Sustainable Development project is working with several federal departments and other partners to examine two major aspects of freshwater management in Canada: the use of economic instruments for both pollution control and for demand management, and the federal government's role in freshwater management.

- **North American Linkages**—Maximizing the benefits associated with being a part of the North American economic space, while simultaneously safeguarding the Canadian “way”, has been a key policy concern for Canada in recent decades. This challenge has become central to Canada's policy agenda since the implementation of the Canada-U.S. Free Trade Agreement (FTA, 1989), and the North American Free Trade Agreement (NAFTA, 1994), and continues to dominate the policy agenda today. To help define and understand the challenges and opportunities associated with the evolving economic integration of Canada and the United States, the PRI is conducting inter-related research projects on the following issues: the potential economic benefits of international regulatory cooperation and ways to advance cooperation; the implications for Canada of harmonizing external tariffs and eliminating NAFTA rules of origins, and the emergence of cross-border regions linkages in the economic, institutional and socio-cultural domains and their policy implications.
- **Social Capital as a Policy Tool**—Efforts to harness the concept of social capital have been limited by conceptual ambiguities and measurement difficulties. This project is assessing the role and contribution of social capital in the achievement of federal policy objectives by working with departments to: develop an operational definition and rigorous framework for the analysis and measurement of social capital; identify key policy and program areas where social capital may play an important role in attaining policy objectives; and, incorporate what we learn into a strategic set of recommendations for testing new approaches, improved measurement, and policy action.

b) Provide Infrastructure to support horizontal research collaboration

The integration of research findings into the policy process is done through various means. Departmental policy analysts engaged in the PRI research projects use the knowledge generated through these projects to feed policy advice to decision-makers. The main mechanisms are:

- *Horizons*—A publication and vehicle for research dissemination, written by and for policy researchers within the federal government. The purpose of *Horizons* is to share information among the public and private policy research community on issues that relate closely to PRI horizontal research projects and activities.
- Thematic conferences, workshops and roundtables—To foster exchanges and knowledge transfer among external experts, government policy researchers, and policy analysts.
- The Policy Research Data Gaps (PRDG) initiative—To identify emerging data gaps and achieve consensus-building on priorities for data development.

c) Contribute to strengthening the federal government's policy research capacity

PRI provides a peer-reviewed process and training ground for policy researchers across departments through their participation in horizontal research projects. Small research teams are established for each project, acting as hubs for larger teams of experts and analysts from participating departments.

d) Conduct independent bodies of inquiry on major issues

Under the *Inquiries Act*, the Governor in Council may establish independent commissions to conduct inquiries on matters associated with the good government of Canada. During 2004-2005, three commissions will be active: Indian Specific Claims Commission, Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar, and Commission of Inquiry into the Sponsorship Program and Advertising Activities.

- **Indian Specific Claims Commission**

The Indian Specific Claims Commission assists the First Nations and Canada to settle specific claims. The Commission plays a quasi-judicial role, providing a means of appeal to review Government decisions on claims made by First Nations. The Commission conducts impartial inquiries in response to a request from a First Nation, when the First Nation disputes the decision of the Minister of Indian and Northern Affairs Canada to reject a specific claim; or the First Nation disagrees with the compensation criteria used by the Government in negotiating the settlement of a claim.

At the request of the Government and a First Nation, the Commission will also provide or arrange mediation or facilitation regarding claims. An important aspect of the Commission's work is that sessions are held in the First Nation's Community to provide all parties with a feel of the environment and the specific issues. Currently, the Commission is conducting 30 ongoing inquiries and in 2003-2004, it issued four inquiry reports.

The activities of the Commission have significantly increased with an emphasis on mediation services and public education, in addition to on-going inquiries. The Commission has no fixed time frame for the discharge of its full mandate. Bill C-60 was tabled in June 2002 and reintroduced as Bill C-6 in October 2002. This is legislation to create a new independent specific claims body. This legislation was passed and received Royal Assent in November 2003. Once it is proclaimed, the ISCC will be required to complete its work on outstanding claims and to arrange an orderly transition of files into the new body. The actual transition process has not yet been addressed by the various stakeholders to discuss key issues such as to determine, who and what department will be required to request additional funding to cover the transitional costs.

Effective July 20, 2004, the Minister of Indian Affairs and Northern Development has been designated as the appropriate Minister with respect to the Indian Specific Claims Commission.

- **Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar**

The Inquiry was established February 5, 2004 under Part I of the *Inquiries Act*, on the recommendation of the Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness to investigate and report on the actions of Canadian officials in relation to Maher Arar (Factual Inquiry). The Commissioner is also mandated to make recommendations that he considers advisable on an independent arm's length review mechanism for the activities of the Royal Canadian Mounted Police with respect to national security (Policy Review).

The Honourable Dennis R. O'Connor, Associate Chief Justice of Ontario has been appointed Commissioner of the Inquiry. The Commissioner is to investigate and report on the actions of Canadian officials in relation to Maher Arar, including the following: the detention of Mr. Arar in the United States; the deportation of Mr. Arar to Syria via Jordan; the imprisonment and treatment of Mr. Arar in Syria; the return of Mr. Arar to Canada; and, any other circumstance directly related to Mr. Arar that the Commissioner considers relevant to fulfilling this mandate.

The Commission has no fixed time frame for reporting to the Governor in Council.

- **Commission of Inquiry into the Sponsorship Program and Advertising Activities**

On February 19, 2004, an Order in Council was issued defining the terms of reference for the Commission of Inquiry into the Sponsorship Program and Advertising Activities. Mr. Justice John H. Gomery was named Commissioner under Part I of the *Inquiries Act*.

According to the terms of reference, which are contained in the Order in Council, the Commission has been given a double mandate. The first requires the Commission to investigate and report on questions raised, directly or indirectly, by Chapters 3 and 4 of the November 2003 Report of the Auditor General of Canada. The second mandate calls upon the Commissioner to make recommendations that he considers advisable to the Governor in Council, based upon factual findings, to prevent mismanagement of sponsorship programs and advertising activities in the future.

The Commission has no fixed time frame for reporting to the Governor in Council.

2. How we will measure our performance

For the second strategic outcome, we have identified in Table 3 a preliminary set of key performance indicators for each of the three intended results. As noted earlier, we will refine these indicators as part of the development of PCO's performance measurement framework.

Table 3—Performance Indicators for Key Results of Strategic Outcome #2

Results	Performance Indicators	Measures/Comments
Knowledge and information on emerging horizontal policy issues	Extent to which PRI reports are valued and used by government policy-makers. Use of PRI recommendations or analysis in producing government documents and key statements (e.g., Speech from the Throne, federal budget).	Would require survey of policy-makers as part of a periodic evaluation study.
Effective transfer of knowledge to policy-makers	Extent of collaboration with departments	Degree of participation of departments in research projects.
	Number of PRI sponsored events involving senior departmental officials	For example, roundtables, workshops, conferences, and resulting publications.
	Extent of readership of PRI publications, such as <i>Horizons</i> .	Survey of readership of PRI publications.
Recommendations on matters associated with the good government of Canada are provided to the Government by independent commissions	Extent to which a commission provides recommendations that pertain to mandate	Reviews of commission recommendations.
	Extent to which recommendations by independent commissions are accepted and implemented	Extent to which commission results are reflected in the Speech from the Throne, new legislation, new programs and policies, speeches by Ministers. Extent to which DIAND implements recommendations of Indian Specific Claims Commission

V Organization

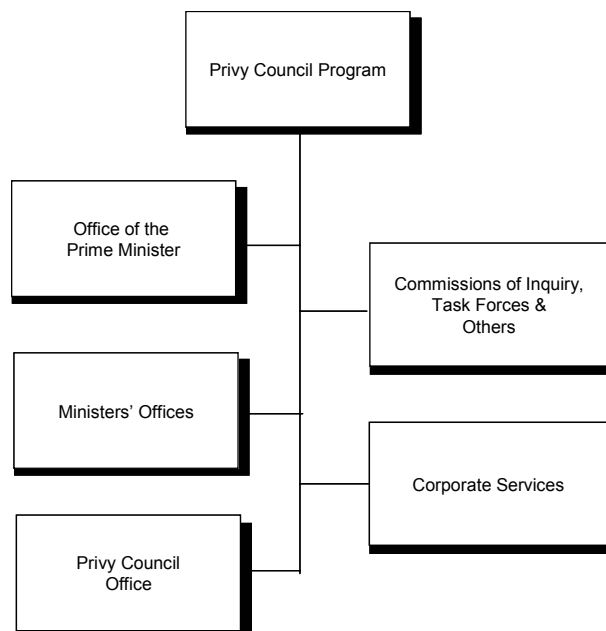
This section provides an overview of the organization of the Privy Council Program. It should be noted that the information contained in this section is current as of July 2004 following the announcement by the Prime Minister on the new Cabinet; further changes to the PCO structure may take place during the balance of this fiscal year. An up-to-date PCO organization chart can be found on the PCO Web site.

A. Accountability

The Queen's Privy Council for Canada was established through the Constitution Act, 1867 to advise and assist the Queen's representative, the Governor General. The Cabinet, which acts formally as the Privy Council, carries out this role. The Privy Council Office (PCO) also came into being at Confederation. As the Prime Minister's department, PCO provides non-partisan advice on Government policies and priorities, and on the Government's organization and its relations with Parliament, the provinces, and other institutions. PCO also advises on the breakdown of responsibilities among Ministers, appointments of Deputy Ministers, and on special matters, such as national security. As well, PCO is the secretariat for the Cabinet and its various committees. The Prime Minister's Deputy Minister has carried the title Clerk of the Privy Council since 1867. A second title, Secretary to Cabinet, was added in 1940. Changes to the Public Service Employment Act in 1992 brought a third title, Head of the Public Service, and responsibility for setting the strategic directions for the Public Service.

The department's Program, called the Privy Council Office Program, comprises five business lines: Office of the Prime Minister, Ministers' Offices, Privy Council Office, Commissions of Inquiry, Task Forces and Others and Corporate Services. (See Figure 6.)

Figure 6: Departmental Structure



1. Office of the Prime Minister Business Line

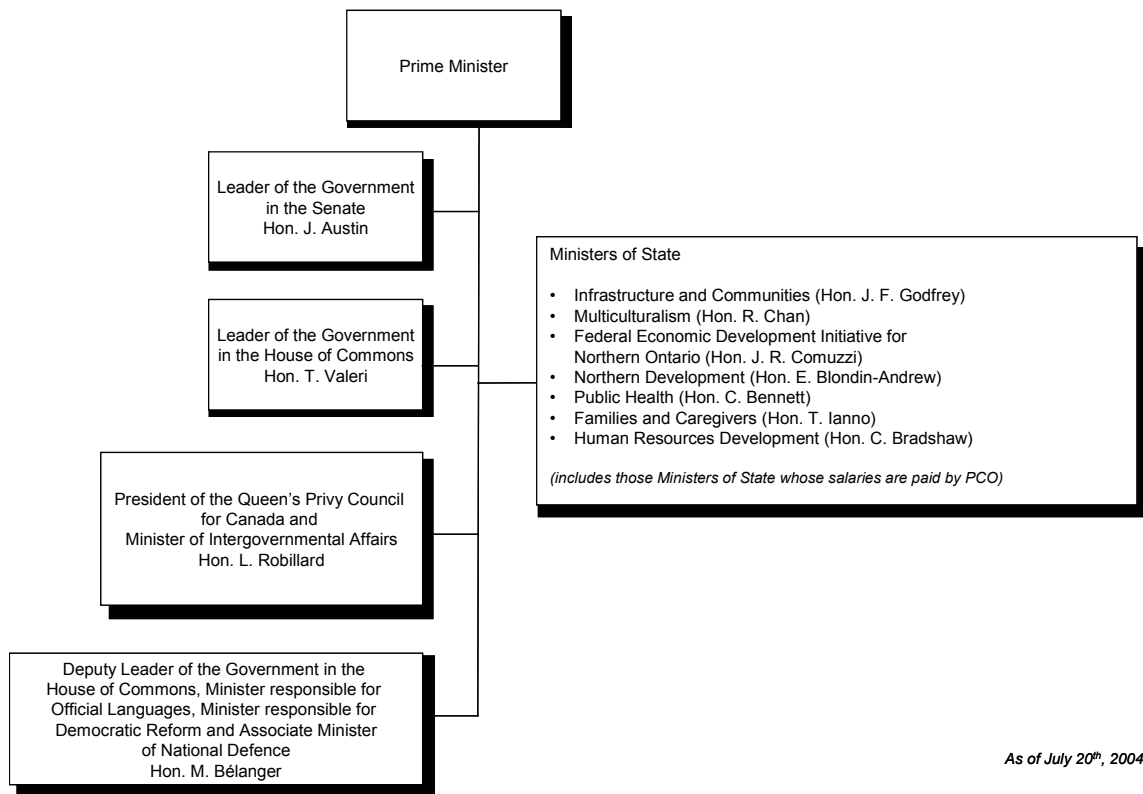
The objective of this Business Line is to provide advice, information and special services to support the Prime Minister as Head of Government and Chair of the following: Cabinet and its Committees on Priorities and Planning, on Global Affairs, on Canada-U.S. and on Aboriginal Affairs. This includes liaison with Ministers; issues management; communications; planning and operations related to the international community; and support for certain political responsibilities, including relations with the Government caucus. This activity also includes costs of operating the Official Residences of the Prime Minister. However, the National Capital Commission is responsible to furnish, maintain, heat and keep in repair the Prime Minister's Official Residences.

2. Ministers' Offices Business Line

Ministers' Offices provide advice, information and support services to the Leader of the Government in the Senate, the President of the Queen's Privy Council for Canada, the Leader of the Government in the House of Commons, the Deputy Leader of the Government in the House of Commons and the Deputy Leader of the Government in the Senate.

This activity includes the Office of the Leader of the Government in the Senate, which manages the Government's legislative program in the Senate and includes the activities of the Deputy Leader of the Government in the Senate; the Office of the President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs which supports the President of the Privy Council in the tasks assigned to him or her by the Prime Minister; the Office of the Leader of the Government in the House of Commons which is accountable for the management of the Government's legislative agenda and to ensure the representation of parliamentary concerns in government decision-making; and the Office of the Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages, Minister responsible for Democratic Reform and Associate Minister of National Defence which supports the management of the Government's legislative agenda and helps to ensure the representation of parliamentary concerns in government decision-making. From time to time, the above Ministers are assigned additional responsibilities which would then become an integrated part of the Ministers' Offices activity. This activity is also responsible for the payment of the salaries and allowances for Secretaries/Ministers of State who assist Cabinet Ministers in carrying out their responsibilities. The operating budgets for these Secretaries/Ministers of State are reported by their respective departments. A chief of staff to each Minister is responsible for managing each of the above offices. (See Figure 7).

Figure 7: Ministers' Offices Business Line Organization Chart



3. Commissions of Inquiry, Task Forces and Others

The purpose of this business line is to gather information and report under specific terms of reference or undertake independent projects or studies. For 2004-2005, this business line includes the work of the Policy Research Initiative, the Indian Specific Claims Commission and two commissions of inquiry, Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar, and Commission of Inquiry into the Sponsorship Program and Advertising Activities.

a) Policy Research Initiative

The Policy Research Initiative advances research on emerging horizontal issues that are highly relevant to the federal government's medium-term policy agenda, and ensures the effective transfer of this knowledge to policy-makers. The Policy Research Initiative is currently running five horizontal research projects: population aging and life-course flexibility, new approaches for addressing poverty and exclusion, social capital as a public policy tool, North American linkages, and sustainable development. The Policy Research Initiative's mandate extends to two ancillary objectives: to contribute to the

strengthening of the federal government's policy research capacity, and, to create an infrastructure that fosters collaboration on interdepartmental policy research.

b) Indian Specific Claims Commission

Following the 1990 Oka crisis, the Indian Specific Claims Commission was created by the federal government in 1991.

The Commission conducts impartial inquiries when a First Nation disputes rejection of its specific claim by Minister of Indian Affairs and Northern Development, or when a First Nation disagrees with the compensation criteria used by Government in negotiating the settlement of its claim. As well as conducting formal inquiries, the Commission, at the request of the government and a First Nation, provides or arranges such mediation services as may in their opinion assist them to reach an agreement in respect of any matter relating to an Indian specific claim.

As noted earlier in Section IV.B.1d), legislation to create a new independent specific claims body has been passed and is awaiting proclamation. As well, as of July 20, 2004, the Minister of Indian Affairs and Northern Development has been designated as the appropriate Minister with respect to the Indian Specific Claims Commission.

c) Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar

The Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar investigates and reports on the actions of Canadian Officials in relation to Maher Arar. The Commissioner is also mandated to make any recommendations he considers advisable on an independent, arm's length review mechanism for the activities of the Royal Canadian Mounted Police with respect to national security.

d) Commission of Inquiry into the Sponsorship Program and Advertising Activities

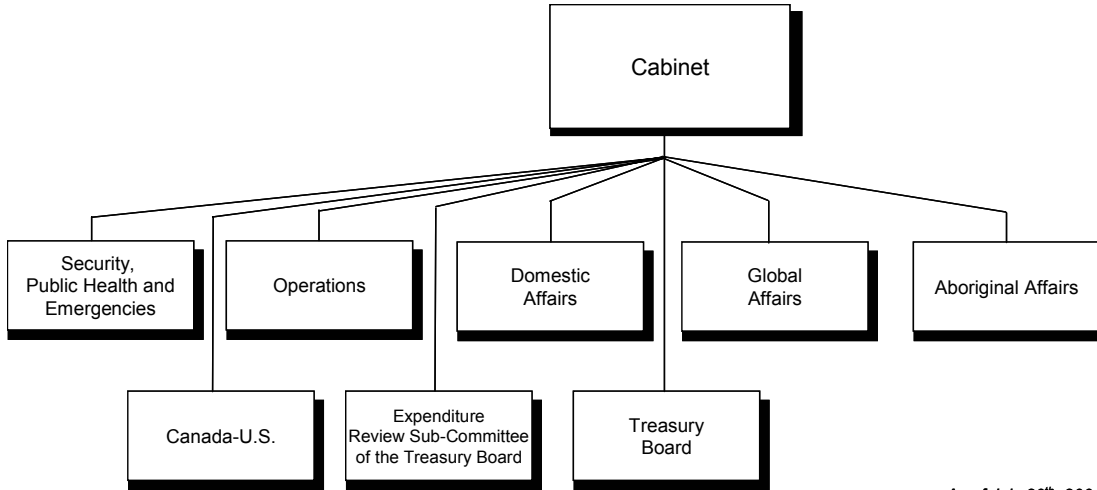
The Commission of Inquiry into the Sponsorship Program and Advertising Activities investigates and reports on questions raised, directly or indirectly, by Chapters 3 and 4 of the November 2003 Report of the Auditor General of Canada to the House of Commons with regards to the sponsorship program and advertising activities of the Government of Canada. The Commissioner is also mandated to make any recommendations that he considers advisable, based on the factual findings, to prevent mismanagement of sponsorship programs or advertising activities in the future.

4. Privy Council Office Business Line

As the secretariat to the Cabinet, the role of the Privy Council Office business line is to provide policy information and advice to the Prime Minister, to Cabinet, to Cabinet committees, as well as to the External Advisory Committee on Smart Regulation and the Advisory Committee on the Development and Implementation of a New Deal for Cities (as of July 20, 2004, support for this committee became the responsibility of the Office of

Infrastructure of Canada). The Treasury Board and the Expenditure Review Committees are supported by the Treasury Board Secretariat, a separate department of government. (See Figure 8.)

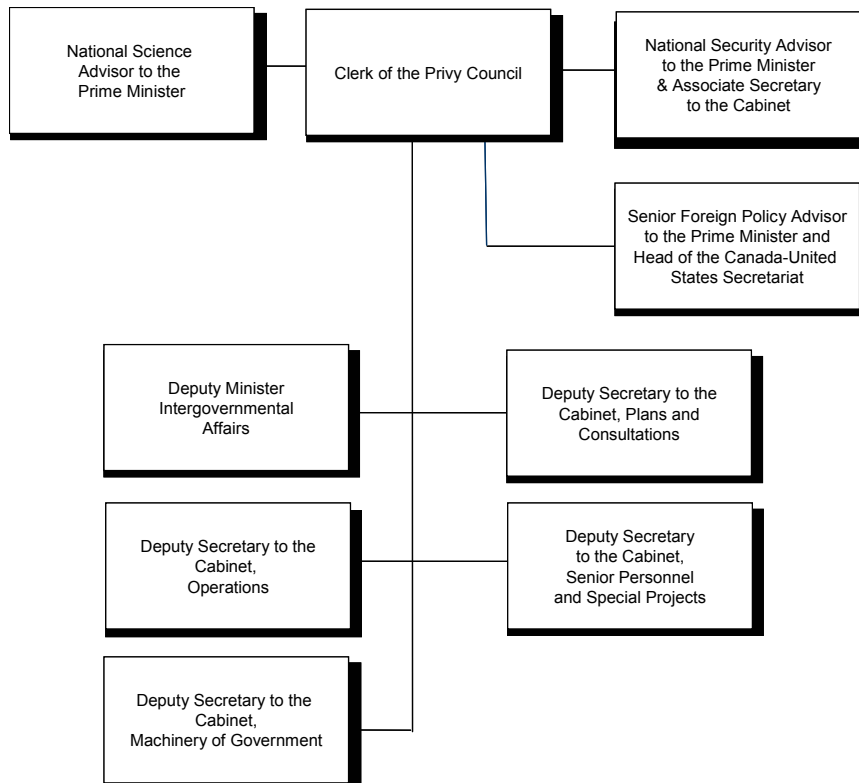
Figure 8: Cabinet Committees



As of July 20th, 2004

The organizational structure for the Privy Council Office is shown in Figure 9. The Clerk of the Privy Council and Secretary to Cabinet is accountable for the management of PCO and reports directly to the Prime Minister. An outline of the roles and responsibilities of each organizational unit is provided on the following pages.

Figure 9: PCO Business Line Organizational Chart



a) Office of the Clerk of the Privy Council and Secretary to the Cabinet

The Clerk of the Privy Council is the most senior non-political official in the Government of Canada, and provides professional, non-partisan support to the Prime Minister on all policy and operational issues that may affect the government. The Clerk of the Privy Council and Secretary to the Cabinet has particular responsibilities with respect to ensuring the continuity of government between successive administrations, keeping custody of the records of previous administrations, and enabling the government of the day to understand and recognize the established conventions of Canada's constitutional monarchy.

b) National Security Advisor to the Prime Minister and Associate Secretary to the Cabinet

The National Security Advisor to the Prime Minister and Associate Secretary to the Cabinet supports the Prime Minister by providing information, advice and recommendations on security and intelligence policy matters, and ensures the effective coordination among the members of the security and intelligence community. Key organizations include:

- **Security and Intelligence Secretariat**—This secretariat provides advice to the Prime Minister on national security and intelligence matters, including major policy developments, public issues, crisis and intelligence community priorities. It supports ministerial decision-making by providing secretariat services to the Cabinet Committee on Security, Public Health and Emergencies and helping departments and agencies bring forward security and intelligence issues for ministerial discussion or approval. It also ensures the security of Cabinet meetings and the facilities of the Prime Minister's Office and the Privy Council Office. The Assistant Secretary, Security and Intelligence, chairs the interdepartmental Intelligence Policy Group of ADM-level officials from the security and intelligence community. The Secretariat convenes and chairs other interdepartmental committees designed to ensure effective coordination of the security and intelligence community.
- **Intelligence Assessment Secretariat (IAS)**—The IAS produces policy-neutral, current and strategic assessments of foreign trends and developments that have the potential to impact on Canadian security, foreign-policy and economic interests. Analysts draw on information from many sources, including highly classified intelligence material, to produce assessments for senior decision-makers in PCO, Foreign Affairs Canada and other government departments.

The IAS plays a key coordinating role for the Canadian intelligence community by serving as secretariat to the interdepartmental Intelligence Assessment Committee and by maintaining and enhancing relationships with Allied intelligence assessment organizations and relevant sectors of Canadian academia.

c) Intergovernmental Affairs

The Deputy Minister (Intergovernmental Affairs) is responsible for providing advice and support on policies and communications related to federal-provincial-territorial relations, constitutional affairs, the evolution of the federation and Canadian unity, Aboriginal relations and official languages. This includes the following broad areas:

- Policy advice and strategic planning related to the Canadian federation, fiscal arrangements, the broad federal-provincial-territorial agenda, as well as constitutional and legal issues. This would include interfacing with external experts and academia in federal-provincial-territorial relations to conduct research on topical issues and constitutional questions.
- Liaison and advice on relations with the provinces and territories, including assessment of provincial priorities, monitoring of policy files with important intergovernmental dimensions, and renewal of the federation.
- Strategic planning and advice for bilateral and multilateral meetings of First Ministers and Ministers. This includes shaping of the agenda and briefing materials for the Prime Minister reflecting the intergovernmental dimensions of key issues and government positions.
- Working with departments in specific sector areas to conduct sector analysis, address emerging issues and address federal-provincial-territorial concerns.
- Official languages policy, including coordination activities in support of the Action Plan for Official Languages, and the development of a horizontal results-based management and accountability framework for official languages.
- Aboriginal affairs, including policy advice to the Ministers on key issues such as self-government, and engaging aboriginal groups in policy discussions and federal-provincial-territorial fora.
- Federal Interlocutor for Métis and Non-Status Indians. This includes management of the funding for pilot projects undertaken with the provinces and territories under the Urban Aboriginal Strategy; and working with federal departments and the provinces to implement the *Powley* decision by the Supreme Court that affirmed that a Métis group can possess Aboriginal rights pursuant to Section 35 of the 1982 Constitution Act. (The Métis community at Sault Ste. Marie was held to have a constitutionally-protected right to hunt for food.)

As of July 20, 2004, these responsibilities have been transferred to the Department of Indian Affairs and Northern Development.

d) Operations

The role of the Operations Branch is to provide secretariat support to Cabinet committees; work with departments on proposals to deliver on the government's priorities; provide non-partisan advice to the Prime Minister, and other ministers on regulatory, economic and social issues; and coordinate and provide advice to manage emerging issues. Specific functions include:

- **Regulatory Affairs and Orders in Council**—The Regulatory Affairs Division provides analysis, briefings and advice on regulatory submissions and on the implementation and development of regulatory policy. The Orders in Council Division provides advice on the use of Orders in Council and manages their approval process. It produces and distributes Orders in Council, publishes regulations in the Canada Gazette, and plans the swearing-in ceremonies at Rideau Hall.
- **Cabinet Papers System**—The Cabinet Papers System provides administrative support services to Cabinet and to Cabinet Committees.
- **Social Development Policy, Economic and Regional Development Policy, and Operations Secretariats**—Responsible for challenging, monitoring, coordinating, and advising on a range of issues including social, economic, environmental, regional development, and trade policy.

e) Plans and Consultations

The Deputy Secretary to the Cabinet (Plans and Consultation), is responsible for considering all matters of government policy from the standpoint of the Government's overall agenda, its key priorities and plans; provides advice on strategic policy issues; and is also responsible for providing secretariat support to Cabinet and for providing advice on communications and consultation across the government. Particular attention is paid to the Budget, the Speech from the Throne and other special or priority issues that may arise from time to time. Emphasis is placed upon ensuring that Ministers are apprised of interrelationships between issues in the context of the Government's strategic priorities. Specific functions include:

- **Priorities and planning**—Assisting the Government in defining its objectives and priorities, for overseeing the development of the Speech from the Throne and for initiation of policy development work consistent with these priorities, and for liaison on these matters with all other parts of the Privy Council Office and with other government departments. Also provides staff support for meetings of the full Cabinet, Deputies' Breakfast and the Coordinating Committee of Deputy Ministers on Policy.
- **Macroeconomic policy**—Strategic policy advice and analysis on economic and fiscal matters and in collaboration with the Department of Finance, the Treasury Board Secretariat and other PCO secretariats, providing analysis and

advice on the economic and financial aspects of a number of major policy files, including the Budget.

- **Communications and consultation**—Advice and support on communications issues and coordination of government-wide communications and consultations.
- **Aboriginal Affairs Secretariat**—Formed in January 2004, it will, along with the Parliamentary Secretary to the Prime Minister for Aboriginal Affairs and the Cabinet Committee on Aboriginal Affairs provide focal points for action to improve the coherence and integration of government policies on behalf of Aboriginal people.
- **Cities Secretariat**—Was created in December 2003 to improve coordination and provide a focal point for work to forge a New Deal with cities, large and small, and ensure that the views of cities, and the regions in which they are located, are brought to the centre of government decision-making.

As of July 20, 2004, the Cities Secretariat has been transferred to the Office of Infrastructure of Canada.

- **Policy Research Initiative**—While the Policy Research Initiative operates at arms-length from PCO, during 2004-2005 the Deputy Secretary (Plans and Consultations) will take responsibility for overseeing how PRI is fulfilling its mandate and how its work contributes to policy planning.

f) **Machinery of Government**

The Machinery of Government Secretariat provides advice and support to the Clerk of the Privy Council and to the Prime Minister on matters related to the structure and functioning of the government as a whole. This reflects the Prime Minister's general responsibility as "architect and umpire" of our system of Cabinet Government, including responsibility for recommending the appointment of Ministers and establishing their mandates; advising on the organization of government; organizing Cabinet and its committees; and, setting the rules for the working of the Cabinet system and the government overall. Specific functions within the Machinery of Government include:

- **Advice on machinery of government**—Providing advice regarding the structure, organization and functioning of government; ministerial mandates and responsibilities; transition from government to government, including organizing Cabinet and its committees; and, issues related to the role of the Crown, the Governor General, Government House and the honours policy.
- **Legislative and House planning**—Providing support to the Government House Leader in the coordination and management of the Government's legislative program, regarding the process of approving legislation for introduction in Parliament and advice on legislation, Parliamentary practices and procedures, Parliamentary Committee matters and on any issues that arise

in Parliament. This also includes advice regarding Democratic Reform and Electoral Reform. Legal advice is also provided on a wide variety of issues within PCO with respect to Cabinet confidences, conventions, the Access to Information Act and the Privacy Act, commissions of inquiry, senior personnel issues and issues related to the deliberations of Cabinet, including court cases with government-wide implications and all federal electoral litigation.

- **Parliamentary Returns**—Ensuring all the information or material sought by both Houses pertaining to written questions, petitions and notices of motions for the production of papers is provided in the most efficient and satisfactory manner and tabled forthwith.

g) Senior Foreign Policy Advisor to the Prime Minister and Head of the Canada-United States Secretariat

The Senior Foreign Policy Advisor supports the Prime Minister as Head of State by providing non-partisan advice, information, and recommendations on matters relating to foreign and defence policy. This role includes the active formulation and execution of international policy; direct communication on behalf of the Prime Minister with foreign government representatives in Canada and with senior officials of foreign leaders' offices; and key dealings with other heads of state and government (on incoming/outgoing foreign visits, summits, correspondence, etc.). He also oversees the work of the Secretariats for both Global Affairs and the Canada-US Cabinet Committees. As a coordination point for international policy development and implementation, the Secretariats are responsible for ensuring appropriate collaboration and linkages both inter and intra departmentally. The core objectives of the Secretariats are to ensure: a whole-of-government approach to Canada-US relations, global affairs, and defence policy; the strategic management of important international issues and their impacts to Canada; and, a greater coherence and leadership to the many international activities/initiatives that advance Canadian interests in the international context.

h) National Science Advisor to the Prime Minister

The role of the National Science Advisor to the Prime Minister is to provide independent advice on the government's directions and priorities for science and technology. This will include providing input on priorities for future investments; advising on the commercialization and innovation gap in Canada and how to close it; examining Canada's role in international S&T and how to bring the benefits of our R&D to the challenges of the developing world; finding mechanisms to remove barriers to horizontal collaborations and build partnerships between various departments, agencies, institutions and foundations, between the public and private sectors; and, developing a framework for the evaluation and funding of big science projects.

i) Senior Personnel and Special Projects

The Senior Personnel and Special Projects Secretariat provides advice and support to the Prime Minister and the Clerk of the Privy Council on building a Public Service for the 21st century, capable of supporting the Government agenda and serving Canadians. This reflects the Prime Minister's overall responsibility for the Public Service and senior appointments, and the Clerk's role as Head of the Public Service. The secretariat is responsible for developing and delivering human resource management policies and services for the effective recruitment, selection, retention and management of Governor in Council appointees, who include deputy ministers, chief executive officers of Crown corporations and heads of agencies. In addition, the secretariat works with other central agencies in the advancement of the Government's Public Service management agenda to ensure the development and implementation of human resource management policies and programs that support excellence in management and service delivery.

5. Corporate Services Business Line

The Corporate Services Business Line consists of Administration, Financial Services, Informatics and Technical Services, Corporate Information Services, Human Resources, and Access to Information and Privacy.

B. Resources by Strategic Outcome and Business Line

Table 4 summarizes the resource relationships between strategic outcomes and business lines.

Table 4—Resource Relationships Between Strategic Outcomes and Business Lines

Strategic Outcomes (2004/2005 Planned Spending in thousands of dollars)						
Efficient operation and appropriate support of the central decision-making mechanisms of the Government			Subjects that need investigation or further study are handled independently from the Government.		Total Business Lines	
Business Lines	FTEs	\$	FTEs	\$	FTEs	\$
Office of the Prime Minister	85	\$7,884	-	-	85	\$7,884
Ministers' Offices	60	\$7,447	-	-	60	\$7,447
Privy Council Office	591	\$106,958	-	-	591	\$106,958
Commissions of Inquiry, Task Forces and Others	-	-	65	\$9,981	65	\$9,981
Corporate Services	327	\$49,549	-	-	327	\$49,549
Total Program	1,063	\$171,838	65	\$9,981	1,128	\$181,819

Notes:

A "full-time equivalent" (FTE) is a measure commonly used by organizations for the quantity of its human resources. The number of FTE's in an organization is often not the same as the number of employees. One FTE is equal to one employee working a full year; two half-time positions also equal one FTE.

Resource levels will need to be adjusted to reflect the July 20, 2004 transfers of the Cities Secretariat, the Federal Interlocutor for Métis and Non-Status Indians and the Indian Specific Claims Commission.

C. Departmental Planned Spending

The Departmental Planned Spending table summarizes the Main Estimates plus Supplementary Estimates, the Minister of Finance's Budget 2004 and other adjustments to arrive at the total planned spending requirement for the Privy Council Office. It also identifies the planned full-time equivalent (FTE) levels over the planning period. (See Tables 5a), 5b) and 5c).

Table 5a)—Departmental Planned Spending

(thousands of dollars)	Forecast Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007
Prime Minister's Office	7,798	7,884	7,884	7,884
Ministers' Offices	9,914	7,447	7,447	7,447
Privy Council Office	48,761	69,948	66,912	51,107
Commissions of Inquiry, Task Forces and Others	4,536	9,981	3,100	3,100
Corporate Services	43,457	46,601	46,505	46,475
Budgetary Main Estimates (gross)	114,466	141,861	131,848	116,013
Non-Budgetary Main Estimates (gross)	-	-	-	-
Less: Respendable revenue	-	-	-	-
Total Main Estimates	114,466	141,861	131,848	116,013
Adjustments				
Supplementary Estimates	28,155			
Transfers from TBS related to Collective Bargaining and Government-wide initiatives	1,076			
Adjustments to Statutory Items	768			
	29,999	39,958 **	26,922	29,901
Net Planned Spending	144,465 *	181,819	158,770	145,914
Less: Non-respendable revenue	532	532	532	532
Plus: Cost of services received without charge	21,704	18,595	18,438	18,254
Net Cost of Program	165,637	199,882	176,676	163,636
Full Time Equivalents	1,006	1,128	1,074	968

* Reflects the best forecast of total net planned spending to the end of the fiscal year.

** Adjustments are to accommodate approvals obtained since the Main Estimates to reflect Budget initiatives (\$28.1 million) and restructuring announcements of December 12th, 2004 (\$11.9 million). Further adjustments will need to be made to reflect the transfers of the Citites Secretariat, the Federal Interlocutor for Métis and Non-Status Indians and the Indian Specific Claims Commission.

Table 5b)—Departmental Planned Spending – Details Concerning the Commissions of Inquiry, Task Forces and Others

(thousands of dollars)	Forecast Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007
Policy Research Initiative *	4,536	3,102	3,100	3,100
Indian Specific Claims Commission **	-	6,879	-	-
Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar ***	-	-	-	-
Commission of Inquiry into the Sponsorship Program and Advertising Activities ***	-	-	-	-
	4,536	9,981	3,100	3,100

* Program Integrity funding of \$1.4 million will sunset in 2003-2004. Funding requirements for 2004-2005 and future years will be evaluated in the fall of 2004.

** Funding for 2003-2004 was obtained through Supplementary Estimates. Funding requirements for 2005-2006 and 2006-2007 will be evaluated during 2004-2005.

*** Funding for the Commissions will be obtained through Supplementary Estimates

Table 5c)—Departmental Planned Spending – Explanations of Major Net Spending Variations

i) From \$144.5 million in 2003-2004 to \$181.8 million in 2004-2005:

- \$46.1 million to fund new items such as Canada's relationship with the Métis Community, additional communications functions as a result of the dissolution of Communication Canada and National Security;
- \$2.1 million mainly related to Employee Benefit adjustments;

Offset by:

- \$6.4 million related to the sunsetting of certain items such as the department's 2003-2004 Operating Carry-Forward, the Program integrity funding for the Policy Research Initiative, the Human Resources Management Modernization, the support to the External Advisory Committee on Smart Regulation and the implementation of the Official Languages Action Plan; and,
- \$4.5 million due to the Prime Minister's transition and changes to the Ministry.

ii) From \$181.8 million in 2004-2005 to \$158.8 million in 2005-2006:

- \$23.0 million related mainly to the sunsetting of certain items such as the Indian Specific Claims Commission and some activities related to Canada's relationship with the Métis community.

iii) From \$158.8 million in 2005-2006 to \$145.9 million in 2006-2007:

- \$12.9 million related mainly to the sunsetting of certain resources in the area of Intergovernmental Affairs and Plans and Consultation.

Annexes

This section provides a financial overview using the following set of financial tables:

- A-1 Summary of Transfer Payments.
- A-2 Sources of Respendable and Non-respendable Revenue.
- A-3 Net Cost of Department for the Estimates Year.

Table A-1—Summary of Transfer Payments

(thousands of dollars)	Forecast Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007
Grants				
Institute of Intergovernmental Affairs, Queen's University	53	53	53	53
Business Line 3 - Privy Council Office	53	53	53	53
Contributions				
Federal Interlocutor's Contribution Program	5,494	5,494	5,494	5,504
Powley's Interim Response from Supreme Court Decision *	-	10,350	-	-
Urban Aboriginal Strategy *	3,200	13,563	11,013	10,963
Business Line 3 - Privy Council Office	8,694	29,407	16,507	16,467
Other Transfer Payments				
	-	-	-	-
Total Grants, Contributions And Other Transfer Payments	8,747	29,460	16,560	16,520

* As of July 20, 2004, the contribution programs have been transferred to the Department of Indian Affairs and Northern Development.

** For further details, see section V.A.4c on page 36).

Table A-2—Sources of Respendable and Non-respendable Revenue

(thousands of dollars)	Forecast Spending 2003-2004	Planned Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007
Total Respendable Revenue				
Refunds of previous year's expenditures	340	340	340	340
Adjustments to prior year's payables	132	132	132	132
Proceeds from the disposal of surplus Crown assets	36	36	36	36
Sale of statutory instruments pursuant to the <i>Statutory Instruments Act</i>	1	1	1	1
Proceeds from sales	16	16	16	16
Revenues pursuant to the <i>Access to Information Act</i> and <i>Privacy Act</i>	3	3	3	3
Sundries	4	4	4	4
Total Non-respendable Revenue	532	532	532	532
Total Respendable and Non-respendable Revenue	532	532	532	532

Table A-3—Net Cost of Department for the Estimates Year

(thousands of dollars)	Departmental Total 2004-2005
Net Planned Spending	181,819
<hr/>	
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	10,261
Contributions covering employees' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (TBS)	5,429
Workmen's compensation coverage provided by Human Resources Canada	10
Salary and associated expenditures of legal services provided by Justice Canada	2,895
	<hr/> 18,595
<i>Less: Non-responsible Revenue</i>	532
2004-2005 Net cost of Department	<hr/> 199,882 <hr/>

Other Information

List of Departmental Web sites which can provide additional relevant information:

Prime Minister	www.pm.gc.ca
Deputy Prime Minister	www.pco-bcp.gc.ca
Leader of the Government in the House of Commons	www.pco-bcp.gc.ca/lgc
President of the Queen's Privy Council and Minister of Intergovernmental Affairs	www.pco-bcp.gc.ca/aia
Leader of the Government in the Senate	www.pco-bcp.gc.ca
Privy Council Office	www.pco-bcp.gc.ca
Indian Specific Claims Commission	www.indianclaims.ca
Speech from the Throne	www.pm.gc.ca/eng/sft-ddt.asp
Policy Research Initiative	www.policyresearch.gc.ca